



City Of Cincinnati Retirement System Investment Committee

Minutes

November 5, 2009 / 12:00 PM
Centennial II Meeting Room A

A quorum was confirmed and the meeting called to order: 12:00 PM

Present:

Jack Walsh - Chair
David Rager – Vice Chair
Donald Beets
Michael Fehn
James Robinson
Brian Pickering
Michael Rachford
Bryan Schmitt
D. Radford

Staff Present:

Paula Tilsley
Ron Wilson
Cheryl Volk

Minutes

The Investment Committee minutes from October 1, 2009 were submitted for approval. M. Fehn made a motion to accept the minutes. B. Pickering seconded the motion and the motion passed. Minutes were approved.

Investment Manager Presentation

- ✚ J.D. Sitton, Portfolio Manager of J.P. Morgan Strategic Property Fund, presented a 30-minute overview of the investment firm followed by a question and answer session.

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

- ✚ 2009 3rd Quarter Report: End of Quarter Portfolio Market Value: \$1.95 Billion
Year to date Investment Performance is 16.4%
 - US Economy
 - Fixed Income Markets
 - U.S. Equity Market
 - Global Economy
 - International Equity Markets
 - Hedge Fund Markets
 - Private Equity
 - Real Estate Markets
 - Infrastructure

Recommendations to update the Cincinnati Retirement System (CRS) Investment Policy:

- o Re-balance target asset allocations
- o Regarding Clifton's PIOS program. Adjust the asset class allocation targets and benchmark indexes
- o Forward the approved Investment Policy to investment managers for their review and signatures.

Committee Action

M. Rachford made a motion to approve the ~~change~~ to the Investment Policy. M. Fehn seconded the motion and the motion passed.

Recommendations for asset allocation:

- o B. Christenson, Investment Consultant recommended that the CRS withdraw the directive to return \$7 million each from Core Real Estate Managers, Morgan Stanley and J. P. Morgan.

Committee Action

D. Radford made a motion and D. Rager seconded ~~the motion~~ that CRS withdraw the directive to Morgan Stanley and J.P. Morgan to return \$7 million in CRS funds. The motion passed.

- o B. Christenson reported that the CRS is about 4% over-target in U.S. Equities and recommended that the CRS transfer \$7 million from Rhumblin (large-cap value) and \$13 million from Morgan Caldwell (large-cap growth manager). This \$20 million would be transferred to fixed income manager Blackrock Financial Management.

Committee Action

D. Rager moved that the Investment Committee approve the reallocation of assets as recommended by the Investment Consultant. D. Radford seconded the motion passed unanimously.

- o Shenkman Capital
B. Christenson reported that they have been conducting an extensive amount of due diligence on Shenkman Capital (high yield fixed income). Marquette Associates is interested in Shenkman's new investment product. After a brief overview of the new investment product, the Investment Committee members agreed to invite Shenkman to the December 3, 2009 meeting to make a presentation.
- o Alinda
The Investment Committee agreed to invite Alinda (infrastructure) to the December 3, 2009 meeting to make a presentation.

ommittee Action

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