

**THE BOARD OF PENSIONS AND RETIREMENT
INVESTMENT COMMITTEE MEETING
April 23, 2020**

There being a quorum, Rob Dubow, Board Chair, called the Investment Committee Meeting to order at 9:54 a.m., via conference call.

Present:

Rob Dubow, Finance Director, Board Chair
Ronald Stagliano, Vice Chairman, Trustee
Rebecca Rhynhart, City Controller, Trustee
Marcel Pratt, City Solicitor, Trustee
Christopher Rupe, Chief of Staff, Office of the Managing Director
Marsha Greene-Jones, Deputy Director of Human Resources
Brian P. Coughlin, Trustee
Carol Stukes-Baylor, Trustee
Veronica Pankey, Trustee
Matt Stitt, City Council Designee

Francis X. Bielli, Esquire, Executive Director
Shamika Taliaferro, Deputy Director of Pensions
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:

Jacqueline Dunn, Alternate, Chief of Staff, Office of the Director of Finance
Kellan White, First Deputy Controller
Francois Dutchie, Chief Deputy City Solicitor
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
Kweku Obed, Marquette Associates
Jesus Jimenez, Marquette Associates
Dave Smith, Marquette Associates
Pam Cox, Financial Investment News
Will Greene, Loop Capital

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Agenda Item #1 – Approval of the Investment Committee Minutes of February 27, 2020.

The minutes for the Board meeting conducted on February 27, 2020 were tabled and will be considered at the May 28, 2020 meeting.

Agenda Item #2 – Recommendation to Hire Segal Marco as the Board's Proxy Consultant

Christopher DiFusco presented Staff's recommendation to hire Segal Marco as the Board's Proxy Advising Consultant. Mr. DiFusco reviewed the timeline and process for the posting of the RFP.

Segal Marco's proposal met the Board's minimum criteria, and Mr. DiFusco noted that Staff has been satisfied with their work as the incumbent vendor.

The Board was informed that Segal Marco agreed to lower their fee to \$55,000 annually.

A motion was properly made & seconded to re-hire Segal Marco as the Board's proxy consultant. The motion was approved 8-0 on a roll call vote. Ms. Stukes-Baylor, Ms. Rhynhart, Ms. Greene-Jones, Ms. Pankey, Mr. Pratt, Mr. Rupe, Mr. Stagliano, and Mr. Coughlin voted in favor of the motion.

Agenda Item #3 – Flash Report for The Period Ending March 2020

Agenda Item #3A – Recommendation on UBS Trumbull

Mr. DiFusco presented the reports as of March 2020. He summarized the Fund's performance over the month of March and year to date, along with estimates through mid-April.

Kweku Obed of Marquette presented overall market commentary.

Ms. Rhynhart asked if Marquette had concerns about the performance of any specific manager in the current portfolio. Mr. Obed replied that there were no actionable concerns, outside of the pending UBS Trumbull discussion, at present.

Mr. Dubow inquired about the general performance of global low volatility managers. Mr. Dave Smith and Mr. Obed provided a summary.

Mr. Coughlin asked about present opportunities in the investment marketplace. Mr. Obed discussed maintaining a disciplined asset allocation and allowing active managers to apply their strategies. He also noted private equity as an asset class was likely to offer some attractive opportunities.

Mr. Obed then reviewed Marquette's recommendation on core-open end real estate manager UBS Trumbull. Marquette recommended the Board place a redemption request for \$200 million prior to the next quarterly deadline of May 1.

Ms. Pankey asked about the mechanics of the redemption queue with respect to returns. Mr. Obed responded that the Board will receive returns based upon the size of the account

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irrespective of a pending redemption. Once a redemption is executed, in whole in part, returns will be based on the remaining amount.

Ms. Rhynhart asked about the size of the proposed redemption and whether consideration had been given to requesting the full amount. Mr. DiFusco replied that discussion of that had taken place amongst Staff & Marquette and that they were comfortable with the proposed \$200 million recommendation given announced changes and an anticipated restructuring at UBS. Mr. DiFusco mentioned that UBS Trumbull was under scrutiny, and nothing would prevent Staff from returning to the Board in the next couple of months with a further recommendation if circumstances warranted.

A motion was properly made & seconded to place a redemption request of \$200 million from UBS Trumbull. The motion passed 7-0 on a roll call vote. Ms. Stukes-Baylor, Ms. Rhynhart, Ms. Pankey, Mr. Pratt, Mr. Rupe, Mr. Stagliano, and Mr. Coughlin voted in favor of the motion; Ms. Greene-Jones did not participate in the vote.

Agenda Item #4 – Investment Staff's Report

Mr. DiFusco presented the reports.

Mr. DiFusco echoed Mr. Bielli's earlier comments about the hard work of Staff and the prompt responses he was receiving daily on all outstanding assignments and requests.

The upcoming Board meetings are May 28, 2020, June 25, 2020 & July 23, 2020.

Mr. Dubow asked for any questions.

Mr. Stitt asked Marquette about the equity markets and China. Mr. Smith noted the initial decline and snapback of the Chinese markets. He added that the differences in culture and government impacted the type of containment measures taken and their apparent effectiveness.

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

A motion to approve all actions taken by the Investment Committee was properly made and seconded. The motion passed 8-0 on a roll call vote. Ms. Stukes-Baylor, Ms. Rhynhart, Ms. Pankey, Ms. Greene-Jones, Mr. Pratt, Mr. Rupe, Mr. Stagliano, and Mr. Coughlin voted in favor of the motion.

At 10:35 a.m., a motion to adjourn was properly made & seconded. The motion passed unanimously.

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

Rob Dubow

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Finance Director
Chair, Board of Pensions and Retirement