



CITY OF FRESNO RETIREMENT SYSTEMS REGULAR MEETING OF THE INVESTMENT COMMITTEE

AGENDA

Wednesday, May 27, 2009

8:30 AM

Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, CA 93721

COMMITTEE MEMBERS:

Paul Cliby-Chair, Carla Lombardi-Vice Chair, Danny Aguirre, Jeff Beatty, Brian Burry, Marvell French, Ken Nerland, Oscar Williams, and Daniel Ray, Independent Advisor

STAFF & ADVISORS:

Stanley L. McDivitt, Retirement Administrator
Kathleen Riley, Asst Retirement Administrator
Michael Schlachter, Wilshire Investment Consultants

(1) If you want to speak to the Committee, please complete a [Request to Speak](#) form and hand it to the Board Secretary at the beginning of the Board Meeting. (2) The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators should be made one week prior to the meeting. Please call the Retirement Board Secretary at 559-621-7085 to make arrangements.

ROLL CALL

APPROVE MINUTES

Approve minutes of April 15, 2009, Regular Meeting of the Investment Committee.

APPROVE AGENDA

Approve agenda of the May 27, 2009, Regular Meeting of the Investment Committee.

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 AM Presentation and REIT portfolio performance review by Jake Anonson and Paul Stover Client Relationship Managers and Matt Richmond, Portfolio Manager of Principal Real Estate Investors.

Action: _____

9:30 AM Presentation and REIT portfolio performance review by Christina Polito, Client Relationship Manager and Tim Pire, Portfolio Manager of HEITMAN Real Estate Securities LLC.

Action: _____

A. AGENDA ITEMS

1. Review and discuss Heitman and Principal REIT portfolio evaluations provided by Mr. Michael Schlachter for review, discussion and direction.

Action: _____

2. Review and accept the Investment Performance Reports from Wilshire Associates for the quarter ending March 31, 2009.

Action: _____

3. Review, discussion and direction on the quarterly update of the Investment Manager Monitoring and Evaluation report for the period ending March 31, 2009.

Action: _____

4. Review, discuss and consider R.V. Kuhns & Associates, Inc. Public Fund Universe Analysis Report for the period ending December 31, 2008.
Action: _____
5. Review, discuss and consider investment return assumptions for update of the surplus projection studies for both systems.
Action: _____
6. Review, discussion and direction on recommendation to subscribe to eVestment Alliance Database.
Action: _____
7. Review, discuss and define appropriate levels of Due Diligence.
Action: _____
8. 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: _____
9. Review, discuss and consider issues relating to CalPERS adoption of a Statement of Investment Policy for the Disclosure of Placement Agent Fees.
Action: _____
10. Status update and review of declared deficiency in the Northern Trust Securities Lending - USA Core Cash Collateral Pool.
Action: _____
11. Review, discussion and direction on request from Aberdeen to permit portfolio to hold specified Mortgage Backed Securities which may exceed below investment grade limit.
Action: _____
12. Review, discussion and direction on the formal legal review of the Boards' Master Investment Manager, Master Custodial Bank and Securities Lending Agreements provided by K&L I Gates.

Laid Over to June meeting.
Action: _____
13. Annual review, discussion and direction on policy concerning Independent Advisory Member to the Investment Committee.
Action: _____
14. Review and approve rebalancing of the Portfolio and Drawback for June 2009 expenses.
Action: _____
15. Review, discuss and consider issues relating to Barclays sale of Barclays Global Investors.
Action: _____
16. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2009.
Action: _____

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of April 30, 2009.
2. Northern Trust Monthly Asset Allocation Overview as of April 30, 2009.
3. Monthly Fixed Income Analysis Report as of April 30, 2009.
4. May 4-6, 2009, news articles re: Wilshire Associates, Kern Co. & Westridge Capital.

