




April 2024 IC Meeting



Schedule	Thursday, April 11, 2024 10:00 AM — 12:00 PM CDT
Venue	4700 Mueller Blvd., Austin TX 78723
Organizer	Sarah McCleary




Agenda











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1. Call roll of Committee members

Presented by Ed Van Eenoo



**COMMITTEE MEETING
Agenda Item Information Sheet**

**AGENDA ITEM 1:
Call roll of Committee members**

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted in the minutes which Trustees are present in person and which Trustees have joined via video conference.

2. Review order of business and establish meeting objectives

Presented by Ed Van Eenoo

AGENDA ITEM 2:

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

1. The Committee will discuss and consider recommendations related to the Fixed Income asset class and portfolio.
2. The Committee will discuss and consider recommendations related to the Cash & Equivalents asset class and portfolio.
3. The Committee will discuss and consider the results of Staff scoring of the submitted bids, the scoring process, and next steps in the general investment consultant Request for Proposal process.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

3. Receive public comments

Presented by Ed Van Eenoo



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 3: Receive public comments

AGENDA ITEM OBJECTIVE

This standing agenda item allows System members and members of the public the opportunity to provide comments to the Board.

ITEM SUMMARY

The Chair will recognize any person who wishes to comment for up to three minutes per person.

RELEVANCE TO STRATEGIC PLAN/CORE COMPETENCIES

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

4. Consider approval of the February 22,
2024 Investment Committee minutes

Presented by Ed Van Eenoo



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 4:

Consider approval of the February 22, 2024 Investment Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Investment Committee meeting. The charter for the Investment Committee requires the Committee to keep minutes of its meetings.

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the February 22, 2024 Investment Committee meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

ATTACHMENT

1. Draft minutes of February 22, 2024 Investment Committee meeting



Meeting held in person
 Thursday, February 22, 2024 10:00 AM CST
 4700 Mueller Blvd., Austin TX 78723

**Committee Member
 Present/(Absent)**

Ed Van Eenoo, Committee
 Chair
 (Michael Granof)
 Dick Lavine
 Brad Sinclair
 Diana Thomas

**Other Board Trustees
 Present/(Absent)**

Michael Benson
 (Kelly Crook)
 Yuejiao Liu
 Chris Noak
 (Leslie Pool)
 Anthony Ross

Others Present

Staff:
 Christopher Hanson
 David Kushner
 David Stafford
 Ty Sorrel
 Kelly Doggett
 Sarah McCleary
 Mehrin Rahman

Guests:

Spencer Hunter, RVK
 Marcia Beard, RVK
 Paige Saenz, General Counsel

1 Call roll of Committee members

Committee Chair Van Eenoo called the meeting to order at 10:00 a.m. The following Committee members were present in person: Van Eenoo, Lavine, Sinclair, Thomas.

2 Review order of business and establish meeting objectives

Committee Chair Van Eenoo referred Trustees to the order of business and meeting objectives. No changes were made to the order of business.

3 Receive public comments

Committee Chair Van Eenoo asked if any members of the public wished to speak, either now or during an agenda item. There were no comments.

4 Consider approval of the November 17, 2023 and January 19, 2024 Investment Committee minutes

Committee Chair Van Eenoo asked the Committee to review the Investment Committee minutes. Mr. Brad Sinclair moved approval of the November 17, 2023

and January 19, 2024 Investment Committee minutes. Ms. Diana Thomas seconded. Mr. Van Eenoo suggested a change to the January 19 minutes incorporating one new sentence in agenda item #4 *Trustees discussed the importance of peer benchmarking in assessing the effectiveness of the System's investment strategy* and changing the word "pitfalls" to "challenges". Both Mr. Sinclair and Ms. Thomas agreed to the revision in the motion, and the motion passed 4-0.

5 Discuss 2024 Investment Committee Work Plan

Trustees reviewed the 2024 Investment Committee Work Plan. Committee Chair Van Eenoo suggested that it be re-organized around priorities as opposed to strictly chronological.

Committee Chair Van Eenoo added that four categories of priorities may include:

- Review and revise as appropriate the Investment Policy Statement and Investment Implementation Policy
- Review and recommendation to the Board investment consultant proposals
- Ongoing continuing development of private markets program
- Monitor the performance of the investment portfolio, investment staff, investment managers, and investment consultant.

Committee Chair Van Eenoo encouraged Trustees to email Mr. Hanson with any suggestions and noted that Staff should bring a revision of the Work Plan to the next Investment Committee meeting.

6 Discuss and consider Investment Committee Charter

Trustees reviewed possible changes to the Charter based on discussions at the January Board meeting. Committee Chair Van Eenoo noted that there could be a long gap between a Committee decision and full Board approval. Rather than make the Committee a "committee-of-the-whole", direction was to schedule a called Board meeting directly after an Investment Committee meeting where action might be needed immediately, and/or have a one-hour scheduled Investment Committee meeting directly prior to each regularly scheduled full Board meeting.

7 Discuss and consider total portfolio and asset class performance through fourth quarter 2023, including strategy, implementation, and staff reports

Trustees approached this agenda item in three parts: performance, global equity strategy, and global equity Premier List, and noted that Staff reports were included.

During the discussion on fund performance, Trustees asked to be given more top-level reports for performance review. Committee Chair Van Eenoo shared a copy of a report from a different fund that he liked and encouraged other Trustees to send

examples of what they would like to see to Mr. Hanson. Consensus was to have more top-level reports and include the full reports in an appendix or supplemental materials.

The Committee then received a report from Mr. Spencer Hunter of RVK regarding the Global Equity portfolio. Mr. Hunter discussed the current portfolio benchmark and provided recommendations from RVK. Mr. Sinclair moved to utilize the MSCI ACWI IMI for the Global Equity portfolio and remove from policy the underlying regional targets. Ms. Thomas seconded, and the motion passed 4-0. Direction was also given to Staff to propose policy language to clarify the delineation of decisions among Staff, Committee, and Board and to bring the proposal to the Committee for review within the next six months.

