



## **Guidance for Marketers/Representatives of Investment Products and Services**

Many firms in the investment industry are interested in how to market their products and services to the City of Fresno Retirement Systems (“CFRS”). The purpose of this document is to assist marketing representatives in gaining an understanding of our portfolio construction process, the role of our consultant, staff and the Retirement Boards in the general selection process, and how to better understand our portfolio and our needs.

CFRS’ staff often receives requests for meetings from well-meaning marketing representatives, but we find that this is generally not a good use of our time. Based on the multitude of meeting requests during my tenure, we could spend every other hour at our offices meeting with marketers. We find it to be more efficient and equitable to help you channel your information where it can be screened analytically and regularly through our investment consultant.

- NEPC (Don Stracke and Allan Martin) handle the general investment consulting for CFRS.

The professional process that we consistently seek to strengthen at CFRS begins with a top-down portfolio strategy based on a rigorous market-responsive asset allocation. That Asset Allocation Plan is routinely displayed on our Web site at [www.CFRS-CA.org](http://www.CFRS-CA.org). Mandates are determined from that architecture. Manager selection is the end result in this portfolio construction logic, not the engine.

*Ad hoc* bottoms-up, “pitch-based” or “sales-driven” portfolio construction in the public sector has not proven to consistently produce superior returns and frequently has resulted in underperformance of public plans. When CFRS initiates a search for specific services, we ensure that the process is open-ended, and it begins with our consultant’s screening and utilization of their robust database information, comparative analysis and due diligence are important preliminary steps to qualification, so that is your best place to start.

I wish you the best in your endeavors and encourage you to focus on the NEPC consultant channel where manager information is updated regularly, and candidate firms are monitored and evaluated analytically and systematically. If we are in need of investment services to match our profile and goals in a forthcoming or future search, our investment consultant NEPC and the internal staff will be more than happy to work with you.

Cordially,

Robert T. Theller  
Retirement Administrator