COUNTY EMPLOYEES’ AND OFFICERS’ ANNUITY & BENEFIT FUND OF
COOK COUNTY
And Ex-Officio for the
FOREST PRESERVE DISTRICT EMPLOYEES’ ANNUITY & BENEFIT FUND
MEETING OF THE INVESTMENT COMMITTEE
33 N. DEARBORN STREET – SUITE 1000

Minutes for February 24, 2010 Meeting of the Investment Committee

1. Call to Order and Roll Call at 9:30 a.m.
   IC Members Present: Agnes, Benjamin, Fratto, Granberry, Kilgallon and McFadden
   Staff Present: Degnan, Hackett, Sirot, Vinzons

   Mr. Kilgallon presided.

2. Approval of January 28, 2010 Investment Committee Meeting Minutes;
   Motion for Approval and Adoption of Minutes. It was moved by Trustee Granberry and seconded by Trustee Agnes that the minutes of the January 28, 2010 Investment Committee Meeting be approved and adopted.
   Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

3. 2007 Levy;
   It was moved by Trustee McFadden and seconded by Trustee Granberry that the Investment Committee convene an Executive Session pursuant to Sections 2(c)(11) of the Open Meetings Act, 5 ILCS 120, to address probable litigation.
   Roll Call Vote:
   AYES: Agnes, Benjamin, Granberry, Kilgallon and McFadden
   NAYS: None
   Vote Result: MOTION ADOPTED

Upon returning to open session it was moved by Trustee McFadden and seconded by Trustee Granberry that a counter offer be made to a representative of the Cook County Board stipulating that the County fully pay the amount due the Cook County Employees’ and Officers’ Annuity & Benefit Fund from the 2007 levy by July 30, 2010, with interest in the amount of 2.75% calculated from December 1, 2008, to the
date of payment. It is further moved that the Fund’s staff and counsel take all step reasonably necessary to effectuate the foregoing, including, subject to legal review and sign off, execution and delivery of a related written settlement agreement on the Fund’s behalf by the Executive Director.

**Vote Result:** MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

4. Portfolio Review;

A. 2009 Fourth Quarter Report Review

Mr. Krolak reviewed the December quarterly performance report for each Fund prepared by Marquette.

Mr. Fratto entered the meeting at this point and assumed the chair.

B. Rebalancing;

Mr. Krolak addressed the Fund’s need to rebalance in order to bring the Cook County Fund in compliance with its policy target allocation. Marquette recommended that the Cook County Fund rebalance by reallocating $180 million of the S&P 500 portfolio into intermediate fixed income, utilizing the Fund’s current intermediate fixed income managers, Chicago Equity Partners & LM Capital. The rebalancing would be funded from the Rhumbline S&P 500 account utilizing a transition manager to reduce event risk of a single day asset transition.

It was moved by Trustee Kilgallon and seconded by Trustee Granberry to recommend to the Board of Trustees that the Board accept the rebalancing recommendation by the Fund’s Investment Consultant to bring the Cook County Fund’s intermediate fixed income allocation in-line with its target with the transfer of $180 million from the Rhumbline S&P 500 portfolio into the two intermediate fixed income managers (LM Capital and Chicago Equity) and engage a transition manager for pre-bid analysis and implementation.

**Roll Call Vote:**
AYES: Agnes, Benjamin, Fratto, Granberry, Kilgallon and McFadden
NAYS: None

**Vote Result:** MOTION ADOPTED


It was moved by Trustee Kilgallon and seconded by Trustee Granberry that the Investment Committee convene an Executive Session pursuant to Sections 2(c)(7) of the Open Meetings Act, 5 ILCS 120, to discuss the investment matters.

**Roll Call Vote:**
AYES: Agnes, Benjamin, Fratto, Granberry, Kilgallon and McFadden
Upon returning to open session it was moved by Trustee Kilgallon and seconded by Trustee Granberry that with respect to the International Small Cap search, the finalists recommended by the Fund’s Investment Staff based on the evaluation and for the reasons summarized in the Investment Consultant’s report to the Investment Committee dated February 24, 2010 be approved and that the Fund’s Investment Staff and the Investment Consultant be authorized to take all action reasonably necessary to effect the foregoing in accordance with the County Fund’s procurement policy, including continued due diligence.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Mr. Fratto exited the meeting at this point and Mr. Kilgallon reassumed the chair.

6. Investment Manager Presentations;

The following representatives of Amalgatrust, an investment advisor to the Funds, and Goldman Sachs, a sub-advisor to the Funds, addressed the Investment Committee regarding their recent performance and investment outlook: William Uher, Senior Vice-President/Director of Trust & Investments (Amalgatrust), Robert Majdecki, Senior Vice-President/Chief Investment Officer (Amalgatrust) and Michael Smith, Vice President/Lead Portfolio Manager (Goldman Sachs). Also, Michael Bennett, Managing Director, and Tony Dote of Lazard Asset Management, an investment advisor to the Funds addressed the Committee. Finally, Stephen M. Knightly, President/Portfolio Manager, and Christopher W. Premock, Vice President, of Frontier Capital Management Co, LLC also an investment advisor to the Funds discussed their recent performance and investment outlook with the Committee.

7. Adjournment.

After consideration of all other items of business, it was moved by Trustee Benjamin and seconded by Trustee McFadden that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE