

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, JUNE 17, 2020
PENSION OFFICE
9:00 A.M.

Roll Call	Mr. Griffin called the meeting to order at 9:01 A.M.
Committee Members Present	Harry Griffin, Police/Retiree Representative; Larry Reed, Fire/Retiree Representative; Jimmy Foster, Police Representative; Dean Pearson, Fire Representative;
Committee Members Absent	Justin Rodriguez, Mayoral Designee;
Others Present	Jim Smith, Police Representative; Vance Meade, Fire Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Jason Hsu, Senior Investment Analyst; Giovanni Nuñez, Investment Analyst; Gail Jensen, General Counsel;

Approval of Minutes on May 20, 2020

- Mr. Foster made a motion to approve the minutes of the May 20, 2020 Investment Committee meeting. The motion carried unanimously.

Emerging Manager Program, including Consultant Request for Fee Increase and Possible Rebalances

- Discussions were held regarding a recent proposal from Attucks Asset Management, the Fund's emerging manager consultant. The proposal included a new fee structure, one that would be based on the size of the assets in the program. The Investment Committee relayed to staff that they would prefer a hard dollar amount. Staff will discuss with Attucks and provide the results of those discussions to the next Committee Meeting.

Emerging Market Search Update

- NEPC presented their focus placement list of emerging market equity managers as part of the ongoing emerging market search. Much of the discussion hinged on the level of volatility the Investment Committee was willing to take. Mr. Foster made a motion to continue diligence on the emerging market products of RBC, WCM, and Axiom International Investors. The motion carried unanimously.

Opportunistic Allocation Commitment

- Discussions were held regarding the credit market dislocation brought about from COVID. Staff brought forward a fund that was being raised specifically to take advantage of this opportunity. Mr. Reed made a motion to recommend the Board commit \$20 million to The Varde Dislocation Fund. The motion carried unanimously.

Asset Allocation Implementation and Possible Rebalances

- Discussions were held regarding implementing the new asset allocation that was adopted as a result of the 2020 asset-liability study. The motions were as follows:
- Mr. Reed made a motion to recommend the Board terminate the global bond investment with Brandywine Global and invest the proceeds in the Northern Trust TIPS index fund. The motion carried unanimously.
- Mr. Foster made a motion to recommend the Board: 1) redeem \$18 million each from William Blair, WCM, First Eagle, and Research Affiliates, 2) keep \$12 million of the proceeds in cash, 3) allocate \$30 million to the Northern Trust Russell 1000 Growth index fund, and 4) allocate \$15 million each to existing large cap value mandates with The London Company and Cooke & Bieler. The motion carried unanimously.

Highstar IV Rollover

- Discussions were held regarding options to roll over our interest in a Highstar Capital IV portfolio company into a separate vehicle or sell our interest. Mr. Reed made a motion to recommend the Board elect to receive our proceeds from the Highstar IV portfolio company. The motion carried unanimously.

ADJOURNMENT: Mr. Foster made a motion to adjourn at 11:50 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2020.

Harry Griffin, Investment Committee Chairman