

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

February 26, 2013

Agenda Item 5.0

October 23, 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 Monthly Portfolio Performance Report
 - 6.2 Annual Review of Commodities, Hedge Fund, Risk Parity and Real Estate Managers (SSGA Multisource Commodities, AQR Delta Fund II, AQR Risk Parity, Invesco)
 - 6.3 Approval of Angelo Gordon Securitized Asset Recovery Fund L.P.
 - 6.4 Approval of Screening Criteria and Schedule for Large Cap Growth Fund Search
 - 6.5 Discussion Regarding Real Rate Hedging Within TIPS Portfolio
- 7.0 Other Business
- 8.0 Chief Investment Officer's Report
- 9.0 Adjournment

MINUTES OF SAMCERA's Investment Committee Meeting – October 23, 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. October 23, 2012, in SamCERA's Board Room, Suite 160, 100 Marine Parkway, Redwood City, California.
- 2.0 **Roll Call:**
Present: Ms. Lauryn Agnew, Mr. Ben Bowler, Mr. Al David, and Ms. Michal Settles.
Alternates present: Mr. John Murphy and Mr. Christopher Miller.
Staff: Mr. David Bailey, Mr. Michael Coultrip, Ms. Brenda Carlson, Ms. Lilibeth Dames, Ms. Gladys Smith and Ms. Kristina Perez.
Consultants: Mr. Jonathan Brody and Mr. Patrick Thomas, of Strategic Investment Solutions.
- 3.0 **Oral Communications From the Committee.** Ms. Agnew reported her attendance at the SOCAP12 conference in San Francisco.
- 4.0 **Oral Communications From the Public:** None.

The Chair then called for agenda item # 6.3 to be heard out of order; the remaining agenda items were heard in the order reported below.

- 6.3 **Approval of Angelo Gordon Securitized Asset Recovery Fund L.P.** Mr. Coultrip introduced Coleen Casey and Jonathan Lieberman from Angelo Gordon who gave a presentation to the Committee. Ms. Casey and Mr. Lieberman gave an overview of Angelo Gordon and discussed the PPIP and STAR funds. Committee members discussed the make-up of the team, deployment dates and levels of commitment, and timing.
Action: Ms. Settles moved to recommend Board approval to invest \$35 million in the Angelo Gordon Securitized Asset Recovery Fund, matching the original PPIP investment amount. The motion was seconded by Mr. Bowler and carried unanimously.

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- 6.1 **Monthly Portfolio Performance Report:** Mr. Coultrip presented the Preliminary Monthly Portfolio Performance report, and discussed the portfolio's performance with the Committee. He also handed out a sample report compiled by State Street.
Action: This agenda item was informational. It did not require committee action.
- 6.2 **Annual Review of Commodities, Hedge Fund, Risk Parity and Real Estate Managers (SSGA Multisource Commodities, AQR Delta Fund II, AQR Risk Parity, Invesco):** Mr. Thomas from SIS and Mr. Coultrip detailed the annual meetings with the four managers, and stated they were all meeting expectations and there were no large concerns.
Action: This agenda item was informational. It did not require committee action.
- 6.4 **Approval of Screening Criteria and Schedule for Large Cap Growth Fund Search:** Mr. Coultrip and Mr. Jonathan Brody presented the proposed screening criteria and timeline for the selection of a replacement large-capitalization growth manager for BlackRock, with an expectation that by March 2013 responses to the RFIs would be received from selected managers. Committee members discussed fees, active and passive strategies, and allocations. Committee members discussed recommending Board approval of the screening criteria submitted with a request for flexibility within the conditions.
Action: Ms. Agnew moved to recommend Board approval of the screening criteria and selection schedule, granting flexibility within the conditions. The motion was seconded by Ms. Settles and approved unanimously.
- 6.5 **Discussion Regarding Real Rate Hedging Within TIPS Portfolio:** Mr. Coultrip presented information about TIPS bonds and discussed the risks and benefits of hedging with the Committee members. This item was for discussion only.
- 5.0 **Approval of the Minutes:** The Chair asked if there were any changes to the minutes, and a spelling error was corrected.
Action: Mr. Bowler moved to approve the minutes from the August 28, 2012 investment committee meeting, with the revision as noted. The motion was seconded by Ms. Agnew and carried unanimously.
- 7.0 **Other Business:** None.
- 8.0 **Chief Investment Officer's Report:** Mr. Coultrip notified the committee the annual review survey for SIS would be sent via email to the full Board and to look for it.
- 9.0 **Adjournment:** There being no further business, Mr. David adjourned the committee meeting at 12:12 p.m.

ALBERT DAVID
INVESTMENT COMMITTEE CHAIR

KRISTINA PEREZ
RETIREMENT EXECUTIVE SECRETARY