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POLICE AND FIRE RETIREMENT PLAN

Investment Committee Summary

WEDNESDAY

SAN JOSE, CALIFORNIA

MARCH 19, 2008

Present:

Committee Members

Mark Skeen
Ken Heredia
Bret Muncy

Also Present:

Russell Crosby	-Director/Secretary	Susan Devencenzi	-Staff
Ron Kumar	-Staff		
Udaya Rajbhandari	-Staff		
Cristin James	-Staff		

MEETING SUMMARY

RECOMMENDATIONS

Approval to terminate Mercer Investment Consulting and authorized the Secretary to negotiate and execute an agreement with NEPC, LLC for investment consulting services.

APPROVAL ITEMS

1. Discussion and action on the Investment Consultant RFP.

Member Heredia stated that all of his outstanding questions regarding NEPC were answered to his satisfaction. He recommended that the Investment Committee schedule a teleconference with NEPC's Alternative Investment Group as soon as possible.

The Committee approved closing the Investment Consultant RFP with Mercer, Wurts and NEPC as finalists. Furthermore, the Committee recommended to the Police and Fire Department Retirement Plan's Board to hire NEPC as their Investment Consultant as soon as administratively feasible.

Motion/second/approved. (3-0)

2. Authorization for the Secretary to approve the assignment of Seix Investment Advisors, Inc. agreement to Seix Investment Advisors, LLC.

Motion/second/approved. (3-0)

3. Approval for the Secretary to negotiate and execute the following extensions:

CONTRACTOR	SERVICE	HIRE DATE	EXTEND TERM TO
Boston Partners	Domestic Equity - Large Cap Value	7/96	6/30/11
Brandes Investment Partners	International Equity	1/97	6/30/11
New Amsterdam Partners	Domestic Equity – GARP	1/95	6/30/11
Provident Investment Counsel	Domestic Equity – Small Cap Growth	1/98	6/30/09
Seix Investment Advisors	Domestic Fixed Income	9/99	6/30/09
Western Asset Management	Domestic Fixed Income	8/02	6/30/11
William Blair & Co.	International Equity	3/02	6/30/11

Motion/second/approved. (3-0)

INFORMATIONAL ITEMS

4. Update on Investment Managers on Probation and Watch list – January 2008

<u>Probation List</u> Provident	Underperformed benchmark, the Russell 2000 Growth Index + 200 bps for the month, YTD and rolling one-year. Outperformed the index, net of fees, rolling one-year but underperformed for the month and YTD. Next Step: Continue on Watchlist.
Boston Company	Outperformed benchmark, the MSCI Emerging Markets Index + 200 bps for the month and YTD but underperformed rolling one-year. Outperformed the index, net of fees, for the month and YTD but underperformed rolling one-year. Next Step: Continue on probation on a month-to-month basis.
Seix Investment Advisors	Underperformed benchmark, the Lehman Aggregate + 50 bps, for the month, YTD and rolling one-year. Underperformed the index, net of fees, for the month and YTD but outperformed the benchmark rolling one-year. Next Step: Continue on Probation.
Alliance	Outperformed benchmark, the MSCI Emerging Markets Index + 200 bps for the month and YTD but underperformed the benchmark rolling one year. Outperformed the index, net of fees, for the month and YTD but underperformed the benchmark rolling one-year. Next Step: Continue on Probation.

Approved:



 RUSSELL U. CROSBY, SECRETARY
 BOARD OF ADMINISTRATION