

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

**INVESTMENT COMMITTEE MEETING
Wednesday, August 25, 2021
9:30 A.M.**

MINUTES

Chair Eley called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom video teleconference pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020:

Frank Eley, Chair; Arthur Hidalgo, Vice Chair; Shawn Dewane; Shari Freidenrich; Wayne Lindholm; Richard Oates; Charles Packard; Chris Prevatt; Adele Tagaloa; and Jeremy Vallone

Absent: None

Also Present via Zoom: Steve Delaney, Chief Executive Officer; Molly Murphy, CFA, Chief Investment Officer; Shanta Chary, Director of Investments; David Beeson, Senior Investment Officer; Tarek Turaigi, CFA, Senior Investment Officer; Stina Walander-Sarkin, Senior Investment Analyst; Duc Nguyen, CFA, Investment Analyst; Emma Ji, CFA, Investment Analyst; Joshua DePaula, Investment Analyst; Gina Ratto, General Counsel; Anthony Beltran, Visual Technician; and Brittany Cleberg, Recording Secretary

Guests via Zoom: Meketa Investment Group: Allan Emkin; Stephen McCourt, CFA; and Stephanie Sorg

PUBLIC COMMENTS

None

CONSENT AGENDA

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

C-1 COMMITTEE MEETING:

Investment Committee Meeting

July 28, 2021

Recommendation: Approve minutes.

The motion passed **unanimously**, pursuant to a Roll Call vote, as follows:

AYES

NAYS

ABSTAIN

ABSENT

Mr. Dewane
Mr. Hidalgo
Ms. Freidenrich
Mr. Lindholm
Mr. Packard
Mr. Prevatt
Mr. Oates
Ms. Tagaloa
Chair Eley

CIO COMMENTS

Ms. Murphy provided an update on the current markets which are largely trading away from the geopolitical factors, with the Afghanistan news not spilling over into the financial markets. S&P 500 hit a new high as of today. She also noted that there is an increased bottleneck in the supply chains of manufactured goods. COVID is overshadowing the oil demand as oil fell to \$67. Ms. Murphy reviewed delegated authority for the Committee, highlighting that regardless of volatility, the CIO and staff are empowered to implement manager selections and terminations within the approved asset allocation ranges.

ACTION ITEM

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

No items were trailed from the Consent Agenda.

A-2 WATCH LIST – BRIDGEWATER PURE ALPHA FUND

Presentation by Shanta Chary, DI, OCERS

After discussion by the Committee, **MOTION** by Oates, **seconded** by Lindholm, to approve staff recommendation to place Bridgewater Pure Alpha Fund on watch list.

The motion passed **unanimously**, pursuant to a Roll Call vote, as follows:

AYES

NAYS

ABSTAIN

ABSENT

Mr. Dewane
Mr. Hidalgo
Ms. Freidenrich
Mr. Lindholm
Mr. Packard

Mr. Prevatt
Mr. Oates
Ms. Tagaloa
Chair Eley

INFORMATION ITEMS

I-1 MANAGER SELECTIONS & TERMINATIONS REPORT

Presentation by David Beeson, SIO, OCERS

I-2 2ND QUARTER 2021 PORTFOLIO EVALUATION REPORT

Presentation by Stephen McCourt, CFA & Stephanie Sorg, Meketa

The Committee recessed for a break at 10:54 a.m.

The Committee reconvened at 11:10 a.m.

Recording Secretary administered the Roll Call attendance. Ms. Tagaloa and Ms. Freidenrich were absent.

I-3 2ND QUARTER 2021 PORTFOLIO RISK REPORT

Presentation by Allan Emkin & Stephen McCourt, CFA, Meketa

Ms. Tagaloa and Ms. Freidenrich arrived at 11:15 a.m.

I-4 ASSET CLASS REVIEW – UNIQUE STRATEGIES

Presentation by Tarek Turaigi, CFA, SIO, OCERS

I-5 2020 FEE REPORT

Presentation by Stina Walander-Sarkin, SIA & Emma Ji, CFA, IA, OCERS

WRITTEN REPORTS

None of the written reports were pulled for discussion.

R-1 REPORTS – PORTFOLIO ACTIVITY & COMPLIANCE

R-2 SECURITIES LITIGATION UPDATE

R-3 MEKETA ECONOMIC OUTLOOK

COMMITTEE MEMBER COMMENTS

Mr. Dewane proposed moving to a quarterly Investment Committee meeting schedule to free up staff's time to manage the \$22 billion fund. This item will be added to the October Investment Committee meeting.

CEO COMMENTS

Mr. Delaney shared that Board Chair Dewane directed the Strategic Planning meeting agenda has been shortened from two 7 hour sessions to two 3.5 hour sessions due to concerns with Zoom fatigue and has further directed that the annual workshop take place in a completely virtual format due to minimal in-person participation and an increased anticipated cost due to A/V rental requirements to accommodate the hybrid model.

Vision 2030 will be shared during the Strategic Planning meeting and will include consideration of a future AI Pension Administration System. Mr. Delaney will send to Trustees a news article in this field, indicating that Ontario Municipal Employees Retirement System (OMERS) is already heading down that path, not surprising for a system that was the first in North America to accept online retirement applications.

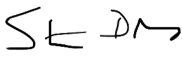
The Personnel Committee will meet in September. Mr. Dewane and Mr. Prevatt will follow up with staff for potential meeting dates.

CIO/CONSULTANT/COUNSEL COMMENTS

None

The meeting **ADJOURNED** at 12:20 p.m.

Submitted by:

DocuSigned by:

C00D5744FF39463...

Steve Delaney
Secretary to the Committee

Approved by:

DocuSigned by:

9F34288D95E2472...

Frank Eley
Chair