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The Retirement View

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From the Retirement Administrator: FCERA Performance Summary



During the past fiscal year we have experienced an unprecedented market environment that has affected the entire global economy. Virtually every asset class experienced significant losses, except for fixed income markets which posted a 6.1% return, primarily driven by the rush to government bonds. After a -5.4% market rate of return, net of fees for the fiscal year ending June 30, 2008, FCERA's investment portfolio returned -16.5% net of fees for the fiscal year ending June 30, 2009. This performance ranked FCERA in the 48th percentile in the Independent Consultants Cooperative Public Funds Universe (ICC).

The FCERA portfolio outperformed the Fund's Policy by 1.2% and outperformed the Median Public Fund in the ICC Universe benchmark by 0.1%. On a relative basis, the FCERA portfolio performed in-line with its peer group and was able to slightly outperform the Policy Index. However, the financial crisis experienced over the past fiscal year caused a collapse in equities and hindered the portfolio's performance as a result. FCERA's domestic equity allocation returned -26.1% while the international equity allocation had a one year return of -27.2%. These two asset classes make up more than half of the total Plan's allocation and as result FCERA's performance was hampered.

The events of the financial markets over the last year emphasize the importance of the composition of FCERA's investments, also known as, asset allocation. These events brought about changes in the capital markets that resulted in the revision of FCERA's original asset allocation adopted by the Board of Retirement in September 2008 as follows:

Asset Class	Original Allocation	Revised Allocation	Date of Revision
Hedge Funds	9%	4%	January 2009
Term Asset-Backed-Securities Loan Facility	0%	5%	May 2009
Infrastructure	2%	0%	July 2009
Commodities	1%	3%	July 2009

A comparison of the original and revised asset allocation can be found on page 2.



From the Retirement Administrator: FCERA Performance Summary

	Original Allocation	Revised Allocation
Large Cap US Equity	24%	24%
Small Mid/Cap US Equity	8%	8%
International Large Equity	12%	12%
International Small Equity	6%	6%
Emerging Markets	2%	2%
US Core Plus Fixed Income	14%	14%
Opportunistic Fixed Income	6%	6%
Global Fixed Income	1%	1%
Hedge Funds	9%	4%
Private Equity	7%	7%
Real Estate	6%	6%
Treasury Inflation Protected Securities (TIPS)	2%	2%
Infrastructure	2%	0%
Commodities	1%	3%
Term Asset-Backed-Securities Loan Facility (TALF)	0%	5%
Expected Return	8.55%	8.79%
Standard Deviation/ Sharpe Ratio	11.47% / 0.44	10.77% / 0.49

Information Technology Roadmap Project Update: General Ledger

As part of our Information Technology (IT) Roadmap project we have started working on one of our primary initiatives; upgrading our current General Ledger system to a more flexible and efficient one. We have had our General Ledger system for over 10 years and we strongly believe that in order to better serve our members we need a system that will meet the demands and challenges of this dynamic retirement environment. Based on a very positive working relationship with Linea Solutions and their vast experience in automated solutions with other public pension "peer" plans, we hired them to assist in the selection and implementation of the new General Ledger system. After meeting with Linea Solutions in late August 2009, we anticipate having the new General Ledger system in place by June 30, 2010.

General Election Update

The Nomination period for the election of a general member on the Board of Trustees opened September 10, 2009 and closed September 30, 2009. Ballots will be mailed on October 29, 2009.





Health Insurance Open Enrollment Plan Year 2010:

Open Enrollment for Plan Year 2010 is scheduled to begin on **Monday, October 19, 2009** and will continue through **Friday, November 13, 2009**. Open Enrollment is the one time during the year that participants in the county health insurance program may change from one health plan to another and add or delete eligible dependents to their coverage. It is also the one time of year that retirees who are not currently participating in the County sponsored plans may elect to do so.

There are some major changes taking effect next year. The County of Fresno strongly encourages participants to read the Open Enrollment materials carefully and attend one of the Health Fairs. For more information, please visit the Open Enrollment website at www.co.fresno.ca.us/openenrollment

For additional information, please call the Open Enrollment office at: (559) 488-3069. Retirees can also call Benefit Management Technologies, Inc. (BMTI) at (877) 684-2684.

The following Open Enrollment meetings are specifically scheduled for County retirees:

Date / Time	Location
October 28, 2009 10 a.m. - 2 p.m.	Retiree Luncheon @ International Catering Company: 4277 N. West Ave
October 29, 2009 9 a.m. - 4 p.m.	Fresno County Open Enrollment Office @ Fresno County Plaza, 14th Floor (appointments encouraged).
October 30, 2009 9 a.m. - 4 p.m.	The Ramada Inn: 324 E. Shaw Ave. (Highway 41 and Shaw)
November 12, 2009 9 a.m. - 4 p.m.	Fresno County Open Enrollment Office @ Fresno County Plaza, 14th Floor (appointments encouraged).

Calendar



Next Regular Board Meeting:

October 21, 2009
November 4, 2009
December 2, 2009
December 16, 2009

Location:

FCERA Boardroom
1111 H Street
Fresno, California 93721

Time: 8:30 A.M.

Pension Payroll Payment Schedule

Friday, October 30 2009
Monday, November 30 2009
Thursday, December 31 2009

Live Audio Broadcast

FCERA broadcasts all board meetings live via streaming audio. Visit www.fcera.org for more information.

Board of Retirement

- Alan Cade, Jr., Chair
- Eulalio Gomez, Vice Chair
- Michael Cardenas
- Vicki Crow
- Nick Cornacchia
- James E. Hackett
- Steven J. Jolly
- Phil Larson
- John P. Souza
- Ron Frye, Retiree Alternate
- Roberto L. Peña, Retirement Administrator





**Fresno County Employees'
Retirement Association**

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Fresno, CA 93721

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Fax: 559-457-0318

Internet: www.fcera.org

Intranet: <http://www2.co.fresno.ca.us/9200/default.htm>

Email: FCERAwebmail@co.fresno.ca.us

Meet FCERA Staff: Edith Balanon — Account Clerk



Edith joined FCERA in January 2002 as an Extra Help employee. After eight months of working for FCERA, she accepted a permanent position with the ACTTC Department, General Accounting Division. She was an Account Clerk at this division for almost five years. In 2007, she and her family moved back to Monterey, CA. There she worked at the County of Monterey for a short time before moving back to Fresno in 2008. In May 2008, she accepted an Account

Clerk position with FCERA. Her work duties include lump sum distributions processing, reconciling monthly membership dues for retirees, processing invoices for Managers billing, assists in the sorting of cash disbursements and cash receipts forms, and front desk support.

Though Edith works full time, she makes sure that her family comes first. In her free time, if any, she spends it with her husband of 17 years, Robert, and their four children, Valerie, Vanessa, David and Von Robert. Her family enjoys watching movies, going to the mall, riding bikes around the neighborhood, and going out of town to visit relatives on a weekend. Besides listening to her favorite radio station, K-Love, she also enjoys on-line chatting with her loved ones in the Philippines through her facebook page.

