

Sinking Fund Commission - March Meeting
March 17, 2021

CITY OF PHILADELPHIA
SINKING FUND COMMISSION

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Wednesday, March 17, 2021
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This Meeting of the Sinking Fund Commission, held pursuant to notice in the above mentioned cause, before Angela M. King, RPR, Court Reporter - Notary Public there being present, held virtually on the above date, commencing at approximately 10:05 a.m., pursuant to the State of Pennsylvania General Court Rules.

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<p style="text-align: center;">A P P E A R A N C E S</p> <p>COMMISSION MEMBERS: Donn Scott, Chairman Rebecca Rhyhart, Controller Francis Bielli, Sitting In (Pension Board Director)</p> <p>ALSO PRESENT: Christopher R. DiFusco, CIO, PGW Alex Goldsmith, PFM Asset Management Marc Ammaturo, PFM Asset Management Floyd Simpson, PFM Asset Management Adam Coleman Nick Hand Vanessa Jackson Tania Kinniry Nadia Mattheie</p>	<p>I'm assuming that you can put that up on the screen.</p> <p>MR. RUBIN: I'm sore, Donn. I have Alex on my line. He can now enter in through there.</p> <p>And which did you need to see on the screen?</p> <p>MR. DiFUSCO: February Investment Report.</p> <p>MR. AMMATURO: As you are doing that, Bill, this is Marc with PFM. Just want to say a couple things, then I'll hand it to Alex to run.</p> <p>First of all, I want to say thank you. Thank you for rehiring PFM for that very competitive procurement process. Thank you for that vote of confidence in PFM. We are excited to continue this partnership moving forward.</p> <p>I, also, want to welcome Floyd Simpson to the -- to the team. Floyd joined PFM about two years ago. Floyd has about 15 years experience before joining PFM. Floyd's role at PFM is primarily</p>
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<p style="text-align: center;">- - -</p> <p>CHAIRMAN SCOTT: Good morning, everyone. It's my pleasure to call this meeting of the Sinking Fund Commission to order.</p> <p>The first order of business is the Approval OF THE Minutes. And we have two different meetings that we have minutes for. I am going to assume that it's okay for me to wrap both of them in the same resolution. So, is there a motion -- in the same motion, I'm sorry.</p> <p>Is there a motion to approve the two Minutes?</p> <p>MS. RHYNHART: Motion to approve.</p> <p>CHAIRMAN SCOTT: Is there a second?</p> <p>MR. BIELLI: I'll second.</p> <p>CHAIRMAN SCOTT: Motion is made and properly seconded.</p> <p>All those in favor, please say aye. (Ayes.)</p> <p>CHAIRMAN SCOTT: The ayes have it.</p> <p>The next order of business is the Investment Performance Update. And, Bill,</p>	<p>being the voice of our investment committee and our research team to our client base on a national level. So, he supports people like Alex Goldsmith at client meetings. He is an investment committee member at PFM, so he does bring that background. So again, he's the voice of our investment committee and research team that's based in Philadelphia. And he supports client relationship managers on a national basis.</p> <p>So, I'm excited to have Floyd added to the team. I did talk to Chris about this a couple weeks ago. And Chris actually had a prior working relationship with Floyd -- at Floyd's predecessor firm. And so if Floyd is on, I'm not sure if you want to say two things before we hand it over to Alex to get into the meat of the report.</p> <p>MR. SIMPSON: Hi, everyone. Floyd Simpson. Happy to work with everybody, and look forward to a really great relationship.</p> <p>MR. BIELLI: Welcome, Floyd.</p>

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1 CHAIRMAN SCOTT: Welcome. We look
2 forward to working with you, as well.
3 MS. RHYNHART: Hi, Floyd. Welcome.
4 MR. GOLDSMITH: All right. Is
5 anyone else getting an echo from hearing
6 me?
7 MR. AMMATURO: No.
8 MR. GOLDSMITH: I apologize if I'm
9 not able to see you all. And it's going to
10 make presenting a little bit difficult. I
11 tried to log in via Team on my phone and
12 two separate computers, and it was all not
13 able to connect. So, I apologize for those
14 ongoing issues.
15 I guess, you know, I will hand it
16 back to Floyd. Floyd, I don't know if you
17 want to give -- Bill, I guess you can bring
18 up the -- the February performance report.
19 MR. RUBIN: I have the Excel sheet
20 that you guys sent over on the screen now.
21 MR. GOLDSMITH: I think -- I think
22 we should -- Chris, I apologize. I don't
23 know where you wanted to start. But I was
24 thinking we can start off with the February

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1 performance and then move through the
2 agenda items in order.
3 MR. DiFUSCO: Yeah. I just resent
4 Bill the February flash that went out, I
5 think, Monday afternoon. I think what Bill
6 had up earlier was the January one. So,
7 Bill, that's the second thing I think we
8 will need to look at. The first is the
9 February flash report, which was sent out
10 to the Commissioners, I think, Monday --
11 late Monday. I just resent it to you a
12 minute ago.
13 MR. RUBIN: Okay.
14 MR. GOLDSMITH: While we bring up,
15 Floyd, I don't know if you want to take us
16 through the recap of the financial markets
17 on a year-to-date basis in a few minutes.
18 MR. SIMPSON: No problem.
19 So you know, within the financial
20 markets, what you have seen is, you know,
21 somewhat of a continuation, in some
22 respects, to the fourth quarter of last
23 year into this year. Now, there has been a
24 couple of key things to take note.

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1 The first thing is that, you know,
2 from last year into this year, you know, we
3 now do have a vaccine. We are now doing
4 about 2.4 million dosages per day. That
5 means we will hit herd immunity close to
6 about five months. So those are -- you
7 know, that's something that's really
8 positive within the U.S.
9 If you took it out to globally,
10 globally there's about 9.5 million
11 vaccination dosages per day. But we won't
12 be at herd immunity globally for a couple
13 years.
14 Now the one thing that, you know,
15 while the vaccines here have been really
16 well, if you think about it, Europe hasn't
17 been as well. They have had struggles with
18 the rollouts along with the adaptation of
19 the AstraZeneca one. The second thing
20 would be, you know, when you are looking at
21 the vaccine is that the amount of
22 individuals that actually have it. So,
23 it's really concentrated within the
24 wealthiest nations versus those that do not

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1 have it.
2 So one of the biggest concerns from
3 the World Health Organization has been
4 that, you know, vaccine hoarding could
5 happen. And you are actually starting to
6 see that.
7 Now looking at our economy
8 year-to-date -- economy, you know, we
9 definitely -- we're definitely at a really
10 good place. If you are looking at it from
11 consumer and business confidence
12 indicators, both are on positive
13 trajectories, which are what you want to
14 see.
15 Now you know, for the U.S., you
16 know, whether it's our services producer,
17 producers, manufacturing index or our
18 manufacturing index[sic], you are looking
19 at it as a whole. Both are doing very
20 well. Both are in expansionary
21 territories. Those are really good things
22 within the U.S. What is probably the
23 hindrance portion is now we have to figure
24 out what's going on with unemployment.

