



# City Of Cincinnati Retirement System Investment Committee

## Minutes

September 2, 2010 / 12:00 P.M.  
City Hall – Committee Room B

The meeting was called to order: 12:05 P.M.

Present:

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

Staff Present:

Paula Tilsley  
Cheryl Volk  
Ron Wilson

Minutes

The Investment Committee minutes from June 3, 2010 were submitted for approval. B. Pickering 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, Inc.**

Brett Christenson, Managing Director provided the following report:

- ✚ Investment Report, July 31, 2010
  - U.S. Economy
  - Fixed Income Markets
  - U.S. Equity Markets
  - International Equity Markets
  - Hedge Fund Markets
  - Market Values
  - Annualized Performance (Gross of Fees)
  
- ✚ Performance-Based Fee Structure Discussion
  - Performance-based fees are earned by managers when they exceed the benchmarks. CRS would pay higher fees with a performance-based fee structure due to the over-performance of the fund managers.

- ✚ 2<sup>nd</sup> Quarter 2010 Report - Market Value \$1,878,469
  - The total fund returned -5.1%, outperforming its benchmark, which returned -6.7%. Over the trailing 12 months, the CRS returned +14.5%, outperforming the policy benchmark, which returned +12.9%.
  - U.S. Economy
  - Fixed Income Markets
  - U.S. Equity Markets
  - Global Economy
  - International Equity Markets
  - Hedge Fund Markets
  - Real estate Markets
  - Infrastructure
  - Private Equity
  - Blackrock remains on alert
  - \$25 million has been called for the Shenkman 4-points product
  
- ✚ Investment Performance Analysis - Internal Rate of Return (IRR) Table - Net of Fees
  - Blue Chip Funds II, III, IV
  - Fort Washington Funds V,VI
  - Piper Jaffray III LBO and III VC
  - Piper Jaffray IV LBO and IV VC
  - Portfolio Advisors Fund IV and V
  - Alinda II
  - Macquarie II
  - Private Equity Composite
  - Infrastructure Composite

### **INFORMATIONAL ITEMS**

J. Walsh, Investment Committee Chair provided the following items for information:

1. A copy of the memo submitted to City Council from the City Manager regarding the CRS 2009 Investment performance.
2. An article from the Business Courier regarding Blue Chip Venture Co.

### ***Committee Action***

M. Fehn made a motion to adjourn the meeting. M. Rachford seconded the motion and the motion passed. Meeting was adjourned at 1:20 P.M.