

INVESTMENT COMMITTEE MINUTES
of the
Firemen's Annuity and Benefit Fund of Chicago
20 S Clark, Ste 300, Chicago IL 60603
May 16, 2022

1. ROLL CALL: Investment Chairman Anthony Martin, Committee members Dan Fortuna, and William Murphy were physically present; Committee members Melissa Conyears-Ervin and Reshma Soni attended by means of video or audio conference.

OTHERS PHYSICALLY PRESENT: Fund Attorney Sarah Boeckman from Burke Burns & Pinelli, Ltd., Mark Myslinski, Craig Slack, Brady O'Connell from Callan, Fund Staff Kelly Weller, Jackie Vlahos, Lorna Scott, Chris Morales, and Jerod Lockhart.

OTHERS VIRTUALLY PRESENT: Trustee Mary Sheridan

On motion by Murphy, second by Fortuna, to allow Committee members Melissa Conyears-Ervin and Reshma Soni 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, Murphy

Nays: None

2. US EQUITY STRUCTURE REVIEW

Callan representative Mr. O'Connell provided a review of the current investment structure of the US Equity investments. He noted that US equity performance has underperformed the benchmark due to an overweight to small/mid cap stocks. He also noted that, historically, active managers have struggled to outperform in the large cap space. He also reviewed the managers on the watchlist. He recommended the following: (1) revising the Investment Policy Statement to add specific targets for large cap stocks and small/mid cap stocks (2) converting the index of the Rhumblin core passive strategy from R1000 index to S&P 500 (3) selling \$10 million from Rhumblin R1000V account, and allocating \$5 million to Rhumblin S&P 500, and \$5 million to Brown Advisory and (4) modifying the Manager Watchlist to remove Kennedy and Globeflex and to add Logan Capital. Mr. O'Connell also recommended a U.S. Equity Small Cap Value search be initiated in the near future. Discussion ensued. Ms. Scott discussed implementation of the revised U.S. Equity structure, recommending that the transition be implemented in conjunction with expected Fund changes.

On motion by Fortuna, second by Martin, to recommend to the Board to approve the revised Investment Policy Statement, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

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

Nays: None

On motion by Murphy, second by Fortuna, to recommend to the Board to approve the revised investment manager guidelines for Rhumblin Advisers Large Cap Index Equity account, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

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

Nays: None

On motion by Fortuna, second by Murphy, to recommend to the Board to approve the revised Manager Watchlist, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

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

Nays: None

On motion by Fortuna, second by Murphy, to recommend to the Board to approve the \$10 million rebalancing as indicated on the rebalancing statement, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

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

Nays: None

3. MANAGER UPDATE

Mr. O'Connell notified the Committee that William Blair is closing the Macro Allocation Fund. Mr. O'Connell recommended the following: (1) the Pimco Commodity Fund be reclassified as a Liquid Diversifying investment to replace the Macro Allocation Fund and (2) the Macro Allocation Fund be sold with proceeds transferred to Earnest Short Duration Bond account.

On motion by Fortuna, second by Murphy, to recommend to the Board to approve the rebalancing related to the Macro Allocation Fund as indicated on the Rebalancing Template, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

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

Nays: None

4. INFRASTRUCTURE RFP-RECOMMENDED FIRMS

Mr. O'Connell provided an update on the Infrastructure RFP. He recommended inviting four firms to appear before the Board at a June Investment Committee meeting. Per the direction of the Committee, Ms. Boeckman discussed the fiduciary requirement that the selected firms must acknowledge prior to presenting to the Board. Discussion ensued.

On motion by Martin, second by Murphy, to recommend to the Board to approve the recommended firms in the search for Infrastructure manager, consistent with the recommendation of the Fund's Investment Consultant and the CIO.

Yeas: Martin, Fortuna, Murphy, Conyears-Ervin

Nays: None

5. INVESTMENT REPORT

Mr. O'Connell reviewed the Callan Q1 Executive Summary Report. Ms. Scott reviewed Fund performance as of April 30, 2022. She also provided the Committee with an update on the Fund's Russian investments.

6. MWDBE BROKERAGE UTILIZATION

Ms. Scott reviewed Q1 MWDBE broker utilization by the Fund's investment managers. She noted that Fund is meeting its utilization goals for first quarter.

7. PUBLIC COMMENT

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

8. OLD BUSINESS/NEW BUSINESS

Mr. Weller reminded the Committee Members that Wednesday's Board Meeting would be "in person."

There being no further business to discuss, on motion of Fortuna, second by Murphy, all trustees present voting in the affirmative, the Committee meeting was adjourned.