

# MEMORANDUM

**To: Board of Trustees, Fresno County Employees' Retirement Association**  
**From: Joseph P. Kenny, Manager Research Group**  
**CC: Jeffrey MacLean, Wurts & Associates**  
**Date: April 21, 2008**  
**Re: Artisan Partners Portfolio Manager Departure**

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Artisan Partners announced last week that Carlene M. Ziegler, Co-Portfolio Manager of the Artisan Small-Cap Growth strategy, has stepped down from her investment management responsibilities. According to Artisan Partners, the transition by Ms. Ziegler is taking place so that she may spend more time with her five children. Ms. Ziegler is the co-founder of Artisan Partners and will remain involved in the strategic decisions and leadership of the partnership. Marina T. Carlson and Craigh A. Cepukenas will lead the strategy as they continue in their roles as Co-Portfolio Managers.

The Artisan Small-Cap Growth strategy was founded by Ms. Ziegler in 1995. Ms. Carlson joined the Small-Cap Growth strategy as Co-Portfolio Manager in 1999, the same year she joined Artisan. She previously worked with Ms. Ziegler at investment firms Strong Investment Management and Stein Roe & Farnham. Mr. Cepukenas joined Artisan in 1995 as an Analyst and was named Co-Portfolio Manager in 2004. He also worked with Ms. Ziegler at Stein Roe & Farnham. The two Co-Portfolio Managers are joined by Martin Jochmann, a dedicated analyst. Mr. Jochmann has been on the team since July of 2006 and has been in the investment industry since 2001. The firm has no intention of hiring a senior level addition to the team. Ms. Carlson and Mr. Cepukenas are highly experienced investment managers who have been working together on the strategy for nine years and they average over 20 years of investment experience. The fund will continue the same investment process and philosophy that has been used since inception. The process is very collaborative, with the team based decision making and members structured as generalists with overlapping coverage of companies.

Wurts & Associates believes Artisan Partners is a very stable and well structured investment firm. The partnership is majority owned by investment personnel and the private equity firm Hellman & Freidman is a minority shareholder. The organization Ms. Ziegler helped create will continue to benefit from her participation at the management level.

The departure of Ms. Ziegler from the investment process of the Artisan Small-Cap Growth strategy is a significant event. Ms. Ziegler was responsible for establishing a philosophy and process and putting them together into the creation of a successful product for clients. This is a small team that will have to move forward with an increase in the amount of

companies under primary coverage. The collaborative process will be without Ms. Ziegler's contribution to idea generation, objective analytical assessment, validation of investment theses, and many other tasks she performed along with the Ms. Carlson and Mr. Cepukenas.

At this point the Artisan Small-Cap Growth strategy will be put on the Watch List to be closely monitored for performance and continued adherence to the philosophy and process originally established by Ms. Zeigler. The team will need to show measured improvement in the performance area as they have been producing subpar results versus the Russell 2000 Growth benchmark the last two calendar years. Should the performance numbers continue to underwhelm or if we feel the team cannot compensate for the loss of Ms. Ziegler in any other fashion, we will duly inform our clients and recommend termination.

