

**THE BOARD OF PENSIONS AND RETIREMENT
INVESTMENT COMMITTEE MEETING
April 25, 2019**

There being a quorum, Rob Dubow, Board Chair, called the Investment Committee Meeting to order at 10:05 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Rob Dubow, Finance Director
Jacqueline Dunn, Alternate, Chief of Staff, Office of the Director of Finance
Ronald Stagliano, Vice Chairman, Trustee
Rebecca Rhynhart, City Controller
Marcel Pratt, City Solicitor
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 M. Pankey, Trustee

Francis X. Bielli, Esquire, Executive Director
Christopher DiFusco, Esquire, Chief Investment Officer
Bernard J. Buckley Jr., Deputy Chief Investment Officer
Shamika Taliaferro, Deputy Director of Pensions
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
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, Clerk Typist I
Brad Nyce, Nationwide
Kweku Obed, Marquette Associates
David Smith, Marquette Associates
Nick Hand, City Controller's Office
Matthew Vegari, City Controller's Office
Haylee Nguyen, City Controller's Office
Will Greene, Loop Capital
Arnold West, GIA Partners
Nicholas Furman, Pine Valley Investments
Erwin Gant, Sturdivant & Co.

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Agenda Item #1 – Approval of the Investment Committee Minutes of February 21, 2019 and March 21, 2019

Mr. Dubow requested approval of the minutes of the Investment Committee meeting for February 21, 2019 and March 21, 2019. Mr. Stagliano made the motion. Mr. Coughlin seconded. The motion passed unanimously.

Agenda Item #2 – Flash Report for The Period Ending March 2019

Mr. DiFusco discussed the result of a close look at two equity managers (Investors Group and SGA) due to their recent underperformance. Mr. DiFusco explained that both have been in the plan for 15-16 months and operate in a space that has been difficult as of late. Mr. DiFusco noted that the managers needed more time to implement their process, however the Investment Staff and Marquette will continue to monitor both managers.

Ms. Rhyhart asked what the managers had to say about their underperformance. Mr. Smith explained that the International Small-Cap Market has a great deal of volatility. Mr. Dubow asked for the time frame in which we should expect to see a reversion to positive performance for the two managers. Mr. Smith responded if we see a sell-off in growth or of the top names in this space.

Mr. DiFusco stated the only other manager that caused a bit of concern was Elizabeth Park. Mr. DiFusco stated that Elizabeth Park's long-term numbers were above the benchmark as was their return for April. However, Staff will continue to monitor this manager.

Mr. Obed presented Marquette's reports. Ms. Rhyhart asked why AJO was still listed and not shown as terminated. Mr. DiFusco explained that although AJO was terminated, some residual assets remained in the account at the end of the month. He noted that AJO will be removed and next month's report will so reflect.

Ms. Rhyhart inquired of the length of time the Fund should apply if 15-16 months was insufficient. Mr. Smith stated the customary window in the market was a minimum of 36 months to provide highest conviction. Ms. Rhyhart requested that we discuss these managers further at next month's meeting. She noted that she is not comfortable with a 36-month wait. Mr. Dubow asked for any questions. There were none.

Agenda Item #3 – Investment Staff's Report

Mr. DiFusco presented the reports.

Mr. DiFusco reported the announcement that the African American Chamber of Commerce at their 2019 Annual Meeting on May 2nd will present the Vanguard Award for leadership and support in the Philadelphia Business Community to LLR in recognition of LLR's initiatives and efforts in support of diversity and inclusion hiring policies.

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Mr. DiFusco also mentioned the expected release of an article in the Philadelphia Magazine regarding the Fund and its investments.

The upcoming Board meetings are May 23, 2019, June 27, 2019 and July 25, 2019.

Ms. Stukes-Baylor requested a change of the scheduled May Board meeting to May 30, 2019. The Trustees agreed to the change in date to May 30.

The next Trustee Education Seminar will be held on May 9, 2019 at 10:00am.

Mr. Dubow asked for any questions. There were none.

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

At 10:31 a.m., Mr. Dubow requested a motion to adjourn the Investment Committee Meeting. Mr. Stagliano made the motion. Mr. Coughlin seconded. The motion passed unanimously

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

Rob Dubow
Finance Director
Chair, Board of Pensions and Retirement

