

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, MAY 19, 2021
PENSION OFFICE
9:00 A.M.

Roll Call Mr. Griffin called the meeting to order at 9:01 AM

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; Wesley Levanduski, Investment Analyst; Gail Jensen, General Counsel

Executive Session

- At 9:02 AM, the Investment Committee recessed into Executive Session pursuant to Section 551.071 of the Texas Government Code and reconvened at 9:19 AM.

Approval of Minutes of April 21, 2021

- Mr. Reed made a motion to approve the minutes of the April 21, 2021, Investment Committee meeting. The motion carried unanimously.

Emerging Markets Equity Search Presentations

- Finalist presentations (virtual) for the Emerging Markets Equity Search were held. Representatives from Axiom, Fidelity, and State Street Global Advisors presented their strategies. The approximately \$50 million that will be used to fund this mandate are currently invested in an Emerging Markets ETF.
- After discussion, Mr. Foster made a motion to recommend to the Board to sell the approximately \$50 million held in the Emerging Markets ETF and use those proceeds to invest in Fidelity Institutional Asset Management (FIAM) Concentrated Emerging Markets. The motion carried unanimously.

NEPC Alternative Assets Pacing Plan

- NEPC presented the Pension Fund's Alternative Assets Pacing Plan focusing on Private Equity and Private Debt. With the Private Equity target at 7%, NEPC recommended the Pension Fund to commit \$85 million annually for the next three years. With the Private Debt target at 9%, NEPC recommended the Pension Fund to commit \$125 million annually for the next three years. No action was needed.

Melody Communications Infrastructure Fund II Commitment

- NEPC brought forward the opportunity to invest in Melody Communications Infrastructure Fund II. Representatives from Melody virtually presented their strategy. After discussion, Mr. Pearson made a motion to recommend to the Board to commit \$20 million to Melody Communications Infrastructure Fund II. The motion carried unanimously.

GoldenTree Distressed Fund IV Re-Up Commitment

- Discussions were held on a possible re-up commitment to GoldenTree Distressed Fund IV. The Pension Fund has committed to GoldenTree Distressed Funds I, II, and III, which each having delivered top quartile returns compared to peers across vintages. After discussion, Mr. Pearson made a motion to recommend to the Board to commit \$25 million to GoldenTree Distressed Fund IV. The motion carried unanimously.

Comvest Investment Partners VI Re-Up Commitment

- Discussions were held on a possible re-up commitment to Comvest Investment Partners VI. The Pension Fund committed to the previous fund, Comvest Investment Partners V, which is on pace towards positive performance. After discussion, Mr. Reed made a motion to recommend to the Board to commit \$25 million to Comvest Investment Partners VI. The motion carried unanimously.

NEPC Quarterly Performance Report

- NEPC presented the Pension Fund's performance for the first quarter of 2021. The Pension Fund gained 2.8% for the quarter, which brought the 1-year return to 29.9%. The Pension Fund's total market value is approximately \$3.73 billion. No action was needed.

Update on Attucks Emerging Manager Small/SMID Cap Equity Search

- Staff provided an update on the Attucks Emerging Manager Small/SMID Cap Equity Search. After discussion, the Investment Committee decided to postpone the search and directed Attucks to conduct further evaluation and due diligence on potential managers.

Executive Session

- At 1:46 PM, the Investment Committee recessed into Executive Session pursuant to Section 551.071 of the Texas Government Code and reconvened at 1:57 PM.

Adjournment: Mr. Foster made a motion to adjourn at 1:57 PM. The motion carried unanimously.

Approved this ____ day of _____, 2021.

Larry Reed, Investment Committee Chairman