

**THE BOARD OF PENSIONS AND RETIREMENT
INVESTMENT COMMITTEE MEETING
December 3, 2020**

There being a quorum, Rob Dubow, Board Chair, called the Investment Committee Meeting to order at 10:10 a.m., conducted as a Virtual Meeting by Teams Videoconference.

Present:

Rob Dubow, Finance Director
Ronald Stagliano, Vice Chairman, Trustee
Rebecca Rhynhart, City Controller
Marcel Pratt, City Solicitor
Vanessa Greene-Harley, Alternate, Chief of Staff, Office of the Managing Director
Marsha Greene-Jones, Alternate, Deputy Director of Human Resources
Brian P. Coughlin, Trustee
Carol Stukes-Baylor, Trustee
Veronica Pankey, Trustee
Robert Mc Dermott, City Council Representative

Francis X. Bielli, Esquire, Executive Director
Christopher DiFusco, Esquire, Chief Investment Officer
Bernard J. Buckley Jr., Deputy Chief Investment Officer
James Cousounis, Chief Compliance Officer
William Rubin, Audit Manager
Dominique A. Cherry, Head of Private Markets
Tyrone Jordan, Senior Investment Officer
Kristyn Bair, Investment Officer II
Abdel-Aziz Ibrahim, Investment Officer

Also Attending:

Kellan White, First Deputy Controller
Jacqueline Dunn, Acting City Treasurer
Francois Dutchie, Chief Deputy City Solicitor
Leontyne Freeman, Office of Human Resources
Adam Coleman, Assistant City Solicitor
Ellen Berkowitz, Esquire, Senior Attorney
Sharolyn L. Murphy, Esquire, Senior Attorney
Lavonia Jenkins, Administrative Assistant
Neshea Bumpus, Office Clerk II
Brad Nyce, Nationwide
Bina Kumar, Nationwide
Jeffrey Francis, Nationwide
Kweku Obed, Marquette Associates
David Smith, Marquette Associates

Nick Hand, City Controller's Office
Sara DeNault, City Controller's Office
Lindsay Saienni, Financial News
Runa Alam, DPI
Taku Mutasa, DPI
Joanne Yoo, DPI

Agenda Item #1 – Approval of the Investment Committee Minutes of October 22, 2020.

Mr. Dubow requested approval of the minutes of the Investment Committee meeting for October 22, 2020. A motion was made and properly seconded. On a roll call vote, the motion passed unanimously, with each Trustee voting to approve.

Agenda Item #2 –Private Equity Investment Recommendation: African Development Partners III

Mr. Kellogg and Mr. DiFusco provided a brief overview of Development Partners International's African Development Partners Fund III, L.P. (DPI ADP III), the due diligence performed by both Staff and Marquette, and the terms, merits, risks, and risk mitigants of the investment opportunity. Staff and Marquette recommended a total commitment of a \$50 million investment in ADP III, contingent upon satisfactory final negotiation and completion of legal documents. Staff and Marquette recommended commitments of \$25 million directly into DPI ADP III and (up to) \$25 million in the DPI ADP III Co-investment Vehicle. ("Top-Up Fund")

Ms. Alam made the presentation for DPI. She described the firm's profile, personnel and history, the investment strategy of ADP III, the performance track record of ADP III, the expected returns, and DPI's commitment to diversity and inclusion.

Mr. Bielli inquired about the expected returns, considering the returns of the earlier funds, the percentages of ownership-control in portfolio companies, and the risks presented by non-majority control or ownership. Ms. Alam responded with different approach to exiting that DPI planned to follow, with the various control percentages, and that DPI is and has been able to effectuate changes they seek in portfolio companies with the control possessed by DPI and contractual covenants.

A motion was made and properly seconded to accept the recommendation for a commitment of \$50 million to ADP III, as described above. On a roll call vote, the motion passed unanimously, with each Trustee voting to approve.

Agenda Item #3 – Private Equity Investment Recommendation: Franklin Park Social Impact Fund

Mr. Kellogg and Ms. Cherry provided a brief overview of Franklin Park’s Social Impact Fund (the “Queen Lane Fund”), the due diligence performed by both Staff and Marquette, and the terms, merits, risks, and risk mitigants of the investment opportunity. Staff and Marquette recommended a \$50 million investment in the Franklin Park “Queen Lane Fund”, contingent upon satisfactory final negotiation of legal documents.

Mr. O’Donnell and Mr. Atkins made the presentation for Franklin Park. They provided a firm and team overview, a summary of performance, and the investment strategy for the Queen Lane Fund.

Mr. Atkins responded to inquiries from Mr. Bielli, Mr. Coughlin and Ms. Rhynhart.

A motion was made and properly seconded to accept the recommendation for a commitment of \$50 million to the Franklin Park “Queen Lane Fund.” On a roll call vote, the motion passed unanimously, with each Trustee voting to approve.

Agenda Item #4 – 3Q 2020 MWDBE & Local Brokerage Report

Mr. DiFusco presented Staff’s 3Q20 MWDBE & Local Brokerage Report for the Fund.

Mr. DiFusco stated during 3Q20, the Fund’s equity managers directed 54% of their trades to Local, Minority, and/or Women Owned Brokerage firms. Rhumblin directed the highest percentage of trades to MWDBE and/or Local Brokerages, of the listed managers, for the 3Q20 at 95%. Mr. DiFusco also reported on trading done by the fixed income managers with local, minority and/or women-owned brokerages, noting that 36% overall was traded by fixed income managers in the 3rd quarter, and over 30% YTD.

Agenda Item #5 – Investment Report for the Period Ending October 2020

Mr. DiFusco briefly discussed the executive summary and overall investment returns. He also provided preliminary, estimated returns through the end of November.

Mr. Obed presented additional details on Fund and manager performance.

There were no questions.

Agenda Item #6 - Investment Staff's Report

Mr. DiFusco presented the Investment Staff Reports – reviewing securities lending income and the MWDBE and local manager percentages.

The upcoming Board meetings are scheduled for January 28, 2021, February 25, 2021, and March 25, 2021.

Ms. Dunn asked for any questions. There were none.

Ms. Dunn asked if there was any new or old business. There was none. Ms. Dunn asked if there was any other business. There was none.

At 12:23pm, Ms. Dunn requested a motion to adjourn the Investment Committee Meeting. A motion was made and properly seconded. On a roll call vote, the motion passed unanimously, with each Trustee voting to approve.

At 12:25pm, Ms. Dunn convened a meeting of the full Board. A motion to affirm all actions taken during the Deferred Compensation Plan Committee and Investment Committee Meetings was made and properly seconded. On a roll call vote, the motion to affirm passed unanimously, with each Trustee voting to approve.

At 12:27pm, Ms. Dunn requested a motion to adjourn the Board meeting. A motion to adjourn was made and properly seconded. On a roll call vote, the motion to adjourn passed unanimously, with each Trustee voting to approve.

The Investment Committee of the Board of Pensions and Retirement approved the Minutes of December 3, 2020 on _____.

Rob Dubow
Finance Director
Chair, Board of Pensions and Retirement

