



BOARD OF ADMINISTRATION

Meeting Minutes

Police and Fire Investment Committee

Wednesday, January 22, 2025

11:00 AM

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

Eswar Menon, Chair

Andrew Gardanier, Vice-Chair

Howard Lee, Trustee

David Kwan, Trustee -- 485 5th Avenue, New York, NY 10017

John Flynn, CEO, Office of Retirement Services

Prabhu Palani, Chief Investment Officer

The Police and Fire 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, January 22, 2025. The meeting was called to order at 11:05 a.m. by Chair Menon followed by a roll call.

Committee Members Present: Eswar Menon, Andrew Gardanier, and Howard Lee.

Committee Member Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: David Kwan. Investment Committee Chair Eswar Menon questioned Trustee Kwan on whether he met the qualifications to teleconference under the Brown Act, and Trustee Kwan responded in the affirmative.

Retirement Staff Present: Prabhu Palani, Barbara Hayman, David Aung, Harrison Pearce, Christina Wang, Ron Kumar, Dhinesh Ganapathiappan, Jay Kwon, Arun Nallasivan, Cynthia Ayala, Julie He and Ellen Lee.

Also Present: Sunita Ganapati, Public member, Eileen Neill, Verus Investments,

Also Present via Zoom: Colin Kowalski, Meketa Investment Group, Marc Gessell, Verus Investments, Amarjit Sahota, Klarity FX and Vinod Pakianathan, Abel Noser.

a. Just Cause Circumstance(s) (Gov't Code § 54953)

I. AB 2449 REMOTE APPEARANCE(S)

- 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 May 14, 2024 Special Police and Fire Investment Committee meeting.

A motion was made to approve the minutes of the May 14, 2024 Investment Committee meeting.

Approved (m.s.c. Gardanier, Lee 4-0)

- 2. Approval of minutes of the August 20, 2024 Police and Fire Investment Committee meeting.

A motion was made to approve the minutes of the May 14, 2024 Investment Committee meeting.

Approved (m.s.c. Gardanier, Lee 4-0)

- 3. Oral Update by CIO, Prabhu Palani.

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

- 4. 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 overall FX

transaction costs remains good. The improved FX transaction costs from the switch of custodian to BNY Mellon has been maintained.

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

Mr. Vinod Pakianathan from Abel Noser presented the cost analysis for trading costs of the Police and Fire Plan. Mr. Pakianathan said that the total costs were similar to 2023 and in the second quartile of universe averages. Results were consistent with annual results for the past five years both in absolute terms and against peer universe.

6. Presentation of manager due diligence by Dhinesh Ganapathiappan, Senior Investment Officer.

Senior Investment Officer Dhinesh Ganapathiappan and Investment Officer David Aung gave a presentation on private markets manager due diligence. Mr. Ganapathiappan stated that due to confidentiality we can not specify the exact investment that was made but can discuss the general guiding principles in choosing a private market investment. He discussed the key elements of private markets, and some of the constraints of the investments. Finally, he discussed the due diligence process of deciding on an investment. The investment officers answered questions from the Committee.

7. Presentation of private markets program by Dhinesh Ganapathiappan, Senior Investment Officer and David Aung, Investment Officer.

Senior Investment Officer Dhinesh Ganapathiappan and Investment Officer David Aung gave a comprehensive update on the private markets program of the Police and Fire Plan. The overview included a recap of the objectives, market environment, current portfolio and future of the private markets program. Senior Investment Officer Ganapathiappan covered the buyout, private debt and growth real estate assets. Investment Officer Aung discussed the private real assets and venture capital asset classes. Mr. Aung also gave an update on the A.I. opportunities. The investment officers answered questions from the Committee.

8. Risk Overview by Verus Investments.

Ms. Eileen Neill from Verus Investments presented an update on the risk overview of the Police and Fire Plan. She expressed that the total risk of 10.7% is within the board limit of 12%. The high utilization of passive strategies in public markets keeps overall relative and active risk low.

COMMUNICATIONS

9. Calendar Year 2024 year end manager decisions.

CLOSED SESSION

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

• **ADJOURNMENT**

ADA ALERT

In accordance with the requirements of AB 2449, the Board of Administration (“Board”) will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board’s meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services
Address: 1737 N First St #600, San Jose, CA 95112
Email: #Retire_Admin@sanjoseca.gov
Phone: 408-794-1000 (ORS Main Line)

The Code of Conduct

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/63667000496663000>) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged

weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
 - b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
 - c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
 - d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
 - e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
 - f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
 - g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
- Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.