

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

**INVESTMENT COMMITTEE MEETING  
Wednesday, February 23, 2022  
9:30 A.M.**

**MINUTES**

Chair Hidalgo 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:

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

Absent: Shari Freidenrich

Also Present via Zoom: 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, Senior Investment Analyst; Duc Nguyen, CFA, Investment Analyst; Emma Ji, CFA, Investment Analyst; Joshua DePaula, Investment Analyst; Manuel Serpa, Staff Attorney; Anthony Beltran, Visual Technician; and Brittany Cleberg, Recording Secretary

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

Aksia: David Fann; Trevor Jackson; Heidi Poon, CFA, CAIA; Nic DiLoretta

Townsend: Rob Kochis, Felix Fels

**PUBLIC COMMENTS**

**None**

**CONSENT AGENDA**

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

**C-1 COMMITTEE MEETING:**

Investment Committee Meeting

December 13, 2021

**Recommendation:** Approve minutes.

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

**AYES**

**NAYS**

**ABSTAIN**

**ABSENT**

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

**CIO COMMENTS**

Ms. Murphy provided an update on the current portfolio. The portfolio sits 4% down from its start at the beginning of the year. The 2021 results will be presented later in the agenda. Most of the losses in January were from the tech sell offs. We are watching as current events between Russia and Ukraine play out, sanctions may result. Our portfolio has approximately 40 BPS of exposure in the market, mainly through EM Debt, and equity managers. That limited exposure in the OCERS’ portfolio is roughly \$75 million.

Ms. Murphy was pleased to announce in the internal promotion of David Beeson from Senior Investment Officer to Director of Investments. Mr. Beeson has a 12-year tenure at OCERS and is well qualified for the promotion.

**ACTION ITEM**

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

No items trailed from the Consent Agenda.

**INFORMATION ITEMS**

**I-1 MANAGER SELECTIONS & TERMINATIONS REPORT**

Presentation by David Beeson, DI & Stina Walander-Sarkin, SIA, OCERS

**I-2 YEAR IN REVIEW**

Presentation by David Beeson, DI, OCERS; Laura Wirick, CFA, CAIA & Stephanie Sorg, Meketa; Rob Kochis & Felix Fels, Townsend; David Fann & Trevor Jackson, Aksia

**I-3 CAPITAL MARKET ASSUMPTIONS**

Presentation by Allan Emkin & Stephen McCourt, CFA, Meketa

The Committee recessed for a break at 10:42 a.m.  
The Committee reconvened at 10:55 a.m.

**I-4 4<sup>TH</sup> QUARTER 2021 PORTFOLIO EVALUATION REPORT**

Presentation by Laura Wirick, CFA, CAIA & Stephanie Sorg, Meketa

**I-5 4<sup>TH</sup> QUARTER 2021 PORTFOLIO RISK REPORT**

Presentation by Allan Emkin & Stephen McCourt, CFA, Meketa

**I-6 ASSET CLASS REVIEW – RISK MITIGATION**

Presentation by Shanta Chary, DI, OCERS

**ACTION ITEM**

**A-2 RISK MITIGATION INVESTMENT PLAN**

Presentation by Ryan Robdell, CFA, CAIA, Meketa

After discussion by the Committee, **MOTION** by Dewane, **seconded** by Eley, to approve the staff recommendation of the move to a functional framework and adopt new target weights as follows:

First Responders	33%
Second Responders	33%
Diversifiers	33%

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Mr. Dewane			
Mr. Eley			
Mr. Lindholm			
Mr. Packard			
Mr. Prevatt			
Mr. Oates			
Ms. Tagaloa			
Chair Hidalgo			

The Committee recessed for a break at 11:54 a.m.  
The Committee reconvened at 12:30 p.m.

**INFORMATION ITEMS**

**I-7 TEN SURPRISES OF 2022 EDUCATION SESSION**

Presentation by Joseph Zidle, Blackstone

**ACTION ITEM**

**A-4 INVESTMENT CONSULTANT RFP OUTCOMES**

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

After discussion by the Committee, **MOTION** by Lindholm, **seconded** by Packard, to approve the staff recommendation of retaining each firm, Meketa, Aksia and AON Townsend, in its current coverage mandate, subject to contract negotiations.

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

**AYES**

**NAYS**

**ABSTAIN**

**ABSENT**

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

The Committee recessed for a break at 1:47 p.m.  
The Committee reconvened at 2:05 p.m.

**I-8 3<sup>RD</sup> QUARTER 2021 REAL ASSETS PERFORMANCE UPDATE**

Presentation by Trevor Jackson & Nic DiLoretta, Aksia

**I-9 3<sup>RD</sup> QUARTER 2021 REAL ESTATE PERFORMANCE**

Presentation by Rob Kochis & Felix Fels, Townsend

**I-10 ASSET CLASS REVIEW – REAL ESTATE**

Presentation by David Beeson, DI, OCERS

**ACTION ITEM**

**A-3 REAL ESTATE INVESTMENT PLAN**

Presentation by Rob Kochis & Felix Fels, Townsend

After discussion by the Committee, **MOTION** by Eley, **seconded** by Tagaloa, to approve the staff recommendation of the annual OCERS’ real estate investment plan for 2022 including:

1. Commit \$200 million in the core portfolio (2 new investments at \$100 million per fund)
2. Commit \$150 - \$225 million in the non-core portfolio (2-3 new investments at \$75 million per fund)

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

**AYES**

**NAYS**

**ABSTAIN**

**ABSENT**

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

**WRITTEN REPORTS**

None of the written reports were pulled for discussion.

**R-1 INVESTMENT COMMITTEE COMMUNICATIONS**

**R-2 QUIET PERIOD**

**R-3 REPORTS – PORTFOLIO ACTIVITY & COMPLIANCE**

**R-4 SECURITIES LITIGATION UPDATE**

**R-5 MEKETA ECONOMIC OUTLOOK**

**CLOSED SESSION ITEMS**

The Committee **ADJOURNED** to Closed Session at 2:38 p.m. for item E-1.

The Committee **reconvened** in Open Session at 3:17 p.m. and reported out the following:

- E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED  
(GOVERNMENT CODE SECTION 54956.9(d)(1))  
Richard Dennis, et al. v. JPMorgan Chase & Co, et al., U.S. District Court, Southern District of New York (Case No. 16-cv-06496 (LAK))  
Adjourn to closed session pursuant to Government Code Section 54956.9(d)(1).**

There was **no reportable action taken** in closed session

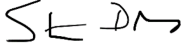
**COMMITTEE MEMBER/CEO/CIO/STAFF/CONSULTANT/COUNSEL COMMENTS**


None

The meeting **ADJOURNED** at 3:18 p.m.

Submitted by:

Approved by:

DocuSigned by:  
  
C00D5744FF39463...  
Steve Delaney  
Secretary to the Committee

DocuSigned by:  
  
000170BD05614C9...  
Arthur Hidalgo  
Chair