

RFP's have been issued, with a due date of 9-22-09. Marquette will provide a summary of the respondents for both RFP's.

4. Topic: Asset Allocation

Discussion on our asset allocation/fund was delayed until the Board presentation on 9-16-09.

5. Topic: Continuing Education

Industry Funds Management (IFM) provided information on the valuation of Infrastructure Funds. An open-ended fund like the IFM Global Infrastructure must have a rigorous and comprehensive valuation methodology in order to have investor confidence in the outcome.

The key to Infrastructure success is based on:

- Independence
- Flexibility
- Access to information
- Robust data
- Independent audit
- Rotation of valuers

If ERS decided to go with IFM, it would be a Limited Partnership.

Infrastructure has risks. Such a situation is caused by poor research, hidden factors or no built-in safeguards. Other factors could be political risk, unforeseen regulation, and catastrophe. A key point to remember is that an open-ended fund typically does not have an exit strategy because it is the intent to hold this type of investment for income. Marquette believes that the advantage of Infrastructure is:

- A lease to open-end fund
- Holding over time
- More Mature/Stable Assets
- Lower Leverage
- Aligned to the leasor
- Value
- Liquidity
- Target cash yield

ERS would be looking at a 7% fund investment in Infrastructure. This is approximately a \$110 million dollar allocation.

Note: The Investment Committee endorsed the recommendation of Marquette Associates, to not have a meeting on October 5, 2009. **In its place will be scheduled Evaluation Panel interviews for the RFP's: Infrastructure and Long/Short Equity. The location will remain at the Courthouse, in Room 203-P, at 2:00 PM.** The following trustees volunteered to be panel members:

- Sarah Peck
- Dean Roepke
- John Maier
- Linda Bedford

- Other Board members will be solicited for their interest in participating on the panel.

6. Adjournment: ~~The Investment Committee~~ adjourned at 3:45 pm.



Gerald J. Schroeder
ERS Manager