

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
TUESDAY, JANUARY 27, 2015
PENSION OFFICE – 9:00 A.M.

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| Roll Call | Mr. Smith called the meeting to order at 9:02 A.M. |
| Committee Members Present | Jim Smith, Police Representative; Dean Pearson, Fire Representative; Harry Griffin, Police/Retiree Representative; Larry Reed, Fire/Retiree Representative |
| Committee Members Absent | Art Hall, Mayoral Designee; J.T. Trevino, Fire Representative |
| Others Present | Warren Schott, Executive Director; Mark Gremmer, Deputy Director; Matthew O'Reilly, CIO; Will Albright, Investment Analyst; Tyler DuBose, Investment Analyst; Erik Dahler, General Counsel; Lincoln Smith, Albourne America LLC; Keith Stronkowsky, NEPC |

Mr. Smith called the meeting to order at 9:02 AM

Approval of Minutes on December 10, 2014

- Mr. Griffin made the motion to approve the minutes of the December 10th Investment Committee meetings. The motion carried unanimously.

Strategic Study

- NEPC provided research and return expectations forecasts for various asset classes. Staff provided an annual strategic study for the overall investment portfolio with an emphasis on net cash flows from private equity, private debt, real estate and real asset commitments. A pacing schedule under different macroeconomic scenarios was presented to provide an analysis and spur discussions for potential projects over the rest of the year.

Investment Policy Statement

- Discussions were held regarding the Investment Policy Statement. Staff provided an updated Investment Policy Statement to showcase the recent 3% allocation to Unconstrained Fixed Income.
- Mr. Griffin made the motion to approve the updated Investment Policy Statement to include the 3% allocation to Unconstrained Fixed Income. The motion carried unanimously.

Emerging Manager Policy

- The Investment Committee decided to revisit the Emerging Manager Policy in a future Investment Committee meeting.

Commitment to Medley III

- Discussions were held regarding the Re-Up opportunity with Medley in the private debt space. Ultimately, the Investment Committee decided to commit \$15 million to Medley Opportunity Fund III.
- Mr. Reed made the motion to commit \$15 million to Medley Opportunity Fund III. The motion carried unanimously.

Actuarial Rate of Return Assumptions

- Discussions were held regarding the actuarial rate of return assumptions. Ultimately, the Investment Committee decided to revisit the topic at a future Investment Committee meeting.

Private Equity Search

- Discussions were held regarding adding an additional Private Equity manager(s) in the international private equity space.
- Mr. Reed made the motion to approve an international Private Equity Search. The motion carried unanimously.
- **ADJOURNMENT:** Mr. Griffin made a motion to adjourn at 12:14 PM and carried unanimously.

Approved this ____ day of _____, 2015.

Jim Smith, Investment Committee Chairman