



# San Joaquin County Employees Retirement Association

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## MINUTES

### REAL ESTATE COMMITTEE QUARTERLY MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT

FRIDAY, JUNE 7, 2019

AT 8:30 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

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

**OTHERS PRESENT:** Deputy County Counsel Jason Morrish, and Thomas Hester StepStone

#### 2.0 APPROVAL OF MINUTES

**2.01** Approval of the Minutes for the Real Estate Committee meeting of March 8, 2019

**2.02** The Committee voted unanimously (4-0) to approve the Minutes of the Real Estate Committee meeting of March 8, 2019 (Motion: McCray; Second: Praus)

#### 3.0 QUARTERLY REPORT FROM THE REAL ESTATE CONSULTANT FOR THE PERIOD ENDED DECEMBER 31, 2018

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

**3.02** Real Estate Quarterly Performance Monitoring Report - Investment Summary and Activity Statements

**3.03** Commercial Mortgage Portfolio

**3.04** StepStone provided quarterly highlights on SJCERA's real estate investments and answered various questions on the real estate market outlook.

From the executive performance summary, the real estate portfolio market value was \$320 million, which equates to 11% of total plan assets. The entire real estate portfolio had a net-of-fees return of -0.8% for the quarter and 4.4% for the trailing one-year period while the portfolio blended benchmark trailed by -0.1% for the quarter and returned 5.1% for the trailing one-year period, respectively.

The private portion of the real estate portfolio had a net-of-fees return for the quarter of 0.5%, while the one-year return was 7.1%. The benchmark returned 1.8% and 8.4%, respectively.

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

#### 4.0 COMMENTS

**4.01** Trustee McCray expressed concern that the Real Estate portfolio was not performing as well as expected. The committee requested StepStone evaluate the portfolio's performance and pacing, identify opportunities for improvement, and ensure that any proposed changes support the outcome of Meketa's Asset Liability Study.

- 4.02** Trustee Restuccia requested clarification of the acronyms used in StepStone's reports. Staff will include the glossary/definition of terms in future meeting materials.
- 4.03** The Committee requested StepStone indicate risk type (Core, Value or Opportunistic) on the "Since Inception Top Performing Managers" report (Pg. 8 of Executive Summary).

## **5.0 ADJOURNMENT**

- 5.01** There being no further business, the meeting was adjourned at 9:21 a.m.

Respectfully submitted:



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Michael Restuccia, Chair  
Real Estate Committee