



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

MINUTES

INVESTMENT MEETING

MONDAY – November 27, 2023



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

221 North LaSalle St – Suite 1626, Chicago, IL 60601
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Investment Meeting Agenda November 27, 2023, 9:00 AM

1. Roll Call
2. Requests from Members of the Public to Address the Board
3. Ratification of Phone Poll Regarding 2023 Trustee Elections
4. Discussion Regarding Cash Flow and Possible Action Regarding the Liquidation of Investments to Assist in the Payment of Benefits
5. Q3 2023 Performance Review
6. October Preliminary Performance Review
7. Private Markets Review and Possible Action Regarding Additional Investments with Current Private Market Investment Managers
8. Consideration and Possible Action Regarding Annual Gift to Minimum Annuitants and Widows
9. Other Business

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

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PRESENT

Board Members:

| | |
|-------------------------|--------------------------------|
| Michael Stiscak | President, Recording Secretary |
| Melissa Conyears-Ervin* | Trustee |
| Annette Guzman* | Trustee |
| Jill Jaworski | Trustee |
| John Lally | Trustee |
| Mike Lappe | Trustee |
| Jeffrey Levine | Trustee |
| Wayne Metcalfe | Trustee |

Staff:

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| Kevin Reichart | Executive Director |
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Legal Counsel:

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| Sarah Boeckman*^ | Burke Burns & Pinelli |
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Consultants:

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| DeAnna Jones | NEPC |
| Kevin Leonard | NEPC |

Court Reporter

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| Kathy Marthaler | Esquire Depositions |
|-----------------|---------------------|

City of Chicago Office of the Treasurer Staff

City of Chicago Office of the Chief Financial Officer Staff

*Denotes partial attendance

^ Denote attendance virtually

ROLL CALL

President Stiscak determined a quorum was present and called the meeting to order at approximately 9:08 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.

RATIFICATION OF PHONE POLL REGARDING 2023 TRUSTEE ELECTIONS

On October 31, 2023 the Fund received the election results certified by the independent election contractor.

On November 1, 2023 an email was sent to all Board Members with the election results and containing the following language regarding 2 motions:

“Motion 1:

A motion by Trustee Metcalfe and a second by Trustee Lappe has been made to certify the results of the 2023 election for the PABF Board Trustee for the Rank of Sergeant, declaring Sergeant John Lally as the winner. “

Motion 2:

“A motion by Trustee Metcalfe and a second by Trustee Lappe has been made to a certify the results of the 2023 election for the PABF Board Trustee for the Rank of Lieutenant or Rank Superior to Lieutenant, declaring Lieutenant Michael Stiscak as the winner.”

These motions were made due to the fact that the Fund wanted to alert the public of the results in advance of the November Board Meeting and our election rules required certification of the election results by the Retirement Board in order to declare a winner.

Both motions were approved by 7 board members, with Trustee Lally abstaining from Motion 1 and Trustee Stiscak abstaining from Motion 2.

CASH FLOW / NEEDS

Executive Director Kevin Reichart presented the Fund cash flow and cash needs. He reported that the Fund has received \$641 million from the City of Chicago for the 2023 payment year. There is a balance due of \$158 million.

In addition, the Fund did not need to liquidate any assets for the month of November. He further mentioned that the City provided Pension Contributions in advance of the second installment Cook County property tax receipts of \$85 million. Executive Director Reichart requested permission from the Board to liquidate up to \$80 million in December for cash flow needs.

Kevin Leonard from NEPC made a recommendation for the source of the liquidation based off the current target asset allocation relative to the current portfolio allocation.

CASH FLOW / NEEDS - continued

A motion was made by Trustee Lappe, seconded by Trustee Metcalfe to liquidate, based upon NEPC's recommendation, up to \$80 million from Xponance for December cash flow needs.

ROLL CALL: For: Guzman, Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak
 Against: 0.
 Absent: Conyears-Ervin

Q3 2023 PERFORMANCE REVIEW

Kevin Leonard from NEPC provided a performance review of the Fund's investment portfolio for the third quarter of 2023.

WHEREUPON, Trustees Conyears-Ervin joined the proceedings.

PRIVATE MARKETS REVIEW AND POSSIBLE ACTION REGARDING ADDITIONAL INVESTMENTS WITH CURRENT PRIVATE MARKET INVESTMENT MANAGERS

Kevin Leonard and DeAnna Jones from NEPC discussed the Fund's Private Market Pacing Plan for 2023 and made 2 recommendations:

- PABF should commit \$40 million to private real estate for upcoming year in the form of re-up commitments to Monroe V and Brightwood V.
- PABF should commit \$85 million to infrastructure for the upcoming year and issue an RFP for 1-2 Buyout/Special Situation Private Equity Fund.

WHEREUPON, Trustees Guzman left the proceedings.

The Board will take possible action on the 2 recommendations in 2024.

CONSIDERATION AND POSSIBLE ACTION REGARDING ANNUAL GIFT TO MINIMUM ANNUITANTS AND WIDOWS

Executive Director Reichart reviewed the details of a gift to the Fund's minimum annuitants.

A motion to approve a \$500 gift check as detailed was made by Trustee Lappe, seconded by Trustee Metcalfe.

ROLL CALL: For: Conyears-Ervin, Jaworski, Lally, Lappe, Metcalfe, Stiscak
 Against: 0
 Abstain: Levine
 Absent: Guzman

OTHER BUSINESS

President Stiscak mentioned the idea of bringing the Fund's investment managers in 1 or 2 days so that the Board can evaluate the different managers in real time.

All business concluded *a motion to adjourn was made by Trustee Stiscak, seconded by Trustee Lappe.*

ROLL CALL: For: Conyears-Ervin, Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak
 Against: 0
 Absent: Guzman