

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

Minutes of the Special Investment Committee Meeting
held January 25, 2011

The meeting was called to order at 10:03 a.m.

Committee Members Present: John Barmore
 Konrad Ellenberger
 W. Martin Morics
 Michael J. Murphy
 Ron Walter

Committee Members Not Present: William C. Carey (excused)
 Larry Holland (excused)
 Gust Petropoulos (arrived at 10:10 a.m.)

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
 Brian Brophy, College Intern
 Suzanne Fortier, Board Stenographer

Others Present: Beth Cleary, City Attorney's Office; and Dan Fuss, Loomis Sayles.

Loomis Sayles Presentation. Mr. Rick handed out an updated performance chart and presentation book. Mr. Fuss talked in length about the risk in the bond market; exchanging bond market risk for specific issuer risk; and the long term secular rising interest rate trend. He also talked about MERS fixed income strategy with Loomis Sayles. Discussion ensued throughout the presentation.

(During the presentation, Mr. Petropoulos arrived at 10:10 a.m.)

There being no further business, Mr. Murphy adjourned the meeting at 11:30 a.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.)