

Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Call to Order:

Chairperson, Sarah Peck called the meeting to order at 2:30 pm, on 03-07-11, in Room 203-P, of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI. 53233.

Roll Call:

Board Members Present:

Jeffrey Mawicke
John Maier
Sarah Peck
Linda Bedford

Others Present

Dale Yerkes
Brett Christenson
Greg Leonberger
Roger Kerkenbush
Marian Ninneman
Gerald Schroeder
Mark Grady

Five (5) handouts were provided to the Board members and others in attendance:

- Marquette Associates - Asset Allocation Review
- Marquette Associates - Equity Research Position Paper
- Marquette Associates - Private Equity Analysis
- Marquette Associates - Barings Memo
- Marquette Associates - ING Memo

1. Topic: **Monthly Flash Report - Marquette**

Not discussed.

2. Topic: **Asset Allocation Process - Marquette**

Brett talked about the merger between ING REIM and CB Richard Ellis Group. He stated that since ERS was in the process of liquidating its investment with ING REIM this merger will have no real effect.

Brett discussed increasing ERS' investment in private equity. He said it was important to only invest in top tier funds and to spread investments across vintage years. Buying private equity on the secondary market is also a possibility. Brett will bring an analysis of Adams Street's investments by size to a future meeting.

Brett and Greg Leonberger described Marquette's process for asset allocation analysis and their U.S. Equity Position Paper.

Some conclusions from this analysis are: value investments are better than growth, all market capitalization sizes should be included, actively managed funds should do better than passively managed funds in the mid and small capitalization segments of the market and international markets should become more efficient.

3. Topic: **BNY Mellon Workbench Training - Discussion**

The members present felt that this type of training for the members of the Pension Board is not worthwhile. However, a representative from BNY Mellon should make a presentation to the Pension Board at least once a year.

4. Topic: **Investment Manager Presentations – Discussion**

Sarah would like all investment managers of a particular class of investment attend the same Pension Board meeting. This would allow members of the Pension Board to compare their investment styles. Managers should come to an Investment Committee meeting only for special situations.

5. Topic: **Baring Emerging Markets – Portfolio Managers Discussion**

Brett discussed the departure of two managers from Baring Emerging Markets Fund. He stated that a major change like this requires that this investment manager automatically be placed on alert. If their returns are OK in the near term they will be taken off of alert. Brett is comfortable with the new managers at this fund.

6. Adjournment: **The Investment Committee adjourned at 3:50 pm.**



Dale A. Yerkes
Fiscal Officer ERS