



BOARD OF ADMINISTRATION

1737 N First St., 5th Floor
Board Room,
San Jose, CA 95112

Meeting Minutes - Final Joint Investment Committee

Tuesday, September 22, 2015

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

Vincent Sunzeri, Chair
Stephen Brennan Trustee
James Mason, Trustee
Ghia Griarte, Trustee

FCERS Committee Members

Lara Druyan, Chair
Matt Loesch, Trustee
Mike Armstrong, Trustee

Roberto L. Peña, CEO, Office of Retirement Services
Arn Andrews, Assistant CEO/Chief Investment Officer

Present 6 - Vincent Sunzeri, Stephen Brennan, Lara Druyan, Michael Armstrong, Matt Loesch, and Ghia Griarte

Absent 1 - James Mason

Retirement Staff present: Roberto L. Peña, Arn Andrews, Daryn Miller, Brian Starr, Ron Kumar, Jay Kwon, Sue Griffiths, Aynur Yeniay and Linda Alexander.

Also Present: Also present: Dan LeBeau; NEPC, Alan Martin; NEPC, and Lisa Needle; Albourne America.

CALL TO ORDER

The Joint Investment Committee met on Tuesday, September 22, 2015 at the Retirement Services 5th Floor Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Trustee Armstrong of the Federated Investment Committee and Chair Sunzeri of the Police and Fire Investment Committee called the meeting to order at 12:04 p.m.

- ### ORDERS OF THE DAY

There were no changes to the Orders of the Day.

9-22-2015 JOINT IC JOINT ITEM #2

OPEN SESSION

1. Minutes of the August 25, 2015 Joint Investment Committee Meeting.

Trustee Druyan noted some corrections to the 8-25-2015 Minutes.

In Item #2 of the Minutes "semi-finalist" should be "semifinalists". There should be a comma after "schedules"

In Item #4 "Plan's" should be "Plans' ".

A Motion was made to approve the August 25, 2015 Minutes of the Joint Investment Committee Meeting with corrections.

Approved. (M.S. C. Druyan/Loesch 3-0-0 Federated).

Approved. (M.S.C. Sunzeri/Griarte 3-0-0 Police and Fire).

The Motion passed unanimously.

2. Discussion and Action on the Investment Program's FY 2015-2016 Work Plan.

Mr. Andrews led the discussion and answered questions regarding the proposed Work Plan for both the Federated and Police & Fire Investment Committees of the investment program for FY 2015-2016. The Investment Officers were available for questions.

A Motion was made to approve the Work Plan with changes suggested by Trustee Sunzeri for both the Federated and Police & Fire Investment Committees of the Investment program for FY 2015-2016.

Approved. (M.S. C. Loesch/Druyan 3-0-0 Federated).

Approved. (M.S.C. Sunzeri/Griarte 3-0-0 Police and Fire).

The Motion passed unanimously.

3. Discussion and Action of the Future Pre-funding Discount Rate Methodology.

Mr. Andrews led the discussion and answered questions from the Trustees regarding the Staff recommendation to adopt the incremental reduction approach to actuarial equivalence as outlined in the Prefunding Risk Mitigation Process Recommendation memorandum and instructing the Office of Retirement Services to inform the City's Budget Office of its intent to reduce the discount rate using the second year methodology or 30%.

A Motion was made to approve the Prefunding Discount Rate Methodology.

Approved. (M.S. C. Loesch/Armstrong 3-0-0 Federated).

Approved. (M.S.C. Sunzeri/Griarte 3-0-0 Police and Fire).

The Motion passed unanimously.

CLOSED SESSION

The meeting Chairs concluded the Open Session at 12:51 p.m. and immediately went into Closed Session.

Closed Session: Conference with Investment Consultant pursuant to Govt. Code section 54956.81 to consider purchase of particular pension fund investment (two investments).

The Committee came out of Closed Session at 1:52 p.m.

There was nothing to report out of Closed Session.

• **ADJOURNMENT**

The meeting was adjourned at 1:52 p.m.

APPROVED:

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