DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

October 8th, 2019

Issue: Channing Capital Management, LLC Guideline Changes

Attachments: Redlined Channing revised guidelines

Discussion: Channing has requested three changes to their guidelines:

1) change the market capitalization, range from a static range of $300 million to $2 billion – to using the general market capitalization range of the Russell 2000;

2) broaden the maximum allocation to an economic sector to 2x benchmark weight plus an additional 5%, excluding financials, which are limited to + 10% the benchmark sector weight;

3) and broaden the number of holdings from 35-45 to 35-50.

ERF Staff has discussed these guideline changes with Wilshire, and they have both reviewed and approved the changes.

Recommendation: Suggested motion for the approval is as follows: Move to approve the requested Manager guideline changes as noted and authorize the Board Chair to sign.