CITY OF FRESNO RETIREMENT SYSTEMS
REGULAR MEETING OF THE INVESTMENT COMMITTEE

ACTION AGENDA

Thursday, April 24, 2008

1:30 PM

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

COMMITTEE MEMBERS:
Paul Cliby, Chair
Brian Burry
Carla Lombardi
Doug Hecker
Ken Nerland
KC Chen
Daniel Ray, Independent Advisor

STAFF & ADVISORS:
Stanley L. McDivitt, Retirement Administrator
Kathleen Riley, Asst Retirement Administrator
Jill Traina, 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 1:30 P.M.

ADJOURN 4:00 P.M.

Members present: **Paul Cliby, Brian Burry, Carla Lombardi, Doug Hecker, Ken Nerland, K.C. Chen and Daniel Ray**

Members absent: **None**

Also present: **Stanley McDivitt, Retirement Administrator, Kathleen Riley, Assistant Retirement Administrator; and Jill Traina of Wilshire Associates.**

APPROVE AGENDA

The Investment Committee unanimously approved the Agenda of April 24, 2008.

TIMED SCHEDULED HEARINGS AND MATTERS

1:30 p.m. Presentation and performance review of the Aberdeen Domestic Fixed Income portfolio by Chris Gagnier – US Head of Fixed Income Team and Boris Karol, Client Portfolio Manager.

Action: Mr. Gagnier, Head of the US Fixed Income Team and Mr. Karol, Client Portfolio Manager provided a detailed review of the Aberdeen US Fixed Income Team, a thorough overview of the market as of March 31, 2008, and explained the portfolio's under performance and the relationship of that underperformance to the huge deleveraging across all MBS sectors. Alt A type investments, in particular, have suffered more as a result of strict bank requirements for more capital and forced selling resulted in lower prices/values. The Committee accepted their report and took no action.

2:30 p.m. Presentation and performance review of the Dodge & Cox Domestic Fixed Income portfolio by Tom Dugan, Senior Fixed Income Manager.

Action: Mr. Dugan, Senior Fixed Income Manager of Dodge & Cox presented an overview of the firm, the market as of March 31, 2008, and provided an indepth review of the portfolio's performance since inception. Mr. Dugan confirmed that they have stayed disciplined and focused on the long run process of managing bonds.

A. AGENDA ITEMS

1. Aberdeen and Dodge & Cox fixed income fund portfolio evaluations provided by Wilshire Associates for review, discussion and direction.

   Action: The Wilshire evaluation of both managers indicates that each are high quality managers with high quality investments and although they have experienced recent underperformance it should be evaluated in context of the current market environment. Both managers are Under Review for performance related deficiencies and will provide a Plan of Action to correct the under performance.

2. Consider update and review of follow-up information regarding Acadian trading dispersion and performance.

   Action: The Committee accepted the update and will continue to review and evaluate the trading dispersion and performance on a monthly basis.
3. Review monthly update of quarterly Investment Manager Monitoring and Evaluation Review summary report.

   Action: _The Committee accepted the monthly update and no action was taken.
4. 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.

   Action: 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: The Committee accepted the report as information with no action to be taken this month based on prior direction and approval for the drawback in April 2008.
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 Pending Completion Of The Asset Allocation Plan And Target Mix
7. Final review, discussion and direction on recommendation to the Boards relating to the update of the Board's Asset Allocation Plan, Target Asset Mix and the proposed implementation plan.

   Action: Pending Completion Of The International (Developed And Emerging Markets) Equity Manager Search Process.
8. Review, discuss and prioritize Investment Committee projects and activities and investment manager presentation schedule for Calendar Year 2008.

   Action: The Committee reviewed the list of activities and projects and requested that the education and evaluation of transition management be added to the agenda for discussion in June 2008.

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of March 31, 2008.
2. Northern Trust Monthly Asset Allocation Overview as of March 31, 2008.
3. Monthly Fixed Income Analysis Report as of March 31, 2008.
4. Action Agenda, Investment Committee Meeting March 19, 2008.
5. June 2007, Franklin Templeton Institutional Perspectives, Why Global Equity?
6. March 17, 2008, PI Online.com, Nimble and bold bond managers taking advantage of

mispricings.

7. March 21, 2008, InvestmentNews, Weiss pleads guilty in kickback case.
8. March 24, 4008, FundFire article, Ex-long Term Capital Head Gets Whacked Again.
9. March 27, 2008, FUNDfire article, Managers Expect Rebound in 2008.
10. March 28, 2008, FUNDfire article, Brokerage Execs Call for Simpler Product Set.
11. March 28, 2008, Plansponser.com article, Northern Trust Turns to Potter as NTGI Head.
12. March 31, 2008, PIonline.com article, Doubts greet reform calls.
13. March 31, 2008, Pensions & Investments, Changes in accounting rules hurt realty values.
14. March 31, 2008, FUNDfire article, Pensions Get Defensive Around the Globe.
15. March 31, 2008, Financial Week article, Bear's board was busy elsewhere.
16. March 31, 2008, Pensions & Investments, Blocked exits making a big mess.
17. April 1, 2008, FUNDfire article, Boston Co. Sues Munder Over Liftout.
18. April 2, 2008, FUNDfire article, Pensions Join Forces in Suit Against SSgA.
19. April 3, 2008, InvestmentNews, Struggling REITs ripe for the picking.
20. April 3, 2008, FUNDfire article, Russell Shuts Hedge Funds After Assets Drop.
21. April 4, 2008, News Release City of SanJose Retirement Services, San Jose Police & Fire Department Retirement Plan Hires NEPC as Plan Consultant.
22. April 8, 2008, FUNDfire article, ING Draws Chief Risk Officer from BlackRock.
23. April 9, 2008, FinancialTimes.com, Wall St sags after disappointing earnings.
24. April 14, 2008, PLANSPONSOR.com, MSCI Barra Puts Out Managed Volatility Indexes.
25. April 15, 2008, FinancialTimes.com, Team to study reasons for turmoil.
26. April 15, 2008, FUNDfire.com, Keep It Simple, Pensions Urge Managers.
27. April 16, 2008, FUNDfire.com, Market Shake-Up Yet to Impact RFPs.
28. April 16, 2008, FUNDfire.com, Your Q&A: Must Consultant Reveal Manager Ties?
29. April 16, 2008, Bloomberg.com, SLM Records First-Quarter Deficit on Investments.
30. April 17, 2008, InvestmentNews, Ex-trader made illegal trades, SEC says.

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

Action:____

D. UNSCHEDULED ORAL COMMUNICATIONS

Action:____

E. PUBLIC COMMENTS

Action:____