

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**WEDNESDAY, NOVEMBER 17, 2021**  
**PENSION OFFICE**  
**9:00 A.M.**

**Roll Call** Mr. Reed called the meeting to order at 9:00 AM

**Committee Members Present** Larry Reed, Fire/Retiree Representative; Jimmy Foster, Police Representative; Dean Pearson, Fire Representative; Vance Meade, Fire Representative; Harry Griffin, Police/Retiree Representative

**Committee Members Absent**

**Others Present** Jim Smith, Police 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; Nancy Ybarra, Executive Assistant

**Approval of Minutes of October 19, 2021**

- Mr. Reed made a motion to approve the minutes of the October 19, 2021, Investment Committee meeting. The motion carried unanimously.

*Mr. Griffin joined the meeting at 9:15 AM.*

**Private Debt Search Finalists Presentations**

- The three finalists presented their investment capabilities. After discussing each Fund's presentations, Staff recommended committing \$25 million to one or two of the three finalists, so as to fulfill the Pension Fund's annual pacing plan of \$125 million in commitments to private debt.
- The Investment Committee Members were complimentary of all three strategies and discussed committing \$25 million to each of the three firms. NEPC and Staff advised that a \$25 million commitment to all three managers would satisfy the 2021 allocation to private debt and also utilize a portion of the 2022 allocation.
- After discussions Mr. Griffin made a motion to recommend to the Board to commit \$25 million to 400 Capital Asset Based Term Fund III, \$25 million to Callodine Asset Based Loan Fund II, and \$25 million to EnTrust Blue Ocean Onshore Fund II. The motion carried unanimously.

**DaVinci Holdings Ltd. Capital Raise**

- The Investment Committee next discussed increasing the Pension Fund's allocation to DaVinci Holdings Ltd. DaVinci is seeking to raise an additional \$500 million, and the Pension Fund's pro rata share of that raise would be \$5,019,046.09. After discussing the investment's strategy and performance with NEPC and Staff, Mr. Foster made a motion to recommend to the Board to increase our allocation to DaVinci Holdings Ltd. by our full pro rata share of the capital raise. The motion carried unanimously.

## **Siguler Guff Distressed Opportunities Fund III, LP – Investor Election Memorandum**

- The Investment Committee discussed two different liquidity opportunities with respect to the Siguler Guff Distressed Opportunities Fund III. The Fund is nearing the end of its extended Term and Siguler Guff provided investors the option of either remaining in the Fund under a three-year extension or taking advantage of a liquidity opportunity that Siguler Guff had secured. Specifically, Siguler Guff had selected a Purchaser who offered to acquire up to 100% of LP interests at a modest discount to current valuations. NEPC recommended that its clients participate in the Secondary Sale, but the Pension Fund’s General Counsel noted several problematic provisions in the transaction documents. After discussion, Mr. Griffin made a motion to recommend to the Board to sell the Pension Fund’s interests to the Secondary Purchaser, contingent upon successful negotiation of the legal documents. The motion carried unanimously.
- Additionally, and aside from the Secondary Sale option, investors also were presented with liquidity options with respect to the Fund’s investment in a publicly traded company. After discussion, Mr. Griffin made a motion to recommend to the Board to sell the Pension Fund’s portion of the stock investment for cash. The motion carried unanimously.

### **NEPC Quarterly Performance Update**

- NEPC provided a quarterly performance review of the portfolio and overall markets. For the third quarter of 2021, the Pension Fund returned 0.8%, and 8.4% year-to-date. At the end of the third quarter, the Pension Fund’s market value is approximately \$3.97 billion. U.S. Equities and Non-U.S. Equities returned -0.5% and -1.9% for the quarter, respectively. NEPC noted the Pension Fund’s allocation to Private Debt is furthest from its target allocation given its increase from 7% to 9% in 2020. Overall, the Pension Fund’s performance remains strong. No action was taken.

**Adjournment:** Mr. Meade made a motion to adjourn at 12:37 PM. The motion carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2021.

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Larry Reed, Investment Committee Chairman