Mr. Ty Sorrel reviewed proposed revisions to the Global Equity Premier List with the Committee. Ms. Thomas moved to approve the staff recommendation for the Global Equity Premier List as outlined on page 72.

Mr. Lavine seconded, and the motion passed 4-0.

8 Discuss and consider private markets program including draft strategic plan

Mr. David Kushner presented a draft Private Markets Strategic Plan to the Committee. Mr. Kushner noted that the Strategic Plan was to be a standalone document for the private markets program. He noted that the draft included more policy language than typical private markets plans due to the nascence of COAERS' private markets investment. After discussion, the Committee provided direction to incorporate policy elements of the Strategic Plan into the Investment Policy Statement, with a requirement to review and update annually. Ms. Thomas moved to refer approval of the Private Credit Strategic Plan to the Board as presented. Mr. Sinclair seconded, and the motion passed 4-0.

9 Discuss and consider Investment Practices and Performance Evaluation report

Ms. Marcia Beard of RVK presented the conclusions of the IPPE report. Trustees were supportive of most of the recommendations though there was discussion around both benchmarking and performance relative to peers. Mr. Sinclair moved to recommend that the Board accept the IPPE report. Mr. Dick Lavine seconded, and the motion passed 4-0. Direction was given to Staff to provide a document with Staff's opinion on each recommendation and whether to concur or note any differences of opinion.

Trustees took a break from 12:10 pm to 12:20 pm

10 Discuss and consider review of policy and processes of investment program

Mr. Hanson reported to the Committee that at the direction of the Board, he reached out to various firms for proposals on a separate IPPE report. Mr. Hanson reported that he received two proposals for outside review of the investment program. The Committee discussed whether to proceed with an additional third-party report of the investment program. Based on the thoroughness and independence of the RVK report, both Mr. Van Eenoo and Ms. Thomas agreed it was not necessary at this time to pursue a second opinion of the IPPE report as previously requested.

11 Discuss and consider bids from general investment consultant requests for proposal

The Committee discussed both the process and the scoring for the general investment consultant RFP. Trustees discussed the scoring for the first phase and then combining that score with scoring from the site visits to create an aggregate score before going before the Board for final selection. After discussion, the Committee agreed that the first round of scoring could be done by Staff, and at a natural breaking point, site visit semi-finalists decided. Site visits would be set for 3 Staff and 3 to 4 Trustees. It was noted that the Trustee site visit team would be composed of Committee and non-Committee members. Trustees directed Staff to poll for interest and availability for serving as volunteer for site visits and scoring. Staff was directed to also report back to the Committee at the April meeting with a proposal on how to score the RFP based on the Committee's discussion.

12 Review key meeting takeaways and call for future agenda items

Committee Chair Van Eenoo requested Staff and Consultant incorporate feedback from the Trustees to streamline the Committee packets for better clarity and ensure recommendations are clearly stated and consistent.

As there were no further items to address, the meeting adjourned at 1:23 p.m.

5. Discuss and consider Fixed Income
asset class including Strategic Asset
Allocation and benchmarking

Presented by Ed Van Eenoo

AGENDA ITEM 5:

Discuss and consider Fixed Income asset class including Strategic Asset Allocation and benchmarking

RECOMMENDATION FOR COMMITTEE ACTION

RVK and Staff recommend that the Committee refer to the Board the proposed Fixed Income benchmark and Strategic Asset Allocation structure.

ITEM SUMMARY

This agenda item allows the Committee to review the current benchmark and policy structure of the Fixed Income asset class. RVK will make recommendations related to both of these items, including changing the benchmark to a US focused index and consolidating the allowable ranges around neutral. Staff have additionally provided their perspective in a memo. Any actions taken by the Board related to this item will be incorporated into future Investment Policy Statement recommendations alongside other holistic policy considerations for the investment program.

RELEVANCE TO STRATEGIC PLAN

This agenda item is central to **COAERS Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management.**

ATTACHMENTS

1. RVK Memo: Fixed Income – Benchmark and Structure Review
2. Staff Memo: Fixed Income Benchmark and Structure



Memorandum

To	City of Austin Employees' Retirement System (COAERS)
From	RVK, Inc.
Subject	Fixed Income – Benchmark and Structure Review
Date	April 11, 2024

Background

RVK and Staff continue to review each asset class, their benchmark, and potential considerations for improvements to structure and implementation. The review of the Global Fixed Income portfolio will be a multi-step process, with the focus of the April IC meeting being benchmarking, policy language, and initial discussion relating to potential improvements for consideration.

The current Global Fixed Income portfolio has a policy target allocation of 21% and is benchmarked to the Bloomberg Global Aggregate Bond Index, which is a broad benchmark that includes investment grade securities issued by governments and corporations of developed countries. COAERS' Global Fixed Income portfolio is unique in its construction as it has dedicated mandates within Treasuries (inclusive of numerous duration-specific strategies), Mortgages, and Credit. The current portfolio is and has been historically ~100% allocated to US securities.

Benchmarking Recommendations

	Current Policy Benchmark	Recommended Policy Benchmark
Global Fixed Income	Bloomberg Global Aggregate	Bloomberg US Aggregate

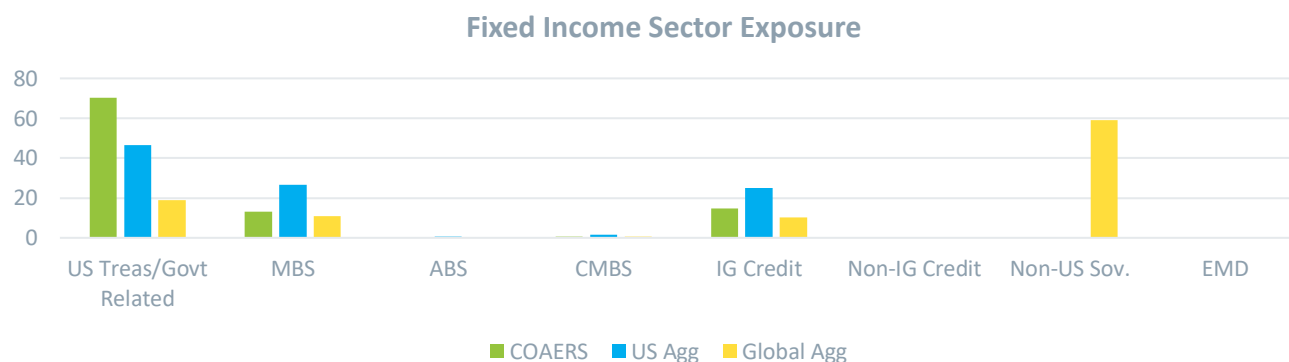
Change to Global Fixed Income Benchmark

After careful review, RVK recommends changing the Fixed Income benchmark to the US-only version of the "Aggregate" suite of options. While exposure outside of the US may be advantageous at times for COAERS and its portfolio, the base-case will almost always be nearly 100% US, particularly considering the purpose of the Fixed Income portfolio and the US Dollar denominated liabilities of the System. Non-US securities would still be an allowable investment, but would be considered an active position and out of benchmark holding. The US Aggregate Bond Index is also the market standard for institutional investors looking to benchmark their core fixed income exposures. As detailed below, the US Aggregate is also a better fit even compared to the current portfolio, with exposures to the three major sectors –



Treasuries, Mortgages, and Credit – being generally aligned with index weights.

Investment Policy Strategic Bands



The current structure of the rebalancing ranges has a combination of both tactical and strategic. As previously discussed with regards to Global Equity, RVK and Staff recommend the removal of the tactical bands from the Investment Policy.

Before:

	Min ^S	Min ^T	Neutral	Max ^T	Max ^S
Global Fixed Income	16%	18%	21%	27%	33%

After:

	Minimum	Neutral	Maximum
Fixed Income	18%	21%	28%

The current Investment Policy also has underlying minimum, neutral, and maximum weights to sub-strategies within Fixed Income. While allowable exposures will be part of future reviews regarding structure and implementation, and ultimately should be monitored and reported on to the Board, we would recommend eliminating sub-strategy targets within the Investment policy statement—similar to the approach taken with Global Equities to simplify policy language.



Additional and Future Considerations

- **Private Credit Allocation:** As the Private Credit portfolio continues to grow towards its 10% Policy Target, it will remain necessary to hold this allocation within the broader portfolio—most likely within a combination of Global Fixed Income and Cash & Equivalents. Once the Private Credit portfolio reaches material size (likely 3-5% of the Total Portfolio), RVK and Staff will bring a recommendation forward to reflect this allocation as a standalone asset class.
- **Fixed Income Structure and Implementation:** The current Fixed Income structure utilizes sector-specific mandates in Treasuries, Mortgages, and Credit, which also requires strategic targets to each of these sectors. There are a variety of different structure and implementation options, ranging from the current partially insourced model, to one that relies more heavily on broader core or core plus mandates with external passive or active managers that will be discussed more thoroughly at a future meeting alongside Staff and RVK implementation recommendations.

The purpose of this memo is to review and opine on RVK's Fixed Income recommendations.

Benchmarking Recommendations

Summary: Staff concur with RVK's recommendation to use the Bloomberg US Aggregate Bond Index as the benchmark for Fixed Income.

Rationale: Staff has independently analyzed various indices and approaches to use in benchmarking the Fund's Fixed Income allocation. Staff agree that the use of the Bloomberg US Aggregate Bonds Index as the benchmark is prudent for a number of reasons, including, but not limited to:

- The Fund's historical and current exposures in Fixed Income are in the US.
- The US Aggregate Bond Index has a number of attractive characteristics relative to the Global Aggregate Bond Index including:
 - Higher yields
 - Lower realized volatility and max drawdowns
 - Less interest rate risk
 - Lower correlations to Global Equities
- Thematically, this approach is similar to the adopted approach in Global Equities, whereby the Board maintains decision making at a higher level.
- Bloomberg is the most widely used index provider for Fixed Income among institutional investors, leading to better "apples to apples" peer comparisons.
- The index is widely representative of the publicly traded, investment grade fixed income market in the US.

Investment Policy Strategic Bands

Summary: Staff concur with RVK's recommended single set of allowable ranges around neutral and elimination of the sub-asset class structure within the Fixed Income asset class.

Staff Preferred Strategic Asset Allocation Structure:

Asset Class	Benchmark	Min	Neutral	Max
Fixed Income	Bloomberg US Aggregate Bond Index	18%	21%	28%

Minimum and maximum ranges only to be used for Market Drift rebalancing

Allowable Ranges: As adopted in Global Equities, Staff believe that using Strategic Asset Allocation guidelines in Fixed Income that simplify allowable ranges and rebalancing authority is prudent to consider. Staff believe that the allocation ranges laid out should be calibrated based on the expected volatility of Fixed Income, with consideration given to their role in the total Fund. Staff has stress-tested these ranges by modeling large moves for Fixed Income while holding the remainder of the Fund constant and by modeling large moves in Global Equities (which Fixed Income is expected to hedge). This stress testing suggests that these allowable ranges provide reasonably consistent exposure to Fixed Income under a variety of scenarios. At such a time that



Staff Memo: Fixed Income Benchmark and Structure

Private Credit reaches a larger, more material allocation in the total Fund, Staff will recommend to the Board reducing this upper bound, likely to 25%.

