



# BOARD OF ADMINISTRATION

## Meeting Minutes Federated Investment Committee

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Monday, September 8, 2025

12:00 PM

1737 N. First St. 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](https://zoom.us)

Dial In: +1 408 638 0968 US (San Jose)

Meeting ID: 93107822914

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

*John Flynn, CEO, Office of Retirement Services*  
*Prabhu Palani, Chief Investment Officer*

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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 Monday, September 8, 2025. The meeting was called to order at 11:59 a.m. by Chair Chandra followed by a roll call.

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

Retirement Staff present: John Flynn, Prabhu Palani, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, David Aung, Ron Kumar, Harrison Pierce, Jennifer You, and Julie He.

Also present in person: Marc Gessell, Verus Investments.

Retirement Staff present via Zoom: Arun Nallasivan.

Also present via Zoom: Laura Wirick, Meketa Investments, Kaci Boyer, Neuberger and Berman, Brian Kwan, Verus Investments and Paul Daggett, Neuberger Berman.

**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 22, 2025 Federated Investment Committee meeting.

**A motion was made to approve the minutes of the April 22, 2025 Federated Investment Committee meeting.**

**Approved (m.s.c. Chandra/Faulkner 3-0)**

2. Oral Update by CIO, Prabhu Palani.

3. Presentation of private equity valuations by Neuberger Berman.

**Senior Investment Officer, Dhinesh Ganapathiappan, gave a quick introduction of this item. This item was requested by Trustee Chandra to understand the valuation process for private equity. Paul Daggett and Casey Boyer from Neuberger Berman discussed how performances are measured in private equity. They gave three performance metrics which are internal rate**

of return, total value to paid in and distributions to pay in. They gave some examples and a case study to illustrate the evaluation process. At the end of the discussion, they answered questions from the Committee.

4. Overview of public markets ex equities by Senior Investment Officer, Jay Kwon.

Senior Investment Officer, Jay Kwon, presented a comprehensive review of the public markets strategy. He started with a year in review, including a snapshot of prefunding history, manager turnover, and functional group exposures. He reviewed the strategies of fixed income and absolute return investments. He finished the discussion with the immunized net cash flow allocations, including cash projections. He answered questions from the Committee after the presentation.

5. Presentation of risk reports by Verus Investments.

Marc Gessell, Verus Investments, presented the quarterly risk report. Verus switched risk models to Bloomberg. Under the new model, risk estimates are higher. Total fund risk of 12.7% remains below the Board limit of 13%. In the new model, "inflation" and "hedge fund" risk are captured by equity factors. There are no large active style factor exposures in the portfolio.

6. Discussion and approval for the Secretary to negotiate and execute a five-year extension to the custodian banking services agreement with the Bank of New York for:

Federated City Employees' Retirement System not-to-exceed \$2,350,000.

Federated City Employees' Health Care Trust not-to-exceed \$333,000.

Ron Kumar, Investment Officer, discussed the extension of the Bank of New York custodian banking service contract. Considering there are very few players in this market and the high cost of running an RFP and switching services, the recommendation is to extend the BNY custodial services contract by five years.

A motion was made to recommend approval of the banking services extension to the Board.

Approved (m.s.c. Chandra/Horowitz 3-0)

## **COMMUNICATIONS**

7. Semi-annual manager decisions.

- **PROPOSED AGENDA ITEMS**
- **PUBLIC COMMENTS**
- **The meeting was adjourned at 2:03 p.m.**