



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

**David J. Kehler**  
Retirement Administrator

136 N. AKERS STREET  
VISALIA, CA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
WEBSITE: www.tcera.org

**MINUTES OF THE BOARD OF RETIREMENT**  
**INVESTMENT COMMITTEE MEETING**  
**Tuesday, November 20, 2018 @ 3:00 p.m.**  
TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

**I. CALL TO ORDER**

The meeting was called to order at 3:10 p.m.

**II. ROLL CALL**

Present: Jim Young, Chair; Cass Cook, Mike Watson  
Paul Sampietro, Alternate  
Dave Kehler, Leanne Malison, Scott Whalen (via conference call)

**III. PUBLIC COMMENT**

None

**IV. AGENDA ITEMS**

1. Discussion and possible action regarding the following items:
  - a. Approve Investment Committee Minutes from October 15, 2018.  
Motion to approve minutes as presented.  
Motion: Cook  
Second: Watson  
Approved unanimously
  - b. Asset Allocation Status  
The Committee reviewed the report, noting the continued deployment of the Pension Obligation Bond proceeds.
  - c. 2018/2019 Investment Committee Goals and Objectives Timeline and 2018/2019 Education Calendar  
Ms. Malison reviewed the updates to the timeline and calendar, which include a schedule for manager searches for Emerging Market Debt, Value Added Real Estate, and Real Estate Debt. The timeline allows for implementation of the new asset classes by calendar year end 2019.
  - d. TCERA Investment Policy – Revisions to Asset Allocation  
Ms. Malison informed the Committee that the revisions to the Investment Policy are a result of the changes to the Strategic Asset Allocation adopted by the Board. Mr. Whalen reviewed the specifics of the proposed changes.  
  
Motion to recommend approval of the revised Investment Policy.  
Motion: Watson  
Second: Cook  
Motion approved unanimously.
  - e. TCERA Core Real Estate Investment Portfolio  
The Committee discussed the shortfall to target for the Core Real Estate Portfolio. Mr. Whalen reviewed the options available to the Board and then provided the Committee with the reasons for Verus' confidence in

TCERA's current Core Real Estate manager, RREEF. Ms. Malison noted that the information she has from RREEF regarding the current queue for the RREEF America II Fund indicates that capital calls for a new commitment would likely begin in the first quarter of 2019 and should allow for the full commitment to be drawn by the end of calendar year 2019.

Motion to recommend an additional \$50 million commitment to RREEF America II.

Motion: Watson

Second: Cook

Motion approved unanimously.

f. Annual Manager Fee Review

Ms. Malison reminded the Committee that this report is provided annually at the request of the Board. The fee analysis is completed in conjunction with the compilation of data for TCERA's annual audit. The Committee requested that information regarding the fees as a percentage of assets under management be included in the report. Ms. Malison indicated that this would be provided in future reports along with a footnote that would caution the reader that the calculation would be based on assets under management at a point in time and would not account for inflows and outflows of assets during the reporting period.

g. AB2833 Annual Report

Ms. Malison informed the Committee that this report is provided in compliance with AB2833. This information will be provided annually as required by law.

h. Investment Managers

1) Verus Flash Report – All Managers

The Committee reviewed the Flash Report, noting that fiscal year to date returns have moved into negative territory. The measured approach to investing the Pension Obligation Bonds worked in TCERA's favor for this time period.

2) Managers of Interest

a) Ivy Investments – Manager Review – No new information provided.

b) MacKay Shields – Personnel Changes – No action required.

c) DWS (RREEF) – Personnel Changes – No action required.

d) Titan Masters International Fund – Share Class Transfer

Mr. Whalen reviewed the details of the new share class. Based on Verus' analysis, the recommendation is to transfer from Class D to Class M shares.

Motion to recommend TCERA transfer shares to Titan Masters International Class M common shares.

Motion: Watson

Second: Cook

Approved Unanimously

## V. UPCOMING MEETING

1. Tuesday, December 18, 2018, 3:00 p.m.

## VI. ADJOURN

The meeting was adjourned at 4:25 p.m.

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Jim Young, Chair