



CITY OF FRESNO RETIREMENT SYSTEMS REGULAR MEETING OF THE INVESTMENT COMMITTEE

ACTION AGENDA

January 17, 2007

Investment Committee held a meeting in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 9:30 AM on the day above written.

ROLL CALL AT 9:30 AM

COMMITTEE MEMBERS PRESENT: Paul Cliby, Carla Lombardi, Brian Burry

Members Absent: KC Chen, Ken Nerland, KC Chen

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Assistant Retirement Administrator; Employees Board Member Frank Balekian; Paul Von Steenburg of Wilshire Associates

APPROVE AGENDA

Approve Agenda of January 17, 2006, Investment Committee meeting.

ACTION: Approved/Adopted

A. TIMED SCHEDULED HEARINGS AND MATTERS

9:30 AM Presentation and portfolio review of the Domestic Fixed Income Portfolio by Christopher Gagnier, Portfolio Manager of Aberdeen Asset Management.

ACTION: No Action

Mr. Thompson provided an overview of the Dodge & Cox core fixed income portfolio and its performance since inception, 3-years, 1-year and 3-months compared with the Lehman Aggregate Box Index. He discussed the market changes and their portfolio management contributions to relative returns. He also provided a total return analysis looking at the Dodge & Cox fully discretionary accounts versus the quality-constraint accounts (such the Systems' account). The Committee accepted their report and took no action.

10:30 AM Presentation and portfolio review of the Domestic Fixed Income Portfolio by Robert Thompson, Portfolio Manager of Dodge & Cox.

ACTION: No Action

Mr. Gagnier, Senior Portfolio Manager and Mr. Karol, Client Portfolio Manager presented an organizational overview of Aberdeen Asset Management, their core fixed income portfolio and market review, provided their outlook for the future. Mr. Gagnier also gave information on the Aberdeen core plus fixed income product, their risk management approach and details demonstrating the diversified sources of excess return from the core plus performance attribution. The Committee accepted their report and took no action.

B. AGENDA ITEMS

1. Review, discussion and direction on provisions of the Retirement Board Policy on Committee Charter.

ACTION: No Action

The Committee Charter policy was provided for information and no action was taken on this subject.

2. Review, discussion and direction on proposed modifications to Part IV, Section 10.0 of the Boards' Investment Objectives and Policy Statement.

ACTION: To Committee for Review

The Committee reviewed the proposed modifications adding another statement to provide that copies of the draft Investment Consultant search reports will be provided to Committee members upon request. Final review of the proposed policy will be conducted at the February meeting.

-
3. Consider staff recommendation for monthly drawback for operating and benefit payroll costs

ACTION: Approved/Adopted

The Committee approved staff's recommendation to withdraw \$5.0 million from the BGI S&P 500 Equity Index Portfolio to fund payroll and operating accounts for January 2007.

-
4. Review, discuss and prioritize Investment Committee projects and activities.

ACTION: Received

The Committee reviewed the list of projects and Mr. Burry requested that David Bergman of Global Transitions be added to the list of presenters for the Educational Session on Transition Management that will be held at the February 21, 2007 Investment Committee meeting.

C. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of December 31, 2006.

ACTION: Received

-
2. Northern Trust Monthly Asset Allocation Overviews as of December 31, 2006.

ACTION: Received

-
3. Monthly Fixed Income Analysis Reports as of December 31, 2006.

ACTION: Received

-
4. Action Agenda, Investment Committee Meeting December 20, 2006.

ACTION: Received

-
5. January 3, 2007, FUNDfire article, Fidelity Fired After Manager Departure.

ACTION: Received

-
6. January 9, 2007, article, Fundamental Products Primed to Beat Quant?

ACTION: Received

-
7. January 2007, 1st Quarter 2007 Outlook, Prudential Investment Management.

ACTION: Received

-
8. December 2006, Part I, Prudential Investment Management – Fixed Income, The Value of Short-Selling: Lifting the Long-Only Constraint.

ACTION: Received

D. UNSCHEDULED ORAL COMMUNICATIONS

None

E. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

F. PUBLIC COMMENTS

None

ADJOURNMENT 12:00 PM

There being no further business to bring before the Committee, and hearing no objections, the Chair declares the Investment Committee meeting adjourned.

