

**Milwaukee County Employees' Retirement System (ERS)
Investment Committee**

MINUTES

Call to Order

Patricia VanKampen called the meeting to order at 2:30 p.m. on February 3, 2014 in Room 203-P, Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, Wisconsin.

Roll Call

Board Members Present:

Patricia VanKampen
Laurie Braun
Aimee Funck

Others Present:

Marian Ninneman
Mark Grady
Daniel Gopalan
Ray Caprio, Marquette Associates

1. Private Equity Commitment Model –

Ray Caprio of Marquette Associates first discussed the mechanics of Private Equity (PE) commitments. He then discussed our current PE investment managers, Adams Street and Siguler Guff. Based upon Marquette's projections, the pension fund will most likely not reach the 6% portfolio allocation for PE based upon our current PE commitments and the fund's assumed rate of return. Marquette recommended that the fund investigate the possibility of adding additional commitments to reach the portfolio's ideal allocation for PE. Marquette did not feel we needed to issue a RFP, as we currently have two high quality investment managers. The committee suggested that Marquette bring additional information regarding some of possible PE funds by Adams Street and Siguler Guff to the next pension board meeting.

2. US Equity Manager Analysis –

Ray Caprio discussed the pension fund's US Equity managers' returns since 2005. Most of the managers beat their benchmark. Ray noted that Geneva did not beat the benchmark in 2013 and 2012; however they performed well when the market was down in 2009 and 2011. Ray then discussed the Risk-Return profile of the US Equity managers. He then broke down the profile for each manager in an up market and down market scenario. Finally, Ray said he felt our US Equity investments had a high quality portfolio mix.