



**CITY OF FRESNO RETIREMENT SYSTEMS**  
**REGULAR MEETING OF THE INVESTMENT COMMITTEE**

**ACTION AGENDA**

**January 16, 2008**

**Investment Committee held a meeting in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 8:30 AM on the day above written.**

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**ROLL CALL AT 8:35 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Carla Lombardi, Ken Nerland, KC Chen, Doug Hecker

Members Absent: Burry, Chen, Ray

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator and Michael Schlacter of Wilshire Associates

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**APPROVE AGENDA**

Approve the Investment Committee Agenda of January 16, 2008.

ACTION: Approved/Adopted

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**TIMED SCHEDULED HEARINGS AND MATTERS**

**8:30 AM** Presentation and performance review of Pyramis Select International equity portfolio provided by Mr. Art Greenwood, Relationship Manager, and Mr. Lance McInerney, Institutional Portfolio Manager.

ACTION: Received

The Committee accepted the portfolio review provided by Mr. Greenwood and Mr. McInerney. The presentation included a review of the investment discipline, investment process and a summary of inception to date performance of the portfolio.

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**9:30 AM** Presentation and review of the Fidelity Real Estate Growth Fund III, L.P. by Mr. Art Greenwood, Relationship Manager, Mr. Jeff Gandel, Real Estate Investment Director, and Cate Polleys, Director of Real Estate Research.

ACTION: Received

The Committee accepted the presentation and review of the Fidelity Real Estate Growth Fund III, P.P. provided by Mr. Greenwood, Mr. Gandel and Ms. Polleys.

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**A. AGENDA ITEMS**

1. Review, discussion and direction on the evaluation of Pyramis Select International Equity with portfolio review provided by Mr. Michael Schlachter.

ACTION: Approved/Adopted

The Committee accepted the evaluation provided by Mr. Schlachter.

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2. Review, discussion and direction on evaluation report of top tier Real Estate Fund Managers with details of past performance of their funds and search data provided by Mr. Michael Schlachter.

ACTION: To Consultant for More Info

Mr. Schlachter provided the Committee with a listing of Open-Ended Private Real Estate funds which Wilshire has ranked and indicated Wilshire does not have a universe database of Closed End Private Real Estate funds. While the Committee has an interest in pursuing other

opportunities in Real Estate they have determined that due diligence requires consideration of specialized outside legal counsel, real estate consultant and additional staff needs due to cash flow and quarterly withdrawals associated with closed-end real estate funds.

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3. Review, discussion and direction on the preliminary Emerging Markets manager search report presented by Mr. Schlachter.

ACTION: Approved/Adopted

The Committee accepted the Emerging Markets manager search report and requested that all five semi-finalists make presentations in February. Staff scheduled presentations on February 25, 2008.

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4. Review, discuss and reconsider the Due Diligence Site Visitation Sub-Committee recommendations concerning on-site visitations conducted with finalists in the core plus fixed income manager search and address policy issues.

Laid Over Pending Completion Of The Asset Allocation Plan And Target Mix

ACTION: Laid Over

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5. Update and review of staff recommendation previously approved for monthly drawback for operating and payroll costs.

ACTION: Approved/Adopted

The Committee accepted the report and approved staff's recommendation to rebalance the emerging markets portfolio to its target allocation.

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6. Review, discussion and direction on report provided by Michael Schlachter, Investment Consultant, evaluating all possible alternatives and ways to improve the Systems small cap equity asset class performance.

Laid Over Pending Completion Of The Asset Allocation Plan And Target Mix

ACTION: Laid Over

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7. Final review, discussion and direction on recommendation to the Boards relating to the update of the Board's Asset Allocation Plan, Target Asset Mix and the proposed implementation plan.

ACTION: Laid Over

Pending Completion Of The International (Developed And Emerging Markets) Equity Manager Search Process.

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8. Review, discuss and prioritize Investment Committee projects and activities and investment manager presentation schedule for Calendar Year 2008.

ACTION: No Action

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9. Update concerning the reorganization of Acadian Asset Management Inc.

ACTION: Approved/Adopted

The Committee accepted the update requesting that it be taken to the Boards for information.

10. Review, discuss and consider RVKuhns & Associates, Inc. Public Fund Universe Analysis Report summary of Fresno Retirement Systems compared to other systems as of June 30, 2007.

ACTION: Approved/Adopted

The Committee accepted the report.

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**B. INFORMATION ONLY ITEMS**

1. Northern Trust Monthly Portfolio Performance Reports as of December 31, 2007.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of December 31, 2007.

ACTION: Received

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3. Monthly Fixed Income Analysis Report as of December 31, 2007.

ACTION: Received

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4. Action Agenda, Investment Committee Meeting December 19, 2007.

ACTION: Received

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5. 3rdQuarter 2007, Fresno County Performance Report for Western Asset Management Core Fixed Income portfolio.

ACTION: Received

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6. November 2007, Barclays Global Investors Strategy Commentary, Large Cap US Alpha Tilts, International Equity and International Alpha Tilts.

ACTION: Received

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7. December 2007, Heitman Perspective Property and Capital Market Trends, The Liquidity Crunch of 2007: Implications for U.S. Commercial Real Estate in 2008.

ACTION: Received

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8. December 2007/Q4 2007 Portfolio Report, Genesis.

ACTION: Received

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9. December 2007, Loomis Sayles: Surging Energy Prices? Bah, Humbug!

ACTION: Received

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10. December 6, 2007, Sun-Sentinel.com article, State pension fund's risky debt at \$1billion.

ACTION: Received

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11. December 11, 2007, FUNDfire article, Trustee Org Blames Pension in Merrill Claim.

ACTION: Received

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12. December 14, 2007, Wall St. Journal article, How Goldman Won Big on Mortgage Meltdown.

ACTION: Received

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13. December 17, 2007, Goldman Sachs Asset Management's Quantitative Investment Strategies Update.

ACTION: Received

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14. December 19, 2007, Bloomberg.com article, Morgan Stanley Posts Loss, Sells Stake in China.

ACTION: Received

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15. December 20, 2007, FUNDfire article, Barclays Sues Bear Stearns Over Hedge Losses.

ACTION: Received

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16. December 24, 2007, P&Online.com article, CalPERS to shift \$44 billion.

ACTION: Received

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17. January 2, 2008, Email from Agustin Sevilla, Global Chief Investment Officer, AXA Rosenberg.

ACTION: Received

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18. January 3, 2008, Bloomberg.com article, State Street Investment Chief Resigns After Losses.

ACTION: Received

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19. January 4, 2008, FUNDfire article, Callan, BNY Brokerage Sued Over Disclosure.

ACTION: Received

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20. January 7, 2008, P&Online.com article, BGI feels heat over returns.

ACTION: Received

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**C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

None

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**D. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**E. PUBLIC COMMENTS**

None

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