



# FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Donald C. Kendig, CPA, Retirement Administrator

## BOARD AGENDA LETTER

**DATE:** April 19, 2017

**TO:** Board of Retirement

**FROM:** Donald C. Kendig, CPA  
Retirement Administrator

**Staff Contact:** Elizabeth Avalos  
Executive Assistant

**SUBJECT:** **Approval of Travel Request from Trustee Alan Cade to attend the PIMCO Alternatives Investor Day on May 22-24, 2017 in Newport Beach CA – APPROVE**

### Recommended Action(s)

1. Approve attendance.

### Fiscal and Financial Impacts

Fiscal and financial impacts are not known at this time but expected to be approximately \$1,125.

### Discussion

I have a request from Trustee Alan Cade to attend the PIMCO Alternatives Investor Day on May 22-24, 2017 in Newport Beach CA.

### Attachment(s)

1. Conference Agenda

### Background

Per the Fresno County Employees' Retirement Association (FCERA) Education Policy, paragraphs 7 and 8, trustees are pre-authorized to attend SACRS conferences, NCPRS' Annual Meeting and Legislative Workshop and CALAPRS general assemblies and roundtables; however, attendance at other educational programs requires the consent of the Board.

## ALTERNATIVES INVESTOR DAY

### 2017 Current Agenda

#### MONDAY, 22 MAY

4:30 – 6:00 pm Enjoy cocktails and light refreshments at the Balboa Bay Resort’s A&O Kitchen + Bar

6:00 – 8:00 pm **WELCOME RECEPTION AND DINNER**

#### TUESDAY, 23 MAY

7:00 – 7:45 am **BREAKFAST**

7:45 – 8:15 am **WELCOME/CEO OVERVIEW**  
Emmanuel Roman, *Chief Executive Officer*

8:15 – 9:00 am **CEO & CIO DISCUSSION**  
Dan Ivascyn, *Group Chief Investment Officer*  
Emmanuel Roman, *Chief Executive Officer*

9:00 – 9:30 am **COFFEE/NETWORKING BREAK**

9:30 – 10:15 am **MACRO PANEL 2017**  
Josh Davis, *Portfolio Manager*  
Mohsen Fahmi, *Portfolio Manager*  
Qi Wang, *Portfolio Manager*  
Mihir Worah, *Chief Investment Officer*  
Moderated by Ryan Korinke, *Head of Hedge Fund Platform*

10:15 – 10:45 am **PRIVATE CREDIT OVERVIEW**  
Christian Stracke, *Global Head of Credit Research and a senior portfolio manager across PIMCO’s suite of private credit strategies*

Discussion point on private credit:

*What banks left behind: The place for private markets*

A complex and evolving regulatory environment has banks going “back to the basics.” The significant retrenchment of these institutions from lending and providing liquidity is leading to attractive opportunities for private capital to step in and fill the void left behind. Spanning a diverse opportunity set, private credit looks across corporate, residential and commercial markets.

10:45 – 11:15 am **COFFEE/NETWORKING BREAK**

11:15 – 12:00 pm **CLIENT PANEL**  
Moderated by Jennifer Strickland, *Alternatives Specialist*

12:00 – 1:00 pm **LUNCHEON**

Break-out Sessions	1:00 – 1:40 pm	1:40 – 2:20 pm	2:35 – 3:15 pm
<p><b>Tactical Opportunities – Investing Across Public &amp; Private Credit</b> <i>(PIMCO’s Tactical Opportunities Strategy)</i> Sharad Bansal, <i>Portfolio Manager</i> Russ Gannaway, <i>Portfolio Manager</i> Jon Horne, <i>Portfolio Manager</i> Moderated by Sonali Wilson, <i>Alternatives Specialist</i></p> <p><b>Description:</b> Volatility, re-regulation and a narrowing buyer base are creating opportunities across residential, commercial and corporate credit. This session will cover our outlook across these markets; identifying attractive entry points and the ability to create and monetize value by looking at both public and private credit.</p>	X		X
<p><b>Private Corporate Lending – Where are the Opportunities?</b> <i>(PIMCO/Solar Capital Partners Private Corporate Lending Strategy)</i> Adam Gubner, <i>Portfolio Manager</i> Michael Gross, <i>CEO of SLRC, Portfolio Manager</i> Bruce Spohler, <i>COO of SLRC, Portfolio Manager</i> Moderated by Neal Reiner, <i>Alternative Credit Strategist</i></p> <p><b>Description:</b> Comprehensive bank regulation restraining traditional lenders alongside the growing demand from middle market borrowers for customized private financings has served to create a demand/supply imbalance across many sub-strategies. Panelist will focus on discussing the most attractive areas for investment across the broad corporate lending landscape and reviewing opportunities in many of the specialty corporate lending markets. The discussion will also center on reviewing specific opportunities and returns across these strategies in current market.</p>	X	X	
<p><b>Residential Lending Opportunities</b> <i>(PIMCO’s Proposed Residential Lending Strategy)</i> Kent Smith, <i>Portfolio Manager</i> Jason Steiner, <i>Portfolio Manager</i> Moderated by Lalantika Medema, <i>Alternative Credit Strategist</i></p> <p><b>Description:</b> Following the housing crisis, the U.S. residential mortgage market remains influx. The lack of bank balance sheet, a focus on agency mortgages and an evolving regulatory environment are all creating volatility and uncertainty. Private capital is positioned to take advantage of a unique opportunity to generate alpha by participating and leading the on-going recovery in the evolution of the residential mortgage market. Our panelists will discuss opportunities ranging from private to public markets including new loan origination, MSRs and an emerging securitization market.</p>	X		X
<p><b>Commercial Real Estate Debt Origination</b> <i>(PIMCO’s Proposed CRE Debt Origination Strategy)</i> Devin Chen, <i>Portfolio Manager</i> Jeff Thompson, <i>Portfolio Manager</i> Moderated by Paul Vosper, <i>Real Estate Strategist</i></p> <p><b>Description:</b> Given the capital intensive nature of commercial real estate, mortgage debt is critical to commercial real estate transactions. However, a number of factors are contributing to a substantial withdrawal of bank lending from significant segments of the commercial real estate markets. These changes are being driven by regulation and regulators but may also, potentially, indicate</p>	X	X	

longer term, structural changes in the sources of real estate financing. While new entrants have stepped into certain parts of the market, the supply of credit is not evenly spread. With this supply and demand imbalance, there is a growing need for long-term credit providers. The panelists will discuss these market changes, the extent to which these changes represent structural shifts and the various opportunities for investors to participate in this market.

