

INVESTMENT COMMITTEE MINUTES
of the
Firemen's Annuity and Benefit Fund of Chicago
20 S Clark, Ste 300, Chicago IL 60603
September 19, 2022

1. ROLL CALL: Investment Chairman Anthony Martin, Committee members Dan Fortuna, William Murphy 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 8:30 am and Ms. Scott noted that a quorum of Committee members was physically presented.

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

OTHERS VIRTUALLY PRESENT: Fund Staff Chris Morales

COMMITTEE MEMBERS VIRTUALLY PRESENT AFTER ROLL CALL: Committee member Reshma Soni

BOARD MEMBERS PHYSICALLY PRESENT AFTER ROLL CALL: Trustee Mary Sheridan

On motion by Murphy, second by Slack, to allow Committee member 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, Slack

Nays: None

2. INVESTMENT COMMITTEE CHAIR REPORT

Investment Committee Chair Martin discussed market volatility and expressed the desire to hear manager presentations addressing underperformance.

On motion by Murphy, second by Fortuna to go into executive session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss the award of specific investment contracts. The vote was:

Yeas: Martin, Fortuna, Slack, Murphy

Nays: None

3. REVIEW OF MANAGER WATCH LIST

Trustee Soni remotely joined the meeting.

Callan representative Mr. O'Connell presented an overview of the investment managers currently on the Fund's Watch List in executive session. He also reviewed performance of Brown Advisory and Jackson Square. Mr. O'Connell noted the Fund's Watch List managers would be presenting before the Committee.

Trustee Sheridan joined the meeting.

The Committee heard from representatives of Logan Capital and Keeley Teton regarding their investment strategies and historical returns in executive session.

On motion by Fortuna, second by Murphy, the Committee came out of executive session.

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

On motion by Murphy, second by Slack, to recommend to the Board to approve the addition of Jackson Square to the Watch List.

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

4. US EQUITY SMALL/MID CAP VALUE RFP

Trustee Martin proposed deferring the US Equity Small/Mid Cap Value search pending further review and input from the Consultant on the universe of small/mid cap value managers. Mr. O'Connell proceeded to review peer universe performance, highlighting performance spread between top quartile managers and bottom managers, noting that the differential is meaningful. Trustees Fortuna and Martin prefer to focus on other areas of the portfolio.

On motion by Fortuna, second by Murphy, to recommend to the Board to defer the issuance of the RFP for a U.S. equity small/mid cap value manager.

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

5. FUND STRUCTURE AND BENCHMARKS

Mr. O'Connell presented an overview of the structure of the fixed income managers. He did not recommend any changes at this time. He also recommended benchmarks to be used for the private credit and infrastructure allocations: (1) infrastructure – FTSE Developed Core Infrastructure 50/50 Index (net); and (2) private credit – 50% S&P LSTA 100/50% BBG High Yield +1%. Ms. Scott confirmed that provided the Board approves the Committee's recommendation, these benchmarks will be added to the Investment Policy Statement and the benchmarks will be added to the composite benchmark when capital is called to initiate the investments. Mr. O'Connell also recommended the utilization of ETFs to capture the Fund's allocation to infrastructure pending drawdowns.

On motion by Murphy, second by Fortuna, to recommend to the Board to approve the recommended benchmarks for private credit and infrastructure investments, which will be implemented at time of investment, and to update the Investment Policy Statement with the benchmarks.

Yeas: Martin, Murphy, Fortuna, Slack, Soni

Nays: None

6. PUBLIC COMMENT

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

7. OLD BUSINESS/NEW BUSINESS

No old/new business was discussed.

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 at approximately 10:30 am.