

# SBCERS

Santa Barbara County Employees' Retirement System

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**DATE:** September 27, 2023

**TO:** SBCERS BOARD OF RETIREMENT

**FROM:** SBCERS Investment Staff

**RE:** **China Equity Education Panel**

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## **Recommendation**

That the Board of Retirement receive and file the educational panel presentation on China Equity hosted by Rebecca M. Valdez, SBCERS Investment Officer.

## **Summary**

The panel intends to cover the following main topics during the discussion:

1. History of China's economic ascent and the development of its capital markets.
2. Risks present with investing in China – Geopolitical, Regulatory, ESG.
3. Opportunities that Investors are capitalizing on in Chinese Equity Market today.
4. Current market outlook.

Each panelist will be given the opportunity to respond to each of the topic areas above and will focus their response through the investment thesis of their respective firms.

Both the moderator and panelists were invited to take part in the discussion because they are SBCERS active managers in the Emerging Markets Equity or Emerging Market Debt asset classes. The panel will be moderated by Wellington whom SBCERS has worked with since March of 2020. Since Inception Wellington has outperformed their benchmark by 81 basis points.

RBC and DFA are two complementary Emerging Markets Equity Managers for SBCERS. The RBC strategy has a tilt toward Growth. SBCERS has worked with RBC since September 2016 during which time RBC has outperformed the MSCI Emerging Markets Index and MSCI Emerging Markets Growth Index by 91 and 55 basis points, respectively. The DFA strategy has a tilt toward Value. SBCERS has been invested with DFA since May 2013. During their tenure DFA has outperformed the MSCI Emerging Markets Index and MSCI Emerging Markets Value Index by 72 and 170 basis points, respectively.

## **Attachments**

None