

MINUTES

METROPOLITAN EMPLOYEE BENEFIT SYSTEM INVESTMENT COMMITTEE

May 30, 2019 at 9:30 a.m.
Investment Committee Meeting

Howard Office Building- OMB Conference Room
700 2nd Ave. South, 2nd Floor

The Investment Committee met on Thursday May 30, 2019 at 9:30 a.m.

Those Investment Committee members present were:

Christine Bradley, G. Thomas Curtis, and Talia Lomax-O'dneal

Other attendees:

NEPC: Keith Stronkowsky

Mercer: Neil Silverman

Voya: John Cox

Staff: Katelyn Arnold, Finance Officer, Fadi BouSamra, CIO, and Tom Eddlemon, Treasurer

Others Attending: Jason Bobo, Phil Carr, Margaret Darby, Kim McDaniel, and Sean McGuire

- **Establish a quorum:** Mrs. Lomax-O'dneal established that a quorum was present, and the meeting was called to order.
- **Approval of minutes from the March 7th, 2019 meeting:** Mr. Curtis made a motion to approve the minutes as written. Ms. Bradley seconded the motion. The motion passed unanimously.
- **CAFR & Summary Reports:** Mr. Carr, Chief Accountant, presented the most recent pension numbers in the June 2018 CAFR. He reviewed the income statement, including the net investment income/loss figure. Mr. Carr also discussed investment expenses disclosed in the CAFR in detail. Accounts worked closely with the custodian to better represent fees and expenses associated with the investments. Mr. BouSamra explained that the Investment Expenses reported in the CAFR include Investment Advisory fees, Performance fees, Partnership Expenses and Carried Interest. Mr. Carr also discussed a schedule depicting the total pension liability the actuary has calculated for Metro Pension, and compares it to the investments we have set aside to fund the liability; he pointed out the pension plan is well funded.
- **MetroMax 457 Plan Review:** Mr. Cox also reviewed the MetroMax 1st Quarter 2019 Activity Report. Mr. Silverman reviewed the MetroMax 457 Defined Contribution Quarterly Report as of March 30, 2019.
- **1st Quarter 2019 Pension Performance:** Mr. Stronkowsky reviewed the Metro Plan's performance. The total fund returned 3.9% for the quarter; underperforming the policy index

by 4.4%. The total fund returned 7.5% for the first three quarters of the fiscal year; outperforming the policy index by 3.5%. Mr. Stronkowsky explained Metro ranked in the 2nd percentile relative to public fund peers year-to-date.

- **Recommendations:** Mr. BouSamra and Mr. Stronkowsky reviewed the recommendations:

- Private Equity: Invest up to \$20 million in Greenspring Opportunities VI:

- Mr. Stronkowsky discussed this fund is focused on co-investing in deals that are sourced through platform relationships. He also explained Metro invested in Greenspring Opportunities II, III, and IV. Mr. Stronkowsky also noted the recommendation was rated a 1 by their ratings team.
- Mr. Curtis made a motion to accept the recommendation for Greenspring Opportunities VI as presented. Ms. Bradley seconded the motion, and the motion passed unanimously.

- Private Equity: Invest up to \$17,200,000 in Greenspring Secondaries IV:

- Mr. Stronkowsky discussed this fund is focused on sourcing secondary funds from existing GP relationships. He also explained Metro invested in Greenspring Secondaries I. Mr. Stronkowsky also noted the recommendation was rated a 1 by their ratings team.
- Mr. Curtis made a motion to approve the recommendation as presented. Ms. Bradley seconded the motion, and the motion passed unanimously.

- **General Updates:**

- Cash in Metro MIP as of 3/31/19: \$(572,959.43) with a deposit of \$8.5 million on 4/1/19

- **Travel Update:** Mr. BouSamra discussed the following travel from the last quarter:

- CIO attended the Axiom annual meeting in NYC and visited with a few managers. Axiom continues to do very well in Asia private equity.
- Also, CIO attended PIMCO's Alternative Investment conference on May 21 and 22. PIMCO's Alternative platform continues to grow with good to great performance across the board.

Approved 8-29-19 by Talia Lomax-O'dneal
(Date) Talia Lomax-O'dneal, Chair