

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

BOARD AGENDA

Retirement Board Regular Meeting - Thursday, July 21, 2022 - 2:00 p.m.

City Hall - City Commission Chambers, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COMMENTS FROM THE PUBLIC** (limited to 4 minute duration)
4. **CONSIDERATION OF MINUTES**
5. **REPORT FROM BOARD ATTORNEY**
6. **PUBLIC HEARINGS ON BENEFIT APPLICATIONS**
 - a. Request for Deferred Retirement from Sheritta Johnson with 11 years and 8 months of service with the City of Fort Pierce
 - b. Request for Duty Disability Retirement from Johnnie Colvin with 6 years, 9 months of service with the Fort Pierce Police Department (re-submittal)
 - c. Request for Retirement from Darren Karlson with 19 years and 4 months of service with The City Of Fort Pierce entering DROP
 - d. Request for Retirement from Steven Mosley with 28 years and 10 months of service with the Fort Pierce Utilities Authority entering DROP Program
7. **OLD BUSINESS**
8. **NEW BUSINESS**
9. **CONSENT AGENDA**

10. **CONSIDERATION OF ABSENCES**

11. **BOARD MEMBERS COMMENTS**

12. **Next meeting is August 18, 2022, at 2:00 P.M. and will be held in the Commission Chambers, City Hall.**

13. **MISCELLANEOUS**

14. **ADJOURNMENT**

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Recording Secretary of the Retirement and Benefit System at the Finance Department of the City of Fort Pierce no later than three business days prior to the proceeding. Telephone (772) 467-3000 for assistance.

Any person seeking to appeal any decision by the Retirement Board with respect to any matter considered at this meeting is advised that a record of proceedings is required in any such appeal and that such person may need to insure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Retirement Board

Meeting Date: 07/21/2022

Re:

Information

SUBJECT:

CONSIDERATION OF MINUTES

Attachments

Minutes of the City of Fort Pierce Retirement Board Meeting May19, 2022

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/13/2022 01:42 PM

Final Approval Date: 07/13/2022

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Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System May 19, 2022, 2:00 p.m., in the Commission Chambers at City Hall

Present:

Brian Avilla	Police Member, Chairman
Comm. Tom Perona	City Commission Member
Comm. Arnold Gaines	City Commission Member
Keith Stephens	U.A. General Member, Vice Chairman
Barbara Mika	U.A. Board Appointed Member
Wendy Rydzewski	City of Fort Pierce General Member
Johnna Morris	Secretary/Treasurer

Guest by Conference Call:

Attorney Jim Walker	Attorney for the Retirement Board, Advisory
Cliff Kalish	William Blair
Jeremy Murden	William Blair

Guest:

Weston Lewis	Callan Consulting
Paola Juarez	Callan Consulting
Paul H. Lundmark	Richmond Capital
Taylor Alan Lee	Causeway Capital
David Bernard	Morgan Stanley

Recording:

Junelly Sebastiano	Executive Assistant to Director of Finance
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ITEM NO. 1 & 2~ ROLL CALL

Mr. Avilla called the meeting to order at 2:00 pm, the first item on the agenda being the “Roll Call”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Mr. Avilla said alright, next we'll move on to comments from the public. Seeing no public, we will move on.

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ITEM NO. 4 ~ CONSIDERATION OF MINUTES

Mr. Avilla said we will move on. Next, we have consideration of minutes.

Mr. Stephens said one of the things that I'm noticing, especially on the agendas, you don't have the right people identified in certain positions like you had no chairman and you have him as the vice chairman, just for future meetings.

Mrs. Morris said we will make sure its corrected

A motion was made by Johnna Morris and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Mr. Avilla said Next, we move on to a report from board attorney. Mr. Walker.

Mr. Walker said Thank you, Mr. Chair. I'm happy to report that no one has sued the board in the last two months. Beyond that I'm happy to take any questions, comments, or concerns.

Mr. Avilla asked does anyone have any questions for Mr. Walker.

Mr. Walker said thank you Mr. Chair.

ITEM NO.6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

Mr. Avilla said we'll move on to public hearings on benefit applications.

We will open the public hearing for requests for non-duty disability retirement for Johnny Colvin with six years and nine months of service with the Fort Pierce Police Department. Seeing no public, will close the public hearing. Do we have motion.

A motion was made by Barbara Mika and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said again, we will open the public hearing, seeing no public. We will move on to the requests for the retirement for John Mead with 18 years of service for the city of Fort Pierce, drop program.

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A motion was made by Comm. Perona and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

ITEM NO. 7 ~ OLD BUSINESS

None.

**ITEM NO. 8 ~ NEW BUSINESS – Review of performance evaluation–
Weston Lewis Callan & Paola Juarez of Callen and Associates**

Mr. Avilla said Now we will go to the review of performance evaluation from consultant Callan and Associates, Weston, and Paula, you have the Floor.

Mr. Lewis said Can everyone hear me? Okay? All right. Okay. I will start with talking a little bit about the market environment and Paula will follow up with probably the more important items facing you all today. On page three, just a couple of things, and you will also hear from some of your investment managers today, the people doing the actual buying and selling of the stocks and bonds. We will try not to go any deeper than we need to, or any longer than we need to on what has happened in the market environment because I'm sure they'll cover some of it as well. On page three of our executive summary, we highlight the returns for the quarter of the various asset classes. When you look at the one quarter returns and you go down, you look at US equity, global X US equity and the various indices, and then fixed income. What you'll notice is all of them are negative for the quarter. There really wasn't any place to hide in the public markets, and if you were observing this over time, say over a long time, over the last 100 years, you would only see about 37 quarters where both stocks and bonds were negative. It's really, only happened twice in the last 100 years to where on an annual basis stocks and bonds are negative. If we were to end the year today, it would be that third year where this has happened. So, it's, it's rare that you see this, as we just move on down, maybe just touching on real estate and other alternatives. You see, real estate was a place to hide for the quarter, a positive 5.33% return, this is an allocation that you all have private core, open in real estate, just one of the things before we get too excited as some of this positive return, comes from the fact that the property valuations are lagged a bit. So really, we're thinking about what the valuations were as of the end of the year, that's what makes it into this index. Typically, what happens, is either the public market recovers and, the properties are not written down as much, or those properties are a little bit slower and being written down to the extent there is a negative return. This Nate Creek property index has seen very limited negative periods for the last 12 or so years. Is the expectation that it will be negative next quarter? We just don't know. The same concept applies, as you go down to that Cambridge, private equity. You typically see a lag in private markets,

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this is an area where you don't have any exposure. Naturally, with energy in the spotlight, that Bloomberg commodity index, you see spiking up, this is a good thing, if you're an investor in it, it's a bad thing if you are a user of it. You see 25% returns here for the quarter, think of that as 25% inflation on commodities that we use and, and products and whatnot. In this first bullet point, global equity markets, it's kind of the headline down, as, the Ukraine was invaded by Russia. Not to say it's deceptive, but I think there are maybe more things facing you all, and probably more important factors than Russia and Ukraine. We've got a slide in here that talks about how wars have very limited impacts on markets. In this case, you have you have three things that are really going on, there's the Russian invasion of the Ukraine. Number two, and these are all somewhat interconnected, you have inflation spiking up. That invasion in the Ukraine exacerbated what was already a problem and energy prices really continue to spike up after that invasion. Also interconnected, is interest rates, I would argue that this third is really what has had the biggest effect on markets here in the near term. What is the Fed doing? What is their ultimate landing point? What are interest rates going to be like? Is it going to be more inflation environment that they can get under control? Is it going to lead to a recession? We don't really have an answer to these a lot of these questions. As long-term investors, you don't really need an answer to that, we do think that the strategy that you have works regardless of whether there's going to be a recession at the end of the year, regardless of whether the Fed stops at 3%, and or moves to 3.5% on the Fed funds rate. So maybe just we'll turn the page to page four, gives you a visual of what is occurring as it relates to inflation. This is one of the things that we pointed out in past quarters, and I know there were some questions when we were visiting you all in February. We talked about how, and really this goes back to November as well. We talked about how it was more this inflation that we're reading about it was more confined to certain narrow sectors of the Consumer Price Index and or the producer price index and you see that here. We isolated out what we're commodities and you're seeing 20 plus percent inflation and commodities, but for other things, you're seeing less. We point that out in the contribution to inflation there on the bar charts there on the bottom, you see mostly transportation spiking up and that's the biggest thing. I think that what we've started to see is it starting to work its way into long term contracts, starting to work its way into rents starting to work its way into wages. It ultimately points to the Fed having to react and you'll see on page five we have the yield curve. This shows visually, what has occurred over the last year and what occurred over the last quarter. This blue bar at the very bottom, this is where interest rates that the Treasury yield curve stood, as of the end of 2020. Fast forward to the end of 2021, you did have some modest increase in interest rates, and this is the teal line, you did see some modest and increase in interest rates, and that occurred over time. Going from the teal to this golden red color, this is statistically rare and if we were thinking about how often this type of increase happens, almost 2% increase in yields in the first four months of the year. This should happen about once every 50 years, statistically, this is rare, and I think in terms of what is happening in the marketplace, no place to hide as it relates to the bonds, no equities aren't much better.

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In fact, more recently, much worse. This explains a lot of it just in the very quick, rapid increase in interest rates. The big silver lining here is that you all as investors and fixed income, and really is public plans more generally, we have seen for years, the expected rates of return, continued to come down for all public plans. As you look at that median, that certainly holds true, not all book fans have ever reduced their discount rate, but most have. A lot of the driver behind that is because you have such low rates that 30% of your portfolio, or 25% of your portfolio is being invested in an instrument, a bond that we only would have would have expected at the beginning of this year to be to return you over a 10-year period about 1.7 and a half 1.75% is the median rate of return. If we were to refresh that today and say, well, what, what should bonds get you over the next 10 years, it would be increased about to 2% higher so now your overall rate of return, going from this day forward, gets a little bit better. So, I think that it's the shorter and much simpler way of saying that as your reinvestment into these bonds, you're getting a higher coupon and that's a good thing. Ultimately, what will lead to better returns for you all on a go forward basis. Page Six, this just summarizes different conflicts throughout history, and it shows what I alluded to earlier, and that typically wars don't have a big impact on equity markets. I think it's more of a war tied to inflation and ultimately to historic low rates, which are causing the markets to reprice, both fixed income securities as well as equity security. So, I'm going to pause and see if there are any questions before I turn it over to Paola.

Mr. Avilla said questions?

Mrs. Juarez Said okay, perfect. So, we're going to turn to page eight and we're just going to talk a little bit about your portfolio where it ended up at the end of the quarter. We're going to touch base a little bit on asset values as of the end of April. First, we talk a little bit about 331, your plan had about \$245.5 million in assets as of the end of the quarter. There are a couple of things that I want to highlight here. The pie charts are meant to show you as you've seen before your current asset allocation as of that date, versus what you have set up as it targets on your investment policy statement. If we focus on the domestic equity asset class, the actual weight at the end of the quarter was about 42.6%. Your target is 38%. So, you can see that there's a slight overweight in there. Then if you look at your domestic fixed income, it's a 22.6% versus 27%. So, it's underweight versus your target. I'm highlighting these ones, because despite them being under or overweight, they are still within your target ranges. So, nothing really to be concerned about but, there's a reason why I'm bringing this up. So, if you move to the next page, we looked at your assets as of the end of April and your plan had \$230.2 million. So, within a month, basically, that was a loss of about \$15 million, just because of what Weston was explaining, volatility of markets throughout the year, all the way through April, and even till May has been significant. We spoke with Johnna, last week, and we were discussing some benefit payments and repayment of the loan of all benefit payments that need to happen. That's why we we're looking at your April asset allocation. So,

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what we advised was to divide the \$12 million across the year, Johnna indicated probably 7.8 million that we're going to be taking out the next couple of weeks and the remaining in August and November, I believe and what I want to get at with this is how is your asset allocation going to look like after you guys do that transaction, right. So, I talked about the domestic equity segment is going to come back a little bit closer to your target, which is going to be which is 38%, you're going to be at around 39.5%. Then if you look at your fixed income is going to go up to 24%. Because you're taking money out from the equity side, which is going to be closer to your 27%. However, the part that we want to highlight and discuss a little bit with you is going to be on Heitman. So Heitman, your current bands that you have for the allocation for this manager is going to be between 5% and 12%. The current allocation as of the end of the quarter is less than point 18% but, if we do this transaction is going to go all the way to 12.3%. Again, there's a little bit of lag in here as Weston was mentioning on the market values for these for this manager. So, what we want to discuss with you is we have a couple of options. Because given the market conditions, given where real estate is going, even though probably the growth over the next couple of quarters is not going to be as accelerated as we've seen over the last couple of quarters for these asset class, we can still see an increase on the weight that you have to this asset class. So, we had two recommendations and considerations for you. The first one we already discussed with Johnna, are currently the dividends for your Heitman fund are being reinvested on the fund. So, they don't come out of the fund. So, our recommendation would be for you guys to take it in cash every time that you get that distribution, and allocate it across different funds, depending on where you see fit. Weston if you want to give a little bit more background on why you guys have an upper limit of 12%. What we want to bring up as a consideration is potentially increase that limit to about 15% and Weston, more the history about this.

Mr. Lewis said Yeah, and the history here is that in the ranges that you all put forward in your policy statement. Real estate was a new asset class about seven or eight years ago. So, the thought was like, let's be a little bit tighter, with the upper band, just in case, let's spend some time, understanding how it works a little bit better before we increase that upper band. So, I think that's the genesis of that 12% typically, what we see in most client policy statements is a range of 4% or 5% on either side, that's what you have for public equity. It's what you have for fixed income, about a 5% tolerance band and I think what Paola has mentioned, I just want to underscore this as is something that's important to you all, operation of a pension plan is when you look at your target index, that automatically rebalances at the end of the quarter does not think about liquidity constraints, it doesn't think about trading costs, the computer says 25% go in this asset class, and voila, there you have the return. In real life. You all have assets that move up and down and we don't rebalance at the end of every quarter because it would be astronomically expensive. We typically rebalance through benefit payments, when you need them, you take from the asset class that is the most overweight. That's the reason why equities were a

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little bit overweight, and still probably are a little bit overweight. Over time our anticipation is that we'll rebalance down this Heitman piece as well through benefit payments. But for real estate, you must get in line usually it's a 90 day wait, at least, to get your money back there. Whereas in the equity market, you can pull it out in about two or three.

Mrs. Juarez Said Yeah, and for this transaction, we recommend getting the assets out of the S&P 500 and S&P 400, just because of the returns that we've seen over the last couple of years, that created some of that overweight that we saw on the previous page. So those are the items for you to consider on Heitman. I mean, there's no need to make an immediate decision wanted to bring it up to the board for consideration. If we move on to the next page, we're going to talk a little bit about returns. I know since I since I joined, we've been coming with good news and black numbers, and everything has been looking great. When you look at this page, you're going to see red numbers in here, which is not that bad. Yes, your plan is underperforming when you look at those numbers, yes, it's probably not in the top quartile versus your peers over the short term. So, if you look at the Quarter today, and the last year performance, probably is not the best results that you've seen. But if you keep looking at the long term, those results continue to be strong, those results continue to be either above the benchmark or in line with the benchmark, which is exactly what we want to see. That's what we want, to keep you guys on track that despite this volatility, you shouldn't be inclined to make any random decisions, panicking, taking the money out, moving it to somewhere real estate is performing great, let's move everything to real estate. That's not where we want you guys to be, we want you to still be patient, because you're seeing those long-term results having the results that you're looking for, as a board, looking over the long term. The plan is performing as expected, you guys are still able to pay your benefit payments, and nothing for us to be concerned about. Once we jump into the specific details for your managers, you're going to see, what's driving that relative underperformance if you look at all your managers, all of them posted negative returns on an absolute basis. But some of them managed to outperform some others, like real estate Heitman produced strong like, I think it was 9% return for the for the quarter, even though it's a little lacked, we saw strong returns there, which helped your return for the total plan for the quarter. So, nothing really to be concerned about in there. We're going to move to page 11 but before I jump into the specifics for the managers, do you have any questions, comments?

Mr. Avilla said any questions? Commission Perona?

Comm Perona said So, it's you really hit upon something that has been an interest. Few of us have been on board since before we had real estate as part of our portfolio. I remember dipping our toes in the water kind of attitude when we first got involved with it all. I'm just wondering, the 10% allocation that we've set up as a target, is that realistic right now, as far as looking at the entire pie chart, I mean, is this really

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10%? Is that the best use of that asset class and keeping it to 10%? Is it in the best interest of our fund to be able to do that? I think that's a question we need to talk about and answer and if not, where's the adjustment going to come from? What asset class do we need to look at? Is it domestic equity, something like that, that we can bring back and balance this out? So, yeah, I saw that originally and I kept thinking to myself, we were very cautious in the way we approached real estate. I think we have a comfort level now and understanding a little bit in fact, at the time that we got in right after that. I think the whole industry as far as real estate was redefined, we went through that process of reassessing the assets of those real estates and making sure that they reflected an accurate amount and all these things, and we suffered through that for a couple of years. Here we are now on the other side of it, and I really think it's worth looking at.

Mrs. Juarez Said Yeah, and I think, I mean, when we do recommendations on asset allocation, we just don't do them on the fly. Usually, we try to do an assessment of your overall portfolio, how that would impact you over the long term. So, if that's something that you are interested in seeing probably, we can take it back, do some analysis of how increasing the allocation would benefit you, or maybe over the long term, or what impact that would have, and bring it back to, to the board for consideration.

Comm Perona said I mean, that's just my opinion. I don't know what everybody else is thinking. But I think this is a discussion we need to have.

Mrs. Juarez Said Absolutely. Very good point.

Mr. Stephens Said I agree, wholeheartedly.

Mrs. Juarez Said Okay, perfect

Mr. Avilla said What's everybody else's thoughts?

Comm Gaines said I agree with him.

Mrs. Morris said Yeah, we haven't had an asset allocation study in a while.

Mr. Lewis said Yes, and typically, where our clients fall on that as every three to five years, it's been at least five years, since you all have looked at your asset allocation and it's a good exercise as a trustee to go through. Number one, it's educational. Number two, it helps you really defend the rationale, why are we invested the way we are? There are times, I don't think your liabilities have changed all that much, just in terms of your , your benefit policies, maybe they have, maybe they haven't, but that is typically what will drive a different asset allocation strategy, your population has become younger or older, or age to bed, or do we need it, are

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we now paying more out in benefit payments than we were historically, that can, challenge illiquid assets. So, so I think, if you all would like to consider an asset allocation study, or an asset liability study that incorporates the liabilities, we were happy to help you all out in that regard and we'll follow up with Johnna on the process for that.

Mrs. Juarez Said perfect

Comm Perona said consensus

Mr. Avilla said We don't have to do any type of vote, do we?

Comm Perona said I think our treasurer, heard that know that it's a fiscal responsibility of this group to be able to do so and I think just by consensus, we're moving that to that point.

Comm Gaines said I'm pretty sure it's been longer. I bet the last time we did it was when we got real estate.

Mr. Lewis said it was probably eight years ago, because you've had real estate for seven

Comm Gaines said so I'm going to say that's when we did it. Last.

Mr. Lewis said Okay, good. Thank you

Mrs. Juarez said of course, we've taken notes. So, we'll, we'll be in touch Johnna. So, I'm going to move on to the specifics for your managers. The way that we've been trying to move to it's to keep it high level and focus on the managers that are struggling and not meeting your expectations for the investment policy statement. I'm going to touch base on a couple of them and your managers that are presenting today will give you a broader explanation on a lot of things, but we can give you a very high-level overview. So, if we go from top to bottom, I reorganize this one to be in line with your actual asset allocation. So, from your total plan, we just looked at them. over the short term, there's volatility, but over the long term, it's still meeting expectations against the CPI plus 5%. Emerald is still meeting expectations. So, we saw something very interesting on the small cap side. So, if you look at the table that Weston showed you and I don't know if that one shows growth versus value but value on the small cap space underperformed growth stocks. So, if you look at Emerald and Ceredex, Emerald is going to be your growth managers. Ceredex is going to be your value manager. But even though growth had a tough quarter, Emerald was able to outperform the index, and it was by about, you can turn to page 17. So, they produce a return of about 10.51% versus the index that lost 12.63%. But if you look at the returns over time on that page 17, Emerald has been able to outpace the benchmark significantly, they came back, they close the gap in between the losses that we've seen over a couple of quarters, and then they have come back and posted strong returns. If you look at the goal going back to page 11, they're achieving the goal over the long term. So, nothing to be concerned about. One of the

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things that they mentioned, during the quarter, talking about Russia, which is going to sound interesting, because your managers, the domestic ones, you wouldn't expect to have any, any exposure to Russia, they don't invest in any companies in Russia, per se. But they have some exposure on some companies that are here, which their revenue for those companies comes from Russia and different places of the world. They were very transparent in communicating that with us and that's something that we really, really appreciate from these managers. So, no concerns from them at all, Ceredex is going to be a little bit of a different story. If you turn to page 18, this one I want to talk a little bit more about, we spoke with the manager, I think, a week ago, two weeks ago, just to talk a little bit about the performance and what's been driving it. Value outperforms growth during this quarter, and it's been for a couple of quarters now. We would expect this manager to actually at least be in line with your returns and if you see over the quarter, they have underperformed, the manager got an opportunity to explain what's going on. So, if you think about the different things that have happened over the last year with small cap. Last year, we had that mean stock bubble where fundamentals went out the window, and then the index had these different returns for the small cap side. So, they were not part of that upside on the small cap side, and they lost some value, they lost some territory in there. They also mentioned that they didn't invest, for example, Pfizer with all the vaccines and everything coming up, they were not participants on some of those stocks that have benefited from the COVID pandemic and that's why they've been lagging the index. So, on the upside, they said that they have found some stocks, that they believe, now since everything's coming back to fundamentals. It's not just like, again, what we saw last year with mean stocks, that they had no reason to actually generate crazy returns, they are finding these opportunities where even if this quarter they didn't pay off they're hoping for them to continue to pay off over the long term so they told me to tell you guys to apologize for on their behalf for the results for the quarter but they are positioning their portfolio to hopefully be successful over the next couple of quarters so Weston and I will keep an eye on them and will keep having conversations with them as it's needed. If we go back to page 11. if we look at your index funds their meeting objectives at a low fee, they're tracking the index as they were mandated to do. Your next manager is going to be Morgan Stanley and Morgan Stanley you're going to hear a little bit about them but basically, they're not meeting their expectations for the long term. if you look at their quarterly performance it's going to be basically down to a couple of things they have high quality bias so they buy high quality businesses which were kind of overpriced over the last few months or few quarters so now that we're coming back to fundamentals all those pricing are coming back to the right level so that's when you're going to see where Morgan Stanley is going to be struggling a little bit and also there was an allocation to energy, Weston mentioned it energy prices skyrocketed over the last couple of quarters with inflation and that was in the International Space that only sector that actually produce positive returns for the quarter so Morgan Stanley had an underway to energy and that also hurt them during the quarter so I mean even though they're not achieving their goal over the long term all those differences are

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kind of explained given the market expectations and they will be able to give you a little bit more color on long term results and what to expect actually going forward. If we move to your next manager, it's going to be William Blair. William Blair is going to be your growth manager on the international side and one of the things that these managers benchmarked to the ACWI XUS which is different from your Morgan Stanley that's benchmark to the to that IFA or they have exposure to emerging markets.

Mr. Lewis said I know there are a lot of folks that don't do this daily, so IFA stands for Europe Australia, Australasia, Far East so you think of that as the developed countries only and then ACWI stands for all country world index so it's basically both developed and emerging so it's everything

Mrs. Juarez Said, yes thank you for that. If you think about William Blair that's going to be your growth manager and similar to U.S. stocks growth struggle during the quarter if we look at energy on the develop side energy like with the Morgan Stanley fund energy actually generated positive returns on the downside energy on the emerging market side actually underperformed so there was a combination of some sectors that impacted William Blair some of that emerging market exposure that impacted them and you will see if you look at their actual returns they are they are disappointing for the quarter and they will probably explain a little bit more about that but if we keep looking at the long term they're still outperforming the index and they're still producing the returns and the expectation that you guys had and I think that's the bottom line on all these managers none of these managers are changing the process because of market volatility none of these managers are jumping and changing anything about them but they're actually being very cautious and revisiting their strategies to see how to better position the portfolios in a better place going forward and that's kind of what we want to see ,especially even like on that conversation with Ceredex like they know where they have failed and they have learned from their mistakes to actually bring results hopefully in the near future. Causeway, this manager we don't have long term history so of course it's still seeing like the N/A but over the short period, emerging markets of course struggled during the quarter they underperformed a little bit it's understandable given the market conditions and, they got hit by energy and infotech when they were picking the stocks that hurt them during the quarter. we're right now at about 2 1/2 years so in the next two quarters at the beginning of next year we'll start seeing some performance on the three-year basis and we'll start the accessing them from the IPS perspective. Richmond, I know we're going to touch base a little bit more on them in the next couple of slides. We had a discussion with you about their performance, they're still not meeting expectation, that return of .5%, we dug into it, and I'll stop in there once we get to our pages to give you more color. The manager for the quarter, they keep outperforming they outperform the index for the quarter for the year and over the long term but they're not outperforming by the amount that we have asked them to do. They have

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changed a little bit portfolio but they're still outperforming the index. what helped them out during the quarter was that curve yield curve that Weston showed you the two and three year yield curve was higher than the rest of the yield curve right, so their position was actually underweight in that specific area of the market which actually helped them out so basically the bonds that they had they didn't have exposure to a lot of those bonds that actually lost value over the quarter so that benefited them a little bit . Finally Heitman , we talked a little bit about them they've been having very strong returns over 9% returns for the quarter very strong we've seen them over the last a couple of quarters they have a specific few allocations to storage units apartments and industrials those are the sectors that are helping them out so if you think about the rents that people are paying for offices for all these real estate assets that's generating cash flows for them and also the valuation for these different real estate that they own they're coming back up so that's why we've seen all these good results over the last couple of quarters we don't expect and they don't expect this returns to continue like as strong as we've seen them so but at least in the short term like you guys are benefiting from that exposure. I'm going to pause there. Any specific questions about the managers? We're going total a little bit more about Richmond but any questions.

Comm Gaines said I have a question just to understand something. I understand the long goal, and my question is we're looking at these managers in quarters is there something that we need to pay attention to. If I see one quarter or there comes another quarter and they are still not meeting. when do we start raising our hand and say, OK hey? Are we going to wait four quarters six quarters and then come back and say, hey? is it something that we can look at. When should we raise a flag or say something about a manager?

Mr. Weston said I'll start and certainly add some color here but unfortunately I think as we deal with a number of different boards and trustees I wish there was some sort of mechanical formula to where you all didn't have to make any tough decisions but over the periods of time that we worked with you all there have been some times where you've had a little bit of a gut check on some of these managers and you had to say alright do we stick with them do we not. So that's why we have it set up the way we do to where on this little checklist, most of them really followed the three-year rolling convention. so, to answer your question directly we don't care what happens this quarter next quarter but to the extent that it starts to work its way into some of those longer-term results that's where I think you're right to say we should raise our hand and figure out what's going on. This is where, I had a client who's said this a lot and I'll steal that, but you'll see on my gravestone Weston never fired a manager for performance, but I will fire a manager for the factors that lead to underperformance. Right so its typically performance coupled with something else. Did you change your style? Was there a lot of turnovers with the organization? Did the same people who generated the good track record leave and then the ones who had struggled with the track record are they the ones that remain? I think it's not just performance alone is what I'm trying to say it's looking at performance in connection with other things. So,

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what we hope is that we can help you all see the bigger picture. Anybody can read the page and say oh they're underperforming, but help you understand if this is a time to be concerned about it or is it is it not. I think that the proof is in your results and that you all have gone through, and you've seen a lot of managers hit a low point and you said alright do we stick with them or do we not and you all terminated a manager not too long ago and it was ultimately performance coupled with maybe more of a style misfit if you will.

Comm Gaines said you kind of answered my question because I just want to be sure. We are waiting three years, but you guys know, you see stuff that we don't see. We see the charts yeah but at two years four months if there's something there, I don't want to wait three years and then there's something we could have stopped eight months ago. I'm just trying to grab all this newness in in my head to understand the whole background and everything going on, so I got it now so thank you and

Mrs. Juarez said I think that's the part, as you said, that's part of our job. You guys see the numbers, we try to explain to you guys what's going on in the market, how your managers are relating to that and reacting to that. Are they keeping their process, are they keeping their people? You also get the opportunity to meet with these managers on a semiannual basis. You see them once a year and you can ask them all these tough questions. I think this is a perfect segue for Richmond. We've been talking about Richmond for a long time. They've been outperforming but they haven't outperformed by the .5% that we set up a few years ago. They haven't been outperforming the universe, so we kept bringing it up and we were mentioning it's not that they're not producing results they are just not producing the results that we hired them to do. Is it worth it for us to revisit them? Last quarter you all agreed that we should revisit/review them and see if it was worth it for us to adjust it or just have a further conversation. I think this is going to help you set up the conversation with them today a little bit more. So, with that if we move to page 13.

Mr. Stephens said One thing I noticed: Weston's done a good job over the years of saying 'OK guys we're looking at them hard'. You have said that a couple times or, 'there really was nothing they could do'. Because the biggest thing is some time managers change their philosophy and we don't know why right, they just do, and we hired them when they were doing this and next thing, they're starting to do something else and that happens. You guys have done a good job. Like you just said we see everything you see, and you've been good over the years at answering those questions for us and like you said we've made some tough decisions but for the most part, me personally that's what we hire you for. If there's a problem, we expect you to do that for us as a consultant, you're going to say why.

Ill segue right back into Richmond where you are about to go. You've got that child that's making a C, you can't make him an A student. They are still a C student that means they're still passing but you can't ask him to do something they're not capable of doing

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Comm Gaines said Thank you for that analogy, C student to A student. I ask questions for me to get a whole grip on this.

Mr. Weston said We appreciate the questions and I think you're charged with oversight and that's a big responsibility.

Mrs. Juarez said Speaking of Richmond, this slide is basically summarizing the objectives that we have on the IPS; outperform the Bloomberg aggregated bond index 5.5% over 3 years and compared to peers, they should be outpacing the median. If you look at the charts on the bottom, we look back all the way to 2013. This chart shows that three-year column, the end of every quarter of every year where have they finished, versus the index. If you look for reference in the third quarter the first line, that .9 means that the manager outperformed the Bloomberg aggregate index by .9%. If you see the trend, it is going down, the goal was for them to produce at least .5% above the index and we see that happening around 2016, 2017 ,2018 and then from there we went down to point 4.3 and so on. let me touch base on the next chart, the chart on the right-hand side. You see that blue line, that is the return of the manager over rolling three years, the actual absolute return. Richmond on its own, what was their performance? If you look at the end, they produced a return of 2% for the rolling three-year period. The teal line shows the median return for the universe so at the end of the quarter over three years, the return for the median manager on the universe was 2.3%. What that means is that they have underperformed the median universe. We looked at what has been happening. We spoke with our manager research team, and we figured out the manager has become a little bit more core. In this case they're becoming a little bit more like the index, not that they're fully indexed because they have a bigger exposure to corporates. They have been playing more on the safe side and, they have increased the number of bonds that they have on their portfolio to about 110 when it was around 80 over the history. While the strategy per se hasn't changed, the upside for core managers is somewhat limited because they don't have exposure to other types of bonds that may be adding more value like high yield or like emerging market bonds. They're riskier but they probably provide a bigger reward. Moving to the next page since we didn't see anything to be concerned about. They really didn't change the process per se but a lot of it is due to how bonds are priced, where the market is and how they are positioning themselves. They're just a little bit closer to how a core index is going to look like and looking at their stream of returns they're still outperforming. The realistic expectations are going to be more about your quarter basis points like .25% of expected outperformance versus the index. Also keeping them accountable because if we're comparing them to a core universe or similar managers, we expect them to generate above the median. We don't want to make it easy for them, but we need to be realistic to what the expectation for long term returns is. I'm going to stop there I'm sure there's going to be some questions so please let me know.

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Mr. Weston said What we'll do is once we formalize it, we'll bring the actual redlined investment policy statement back to you all. I think conceptually this is where we'd like to go with it and from .5 to .25.

Mrs. Juarez said You can ask Richmond, when they're here today about why they changed it and then we can revisit this, but this is the whole process for us when we review your managers. That's all that I have.

Mr. Weston said I think if you all recognize from the agenda, you have three international equity managers. Just given all that's happening around the globe it'll be a good to hear their perspectives but also to one of those managers and has hit a performance roadblock, Morgan Stanley. It will be good to hear from them on what the turnaround going to look like, what lessons have you learned and what are you doing different. Maybe it's not doing anything different. Good questions to ask and a good time to be talking to them directly.

Mr. Stephens said Before we go to the managers, is there anything that about any of these managers that you think we should be concerned about before we hear from them.

Mr. Weston said no, to the extent that your surprised I'm going to be surprised. The teams have been stable for the most part. The Morgan Stanley strategy does have a lot of members on their team, so they'll have some folks that retire overtime. There is Bruno, Paulson, and a team of about six people on that Morgan Stanley strategy so for the most part that's been a stable group, same way with William Blair.

Mr. Stephens said Before we get into this, because of the unique circumstances in this last quarter should we be a little more patient or should we be a little more assertive.

Mr. Weston said I don't think you should do anything different per se, you all have always been patient with these managers. You have given them time to understand alright, why is your performance the way it is, and we hired you to do this or are you still doing that. I don't think you need to be any less patient, or any more patient given what's going on in the environment. I do think, from an observational standpoint these periods of volatility, while they're tough to go through, this is typically where managers add value. They find things that just get completely dislocated by sell offs and they find good companies to buy. It doesn't necessarily mean that they will outperform on the downside but typically the years that follow a lot of volatility, like we're seeing, this is their chance to shine. So, I think that hopefully that's the message that you'll hear from some of them as the outlooks are positive on a go forward basis for the part that they can control a little bit more which is the relative return.

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Comm Perona said looking at the graphs over the years, I always start on the far-right side and look at the last 30 or 20 years. That tells you the strategies that have worked for these money managers over a period and their reaction to current events. Sometimes in the last one or two years there are couple bad quarters and you're sitting there saying 'why don't you change something' but then you think about it, you don't want him changing strategies. The benefit has been realized over a long period of time so it's just finding out from them what their reactions are and sometimes no reaction is the proper response. Obviously, you can't invest in markets and know for a fact that they're always going to produce great results. They're not, the world has ways of pitching curveballs all the time and it's how that reacts. We as a board sometimes must look at it, start on the right side of the page and see what they've done over a long period of time and then bring it back into a focus on the current events.

Mrs. Juarez said One of the questions that we usually like to ask managers is if they know their strategy and if they know their process. They know when their strategy is expected to outperform or underperform, so that's a good question. Asking, when are you expected to do this and how? Then you benchmark them to see how they reacted during that where they said they were going to produce returns or struggle. That's something that checks a box with them to make sure that their process hasn't changed.

Mr. Avilla said next we're going to move on to a report from money manager Richmond capital. Paul Welcome sir.

Mr. Lundmark said Hello and again we really appreciate your business that we've had here for the for the last 33 years. Florida is a very important state for us, we manage 30 accounts down here and we have about 975 million of assets under management. A little overview as far as the firm, we've been independent since 1987, hundred percent employee owned. We now have 13 shareholders in the company out of 19 people. We're just in fixed income so we are specialized in doing investment grade fixed income securities. Right now, we have about 6.3 billion assets under management, and we're very well diversified by asset type with public pensions, corporate pensions, and Taft-Hartley. Primarily the most we have under assets are with public pension funds. As far as for the firm, just to give you a little update we've been hiring a lot of new people. In fact, we've hired several people here last March as far as doing asset backs, commercial mortgage, backed securities and mortgage-backed securities just to kind of fortify our research. We just recently hired a new credit specialist too, so the firm is growing the personnel. It's all very much a positive as far as what's going on with the with the company. Going to Page 3 here in the booklet, the portfolio review, if you look at the table on the left side you can see where your returns are coming from. Since we've been managing over such a long period of time, you can see it's really the interest and the reinvestment

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of that interest that makes your total return. Changes in principle valued over a long period of time, do not make a big difference as far as your returns. One of the main reasons you have fixed income is for liquidity, as you can see with your contributions and withdrawals, we've been able to provide you with 63 million of monies for pension payments and for reallocating money into other asset classes. If you look at the right side of the table you see the portfolio duration, that's the interest rate sensitivity of the portfolio. As of March, we are about 95% of the index. We have gone duration neutral as rates have continued to rise. As far as the average yield to maturity at the end of March, it was 3% now it's closer to 3.7%. I think that's interesting as far as fixed income as an asset class versus year end 2021, when the portfolio was only yielding 1.75%. It's gone up almost 2% here and again very high quality as far as AA minus. Going to the next page, which is why I'm here, the main reason is to talk about a total return. If you look at the first quarter of 2022, we all performed the index by 37 basis points. Some of the positives that we had where: we were underweighting duration as rates increased, we are underweight in the two to three part of the yield curve which had the largest increase, we were overweight intermediate corporates, we had a higher quality bias having more than triple B's in the portfolio and we were underweight long corporates and underweight mortgages. It helped as far as the performance. If you look over the past year we've done well as far as underweighting the two-to-three-year part of the curve, being duration short over that period. We don't show it here but over the past twelve months we've outperformed the index by 47 basis points. In looking at the meetings from your meeting in February, I know that one of the things that was asked as far as our outperformance is for us to outperform by 50 basis points. You can see that we've been in the 30 basis points range over the past five years and 43 over 10 years. I can tell you that it was difficult to have that outperformance by 50 just because rates were so low and credit markets spreads were at very tight levels. It was really a challenge to have a significant outperformance unless we took unnecessary risks and that's one thing you do not hire us to do. You hire us to provide stability in your portfolio and that's one of the things that we look at very closely. We look at rates having gone up and spread starting to widen in the other asset classes and we feel comfortable that we can look at achieving that 50 basis-point increase overtime. We appreciate your patience with us, but we feel that the current market is going to provide us with more opportunities here going forward. Going to the next page, as you can see the yield curve has gone up significantly since December 30th of 2020. When you looked at it back then, the two year was only yielding 12 basis-points but if you look where it's yielding now, it's in the 260 area. I'm not sure the exact as far as today but it's gone up over 250 basis-points in just a little bit over a year, a significant increase. The first quarter of 2022 was the ugliest quarter on a relative basis that we have experienced since the inception of the benchmark. The Bloomberg aggregate was negative 9.5%, something we've never experienced. One of the things that I always like to mention is that fixed income rates were so low, and I think as far as seeing rates going up it's been very ugly over a short period of time. We kind of feel that with rates increasing that there's going to be more

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opportunity to have a higher total return over time here because we're able to reinvest at higher rates when things mature, or we get coupon payments in as far as to reinvest. In our mind, we kind of feel it's more to your advantage as far as getting the higher total return over time with rates having increased. We wish it hadn't increased as quickly as it did, but it has increased quite a bit and we kind of feel now is like much better opportunity to be in fixed income because rates are higher. We had a duration underweight primarily in the short end part of the curve and as rates gone up so dramatically here, we've gone neutral in that part of the curve because we feel that there's a better a fair value out here. What's kind of interesting is that if you look at what the market is anticipating, there's five more Federal Reserve meetings and you're probably looking at 825 basis-point increases. What you're looking at, by the end of the year, is a target range for the federal between 2.75% and 3%. Jerome Powell the chairman said that they're very focused on inflation here. I think there was a lot of anticipation that inflation was going to be much more transitory than it has been. I think you're going to see continued difficulties with what's happening over in China and the zero COVID policy, factories are shut down. If you look at what's happening with the war in the Ukraine, big suppliers of commodities in that and what's going on in Europe as far as taking away their exposure to Russian gas, that's going to be inflationary. I think there's definite policies in place here, I think you're going to see inflation go down just because if you look at earlier in 2021 the inflation ratings were very high and so those months are going to be rolling off. You'll see it go down, but I think one of the things you must be aware of is that if the Fed. sees inflation not going down enough you may see an overnight rate Fed. funds rate of say not 3% but you could basically see on a worst-case basis 4%, that's one of the things you must look at. I think one of the fears here with the Fed. so focused on inflation and wanting to see actual proof of inflation going down on a real basis, is that you may see what was happening back when in the 80s. You've heard about stagflation, where you can see economic activity with GDP going down at low levels but having high inflation because of that, the Fed. is just so focused on making sure that inflation gets down to around that 2% level which is where their goal has always been. There are so many different things going on right now, the job market is strong, the US is strong right now, you've had twelve months of over 400,000 employment gains thing. The thing is it's still down; jobs are still down about a 1.2 million versus where they were in February of 2020. That's where the inflation now is coming from, it was in the supply chain and there's still that supply chain however, you're seeing from the labor costs factor, there's a shortage of people out there. There are a 1.2 million less people but there's 11 million openings in companies that are looking for people. To get people, they are going to have to pay more but then again how much is enough with inflation as high. If you looked over this short period of time actual disposable income has gone down because inflation has been higher than the wage gains that have been happening. There's a lot of crosscurrents going on here and it's a very interesting time in the markets. The hope is that the Fed. can raise rates enough so you have a soft landing and would not experience a recession of any kind or a very

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short and a very shallow type of recession. That's the hope right now and hopefully the Federal Reserve can pull that off, but time will tell. Going to page 6, we typically are very aware of where we can add value and that's through the sectors and we watch where spreads are corporates versus treasuries and right now, we are about a year overweight, and we've seen some opportunities out there as spreads have started widening. We've been able to pick up some corporate bonds at some very attractive levels around in the 4.5% to 5% type yield. It is getting to be more attractive out there in the fixed income market. We've also been buying some agency CMBS, on page 7, they are AAA rated securities, very well secured, have great credit enhancement underneath them and there are very attractive levels. We are overweight in non-agency private label AAA commercial mortgage-backed securities, and they performed very well. Back in middle of last year, we had like a 15% underweight to residential mortgage-backed securities versus the index. That's the biggest underweight that we have seen, and we just felt like the values were not there because the Federal Reserve was such a big buyer in the market and spreads were extremely tight. Spreads are starting to widen now because the Federal Reserve is not buying anymore. They stopped buying in March and what they're looking at is reducing the exposure, not so much by selling but by not reinvesting here. Treasuries will be 60 billion in September mortgages will be 35 billion a month. Suddenly you've seen that demand where our money managers are going to pick up the slack and they haven't and as a result you've seen spreads widened out. We have gone from 15% underweight to neutral because we just see mortgage-backed securities as a much better value out there. If you go to page 9 you can see the quality distribution, the IPS, we are allowed to buy up to 25% in triple B's right now we have 18%. I think it's important for you to realize we are very diversified, we have 41 different credits and some of the names you're going to recognize: Anheuser-Busch, Capital one, Fifth Third, Key Corp, McDonald's, Kroger, Raytheon and AT&T. Very solid names and we see a lot of value in very highly rated triple B credits. If you look at the table below here you can see we have 52% in corporates, that represents 95 different names, very well diversified and you can kind of see where our underweights and overweights are. We are underweighting treasuries 13.5% versus 39.5% of the index, our big overweights are corporates, 52% versus 25%. If you look at CMBS we are like 8.2% versus 2% of the index so that's where we're seeing the value in everything. Page 10 is just a summary of what I've talked about so with that are there any questions?

Comm Perona said I get it, the world is changing, it's kind of a funny time. I am hearing a lot of "this hasn't happened before" or "hasn't happened in a long period of time". Paul, I want you to pull out your crystal ball and just start talking about how you see this as our performance going forward in the next year and two.

Mr. Lundmark said Strictly from a yield to maturity, if rates don't change over at least a year, you'd look at a probable 3.7% return. It's going to fluctuate based on where rates are, so we think by far the worst is over. The first quarter and especially

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through April was unprecedented because rates were so low. We've seen similar rate increases back in 1994 but if you look at the AG only, it was negative 2.9% that year because rates were much higher as a base when they started to increase. It really depends on what the Federal Reserve does here as far as how willing they are to raise rates to fight inflation and what effect that has on the market as far as for GDP growth. If we start seeing a recession you could see rates go down and returns could be higher, but the crystal ball is still not that clear yet. I think the Fed. has a lot to do here because back in 94 they increased 3% during that time and basically, you're looking at the same thing 3% as far as what the market anticipates. Again, it kind of depends on some things that are outside of their control too as far as with COVID, Ukraine, politically, how nations react to inventory management. If it's going to be just in time anymore or are they are going to be looking at taking some of that production from China or somewhere where the costs are lower but put it back in the US, put it back somewhere else as far as where they're located. Which means you won't see the same efficiencies and you could see higher costs. There are some big unknowns right now.

Comm Perona asked as far as your company and strategies go, is there any major changes that you're doing to try to accommodate some of this future uncertainty.

Mr. Lundmark said at the beginning of the year, we were defensive because short term rates were only, I think 75 basis-points on the two years. Now that we see it closer to 2.6 to 2.7%, the market is pretty much anticipating what the Fed.'s going to do. I think that's where we took our duration underweight and went neutral in the two to three. What we also do is try to look at taking advantage of when the market started to widen especially with corporates, we feel like there's some excellent value that can be had but we're patient. We've been adding on a little bit in corporates just as spreads have started to widen out because they're at very attractive levels and if spreads continue to widen out, we could see increasing that duration overweight. We're patient and keeping it very high quality incorporates as far as our sectors but keeping them very well diversified too, for instance, you have 91 different credits in 52% of the corporates. We don't want to take any one particular big risk in any one credit out there and keep it high quality. That hurt us over the past few years because people were searching for yield, they were going down into the lowest investment grade credits. That's one place where we didn't feel comfortable with, so as a result it hurt our performance not having the lowest triple B credits. Now it's kind of turned because people are becoming more risk adverse. Our strategies of buying A rated and high triple B corporates provide a very good value and a good risk reward.

Comm Perona asked so, the worst is over and as far as you're concerned, you're optimistic that your strategies are going to come through for the next couple of quarters then.

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Mr. Lundmark said the only thing, geopolitically, who knows what Putin's going to do, that's one of the big unknowns. As Europe weaning itself off Russian oil, they are going to have to look elsewhere, and I don't see energy costs going down anytime soon just by the dynamics that are happening worldwide

Comm Gaines said I have a question if Paul in the Fed. have their meetings and there are 8 increases and it goes up you said it could be as much as two, right?

Mr. Lundmark said Well yeah because they're looking at 50 basis-point increases coming up over the next three and then 25 basis-points for the next two.

Comm Gaines said let's say that happens and everything else stays the same how do you feel that's going to help us with your investments.

Mr. Lundmark said I think because of that fact, you're going to be able to reinvest at higher rates. It is going to benefit the portfolio going forward because it's a lot better to reinvest at 4% in securities versus buying something that's at 1.5%.

Comm Gaines said My follow up to that is, you don't get down into the low triple Bs because of that and you said diversity that should help us also?

Mr. Lundmark said we see more of value in corporates, mortgages and in commercial mortgage-backed securities then we do treasuries. They are higher yielding assets so being overweight in non-treasury securities is going to benefit the portfolio because of the higher yield.

Mr. Avilla asked any other questions?

Mr. Lewis said What we've had in store in the policy statement is 50 basis-points. On a gross basis, 50 basis point excess return target is what you as a firm have communicated to Callan as a reasonable expectation. On a net basis, we've talked about reducing that to 25, do you think that's reasonable?

Mr. Lundmark said I think that's reasonable yes because I know our fee is averaging 27 basis points.

Mr. Lewis said Generally, in my opinion this is not shared across calendar, typically if the managers take is 50% of the excess return and your take is 50, I think that that is a reasonable expectation for public market generally. If a manager's fee is 1% the excess return target should be too and if it's 50 basis-point, that the rule of thumb

Mr. Avilla asked any other questions?

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Mrs. Juarez said When we're looking at the portfolio, we saw that over time the portfolio gets a little more concentrated with about 80 issues and it's becoming a little larger going up to 150 and 110. What is the expectation regarding the amount securities you have in a portfolio at a given time?

Mr. Lundmark said It depends if there are opportunities out there, we can add in that, but we look at our overall concentration. It is probably like about .5% when you average it out and we've been adding some commercial mortgage-backed securities because we've seen a lot of value especially on the short end of the curve. We've added some mortgage-backed securities too because we had a big underweight, it was 15% underweight and so by adding those we we've have been adding security. I would say you're not going to see it get more concentrated between the 80 and 120 range buy again, the emphasis is on diversification.

Mr. Avilla said Paul Sir, thank you so much we appreciate you coming, from here we will move on to the report from money manager Causeway.

Mr. Lee said Thank you for having me in today, it's nice to see you all in person. I know I've dialed by phone a few times but it's nice to be here in person. My name is Taylor Allen Lee I'm a relationship manager at Causeway. I work with several institutional investors across the US and several public plans like the city of Fort Pierce. For the update today, I was planning to provide an update on our team and our process and then go into the portfolio positioning and performance, so you come away with a good understanding of what our team does and how we're managing assets on behalf of your plan participants. I think I understand we have around 20 minutes for the presentation does that time frame still work for you all or should I adjust a little bit shorter or a little bit longer?

Mr. Avilla said That should be fine.

