

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE  
ANNUITY AND PENSION BOARD**

Minutes of the Investment Committee Meeting  
held May 6, 2009

The meeting was called to order at 8:40 a.m.

Committee Members Present:        John Barmore  
   Thomas Fischer  
   Angela Henschel  
   Larry Holland  
   W. Martin Morics  
   Michael J. Murphy, Chair

Committee Members Not Present:   William C. Carey (excused)  
   Ron Walter (excused)

Retirement Staff Present:        Bernard J. Allen, Executive Director  
   Martin Matson, Deputy Director  
   Tom Rick, Chief Investment Officer  
   David Silber, Pension Investment Analyst  
   Bruce Thomas, Pension Investment Analyst  
   Suzanne Fortier, Board Stenographer

Others Present: Beth Cleary, City Attorney's Office; Doug Kryscio and Patty Hafner, Mercer Investment Consulting; Rob Gillam and Steve Herbert, McKinley Capital Management; Barry Dargan, Brett Fleishman and Karen Jordan, MFS Investment Management; and Kurt Umbarger, Jack McGowan and Robert Gensler (via conference call), T. Rowe Price.

**Mercer – Overview of Managers.** As a matter of information, Committee members received a copy of Global Equity Manager Questions; a Global Growth Manager Summary and a Manager Search Report from Mercer, dated April 2009. Mr. Kryscio briefly talked about the firms involved in the interviews for today. He stated that neither he nor Ms. Hafner have met personally with any of the three managers, but Mercer's research group has met with them and done a lot of research. Mr. Kryscio stated that the bottom line is that Mercer and ERS staff would be comfortable with any of the three managers before the Board today.

**McKinley Capital Management.** As a matter of information, Committee members received a presentation book. Mr. Herbert provided some background information on the firm; representative client list and asset breakdown as of March 31, 2009. Brief discussion ensued. Mr. Gillam talked about McKinley's investment philosophy and investment style; an overview of their buy and sell discipline; risk-adjusted relative return; estimated growth conceptualization; structural filters; risk controls; data check and overview; client services; and performance summary as of March 31, 2009. Discussion ensued throughout the presentation.

**MFS Investment Management.** As a matter of information, Committee members received a presentation book, dated May 6, 2009. Ms. Jordan introduced herself, Mr. Dargan and Mr. Fleishman and provided an overview of the firm; their investment

professionals and the global equity composite performance as of March 31, 2009. Mr. Dargan briefly talked about his background. Mr. Fleishman talked about the global growth equity team; MFS's distinguishing characteristics; investment process overview; fundamental research: global sector teams; and MFS's 5 year rolling time period - annualized returns. Mr. Dargan talked about MFS's quantitative screening; fundamental criteria; valuation discipline; entry and exit points; risk review; sectors and regional weights; and MFS's top 10 portfolio holdings. Discussion ensued throughout the presentation.

**T. Rowe Price.** As a matter of information, Committee members received a presentation book, dated May 6, 2009. Mr. McGowan and Mr. Umbarger were present and Mr. Gensler dialed in from Singapore. Mr. McGowan briefly talked about T. Rowe Price's organization and the total global equity assets. Mr. Umbarger talked about T. Rowe Price's global equity advantage; background information on Mr. Gensler; global equity structure; research resources; and manager resources and investment advisors. Mr. Gensler talked about how the world is dynamically changing; T. Rowe Price's investment philosophy; prospective investment characteristics; match of absolute returns; global equity investment process; risk management; expected investment parameters; portfolio characteristics. Mr. McGowan talked about T. Rowe Price's total return performance. Discussion ensued throughout the presentation.

Mr. Murphy called for a break at 12:35 p.m.

**Selection of Global Growth Equity Manager.** Mr. Murphy advised that the Investment Committee may vote to convene in closed session on this item as provided in Section 19.85 (1) (e), Wisconsin State Statutes, for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. He indicated it was his intent to adjourn from closed session. It was moved by Mr. Barmore and seconded by Mr. Fischer, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mr. Barmore, Mr. Fischer, Ms. Henschel, Mr. Morics and Mr. Murphy. NOES: None.

The Committee convened in closed session at 12:50 p.m. There being no further business, Mr. Murphy adjourned the meeting at 1:00 p.m.

Bernard J. Allen  
Secretary and Executive Director

**(NOTE:** All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)