



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

MINUTES

INVESTMENT MEETING

MONDAY – November 28, 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**

November 28, 2022

9:00 AM

In accordance with Governor JB Pritzker's Disaster Proclamation issued November 10, 2022 and 5 ILCS 120/7(e), the Policemen's Annuity and Benefit Fund of Chicago Investment 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: 872 9093 6007

- 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
- 5) 3rd Quarter and October Performance Review
- 6) Discussion and Possible Action Regarding Legislation Involving the Divestment of Russian Securities*
- 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
John Lally^	Trustee
Michael Lappe^	Trustee
Susie Park	Trustee
Wayne Metcalfe^	Trustee

Staff:

Kevin Reichart^	Acting Executive Director/Comptroller
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



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ROLL CALL

President Stiscak determined a quorum was present and called the meeting to order at approximately 9:02 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 cash needs. He reported that the Fund has received from the City of Chicago approximately \$643 million out of the \$786.8 million in required contributions for the 2022 payment year. The \$643 million includes the \$80 million payment received from the City in November and 2 - \$70 million payments received from the City in September and October to make up for the delayed 2nd installment proper tax levy receipts for the 2021 Levy.

In addition, Comptroller Reichart reported that the City has indicated they will make another payment in December to make up for the delayed 2nd installment proper tax levy receipts for the 2021 Levy. However, just in case the City does not make that payment, Comptroller Reichart asked the Board to authorize liquidation of up to \$80 million for cash flow needs in December.

Kevin Leonard of NEPC made a recommendation to the Board for liquidation of investments from the Xponance Large Cap Index Fund 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 \$80 million from the Xponance Large Cap Index Fund based upon NEPC's recommendation.

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

MARKET UPDATE AND OCTOBER PERFORMANCE/FLASH REPORT

Kevin Leonard and DeAnna Jones of NEPC reviewed October and Q3 investment performance and provided a year-to-date market update.

LEGISLATION INVOLVING THE DIVESTMENT OF RUSSIAN SECURITIES

Comptroller Kevin Reichart and Fund Counsel Sarah Boeckman discussed an amendment to legislation expected to be passed in the upcoming session which, among other things would urge pension funds and retirement systems established under the Illinois Pension code to divest their holdings in any companies domiciled in Russia or Belarus. The Fund is not specifically bound by the legislation, but past practice have been that the City Pension Funds have followed what the Illinois State Pension Funds have done with regards to divestment in specific companies.

DeAnna Jones from NEPC provided an update on any Russian investments the Fund holds. The Fund's portfolio does not currently have exposure to any Russian investments.



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LEGISLATION INVOLVING THE DIVESTMENT OF RUSSIAN SECURITIES (continued)

If the amendment passes, NEPC will return at a future meeting with language to update the Fund's Investment Policy for the Board to consider.

No other business

All business concluded for this date, *a motion to adjourn was made by Trustee Lapped seconded by Trustee Skardon.*

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