



COUNTY OF TULARE BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT INVESTMENT COMMITTEE MEETING Wednesday, April 14, 2021 @ 10:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 11:07 a.m.

II. ROLL CALL

Voting Trustees Present:	Gary Reed, Chair; Cass Cook, Nathan Polk, Pete Vander Poel
Alternate Trustees Present:	Dave Vasquez
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Consultants Participating Remotely:	Scott Whalen and Mike Kamell, Verus

III. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

None

IV. AGENDA ITEMS

1. Discussion and possible action regarding the following items:
 - a. Approve Investment Committee Minutes from March 10, 2021.

Motion to approve minutes as presented.

Motion: Cook
Second: Polk
Motion passed unanimously.

- b. Asset Allocation Status

Ms. Malison notified the Committee that the rebalancing transactions will be completed in April.

c. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Ms. Malison indicated that the timeline has been updated with the recent items assigned to the Committee.

d. Index Fund Review

Mr. Whalen reviewed the information that Verus compiled regarding index funds available for TCERA investment. The Committee reviewed the options and discussed the fee differences, the inclusion of securities lending, and the cost associated with a transition to a new manager.

Motion to recommend to the Board of Retirement that TCERA accept the fee reduction offered by State Street and transition to the State Street index funds that allow securities lending.

Motion: Vander Poel
Second: Cook
Motion passed unanimously.

e. Active Manager Expense Review

Mr. Whalen reviewed the analysis of TCERA's active manager fees. Mr. Whalen noted that two managers, Franklin Templeton and PGIM, were not in line with their peers.

Motion to recommend to the Board of Retirement that the investment consultant be directed to review the current fee structure in place with Franklin Templeton and PGIM.

Motion: Polk
Second: Vander Poel
Motion passed unanimously.

f. Active/Passive Investment Allocation Review

Mr. Whalen reviewed the information prepared for the review of TCERA's active/passive domestic equity investments showing the current allocation, an all passive mix and an allocation that would move TCERA to a 50% active/50% passive domestic equity target portfolio.

Motion to recommend to the Board of Retirement a transition to a 50% Active/50% Passive domestic equity target allocation.

Motion: Polk
Second: Vander Poel
Motion passed unanimously.

g. Investment Managers

1) Verus Flash Report – All Managers – No action.

2) Managers of Interest

- a) Franklin Templeton – Manager Review – the manager has shown improvement over the most recent three months.
- b) Sixth Street – Dyal Capital Partners – no additional information as of the meeting date.

h. Standard Questions for Investment Consulting RFP Finalist Presentations

Mr. Whalen and Mr. Kamell exited the meeting for this agenda item. The Committee discussed possible questions to have available at the meeting to ensure that the question and answer period is interactive. The Committee directed Staff to develop five questions and assign one to each of the Committee members. The questions will be asked by the assigned Committee member if the question has not been adequately covered in the presentation or asked by another trustee.

V. UPCOMING MEETING

1. The May meeting is canceled. The Committee Chair will report out the agenda items from this meeting at the May 28, 2021 Board of Retirement meeting.

VI. ADJOURN

The meeting was adjourned at 12:06 p.m.

A handwritten signature in cursive script, appearing to read "Gary Reed", is positioned above a horizontal line.

Gary Reed, Chair