Fixed Income Sub-Asset Class Structure: Index construction in Fixed Income gives larger weights to the most indebted issuers, which is counterintuitive. As a result, we believe that removing the existing sub-asset classes will allow for manager flexibility in implementing differently than the benchmark. Staff will review options to monitor and report to the Board deviations from the benchmark. Different segments of the Fixed Income universe can exhibit markedly different risk, return and correlation profiles, in contrast to Global Equities where market segments tend to be much more homogeneous. As such, allocating to various sectors can reduce risk or increase returns when compared to the aggregate index.

Implementation: The existing structure with larger allocations to US securities, and US Treasuries specifically, has been additive to the total portfolio. As such, a thoughtful approach to structuring Fixed Income warrants further Committee review about the potential benefits of implementing differently than the benchmark.

Until such time as Staff and Consultant recommend an implementation plan to the new structure, rebalancing will take place only with prior Board approval.



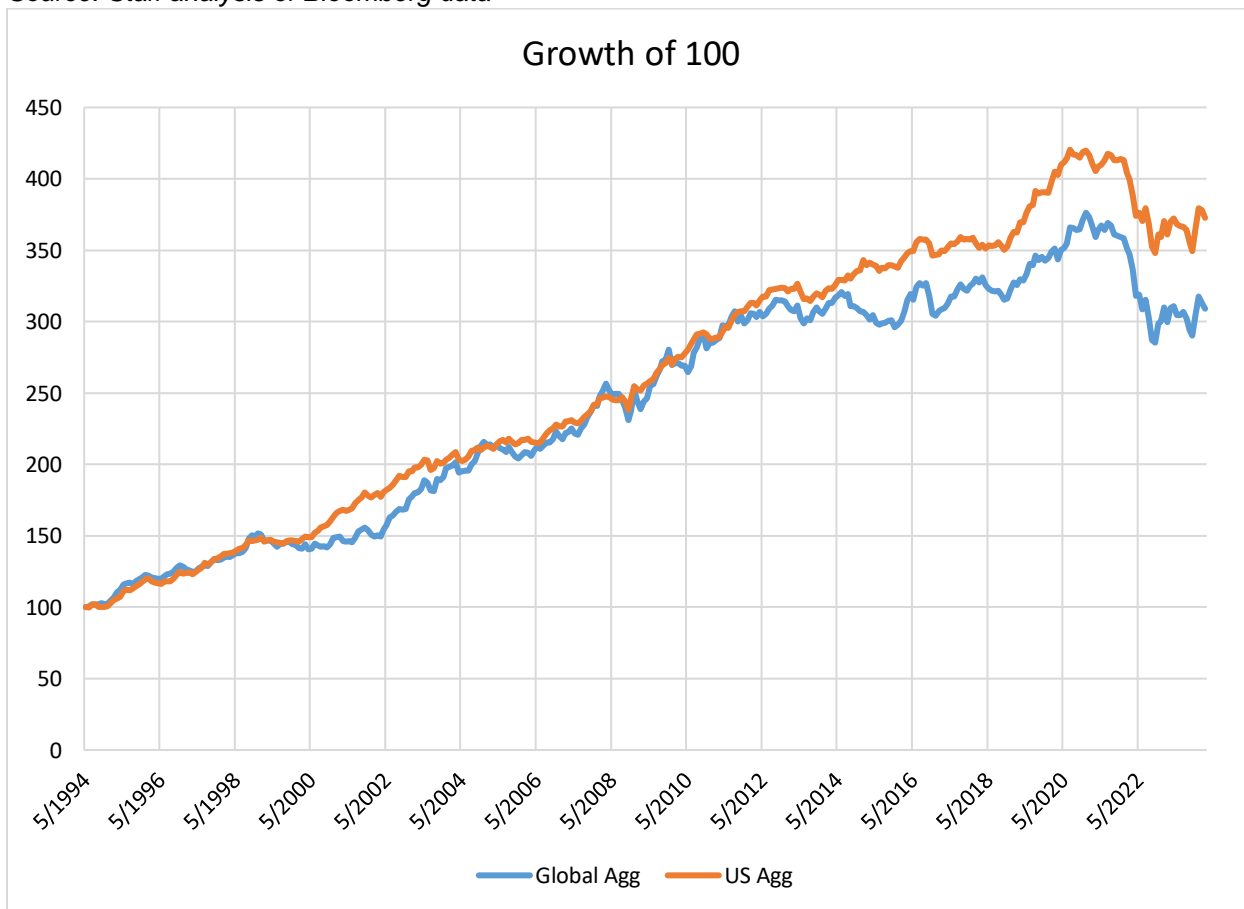
**Staff Memo:
Fixed Income Benchmark and Structure**

Supplemental Analysis

Benchmarks:

5/1994-2/2024	Global Agg	US Agg
Returns	3.87%	4.52%
Risk	5.79%	4.07%
Max Drawdown	-24.19%	-17.18%
Current		
Yield	3.80%	4.92%
OAS	0.40%	0.41%
Duration	6.67	6.24
Average		
Yield	3.47%	4.20%
OAS	0.49%	0.56%
Duration	5.96	5.48

