



**Fresno County**  
**Employees' Retirement Association**

**Investment Manager Review**

**June 2006**

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## Organization

- 22<sup>nd</sup> year in business as a specialty fixed income manager
- Headquartered in Los Angeles, California
- Our client base spans the United States from East to West coast, Hawaii and Japan
- Relative value investment style
- Initiated a Core-Plus strategy with high yield 21 years ago (1985)
- Expanded Core-Plus strategy with international non-dollar fixed income 12 years ago (1994)

- Bradford & Marzec, Inc. was founded in 1984 as an independent investment advisor specializing in fixed income asset management.

## Portfolio Strategy Group

Average investment experience 26 years



EDWARD D. BRADFORD



ZELDA A. MARZEC



JEFFREY BROTHERS,  
CFA



DOUGLAS LOPEZ,  
CFA



N. GRAHAM ALLEN,  
FCMA

- ▶ 5-person senior portfolio team has managed together for over 11 years.

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5 Credit Research Analysts

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3 Sector Specialists

33 Person Organization



## PUBLIC FUNDS

City of Ann Arbor ERS  
City of New Britain Fire & Police Retiree Fund  
Fresno County ERA  
Imperial County ERS  
Las Vegas Metro EBT  
Mendocino County ERS  
Methuen Contributory Retirement System  
Modesto Irrigation District Basic Retirement  
Sacramento County ERS  
San Bernardino County ERA  
Sonoma County Treasury Pool  
State of Hawaii ERS  
Town of West Hartford  
Village of Oak Park Police Pension Fund

## FOUNDATIONS & ENDOWMENTS

Archdiocese of New Orleans  
Congregation of the Sisters of Saint Joseph of  
Peace/Saint Joseph Province  
Hamilton/Whitfield Health Care System  
Harvey Mudd College  
The Texas A&M University System  
UMass Memorial Healthcare

## TAFT-HARTLEY

Building Service 32BJ Pension Fund  
Equity League Pension Trust Fund  
IBEW, Local Union #1710  
Midwest Operating Engineers Pension Fund  
Pension Fund of Local One I.A.T.S.E.

## CORPORATE FUNDS

East Lawn Mortuary Company  
FedEx Corporation Employees' Pension Plan  
Major Airline Confidential Client

## NATIVE AMERICAN FUNDS

Confidential

**PRODUCTS:** Core  
Core-Plus  
High Yield  
Enhanced Cash  
TIPS  
Customized Portfolios  
Municipals

In accordance with SEC Rule 206(4)-1, this list should not be construed as a client testimonial regarding Bradford & Marzec, Inc. or the advisory service provided.

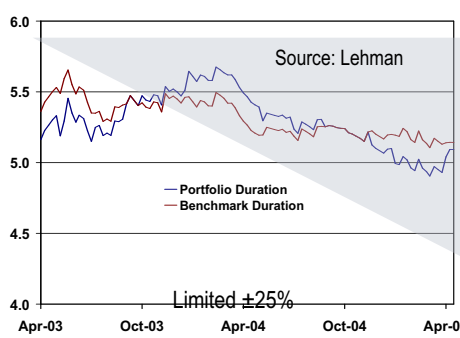
## Philosophy

Bradford & Marzec has maintained its fundamental investment philosophy since inception of the firm over two decades ago. Strong long-term performance through changing market environments has validated our style.

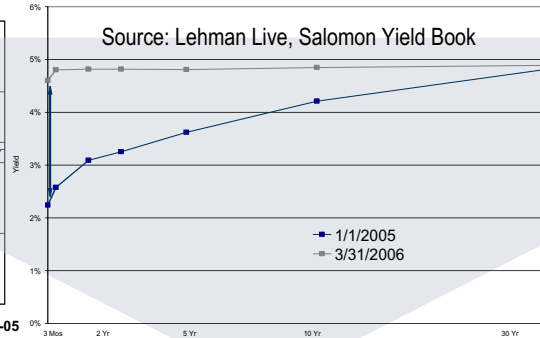
- Active bond management within a 12 - 24 month time horizon
- Operate within a constrained range of maturity/duration:  $\pm 25\%$  of index duration
- Look for relative value across all sectors of the bond market and other structural decisions, using our relatively small size to the advantage of our clients
- Employ quantitative analytics to enhance relative value analysis and to maintain trading efficiencies

## Top-Down

### Duration



### Yield Curve



### Sector

#### Strategic Weightings

- Governments**
  - Remain Underweight
- Mortgages**
  - Supply and demand technicals remain positive
- Credit**
  - Healthy profit outlook
- Non-Dollar**
  - Modest position in non-dollar bonds

### Credit

- AAA
- AA ← Portfolio
- A
- BBB
- BB
- B

## Goal: Diversification & Consistent Value Added From Multiple Sources

- 3 Sector Specialists
- 1 Director of Research
- 5 Credit Analysts

Team Credit Analysis

- Tactical Duration
- Sector Durations
- Coupon Exposure
- Yield to Worst
- Volatility

Quantitative Portfolio Characteristics

- Daily Adjustment Management

### Bottom-Up



Trading Efficiencies

- Bradford & Marzec combines macro top-down interest rate strategy and sector allocation decisions with a bottom-up security selection approach. We seek to opportunistically add value with high yield and international bonds when market conditions and relative valuations warrant.

# Performance



**Inception** ▶ June 1996

**Mandate** ▶ Core-Plus (20% High Yield and Non-Dollar in combination)

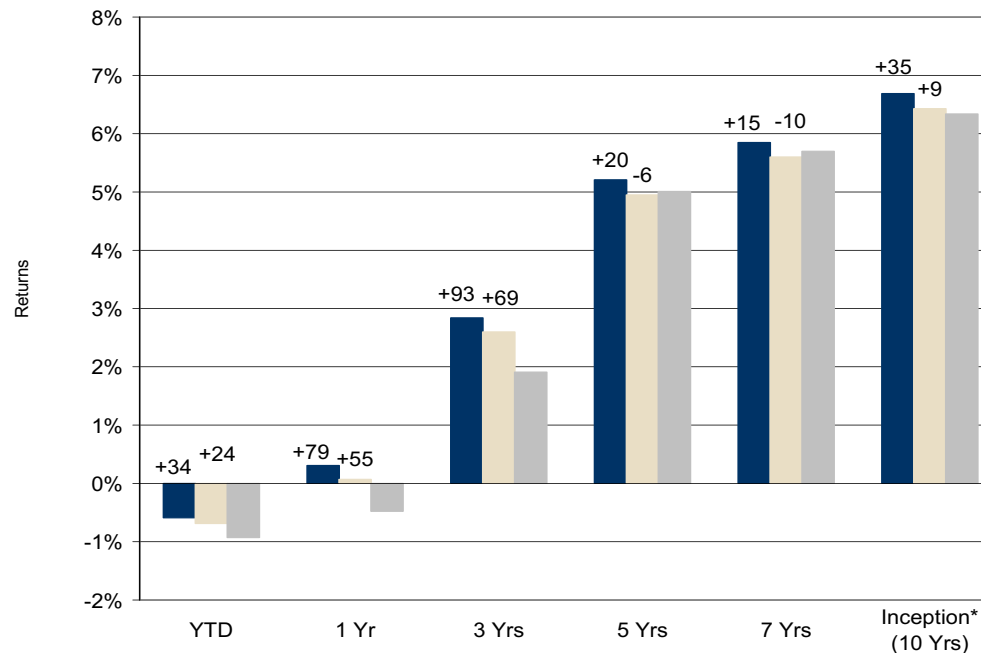
**Assets** ▶ \$166.8 Million (As of 5/31/06)

**Benchmark** ▶ Lehman Aggregate Index

## Fresno County ERA

vs Lehman Aggregate

As of 5/31/06



	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	Inception* (10 Yrs)
— Fresno County ERA (Gross)	-0.59%	0.31%	2.84%	5.21%	5.85%	6.69%
— Fresno County ERA (Net)	-0.69%	0.07%	2.60%	4.95%	5.60%	6.43%
— Lehman Aggregate	-0.93%	-0.48%	1.91%	5.01%	5.70%	6.34%

Note: For periods greater than one year, returns are annualized.

Source: Lehman

Past performance is no indication or guarantee of future performance.

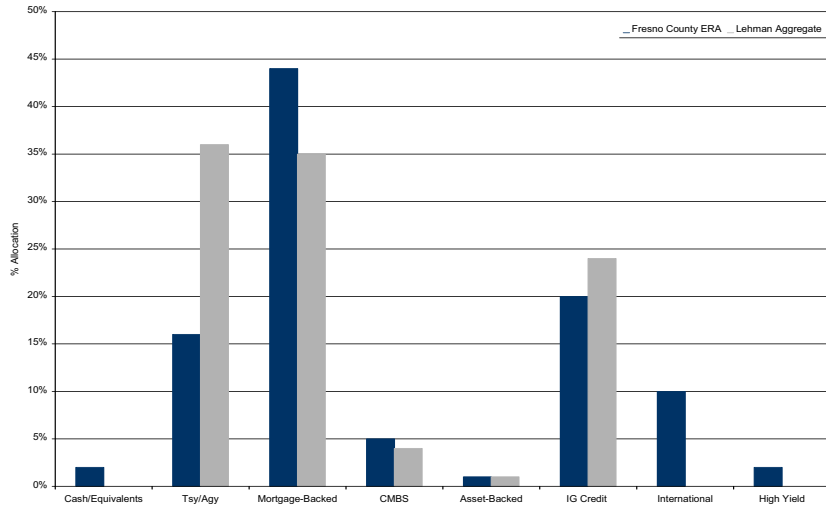
- ▶ Fresno County has been a valued client of Bradford & Marzec for over ten years.
- ▶ The portfolio is managed primarily utilizing investment grade bonds with the ability to invest in non-dollar and high yield securities.



# Portfolio Characteristics

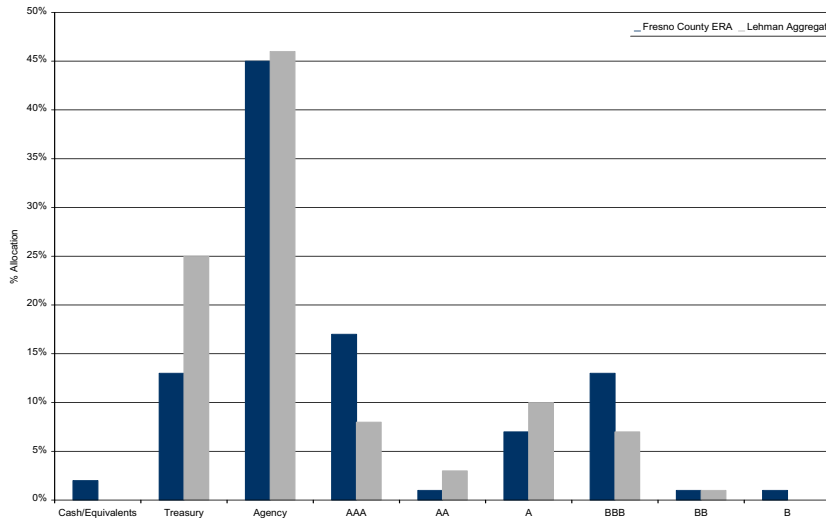


As of 5/31/06



SECTORS	Fresno County ERA	Lehman Aggregate	Active Weights
Cash/Equivalents	2%	0%	2
Tsy/Agy	16%	36%	-20
Mortgage-Backed	44%	35%	9
CMBS	5%	4%	1
Asset-Backed	1%	1%	0
IG Credit	20%	24%	-4
International	10%	0%	10
High Yield	2%	0%	2
Total	100%	100%	

- ▶ At month-end, the portfolio was underweight U.S. Government and overweight Mortgage-backed securities versus the benchmark, with a tactical allocation to non-dollar and high yield bonds.



RATINGS	Fresno County ERA	Lehman Aggregate	Active Weights
Cash/Equivalents	2%	0%	2
Treasury	13%	25%	-12
Agency	45%	46%	-1
AAA	17%	8%	9
AA	1%	3%	-2
A	7%	10%	-3
BBB	13%	7%	6
BB	1%	1%	0
B	1%	0%	1
Total	100%	100%	

- ▶ Very high quality portfolio with nearly 80% in AAA rated securities or above.

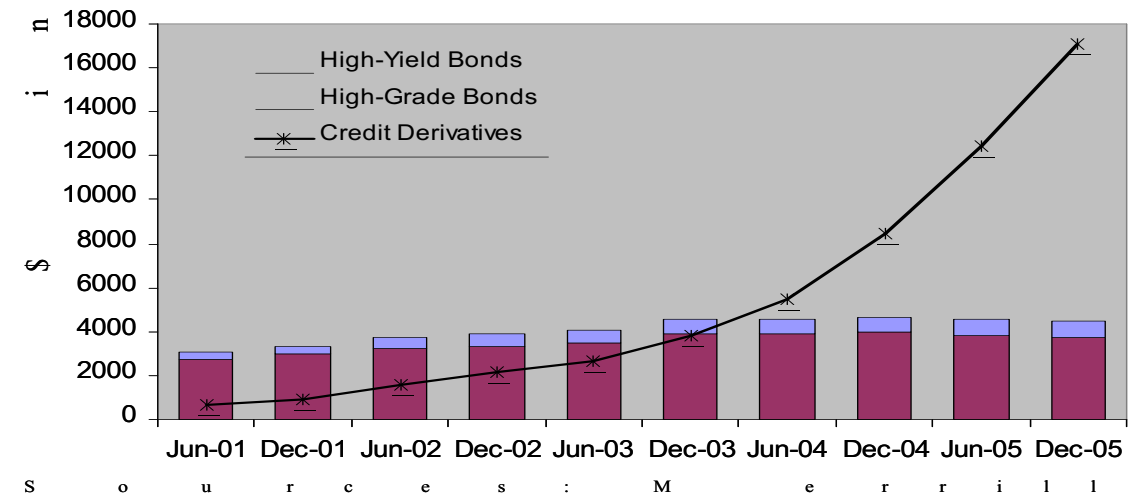
QUALITY	AA+	AA+
DURATION	4.80 yrs	4.79 yrs
CURRENT YIELD	5.66%	5.78%

Source: Lehman

## The Credit Default Swap (CDS) Market

- The biggest change in the credit markets in the last decade is the advent of the CDS market.
- It is a financial contract between two parties to exchange the credit risk of a bond issuer for a specified period of time.
- It is essentially an insurance policy that protects the buyer against the loss of principal on a bond in case of a default by the issuer.
- The flexibility of the CDS market has led to it being the basic building block for the \$17 Trillion credit derivatives market! CDS represents 42% of credit derivatives notional outstanding.

**Size of Credit Derivatives Market vs. Corporate Bond Market  
(Notional Outstanding)**



- The explosion of the CDS market has led to the integration of CDS with credit trading and risk management at many firms.

## The Credit Default Swap (CDS) Market

- CDS spreads and corporate bond spreads trade very similarly, as dealers can arbitrage the spread differential.
- The ability to utilize CDS would allow us to: 1) get access to illiquid credits, 2) more quickly establish a position than is available in the bond market, 3) take advantage of relative valuations between CDS and bonds, 4) hedge the credit risk on an illiquid bond.

## Credit Default Swap Indices (CDX)

- The Investment Grade CDX consists of a basket of 125 equally-weighted CDS contracts.
- CDX has excellent liquidity, allowing an investor to quickly get long (or reduce) overall credit risk.
- CDX is especially useful in volatile markets and for quickly adjusting credit exposure when an account has large contributions or withdrawals.

**We formally request the authority to utilize  
Credit Default Swaps and CDX  
within the fixed income portfolio  
managed by Bradford & Marzec.**

June 2006

## Yield Curve and Duration

- Neutral duration awaiting economic slowdown in second half
- Neutral yield curve position as near-term flattening objectives achieved
- Expect end to Fed tightening cycle at 5.25% funds rate

## Governments

- Underweight U.S. agencies with emphasis on shorter maturities
- Remain positive on callable agencies to add incremental yield

## TIPS

- Valuations fair with breakeven inflation rate in the middle of recent range
- Longer-term outlook for contained inflation with competitive global marketplace

## Mortgages

- Overweight mortgages with emphasis on 30-year 5.5% and 6.0% MBS
- Improved valuations following recent underperformance
- Supply and demand technical picture remains favorable
- Overweight commercial mortgages based on attractive pricing and strong fundamentals
- Overweight agency hybrid adjustable mortgages as a source of stable, short duration yield

## Non-Dollar

- Non dollar positions increased as expected dollar weakness evolves from end of Fed tightening

June 2006

## Investment Grade Credit

- Neutral investment grade corporate bonds
- Profit growth remains healthy and balance sheets are strong
- Balance sheets unlikely to continue to improve due to a renewed focus on shareholder friendly actions
- Technicals remain strong, with strong global demand for yield in U.S. assets
- Favor lower rated credits in improving industries
- Also favor credits where shareholder friendly actions are less prevalent and M&A results are generally more bondholder friendly  
*Overweight: Yankees, Japanese Banks, Brokers, Electric Utilities, and REITs*  
*Underweight: Food/Beverage/Tobacco, Retailers, and Paper/Forest Products*

## High Yield

Take profits on strong performance YTD; upgrade portfolio quality as we expect volatility and event risk to rise

- Remain underweight auto sector as current valuation do not fully compensate for expected pace of deterioration in operating trends
- *Overweight: gaming/lodging, building materials, consumer products, metals/mining, transportation and technology*  
*Underweight: autos, cable/media, paper/packaging, food/beverage/tobacco, healthcare and telecom*

Focus on identifying acquisition targets for larger, higher rated entities as M&A activity remains high

- Higher coupon bonds remain attractive as companies pay a premium to refinance outstanding debt in low rate environment

# Securities Holdings List



Fresno County Employees' Ret. Assoc.

As of: 05/31/06

Par (000)/ Contracts	Description	Coupon	Maturity	Mdys	S&P	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Industry
	U.S. DOLLARS (Cash)			CASH	CASH		2,787,106.81		2,786,194.21	110,762.66	Cash/Cash Equiv
740	U.S. TREASURY BOND	6.500	11/15/26	TSY	TSY	114.621	848,193.56	114.203	845,102.94	2,222.01	US Treasury
476	U.S. TREASURY NOTE	2.750	08/15/07	TSY	TSY	97.301	463,151.72	97.297	463,133.24	3,832.98	US Treasury
15,335	U.S. TREASURY NOTE	4.375	12/31/07	TSY	TSY	99.255	15,220,733.74	98.973	15,177,463.55	281,706.49	US Treasury
4,586	U.S. TREASURY NOTE	3.875	07/15/10	TSY	TSY	95.912	4,398,532.85	95.813	4,393,961.25	67,253.94	US Treasury
947	FANNIE MAE	4.500	10/15/08	AGC	AGC	99.844	945,522.68	98.250	930,427.50	5,445.25	US Agency
2,250	FED HOME LOAN BANK	4.430	04/07/08	AGC	AGC	98.595	2,218,383.00	98.438	2,214,843.75	14,951.25	US Agency
1,500	FREDDIE MAC	3.750	03/15/07	AGC	AGC	99.558	1,493,370.00	98.762	1,481,434.50	11,875.00	US Agency
425	FREDDIE MAC	4.750	09/22/10	AGC	AGC	99.070	421,047.50	97.590	414,758.35	3,869.27	US Agency
976	FGCI 15-YR POOL #B17427 MLB	5.000	12/01/19	AGC	AGC	101.578	991,727.90	96.680	943,903.46	4,068.00	Mortgages
1,224	FGCI 15-YR TBA JUN	5.000	06/01/21	AGC	AGC	96.758	1,184,315.63	96.500	1,181,160.00	0.00	Mortgages
1,132	FGLMC 30 YR TBA JUN	6.000	06/01/36	AGC	AGC	99.156	1,122,448.75	98.844	1,118,911.77	0.00	Mortgages
85	FGLMC 30-YR POOL #A14350 ML	6.500	10/01/33	AGC	AGC	104.922	88,711.58	101.438	85,765.54	457.98	Mortgages
19	FGLMC 30-YR POOL #C29119	6.500	07/01/29	AGC	AGC	103.711	19,491.76	101.622	19,099.12	101.80	Mortgages
153	FGLMC 30-YR POOL #C62870 LL	7.000	01/01/32	AGC	AGC	102.937	157,026.38	102.813	156,835.70	889.85	Mortgages
4	FGLMC 30-YR POOL #C62983 LL	7.000	01/01/32	AGC	AGC	102.937	4,303.78	102.813	4,298.55	24.39	Mortgages
1,148	FHR 3046 BE	5.000	10/15/25	AGC	AGC	93.965	1,078,716.41	90.000	1,033,200.00	4,783.33	Mortgages
1,146	FNARM 30-YR POOL #735466 7X1	4.720	03/01/35	AGC	AGC	100.125	1,147,896.03	96.719	1,108,844.64	4,509.42	Mortgages
1,811	FNARM 30-YR POOL #735951 7X1	4.381	05/01/34	AGC	AGC	98.453	1,783,434.44	96.828	1,753,998.29	6,613.32	Mortgages
160	FNARM 30-YR POOL #786206 5X1	4.538	07/01/34	AGC	AGC	101.359	161,916.80	98.016	156,575.32	604.10	Mortgages
869	FNARM 30-YR POOL #817593	5.314	11/01/35	AGC	AGC	100.418	872,570.73	97.125	843,956.85	3,847.95	Mortgages
428	FNARM 30-YR POOL #840448 10X1	5.036	08/01/35	AGC	AGC	99.719	426,862.31	96.313	412,281.31	1,796.45	Mortgages
730	FNARM 30-YR POOL #841737 5X1	4.911	09/01/35	AGC	AGC	100.012	730,538.48	97.650	713,287.24	2,989.38	Mortgages
1,492	FNCL 15-YR POOL #723748	5.000	08/01/18	AGC	AGC	102.875	1,535,287.02	96.861	1,445,540.21	6,218.25	Mortgages
1,683	FNCL 15-YR TBA JUN	4.500	06/01/21	AGC	AGC	95.000	1,598,850.00	94.625	1,592,538.75	0.00	Mortgages
2,934	FNCL 30-YR POOL #255225	5.500	06/01/34	AGC	AGC	97.922	2,872,799.46	96.563	2,832,939.22	13,446.43	Mortgages
3,371	FNCL 30-YR POOL #357850 HLB	5.500	07/01/35	AGC	AGC	100.500	3,388,044.53	96.383	3,249,246.39	15,451.28	Mortgages
1,473	FNCL 30-YR POOL #735228	5.500	02/01/35	AGC	AGC	97.195	1,431,896.56	96.563	1,422,584.23	6,752.24	Mortgages
430	FNCL 30-YR POOL #741892 FL	5.500	10/01/33	AGC	AGC	102.187	439,294.65	96.727	415,818.59	1,970.33	Mortgages
446	FNCL 30-YR POOL #749597 NY	5.500	11/01/33	AGC	AGC	101.781	454,400.18	96.727	431,833.64	2,046.22	Mortgages
601	FNCL 30-YR POOL #756187 NY	5.500	12/01/33	AGC	AGC	102.078	613,706.60	96.727	581,532.33	2,755.56	Mortgages
322	FNCL 30-YR POOL #766654 NY	5.500	03/01/34	AGC	AGC	103.094	332,015.77	96.570	311,006.89	1,476.07	Mortgages
1,266	FNCL 30-YR POOL #787021 LLB	5.500	06/01/34	AGC	AGC	101.594	1,286,565.39	96.711	1,224,730.31	5,804.25	Mortgages

# Securities Holdings List



Fresno County Employees' Ret. Assoc.

As of: 05/31/06

Par (000)/ Contracts	Description	Coupon	Maturity	Mdys	S&P	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Industry
1,504	FNCL 30-YR POOL #787820 HLB	5.500	07/01/34	AGC	AGC	99.375	1,494,469.40	96.602	1,452,760.55	6,892.73	Mortgages
1,474	FNCL 30-YR POOL #809706 HLB	5.500	03/01/35	AGC	AGC	101.687	1,498,506.85	96.383	1,420,334.90	6,754.18	Mortgages
1,515	FNCL 30-YR POOL #825686	5.500	07/01/35	AGC	AGC	101.063	1,531,227.47	96.374	1,460,194.56	6,944.34	Mortgages
883	FNCL 30-YR POOL #832485	5.500	08/01/35	AGC	AGC	100.547	887,905.08	96.374	851,057.72	4,047.43	Mortgages
3,664	FNCL 30-YR POOL #836118 NY	5.500	10/01/35	AGC	AGC	100.234	3,672,155.32	96.352	3,529,905.83	16,791.36	Mortgages
1,566	FNCL 30-YR POOL #848562	6.000	12/01/35	AGC	AGC	101.344	1,587,019.60	98.850	1,547,962.94	7,829.88	Mortgages
4,548	FNCL 30-YR TBA JUN	5.000	06/01/36	AGC	AGC	94.094	4,279,383.75	93.781	4,265,169.16	0.00	Mortgages
2,525	FNCL 30-YR TBA JUN	5.000	06/01/36	AGC	AGC	94.125	2,376,656.25	93.781	2,367,975.40	0.00	Mortgages
5,691	FNCL 30-YR TBA JUN	5.000	06/01/36	AGC	AGC	94.125	5,356,653.75	93.781	5,337,088.32	0.00	Mortgages
11,884	FNCL 30-YR TBA JUN	5.500	06/01/36	AGC	AGC	96.469	11,464,346.25	96.281	11,442,058.28	0.00	Mortgages
1,349	FNCL 30-YR TBA JUN	5.500	06/01/36	AGC	AGC	96.531	1,302,206.56	96.281	1,298,833.44	0.00	Mortgages
5,725	FNCL 30-YR TBA JUN	6.000	06/01/36	AGC	AGC	99.125	5,674,906.25	98.750	5,653,437.50	0.00	Mortgages
3,403	FNCL 30-YR TBA JUN	6.000	06/01/36	AGC	AGC	99.094	3,372,160.31	98.750	3,360,462.50	0.00	Mortgages
1,201	FNMA 30-YR POOL #745412	5.500	12/01/35	AGC	AGC	96.750	1,162,224.88	96.563	1,159,983.24	0.00	Mortgages
1,148	FNMA 30-YR POOL #796615	5.500	10/01/34	AGC	AGC	96.871	1,112,456.24	96.563	1,108,920.47	0.00	Mortgages
971	GSR 2004-10F 2A4	5.000	08/25/19	Aaa	AAA	96.437	936,283.34	96.406	935,979.94	4,045.29	Mortgages
999	WFMB 2005-1 3A1	5.250	01/25/20	Aaa	AAA	96.953	968,494.45	96.970	968,663.02	0.00	Mortgages
1,386	WFMB 2005-13 A1	5.000	11/25/20	Aaa	AAA	96.203	1,333,693.60	97.800	1,355,831.57	5,776.38	Mortgages
828	WFMB 2005-AR9 2A1 5X1	4.362	05/25/35	Aaa	AAA	100.109	829,294.80	97.800	810,164.20	3,011.37	Mortgages
400	ENSEC 2005-R1	5.281	05/14/14	Aaa	AAA	100.000	400,000.00	100.070	400,279.20	997.45	Asset Backed
1,098	BACM 2005-6 A4	5.182	09/10/47	Aaa	AAA	100.318	1,101,490.59	95.820	1,052,103.60	4,741.36	CMBS
980	CGCMT 2005-C3 A4	4.860	05/15/43	Aaa	AAA	100.504	984,938.28	93.240	913,752.00	3,969.00	CMBS
1,115	GCCFC 2005-GG3 A4	4.799	08/10/42	Aaa	AAA	100.493	1,120,500.30	93.391	1,041,305.47	4,459.07	CMBS
1,760	GMACC 2002-C3 A2	4.930	07/10/39	Aaa	AAA	97.508	1,716,137.50	95.922	1,688,225.00	7,230.67	CMBS
670	LBUBS 2003-C5 A3	4.254	07/15/27	NR	AAA	97.840	655,526.95	94.566	633,592.20	1,583.43	CMBS
426	MSC 2004-T15 A4	5.270	06/13/41	Aaa	AAA	105.109	447,765.94	96.516	411,156.56	1,870.85	CMBS
446	MSC 2005-HQ6 A4A	4.989	08/13/42	NR	AAA	94.609	421,957.81	94.199	420,128.52	1,854.25	CMBS
1,558	MSC 2005-T17 A5	4.780	12/13/41	NR	AAA	101.076	1,574,770.63	93.109	1,450,644.06	6,206.03	CMBS
225	ALERIS INTERNATIONAL INC. 144A	9.000	11/15/14	NR	B	105.750	237,937.50	103.750	233,437.50	900.00	Corporate
845	AMERICA MOVIL SA de CV	5.750	01/15/15	A3	BBB+	99.163	837,930.95	94.069	794,886.43	18,355.28	Corporate
380	AMERICAN GENERAL FINANCE	4.000	03/15/11	A1	A+	97.202	369,367.60	92.771	352,530.18	3,208.89	Corporate
390	AMERISOURCEBERGEN CORP. 144A	5.625	09/15/12	Ba2	BBB-	100.000	390,000.00	97.436	379,999.23	4,631.25	Corporate
485	ARAMARK SERVICES INC.	7.000	05/01/07	Baa3	BBB-	99.801	484,034.85	100.503	487,437.61	2,829.17	Corporate

# Securities Holdings List



Fresno County Employees' Ret. Assoc.

As of: 05/31/06

Par (000)/ Contracts	Description	Coupon	Maturity	Mdys	S&P	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Industry
285	ARAMARK SERVICES INC.	5.000	06/01/12	Baa3	BBB-	99.988	284,965.80	87.673	249,868.62	7,125.00	Corporate
151	AUBURN HILLS TRUST	12.375	05/01/20	A3	BBB	142.968	215,881.68	142.515	215,197.95	1,557.19	Corporate
795	BAE SYSTEMS HOLDINGS INC.	4.750	08/15/10	Baa2	BBB	99.712	792,710.40	96.024	763,390.80	11,118.96	Corporate
405	BEAR STEARNS CO INC. MTN	4.550	06/23/10	A1	A	99.916	404,659.80	96.003	388,812.15	8,087.63	Corporate
290	BEAZER HOMES USA	6.500	11/15/13	Ba1	BB	102.250	296,525.00	93.375	270,787.50	837.78	Corporate
290	BNSF FUNDING TRUST I	6.613	12/15/55	Ba1	BBB	100.000	290,000.00	94.510	274,077.55	8,843.05	Corporate
370	CC FUNDING TRUST I	6.900	02/16/07	Baa2	BBB-	105.686	391,038.20	100.787	372,913.01	1,063.75	Corporate
1,140	CENTURYTEL INC.	4.628	05/15/07	Baa2	BBB+	101.036	1,151,807.60	98.986	1,128,441.54	2,344.85	Corporate
405	CHESAPEAKE ENERGY CORP. 144A	6.500	08/15/17	Ba2	BB	99.654	403,600.00	94.500	382,725.00	7,751.25	Corporate
375	CHINA DEVELOPMENT BANK	5.000	10/15/15	A2	A-	98.860	370,725.00	93.761	351,602.63	2,395.83	Corporate
630	CHUO MITSUI TRUST & BANK 144A	5.506	12/31/49	Baa2	NR	99.530	627,036.75	93.608	589,731.66	4,432.33	Corporate
705	COMCAST CORP.	10.625	07/15/12	Baa3	BBB	132.267	932,482.35	119.710	843,957.62	28,297.92	Corporate
1,195	COMMONWEALTH BANK AUSTRALIA 14	6.024	03/15/49	A2	A-	99.847	1,193,171.65	97.264	1,162,300.02	15,197.21	Corporate
595	CORP ANDINA DE FOMENTO	5.200	05/21/13	A1	A	100.644	598,829.80	95.581	568,708.14	859.44	Corporate
170	COVENTRY HEALTH CARE INC.	5.875	01/15/12	Ba1	BBB-	101.750	172,975.00	97.250	165,325.00	3,773.06	Corporate
180	D.R. HORTON INC.	6.500	04/15/16	Baa3	BBB-	99.797	179,634.60	96.471	173,647.98	1,430.00	Corporate
430	DELHAIZE AMERICA INC.	9.000	04/15/31	Ba1	BB+	119.680	514,624.00	112.103	482,043.76	4,945.00	Corporate
260	DEVELOPERS DIVERS REALTY	5.375	10/15/12	Baa3	BBB	99.520	258,752.00	96.336	250,474.38	1,785.69	Corporate
460	DOMINION RESOURCES INC	5.687	05/15/08	Baa2	BBB	100.578	462,656.96	99.943	459,739.64	1,162.68	Corporate
210	DOMINION RESOURCES INC.	5.950	06/15/35	Baa2	BBB	101.800	213,780.00	90.210	189,440.16	5,761.58	Corporate
630	DONALDSON LUFKIN JENRETTE	6.500	06/01/08	Aa3	A+	109.602	690,492.60	101.577	639,932.58	20,475.00	Corporate
365	ECHOSTAR DBS CORP.	8.240	10/01/08	Ba3	BB-	103.875	379,143.75	101.625	370,931.25	5,012.67	Corporate
535	ENTERGY LOUISIANA LLC	6.300	09/01/35	Baa1	A-	99.996	534,978.60	91.866	491,480.43	8,426.25	Corporate
380	ENTERPRISE PRODUCTS OPER	6.875	03/01/33	Baa3	BB+	106.713	405,509.40	96.958	368,440.02	6,531.25	Corporate
260	ERP OPERATING LP	5.125	03/15/16	Baa1	A-	99.887	259,706.20	92.803	241,288.84	2,813.06	Corporate
435	EXPORT-IMPORT BK KOREA EMTN	4.500	08/12/09	A3	A	99.281	431,872.35	96.549	419,989.89	5,926.88	Corporate
1,140	FIRSTENERGY CORP.	5.500	11/15/06	Baa3	BBB-	104.487	1,191,152.90	99.920	1,139,089.14	2,786.67	Corporate
316	FREESCALE SEMICONDUCTOR	7.125	07/15/14	Ba1	BBB-	102.729	324,625.00	102.000	322,320.00	8,505.67	Corporate
470	GLENCORE FUNDING LLC 144A	6.000	04/15/14	Baa3	BBB-	94.101	442,276.95	93.764	440,691.27	3,603.33	Corporate
875	HARRAHS OPERATING CO INC.	5.750	10/01/17	Baa3	BBB-	99.349	869,303.75	92.608	810,322.63	8,385.42	Corporate
390	HARTFORD FINL SVCS GROUP	5.550	08/16/08	A3	A	100.004	390,015.41	99.914	389,663.43	901.88	Corporate
123	HARVEST OPERATIONS CORP.	7.875	10/15/11	B3	B-	99.339	122,186.97	97.750	120,232.50	1,237.69	Corporate
310	HEALTH CARE PROPERTIES	5.625	02/28/13	Baa2	BBB+	99.671	308,980.10	97.118	301,066.11	4,505.78	Corporate



# Securities Holdings List



Fresno County  
Employees' Retirement Association

Fresno County Employees' Ret. Assoc.

As of: 05/31/06

Par (000)/ Contracts	Description	Coupon	Maturity	Mdys	S&P	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Industry
435	HEALTH CARE REIT INC.	6.200	06/01/16	Baa3	BBB-	99.650	433,477.50	97.389	423,640.85	13,410.08	Corporate
500	HSBC FIN CAP TRUST IX VAR	5.911	11/30/35	A1	BBB+	100.000	500,000.00	96.321	481,605.50	82.10	Corporate
855	HUTCHISON WHAMP LTD 144A	7.450	11/24/33	A3	A-	111.224	950,963.65	105.695	903,687.98	1,238.56	Corporate
240	INEOS GROUP HOLDINGS PLC 144A	8.500	02/15/16	B2	B-	100.000	240,000.00	93.500	224,400.00	6,460.00	Corporate
374	INTL LEASE FINANCE CORP.	5.000	09/15/12	A1	AA-	99.518	372,197.32	95.293	356,395.82	3,947.78	Corporate
250	ISPAT INLAND ULC	9.750	04/01/14	Baa3	BBB+	115.125	287,812.50	111.875	279,687.50	4,062.50	Corporate
430	ISTAR FINANCIAL INC.	5.125	04/01/11	Baa2	BBB	99.825	429,247.50	95.990	412,758.29	3,672.92	Corporate
510	ISTAR FINANCIAL INC. FRN	5.467	03/16/09	Baa2	BBB	100.000	510,000.00	100.642	513,276.24	5,808.56	Corporate
200	JEFFERIES GROUP INC.	6.250	01/15/36	Baa1	BBB	99.306	198,612.00	90.790	181,579.60	4,340.28	Corporate
325	JPMORGAN CHASE BANK	4.891	09/01/15	A1	A	100.000	325,000.00	96.502	313,631.18	3,973.94	Corporate
410	LAZARD GROUP LLC	7.125	05/15/15	Ba1	BBB-	99.921	409,676.10	102.549	420,451.72	1,298.33	Corporate
652	LUBRIZOL CORP.	6.500	10/01/34	Baa3	BBB-	97.237	633,985.24	95.636	623,549.33	7,063.33	Corporate
520	MERRILL LYNCH & CO., INC.	6.050	05/16/16	A1	A	99.815	519,038.00	99.556	517,692.76	1,310.83	Corporate
470	MIDAMERICAN ENERGY HLDGS 144A	6.125	04/01/36	Baa1	BBB+	99.957	469,797.90	94.313	443,268.75	5,357.67	Corporate
1,650	MIZUHO PREFERRED CAP 144A	8.790	12/31/49	Baa1	BBB+	110.285	1,819,706.20	105.487	1,740,527.25	60,834.13	Corporate
255	MOLSON COORS CAPITAL	4.850	09/22/10	Baa2	BBB	99.996	254,989.80	96.571	246,255.54	2,370.44	Corporate
595	MORGAN JP & CO INC.	6.000	01/15/09	A1	A	108.291	644,331.45	100.862	600,127.71	13,486.67	Corporate
360	NCL CORP.	10.625	07/15/14	B2	B+	100.797	362,868.75	98.750	355,500.00	14,450.00	Corporate
500	NCR CORP.	7.125	06/15/09	Baa3	BBB-	102.399	511,996.50	102.421	512,104.50	16,427.08	Corporate
380	NEXEN INC.	5.875	03/10/35	Baa2	BBB-	99.497	378,088.60	89.397	339,706.70	5,023.13	Corporate
290	NEXTEL COMMUNICATIONS	6.875	10/31/13	Baa2	A-	103.500	300,150.00	101.882	295,457.22	1,716.84	Corporate
255	NLV FINANCIAL CORP. 144A	7.500	08/15/33	Baa3	BBB+	99.802	254,495.10	98.176	250,348.89	5,631.25	Corporate
360	NOBLE CORP.	5.875	06/01/13	Baa1	A-	99.914	359,690.40	99.345	357,642.00	293.75	Corporate
385	OHIO CASUALTY CORP.	7.300	06/15/14	Baa3	BB+	99.670	383,729.50	102.369	394,121.81	12,959.53	Corporate
290	OMI CORP.	7.625	12/01/13	B1	B+	100.175	290,506.25	99.500	288,550.00	11,056.25	Corporate
320	PARK PLACE ENTERTAINMENT	9.375	02/15/07	Ba1	BB+	112.696	360,627.50	102.125	326,800.00	8,833.33	Corporate
690	PEMEX PROJ FDG MASTER TR	8.625	02/01/22	Baa1	BBB	113.986	786,500.50	112.500	776,250.00	19,837.50	Corporate
125	PREMCO REFINING GROUP	9.250	02/01/10	Baa3	BBB-	110.250	137,812.50	106.877	133,596.00	3,854.17	Corporate
425	PROGRESS ENERGY INC.	7.750	03/01/31	Baa2	BBB-	113.508	482,409.00	112.049	476,208.25	8,234.38	Corporate
450	RESIDENTIAL CAPITAL	6.500	04/17/13	Baa3	BBB-	99.712	448,704.00	97.796	440,083.80	3,575.00	Corporate
1,045	RESONA BANK LTD 144A	5.850	09/29/49	Baa1	BBB-	99.354	1,038,253.80	95.288	995,754.38	7,811.38	Corporate
355	ROGERS WIRELESS INC. FRN	8.035	12/15/10	Ba2	BB	105.500	374,525.00	103.125	366,093.75	6,180.25	Corporate
525	RPM INTERNATIONAL INC.	6.250	12/15/13	Baa3	BBB	105.778	555,334.50	98.693	518,135.63	15,130.21	Corporate

# Securities Holdings List



Fresno County Employees' Ret. Assoc.

As of: 05/31/06

Par (000)/ Contracts	Description	Coupon	Maturity	Mdys	S&P	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Industry
285	SHINSEI FIN CAYMAN LTD 144A	6.418	01/20/49	Baa2	BBB-	100.000	285,000.00	96.092	273,863.06	4,979.30	Corporate
610	SING TELECOMM 144A	6.375	12/01/11	Aa2	A+	100.330	612,013.30	102.613	625,937.47	19,443.75	Corporate
260	SOUTHERN PERU	7.500	07/27/35	Ba1	BBB-	100.403	261,048.00	95.549	248,428.44	6,716.67	Corporate
655	SPRINT CAPITAL CORP.	8.750	03/15/32	Baa2	A-	124.413	814,901.90	121.695	797,098.98	12,099.31	Corporate
710	SUMITOMO MITSUI BANKING 144A CALL	5.625	07/15/49	A2	BBB+	98.919	702,324.90	95.248	676,257.96	5,103.13	Corporate
532	SWISS RE CAPITAL I LP 144A	6.854	05/29/49	A1	A	100.000	532,000.00	98.716	525,169.12	2,025.74	Corporate
160	TALISMAN ENERGY	5.850	02/01/37	Baa2	BBB+	99.418	159,068.80	89.926	143,881.60	3,224.00	Corporate
155	TAMPA ELECTRIC	6.550	05/15/36	Baa2	BBB-	99.375	154,031.25	99.851	154,769.67	535.83	Corporate
515	TEVA PHARM FINANCE LLC	6.150	02/01/36	Baa2	BBB	100.364	516,873.65	90.562	466,391.73	10,645.48	Corporate
265	THOMSON CORPORATION	5.500	08/15/35	A3	A-	98.926	262,153.90	86.875	230,218.75	4,291.53	Corporate
336	TIME WARNER ENTERTAINMENT	8.375	07/15/33	Baa2	BBB+	123.289	414,252.04	112.721	378,743.57	10,630.67	Corporate
320	TITAN PETROCHEMICALS 144A	8.500	03/18/12	B1	B+	98.049	313,756.25	86.000	275,200.00	5,515.56	Corporate
57	TRICON GLOBAL	7.650	05/15/08	Baa3	BBB	112.500	64,125.00	103.476	58,981.21	193.80	Corporate
445	VERIZON GLOBAL FDG 144A	7.250	12/01/10	A3	A	117.814	524,272.30	105.247	468,350.49	16,131.25	Corporate
296	WELLPOINT INC.	5.850	01/15/36	Baa1	BBB+	99.467	294,422.32	90.409	267,609.16	6,782.10	Corporate
270	WILLIAM LYON HOMES	10.750	04/01/13	B2	B	114.264	308,512.50	99.125	267,637.50	4,837.50	Corporate
435	XTO ENERGY INC.	5.650	04/01/16	Baa3	BBB-	99.917	434,638.95	96.701	420,651.09	4,164.52	Corporate
225	YUM BRANDS INC.	6.250	04/15/16	Baa3	BBB	99.889	224,750.25	99.626	224,159.40	1,875.00	Corporate
4,041	AUSTRALIA GOVERNMENT	6.500	05/15/13	Aaa	AAA	104.767	3,181,152.94	104.384	3,172,898.03	9,127.18	International
4,244	BUNDESREPUBLIC DEUTSCHLAND	3.500	01/04/16	Aaa	AAA	97.447	5,054,756.42	96.370	5,238,398.74	97,991.80	International
5,585	CANADA (GOVT)	4.500	06/01/15	Aaa	AAA	101.404	4,954,108.72	100.315	5,085,868.51	114,072.71	International
3,315	NEW ZEALAND GOVERNMENT	6.000	07/15/08	Aaa	AAA	100.508	2,232,005.72	99.399	2,090,067.25	47,746.49	International

## **EDWARD T. BRADFORD, Principal**

### SENIOR PORTFOLIO MANAGER—GENERALIST

Ted Bradford is a co-founder and Principal of Bradford & Marzec and a member of its Executive Committee and Portfolio Management Team. Ted's responsibilities as a Senior Portfolio Manager include conducting economic analysis, setting investment policy, and portfolio management for both domestic and international portfolios. As a generalist portfolio manager with over 35 years experience, he works directly with other portfolio managers and specialists on credit decisions, tactical trading strategies and special portfolio mandates including short duration, core-plus, high yield and international markets. The breadth and depth of his extensive experience adds team stability and a foundation for the individual growth of the team members.

Ted began his 36 years of investment experience at a Southern California bank, where he was responsible for portfolio management in the Trust Division. From there, he completed 14 years as the Bond Investment Manager in charge of fixed income assets for both CALPERS (California Public Employees' Retirement Systems) and CALSTRS (California State Teachers' Retirement System) which then represented the nation's largest pool of managed fixed income assets. While at CALPERS, he directed the in-house fixed income management team responsible for both State Employees and Teachers bond portfolios. The major emphasis was a core investment grade bond portfolio, for which he was directly responsible for the credit research department and a team of analysts. Additionally, he was responsible for all securities trading. In 1983, Ted was named Chief Investment Officer for CALPERS, a position he held until forming Bradford & Marzec in 1984.

Ted earned his Master's and Bachelor's degrees in Finance from California State University.

## **ZELDA ANN MARZEC, Principal**

### SENIOR PORTFOLIO MANAGE —GENERALIST

Zee Marzec is a co-founder and principal of Bradford & Marzec and a member of its Executive Committee and Portfolio Management Team. Zee's responsibilities as a Senior Portfolio Manager include conducting economic analysis, setting investment policy, and portfolio management for both domestic and international portfolios. As a generalist portfolio manager with over 32 years experience, Zee works directly with other portfolio managers and specialists on credit decisions, tactical trading strategies and special portfolio mandates including short duration, core-plus, high yield and international markets. The breadth and depth of her extensive experience adds team stability and a foundation for the individual growth of the team members.

Prior to founding the Firm in 1984, Zee managed over \$5 billion in fixed income investments for the Transamerica Corporation. Her responsibilities at Transamerica included investment grade and high yield debt analysis and trading for insurance company portfolios, a NYSE listed total return bond fund and separate institutional client portfolios. While at Transamerica, Zee was recognized by Lipper Analytical as the top performing bond manager for the total return bond fund she managed at that time in 1982.

Zee served on the Los Angeles County Retirement Board. She also served as trustee of Mount St. Mary's College and a member of the Investment Committee of Mount St. Mary's College, and the Investment Committee of the Marlborough School. She is currently a member of the Autry Museum of Western Heritage Board of Trustees, and belongs to the Los Angeles Music Center Blue Ribbon Committee. Zee is also a Dame of Malta, and a Dame of the Equestrian Order of the Holy Sepulchre of Jerusalem.

Zee holds a Masters degree in economics and a B.A. degree from the University of Southern California.

## **N. GRAHAM ALLEN, FCMA, Principal**

### SENIOR PORTFOLIO MANAGER — INTERNATIONAL FIXED INCOME

Graham Allen manages the Firm's international fixed income investments and is a member of the Executive Committee and Portfolio Management Team. Graham has 28 years of institutional investment experience, including 11 years with Bradford and Marzec from 1988 to 1998. Graham's primary responsibilities include developing and directing the international portfolio strategy including currency hedging and trading for the opportunistic core-plus total return strategy. His analysis of international bond markets and economics contributes to the firm's overall global macro top down strategy for all portfolios.

Graham was the Chief Fixed Income Officer at Wells Capital Management. As Chief Fixed Income Officer, for Wells Fargo's institutional money management arm, and developed overall investment policies and strategies for \$15 billion fixed income investment portfolios. Graham managed 25 professionals involved in long-term fixed income investing across a variety of styles and asset classes including core, core plus, municipals, high yield, international, short duration and corporate, totaling approximately \$15 billion in value. Graham also managed fifteen publicly traded fixed income mutual funds, and directed the launch of two new funds. Graham was a frequent public speaker and was often quoted in major financial publications including the Wall Street Journal, The New York Times, The Los Angeles Times, Barron's and the International Herald Tribune.

Graham began his career as an equity Investment Analyst for CIN Investments, formerly the National Coal Board Pension Funds, one of the largest public pension funds in Europe. At CIN Investments, he was promoted to Portfolio manager managing U.K. Capital Goods Equities and ultimately became Deputy Director Marketable Securities with responsibilities overseeing multi billion dollar equity portfolios including capital goods, retailing and overseas markets. Graham moved to the U.S. to serve as Vice President, Investments for Heron Financial in Los Angeles, one of the largest private companies in the U.K. at the time. His duties at Heron Investments included overseeing strategic acquisitions as well as managing high yield portfolios for the company's Arizona-based financial subsidiary.

Graham was educated in London, England at Harrow and Watford Colleges, and is a Fellow Chartered Management Accountant, a professional designation awarded by a major U.K. accounting body (CIMA).

## **DOUGLAS LOPEZ, CFA, Principal**

### SENIOR PORTFOLIO MANAGER — GLOBAL CREDIT

As a member of the Executive Committee and the Portfolio Management Team, with 17 years experience, Doug Lopez contributes to the overall management and strategic development of the Firm as well as the broad portfolio strategies. Doug's specialty is investment grade credit and high yield portfolio management. He also retains credit sector responsibilities, because of his specific expertise and background as the Director of Research and as a credit analyst. Working with a team of credit specialists, Doug directs the development of portfolio credit and trading strategies for all investment grade and high yield corporate bond sectors.

Prior to his current position as Portfolio Manager, Doug was the Firm's Director of Research and managed the credit analyst team, while continuing to serve as the primary analyst for a number of industries. Over the course of his career, Doug has held primary sector research responsibilities for a majority of the sectors of the corporate fixed income market, both investment grade and high yield, as well as mortgage-backed and asset-backed securities. During his years of investment experience, he has been associated with Barclays Global Investors (formerly Wells Fargo Investment Advisors) as an assistant portfolio manager, Western Asset Management Company (WAMCO) and IBM Corporation.

Doug, a Chartered Financial Analyst, belongs to the Los Angeles Society of Financial Analysts and the Association for Investment Management and Research. Doug holds a M.B.A. in Finance from the University of California, Berkeley and a Bachelor's degree in Business Administration from California State University, Long Beach. He also acts as a lecturer and advisor to the Student Managed Investment Fund at California State University, Long Beach.

## **JEFFREY BROTHERS, CFA, Principal**

### SENIOR PORTFOLIO MANAGER—STRUCTURED SECURITIES

Jeff Brothers has 18 years experience and is a Senior Portfolio Manager and member of the Executive Committee. In his role as portfolio manager, Jeff develops and performs research and implements investment strategies for the mortgage-backed, asset-backed, commercial mortgage, U.S. agency and treasury inflation-protected securities sectors of the market. During his tenure with Bradford & Marzec, he has also managed the domestic trading desk, analyzed structured products and developed quantitative tools.

Prior to Bradford & Marzec, Jeff worked for the consulting firm Wilshire Associates as a member of the institutional fixed income services group. At Wilshire, Jeff's primary responsibilities included assisting fixed income clients with a variety of portfolio and security analysis including, performance attribution, benchmark risk comparisons, scenario analysis, and cash flow projections. He also consulted to clients with regard to portfolio immunization, indexing and risk management. In addition to his consulting duties, Jeff worked extensively to develop models and applications for the Wilshire Associates fixed income workstation. Jeff began his career working for Merrill Lynch Capital Markets on the west coast; where he worked in the firm's institutional fixed income sales department, specializing in marketing mortgage-backed, U.S. government and money market securities to institutional money managers.

Jeff holds an M.B.A. from the University of Southern California, with an emphasis in investments. Jeff received a B.A. in economics from the University of California at Los Angeles. Jeff, a Chartered Financial Analyst, belongs to the Los Angeles Society of Financial Analysts.

## **TERENCE REIDT, CFA, Principal**

### PORTFOLIO MANAGER—CORPORATE SPECIALIST

Terry Reidt, a member of the firm's Investment Grade Tactical Team, manages the Firm's bond trading desk and performs market analysis with an emphasis on investment grade securities; he has 17 years of investment and financial analysis experience. Terry's balanced experience in both trading and investment research provides him with expertise in the corporate credit markets. Terry executes trades, participates in security selection, research and the determination of portfolio strategy, primarily for the Firm's investment grade portfolio. Terry maintains a secondary focus on the high yield sector.

Terry began his career with Bradford & Marzec as a Junior Trader responsible for U.S. dollar fixed income portfolio analytics, performance measurement and settlements. Later, he worked for seven years as a corporate credit analyst of a number of industry sectors including cable and media, chemicals, consumer products, energy, leisure, metals and mining, paper and forest products, utilities, telecommunications, retail, technology, tobacco, transportation and Yankee sovereign/credits. Prior to joining Bradford & Marzec, he was associated with J.M.M. Operational Services and Bay Cities National Bank.

Terry, a Chartered Financial Analyst, has also passed the California Certified Public Accountant (C.P.A.) examination. Terry holds a M.B.A. in Finance from the Anderson Graduate School of Management at UCLA and a Bachelor's degree in Business/Economics from the University of California, Santa Barbara.



## **HOLLIS CLIFFORD, Principal**

### **CORPORATE HIGH YIELD SPECIALIST AND TRADER**

Holly Clifford has over 14 years experience in fixed income trading and investment analysis. Holly has held the position of fixed income trader/analyst and has been an integral member of the corporate team at Bradford & Marzec. Holly's focus includes the trading and market analysis of below investment grade securities across multiple industries and sectors. As a member of the International Tactical Team, Holly's primary responsibilities also include emerging markets. Holly's specific skills include an extensive knowledge of securities trading, credit fundamentals and macroeconomic analysis. At Bradford & Marzec, Holly has specialized in developing expertise with Wall Street traders, analysts and strategists in her specific sectors. In addition to her primary responsibility as trader/analyst, Holly also co-manages the Firm's Research Associate program.

Prior to joining Bradford & Marzec, Holly was a securities transaction specialist for the Resolution Trust Corporation ("RTC") in Washington, D.C. In this position, she served as part of the strategic investment team responsible for the disposition of a broad base of fixed income investments, including corporate, mortgage-backed, and government securities. These securities were held in the portfolios of the institutions that were taken over by the Resolution Trust Corporation. Holly's areas of focus included the management of the high yield and limited partnership portfolios. She worked closely with Salomon Brothers Asset Management in the development and execution of a securities sales strategy that allowed the RTC to successfully dispose of assets without unduly affecting the financial markets. Holly's experience also includes an association with Pacific Mutual Life as an Equity Trader.

Holly holds her M.B.A. from Pepperdine University, California and her Bachelor's degree in Education from Montana State University.

## **ALAN BOND**

### **STRUCTURED PRODUCTS AND DERIVATIVES SPECIALIST**

Alan Bond analyses and trades mortgage and asset-backed securities, commercial mortgage-backed securities, treasury inflation-protected securities, and agencies. Alan has 22 years of investment experience including affiliations with First Interstate Bank, Deloitte & Touche, and Health Systems International.

At First Interstate Bank, Alan managed the fixed-income options book for the primary dealership, which included taking discretionary trading positions in exchange traded U.S. Treasury options and futures, as well as over-the-counter options. Additionally, he had the authority to make markets for an over-the-counter options book exceeding \$1 billion for institutional clients, as well as advising them on using options and swaps to improve their portfolio's risk/return profile.

While at Deloitte & Touche, Alan served as a consultant for clients on portfolio management and asset/liability management issues, including management and risk analysis of derivative securities. He was responsible for managing the fixed-income portfolios at Health Systems International, as well as structuring appropriate hedging strategies using derivatives for corporate debt issuance.

Alan earned his M.B.A. in Finance at the University of Chicago and his Bachelor's degree in Economics with honors at Cornell University, where he was elected to Phi Beta Kappa.

## **JOHN WLODEK**

### **DIRECTOR OF CREDIT RESEARCH – INVESTMENT GRADE AND HIGH YIELD**

John Wlodek has more than 21 years of financial industry experience. As Director of Research, John manages the Firm's research team, interacts closely with the Firm's portfolio managers and traders, and performs quality assurance reviews on analyst reports and investment recommendations. John provides managerial direction to the research department's activities by coordinating analyst focus on the review of select opportunities in the new issues market, the analysis of earnings releases and other news announcements and fundamental industry sector reviews. John also acts as the primary analyst on specific industry sectors, including telecommunications, paper and forest products, metals and mining, and chemicals.

As a Senior Vice President with Imperial Capital, John gained significant experience in the research and trading of high yield bonds and other special situation investments. John's responsibilities included the analysis of complex capital structure issues and the formulation of investment recommendations regarding distressed and bankrupt issuers. John's high yield and special situation research experience involved performing in-depth, fundamental analysis of issuers' capital structures, operating performance, and industry positioning as well as providing highly responsive and time sensitive research support to the firm's sales and trading activities.

John also has experience as an M&A advisor with Barrington Associates, a banker and research analyst with The Industrial Bank of Japan and a Certified Public Accountant (C.P.A.) with Deloitte Haskins & Sells and McGladrey Hendrickson & Pullen. Each of these positions provides John with unique insight into areas of expertise that relate directly to the research of investment grade and high yield fixed income investments. John's previous industry sector responsibilities as an M&A advisor, banker and Certified Public Accountant included aerospace, airlines, business services, consumer products, food and beverage, hospitality and leisure, paper and forest products, real estate, retailing, technology, and telecommunications.

John holds a M.B.A. from the Anderson Graduate School of Management at UCLA and a B.S. in Accounting from Indiana University.

## **JOHN HEITKEMPER, CFA**

### **CREDIT RESEARCH ANALYST**

John Heitkemper has 6 years of experience researching fixed income securities and performing economic analysis. John retains primary analyst responsibility for the electric utility, energy, and aerospace and defense industries.

Prior to joining Bradford & Marzec, John held investment grade and high yield fixed income research positions with Franklin Templeton Investments and Merrill Lynch Investment Managers (formerly Hotchkis & Wiley). At both Franklin and Merrill, John developed a sound foundation of buy-side credit analysis and investment research skills. John covered a variety of industries in these prior positions, including retail, railroads, diversified manufacturing, and domestic banking. This experience, combined with his current coverage responsibilities, gives him broad knowledge of the corporate bond market.

