San Bernardino County Employees' Retirement Assoc.

Staff Report Details (With Text)

File #:	21-017.1	**Name:**	
Type:	Receive and File		
File created:	7/15/2021	**In control:**	BOARD OF RETIREMENT
On agenda:	8/5/2021	**Final action:**	
Title:	Beach Point Manager Update.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit A: Beach Point Presentation		

Date	Ver.	Action By	Action	Result

FROM: Don Pierce, Chief Investment Officer

SUBJECT: Beach Point Manager Update

RECOMMENDATION:
Beach Point Manager Update.

BACKGROUND:
SBCERA has an investment in the Beach Point Select Fund, managed by Beach Point Capital Management. The fund employs an opportunistic, best ideas credit strategy that invests in high yield bonds, bank loans, structured credit, and special situations.

Founded in 2009 as a spin-off of Post Advisory Group, Beach Point has grown to about $16.6 billion in assets under management. Scott Klein and Carl Goldsmith, co-founders and the firm's Co-CIOs have been working together since 1997. After the buyout from Post, Beach Point remains 100% owned by its founders.

SBCERA has invested with Beach Point since April 2009 and was a seed investor in the Beach Point Select Fund in November 2011. SBCERA invested $80,000,000 between 2009 and 2013 which has grown to $202,334,679, as of May 31, 2021. This represents net returns of 10.53% since inception and 10.11% in 2020 for SBCERA.

Performance for this investment continues to be strong on an absolute basis and relative to SBCERA's benchmark. The fund constitutes about 12% of SBCERA's physical Domestic Fixed Income Exposure. The Beach Point team continues to provide significant value to SBCERA in the form of shared insight and perspectives.

Beach Point's July 13, 2021 presentation to the Investment Committee is available for viewing on the SBCERA website at <http://sbcera.granicus.com/player/clip/54?view_id=1&redirect=true>. (See:

Agenda Item No. 3.)

COMMITTEE REVIEW:
This item was reviewed by the Investment Committee at its July 13, 2021 meeting.

BUDGET IMPACT:
None.

STRATEGIC PLANNING GOAL/OBJECTIVE:
Prudent Fiscal Management

STAFF CONTACT:
Jacob Abbott

ATTACHMENTS:
Exhibit A: Beach Point Presentation