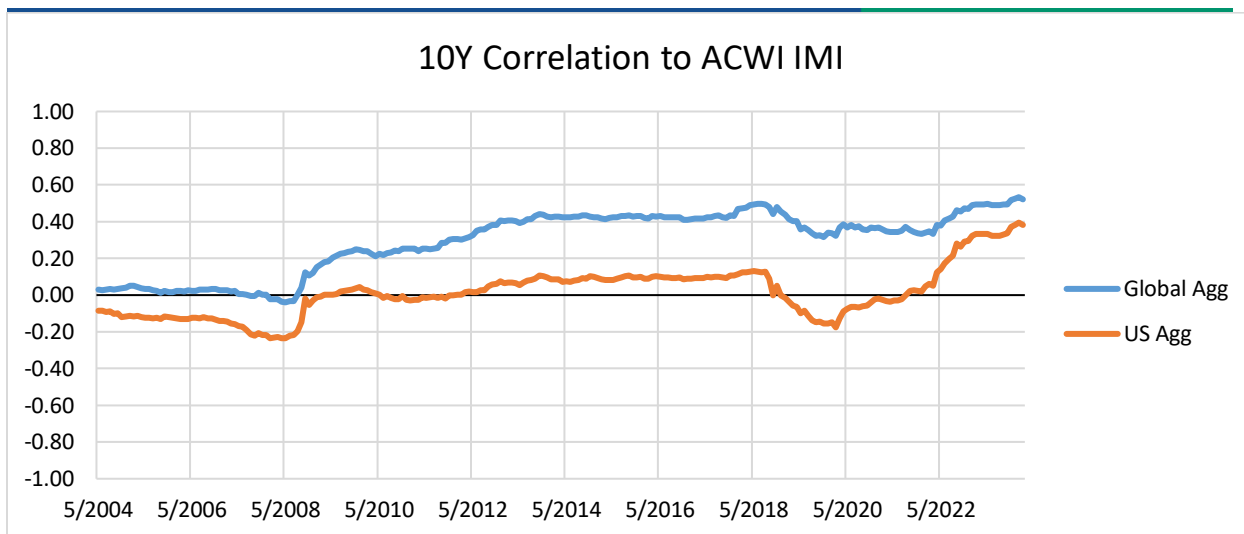
Source: Staff analysis of Bloomberg data



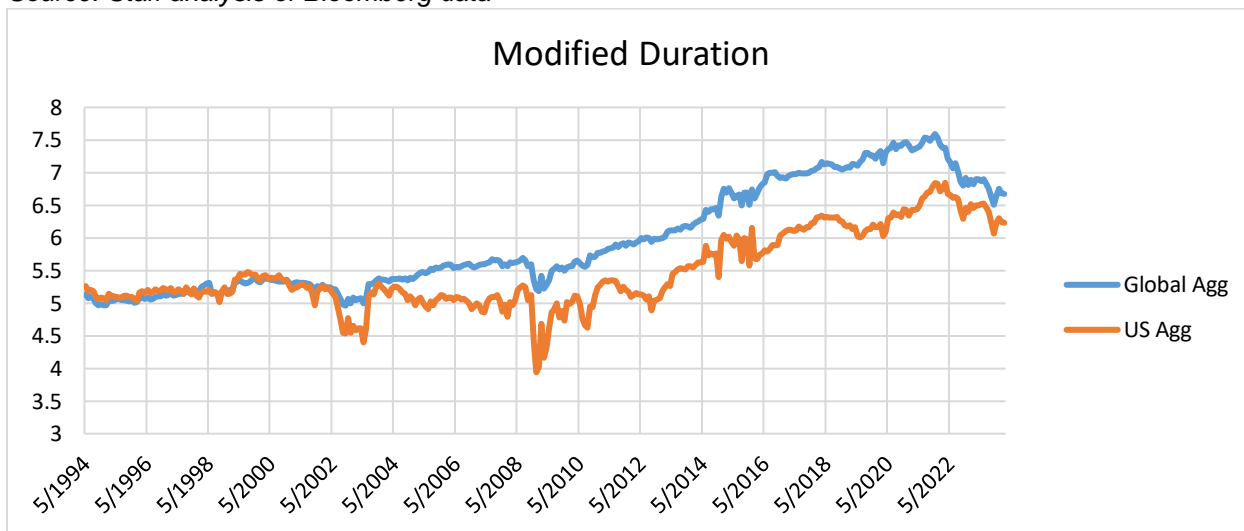
Source: Staff analysis of Bloomberg data



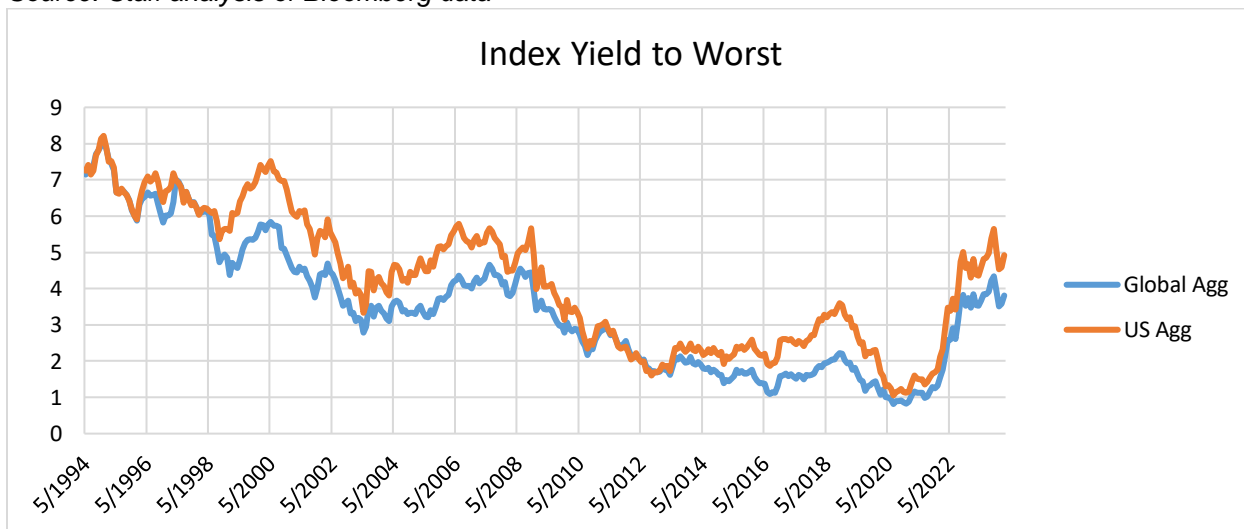
Staff Memo: Fixed Income Benchmark and Structure



