



## City Of Cincinnati Retirement System Investment Committee

### Minutes

May 6, 2010 / 12:00 P.M.

City Hall – Committee Room B

The meeting was called to order: 12:15 P.M.

Present:

Jack Walsh - Chair  
David Rager – Vice Chair  
Donald Beets  
Michael Fehn  
Brian Pickering  
James Robinson

Staff Present:

Paula Tilsley  
Ron Wilson  
Cheryl Volk

Absent

Bryan Schmitt  
Michael Rachford

Minutes

The Investment Committee minutes from April 1, 2010 were submitted for approval.

B. Pickering made a motion to accept the minutes. J. Robinson seconded the motion and the motion passed. Minutes were approved.

Macquarie Infrastructure Partners II

Guillermo Marroquin, VP and Rene Lubianski, VP provided the following Macquarie portfolio update:

- ✚ Current Portfolio
- ✚ Asset Updates
- ✚ Macquarie Group Update
- ✚ Infrastructure Market Update

The Cincinnati Retirement System (CRS) Investment Consultant, Marquette Associates

Brett Christenson, Managing Director presented the following reports:

- ✚ 1<sup>st</sup> Quarter 2010 - market value: \$2 billion
  - U.S. Economy
  - Fixed Income Markets
  - U.S. Equity Markets
  - Global Economy
  - International Equity Markets
  - Hedge Fund Markets
  - Private Equity
  - Real Estate Markets
  - Infrastructure

- ✚ Shenkman Capital Management has offered a fee reduction from 75 bps to 55 bps for the Four Points Product. Comparable data from three other Managers was presented for consideration. The following three Managers were reviewed:
  - National Investment Services
  - Mackay Shields
  - Allianz Global

The Investment Consultant recommended allocating \$25 million from Shenkman's current portfolio to the Four Points Product.

***Committee Action***

D. Rager made a motion to direct \$25 million from Shenkman Capital's current portfolio to their Four Points Product. B. Pickering seconded the motion and the motion passed.

**Asset Allocation**

The Investment Consultant recommended increasing investments in real estate due to market stabilization. Equity Managers are currently overweight while infrastructure and real estate are underweight.

The Investment Consultant recommended the following reallocations:

1. Transfer \$38 million from the following asset classes with \$26 million going to Blackrock Financial Management and \$12 million to Pacific Investment Management Co. (PIMCO):
  - ✚ \$8 million from Allegiant Asset Management
  - ✚ \$8 million from PanAgora Asset Management
  - ✚ \$8 million from Rhumblin Advisers – Large Cap Value
  - ✚ \$6 million from Harding Loevner Investment Management
  - ✚ \$2 million from Montag & Caldwell
  - ✚ \$2 million from Turner Investment Partners
  - ✚ \$2 million from OPUS Capital Management
  - ✚ \$2 million from WCM Investment Management

***Committee Action***

A motion was made by J. Robinson, seconded by M. Fehn and the motion passed to allocate \$26 million to Blackrock Financial Management and \$12 million to Pacific Investment Management Co. (PIMCO) from the following asset classes:

- ✚ \$8 million from Allegiant Asset Management
  - ✚ \$8 million from PanAgora Asset Management
  - ✚ \$8 million from Rhumblin Advisers – Large Cap Value
  - ✚ \$6 million from Harding Loevner Investment Management
  - ✚ \$2 million from Montag & Caldwell
  - ✚ \$2 million from Turner Investment Partners
  - ✚ \$2 million from OPUS Capital Management
  - ✚ \$2 million from WCM Investment Management
2. Transfer \$24 million from Blackrock Financial Management and allocate to the following asset classes:
    - ✚ \$8 million to J.P. Morgan – Strategic Property Fund
    - ✚ \$8 million to ABS Investment management LLC
    - ✚ \$8 million to Common Sense Investment Management LLC

***Committee Action***

Motion was made by D. Rager, seconded by B. Pickering and the motion passed to withdraw \$24 million from Blackrock Financial Management and allocate to the following asset classes:

- ✚ \$8 million to J.P. Morgan – Strategic Property Fund
- ✚ \$8 million to ABS Investment management LLC
- ✚ \$8 million to Common Sense Investment Management LLC

B. Christenson recommended a review of PIMCO, Blackrock, and Shenkman in 3<sup>rd</sup> - 4<sup>th</sup> quarter 2010.

***Committee Action***

A motion was made by M. Fehn, seconded by B. Pickering to adjourn the meeting. Motion passed and meeting was adjourned at 2:00 P.M.