



City Of Cincinnati Retirement System Investment Committee

Minutes

August 6, 2009 / 12:00 PM
Centennial II Meeting Room A

A quorum was confirmed and the meeting called to order: 12:05 PM

Present:

Jack Walsh - Chair
David Rager – Vice Chair
Donald Beets
Michael Fehn
James Robinson
Daniel Radford
Bryan Schmitt

Staff Present:

Ron Wilson
Cheryl Volk, Recorder

Absent

Michael Rachford
Brian Pickering


MINUTES

The Investment Committee minutes from June 4, 2009 were submitted for approval. D. Beets made a motion to accept the minutes. D. Rager seconded the motion and the motion passed. Minutes were approved.

The Cincinnati Retirement System (CRS) Investment Consultant, Brett Christenson, Managing Director of Marquette Associates and Investment Manager, Ray Caprio, provided the following reports:

 June 2009 Investment Report

- U.S. Economy
- Fixed Income Market Environment
- Global Economy
- International Equity Market
- Hedge Fund Market
- Real Estate Markets
- Infrastructure
- Private Equity
- Growth of One Hundred Dollars graphs

 Asset Allocation Peer Review of Other Public Funds as of 12/31/08

- ✚ The 2nd quarter 2009 Performance Report:
Total Fund Return +11.9%
2nd Quarter Asset value \$1.81 billion which is down from \$1.83 billion at beginning of 2009.
End of July 2009 assts are \$1.9 billion.

- ✚ Asset Allocation
 - Discussed Portfolio options for reducing volatility. Consideration for reducing US equity allocation and increasing international equity and long/short equity.

Committee Action

D. Rager made a motion to implement Portfolio D and to terminate Gradison, a Large-Cap Value Equity Manager. D. Radford seconded the motion and following a discussion, the motion passed 6-1.

D. Beets	No
M. Fehn	Yes
D. Radford	Yes
D. Rager	Yes
J. Robinson	Yes
B. Schmitt	Yes
J. Walsh	Yes

- ✚ Russell 3000 Managers: B. Christenson indicated that U.S. Equity Managers Pan Agora and Allegiant are providing the same investment management services and that fee reductions could be achieved by utilizing only one of these managers. The Committee directed Mr. Christenson to contact each manager to determine which manager will offer CRS the best fee structure.
- ✚ B. Christenson provided clarification concerning the increase in federal regulations and the “over regulating” of venture capital firms which requires the reporting of all off-shore investments.

Committee Action

Motion made by D. Rager and seconded by D. Beets to adjourn the meeting. Motion passed and the meeting was adjourned 1:55 P.M.