



City Of Cincinnati Retirement System Investment Committee

Minutes

March 4, 2010 / 12:00 P.M.
City Hall – Committee Room B

The meeting was called to order: 12:00 P.M.

Present:

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

Staff Present:

Paula Tilsley
Ron Wilson
Cheryl Volk

Minutes

The Investment Committee minutes from February 4, 2010 were submitted for approval. M. Rachford made a motion to accept the minutes. M. Fehn seconded the motion and the motion passed. Minutes were approved.

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

✚ Brett Christenson, Managing Director provided the following reports:

- 4th Quarter Executive Summary for 2009: End of Quarter Portfolio Market Value: \$1.98 billion.
 - Overview of the 4th Quarter Executive Summary to continue at the next meeting of the Investment Committee: April 1, 2010.
- CRS Securities Lending:
Consideration for Bank of New York (BONY) to cover 25% of Securities Lending losses after settlement of bankruptcy court. In exchange for covering those losses, the CRS would sign a 3-year securities lending contract with BONY. The effective date of that contract would be retroactive to January 15, 2009.

B. Christenson to obtain a copy of the current agreement. Committee to discuss BONY contract at next meeting.

Overnight Repurchase Agreements

The current securities lending guidelines permit investments of collateral in commercial paper, asset backed securities, and overnight repurchase agreements. Recent investing has been limited to overnight repurchases and money market instruments. Committee to decide the direction of future investments. Should

investments remain limited to overnight repurchases/money market instruments with the current cap on amount of securities loaned?

Committee Action

J. Robinson made a motion to remain in overnight repurchase agreements with the current cap. M. Fehn seconded the motion and the motion passed.

Yes votes: 7 No votes: 1 Don Beets

- Investment Report for January 31, 2010
 - Market Values
 - Annualized Performance

- Shenkman Capital Management offers a potential fee reduction from 75bps to 60bps for the Four Points Product if Cincinnati Retirement System (CRS) became an early investor in the new opportunistic product.
 - B. Christenson suggested redirecting \$25 million from Shenkman's current allocation into their new Four Points Product. Although a reduction of fees is rare, the committee requested a search of other managers who might offer similar products.

 **Bartlett & Company**

Jason Kiss, Sr. Portfolio Manager and James Miller, CEO provided a presentation followed by a question and answer session. Their presentation included:

- Company Profile
- Investment Philosophy and Process
- Portfolio Characteristics
- Performance

 **Opus Capital Management**

Kevin Whelan, V.P. Portfolio Manager and Katrina Howard O'Leary, Business Development provided a presentation followed by a question and answer session. Their presentation included:

- Firm Overview
- Investment Philosophy
- Portfolio Review
- Why Opus Capital Management?

Committee Action

M. Rachford made a motion to adjourn the meeting. M. Fehn seconded the motion and the motion was adjourned at 1:55 P.M.