

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
THURSDAY, NOVEMBER 12, 2020
PENSION OFFICE
9:00 A.M.

Roll Call	Mr. Griffin called the meeting to order at 9:00 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; Giovanni Núñez, Investment Analyst; Gail Jensen, General Counsel; Mark Gremmer, Deputy Director

Approval of Minutes of October 21, 2020

- Mr. Reed made a motion to approve the minutes of the October 21, 2020 Investment Committee meeting. The motion carried unanimously.

Opportunistic Real Estate Search Update

- Townsend provided an update on the opportunistic real estate search. KKR Real Estate Partners III, Starwood Distressed Opportunity Fund XII, Oaktree Real Estate Opportunities Fund VIII, and Kayne Anderson Real Estate Partners VI were selected for further due diligence.

Real Estate Re-Up Possible Commitments

- Discussions were held on possible real estate re-up commitments. Due to the ongoing opportunistic real estate search, the Investment Committee decided to revisit this item at the next Investment Committee meeting.

NEPC Quarterly Performance Review

- NEPC provided a quarterly performance review of the portfolio and overall markets. For the third quarter, the Pension Fund gained 5.4% and is positive 0.6% for the year. PIMCO has been a poor performer within the international equity portfolio. The Investment Committee placed PIMCO on the watchlist.

Domestic Equity Small Cap Value Allocation

- Discussions were held on a possible Domestic Equity Small Cap Value allocation. Rothschild has underperformed its benchmark over long time periods. Cooke & Bieler, who is part of the Emerging

Manager Program, has outperformed Rothschild over long time periods. Cooke & Bieler's Small Cap Value strategy is capacity constrained, but their SMID Cap Value strategy overlaps with their Small Cap Value strategy by 80% and still has capacity. Mr. Griffin made a motion to recommend to the Board to terminate Rothschild and use those assets to fund Cooke & Bieler's SMID Cap Value portfolio, and then to promote Cooke & Bieler's Small Cap Value portfolio out of the Emerging Manager Program and into the Pension Fund's Domestic Small Cap Equity portfolio. The motion carried unanimously.

Alternatives Education

- Due to time constraints, the Investment Committee requested this presentation be moved to the Board meeting on November 18, 2020.

Possible Rebalancing

- Discussions were held regarding possible rebalancing. Mr. Reed made a motion to recommend to the Board to add an additional \$20 million to the Cooke & Bieler SMID Cap Value (in addition to the funds coming from the Rothschild termination), and to add \$30 million to William Blair Small Cap Growth. The motion carried unanimously.

Private Debt Re-Up Possible Commitment

- Discussions were held regarding the opportunity to invest in AG Direct Lending Fund IV. In 2019, the Pension Fund committed \$15 million to AG Direct Lending Fund III. Mr. Foster made a motion to recommend to the Board to commit \$20 million to AG Direct Lending Fund IV. The motion carried unanimously.

Adjournment: Mr. Reed made a motion to adjourn at 11:28 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2020.

Harry Griffin, Investment Committee Chairman