

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL MEETING OF JULY 9, 2008

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Wednesday, July 9, 2008.

COMMISSIONERS PRESENT: Sean Harrigan, President
Mike Carter, Vice President
Elliott Broidy
Steve Juarez (participated telephonically)
Don Keith
Patricia Means
Louis Moret

COMMISSIONERS ABSENT: George V. Aliano
Sam Diannitto

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Michael A. Perez, General Manager
Laura Guglielmo, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara H. Nobregas, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney
Michael Wilkinson, Deputy City Attorney

President Harrigan called the Special meeting to order at 8:33 a.m. All of the above-listed Commissioners were present at the start of the meeting, with the exception of Commissioner Juarez, who participated telephonically at 10:25 a.m.

1. COMMUNICATIONS TO THE BOARD

Miscellaneous correspondence from money managers, consultants, etc. - Received and Filed

2. HEDGE FUND OF FUNDS MANAGER SEARCH AND POSSIBLE BOARD ACTION

President Harrigan requested Mr. Allan Emkin, Pension Consulting Alliance (PCA) to review the performance of the System's current hedge fund managers and highlight what areas the Board should consider when interviewing the managers.

Mr. Emkin provided an overview of the mandate and a summary of the managers. He highlighted the risk objective and other noteworthy issues for the Board to consider.

Mr. Tom Lopez, Chief Investment Officer (CIO) gave some additional explanation for some parts of the report.

Mr. Emkin continued to provide background information and discussed the correlation and diversification of the managers. He addressed the Board's questions.

Mr. Lopez stated the Board should consider in the deliberation portion of the discussion that there is less than \$250 million left to allocate for this search and the emerging fund of funds search. The Board has yet to determine how much to allocate to the emerging fund of funds and, the Board should reserve capital for the emerging fund of funds search.

President Harrigan stated that decision will be decided at a future meeting.

Mr. Emkin suggested that the Board select managers and they will return with a funding strategy.

The following individuals came before the Board to give presentations on their firms for the fund of hedge funds manager search:

Common Sense Investment Management, LLC

Dean Derrah, Partner

Dan Yates, Partner

Crestline Investors, Inc.

Douglas K. Bratton, President, Chief Investment Officer

Caroline A. Cooley, Principal, Senior Portfolio Manager

Bruce P. Pflug, Managing Director

Commissioner Juarez participated telephonically at approximately 10:25 a.m.

Dorchester Capital Advisors, LLC

Michael J. Halpern, Partner, Co-Chief Investment Officer

Mark S. Zucker, Partner, Co-Chief Investment Officer

David M. Mann, Partner, Chief Operating Officer

Sean C. Gannon, Director

Entrust Capital

Gregg S. Hymowitz, Managing Partner

Jill Zelenko, Managing Director, Chief Financial Officer/Chief Risk Officer

The Board recessed for lunch at 11:45 a.m. and reconvened at 12:43 p.m.

Commissioner Juarez did not participate telephonically during the lunch portion of the meeting.

FrontPoint Partners, LLC

Stephen A. LaVersa, Managing Director
Thomas H. Weaver, Managing Director
Gil Gaffray, Managing Partner

GAM

David Smith, Chief Investment Director
Joseph Gieger, Managing Director - Americas
Kristen Hovencamp, Director – Institutional Sales

Michael Wilkinson, Deputy City Attorney took the city attorney chair.

Lazard

Stephen Simpkin, Vice President, Business Development/Client Service
Chris Heasman, Director, Portfolio Manager

Commissioner Juarez ended his telephonic participation at approximately 2:40 p.m.

The Board recessed for break at 2:40 p.m. and reconvened at 2:55 p.m.

Permal Group

Robert Kaplan, Deputy CIO, Executive Vice President
Joshua G. Levine, Senior Vice President and Regional Director
Shane Clifford, Vice President - Institutional Sales

Alan Manning, Assistant City Attorney took the city attorney chair.

DISCUSSION/SELECTIONS

President Harrigan opened the discussion to select managers.

Commissioner Carter suggested that the Board hire three managers for the mandate but not necessarily fund all three. This will enable the Board to not conduct interviews again if the Board decides to put more money towards this mandate.

Board members gave their opinion of managers and which they preferred to eliminate.

Mr. Emkin provided the Board an overview of the mandate and his opinion of the managers.

The Board continued their discussion and received input from Mr. Emkin and Mr. Tom Lopez.

Commissioner Broidy stated for the record that he invested money with Dorchester but it was a different product.

RESOLUTION 09001

Commissioner Carter moved that the Board approve the selection of Hedge Fund of Funds Managers and respective allocations as listed for the Alternative Assets Program:

<u>Firm</u>	<u>Allocation</u>
1. GAM	50%
2. Dorchester	25%
3. Permal	25%

contingent upon completion of satisfactory fee negotiations, which motion was seconded by Commissioner Moret and approved by the following vote: ayes, Commissioners Broidy, Carter, Keith, Means, Moret and President Harrigan – 6; nays, none.

3. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items for consideration.

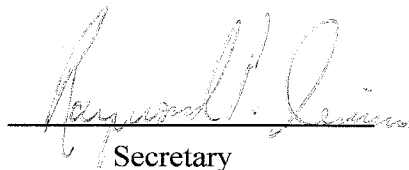
4. PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 3:48 p.m.



President



Secretary