

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, NOVEMBER 18, 2015
PENSION OFFICE – 1:00 P.M.

Roll Call	Mr. Ury called the meeting to order at 1:10 P.M.
Committee Members Present	Shawn Ury, Police Representative; Dean Pearson, Fire Representative; Larry Reed, Fire/Retiree Representative; Jim Smith, Police Representative; Harry Griffin; Police/Retiree Representative
Committee Members Absent	
Others Present	Warren Schott, Executive Director; Mark Gremmer, Deputy Director; Matthew O'Reilly, CIO; Erik Dahler, General Counsel; Sinclair Nagy, Investment Analyst; Tyler DuBose, Investment Analyst; Keith Stronkowsky, NEPC

Mr. Ury called the meeting to order at 1:10 PM

Approval of Minutes on September 23, 2015 and October 21, 2015

- The Investment Committee did not approve minutes of September 23rd nor October 21st. Investment Committee minutes will be approved at the next Investment Committee meeting.

Quarterly Update

- NEPC gave an update regarding the performance of the Fund in the 3rd quarter of 2015. During this time period, the Fund generated a -5.0% return. For the 5 years ending September 30, 2015, the Fund had an annualized return of 6.84%, standard deviation of 6.29% and a Sharpe ratio of 1.08, placing the Fund in the top 28th percentile for risk-adjusted performance.
- Mr. Griffin made the motion to redeem \$25 million from Cornerstone Investments and to invest the proceeds to the existing Russell 1000 Index. The motion carried unanimously.
- Mr. Griffin made the motion to redeem \$50 million from C.S. McKee and to invest the proceeds to the Russell 1000 Value Index. The motion carried unanimously.

Active Manager Risk Budget Analysis

- NEPC led discussions regarding active manager risk budget analysis. No decisions were made based on this analysis.

Hedge Fund Finalists

- Discussions were held regarding the ongoing Hedge Fund search. Ultimately, the Investment Committee proposed two separate motions.
- Mr. Griffin made the motion to allocate \$15 million to BFAM Asian Opportunities Master Fund, Park Hill Group is being utilized as a 3rd party placement agent. The motion carried unanimously.
- Mr. Griffin made the motion to terminate OZ Master Fund and to allocate the proceeds to Alyeska Fund. The motion carried unanimously.

Risk Parity

- Discussions were held regarding the existing investment with AQR Global Risk Premium. Ultimately, the Investment Committee decided to redeem a portion of the fund.
- Mr. Reed made the motion to redeem \$50 million from AQR Global Risk Premium and invest \$30 million in PIMCO RAE Fundamental Global and \$20 million to First Eagle. The motion carried unanimously.

SilverLeaf Disclosure on Medley III

- Discussions were held regarding the current investment with Medley III. Ultimately, the Investment Committee decided to approve the 3rd party placement agent disclosure.

Emerging Manager Search for U.S. Large Cap

- Discussions were held regarding the launch of an Emerging Manager search for U.S. Large Cap Equities. Ultimately, the Investment Committee decided to cancel the U.S. Large Cap search.

LGC Ch. 176 Forms CIS & CIQ

- Discussions were held regarding the disclosure forms of LGC Ch. 176.

ADJOURNMENT: Mr. Smith made a motion to adjourn at 3:04 PM and carried unanimously.

Approved this ____ day of _____, 2015.

Shawn Ury, Investment Committee Chairman