

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**WEDNESDAY, JANUARY 15, 2025**  
**PENSION FUND OFFICE**  
**9:30 A.M.**

**Roll Call** Mr. Smith called the meeting to order at 9:32 A.M.

**Committee Members Present** Jim Smith, Police Representative; Larry Reed, Fire/Retiree Representative; Amanda Viera, Police Representative; Harry Griffin, Police/Retiree Representative

**Committee Members Absent** None

**Others Present** 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 December 11, 2024**

- Mr. Griffin made a motion to approve the minutes of the December 11, 2024, Investment Committee meeting. The motion carried unanimously.

**StepStone VC Global Partners XII Re-Up Commitment**

- The Committee discussed a potential re-up commitment with StepStone VC Global Partners XII. A StepStone representative reviewed the Fund's investment strategy and discussed the current venture capital opportunity set. Fund XII will allocate capital to individual companies directly and to well-established venture capital firms, with approximately 70% of its committed capital going to global venture capital firms, 25% to direct investments, and 5% to secondary investments.
- The Pension Fund is currently invested in StepStone VC Global Partners X and XI, which have net IRRs of -0.2% and 2.6%, respectively, as of September 30, 2024. NEPC is currently underwriting Fund XII, and their clients will receive a 15% reduction in management fees provided the collective capital commitment surpasses \$25 million. Further discussion and possible action were postponed until later in the meeting.

**Top Tier Venture Velocity Fund 5 Re-Up Commitment**

- The Committee discussed a potential re-up commitment with Top Tier Venture Velocity Fund 5. Representatives from Top Tier reviewed the Fund's investment strategy and discussed the current venture capital market dynamics. Fund 5 will allocate approximately 60% of its committed capital to secondary investments, encompassing both venture capital funds and venture-backed operating companies. The remaining portion will be dedicated to co-investments alongside well-established venture capital firms.
- The Pension Fund is currently invested in Top Tier Venture Velocity Funds 3 and 4, which have net IRRs of 0.0% and 3.0%, respectively, as of September 30, 2024. NEPC is currently underwriting Fund 5 and a "2" rating is anticipated. Further discussion and possible action were postponed until later in the meeting.

*Mr. Smith left the meeting at 11:04 A.M.*

- Following the presentations, a discussion arose regarding the performance of each manager and the broader venture capital asset class. Staff and NEPC reminded the Committee that Top Tier and StepStone were both hired in 2020 as the Pension Fund's initial venture capital equity investments, with subsequent re-up commitments to both firms approved in 2022. Staff noted that these investments are in their early stages and meaningful performance is not anticipated for several years. NEPC highlighted the cyclical nature of the venture capital asset class and noted that while market conditions are currently improving, both managers faced headwinds over the last 4 years. Due to the cyclical nature of the asset class and benefits from vintage year diversification, staff recommended a consistent capital deployment approach to venture capital opportunities.
- After discussions, Mr. Griffin made a motion to recommend that the Board commit \$20 million to StepStone VC Global Partners XII and \$20 million to Top Tier Venture Velocity Fund 5. The motion carried unanimously.

### **Ullico Infrastructure Taxable Fund Update**

- Representatives of the Ullico Infrastructure Taxable Fund provided an update on the Pension Fund's investment. The Pension Fund committed \$10 million to the Fund in 2016. As of September 30, 2024, the market value and since inception net IRR of the Pension Fund's investment is approximately \$11 million and 6.64%, respectively. The Fund is an open-end core infrastructure fund that invests in assets across all sectors, including transportation, data transmission, power, oil and gas, and utilities. The Fund follows a buy-and-hold strategy, targeting long-term assets that generate consistent income streams. As of September 30, 2024, the strategy has approximately \$5.8 billion of assets under management and 25 investments located in the U.S. or Canada. No action was taken.

### **Adjournment**

Ms. Viera made a motion to adjourn at 12:25 P.M. The motion carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2025.

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Jim Smith, Investment Committee Chairman