

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, APRIL 19, 2023
PENSION FUND OFFICE
9:30 A.M.

Roll Call	Mr. Reed called the meeting to order at 9:30 A.M.
Committee Members Present	Larry Reed, Fire/Retiree Representative; Harry Griffin, Police/Retiree Representative; Amanda Viera, Police Representative
Committee Members Absent	Justin Rodriguez, Mayoral Designee
Others Present	Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Giovanni Nunez, Investment Analyst; Wes Levanduski, Investment Analyst; Nancy Ybarra, Executive Assistant

Approval of Minutes of March 22, 2023

- A discussion arose regarding the Core Fixed Income Allocation and Rebalancing agenda items. Staff provided an update on the status of the transactions and reported that the two-year U.S. Treasury portfolio had been funded by the liquidation proceeds of the emerging market debt portfolio and the partial redemptions from the high yield bonds and bank loans portfolios were in process.
- Mr. Griffin made a motion to approve the minutes of the March 22, 2023, Investment Committee meeting. The motion carried unanimously.

Public Equity International Value Managers Review and Appropriate Follow-up Action

- As a follow-on discussion from the February 2023 Investment Committee meeting, NEPC compared the Pension Fund's current international value public equity managers, First Eagle and PIMCO, with six firms on their Focus Placement List. NEPC discussed each manager's investment strategy, portfolio characteristics and performance.
- After discussions, Mr. Griffin made a motion to recommend that the Board initiate an international value public equity manager search that includes the Pension Fund's current managers (First Eagle and PIMCO). The motion carried unanimously.

Comvest Credit Partners Evergreen Fund Commitment

- The Committee discussed the Comvest Credit Partners Evergreen Fund investment opportunity. The Fund will primarily issue senior secured loans and junior debt to both non-sponsored and sponsored lower-middle market companies in the U.S. NEPC has issued their highest rating to Comvest Credit Partners IV, V, and VI.
- The Pension Fund has invested in two Comvest private equity funds: Comvest Investment Partners V and VI. NEPC and staff consider the opportunity as an extension of the Pension Fund's relationship with Comvest, and staff has negotiated favorable fee discounts.
- After discussions, Mr. Griffin made a motion to recommend that the Board commit \$25 million to the Comvest Credit Partners Evergreen Fund. The motion carried unanimously.

Exponent Private Equity Partners V Re-Up Commitment

- The Committee discussed the Exponent Private Equity Partners V re-up opportunity. The Fund will seek middle-market buyout opportunities in businesses within their focused sectors that are primarily headquartered in the UK or Ireland and have a clear operational plan to double profits through revenue driven growth initiatives. The Pension Fund invested in Funds III and IV. As of September 30th, 2022, the net IRR for Fund III is 12.8%, and for Fund IV is 30.2%.
- After discussions, Ms. Viera made a motion to recommend that the Board commit £20 million to Exponent Private Equity Partners V. The motion carried unanimously.

AG Direct Lending Evergreen Fund DRIP Election

- Staff briefed the Committee on the Angelo Gordon Direct Lending Evergreen Fund DRIP proposal. The DRIP election allows investors in prior Angelo Gordon direct lending funds to roll their principal distributions from those funds into the Angelo Gordon Direct Lending Evergreen Fund. This would allow the Pension Fund to add the approximately \$30 million remaining value in Funds III and IV to the Evergreen Fund over the next four years. Staff noted that the \$30 million rollover via the DRIP mechanism would be in addition to the Pension Fund's existing \$25 million commitment to the Evergreen Fund, so that after the rollover is complete, the Pension Fund's total commitment to Angelo Gordon Direct Lending Evergreen Fund would be approximately \$55 million.
- After discussions, Ms. Viera made a motion to recommend that the Board approve the DRIP election. The motion carried unanimously.

Adjournment: Mr. Griffin made a motion to adjourn at 11:09 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2023.

Larry Reed, Investment Committee Chairman