



**City of Cincinnati Retirement System
Investment Committee Meeting
Minutes**

February 3, 2022 / 12:00 P.M.

City Hall – Council Chambers and remotely

Present

Bill Moller
Tom Gamel
Mark Menkhaus, Jr.
Kathy Rahtz
Don Stiens

Staff Present

Mike Barnhill
Keva Eleam
Renee Kabin
Bev Nussman

Meeting was called to order at 12:01 P.M. and a roll call was taken of attendance.

APPROVAL OF MINUTES

T. Gamel made a motion to approve the minutes from the November 4, 2021 Investment Committee meeting.
D. Stiens seconded the motion. A roll call vote was taken, and the results follow:

T. Gamel – Y
M Menkhaus, Jr. -Y
B. Moller – Y
K. Rahtz -Y
D. Steins - Y

The motion to approve minutes of the November 4, 2021 Investment Committee meeting passed and the minutes were approved.

NEW BUSINESS

Investment Policy Update

B. Moller highlighted the latest updates to the Investment Policy, reflecting decisions on private debt, with reductions to risk parity and allocations for volatility risk premium.

Committee Action

T. Gamel made a motion to approve the updates to the Investment Policy. A roll call vote was taken and the results follow:

T. Gamel – Y
M. Menkhaus, Jr. – Y
B. Moller – Y
K. Rahtz – Y
D. Steins - Y

The motion to approve updates to the Investment Policy passed.

Brett Christenson, Managing Director & COO, Marquette Associates

4th Quarter 2021 Executive Summary Review

Market Value of Assets - \$2.58 Billion

Mr. Christenson began with the overall U.S. economic outlook with respect to ongoing concerns about effects of the pandemic. Increases in rates on fixed income and inflationary pressure are expected to keep spreads tight. Aggregate indexes are currently down two percent but are expected to rebound once the Fed's rate hikes are in place. Real estate had a good quarter, up eight percent. In the quarterly report, CRS is currently \$76 million overweight in fixed income, but the outlook remains strong.

Mr. Christenson reported that the last CRS portfolio rebalancing was especially well-timed and beat the S & P 500. He also mentioned that CRS' portfolio could benefit by reducing exposure to non-U.S. equities and recommended some changes to the portfolio.

These changes include an approximately \$50 million reduction that would be spread over ACWI, and going from 21.5 percent to 18.5 percent into the Russell 3000.

Committee Action

T. Gamel made a motion to accept the Fourth Quarter Investment Report. D. Stiens seconded the motion. A roll call vote was taken and the results follow:

B. Moller – Y
T. Gamel – Y
M. Menkhaus, Jr. – Y
K. Rahtz – Y
D. Stiens - Y

Committee Action

Bill Moller made a motion to reduce non-U.S. ACWI from 20 percent to 18 percent, from \$30 million to \$20 million; decrease emerging markets DFA from three percent to two percent, and increase investment in the Russell 3000 from 18.5 percent to 21.5 percent. T. Gamel seconded the motion.

A roll call vote was taken and the results are as follows:

T. Gamel – Y
M. Menkhaus, Jr. – Y
B. Moller - Y
K. Rahtz – Y
D. Stiens – Y

The motion to reduce non-U.S. ACWI by two percent, decrease DFA emerging markets from three to two percent and increase domestic Russell 3000 investment from 18.5 to 21.5 percent passed.

Mr. Christenson gave an overview of three North American private equity fund managers he would like to bring to a future meeting, Fort Washington, BPEA and Siguler Guff. These engage in co-investing in selected smaller firms, and a brief discussion of fees occurred.

INFORMATIONAL

Bev Nussman gave a progress report of actions voted on at previous meetings. The \$32 million reduction from Shenkman settled in January. \$60 million was moved to Neuberger Berman S & P 500 Put-Write Strategy at the end of January. Two pending items approved at the November meeting, \$20 million each to Carlyle and Owl Rock for private debt are in process and awaiting legal documents.

Having no other business before the Committee, D. Stiens made a motion to adjourn. T. Gamel seconded the motion and a roll call vote was taken; results as follows:

B. Moller – Y
T. Gamel – Y

M. Menkhaus, Jr. – Y
K. Rahtz – Y
D. Stiens - Y

The motion to adjourn passed.

The Investment Committee meeting adjourned at 1:42 p.m.

Next meeting: May 5, 2022 at 12:00 p.m.


Secretary