



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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Greg Baxter  
Vicki Crow  
Paul Dictos, CPA  
Robert Dowell  
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Mary Ann Rogozinski, Alternate

Donald C. Kendig, CPA  
Retirement Administrator

**DATE:** June 3, 2015  
**TO:** Board of Retirement  
**FROM:** Donald C. Kendig, CPA  
Retirement Administrator

**STAFF CONTACT:** Elizabeth Avalos  
Administrative Services Assistant

**SUBJECT: Public Records Requests and/or Retirement Related Information Requests - RECEIVE AND FILE**

**Background and Discussion**

During the "final comp" issue and the purchase of the current building in 2002, staff received a deluge of public records requests and determined that it would be appropriate to keep the Board apprised of public inquiries and sentiment. While this is not an item required by policy or statute, staff believes that this is a good practice to continue.

**Fiscal and Financial Impacts**

None from the receiving and filing of this item.

**Recommended Action**

1. Receive and file.

**Attachment(s)**

1. Requests/Correspondence from Robert Skowronski, FCERA Member

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Thursday, May 07, 2015 9:35 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Cc:** Kendig, Donald  
**Subject:** PRA - FW: Hedge Funds do Cut Fees

Hello,

Thank you for the email. We will share with the Board at the next meeting.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Wednesday, May 06, 2015 10:05 PM  
**To:** FCERAwebmail  
**Subject:** Hedge Funds do Cut Fees

To The Fresno County Retirement Board and Administrator

At the May 6th 2015 meeting there was discussion on reducing Hedge Funds fees to FCERA. I searched the internet and found articles that show it is possible for Hedge Funds to cut fees. It also appears that the payment structure can be modified. The links below are the articles I found. I think trustee Debbie Pochigian was trying to save the County and FCERA money by asking this question. Hopefully these articles help.

Robert Skowronski

<http://money.cnn.com/2014/12/22/investing/hedge-fund-fees-2015/index.html>

<http://www.newsmax.com/Finance/StreetTalk/hedge-fund-fees-investor-stocks/2015/02/26/id/627158/>

<http://www.finalalternatives.com/node/24644>

<http://www.fool.com/investing/general/2014/01/07/hedge-funds-cut-2-and-20-pricing.aspx>

<http://www.forbes.com/sites/halahtouryalai/2012/05/02/a-call-to-cut-hefty-hedge-fund-fees/>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Monday, May 11, 2015 8:02 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Cc:** Kendig, Donald  
**Subject:** FW: One of FCERA previous Fund of Fund Manager

Dear Mr. Skowronski,

Thank you for the email. We will provide copies to the Board of Retirement at the next meeting.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Thursday, May 07, 2015 10:23 PM  
**To:** FCERAwebmail  
**Subject:** One of FCERA previous Fund of Fund Manager

To the Board of Retirement and Administrator

I have been researching Hedge Funds. What follows is a previous Fund of Fund company called Common Sense that FCERA used. Notice the reference to FCERA in the article. I will keep providing you with information to help in your decision on Hedge Funds. Not all the information I have found is negative to be fair. Hope this gives you information you didn't know about. The FCERA website has been very helpful.

Robert Skowronski

[http://finance.yahoo.com/news/fund-slammed-founders-prostitution-bust-194535306.html;\\_ylt=A0SO8wZRP0xVpsAAMPxXNyoA;\\_ylu=X3oDMTByN3UwbTk1BGNvbG8DZ3ExBH BvcwM5BHZ0aWQDBHNIYwNzcg--](http://finance.yahoo.com/news/fund-slammed-founders-prostitution-bust-194535306.html;_ylt=A0SO8wZRP0xVpsAAMPxXNyoA;_ylu=X3oDMTByN3UwbTk1BGNvbG8DZ3ExBH BvcwM5BHZ0aWQDBHNIYwNzcg--)  
<http://www2.co.fresno.ca.us/9200/attachments/agendas/2009/071509/Item%2027%20071509%20Hedge%20Fund%20of%20Fund%20Recommendation%20Memo.pdf>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Monday, May 11, 2015 8:02 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth; Kendig, Donald  
**Subject:** FW: Common Sense Fund of Funds Redemption time for FCERA

Dear Mr. Skowronski,

Thank you for the email. We will provide copies to the Board of Retirement at the next meeting.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Friday, May 08, 2015 11:51 AM  
**To:** FCERAwebmail  
**Subject:** Common Sense Fund of Funds Redemption time for FCERA

To Board of Retirement and Administrator

Here is follow up to yesterday's E-mail concerning how long it took FCERA to get it's investment back from the Fund of Funds Common Sense. This is information that the new trustees or Administrator may not be aware of. From what I can tell the process started in October 2013 and ended in June 2014 (maybe). It appears to be about a 100 day wait in the contract before any funds are returned.to FCERA. If FCERA would like a shorter waiting period they should specify it in the new Hedge Fund of Funds contract. I am including pertinent FCERA website information if you would like to see the exact details. Type in Common Sense in the search box on the FCERA website to view lots more history between Common Sense Fund of Funds and FCERA. Hopefully this adds more to the discussion on what is needed by FCERA for it's increase investments into Hedge Fund of Funds.

Robert Skowronski

All Links from FCERA website (Thanks)

Start of the redemption process

<http://www2.co.fresno.ca.us/9200/attachments/agendas/2013/110613/Item%2017%20110613%20Common%20Sense%20Redemption%20Queue%20Update.pdf>

Time frame for FCERA to redeem its funds. At least 100 days to redeem funds.

<http://www2.co.fresno.ca.us/9200/attachments/agendas/2014/040214/Item%2015%20040214%20Common%20Sense%20Partners%20Redemption%20Update.pdf>

Importance of timely request for redemption (only redeemable in the month of January or wait another year).

Read Item number 17 only.

<http://www2.co.fresno.ca.us/9200/attachments/agendas/2013/100213/Item%2004%20100213%20090413%20Agenda%20Minutes.pdf>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Monday, May 11, 2015 8:03 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth; Kendig, Donald  
**Subject:** FW: Pay Attention to Warren Buffet not me.

Dear Mr. Skowronski,

Thank you for the email. We will provide copies to the Board of Retirement at the next meeting.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Sunday, May 10, 2015 12:17 PM  
**To:** FCERAwebmail  
**Subject:** Pay Attention to Warren Buffet not me.

To the Board of Retirement and Administrator

Here is a current article that quotes Warren Buffet on Hedge Funds. I think he knows something about investing and financial markets..

Robert Skowronski

<http://www.bloomberg.com/bw/articles/2015-01-08/hedge-funds-a-2015-outlook#p1>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Thursday, May 14, 2015 9:31 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - FW: Hedge Funds can Invest in Anything

Hello,

Thank you for the email. With this response, I have forwarded your email to the Administrative Assistant for inclusion with the next Board agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Wednesday, May 13, 2015 11:35 AM  
**To:** FCERAwebmail  
**Subject:** Hedge Funds can Invest in Anything

To the Board of Retirement and Administrator  
Hedge Funds can invest in ANYTHING that is legal. Recently Marijuana has become legal for recreational use in some states but not California. Fresno County Board of Supervisors is trying to control the illegal selling, planting and harvesting of Marijuana in Fresno County. The Board of Retirement should be monitoring alternative invested so no investment is made in this new legalized marijuana business if a trustee objects. Fund of Funds investments may have 40+ different Hedge Funds in them that may not disclose what they invest in. It would be unfair to someone who is in political office to vote on an investment that might include profiting from recreational use of marijuana without them knowing about it. It is also possible that a political elected member of trustee might object to other concerns. Every trustee should know that their vote for an investment is what they really intended and not have a hidden objectable investment component. See links below to support my observation.

Hedge can invest in anything.

