

THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
APRIL 30, 2015

MEETING MINUTES

There being a quorum, Rob Dubow, Board Chair, called the Investment Committee Meeting to order at 9:49 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, Deputy Director of Finance  
Alan Butkovitz, Esquire, City Controller  
William Rubin, Alternate, First Deputy City Controller  
James Leonard, Esquire, Alternate, Chief Deputy City Solicitor  
Brian Albert, Alternate, Deputy Human Resources Director & Managing Director Designee  
Patricia Fitzgerald, Alternate, Hiring Service Manager  
Carol G. Stukes-Baylor, Trustee  
Ronald Stagliano, Vice Chair, Trustee  
Andrew P. Thomas, Trustee  
Veronica M. Pankey, Trustee  
Folasade 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  
Daniel Falkowski, Senior Investment Officer  
Aubrey Hassan, Investment Analyst  
Kristyn Bair, Investment Analyst

Also Attending:

Ellen Berkowitz, Esquire, Deputy City Solicitor  
Katharine Janoski, Esquire, Assistant City Solicitor  
Jo Rosenberger-Altman, Esquire, Divisional Deputy City Solicitor  
Mark Murphy, Board of Pensions  
Jackie Dunn, Finance  
Carmen Heyward, Clerk Stenographer II  
Donna Darby, Clerk Stenographer II  
Mark Johnson, Cliffwater  
Robert O'Donnell, Esquire, O'Donnell Associates

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Will Green, Loop Capital  
Pam McCue, Finance Investment News

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Agenda Item #1 – Approval of Minutes of March 26, 2015

Mr. Dubow called to order the Investment Committee Meeting of April 30, 2015.

Mr. Dubow requested approval of Minutes of March 26, 2015. Mr. Albert made the motion and Mr. Thomas seconded it. All were in favor. There were no oppositions or abstentions. The motion passed.

Agenda Item #2 – Flash Report for the Period Ended March 2015

Mr. Johnson reported for March the plan was flat, down two basis points

Mr. Woolworth noted that the Fund had received the city's contribution. Investment Staff put approximately half the capital to work during April.

Mr. Woolworth reminded the Trustees of their previous approval to submit a partial redemption notice to Emerging Sovereign Group ("ESG"). The paperwork was submitted, and Board does have the ability to recall that notice if desired. Staff will provide an update at the June meeting.

Mr. Woolworth provided an update on Kynikos. Kynikos is a long, short equity manager that tends to have a short bias. As volatility hit the market the expectation would be that our hedge fund managers would improve in performance, and Kynikos was up 89 basis points in January. They were up 77 basis points in February. The March estimate showed a gain of 184 basis points. Beginning in April the Fund was down month to date, 468 basis points.

Mr. Dubow asked Mr. Woolworth what went wrong.

Mr. Woolworth stated Kynikos made a pretty significant bet shorting China and, also, they find companies they believe have accounting problems or financial distress in their balance sheets. Unfortunately, those companies rallied, and went up in value significantly.

Mr. Dubow asked Mr. Woolworth if this is a onetime occurrence that Kynikos can overcome going forward.

Mr. Woolworth said had this been the first time he would say let's give the manager a chance. He thinks this is the third time that we've had that conversation and that staff has spent a long time discussing this manager. He has a short only dedicated fund which we did not choose to go into because we were concerned it would be very volatile. Mr. Woolworth stated he thinks it is time to move on.

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Ms. Stukes-Baylor made a motion to redeem from Kynikos. Mr. Thomas seconded it. All were in favor. There were no oppositions or abstentions. The motion passed.

Agenda Item #3 – Investment Staff's Report

Mr. Woolworth said Securities Lending is \$114,000 for the month and Quality D is at \$311,721.69.

The meeting for May 28, 2015 was changed to May 27, 2015.

Mr. Dubow asked if there was any new or old business. There was none.

At 12:10 p.m., Mr. Dubow requested a motion to adjourn the Investment Committee Meeting. Mr. Albert made the motion and Mr. Stagliano seconded it. All were in favor. There were no oppositions or abstentions. The motion passed.

At 12:11 p.m., Mr. Dubow convened the Board of Pensions and Retirement Meeting to affirm the actions taken at the Deferred Compensation Plan Committee Meeting and the Investment Committee Meeting. Mr. Albert made the motion and Mr. Stagliano seconded it. All were in favor. There were no oppositions or abstentions. The motion passed.

At 12:12 p.m., Mr. Dubow requested a motion to adjourn the meeting of the Board of Pensions and Retirement. Mr. Albert made the motion and Mr. Stagliano seconded it. All were in favor. There were no oppositions or abstentions. The motion passed.

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

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Rob Dubow  
Board Chair