

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, AUGUST 23, 2017
PENSION OFFICE – 9:00 A.M.

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

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

Approval of Minutes on July 19, 2017

- Mr. Trevino made the motion to approve the minutes of the July 19, 2017 Investment Committee meeting. The motion carried unanimously.

NEPC Quarterly Performance Review

- Discussions were held regarding the Fund's Q2 performance. A representative from NEPC came in to present the performance of SAFF's portfolio. The Fund returned 2.7% during the quarter, ranking it 67th among peers. On a year-to-date and yearly, the Fund has returned 6.8% and 14.0%, respectively.

EnCap Flatrock IV Re-up

- A discussion was held on a real assets re-up opportunity. One of SAFF's existing managers, EnCap Flatrock, is coming back to market with their fourth midstream-focused fund. The Investment Committee recommends committing \$10 million to EnCap Flatrock Midstream Fund IV.

Real Estate Commitments

- A discussion on SAFF's 2017 and 2018 real estate re-up opportunities. Five current managers, Covenant Capital Group, J.P. Morgan Asset Management, Rockpoint Group, Invesco, and The Townsend Group, either have funds currently in the market or will have funds coming back to market by early 2018. The Investment Committee recommends committing to the following:
 - ❖ \$15 million to Covenant Apartment Fund IX
 - ❖ \$10 million to Invesco U.S. Value-Add Fund V

- ❖ \$10 million to Townsend Real Estate Alpha Fund III
- ❖ \$10 million to Rockpoint Real Estate Fund VI

Hedge Fund Search Update

- A discussion was held regarding our global macro hedge funds. One of SAFF's managers, Commonwealth Opportunity Capital, recently announced that the firm will be distributing its capital back to its investors. The Investment Committee recommends allocating \$20 million to Pharo Gaia Fund to replace Commonwealth.

ADJOURNMENT: Mr. Griffin made a motion to adjourn at 11:02 AM, which carried unanimously.

Approved this ____ day of _____, 2017.

Larry Reed, Investment Committee Chairman