

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Investment Committee

October 23, 2012

Agenda Item 5.0

August 28, 2012 – Investment Committee Agenda

PUBLIC SESSION

- 1.0 Call to Order
- 2.0 Roll Call
- 3.0 Oral Communications From the Committee
- 4.0 Oral Communications From the Public
- 5.0 Approval of the Minutes
- 6.0 Investment Management Services - the Investment Committee Shall Review & Discuss
 - 6.1 Preliminary Monthly Portfolio Performance Report
 - 6.2 Annual Review, Revision & Reaffirmation of the Investment Committee Charter
 - 6.3 Discussion of SamCERA's Investment Policy Redraft Process
 - 6.4 Quarterly Investment Performance Report for the Period Ending June 30, 2012
 - 6.5 Report on the Annual Review of SamCERA's Core Bond Portfolio Managers (Aberdeen Asset Management, Pyramis Global Advisors, Western Asset Management)
 - 6.6 Approval of Private Equity Investment Opportunity
 - 6.7 Discussion of Delegation of Authority to Execute Documents and Take Certain Actions In Relation to Agreements on Behalf of the Board
- 7.0 Other Business
- 8.0 Chief Investment Officer's Report
- 9.0 Adjournment

MINUTES OF SAMCERA's Investment Committee Meeting - August 28, 2012

- 1.0 **Call to Order:** Mr. David called the Public Session of the Investment Committee of the Board of Retirement to order at 10:04 a.m. August 28, 2012, in SamCERA's Board Room, Suite 160, 100 Marine Parkway, Redwood Shores, California.
- 2.0 **Roll Call:**
Present: Ms. Lauryn Agnew, Mr. Ben Bowler, Mr. Al David, and Ms. Michal Settles.
Other Board Members present: Mr. Paul Hackleman, Mr. David Spinello, and Mr. Christopher Miller.
Staff: Mr. David Bailey, Mr. Michael Coultrip, Ms. Brenda Carlson, Ms. Lilibeth Dames and Ms. Kristina Perez.
Consultants: Mr. Jonathan Brody and Mr. Patrick Thomas, of Strategic Investment Solutions.

Mr. Bailey announced that new committee assignments had been made by Board Chair Sandie Arnott, and the new Investment Committee consists of Albert David , Chair, and members Lauryn Agnew, Ben Bowler and Michal Settles. The Audit Committee's members are Natalie Kwan Lloyd, Sandie Arnott, Paul Hackleman and Eric Tashman, Chair.
- 3.0 **Oral Communications From the Committee.** None.
- 4.0 **Oral Communications From the Public:** None.
- 5.0 **Approval of the Minutes:** The May meeting of the Investment Committee lacked a quorum and there were no minutes to approve.
- 6.1 **Presentation of the Preliminary Monthly Portfolio Performance Report:** Mr. Coultrip presented the Preliminary Monthly Portfolio Performance report and noted asset classes were up 1% or more, with the exception of small cap, and the SamCERA portfolio was up overall. Mr. Coultrip let the Committee know that

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Investment Committee

three accounts that do not appear in the one-month preliminary reports, would be included going forward. Mr. Coultrip noted that State Street has the ability to generate higher-level reports and he would return to the Committee to review samples of the new reports.

Action: This agenda item was informational. It did not require committee action.

- 6.2 **Annual Review, Revision & Reaffirmation of the Investment Committee Charter:** Mr. Coultrip discussed the Charter with the Investment Committee. There was discussion regarding the revision to the Investment Policy and whether the Charter should be affirmed after changes to the policy had been made.

Action: Ms. Settles moved to recommend that the Board reaffirm the Investment Committee Charter and to revisit the Charter after the Investment Policy is revised, specifically to address risk. Mr. Bowler seconded the motion and it carried unanimously.

- 6.3 **Discussion of SamCERA's Investment Policy Redraft Process:** Mr. Coultrip opened the discussion with the committee regarding the Investment Policy. Committee members talked about the process of the redraft of the Investment Policy. It was suggested to begin the redraft process by brainstorming principles, objectives, philosophies and beliefs with the full Board, and reviewing other plans' investment policies.

Action: This agenda item was informational. It did not require committee action.

- 6.4 **Quarterly Investment Performance Report for the Period Ending June 30, 2012:** Mr. Thomas presented the report and reviewed the quarterly performance of the various markets with the Committee. The Committee and Mr. Thomas discussed an allocation index and ranking managers by their contributions. Performance shortfalls of certain managers were discussed and SIS will return to the Board with a recommendation.

Action: This agenda item was informational. It did not require committee action.

- 6.5 **Report on the Annual Review of SamCERA's Core Bond Portfolio Managers (Aberdeen Asset Management, Pyramis Global Advisors, Western Asset Management:** Mr. Thomas reported that staff and SIS met with the three managers for an hour each. He noted personnel changes at Aberdeen, and stated that all are normalizing and there wasn't much news. Committee members asked to receive a calendar of upcoming manager meetings.

Action: This agenda item was informational. It did not require committee action.

- 6.6 **Approval of Private Equity Investment Opportunity:** Held over for discussion with the full Board.

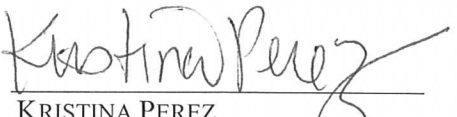
- 6.7 **Discussion of Delegation of Authority to Execute Documents and Take Certain Actions In Relation to Agreements on Behalf of the Board:** Held over for discussion with the full Board.

- 7.0 **Other Business:** None

- 8.0 **Chief Investment Officer's Report:** Presented to the full Board

- 9.0 **Adjournment:** There being no further business, Mr. David adjourned the committee meeting at 11:58 a.m.

ALBERT DAVID
INVESTMENT COMMITTEE CHAIR



KRISTINA PEREZ
RETIREMENT EXECUTIVE SECRETARY