



# San Joaquin County Employees Retirement Association

---

## MINUTES

**REAL ESTATE COMMITTEE QUARTERLY MEETING  
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
BOARD OF RETIREMENT  
FRIDAY, JANUARY 11, 2019  
AT 8:04 AM**

Location: SJCERA Conference Room  
6 S. El Dorado Street, Suite 400, Stockton, California

### 1.0 ROLL CALL

**1.01 MEMBERS PRESENT:** Ray McCray, J.C. Weydert, Margo Praus and Michael Restuccia presiding

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Chief Executive Officer Johanna Shick, Chief Investment Officer Nancy Calkins, Management Analyst III Greg Frank, and Retirement Administrative Assistant Andrea Bonilla

**OTHERS PRESENT:** Deputy County Counsel Jason Morrish, David Sancewich and Ryan Lobdell of PCA, and Thomas Hester of StepStone (via phone)

### 2.0 APPROVAL OF MINUTES

**2.01** Approval of the Minutes for the Real Estate Committee meeting of September 11, 2018

**2.02** The Committee voted unanimously (4-0) to approve the Minutes of the Real Estate Committee Meeting of September 11, 2018 (Motion: McCray; Second: Weydert).

### 3.0 QUARTERLY REPORT FROM THE REAL ESTATE CONSULTANT FOR THE PERIOD ENDED JUNE 30, 2018

**3.01** Real Estate Quarterly Performance Measurement Report - Executive Summary

**3.02** Real Estate Quarterly Performance Measurement Report - Investment Summary

**3.03** StepStone provided quarterly highlights on SJCERA's real estate investments and were available to answer questions.

From the executive performance summary, the real estate portfolio market value was \$330 million, which equates to 11.4% of total plan assets. The entire real estate portfolio had a net-of-fees return of 3.2% for the quarter and 9.3% for the trailing one-year period while the portfolio blended benchmark returned 2.9% and 8.2%, respectively.

The private portion of the real estate portfolio had a net-of-fees return for the quarter of 3% while the one-year return was 9.8%. The benchmark returned 2.1% for the quarter, while the one-year return was 8.5%.

**3.04** Committee accepted and filed the reports.

### 4.0 INVESTMENT MANAGER FEE ANALYSIS

**4.01** Presentation from StepStone regarding Gross to Net Spread Fee Analysis

**4.02** The Committee requested this report be provided annually.

### 5.0 REPORTS ON MANAGER ANNUAL MEETINGS

- 5.01 StepStone memo on annual meeting with Miller Global - January 17, 2017
- 5.02 StepStone memo on annual meeting with Angelo Gordon - November 10, 2017
- 5.03 StepStone memo on annual meeting with Almanac Realty - May 1, 2018
- 5.04 StepStone memo on annual meeting with Principal Real Estate - May 29, 2018
- 5.05 StepStone memo on annual meeting with Walton Street - June 4, 2018
- 5.06 StepStone memo on annual meeting with DWS - June 13, 2018
- 5.07 StepStone memo on annual meeting with Prologis - August 8, 2018
- 5.08 StepStone memo on annual meeting with Prologis - September 26, 2018
- 5.09 StepStone memo on annual meeting with DWS - November 28, 2018
- 5.10 StepStone memo on annual meeting with Greenfield Partners - November 28, 2018
- 5.11 StepStone memo on annual meeting with Walton Street - December 7, 2018


## 6.0 COMMENTS

- 6.01 Trustee McCray requested additional explanation of why Almanac VI's performance is third quartile, when their net IRR of 14.2% outperformed their target of 12%.
- 6.02 Trustee Restuccia asked for additional explanation of the "Other" category in the Portfolio Property Type Diversification and suggested the composition of "Other" be footnoted in the future.
- 6.03 Trustee Weydert asked for additional explanation of the leverage ratio on Greenfield Acquisition VIII.

## 7.0 ADJOURNMENT

- 7.01 There being no further business, the meeting was adjourned at 9:23 a.m.

Respectfully submitted:



---

Michael Restuccia, Chair  
Real Estate Committee