



Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago

MINUTES

INVESTMENT MEETING

MONDAY – September 26, 2022



The Retirement Board of the
Policemen's Annuity and Benefit Fund of Chicago

221 North LaSalle St – Suite 1626, Chicago, IL 60601
(312) 744-3891 www.chipabf.org

**Policemen's Annuity and Benefit Fund of Chicago
Investment Meeting**

September 26, 2022

9:00 AM

In accordance with Governor JB Pritzker's Disaster Proclamation issued September 16, 2022 and 5 ILCS 120/7(e), the Policemen's Annuity and Benefit Fund of Chicago Board Meeting will be accessible through remote attendance. Members of the public wishing to participate or listen to the proceeding, please dial into the meeting at:

Phone: 1-312-626-6799

Meeting ID: 897 1026 3322

- 1) Roll Call
- 2) Requests from Members of the Public to Address the Board
- 3) Discussion Regarding Cash Flow and Possible Action Regarding the Liquidation of Investments to Assist in the Payment of Benefits
- 4) Market Update and August Performance/Flash Report
- 5) Discussion and Possible Action Regarding Commitments to Infrastructure Investments for 2022 and 2023*
- 6) Discussion and Possible Action Regarding Investment Guidelines for Wellington Management Company LLP
- 7) Other Business

*Topics may be discussed in closed session in accordance with the applicable Open Meetings Act provisions

PRESENT

Board Members:

Michael Stiscak^	President, Recording Secretary
Stephen Skardon	Vice President
Jennie Bennett*	Trustee
Melissa Conyears-Ervin	Trustee
John Lally	Trustee
Michael Lappe^	Trustee
Wayne Metcalfe^	Trustee
Susie Park	Trustee

Staff:

Kevin Reichart^	Acting Executive Director/Comptroller
Bob Crawford^	Disability Manager
Jason Wasiukiewicz^	Benefits Analyst

Legal Counsel

Sarah Boeckman^	Burke Burns & Pinelli
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Consultants:

Kevin Leonard	NEPC
DeAnna Jones	NEPC

Public in Attendance:

Craig Slack	City of Chicago Office of the Treasurer
Mark Myslinski	City of Chicago Office of the Treasurer

Others in attendance via audio, identified only by telephone numbers

^ Denote attendance in person at the Fund office

*Denotes partial attendance

ROLL CALL

President Stiscak determined a quorum was present and called the meeting to order at approximately 9:00 a.m.

REQUESTS FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD

President Stiscak then asked if there were any requests from the public to address the Board. There were no requests from any members of the public to address the Board.

CASH FLOW

Comptroller Kevin Reichart presented the Fund cash flow and needs. Kevin reported that the Fund has received from the City of Chicago approximately \$423 million out of the \$786.8 million in required contributions for the 2022 payment year. He further reported that the Fund is receiving contributions at a rate slower to previous years at this point in the year.

CASH FLOW- continued

Comptroller Reichart also reported that the second installment Cook County property bills would be delayed by approximately 4 months this year. This will cause a corresponding delay in the Fund receiving tax receipts and may require significant liquidations of investments each month for the remainder of the year to meet cash flow needs.

In addition, Comptroller Reichart reported that the Fund liquidated \$70M in the month of September for cash flow needs and requested Board approval to liquidate up to \$70M for cash flow needs in October.

Kevin Leonard of NEPC made a recommendation to the Board for liquidation of investments based on the Fund’s current asset allocations compared to targets.

A motion was made by Trustee Skardon, seconded by Trustee Lappe to liquidate up to \$70 million from the Northern Trust Russell 1000 Index Fund based upon NEPC’s recommendation.

ROLL CALL:	For:	Conyears-Ervin, Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
	Against:	0.
	Absent:	Bennett.

MARKET UPDATE AND AUGUST PERFORMANCE/FLASH REPORT

Kevin Leonard and DeAnna Jones of NEPC reviewed August investment performance and provided a year-to-date market update. NEPC recommended that the Fund invite investment manager Ariel to present at the October meeting.

Trustee Bennett joined the proceedings.

COMMITMENTS TO INFRASTRUCTURE INVESTMENTS

DeAnna Jones of NEPC led a presentation regarding the Fund’s investment in infrastructure and made recommendations to for the Fund to commit approximately \$12 million to infrastructure for 2022 and \$15 million for 2023. NEPC also recommended that the Fund invite investment managers Ullico and Global Infrastructure Partners to present at the October meeting.

INVESTMENT GUIDELINES FOR WELLINGTON MANAGEMENT COMPANY LLP

DeAnna Jones of NEPC presented an update to the investment guidelines for Wellington Management Company LLP.

A motion to adopt the updated investment guidelines for Wellington Management Company LLP was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL:	For:	Bennett, Conyears-Ervin, Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
	Against:	0.
	Absent:	0.

