

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**WEDNESDAY, MAY 22, 2019**  
**PENSION OFFICE – 9:00 A.M.**

Roll Call	Mr. Trevino called the meeting to order at 9:06 A.M.
Committee Members Present	J.T. Trevino, Fire Representative; Dean Pearson, Fire Representative; Jim Smith, Police Representative; Harry Griffin, Police/Retiree Representative
Committee Members Absent	Larry Reed, Fire/Retiree Representative
Others Present	Jimmy Foster, Police Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Jason Hsu, Investment Analyst; Keith Stronkowsky, NEPC; Gilbert Garcia, Garcia Hamilton & Associates; Ruby Dang, Garcia Hamilton & Associates; Yvette Dueñas, Garcia Hamilton & Associates; Kwadwo Acheampong, PGIM; Mike Marinelli, PGIM; Ian Lane, HarbourVest; Nate Bishop, HarbourVest; Jeff Ennis, Ocean Avenue; Brad Williams, Ocean Avenue

**Approval of Minutes on April 17, 2019**

- Mr. Smith made a motion to approve the minutes of the April 17, 2019 Investment Committee meeting. The motion carried unanimously.

**Core Bond Search Finalists**

- Representatives from Garcia Hamilton & Associates and PGIM presented their capabilities in the core bond space. After presentations, Mr. Smith made a motion to recommend the Board allocate 5% of the pension fund's overall portfolio to Garcia Hamilton & Associates Fixed Income Aggregate. The motion carried, with Mr. Griffin opposed.

**Private Equity Co-Investment Search Finalists**

- Representatives from HarbourVest and Ocean Avenue Capital Partners presented their capabilities in the private equity co-investment space. After presentations, Mr. Griffin made a motion to recommend the Board commit \$20 million to HarbourVest Co-Investment Fund V and \$20 million to Ocean Avenue Fund IV. The motion carried unanimously.

**NEPC Quarterly Performance Review**

- Discussions were held regarding the Fund's first quarter performance. The year got off to a strong start, earning the Fund a 6.1% return quarter-to-date. That brought the 1-year return to a positive 1.7%. The Pension Fund's total assets are approximately \$3.15 billion as of quarter end, which is about \$150 million more than the end of Q4 2018.

### **Rebalance to Fund International Portfolio and for Liquidity**

- Discussions were held regarding rebalancing the portfolio to help fund the international equity transitions as well as provide for liquidity needs. Mr. Smith made a motion to recommend the Board redeem \$65 million from the Russell 1000 index fund. The motion carried unanimously. Mr. Griffin also made a motion to recommend the Board redeem \$25 million from the AQR risk parity investment. The motion carried unanimously.

### **DaVinci – Potential Additional Allocation**

- Discussions were held regarding an opportunity to add additional capital to our reinsurance hedge fund. Our investment with DaVinci has achieved an annualized 6.92% net return. Mr. Smith made a motion to recommend the Board allocate an additional \$3.4 million to DaVinci. The motion carried unanimously.

### **Property Holding Corporation Update**

- Discussions were held regarding the three buildings owned by the S.A. F & P Property Holding Corporation. Following discussions from prior Property Holding Corporation meetings, staff presented a performance comparison of the buildings versus the current core real estate managers. With regards to two of the office buildings, both buildings trailed the core managers and the ODCE index on an unlevered basis. The Committee requested that additional information be provided at a subsequent committee meeting. No further action was taken.

**ADJOURNMENT:** Mr. Griffin made a motion to adjourn at 12:56p.m., which carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2019.

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Larry Reed, Investment Committee Chairman