



BOARD OF RETIREMENT

Staff Report

File #: 19-465.1

Agenda Date: 9/5/2019

Agenda #: 22.

FROM: Don Pierce, Chief Investment Officer

SUBJECT: Informational Item: PGIM Fixed Income Portfolio Review

RECOMMENDATION:

PGIM Fixed Income Portfolio Review.

BACKGROUND:

PGIM Fixed Income is an Emerging Market Debt manager which invests in a diversified portfolio consisting of emerging market sovereign, quasi-sovereign, and corporate bond exposure obtained using hard and local currency bonds as well as derivatives for investment or hedging purposes. Within the SBCERA portfolio, the mandate represents approximately 10% of the total Emerging Market Debt allocation. PGIM Fixed Income was initially funded in June 2014 with \$50 million and an additional \$30 million of capital was added in October 2015. The account is over \$100 million in value, has generated a cumulative net of 19.47% since inception, and year-to-date through June us up over 10%. Overall, PGIM Fixed Income has met expectations for the SBCERA portfolio and staff has confidence in the strategy.

Mariusz Banasiak and Peter Taggart from PGIM Fixed Income presented an overview of the portfolio to the Committee.

COMMITTEE REVIEW:

This item was reviewed by the Investment Committee at its August 13, 2019 meeting.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Prudent Fiscal Management

STAFF CONTACT:

Laura Vossman

ATTACHMENTS:

Exhibit A: PGIM Fixed Income Presentation