Mr. Lee said My prepared remarks are probably shorter but I'm happy to go longer if you have questions. First, I would like to start off with a little bit of background on your investment with Causeway. You funded the portfolio in August of 2019, it is in emerging markets equity strategy. We see several clients, like the city of Fort Pierce, incorporate emerging market equity strategies in their asset allocation for the return potential and for the diversification benefits. When you think about the drivers of returns in emerging markets, it can be different than what's driving returns in the US or in other developed markets. That's one of the reasons that we've seen clients like city of Fort Pierce incorporate emerging markets and their asset allocation. I also understand you're looking for a value-oriented approach that could complement the other strategies you have in your asset allocation. We'll talk about that a little bit more, but value investing is the core of our DNA, it has been since we founded our firm in 2001 and it's a key component of the emerging markets equity strategy. I understand you have the presentations in front of you on your

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computers, so let's start on page three of the presentation. I wanted to highlight a few aspects of our firm; the first is that we manage global equities exclusively, we have 44 billion in assets under management and of that about 10 billion is with public pension plans. That includes about 22 public pension clients overall, so we manage assets for several of your peers both in emerging markets, equity strategy, and international equity strategies. Secondly, we have an experienced investment team, we have 14 portfolio managers, and they have an average of 16 years of investment experience. What that means is that your plan assets are being overseen by an experienced team that has managed client assets through different investment cycles. We've seen periods of time where value stocks are in favor and out of favor, having the experience of managing client assets through different cycles like that benefits our clients over time. One contributing factor to that stability is the fact that we are an employee-owned organization. We are 100% owned by employees and one former employee and that employee ownership includes all our portfolio managers as well as several research analysts. The third point I would make about our organization is we integrate fundamental and quantitative investing. The portfolio we manage for you, the emerging markets equity strategy is primarily a quantitatively managed strategy and we do explicitly incorporate fundamental research into our process as well. We have 26 fundamental research analysts at our firm and their job is to look across the world and understand industries and sectors and companies extremely well and they can provide input into our investment process. The fundamental piece and the quantitative piece both have their benefits, drawbacks, strengths, and weaknesses and we think they can be very complementary and work very well together. I wanted to spend a couple minutes on why we think a quantitative approach makes sense in emerging markets. The first reason is that the emerging markets universe is a heterogeneous universe, there are lots of different countries in that cohort, that have different economic and political regimes. Having the breadth of coverage that a quantitative approach provides is very beneficial when you're talking about emerging markets. Secondly, the quantitative approach allows us to blend multiple factors into our process. I talked about valuation, that receives the largest weight in our process and to determine if these companies are priced at a level that we think is below their fair value, we use our quantitative models to assess that. We found within emerging markets that it's also helpful to blend in other factors like growth or price momentum, has the share price been declining, is it flattening out, or is it increasing. Ideally, what we're looking for are companies who are undervalued relative to what we think fair value is. A company whose price has started to bottom and is maybe now starting to show some positive momentum, that is a good investment that we're excited to see in the portfolio. One of the challenges of value investing is the possibility that a stock is declining in price, and it appears cheap, but it keeps declining in price and you step in and buy it but then the stock continues to decline. That's where incorporating things like growth and momentum into our approach help us hopefully avoid catching that proverbial falling knife and buy stocks when they've started to show a more positive price momentum. We acknowledge that some aspects of the quantitative process might overlook certain

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things as it relates to the investment and so that's where fundamental input is helpful. You can think of things like litigation risk, if the company is facing potential litigation that might be something that a quantitative model might not pick up on but that's where the fundamental input from our colleagues on the research side can be a helpful aspect. That's the background on why we think quantitative approach makes sense in emerging markets, now a little bit on the process. The first piece of the process is that we combined alpha and risk, you'll see those on the two the left and right boxes they're on the page. The main point I would make about the alpha component is that we look at 75% bottom up 25% top down. When we say bottom up, we're looking at individual stocks in the in the universe, what their valuation is relative to others in the universe, what their growth expectations are relative to others and what their price momentum looks like. I talked about that a little bit earlier, we're looking for stocks that fare well across those metrics because that 75% of the Alpha score. The other 25% is top-down factors such as the macroeconomic environment and the currency environment of a country. Part of the reason we do that is because within emerging markets the macroeconomic environment does really matter. On an annual basis, the difference between the top and bottom performing emerging market country, is about twice what you would see in developed markets. To us that suggests that it is important to have a good understanding of macroeconomic environment the company is operating in, that is where the top-down component comes in handy. We have the alpha score and then we also have a risk component where we look at the risk of this stock and what type of risk they would introduce to the portfolio. We combine those two and we optimize the portfolio to come up with a portfolio that maximizes return for a given level of risk. We end up with a paper portfolio that contains between 120 and 180 stocks, currently it's about 150. That portfolio is sent to our fundamental researchers to review and provide input on whether there's anything that they think the model is perhaps missing. For example, they can provide feedback on financial institutions in China whose liabilities are not coming through into the model completely, our colleagues that cover banks globally can provide that feedback, as they have in the past, to our quantitative portfolio managers. Ultimately, it's our floor quantitative portfolio managers decision whether they want to reduce the position based on that feedback or whether they want to keep it the same size. They will never increase the size of the position based on that feedback, but they can either reduce it or keep it the same, but ultimately that decision lays with the four named portfolio managers. Those are some of the key aspects of the process, are there any questions about the firm or the process before I go into what the portfolio looks like in performance?

Mr. Avilla said anyone? No, go ahead sir.

Mr. Lee said Great, moving on to page 13 of the presentation this is really the output of the process we just talked about. I mentioned earlier that we're looking for a portfolio that fares well both from a valuation perspective but also has favorable growth in price momentum characteristics. That's what you'll see here if you look at

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the price to earnings of the portfolio, that's the left column about third row down at the bottom. 7.3 times, that is below both the core and the value index so that the portfolio is comprised of undervalued stocks. You look at return on equity, which is a measure of quality, that's above the index so these are still higher quality companies, and you look at price momentum and earnings revisions, earning revisions being a measure of growth, those are also favorable metrics relative to the index. In aggregate, the portfolio is comprised of stocks that are undervalued but also are showing favorable price momentum and growth characteristics. That's what we're hoping the output of our process will achieve because we think that's a type of portfolio that can deliver excess returns over the long-term looking forward. On page 14 of the presentation, we have performance here for the quarter end March 31st. We underperformed the index during the quarter and part of that was due to some holdings we had in Russia. We had Russian holdings of about 5% of the portfolio coming into the year so that was an overweight relative the index of about 1.5%, still relatively modest but a modest overweight we saw attractive valuations and attractive growth characteristics as well. Then when we saw the invasion of Ukraine in February, we started to trim some of those positions. It's 3 holdings in the portfolio but now liquidity is completely dried up, so we have 3 holdings in the portfolio that we have already marked them down to zero. The portfolio has already felt the full price impact of this going down to zero, we are still assessing what we're going to do going forward. There is a potential for those to eventually increase in price but right now the portfolios already incurred that price decline. This is one of the things that that drove some of the underperformance during the during the quarter, it was a modest position overall, 5% of portfolio and 1.5% roughly overweight going into 2022. In terms of your inception of August 2019, if you look at August 2019 through mid-May of 2022 there is an annualized return of about 3.75% positive for your emerging markets investment, that's net of fees. The index was around 3.5%, a modest outperformance for the portfolio net of fees since you funded your investment with Causeway. I'd like to spend just a little bit of time on where we're seeing opportunities currently, I'll focus on it from a country perspective and then pause and see if there are any questions before I make my concluding remarks. If we turn to page 17 of the presentation, what we are showing here is the geographic exposure and I'd like to focus on the right side of the page where we show the active weight relative to the index. I want to touch on a couple of the overweight's and underweights, South Korea is the largest overweight in the portfolio and what we're seeing in Korea is a combination of both favorable valuation characteristics and growth potential in the technology sector and a relatively favorable macroeconomic environment as well. Those are some of the aspects of the Korean market that we're finding attractive particularly as it relates to financials as well as some technology companies. In Taiwan we are also seeing attractive valuation and growth characteristics, stocks that we think are priced below their fair value are still offering attractive growth potential and some of those are within the technology sector. Our largest underweight is China, China is 30% of the emerging markets index and we have about a 3% underweight so 27% of the

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portfolio is still invested in China but we are underweight. When you think about our exposure to China overtime, we were overweight China in 2020 because what we saw was China starting to perform well as the COVID crisis started to emerge they seemed to have a handle on the crisis a little bit earlier than some other countries and the stock market reacted accordingly. What happened was that the Chinese market performed very well, and the stocks no longer looked as attractive from a valuation perspective, so we started reducing some of our exposure. In 2021 in China, you may have seen some news about this, the main regulating body decided to increase scrutiny on some of their large technology companies claiming that there were monopolistic practices happening that was overall detrimental to the consumers in China. That really impacted some of the technology stocks within China and impacted the growth expectations for those stocks. In the country overall, the stocks look relatively overvalued, and the growth characteristics did not look as attractive. Then you layer on the third aspect, which is a bit more recently, the COVID lockdown. We have seen the US and other parts of the world emerging from the COVID crisis and having more in person meetings and in person business transactions but China in recent months has been going the opposite direction and enforcing economic lockdowns in some of the largest cities. You may be seeing this in some of the supply chain issues that have continued to manifest themselves internationally. Therefore, you have the growth impact from the technology regulatory side and the growth impact from the economic lockdown side and even though the valuations have started to look more attractive as China has underperformed, the growth characteristics they don't look very compelling to us right now, so we're underweight Chinese stocks in the in the portfolio overall. Those are a couple comments I wanted to make on the portfolio and positioning. Now, I just wanted to pause and see if there are any questions before I make a couple concluding remarks, are there any questions at this point?

Mr. Stephens asked you're not worried about Taiwan?

Mr. Lee said in terms of that the military risk related to China and a potential invasion, I think that's always a tail risk, it's always a possibility and it's certainly not our base case expectation. I think that with what we've seen following the Russian invasion in Ukraine, the world, particularly Europe, has galvanized in Ukraine's defense. It has been impactful to see, and I think that that would serve as a strong deterrent for China.

Mr. Stephens said but Russia is not China, especially when we are talking about economics.

Mr. Lee said Right, China is also very integrated with the rest of the world economy, and we talked about China's 30% of this index. Imagine a scenario where China invades Taiwan and US says, Chinese stocks can no longer be traded in the MSCI indices, that's a lot of capital going out of China. I think China understand that and I think the fact that there are

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such so many economic ties, serve as a strong deterrent. It is certainly a tail risk but not our base case scenario.

Comm Perona said I am trying to digest this quantitative approach on these strategies. You're saying that it's not solely quantitative that you are incorporating other type of research and information, because if you just do quantitative, you're getting a whole lot of trouble in most of these aspects. So, you are incorporating some of the outside research, some of political aspects and all the other issues that go in that can help temper your investment into a certain strategy?

Mr. Lee said That's right, and I think temper is a great word because it really is a governor or a risk reducer within the strategy and so that's the idea is if there's anything the quantitative model is missing then our fundamental colleagues can provide input. I think that's another aspect where our employee ownership comes into play as well because our fundamental colleagues are not named portfolio managers on this strategy, but they are equity members of our organization and so are our research analysts. They are all incentivized for this portfolio to do well because that serves our clients well and it serves our equity members well. We do see a good flow of information from our fundamental colleagues to address any risks that the quantitative model might not be capturing.

Comm Perona said their format is basically "it's not necessarily their money is our money".

Mr. Lee said exactly.

Comm Perona said Looking at quantitative perspective it does get a little scary especially with the world right now changing every day. It wasn't that long ago when China was at the top of your overweight list, it's just unbelievable how things can change in months, not years. I think it's important to have that outside research to be a part of all those strategic decisions that go forward in your plan.

Mr. Lee said the last point I would add in terms of the outside research too, is our quantitative portfolio managers also engaged with outside geopolitical experts to talk through the geopolitical environment. We've had numerous calls on Russia, I'm not going to say that many experts predicted a Russian invasion Ukraine because that was difficult to predict but we had numerous conversations with outside geopolitical experts to understand the dynamics and the considerations in place. That is another aspect that I hadn't mentioned previously. I wanted to conclude on a page that I think helps highlight both the benefit of diversification within the overall asset allocation and the benefit of diversification within the multifactor approach that we use in this portfolio. If you turn to page 28 of the presentation, what we're showing here is the annual performance in the emerging market stock universe and the overall index in dark grey. You will see that's generally in the middle for the most part and then we're showing different styles of investing in these other boxes. For example,

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emerging market value is in the light green box and one of the reasons that I think this page is informative is because you look at how the styles bounce around over time. Value performed well in 2008 through 2009, then it underperformed, had a Goodyear in 2018, underperformed in 2019 and 2020, rebounded in 2021, and year to date in 2022. What this highlights for us is that it is very difficult to time these style factors and when one is going to be in favor or out of favor. It speaks to the benefits of having a diversified approach, having a manager in your portfolio that provides some of that value exposure while also having some of the more growth-oriented exposure in your portfolio. When you have these different cycles, your portfolio is still well diversified and then within the Causeway portfolio I mentioned value as the largest weight. We also incorporate the growth and price momentum aspects into the portfolio as well because we think that a more diversified multifactor approach results in better long term returns for our clients. Well, those are my concluding remarks, I just wanted to say thank you again for your time and the confidence you placed in Causeway. We are in close contact with Weston and Paula if there are any questions, we can address please let us know.

