



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

ACTION AGENDA

December 19, 2007

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 8:35 AM

COMMITTEE MEMBERS PRESENT: Paul Cliby, Brian Burry, KC Chen, and Daniel Ray

Members Absent: Carla Lombardi, Ken Nerland

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator Michael Schlacter, Jill Triana and Andrew Junkin of Wilshire Associates

APPROVE AGENDA

Approve the Investment Committee Agenda of December 19, 2007

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Chen to approve the Investment Committee agenda of December 19, 2007, DULY CARRIED by the following vote:

AYES: Cliby, Burry, Chen

NOES: None

ABSTAIN: None

ABSENT: Lombardi, Nerland

TIMED SCHEDULED HEARINGS AND MATTERS

None

A. AGENDA ITEMS

1. Review, final discussion and direction relating to the update of the Board's Asset Allocation Plan, Target Asset Mix and the proposed implementation plan.

ACTION: Received

The Committee discussed the phased implementation of the proposed asset allocation plan in detail and agreed in general terms that the proposed plan is acceptable pending further review following completion of the international equity manager search process, further education of real estate opportunities and the development of a practical timeline for staged implementation.

2. Review, discussion and direction on Private Real Estate Overview educational presentation by Michael Schlachter.

ACTION: Received

Mr. Schlachter presented an overview of the Private Real Estate investment opportunities and discussed Wilshire's capabilities and limitation in providing in-depth real estate investment consulting and legal expertise in the area of contract negotiations. The Committee agreed to invite Pyramis Opportunistic Real Estate investment managers to make a presentation in January albeit the Committee may not be ready to make a commitment for funding of the opening available in March due to the short time frame available for legal review of agreements, etc.

3. Review, discussion and direction on the preliminary manager search report for the possible replacement of or addition of a new International Equity manager due to the termination of The Boston Company and the proposed Asset Allocation Plan under discussion.

ACTION: To Consultant

The Committee reviewed preliminary results of the EAFE and ACWIxUS search reports and concluded that it would invite managers with both mandate to make a presentation on January 30, 2008. Mr. Schlachter was asked to prepare and present a preliminary Emerging Markets international equity search report at the regular meeting on January 16, 2008.

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.

ACTION: Laid Over

LAID OVER PENDING COMPLETION OF THE ASSET ALLOCATION PLAN AND TARGET MIX

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

ACTION: To Consultant

The Committee accepted staff's recommendation to withdraw funds from the small cap equity managers over the next three to six months to fund benefit payments and operating expenses and to implement the new asset allocation plan approved in concept by the Investment Committee.

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.

ACTION: Laid Over

LAID OVER PENDING COMPLETION OF THE ASSET ALLOCATION PLAN AND TARGET MIX

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

ACTION: Other

Pyramis will be invited to make a presentation and portfolio review of both the Select International Equity portfolio and the proposed Opportunistic Real Estate Fund at the January 16, 2008 meeting.

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of November 30, 2007.

ACTION: Received

2. Northern Trust Monthly Asset Allocation Overview as of November 30, 2007.

ACTION: Received

3. Monthly Fixed Income Analysis Report as of November 30, 2007.

ACTION: Received

4. Action Agenda, Investment Committee Meeting November 28, 2007.

ACTION: Received

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5. December 5, 2007, Bloomberg.com article, Orange County Funds Hold SIV Debt on Moody's review.

ACTION: Received

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6. December 13, 2007, Press Release, Aberdeen appoints new Head of Fixed Income.

ACTION: Received

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

D. UNSCHEDULED ORAL COMMUNICATIONS

E. PUBLIC COMMENTS

ADJOURNMENT 10:55 AM

There being no further business to bring before the Committee, and hearing no objections, the Chair declares the Investment Committee meeting adjourned.