



**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 November 24, 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."

***CONDUCTED BY VIDEO AND AUDIO CONFERENCE AS PERMITTED BY ILLINOIS  
GOVERNOR EXECUTIVE ORDER NUMBER 2020-07, as extended by EXECUTIVE ORDER  
NUMBER 2020-71 DATED NOVEMBER 13, 2020.***

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

**Investment Committee**

**Members in attendance:** Mr. John Blair, Ms. Diahann Goode (via video), Mr. Patrick McFadden (via audio), Mr. Joseph Nevius (via video), Mr. Kevin Ochalla (Chair), Mr. James O'Rourke (via audio), Mr. Lawrence Wilson (via video)

**Staff Present:**

Regina Tuczak, Executive Director; Caroline Vullmahn, Deputy Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Fernando Vinzonis, Director, Investments; Virgilio Calahong, Senior Investment Analyst; Jodi Weinstein, IT Administrator

**Others Present:**

Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Ho Hwang, Callan Associates; John Jackson, Callan Associates; Jay Kloefer, Callan Associates; Ann O'Bradovich, Callan Associates; Bruce Deutsch, ARGA Investment Management, LP; A. Rama Krishna, ARGA Investment Management, LP; Ricardo Bekin, Ativo Capital Management LLC; Michael Brooks, Ativo Capital Management LLC; Ram Gandikota, Ativo Capital Management LLC; Geeta Aiyer, Boston Common Asset Management; Allyson McDonald, Boston Common Asset Management; Matt Zalosh, Boston Common Asset Management; Lee Hansen, J.P.

Trustee Ochalla, Chair of the Investment Committee, presided over the meeting. He stated that a quorum of the Committee was present, two in-person and five participating via video or audio conference pursuant the guidance provided most recently by the Governor's November 13, 2020 Disaster Proclamation, the Governor's Executive Order No. 71, as well as the provisions of Public Act 101-0640.

### **Public Comment**

Prior to public comment, Trustee Ochalla, Chair of the Investment Committee, and Regina Tuczak, Executive Director, requested that all callers identify themselves for the record. Mr. Ochalla then 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.

1. Review and Approval of:

- August 26, 2020 Investment Committee Meeting Minutes

***Motion for Approval and Adoption of Minutes.*** It was moved by Trustee Blair and seconded by Trustee Goode that the minutes of the August 26, 2020, Investment Committee meeting be approved and adopted.

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

- August 26, 2020 Transcript of Investment Committee Meeting
- May 27, 2020 Transcript of Investment Committee Meeting

***Motion for Approval and Adoption of Transcripts.*** It was moved by Trustee Blair and seconded by Trustee O'Rourke that the transcripts of the May 27, 2020 and August 26, 2020 Investment Committee meetings be received and filed.

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of November 5, 2020 Emerging Manager Investment Sub-Committee Recommendations Regarding Manager Utilization and Brokerage Targets

Mr. Vinzons gave an overview detailing the Emerging Manager Investment Sub-Committee's (EMIC) recommendations with respect to the Fund's emerging manager utilization goals. The EMIC recommended a revision to the alternatives asset class utilization goals and affirmed existing goals for other asset classes, as follows:

- a. Domestic Equity – 17%-20% (no change as a % of asset class)
  - b. Intl. Equity – 10%-15% (no change as a % of asset class)
  - c. Fixed Income – 30%-40% (no change as a % of asset class)
  - d. Alternatives – **5%-20%** (from 10-15% as a % of asset class)
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- a. Minority – 10%-15% (no change as a % of Fund)
  - b. Women –5%-10% (no change as a % of Fund)
  - c. Disabled – 0%-1% (no change as a % of Fund)

The EMIC also recommended revisions to the Fund’s annual MWDBE broker dealer trading goals, as follows:

*Annual Target Trading Goals for MWDBE Broker Dealers*

- a. Domestic Equity – **40%** (from 35%)
- b. Intl. Equity – **15%** (from 10%)
- c. Intl. Equity Small Cap – **5%** (from 3%)
- d. Fixed Income – **15%** (from 10%)
- e. Transitions – 40% (no change)

***Motion to Revise the Fund’s Emerging Manager Utilization Goals as well as the Fund’s Annual MWDBE Broker Dealer Trading Goals.*** It was moved by Trustee Nevius and seconded by Trustee Blair that the Investment Committee recommend to the Board to revise the Fund’s alternatives asset class emerging manager utilization goals and affirm the other categories for utilization of emerging investment managers as proposed by the EMIC. It was further moved that the Investment Committee recommend to the Board to revise the Fund’s annual MWDBE broker dealer trading goals as proposed by the EMIC.