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<p>1 Unemployment's currently at about 2 6.2 percent. And with that, what's not 3 being told is that there are about 9.5 4 million jobs that have been lost throughout 5 2020. Another 4 million people had to drop 6 out the workforce. So as we open, we will 7 find, you know, what's happening with those 8 services that have been lost but also can 9 these people get back to work. 10 So in regards to economic 11 standpoint, that's where we're currently at 12 U.S. wise. If you are looking at Europe, 13 Europe is a little bit behind because they 14 have to go back on lockdown. And then, you 15 know, just like I mentioned about the 16 vaccine rollout, theirs hasn't been, as 17 well. You see that also within the returns 18 for Europe. 19 If you are going out to Asia -- 20 Japan, manufacturing-wise, they have been 21 able to export. That bodes well for Japan. 22 They are starting to do a lot better. 23 China and Southeast Asia continue to chug 24 along.</p>	<p>1 factors such as value, equal weighted type 2 of opportunities in small caps, they had 3 not done as well at the beginning of 2020. 4 They started doing better towards the end 5 of 2020 and beginning of 2021. And you 6 know, if you are looking at it from a 7 year-to-date perspective, value has done 8 very well. 9 And with that, I would like to pass 10 it back to Alex unless you have any 11 questions. 12 (No questions asked.) 13 MR. GOLDSMITH: Thanks, Floyd. 14 So, the report's on the screen now. 15 I apologize. I can't see it. But you can 16 see there as of the end of February, total 17 value for the fund was \$116,018,117. It 18 exhibited a good monthly return net of fees 19 1.77 versus 1.30. It's outperformed -- the 20 fund is outperforming the trailing three 21 months by nearly 2 percentage points -- 5.9 22 versus 4.0. 23 And right now, you know, 24 February 2021 back to February 2020 is sort</p>
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<p>1 One of the biggest risks for 2 countries manufacturing is the fact that 3 for the inputs portion, they are starting 4 to see lags. So, they are seeing two lags. 5 One from reports of getting the products 6 in. And then a second one is from the 7 supply side. So, the supply side such as 8 copper. You know, the demand for copper is 9 extremely high. It's forced a lot of 10 manufacturing companies to actually have to 11 shut down. 12 If you are thinking about our 13 economies as a whole for valuations, 14 valuations for the U.S. are actually a 15 little bit higher than average. So, it's 16 about over the one standard deviation mark. 17 Now, that does sound high at 21.41 at the 18 end of February versus an average rate of 19 about 16.62. But considering that we do 20 have extremely low interest rates, you can 21 kind of justify why it should be a little 22 bit higher with those interest rates. 23 But before I pass off to Alex, one 24 thing you will note coming into this year,</p>	<p>1 of the, you know, one year Coronavirus 2 anniversary for the markets. You will note 3 over the fiscal year that's currently in 4 process, the plan is up, you know, about 2 5 and a half percentage points so far over 6 its benchmark, July through February. On a 7 calendar year basis so far this year, the 8 plan is outperforming quite nicely, which 9 is in response for a lot of the recouping 10 sort of the underperformance from last 11 year. And that brings me to the other 12 trailing one year number now is up over the 13 benchmark as well, 22.13 versus 21.41. 14 So you know, the reason for, you 15 know, the outperformance over the quarter 16 of the last several months, you know, 17 largely owes to asset allocation. The 18 plan, you know, remained overweight to 19 equities throughout the year. It was a 20 source of underperformance earlier, 21 changing to a source of outperformance. 22 Also, a number of the active managers, you 23 know, have contributed well in the end f 24 2020 and into 2021 as Floyd was sort of</p>

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<p style="text-align: right;">Page 14</p> <p>1 eluding to. 2 But I will go through a number of 3 the managers now. You know, within 4 domestic equity, you get largely passive, 5 you know, with an allocation to PineBridge, 6 you know, an enhanced index, quantitative 7 strategy which charges, you know, a low fee 8 of 2.5 basis points, an incentive fee, you 9 know, which they are not into yet going 10 into their extensive underperformance. 11 But it is, you know, nice to see, 12 you know, they underperformed this month. 13 But on a year-to-date basis, you know, they 14 started to come back, you know, a little 15 bit. You know, I have some slides that 16 speak to this in just a few minutes. But 17 you know, Floyd was getting to, you know, 18 the resurgence of value factors late last 19 year and certainly this year. 20 You know, PineBridge is not a value 21 fund. But as a -- you know, it's a fund 22 that had broad number of holdings, seeks to 23 have a low tracking error and aims to 24 slightly outperform the index. They are</p>	<p style="text-align: right;">Page 16</p> <p>1 nice to see Copeland outperforming for the 2 month. You know, still lagging, you know, 3 over the last three months and that sharp 4 up market for small caps. You know, again, 5 Copeland seeks high quality names that are 6 growing dividends. And as we saw in large 7 caps earlier, small caps is a bit of a -- 8 less of a, you know, high quality rally and 9 more of a momentum rally. 10 The one thing I will note is the 11 small -- the Rhumblin small cap. The S&P 12 600, you know. Insofar in February, which 13 has resulted in, you know, outperformance 14 in 2021. You know, that index has begun to 15 surpass the Russell 2000. The Russell 2000 16 performed last year. So far, the S&P is 17 outperforming this year. 18 Moving onto international equity. 19 Mixed bag of performance so far this -- you 20 know, this year. Acadian, you know, you 21 can see sort of the months. They're about 22 1.4 versus, you know, about a half a 23 percent or so behind their benchmark. On a 24 year-to-date basis calendar year, they are</p>
<p style="text-align: right;">Page 15</p> <p>1 going to be looking to -- to buy companies 2 at a reasonable price. You know, last 3 year -- again, including high quality. So 4 last year, lower quality needs rallied. 5 Momentum names rallied. You know, really 6 was not the market for PineBridge. And you 7 know, we had a number of calls with them 8 throughout the year as well as this year. 9 You know, we will get on -- I think we made 10 a recommendation last meeting to issue an 11 RFP and look for -- look to see what other 12 managers may be out there. 13 So we still, you know, seek to do 14 that. However, we think it would be fair 15 to, you know, hold PineBridge in the 16 interim as we conduct that RFP given the 17 sort of inconsistencies in the markets. 18 Like I said, I have some slides to present 19 in a few minutes. 20 You know in the small cap front, 21 small cap continues to outperform large cap 22 into February. It's a bit of a flip from, 23 you know, the last several years. Started 24 again in the fourth quarter of 2020. It's</p>	<p style="text-align: right;">Page 17</p> <p>1 outperforming 2.93 versus 2.20. So again, 2 sort of a broader holdings, you know, more 3 quantitatively driven or managed from 4 Acadian. 5 Coupled with EARNEST, you might 6 remember, EARNEST has been a fund that's 7 been on the watch list since this time last 8 year. You consider monthly performance was 9 very strong. It's resulted in their 10 trailing performance, you know, year to 11 date 4.56 versus 2.2. And also, missing in 12 on the one-year number, sort of the 13 beginning of the Coronavirus until now, 14 30.43 versus 26.18. 15 You know, EARNEST was positioned 16 to -- they were -- they were made 17 overweight to entertainment-type 18 experiential-type stocks throughout 2020. 19 They -- and again, you will see this slide 20 that I have in a few minutes. But you know 21 in their view, valuation metrics and valued 22 stocks had gotten so far out of line with, 23 you know, pricing that in their view, there 24 was a reversion on the horizon. And they</p>

