

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

**11125 River Run Blvd.
Bakersfield, California**

**Investment Committee Meeting
Monday, October 1, 2018**

12:33 p.m.

Board Members: Jefferson, Kaufman, Chair Kratt
Alternate Dodgin

Roll Call: Jefferson, Kaufman, Kratt,

Absent: Dodgin

NOTE: The vote is displayed in bold below each item. For example, Kaufman-Jefferson denotes Trustee Kaufman made the motion and Trustee Jefferson seconded the motion.

1. Discussion and appropriate action on the asset allocation, policy benchmark and methodology, and updating the Investment Policy Statement presented by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – SCOTT WHALEN, CFA, VERUS, HEARD; LINCOLN SMITH, ALBOURNE AMERICA LLC, HEARD; CHAIR RICK KRATT HEARD; TRUSTEES DUSTIN DODGIN AND JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE DUSTIN DODGIN ARRIVED AT 12:35 P.M.

RECOMMENDED AMENDMENTS TO THE INVESTMENT POLICY STATEMENT, INCLUDING APPROVAL OF THE ASSET ALLOCATION TARGETS AND RANGES, AND POLICY BENCHMARK METHODOLOGY TO THE BOARD OF RETIREMENT

Kaufman-Jefferson – 4 Ayes

2. Discussion and appropriate action on the review of the commodity allocation presented by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – TRUSTEE DUSTIN DODGIN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECOMMENDED APPROVAL OF THE CHANGES TO THE INVESTMENT MANAGER LINE-UP AND FUNDING AMOUNTS IN THE COMMODITY ALLOCATION TO THE BOARD OF RETIREMENT

Jefferson- Kaufman – 4 Ayes

3. Discussion and appropriate action on the continued implementation of changes to the hedge fund allocation presented by Lincoln Smith, Albourne America LLC¹, and Chief Investment Officer Daryn Miller, CFA – LINCOLN SMITH, ALBOURNE AMERICA LLC, HEARD; CHAIR RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD
- RECOMMENDED APPROVAL OF THE TRANSFER, TRANSITION, OR TERMINATION OF HEDGE FUND MANAGERS IN THE HEDGE FUND PORTFOLIO TO THE BOARD OF RETIREMENT

Kaufman-Jefferson – 4 Ayes

4. Discussion and appropriate action on the selection of a Real Estate Value Added investment manager for the Real Estate allocation presented by Lincoln Smith, Albourne America LLC² and Chief Investment Officer Daryn Miller, CFA – JEFFREY GANDEL, LONG WHARF REAL ESTATE PARTNERS, HEARD; LINCOLN SMITH, ALBOURNE AMERICA LLC, HEARD; CHAIR RICK KRATT HEARD; TRUSTEE DUSTIN DODGIN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE BOB JEFFERSON LEFT AT 1:38 P.M.

RECOMMENDED APPROVAL OF THE SELECTION OF VALUE ADDED REAL ESTATE INVESTMENT MANAGER TO THE BOARD OF RETIREMENT

Dodgin-Kaufman – 3 Ayes

5. Discussion and appropriate action on the delineation of roles and responsibilities of the Chief Investment Officer, Consultant, Investment Committee and Board in selecting and terminating investment managers by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – SCOTT WHALEN, CFA, VERUS, HEARD; LINCOLN SMITH, ALBOURNE AMERICA LLC, HEARD; CHAIR RICK KRATT HEARD; TRUSTEES DUSTIN DODGIN AND JORDAN KAUFMAN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

PUBLIC COMMENT: JOE ESCALADA HEARD

NO ACTION AT THIS TIME; STAFF TO RENEW REQUEST WITH THIS COMMITTEE, AS APPROPRIATE

Dodgin-Kaufman – 3 Ayes

6. Public Comments:

This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chairman, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

¹ Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code §6254.26, §6255, and §54957.5.

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7. Committee Member Announcements or Reports:

On their own initiative, Committee members may make a brief announcement or a brief report on their own activities. In addition, Committee members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for factual information or, through the Chairman, request staff to report back to the Committee at a later meeting concerning any matter. Furthermore, the Committee, through the Chairman, may take action to direct staff to place a matter of business on a future agenda – NONE

8. Adjournment – 2:54 P.M.



Secretary, Board of Retirement



Chair, Investment Committee