



**BOARD OF PENSIONS
INVESTMENT COMMITTEE**

Tuesday, February 4, 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 January 7, 2020.

REGULAR AGENDA

- 5) **Discuss** Report on SCVTA – ATU, Local 265 Pension Plan Investments for the Month of December 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 January 7, 2020

SUMMARY MINUTES

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

ROLL CALL **Members Present:** Courtney, McKeon, Ragni, Rosenquist and Smith (Alternate)

Members Absent: Srinath

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 December 3, 2019**

M/S/C (McKeon/Smith) 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. Report on SCVTA – ATU, Local 265 Pension Plan Investments for the Month of November 2019

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

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 3.63% for the month of November. Year-to-date, it has returned 27.65%.

The Barclays Aggregate returned -0.05% for the month of November. Year-to-date, it has returned 8.80%.

Mr. Bill provided the Committee a handout entitled “QE4: Weekly changes in Fed balance sheet vs weekly changes in S&P 500” to review the correlation between quantitative easing and the increase in the stock market. It explains half the rally in the stock market is from quantitative easing. Quantitative easing is when the Fed is buying bonds in the market; generally they are buying treasuries, mortgages, etc. that pushes investors out the risk curve. If you are a treasury buyer down here, the Feds are buying all the bonds and interest rates are much lower than you anticipate so you have to move up here to hit your target return that you used to get in treasuries. Guys in the corporates now move to equities, guys in equities move to private equities and ventures, etc.

Further discussion regarding quantitative easing, inflation, central banks, private credit, etc. followed.

Chairperson Ragni inquired why Corban Capital was not listed on the report if it was funded in November.

Mr. Bill responded that because it was only a partial month, they wait for a full month of performance before they add it to the list. They will see it in the report for December. They stay synced up with NEPC and they wait for a full month of performance. It is difficult to capture a partial month. Bridge was funded on December 9th so they will not have a full month until January. They received the first return of capital from UBS, \$3.4 million which will be used for benefit payments.

The ATU Pension Plan Fund returned 1.50% for November versus its benchmark which returned 1.30%. Year-to-date, it has returned 14.53% compared to its benchmark which has returned 15.13%. Hedge funds are trailing a bit.

The ATU Spousal Medical Fund returned 2.48% for November versus its benchmark which returned 2.16%. Year-to-date, it has returned 20.78% compared to its benchmark which has returned 20.04%.

6. Request for Future Agenda Items

Member Rosenquist stated that there is a cost of living increase negotiated between VTA and ATU. It would be good to have that on the agenda. He would suggest an actuarial analysis with no COLA increase and another with so that they see how it will affect the Plan the following year.

Mr. Bill commented that it might be good to have the Plan's legal counsel come in to discuss intergenerational shifts and equity.

There were no Requests for Future Agenda Items.

7. Chairperson's Report

There was no Chairperson's Report.

8. Announcements and Communications

There were no Announcements and Communications.

9. Adjourn

On order of Chairperson Ragni, there being no objection, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,

Mari Queja-Lee
Human Resources Assistant
Retirement Services Department