



# COUNTY OF TULARE BOARD OF RETIREMENT

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## **MINUTES OF THE BOARD OF RETIREMENT INVESTMENT COMMITTEE MEETING Wednesday, September 8, 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 11:05 a.m. by Gary Reed, Chair.

### **II. ROLL CALL**

Voting Trustees Present:	Gary Reed, Chair; Pete Vander Poel, Nathan Polk
Voting Alternate Present:	Paul Sampietro (voting for Cass Cook)
Alternate Present:	Dave Vasquez
Staff Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Consultant Participating Remotely:	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 August 11, 2021.

Motion to approve the minutes as presented.

Motion: Polk  
Second: Sampietro  
Motion passed unanimously.

- b. Asset Allocation Status

Ms. Malison noted for the Committee that this month's report reflects the new target percentages from the recently adopted strategic asset allocation.

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

Ms. Malison noted that she added two items to the Goals and Objectives Timeline – the implementation of the new strategic asset allocation and the review of the large cap growth equity managers.

d. Revised TCERA Investment Policy

Ms. Malison informed the Committee that the changes presented are necessary due to the implementation of the new strategic asset allocation. In addition, language referencing commodities and hedge funds have been removed since these asset classes are not currently of interest to the Board. If the Board should decide to invest in those asset classes again at some future date, the policy will need to be revised accordingly.

Motion to recommend to the Board of Retirement that the revised TCERA investment policy be approved as presented.

Motion: Vander Poel  
Second: Sampietro  
Motion passed unanimously.

e. TCERA Strategic Asset Allocation Implementation Plan

Mike Kamell reviewed the presentation materials regarding their implementation plan for TCERA's Strategic Asset Allocation. The following topics were discussed and require direction:

1. Best method for allocating capital in **real assets**

- Core Real Estate – recommend retention of existing open-ended fund (RREEF America II). Allocation will be reduced to target over time as capital calls are received for other real asset allocations.
- Real Estate Debt – recommend retention of existing open-ended fund (Invesco).
- Infrastructure – recommend open-ended fund. Committee directed Verus to prepare information on potential managers for review by the Committee.
- Value-Add Real Estate – recommend retention of existing open-ended fund (American Realty) with consideration given to adding closed end funds over time to achieve target. Direction needed from Board.
- Opportunistic Real Estate – option of open end and closed-end funds. Direction needed from Board.

2. Best method for allocating capital in **private equity** – Options are fund of funds (current approach) or direct funds. Direction needed from Board.

3. Consulting Services Considerations – If the Board elects to invest using the direct funds approach, a private markets consultant should be considered for assistance with these investments. Direction needed from the Board.

4. Investment Strategy for funds pending manager selection/capital calls (“dry powder”). Direction needed from the Board

- Risk-matching option – liquid instruments that offer similar underlying risks as the desired long-term target asset allocation.
- Conservative – liquid instruments that focus on preservation of principal.

5. Benchmarking – dependent on dry powder investment strategy.

Ms. Malison reminded the Committee that because of the number of new investments/managers that will be required for the implementation, discussion regarding delegation of authority to the Investment Committee for some decisions might be warranted. The Committee agreed to bring this up for further discussion at the Board meeting.

- f. Investment Managers
  - 1) Verus Flash Report – All Managers

Mr. Kamell noted that the July report shows positive performance with an expectation that the August report will reflect amore volatile month of investment activity.

- 2) Managers of Interest
  - a) Franklin Templeton – Manager Review – No action.

## V. UPCOMING MEETING

- 1. October 13, 2021, 10:30 a.m.

## VI. ADJOURN

The meeting was adjourned at 12:01 p.m.



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Gary Reed Chair