



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

**ACTION AGENDA**

June 20, 2007

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.

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**ROLL CALL AT 8:30 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Brian Burry, Carla Lombardi, K.C. Chen, Ken Nerland, Daniel Ray  
Members Absent: None

Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator, Frank Balekian, Board Member, and Michael Schlacter, and Paul VonSteenburg of Wilshire Associates

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**APPROVE AGENDA**

Approve the Investment Committee Agenda of June 20, 2007.

ACTION: Approved/Adopted

Motion by Member Burry, seconded by Member Nerland, to approve the Investment Committee Agenda of May 16, 2007.

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**TIMED SCHEDULED HEARINGS AND MATTERS**

**8:30 AM** Presentation and portfolio review by Mr. Tom Dempsey, Managing Director – QE Team and Mr. Michael Ray, Vice President – Public Funds Client Service of Goldman Sachs.

ACTION: Received

The Committee accepted the report provided by Surbhi Mehta, VP of the Global Quantitative Equity team at Goldman Sachs. Ms. Mehta presented a thorough review of the portfolio including a summary of the portfolio's performance since inception, results of the portfolio's performance attribution analysis and an in-depth overview of the investment process. Messrs. Michael Ray and Gregory Cassano, representatives of the Public Funds Client Service team, provided an overview of the firm, Goldman Sachs, recent enhancements and details on the firm's research agenda.

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**9:30 AM** Presentation and portfolio review by Mr. Trey Heiskell and Mr. Chip Tatlow, Barclays Global Investors.

ACTION: Received

The Committee accepted the report provided by Messrs. Heiskell and Tatlow of Barclays Global Investors. Mr. Tatlow, an investment strategist in the Global Advanced Active Group – Active Equities led the discussion with a detailed review of the Alpha Tilts portfolio, its objectives and a description of its Core strategy. He provided an in-depth review of performance with returns for the inception-to-date, year-to-date, 1-year and 3-year periods. Mr. Heiskell, the portfolio's client service representative, provided a brief overview of the firm, BGI, with details on the asset under management and the total number of employees worldwide.

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**A. AGENDA ITEMS**

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

Laid over pending completion of asset allocation study.

ACTION: Laid Over

Laid over pending completion of asset allocation study.

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2. Annual Review, Discussion and Direction on proposed amendments to the Boards' Policy concerning Independent Advisory Member to the Investment Committee

ACTION: Approved/Adopted

The Committee reviewed and accepted the changes proposed to the Boards' policy concerning a stipend for the Independent Advisory Member to the Investment Committee. The Investment Committee will recommend that the Boards approve proposed changes to the policy at their July meeting.

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3. Annual performance review of Investment Consultant, relating to the Agreement between Wilshire Associates and the City of Fresno Retirement Systems dated May 1, 2003.

ACTION: To Staff for More Info

The Committee discussed the performance review process and determined that the form provided would be sent electronically to each member of the Committee for completion, and that the review and discussion would be held at the July meeting.

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4. Review, discussion and direction on modifications to the policy for International Equity Portfolios - Develop and emerging markets to allow both developed and emerging market managers to invest in securities incorporated in Hong Kong.

ACTION: Approved/Adopted

Upon discussion the Committee approved the proposed modifications to the International Equity policy and will recommend that the Boards approve and implement these changes to Part III, Section 5.5 of the Boards Investment Objectives and Policy Statement at the July Board meeting.

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5. Consideration of rebalancing and drawback for July 2007.

ACTION: Received

The Committee accepted the report with no action to be taken at this time.

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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.

Laid over pending completion of asset allocation study.

ACTION: Laid Over

LAI D O V E R P E N D I N G C O M P L E T I O N O F A S S E T A L L O C A T I O N S T U D Y

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7. Review, discuss and prioritize Investment Committee projects and activities.

ACTION: Other

Based upon the expected delivery date for the Actuarial Accrued Liability Study, the

Committee revised its target dates for sessions on Asset Allocation and Real Estate to September 2007 and scheduled a discussion on Fixed Income at the July meeting.

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**B. INFORMATION ONLY ITEMS**

1. Northern Trust Monthly Portfolio Performance Reports as of May 31, 2007.  
ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of May 31, 2007.  
ACTION: Received

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3. Monthly Fixed Income Analysis Report as of May 31, 2007.  
ACTION: Received

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4. Action Agenda, Investment Committee Meeting May 16, 2007.

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5. April 13, 2007, Letter from Ahna Santos of Wilshire Assocites, disclosing financial relationships with the City of Fresno Retirement Systems' investment managers for 2006.  
ACTION: Received

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6. April 30, 2007, Letter from Stephane Prunet, Global Chief Executive Officer, AXA Rosenberg Group, LLC, regarding recent developments and senior investment appointments.  
ACTION: Received

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7. May 13, 2007, LATimes.com article, Rest later, check pension plan now.  
ACTION: Received

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8. May 14, 2007, Wilshire Associates' Form ADV, Part II, dated May 15, 2007.  
ACTION: Received

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9. May 22, 2007, FUNDFire article, Fidelity, Invesco Lose Big as Illinois Cuts.  
ACTION: Received

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10. May 24, 2007, FUNDFire article, New Mexico Rejigs International Mandate.  
ACTION: Received

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11. May 29, 2007, ii Pensions Weekly article, Funds Want Consultants to Steer Clear of Conflicts.  
ACTION: Received

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12. June 4, 2007, InvestmentNews.com article, Taking high road to investment gains.  
ACTION: Received

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13. June 4, 2007, InvestmentNews.com article, CFP Board emphasizes fiduciary responsibility.  
ACTION: Received

**C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

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None

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**D. UNSCHEDULED ORAL COMMUNICATIONS**

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None

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**E. PUBLIC COMMENTS**

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None

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**ADJOURNMENT 10:45 AM**

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