



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

**MINUTES**

**March 23, 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.**

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**ROLL CALL AT 8:35 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Carla Lombardi, Jeff Beatty, Brian Burry, Marvell French (arrived 8:37 am), Oscar Williams and Daniel Ray

Members Absent: Danny Aguirre

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

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**APPROVE MINUTES**

Approve minutes of February 23, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Williams to approve the minutes of February 23, 2010, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: Aguirre

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**APPROVE AGENDA**

Approve agenda of March 23, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION BY Member Lombardi seconded by Member Williams to approve the agenda of March 23, 2010, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: Aguirre

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**TIMED SCHEDULED HEARINGS AND MATTERS**

**8:30 AM** Presentation and portfolio review of Baillie Gifford ACWlxUS international equity portfolio provided by Julie Skedd, Andrew Telfer and Andrew Stobart of Baillie Gifford.

ACTION: Received

The Committee received introduction of Baillie Gifford by Andrew Telfer, Julie Skedd, Client Services Team provided market background, performance update, return increase in earnings and clients, reviewed portfolio construction group, emerging markets, and Andrew Stobart an Investor on the Emerging Market Team addressed international political risks, emerging markets, recent activity, portfolio investment processes, market outlook and inflationary factors were also discussed.

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**A. CONSENT CALENDAR**

1. Approve date and time for the next Regular Meeting of the Investment Committee scheduled at 8:30 a.m. on April 27, 2010.

ACTION: Approved/Adopted

Due to conflicting schedules and some members attending the Wilshire Conference, the Committee reviewed calendars and rescheduled the next regular meeting of the Investment Committee to Friday, April 30, 2010.

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

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

NOES: None

ABSTAIN: None

ABSENT: Aguirre

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## B. AGENDA ITEMS

1. Continuing Investment Education session provided by Mr. Thomas Toth.

ACTION: Approved/Adopted

The Committee accepted the educational presentation provided by Mr. Thomas Toth, Investment Consultant who provided an overview of the types of private market investments, secondary investments, characteristics, partnership structures, implementation and current market environment.

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2. Baillie Gifford ACWxUS International Equity portfolio evaluation provided by Mr. Thomas Toth for review, discussion and direction.

ACTION: Received

The Committee reviewed and discussed Ballie Gifford's presentation and received a summary evaluation and performance update by Tom Toth, Investment Consultant.

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3. Monthly status update of Investment Manager Monitoring and Evaluation report for the period ending February 28, 2010.

ACTION: Received

The Committee reviewed reports, discussed with Investment Consultant and considered staff's recommendations.

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4. Review, discussion and direction concerning final recommendation related to two large cap core index funds.

ACTION: Approved/Adopted

The Committee received update by the Administrator and discussed recommendation to consider maintaining a minimum of \$30 million balance in the S&P 500 equity index, the Committee also directed the Investment Consultant to conduct a thorough review of the exposure and risk of securities lending collateral pools associated with the Russell 1000 and S&P 500 equity index funds.

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5. Review, discussion and direction pertaining to results of the Small Cap Growth equity search.

ACTION: Received

The Committee received overview and summary of Small Cap Growth Manager Search Criteria presented by the Investment Consultant, discussed, considered candidates and scheduled finalists, presentations and due diligence. Staff also provided updated comparison information.

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6. Status update and review of Northern Trust Securities Lending – USA Core Cash Collateral Pool. The Committee reviewed and accepted the status update on the Northern Trust Securities Lending program acknowledging Northern Trust's reversal of CFRS' remaining collateral deficiency in the Core USA Cash Collateral Pool of (\$734,371) and the improvement of market to book price of 1.0016.
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7. Consider staff recommendation for monthly drawback for operating and payroll costs.  
ACTION: Approved/Adopted  
The Committee accepted staff's recommendation, discussed current cash flow projections and future withdrawals from Emerging markets given the current overweight target allocations.
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8. Status Update Thomas Hickey III, K&L | Gates.  
ACTION: Received  
The Committee received status update from the Administrator. Staff is directed to schedule Mr Hickey for a presentation to the Committee.
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9. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2010.  
ACTION: Received  
The Committee received and accepted the list of topics and potential projects.
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### **C. INFORMATION ONLY ITEMS**

1. Northern Trust Monthly Portfolio Performance Reports as of February 28, 2010.  
ACTION: Received
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2. Northern Trust Monthly Asset Allocation Overview as of February 28, 2010.  
ACTION: Received
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3. Monthly Fixed Income Analysis Report as of February 28, 2010.  
ACTION: Received
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4. Action Agenda, Investment Committee Meetings February 23, 2010.  
ACTION: Received
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5. February 16, 2010, P&I Online article, California Treasurer slams State Street extension.  
ACTION: Received
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6. February 18, 2010, Bloomberg.com article, Federal Reserve Raises Discount Rate by Quarter-Point to 0.75%.  
ACTION: Received
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7. February 22, 2010, Bloomberg.com article, Pimco Rejected by U.S. High Court on Market-Manipulation Suit.
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ACTION: Received

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8. February 22, 2010, Money Management Executive article, Capital Group Struggling With Biggest Outflows in 79-Year History.

ACTION: Received

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9. February 24, 2010, Dodge & Cox Announcement.

ACTION: Received

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10. March 5, 2010, Loomis-Sayles White Paper: The Global Bond Market – Opportunity or Opportunity Cost?

ACTION: Received

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11. March 9, 2010, P&I Online article, CalPERS narrows consultant choices.

ACTION: Received

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12. March 12, 2010, letter from Julia K. Bonafede, CFA, President of Wilshire Consulting.

ACTION: Received

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

1. JPMorgan Strategic Property Fund portfolio review.

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**E. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**F. PUBLIC COMMENTS**

None

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**G. ADJOURNMENT**

11:35 am

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