



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

Meeting Minutes - Final Joint Investment Committee

Tuesday, October 27, 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

Sean Kaldor, Trustee (Via teleconference) 124 Jenny Lind Drive, Hendersonville, NC 28791

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, Michael Armstrong, Matt Loesch,
Sean Kaldor, and Ghia Griarte

Absent 1 - Lara Druyan

Trustee Kaldor joined via teleconference at 12:58 p.m.

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

Also Present: Harvey Leiderman, General and Fiduciary Counsel; Lisa Needle; Albourne America

CALL TO ORDER

The Joint Investment Committee met on Tuesday, October 27, 2015 at the Retirement Services 5th Floor Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Trustee Loesch of the Federated Investment Committee and Chair Sunzeri of the Police and Fire Investment Committee called the meeting to order at 12:08 p.m.

The Committee immediately went into Closed Session.

- **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 (2 investments).

The Committee came out of Closed Session at 12:11 p.m.

There was nothing to report out of Closed Session.

OPEN SESSION

2. Minutes of the Sept 22, 2015 Joint Investment Committee Meeting.

A Motion was made to approve the September 22, 2015 Minutes of the Joint investment Committee Meeting.

Approved. (M.S. C. Loesch/Armstrong 2-0-1 Federated). Approved. (M.S.C. Sunzeri/Griarte 3-0-0 Police and Fire).

The Motion passed unanimously.

3. Chief Investment Officer oral update.

Item #7 and #8 were presented by Mr. Kwon and Mr. Kumar during the CIO oral update.

4. Presentation of the Third Quarter 2015 Absolute Return Performance Report by Albourne.

This Item was heard after Item #9.

Lisa Needle of Albourne America presented the Third Quarter 2015 Absolute Return performance Report and answered questions from the Trustees.

This item was presented and filed.

5. Discussion on timing of November and December 2015 Investment Committee meetings.

Mr. Andrews led the discussion regarding the dates and times for November and December 2015 Investment Committee meetings. It was decided to keep the meeting date of Tuesday, November 24, 2015. For December 2015 the Committee will put a hold on the date Tuesday, December 15, 2015.

6. Discussion and action regarding the General Investment Consultant RFP results and recommendations.

Mr. Andrews presented and answered questions from the Trustees regarding the results of the Request for Proposal ("RFP") for General Consultant services. The staff recommended to engage Verus for both the Federated City Employees' Retirement System and Police & Fire Department Retirement Plan, and for the Secretary to negotiate and execute a contract for an initial term of three years with options to renew for up to two years for a not-to-exceed amount of \$2,100,000. After a lengthy discussion, Mr. Leiderman recommended that Staff schedule all 3 candidates for the next IC meeting on November 24, 2015, and bring all 3 candidates to the Board in December.

This item was continued.

COMMUNICATION/INFORMATION

7. Oral update on Credit Suisse Asset Management

This Item was heard after Item #8.

Mr. Kumar led the discussion and answered questions from the Trustees regarding and oral update for Credit Suisse Asset Management.

8. Oral update on Russell Investments

This item was heard after Item # 2.

Mr. Kwon led the discussion and answered questions from the Trustees regarding the update on Russell Investments.

• **ADJOURNMENT**

The Meeting adjourned at 2:10 p.m.

APPROVED:

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