

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
TUESDAY, FEBRUARY 18, 2020
PENSION OFFICE
9:00 A.M.

Roll Call	Mr. Griffin called the meeting to order at 9:00 A.M.
Committee Members Present	Larry Reed, Fire/Retiree Representative; Harry Griffin, Police/Retiree Representative; Jimmy Foster, Police Representative;
Committee Members Absent	Justin Rodriguez, Mayoral Designee; Dean Pearson, Fire Representative;
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; Spencer Edge, Albourne; Keith Stronkowsky, NEPC; Patrick Silvestri, Attucks; Winston Blake, Attucks; Joe Stelmaszek, Attucks;

Approval of Minutes on January 22, 2020

- Mr. Reed made a motion to approve the minutes of the January 22, 2020 Investment Committee meeting. The motion carried unanimously.

Global Macro Hedge Fund Search Update and Commitment

- Discussions were held regarding the ongoing global macro search. Recently, Cary Hally, Jimmy Foster, and Jim Smith made on-site visits with the three finalists. After discussing impressions from the trip, Mr. Reed made a motion to commit \$20 million to Graham Capital Management. The motion passed, with Mr. Griffin opposing.

Hedge Fund Performance Review and Appropriate Follow-up Actions, including Rebalancing, Initiation of Searches, and Terminations

- A representative from Albourne was in attendance to discuss the Pension Fund's 2019 hedge fund portfolio performance and possible adjustments. Given the liquidity event from one of the pension fund's equity long/short funds closing down and liquidating their assets, Albourne suggested that we redeploy the capital across two of our existing equity long/short funds. Mr. Reed made a motion to allocate an additional \$10 million to our existing investment with Samlyn Capital and an additional \$10 million to our existing investment with Southpoint Capital Advisors. The motion carried unanimously.

Emerging Manager Performance Review and Appropriate Follow-up Actions, including Rebalancing, Initiation of Searches, and Terminations

- Representatives from Attucks Asset Management were in attendance to provide an update on the emerging manager portfolio performance and ways to improve the manager selection process. No action was taken.

NEPC Quarterly Performance Review and Appropriate Follow-up Actions, including Rebalancing, Initiation of Searches, and Terminations

- A representative from NEPC provided a fourth quarter performance review. In Q4 2019, the fund was up 4.6%, bring our preliminary 2019 yearly return up to 14.9%. For the year, every asset class provided a positive return.
- Also discussed was the performance of our emerging market public equity manager. Acadian Asset Management, who the fund has approximately \$140 million invested with, has only matched the performance of their benchmark from inception-to-date. Mr. Foster made a motion to begin a search for an emerging market equity manager. The motion carried unanimously.

Private Equity Manager Search

- Discussions were held regarding the makeup of the Fund’s private equity portfolio. Historically, the Fund has not invested in traditional venture capital, as the dispersion of returns varies greatly between managers. Given this dispersion, staff and NEPC recommended that the fund gain exposure in venture capital through fund-of-funds and secondaries managers. Mr. Reed made a motion to begin a search and commit up to \$40 million to venture capital fund-of-funds and secondaries managers. The motion carried unanimously.

ADJOURNMENT: Mr. Reed left the meeting at 11:56 A.M., ending the meeting.

Approved this ____ day of _____, 2020.

Harry Griffin, Investment Committee Chairman