

**Peralta Community College District
Retirement Board Meeting Minutes
December 12, 2024**

Present Board Members: William (Bill) Withrow (Chair), William (Bill) Riley, Meredith Brown, Andrea Epps
 Absent Board Members: Greg Nelson,
 Absent Advisory Members: Michael Wirth, Jerry Hermann, Michael Mills; Jade Turner-Bond, Nixon Peabody LLP
 Present Advisory Members: Tim Hackett,

Present Board Advisors: Christine Williams, Cannistra, Neuberger Berman; Ed Berman, Neuberger Berman; Sultan Khan, Neuberger Berman; Carlos Torres, Neuberger Berman

Agenda Item	Discussion	Follow-Up Action
I. Call to order	Meeting called to order at 4:00p.m.by Chair Withrow.	
II. – VI.	Board Members, Advisory Members, Advisors present and absent – listed above.	
VII. Approval of Agenda	Motion to approve December 12, 2024, meeting agenda. Approved. AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2	
VIII. Approval of Meeting Minutes	Motion to approve November 21, 2024, minutes. Approved. AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2 Board Member Attorney Brown joined the meeting after the votes had concluded	

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Sultan Khan, CFA, Senior Vice President/Co-Head of the Investment Strategy Group and responsible for leading a team of investment strategist focused on advising institutional and high-net-worth clients on customized asset allocation and portfolio implementation decisions **presented** “Private Equity 101” and “NB-Peralta Asset Liability Study”

Lisel Wells, Retired Navy Captain, Nixon Peabody LLP - **presented** “In Pursuit of Transparency “Highlights of the Ralph M. Brown Act.

Action Items: (1). Vincent McCarley and Dave Olson, Senior Managing Consultant, Backstrom McCarley and Berry & Co. LLC presented 2023-2024 Bond Debt Service payment request for 10.3 million (motion passed)

District request by **Chancellor Gilkerson and Deputy Chancellor and COO, Greg Nelson** for reimbursement of \$8,487,439.00 retiree health benefits from the OPEB Retiree Medical Trust I. (motion passed)

Closed Session:

- **Asset Liability Study** presented by **Sultan Khan**, CFA, Senior Vice President/Co-Head of the Investment Strategy Group, **Yazhong Wang**, Client Strategist, Senior Vice President, and **Zhengyang Lu**, Managing Director, Neuberger Berman Specialty Finance Team,
- Adoption of 2025 guideline changes of the Ralph M. Brown Act as recommended by the Retirement Board’s legal counsel Jade Turner-Bond, Nixon Peabody LLP, Janelle Walker, Nixon Peabody LLP and Lisel Wells, Nixon Peabody LLP.

Conclusion: Executive Administrator’s “End of Year Report” – The Board has successfully met and conducted business on behalf of Retirees for Trust I and Trust II. The Board’s fiduciary oversight remains consistent with prudent best practices and in the best interest of retiree stakeholders. The Board invited industry experts to ensure compliance and to provide guidance while improving operations and maximizing stakeholders’ benefits.

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<p>XII. Meketa Investment Group Investment Performance Review</p>	<p>Retirement Board Member Dr. Bill Riley commented that 2024 had ended successful and made the remark “well done”. He also stated that the asset liability report would be a great help in determining the future of Trust I based on current withdrawals and year over year returns.</p> <p>Retirement Board Chair, Bill Withrow provided an update on Trust II. The current market value as of October 31, 2024, \$1,464,902. Prior market value as of performance date July 31, 2024, was \$1,438,991. New Investment - Global Equity Portfolio Change “DFA Small Cap Value”. As of October 31, 2024, the fiscal year-to-date period, the portfolio gained 4.3%. This outperformed the benchmark by 40 basis points (3.9%) during the period. The portfolio gained 23.0% over the trailing one-year period, outperforming the policy benchmark by 40 basis points (22.6%) during the period. Benchmark History: Total Plan net of fees: 03/01/2019 PRESENT 35.0% Blmbg. U.S. Aggregate Index, 53.0% MSCI AC World IMI Index (Net), 5.0% 50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans, 7.0% 90 Day U.S. Treasury Bill Inflation hedges: 03/01/2019 Present 23.0% MSCI U.S. REIT Index (Net), 8.0% \$ MSCI AC World Energy Index (Net), 8.0% MSCI U.S. IMI Materials 25/50 Index (Net), 15.0% FTSE Gold Mines Index (Price), 46.0% Blmbg. U.S. TIPS Index</p>	
<p>XIII. Neuberger Berman Investment Performance Review</p>	<p>Ms. Cheryl Cannistra shared Neuberger Berman’s success obtaining “2023 Best-In-Class Place to Work” Ms. Cannistra talk about the achievement and how it has inspired the company to continue open lines of communication within the organization. Ms. Cannistra said the company’s success is based on feedback from employees. The company remains employee owned.</p> <p>Mr. Sultan Khan and team prepared an implementation presentation for discussion to illustrate the importance of the implementation request “Investment Performance Update “12.6.2024 Implementation” Total portfolio current value as of December 6, 2024, was 190,262,172 and updated value after \$8,063,687 benefits reimbursement payment causing a new market value of \$182,198,485. Market Rallied on Trump Presidency: Equity markets specifically US Small Caps and Value stocks, rallied after Trump won the Presidency accompanied with Republican control of both chambers of Congress. Equity markets broaden in November. On a YTD basis, the largest stocks in the meantime, S&P 500 Index, account for 49% of the gains.</p>	

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	<p>Fixed Income - We are at-target on investment grade bonds given full valuations, but the soft-landing outlook and debt sustainability concerns make us cautious on longer dated bonds. Upgraded our view on Emerging Market Debt has increased attractive yields amid the global rate cutting cycle. Equities – We remain at-target across equities with an overview view on higher quality U.S. Small Cap. We anticipate a further broadening of equity market performance as rate cutting is underway, but larger companies are both fully valued and less sensitive to rate changes. Alternatives – A target view on commodities given slowing global demand prevents us from maintaining an overweight view. Underweight to Hedged Strategies to emphasize our stance of maintaining exposure to equity and fixed income markets in the current environment. Opportunities exist within private equity secondaries and co-investments, but primary buyouts are beginning to look more attractive against the backdrop of declining rates.</p> <p>Private Equity 101 – Typically, 8+ year’s investment, estimated fair value on quarterly basis, transparency can be limited, managed on a cash return basis, highly active in value creation. Total Private Equity fund market size (AUM trillion). Companies are staying private longer and early-stage growth and is moving to the private side creating significant value potential for investors Pre-IPO. Mr. Khan presented the advantages and the risk. He concluded with the most meaningful performance measure being the total value generated over the life of PE. Investor assets in Private Equity are expected to go up by 110% from 2020-2025.</p>	
<p>XIV. Schedule Future Board Meetings</p>	<p>The next Retirement Board meeting is scheduled for January 30, 2025, via Zoom and in person DGS Conference Room 1 333 East 8th Street Oakland, CA 94606 From: 3 p.m. to 6 p.m.</p>	
<p>XV. Adjournment</p>	<p>After determination that all Retirement Board business had concluded Retirement Board Chair Bill Withrow adjourned the meeting at 5:10pm</p>	

Minutes taken: Christine Williams

Meeting Minutes and Agendas are posted on the Retirement Board website: <http://web.peralta.edu/retirement-board>.