



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

MINUTES

August 24, 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, Ken Nerland, Oscar Williams, and Daniel Ray

Members Absent: Marvell French

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

APPROVE MINUTES

Approve minutes of August 4, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Nerland to approve the minutes of August 4, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Burry, Cliby, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: French

APPROVE AGENDA

Approve agenda of August 24, 2010, Regular meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Nerland seconded by Member Burry to approve the agenda of August 24, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, Gray, Burry, Cliby, Nason, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: French

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 AM

Presentation and portfolio review of J.P. Morgan Asset Management Strategic Property Fund provided by Ann Cole, Client Portfolio Manager and Anne Pfeiffer, Portfolio Manager.

ACTION: Received

The Committee received and accepted Strategic Property Fund presentation by Ann Cole and Anne Pfeiffer of JP Morgan Asset Management that included an overview of global real assets, US real estate market outlook, Systems' investment summary and performance report as of 6/30/2010, and strategic property fund investment listing.

- 9:30 AM Presentation and review of Northern Trust Securities Lending and Brokerage Commission Recapture Programs.
ACTION: Received
The Committee received and accepted a securities lending and commission management update presented by Christopher Doell and Antwon McGruder of Northern Trust Securities Lending Inc.
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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 September 28, 2010.
ACTION: Approved/Adopted
ON MOTION by Member Cliby seconded by Member Nerland to approve the consent calendar, DULY CARRIED RESOLVED by the following vote:
AYES: Beatty, Gray, Burry, Cliby, Nason, Nerland, Williams
NOES: None
ABSTAIN: None
ABSENT: French
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B. AGENDA ITEMS

1. J.P. Morgan Strategic Property portfolio evaluation provided by Mr. Thomas Toth for review, discussion and direction.
ACTION: Accepted
The Committee reviewed and discussed portfolio evaluation, performance and strategies and accepted report as presented by the Investment Consultant.
 2. Review and accept the Investment Performance Reports from Wilshire Associates for the Quarter ending June 30, 2010.
ACTION: Accepted
The Committee reviewed and accepted summary report for the second quarter 2010 presented by Tom Toth, Investment Consultant.
 3. Review, discussion and direction on Investment Manager Monitoring Quarterly Evaluation reports.
ACTION: No Action
 4. Review, discuss and consider Large Cap Equity preliminary manager search report.
The Committee reviewed and considered large cap equity preliminary manager search report by Investment Consultant and the Peer Group returns and ranking analysis by eVestment Alliance, and confirmed date to conduct interviews of 5 semi-finalists.
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5. Review, discuss and consider Non-U.S. Equity Structure update provided by Mr. Thomas Toth, Wilshire Associates.
ACTION: Laid Over
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6. 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.

LAID OVER
ACTION: Laid Over
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7. Review and approve rebalancing of the portfolio and drawback for September 2010 expenses.
ACTION: Approved/Adopted
The Committee reviewed asset allocation as of July 31, 2010 and authorized withdrawal of \$11.0 million from the Loomis-Sayles portfolio to bring high yield closer to its target allocation and to provide funding for September and October benefit payments.
ON MOTION by Member Cliby seconded by Member Nerlandto approve withdrawal of \$11.0 million from the Loomis Sayles portfolio to fund the September and October benefit payments.
AYES: Beatty, Gray, Burry, Cliby, Nason, Nerland, Williams
NOES: None
ABSTAIN: None
ABSENT: French
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8. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2010.
ACTION: Received
The Committee reviewed, discussed and accepted the list of topics and ongoing projects.
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C. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of July 31, 2010.
ACTION: Received
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2. Northern Trust Monthly Asset Allocation Overview as of July 31, 2010.
ACTION: Received
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3. Monthly Fixed Income Analysis Report as of July 31, 2010.
ACTION: Received
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4. July 2010 review and outlook , JPMorgan Asset Management, Monthly Market Monitor.

ACTION: Received

5. JPMorgan Asset Management, Market Pulse: Alternative Assets Survey.
ACTION: Received
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6. WSJ article, August 1, 2010, Big Investors Fear Deflation, Bill Gross Among Those Bracing for Possible Decline in Prices: "It's Happening".
ACTION: Received
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7. August 5, 2010, Pensions & Investments article, San Diego mulls bringing CIO post in-house.
ACTION: Received
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8. August 6, 2010, Bloomberg.com article, Gross Says Fed Won't Raise Rates for 2 to 3 Years.
ACTION: Received
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9. August 9, 2010, Money Management Letter, 2010 Asset Management Consultant Relations Survey.
ACTION: Received
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10. August 9, 2010, FUNDfire article, San Diego Struggles with Staffing, Salaries.
ACTION: Received
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11. August 13, 2010, FUNDfire article, AXA Rosenberg to Refund Money to Clients.
ACTION: Received
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D. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

1. Asset Allocation Education
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E. UNSCHEDULED ORAL COMMUNICATIONS

None

F. PUBLIC COMMENTS

None

G. ADJOURNMENT

12:27 p.m.

MINUTES of August 24, 2010
