



City Of Cincinnati Retirement System Investment Committee

Minutes

October 2, 2008 / 12:00 PM
Centennial II Meeting Room A

A quorum was confirmed and the meeting to order: 12:10 P.M.

Present:

Jack Walsh, Chair (Proxy)
Donald Beets
Mike Fehn
Brian Pickering
James Robinson
Daniel Radford
Michael Rachford
David Rager
Bryan Schmitt

Staff Present:

John Boudinot
Cheryl Volk - Recorder

AUGUST 7, 2008 INVESTMENT COMMITTEE MINUTES

Motion made by B. Pickering and seconded by M. Fehn to approve the minutes as submitted.
Motion was carried and the minutes approved.

The CRS Investment Consultant, Marquette Associates, Brett Christenson, Managing Director Provided The Following Reports And Recommendations:

- ✚ September CRS Market Values. The third-quarter stock-market losses for September were the worst in stock-market history.
- ✚ Market Values: August 31, 2008
- ✚ Annualized Performance August 31, 2008

Asset Allocation Analysis

- ✚ Regarding the Securities Lending Program: Due to heightened risk, B. Christenson recommended capping and suspending the securities lending program.

Committee Action

J. Robinson made a motion to approve the suspension of Securities Lending Program. The suspension will remain in place until further action taken by the Board. Motion was seconded by D. Beets and the motion was passed by the Committee.

- ✚ Currently the cash sweep fund is Bank of New York Mellon (BONY) Collective STIF. The CRS Investment Consultant, Brett Christenson, recommended changing the cash sweep fund to the BONY Government STIF.

Committee Action

Motion was made by J. Robinson and seconded by D. Beets to change cash sweep fun from BONY Collective STF to BONY Government STIF. The motion was passed by the Committee.

- ✚ Investment Committee requested B. Christenson to recommend parameters for action should an investment crisis necessitate immediate action. The investment committee will take action on the recommended parameters and if approved, will be incorporated into the Investment Policy.

✚ Alert Status:

- Blackrock remains on Alert since January 3, 2008
- PIMCO placed on Alert due to underperformance. B. Christenson informed the committee that although PIMCO has been placed on Alert, they are the second strongest (to Shenkman) in Fixed Income.

Committee Action

B. Pickering made a motion to approve placing PIMCO on Alert Status. Motion was seconded by M. Fehn and the motion was passed by the committee.

- ✚ Investment Committee to select Investment Managers to attend future Investment Committee meetings. The High Yield Fixed Income Manager, Shenkman will attend the Investment Committee November 6, 2008.

- ✚ Proposed changes to Statement of Investment Policy. The updated policy to be provided to all Money Managers.
 - Reference to AIMR standards replaced with GIPS compliance
 - The combined holdings of non-EAFE countries, excluding Canada, stocks and convertible bonds shall not exceed 30% of the portfolio at market shall not exceed 30% of individual international portfolios (increased from 20%)
 - Manager listing updated with benchmark indexes

Committee Action

D. Radford made a motion to accept the changes to the Investment Policy. Motion was seconded by B. Pickering. Motion was passed and the updates were approved.

- ✚ B.Christenson presented a review of the asset allocation conducted by Marquette Associates. B. Christenson proposed the following changes to the asset allocation based on the outcomes of the Portfolio Options Risk Scorecard which quantitatively ranks the Current Portfolio and proposed “Risk Optimal” portfolios. B. Christenson recommended Portfolio C. He recommended that transition to Portfolio C be accomplished opportunistically and over the next 12 months. The Macro asset allocation may implemented in three stages.

Committee Action

D. Radford made a motion to adjourn, seconded by B. Pickering. Motion passed and meeting was adjourned 1:50 P.M.