

# STATE TREASURER

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## APRIL 2009 ASSET ALLOCATION STUDY & OUTCOME

The State Treasurer annually evaluates the asset allocation of the State of Wyoming's investment portfolio. This year's extensive study is detailed in the following documents, all of which are posted along with this memo on the State Treasurer's website under "Portfolio Analysis & Commentary."

### **Asset Allocation Review - April 9, 2009:**

- State Treasurer's Cover Memo
- Executive Summary
- April 2009 Asset Allocation Discussion
- January 2009 and June 2008 Portfolio Status
- Equity & Fixed Income Manager Returns
- Asset Allocation Assumptions
- Proposed Investment Policy Update

The State Loan and Investment Board meet on April 9, 2009. After lengthy discussion, the Board made the following decisions:

### **Approval of Investment Policy Amendments**

- The Board approved changes to the Master Investment Policy as presented.

### **Friess Contract**

- The Board terminated the investment manager contract with Friess Associates and approved liquidation of the portfolio in an orderly manner to reduce the State portfolio's small / mid cap equity exposure to the newly-lowered target allocation.

### **International Equity RFP**

- The Board will issue a Request for Proposal for management of the State's international equity portfolio, including responses for both active and passive strategies.

### **Miscellaneous Investment Items**

The Board approved the following investment items:

- The Board will issue a Request for Proposal to add an enhanced index strategy to the State portfolio's large cap US equity exposure.
- The State Treasurer will pursue contract negotiations with Aurora LLC (previously Harris Alternatives) for an investment in the Aurora II Fund at a reduced fee, with the contract to be approved by the Board at a future meeting.
- The State Treasurer will bring to the Board future investments in non-core real estate after investments are researched and recommended by the RV Kuhns real estate consulting team.
- The notional value of the First Quadrant overlay strategy will be increased to reflect the current value of the State portfolio's large cap index exposure, and the Treasurer will update the notional value annually as needed to equal the portfolio's large cap index exposure.