



# BOARD OF ADMINISTRATION

## Meeting Minutes

### Police and Fire Investment Committee

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Tuesday, March 24, 2020

12:30 PM

Call In Number: 1-888-204-5984

Participant Code: 509694

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#### MEETING HELD TELEPHONICALLY

##### *CALL TO ORDER AND ROLL CALL*

The Police and Fire Investment Committee met on Tuesday, March 24, 2020 at the Retirement Services Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Chair Vikas Oswal called the meeting to order at 1:10 P.M.

Committee Members - Vikas Oswal, Eswar Menon, Andrew Gardanier and Drew Lanza (all trustees joined by teleconference)

Retirement Staff: Roberto Pena (via teleconference), Prabhu Palani (via teleconference), Linda Alexander and Ellen Lee

Investment group staff: Brian Starr, Jay Kown, Dhinesh Ganapathiappan, Christina Wang, David Aung, Arun Nallasivan and Ron Kumar (all the investment staff joined via teleconference)

Also present: Harvey Leiderman, General and Fiduciary Counsel (via teleconference), Laura Wirick, Steve McCourt and Chris Theodor from Meketa Investment Group (via teleconference) and Eileen Neill and Danny Sullivan from Verus Investments (via teleconference)

Chair Oswal began the meeting with a formal roll call. All investment committee members were present.

#### • ORDERS OF THE DAY

Chair Oswal made a motion to waive Sunshine.

Passed. The motion was passed unanimously.

Chair Oswal further set some guidelines for conducting this meeting since we are meeting telephonically.

1. Hold all questions until end of the presentations.
2. Chair will ask each trustees if he has any questions.
3. Please mute your phones when you are not speaking.
4. At the end of the open session, please hang up and all the trustee please dial back with the closed session number.
5. At conclusion of closed session, please redial to open session.

#### OPEN SESSION

1. Approval of minutes of the Dec 17, 2020 Police and Fire Investment Committee Meeting.

**A motion was made to approve the minutes**

**Passed 3-0 (M.S.C. Gardanier/Menon) Trustee Lanza did not vote as he did not attend the Dec 17, 2020 PF IC meeting.**

2. Risk Overview by Verus Investments.

**Danny Sullivan from Verus presented a board overview of the risk dashboard. It is the plan to share this risk analysis with the committee on a quarterly basis. This report as of January 31, 2020 reported no material unintended risk that are being taken.**

3. Discussion of additional Strategic Asset Allocation options by Meketa Investment Group, Verus Investments and staff

**Steve McCourt of Meketa Investment Group discussed the current market environment to provide context as the Committee considers making strategic asset allocation moves. Laura Wirick and Chris Theodor of Meketa discussed the rate of return and risks associated with the various mixes. Eileen Neill and Danny Sullivan further discussed the risk assumptions for the various mixes. Counsel Harvey Leiderman asked the Committee to consider the asset allocation given the 20% drawdown and how much more risk is the Board willing to take.**

**After much discussion, Chair Oswal concluded that he would like to take three mixes, D, G and I to the full Board for further discussion and action. His recommendation is to add an additional 5% to equity and set some parameters as to when to implement this action. The parameters should be a range so that staff can have some flexibility to act. CIO Palani clarified by stating that the recommendation is mix G and if there is further decline in the market, we may move to mix I if there is a further drawdown. Trustee Menon wanted a summary of private market and the affect of this drawdown on the private markets. Staff will provide this summary. Trustee Gardanier agreed to add discussion regarding asset allocation as an agenda item for the PF board meeting of April 2, 2020.**

### **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 investment (1 investment)

**There were no reportable items out of the closed session.**

### **• ADJOURNMENT**

The meeting was adjourned at 4:24 p.m.

APPROVED:

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Roberto L. Peña

Office of Retirement Services