



# BOARD OF ADMINISTRATION

## Meeting Minutes

### Police and Fire Investment Committee

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Friday, December 17, 2021

10:30 AM

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or immediately following the Federated Investment Committee meeting

**MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION**

**zoom.us**

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

**Meeting ID: 922 3689 0369**

**Password: 042248**

- **CALL TO ORDER AND ROLL CALL**

*The Police and Fire Investment Committee met on Friday, December 17, 2021. The meeting was held via Zoom conference. Chair Menon called the meeting to order at 10:31 a.m.*

*Police and Fire Committee Members Present via Teleconference: Eswar Menon, Andrew Gardanier, Drew Lanza and Howard Lee.*

*Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, David Aung, Arun Nallasivan, Sachin Sadana, Eric Tsang, Linda Alexander, Julie He, Ron Kumar, and Ellen Lee.*

*Also Present via Teleconference: Laura Wirick, Meketa Investment Group, Jared Pratt, Meketa Investment Group, Eileen Neill, Verus Investments, Danny Sullivan, Verus Investments, Mary Davidson, Abel Noser, and Amarjit Sahota, Klarify FX.*

- **ORDERS OF THE DAY**

A motion was made to waive Sunshine on item 7.

M.S.C. Lanza/Gardanier

The motion was approved 4-0 by a roll call vote.

**OPEN SESSION**

1. Approval of minutes of the August 26, 2021 Police and Fire investment committee meeting.

A motion was made to approve the August 26, 2021 Police and Fire Investment meeting minutes.

M.S.C. Menon/Lanza

The motion was approved 4-0 by a roll call vote.

2. Oral Update from CIO, Prabhu Palani.

CIO Palani went over the agenda for today's meeting. Mr. Palani introduced Mr. Eric Tsang and Mr. Sachin Sadana as new investment staff to the Committee.

3. Presentation of FX transaction cost analysis by Klarity FX.

Mr. Amo Sahota from Klarity FX presented the process and cost analysis of the foreign currency exchange for the Police and Fire Plan. The biggest change for the year was the shift of the custodian from State Street to BNY Mellon. Mr. Sahota expressed that the FX execution costs remain stable and the change of custodian to BNY Mellon has reduced the FX transaction costs.

4. Presentation of equity transaction cost analysis by Abel Noser.

Ms. Mary Davidson from Abel Noser presented the process and cost analysis for trading costs. Ms. Davidson stated that the execution costs were analyzed and were found to be consistent with market averages.

5. Overview of private markets by Staff.

Investment staff Dhinesh Ganapathiappan, David Aung and Sachin Sadana gave a presentation on the Police and Fire private markets program. The overview included a market environment update, the current portfolio, and plans for the future of the portfolio. Investment Officer Ganapathiappan covered the buyout market. Mr. Aung discussed the venture program and Mr. Sadana discussed the real estate program. They answered questions from the Committee after the presentation.

6. Risk Overview by Verus Investments.

Ms. Eileen Neill, Verus Investments, gave an overview of the risk in the portfolio. Ms. Neill noted the total risk remains elevated but below the board risk limit of 12%. Ms. Neill answered questions from the Board after the presentation.

7. Discussion and action of the revised Investment Policy Statement by Meketa Investments.

Ms. Laura Wirick of Meketa outlined the updates in the Pension and Healthcare Investment Policy Statement. She answered questions from the Committee regarding the changes.

A motion was made to recommend the revised IPS for approval at the board

M.S.C. Lanza/Gardanier

Motion was passed 4-0 by a roll call vote. It is noted that the recommendation is for both the Pension and Health care plans.

8. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.

Counsel Maytak Chin introduced and explained the contents of the memo submitted to the Committee regarding evidentiary support for the Committee's consideration of factual findings necessary for election to adopt AB361's abbreviated teleconferencing procedures, which included:

1. Governor's proclamation on the continued state of emergency due to the ongoing Covid 19 pandemic; and
2. the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.

A motion was made to adopt these and as the Committee's factual findings under AB361 to allow the Committee to continue meeting virtually for the next 30 days.

Approved. (M.S.C. Lanza/Gardanier) The motion was approved 4-0 with a roll call vote.

- **COMMUNICATIONS**

9. Manager decisions for the second half of 2021.

- **ADJOURNMENT**

The Police and Fire Investment Committee Meeting adjourned at 12:40 p.m.

APPROVED:

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Roberto L. Peña  
CEO, Office of Retirement Services