



# BOARD OF ADMINISTRATION

## Meeting Minutes Federated Investment Committee

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Tuesday, August 29, 2023

9:00 AM

1737 North First Street, Suite 580, San  
Jose, CA 95112

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### HYBRID MEETING

#### PHYSICAL LOCATION:

1737 North First Street, Suite 580, San Jose, CA 95112

#### ZOOM INFORMATION:

zoom.us

Dial In: +1 669 2192599 US (San Jose)

Meeting ID: 99233776862

Pass Code: 919863

*Anurag Chandra, Chair*  
*Spencer Horowitz, Trustee*  
*Matthew Faulkner, Trustee*

*Roberto L. Peña, CEO, Office of Retirement Services*  
*Prabhu Palani, Chief Investment Officer*

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The Federated Investment Committee met in person at 1737 North First Street, Suite 580, San Jose, CA and via Zoom on Tuesday, August 29, 2023. The meeting was called to order at 9:02 a.m. by Chair Chandra followed by a roll call.

Committee members present: Anurag Chandra, Spencer Horowitz and Matthew Faulkner.

Retirement Staff present: Prabhu Palani, Jay Kwan, Dhinesh Ganapathiappan, Christina Wang, Eric Tsang, Chris Ha, David Aung, Harrison Pearce, Ron Kumar, Julie He and Ellen Lee

Retirement Staff present via Zoom: Roberto Pena, and Arun Nallasivan

Also present in person: Eileen Neill, Verus Investments, Marko Papic, Clock Tower Group and Debbie Abbott, Public member.

Also present via Zoom: Laura Wirick, Meketa Investments, Joe Ebisa, With Intelligence

**I. AB 2449 REMOTE APPEARANCE(S)****a. Just Cause Circumstance(s) (Gov't Code § 54953)**

- i. The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference.

NONE

- ii. Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference.

**b. Emergency Circumstance(s) (Gov't Code § 54953)**

- i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance”.

NONE

- ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance”.

- iii. Take action on request(s) for remote appearance.

**• CALL TO ORDER AND ROLL CALL****• ORDERS OF THE DAY****OPEN SESSION**

1. Approval of minutes of the April 27, 2023 Federated Investment Committee meeting.

A motion was made to approve the minutes of the April 27, 2023 Federated Investment Committee meeting.

Approved, (M.S.C. Horowitz/Chandra 2-0, 1 abstained)

2. Oral Update by CIO, Prabhu Palani

CIO Palani presented today's agenda items.

3. Overview of public markets by Senior Investment Officer, Jay Kwon

Senior Investment Officer, Jay Kwon, presented a comprehensive review of public markets. Mr. Kwon discussed in his presentation all the portfolio activities of the prior year. He noted that there was no prefunding by the City for the Federated Plan this year. He also reviewed the workplan for the upcoming year. Mr. Kwon also discussed manager turnovers and

strategy performance as well as the immunized cash flow strategy.

4. Discussion and action on the revised Investment Policy Statement for San Jose Federated City Employees' Retirement System

**Senior Investment Officer Jay Kwon and Eileen Neill, Verus Investments presented the changes to the Investment Policy Statement. These changes were discussed and questions from the Committee were answered. After the discussion, the changes to the IPS were recommended for approval at the next Board meeting.**

**A recommendation was made for approval of the changes to the IPS (M.S.C. Horowitz/Faulkner Approved 3-0)**

5. Risk report by Verus Investments

**Eileen Neill, Verus Investments, gave a risk overview of the portfolio. She noted that the total risk remains elevated but below the risk limit of 12%. The high utilization of passive strategies in public markets keeps overall relative and active risk low.**

6. Macro overview by Clock Tower Group

**Mr. Marko Papic from ClockTower Group gave a comprehensive outlook on macro and geopolitical events. Mr. Papic discussed the investments opportunities and risks given the global outlook. He answered questions from Committee members after the presentation.**

## **COMMUNICATIONS**

7. Manager Decisions for the first half of 2023
8. FED HCT Strategic Asset Allocation
9. Real Estate Program Update

## **CLOSED SESSION**

- **PROPOSED AGENDA ITEMS**
- **PUBLIC COMMENTS**
- **ADJOURNMENT**

**The meeting was adjourned at 11:45 a.m.**