Source: Staff analysis of Bloomberg data

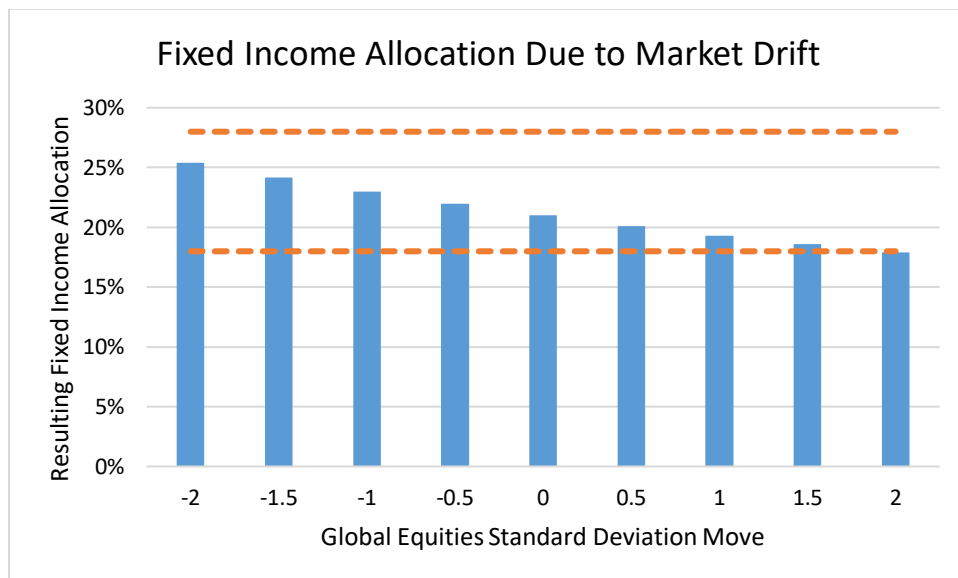


Source: Staff analysis of Bloomberg data

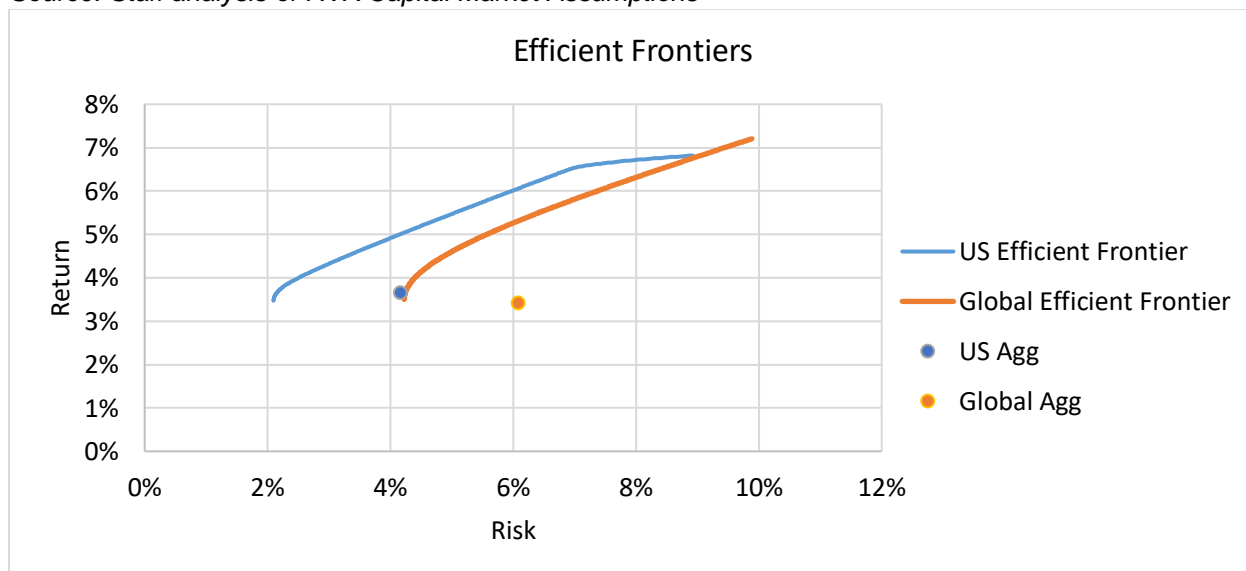


Source: Staff analysis of Bloomberg data

Fixed Income Structure:



