



Agenda Statement

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Title: Approval of Permanent Fund Investment with QMA Small Cap Core Equity Fund for \$5.09 Million
Sponsors: City Council
Indexes:
Code sections:
Attachments: 1. QMA Fund Declaration, 2. QMA Offering Memorandum, 3. QMA Subscription Trust Agreement

Date	Ver.	Action By	Action	Result
8/6/2019	1	City Council	approved	Pass

ITEM TITLE:

Approval of Permanent Fund Investment with QMA Small Cap Core Equity Fund for \$5.09MM.

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: \$5,085,000

Unencumbered Balance: \$5,085,000

Funding Source: 607.1004.10354, Permanent Fund; proceeds from RBC Small Cap liquidiation;

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

- During the May 16th quarterly meeting the Permanent Fund Committee unanimously approved replacing an underperforming manager (RBC Small Cap) with a new manager, QMA Core Small Cap Core Equity Fund.
- Finance staff liquidated the RBC account in July, and proceeds total approximately \$5.083MM.
- Legal has reviewed the attached documents and has approved them as to form.
- Upon approval, Finance staff anticipates funding this investment within five business days.
- Attachments (3):
 - QMA Fund Declaration - high-level summary of the fund management, characteristics, and risk profile

- QMA Offering Memorandum - full details of Fund Declaration summary. Table of contents is on page 7.
- QMA Subscription Trust Agreement - the City's application for investment in the commingled mutual fund