5. May 6, 2009, Plansponsor.com article, Detroit City Employee Sues Trustees and Adviser over Risky Investments.
6. May 4, 2009, InvestmentNews article, Principal lays off 75 in asset management division.
7. March-April 2009, CFA Magaine, article How to Avoid the Next Madoff.
8. May 11, 2009, FUNDFire article, Legg's Western Shows Signs of a Turnaround.
9. April 15, 2009, SanDiego Tribune article, SEC chief: need tigher oversight of rating firms.
10. April 29, 2009, Bloomberg.com article, Flawed Credit Ratings Reap Profits as Regulators Fail.
11. April 16, 2009, P&Ionline.com article, CalPERS plans extreme hedge fund makeover.
12. April 23, 2009, Chicago Tribune article, Northern Trust Chairman:Firm Wants "Out of TARP".
13. April 16, 2009, Bloomberg.com article, Dimon Says He's Eager to Repay "Scarlet Letter" TARP.
14. April 13, 2009, Forbes article, Day of Reckoning.
15. April 23, 2009, P&I article, Heavy outflows plague AllianceBernstein.
16. May 12, 2009, Wilshire Consulting, SOS...____...TARP, TALF, PPIP, BAB.
17. May 5, 2009, FUNDFire, SEC Official Calls for Hedge Registration.
18. May 6, 2009, Bloomberg.com, Loomis Sayles Sells All of Its GM Deft, Quits Bondholder Group.
19. May 6, 2009, Bloomberg.com, Fed Seeks End to Wall Street Lock on OTC Derivatives.
20. May 6, 2009, FUNDFire, Global Managers in Short Supply, High Demand
21. May 11, 2009, Bloomberg.com, Gross Reduces U.S. Debt for FirstTime Since January.
22. May 11, 2009, Bloomberg.com, Goldman to Pay \$60 Million in Massachusetts Subprime Settlement.
23. May 15, 2009, Bloomberg.com, Prudential Among Insurers Cleared for U.S. Bailout.
24. May 14, 2009, Bloomberg.com, BlackRock High-Yield, High-Risk Debt Managers Resign From Firm.
25. May 18, 2009, FUNDFire, Public, Corporate Plan Allocations Diverge.
26. May 18, 2009, San Diego Business Journal, Stock Market Woes Lead to Billions in Pension Fund Losses.
27. May 16, 2009, Bloomberg.com, Placement Agents Likely to 'Go Away,' Illinois."
28. May 11, 2009, Fundfire.com, CalPERS Cracks Down on Middlemen.
29. May 11, 2009, FresnoBee.com, Taxpayers should watch as public pension scandal unfolds.
30. May 8, 2009, Propublica.org, Pension Scandal Two Resignations in LA.
31. May 8, 2009, Pensions&Investments, 2nd LA Fire and Police Board Member Resigns.
32. May 6, 2009, Fundfire.com, MassPRIM Defends Marketers as Others Ban Them.
33. May 4, 2009, Plansponsor.com, Connecticut's Nappier Adds Third-Party Manager Disclosures and Separating from Aldus Capital.
34. May 1, 2009, Plansponsor.com, LACERS Enacts Paid Agent Disclosure Rules.
35. May 1, 2009, Pensions&Investments, LACERS to ask future hires about Placement Agents.
36. April 30, 2009, Pension&Investments, California treasurer wants manager, agents review.
37. April 24, 2009, Bloomberg.com, Quadrangle Paid Morris' Firm Fees for LA Investment.

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

1. Presentation and Portfolio Review with JPMorgan - SPF

Action: _____

D. UNSCHEDULED ORAL COMMUNICATIONS

Action: _____

E. PUBLIC COMMENTS

Action: _____

F. ADJOURNMENT

Action: _____

**SCHEDULE OF
MEETING OF THE INVESTMENT COMMITTEE
(All Meeting Dates And Times are Subject To Change)**

Date	Scheduled Presentations/Comments
May 27, 2009	
June 24, 2009	
July 22, 2009	
August 26, 2009	
September 23, 2009	
October 28, 2009	
November 25, 2009	subject to change
December 23, 2009	
January 27, 2010	
February 24, 2010	
March 24, 2010	
April 28, 2010	
May 27, 2010	

The schedule will be revised monthly and included in the agenda package. The Retirement Office will be responsible for notifying and confirming in writing all parties scheduled to attend retirement meetings.