



**MEETING OF THE INVESTMENT COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY**

**70 W Madison St, Suite 1925
Chicago, Illinois 60602**

Minutes for the January 31, 2020, IC Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund."

Call to Order and Roll Call at 9:30 a.m.

Investment Committee

in attendance:

Mr. John Blair, Ms. Diahann Goode, Mr. Stephen Hughes, Mr. Patrick McFadden, Mr. Joseph Nevius (via telephone), Mr. Kevin Ochalla (Chair)

Staff Present:

Regina Tuczak, Michael Maratea, Margaret Fahrenbach (entered during Item 8), Fernando Vinzons, and Virgilio Calahong

Others Present:

Sally Haskins, Alex Hoy, John Jackson, Jay Kloepper, Ann O'Bradovich, Gary Robertson – Callan
Jason Parks – Loop Capital (entered during Item 3b)

The Executive Director stated that Trustee Nevius had requested that he be allowed to participate in the meeting by telephone. It was noted that a quorum of the Board was physically present at the meeting.

1. ***Motion to Permit Trustee Nevius to Participate by Telephone.*** It was moved by Trustee McFadden and seconded by Trustee Goode pursuant to the Open Meetings Act, 5 ILCS 120/7, that Trustee Nevius be permitted to participate in the Investment Committee meeting by telephone.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

Public Comment

Trustee Ochalla, Chair of the Investment Committee, opened the meeting for public comment and, with no one having requested to address the Committee, considered the next item of business on the Agenda.

2. ***Motion for Approval and Adoption of Minutes.*** It was moved by Trustee McFadden and seconded by Trustee Blair that the minutes of the October 24, 2019, Investment Committee meeting be approved and adopted.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)

3. Alternative Investment Updates;

A) Public Real Estate Manager Matter

Ms. Haskins and Mr. Hoy provided the Committee with an organizational and performance update for Adelante Capital Management LLC. They reviewed the history of Adelante's relationship with the Fund and continued with an evaluation of Adelante's organization and investment performance.

B) Follow-up on Private Equity Manager Funding Allocation for 2020

Mr. Robertson revisited Callan's private equity discussion with the Committee from the October 24, 2019 Investment Committee meeting, reviewing the history and structure of the Fund's private equity program. He transitioned to an overview of Mesirow Private Equity, discussing the firm in terms of organization and relative performance, and concluding with an overview of Mesirow's proposal for continued investment with the Fund. Mr. Robertson concluded with an evaluation of Mesirow's proposal relative to independent searches.

Motion to Accept Fee Proposal and Approve 2020 \$20 million Private Equity Funding Allocation with Mesirow Private Equity.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Committee recommend to the Board to accept Mesirow's fee proposal and approve private equity funding with Mesirow Private Equity for 2020 in the amount of \$20 million.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)

4. Capital Markets Outlook Presentation;

Mr. Kloefer began with a discussion of current market conditions, reviewing factors that impacted 2019 returns such as market volatility and Federal Reserve policy. He continued with a presentation of Callan's economic and asset class outlooks, reviewing expectations for domestic and international markets, GDP growth, and inflation. He concluded the presentation with Callan's 2020 long-term capital market projections, relating the projections to target asset allocations and 10-year return expectations for both the Cook County and Forest Preserve Funds.

5. Cash Flows Update – 2020 Projected;

Ms. Tuczak updated the Investment Committee with regard to 2020 cash flow projections for the Cook County Fund and the Forest Preserve Fund. She compared projected cash receipts against projected expenses for the year and noted estimated liquidity needs for each fund.

6. Review and Consideration of Investment Consultant RFP

Ms. Tuczak and Mr. Vinzons began with an overview of the Illinois pension code's requirements pertaining to investment consultant contracts, which stipulates a maximum five-year period for such contracts. They informed the Committee that the current 5-year contract with Callan is set to expire at the end of 2020 and that a search for a consultant must be conducted to comply with Illinois pension code. They then presented the Committee with a draft of a proposed Investment Consultant RFP, including a tentative timetable. The Committee then reviewed the proposed RFP.

Motion to Recommend to the Board to Authorize the 2020 Investment Consulting Services RFP.

It was moved by Trustee Hughes and seconded by Trustee McFadden that the Investment Committee recommend to the Board to authorize the 2020 Investment Consulting Services RFP.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)

7. Review and Consideration of Custodial RFP Consultant

Ms. Tuczak began with an overview of a custodian's responsibilities and outlined the Fund's relationships with custodian banks over the years, drawing attention to services provided and costs relative to local plans. She noted that the contract with the current custodian, Bank of New York Mellon, is set to expire at the end of 2020 and that an RFP needs to be issued to explore the current market for custodial services. In discussing the RFP, she emphasized the need to retain a consultant to assist in the process and outlined the different options currently available to the Fund.

Motion to Recommend to the Board to Authorize a Custodial Services RFP and to Retain Callan Associates to Assist in the Search.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Investment Committee recommends to the Board to authorize a Custodial Services RFP and to retain Callan Associates to assist in the search.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)

8. Contract Management Update

Ms. Tuczak and Ms. Fahrenbach presented a status update to the Committee on outstanding contracts and agreements pertinent to investments.

Motion to Convene an Executive Session

It was moved by Trustee McFadden and seconded by Trustee Goode that the Investment Committee convene an Executive Session pursuant to Section 2(c)(3) of the Open Meetings Act, 5ILCS 120/2(c)(3) to discuss outstanding contractual matters.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)

Motion to Adjourn Executive Session

It was moved by Trustee Hughes and seconded by Trustee Blair that the Investment Committee adjourn the Executive Session called pursuant to Section 2(c)(3) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

9. Adjournment.

It was moved by Trustee Goode and seconded by Trustee Hughes that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE