



BOARD OF ADMINISTRATION

Meeting Minutes Federated Investment Committee

Wednesday, December 13, 2023

11:30 AM

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

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: 92774964304

Pass Code: 206920

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

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

The Federated Investment Committee met in person at the Office of Retirement Services, 1737 North First Street, Suite 580, San Jose, CA 95112 and via Zoom on Wednesday, December 13, 2023. The meeting was called to order at 11:30 a.m. by Chair Chandra followed by a roll call.

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

Retirement Staff present: Roberto Pena, Jay Kwan, Dhinesh Ganapathiappan, Cynthia Ayala, Christina Wang, Eric Tsang, Chris Ha, David Aung, Harrison Pearce, Ron Kumar, Julie He and Ellen Lee.

Also present in person: Marc Gesell, Verus Investments, Vinod Pakianathan, Zeno AN Solutions.

Investments Staff via Zoom: Prabhu Palani, Arun Nallasivan

Also present via Zoom: Laura Wirick, Venus Investments, Jared Pratt, Venus Investments, Amarjit Sahota, Klarity FX, Jared Pratt, Meketa Investments, Kevin Balaod, With Intelligence and 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 August 29, 2023 Federated Investment Committee meeting.

A motion was made to approve the minutes of the August 29, 2023 Federated Investment Committee meeting.

Approved (M.S.C Horowitz/Faulkner 3-0)

2. Oral Update from CIO, Prabhu Palani.

CIO Palani presented the agenda items for today's meeting.

3. Presentation of FX transaction cost analysis by Klarity FX.

Mr. Amo Sahota from Klarity FX presented the process and cost analysis of the foreign currency exchange for the Federated Plan. Mr. Sahota expressed that the FX execution quality for the Plan remains good and the improved FX transaction costs from the custodian switch to BNY Mellon has been maintained.

4. Presentation of equity transaction cost analysis by Abel Noser.

Mr. Vinod Pakianathan from Abel Noser presented the cost analysis for trading costs of the Federated Plan. Mr. Pakianathan stated that the execution costs were analyzed and found to be consistent with market averages.

5. Presentation of private markets program by Dhinesh Ganapathiappan, Senior Investment Officer.

Investment Staff Dhinesh Ganapathiappan and David Aung gave a presentation on the Federated Private Markets Program. The overview included a recap of the objectives of the private markets program, market environment update, the current portfolio and plans for the future of the portfolio. Senior Investment Officer Ganapathiappan covered the buyout, private debt and growth real estate asset classes. Investment Officer David Aung discussed the private real assets and venture capital asset classes. They answered the questions from the Committee after the presentation.

6. Risk overview by Verus Investments.

Mr. Marc Gesell from Verus Investments presented an update on the risk overview of the Federated investment portfolio. He expressed that the total risk was at 11.8% within the Board limit of 13%. The high utilization of passive strategies in public markets keep relative and active risk low.

CLOSED SESSION

COMMUNICATIONS

7. Manager decisions for second half 2023.

- PROPOSED AGENDA ITEMS
- PUBLIC COMMENTS
- ADJOURNMENT

The meeting was adjourned at 1:22 p.m.