

HOFFMAN ESTATE FIREFIGHTERS PENSION BOARD

Station 24
5775 Beacon Point
Hoffman Estates, Illinois 60192
847-695-8502

SPECIAL MEETING MINUTES September 26, 2019 at 9:00 AM

- I. **Call to Order.** Meeting called to order at 9:03 am.
- II. **Roll Call/Acknowledgement of Guests.** Present: Matthew Fijalkowski, Bob Orr, Matt Collins, Patrick Seeger, Rachel Musiala. Matt Collins leaves at 10:23 am.

Also Present: Stan Helgerson, Village Treasurer; Thomas McShane, Patrick Donnelly, and Mary Tomanek, Graystone Consulting/Morgan Stanley.

- III. **Business at Issue**

Keeping T Rowe Price Health and New American Fund, selling the Vanguard growth index fund. \$4.3 million of Russell 3000 ETF and Rothschild is being terminated and of \$18.6m 65% to Aristotle and 35% to Madison. Baird and Diamond liquidated and purchased Champlain.

1. **Manager review and selection**

- i. **International Equity mutual fund.** Artisan, Goldman, Oakmark and Invesco are the current International Equity mutual funds. Reviewing Invesco Oppenhiemer SMID, Artisan International Value, Clearbridge INTL Growth, Harding Loevner INTL, and Tweedy Browne Global Value. Recommending keeping Invesco. Artisan is fine but not something to add money to or keep over other options. Tweedy hedges currency which is why their fee is higher than others. Oakmark should be kept in the portfolio but they will keep an eye on them. Four funds total in the international space is recommended. Discussion of keeping Invesco and Oakmark and adding Clearbridge and increase funds in Invesco and if a fourth fund is needed then keep Artisan. Graystone recommends keeping Invesco and Oakmark and adding Clearbridge and add Tweedy as a possible fourth fund. Allocation discussed, \$4.5 million into value and \$4.5m into growth.

Motion to keep Oakmark at \$2.2 million, Tweedy at \$1.5 million, Clearbridge and Invesco at \$3.7 million total assets each made by Rachel Musiala, second by Bob Orr. Roll Call Vote: Bob Orr, aye, Matthew Fijalkowski, aye, Matt Collins, aye, Patrick Seeger, aye, Rachel Musiala, aye. Liquidating Artisan and Goldman at \$6.9 million.

- ii. **Small Cap Equity manager.** The Board currently owns T. Rowe Price QM US Small Cap. Reviewed T. Rowe QM US SM, Calvert Small Cap 1, Delaware Small Cap, JP Morgan Small Cap and Kayne Anderson Small Cap Core. Kayne has a small number of holdings but has good, consistent performance and has been around a long time. T. Rowe is

heavy into Mid Cap range. Kayne buys individual stocks and adheres to the Board's investment policy.

Motion to liquidate T. Rowe and put \$1 million into Kayne Anderson Small Cap made by Rachel Musiala, second by Matthew Fijalkowski. Roll Call Vote: Bob Orr, aye, Matthew Fijalkowski, aye, Patrick Seeger, aye, Rachel Musiala, aye. Matt Collins absent.

iii. Emerging Market Equity manager. Review Invesco Oppenhiemer EM, American Funds New World R6, Harding Loevner EM, JP Morgan EM and Thornburg Developed World. Recommending keeping Invesco as sole manager, only 1 manager is needed in Emerging Markets. Board agrees to keep Invesco as the sole Emerging Market Equity manager.

Motion to adjourn meeting at 11:12 am made by Patrick Seeger, second by Matthew Fijalkowski. All in favor, aye. Matt Collins absent.

Next regular meeting scheduled for **October 14, 2019 at 9:30 am.**

Next special meeting scheduled for **November 6 at 9:00 am.**