The Investment Committee met on Tuesday, May 26, 2015 at 8:00 a.m.

Those Investment Committee members present were:

Chairman: Richard Riebeling
Members: Christine Bradley and G. Thomas Curtis

Other attendees:

Summit Strategies Group: Eric Ralph
Office of the Treasurer: Fadi BouSamra, CIO and Katherine Banani
Metro Legal: Jason Bobo and Margaret Darby, Metro Assistant Attorneys
VOYA Representatives: John Cox, Deltra Hayes and Nathan Freer
Other attendees: Stuart Nicholson and Doris Hendrix

- **Establish a quorum:** Mr. Riebeling established that a quorum was present and the meeting was called to order.

- **Approval of minutes from the February 24, 2015 meeting:** Mr. Curtis made a motion to approve the February 24 minutes. Ms. Bradley seconded the motion. The motion passed unanimously.

- **Review Metro pension 1st quarter 2015 performance:** Mr. Ralph reviewed Summit Strategies’ economic summary and the Metro Plan’s performance. The total fund returned 1.93% for the quarter, trailing the Policy Index of 2.23%. The Plan ranked in the 86th percentile among peers for the quarter. The fund returned 8.64% for year, outperforming the Policy Index of 6.83%.

Mr. Curtis asked about the Plan’s asset allocation relative to peers and if we are evaluating risk properly. Mr. Bousamra and Mr. Ralph explained that equity expected returns are lower than they were 6 years ago, hence why the Plan has been positioned with the current allocations and diversification to earn the most risk-adjusted returns going forward. Mr. Bousamra explained how the risk in being monitored on an ongoing basis and Staff is in the process of implementing various risk analytics. Mr. Ralph reported that as reflected by the 5-year Information Ratio, the returns for the Plan are significantly different than peers, due to the emphasis on lending, and opportunistic deployment of capital.
Mr. Ralph noted that Mr. BouSamra was recognized with the Institutional Investor award for Best Small Public Pension of the Year in May at an event in New York City. Mr. Curtis attended the event.

- **Recommendations:** Mr. BouSamra and Mr. Ralph presented seven items for consideration.

**Private Equity:**

**Greenspring Global Partners VII:** Mr. Ralph reviewed a one-page presentation regarding Greenspring Global Partners VII. He explained that this was a fund of funds focused on venture capital and co-investments. Mr. Curtis made a motion to accept Staff's written recommendation to make a $45 million commitment to Greenspring Global Partners VII fund. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

**Columbia Capital Fund VI:** Mr. Ralph reviewed a two-page presentation regarding Columbia Capital Fund VI, focused on broadband, mobile and enterprise IT. After discussion and questions, Mr. Curtis made a motion to accept Staff's written recommendation to make a $15 million commitment to Columbia Capital Fund VI. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

**Real Assets:**

**Chambers Energy Capital III:** Mr. Ralph reviewed a two-page presentation regarding the Chamber Energy Capital III fund, primarily focused on originating first and second lien loans to energy exploration and production. After discussions and questions, Mr. Curtis made a motion to accept Staff's written recommendation to commit $30 million in the Chambers Energy Capital III Fund. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

**GSO Energy Select Opportunities Fund:** Mr. Ralph reviewed a two-page presentation regarding the GSO Energy Select Opportunities Fund. This fund intended to provide recapitalizations, rescue financing, growth and bankruptcy exit finance in the energy sector. After discussions and questions, Mr. Curtis made a motion to accept Staff's written recommendation to commit $30 million in the GSO Energy Select Opportunities Fund. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

**Fixed Income Alternatives:**

**Marathon CLO Equity:** Mr. Ralph reviewed a two-page presentations regarding Marathon CLO Equity, which will find CLOs under new risk retention rules. After discussion and questions, Mr. Curtis made a motion to accept Staff's written recommendation to commit $60 million in Marathon CLO Equity fund. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

**O'Brien Staley Partners:** Mr. Ralph explained the Plan committed $30 million to the OSP Value Fund with a favorable fee structure in December 2014. The manager agreed to extend $20 million in capacity at the same fee. Mr. Curtis made a motion to accept Staff's written recommendation to commit an additional $20 million to the OSP Value Fund. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.
Potential Sale of Golub Portfolio: Mr. BouSamra reviewed the current fixed income alternative investment with Golub Capital. He explained that Summit had concerns about leverage and he and Summit see the opportunity to deploy the funds elsewhere. After a short discussion, Mr. Curtis made a motion to accept Staff's recommendation to sell the Golub middle market loan portfolio and deploy the capital opportunistically. Ms. Bradley seconded the motion and the Committee voted unanimously in favor.

- General Updates: Mr. BouSamra handed out a general update list and highlighted the following items:
  1. A withdrawal of $77MM was made on April 2 to replenish cash for benefit payments and other expenses.
  2. GMO is hosting a lunch on June 18, with optional attendance for committee members.
  3. Summit Strategies Group was selected as the general pension advisor.
  4. An RFP for an alternatives advisor will issued.

- MetroMax 457(b) Activity Report: Mr. Cox distributed and reviewed the 1st quarter 2015 MetroMax 457(b) Activity Report.

  Mr. Cox explained that Voya continues to work with Metro HR regarding new employee orientations and promoting new initiatives for both new and existing employees. Voya hopes to receive more time at the end of the orientation session to capture and enroll participants at the session.

The meeting was adjourned at 9:45 a.m. The next meeting is on August 27, 2015 at 8:00 a.m. (One additional meeting was subsequently scheduled for July 28, 2015 at 12:00 p.m.)

Approved 8/27/15 by Richard Riebeling, Chairman