

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

Minutes of the Investment Committee Meeting
held May 9, 2019

The meeting was called to order at 9:02 a.m.

Committee Members Present: Matthew Bell
 James Campbell
 Martin Matson
 Carmelo Patti, Chair

Committee Members Not Present: Deborah Ford (arrived at 9:07 a.m.)
 Thomas Klusman (excused)
 Rudy Konrad (excused)
 Nik Kovac (arrived at 9:04 a.m.)

ERS Staff Present: Bernard J. Allen, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Thomas Courtright, Pension Investment Analyst
 Anthony Lubarsky, Pension Investment Analyst
 Robin Earleywine, Pension Accounting Manager
 Lisa Ory, Administrative Assistant II
 Jan Wills, Board Stenographer

Others Present: Chris Doheny, Greg D'Alessandro, AQR; Sally Haskins, Jonathan Gould, Mike Joecken, Callan; Miriam Horwitz, City Attorney's Office.

(Mr. Kovac arrived at 9:04 a.m.)

(Ms. Ford arrived at 9:07 a.m.)

AQR Capital Management Presentation. As a matter of information, Committee members received the "AQR Emerging Equity Q1 2019 Review" presentation booklet dated May 9, 2019. Messrs. Doheny and D'Alessandro gave an update on the firm; discussed the investment team, philosophy, and process; and gave an update on recent strategy performance.

Callan Real Estate Presentation. As a matter of information, Committee members received the Callan "Real Estate Performance Review" dated May 9, 2019. Ms. Haskins and Mr. Gould discussed the Market Overview and provided a Portfolio Summary.

Mr. Patti called for a break at 10:14 a.m. and resumed the meeting at 10:18 a.m.

1st Quarter 2019 Performance Report. As a matter of information, Committee members received the “1st Quarter 2019 Performance Report” dated May 9, 2019. Mr. Sauer discussed the Fund Overview, Public Equity, Fixed Income, and Absolute Return. He commented the quarter ended value was \$5.29 billion dollars with a \$373 million dollar gain for the quarter. Mr. Sauer also provided updates on three manager events. He also said outperforming equity managers were William Blair, Earnest, Polen, MFS, CastleArk, BlackRock Global Alpha Tilts, and AQR. He also provided a Recent Performance Update and noted the Fund had a 7.4% return net of fees for Q1 2019 and an 8.3% return year-to-date through May 8, 2019. Mr. Sauer noted the Fund value is \$5.30 billion as of May 8, 2019.

Mr. Silber concluded with distributing to the Committee a chart about standard deviation and “Mixes Considered as part of 2017 Study” that were previously provided at the February 2019 meeting. He noted a review of the Private Equity allocation and Pacing will be coming up and Callan will give a Private Equity Education presentation next month. Mr. Silber said three of the four private equity managers, Neuberger Berman, Private Advisors, and Mesirov, will provide presentations at the Investment Committee meetings in the next few months.

There being no further business, Mr. Patti adjourned the meeting at 10:47 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.)