**Break-out Sessions**

**1:00 –  
1:40 pm**

**1:40 –  
2:20 pm**

**2:35 –  
3:15 pm**

**PIMCO’s BRAVO Strategy Overview  
(PIMCO’s BRAVO III Strategy)**

Josh Anderson, *Portfolio Manager*  
Laurent Luccioni, *Portfolio Manager*  
John Murray, *Portfolio Manager*  
Moderated by Carrie Peterson-Brown, *Alternative Credit Strategist*

X

X

**Description:** The panel will discuss how PIMCO is capitalizing on dislocations stemming from the unintended consequences of regulatory reform. PIMCO BRAVO III is an opportunistic, private equity style strategy formed to capitalize on dislocations stemming from the unintended consequences of regulatory reform. The strategy will employ a comprehensive relative value approach in analyzing opportunities across public and private markets, geographies and capital structure.

**Volatility Investing Across Asset Classes  
(PIMCO’s Multi-Asset Volatility Strategy)**

Jason Goldberg, *Portfolio Manager*  
Josh Thimons, *Portfolio Manager*  
Danielle Luk, *Portfolio Manager*  
Moderated by Chris Santore, *Derivatives Strategist*

X

X

**Description:** Capital market regulation, active central banks, and negative interest rates are creating new sources of risk and opportunity in volatility and derivatives. This panel will describe our current outlook for generating uncorrelated returns from supply/demand imbalances and relative value trading across asset classes, while emphasizing the crucial role of common sense in addressing volatility opportunities.

**Alternative Risk Premia Investing  
(PIMCO’s Multi-Asset Risk Premia Strategy & PIMCO TRENDS Strategy)**

Josh Davis, *Portfolio Manager*  
Matt Dorsten, *Portfolio Manager*  
Graham Rennison, *Portfolio Manager*  
Moderated by Ashish Tiwari, *Product Manager*

X

X

**Description:** As investors grapple with low expected returns and low yields on traditional diversifiers, alternative risk premia strategies are beginning to get mainstream attention. Panelists will go over the philosophy and rationale for existence of these risk premia and what role they could play in policy portfolios. They will also analyze the current state of the market and discuss key considerations for investors as they look to invest in these strategies, covering topics such as flows, ability to time these risk premia, manager selection, and appropriate sizing.

<p><b>Global Macro Investing</b>  <b>(PIMCO PARS Strategy)</b>                  Qi Wang, <i>Portfolio Manager</i>                  Rick Chan, <i>Portfolio Manager</i>                  Mohsen Fahmi, <i>Portfolio Manager</i>                  Moderated by Will Quinones, <i>Global Macro Strategist</i></p> <p><b>Description:</b> Macro markets have faced a multitude of shocks including those from negative interest rates, surprise election outcomes, and increased political uncertainty. Panelists will discuss opportunities for 2017 in light of the changing landscape, and the longer-term implications of a reduced central bank support for both developed and emerging markets.</p>		<p><b>X</b></p>	<p><b>X</b></p>
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**TUESDAY, 23 MAY (CONTINUED)**

3:15 - 4:15 pm

**GUEST SPEAKER**

**Adventures in Deep Sea Exploration: Living the Dream**

**Guest Speaker - Dr. Robert Ballard**

*President of the Institute for Exploration at Mystic Aquarium in Mystic, Connecticut and Director of the Institute for Archaeological Oceanography at the University of Rhode Island's Graduate School of Oceanography*

Dr. Ballard, a deep sea explorer, has taken part in over 140 deep-sea expeditions. In 1985, Ballard discovered the RMS Titanic, and succeeded in tracking down numerous other historic shipwrecks. Ballard is well known for his discovery of hydrothermal vents and “black smokers.” The author of numerous books, scientific papers, and articles, Ballard has been featured in several National Geographic television programs, including “Secrets of the Titanic” and a more recent five-part mini-series, “Alien Deep with Bob Ballard.” Ballard is now using advanced technology to create a new field of research in deep water archaeology. At the Institute for Exploration's Challenge of the Deep exhibit hall, as well as with his Jason Foundation for Education, Ballard hopes to inspire learning in science, math, and technology through exploration and discovery. In his talk, through the use of stunning high quality images and personal accounts, Dr. Ballard will present his most recent work in deep water archaeology and the technology of tele-presence.

4:15 - 4:30 pm

**CLOSING COMMENTS**

6:00 pm

**DINNER**

**Coliseum at Pelican Hill Resort**

*Dine alfresco overlooking the golf course and the Pacific Ocean*

**WEDNESDAY, 24 MAY**

7:00 – 7:45 am

**BREAKFAST**

8:00 – 12:00 pm

**STRATEGY SERVICING SESSION: Market and Positioning Outlook**

**TOPICS**

*PIMCO BRAVO Strategies*

*PIMCO Global Credit Opportunity Strategy*

*PIMCO Commodity Alpha Strategy*

*PIMCO Corporate Opportunities Strategy*