

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
MONDAY, FEBRUARY 22, 2021
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
Committee Members Absent	Justin Rodriguez, Mayoral Designee; Dean Pearson, Fire Representative
Others Present	Vance Meade, Fire Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Giovanni Núñez, Investment Analyst; Wesley Levanduski, Investment Analyst; Gail Jensen, General Counsel; Mark Gremmer, Deputy Director

Approval of Minutes of January 20, 2021

- Mr. Foster made a motion to approve the minutes of the January 20, 2021 Investment Committee meeting. The motion carried unanimously.

NEPC Quarterly Performance Review

- NEPC provided a quarterly performance review of the portfolio and overall markets. For the fourth quarter, the Pension Fund gained 9.2% and is positive 9.9% for the year. These figures could change as approximately \$600 million in alternative investments have not yet completed their 2020 reporting. Although COVID-19 influenced a sharp decline in capital markets earlier in 2020, there was a strong rebound which led to the positive year-end results. The Committee reviewed the specific performance of PIMCO RAE, and after discussion, the Committee decided to remove them from the watchlist. Mr. Reed made that in the form of a motion. The motion carried unanimously.

Possible Rebalancing

- The Committee discussed possible rebalancing to address the increased cash level resulting from hedge fund redemptions. Options included reallocating money into core fixed income to better align the asset class with its target, reducing the overweight allocation to international equities portfolios, and rebalancing between growth and value managers within the international equity asset class. Mr. Reed made a motion to recommend to the Board to redeem \$25 million from the WCM International Growth portfolio, redeem \$20 million from the William Blair International Growth portfolio, add \$10 million to the PIMCO RAE international equity portfolio, and add \$40 million to the Garcia Hamilton core fixed income portfolio. The motion carried unanimously.

Attucks Emerging Manager Program Performance Update

- Attucks provided a quarterly performance review of the Emerging Manager portfolio and an organization update. For the fourth quarter of 2020, the Pension Fund's Emerging Manager Program portfolio gained 20.8% and is positive 13.4% for the year.

Emerging Manager Small Cap Equity Search

- Discussions were held on a possible Emerging Manager Small Cap Equity search for the Emerging Manager Program portfolio. The search recommendation was prompted after Cooke & Bieler Small Cap Value was graduated from the Emerging Manager Program into the Pension Fund's Domestic Small Cap Equity portfolio. Mr. Griffin made a motion to recommend to the Board to initiate a search for a Domestic Small Cap/SMID Cap manager to add to the Emerging Manager Program portfolio. The motion carried unanimously.

Executive Session

- At 11:18 AM, the Investment Committee went into Executive Session pursuant to Section 551.071 of the Texas Government Code and reconvened at 12:08 PM.

Adjournment: Mr. Reed made a motion to adjourn at 12:08 PM. The motion carried unanimously.

Approved this ____ day of _____, 2021.

Harry Griffin, Investment Committee Chairman