MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, MAY 21, 2025
PENSION FUND OFFICE
9:30 A.M.

Roll Call	Mr. Smith called the meeting to order at 9:33 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; Gail Jensen, General Counsel; Giovanni Nunez, Investment Analyst; Wes Levanduski, Investment Analyst

Approval of Minutes of April 16, 2025

- Mr. Reed made a motion to approve the minutes of the April 16, 2025, Investment Committee meeting. The motion carried unanimously.

Arlington Capital Partners VII Re-Up Commitment

- The Committee discussed a potential re-up commitment with Arlington Capital Partners VII. An Arlington representative reviewed the Fund's investment strategy and discussed the current opportunity set within certain government-regulated sectors. Fund VII will continue Arlington's investment strategy focused on acquiring middle-market companies in the aerospace and defense, government services and technology, and healthcare sectors.
- The Pension Fund is currently invested in Arlington Capital Partners VI, which has an IRR of 25%, as of December 31, 2024. After discussions, Mr. Griffin made a motion to recommend that the Board commit $25 million to Arlington Capital Partners VII. The motion carried unanimously.

Charlesbank Equity Fund XI Re-Up Commitment

- The Committee then discussed a potential re-up commitment with Charlesbank Equity Fund XI. Representatives from Charlesbank discussed the Fund's investment strategy and the current market dynamics. Fund XI will continue Charlesbank's investment strategy focused on acquiring middle-market companies within the business and consumer services, healthcare, industrial, and technology sectors, and adding value through operational improvements and market consolidation.
- As of December 31, 2024, the Pension Fund is currently invested in Charlesbank Equity Fund X, which has a first quartile IRR of 16%, and Charlesbank Credit Opportunistic Funds II and III, which have IRRs of 12% and 40%, respectively. After discussions, Mr. Reed made a motion to recommend that the Board commit $25 million to Charlesbank Equity Fund XI. The motion carried unanimously.

Asset Liability Study and Possible Adjustments to Asset Allocation

- At this time, the Committee moved to Item "VI" of the Agenda. Representatives from NEPC presented the asset liability study. After reviewing the liability portion of the study, NEPC discussed the Pension Fund's current asset allocation and introduced several alternative asset allocation options for consideration at a future Committee meeting.

- After discussions, Mr. Griffin made a motion to recommend that the Board approve the asset liability study under the Pension Fund's current asset allocation mix, with the understanding that potential alternative asset allocation changes will be discussed at a future date. The motion carried unanimously.

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

- Following the asset liability study discussion, NEPC presented a quarterly performance review of the portfolio. As of March 31, 2025, the Pension Fund's market value was approximately $4.1 billion, and the total portfolio returned -0.7% for the quarter. The portfolio is positioned at or near its policy allocation targets, and within approved ranges. In the quarter, U.S. equities returned -5.4%, non-U.S. equities returned 3.5%, and total fixed income returned 1.8%.
- NEPC noted that the majority of the underlying investment managers are performing well relative to their peers and benchmarks. NEPC had no specific performance concerns, but did suggest monitoring the William Blair International Leaders fund and the EAM Investors international small cap fund. No action was taken.

Private Equity Search Update

- Staff and NEPC provided an update on the private equity search focused on technology buyout strategies. They detailed the purpose of the search and presented a list of 10 potential candidates for consideration. Staff and NEPC discussed each fund's investment capabilities, distinguishing features, and fit within the search criteria.
- After discussion, Mr. Griffin made a motion to conduct on-site due diligence visits with 5 funds: BV Investment Partners Fund XII, Diversis Capital III, Francisco Partners VIII, STG Allegro II, and Vista Foundation Fund V. The motion carried unanimously.
- The Committee directed the Investment Staff to schedule the site visits for July and to provide the Committee with travel details in early June.

Adjournment Mr. Reed made a motion to adjourn at 12:31 P.M. The motion carried unanimously.

Approved this ____ day of _________________, 2025.

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Larry Reed, Investment Committee Chairman