

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

ACTION AGENDA

Wednesday, May 21, 2008

8:30 AM

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
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 8:30 A.M.

ADJOURN 12:05 P.M.

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

Members absent: Doug Hecker

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

APPROVE AGENDA

The Investment Committee unanimously approved the Agenda of May 21, 2008.

TIMED SCHEDULED HEARINGS AND MATTERS

8:30 a.m. Presentation and performance review of the Capital Guardian – US Equity Diversified Research portfolio by Mike Nyeholt, Sr. Vice President and Terry Ragsdale, Client Portfolio Manager.

Action: The Committee accepted the presentation, portfolio review and reports provided by Messrs. Nyholt and Ragsdale. Their presentation included detailed information on the US Equity Diversified Research domestic equity product, the management team, investment process and current and inception to date investment results of the portfolio. Mr. Ragsdale reviewed the attribution analysis of the portfolio and discussed several examples of securities (and sectors) which worked well and others that did not with explanations for the significant inception to date under performance of the portfolio.

A. AGENDA ITEMS

1. Capital Guardian – US Equity Diversified Research fund portfolio evaluations provided by Wilshire Associates for review, discussion and direction.

Action: The Committee accepted the report provided by Wilshire Associates.

2. Review and accept the Investment Performance Reports from Wilshire Associates for the quarter ending March 31, 2008.
Action: [The Committee reviewed and accepted the quarterly performance reports for the 1st Quarter 2008 from Wilshire Associates.](#)
3. Review, discussion and direction concerning Investment Manager Monitoring and Evaluation summary report and recommended actions pertaining to the quarter ending March 31, 2008.
Action: [The Committee reviewed and accepted the summary report and Plan of Action reports provided by investment managers under review. The Committee will continue to monitor manager performance and evaluate progress on a quarterly basis.](#)
4. Review, discuss and consider the Due Diligence Site Visitation Sub-Committee recommendation concerning on-site visitations conducted with finalists in the International Equity – Developed and Emerging Markets investment manager searches and address policy issues.
Action: [The Committee reviewed and discussed evaluation of the finalists based upon information provided by the Due Diligence Site Visitation Committee. The Committee will defer making final recommendations pending further evaluation next month with Wilshire’s optimization model process to determine the appropriate ACWxUS, EAFE and EM mix based on manager styles and the new Asset Allocation Plan proposed.](#)
5. Review, discuss and consider information and education provided by Wilshire Associates on Transition Management.
Action: [Laid Over to next Investment Committee meeting on June 18,2008.](#)
6. 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](#)
7. Consider staff recommendation for monthly drawback for operating and payroll costs.
Action: [The Investment Committee reviewed and approved staff recommendation to withdraw \\$10.0 million from small cap equities in June for funding benefit payments for June and July 2008.](#)
8. 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](#)
9. 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.](#)
10. Review, discuss and prioritize Investment Committee projects and activities and investment manager presentation schedule for Calendar Year 2008.
Action: [Given the activities of the next few months, the Committee discussed and directed Wilshire Associates to be prepared to provide additional Real Estate education in September 2008.](#)

B. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of April 30, 2008.
2. Northern Trust Monthly Asset Allocation Overview as of April 30, 2008.
3. Monthly Fixed Income Analysis Report as of April 30, 2008.
4. Action Agenda, Investment Committee Meeting April 24, 2008.
5. April 14, 2008, P&lonline.com article, Quants taking a big hit.
6. April 16, 2008, Wilshire Consulting, Examining the Home Country Bias: There’s No Place Like Home. There’s No Place Like Home...Or is there?
7. May 12, 2008, P&lonline.com article, CalPERS leaves big managers with scraps as global equity shift begins.
8. May 13, 2008, P&lonline.com article, LACERS hires Batterymarch.

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

Action: _____

D. UNSCHEDULED ORAL COMMUNICATIONS

Action: _____

E. PUBLIC COMMENTS

Action: _____