

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**TUESDAY, NOVEMBER 22, 2016**  
**PENSION OFFICE – 9:00 A.M.**

Roll Call	Mr. Reed called the meeting to order at 9:02 A.M.
Committee Members Present	Larry Reed, Fire/Retiree Representative; Jim Smith, Police Representative; Dean Pearson, Fire Representative; J.T. Trevino, Fire Representative; Harry Griffin, Police/Retiree Representative
Committee Members Absent	
Others Present	Warren Schott, Executive Director; Mark Gremmer, Deputy Director; Erik Dahler, General Counsel; Matthew O'Reilly, CIO; Sinclair Nagy, Investment Analyst; Jason Hsu, Investment Analyst; Keith Stronkowsky, NEPC; Winston Blake, Jr., Attucks;

Mr. Reed called the meeting to order at 9:02 A.M.

**Approval of Minutes on September 27, 2016 and October 19, 2016**

- Mr. Pearson made the motion to approve the minutes of the September 27<sup>th</sup> and the October 19<sup>th</sup> Investment Committee meetings. The motion carried unanimously.

**Emerging Manager Emerging Markets Finalists**

- Representatives from Ativo Capital Management and Thomas White International attended the Investment Committee to present their firms' capabilities in the emerging markets space. Ultimately, the Investment Committee decided to make an allocation to Thomas White International.
- Mr. Griffin made the motion to allocate \$7.5 million to Thomas White International's Emerging Markets Equity Strategy, subject to negotiations. The motion carried unanimously.

**Emerging Manager Rebalancing**

- Discussions were held regarding the \$5 million allocation that was intended for Varadero Capital but ultimately remained unfunded due to a lack of agreement over legal terms. The Investment Committee decided to use this \$5 million remaining in cash for the funding of Thomas White International.

## Infrastructure Finalists

- Representatives from JP Morgan and Ullico Investment Advisors attended the Investment Committee to present their firms' capabilities in the open-ended infrastructure space. Ultimately, the Investment Committee decided to allocate capital to Ullico Investment Advisors, which will be funded by redemption from the existing investment with MacKay Shields LLC.
- Mr. Pearson made the motion to allocate \$10 million to Ullico's Infrastructure Fund (UIF) and to fund the allocation with redemption in an equivalent amount from MacKay Shields LLC. The motion carried with four votes in favor and one, Harry Griffin, voting against the motion.

## Quarterly Performance Review

- NEPC gave an update regarding the performance of the Fund in the 3<sup>rd</sup> quarter of 2016. During this time period, the Fund generated a 4.7% return. On a 3- and 5-year basis, the Fund had annualized returns of 5.49% and 8.17% and Sharpe ratios of 0.93 and 1.32 respectively, placing the Fund in the 37<sup>th</sup> and 42<sup>nd</sup> percentile for risk-adjusted performance on the 3- and 5-year basis.

## Large Cap Value / Small Cap Growth

- Discussions were held regarding the Fund's allocation to small cap long-only growth managers. NEPC presented a focus list of small cap growth managers to compare against existing mandates. Ultimately, the Investment Committee decided to begin a search in the small cap long-only growth space.
- Mr. Trevino made a motion to approve a search in the small cap long-only growth market space. The motion carried unanimously.

Mr. Griffin left the Investment Committee meeting at 12:20 P.M.

**ADJOURNMENT:** Mr. Smith made a motion to adjourn at 12:56 P.M. which carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2016.

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Larry Reed, Investment Committee Chairman