



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

MINUTES

November 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.

ROLL CALL AT 8:30 AM

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

Members Absent: None

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

APPROVE MINUTES

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

ACTION: Approved/Adopted

ON MOTION by Member Gray seconded by Member Cliby to approve the minutes of October 26, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE AGENDA

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

ACTION: Approved/Adopted

ON MOTION by Member Cliby seconded by Member Williams to approve the agenda of November 23, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

TIMED SCHEDULED HEARINGS AND MATTERS

None

A. CONSENT CALENDAR

1. Approve date and time of the next regular meeting of the Investment Committee scheduled at 8:30 am on December 28, 2010.

ACTION: Approved/Adopted

The Committee reviewed calendars and discussed potential meeting dates for the next meeting and determined that meeting scheduled on December 28, 2010 is canceled.

ON MOTION BY Member Nerland seconded by Williams to approve the consent calendar DULY CARRIED RESOLVED BY THE FOLLOWING VOTE:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

B. AGENDA ITEMS

1. Review, discussion and direction on recommendation of the Due Diligence On-Site Sub-Committee regarding finalists in the Large Cap Core Equity Search, possible termination and transition of existing portfolios.

ACTION: Approved/Adopted

The Committee reviewed and discussed recommendations of the due diligence Committee and concluded that Capital Guardian be terminated and replaced.

ON MOTION by Member Burry seconded by Member Gray to approve the retention of JPMorgan for a large cap core equity mandate, terminate the Capital Guardian portfolio and transition cash/holding into the JPMorgan portfolio, terminate the AllianceBernstein portfolio and transition assets into the BlackRock Russell 1000 index fund, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

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2. Review, discuss and consider actions pertaining to the Non-U.S. Equity Structure analysis provided by Mr. Thomas Toth, Wilshire Associates.

ACTION: Approved/Adopted

The Committee reviewed International Equity Structure Analysis provided by Investment Consultant.

ON MOTION by Member Burry seconded by Member Gray to recommend board approval to change benchmark to the MSCI ACWI ex-US, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

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3. Review, discussion and direction on Investment Manager Monitoring and Evaluation report for the periods ending September 30, and October 31, 2010.

ACTION: Approved/Adopted

The Committee accepted staff's recommendations to continue the process to review, monitor and evaluate the managers designated Under Review status.

4. Review and accept the Investment Performance Reports from Wilshire Associates for the quarter ended September 30, 2010.

The Committee accepted performance reports as submitted by the Investment Consultant and requested addition of Russell 1000 Index.

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

The Committee reviewed and discussed staffs recommendations and direction is made to consider drawback for January 2011 and to withhold for January from index.

6. Review, discuss and consider new policy and form for the evaluation of key service providers. The Committee reviewed and accepted new policy and form for the valuation of key service providers.

ON MOTION by Member Cliby seconded by Member Williams to recommend Board approval of new policy and form for the evaluation of key service providers, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Aranaz, Burry, Cliby, Dyer, French, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

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.

ACTION: Laid Over

C. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of October 31, 2010.

ACTION: Received

2. Northern Trust Monthly Asset Allocation Overview as of October 31, 2010.

ACTION: Received

3. Monthly Fixed Income Analysis Report as of October 31, 2010.

ACTION: Received

4. November 2010, Capital Guardian board member title changes.

ACTION: Received

5. November 2010, Kennedy Capital Management letter from Randall L. Kirkland, CFA.

ACTION: Received

D. UNSCHEDULED ORAL COMMUNICATIONS

None

E. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

F. PUBLIC COMMENTS

None

G. ADJOURNMENT

11:30 am
