



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

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**MINUTES OF THE BOARD OF RETIREMENT**  
**INVESTMENT COMMITTEE MEETING**  
**Monday, April 17, 2017 @ 1:30 p.m.**  
TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

**I. CALL TO ORDER**

The meeting was called to order at 1:31 p.m.

**II. ROLL CALL**

Present: Gary Reed, Chair; Rita Woodard, Patte Crawford;  
Scott Whalen via telephone;  
Dave Kehler

**III. PUBLIC COMMENT**

None

**IV. AGENDA ITEMS**

1. Discussion and possible action regarding the following items:
  - a. Approve Investment Committee Minutes from March 20, 2017.

Motion to approve minutes as presented:

Motion: Woodard

Second: Crawford

Motion carried unanimously

- b. Asset Allocation Status.

Mr. Kehler noted that TCERA staff has completed the rebalance of the investment portfolio bringing the plan's investment in Domestic and International equities close to target allocations. He also noted that the Core Plus Fixed Income managers BlackRock, MacKay Shields and DoubleLine were the primary recipients of the additional funds, bringing those managers closer to their target allocations.

- c. 2017 Investment Committee Goals and Objectives Timeline and 2017 Education Calendar

Mr. Kehler stated that no additional items have been added to the goals and objectives for the Committee since the last meeting.

- d. Private Equity Investment Fee Analysis – BlackRock

The Committee reviewed the additional information provided regarding the capital call contributions made directly to the manager by TCERA as well as funds taken from distributions made by the fund to help meet the capital call commitments. Mr. Whalen stated that the terms of the agreement between TCERA and BlackRock/Quellos allow for the use of distributions to meet TCERA's investment obligations.

e. Setter Capital – offer to purchase TA Realty investment

Discussion was held regarding the possibility of selling the TA Realty investment on the secondaries market. The Committee directed TCERA staff to contact TA Realty staff for information related to the manager’s opinion of the current value of the fund. Additional information is also to be obtained from Setter Capital related to the assets they may be specifically interested in purchasing and a more complete pricing offer for what they would be willing to pay.

f. Investment Managers

1. Verus Flash Report – All Managers

The Committee noted that the preliminary numbers on the Flash Report indicate that TCERA has met its investment rate assumption for the fiscal year. There are three more reporting months remaining that will affect the final numbers for June 30, 2017.

2. Managers of Interest

a. RREEF/Deutsche Bank – Update from Verus

No action taken

b. Gresham – Notification of resignation of Jonathan Berlund – change in primary contact.

Mr. Whalen stated that Mr. Berlund was not involved in the investment decision making process at Gresham. The Investment Consultant does not view the change as having a significant impact on the relationship between TCERA and the investment firm.

c. Hedge Fund Managers – Aetos and Titan – Performance Review

Mr. Reed shared his concerns over the performance of TCERA’s hedge fund managers, noting that actual performance has not met the level originally promised by either manager. Mr. Whalen stated that hedge funds have struggled since the Global Financial Crisis. He indicated that Verus believes hedge funds continue to play a useful role within the investment portfolios as a diversifier. He stated that the TCERA Trustees may wish to consider moving towards direct investments into hedge funds using a firm such as Verus to administer the relationship on TCERA behalf.

The Committee will recommend that both Aetos and Titan make presentations to the full Board again within a 12-month period.

**V. UPCOMING MEETING**

1. Tuesday, May 23, 2017 at 1:30 p.m. (*Note: change in meeting day*)

**VI. ADJOURN**

The meeting was adjourned at 2:05 p.m.

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Gary Reed, Chair