John began his career as a Research Assistant with the Board of Governors of the Federal Reserve System in Washington, D.C. where he gained unique insight into analyzing and forecasting GDP growth, inflation, interest rates and exchange rates. He also acted as the primary analyst responsible for covering several European countries, and in this capacity he analyzed and forecasted economic data and reported his analysis to the Chairman and other member of the Board of Governors. John's experience performing economic research and analysis provides the Firm's research department with valuable insight into economic trend analysis and forecasting.

John, a Chartered Financial Analyst, graduated with honors from the University of Chicago Graduate School of Business where he received a M.B.A. with concentrations in Finance and Economics and was nominated to Beta Gamma Sigma. John holds a B.A. in Economics from Pomona College.





## **IRINA MARSEE, CFA CANDIDATE**

### CREDIT RESEARCH ANALYST

Irina Marsee maintains primary research coverage responsibility on a number of corporate sectors, including the consumer products, automotive, retail, lodging, and gaming industries. Irina has over 9 years of financial analysis and accounting experience. Prior to joining Bradford & Marzec, Irina held the position of Manager of Financial Analysis at the corporate headquarters of KB Home (formerly Kaufman and Broad Corporation), where she worked for six years interacting closely with senior management and performing extensive financial analysis, industry research and corporate SEC reporting activities.

Irina, a Level II CFA candidate, graduated from the University of Southern California where she received her M.B.A. in Finance, and is a member of the USC Charter of the American Finance Association. Irina earned a Bachelor's degree in Linguistics from Minsk State Linguistic University, Belarus.

## **AMIR RAO, CFA CANDIDATE**

### CREDIT RESEARCH ANALYST

Amir Rao possesses more than 7 years of financial industry experience. Currently, Amir maintains primary industry responsibility for the technology, healthcare, diversified manufacturing and transportation industries.

Prior to joining Bradford & Marzec, Amir worked for the U.S. Corporate Banking Group of Wells Fargo Bank as a Senior Credit Analyst, where he originated, structured and executed corporate lending transactions for Fortune 500 companies in the pharmaceuticals, medical devices, oil & gas and engineering and construction sectors.

Prior to joining Wells Fargo, Amir served as an Associate in the Corporate Finance Group of Deloitte & Touche providing merger and acquisitions, capital raising and corporate strategy advisory services for middle-market technology companies in a variety of sectors including enterprise software and telecommunications. Amir began his career as an auditor with Deloitte & Touche where he gained experience in a variety of industries including financial services, technology and manufacturing.

Amir holds a B.A. in Accounting and a minor in Finance from the University of Southern California. He is a CFA Level III Candidate and currently attends the M.B.A. program at the University of California at Los Angeles.





## **KAPIL SINGH, CFA**

### CREDIT RESEARCH ANALYST

Kapil Singh has 12 years of investment analysis and credit experience. He is the primary analyst for investment grade and high yield securities within the media/entertainment, gaming, lodging, REIT, insurance, capital goods, diversified manufacturing, and environmental services industries. Prior to joining Bradford & Marzec, Kapil served as a Vice President/Analyst in the Special Investments Group at PPM America. At PPM, Kapil researched, recommended and managed high yield and distressed investments within various industries, including airlines/aerospace, cable, consumer products, financial services, gaming, lodging, and retail. In this role, Kapil focused on value-driven, fundamental analysis of issuers' capital structures, valuation, liquidity, and industry positioning.

Previously, Kapil was a Vice President at Heller Financial. In Heller Financial's Corporate Finance Group Kapil structured, executed, and managed leveraged finance transactions in conjunction with private equity sponsored leveraged buyouts, industry consolidations, and recapitalizations. Kapil also gained restructuring and bankruptcy experience as a member of Heller's workout team. Kapil began his career in Heller Financial's Associate Development Program which provided him with a strong foundation in credit analysis.

Kapil is a CFA charterholder and member of the Los Angeles Society of Financial Analysts. He received an M.B.A. in Strategy and Finance from Northwestern University's Kellogg School of Management, where he received the Jane Robertson Award for Academic Excellence. Kapil holds a B.S. in Finance from the University of Illinois at Urbana-Champaign.

## **CHRISTIAN BLESZINSKI, CFA**

### QUANTITATIVE PORTFOLIO ANALYST

Chris Bleszinski is responsible for providing quantitative performance and portfolio analysis to the portfolio management team. Chris' quantitative responsibilities include portfolio characteristics, risk control measurement, portfolio duration and yield curve screens. Market benchmark index analysis and risk controls are an important part of the overall portfolio management process. His 13 years of experience include affiliations with the Los Angeles County Employees' Retirement Association as a Senior Investment Analyst, with Western Asset Management Company as a Portfolio Analyst and Investment Administrator, and for Capital Group Companies in Trust Operations. Chris earned his M.B.A. in Finance from Cal-Poly, Pomona, California and his Bachelor's degree in Economics from California State University at Fullerton.

## **JASON MOORE, CFA CANDIDATE**

### SR. RESEARCH ASSOCIATE

Jason Moore assists the investment research and the quantitative team, as well as the marketing and client services departments. He graduated Magna Cum Laude and holds a bachelor's degree in Business Finance from California State University, Long Beach. He was also selected to participate in the university's Business Administration Honors Program and received the CSULB Department of Finance and Law's "Outstanding Graduate Award".

## **CHRIS LIN, CFA CANDIDATE**

### RESEARCH ASSOCIATE

Chris Lin is responsible for technical research and market analysis. His business experience includes affiliations with Shoreland Trading as an Equity Trader and Robinsons-May Corp as a Management Trainee. Chris, a C.F.A. candidate, earned his bachelors' degree in Economics from the University of California at Berkeley.



## **LELAND T. SCHOLEY, CFA, Principal**

### DIRECTOR, MARKETING & CLIENT SERVICES

Lee Scholey has overall responsibility for all of Bradford & Marzec's marketing and client service activities, and is a member of the Executive Committee. His 30 years of investment experience include over 20 years at Pacific Investment Management Company (PIMCO) in both marketing and client service roles. At PIMCO, he was a member of the firm's Investment Strategy Group (ISG), and was responsible for direct marketing to corporate and public plan sponsors, foundation/endowments, and Taft-Hartley plans nationwide. He also had consultant coverage responsibilities. Prior to joining PIMCO, Lee was a Portfolio Manager with the First Interstate Investment Advisors and The Boston Company organizations. He is also a former Financial Consultant with Merrill Lynch.

Lee, a Chartered Financial Analyst, belongs to the CFA Institute and the Los Angeles Society of Financial Analysts. He holds a Bachelor's degree in Business Administration/Finance from the University of Nevada at Reno.

## **SONJA STRZODA, Principal**

### DIRECTOR OF CLIENT SERVICES

Sonja Strzoda is responsible for all client service and communication efforts. Her 12 years of investment experience include associations with Pacific Investment Management Company (PIMCO) as a Marketing Associate and with Dean Witter Reynolds as an Account Executive. Sonja earned her bachelor's degree in Economics from the University of California, Irvine and her M.B.A. in Finance from California State University, Long Beach.

## **KURT G. GUSTAFSON**

### SALES AND MARKETING REPRESENTATIVE

Kurt Gustafson is responsible for Bradford & Marzec, Inc.'s sales and marketing efforts through third-party financial intermediaries. Kurt brings over 10 years of investment sales, marketing and client services experience.

Most recently Kurt was a Regional Sales Director, TIAA-CREF, where he was responsible for the sales and client services efforts within the firm's financial advisory channel. Prior to TIAA-CREF, Kurt was with State Street Global Advisors where he was a Principal, Sales Officer, and helped to pioneer the firm's separately managed accounts, mutual funds and ETF sales efforts through RIA's, Financial Consultants and other investment advisors.

Kurt has also held sales and client services positions with John Hancock Funds and John Hancock Mutual Life Insurance Company. He received his Bachelor's degree from Susquehanna University and his M.B.A. from Boston University. Kurt also holds NASD Series 6, 7, 63 licenses.

## **JAMES BURLEY**

### CHIEF ADMINISTRATIVE OFFICER

Jim Burley is responsible for human resources, information systems, and support operations. His 27 years of administrative experience include affiliations with Envirotest Systems Corporation as Vice President of Administration, with PepsiCo's Pizza Hut Pacific Region as Regional Personnel Manager, and with Hughes Research Labs as the Human Resources Manager. Jim earned his bachelor's degree in Industrial Technology from California State University, Long Beach and his M.B.A. from Pepperdine University, California.