

**Fire and Police Pension Association of Colorado
Investment Risk Committee
January 24, 2014**

Agenda

1:00 Call to Order

1:00 Minutes Approval

1:05 Investment Matters

- HIG Middle Market LBO Recommendation
- Year-End Alternatives Valuation Adjustment
- Other Matters

2:00 Adjourn

**Fire and Police Pension Association
Investment Risk Committee**

**Minutes
January 24, 2014**

**FPPA Office
5290 DTC Parkway, Suite 100
Greenwood Village, CO**

Investment Risk Committee Members Present: (via teleconference) Dave Bomberger, Todd Bower; (in person) Dan Slack, Kevin Lindahl.

Investment Risk Committee Members Absent: Cliff Stanton.

Staff Members Present: Scott Simon, Dale Martin, Sean Ross, Claud Cloete, Ben Bronson, Curt Huntsman, Jeff Kaszubowski.

Others Present: (via teleconference) John Linder of PCA.

Notice of this meeting and a copy of the agenda were posted outside the meeting room and on the FPPA website at least twenty-four hours prior to the meeting.

The meeting was called to order at 1:00 p.m.

The Committee approved the minutes of the January 21, 2014 meeting.

Manager Recommendation

Mr. Simon presented the meeting agenda which included the Investment Staff's recommendation for a \$10 million commitment to the HIG Middle Market LBO Fund II.

Proper motion and second was given to adjourn into executive session to discuss the details of the recommendation. The recommendation contained confidential and proprietary information and are therefore not subject to public disclosure under the Colorado Open Records Act. The executive session is allowed pursuant to Section 24-6-402(4)(g). The motion passed and the Committee went into executive session.

The Committee adjourned from executive session. No action was taken during the executive session.

After further discussion, the Committee approved that the recommendation complied with the investment policies and objectives of FPPA.

Year-End Alternatives Valuation Adjustment

Mr. Simon presented the staff's Year-End Alternatives Valuation Adjustment analysis and recommendation. Per audit requirements, FPPA is required to provide valuation adjustments for various alternative Investment Classes. Because private partnerships generally report valuations on a quarterly lagged basis, each year Staff determines a year-end valuation adjustment based on cash flows and public market proxies which occurred during 4Q. Once actual partnership valuation information is received the following year, the valuation adjustment is reduced. The aggregate alternatives valuation adjustment recommended for 4Q 2013 is \$19.5 million. Mr. Ross answered questions on the details of the analysis. The recommendation did not require any action by the IRC.

The meeting was adjourned at 1:34 p.m.