



Seattle City Employees' Retirement System

Investment Committee Meeting
Pacific Building, 720 3rd Avenue, Suite 900, Seattle
(206) 386-1293

Minutes, Thursday, June 24, 2021

Due to the "Healthy Washington, Roadmap to Recover" order issued by Governor Inslee, the meeting was held virtually.

IC Members Present: Robert Harvey, Jr. (Chair), Sherri Crawford, Judith Blinder, Glen Lee

IAC Members Present: Joseph Boateng (Chair), Dwight McRae

SCERS Staff Present: Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Mengfei Cao, Nina Melencio, Mark Schimizza

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Don Stracke (NEPC), Emil Henry (Tiger), Kevin Baload (FundMap), Lauren Albanese (Financial Investment News), Dave Breuner (Threadmark), Tim Morrison (FAS)

Call to Order

Robert Harvey, Jr., Chair, called the meeting to order at 12:00 pm.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the May 27, 2021 Investment Committee.

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the May 27, 2021 Investment Committee meeting. The motion passed unanimously (3-0).

Infrastructure Deep Dive

George Emerson presented the annual deep dive of the infrastructure asset class and briefly reviewed the managers, portfolio structure, and pacing plan. Don Stracke, NEPC, discussed the market environment. Infrastructure is a relatively new asset class which was recommended from the 2015 asset-liability study and with the first investments made in 2016.

SCERS has a current and target allocation of 1.3% and 4%, respectively. The performance of the asset class has been resilient through the pandemic with SCERS performance exceeding the benchmark since inception.

(12:19 pm – Glen Lee joined the meeting.)

SCERS has three managers in this asset class: Brookfield, Global Infrastructure Partners, and Stonepeak Infrastructure Partners. During the last 12 months, NEPC has developed a pacing plan for real assets recommending a commitment of \$25 million per year to infrastructure funds. Staff and NEPC are recommending a \$20 million commitment to Tiger Infrastructure Partners Fund III.

Looking forward, SCERS will commit additional capital to existing and prospective infrastructure managers to prudently grow the allocation to its target weight in a manner that is diversified across geographies, sector, and risk profile.

Infrastructure Manager Selection – Tiger Infrastructure Partners Fund III

Mr. Emerson and Mr. Stracke presented a recommendation to commit up to \$20 million to Tiger Infrastructure Partners Fund III (Tiger III), a North American and European sector diversified infrastructure strategy. Tiger III is managed by Tiger Infrastructure Partners (Tiger).

NEPC concurs with staff's recommendation and has selected Tiger III as a preferred strategy on their Focused Placement List (FPL) with a top rating of 1. NEPC rates Tiger with an ESG score of 2 on a scale of best-in-class 1 to a not-factor 5. Castle Hall, SCERS's operations due diligence consultant, gave Tiger a rating of "accept" which is their highest rating.

Emil Henry, CEO and Managing Director of Tiger, provided an overview of Tiger Fund III, the investment team, their sector focus, and strategies. Tiger invests in the communications, transportation, and energy transition sectors. Tiger is focused on providing growth capital to mid-market infrastructure platforms and companies.

Motion: Upon motion by Glen Lee, seconded by Sherri Crawford, the Investment Committee recommended that the Board of Administration commit up to \$20 million to Tiger Infrastructure Partners Fund III, pending satisfactory legal review. The motion passed unanimously (4-0).

Adjourn Meeting

Motion: Upon motion by Glen Lee, seconded by Sherri Crawford, the Investment Committee voted to adjourn the meeting at 1:33 p.m. The motion passed unanimously (4-0).