Mr. Avilla said Taylor, thank you so much for your time. Next, we move on to a report from money manager Morgan Stanley.

Mr. Bernard said It's great to be here again in person, my name is David Bernard with Morgan Stanley's international team. I'll plan to give you a quick refresher on our team, we've had some news over the past year, a very brief reminder on the strategy, how we invest, and then really dive into performance, our positioning, and the outlook moving forward. Please do jump in, I'm happy to take this in any direction that's helpful for you all. Starting with the team on page 3, as a reminder we are a London based investment team within Morgan Stanley, currently managing about \$60 billion. International equity is our focus here today, our longest running strategy dating back to 1986. Very appreciative of many long-standing client relationships including city of Fort Pierce dating back to 91, we are very grateful for the long-term partnership with you all. In terms of new joiners, we had four new folks join us on the investment side, so the left-hand side of this page, Marte Borhaug joined us as our head of sustainable outcomes, so she'll be leading our sustainability efforts. Isabelle Mast joined us as a portfolio manager with the focus on insurers. Anton Kryachock joined us as a research analyst his focus is on banks and Jinny Hyun in the bottom right-hand corner, joined us as a generalist analyst so she'll be working across sectors. She's right out of school and came out of our internship program so sort of in the apprenticeship model learning from the more senior investors on the team. Those four new hires follow one departure, we talked about it early last year, Dirk Hoffmann-Becking retired, his primary research responsibility was banks. As we searched the financial universe, we're very happy to find two really well qualified candidates in Isabelle and Anton, we go into this year as well-resourced as we've ever been. I'll flip ahead to page 5, just the very basics on the international equity portfolio. We're investing in two types of

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companies; high quality compounders and we're complementing that with value opportunities. Our definition of a high-quality compounder, we're looking for companies that can steadily and predictably grow their earnings across market cycles with high returns and operating capital. Typically, these are capital light businesses heavy in intangible assets, we're looking for elements of pricing power and recurring revenue so, very stable earnings profile. We're complementing that with value opportunities, so these can be more cyclical businesses, or they can be businesses that are improving whether it's student management actions or the market environment. On page 6, this mix between quality and value is not a top-down decision it's really based on our bottom-up analysis of each company and based on their fundamentals and the valuation. We do tend to have a bias towards high quality given the superior long-term compounding and with value opportunities because there's a greater element of risk, we require a greater margin of safety from evaluation perspective to invest in that sort of company. Right now, we're tilted more towards the quality, so we've got about 51% in quality towards the high end of that range we're just not seeing the required margin of safety to become more aggressive and tilt more towards the value opportunities. Our processes are on pages 7,8 and 9 with risk management, I won't walk through this unless there's any specific questions. Just a reminder on the process, we're bottom-up fundamental investors who are understanding the fundamentals of the business, were implying a valuation discipline to ensure that we don't have our pay, we're using DCF analysis to come to our view of intrinsic value. With high quality compounders we are comfortable paying up to fair value and letting the compounding drive returns so not really baking in any multiple expansion or valuation in our investment thesis and on the value opportunity side, we are requiring that greater margin of safety. Risk management on 9, risk to us is the permanent destruction of capital, we think about risk in absolute terms not relatives. We are not really worried about things like tracking error or any other sort of short-term trends or noise in the markets it's about avoiding that destruction of capital. We like to say there's two ways to lose money in equities; you're the earnings go away, or the multiple goes away. At a very high level, when we're analyzing these companies, we want to understand how unlikely the earnings are to go away and then make sure that that we're having discipline from a price perspective and we're not overpaying. On page 10 we have our performance and our signature/asymmetric return profile as a team, which is the left-hand chart. Here we plot rolling three year returns so, every quarter we add a dot that represents the last three years returns. The dots above that diagonal line represent periods of outperformance versus index, dots below represent periods of underperformance. The pretty clear pattern is on the left-hand side of the chart when the market is in negative territory, that's when the dots are consistently above the line and highest above the line so, we outperformed the most in down markets protecting capital. These are sort of down three-year periods, the further you move to the right on that chart we still generally outperform or when we underperform it's a lot closer to the index than the outperformance in down markets so, you get that asymmetry. On the right you're getting the power of compounding we're losing less

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money in down markets we're growing a larger pool of capital at a higher rate so, \$100 with us since inception will be worth just about 33 times your money compared to just about eight times for that money invested in index. In terms of recent performance on page 11, for the first quarter the market was down about 5.9% we were down 6.4%, sort of mild underperformance in the quarter. More significant underperformance for the one year, market was slightly positive up 1.1% we were down 2.9% Underperformed by about 400 basis points, that's now starting to impact the three-year and five-year numbers and I'll dive a bit more into what drove the markets and what drove that underperformance over the last year as of March. April was a good month for us on a relative basis, when the market fell about 6%, we outperformed by about 100 basis points in April, so started to claw back some of that that underperformance in April. Turning to page 12, a breakdown on what drove performance in Q1. It was a tough quarter for the markets across the board, you see almost every sector was a negative territory and the one standout was energy. In gold on this chart, we have our three biggest sectors in the portfolio: healthcare, consumer staples and then within information technology were concentrated in the software and services portion of the index where we find the most opportunities. What drove the self in Q1 was all multiple derating and earnings continued to rise in the first quarter, they were built 4% and it was the multiple that led to the sell off. On page 13, we just show that it was the more expensive names in the market that did the worst in Q1 so, they were hit by derating and here we just show a break down the index by valuation quintile. On page 14, the one-year perspective, same chart with the sectors sort of a mixed bag energy again the clear outperformer up 30% over the year. Healthcare, one of our key sectors did quite well up 9% against one for the index staples was essentially in line but then within IT you had some significant divergences within the sector, semiconductors were up 9% while software and services were down at 8%. On page 15 is the attribution in detail for our portfolio over the one year, the two key columns are the second column from the right and the third column from the right. We have sector allocation and stock selection; you see over the one year, stock selection was positive about 68 basis points contributed to performance so, despite being underweight energy in the portfolio, which detracted, our underweights to consumer discretionary, overweights to healthcare and underweights to communication services all contributed to performance. The issue over the year was down to stock selection and the minus 312 basis points from our stock selection was across multiple sectors. Financials, healthcare, and communication services were negative but clearly the biggest issue, from a selection standpoint, was within consumer staples. Negative 331 basis points of stock selection within consumer staples historically has been a strong source of stock selection alpha for us over the long term but not over the one year. Certainly, some stock specific idiosyncratic issues as part of the big picture to thematic issues impacted the holdings in staples but also across many of the sectors. One was companies impacted by a delay in COVID reopening particularly in Asia where you had extended lockdowns. That impacted beer companies for example, we own Heineken and Kirin, in Europe we own ABF which is a retail clothing chain,

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and Primark, predominantly in the UK, was impacted by continued lockdowns as well. Shiseido, a beauty company, they have a lot of exposure to China travel it's a main source of retail for them so, the continued lockdowns throughout the year impacted Shiseido. The other big theme was inflation, and, on the consumer's staples side, the concern is whether they can pass along those input costs to consumers. Detracting within staples, on that perspective was Hankel and Reckitt Benckiser, our view is both companies have pricing power and it's a key attribute we look for with staple companies. They can't raise prices overnight, it can take 3/4 to a year to raise prices but we haven't lost our conviction in those names, we do think that that pricing will start to come through this year. LG H&H, and Lion, are both Asian companies that announced to fall in margins due to greater cost do it greater cost to do business in China, we sold out of both of those names because those were cases where we thought the long-term thesis has changed based on those margin shifts. You do see a mix of names where we thought they were unfairly punished by the market, where we continue to add in some cases and have conviction in them. Where the thesis has changed, we did exit in the case of LG H&H, and Lion. Healthcare was another sector also impacted by COVID: Fresenius, they have a diabetes business there were excess deaths within their customer base, Grifols, which does plasma therapy had higher costs for plasma collection throughout COVID. They're starting to raise prices this year to compensate so no changes with those names. Within communication services, the one name we own and the big detractor there was Tencent, the Chinese Internet company had concerns around regulatory issues. It's a name we think fundamentally over the long term is in good position, there is this sort of outsized China regulatory risk. We manage that by capping the position size and we've been trimming it when we think it's getting a little bit too big. We think a lot of the slowdown that that's been caused by the regulatory regime in China, is in the price now with Tencent so we continue to hold it but cognizant of position size. I'll pause there on the performance attribution, happy to take any questions or if there is any names or sectors that stand out. If not, I'll move on to positioning and what we've been doing with the portfolio.

Mr. Avilla said any questions? No? The floor is yours.

Mr. Bernard said on page 16 you will see movements in the portfolio over 2021, there are a lot of names on this page, I'll just highlight the turnover for the year. It was about 18% and despite the noise it's a low turnover portfolio and we do take a long-term view. A couple big picture themes to point out; we made a shift into financials over the years, we had net adds of about 300 basis points into financials again, that's driven bottom up based on our stock pickings. It wasn't just banks that we added, we added a couple banks DBS in Singapore and Handelsbanken in Europe. We also picked up some insurers; Hiscox, Tryg and Deutsche Boerse, which is a high-quality exchange business. Knorr-Bremse was the other top addition, they make breaks primarily for trains but also for trucks. We think it's a high-quality business, there were some fears around capital allocation that we thought gave it an

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attractive price to establish a position. They have a lot of recurring revenue and the maintenance at revenues drives a lot of the returns for that that business so, it's a sticky type of business with Knorr-Bremse. On the exit side, we sold some of our energy positions like Neste, which is a renewable biodiesel company with good business, but the valuation ran up too much. Unilever a name we owned for years is a large consumer staples company, we had concerns that management had an excessive focus on margins. That can be useful for short term learning boosts, and it helps management get paid but particularly with staples businesses we want to see management investing for the long term on things like advertising, promotion, building brands and moats around the business so, Unilever was long-term holding that exited during the year. A lot of the additions and reductions that are in these two middle columns are valuation driven so we've added to some of the names. I mentioned Shiseido and Grifols as detractors, we thought it was unfairly sold off by the market. Tencent shows up as an addition there, that was earlier in 2021 more recently in the first quarter this year it's been it's been a reduction. The output of this on page 17, no drastic shifts from a sector positioning standpoint, we still have the big overweight in consumer staples. Then information technology with a skew towards software names and healthcare. The one change is financials, we had been underweight, we are essentially market-weight in financials. We do think our financial holdings are skewed more quality than the general financial index, would that bias for insurers and for exchange businesses rather than simply owning banks. On page 18, the top ten, these are all long-term holdings there are no new names here some shuffling of order based on performance, but you see it tends to be the high-quality names at the top of the list. Reckitt Benckiser and some of the other tech names such as Constellation and SAP healthcare and Barrick Gold moved up into the at the top 10. On page 19, an important page of geographic exposure. We show it in two ways, on the left listed exposure on the right as revenue exposure, what we really care about when we're analyzing a business is the underlying revenue exposure so, we sent it to spend more time on this chart on the right. It's a diversified portfolio from a revenue basis, we're getting about 32% of our revenues from emerging markets, we just have 5% direct listed EM exposure in this portfolio. Worth noting, we had zero Russia exposure so, not directly impacted there and from a revenue basis Russia is just a less than 2% of the portfolio therefore no changes to the portfolio around at the Russian invasion in Ukraine. The other delta between the list exposure and revenue exposure is the UK, we have a substantial overweight to the UK that's just a function of where a lot of large multinationals happen to be listed on a revenue basis, we're just in line with UK at about 6% of the portfolio's revenues. I will dive into the outlook and where we go from here, on page 20 we talk a lot about quality, and this just quantifies it on the left-hand side. The key quality ratios that we look for, return on operating capital employed, in this portfolio is 22 versus 15 for the index. Gross margins are significantly higher at 37% versus 26 for the index and we're doing this with less capital intensity and less net debt to EBITDA than the than the broader market so, stronger balance sheets. From a valuation perspective, higher quality collection of assets that you expect to pay up a bit for