<http://www.forbes.com/sites/investopedia/2013/10/22/what-are-hedge-funds/>

Legalized Marijuana maybe the next new investment.

<http://www.npr.org/2013/08/01/207899209/private-equity-fund-eyes-the-business-of-pot>

Hedge Funds may get into Marijuana business.

<http://www.finalternatives.com/node/28476>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Thursday, May 14, 2015 9:32 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - FW: Obama and Hedge Funds Lottery

Hello,

Thank you for the email. With this response, I have forwarded your email to the Administrative Assistant for inclusion with the next Board agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Tuesday, May 12, 2015 10:02 PM  
**To:** FCERAwebmail  
**Subject:** Obama and Hedge Funds Lottery

To Board of Retirement and Administrator

Here is today's article about President Obama remarks on Hedge Fund managers. The president seems to equate them to lottery winners. Does he mean Hedge Fund managers are a bunch of gamblers except they use other people's money to win? In the Fresno Bee today it appears Fresno County's CAO (\$217,623 after a 35% raise?-- from Fresno County Website) makes more than the Governor of California (\$183,000 after a 3% raise). I wonder who's government pension is going to be higher and what it will cost Fresno County Taxpayers? Rhetorical question.

Robert Skowronski

<http://www.bloomberg.com/politics/articles/2015-05-12/obama-attacks-carried-interest-again-to-shrugs-in-u-s-congress>

<http://abc7news.com/politics/california-governor-other-top-officials-get-3-percent-raise/714581/>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Friday, May 15, 2015 9:01 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** FW: SEC article on Hedge Funds

Hello,

Thank you for the email. With this response, I have forwarded your email to the Administrative Assistant for inclusion with the next Board agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Thursday, May 14, 2015 8:55 PM  
**To:** FCERAwebmail  
**Subject:** SEC article on Hedge Funds

Board of Retirement and Administrator

This is the best article I have come across on Hedge Funds so far, it is published by the Security Exchange Commission of the United States of America. Although it is written for the private Hedge Fund Investor 99% of it also applies to the institutional investor(FCERA), The article has all the advantages, disadvantage and what to consider when investing in a Hedge Fund . It's by the United States Government so it could be considered impartial and authoritative'. I am sure many of the trustee know this information already but it might be helpful to the new trustees. I hope I have given you enough information to support my opinion of the value of investing in Hedge Funds. Thank you for your time.

Robert Skowronski

[http://www.sec.gov/investor/alerts/ib\\_hedgefunds.pdf](http://www.sec.gov/investor/alerts/ib_hedgefunds.pdf)



## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Monday, May 18, 2015 11:59 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** FW: Common Sense Fund of Funds Issue

Hello,

Thank you. We will provide to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

---

**From:** Robert skowronski  
**Sent:** Monday, May 18, 2015 11:55 AM  
**To:** FCERAwebmail  
**Subject:** Common Sense Fund of Funds Issue

To the Board of Retirement and Administrator

Here is an example of comments by the previous FCERA administrator that may not reflect the values of the FCERA trustees.

Previous Administrator Quote:

"It's a tough issue. From our vantage it's a personal issue first and foremost and does affect the business," said Phillip Kapler, administrator of the \$3.5 billion Fresno pension fund. "But if it affects the morale or key people at the organization and it becomes detrimental to our interest, it would be a problem."

Common Sense Fund of Funds Founder( one of the previous FCERA Fund of Funds) was arrested for prostitution charges and is innocent until proven guilty ,but it doesn't take much brains to realize these charges will impact negatively on the company if true, Personal issues of top investment personnel can be business issues and should always be a problem if they are serious enough. Personal issues can affect business in a negative way and may reflect badly on the Trustees if they don't respond once notified. Trustee who are politicians should never be put in a position where they have to explain the actions of others that can reflect badly on them as politicians Does FCERA have a policy to protect trustees from this? As stated earlier Hedge Funds can invest in anything yet they have very limited disclosure. Below is a link to the full article, This is my opinion.

