

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

February 7, 2019

**MEMBERS PRESENT**

O. Cotera	-	Appointed by the City Commission
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	Appointed by the City Commission
S. MacDonald	-	Elected by the Police Officers
R. Suarez	-	Elected by the Fire Fighters

**ALSO PRESENT**

R. Klausner	-	Legal Counsel
W. Cottle	-	Investment Consultant
S. Cottle	-	Investment Consultant
J. Nipp	-	Investment Consultant

**MEMBERS ABSENT**

N. Enriquez	-	Elected by the Fire Fighters
T. Roell	-	Appointed by the City Commission
A. Valdivia	-	Elected by the Police Officers
Vacant	-	City Manager Appointee

Chairman O. Cotera called the meeting to order at 8:35 a.m. with a quorum being present.

**ADMINISTRATIVE ISSUES**

**Fire Relief & Pension Fund**

The Attorney reported that he had received correspondence from the Fire Relief and Pension Fund demanding a return of funds paid by the Relief and Pension Fund to the FIPO Trust on behalf of the City. Discussion ensued. The Attorney informed the Board that the funds had been paid as a result of labor negotiations for which Ordinances had been passed. He informed the Board that it was his opinion that the issue was for the City not the FIPO Trust. Discussion resumed. T. Gabriel inquired if there would be a conflict with Trustees associated with Fire to participate in any discussion or actions. It was the Attorney's opinion that there may be a conflict and, in his opinion, they should not participate in any actions to be taken on the issue. Discussion continued. A motion was made by S. MacDonald and seconded by M. Fernandez to authorized the Board Chair to work with the Attorney on a response to the demand. The motion was approved unanimously.

**Financial Audit**

The Attorney updated the Board on the status of the Financial Audit. The Attorney, the Audit Committee and the Administrator are working with the Auditing Firm to resolve some reporting issues pertaining to the Deferred Retirement Option Program.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 12/31/2018

MILLIMAN USA – Represented by W. Cottle, S. Cottle, and J. Nipp

The Consultant reviewed with the Board the performance for quarter ending December 31, 2018.

Performance Report

The FIPO Trust had a total market value of \$1,474,322,659 as of December 31, 2018, which represents a decrease of \$86.2 million from the September 30, 2018 market value. The overall change in the Trust's market value was the result of \$17.8 million in net cash flows and an investment loss of -\$104.0 million. The Trust had a return, net of fees, of -6.7% during the fourth quarter of 2018, which underperformed the Fund's benchmark of -6.0%.

Watch List

First Eagle's value-oriented international equity portfolio was placed on the Watch List at the November 2, 2017, Board Meeting. First Eagle has outperformed the benchmark in the current quarter, one year, three year and five-year metrics. It was recommended that First Eagle be taken off the Watch List. A motion was made by T. Gabriel and seconded by S. MacDonald to take First Eagle off the Watch List. The motion was approved unanimously.

BNP Paribas' Tiller Absolute Return Fund was placed on the Watch List at the August 2, 2018, Board Meeting. Results lagged the benchmark in the current quarter. The manager has been terminated and the portfolio is in the process of being liquidated.

Copper Rock's international equity portfolio was placed on the Watch List at the January 23, 2019, Board Meeting. Copper Rock has underperformed the benchmark in the current quarter as well as over one year.

MANAGER PRESENTATIONS

The below listed Investment Managers made presentations to the Board on their performance for quarter ending December 31, 2018. A copy of their individual reports is on file at the Fire and Police Pension Office and available for review.

Adams Street Partners – M. Lucarelli, J. Korczak, J. Gordon

AXA Investment Managers – R. Houle



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MANAGER PRESENTATIONS (continued)

Champlain Investment Partners – J. O'Connell, S. Brayman

Copper Rock – D. Shea, D. Dinnen

First Eagle Investment Management – C. Miller

With no further business, the meeting was adjourned at 12:05 p.m. by a motion from T. Gabriel a second from M. Fernandez and a unanimous vote.

  
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O. Cotera, Chairman

Attest:



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Dania Orta, Administrator