

**MINUTES**  
**INVESTMENT COMMITTEE MEETING**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**WEDNESDAY, OCTOBER 23, 2024**  
**PENSION FUND OFFICE**  
**9:30 A.M.**

<b>Roll Call</b>	Mr. Smith called the meeting to order at 9:30 A.M.
<b>Committee Members Present</b>	Jim Smith, Police Representative; Larry Reed, Fire/Retiree Representative; Amanda Viera, Police Representative; Harry Griffin, Police/Retiree Representative
<b>Committee Members Absent</b>	None
<b>Others Present</b>	Warren Schott, Executive Director; Giovanni Nunez, Investment Analyst; Wes Levanduski, Investment Analyst; Gail Jensen, General Counsel

**Approval of Minutes of September 18, 2024**

- Mr. Reed made a motion to approve the minutes of the September 18, 2024, Investment Committee meeting. The motion carried unanimously.

**IDR Update**

- Staff and representatives from Townsend informed the Committee that IDR is raising capital to purchase a unique portfolio of core real estate funds at a discount to net asset value and has asked the Pension Fund to participate in the transaction. Staff and Townsend believe the opportunity will enable the Pension Fund to gain exposure to a subset of IDR's core open-end portfolio at a discount, while achieving the Pension Fund's pro rata share in the IDR fund within the next 12-to-18 months as the real estate market continues to improve. After discussions, it was noted that no additional action was required as the Board had already approved the commitment. Staff will work to finalize the legal documents. No action was taken.

**Rebalancing**

- The Committee discussed rebalancing to raise cash to fully fund the IDR commitment. After discussions, Mr. Reed made a motion to recommend that the Board liquidate the remaining Northern Trust Russell 1000 Index Fund balance of roughly \$27 million, and move those funds to the Pension Fund's cash account. The motion carried unanimously.
- A discussion arose regarding the progress of the Pension Fund's core real estate redemption requests. In January 2023, the Board approved redeeming \$10 million from the JP Morgan Strategic Property Fund, and \$15 million from the Affinius US Eagle Real Estate Fund to fund the IDR commitment. As of October 23, 2024, JP Morgan had returned approximately \$4.5 million and Affinius had not returned any funds, although Affinius recently announced that roughly \$1.5 million of the Pension Fund's total redemption request will be returned in mid-November.
- The Committee discussed the pros and cons of rescinding the Pension Fund's redemption requests from one or both funds. After discussions, the Committee decided to discuss the issue at a future Committee meeting. No action was taken.

## **Garcia Hamilton Update Presentation**

- Representatives from Garcia Hamilton provided a performance update on the Pension Fund's core fixed income investment. As of September 30, 2024, the market value of the Garcia Hamilton investment was approximately \$195 million. The strategy returned 6.2% in the third quarter, 12.9% in the last 12 months, and 1.0% since inception in June 2019. Over the same time periods, the strategy has outperformed the Bloomberg US Aggregate index by 1.0%, 1.3%, and 0.2%, respectively. No action was taken.

## **Garcia Hamilton Fixed Income Education**

- Garcia Hamilton's Chief Investment Officer, Gilbert Garcia, discussed the macroeconomic environment, the firm's forecasts, and compared how their strategy is invested compared to the index.
- Following the presentation, representatives from NEPC reminded the Committee that due to the strategy's high tracking error, more volatility is expected compared to the index, and that over a three-to five-year period, Garcia Hamilton should provide outperformance. No action was taken.
- Prior to adjournment, NEPC representatives reminded the Committee that a majority stake in NEPC had recently been acquired by Hightower, but that NEPC will retain its name and act as its own unit within Hightower. The Committee was assured that NEPC's public fund business will operate as normal, and no team member changes are expected. No action was taken, but the Committee and staff will continue to monitor the transition.

*Ms. Viera left the meeting at 11:47 AM*

## **Adjournment**

Mr. Griffin made a motion to adjourn at 11:56 A.M. The motion carried unanimously.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2024.

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Jim Smith, Investment Committee Chairman