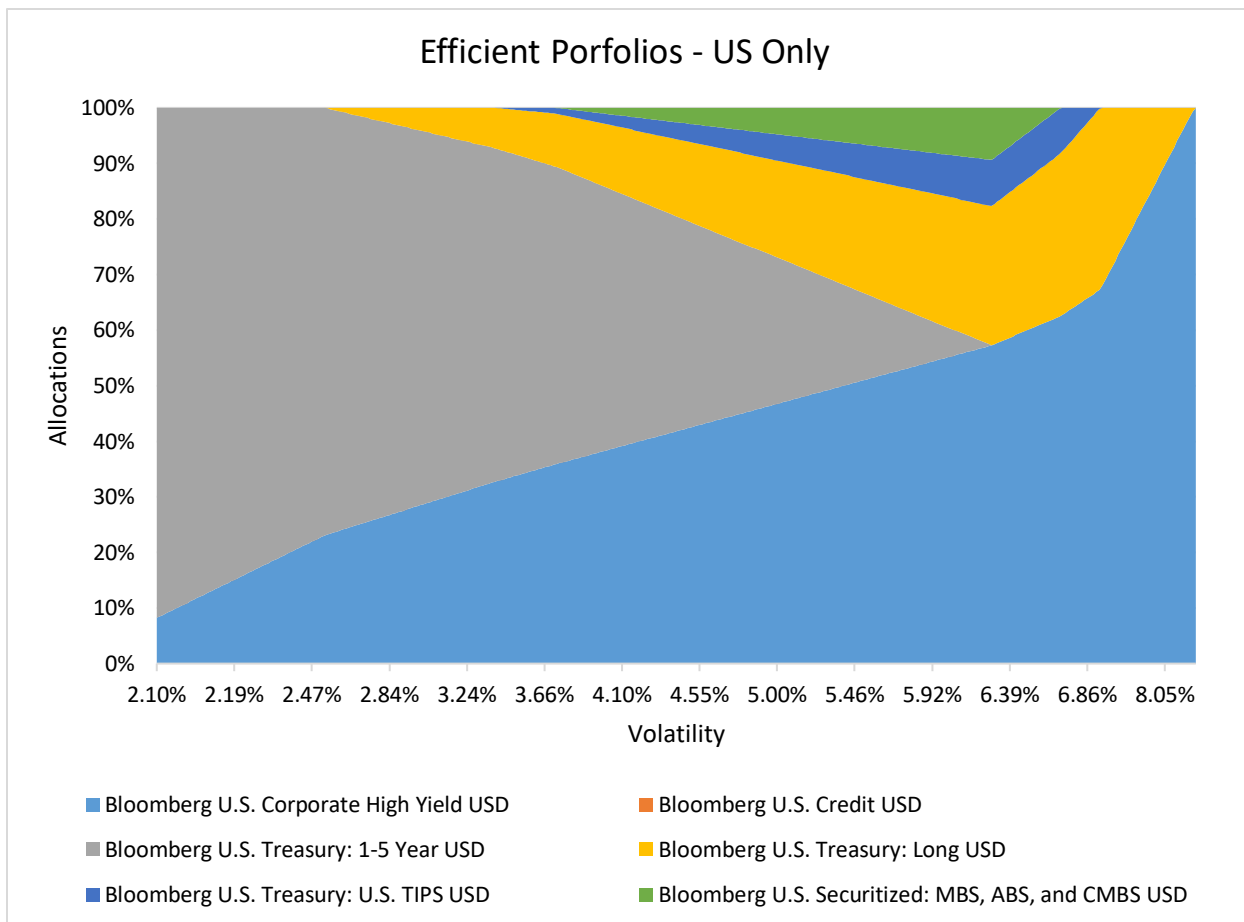
Source: Staff analysis of RVK Capital Market Assumptions



Source: Staff analysis of Caissa optimization data, provided to show potential benefits of sub-asset class allocations

Portfolio	Return	Risk	Ratio
Most Efficient US Portfolio	3.66%	2.15%	1.70
US Aggregate Bond Index	3.65%	4.16%	0.88
Most Efficient Global Portfolio	4.37%	4.72%	0.93
Global Aggregate Bond Index	3.41%	6.08%	0.56

Source: Staff analysis of Caissa optimization data, provided to show potential benefits of sub-asset class allocations



Source: Staff analysis of Caissa optimization data, provided to show potential benefits of sub-asset class allocations

6. Discuss and consider Cash & Equivalents asset class including strategic asset allocation and benchmarking

Presented by Ed Van Eenoo

AGENDA ITEM 6:

Discuss and consider Cash & Equivalents asset class including strategic asset allocation and benchmarking

RECOMMENDATION FOR COMMITTEE ACTION

RVK and Staff recommend that the Committee refer to the Board the proposed Cash & Equivalents benchmark and Strategic Asset Allocation structure.

ITEM SUMMARY

This agenda item allows the Committee to review the current benchmark and policy structure of the Cash & Equivalents asset class. RVK will make recommendations related to both of these items, including maintaining the benchmark index and consolidating the sub-asset classes and allowable ranges around neutral. Staff have additionally provided their perspective in a memo. Any actions taken by the Board related to this item will be incorporated into future Investment Policy Statement recommendations alongside other holistic policy considerations for the investment program.

RELEVANCE TO STRATEGIC PLAN

This agenda item is central to **COAERS Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management.**

ATTACHMENTS

1. RVK Memo: Cash & Equivalents – Benchmark and Structure Review
2. Staff Memo: Cash & Equivalents Benchmark and Structure



Memorandum

To	City of Austin Employees' Retirement System (COAERS)
From	RVK, Inc.
Subject	Cash & Equivalents – Benchmark and Structure
Date	April 11, 2024

Background

RVK and Staff continue to review each asset class, their benchmark, and potential considerations for improvements to structure and implementation. The review of the Cash & Equivalents portfolios will be a multi-step process, with the focus of the April IC meeting being benchmarking, policy language, and initial discussion relating to potential improvements for consideration.

The current Cash & Equivalents portfolio has a policy target of 1% and is benchmarked to the Bloomberg US T-Bills 1-3 Month Index. RVK does not recommend any change to this benchmark. Currently, the portfolio has exposure to a variety of short-duration strategies, including 1-3 month Treasury mandates, money market funds, and non-US short-term sovereigns.

Benchmarking Recommendations

	Current Policy Benchmark	Recommended Policy Benchmark
Cash & Equivalents	Bloomberg US T-Bills 1-3 Month	

Investment Policy Strategic Bands

Before:

	Min ^S	Min ^T	Neutral	Max ^T	Max ^S
Cash & Equivalents	-10%	-5%	1%	5%	10%

After:

	Minimum	Neutral	Maximum
Cash & Equivalents	0%	1%	10%

The current Investment Policy also has underlying minimum, neutral, and maximum weights to sub-



strategies within Cash & Equivalents. While allowable exposures will be part of future reviews regarding structure and implementation, and ultimately should be monitored and reported on to the Board, we would recommend eliminating sub-strategy targets within the Investment policy statement—similar to the approach taken with Global Equities to simplify policy language.

