

**INVESTMENT COMMITTEE MINUTES**  
**of the**  
**Firemen's Annuity and Benefit Fund of Chicago**  
**20 S Clark, Ste 300, Chicago IL 60603**  
**February 14, 2023**

1. ROLL CALL: Committee members Mary Sheridan, Danny Fortuna, and Craig Slack, in attendance as proxy for Committee Member Treasurer Melissa Conyears-Ervin, were physically present. The meeting was called to order at approximately 9:00 am and Ms. Scott noted that a quorum of Committee members was physically presented.

OTHERS PHYSICALLY PRESENT: Brady O'Connell from Callan, Zach Schwer from Callan, Fund Attorney Sarah Boeckman from Burke Burns & Pinelli Ltd, Mark Myslinski from the Treasurer's office, and Fund Staff Lorna Scott, Kelly Weller, and Jerod Lockhart.

OTHERS PHYSICALLY PRESENT AFTER ROLL CALL: Committee Member Treasurer Melissa Conyears-Ervin

OTHERS VIRTUALLY PRESENT: Investment Chairman Anthony Martin, Committee member Reshma Soni, Nicole Wubbena from Callan, Ken Johnson from Loomis, Dave Simmons from Loomis.

On motion by Fortuna, second by Sheridan, to allow any Committee members to join the meeting by video/audio conference pursuant to 5 ILCS 120/7 of the Open Meetings Act. The vote was:

Yeas: Martin, Fortuna, Slack, Sheridan, Soni  
Nays: None

2. INVESTMENT COMMITTEE CHAIR REPORT

Investment Committee Chair Martin outlined the agenda for the meeting.

3. CONSIDERATION AND POSSIBLE ACTION REGARDING RECOMMENDATION TO BOARD RELATED TO U.S. EQUITY SEARCH

Mr. O'Connell reviewed the respondents in the US Equity SMID value search. After discussion, the Committee asked Callan to provide additional details on the RFP respondents for review at an Investment Committee meeting in March.

4. 2022 MWDBE BROKERAGE UTILIZATION REPORT

Ms. Scott reviewed the managers 2022 MWDBE brokerage utilization. Ms. Scott noted that the Fund had met its MWDBE brokerage utilization goals for 2022.

5. CONSIDERATION AND POSSIBLE ACTION REGARDING RECOMMENDATION TO BOARD RELATED TO ANNUAL REVIEW OF THE STATEMENT OF INVESTMENT POLICY

Ms. Scott reviewed the Fund's allocation to MWDBE managers and the Fund's MWDBE brokerage targets. Additionally, Ms. Scott discussed various reports that are required by the State of Illinois. She recommended no adjustments to the Fund's MWDBE targets. She did recommend incorporating the State of Illinois reporting requirements in the Statement of Investment Policy.

On motion by Fortuna, second by Slack to recommend to the Board the approval of the revised Statement of Investment Policy.

Yeas: Martin, Fortuna, Slack, Sheridan, Soni  
Nays: None

6. INVESTMENT REPORT

Mr. O'Connell reviewed the Fund's asset allocation and performance relative to peers. He indicated that the Fund has generally outperformed peers in up markets but lags peer public plans in down markets. He noted that relative to peers, the Fund ranks in the upper deciles in up markets but will drop to lower deciles in down markets. Trustee Martin asked if there was more opportunity to invest in alternatives and if the asset allocation should be reviewed given that prior liquidity issues are in the process of being addressed because of the required statutory funding from the City. Mr. O'Connell reminded the Committee that the Fund added two illiquid asset classes in the Asset-Liability Study in 2021: private credit and infrastructure. He suggested that we complete those searches before increasing allocations to alternatives.

Mr. O'Connell reviewed Q4-22/2022 performance. He also updated the Committee on organization changes at Jackson Square. Ms. Scott discussed January 2023 performance.

Committee Member Treasurer Melissa Conyears-Ervin joined the meeting.

Loomis representatives, Ken Johnson and Dave Simmons addressed the Committee on its utilization of MWDBE brokers for 2022 and its failure to achieve the Fund's goals. Treasurer Conyears-Ervin emphasized the need for Loomis to achieve the Fund's brokerage utilization goals.

7. CONSIDERATION AND POSSIBLE ACTION REGARDING RECOMMENDATION TO BOARD RELATED TO FUND REBALANCING

Ms. Scott reviewed the Fund's current positions versus the asset allocation model. Ms. Scott and Mr. O'Connell recommended shifting \$15 million from Earnest Short to Earnest Core account.

On motion by Martin, second by Fortuna to recommend to the Board to approve Fund rebalancing as detailed on the Rebalancing Template consistent with the recommendation of the CIO and the Investment Consultant.

Yeas: Martin, Fortuna, Conyears-Ervin, Sheridan, Soni  
Nays: None

8. CONSIDERATION AND POSSIBLE ACTION REGARDING RECOMMENDATION TO BOARD RELATED TO EXPENDITURE FOR STAFF TRAVEL AND EDUCATION

Ms. Scott invited the Trustees to attend the annual Callan client conference and requested approval for her to attend.

On motion by Fortuna, second by Conyears-Ervin, to recommend to the Board to approve expenditure for staff travel and education.

Yeas: Martin, Fortuna, Conyears-Ervin, Sheridan, Soni

Nays: None

9. PUBLIC COMMENT

No public comment was requested by any members of the public.

10. OLD BUSINESS/NEW BUSINESS

Trustee Martin requested an education session on investments in long/short commodities.

There being no further business to discuss, on motion of Fortuna, second by Soni, all trustees present voting in the affirmative, the Committee meeting was adjourned at approximately 11:00 am.