

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**WEDNESDAY, JUNE 18, 2014**  
**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; Harry Griffin, Police/Retiree Representative; Dean Pearson, Fire Representative; Larry Reed, Fire/Retiree Representative; J.T. Trevino, Fire Representative
Committee Members Absent	Art Hall, Mayoral Designee
Others Present	Shawn Ury, Police Representative; Matthew O'Reilly, CIO; Mark Gremmer, Deputy Director; Will Albright, Investment Analyst; Tyler DuBose, Investment Analyst; Erik Dahler, General Counsel; Mel Danish; Harold Schwiff; Jamie Sullivan

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

**Approval of Minutes from May 22, 2014**

- Mr. Griffin made the motion to approve the minutes of the May 22<sup>nd</sup> Investment Committee Meetings. The motion carried unanimously.

**Acquisition of Shavano Building III & IV**

- Jamie Sullivan and Harold Schwiff with Sullivan Properties, and consulting engineer Mel Danish updated the Committee regarding due diligence in the Shavano acquisition. There were two issues with building 3. First, there is an easement that may interfere with the existing parking. Seller has agreed to replat or amend the plat, to correct this. The other issue pertains to a structural condition. One of the foundation piers does not reach bedrock. The consultants do not see this as a major problem that can't be easily fixed and they provided details and answered questions from the Committee. The recommended solution is to have seller drill two additional piers to shore up the one that is deficient. The seller has agreed to do this but since the due diligence period expires on June 19, staff and the consultants have been trying to make correction of these issues conditions of closing, and have drafted an amendment to the purchase agreement, to that end. The committee was asked to give direction about whether to terminate the purchase agreement, in the event the proposed amendment is not accepted by Seller. Larry Reed made a motion to recommend to the Holding Company, termination of the purchase agreement in the event the proposed amendment is not executed, requiring the easement and structural issues be corrected as a condition of closing. The motion carried unanimously.

**MacKay Shields Update**

- Discussions were held regarding the departure of Matt Philo, Head of the High-Yield Corporate Bond team of MacKay Shields. Staff requested representatives from MacKay Shields to present the transition of Mr. Philo's departure at the close of 2014.

#### **Invesco Fund IV**

- Mr. Griffin made a motion to commit \$15 million to the Invesco U.S. Value-Add Fund IV. The motion carried unanimously.

#### **Real Estate Short-List Discussion**

- Discussions were held regarding the Real Estate search. Staff provided due diligence on five real estate managers for potential investment opportunities.
- Mr. Griffin made the motion to continue due diligence on ARES European Real Estate Fund IV, AXA European Value-Add Fund, and JP Morgan European Opportunistic Property Fund III and invite the respective representatives from each firm in for final presentations. The motion carried unanimously.

#### **Emerging Manager Program**

- Discussions were held regarding the current Emerging Manager of Managers program. Staff provided alternative processes and the possibility of different strategies.
- Mr. Griffin made the motion to approve an Emerging Manager of Manager Search. The motion carried unanimously.

#### **Real Asset Re-Up Update**

- Staff provided an update on current Real Asset managers that are in the process of fundraising for predecessor funds.

#### **LIBOR Rates**

- Staff provided an educational topic on the historic trends of LIBOR rates.
- **ADJOURNMENT:** Mr. Griffin made a motion to adjourn at 12:01 PM and carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2014.

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Jim Smith, Investment Committee Chairman