



# BOARD OF ADMINISTRATION

## Meeting Minutes

### Federated Investment Committee

Monday, March 13, 2023

12:30 PM

#### HYBRID MEETING

#### PHYSICAL LOCATION:

1737 North First Street, 5th Floor Conference room, San Jose, CA 95112

#### ZOOM INFORMATION:

zoom.us

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

Meeting ID: 93562331413

Pass Code: 080765

*Anurag Chandra, Chair*

*Spencer Horowitz, Trustee*

*Mark Keleher, Trustee*

*Roberto L. Peña, CEO, Office of Retirement Services*

*Prabhu Palani, Chief Investment Officer*

#### • CALL TO ORDER AND ROLL CALL

The Federated Investment Committee met in person at 1737 North First Street, Suite 580, San Jose, CA and via Zoom on Monday, March 13, 2023. The meeting was called to order at 12:32 p.m. by Chair Chandra followed by a roll call.

Committee members present: Anurag Chandra, and Spencer Horowitz. Trustee Mark Keleher was absent.

Retirement Staff present: Roberto Pena, Prabhu Palani, Jay Kwan, Dhinesh Ganapathiappan, Christina Wang, Eric Tsang, Shilpi Dwivedi, Chris Ha, David Aung, Arun Nallasivan, Ron Kumar, Julie He and Ellen Lee

Also present in person: Eileen Neill, Verus Investments, and Marc Gesell, Verus Investments.

Also present via Zoom: Linda Alexander, ORS staff, Laura Wirick, Meketa Investments, Jared Pratt, Meketa Investments, Joe Ebisa, With Intelligence, Gar Chung, FIN-News.

#### • ORDERS OF THE DAY

**OPEN SESSION**

1. Approval of minutes of the December 20, 2022 Federated Investment Committee meeting.

**A motion was made to approve the minutes of the December 20, 2022 Federated Investment Committee meeting.**

**Approved (M.S.C. Horowitz/Chandra 2-0)**

2. Approval of minutes of the January 12, 2023 Special Federated Investment Committee meeting.

**A motion was made to approve the minutes of the January 12, 2023 Special Federated Investment Committee meeting.**

**Approved (M.S.C. Horowitz/Chandra 2-0)**

3. Oral Update by CIO, Prabhu Palani.

**CIO Palani discussed the agenda for today's meeting.**

4. Discussion and action on strategic asset allocation by Meketa Investment Group.

**Ms. Laura Wirick from Meketa Investments gave an overview of current market environment and Meketa's capital market expectations. She then presented the current asset allocation and four alternative mixes. Eileen Neill from Verus Investments discussed the strategic asset allocation from the risk exposure perspective. After a thorough discussion, the trustees asked Meketa to provide an additional mix for further discussion.**

5. Discussion and action regarding the prefunding of the City's retirement contribution.

**Senior Investment Officer, Jay Kwon, presented the background on prefunding. He noted that the City has informed Retirement Services that they will not be prefunding Federated sponsor contribution. A motion was made to offer the City the full discount rate if they change their mind and decide to prefund Federated Plan.**

**Approved (M.S.C. Horowitz/Chandra 2-0)**

6. Discussion and action regarding investment and risk consultant contracts.

**CIO Palani spoke to the item and requested a motion to recommend the approval of the extension of the Meketa and Verus contracts by an additional year. He also stated that Barra is paired with Verus for risk analytics data. The plan is to issue a RFP in 2024. The motion was made to make that recommendation.**

**Approved (M.S.C. Chandra/Horowitz 2-0)**

7. Risk overview by Verus Investments.

Marc Gesell from Verus Investments presented an update on the risk overview of the Federated Investment portfolio. He expressed that the risk remains elevated at 12.3%. The high utilization of passive strategies in public markets keep overall relative and active risk low.

### **CLOSED SESSION**

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

The meeting was adjourned at 2:12 p.m.

APPROVED:

*Roberto L. Peña*

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Roberto L. Peña  
CEO, Office of Retirement Services