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<p style="text-align: right;">Page 18</p> <p>1 were going to maintain their positioning. 2 You know, they had a long track record in 3 this space. They are fundamental 4 investors. You know, nothing with that 5 decision was out of line with things the 6 firm had done in the past. 7 So I mean, we were okay with the 8 research they presented to us and that 9 narrative. And sure enough, you know, from 10 really the announcement of the vaccine 11 onward, you know, they reversed their 12 fortune quite nicely. Really kind of 13 erasing all the underperformance from last 14 year. So you know, I think we will, you 15 know, recommend to keep them on Watch List 16 just one additional quarter. Although in 17 our view, the cause for alarm has passed. 18 Then again, you have a Rhumblin passing 19 fund. 20 You know, on the international 21 front versus on the fixed income front, 22 moving onto the next page, Bill. 23 MR. RUBIN: Yup. 24 MR. GOLDSMITH: You will see there,</p>	<p style="text-align: right;">Page 20</p> <p>1 year-to-date basis and as well as, you 2 know, full, you know, trailing twelve 3 months dedicated corporate credit 4 benefiting relative to the core bond 5 market. Excuse me, over the last twelve 6 months, that MetLife credit fund is up 7 5.27; whereas, the Barclay's Aggregate is 8 1.38. 9 Lazard is the next fund. It's the 10 intermediate, you know, core fund, core 11 plus. You will notice it did fairly well, 12 you know, relative to the aggregate for the 13 quarter -- or for the month, excuse me. 14 You know, underperformed its sector last 15 year, you know, the trailing twelve months. 16 You know, we have had some concerns about 17 this fund concerning from a call we had 18 recently. There is some organizational 19 concerns we have. 20 Those of you that have been on the 21 Commission for some time may remember that 22 about a year or two ago, you know, we asked 23 those fund to -- had to, you know, drop -- 24 it was holding the -- you know, some spread</p>
<p style="text-align: right;">Page 19</p> <p>1 you know, it's a whole fixed income, the 2 combined fix income component generated a 3 loss a few months down 1.09. It did 4 outperform the Barclay's aggregate, which 5 was down 1.44 percent. You know, yields 6 rallied somewhat during February. But as 7 you'll note, it was the spread sectors that 8 outperformed the core sectors, and the 9 managers that outperformed their benchmarks 10 for position accordingly. 11 So you know, Weaver Barksdale for 12 the months and year-to-date, you know, is 13 right on top of its benchmark. You know, 14 they have typically held a little bit less 15 risk, you know, then their compatriot to 16 core space, MetLife. Which, you know, is a 17 similar performance on a year-to-date 18 basis. But if you look at it with the 19 trailing one year, you know, MetLife is 20 benefiting from its modest, you know, 21 overweight to core threats. 22 The next fund down is the dedicated 23 MetLife a hundred percent credit fund. And 24 you know, again, both for the months and</p>	<p style="text-align: right;">Page 21</p> <p>1 sectors, notably high yield, within a 2 mutual fund that it was no longer able to 3 hold due to the standing public and private 4 restrictions. And since then, the 5 management of this -- this strategy has 6 changed a little bit. 7 So, we had some concerns. We all 8 dealt with the call. And ultimately, are 9 recommending the termination of Lazard with 10 the assets spread to the other existing 11 managers. So, we have some slides to 12 present. And I think you received a memo, 13 as well. 14 You know, lastly, I think, you 15 know, Garcia Hamilton is designed to be 16 more core of the intermediate funds 17 underperforming, you know, its benchmark 18 for the quarter, as well. 19 SKY Harbor, a modest allocation. 20 Just 2.2 percent to high yield, but it is a 21 positive territory. The loan bond sector, 22 positive territory for the month, you know, 23 for the trailing three months, 24 year-to-date. If you look at the trailing</p>