Robert Skowronski

<http://www.cnbc.com/id/101103695>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Wednesday, May 20, 2015 7:53 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** FW: Most negative article on Hedge Funds and Fund of Funds Yet!

Thank you! We will provide to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Tuesday, May 19, 2015 5:26 PM  
**To:** FCERAwebmail  
**Subject:** Most negative article on Hedge Funds and Fund of Funds Yet!

To the Retirement Board and Administrator

In my continuing research on Hedge Funds and Fund of Funds I came across this review of a nonfiction book printed in Forbes magazine 2012. I know it's a little dated but it probably has some truths in it. It almost sounds like a fictional book. How could Hedge Fund fees be so high and the returns so low? According to the book review Hedge Funds returned 16% and Fund of funds returned 2% over 12 years to investors while 84% and 98% of the returns respectively to Hedge fund and managers of the Hedge fund. I did find a rebuttal to the claims of the author from the industry to be fair (see below). Then I found a rebuttal to the rebuttal. The truth probably lies somewhere in between. More information to come. All links to articles below. Thanks for your time,

Robert Skowronski

Forbes article.

<http://www.forbes.com/sites/greggfisher/2012/01/23/chasing-the-mirage-of-hedge-fund-returns/>

Rebuttal from industry.

<http://www.finalalternatives.com/node/21480>

Rebuttal to the rebuttal.

[http://www.slate.com/blogs/moneybox/2012/08/09/the\\_hedge\\_fund\\_mirage\\_vindicated\\_good\\_for\\_managers\\_but\\_bad\\_for\\_investors.html](http://www.slate.com/blogs/moneybox/2012/08/09/the_hedge_fund_mirage_vindicated_good_for_managers_but_bad_for_investors.html)

Author of Book biography.

<http://www.businessinsider.com/author/simon-lack>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Wednesday, May 20, 2015 11:11 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - FW: 4 Quarter Report Grosvenor Fees

Thank you. We will provide copies to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

---

**From:** Robert skowronski  
**Sent:** Wednesday, May 20, 2015 8:53 AM  
**To:** FCERAwebmail  
**Subject:** 4 Quarter Report Grosvenor Fees

To the Administrator and Board of Retirement:

On my researching of fees FCERA paid to Grosvenor Fund of Funds by FCERA I came across the fee schedule for Quarter 4, 2014, it is printed below. It appears to me the any moneys put in the Grosvenor Fund above 100 million dollars has a 0.6% fee, At the last FCERA meeting at about 2 hours and 10 minutes the Grosvenor fee was stated for new moneys at 0.82% with the fee being hard to negotiate lower. It seems to me if the 4Q Investment report was correct FCERA should be able to get 0.6% on all moneys above 100 million dollars added to the account. I could be wrong but it might be worth while to check the figures to see why 0.6% fee was not offered by your FCERA financial advisor for Grosvenor Fund of Funds at the meeting. Thanks for your consideration, Robert Skowronski

[Investment Results Quarter 4, 2014 \(Full Report\)](#) ~~PDF~~

See Page 21 on fees: See Grosvenor fees below. Tried to paste and copy it didn't work so good.

Loomis Sayles High Yield 0.50% of Assets \$204,256,153 \$1,021,281 0.50%

Eaton Vance Senior Loan Fund 0.55% of First \$50.0 Mil,

0.50% of Next \$50.0 Mil,

0.40% Thereafter

\$199,652,437 \$923,610 0.46%

SSgA TIPS 0.04% of Assets \$155,512,703 \$62,205 0.04%

Barclays U.S. Aggregate Index Fund 0.02% of Assets \$488,390,729 \$97,678 0.02%

PIMCO Emerging Local Bond Ins 0.50% of First \$100.0 Mil,

0.45% Thereafter

\$178,520,421 \$853,342 0.48%

Grosvenor 1.15% of First \$25.0 Mil,

1.00% of Next \$25.0 Mil,

0.80% of Next \$50.0 Mil,

0.60% Thereafter

\$150,538,719 \$1,240,732 0.82%

BlackRock Commodities 0.30% of Assets \$102,876,872 \$308,631 0.30%

**Investment Management Fee \$3,566,769,456 \$16,460,610 0.46%**

*This fee analysis only reflects base fees for investment management, does not incorporate performance-based fees, and excludes fees paid to real estate and private equity managers. Real estate and private equity fees have other*

