



BOARD OF ADMINISTRATION

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

Meeting Minutes - Final-revised Joint Investment Committee

Tuesday, August 23, 2016

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

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; Meketa, Lisa Needle; Albourne America, Dan LeBeau, Allan Martin; NEPC

CALL TO ORDER

The Joint Investment Committee met on Tuesday, August 23, 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 12:18 p.m.

ORDERS OF THE DAY

There were no changes to the Orders of the Day.

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

Approved. (M.S.C. Loesch/Druyan 3-0-0 FED, Gardanier/Grirate 4-0-0 PF). The motion passed unanimously.

OPEN SESSION

1. Minutes of the June 28, 2016 Joint Investment Committee Meeting.

A Motion was made to approve the June 28, 2016 Minutes of the Joint Investment Committee.

Approved. (M.S.C. Druyan/Loesch, 3-0-0 FED, Gardanier/Griarte 4-0-0 PF).

The Motion passed unanimously.

2. Presentation and discussion on Public Equity Tactical Asset Allocation update.

Mr. Kwon led the discussion and answered questions from the Trustees regarding his memorandum to update the Plan's Investment Committee (IC) with the performance of the current Public Equity Tactical Asset Allocation (TAA), note changes in market conditions since the last update, and highlight changes to the new target TAA.

Lisa Needle of Albourne was available for questions.

Mr. Kwon outlined the current TAA for the Plan, and resulting performance over the TAA's prior 12-month period (July 2015 - June 2016). The economic basis for the current TAA is reviewed, along with the expected risk/reward tradeoff. The memorandum concluded by proposing no changes to the current target TAA.

This item was for discussion only; there was no action required.

Chair Druyan acknowledged Staff for a job well done.

The item was noted and filed.

3. Presentation of 2nd Quarter 2016 Absolute Return Program by Albourne America.

Lisa Needle from Albourne America led the discussion and answered questions from the Trustees regarding the 2nd Quarter 2016 Absolute Return Program.

This item was noted and filed.

Open Session ended at 12:55 p.m. and immediately went to Closed Session.

CLOSED SESSION

4. 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).

Chair Lara Druyan and Trustee Mike Armstrong departed at 2:08 p.m.

The Committee came out of Closed Session at 2:18 p.m. There was no reportable action out of the Closed Session.

- **ADJOURNMENT**

The meeting was adjourned at 2:18 p.m.

APPROVED:

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