

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

**INVESTMENT COMMITTEE MEETING
Wednesday, November 15, 2023
9:00 A.M.**

MINUTES

Chair Tagaloa called the meeting to order at 9:02 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Adele Tagaloa, Chair; Charles Packard, Vice Chair; Roger Hilton; Chris Prevatt; Arthur Hidalgo; Wayne Lindholm; Shari Freidenrich; Jeremy Vallone

Present via Zoom (under Government Code Section 54953(f)):
Richard Oates

Also Present: Steve Delaney, Chief Executive Officer; Molly Murphy, CFA, Chief Investment Officer; Shanta Chary, Director of Investments; David Beeson, Director of Investments; Tarek Turaigi, CFA, Senior Investment Officer; Stina Walander-Sarkin, Investment Officer; Ada Chen, Investment Officer; Josephine He, CFA, Investment Officer; Emma Ji, CFA, Investment Analyst; Mitchell Peterson, Investment Analyst; Duc Nguyen, CFA, Investment Analyst; Manuel Serpa, General Counsel; Ivan Cao, Staff Attorney; Anthony Beltran, Visual Technician; and Carolyn Nih, Recording Secretary

Guests: Meketa Investment Group: Steve McCourt, CFA; Laura Wirick, CFA, CAIA
Aksia: Trevor Jackson; Mike Krems
Institutional Shareholder Services: Richard Clark

Absent: Shawn Dewane

PUBLIC COMMENTS- None

CONSENT AGENDA

C-1 COMMITTEE MEETING:

Approval of Meeting and Minutes
Investment Committee Meeting

August 30, 2023

Recommendation: Approve minutes.

MOTIONED by Mr. Hilton, **SECONDED** by Mr. Packard, to approve C-1.

The motion passed **unanimously**

C-2 and C-3 were pulled for further discussion and moved to A-1.

ACTION ITEMS

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

C-2 CHARTERS & POLICIES REVIEW

Recommendation: Approve as presented.

- (1) Investment Committee Charter
- (2) Chief Investment Officer Charter
- (3) Investment Policy Statement
- (4) Proxy Voting
- (5) Code of Ethics and Standards of Professional Conduct Policy

Mr. Hilton had questions regarding the proposed changes associated with the Watch List and Termination section, specifically the language concerning circumstances requiring immediate action requiring the approval of the CEO in consultation with the Investment Committee Chair and/or Vice-Chair, if available. Ms. Murphy indicated that while the proposed changes under this section in the charter and policy were viewed as an extension of delegated authority, OCERS has not needed to enact action such as described under her tenure. Given the low probability of an event of this nature, Ms. Murphy agreed that a change under this section was not a necessity and agreed to pull the proposed changes from consideration.

C-2 was not approved.

C-3 BACKSTOP CONTRACT

Recommendation: Approve a five-year renewal term beginning on December 29, 2023 with Backstop Solutions.

Mr. Hilton had a question about the sole source of Backstop Solution. Ms. Murphy noted that the increase in price is due to increase in users. Mr. Hilton would like to know the prior per user price under the prior contract.

MOTIONED by Mr. Hilton, **SECONDED** by Mr. Prevatt, to approve C-3.

The motion passed **unanimously**.

CIO COMMENTS

Ms. Murphy shared that while October was a tough month for the markets- bringing a new war and a shock to oil prices, November is going strong. Looking forward, differing economist estimate anywhere between 150 basis points for where interest rates volatility for entering the 2024 year. At this time, equity market is up 5%, portfolio is approximately up 7% year to date.

Mr. Vallone left the meeting at 9:23 to return later.

ACTION ITEMS

A-2 PLACEMENT AGENT DISCLOSURE POLICY REVIEW

Presentation by Shanta Chary, DI, & Manuel Serpa, General Counsel, OCERS

Recommendation: Approve the Placement Agent Disclosure Policy.

MOTIONED by Mr. Packard, **SECONDED** by Mr. Lindholm, to staff recommendation.

The motion passed **unanimously**.

INFORMATION ITEMS

Presentations

I-1 MEKETA 3Q 2023 PORTFOLIO EVALUATION REPORT

Presentation by Laura Wirick, CFA, CAIA, Meketa

Ms. Freidenrich arrived at 9:57 a.m. during item I-2.

I-2 MEKETA 3Q 2023 PORTFOLIO RISK REPORT

Presentation by Steve McCourt, CFA, & Allan Emkin, Meketa

Mr. Vallone returned to the meeting at 10:46 a.m.

I-3 AKSIA 2Q 2023 PRIVATE EQUITY PERFORMANCE REVIEW

Presentation by Trevor Jackson & Mike Krems, Aksia

The Board recessed for break at 10:57 a.m.

The Board reconvened from break at 11:10 a.m.

Recording Secretary administered the Roll Call attendance.

I-4 ASSET CLASS REVIEW - REAL ASSETS

Presentation by Ada Chen, Investment Officer, OCERS

ACTION ITEMS

At 11:35 a.m., Mr. Lindholm left the meeting.

A-3 REAL ASSETS PACING PLAN

Presentation by Ada Chen, Investment Officer, OCERS and Trevor Jackson and Nic DiLoretta, Aksia

Recommendation: Approve the 2024 pacing plan of \$350 - \$400 million in real assets commitments.

MOTIONED by Mr. Hidalgo, **SECONDED** by Mr. Hilton, to staff recommendation.

The motion passed **unanimously**.

A-4 PROXY VOTING OVERVIEW AND BENCHMARK SELECTION

Presentation by Richard Clark, Institutional Shareholder Services, & Shanta Chary, DI, OCERS

Recommendation: Approve the adoption of the Global Board-Aligned Policy to vote proxies on behalf of OCERS.

MOTIONED by Ms. Freidenrich, **SECONDED** by Mr. Packard, to staff recommendation.

The motion passed **unanimously**.

A-5 INVESTMENTS DEPARTMENT 10-YEAR STAFFING PLAN

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

Recommendation: For budget year 2024, Staff recommends that the Investment Committee forward to the Board a recommendation to approve three new positions to support private markets investments: two Investment Officers and one Investment Analyst.

MOTIONED by Ms. Freidenrich, **SECONDED** by Mr. Prevatt, to staff recommendation.

The motion passed **unanimously**.

WRITTEN REPORTS

R-1 INVESTMENT COMMITTEE COMMUNICATIONS

Written Report

R-2 MANAGER SELECTIONS & TERMINATIONS REPORT

Written Report

R-3 PORTFOLIO ACTIVITY & COMPLIANCE

Written Report

R-4 SECURITIES LITIGATION UPDATE

Written Report

R-5 MEKETA CAPITAL MARKETS OUTLOOK & RISK METRICS

Written Report

R-6 CASH OVERLAY PROGRAM REVIEW

Written Report

R-7 SECURITIES LENDING PROGRAM REVIEW

Written Report

R-8 PROXY VOTING PROGRAM REVIEW

Written Report

R-9 QUIET PERIOD

Written Report

Mr. Hilton pulled R-2 for discussion regarding the unique strategy in Collective Global. Ms. Murphy further explained the investment and the background and due diligence done through Aksia.

COMMITTEE MEMBER COMMENTS - None

CHIEF EXECUTIVE OFFICER/STAFF/CONSULTANT COMMENTS - None

COUNSEL COMMENTS- None

The meeting **ADJOURNED** at 1:46 p.m.

Submitted by:

Submitted by:

Approved by:

DocuSigned by:




C00D5744FF39463...

Steve Delaney

Secretary to the Committee

DocuSigned by:



7191A2EF6CE14F7...

Molly Murphy

Staff Liaison

DocuSigned by:



27CDC221CD6643D...

Adele Tagaloo

Chair