

APPROVED

VII. Review of Statement of Investment Policies and Objectives

Trustee Senna posed questions concerning fund management as it relates to the Statement of Investment Policies and Objectives. John Jackson noted that fund management is structured to be strategic and long-term, and discipline is necessary during periods of market fluctuation. Mr. Jackson agreed that a review of the current asset allocation for KDL's Plan would be timely. He will report back on this matter at the May or August meeting.

Mr. Senna also inquired about Plan funding levels. Mr. Mortimore noted that the annual actuarial report, due out shortly, will address this area.

VIII. Trustee Education – 2009 Trustee Handbook

Mr. Jackson reviewed the investment manager search process and provided a general overview of equity and fixed income investing.

Mr. Jackson distributed a preliminary investment performance review for the first quarter of 2009. He noted that the target fund allocation (50% equity and 50% fixed income) is divergent from the actual fund allocation (36% equity, 61% fixed income, and 3% cash and equivalents). Mr. Jackson recommended moving gradually back to the target allocation.

Motion: Ms. Harrington moved to reduce the fixed income allocation to 55% and distribute the difference consistent with the plan's investment strategy as recommended by the consultant.

Support: Supported by Mr. Vry.

RESULT: Motion carried.

IX. Plan Document Discussion – Section 6.3(c)

The Board discussed a possible revision to Section 6.3(c) of the Plan Document. Trustee Vry inquired whether it is possible, under law, for the Pension Board to change this document. Mr. Mortimore will consult legal council and report his findings at the May meeting.

X. Discussion of Timeframe for Reconsidering Real Estate Investments

The Board discussed the current real estate market and its investment potential. John Jackson noted that it may be premature to consider investments in this market as a full cycle has not occurred since the start of the real estate decline.

XI. Miscellaneous

Mr. Mortimore distributed a memorandum from INTECH concerning the company's official name change from Enhanced Investment Technologies, LLC to INTECH Investment Management LLC.

Mr. Mortimore also requested that the Board consider a motion to approve Pension Board member attendance at all future MAPERS (Michigan Association of Public Employee Retirement Systems) conferences.

Motion: Mr. Senna moved to approve attendance for all Pension Board members at MAPERS spring and fall conferences from this point forward.

Support: Supported by Ms. Harrington.

RESULT: Motion carried.

XII. Adjournment

Chair Charles R. Myers adjourned the meeting at 3:56 p.m.

Next Meeting: Wednesday, May 20, 2009 at 1:00 p.m. – KDL Service Center