

**MINUTES OF THE INVESTMENT REVIEW MEETING OF
THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

August 2, 2018

MEMBERS PRESENT

O. Cotera	-	Appointed by the City Commission <i>(via phone)</i>
N. Enriquez	-	Elected by the Fire Fighters
M. Fernandez	-	Appointed by the City Commission
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
A. Valdivia	-	Elected by the Police Officers

ALSO PRESENT

R. Klausner	-	Legal Counsel (via telephone)
W. Cottle	-	Investment Consultant
S. Cottle	-	Investment Consultant
J. Nipp	-	Investment Consultant

MEMBERS ABSENT

T. Gabriel	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
Vacant	-	City Manager Appointee

Vice-Chairman M. Fernandez called the meeting to order at 8:53 a.m. with a quorum being present.

ADMINISTRATIVE ISSUES

Board Attorney, R. Klausner reported that an Order granting the City's Emergency Motion for Injunction had been received. Attorney Klausner informed the Board that he was working with the City on a Stand Still Agreement that would allow FIPO to continue to disburse the restored benefit payments. Discussion ensued. Vice-Chair M. Fernandez recapped actions taken by the Board at their June 10th meeting directing the Administrator to revert back to the December, 2017, benefits if an Injunction was received. Discussion resumed. Assistant City Attorney, K. Jones, was present and he was asked by Trustee T. Roell if he could corroborate that the City was working on a Stand Still Agreement. K. Jones stated that he was not present at the meeting and would reframe from responding. Discussion continued. Administrator asked if the benefits needed to be reverted for the August payroll. The Attorney suggested September in order to provide affected members with notification of the change. Vice-Chair M. Fernandez asked for an update on the notification letters that the Board asked be sent to the members. Attorney Klausner explained that based on dialogs taking place with the City, he had used discretion and delayed sending out any notification. Discussion resumed. A motion was made by O. Cotera and

MINUTES OF THE INVESTMENT REVIEW MEETING. OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

August 2, 2018

Page 2 of 3

ADMINISTRATIVE ISSUES (continued)

seconded by T. Roell letters be prepared for distribution based on the outcome of the meeting scheduled with the City on August 10, 2018. The motion was approved by a vote of 5 to 1 (dissenting M. Fernandez). O. Cotera moved and was seconded by T. Roell to direct the Administrator to revert benefit payments back to the December payroll if a Stand Still Agreement was not executed by August 9, 2018. The motion was approved unanimously.

Attorney Klausner was asked that he keep the Board updated on the issue on a regular basis.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 06/30/2018

MILLIMAN USA – Represented by W. Cottle, S. Cottle

The Consultant reviewed with the Board the performance for quarter ending June 30, 2018. Specific points addressed are as follows:

Performance Report

The FIPO Trust had a total market value of \$1,557,226,666.00 as of June 30, 2018, which represents a decrease of \$11.5 million from the March 31, 2018 market value of \$1,568,835,818.00. The overall decrease in the Trust's market value was the result of -\$36.4 million in net cash flows and an investment gain of \$24.9 million. The Trust had a return of 1.5% during the second quarter of 2018, which outperformed the Fund's benchmark of 1.4%.

Watch List

First Eagle's value-oriented international equity portfolio was placed on the Watch List at the November 2, 2017, Board Meeting. There was improved performance in the past quarter, but the one year results are still well below their benchmark. First Eagle will remain on the Watch List.

Investment Policy

The Consultant reviewed with the Board proposed changes to the Investment Policy. A question and period followed the review. A motion was made by T. Roell and seconded by N. Enriquez to accept the changes. The motion was approved unanimously. The Consultant once again asked the Board allow further review on Emerging Markets. The Board directed the Consultant to prepare report to be presented at the November meeting.

MANAGER PRESENTATIONS

The below listed Investment Managers made presentations to the Board on their performance for quarter ending June 30, 2018. A copy of their individual reports is on file at the Fire and Police Pension Office and available for review.

MINUTES OF THE INVESTMENT REVIEW MEETING. OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

August 2, 2018

Page 3 of 3

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 06/30/2018 (continued)

BNP Paribas – E. Connerat and A. Johnson

After presentation, the Consultant recommended that the Board place BNP Paribas on the Watch List. A motion was made by N. Enriquez and seconded by T. Roell to place BNP Paribas on the Watch List. The motion was approved unanimously.

Coller – F. Morgan

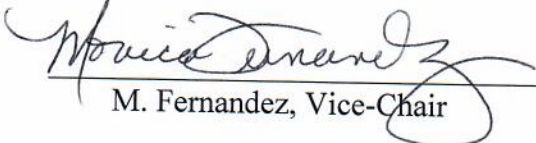
Copper Rock – S. Dexter

J. P. Morgan RE – J. Weinman

J. P. Morgan PE – C. Mee

Wellington – L. Howenstine, J. Digiuseppe

With no further business, the meeting was adjourned at 12:30 p.m. by a motion from T. Roell a second from A. Valdivia and a unanimous vote.


M. Fernandez, Vice-Chair

Attest:



Dania Orta, Administrator