

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
MONDAY, JULY 23, 2018
PENSION OFFICE – 9:00 A.M.

Roll Call	Mr. Reed 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; Jim Smith, Police Representative;
Committee Members Absent	Harry Griffin, Police/Retiree Representative;
Others Present	Jimmy Foster, Police Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Mark Gremmer, Deputy Director; Sinclair Nagy, Investment Analyst; Jason Hsu, Investment Analyst; Keith Stronkowsky, NEPC;

Approval of Minutes on June 20, 2018

- Mr. Pearson made a motion to approve the minutes of the June 20, 2018 Investment Committee meeting. The motion carried unanimously.

Fixed Income Search Update

- A representative from NEPC presented their views on the direction of the search. Ultimately, it was decided that the field of managers should be focused on those with an unconstrained mandate. From there, NEPC listed their top choices within unconstrained fixed income. Discussions were held regarding each of the manager's fit within the Pension Fund's portfolio. Mr. Trevino made the motion to conduct on-site visits with the following managers: Blackrock, GAM, Payden & Rygel, and Wellington. The motion carried unanimously.

Global Macro Search Update

- Staff gave the Investment Committee an update on the global macro hedge fund search. Mr. Trevino and Mr. Nagy returned from doing on-site visits with Alphadyne Asset Management, Alpstone Capital, H2O Asset Management, and Rokos Capital Management and gave their report on the managers' capabilities. The Committee was also informed that Alphadyne and Rokos were no longer accepting investments, so they were removed from consideration. After a lengthy discussion on the remaining two managers, Mr. Trevino made the motion to recommend the Board commit \$20 million to H2O Global Alpha Fund. The motion carried unanimously.

Consulting Contracts

- Discussions were held regarding the contracts of two of our investment consultants. The Committee discussed the performance and fees of our current emerging manager consultant, Attucks. After a lengthy discussion, Mr. Trevino made the motion to renew the contract for Attucks Asset Management. The motion carried, with Mr. Smith opposed.
- Discussions were held regarding our general consultant, NEPC. NEPC proposed amending their contract to include a cost of living adjustment. Mr. Smith made the motion to renew the amended contract with NEPC. The motion carried unanimously.

ADJOURNMENT: Mr. Trevino made a motion to adjourn at 10:17 a.m., which carried unanimously.

Approved this ____ day of _____, 2018.

Larry Reed, Investment Committee Chairman