

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, APRIL 24, 2024
PENSION FUND OFFICE
9:30 A.M.

Roll Call	Mr. Smith called the meeting to order at 9:30 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

Approval of Minutes of March 18, 2024

- Mr. Griffin requested an update on the Minute Entry regarding the “Asset Allocation Review and Possible Adjustments” item. Staff reported that the Pension Fund had received funds from one of the two terminated managers and had completed reallocating funds to two of the six existing managers.
- Ms. Viera made a motion to approve the minutes of the March 18, 2024, Investment Committee meeting. The motion carried unanimously.

Investment Policy Statement Update

- NEPC and staff presented the proposed amendments to the Investment Policy Statement that included an updated benchmark for High Yield to the Bloomberg U.S. Corporate High Yield from the ICE BofA, and modifications to various target allocations to reflect the Board’s recent changes to the asset allocation. Discussions continued regarding other document revisions.
- After discussions, Ms. Viera made a motion to recommend that the Board adopt the amended Investment Policy Statement as proposed. The motion passed 3 to 1, with Mr. Reed opposing.

KKR Global Infrastructure Investors V Re-Up Commitment

- The Committee discussed a potential re-up commitment with KKR Global Infrastructure Investors V. The Fund will build a diversified portfolio of 15 to 20 investments in infrastructure sectors including digital infrastructure, power generation and energy transition, transportation and industrial infrastructure, midstream infrastructure, and water, wastewater, and waste. The Pension Fund has invested in Fund I and Fund IV. Fund I is a first quartile fund in terms of total investment return, and the Pension Fund’s investment is completely realized with an IRR of 8.9%. As for Fund IV, the Pension Fund’s investment has an IRR of 12.6%, as of December 31, 2023.
- After discussions, Mr. Griffin made a motion to recommend that the Board commit \$20 million to KKR Global Infrastructure Investors V. The motion carried unanimously.

MGG Structured Solutions Fund II Re-Up Commitment

- The Committee discussed a potential re-up commitment with MGG Structured Solutions Fund II. The Fund will target companies in the lower- to middle-market and seeks to invest in privately sourced and negotiated credit, equity, and hybrid instruments. As of September 30, 2023, the Pension Fund’s

investment in MGG's direct lending strategy has an IRR of 8.33%. Although MGG Structured Solutions Fund II is not a traditional re-up opportunity, NEPC and staff view it as an extension of the Pension Fund's relationship with MGG, as a portion of the direct lending strategy invests in structured solutions strategies. MGG Structured Solutions Fund I is a first quartile fund in terms of IRR, as of December 31, 2023.

- After discussions, Mr. Griffin made a motion to recommend that the Board commit \$25 million to MGG Structured Solutions Fund II. The motion carried unanimously.

Rebalancing

- The Committee discussed rebalancing to increase the Fund's liquidity. After discussions, Mr. Reed made a motion to recommend that the Board liquidate \$20 million from the Northern Trust Russell 1000 Index Fund and move those funds to the Pension Fund's cash account. The motion carried unanimously.

Adjournment: Mr. Reed made a motion to adjourn at 11:06 A.M. The motion carried unanimously.

Approved this ____ day of _____, 2024.

Jim Smith, Investment Committee Chairman