EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD

Minutes of the Investment Committee Meeting
held February 8, 2018

The meeting was called to order at 9:10 a.m.

Committee Members Present:	Thomas Bell James Campbell Deborah Ford Larry Holland, Chair Thomas Klusman Rudy Konrad Nik Kovac Martin Matson Mark Nicolini Himanshu Parikh
Retirement Staff Present:	Bernard J. Allen, Executive Director David Silber, Chief Investment Officer Erich Sauer, Pension Investment Analyst Tom Courtright, Pension Investment Analyst Jan Wills, Board Stenographer

Others Present: Jason Ellement, Mike Joecken, Callan; Miriam Horwitz, City Attorney's Office.

CIO Report. Mr. Silber noted the Fund is at $5.4 Billion and as a comparison, the Fund value in February 2016 was approximately $4.4 Billion. Mr. Silber commented the S&P 500 is now up 53% since early February 2016 which, he said, exceeds expectations in a two-year time period, despite the drawdown in the market transpired in the last week. He said $775 million has been paid out in benefits since then and the Fund received $250 million in contributions. Mr. Silber remarked that there has been $1.5 billion dollars in investment gains in the last 24 months. He commented that last week's market drop was a normal, historical correction. Discussion ensued.

Callan Portable Alpha Manager Search Update.

Fixed Income and Absolute Return Structure Review Presentation.
Approval of Fixed Income and Absolute Return Structure.
Selection of Portable Alpha Manager.
Approval of Portable Alpha Manager Search Finalists.

Mr. Holland advised that the Investment Committee may vote to convene in closed session on the following items (II., III., III.a., III.b. and III.c.) as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons

require a closed session. The Investment Committee may then vote to reconvene in open session following the closed session.

The Investment Committee voted to convene in closed session by the following roll call vote: AYES: Ms. Ford, Messrs. Bell, Campbell, Holland, Klusman, Konrad, Kovac, Matson, Nicolini, and Parikh. NOES: None.

The Investment Committee convened in closed session at 9:20 a.m.

It was unanimously carried by the Investment Committee to reconvene in open session at 11:30 a.m.

It was moved by Mr. Campbell and seconded by Mr. Bell, and unanimously carried, to approve the selection of Portable Alpha Manager.

It was moved by Mr. Bell and seconded by Mr. Matson, and unanimously carried, to approve the Fixed Income and Absolute Return Structure.

Mr. Holland noted the manager search would not be necessary.

There being no further business, Mr. Holland adjourned the meeting at 11:32 a.m.

Bernard J. Allen
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employes' Retirement System, 789 N. Water Street, Suite 300.)