

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

Minutes of the Investment Committee Meeting
held June 6, 2019

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

Committee Members Present: Matthew Bell
 James Campbell
 Deborah Ford
 Thomas Klusman
 Rudy Konrad
 Carmelo Patti, Chair

Committee Members Not Present: Martin Matson (excused)
 Nik Kovac (arrived at 9:05 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: John Jackson, Jason Ellement, Callan; Miriam Horwitz, Andrea Fowler, City Attorney's Office; Molly King, Eric Pearson, Budget Office; Jason Ren, Adecco.

(Mr. Kovac arrived at 9:05 a.m.)

Callan Private Equity Education and Analysis Presentation. As a matter of information, Committee members received the Callan Private Equity presentation booklet. Mr. Jackson provided Committee members with an introduction to Private Equity and discussed Program Design, Commitment Pacing, Strategy Selection, Manager Selection, and Private Equity Planning and Implementation. He also discussed the challenges of private equity, including the illiquidity of private equity, program complexity, return calculation and benchmarking methodology differences from public securities, J-Curve, and fees. Mr. Ellement provided a Private Equity Analysis for the Committee members and discussed Callan's Capital Market Assumptions, Alternative Asset Mixes, and Portfolio Liquidity Analysis (including sources of liquidity, historical bear equity markets, and liquidity stress testing). Discussion ensued throughout the presentation.

CIO Report. Mr. Silber reported the Fund is up 7.8%, net of fees, year to date. He stated the Fund value is \$5.24 billion as of June 5, 2019.

Approval of CMERS Low Beta LLC Agreement Amendment. Mr. Patti advised that the Investment Committee may vote to convene in closed session on the following item (III.), 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.

It was moved by Mr. Campbell, and seconded by Mr. Bell that the Committee convene in closed session on this item. The motion prevailed by the following roll call vote: AYES: Messrs. Bell, Campbell, Ford, Klusman, Konrad, Kovac, and Patti. NOES: None.

The Committee convened in closed session at 11:25 a.m. The Committee reconvened in open session at 11:30 a.m.

It was moved by Mr. Bell, seconded by Mr. Campbell, and unanimously carried, to approve the CMERS Low Beta LLC Agreement Amendment.

Informational.

Callan 1st Quarter 2019 Performance Report. As a matter of information, Committee members received the Callan 1st Quarter 2019 Performance Report.

There being no further business, Mr. Patti adjourned the meeting at 11:31 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.)