*components which cannot be easily captured in this simplified format.*

*\* Managers with incentive fee: Waddell, Winslow, Systematic, Research Affiliates, Western Asset, Artisan.*

*\*\* Loomis and Western Asset have performance based fees not included in the fee analysis.*

*\*\*\* Common Sense fee schedule effective as of January 1, 2013.*

*\*\*\*\* Research Affiliates and Artisan fee schedule effective as of April 1, 2013.*

## **21 Fresno County Employees' Retirement Association**

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Tuesday, May 26, 2015 11:19 AM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** FW: Recent Supreme Court 401K ruling on retirement fees

Thank you for the email. We will provide a copy to the trustees with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Tuesday, May 26, 2015 9:56 AM  
**To:** FCERAwebmail  
**Subject:** Recent Supreme Court 401K ruling on retirement fees

To the Board of Retirement and Administrator

Very recently the United States Supreme Court issued a ruling on 401K pension plans. One of the arguments it supported was that employer must use due diligence in negotiating fees costs to the employees so they are not charged excessive fees. Even though our pension plan is not a 401K plan I was wondering if a like rule applies to FCERA? If it does how does FCERA negotiate Fees in a Fund of Funds investment that has 44 Hedge Funds in them. By looking at all these the Hedge Funds the Trustees could see which ones might be excessive and negotiate lower fees. The employee might also be able to question these fees if they were allowed access to them. Grosvenor Fund of funds in the FCERA 4th Quarter investment report doesn't appear to list the fees that Hedge Funds themselves charge. At 150 million dollars times 2% administrative fee you get 3 million dollar in fees for just part of the Hedge Fund fees. Next you add a 20% performance fee which I can't calculate because it not reported, This could be the 3.4 million dollars Debbie Poochigian is looking for. Is it our investment advisor's job to report all fees to FCERA so they can be evaluated? Could the Hedge Funds themselves be in a partnership with FCERA through Grosvenor Fund of Funds so would this give FCERA access to the fees? Can the fees Hedge Funds charge be review by FCERA to make sure they are not excessive? Can these fees be negotiated lower or be eliminated if excessive? Why aren't all the Hedge Fund fees listed in the Fee Schedule on FCERA Quarter 4 investment Report? Transparency is essential to spot excess fees charged. Hedge Funds are not very transparent. It appears their are lawsuits occurring about excess fees charged in retirement plans to employees, it might be better to be proactive instead of reactive to the SCOTUS ruling if it applies to FCERA, In the 4th Quarter Investment Report to FCERA by Wurts, Goss of fee is reported why isn't Net of fee also reported,with these two values you could calculate paid fees to see if they are excessive. If FCERA goes to 8% of assets to Hedge Funds in Fund of Funds the cost could be well over 8 million dollars in fees for this single investment. Thank you for your consideration.

Robert Skowronski.

