

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT - COUNTY OF KERN

1115 Truxtun Avenue
Bakersfield, California

Investment Committee Meeting
Wednesday, May 5, 2004

10:18 a.m.

Committee Members: Barnes, DeMario, Fiddler, Chairman
Franey, Alternate Lesser

Roll Call: Barnes, DeMario, Fiddler, Chairman
Franey, Alternate Lesser

NOTE: The vote is displayed in bold below each item. For example, Barnes-DeMario denotes Trustee Barnes made the motion and Trustee DeMario seconded the motion.

1. Discussion and appropriate action on comparative review of Proxy Voting Policy from KCERA Investment Goals, Objectives, and Policies and Rothschild Asset Management Proxy Voting Guidelines, presented by Acting Executive Director Anne M. Holdren and T. Radey Johnson, Rothschild Asset Management – ANNE M. HOLDREN HEARD; CHAIRMAN FRANNEY HEARD; T. RADEY JOHNSON HEARD VIA CONFERENCE TELEPHONE; MICHAEL C. SCHLACHTER, WILSHIRE ASSOCIATES, HEARD

RECEIVED AND FILED; RECOMMEND TO BOARD OF RETIREMENT TO ALLOW ROTHSCHILD ASSET MANAGEMENT TO FOLLOW ROTHSCHILD PROXY VOTING GUIDELINES ON AN INTERIM BASIS PENDING REVISIONS TO KCERA PROXY VOTING POLICY; REFERRED KCERA PROXY VOTING POLICY TO JUNE 9TH INVESTMENT COMMITTEE MEETING

Barnes-DeMario – 4 Ayes

CHAIRMAN FRANNEY DIRECTED STAFF TO SURVEY OTHER 1937 ACT COUNTIES AND CALAPRS MEMBER ORGANIZATIONS ABOUT THEIR PROXY VOTING POLICIES, POLL KCERA MANAGERS ON THEIR PROXY VOTING PROCEDURES AND REQUEST MANAGER PROXY VOTING GUIDELINE DOCUMENTATION; INVESTIGATE UTILIZING THE SERVICES OF INSTITUTIONAL SHAREHOLDER SERVICES (ISS, INC.) FOR KCERA PROXY VOTING ISSUES; AND CONSIDER SCHEDULING IN-SERVICE TRAINING FOR TRUSTEES ON PROXY VOTING ISSUES (E.G., IN WHAT AREAS DOES THE BOARD WISH TO BE ACTIVE? WHAT PROACTIVE POSITIONS DOES THE BOARD WISH TO TAKE?)

2. Discussion and appropriate action on draft securities litigation policy, presented by Deputy County Counsel Patricia J. Randolph – PATRICIA J. RANDOLPH HEARD; CHAIRMAN FRANNEY HEARD; MICHAEL C. SCHLACHTER, WILSHIRE ASSOCIATES, HEARD; TRUSTEES FIDDLER AND BARNES HEARD

RECEIVED AND FILED; RECOMMEND TO BOARD OF RETIREMENT TO ADOPT POLICY, TO INCLUDE HIRING KAPLAN FOX & KILSHEIMER LLP ON AN INTERIM BASIS FOR

A PILOT PROGRAM TO PROVIDE SECURITIES MONITORING
AND LITIGATION EVALUATION PROCESS AT NO CHARGE

DeMario-Barnes – 4 Ayes

CHAIRMAN FRANNEY DIRECTED STAFF TO SURVEY OTHER 1937 ACT COUNTIES AND CALAPRS MEMBER ORGANIZATIONS ABOUT THEIR SECURITIES LITIGATION MONITORING POLICIES, POLL KCERA MANAGERS ON THEIR SECURITIES LITIGATION PRACTICES AND REQUEST SECURITIES LITIGATION POLICY DOCUMENTATION; INCLUDE QUESTIONS ABOUT SECURITIES LITIGATION POLICIES ON MANAGER DUE DILIGENCE QUESTIONNAIRE AND IN DUE DILIGENCE PROCESS; AND ADD SECURITIES LITIGATION POLICY TO KCERA INVESTMENT GOALS, OBJECTIVES AND POLICIES

PUBLIC COMMENTS

3. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chairman, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to two minutes. Please state your name and address for the record prior to making a presentation - NONE

COMMITTEE MEMBER ANNOUNCEMENTS AND REPORTS

4. On their own initiative, Committee members may make a brief announcement or a brief report on their own activities. In addition, Committee members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for factual information or, through the Chairman, request staff to report back to the Committee at a later meeting concerning any matter. Furthermore, the Committee, through the Chairman, may take action to direct staff to place a matter of business on a future agenda – NONE

ADJOURNED TO WEDNESDAY, JUNE 9, 2004, AT 8 A.M.

DeMario-Barnes

Secretary, Board of Retirement

Chairman, Investment Committee