



BOARD OF ADMINISTRATION

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

Meeting Minutes - Final Joint Investment Committee

Tuesday, June 28, 2016

12:00 PM

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

PF Committee Members
Vincent Sunzeri, Chair
Stephen Brennan, Trustee
Andrew Gardanier, 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 7 - Vincent Sunzeri, Stephen Brennan, Lara Druyan, Michael Armstrong, Matt Loesch, Andrew Gardanier, and Ghia Griarte

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

Also Present: Laura B. Wirick, Steve Hartt, Ted Benedict; Meketa, Lisa Needle, Jonathan Koerner; Albourne, Dan LeBeau; NEPC

CALL TO ORDER

The Joint Investment Committee met on Tuesday, June 28, 2016 at the Retirement Services 5th Floor Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Chair Druyan of the Federated Investment Committee and Chair Sunzeri of the Police and Fire called the meeting to order at 12:13 p.m.

- **ORDERS OF THE DAY**

The following changes were made to the orders of the day:

- Item # 5 will be heard first, Closed Session.
- Item #3 will be heard after the item 1
- Work plan to be heard as the last item #4
- Albourne will be heard after the Minutes, Item #2

A motion was made to approve the Orders of the Day.

Approved. (M.S. C. /Druyan/Armstrong 3-0-0, (Federated). Approved. (M.S.C. Sunzeri/Gardanier 4-0-0 Police and Fire).

The Committee immediately went to Closed Session.

The Committee came out of Closed Session at 12:14 p.m.

The Committee reconvened into Open Session at 12:20 p.m. There was no reportable action.

OPEN SESSION

1. Minutes of the May 24, 2016 Joint Investment Committee Meeting.

A Motion was made to approve the May 24, 2016 Minutes of the Joint Investment Committee Meeting with typo corrections.

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

The Motion passed.

2. Discussion and Action on 2016-2017 Investment Program Work Plan.

This item was heard after Item 4 as noted in the Orders of the Day.

Chair Druyan departed at 1:15 p.m. as noted in the Orders of the Day during this item.

Mr. Andrews stated that the Work Plan is intended to be a roadmap for the year ahead; however; the Investment Program and ICs will continually monitor the priority of projects. Priorities will be established in a manner that ensures projects which produce the most benefit either from an economical or operational perspective are prioritized first.

Mr. Andrews stated that we will be developing a calendar to help with tracking.

Chair Sunzeri stated that he would like to hear from Meketa and NEPC regarding the Work Plan.

Dan LeBeau of NEPC stated that NEPC was largely in agreement with the Plan.

A Motion was made to approve the 2016-2017 Investment Work Plan and take it to the full Board.

Approved. (M.S. C. Loesch/Armstrong 3 0 0, (Federated). Approved. (M.S.C. Sunzeri/Gardanier 4 0 0 Police and Fire).

The Motion passed unanimously.

3. Discussion and Presentation on Risk Advisory and System Request For Proposal.

Item 3 was heard after Item 1 as noted in the Orders of the Day.

Mr. Miller led the discussion and answered questions regarding the RFP process for a comprehensive risk solution, including risk advisory services and a risk analytics system.

He stated that Staff is working toward the acquisition of a risk management solution to enhance the Plan's ability to assess and monitor portfolio risk. As part of this process, the Office of Retirement Services ("ORS") is preparing to release a Risk RFP on June 30, 2016.

Mr. Miller outlined the rubric which will be used for scoring of RFP proposals. Emphasis is placed on the experience of the engagement team, robustness in the data management process, and the capabilities of the risk analytics system. Per City of San José policy, there is a preference for local and small business, which is included in the scoring methodology.

Responses will be due the afternoon of Monday, August 1, 2016.

Approved. (M.S. C. Loesch/Druyan 3-0-0, (Federated). Approved. (M.S.C. Sunzeri/Gardanier 4-0-0 Police and Fire).

4. Discussion and Action on Albourne investment due diligence process review.

Jonathan Koerner and Lisa Needle of Albourne led the discussion and answered questions from the Trustees regarding the Albourne Process review.

No action. This item will be continued and presented to the Board in August.

CLOSED SESSION

5. 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).

Closed Session was heard first as noted in the Orders of the Day. The Committee went into Closed Session at 12:14 p.m.

The Committee came out of Closed Session at 12:19 p.m.

• **ADJOURNMENT**

The Meeting was adjourned at 1:32 p.m.