

Avalos, Elizabeth

From: Kapila Gohel [k.gohel@pageantmedia.com]
Sent: Friday, March 26, 2010 8:59 AM
To: Pena, Roberto
Cc: Avalos, Elizabeth
Subject: RE: Hedge funds

Thanks for clarifying Roberto!

I am actually working on an article on investors taking advantage of illiquid strategies and taking advantage of longer lock-ups. Is this something a pension fund of your size would be able to take advantage of? And is this something public pensions would be allowed to do??

If you can help me with that query that would be great!

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From: Pena, Roberto [mailto:RPena@co.fresno.ca.us]
Sent: 26 March 2010 10:55
To: Kapila Gohel
Cc: Avalos, Elizabeth
Subject: RE: Hedge funds

Hi Kapila,

No, not at all. When we decided have a 4% allocation to hedge funds, we searched for fund of funds managers and while Blackstone was a finalist the Board selected Common Sense and Grosvenor so it did not make sense to leave the \$15MM mandate we had with them. Instead, it will be transfer to Common Sense.

Please let me know if you have any other questions.

Thank you.

Roberto L. Peña
Retirement Administrator
Fresno County Employees' Retirement Association
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From: Kapila Gohel [mailto:k.gohel@pageantmedia.com]
Sent: Friday, March 26, 2010 5:24 AM

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To: Pena, Roberto
Cc: Avalos, Elizabeth
Subject: RE: Hedge funds

Hi Roberto,

Thank you very much for getting back to me. I just have one more question – why are you moving out of Blackstone? Is it due to performance issues etc?

Thanks again!

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From: Pena, Roberto [mailto:RPena@co.fresno.ca.us]
Sent: 25 March 2010 17:13
To: Kapila Gohel
Cc: Avalos, Elizabeth
Subject: RE: Hedge funds

Kapila,

Please refer to my answers below.

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From: Kapila Gohel [mailto:k.gohel@pageantmedia.com]
Sent: Thursday, March 25, 2010 12:15 PM
To: Pena, Roberto
Subject: RE: Hedge funds

Dear Mr. Pena,

I hope you are well. I am just writing for an update on Fresno County's hedge fund activity as the last time I wrote to you was in June last year (see previous emails below). I have a few questions I hope you can help me with.

- What is the size of your pension now? About \$2.6 billion
- Is your hedge fund allocation still 4%? Yes, it is.
- IS the portfolio fully funded or will you be hiring further managers? It is fully funded.
- Do you invest in direct hedge funds or funds of funds (or both)? We invest in fund of funds.
- Which managers are in your portfolio? Common Sense, Grosvenor and Blackstone.

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- Will you be conducting any hedge fund searches/or have you made any redemptions since the beginning of the year? No, we will not.
- What are your plans for hedge funds in 2010? We will be exiting a \$15MM account our Blackstone in June and transferring it to Common Sense.

Many thanks for your time.

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From: Pena, Roberto [mailto:RPena@co.fresno.ca.us]
Sent: 08 June 2009 19:35
To: Kapila Gohel
Cc: Avalos, Elizabeth
Subject: RE: Hedge funds

Hi Kapila,

I apologize for the late response to our email below.

In any event, please refer to my responses to your questions below and let me know if you have any further questions or comments.

Thank you.

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From: Kapila Gohel [mailto:k.gohel@pageantmedia.com]
Sent: Friday, May 29, 2009 2:23 PM
To: Pena, Roberto
Subject: Hedge funds

Dear Robert,

I am a reported with trade hedge fund magazine HFMWeek. I would like to follow up on a few questions I have regarding Fresno's hedge fund portfolio –

- What is the size of your pension? It was about \$2.2 Billion as of May 31, 2009. How much is allocated to hedge funds? The current asset allocation to hedge fund of funds is 4% of the pension plan and we are currently in the due diligence process for this strategy. We are hoping to report our findings and recommendations to the Board for their approval at their July 15th meeting.
- You reviewed UBP at the end of last year. Were they not invested with due to the Madoff incident? I apologize but I do not know who you are referring to with UBP. Can you please spell their full name? Thank you.
- Fresno recently reviewed investments and hedge funds 'redemption stress'. Are you making any changes to your hedge

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fund investments as a result? No, we are not making changes to our hedge funds of funds investment strategy. The presentation was just part of our due diligence process on hedge fund of funds as well as part of the trustees' investment training on this investment strategy.

- Will any hedge fund be involved in your distressed debt search? No, they will not but that's not to say that our soon to be hired hedge fund of funds managers will not have distressed debt investment strategies as part of their investments managers.
- Have you recently made any new hedge fund investments? Redemptions? Placed on watch? No, we have not. Please refer to my comments for question #1.

I look forward to hearing from you

Best

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