



TACOMA MUNICIPAL BUILDING  
ROOM 1544  
747 MARKET STREET  
TACOMA, WASHINGTON 98402  
591-2035

High Yield Bond Fund Interview  
**Board of Administration**  
**Tacoma Employees' Retirement System**

8:00 A.M., Wednesday, May 18, 2005  
Tacoma Municipal Building  
Retirement System Conference Room 1544  
747 Market Street  
Tacoma, Washington 98402

**Minutes**

**1. Call to Order**

Ken Turner, Vice Chair, called the meeting to order at 8:05 a.m. on Wednesday, May 18, 2005.

**2. Roll Call**

Members Present: Mayor Baarsma, Mike Crisp, Dave Peterson, Doug Read, Ken Turner, Chris Webster and Diane Wetzel

Members Absent: Diane Supler and Steve Marcotte

Others Present: Cheryl Carlson, Andrian Smith and Patricia Pabst

Investment Advisory  
Committee: Allan Udem, Alva Butcher, Joseph Cook, Lynda Livingston and Frank Underwood

Consultants: Roz Hewsenian, Wilshire  
Paul Teng, Wilshire  
Andrew Junkin, Wilshire

## DISTRIBUTION OF MATERIALS

The Retirement Board and Investment Advisory Committee received the following information from Wilshire Associates:

- High Yield Manager Search Interview Packet

The Retirement Board and Investment Advisory Committee received presentation materials from the following candidates:

BlackRock – Jeff Gary, Managing Director and Portfolio Manager,  
Head of High Yield  
Daniel McLaughlin, CFA – Director, Account Management Group

Caywood-Scholl – Eric K. Scholl, President and Managing Director,  
Portfolio Manager  
Thomas W. Saake, Managing Director, Portfolio  
Manager and Head Trader

Post Advisory – Lorraine Spurge, Managing Director, Portfolio Management  
Ralph Canada, Director, Relationship Management

Western Asset – Claudia Z. Schloss, CFA, Marketing Executive  
Thomas V. McMahon, Product specialist

The interview schedule was as follows:

<p style="text-align: center;"><b>High Yield Bond Interviews</b> <b>Wednesday, May 18, 2005</b> <b>Retirement Office Conference Room 1544</b> <b>747 Market Street</b></p>
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8:00 a.m. – 8:45 a.m.	Introduction	
8:45 a.m. – 9:00 a.m.	Break	
9:00 a.m. – 9:45 a.m.	Candidate #1	Blackrock
10:00 a.m. – 10:45 a.m.	Candidate #2	Caywood-Scholl
10:45 a.m. – 11:00 a.m.	Break	
11:00 a.m. – 11:45 a.m.	Candidate #3	Post Advisory
12:00 p.m. – 1:00 p.m.	Lunch	
1:00 p.m. – 1:45 p.m.	Candidate #4	Western Asset
2:00 p.m. – 2:45 p.m.	Discussion/Decision	

## **HIGH YIELD BOND FUND MANAGERS**

It was noted in reviewing the High Yield Manager Search Interview Packet, prepared by Wilshire Associates, on the disclosure information on pages 54-55 it should be noted that a "typo" occurred and it should be noted that Post Advisory is a client of Wilshire's Analytics division. Wilshire Associations will provide a follow-up letter regarding this.

Upon completion of the review of the High Yield Manager Search Interview Packet prepared for Tacoma Employees' Retirement System, May 2005, and the completion of the presentations provided by Blackrock, Caywood-Scholl, Post Advisory, and Western Asset, the Retirement Board moved to authorize Wilshire Associates to proceed with negotiations with Post Advisory as a high yield manager to manage ten percent of the portfolio at a fee note in the materials.

It was noted that Wilshire Associates would then bring a "drafted" three year contract to the Retirement Board at their June 9, 2005 Retirement Board meeting. Upon Board approval, the Board recommendation would then be made to City Council for an implementation July 1st or August 1st.

It was noted that this product would be funded over a 12 to 18 month period.

Upon consensus the Board moved to adjourn.

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Patricia F. Pabst  
Retirement System Director

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William Baarsma  
Retirement Board Chair