
September 27, 2023 Board of Retirement Regular Meeting

SBCERS Board Room, 130 Robin Hill Road, Goleta, CA 93117

The Santa Barbara County Employees' Retirement System is committed to:

- *fulfilling its fiduciary responsibility by providing the highest quality of service to all members and plan sponsors; and*
 - *protecting promised benefits through prudent investing; and*
 - *ensuring reasonable expenses of administration.*

Minutes

Roll Call at 9:08 a.m.

Members Present: Benedetti, Cholmondeley, Daly, Lee, Hagen, Sten, Uhl

Members Absent: Lavagnino, Vidal

Alternate Present: Blair

Alternate Absent: Tan

Counsel Present: Blakeboro, Rodriguez

Clerk Present: Couture

Trustee Daly chaired the meeting. Trustee Vidal arrived at 9:09 a.m. Trustees Benedetti, Uhl, and Vidal left the meeting at 1:20 p.m.

Public Comment

Trustees Benedetti, Uhl, and Lee commented on the Principles of Pension Governance for Trustees by CALAPRS.

Minutes

Approve Minutes of the August 23, 2023 Regular Board meeting.

Motion: Approve Minutes of the August 23, 2023 Regular Board meeting.

Motion moved by Hagen and motion seconded by Sten. Approved by voice vote.

Yes: Benedetti, Cholmondeley, Daly, Lee, Hagen, Sten, Uhl, Vidal. Absent: Lavagnino

1. Consent

1.1. Adopt Retirement Report

Approve Retirement Report.

1.2. Trustee Training Opportunities

Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

DISCUSSION: CEO Gregory Levin and Counsel Blakeboro responded to questions from the Board.

MOTION: Approve items C-1 and C-2.

Motion moved by Cholmondeley and motion seconded by Lee. Approved by voice vote. Yes: Benedetti, Cholmondeley, Daly, Lee, Hagen, Sten, Uhl, Vidal. Absent: Lavagnino

2. Disability Retirement – Closed Session

2.1. Mark Grunewald, Applicant for Service-connected Disability Retirement.

Deny the application of Mark Grunewald for service-connected disability retirement, subject to timely requested hearing by an interested party.

DISCUSSION: Disability Retirement Analyst Danielle Azoury presented the item. The Applicant was present and addressed the Board. General Counsel Blakeboro and Deputy General Counsel Rodriguez responded to question from the Board.

MOTION: Refer the application of Mark Grunewald for all matters to hearing.

Motion moved by Sten and motion seconded by Benedetti. Approved by voice vote.

Yes: Benedetti, Cholmondeley, Daly, Lee, Hagen, Sten, Uhl. Absent: Lavagnino, Vidal

2.2. Edward Moss, Applicant for Service-connected Disability Retirement.

Adopt the proposed Findings of Fact, Conclusions of Law, and Decision granting Edward Moss a service-connected disability retirement.

DISCUSSION: Disability Retirement Analyst Danielle Azoury presented the item.

MOTION: Adopt the proposed Findings of Fact, Conclusions of Law, and Decision granting Edward Moss a service-connected disability retirement.

Motion moved by Uhl and motion seconded by Sten. Approved by voice vote.

Yes: Benedetti, Cholmondeley, Daly, Lee, Hagen, Sten, Uhl, Vidal. Absent: Lavagnino

2.3. Receive and file Disability Retirement Monthly Status Report.

Receive and file Disability Retirement Monthly Status Report.

DISCUSSION: Disability Retirement Analyst Danielle Azoury presented the item.

The Board took no action.

3. Investments

3.1. CLOSED SESSION - Conference with Staff, Consultants and Investment Manager Marathon Asset Management to Consider Purchase of Particular, Specific Pension Fund Investments

(Government Code Section 54956.81).

(Marathon Dislocation Credit Fund II).

DISCUSSION: Joe Ledgerwood and Marcia Beard of RVK, Inc. presented the item and responded to questions from the Board.

OPEN SESSION

Deputy General Counsel Rodriguez announced the Board met in Closed Session to discuss items 2.1, 2.2, 2.3, and 3.1. With regard to item 3.1, the Board voted to approve the investment of \$25 million to Marathon Dislocation Credit Fund II and authorize the CEO to negotiate and execute a written agreement with Marathon. With regard to item 2.1, the Board voted to refer the disability application of Mark Grunewald to hearing on all issues. For item 2.2, the Board took action consistent with staff recommendation. The Board took no action on item 2.3.

3.2. Market Update and August 31, 2023 Performance Analysis

Presentation by Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer, CFA of RVK, Inc. on World Market Activities and August 31, 2023 performance.

DISCUSSION: Matthias Bauer and Marcia Beard presented the item and responded to questions from the Board.

The Board took no action.

3.3. Investment Consultant Oversight Review

Presentation by SBCERS Investment Officer Rebecca M. Valdez on the Consultant Oversight review.

DISCUSSION: Rebecca M. Valdez presented the item and responded to questions from the Board.

The Board took no action.

3.4. China Equity Education Panel

Discussion panel with Mike Trovato, CFA, Director at Wellington Management; Allen Pu, PhD, CFA, Deputy Head of Portfolio Management, North America at DFA; and Alissa Howard, CAIA, Institutional Portfolio Manager at RBC.

DISCUSSION: SBCERS Investment Officer Rebecca M. Valdez introduced the item. Mike Trovato, Allen Pu, and Alissa Howard presented the item and responded to questions from the Board.

The Board took no action.

3.5. China Equity Discussion with Insights on Divestment

Presentation by RVK, Inc. Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer on China Equity and insights on divestment.

DISCUSSION: Marcia Beard, Matthias Bauer, and Joe Ledgerwood presented the item and responded to questions from the Board. Allen Pu, PhD, CFA, Deputy Head of Portfolio Management, North America at DFA, also responded to questions from the Board.

The Board took no action. In response to Board discussion, the Chair *pro tem* directed staff to place on the agenda of the next regular Board meeting an item to consider whether to divest the SBCERS portfolio from investments in China.

4. Board

4.1. CEO Operations Report

Presentation by Gregory Levin, SBCERS CEO, on significant operational activities of SBCERS.

DISCUSSION: CEO Gregory Levin presented the item and, along with SBCERS Member Services Director Rebekah Bardakos, responded to questions from the Board.

The Board took no action. Meeting adjourned at 2:10 p.m.

Clerk

Chair

Secretary