

**MINUTES  
INVESTMENT COMMITTEE MEETING  
FIRE AND POLICE PENSION FUND, SAN ANTONIO  
WEDNESDAY, MAY 20, 2015  
PENSION OFFICE – 9:00 A.M.**

Roll Call	Mr. Smith called the meeting to order at 9:00 A.M.
Committee Members Present	Jim Smith, Police Representative; Dean Pearson, Fire Representative; Larry Reed, Fire/Retiree Representative; J.T. Trevino, Fire Representative; Harry Griffin, Police/Retiree Representative
Committee Members Absent	Art Hall, Mayoral Designee
Others Present	Warren Schott, Executive Director; Mark Gremmer, Deputy Director; Matthew O'Reilly, CIO; Will Albright, Investment Analyst; Tyler DuBose, Investment Analyst

Mr. Smith called the meeting to order at 9:00 AM

**Approval of Minutes on April 22, 2015 and March 24, 2015**

- Mr. Pearson made the motion to approve the minutes of the April 22<sup>nd</sup> Investment Committee meeting. The motion carried unanimously.
- Mr. Reed made the motion to approve the minutes of the March 24<sup>th</sup> Investment Committee meeting. The motion carried unanimously.

**Quarterly Update**

- NEPC gave an update regarding the performance of the Fund in the 1<sup>st</sup> quarter of 2015. During this time period, the Fund generated a 1.9% return. For the 5 years ending March 31, 2015, the Fund had an annualized return of 8.5%, standard deviation of 6.9% and a Sharpe ratio of 1.23, placing the Fund in the top 22<sup>nd</sup> percentile for risk-adjusted performance.

**Emerging Manager Policy**

- Discussions were held regarding the possible changes and amendments to the emerging manager policy. Ultimately, the committee decided to increase the lock-up period from 3 to 4 years on investments that require lock-up provisions and the committee changed the mandated requirement to “preferred” that an emerging manager to own more than forty-nine percent interest of the organization.
- Mr. Griffin made the motion to amend the emerging manager policy and reserved the right to discuss further at the Board meeting. The motion carried unanimously.

## **Southwestern Capital Markets**

- Representatives from Southwestern Capital Markets attended the Investment Committee and presented their Firm's capabilities and strategy.

## **International Search Update**

- Attucks discussed the ongoing emerging manager international equity search and presented firms within the scope of the search and the firm's respective strategies. Ultimately, the Investment Committee decided to conduct further due diligence on GlobeFlex Capital, Strategic Global Advisors, and EAM Investors.
- Mr. Pearson made the motion to conduct further due diligence on GlobeFlex Capital, Strategic Global Advisors, and EAM Investors for the emerging manager international equity mandate. The motion carried unanimously.

## **Opportunistic Search**

- Discussions were held regarding launching an Opportunistic Search with a focus on infrastructure within the emerging manager program.
- Mr. Griffin made the motion to launch an Opportunistic Search with a focus on infrastructure within the emerging manager program. The motion carried unanimously.

## **Core Real Estate Search Update**

- Staff gave an update regarding the current Core Real Estate Search and provided the Investment Committee initial due diligence on funds in the market. Ultimately, the Investment Committee decided to conduct further due diligence on JP Morgan Strategic Property Fund, Prime Property Fund, and USAA Eagle Real Estate Fund.

## **Ashmore Contract**

- Discussions were held regarding the current investment with Ashmore and the launch of a new fund structure, which will be a Delaware limited partnership, with an identical investment strategy to the current 1940Act Fund. The Investment Committee ultimately decided to transition the current assets of Ashmore into the new fund structure, due to a significant fee savings.
- Mr. Griffin made the motion to transition the current assets of Ashmore into the new Delaware limited partnership fund structure. The motion carried unanimously.

- **ADJOURNMENT:** Mr. Trevino made a motion to adjourn at 12:05 PM and carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2015.

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Jim Smith, Investment Committee Chairman