

RETIREMENT INVESTMENT COMMITTEE  
SPECIAL MEETING  
DECEMBER 16, 2003

PLACE: Conference Room 207-A, County Administration Building

TIME: 5:10 pm - 6:10 pm

MEMBERS PRESENT: Randy Eberts, Ed Edwards, John Nelson, Chris Ruppel, Jan VanDerKley

OTHERS PRESENT: Kim Fink and Mark Stuhldreher, City of Kalamazoo,  
Bill Dundon, County of Kalamazoo.

Chairman Nelson convened the meeting at 5:10 pm.

A Motion was made by Jan VanDerKley and supported by Chris Ruppel to excuse Mr. Elliott.

There was a motion by Chris Ruppel and supported by Jan VanDerKley to approve the minutes of the quarterly meeting held on November 19, 2003. The motion was passed by a voice vote.

John Nelson reviewed the purpose of the meeting. Chris Ruppel then led a discussion regarding DFA International Small Company to the portfolio. He stated the research done in early June showed that International would be a good fit because it acted as a diversifier and lowered the overall risk to the portfolio. The Committee agreed that International should be added to the portfolio at 5%. Chris Ruppel also discussed the need for two large cap portfolios. BGI Large Cap Value was not performing as well as DFA Large Cap. The Committee agreed to eliminate the duplicate asset.

Mr. Nelson reviewed the current asset allocation targets. After a brief discussion, there was a motion by Jan VanDerKley and supported by Ed Edwards to approve the following asset targets which set the equities at the maximum of 70% according to Michigan Public Act 485:

|                         |                              |
|-------------------------|------------------------------|
| BGI S&P 500 Index       | 27%                          |
| BGI Equity Value        | 0%                           |
| DFA Large Value         | 9%                           |
| DIA Mid Cap             | 11%                          |
| DFA Int'l Small Company | 5% (new asset for portfolio) |
| DFA Micro Cap           | 9%                           |
| DFA Small Value         | 9%                           |
|                         |                              |
| Jennison-Long           | 12%                          |
| Jennison-Intermediate   | 13%                          |
|                         |                              |
| Lend Lease              | 5%                           |

The motion carried unanimously by a roll call vote.

There was discussion regarding the reallocation of assets back to their targets to comply with Michigan Public Act 485. A motion was made by Jan VanDerKley and supported by Ed Edwards to place the following trades:

Liquidate All of BGI Equity Value (approximately 18,400,000)

Liquidate \$3,000,000 of DIA Mid Cap

Liquidate \$3,300,000 of DFA Large Value

Liquidate \$9,600,000 of DFA Micro Cap

Liquidate \$8,500,000 of DFA Small Value

Purchase \$4,000,000 of BGI S & P 500 Index.

Purchase \$19,700,000 of DFA International Small Company

Purchase \$12,650,000 of Jennison Intermediate

Purchase \$2,650,000 of Jennison Long

Purchase \$1,000,000 of Lend Lease Real Estate

\$2,800,000 deposited into cash account for 1<sup>st</sup> quarter liquidations

The motion carried unanimously by a roll call vote.

There being no further City business to come before the Committee, Chairman Nelson adjourned the City portion of the meeting at 6:10pm.

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Kim Fink, Recording Secretary