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that, on a P/E basis we're at about a 17% premium to the market. If you look at price to free cash flow, that falls to only 5% premium, we think free cash was a better evaluation metric because our companies are better at converting their earnings into cash given that they are capital light and high return businesses, therefore a reasonable valuation, particularly when we look at a price to free cash flow basis. Looking at a step back on the markets on page 21, we're not macro investors we don't manage the portfolio with any macro view, but we do have some observations from what we see. Here we disaggregate the market into forward earnings in the dark blue line and the forward P/E ratio in the light blue line. This just illustrates that point, on the far right you see that light blue line fell in the first quarter this year and that was the multiple derating that led to the sell off. At the same time, the dark blue line, which is the forward earnings, continued to climb for MSCI world. This harkens back to our mantra on the team; two ways to lose money in equities is either the earnings go away, or the multiple goes away. Even now, if you look at that light blue line, despite the fall it's still at a pretty much a higher level than we saw anytime from 2003 to 2019. Valuations have come down, but they've come down from a high level and at the same time earnings are high so, we think right now in the market there's both multiple and earnings risks you must be aware of. On page 22, just another metric, EV to sales including debt in enterprise value over company. Valuations are unprecedented going back to March 2002 and a lot of what's driving that are very optimistic margin expectations. On page 23, forward margin expectations for the market are at record highs despite the inflation that we're seeing, it's not reflected yet in margin expectations. Two potential sources of refuge within that somewhat bleak picture for the market on page 24, looking at consumer staples and healthcare their relative valuations versus their history look attractive, only outside of crisis they've relatively cheaper versus the broader MSCI world index. From a geographic perspective, on page 25, IFA now trades at about a 33% premium to the US. There's always been a bit of a premium for the US typically around a 12% discount but, that's really been expanding the last few years and continued to expand a quite sharply over the last year or two. Within the broader context of high multiples, globally, we think IFA is relatively attractive and within that, consumer staples and healthcare are two of the more reasonably valued sectors from an absolute basis. Pretty much everything that is expensive is starting to come down a bit but again from very high levels. On page 26, I'll just conclude with the outlook, given our mandate, our focus on downside protection and protecting capital and down markets we are temperamentally conservative people. That said, we do remain cautious given the combination of high multiples and high margin expectations, we think there are risk to earnings. Inflation certainly is at the top of the list, there is a potential for demand destruction as consumers start to feel this and Central banks are starting to intervene more, you're seeing rates start to rise. Two of the key attributes we look for in quality are pricing power and recurring revenues, we think those frankly are always useful. We are always looking for them regardless of the macro but particularly in this inflationary environment. Pricing power allows these companies to pass on input costs to their customers, it's not instantaneous and

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it can take a few quarters or a year but passing that cost alone that protects the gross margins of the business. Then, recurring revenues protect the top line, and they protect the revenue so it's that combination of pricing power to protect the margins recurring revenues to protect the top line that really underpin the stability of the earnings and that's where our portfolio really stands out on a relative basis is when you see earnings decline in the market our companies are typically less affected. I think this the other secondary impact of a more inflationary environment is that we're likely to see a return to more normalized economic cycles and market cycles, we've got a couple decades of low inflation alongside that, and we've enjoyed long economic cycles and long bull markets. With central banks forced to intervene more often to control inflation, we think we're likely to see more shorter economic cycles. Alongside that, you'll see more recessions, more market drawdowns and that environment on a relative basis, quality really stands out so we're not seeing the margin of safety to justify tilting the portfolio more towards the value end of the spectrum given the risk we see in the market. Ill pause there and happy to take any questions any questions. No questions? well thank you it's good to be here in person and look forward to seeing you all next year.

Mr. Avilla said Next, we'll move on to report from money manager William Blair. William Blair are you there?

Mr. Kalish said Yes. Cliff Kalish and Jeremy Murden from William Blair. I'm sorry we couldn't be there in person today but, were happy to talk with everybody. Obviously, a lot is going on in the market, as you were just hearing, inflation, interest rates, Russia, Ukraine, China, supply chain etc. Jeremy is going to spend most of the time talking about performance and positioning and our outlook and we'll keep it brief as we understand that you've heard this a few times but, obviously we want you to hear our perspective on everything. If you have the presentation and you go to page 7, we wanted to highlight a couple things from the firm and a team perspective. On page 7, you see our assets under management, 70.1 billion as of the end of March. That has come down a little bit since year end which is not a surprise, it's not due to client lost or outflows or anything like that, it's just market depreciation. I would say that other than the decline from market depreciation, the firm is doing very well, very consistent and no big changes and we started our return to office at a hybrid schedule a few months ago and that's been going well. Despite not being there today, we have started traveling for client meetings again, I wouldn't call it a return to normalcy but it's at least a start and I think we're all happy about that. The only other thing I wanted to mention before turning over was just about the investment team. If you look on page 7, you see in the bottom right-hand side the average experience for portfolio managers and our analysts is 10 years at William Blair. The portfolio managers on the strategy Kenneth McAtamney and Simon Fennell remain, we did at the beginning of the year add a third portfolio manager onto this strategy and that's Andrew Siepker who also is also an industrial analyst for us, and he's been at the firm for 16 years. The longstanding experience

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that our investment team has, has continued to get deeper over time so just trying to recognize the hard work of Andy and promoting him to as a portfolio manager. With that, I know we want to talk about performance and position so I'm going to turn it over to Jeremy unless there's any questions for me from a firm or a team perspective.

Mr. Avilla said No Sir, no questions.

Mr. Murden said I'm going to jump in, and I'll move quickly and focus on the broad strokes but I'm happy to dig deeper anywhere you'd like. I'll start on page 18, which shows the benchmark performance by region, sector, and year to date- in that second column. 2022 has effectively been a tale of two markets, prior to the invasion of Ukraine and post the invasion. February 24th on your calendar is the date that that regime started to shift. Prior to the invasion, with the continuation of the rotation towards value, started back in mid-November that was when Jerome Powell was renominated 2nd term and he'd seen multiple economic releases pointing to higher inflation for longer, that drove an immediate shift in leadership as we saw more Hawkish Monetary Policy than was expected. Within that valuation, by far, the most important factor is that longer duration conceptual growth names were hit the hardest, quality did very little to cushion the blow and I'll come back to that but essentially companies with higher short-term earnings multiples were hit the hardest. After the invasion we moved into a more traditional environment, growth outperformed slightly on the impact of Russian equity being marked down but even beyond Russia, what's key is the magnitude of the value to growth performance has slowed and quality companies will hold up much better since the invasion and that's across every valuation quintile we track. Commodities continue to lead but when you put all that together year to date through the end of April this is the largest short term faster driven environment, we've seen in over 25 years of tracking this data. Throughout the whole month of the lowest quintile valuation outperformed the highest quintile by over 15%. High growth names underperformed the lowest growth names by 4.5% and high quality outperformed but only since the invasion. The highest quality names underperformed the lower quality names by about 3.5% through the invasion left about 4% since that invasion. With all that in context and digging into our strategy, our strategy underperformed, were down by about 11.8% on a relative basis. I think it is noteworthy that all that underperformance came prior to the invasion, we've given up a little over 1150 basis points. We performed in line with the core index since the invasion, as our quality buyers helped protect on the downside and we outperformed the growth index since the invasion. Russia; as a platform we tend to be underweight Russia, it's underrepresented in our universe given our quality growth focus and our ESG integration. We did have one position, Yandex, which is Russia's Google, as a company we initiated the liquidation in late February as Russia started to build up the troops. We were out before the invasion and that exposure costs 14 basis points in absolute performance, but we added 60 in relative performance given the underweight to Russia and given our lack of insertion with companies that would be most directly impacted by sanctions. Beyond Russia,

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looking at our attribution on page 21, the overweight from Europe and our sectoral positioning, primarily our underweight financial material and the overweight to IT has been a drag. 90% + of the underperformance has been driven by stock selection. That's really styled driven given that rotation in the market towards low valuation, low quality, low growth companies, all of which is the opposite of our focus. As you guys know, we focus on quality growth and we're willing to pay premium for those attributes. I really haven't had any company specific issues, that have driven our underperformance, fundamentally at the portfolio level our territorial companies are performing in line with our expectations. Where you see massive selling pressure is been on small misses, productions and earnings guidance looking for 2022 and, effectively anything outside of this quarter's earnings season has led to companies being sold off. Through a sector lens, our industrials and our healthcare names are the key drivers of performance in 2021 because they have driven our outperformance throughout the COVID cycle. Some of those were the largest detractors, just to hit on a couple, Straumann: the leading global company in aesthetic dentistry/dental implants. They had strong results that came out in Q1 but, still traded off with the company that was up 33% in Q4 down, 24 percent in Q1 and effectively round tripped over that six month stretch. Another, maybe my best example, how the small misses have led the massive feel the pressure is a company called Rational: A German company that makes kitchen appliances for professional kitchens. The company was down 30% on a 0.5% earnings midst and that midst was not a loss customer or a change in the fundamentals, it was a supply chain issue that led to a record in order backlogs. That caused a delay in the revenue from this quarter to the next quarter, something like that caused them to get hit with a 30% downgrade just given the performance that Rational has had over the past couple of years and the high valuations that it was trading at. Financials are another key of the underperformance; those are underweight to the sector but more specifically 10% underweight to banking. Our financials exposé tends to be more focused on capital markets and financial services but, while we were underweight a couple of top contributors happen to come from financials. London Stock Exchange was up on increased value and Aia bounced back after underperforming in Q4 on China's macro weakness. IT is another space; they tend to be more focused on IT services and hardware. Many of the names that driven outperformed of the past couple of years, were punished in Q1 and are punished here today as higher valuation names rerouted downward despite strong and in many cases, improving fundamentals. Lastly Materials, we gave up a little over 100 basis points on the underweighting selection, materials tend to be underweight and they tend to be further downstream in terms of the raw commodity. CIGA is a great example of that; construction materials companies that focus on waterproofing and sealants, their products lower completion time and enhances building efficiency and sustainability. It's been a top contributor over the past few years but it's managing more short term improve cost pressures on inflation, CIGA offers a premium product, so they are going to be able to pass that cost on, but it comes with a bit of a lag. On the positive side, true positives were tough to find in this environment but one worth pointing out is our

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discretionary exposure. It is a combination of underweights with large E-commerce platforms, typically in Asia and an underweight to European consumers. Let me pause to see if there are any questions on performance and then we can talk about what we're seeing and what we have been doing in this environment.

Mr. Avilla said No Sir, no questions.

Mr. Murden said Let's dig in, obviously there is a lot going on from a Macro perspective. If you guys give me a bit of leeway and rather than walking through the changes we made and then talking where our outlook is from here, let me walk you through what our outlook was prior to the invasion, the changes we made in the quarter and how our outlook as evolved since the invasion. Early in the year, as rates started to rise faster than market anticipated, we took a hard look at the names on our portfolio that had been the strongest performance throughout that growth cycle. We focused on growth and margins relative to 2019 prior to COVID, we learned who is structurally higher today and why that might be. Also, who is likely to have some reversion and be a bit lower versus the market expectations. We also looked at the premiums we paid for growth, especially in those areas of higher vulnerability. We have been a bit more focused than usual on year term earnings, we understand the environment we are in today and those short-term earning misses can have a disproportionate impact on the stocks, so we wanted to try to trade out some of the risk there. That included some of our most successful positions in industrials, we reduced our exposure to Straumann and COPCO. In consumer, we exited E-Commerce positions that we believed that are likely to struggle in the near term, that included: C-Limited, JD and Alibaba in China. In technology we trimmed some of the IT hardware that had been trading to extreme valuations, Taiwan Semiconductor is a great example of that. They are doing great quality business, but valuations have gotten a little bit lofty, and we think that the Semiconductor cycle, while that cycle is less typical and less painful than it was a decade ago when we lived and died by the smart phone cycle, we still think we are getting from the peak of that cycle, and we see signs that it is starting to wear over. Where we have been additive, is we have been focusing on the areas of areas of the portfolio and a broader eligibility list and we are really leveraging on what quality growth is. Thinking a bit more about the price paid for unit of growth and that direction of growth, in many cases looking at the industries that we know well. We ask who is the number 2 player that meets all our quality standards but maybe is growing from 12% to 15% relative to the number 1 player, but maybe has seen their growth decline form 25%-20%. We have added some exposure to the IT services space, materials, and some financials. For example, Infosys: the number 2 Indian IT consulting firm, they do have the highest growth, but they traded a significant discount to TATA, the leading company in that space. Infosys is a company that we think is going to continue to benefit from the acceleration in digital transition that was obviously accelerated by COVID and by inflation pressure on its margin. We also added to our London Stock Exchange position, and we initiated a position in TD, it is the largest bank in Canada. Russian

