BOARD OF ADMINISTRATION

Meeting Minutes

Police and Fire Investment Committee

Tuesday, February 22, 2022 **11:30 AM**

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: 87914298399
Password: 489594

- **CALL TO ORDER AND ROLL CALL**

The Police and Fire Investment Committee met on Tuesday, February 22, 2022. The meeting was held via Zoom conference. Chair Chandra called the meeting to order at 11:50 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 Pena, Prabhu Palani, Barbara Hayman, Jay Kwan, Dhinesh Ganapathiappan, Christina Wang, David Aung, Arun Nallasivan, Sachin Sadana, Eric Tsang, Linda Alexander, Ron Kumar, Julie He and Ellen Lee

Also present via Teleconference: Frank Benham, Meketa Investment Group, Laura Wirick, Meketa Investment Group, Jared Pratt, Meketa Investment Group, Eileen Neill, Verus Investments, Sunita Ganapati, public member and Joe Gray, public member

- **ORDERS OF THE DAY**

A motion was made to waive Sunshine on item# 3

M.S.C. Lanza/Menon

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

OPEN SESSION

1. Approval of minutes of the December 17, 2021 Police and Fire Investment Committee meeting.

A motion was made to approve the minutes of the December 17th, 2021 Police and Fire Investment Committee meeting.

M.S.C. Lanza/Gardanier

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

2. Oral Update by CIO, Prabhu Palani.

CIO Palani introduced the agenda items for today's meeting.

3. Discussion and action on strategic asset allocation by Meketa Investment Group.

Ms. Laura Wirick and Mr. Frank Benham from Meketa presented the current asset allocation and alternative options for the Pension Plan. Ms. Eileen Neill from Verus provided a risk analysis on the various options. After a through discussion, the Trustees asked Meketa to provide additional mixes for further discussion at the board meeting.

4. Discussion and action regarding the prefunding of the City's retirement contribution.

Senior Investment Officer, Jay Kwon, proposed a revision to the methodology of the calculation of the prefunding discount rate. Mr. Kwon introduced the third metric, cyclically adjusted price to earnings ratio (CAPE) to account for the current market environment.

A motion was made to accept the changes as proposed.

M.S.C. Menon/Lanza

Motion was approved 4-0 by a roll call vote.

5. Risk Overview by Verus Investments.

Ms. Eileen Neill of Verus Investments presented a risk analysis of the portfolio. The portfolio is marginally overweight in risk because of the overweight to equity factors. Relative risk has remained stable despite the market volatility. Ms Neill answered questions from the Trustees following the presentation.

CLOSED SESSION

- **ADJOURNMENT**

The meeting was adjourned at 1:30 p.m.

APPROVED:

Roberto L. Peña
CEO, Office of Retirement Services