Additional and Future Considerations

- **Leverage/Cash & Equivalent Minimum Allocation:** The current minimum strategic allocation to Cash & Equivalent is -10%, which implies the option to use leverage within the Total Portfolio. RVK's recommended approach moving forward is to remove the potential use of leverage as it has never been used historically and is very unlikely to be used moving forward. The use of leverage was intended to potentially increase the risk/return of the total portfolio, rather than utilizing private markets to achieve similar results. As private markets exposure continues to grow, the benefit of total portfolio leverage is reduced.



Cash Benchmark and Structure: Staff Memo

The purpose of this memo is to review and opine on RVK's Cash and Equivalents recommendations.

RVK Benchmarking Recommendations

Summary: Staff concur with RVK's benchmarking recommendation to continue to use the Bloomberg US T-Bills 1-3 Month Index.

Rationale: Treasury bills have long been considered the "risk-free" asset and represent a reasonable benchmark for Cash & Equivalents which are expected to maintain stable values. The index recommended is reasonable in our view as it consists of short dated, highly liquid treasury bills and is one of the most widely used for this purpose.

RVK Investment Policy and Strategic Bands Recommendations

Summary: Staff concur with RVK's recommended single set of allowable ranges around neutral and elimination of the sub-asset class structure for Cash & Equivalents.

Staff Preferred Strategic Asset Allocation Structure:

Asset Class	Benchmark	Min	Neutral	Max
Cash & Equivalents	Bloomberg US T-Bill 1-3 Month Index	0%	1%	10%

Minimum and maximum ranges only to be used for Market Drift rebalancing

Rationale: Given the lack of use of total Fund level leverage historically and the focus on improving the Fund's Strategic Asset Allocation through the use of private markets exposures, Staff does not believe that the negative lower bound for cash (permitting Fund level leverage) adds much value to the Fund. As such, we believe that a 0% lower bound for Cash & Equivalents is reasonable. The neutral 1% allocation to cash equates to approximately 12 months of required operating needs and benefit payments. Staff believe that codifying elsewhere in policy minimum cash levels, which are tied to monthly cash needs for operating and benefits payments, would be prudent to consider.

Unlike in most other asset classes whereby the allowable ranges are calibrated based on expected volatility, ranges for Cash & Equivalents should follow a different approach as these investments are expected to exhibit very low (or no) volatility. Staff believe that maintaining the upper bound at 10% is prudent given current market conditions and the ongoing work to transition to the new Strategic Asset Allocation. As such, Staff expect to potentially recommend reductions to the upper bound as part of upcoming implementation plans related to Private Credit and phased transitions to the new Strategic Asset Allocation.



Cash Benchmark and Structure: Staff Memo

Similar to the approach in Global Equities, Staff believe that simplifying Cash & Equivalents by eliminating the existing sub-asset classes of US Dollar Instruments and Foreign Currencies would help simplify the Strategic Asset Allocation. As RVK notes, any exposure to foreign currencies should be considered as out-of-benchmark and maintaining the flexibility to do this would be prudent. For example, current exposures to foreign currencies have provided higher yields than those available in the US. As approved in Global Equities, Staff intends to bring back guidelines for Board consideration to ensure that these exposures are reported on and monitored elsewhere in policy.

7. Discuss and consider general investment consultant Request for Proposals including:

A. Results of scoring submitted bids

B. Total scoring process and next steps

Presented by Ed Van Eenoo

7A. Results of scoring submitted bids -
David Kushner



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 7:

Discuss and consider general investment consultant Request for Proposals including:

A. Results of scoring submitted bids

AGENDA ITEM OBJECTIVE

This item is for the Committee to review Staff's recommendations for semi-finalists for General Investment Consulting Services.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion. Staff recommendation is included in the Staff memo.

ITEM SUMMARY

At its December meeting, the Board approved the issuance of a Request for Proposal for General Investment Consulting Services. COAERS received seven responses by the deadline of February 9. All firms met the minimum qualifications. Staff will provide an update on the scoring process.

RELEVANCE TO STRATEGIC PLAN

This agenda item is central to COAERS Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management. It is considered a best practice to periodically review major service providers, including consulting relationships.

ATTACHMENTS

1. General Investment Consultant RFP Staff Memo (confidential)
2. General Investment Consultant Staff Scoring matrix (confidential)
3. General Investment Consultant Bidder Tear Sheets (confidential)

SUPPLEMENTAL MATERIALS

Each bidder's full RFP materials, executive summary, and submitted exceptions are included in the supplemental committee materials.



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 7:

Discuss and consider general investment consultant Request for Proposals including:

B. Scoring process and next steps

AGENDA ITEM OBJECTIVE

This item is for the Committee to consider the proposed scoring process for the first two phases of the RFP and review the next steps of the RFP process.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion. Staff recommendation is in the provided memo.

ITEM SUMMARY

At its December meeting, the Board approved the issuance of a Request for Proposal for General Investment Consulting Services. COAERS received seven responses by the deadline of February 9. All firms met the minimum qualifications. Staff will provide options for the RFP scoring process and review the next steps in the RFP.

RELEVANCE TO STRATEGIC PLAN

This agenda item is central to COAERS Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management. It is considered a best practice to periodically review major service providers, including consulting relationships.

ATTACHMENT

1. Staff Memo: RFP Scoring Options and Next Steps

8. Review key meeting takeaways and call for future agenda items

Presented by Ed Van Eenoo



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 8: Call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.