



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

March 18, 2009

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: Paul Cliby, Danny Aguirre, Jeff Beatty, Brian Burry, Marvell, French, Carla Lombardi, Ken Nerland, and Daniel Ray

Members Absent: None

ALSO PRESENT:

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator, Michael Schlachter and Thomas Toth of Wilshire Associates

APPROVE MINUTES

Approve the minutes of February 18, 2009, regular meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Nerland to approve the minutes of February 18, 2009, regular meeting of the Investment Committee, **DULY CARRIED RESOLVED** by the following vote:

AYES: Cliby, Lombardi, Aguirre, Beatty, Burry, French, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE AGENDA

Approve agenda of March 18, 2009, regular meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Nerland, to approve the agenda of March 18, 2009, regular meeting of the Investment Committee, **DULY CARRIED RESOLVED** by the following vote:

AYES: Cliby, Lombardi, Aguirre, Beatty, Burry, French, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 AM Presentation and International Core Equity portfolio performance review by Art Greenwood, Relationship Manager and Abhijeet Singh, CFA, Associate Institutional Portfolio Manager of Pyramis Global Advisers Select International.

ACTION: Received

The Committee accepted the presentation given by Art Greenwood, Relationship Manager who provided an organizational update, and Abhijeet Singh, CFA who provided an overview of select international, platform, investment process and parameters, select international performance as of December 31, 2008, attribution by region, contributors and detractors, and portfolio positioning and characteristics.

9:30 AM Presentation and International Core Equity portfolio performance review by Douglas Coughlin, CFA Vice President and Ronald D. Frashure, CFA President and Co-CIO of Acadian Asset Management, LLC.

ACTION: Received

The Committee accepted the presentation given by Ronald D. Frashure, CFA, President and Co-CIO and Douglas C. Coughlin, CFA, Vice President of Acadian Asset Management, who provided an overview of Acadian's investment philosophy, process overview with example, portfolio construction and trading, and research process. The Systems portfolio mandate, key characteristics, regional and industry allocations, top 10 portfolio weights as of February 28, 2009, and performance attribution was also reviewed.

A. AGENDA ITEMS

1. Acadian and Pyramis international core equity portfolio evaluations provided by Mr. Michael Schlachter for review, discussion and direction.

ACTION: Accepted

The Committee reviewed, discussed and accepted report submitted by Investment Consultant.

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2. Review, discussion and direction on the monthly update of the Investment Manager Monitoring and Evaluation report for the month ending February 28, 2009.

ACTION: Approved/Adopted

The Committee reviewed and accepted monthly report provided by Investment Consultant, with discussion and direction that the Committee conduct a special meeting with open discussion to review processes and procedures used to conduct manager searches, including an evaluation of investment decisions made over the past five years.

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

ACTION: Approved/Adopted

The Committee accepted staff report and rebalancing spreadsheet, reviewed and discussed drawbacks which are required to meeting the minimum asset allocations in domestic and international equity portfolios, and to begin discussions to prepare for implementation of Phase II of Asset Allocation Plan.

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4. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2009.

ACTION: Received

The Committee accepted report as submitted.

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of February 28, 2009.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of February 28, 2009.

ACTION: Received

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3. Monthly Fixed Income Analysis Report as of February 28, 2009.

ACTION: Received

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4. January 2009, Builder article from Paul Cliby, Starting Over by John Caulfield.
ACTION: Received

 5. February 2009, K&L | Gates Investment Management & Public Policy Alert.
ACTION: Received

 6. February 11, 2009, P&I online article, AllianceBernstein vet tapped as GMO's first CEO.
ACTION: Received

 7. February 11, 2009, Bloomberg.com article, Gross Bought Mortgages, Sold US Debt Last Month.
ACTION: Received

 8. February 17, 2009, Financial Week article, Alleged "massive fraud" at Stanford Financial exposes Regulatory gaps – again.
ACTION: Received

 9. February 17, 2009, Bloomberg.com article, Allen Stanford Accused of "Massive, Ongoing" Fraud.
ACTION: Received

 10. February 18, 2009, Northern Trust names 6 as executive VPs
ACTION: Received

 11. February 18, 2009, FUNDfire article, CalPERS Set to Tighten Up on Leverage.
ACTION: Received

 12. February 20, 2009, FUNDfire article, ING Fired from \$450M Fixed Income Mandate.
ACTION: Received

 13. February 20, 2009, Email from Pat Crane at Batterymarch, Nathalie Wallace to join Batterymarch Emerging Markets Team.
ACTION: Received

 14. February 23, 2009, BARRON's Feature, In Northern They Trust.
ACTION: Received

 15. February 24, 2009, FUNDfire article, Budget Cuts Force Managers to Rethink RFPs.
ACTION: Received

 16. February 25, 2009, Bloomberg.com article, Northern Trust CEO Defends Golf Sponsorship in Face of Critics.
ACTION: Received

17. March 1-5, 2009, articles related to Westridge Fraud.

ACTION: Received

18. March 3, 2009, Wilshire Consulting, 2009 Wilshire Report on State Retirement Systems: Funding Levels and Asset Allocation.

ACTION: Received

19. March 5, 2009, FUNDfire article, Big Investors Brace for Private Equity Losses.

ACTION: Received

20. March 6, 2009, Global Pensions article, Deutsch resigns as San Diego CIO.

ACTION: Received

21. March 9, 2009, Bloomberg.com article, AIG Told US Failure May Cripple Banks, Money Funds

ACTION: Received

22. March 12, 2009, Bloomberg.com article, Geithner Expects "Many" Banks Will Repay Government TARP funds.

ACTION: Received

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

Presentations and Portfolio Review with Aberdeen and Dodge & Cox

D. UNSCHEDULED ORAL COMMUNICATIONS

None

E. PUBLIC COMMENTS

None

F. ADJOURNMENT

11:50 a.m.
