



City Of Cincinnati Retirement System Investment Committee

Minutes

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

A quorum was confirmed and the meeting to order: 12:03 P.M.

Present:

David Rager – Vice Chair
Donald Beets
Mike Fehn
Brian Pickering
James Robinson
Daniel Radford
Michael Rachford
Bryan Schmitt
Joe Gray- Chair

Staff Present:

John Boudinot
Ron Wilson
Cheryl Volk, Recorder

Absent

December 4, 2008 Investment Committee Minutes

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

INVESTMENT MANAGERS

Members discussed the importance and practicality of conducting sessions with Investment Managers. The Investment Committee will meet monthly in order to allow adequate time for CRS investment business and to conduct interactive sessions with Investment Managers. Due to time constraints, members agreed to alternate between business meetings and face-to-face meetings with Investment Managers, beginning May, 2009: Members agreed to the following rotation:

- March and April business meetings as usual with Brett Christenson due to volatility of the investment markets.
- May meeting: 3 Investment Managers to attend meeting with 30-minute presentations.
- Continue alternating throughout year.

CONFERENCE CALLS

The Investment Committee scheduled 15- minute conference-calls with two Investment Managers.

PIMCO

Susie Wilson and Sapna Shah's report included:

- Market Review

- Performance
- Outlook
- PIMCO Update

ABS Investment Management

Mark Murphy and Laurence Russian's report included:

- Equity Long/Short as an Equity Placement
- ABS Firm Update
- Hedge Fund Industry Review
- ABS Global Portfolio Review
- Conclusion

The CRS Investment Consultant, Brett Christenson, Managing Director of Marquette Associates, provided the following report:

- Fourth Quarter and End of Year Performance Report – 2008
- U.S. Economy
- Fixed Income Markets
- U.S. Equity Markets
- Global Economy
- International Equity Markets
- Real Estate Markets
- Hedge Fund Markets
- Private Equity

A Summary was presented for the CRS Securities Lending History: 2003 – 2008. The CRS estimated loss: \$5,250,000.

Committee members discussed the Bank of New York (BONY) proposed new agreement in which BONY would cover 25% of Securities Lending losses after settlement of bankruptcy court. In exchange for covering those losses, the CRS would sign a 3-year contract with BONY.

B. Christenson raised the concern of CRS not receiving equitable treatment. Members agreed the CRS would require the same equitable treatment as co-mingled groups before entering the 3-year contract with BONY.

J. Boudinot to request a Bond/Investment Litigation Lawyer to review the contract. D. Radford recommended meeting with 5th 3rd Bank CEO to negotiate terms. Report at next Investment Committee meeting: March 5, 2009.

Committee Action

Motion made by B. Pickering and seconded by B. Schmitt to adjourn the meeting. Motion passed and the meeting was adjourned 1:55 P.M.