

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

Minutes of the Special Meeting held February 8, 2018

The meeting was called to order at 9:05 a.m.

Board Members Present:                   Martin Matson, Chair  
  Thomas Bell  
  James Campbell  
  Deborah Ford  
  Larry Holland  
  Tom Klusman  
  Nik Kovac  
  Mark Nicolini  
  Himanshu Parikh

Board Members Not Present:           Rudolph Konrad

Retirement System Staff Present:   Bernard J. Allen, Executive Director  
  David Silber, Chief Investment Officer  
  Erich Sauer, Pension Investment Analyst  
  Thomas Courtright, Pension Investment Analyst  
  Jan Wills, Board Stenographer

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

**Approval of Addendum to Northern Trust Company Master Custody Agreement.** As a matter of information, Board members received a memo regarding the addendum and the "Addendum to Master Custody Agreement."

Mr. Sauer stated that Brandes, one of the long-serving value managers, asked to buy a security traded in Taiwan. He noted Brandes is allowed to do this and has always been able to do so in terms of their guidelines. Mr. Sauer commented that Brandes is the first manager requesting the ability to purchase securities in Taiwan, so the ERS has never formally opened the market with Northern Trust. He said the ERS has gone through the process to complete the paperwork and the addendum is the last step in the process of opening the market. Mr. Sauer noted Taiwan has intricacies with the way trades settle and penalties for failing to settle a trade. He said the addendum to the master custody agreement provides a fail-safe in the event Northern Trust is not able to communicate with Brandes in time to confirm a trade. Mr. Sauer noted Northern Trust could use confirmations from the Taiwanese brokers so the trade can settle in time. He said Northern Trust works with Brandes to settle trades in other markets. Mr. Sauer said the investment staff recommends approval of the addendum. Discussion ensued.

It was moved by Mr. Nicolini and seconded by Mr. Holland to approve the "Addendum to Northern Trust Company Master Custody Agreement."

There being no further business, Mr. Matson adjourned the meeting at 9:08 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.)