



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N. AKERS STREET
VISALIA, CA 93291

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

**AGENDA OF THE BOARD OF RETIREMENT
INVESTMENT COMMITTEE MINUTES**

Wednesday, August 21, 2019 @ 3:30 p.m.

TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 3:45 p.m.

II. ROLL CALL

Present: Jim Young, Chair; Mike Watson, Pete Vander Poel
Dave Vasquez, Alternate
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 June 19, 2019.

Motion to approve minutes as presented.

Motion: Watson

Second: Vander Poel

Motion passed unanimously

- b. Asset Allocation Status

The Committee reviewed the report. Ms. Malison informed the Board that she added American Realty Advisors to the report. The contract is pending legal review. The funding for PGIM will be accomplished by the end of August.

- c. 2019 Investment Committee Goals and Objectives Timeline and 2019 Education Calendar

The timeline has been updated with the progress on the Emerging Market Debt (PGIM) and Value Added Real Estate (American Realty Advisors) allocations. Ms. Malison noted that she has started work on the agenda for the joint meeting with the Board of Supervisors to be held October 9th. She has spoken with Cheiron regarding the requested actuarial education and has asked the CAO's office to provide her with any additional requested agenda items.

- d. Investment Policy - Investment Presentation Format and Standard Reporting Format

The Committee reviewed the current formats. The Committee is considering the following changes:

- 1) Remove the format from the Investment Policy to allow the Board, Staff, and the Investment Committee greater flexibility when providing direction to investment managers regarding their presentations. The updated formats would be adopted as guidelines rather than policy.
- 2) Provide timeframes for each of the topics to ensure that the items of most interest are allocated adequate time for presentation and discussion.
- 3) Clarify and consolidate the performance and process portions of the presentation, requesting instead that the firm's philosophy and performance expectations be clearly identified in the presentation. The managers will be asked to assess their performance based on those expectations in light of the market conditions that existed in the various reporting periods.
- 4) Create a separate format for managers of alternative asset classes that more closely aligns with their portfolios.
- 5) Add an additional item in the General Discussion category for information regarding the firm's fee schedule.

The Committee directed Staff to update the presentation format with the suggested changes and bring it back to the Committee for further consideration.

e. Total Policy Benchmark Review

Mr. Whalen reviewed the action that was taken by the Board of Retirement on January 15, 2019 to update its Total Policy Benchmark. After discussing the options available, the Committee determined that the bulk of the tracking error issue has been resolved and recommends no change at this time.

f. Investment Managers

1) Verus Flash Report – All Managers

The Committee reviewed the report noting that the plan's performance will be discussed in detail at the August 28, 2019 Board of Retirement meeting.

2) Managers of Interest

a) Lee Munder – Manager Review

Mr. Whalen reviewed the performance of Lee Munder (LMCG) as requested. He indicated that although LMCG has exhibited an extended period of underperformance, the performance is as expected for a manager that has a process designed for downside protection. The Committee requested that LMCG remain on the agenda for the next meeting for further review.

V. UPCOMING MEETING

1. Wednesday, September 18, 2019, 3:30 p.m.

VI. ADJOURN

The meeting was adjourned at 4:30 p.m.



Jim Young, Chair