



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

**December 22, 2009**

**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 8:40 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Carla Lombardi, Danny Aguirre, Brian Burry, Marvell French (arrived 8:43 am), Ken Nerland, Oscar Williams and Daniel Ray

Members Absent: Jeff Beatty

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

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**APPROVE MINUTES**

Approve minutes of November 24, 2009, Regular meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by member Williamd seconded by Member Burry to approve the minutes of November 24, 2009, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by THE FOLLOWING VOTE:

AYES: Cliby, Burry, Lombardi, Aguirre, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Beatty, French

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**APPROVE AGENDA**

Approve the agenda of the December 22, 2009, Regular meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION BY Member Williams seconded by Member Lombardi to approve the agenda of December 22, 2009, regular meeting of the Investment Committee, DULY CARRIED RESOLVED BY THE FOLLOWING VOTE:

AYES: Cliby, Burry, Lombardi, Aguirre, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Beatty, French

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**TIMED SCHEDULED HEARINGS AND MATTERS**

None

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**A. CONSENT CALENDAR**

1. Confirm date for the next regular meeting of the Investment Committee scheduled on January 26, 2010.

ACTION: Approved/Adopted

ON MOTION BY Member Williams seconded by Member Burry to approve the consent calendar, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Burry, Lombardi, Aguirre, Nerland, Williams

NOES: None  
ABSTAIN: None  
ABSENT: Beatty, French

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**B. AGENDA ITEMS**

1. Continuing Investment Education session provided by Mr. Thomas Toth.  
ACTION: Accepted  
\_The Committee accepted the educational presentation on the types of investments included in the Inflation Linked Asset Class provided by Mr. Thomas Toth; and directed Mr. Toth to add or include these types of investments in the Asset Allocation Study to be conducted in 2010.

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2. Review, discuss and consider the post evaluation structure of manager risk budgeting for all asset classes provided by Mr. Thomas Toth, Wilshire Associates.  
ACTION: Accepted  
The Committee accepted the presentation and recommendation of Mr. Toth to keep the 25% Small Cap/75% Large Cap structure for US Domestic Equity; to increase the index percentage in large cap equity and possibly eliminate index management of small cap equity after conducting a search. The Committee directed Mr. Toth to bring back a plan to implement the US Equity strategy with a small cap equity search and review of large cap equity managers.

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3. Status update of Investment Manager Monitoring and Evaluation report for the period ending November 30, 2009.  
ACTION: Accepted  
The Committee accepted the status update report for the period ended November 30, 2009.

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4. Status update and review of declared deficiency in the Northern Trust Securities Lending – USA Core Cash Collateral Pool.  
ACTION: Accepted  
The Committee accepted the status update and report concerning the reduction in the Systems' declared deficiency in the USA Core Cash Collateral Pool.

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5. Status update for review of securities litigation class action claims and settlements processed by IRSS year-to-date for 2009.  
ACTION: Accepted  
The Committee accepted the report on securities litigation class actions claims and settlements and provided direction to conduct review of agreement renewal for IRSS securities class action monitoring and claims processing services in April 2010.

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6. Status update on completion of the transition from BGI Alpha Tilts into the BGI S&P 500 Equity Index Fund now known as the BlackRock S&P 500 Equity Index Fund.  
ACTION: Accepted  
The Committee accepted the report from Blackrock and confirmation from Mr. Toth that the transition performed in line with expectations.

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7. Consider staff recommendation for monthly drawback for operating and payroll costs.

ACTION: Approved/Adopted

The Committee reviewed and approved staff's recommendation for authorization to fund benefit payments for January 2010 from a withdrawal from Blackrock S&P 500 Equity Index Fund.

ON MOTION BY Member Lombardi seconded by Member Burry to approve authorization to fund benefit payments for January 2010 from a withdrawal from Blackrock S&P 500 Equity Index Fund.

AYES: Cliby, Burry, Lombardi, Aguirre, French, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Beatty

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8. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2009.

ACTION: Accepted

The Committee reviewed the list of projects and based on direction to Mr. Toth to initiate the domestic equity (small and large cap) search process for further review of the large cap structure (active/passive) and to consider active vs. index management for small cap equity.

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#### C. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of November 30, 2009.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of November 30, 2009.

ACTION: Received

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3. Monthly Fixed Income Analysis Report as of November 30, 2009.

ACTION: Received

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4. December 2, 2009, Investment News article, Gross: Returns will be half what they were.

ACTION: Received

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5. December 3, 2009, Wall St. Journal article, Pay-to-Play Probe Turns To Venture Capitalists.

ACTION: Received

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6. December 7, 2009, Bloomberg.com article, Pimco Hires Former Bank Bailout Chief Kashkari in Equities Push.

ACTION: Received

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7. December 8, 2009, Bloomberg.com article, Calpers Real-Estate Holdings Decline 30% During First Quarter.

ACTION: Received

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#### D. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

**E. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**F. PUBLIC COMMENTS**

None

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**G. ADJOURNMENT**

11:43 am

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