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O’Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. International Equity Emerging Manager Search;

- Presentations from Finalists

Mr. Hwang, Mr. Jackson, and Ms. O’Bradovich of Callan Associates provided an overview of the search process, detailing the timeline of events leading up to the finalist presentations. Mr. Hwang described each of the finalists, who then made presentations to the Committee.

- ARGA Investment Management, LP

Bruce Deutsch and A. Rama Krishna represented ARGA Investment Management, LP, and each provided information to the Committee in response to the RFP. A Q&A session followed their prepared remarks.

- Ativo Capital Management LLC

Ricardo Bekin, Michael Brooks, and Ram Gandikota represented Ativo Capital Management, and each provided information to the Committee in response to the RFP. A Q&A session followed their prepared remarks.

- Boston Common Asset Management

Geeta Aiyer, Allyson McDonald, and Matt Zalosh represented Boston Common Asset Management, and each provided information to the Committee in response to the RFP. A Q&A session followed their prepared remarks.

Following the presentations, the Committee convened an Executive session, pursuant to Section 2(c)(7) of the Open Meetings Act, to discuss investment contracts.

***Motion to Convene an Executive Session***

It was moved by Trustee Blair and seconded by Trustee Goode that the Investment Committee convene an Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS) 120/2(c)(7).

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson

NAYS: None

Vote Result:

MOTION ADOPTED

***Motion to Adjourn Executive Session***

It was moved by Trustee Blair and seconded by Trustee Nevius that the Investment Committee adjourn the Executive Session called pursuant to Section 2(c)(7) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Having completed discussion in Executive Session, the Committee returned to open session and the following motions were made:

***Motion to Select Boston Common Asset Management***

Based on the review of the International Equity Emerging Manager search, and consistent with the recommended options provided by Callan, it was moved by Trustee Blair and seconded by Trustee Nevius that the Investment Committee recommend for Board approval the selection of Boston Common Asset Management for approximately \$170 million subject to satisfactory completion of final due diligence and successful contract negotiations and legal review. It is further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson

NAYS: None

Vote Result:

MOTION ADOPTED

4. Administrative Matters – Legal Update (Discussed in Executive Session, no motion necessary)
5. Review and Consideration of Cash Management and Possible Liquidation to Pay Benefits

***Motion to Liquidate \$260 Million from a Fixed Income Manager***

Based on Callan's recommendation and Fund Staff cash needs analysis for 2021, it was moved by Trustee Goode and seconded by Trustee Blair that the Investment Committee recommend to the Board to liquidate up to \$260 million from a fixed income manager and transfer the proceeds to the Garcia Hamilton Short Duration account, to be completed by the Executive Director when necessary.

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

6. Third Quarter 2020 Performance Review

Due to time considerations, this agenda item was deferred to the Board Meeting on December 3, 2020.

7. Investment Manager Fee Savings Proposals;

Mr. Vinzons presented reduced fee terms from Mesirow Small Cap Value Equity and J.P. Morgan Strategic Property Fund.

***Motion to Approve Fee Savings Proposals***

It was moved by Trustee Nevius and seconded by Trustee Blair that the Investment Committee recommend to the Board approval of the most recent fee savings proposals as outlined in the November 24, 2020, Fee Savings Memorandum

Roll Call Vote:

AYES: Blair, Goode, McFadden, Nevius, Ochalla, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

Ms. Tuczak informed the Committee the Senate Special Committee on Pension Investments will conduct hearings on December 3<sup>rd</sup>, 4<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup>, in virtual format.

8. Adjournment.

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

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE