



**BOARD OF PENSIONS
INVESTMENT COMMITTEE**

Tuesday, January 7, 2020
11:00 a.m.

Conference Room C-119
Valley Transportation Authority (VTA)
3331 North First Street
San Jose, California

AGENDA

- 1) **CALL TO ORDER/ROLL CALL**
- 2) **ORDERS OF THE DAY**
- 3) **PUBLIC PRESENTATIONS** This portion of the agenda is reserved for persons desiring to address the Board on any matter not on the agenda. Speakers are **limited to 2 minutes**. All statements that require a response will be referred to staff for reply in writing.

CONSENT AGENDA

- 4) **Approve** Minutes of December 3, 2019.

REGULAR AGENDA

- 5) **Discuss** Report on SCVTA – ATU, Local 265 Pension Plan Investments for the Month of November 2019. (Bill)
- 6) **Consider** Requests for Future Agenda Items.
- 7) **Receive** Chairperson's Report.

8) **Announcements and Communications**

9) **Adjourn**

NOTE COMMITTEE MEMBERS: In order to establish whether or not a quorum exists for this meeting, members are asked to call Maria Chavez in the Human Resources Department at (408) 321-5548 before 5:00 p.m. on the day prior to the meeting. Thank you for your cooperation.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the Investment Committee less than 72 hours prior to the meeting will be available for public inspection at 3331 North First Street, San Jose, CA at the same time that the public records are distributed or made available to the Investment Committee.

In compliance with the Americans with Disabilities Act (ADA), those requiring accommodations or accessible media for this meeting should notify Maria Chavez in the Human Resources Department 48 hours prior to the meeting at (408) 321-5548.



**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
AMALGAMATED TRANSIT UNION, LOCAL 265 PENSION PLAN
BOARD OF PENSIONS
INVESTMENT COMMITTEE**

**3331 North First Street
San Jose, CA 95134**

Tuesday December 3, 2019

SUMMARY MINUTES

1. **CALL TO ORDER** at 11:00 a.m.

ROLL CALL **Members Present:** Courtney (Alternate), McKeon, Ragni,
Russell and Srinath

Members Absent: Rosenquist and Smith (Alternate)

A Quorum was Present.

2. **Orders of the Day**

There were no Orders of the Day.

3. **Public Presentations**

There were no Public Presentations.

CONSENT AGENDA

4. **Minutes of November 5, 2019**

M/S/C (Srinath/Russell) to approve the Consent Agenda.

**NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS
OTHER WISE INDICATED, MOTION PASSES UNANIMOUSLY.**

REGULAR AGENDA

5. Chairperson for Calendar Year 2020

M/S/C (Srinath/McKeon) to approve Grace Ragni as Chairperson for Calendar Year 2020.

6. Vice-Chairperson for Calendar Year 2020

M/S/C (Russell/Srinath) to approve Michael McKeon as Vice-Chairperson for Calendar Year 2020.

7. Report on SCVTA – ATU, Local 265 Pension Plan Investments for the Month of October 2019

Sean Bill, Investment Program Manager, reported that the Q3 GDP was 2.1%. Headline CPI was 1.8% year over year as of October. Core CPI was 2.3% year over year as of October.

The unemployment rate for the San Jose/Santa Clara MSA was 2.3%, California was 3.7% and the nation was 3.3%.

The S&P 500 returned 2.17% for the month of October. Year-to-date, it has returned 23.18%. The NASDAQ returned 3.71% for the month of October. Large cap stocks returned 2.12% and small cap stocks returned 2.63%.

The Barclays Aggregate returned 0.30% for the month of October. Year-to-date, it has returned 8.86%. The investment grade corporate bond sector returned 0.60% and the agency MBS sector returned 0.40% for the month of October.

The Federal Reserve cut its target range for the third time in three months. The new range is 1.50% to 1.75%.

Mr. Bill referred the Committee to page 3 to review the asset allocations. He stated that they are approximately 4% overweight in their overall target for equities and 2% overweight in their target for fixed income. They do have an allocation to private credit which is slowly being funded which will rebalance the asset classes back to their targets.

He stated that they had their first capital call for Corbin Capital in November for approximately \$4.5 million so the Committee will see that in next month's report.

The ATU Pension Plan Fund returned 1.65% for October versus its benchmark which returned 1.54%. Year-to-date, it has returned 12.84% compared to its benchmark which has returned 13.65%.

Further discussion regarding real estate followed.

The ATU Spousal Medical Fund returned 1.60% for October versus its benchmark which returned 1.42%. Year-to-date, it has returned 17.85% compared to its benchmark which has returned 17.50%.

Vice-Chairperson Ragni directed the Committee to the last page titled “ATU Asset Allocation as of October 2019 @ Market Value” and asked whether it was correct that the Boston Partners Large Cap Value and Dodge & Cox Income Fund both outperformed the index funds but decreased in market value?

Mr. Bill responded that it most likely resulted from pension payments. They took approximately \$10 million from Boston Partners and \$4 million from Dodge & Cox. Each quarter, they take approximately \$12 million for pension payments. They generally withdraw from those funds which are most overweight.

Alternate Member Courtney asked approximately how much is the monthly ATU pension payments?

Mr. Bill responded approximately \$3.5 million each month.

He added that he briefly spoke with NEPC. Once they have the three private credit strategies in place, they would like to do a strategic asset allocation review and asset liability study. There will be no additional cost for this work as it is already part of their agreement. It will most likely happen in the first half of 2020.

Member Srinath asked if they will be looking at active versus passive?

Mr. Bill responded active versus passive, the balance between the two.

Alternate Member Courtney left his seat at 11:07 a.m.

Alternate Member Courtney returned to his seat at 11:09 a.m.

8. Request for Future Agenda Items

There were no Requests for Future Agenda Items.

9. Chairperson's Report

There was no Chairperson's Report.

10. Announcements and Communications

There were no Announcements and Communications.

11. Adjourn

On order of Chairperson McKeon, there being no objection, the meeting was adjourned at 11:23 a.m.

Respectfully submitted,

Mari Queja-Lee
Human Resources Assistant
Retirement Services Department