SCOTUS ruling

<http://www.latimes.com/business/la-fi-court-edison-401k-fees-20150519-story.html#page=1>

<http://www.bloomberg.com/news/articles/2015-05-18/401-k-plans-must-monitor-investments-u-s-supreme-court-rules>

<http://www.wsj.com/articles/high-court-ruling-adds-protections-for-investors-in-401-k-plans-1431974139>



## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Wednesday, May 27, 2015 12:34 PM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - FW: More negative Hedge Fund Articles

Thank you. We will provide copies to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

---

**From:** Robert skowronski  
**Sent:** Wednesday, May 27, 2015 10:29 AM  
**To:** FCERAwebmail  
**Subject:** More negative Hedge Fund Articles

To FCERA Retirement Board and Administrator

Below are some links to the negative aspects of Hedge Fund investing. I found them very interesting. I wonder if any of these negative qualities apply to FCERA Hedge Funds? I think I am almost at my 20 article goal on Hedge Funds as stated at the last FCERA meeting. Most of the Articles speak for themselves so I will keep my opinions to myself. Thanks for your time. Robert Skowronski

Click on Link for Article.

<http://www.newyorker.com/news/john-cassidy/how-do-hedge-funds-get-away-with-it-eight-theories>

<http://www.theatlantic.com/business/archive/2013/07/dont-invest-in-hedge-funds/277697/>

[http://www.nytimes.com/2015/03/09/your-money/a-mystery-in-hedge-fund-investing.html?\\_r=0](http://www.nytimes.com/2015/03/09/your-money/a-mystery-in-hedge-fund-investing.html?_r=0)

<http://investorplace.com/2014/12/invest-hedge-funds/>

## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Wednesday, May 27, 2015 12:35 PM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - FW: Net of fees importance for investments

Thank you. We will provide copies to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Wednesday, May 27, 2015 12:20 AM  
**To:** FCERAwebmail  
**Subject:** Net of fees importance for investments

To the Retirement Board and administrator

Here is an article on why Net of fees are sometimes more important than Gross of fees in investment returns reports (advertising) for private investment funds. Gross of fees is OK for institutional investor with comprehensive disclosure and within limits. An investor should be informed of all relevant fees. Would the SEC rule for institutions cover FCERA Financial Reports from Verus if Verus provides financial advisors and/or investor advisors? I don't see Net of fees in any of FCERA quarter reports just Gross of fees with no comprehensive disclosure. The fees incurred by an investment may be more than the schedule of fees listed in the FCERA Quarter Report. Net of fees minus Gross of fees could show any discrepancy over expected fee stated. These are my opinions, since I am a novice on SEC rules I may be in error.

Robert Skowronski

<http://www.thedeal.com/content/regulatory/new-restrictions-to-investment-advisers-marketing-practices.php>



## Avalos, Elizabeth

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**From:** Van Wyk, Becky on behalf of FCERAwebmail  
**Sent:** Wednesday, May 27, 2015 12:44 PM  
**To:** 'Robert skowronski'; Avalos, Elizabeth  
**Subject:** PRA - RE: Jeffery MacLean Fiduciary Responsibilities

Hi,

Using this email is not a problem, since I am usually the one monitoring it. My real email is [bvanwyk@co.fresno.ca.us](mailto:bvanwyk@co.fresno.ca.us), though. Jeff MacLean is not a fiduciary of the plan. As a consultant hired by the Board, he has a responsibility to develop and present recommendations based upon information obtained and analyzed by a wide variety of public and private sources following accepted industry standards.

Copies of this email will be provided to the Board with the next agenda.

Please call (559.457.0681) or email me if you have further questions.

Sincerely,

Becky Van Wyk, CPA  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

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**From:** Robert skowronski  
**Sent:** Tuesday, May 26, 2015 10:24 PM  
**To:** FCERAwebmail  
**Subject:** Jeffery MacLean Fiduciary Responsibilities

To Becky Van Wyk:

Becky since I don't have your E-mail address I will use FCERA E-mail address. My question to you is as follows; Is Jeffery MacLean of Verus Fiduciary responsibility to FCERA and/or Verus or neither. If I know to who Jeffery Maclean fiduciary responsibilities are to I can present more articles to the FCERA Board that might be relevant to investment decisions. It seems to be a more balanced presentation of investments is needed.Thanks

Robert Skowronski

<http://www.thinkadvisor.com/2014/11/18/fiduciary-rule-among-secs-2015-priorities>