



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

MINUTES

October 26, 2010

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.

ROLL CALL AT 8:30 AM

COMMITTEE MEMBERS PRESENT: Jeff Beatty, Brian Burry, Randy Nason, Marvell French, Ken Nerland, Oscar Williams, and Daniel Ray

Members Absent: Joe Gray, Paul Cliby

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator, Tom Toth, Wilshire Investment Consultants, Pattie Laygo, Executive Assistant.

APPROVE MINUTES

Approve minutes of September 28, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Burry to approve the minutes of September 28, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Burry, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Cliby, Gray

APPROVE AGENDA

Approve agenda of October 26, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Nerland seconded by Member French to approve the agenda of October 26, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Burry, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Cliby, Gray

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 AM Presentation and portfolio review of Wellington Emerging Markets provided by Vera Trojan, Portfolio Manager and Elise Carner, Vice President.

ACTION: Received

The Committee accepted the presentation and portfolio review provided by Vera Trojan, Portfolio Manager and Elise Carner, Vice President of Wellington.

A. CONSENT CALENDAR

1. Approve date and time for the next Regular Meeting of the Investment Committee scheduled November 23, 2010.

ACTION: Approved/Adopted

ON MOTION by Member Nerland seconded by Member French to approve the consent calendar, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Burry, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Cliby, Gray

B. AGENDA ITEMS

1. Wellington Emerging Markets portfolio evaluation provided by Mr. Thomas Toth for review, discussion and direction.

ACTION: Received

The Committee reviewed and discussed and accepted evaluation report provided by Tom Toth

2. Status update and review of Post-Trade Analysis Reports provided by BlackRock and Northern Trust for the transition and restructuring of small cap growth equity portfolios.

ACTION: Received

The Committee accepted the post trade transition analysis reports provided by Blackrock and Northern Trust.

3. Review, discuss and consider Non-U.S. Equity Structure update provided by Mr. Thomas Toth, Wilshire Associates.

ACTION: Laid Over

4. Consider staff recommendation for monthly drawback for operating and payroll costs.

ACTION: Approved/Adopted

The Committee reviewed and discussed staffs recommendations to fund benefit payments for November and December 2010 and bring the Kennedy portfolio close to its target allocation.

ON MOTION BY Member Burry seconded by Member Nerland to approve drawback from Kennedy Capital in the amount of \$10 million as of November 26, 2010, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Burry, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Cliby, Gray

5. Review, discuss and consider analysis of Northern Trust's changes to approved borrowers in the Global Securities Lending Program, provided by Mr. Thomas Toth, Wilshire Associates.
ACTION: Accepted
The Committee reviewed and accepted Investment Consultant's analysis of Northern Trust's Borrowers List for the Global Securities Lending Program.
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6. Review, discuss and consider updated draft of new policy for the evaluation of key service providers.
ACTION: To Staff for More Info
The Committee reviewed and discussed staff recommendations for policy revisions for the evaluation of key service providers. The Committee proposed amendments to reviewl at the next Committee meeting.
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7. Annual performance review of Investment Consulting Firm, relating to the Agreement between Wilshire Associates and the City of Fresno Retirement Systems dated May 1, 2003.

LAID OVER
ACTION: Laid Over
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C. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of September 30, 2010.
ACTION: Received
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2. Northern Trust Monthly Asset Allocation Overview as of September 30, 2010.
ACTION: Received
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3. Monthly Fixed Income Analysis Report as of September 30, 2010.
ACTION: Received
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4. Monthly status update of Investment Manager Monitoring and Evaluation report for the period ending September 30, 2010.
ACTION: Received
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5. September 30, 2010, P&I article, AXA Rosenberg coding error under SEC investigation.
ACTION: Received
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6. October 4, 2010, Money Management Letter article, Sonoma County Seeks Fixed-Income, Equities Managers.
ACTION: Received

7. JP Morgan Asset Management Strategic Property Fund Quarterly Report June 30, 2010.
ACTION: Received
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D. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

E. UNSCHEDULED ORAL COMMUNICATIONS

None

F. PUBLIC COMMENTS

None

G. ADJOURNMENT

11:30 am
