



BOARD OF ADMINISTRATION

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

Meeting Minutes - Final Joint Investment Committee

Tuesday, January 22, 2019

12:00 PM

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

CALL TO ORDER AND ROLL CALL

Federated Investment Committee Meeting was Cancelled due to no quorum.

Present 3 - Ghia Griarte, Vikas Oswal, and Andrew Gardanier

Absent 4 - Matt Loesch, Anurag Chandra, Vincent Sunzeri, and Kurt Billick

The Joint Investment Committee met on Tuesday, January 22, 2018 at the Retirement Services Board Room, 1737 N. First Street, Suite 580, San Jose California 95112. Chair Griarte of the Police and Fire Board Investment Committee called the Joint Investment Committee meeting to order at 12:00 p.m.

Retirement Staff present: Roberto L. Peña, Prabhu Palani, Brian Starr, Dhinesh Ganapathiappan, David Aung, Christina Wang, Arun Nallasivan, Linda Alexander, Marivic Co-Garcia

Also present: Laura B. Wirick, Chris Theodor - Meketa Investment Group

• ORDERS OF THE DAY

OPEN SESSION

1. **Approval of Minutes of the December 18, 2018 Joint Investment Committee Meeting.**

A motion was made to approve the December 18, 2018 Minutes of Joint Investment Committee Meeting.

Approved. (M.S.C. Gardanier/Oswal, 3-0-0)

The Motion passed unanimously.

2. Presentation and discussion on private markets program strategy and portfolio construction.

Mr. Starr presented the Private Markets Program and answered questions from the Trustees. The presentation included: Private markets overview; Pre-strategy processes; Objective, targets, and constraints; Philosophy; Diversification and risk management; Methods of investment and structuring; Performance measurement and analysis.

Mr. Starr stated that the plans invest in private markets to achieve their assumed rate of return, net of fees. The asset allocation process determines how much to invest, and the objectives of each asset class. Annually revised pacing plans provide a guide for staff to follow when investing. Alpha is generated through the competitive advantage, which is developed by building on the plans' strengths: access to information, information management, and capital flexibility. To achieve the plans' objectives, the portfolio needs to have hundreds of positions, dozens of funds, and several annual commitments in each asset class. Diversification and savvy up-front investment structuring are the best risk mitigation tools. Staff leverages advisors and investment vehicles to focus each group on the highest value-added activities to maximize the chance of alpha. Quarterly performance reporting with absolute and relative return data is provided to the Board, though it will be several years before it is possible to meaningfully evaluate the performance versus the plans' goals.

This item was presented.

COMMUNICATION

CLOSED SESSION

• **ADJOURNMENT**

The meeting was adjourned at 1:56 p.m.

APPROVED:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES