

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
February 22<sup>nd</sup>, 2017**

There being a quorum, Rob Dubow, Board Chair, called the Investment Committee Meeting to order at 9:48 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16<sup>th</sup> Floor.

Rob Dubow, Finance Director  
Ronald Stagliano, Vice Chair, Trustee  
William Rubin, Alternate, First Deputy City Controller  
Brian Albert, Alternate, Deputy Human Resources Director  
Brian Abernathy, Alternate, First Deputy Managing Director  
Francois Dutchie, Esquire, Alternate, Divisional Deputy City Solicitor  
Carol G. Stukes-Baylor, Trustee  
Veronica M. Pankey, Trustee  
Brian Coughlin, 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  
Dominique A. Cherry, Senior Investment Officer  
Tyrone Jordan, Senior Investment Officer  
Eryn-Ashlei Bailey, Investment Officer  
Kristyn Bair, Investment Analyst

Also Attending:

Paula Weiss, Esquire, Alternate, Deputy to the Chief Administrative Officer  
Jackie Dunn, Chief of Staff, Office of the Director of Finance  
David Malgaldi, Alternate, Risk Management Counsel  
Brendan O'Rourke, Esquire, Interim Chief Deputy City Solicitor  
Jo Rosenberger-Altman, Esquire, Divisional Deputy City Solicitor  
Adam Coleman, Esquire, Assistant City Solicitor  
Lavonia Jenkins, Administrative Technician  
Erica Marable, Clerk Typist II  
Bina Kumar, Nationwide  
Matthew Coyne, TorreyCove Capital Partners  
Ken Kent, Cherion  
Anu Patel, Cherion  
Bob Murray, Cherion  
Brett Warren, Cherion  
Kweku Obed, Marquette  
Chuck Callahan, JP Morgan  
Mitchell Hollin, LLR Equity Partners  
Elizabeth Campbell, LLR Equity Partners  
Jason Jerista, LLR Equity Partners

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
February 22<sup>nd</sup>, 2017**

Robert O' Donnell, O'Donnell Associates  
Pam McCue, Finance Investment News  
Toni Robbins, Delaware Investments

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
February 22<sup>nd</sup>, 2017**

**Agenda Item #1 – Approval of the Minutes of January 19th, 2017**

**Mr. Dubow requested approval of the Minutes for January 19th. Mr. Stagliano made the motion. Mr. Dutchie seconded. The motion passed.**

**Agenda Item #2 – Cheiron Actuarial Presentation**

Mr. Kent, Mr. Murray, Mr. Warren, and Ms. Patel of Cheiron presented the annual actuarial presentation for the fiscal year ending June 30, 2016.

**Mr. Dubow requested a motion. Mr. Stagliano made a motion to reduce the assumption rate from 7.75% to 7.70%. Mr. Albert seconded. The motion passed.**

**Agenda Item #3 – LLR V – Private Equity Recommendation**

Mr. Buckley provided a brief overview of the fifth fund being considered from LLR Equity Partners.

Mr. Hollin and Ms. Campbell of LLR presented to the Board.

Mr. Bielli asked for numbers on the firm's diversity.

Mr. Hollin answered although there are a fair number of women and Asians within the firm, there is not as much diversity as they would like.

Ms. Stukes – Baylor asked if it's currently being addressed.

Mr. Hollin answered they are aware of the lack of diversity and currently have a policy.

Ms. Stukes – Baylor requested that a copy of the policy be made available to Staff.

Mr. Hollin said the policy will be made available to the Staff.

Following the presentation, the Board decided to table the investment until review of LLR's diversity policy.

**Mr. Dubow requested a motion. Mr. Stagliano made a motion to table the investment to LLR Equity Partners. Ms. Pankey seconded. Motion passed.**

**Agenda Item #4 – Active Small Cap International Equity Recommendation**

Ms. Cherry made the presentation.

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
February 22<sup>nd</sup>, 2017**

Ms. Cherry said along with Staff, Marquette and the Subcommittee it is recommended an allocation from the \$250 million for this asset class be split among three managed strategies.

Ms. Cherry added a portion of the allocation will also be placed in the passive managed strategy, in part to minimize risk within the portfolio.

Thirty firms responded to the RFP on the City's website and 11 met the requirements. Along with Staff and Marquette, four managers were selected to present to the Subcommittee.

Ms. Cherry and the subcommittee recommended an initial allocation of \$25 million to Strategic Global and \$50 million each to Investors Group and AQR. In addition, there would be long term allocation ranges from \$50 to \$75 million each for the actively managed funds.

**Mr. Dubow requested a motion. Mr. Rubin made a motion to accept the Sub-Committee's recommendations. Ms. Stukes-Baylor seconded. The motion passed.**

**Agenda Item #5 – Flash Report for Period ended January 2017**

Mr. DiFusco presented the reports.

Ms. Weiss asked for any further questions. There were none.

**Agenda Item #6 – Investment Staff Report**

Ms. Bair presented the reports on Security Lending and Diversity of AUM and Board calendars.

The next scheduled Board meetings are March 23<sup>rd</sup>, April 27<sup>th</sup> and May 25<sup>th</sup>.

**At 12:31 p.m., Ms. Weiss requested a motion to adjourn the Investment Committee Meeting. Mr. Staglinao made the motion. Mr. Albert seconded. The motion passed.**

**At 12:32 p.m., Ms. Weiss 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. Dutchie made the motion. Mr. Albert seconded. The motion passed.**

**At 12:33 p.m., Ms. Weiss requested a motion to adjourn the Board of Pensions and Retirement Meeting. Ms. Pankey made the motion. Mr. Stagliano seconded. The motion passed.**

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

---

**THE BOARD OF PENSIONS AND RETIREMENT  
INVESTMENT COMMITTEE MEETING  
February 22<sup>nd</sup>, 2017**

---

Rob Dubow  
Finance Director  
Chair, Board of Pensions and Retirement

