

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

1115 Truxtun Avenue
Bakersfield, California

Investment Committee Meeting
Wednesday March 10, 2010

12:14 p.m.

Committee Members: Barnes, Briggs, Chairman Franey, Jefferson,
Alternate Mainland

Roll Call: Barnes, Briggs, Chairman Franey, Jefferson,
Alternate Mainland

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

- *1. KCERA 2010 Strategic Plan as of March 10, 2010 – RECEIVED AND FILED

Briggs-Barnes – 4 Ayes

- *2. KCERA Manager Watch List as of March 10, 2010 – RECEIVED AND FILED

Briggs-Barnes – 4 Ayes

- *3. KCERA Investment Manager Due Diligence Schedule as of March 10, 2010 – RECEIVED AND FILED

Briggs-Barnes – 4 Ayes

4. Report regarding existing class action lawsuit against Northern Trust Investments, N.A. and The Northern Trust Company ("Northern Trust") regarding securities lending investments and activities by Northern Trust, presented by Blair Nicholas, Esq., with the law firm of Bernstein, Litowitz Berger & Grossman LLP – BLAIR NICHOLAS, ESQ., BERSTEIN, LITOWITZ BERGER & GROSSMAN, LLP., HEARD; MICHAEL SCHLACHTER, WILSHIRE ASSOCIATES, INC., HEARD; DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH HEARD

RECEIVED AND FILED

Barnes-Briggs – 4 Ayes

5. Discussion and appropriate action on moderate risk core plus candidates presented by Michael Schlachter, Wilshire Associates, Inc. – MICHAEL SCHLACHTER, WILSHIRE ASSOCIATES, INC., HEARD; CHAIRMAN FRANEY HEARD; TRUSTEES BRIGGS AND JEFFERSON HEARD; DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH HEARD

RECEIVED AND FILED, RECOMMEND TO THE BOARD OF RETIREMENT APPROVAL OF ING INVESTMENT MANAGEMENT COMPANY AND PACIFIC INVESTMENT MANAGEMENT COMPANY AS FINALISTS FOR MODERATE RISK CORE PLUS MANAGERS AND FOR CONDUCTING DUE DILIGENCE; INITIATED EVALUATION PERIOD

Barnes-Briggs – 4 Ayes

6. Discussion and appropriate action on recommendation to terminate the BlackRock U.S. Alpha Tilts product due to sustained underperformance and concerns about the organization and that two Core Enhanced Index firms be hired, rather than the one originally planned and that the BlackRock International Alpha Tilts product be placed on Watch List due to organizational concerns as the team and resources are the same for both mandates presented by Michael Schlachter, Wilshire Associates, Inc. – MICHAEL SCHLACHTER, WILSHIRE ASSOCIATES, INC., HEARD

BARNES-JEFFERSON – 4 Ayes

RECEIVED AND FILED; RECOMMEND TO THE BOARD OF RETIREMENT TERMINATION OF THE BLACKROCK U.S. ALPHA TILTS PRODUCT, HIRING TWO CORE ENHANCED INDEX FIRMS INSTEAD OF THE ONE ORIGINALLY PLANNED AND TO PLACE THE INTERNATIONAL ALPHA TILTS PRODUCT ON WATCH LIST FOR A PERIOD OF ONE YEAR TO BE REVIEWED AT THE END OF THE FIRST QUARTER 2011; CONTINUE EVALUATION PERIOD

7. Review draft risk budget implementation schedule presented by Executive Director Anne M. Holdren – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; APPROVED

BRIGGS-JEFFERSON – 4 Ayes

PUBLIC COMMENTS

8. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed 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

9. 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

Briggs-Jefferson – 4 Ayes

Secretary, Board of Retirement

Chairman, Investment Committee