

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
MONDAY, NOVEMBER 18, 2019
PENSION OFFICE
9:00 A.M.

Roll Call	Mr. Griffin called the meeting to order at 9:02 A.M.
Committee Members Present	J.T. Trevino, Fire Representative; Dean Pearson, Fire Representative; Larry Reed, Fire/Retiree Representative; Jimmy Foster, Police Representative; Harry Griffin, Police/Retiree Representative;
Committee Members Absent	Justin Rodriguez, Mayoral Designee;
Others Present	Jim Smith, Police Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Jason Hsu, Investment Analyst; Giovanni Nuñez, Investment Analyst; Gail Jensen, General Counsel; Keith Stronkowsky, NEPC; Spencer Edge, Albourne; Tom McGonagle, Black Creek Group; J.R. Wetzel, Black Creek Group; Amy Cummings, Park Madison Partners; Scott Klein, Beach Point Capital; Mike Carter, Beach Point Capital; Sandor Hau, Charlesbank; Brandon White, Charlesbank; Neil Reiner, PIMCO; Gabe Goldstein, PIMCO; Matt Clark, PIMCO; George Hicks, Varde Partners; Andrew Knapp, Varde Partners.

Approval of Minutes on October 23, 2019

- Mr. Trevino made a motion to approve the minutes of the October 23, 2019 Investment Committee meeting. The motion carried unanimously.

Global Macro Search Update

- Albourne, the Fund's hedge fund consultant, gave an update on the ongoing global macro hedge fund search initiated in October. Albourne presented two firms that they had high conviction in. Mr. Trevino made a motion to continue due diligence with Alphadyne Asset Management and Alpstone Capital. The motion carried unanimously.

PFM Thematic Growth Fund Update

- Albourne presented, alongside staff, an update on one of our hedge funds. PFM notified us that they would close down the fund that SAFPPF is invested in and that we could choose to roll our interest into another PFM product, or redeem. Mr. Foster made a motion not to roll our interest in into another PFM product line. The motion carried unanimously.

Black Creek Industrial Fund Presentation

- Representatives from Black Creek Group presented their Black Creek Industrial Fund. In October, the Board made a \$20 million commitment to Black Creek Industrial Fund pending a successful site visit and presentation. Additional action was taken as noted in the next Agenda Item.

Black Creek Industrial Fund Additional Commitment

- Discussions were held regarding adding additional dollars to our commitment in the Black Creek Industrial Fund. Mr. Reed made a motion to make an additional \$10 million commitment in addition to the original \$20 million commitment. The motion carried unanimously.

Distressed Private Debt Finalist Presentations

- Representatives from four firms, Beach Point, Charlesbank, PIMCO, and Varde, presented their capabilities in the distressed private debt space. After discussing impressions from on-site visits and presentations, Mr. Reed made a motion to commit \$40 million to Charlesbank Credit Opportunities Fund II. The motion carried, with Mr. Griffin opposing.

NEPC Quarterly Performance Review

- NEPC presented the third quarter's performance for 2019. On a year-to-date basis, the Fund is up 9.8%. The highest contributor to the return were investments made in domestic equity.

Rebalancing of Assets

- Discussions were held regarding rebalancing our assets. In 2017, NEPC recommended an overweight in bank loans. After the market run-up, NEPC now recommends bringing the investment back to market weight. Mr. Trevino made a motion to redeem \$60 million from the Fund's bank loans portfolio with PineBridge Investments and adding the proceeds to the existing investment with Payden & Rygel Absolute Return Bond Fund. The motion carried unanimously.

Asset/Liability Study

- Discussions were held regarding our 5-year asset/liability study. The Investment Policy Statement recommends conducting an asset/liability study every five years. After discussing options on service providers, Mr. Foster made a motion to retain NEPC for the next asset/liability study. The motion carried unanimously.

At 2:03 p.m., the Investment Committee recessed to Executive Session pursuant to Texas Government Code § 551.071. The Committee reconvened at 2:34 p.m.

ADJOURNMENT: Mr. Pearson made a motion to adjourn at 2:35 P.M., which carried unanimously.

Approved this ____ day of _____, 2019.

Harry Griffin, Investment Committee Chairman