



BOARD OF ADMINISTRATION

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

Meeting Minutes Joint Investment Committee

Tuesday, May 28, 2019

12:00 PM

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

CALL TO ORDER AND ROLL CALL

The Joint Investment Committee met on Tuesday, May 28, 2019 at the Retirement Services Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112.

Present 3 - Ghia Griarte, Anurag Chandra, Matt Loesch, Vikas Oswal, and Andrew Gardanier.

Absent 1 - Vincent Sunzeri

Retirement Staff present: Roberto L. Pena, Prabhu Palani, Brian Starr, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, David Aung, Arun Nallasivan, Linda Alexander, Ron Kumar, Prabhjot Nahal and Ellen Lee

Also present: Kaci Boyer and Paul Daggett from Neuberger Berman; Laura Wirick and Chris Theodor from Meketa Investment Group and Andrew Parry from Hermes Investment Management.

Chair Ghia Griarte called the meeting to order at 12:03 P.M.

ORDERS OF THE DAY

Chair Griarte requested waiver of Sunshine on the attachments of the agenda items.

Chair Chandra requested waiver of Sunshine on the attachments of the agenda items.

A motion was made to approve the waiver of Sunshine.

Approved. (Federated: Chandra/Loesch; P&F Griarte/Gardanier) The Motion passed unanimously.

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 (1 investment).

This item was taken out of order following item #3. The Committee went into Closed Session at 12:50 p.m. and came out at 2:09 p.m.

There were no reportable action out of closed session.

OPEN SESSION

2. Approval of Minutes of the March 26, 2019 Joint Investment Committee Meeting.

A motion was made to approve the minutes.

Approved. (M.S.C. Federated: Chandra/Loesch; P&F Gardanier/Oswal) The Motion passed unanimously.

3. Educational presentation on Environmental, Social, and Governance investing presented by Andrew Parry of Hermes Investment Management.

Mr. Parry discussed ESG with trustees and staff.

Note & File

Federated Investment Committee Adjourned at 1:12 p.m.

4. Discussion on Public Equity Emerging Markets portfolio restructuring presented by staff.

Investment Officer Christina Wang provided an overview of the decision to hire Wellington and RWC for the Emerging Markets mandate and the termination of Comgest. She stated that the Police and Fire's allocation to the mandate will be \$80 million to Wellington and \$40 million to RWC.

Note & File

5. Discussion on annual update to the Strategic Asset Allocation presented by Meketa Investment Group and staff.

CIO Palani stated that he does not expect to see any significant changes to the strategic asset allocation. Meketa has provided various scenarios and is requesting feedback from the Committee for the final product.

Ms. Laura Wirick from Meketa Investment Group discussed the process and various components of the strategic plan. She stated that Meketa used Capital Market Assumptions from other firms for the 5-7 year expectations and they are inline with Meketa's expectations.

The trustees discussed the Strategic Asset Allocation with Meketa and staff and provided their feedback.

Note & File

6. Discussion and action on Private Markets pacing plan(s) presented by staff.

Senior Investment Officer Brian Starr provided an overview of the pacing plan and answered questions from the trustees.

A motion was made to approve the pacing plan.

Approved. (Gardanier/Oswal) The Motion passed unanimously.

7. Discussion on Fee Guidelines presented by staff.

Investment Officer Jay Kwon provided an overview of the fee guidelines and the levers that affect the fees. He also discussed public vs private markets fees and options of various types

of fee strategies.

Note & File

• **ADJOURNMENT**

P&F meeting was adjourned at 3:33 p.m.

APPROVED:

A handwritten signature in black ink, appearing to read "Roberto L. Peña", is written over a horizontal line.

Roberto L. Peña, CEO
Office of Retirement Services

