FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FCERA

7772 N. Palm Ave.
Fresno, CA 93711
p. (559) 457-0681 | f. (559) 457-0318
www.fcera.gov

Fresno County Employees' Retirement Association ("FCERA") FAQ Response

Question
How does a new asset manager establish a relationship with FCERA?

Answer
From Donald C. Kendig, CPA the Retirement Administrator (Head of Investments):

Thank you for your interest in working with FCERA. We are a great organization to partner with once you get to know us. That said, please keep in mind:

- **Avoid generic outreach.** Automated mass emails, off-the-shelf marketing pieces, or scripted messages from purchased data or uncurated AI searches are not effective. You will get about as much time and energy from us as you put into us. Don't get lost in the wave of AI generated Cheese Whiz be gouda than that.
- **Do your homework.** Building new relationships starts with preparation. We generally do not respond to canned messages, and <u>we do not take voice or video calls for marketing purposes</u>. However, we are glad to meet in person at our offices, conferences, and industry events. If you do not know what asset classes we are investing in, you have not done your homework, and it will show. Recycle!
- **Enthusiasm gap.** We are not nearly as excited about your investment activities, performance, or white papers as you are. We are excited about our own activities. Please do not be discouraged. It is just what it is. Your latest performance numbers might be awesome, but it does nothing for us. We can't invent enthusiasm where there is none. We are not invested yet and have no vested feelings and have received 1,000's of intro emails citing stellar performance. Recycle!
- **Focused effort**. General "solve all your problems" approaches will not work during this day and age of information overload. We will not entertain a meeting, with the hope that something fits and neither will our consultants. Research what we need and reach out with that, if it is competitive, otherwise... Recycle!
- **Sorting problem**. It's a sorting problem in the end. We have 1,000's of options and you have 1,000's of leads. Focus on the good leads with the best fit. Success!
- **Areas of Interest.** We are interested in everything but not looking for anything. There is an oversupply of investment opportunities when, most times, we have no demand for them. We are not hungry for investment opportunities or investment meetings but aren't sticking our heads in the sand either.

We have a stable investment program and a healthy curiosity, but our public and private investments are monitored and sourced by our consultants. What they are interested in matters more. There are asset classes we do not invest in, and we are happy to meet and learn about them, but they will not go anywhere anytime soon.

- **Consultant Factor.** At FCERA, our consultants play a central role in manager sourcing and underwriting:
  - **Private Credit:** Aksia (discretionary – Trevor Jackson and Melisa Zarate) No Venture.
  - **Private Equity:** Hamilton Lane (discretionary – Ilene Levinson) No Venture.
  - **All Other Asset Classes:** NEPC (non-discretionary, responsible for sourcing and initial underwriting – Daniel Hennessy) No hedge funds, no crypto, no digital assets, nor commodities. If you want us to consider a new asset class to accommodate your offering, that could require some mountain moving first: consultant needs to think it is a good idea, consultant needs to pitch it to the Board of Retirement during its triennial asset-liability study, Board of Retirement needs to approve it, consultant needs to bring implementation options for it, and then a select few get invited to pitch it (possibly you but no guarantees for all that effort).
- **Caveats.** Staff are not evaluated or rewarded based on new manager meetings and we do not direct our consultants on which managers to approve or recommend to our Board. We will share that we met with you if we think there is potential, and you are encouraged to share with our consultants that you met with us. I don't know if that equates to the "client interest" I hear about but that is the most we will do.
  - Our consultants ultimately decide and provide recommendations to us. We are not in the driver's seat.
  - We are glad to meet in person at our offices, or chat at conferences and industry events. For office visits, we generally fit in one 30-minute meeting a day right before lunch.
  - We rarely, if ever, take voice or video calls for marketing purposes.

Our **asset allocation**, **manager lineup**, and **Investment Policy Statement** are posted on our website. Further, reviewing our quarterly investment results and Board meeting materials will help you determine whether your firm's strategies may be a fit.

We are confident your firm has much to offer, but we ask that you bring us **solutions, instead of busy work**. Thoughtful, well-researched outreach will be received far more positively than generic or misdirected approaches.

Thank you for your patience and persistence. If our paths cross at a conference, me and my investment team will be glad to spend time with you.