

## MEMORANDUM

**TO:** All Clients  
**FROM:** Meketa Investment Group  
**DATE:** March 18, 2020  
**RE:** COVID-19 Manager Research Update

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Meketa Investment Group (“Meketa”) continues to monitor the impact the COVID-19 virus (“Coronavirus”) is having on the capital markets and global economy. Over the last two weeks, we have seen two of the largest single day losses across equity markets, and the largest losses since 1987. Citing the Coronavirus and the potential adverse effects on economic activity, the Federal Open Market Committee lowered policy rates to the zero bound of 0% to 0.25% over the weekend. Through Monday, March 16th, a global 60% MSCI ACWI Equity and 40% Barclays Global Aggregate Bond portfolio was down 16.1% year-to-date. As we outlined in our March 12th memorandum, we encourage clients to structure prudent, diversified strategic asset allocation that are focused on the long-term.

As a reminder, Meketa’s Public Markets Manager Research team (“Manager Research”) is responsible for actively monitoring all clients’ investment managers across the public markets, including equity, fixed income/credit, real assets, commodities, and hedge funds. Regardless of market conditions, it is part of our standard due diligence process to periodically meet with firms to stay up-to-date on both the investment and operationally-related aspects of their business. To complement these manager interactions, we require that all investment managers complete our Quarterly Investment Questionnaire that asks a series of questions related to business operations. In addition, our initial underwriting process entails an assessment of the checks and balances of a firm’s compliance and trading capabilities. During our initial due diligence phase, we ask that all firms complete a request for proposal, which includes questions related to business continuity and operations. Furthermore, our Operational Due Diligence evaluation is included in all of our written manager analyses.

Manager Research recognizes we are currently experiencing an unprecedented market environment that is stressing portfolios and testing the business continuity plans of investment managers. Many organizations, including Meketa, activated their business continuity plans as a way of implementing social distancing to help combat the spread of the Coronavirus. To enhance our monitoring, we have reached out to all managers and asked them to complete two additional due diligence surveys. The first is an Operational Due Diligence (“ODD”) Impact Survey that asks for information regarding the status of business continuity and operations. The second is a Risk Assessment Survey requesting information regarding the status of the portfolio and investment characteristics. Our intention is to review the data on behalf of our clients to ensure that your managers are executing their business continuity plans successfully and that we are aware of any significant risks and exposures in your portfolio.



Please reach out to your Meketa team if you have specific questions or concerns. Otherwise, we look forward to providing an update of our expanded diligence on your managers in upcoming meetings, reports, or calls unless we identify significant concerns that warrant attention before the normal meeting and report cycle.



## Disclaimers

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