



BOARD OF ADMINISTRATION

1737 N. First Street, Suite
580 5th Floor Board Room,
San Jose, CA 95112

Meeting Minutes - Draft Joint Investment Committee

Tuesday, January 23, 2018

12:00 PM

1737 N. First Street, Suite 580 5th Floor
Board Room, San Jose, CA 95112

or immediately following the Federated Investment Committee Meeting

PF Committee Members

Stephen Brennan, Chair

Jeremy Evinne, Trustee

Andrew Gardanier, Trustee

Nick Muyo, Trustee

FCERS Committee Members

Matt Loesch, Chair

Mike Armstrong, Trustee

Anurag Chandra, Trustee

Roberto L. Peña, CEO, Office of Retirement Services

Daryn Miller, Interim Chief Investment Officer

Present 7 - Stephen Brennan, Matt Loesch, Anurag Chandra, Nick Muyo, Michael Armstrong, Jeremy Evinne, and Andrew Gardanier

Retirement Staff present: Roberto L. Peña, Daryn Miller, Jay Kwon, Ron Kumar, Dhinesh Ganapathiappan, Brian Starr, Allain Mallari, Linda Alexander and Sue Griffiths

Also present: Laura B. Wirick, Hannah Schriener; Meketa Investment Group

Megan Young, Andre A. Hakkak, Chief Executive Officer; White Oak Global Advisors

CALL TO ORDER

The Joint Investment Committee met on Tuesday, January 23, 2018 at the Retirement Services 5th Floor Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Chair Loesch of the Federated Investment Committee and Chair Brennan of the Police and Fire Investment Committee called the meeting to order at 12:05 p.m.

ORDERS OF THE DAY

There were no changes to the Orders of the Day.

CLOSED SESSION

1. Closed session: Conference with Investment Consultant pursuant to Govt. Code section 54956.81 to consider purchase or sale of particular pension fund investments (1 investment).

The Committee went into Closed Session at 12:06 p.m. and came out at 1:00 p.m.

There was nothing to report out of Closed Session.

OPEN SESSION

2. Minutes of the December 18, 2017 Joint Investment Committee Meeting.

The Committee reconvened into open session at 1:00 p.m.

A Motion was made to approve the December 18, 2017 Minutes of the Joint Investment Committee.

Approved. (M.S.C. Chandra/Armstrong, 3-0- 0 FED, Evnine/Brennan 3-0-1, Gardanier abstained PF).

The Motion passed unanimously.

3. Presentation of the Public Equity Tactical Asset Allocation (TAA) by Staff.

Mr. Miller introduced the item and reminded the committee that this was a six-month update on the Public Equity Tactical Asset Allocation (TAA) by Mr. Kwon.

Mr. Kwon stated that he collected valuations from the last 23 years and put them into 11 different buckets to make a histogram. He discussed the allocation and selection affects by region and under weights compared to performance. The U. S. Large Cap has been a drag because of the underweights. The attachment has a list of tracking errors and how it is best used with the Strategy and Benchmark Risk. Trustee Gardanier asked if Verus was going to be involved in the currency hedging. Mr. Kwon responded that they would. Trustee Evnine stated that it seemed we were good at picking up new managers but not at changing the allocation weights.

This item was presented.

4. Presentation of the CIO Report.

Mr. Miller stated that the CIO report was a new communication tool developed to keep the Committee members updated.

Lisa Needle from Albourne has informed the plans that she would be transitioning out of her Portfolio Analyst role and into an Investment Research role. Staff is in the process of identifying a new Portfolio Analyst to step into Lisa's role, and are working with Albourne to identify the best candidate to replace her.

This item was presented.

5. Presentation of 3rd Quarter 2017 Private Equity Performance Report by Staff.

Mr. Starr presented the 3rd Quarter 2017 Private Equity Performance Report.

He stated that the reports show the opposition portfolio on the basis of vintage year calculated with the commitment size. For Federated there is no ventured growth on this report.

The report was presented.

COMMUNICATION

6. Placement Agent Disclosure Policy Report.

- **ADJOURNMENT**

The meeting was adjourned at 1:30 p.m.

APPROVED:

ROBERTO L. PEÑA
CHIEF EXECUTIVE OFFICER, OFFICE OF RETIREMENT SERVICES
SECRETARY, BOARD OF ADMINISTRATION