

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Investment Committee Meeting
Held July 19, 2018

The meeting was called to order at 9:03 a.m.

Committee Members Present: Martin Matson, Chair
 Thomas Klusman
 Rudy Konrad

Committee Members Not Present: Deborah Ford (Arrived 9:10 a.m.)
 Nik Kovac (Arrived 9:51 a.m.)

Retirement Staff Present: Bernard J. Allen, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Pension Investment Analyst
 Tom Courtright, Pension Investment Analyst
 Dan Gopalan, Chief Financial Officer
 Mary Turk, Business Operations Analyst
 Arsh Salwan, Pension Investment Intern
 Jan Wills, Board Stenographer

Others Present: Charles van Horne, Sean Long, Meredith Rerisi, Jonathan Roth, Abbott Capital; John Jackson, Mike Joecken, Callan; Miriam Horwitz, City Attorney's Office; James Campbell, Milwaukee Police Department, Timothy Heling, Milwaukee Fire Department.

After roll call, Mr. Matson said the Investment Committee is convening as a subcommittee until another member arrives in order to meet quorum to convene in closed session.

Abbott Capital Management Presentation. Mr. Matson advised that the Investment Committee may vote to convene in closed session on the following item 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 Committee may then vote to reconvene in open session following the closed session.

Mr. Matson noted they would convene in closed session at a later point and after Abbott Capital made their initial presentation.

As a matter of information, Committee members received the Abbott Capital "The Employees' Retirement System of the City of Milwaukee Investor Review" booklet. Abbott spoke about their private equity firm and its nine-year relationship with CMERS, the Private Equity market, and CMERS' investments, which have met or exceeded long-term expectations to date. Discussion ensued.

(Ms. Ford arrived at 9:10 a.m.)

It was moved by Mr. Konrad and seconded by Mr. Klusman that the Committee convene in closed session on the Abbott Capital Management Presentation. The motion prevailed by the following roll call vote. AYES: Ms. Ford, Messrs. Klusman, Konrad, and Matson. NOES: None.

The Committee convened in closed session at 9:22 a.m.

(Mr. Kovac arrived at 9:51 a.m.)

It was moved by Mr. Kovac and seconded by Ms. Ford to reconvene in open session at 10:15 a.m.

Mr. van Horne wanted to note for the record they appreciated the opportunity with the Employees' Retirement System of the City of Milwaukee.

Mr. Matson called for a break at 10:15 a.m. The Committee resumed the meeting at 10:26 a.m.

2nd Quarter Performance Update – Preliminary Estimate. As a matter of information, Committee members received the “2nd Quarter Performance Update – Preliminary Estimate.” The report included preliminary returns as of June 30 with the Fund having a 1.7% return, net of fees, year to date. The presentation's agenda included items on fund overview, public equity, fixed income, absolute return, private equity, and a recent performance update. Mr. Silber reported that the Fund has generated a 9.6% return over the past year and a 9.0% annualized return over the past five years, both net of fees. He said the Fund outperformed its benchmark in all time periods shown, net of fees. Mr. Silber noted all five of the Fund's asset classes had returns that exceeded their respective benchmark year-to-date, net of fees. Discussion ensued.

There being no further business, Mr. Matson adjourned the meeting at 11:36 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 Employees' Retirement System, 789 N. Water Street, Suite 300.)