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invasion was obviously a massive macro-economic implication, the impact of that will depend on the scope and the duration of the sanctions. We see a potential disruption to energy; we see that broader commodity supplies being key factors that are going to drive inflation, growth, and ultimately corporate profits. Right now, we are in a moderate scenario; we see some financial institutions cut off, but not all, we see some export restrictions both from government and from business exiting on their own volition, but we have not seen a full embargo. The key to that is that we haven't seen Russia, or a European union cut off natural gas, but we think the duration to this is long term. We think that there is some room for an upside surprise but, it is very limited given the lack of progress so far and more so on the downside if the sanctions continue to be more severe. What we are viewing now in inflation, is that we are expecting more persistent high single digit inflation in Europe from energy and commodities prices, we expected it to roll off mid-year but now we expect it to be rolling off later in the year-end 2023. Growth, from a GEP point of view, will decelerate on those inflationary pressures, we expect European growth to take about a 1.5% hit and accelerate closer to that 1% growth rate. Frontier has a bit more of a mixed impact, it was hit by that second impact of natural resources, but this a permanent loss in growth and increased costs. It's going to create a new trend line versus that acceleration we've seen for the past year or so back to the pre COVID trend. Earnings with margin, I believe I heard you last manager talk about this, margins were up meaningfully during COVID, and expectations were for that to continue. As input costs rise and discretionary income fall on those inflationary pressures, we expect to see margin compression and we expect earnings to be revised downward outside of the commodity complex. Next, we think performance is going to be far more earnings driven, their valuation derating on rising interest rates. The worst of that pain is behind us, we're not right back to where we would say violations are cheap but, far more attractive where we stand today. We think we're moving into normal micro company by company environment, which should be a positive for our style and for our process. We are reassessing our holdings with a focus on pricing power and the potential impacts on revenue from that reduction in discretionary income. It is still well positioned for that environment, 85% of the companies that are held in this are labeled as leaders, the companies that we've used are the best sustainable value creators in the world, they are differentiated from their tier group by their quality, the consistency of their returns and products and their competitive advantages. Competitive advantages are key to this, some of the most durable companies over the long term have over 10 years of the competitive advantage, many 15 plus and that does generally correlate with higher pricing power. Broadly speaking, over the course of the year we produced our industrials, we've reduced IT hardware, we've reduced e-commerce and we've added the IT services, financials, and materials. From a regional lens, we reduced our western European, we've reduced our Japanese exposure and we've added to Canada. EM exposure is still relatively underweight at 17% versus 29%, very heavy underweight historically and we still reduce China as we brought down that EM exposure. We have added a bit to India, we've added a bit for LATAM and LATAM is also up on

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performance but putting all that in perspective this is going to remain a quality growth portfolio, we're taking advantage of volatility on the margins but we're not changing our stripes. Total turnover for the portfolio year to date is about 18%, a bit higher than normal for four months stretch but, over the last year it's closer to 25% and more in line with long term expectations. Looking forward, the goal from the portfolio construction POV right now is a return to balance. We leaned into the typical sphere in terms of the overlap of a high quality and the highest worth companies and we've been willing to pay a premium for those attributes if the market so desires. That means you're driven most of our outperformance over the past three years, the past five years, and the past decade. It feels clear that quantitative easing becomes quantitative tightening, we're entering a different environment versus the one we spent the last two or three years in and potentially entering a different environment than the one that we spent the last 12 years in. With that shift we're moving towards a more versified approach to growth, something that looks a bit more like the portfolio you've seen historically when looking back three years ago versus looking back the last 18 months. It is still working progress as our fundamental research team does their work but we're taking advantage of that breadth of growth in our universe and trying to diversify a bit more across corporate lifecycles. Moving more of our exposure into more sustainable growth companies, some of the most durable companies in the universe. Looking to lower our cash flow duration and getting a bit more attractive value per unit of growth. Really just thinking through on where we can find some unappreciated quality global, tactical beneficiaries of the new environment we're moving into with higher rates/inflation. Then taking advantage of this dislocation by adding back to core positions, names we know well and names that we sold on valuation that have corrected back to a level that the entry point becomes extremely attractive. Diageo was one we recently added, I'm not sure it made the cut before 30 but we sold it in 2020. Valuation has fallen back to a level that it becomes attractive again and it continues to grow, continues to take shares across key brands, leveraging its digital marketing power, earnings volatility is minimal which is an ideal situation in this environment and at the stock went down 20% creating that opportunity for us to move in. Let me pause see if there's any questions and otherwise, I can take it back to you.

Mr. Avilla said no questions.

Mr. Kalish said One thing I would leave everybody with, and this is on page 20, we appreciate the partnership that we've had with the city of Fort Pierce dating back since 2003. That was a \$10 million investment, and over time there's been about \$18 million or \$19 million in withdrawals and the market value is still at about \$26.7 million today. When you look at the appreciation, that's about \$27 million over an 18.5-year period, so about a million and a half we've been able to generate for the city on average per year. I thought I'd leave you with something positive about the market and start to 2022.

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Mr. Avilla said we appreciate you guys very much thank you for taking time with us

Mr. Kalish said yeah, thank you for having us hopefully obviously next time we'll see you guys in person.

Mr. Avilla asked You guys have anything for us?

Mr. Lewis said Wrapping up on the last manager, I think you all have ridden a growth tailwind for some time in international and I think that you can afford that a long as you have a value manager in there. If you look at the long-term results of William Blair, they're outstanding and that's because of that tailwind. Morgan Stanley hasn't had that same tailwind so, now we're at that inflection point and it's time for maybe Morgan Stanley to be the leader. I think that's the takeaway that I'd like you all to come away with. We expect what we're seeing from William Blair, and I think it's the expectation that Morgan Stanley should show improvement overtime.

Comm Perona said on that point you heard William Blair ,they're taking a look at their strategy and trying to get into more diversification and other things and every time you get a money manager that's changing their strategy, everybody gets at the edge of their chair but I think they realize the same thing that you just said Weston .Fact of the matter is that the rode that growth tailwind long enough and now it's time to start looking at other opportunities in the market.

Mr. Lewis Said I would like to say thank you for your time and hopefully you all got valuable insights from your managers as well as from Callan.

Comm Perona said Interesting financial data, it was very informational and resourceful, and I just hope that you guys can remember this stuff next year when these same managers come back and you can hold them to what they said today, that's important.

ITEM NO. 9 ~ CONSENT AGENDA

Mr. Avilla said next, we will move on to the consent agenda. **A motion was made by Johnna Morris and seconded by Keith Stephens. All those I favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.**

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

None.

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ITEM NO. 11 ~ BOARD MEMBER COMMENTS

Mr. Avilla asked any comments from the Board. We have the conference coming up and if you are going, I suggest you have your paperwork in already hopefully, or get it in as quick as you can. Those who have already begun their educational route, we appreciate it very much up and continue doing that, becoming certified as a very good thing.

Mr. Avilla asked Mr. Walker do you have anything for us

Mr. Walker Nothing more at this point to contribute thank you Mr. Chair

ITEM NO. 13 ~ ADJOURMENT

Seeing that there were no further questions or comments. Mr. Avilla adjourned the meeting at 4.30 pm.

ATTEST:

Secretary/Treasurer

Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.

Retirement Board

Meeting Date: 07/21/2022

Re: Sheritta Johnson

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Deferred Retirement from Sheritta Johnson with 11 years and 8 months of service with the City of Fort Pierce

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/14/2022 11:42 AM

Final Approval Date: 07/14/2022

Retirement Board

Meeting Date: 07/21/2022

Re: Johnnie Colvin Resubmittal

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Duty Disability Retirement from Johnnie Colvin with 6 years, 9 months of service with the Fort Pierce Police Department (re-submittal)

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/12/2022 04:13 PM

Final Approval Date: 07/12/2022

Retirement Board

Meeting Date: 07/21/2022

Re: Darren Karlson

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Retirement from Darren Karlson with 19 years and 4 months of service with The City Of Fort Pierce entering DROP

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/12/2022 04:19 PM

Final Approval Date: 07/12/2022

Retirement Board

Meeting Date: 07/21/2022

Re: Steven Mosley

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Retirement from Steven Mosley with 28 years and 10 months of service with the Fort Pierce Utilities Authority entering DROP Program

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/13/2022 09:11 AM

Final Approval Date: 07/13/2022

Retirement Board

Meeting Date: 07/21/2022

Re:

Information

SUBJECT:

CONSENT AGENDA

Attachments

July 2022 Consent Agenda Refunds

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 07/13/2022 01:41 PM

Final Approval Date: 07/13/2022

CONSENT AGENDA
 REFUND OF MEMBER CONTRIBUTIONS
 July 2022
 RETIREMENT BOARD MEETING

<u>CITY</u>	<u>AGENCY</u>	<u>PERIOD</u>	<u>DATE OF TERMINATION</u>	<u>DATE OF REFUND</u>	<u>TOTAL AMOUNT OF REFUND</u>	<u>TAX DEBIT</u>	<u>RE-PAYMENT</u>	<u>NET AMOUNT</u>	<u>CHECK NUMBER</u>
HOFMEISTER-DREW, JENNIFER	City	9	4/22/2022	6/15/2022	13,972.85	ROLLOVER		13,972.85	47004
DAWSON, CHAD E	City	9	4/24/2022	6/15/2022	6,497.79	1,299.56		5,198.23	47005
Sub-Total:					20,470.64	1,299.56	-	19,171.08	
<u>U.A.</u>									
YOUNG, RAY	UA	9	3/25/2022	6/15/2022	10,691.03	ROLLOVER		10,691.03	47007
ROLLE, DAVION	UA	9	12/30/2019	6/15/2022	10,092.97	2,018.59		8,074.38	47008
ELIASON, CHRISTOPHER	UA	9	1/7/2022	6/15/2022	6,965.37	1,393.07		5,572.30	47009
DAVIS, GREGORY	UA	9	2/8/2022	6/15/2022	4,494.29	ROLLOVER		4,494.29	47010
Sub-Total:					32,243.66	3,411.67	-	28,831.99	
GRAND TOTAL:					\$ 52,714.30	\$ 4,711.23	\$ -	\$ 48,003.07	

Retirement Board

Meeting Date: 07/21/2022

Re:

Information

SUBJECT:

MISCELLANEOUS

Attachments

May 22 Financial Report

June 22 Financial Report

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 07/13/2022

Started On: 07/13/2022 09:57 AM

**CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FINANCIAL REPORT
MAY 31, 2022**

	MAY 31, 2021	MAY 31, 2022
Beginning Market Balance	215,449,996	246,661,634 *
Plus Income:		
Investments Earnings	4,769,756	1,943,636
Unrealized Gains on Investments	25,297,377	(21,036,415)
Total Investments	30,067,133	(19,092,779)
Employer Contributions	3,351,598	3,501,463
Employee Contributions	1,191,006	1,202,943
Total Contributions	4,542,603	4,704,406
Total Receipts	34,609,737	(14,388,373)
Less Expenses:		
Investment Expenses	357,211	375,037
Professional Fees	66,774	39,621
Administrative Expenses	141,998	161,532
Member Refunds	84,556	229,557
Retiree Benefits	10,128,979	10,808,016
Total Expenses	10,779,517	11,613,762
Ending Market Balance	239,280,215	220,659,499

*Unaudited

*Unaudited

**CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FINANCIAL REPORT
June 30, 2022**

	June 30, 2021	June 30, 2022
Beginning Market Balance	215,449,996	246,661,634 *
Plus Income:		
Investments Earnings	8,436,237	2,279,824
Unrealized Gains on Investments	30,409,193	(27,089,453)
Total Investments	38,845,430	(24,809,629)
Employer Contributions	3,765,601	4,006,547
Employee Contributions	1,336,788	1,380,121
Total Contributions	5,102,388	5,386,668
Total Receipts	43,947,818	(19,422,961)
Less Expenses:		
Investment Expenses	372,962	434,987
Professional Fees	67,174	39,621
Administrative Expenses	157,210	179,290
Member Refunds	99,788	282,325
Retiree Benefits	11,424,686	12,147,305
Total Expenses	12,121,819	13,083,527
Ending Market Balance	247,275,995	214,155,146
	*Unaudited	*Unaudited