



## Legislation Details (With Text)

**File #:** 170755. **Version:** 1 **Name:**  
**Type:** Discussion Item **Status:** Passed  
**File created:** 1/17/2018 **In control:** Board of Trustees/General Employees' Pension Plan  
**On agenda:** 2/1/2018 **Final action:** 1/23/2018  
**Title:** Parametric Portfolio Associates, L.L.C. Investment Management Services for the City of Gainesville General Employees' Retirement Plan (B)

Board of Trustees for the Gainesville General Employees' Retirement Plan to approve hiring an investment manager for the Gainesville General Employees' Retirement Plan.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. 170755A\_PRC Minutes 12142017\_20180201.pdf, 2. 170755B\_Parametric Defensive Equity City of Gainesville Presentation Q317.CA\_20180201.pdf, 3. 170755C\_Parametric PIOS INST Presentation Q317.CA\_20180201.pdf

Date	Ver.	Action By	Action	Result
1/23/2018	1	Board of Trustees/General Employees' Pension Plan	Approved as Recommended	Pass

### Parametric Portfolio Associates, L.L.C. Investment Management Services for the City of Gainesville General Employees' Retirement Plan (B)

### Board of Trustees for the Gainesville General Employees' Retirement Plan to approve hiring an investment manager for the Gainesville General Employees' Retirement Plan.

On December 14, 2017 the Pension Review Committee (PRC) for the City's General Employees' Retirement Plan heard a presentation from Parametric Portfolio Associates, L.L.C. related to their volatility reducing Defensive Equity Strategy and Cash Management Overlay Services. In response to City Staff and PRC interest in protecting the Plan's investment portfolio from equity market corrections, investment consultant Summit Strategies researched ways to manage equity market volatility in the Plan's investment portfolio. Summit Strategies subsequently recommended Parametric Portfolio Associates, L.L.C. for their risk management strategies. Following the presentation and discussion, PRC members voted unanimously (4-0) to recommend that the Board of Trustees consider hiring Parametric Portfolio Associates, L.L.C. to provide defensive equity and cash management services for the Plan. The minutes from the December 14, 2017 PRC meeting are attached.

Parametric Portfolio Associates, L.L.C. fees related to their volatility reducing Defensive Equity Strategy and Cash Management Overlay Services are 35 basis points and 15 basis points on assets under management, respectively. Investment Management Fees for the General Employees' Retirement Plan are included in its Fiscal Year 2018 Budget.

**Recommended Motion:** The Board of Trustees for the General Employees' Retirement Plan: 1) accept the recommendation by City Staff and the Pension Review Committee to retain Parametric Portfolio Associates, L.L.C. to provide investment management services for the General Employees' Retirement Plan; 2) authorize

City Staff to initiate contract negotiations with Parametric Portfolio Associates, L.L.C. for investment management services for the General Employees' Retirement Plan; and 3) authorize the City Manager as Trust Administrator or his designee to execute all related documents, including contract amendments and extensions, subject to approval by the City Attorney as to form and legality.