DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

August 18, 2020

Issue: Global Listed Infrastructure ("GLI") Request for Proposal ("RFP") Update

Attachment: None

Discussion: ERF staff and Wilshire have performed due diligence for all eligible respondents for the GLI RFP issued last January. This process will help fulfill the 1.67% allocation, which equates to approximately $50 million, approved by the Board in November 2019.

Firm selections were made based on their: organizational strength/quality and depth of investment staff; investment philosophy and process; organizational resources; performance; and fees.

The two firms recommended for final presentations are:

Cohen & Steers Capital Management, Inc. Based in New York City with $72B in AUM, $7.5B in the proposed strategy, and 328 employees, 66 of whom are investment professionals. Investment strategy is centered on a total return, relative-value approach to investing in global listed infrastructure. The investment process begins with a top-down macro framework for subsector allocation which screens for companies with stable cash flows, largely regulated and monopolistic businesses, and high barriers to entry. The process finishes with detailed bottom-up, fundamental research, analysis, and stock selection.

Duff & Phelps Investment Management Co. Headquartered in Chicago, IL with $11B in assets, $528M in the proposed strategy, and 53 employees, all of whom are in Chicago. Investment strategy takes a hybrid approach that considers both fundamental and qualitative factors. The investment philosophy hinges on several core beliefs

including a fundamentally driven investment process focusing on the highest quality infrastructure assets with predictable cashflows.

Proposed Timeline:

- ✓ January – RFP issued
- ✓ February – RFP submission due date
- ✓ May – Submit manager names recommended for due diligence
- ✓ June – Manager due diligence
- August – Staff recommendations made for final presentations to the Board
- September – Final managers presentations made to the Board, and manager selection made

Recommendation: Suggested motion for the approval is as follows: Move to approve the recommended investment managers for final presentations and execute proposed timeline.