



CITY OF FRESNO RETIREMENT SYSTEMS
REGULAR MEETING OF THE INVESTMENT COMMITTEE

ACTION AGENDA

September 17, 2008

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, Ken Nerland, Oscar Williams

Brian Burry, Carla Lombardi, and Daniel Ray

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator and Michael Schlacter of Wilshire Associates

APPROVE AGENDA

Approve agenda of September 17, 2008, regular meeting of the Investment Committee.

ACTION: Approved/Adopted

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 AM Presentation and High Yield Fixed Income portfolio review by Mr. Rich Bruder, Portfolio Manager of Loomis Sayles.

ACTION: Received

The Committee accepted the presentation, portfolio review and reports provided by Mr. Bruder and Ms. Lord, along with the announcement that Ms. Lord has been assigned Client Portfolio Manager for the West Coast and will be responsible for future presentations. In addition, the presentation included a detailed summary of their professional staff, resources, fixed income assets under management, and investment process (including the Systems' portfolio guidelines) and the Systems' high yield performance year-to-date and since inception.

A. AGENDA ITEMS

1. Loomis Sayles High Yield Fixed Income portfolio evaluation provided by Mr. Michael Schlachter for review, discussion and direction.

ACTION: Approved/Adopted

Mr. Schlachter provided a review of the Loomis High Yield Fixed Income portfolio and included concerns about the underweight position of the high yield component of the portfolio vs. the Index weight. The Committee accepted the Wilshire evaluation report.

2. Core/Core Plus Fixed Income search criteria provided by Mr. Michael Schlachter for review, discussion and direction.

ACTION: To Consultant for More Info

The Committee reviewed and accepted the prior search criteria, evaluated the core search modeling shown by Mr. Schlachter and determined performance criteria for the current search should be exceed the benchmark for 3, 5 and 7 year periods, currently disregarding the objectives of +50 and +75 bps for core and core plus excess performance given the current market situation. The Committee requested that Wilshire prepare a search report to be reviewed at its next meeting in October.

3. Review, discuss and reconsider the Due Diligence Site Visitation Sub-Committee recommendation concerning on-site visitations conducted with finalists in the core plus fixed income manager search and address policy issues.

Laid Over to October Pending Review of Search Criteria for new search.

ACTION: Laid Over

LAID OVER TO OCTOBER

4. MSCI Barra Consultation on Market Reclassification Proposals of July 22, 2008 for review, discussion and direction.

ACTION: Approved/Adopted

The Committee accepted the information provided and took no action.

5. Review, discuss and consider request from Acadian Asset Management LLC to hold security in the EAFE portfolio.

ACTION: Received

The Committee reviewed the information provided and determined that it would allow Acadian to hold the security in question but would not authorize the purchase of additional shares of the security.

6. Review, discuss and consider notification from JP Morgan concerning change to the original amendment to liquidity declaration of trust for the Strategic Property Fund.

ACTION: Approved/Adopted

The Committee reviewed and accepted the correction amendment adopted by JPMorgan for the Strategic Property Fund's Declaration of Trust to correct pricing language.

7. Status update and review of the BGI liquidation and transition to two new international equity portfolios (Baille Gifford and Prinicpal).

ACTION: Approved/Adopted

The Committee reviewed, discussed and accepted the Post-Trade Transition Analysis Reports provided by BGI for the liquidation of portfolios and transition to Baillie Gifford and Principal international equity portfolios.

8. Review, discuss and consider the resignation of Aberdeen Asset Management London-Based Interest Rate Team.

ACTION: Approved/Adopted

The Committee reviewed and accepted the announcement and took no further action.

9. Status update and monthly review, discussion and direction concerning Investment Manager Monitoring and Evaluation for period ending June 30, 2008.

ACTION: Received

The Committee accepted the report provided and took no action.

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

ACTION: Approved/Adopted

The Committee accepted staff's recommendation and authorized the drawback in

accordance with the request.

-
11. Review, discuss, update and prioritize Investment Committee projects, activities and schedule investment manager presentation for the remainder of Calendar Year 2008.

ACTION: Received

The Committee accepted the report and took no further action.

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of August 31, 2008.

ACTION: Received

-
2. Northern Trust Monthly Asset Allocation Overview as of August 31, 2008.

ACTION: Received

-
3. Monthly Fixed Income Analysis Report as of August 31, 2008.

ACTION: Received

-
4. Action Agenda, Investment Committee Meeting August 20 and 27, 2008.

ACTION: Received

-
5. August 15, 2008, FUNDfire article, CalPERS Faces Suit Over Infrastructure Plan.

ACTION: Received

-
6. August 18, 2008, P&I Online article, WAMCO's early bets on risk drag down returns.

ACTION: Received

-
7. August 28, 2008, FUNDfire article, Consultants Urge Ditching Home-Country Bias.

ACTION: Received

-
8. September 10, 2008, P&I Online article, Fresno County mulls WAMCO on watch.

ACTION: Received

-
9. September 10, 2008, P&I Online article, CalPERS to decide on renewing 23 managers.

ACTION: Received

-
10. September 2008, Prudential article, Looking Beyond the Lamplight, Risk Management in the Wake of the Credit Crisis.

ACTION: Received

-
11. September 10, 2008, P&I Online article, 2007 city, county plan funded ratio at 98%.

ACTION: Received

C. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

1. Presentations and Portfolio Review with Prudential

D. UNSCHEDULED ORAL COMMUNICATIONS

None

E. PUBLIC COMMENTS

None

F. ADJOURNMENT
