

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
TUESDAY, MARCH 18, 2025
PENSION FUND OFFICE
9:00 A.M.

Roll Call Mr. Smith called the meeting to order at 9:00 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; Gail Jensen, General Counsel; Cary Hally, Chief Investment Officer; Giovanni Nunez, Investment Analyst

Approval of Minutes of February 19, 2025

- Mr. Reed made a motion to approve the minutes of the February 19, 2025, Investment Committee meeting. The motion carried unanimously.

Private Markets Pacing Plan

- NEPC presented their private markets pacing plan for the Pension Fund, which provides an annual review and assessment of the Pension Fund's private markets program, specifically the private equity, private debt, and real assets portfolios. Questions arose regarding why the Pension Fund invests in private markets versus public markets. NEPC explained the illiquidity premium, how the Pension Fund's long-term outlook provides the ability to invest in private markets, and how the Pension Fund's investments in the private markets have achieved strong performance in comparison to public market equivalents.
- In the presentation, NEPC reviewed the Pension Fund's existing manager commitments, anticipated capital calls and distributions, and forecasted growth rates. An integral part of the pacing strategy is to maintain an active commitment pace in each vintage year, while considering liquidity needs. Based upon its review, NEPC recommended the Pension Fund commit approximately \$100 million to private equity based on its 9% target, \$100 million to private debt based on its 9% target, and \$20 million to real assets based on its 5% target. No action was taken.

Private Equity Search

- The Committee discussed launching a private equity search. After discussions, Mr. Griffin made a motion to recommend that the Board initiate a \$20 million private equity search focused on buyout managers in the technology/enterprise software sector. The motion carried unanimously.

Real Assets Search

- The Committee discussed launching a real assets search. After discussions, Mr. Griffin made a motion to recommend that the Board initiate a \$20 million real assets search focused on managers that specialize in infrastructure secondary investments. The motion carried unanimously.

U.S. Treasury Bonds Portfolio, including Possible Reallocation

- The Committee discussed the Pension Fund's U.S. Treasury Bonds strategy within the core fixed income portfolio. Staff noted that the portfolio was established two years ago and designed as a "buy and hold" strategy investing in treasury securities on the shorter end of the yield curve. Staff described the portfolio's positive performance, and how it can serve as a liquidity pool.
- It was noted that a couple of large maturities are anticipated this month, with \$18.25 million maturing on March 20th and \$84.15 million maturing on March 31st. Given the positive performance of the strategy and the Pension Fund not currently needing the proceeds of the maturities, the Committee directed staff to continue implementing the strategy as designed, and to continue to work with MacKay Shields to purchase U.S. Treasuries with maturities of two years or less when existing holdings mature. No action was taken.

Adjournment

Mr. Reed made a motion to adjourn at 10:07 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2025.

Jim Smith, Investment Committee Chairman