

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA**

**INVESTMENT COMMITTEE MEETING
Wednesday, July 31, 2019
1:00 p.m.**

MINUTES

Chair Hilton called the meeting to order at 1:09 p.m.

Attendance was as follows:

Present: Roger Hilton, Chair; Shawn Dewane, Vice Chair; David Ball; Wayne Lindholm; Charles Packard; Chris Prevatt; and Frank Eley

Absent: Russell Baldwin; Shari Freidenrich; and Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Molly Murphy, CFA, Chief Investment Officer; Reginald Tucker, Managing Director; Shanta Chary, Director of Investments; David Beeson, Senior Investment Officer; Tarek Turaigi, CFA, Investment Officer; Julius Cuaresma, Investment Analyst; Joseph Fletcher, Legal; Anthony Beltran, Visual Technician; and Brittany Cleberg, Recording Secretary

Guests: Meketa Investment Group: Stephen McCourt; Allan Emkin
Townsend: Jennifer Young Stevens; Felix Fels
TorreyCove: Nic DiLoretta

Chair Hilton led the Pledge of Allegiance.

CONSENT AGENDA

MOTION by Dewane, **seconded** by Ball, to approve staff's recommendation on all of the following items on the Consent Agenda:

C-1 COMMITTEE MEETING:

Investment Committee Meeting

June 26, 2019

Recommendation: Approve minutes.

The motion passed **unanimously**.

ACTION ITEM

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

No items were trailed from the Consent Agenda.

INFORMATION ITEMS

I-6 RESCUING RETIREMENT

Presentation by Hamilton E. James, Blackstone

The Committee recessed for a break at 2:10 p.m.
The Committee reconvened at 2:24 p.m.

CIO COMMENTS

Ms. Murphy provided an update on the financial, economic, and political markets. She provided remarks regarding the following recent developments: the United Kingdom election and the impact on the GBP-USD; the Federal Reserve, its rate cut and the yield curve.

ACTION ITEM

A-2 WATCH LIST

Presentation by Molly A. Murphy, CFA, CIO, OCERS

After discussion by the Committee, **MOTION** by Prevatt, **seconded** by Dewane, to place J.P. Morgan Strategic Property Fund on watch list.

The motion passed **unanimously**.

INFORMATION ITEMS

The following informational item was presented to the Committee:

I-1 COMMITTEE MEETING MINUTES

I-2 INVESTMENT COMMITTEE COMMUNICATIONS

I-3 SECURITIES LITIGATION UPDATE

I-4 REPORTS – PORTFOLIO ACTIVITY

I-5 MANAGER SELECTIONS & TERMINATIONS REPORT

Presentation by Molly A. Murphy, CFA, Chief Investment Officer, OCERS, and discussion by the Committee.

ACTION ITEM

A-3 CIO CHARTER DISCUSSION

Discussion by Molly A. Murphy, CFA, CIO, OCERS

After discussion by the Committee, **MOTION** by Dewane, **seconded** by Ball, to approve the revisions to the CIO Charter.

The motion passed **unanimously**.

INFORMATION ITEMS

The following written informational reports were received by the Committee:

I-7 CASH OVERLAY REVIEW

Presentation by Molly A. Murphy, CFA, CIO & Shanta Chary, DI, OCERS, and discussion by the Committee.

I-8 1ST QUARTER 2019 REAL ESTATE PERFORMANCE REPORT

Presentation by Jennifer Young Stevens, & Felix Fels, Townsend, and discussion by the Committee.

I-9 REAL ESTATE – ASSET CLASS REVIEW

Presentation by Molly A. Murphy, CFA, CIO & David Beeson, SIO, OCERS; Jennifer Young Stevens, & Felix Fels, Townsend, and discussion by the Committee.

ACTION ITEM

A-4 REAL ESTATE INVESTMENT PLAN

Presentation by Jennifer Young Stevens, Townsend

After discussion by the Committee, **MOTION** by Lindholm, **seconded** by Hilton, to approve the annual OCERS real estate investment plan including:

1. Changing the core range to 50 – 100% and the non-core range to 0 – 50%
2. Rebalance up to \$250 million in the core portfolio (1 new commitment and possibly 2 redemptions)
3. Commit 1-2 new investments in the non-core portfolio (\$75 - \$125 million per fund)

The motion passed **unanimously**.

CEO /CONSULTANT/COUNSEL COMMENTS

None

CIO COMMENTS

Ms. Murphy discussed YTD portfolio and benchmark performance through the first half of 2019.

COMMITTEE MEMBER COMMENTS

Chair Hilton and Vice Chair Dewane will be absent at the August Investment Committee Meeting. Chairman of the Board, Charles Packard, will step in for this meeting and the Committee will have a quorum.

The meeting **ADJOURNED** at 4:19 p.m.

Submitted by:



Steve Delaney
Secretary to the Committee

Approved by:



Charles Packard
Acting Chair