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<p>1 twelve months, 9.25 versus, you know, 1.3 2 for the Barclay's Aggregate. So, a lot of 3 that high yield underperformed in the 4 first, you know, quarter of 2020. But 5 since that time, has been making up ground 6 in a low yield environment. And we expect 7 that to be the case as long as the Fed 8 keeps rates low, which we expect to be some 9 time. 10 Any questions on the managers with 11 the performance figures at all before we 12 move on with the specific items that I 13 called out there? 14 (No questions posed.) 15 MR. GOLDSMITH: If not, Chris do 16 you want to bring up -- how do you want to 17 handle this? Just go by order of that 18 slide that I sent during the week? 19 MR. DiFUSCO: Sorry, yeah. That -- 20 I think that's probably the best way to go. 21 And then if folks want to see the 22 spreadsheet, you know, assuming the Lazard 23 recommendation is accepted, then they can 24 see what the recommendations for the</p>	<p>1 international equity both last year and 2 this year. Both before, you know, the 3 fourth quarter and after, as well, you 4 know, so. 5 You can see here, this is -- these 6 sort of bar charts show our valuation 7 multiples. The orange bar is the long term 8 average of, you know, where the broad 9 market, stocks settle on each of these. 10 You know, typically it's priced to some 11 metric of sales or enterprise value to, you 12 know, some trailing, you know, earnings. 13 These are all sort of priced-to-earnings 14 variations. 15 You know, the blue bar is two 16 standard deviations away. We all think 17 back to AP statistics class. But that's 18 two standard deviations out from the bell 19 curve. Very few outcomes are typically 20 live beyond those tail periods. And then 21 the diamond is, you know, where the market 22 was, you know, at the end of -- the S&P 500 23 at the end of 2020. 24 So for a number of these, most of</p>
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<p>1 resulting allocations and fixed income 2 would be. 3 MR. GOLDSMITH: Okay. 4 Bill, do you have that PowerPoint? 5 MR. RUBIN: Which PowerPoint? 6 MR. GOLDSMITH: I believe it was 7 just called PFM Materials - March. 8 MR. RUBIN: Yeah. Give me one 9 second. 10 (Document shared on screen.) 11 MR. RUBIN: Yes. Supporting 12 materials. You are on domestic equity. 13 MR. GOLDSMITH: Yeah. 14 MR. RUBIN: The dispersion between 15 value and growth. 16 MR. GOLDSMITH: Great. Thank you. 17 So the next several slides just 18 sort of speak to -- I think, you know, it 19 was what Floyd was getting at, at the end 20 of his pundit. 21 So, Floyd, feel free to jump in at 22 any time here. But it speaks to -- and 23 again, this was echoed on a number of calls 24 we held with managers, both in domestic and</p>	<p>1 them are at or exceeding two standard 2 deviation threshold. And you know, that's, 3 obviously, after, you know, a lot better 4 appreciation of the market from the fourth 5 quarter. But this was also, you know, the 6 case or approaching to be the case at 7 points this summer, too. 8 And you know, what the managers are 9 saying to us, what our investment 10 committee -- Floyd, correct me if I'm 11 wrong -- they are saying to us that this 12 indicates, you know, growth. Growth not 13 just in 2020 but in 2019 and parts of 2018, 14 as well. Growth in stocks in sectors had, 15 you know, very strong periods of 16 outperformance. And this indicates that, 17 you know, a reversion towards value, you 18 know, is cost. We already started to see 19 it. 20 Floyd, am I -- anything you want to 21 add on that? 22 MR. SIMPSON: No. You hit it right 23 on the head with the, you know, value 24 coming back into play versus growth. I</p>

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<p style="text-align: right;">Page 26</p> <p>1 mean, the biggest thing probably would be 2 this year that momentum factor which 3 usually is not stationary, that can push 4 either one or the other. In the past, it's 5 been pushing growth. You know, with it -- 6 with it coming down and in certain respects 7 crashing in a sense, you know, that has 8 played well for the value portion of these 9 valuations. 10 MR. GOLDSMITH: And that's a good 11 segue into the next slide. You know, these 12 this is -- these are factor performances 13 within the S&P 500. Value, low volatility, 14 momentum as Floyd was talking to and, you 15 know, quality. You can see last year the 16 momentum factor was squarely the dominating 17 factor. It was a tailwind to growth, as 18 well. 19 This year so far, less -- you know, 20 less factor performance in that is a 21 factor. But even in, you know, with the 22 case of it picks up again, I think what 23 Floyd was speaking to is that momentum may 24 be a tailwind for value, you know, as well.</p>	<p style="text-align: right;">Page 28</p> <p>1 know Facebook, Amazon, Netflix to help with 2 that -- the tech heavy names that have been 3 growing strongly for several years, but 4 also may have benefited from changing 5 habits during the pandemic. The end result 6 is that active managers that are, you know, 7 looking to make bets on an index that's 8 mostly, you know, a handful of stocks at 9 this point, it's not much that they are 10 able to do. 11 Conversely on the next slide, you 12 know, this time period has been since the 13 news of the vaccination through, you know, 14 several weeks ago. And the equal weighted 15 index is in white. And the typical S&P 16 500, you know, which is market weighted is 17 in orange. And the equal weighted index is 18 pretty significantly outperforming so far 19 since the vaccine has been released. 20 And what this indicates to us -- I 21 think I probably used this terminology 22 before -- is that, you know, the market is 23 broadening. And that performance is no 24 longer concentrated in the handful of the</p>
<p style="text-align: right;">Page 27</p> <p>1 But it's also, I think if you look 2 historically, you know, the big takeaway 3 here is that in 2020, the magnitude of the 4 impact of these factors relative to prior 5 years. 6 You know, another thing that we 7 looked at, you know, our investment 8 committee, our research team as we put 9 together recommendations for this plan, you 10 know, the decision between retaining, you 11 know, active and passive managers. 12 If you want to go onto the next 13 slide, Bill, I think Slide 5, you know, 14 it's pretty interesting to note this is -- 15 I think this shows 2020. It's the S&P 500 16 index in orange. And then the equal 17 weighted index, so equal weighting of all 18 the 500 names rebalanced, you know, 19 throughout the year is the white line. 20 And if you think back to 2020, you 21 probably heard this, you know, a lot of 22 performance in the S&P 500 was concentrated 23 within, you know, the -- some of the 24 largest names. You know, fan names, you</p>	<p style="text-align: right;">Page 29</p> <p>1 largest companies, but is spread to names 2 in some sectors that previously there had 3 been a lot of uncertainty. You know, 4 hospitality and entertainment. But also, 5 you know, not just the elite best 6 capitalized names in our economy. 7 So, the combination of a possible 8 reversion in value growth factors as well 9 as this broadening we have seen in the 10 market since the announcement of the 11 vaccine have led other investment committee 12 and research team to, you know, now may be 13 the time -- you know, a time when active 14 management has a better then -- better then 15 typical chance to outperform an index fund. 16 And specifically, those managers that had 17 been, you know, overweighting value 18 factors -- you know, like EARNEST had been 19 in the international front and, you know, 20 like PineBridge -- may have a bit of 21 recovery period. 22 So in our view, we still want to 23 see the options that are available to us 24 from the active side. But we are wary of</p>

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<p style="text-align: right;">Page 30</p> <p>1 terminating PineBridge and moving to an 2 index at a time when we see some 3 opportunities in the active space, 4 specifically with, you know, what 5 PineBridge has been doing. So it's no -- 6 we are not reversing our decision. We are 7 saying we are okay with holding them while 8 we conduct this search. 9 You know, the index -- the next 10 slide, Slide 7 summarizes PineBridge. And 11 Slide 8 is a text, kind of summarizes the 12 assessment that I just laid out there. 13 So, I don't really have any further 14 comments. I will open it up to questions. 15 MR. BIELLI: Rebecca, were you 16 saying something? I think you are on mute. 17 MS. RHYNHART: Oh, sorry. I was 18 just saying, I think it makes sense. I was 19 breaking the silence just that I think the 20 recommendation makes sense. 21 MR. GOLDSMITH: Okay. So you know, 22 we will continue to work with staff, you 23 know, with the placement of an RFP and, 24 obviously, continue to monitor PineBridge</p>	<p style="text-align: right;">Page 32</p> <p>1 exposure within the intermediate space. I 2 mentioned they had had, you know -- they 3 had had high yield exposure within this 4 strategy, you know, per their own requests. 5 You know, years ago when this fund was set 6 up, the strategy was set up, Lazard had 7 said it's part of our strategy to have up 8 to 10 percent in high yield. So again, 9 that kind of speaks to the risk portfolio 10 that had been at this portfolio. 11 They lagged, you know, in 2020. 12 And notably, it brought their peer-group 13 placement down. You know, that -- that 14 triggered a more in-depth review by us. 15 And we -- the call -- Chris was on the 16 call. We were a little disheartened with 17 how that went both from a fundamental 18 investment standpoint as well a client 19 service standpoint. 20 We learned, you know -- and 21 actually you know, you can see it here at 22 the bottom of the page, you know, from a 23 portfolio management standpoint, following, 24 you know, our request that they terminate</p>
<p style="text-align: right;">Page 31</p> <p>1 very closely as we have been. 2 If there are no other questions -- 3 I apologize, I can't see anyone. I 4 appreciate you helping out. We can move on 5 to discussing Lazard within fixed income on 6 Slide 10 of the PowerPoint. 7 MR. RUBIN: Good to go, Alex. 8 MR. GOLDSMITH: You know, this is a 9 review of Lazard. They have been the 10 portfolio for, gosh, ten years perhaps, I 11 believe. You know, very, very large firm. 12 You know, they manage about 230 billion in 13 assets. You know, 45 of that is in fixed 14 income. And about 5 billion of that is in 15 US-based strategies. 16 It's a relatively tight team. And 17 they have been together for, you know, for 18 the -- at least the portfolio managers for 19 the duration of the fund. Performance has 20 been generally pretty good in the strategy 21 compared with Weaver Barksdale, the other 22 intermediate fund. 23 You know, Lazard had typically 24 represented the, you know, core-plus</p>	<p style="text-align: right;">Page 33</p> <p>1 the high yield exposure per, you know, 2 regulations. The fund then continues their 3 decrease, you know, their spread sector 4 exposure, increasing treasuries. You can 5 see where the treasuries -- they are 6 holding mostly treasuries at the end of the 7 year, which was certainly a concern to us 8 at that point by December. 9 And you know, we had the call early 10 this year. It did not go all that well. 11 If you want to flip to the next page, Bill, 12 page 11. You can see the increase, you 13 know, in spread -- spread exposure and 14 increase in treasuries, you know, the 15 history with McBride. On the call, it 16 was -- one of the concerning this we 17 heard -- actually, flip ahead to the next 18 page, as well, page 12. 19 You know, one of the concerning 20 things we heard was that the portfolio side 21 was too small for the team to focus on, 22 which is never what we want to hear. And 23 it was certainly not in line with, you 24 know, anything we had heard from the team</p>

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1 in the past. Not what we had communicated
2 to them, they need to terminate high yield
3 or any time prior to that.
4 We, also, learned that another
5 large, you know, public entity had recently
6 shifted the duration of their strategy in
7 their separate account from intermediate to
8 core. And the team had seen they were
9 focusing less on this intermediate duration
10 and more on core. Well, we look into their
11 core holdings and the core strategies. And
12 those core funds are holding much less
13 treasury exposure than they are in the
14 separate account.
15 So it was kind of -- it was not
16 great answers from the team. And you know,
17 not really -- we didn't expect them to be
18 holding, you know, at the end of 2020 or
19 going into 2021 with not really any answers
20 as to where and why or where they were
21 going to diversify. We understand the
22 elimination of high yield. It's not on
23 them. But if they have corporate ideas in
24 their core accounts, we certainly would

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1 expect some of those ideas to translate
2 into the intermediate account.
3 And as you can see down the bottom,
4 the corporate exposure is inconsistent.
5 It's low. It's not diversified. And you
6 know, so again, we -- we think that there
7 are -- there are better options even within
8 the existing fixed income managers right
9 now to reallocate to.
10 So, we are proposing termination f
11 Lazard with a reallocation. And you know,
12 if you bring up that spreadsheet now, that
13 has sort of the reallocation proceeds. But
14 most of the proceeds will be going to core
15 duration fixed income -- Weaver Barksdale
16 and MetLife. You know, a moderate amount
17 will be going to Garcia Hamilton, the
18 other, you know, fixed -- intermediate
19 manager. And then, some smaller amounts
20 going to the pure credit funds in MetLife
21 Corporate and SKY Harbor high yield.
22 CHAIRMAN SCOTT: So, is that a
23 chart we should be seeing? Oh, there it
24 is.

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1 MR. GOLDSMITH: I think it's in
2 Column G, you know, rebalancing action.
3 That shows you the cash moving. And then I
4 think Column I is the, you know, the -- the
5 resulting percentages.
6 MR. RUBIN: Can you see that chart
7 now, Donn?
8 CHAIRMAN SCOTT: I can. Thank you.
9 MR. RUBIN: Yup. You're good,
10 Alex.
11 MR. GOLDSMITH: Yeah. So you know,
12 that's kind of the end of my comments. I
13 will open it up to any questions about
14 Lazard, about the process, you know, about
15 our recommendation.
16 MR. BIELLI: Alex, I just have a
17 general question. This is Fran.
18 How you doing?
19 MR. GOLDSMITH: All right.
20 MR. BIELLI: The -- given the
21 increasing yield, the yield increasing
22 recently and the projection of gradual
23 increase in the interest -- who knows when.
24 We will know more at two o'clock today or

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1 two-thirty today.
2 But the increase in the interest
3 rates maybe towards the end of this year or
4 early next year, I'm not sure about the
5 timing. All we -- all we think we know is
6 that it will be gradual. But what is your
7 projections for fixed income in general
8 over -- over the immediate term, the near
9 term given the rising -- given the rising
10 interest rates?
11 MR. GOLDSMITH: You know, that's --
12 that's a good question. I might pass it
13 off to Floyd. I would say that the rising
14 interest rates has been more recent. You
15 know, I -- we have yet to see if that, you
16 know, will hold or it'll be just sort of
17 flat for the remainder of the year.
18 You know, we favor spread sectors
19 for the year, you know, over in -- in
20 governments. You know, beyond that I
21 think, typically, we try not to forecast
22 interest rates. But really look to the
23 active managers to seek out the specific
24 credits that they will do better.

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<p style="text-align: right;">Page 38</p> <p>1 Beyond that, I don't know, Floyd, 2 do you have anything more recent to add on 3 the recent interest rate developments? 4 5 MR. AMMATURO: I can jump -- I can 6 jump in, and then, Floyd, maybe if you want 7 to add. This is Marc again. So you know, 8 my quick thoughts -- Fran, it's a great 9 question. We do not forecast interest 10 rates, but we do project asset class 11 returns. 12 So if you look at our five-year 13 expectation for core bonds, it's actually 14 negative 0.2. Again, that's the -- our, 15 PFM's, internal assumption for what core 16 fixed income is going to generate over the 17 next five years. And you got into the 18 reason why, in terms of low rate 19 environment we are living through. You 20 know, the long -- our long term assumption 21 for core bonds is close to 4 percent 22 annualized return. But for the next five, 23 it's actually negative 0.2. 24 And that's why, you know, Alex has</p>	<p style="text-align: right;">Page 40</p> <p>1 What it seems like people are 2 reacting to is nobody knows what's the time 3 frame and what -- what do they mean by hot. 4 What's that -- you know, what are the 5 parameters? Is it that we are allowing it 6 to run up to 3 percent hot? Are we 7 allowing it to run up to 4 percent hot? 8 Like, that is one of the things that has 9 people a little bit of unease. And you are 10 seeing that within the yield curve with a 11 little bit of that bump up. 12 Now with all of that being said, if 13 you just take it to historical context, for 14 us to rise above 2 percent, you know, we 15 haven't -- we haven't been above 2 percent 16 for longer than a year and a half. You 17 know, probably only for three times over 18 the past 20 years. And that's -- a year 19 and a half was the longest. Usually, it's 20 a shorter time period. 21 But if you are looking at things, I 22 think, you know, you are starting to see 23 the inflation concerns, you know, from what 24 we have seen probably are -- it's probably</p>
<p style="text-align: right;">Page 39</p> <p>1 been talking about -- a lot about spread 2 exposure. When he said spread exposure, 3 he's talking about high yield or our high 4 yield expectation for high yield bonds over 5 the next five years is about 3 percent. 6 Our expectation for even debt is about 2 7 and a half percent, again, over the next 8 five years. Not great numbers, but on a 9 relative basis, a lot better than a core 10 bond portfolio. 11 So, I just wanted to give you a 12 little bit more insight in terms of our 13 internal capital market assumptions. I 14 don't know if Floyd has anything to add to 15 that. 16 MR. SIMPSON: No. When I think 17 about just recent pops, a lot of that is 18 probably coming from the inflation 19 concerns. But you know, when your -- 20 especially, Fran, thinking about inflation, 21 the biggest thing would be, you know, we 22 are trying to get to 2 percent and really 23 more above 2 percent. The Fed wants it to 24 run hot.</p>	<p style="text-align: right;">Page 41</p> <p>1 a lot more, you know -- people are a lot 2 more concerned than probably they should 3 be. You see inflation definitely coming up 4 on the near side, the near term. But over 5 the longer term, it's going to come down 6 just based off of consumption factors along 7 with, you know, company -- you know, 8 countries opening and people being able to 9 get back to, quote/unquote, normal. 10 MR. BIELLI: Yeah. The only reason 11 I asked the question is not -- obviously, 12 fixed income is very important to the 13 portfolio. It's not a market time in 14 question or anything like that. It's just, 15 I think it's emblematic of Lazard's, I 16 guess, inability r refusal to, as is 17 indicated in the memo, not add back spread 18 sector exposure, saying the spreads moved 19 too quickly. 20 I mean, I agree with what's in your 21 memo. And I think not having an active 22 manager in fixed income that is willing to 23 move as the markets dictate is probably 24 problematic. So for those reasons, I think</p>

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<p>1 you are good -- you have a good 2 recommendation. I like that 3 recommendation. 4 MR. GOLDSMITH: Yeah. I think that 5 comes down to organizational concerns 6 resulting in performance issues. 7 MR. BIELLI: I mean, Rebecca, I 8 don't know how about you or, Donn, about 9 you, but I have never heard all my years on 10 the Municipal Fund and here, I have never 11 heard a portfolio manager say the size of 12 your investment is too small for us to 13 focus on. 14 MS. RHYNHART: Yeah. It's bad. I 15 agree with the recommendation on this. 16 MR. BIELLI: In that case, I will 17 make a motion to accept the recommendation. 18 CHAIRMAN SCOTT: A motion has been 19 made. Is there a second? 20 MS. RHYNHART: I second. 21 CHAIRMAN SCOTT: Motion has been 22 and properly seconded. 23 All those in favor, say aye. 24 (Ayes.)</p>	<p>1 afterwards that I kind of had the same very 2 negative reaction that he did. 3 But, Donn, to your question, I 4 would inform the manager -- PFM and I would 5 inform the manager today after the meeting. 6 We would ask them to stop trading, take, 7 let's call it, two to three days I would 8 expect max for any trades to settle or 9 finalize. And then at that point, we can 10 begin distributing the proceeds either in 11 cash or in-kind securities if the managers 12 can take them. 13 As Alex said, their portfolio is 14 relatively liquid. So, I would not expect 15 this to be a particularly lengthy process. 16 CHAIRMAN SCOTT: Thank you. 17 MR. DiFUSCO: Sure. 18 MR. GOLDSMITH: All right. So -- 19 so that sounds good. You know, it also, 20 you know, should result in, you know, some 21 better fee economies potentially with some 22 of these managers as we increase 23 allocations to them. You know, it also 24 results in higher allocations to, you know,</p>
Page 43	Page 45
<p>1 CHAIRMAN SCOTT: Seems like the 2 ayes have it. 3 Now what does that mean in terms of 4 timeline? How quickly do we do this? 5 MR. GOLDSMITH: You know, like I 6 said, I think the chart that you see is as 7 of the end of day yesterday. So you know, 8 Chris, you can go ahead and put in, you 9 know, notices to the managers today. They 10 will be receiving that they need to, you 11 know, move some money. And you know, let 12 Lazard know that they -- Lazard is pretty 13 liquid since they are all in treasuries. 14 But you know, you can get a move on that 15 today. 16 MR. DiFUSCO: Yeah. The normal -- 17 and I probably should have just stated, you 18 know, for the record that, you know, I 19 concur with everything that was said. I 20 was on the call with Matt Tracey, one of 21 the folks who work on fixed income at PFM. 22 And it was one of the more distressing and 23 concerning calls I had been on, as well. I 24 think Matt was relieved when he and I spoke</p>	<p>1 minority-owned fund in Garcia Hamilton and, 2 you know, a increasingly female-owned firm 3 in SKY Harbor. 4 MR. DiFUSCO: Yeah. I was just 5 going to say, Alex, to your point, I pulled 6 up the fees. You know, Lazard in the fixed 7 income space as of the last fee analysis -- 8 and I know you and Marc and everyone are 9 putting together the one for the May 10 meeting. But Lazard was the second most 11 expensive fixed income manager. Only SKY 12 Harbor, which is in high yield, was 13 slightly higher. Everyone else was around 14 10 basis points or more, in some cases 15 lower. 16 So as you note, you know, we will 17 have increasing allocations to female and 18 minority-owned managers along with, you 19 know, some fee savings from this, you 20 know -- from this decision by the -- by the 21 Commissioners. 22 MR. GOLDSMITH: All right. 23 So, I don't want to take up any -- 24 too much more time than we need. Bill, do</p>

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<p style="text-align: right;">Page 46</p> <p>1 you want to jump back to that PowerPoint 2 and skip ahead to Slide 14. 3 The last agenda item that we have 4 is to discuss alternatives and our next 5 steps in that sector. 6 (Document shared on screen.) 7 MR. RUBIN: You're there. 8 MR. GOLDSMITH: All right. 9 So this is a continuation of the 10 discussion that we had. It goes back, I 11 think, to late 2019. You know, it was 12 revisited last year throughout our multiple 13 presentations to you all in the RFP 14 process, you know, with the change in 15 discount rate. And you know, our -- our 16 recommendation that was accepted the end of 17 2019 says, obviously, to add, you know, 7.5 18 percent alternatives target to the 19 investment policies. That's all been done. 20 So now it's, how do we build that 21 out within alternatives? You know, this -- 22 this pie chart you see here, these are -- 23 these are not within the investment policy 24 statement. It's, you know, it's PFM's</p>	<p style="text-align: right;">Page 48</p> <p>1 starting from zero in the alternative 2 space. It's not like you had a mature 3 allocation or even an allocation that were 4 made ten years ago and then nothing ever 5 since then. We are starting from scratch 6 and building this out. So, you are not 7 going to get to 7.5 percent overnight. Nor 8 would it be recommended by us do that, you 9 know, even if you were to -- all the 10 capital that you commit to these funds, you 11 know, is typically called between three, 12 four and five years. You know, we 13 recommend making these initial commitments 14 over the next two to three years. 15 So that means, you know, the 16 capital will be getting invested over the 17 next one to six years, let's say, the 18 initial funds. You know, what that 19 achieves is what's called in that sort of 20 third bullet point -- under that third 21 sub-bullet, vintage year diversification. 22 You know, again, because these are 23 closed-end, term defined funds. You know, 24 if we invest them all in ten-year term</p>
<p style="text-align: right;">Page 47</p> <p>1 general strategic approach to a diverse 2 alternative portfolio. And that is one 3 that is roughly, you know, equal weighted 4 within private equity, private debt and 5 real assets. And I know that I have gone 6 through some education slides in the past 7 year on these. So you know, I think 8 private equity and private debt we have 9 covered quite a bit. 10 You know, real assets, that include 11 real estate, infrastructure. And there is 12 some other, you know, royalties, et cetera, 13 in that kind of thing. But it's more -- 14 fewer asset-backed physical entities. 15 And you know, sourcing generally 16 for each of these is, you know, equity 17 source for equity, debt from debt. And 18 then the, you know, the real assets from 19 the (audio cuts out) -- and in normal 20 market conditions and the strategic 21 approach, that's what we would recommend 22 for this portfolio of the Sinking Fund. 23 The next slide. This speaks to the 24 timeline of -- you know, because we are</p>	<p style="text-align: right;">Page 49</p> <p>1 funds in 2021, obviously, they will be -- 2 the prevailing result will reflect the 3 market conditions over that time. 4 You know, in a mature portfolio 5 where you are constantly committing to 6 these closed-end funds, you achieve 7 diversification over all market periods by, 8 you know, recommitting to different fixed 9 years. You can see that the next main 10 bullet, you know, the initial target number 11 of funds is 9. And that's, you know, 12 generally ballpark. But it's -- it 13 reflects, you know, the strategic approach 14 we laid out. And that is a core satellite 15 strategy. 16 I think I may have used this 17 phrases in the past. You know, core funds 18 are typically lower volatility, you know, 19 less debt on the funds, you know, possibly 20 lower return; where the satellite funds, 21 you can expect, are a little higher up the 22 risk curve. We like to bolster a core fund 23 to each asset class with potentially higher 24 returning satellite funds.</p>

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<p style="text-align: right;">Page 50</p> <p>1 That -- you know, liquidity is 2 taken into account when building out those 3 fund profiles. Core funds typically may 4 have a little more liquidity or a higher, 5 you know, rate of returning capital then 6 some satellite funds. You know, there is 7 also examples of satellite funds being the 8 faster to deploy capital if you think of 9 the secondaries market within private 10 equity, for example. 11 So again, it will take time, 12 obviously, to add, you know, this number of 13 funds. We plan to start, you know, sort of 14 soon immediately with bringing, you know, 15 the first funds to you all in -- at the May 16 meeting to present for approval. And then 17 following a -- you know, a reasonable pace 18 thereafter. 19 You know, once the build out is 20 done, you know, the final bullet here, you 21 know, it's sort of maintained with ongoing 22 follow-up allocations. And typically, 23 those allocations are made in the satellite 24 space more so than the core space. You</p>	<p style="text-align: right;">Page 52</p> <p>1 secured is certainly an option that adds, 2 you know, more protection, you know, some 3 reasonable amount of debt on the fund, but 4 nothing much. And then, you know, possibly 5 even some visibility into early deals or, 6 you know, a fund that is partially 7 committed already that we can commit to, to 8 increase, you know, the amount of money 9 that gets put into the market at the 10 initial commitment. 11 You know, the next slide, Slide 17, 12 this just goes into some of the high level, 13 you know, subsets within core, satellite 14 and private debt. You know, senior direct 15 lending first and foremost within, you 16 know, core is, you know, what we anticipate 17 bringing to the Commission in a few months. 18 You know, you can see down below, lower 19 return dispersions. But as I mentioned 20 prior, higher in the capital stack. 21 You know, these are -- these are 22 very stable, investment-grade companies, 23 you know, what they'd be in the public bond 24 market. You know, and then on the flip</p>
<p style="text-align: right;">Page 51</p> <p>1 know, as core runs out, we replenish it. 2 You know, but it's -- the core funds are 3 most important at the -- in the build-out 4 phase, you know, as they help balance maybe 5 the higher volatility or the slower cash 6 flows of some of these satellite funds. 7 But once, you know, the portfolio is 8 matured -- eight or nine funds are placed, 9 the ability to get a little more nimble 10 with allocations is there. 11 And so you know, that's -- that's a 12 little far down the road. But you know, 13 again, it's sort of this -- it's a pretty 14 measured consistent approach of how we get 15 there. 16 On the next slide, Slide 16, this 17 is a rehash of what I just said. You know, 18 within each asset class you want to start 19 with private debt given the yield issues we 20 were just talking about. You know, it 21 would make sense to start with a core fund, 22 something that will deliver, you know, that 23 is offering senior debt, high in the 24 capital stack, secured or unsecured but</p>	<p style="text-align: right;">Page 53</p> <p>1 side, you know, this correlates to the 2 higher yielding segment of private debt. 3 You can see that your special situations, 4 mezzanine direct lending is sort of the 5 corollary senior direct lending. And 6 again, you know, smaller allocations, some 7 of these segments with the potential higher 8 return. Similar to how we allocate within, 9 you know, the traditional bond market. 10 So you know, our next steps are to 11 be in sharing. You know, we've already 12 added -- PFM is pretty active in private 13 debt. We've made a number of allocations 14 in that sector for other clients in the 15 past twelve months, twenty-four months, 16 thirty six months. So, across different 17 market cycles during COVID, we have 18 continued to make commitments. 19 So, we have a number of funds that 20 we currently liked. We have a number of 21 other funds we have added to a list that 22 we've been sharing with staff. End of this 23 week and conducting a couple rounds of 24 calls before getting to one fund that we</p>

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<p style="text-align: right;">Page 54</p> <p>1 bring to you all in the core space next 2 meeting. 3 That's my comments on that and the 4 end of what I have to say. Open up to 5 discussion or questions. 6 MR. BIELLI: Alex, I do have one 7 question. And it concerns the build-out 8 schedule. 9 Do you -- obviously, not specific 10 funds except for core versus satellite. 11 But do you have a specific idea of the 12 schedule? 13 Because you know, if you see 14 situations where a schedule is not 15 regularly kept, especially in private 16 equity or private debt, it starts to -- 17 starts to change the J-curve, right, and 18 change the payout amounts and so on and so 19 forth. So if -- if this is going to be an 20 ongoing, commitment, I think I agree with 21 your vintage diversification comments and 22 the importance of keeping to a regular 23 schedule in the investments. Because if 24 it's irregular, the payouts are irregular,</p>	<p style="text-align: right;">Page 56</p> <p>1 quarterly? Twice a year? Every six 2 months? 3 I mean, do you have a general 4 timeline in mind? 5 MR. GOLDSMITH: Yeah. I wish I had 6 this in front of me because, like I said, 7 it did get into those specifics. 8 MR. BIELLI: Okay. 9 MR. GOLDSMITH: At least -- at 10 least twice a year, you know, in these 11 first two years potentially -- the first 12 two to three years, potentially once a year 13 thereafter. I would -- two to three times 14 the first three years, one to two times 15 thereafter. 16 It's not, you know, a perfect 17 schedule. And you know, like I said, I 18 think it will rely on some of the -- you 19 know, what actually gets submitted in terms 20 of faster calling versus slower calling 21 funds. That's not -- you mentioned 22 J-curve. 23 You know, we -- in the initial 24 build out, we do like to allocate to faster</p>
<p style="text-align: right;">Page 55</p> <p>1 the performance are irregular, and you 2 don't have that vintage year 3 diversification. 4 So, do you have a specific 5 build-out schedule already in place or in 6 mind? 7 MR. GOLDSMITH: Yeah, we do. And I 8 did not include it in these materials. 9 And it's, again, perhaps a little 10 too specific, Fran, because timelines 11 always get out of whack and dollars change, 12 et cetera. You know, the overall fund 13 grows. But I think our -- our look is two 14 funds at least in -- in 2021, potentially 15 three by the end of this year. 16 And I can -- I can share that more 17 specific timeline with you. I don't have 18 it in front of me either. Like I said, it 19 was a little too much for today I thought. 20 MR. BIELLI: Yeah, no. I should 21 have defined -- I should have defined it 22 specific build-out schedule. I do not need 23 to see a schedule for my purposes. I was 24 just -- do you plan on coming forward</p>	<p style="text-align: right;">Page 57</p> <p>1 calling funds. And that is why we are 2 leading with private debt as opposed to 3 maybe real estate or private equity in this 4 current market and also in general. 5 Private debt calls funds faster. There is 6 a fund we anticipate bringing -- you know, 7 going through diligence with that is a 8 particularly quick caller of capital. That 9 helps mitigate the J-curve. 10 To the extent that these first two 11 commitments call at a higher than 12 anticipated rate, Fran, that -- that may 13 determine whether it's two or three 14 commitments in a single year. You know 15 what I mean? 16 MR. BIELLI: Yeah, I do. Whatever 17 the schedule is, I am sure it will be fine 18 as long as it's consistent. And I'm also 19 confident that Chris will keep an eye on it 20 that because he knows how important that 21 is, also. So, I don't -- I don't -- you 22 know, you don't need to continue on that. 23 But I appreciate your response. 24 MR. GOLDSMITH: Yeah. Thanks.</p>

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1 CHAIRMAN SCOTT: Are there any
2 other questions?
3 (No further questions posed.)
4 CHAIRMAN SCOTT: Well, thank you.
5 Chris, does that complete the order
6 of business for today?
7 MR. DiFUSCO: Yes. The only -- the
8 only other comments I wanted to make were
9 just to the assets through the close of
10 business yesterday in the fund, 645 million
11 and change, 645.448.
12 And then to just confirm that the
13 new meeting date in May -- and I thank
14 Donn, Rebecca, Fran, everyone, for their
15 agility -- quick agility in moving the
16 meeting date. It will be May 17.
17 And those were the only remaining
18 comments I had, Donn.
19 CHAIRMAN SCOTT: Okay.
20 Is there a motion to adjourn?
21 MS. RHYNHART: Motion to adjourn.
22 MR. BIELLI: Second.
23 CHAIRMAN SCOTT: Motion approved.
24 Okay. Thank you all.

CERTIFICATION

I, hereby certify that the proceedings
and evidence noted are contained fully and
accurately in the stenographic notes taken by me
in the foregoing matter, and that this is a
correct transcript of the same.

ANGELA M. KING, RPR,
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1 MS. RHYNHART: Thank you.
2 (At this time, the Meeting
3 adjourned at 11:09 a.m.)
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