



BOARD OF ADMINISTRATION

Meeting Minutes

Police and Fire Investment Committee

Tuesday, August 25, 2020

1:30 PM

or immediately following the Joint Investment Committee meeting

MEETING HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

Dial In: +1 669 219 2599 US (San Jose)

Meeting ID: 980 6305 0143

Password: 112606

CALL TO ORDER AND ROLL CALL

The Police and Fire Investment Committee met on Tuesday, August 25, 2020. The meeting was held via Zoom conference. Chair Menon called the meeting to order at 2:27 p.m.

Police and Fire Committee Members present via Teleconference: Eswar Menon, Andrew Gardanier, Drew Lanza and Vince Sunzeri

Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Brian Starr, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, David Aung, Arun Nallasivan, Linda Alexander, Ron Kumar, and Ellen Lee.

Also Present via Teleconference: Laura Wirick, Meketa Investment Group, Chris Theodor, Meketa Investment Group, Orray Taft, Meketa Investment Group, Eileen Neill, Verus Investments, Danny Sullivan, Verus Investments, Matt McCue, FinDaily

• **ORDERS OF THE DAY**

Chair Menon read the following ground rules for the meeting.

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut the background noise.
- For matters of discussion and debate, I will call the roll and each person will have a turn to ask questions.
- Please do not interrupt the speaker, take notes and have questions to be asked later.

• **OPEN SESSION**

1. Approval of minutes of the May 26, 2020 Police and Fire Investment Committee Meeting.

A motion was made to approve the minutes.

Approved (M.S.C.Gardanier/Sunzeri) passed by 4-0-0 roll call vote.

2. Oral Update by CIO, Prabhu Palani

CIO Palani discussed the agenda for today's meeting. The agenda is same as Federated with exception of item 3. Investment Officer Christina Wang will give an update on public equity and Verus will follow with a risk overview. It is the intent to have Verus present a high level risk overview on a quarterly basis. In the communications section, there is a report of all manager decisions for the first half of 2020.

3. Strategic Asset Allocation discussion led by Trustee Eswar Menon

Trustee Menon led a discussion on the emerging market exposure in our strategic asset allocation. The question at hand was the Covid pandemic and its affect on emerging markets. Orray Taft from Meketa Investments gave a presentation on the current market environment. Trustee Menon questioned if we should make a move of 2% from emerging market to private equity. There is discussion regarding timing of making strategic allocation moves. After the discussion, it is agreed upon that we will wait for the next cycle in January 2021 to make changes to the strategic asset allocation.

4. Overview of Public Equity by Christina Wang, Investment Officer

Investment Officer Christina Wang presented the public equity plan. The overview included a review of the objectives of the public equity plan, a summary of the public equity portfolio, market update in light of the Covid impact and a manager review. The objective of public equity is to maximize returns net of the fees but done in a way to minimize volatility. She spoke to portfolio construction and manager selection. Finally, she discussed building risk management into the process.

5. Risk Overview by Verus Investments

Eileen Neill from Verus provided a risk analysis discussion. The plan is to provide a quarterly risk report to the Investment Committee. Eileen gave an overview of the risk perspective in the market environment and risk attributes of the portfolio. Eileen concluded that active risk in our portfolio is relatively stable and overall and active risk will be close in line with the benchmark.

• **COMMUNICATIONS**

6. Manager decisions for first half of 2020

• **ADJOURNMENT**

The Police and Fire Investment Committee meeting adjourned at 4:48 p.m.

APPROVED:

Roberto L. Peña
Office of Retirement Services

