

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, NOVEMBER 22, 2023
PENSION FUND OFFICE
9:30 A.M.

Roll Call	Mr. Smith called the meeting to order at 9:30 A.M.
Committee Members Present	Jim Smith, Police Representative; Larry Reed, Fire/Retiree Representative; Harry Griffin, Police/Retiree Representative
Committee Members Absent	Amanda Viera, Police Representative
Others Present	Justin Rodriguez, Mayoral Designee; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Giovanni Nunez, Investment Analyst; Wes Levanduski, Investment Analyst; Gail Jensen, General Counsel

Approval of Minutes of October 27, 2023

- Mr. Smith made a motion to approve the minutes of the October 27, 2023, Investment Committee meeting. The motion carried unanimously.

NEPC Quarterly Performance Update and Appropriate Follow-up Action Including Possible Reallocations, Rebalancing and/or Terminations

- NEPC presented on the market environment and the Pension Fund's performance as of September 30, 2023. The market value of the Pension Fund was approximately \$3.7 billion. The Pension Fund's return for the 3rd quarter was -1.5%, and its year-to-date return was 4.6%. The total portfolio is close to its policy allocation targets and within approved ranges. U.S. equities returned -3.5% in the quarter and 11.3% year-to-date, while non-U.S. equities returned -5.3% in the quarter and 2.6% year-to-date. Total fixed income returned -0.2% in the quarter and 3.6% year-to-date. Discussions arose regarding emerging market equities, and the Committee directed staff to include this topic for further discussion at a future meeting.
- NEPC reviewed the domestic large cap value managers and suggested adjusting the allocation mix. After discussions, Mr. Griffin made a motion to recommend to the Board to liquidate \$40 million from The London Company and move those funds to Seizert Capital. The motion carried unanimously.
- The Committee also discussed the need to raise cash in anticipation of expected capital calls and covering pension benefits. After discussions, Mr. Griffin made a motion to recommend that the Board liquidate \$30 million from the Northern Trust Russell 1000 Index Fund and move those funds to the Pension Fund's cash account. The motion carried unanimously.

Palistar Digital Infrastructure Fund III Re-Up Commitment

- The Committee discussed a potential re-up commitment with Palistar Digital Infrastructure Fund III. The Fund will make investments in telecommunications easements, wireless towers, data centers, fiber, and other digital infrastructure assets. Palistar Digital Infrastructure Fund I is a top quartile fund in terms of IRR, DPI and TVPI. As of June 30, 2023, the Pension Fund's investment in Palistar Digital Infrastructure Fund II has a net IRR of 8.34%. After discussions, Mr. Griffin made a motion to recommend to the Board to commit \$20 million to Palistar Digital Infrastructure Fund III. The motion carried unanimously.

Real Estate Consultant RFP

- The Committee discussed a referral from the Personnel/Audit Committee to issue a real estate consultant Request for Proposal (“RFP”). After discussions, Mr. Griffin made a motion to recommend to the Board to initiate the RFP process. The motion carried unanimously.

Adjournment: Mr. Reed made a motion to adjourn at 11:08 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2023.

Jim Smith, Investment Committee Chairman