



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 7

MEETING DATE: March 21, 2018

SUBJECT: Investment manager changes within SCERS' Domestic Equity and International Equity asset classes – February 2018 Board Action

SUBMITTED FOR: Consent Deliberation and Action Receive and File

PURPOSE

At the February 21, 2018 Board meeting (closed session agenda item 20), the Board approved Staff and Verus' recommended investment manager changes within SCERS' Domestic Equity and International Equity asset classes, and authorized Staff to determine the most effective method to transition assets. Public disclosure at that time was not required pursuant to Government Code Section 54956.81, which states that a pension fund may hold a closed session to consider the purchase or sale of particular, specific pension fund investments.

Staff has completed the transition of assets related to this approval, and therefore the attached Board Order satisfies all public disclosure requirements.

ATTACHMENTS

Retirement Board Order

Prepared by:

/S/

Steve Davis
Chief Investment Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
February 21, 2018

MOTION:

Consider the purchase or sale of particular, specific pension fund investments pursuant to Government Code Section 54956.81

THE BOARD OF RETIREMENT hereby accepted the recommendation of Staff and Verus, and approved at the February 21, 2018 Board meeting:

- 1) Termination of the domestic REIT engagement with CenterSquare Investment Management;
- 2) Termination of the International REIT engagement with CBRE Clarion Securities;
- 3) Termination of the emerging markets small cap equity engagements with Mondrian Investment Partners and William Blair & Company;
- 4) Retaining all remaining investment managers within the International Equity structure, and that their allocations be rebalanced toward their target allocations within the new structure. This includes:
 - a. Reduction in the allocation to the developed international equity large cap engagements with Walter Scott and LSV Asset Management;
 - b. Reduction in the allocation to the developed international equity small cap engagements with Mondrian Investment Partners and William Blair & Company;
 - c. Increase in the allocation to the emerging markets all cap engagement with Mondrian Investment Partners and a reduction in the allocation to the emerging markets all cap engagement with Baillie Gifford & Co.;
- 5) Authorization of SCERS' investment staff to determine the most efficient method of transitioning the assets and to execute any necessary documents or agreements to effectuate the transition(s), including the hiring of Zeno Consulting to assist SCERS with the transition of assets.

I HEREBY CERTIFY that the above order was passed and adopted on February 21, 2018 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

/S/

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary