

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
JULY 23, 2015**

**MEETING MINUTES**

There being a quorum, Rob Dubow, Finance Director, Board Chair, called the Investment Committee Meeting to order at 9:45 a.m., in the Board Conference Room , 2 Penn Center Plaza, 16<sup>th</sup> Floor.

Present:

Rob Dubow, Finance Director  
Paula Weiss, Esquire, Alternate, First Deputy of Finance  
William Rubin, Alternate, First Deputy City Controller  
James Leonard, Esquire, Alternate, Chief Deputy City Solicitor  
Patricia Fitzgerald, Alternate, Hiring Service Manager  
Brian Albert, Alternate, Deputy Human Resources Director & Managing Director Designee  
Ronald Stagliano, Vice Chair, Trustee  
Carol G. Stukes-Baylor, Trustee  
Andrew P. Thomas, Trustee  
Veronica M. Pankey, Trustee  
Folasade A. Olanipekun-Lewis, City Council Designee

Francis X. Bielli, Esquire, Executive Director  
Shamika Taliaferro, Deputy Pension Director  
Brad Woolworth, Chief Investment Officer  
Christopher DiFusco, Esquire, Director of Investments  
Dominique A. Cherry, Senior Investment Officer  
Dan Falkowski, Senior Investment Officer  
Aubrey Hassan, Investment Analyst  
Kristyn Bair, Investment Analyst

Also Attending:

Jo Rosenberger-Altman, Esquire, Divisional Deputy Solicitor  
Ellen Berkowitz, Esquire, Deputy Solicitor  
Katharine Janoski, Deputy City Solicitor  
Mark J. Murphy, Board of Pensions  
Jackie Dunn, Finance  
Brian Coughlin, Local 22, Pension Representative  
Matthew Mazza, Treasurer's Office  
Lavonia Jenkins, Administrative Assistant  
Donna Darby, Clerk Stenographer II  
Stephen Nesbitt, Cliffwater

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Mark Johnson, Cliffwater  
Will Greene, Loop Capital  
Pam McCue, Finance Investment News  
Jim Kane, Unite Here  
Arnold B. West, GIA Partners, LLC

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**Agenda Item #1 – Approval of Minutes for June 25, 2015**

Mr. Dubow opened the meeting and called for an Executive Session at 9:50 a.m. The Executive Session ended at 10:35 a.m. Mr. Dubow informed everyone that the purpose for Executive Session was to discuss legal matters.

**Mr. Dubow requested a motion to approve the June 25, 2015 Minutes. Mr. Stagliano made the motion. Mrs. Stukes-Baylor seconded. The motion passed.**

**Agenda Item #2 – Investment Policy Statement**

Mr. Woolworth requested Board approval to the Investment Policy Statement to add information that updates the actuarial rate to 7.8% and the standard deviation to 12.96.

**Mr. Dubow requested a motion. Mr. Stagliano made the motion approve the revisions of the Investment Policy Statement. Mr. Thomas seconded. The motion passed unanimously.**

**Agenda Item #3 - Flash Report for Period ending June 2015**

Mr. Johnson noted that Cliffwater's report provided both the monthly and quarterly reports.

He reported for June that the Fund was down -1.33% versus the policy index of -.96%, underperforming by -.37 basis points. Fiscal year-to-date, performance was -.86% versus the policy of 2.16%, with underperformance of- 1.30%.

Mr. Johnson provided a brief market commentary.

Mr. Woolworth reported that June was a tough month. In July, Staff took action to reduce exposure to some investment grade names that were hurting the Fund in the indices, and they had good timing for this pull out.

Mr. Dubow asked Mr. Woolworth if July would look better than June. Mr. Woolworth noted that there was a reversal in the markets and said that things that hurt in June were starting to come back in July.

**Agenda Item #4 – Investment Staff's Report**

Mr. Woolworth reported Securities Lending income at \$136,000 for the month, in line with expectations.

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Quality “D” continued to trend in the right direction. The numbers continued to shrink. Staff’s report was showing numbers from one year ago and from last month.

The percentages of Diversity, Female and Local managers continued to be strong, trending in the right direction.

He reported that the next Board meeting would be August 27, 2015. The September Board meeting was moved to the 17<sup>th</sup> due to the Papal visit to Philadelphia. The October schedule remained the same, on the 22<sup>nd</sup>.

Mr. Dubow asked if there was new business or old business.

**At 10:45 a.m., Mr. Dubow requested a motion to adjourn the Investment Committee Meeting. Mr. Stagliano made the motion. Mr. Thomas seconded. The motion passed.**

**At 10:45 a.m., Mr. Dubow, Board Chair, called into session the full Board of Pensions and Retirement and requested a motion to ratify the actions taken at both the Deferred Compensation and the Investment Committee Meetings. Mr. Rubin made the motion. Mr. Albert seconded. The motion passed.**

**New Business**

Mr. Thomas announced, in accordance with the memorandum for Philadelphia Pension Board vacancies, he was resigning from the Board of Pensions. He recommended Mr. Brian Coughlin as his replacement. He thanked everyone for their work ethic and support while working with the Board. As President of Local 22 Firefighters, he would be working with Mr. Coughlin to provide for a smooth transition going forward.

Mr. Dubow joined the Board members in thanking Mr. Thomas for everything that he had done for the Board.

Mr. Dubow asked if there was a formal procedure for a replacement.

Mr. Stagliano said that in accordance with the memorandum, it was up to the remaining three elected trustees to agree on a replacement for Mr. Thomas’ seat. These three members discussed it and selected Mr. Coughlin to be in that position. He would need to be sworn in for the record.

Mr. Dubow welcomed Mr. Coughlin to the Board of Pensions.

Mr. Brian Coughlin, Local 22, Pension Representative, was officially sworn in as a Board Trustee replacing Mr. Andrew P. Thomas.

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After Mr. Coughlin was sworn in, Mr. Stagliano informed that Mr. Coughlin would be attending the state's Special Pension Commission meeting on August 4, 2015, where Mr. Coughlin is also seated as a member of the trustees.

**At 10:45 a.m., Rob Dubow, Board Chair, requested a motion to adjourn the Board of Pensions and Retirement. Mr. Stagliano made the motion. Mr. Thomas seconded. The motion passed.**

The Investment Committee of the Board of Pensions and Retirement approved the Minutes on

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Rob Dubow, Finance Director  
Board Chair

