

**STATE COMPENSATION INSURANCE FUND
INVESTMENT AND RISK COMMITTEE**

MINUTES OF OPEN SESSION MEETING

November 14-15, 2018

The Investment and Risk Committee met on November 14-15, 2018 at the State Fund Pleasanton Office, 5890 Owens Drive (Atlantic and Pacific rooms), Pleasanton, California.

November 14, 2018

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:30 a.m. and the following Members were present: Chair Sen. Michael J. Machado (Ret.); Marvin P. Kropke; Jack L. Neureuter; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 2: ANTITRUST ADMONITION

Senator Machado called attention to and requested acknowledgment that the Investment and Risk Committee members read State Fund's Antitrust Admonition included in each Committee member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

3a. Approval of August 15, 2018 Open Meeting Minutes

3b. Approval of Investment Transactions

- i. Bond Transactions
- ii. Compliance Report

3c. Review and Approval of 2019 Investment and Risk Committee Meeting Schedule and Location

3d. Review and Approval of 2019 Investment and Risk Committee Agenda Items

3e. Approval of Investment Policy Statement and Guidelines

Sen. Machado asked Chief Investment Officer Stephanie Chan if there was any new information from the time the report was published. Ms. Chan reported that the Montefiore

Medical Center bond was added to the compliance report during this quarter. Along with the other pre-refunded securities listed in the report, this Montefiore Medical Center bond no longer has any rating because the ratings were dropped by the issuer after the security has been refunded. Also, all of the pre-refunded securities are backed by a sinking fund of Treasury bonds.

Sen. Machado asked whether any Committee member had any comments on the items on the Consent Calendar of which there were none. Sen. Machado called for a Motion.

MOTION: Mr. Zachry

SECOND: Mr. Kropke

To approve the Consent Calendar as presented.

Sen. Machado requested public comment of which there was none. Sen. Machado called for the vote.

YES: 4

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 7 THROUGH 12

Sen. Machado requested public comment on the appropriateness of Closed Session Agenda Items 7 through 12, of which there was none.

AGENDA ITEM 5: PUBLIC COMMENT

Sen. Machado requested other public comment, of which there was none.

Sen. Machado noted that the Committee would now go into Closed Session.

The Investment and Risk Committee immediately convened into Closed Session at 10:35 a.m.

November 15, 2018

AGENDA ITEM 13: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:00 p.m. and the following Members were present: Chair Sen. Michael J. Machado (Ret.); Marvin P. Kropke; Jack L. Neureuter; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Information Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 14: COMMITTEE MEMBER PRESENTATIONS

Sen. Machado requested presentations from the Committee members, of which there were none.

AGENDA ITEM 15: PROPOSALS AND SUGGESTIONS FOR FEBRUARY 13-14, 2019 AGENDA

Sen. Machado requested suggestions for agenda items for the February 13-14, 2019 Investment and Risk Committee meeting other than the standing agenda items. Ms. Padua noted that the proposed agenda items are for Closed Session. Sen. Machado further requested for additional agenda items, of which there were none.

Sen. Machado requested public comment, of which there was none, and he noted that the next Investment and Risk Committee meeting is scheduled for February 13-14, 2019 at the State Compensation Insurance Fund Office, Pleasanton, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Investment Committee, the meeting adjourned at 1:05 p.m.

Respectfully submitted,

Hilda B. Padua
Board Liaison and Assistant Corporate Secretary