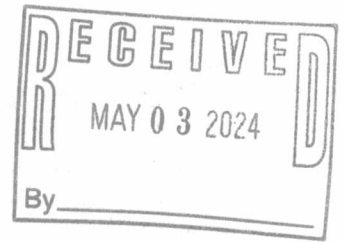


City of Lake Mary Firefighters' Retirement System
Quarterly Meeting of February 2, 2024



I. CALL TO ORDER

Gabe Vella called the meeting to order at 7:44 AM. Those persons present included:

TRUSTEES

Gabe Vella, Chair
Jeff Koltun
Martin Bel
Adam Neri
Elizabeth Stack (Electronically)

OTHERS

Scott Baur & Kyle Tintle, Administrator (Resource Centers)
Frank Wan, Investment Consultant (Burgess Chambers Assoc.)
Brent Mason, Finance Director (City of Lake Mary)
Ryan Nail, Eagle Capital Management
Remote:
Pedro Herrera, Attorney (Sugarman & Susskind)

II. EXTENUATING CIRCUMSTANCES

Gabe Vella made a motion to allow Elizabeth Stack to join the meeting remotely. The motion received a second from Adam Neri, approved by the Trustees 4-0.

III. ELECTION RESULTS

Mr. Baur reported the election results and the appointments of Elizabeth Stack and Martin Bel to the Board.

Adam Neri announced his retirement. He will file a final form 1F. Gabe Vella has already filed his form 1. Holding the election of Chair and Secretary to the next meeting.

IV. APPROVAL OF MINUTES

The Board reviewed the Minutes for the meeting of November 3, 2023 Quarterly and Special Meetings.

Gabe Vella made a motion to approve the November 3, 2023 Quarterly and Special Meetings. The motion received a second from Martin Bel, approved by the Trustees 5-0.

V. REPORTS

Investment Reports

Ryan Nail (Eagle Capital Management)

Mr. Nail reported that markets were nearly flat through mid-November then gained sharply at year end. Eagle therefore outperformed during the flat period and trailed a little bit as all the low quality registered gains. He noted that small cap issues tend to be more rate sensitive and might therefore benefit more from interest rate decreases. Eagle has outperformed the benchmark so far in 2024 with continued market volatility.

Investment Consultant (Frank Wan, Burgess Chambers and Associates)

Mr. Wan reported the Magnificent 7 stocks (Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta, and Tesla) drove stock returns in 2023. The underweight to international equities helped relative performance. The portfolio gained 8.4% for the December 31st quarter and 13.9% for the calendar year compared to 13.8% for the benchmark. The 9.4% average annual gain for the trailing 5 years ranks in the top 29%. The Retirement System ended the December 31st quarter with \$25,978,358 in total assets.

Mr. Wan believes the market may rotate more to value holdings with more reasonable valuations. He reviewed the individual manager's performance. The market may have finished marking down real estate

prices. Fixed income assets, meanwhile, had a strong quarter. Infrastructure and convertibles also had a strong quarter with falling interest rates. China continues to struggle, but how that might impact our market, or the portfolio remains unknown. Technology may be the driver of returns for the next quarter. Mr. Wan reviewed the passive lending and alternative presentations. JP Morgan presented a discount on the secondary market. Hillpoint focuses on vertical integration in the multi-family housing market, saving on development costs. The Board would fund Hillpoint from American Realty. Finally, Bloomfield provides bridge lending. The alternatives do increase overall portfolio risk. Mr. Wan reviewed the lock up period structure for the alternatives. The alternative allocation would lower the overall portfolio volatility. JP Morgan has an evergreen structure, with Bloomfield and Hillpoint having a 7-to-10-year lock-up period. The Board considered an overall allocation of 5 to 10% of assets. The Board considered loans by Bloomfield to Rite Aid. Rite-Aid filed for bankruptcy which may slow returns with a shelter lockup. Elizabeth Stack would hold a decision on Bloomfield waiting for further details. Mr. Wan has no other recommendations.

Attorney Report (Pedro Herrera, Sugarman, Susskind, Braswell & Herrera)

Mr. Herrera reported that the Trustees will now file form 1 directly with the Florida Commission on Ethics. Elected Officials will need to file the new form 6, that does not apply to the Board. Nothing in the current legislative session so far looks to impact the Retirement System. The Florida Retirement System (FRS) has a bill to reinstate the 3% cost of living adjustment (COLA).

Administrator (Scott Baur, Resource Centers)

Mr. Baur updated the Board that the comprehensive report to comply with House Bill #3 was submitted successfully. He reported the Soc 1 Type 2 audit as the Resource Centers successfully completed another internal audit. The 2023 SSAE-18 SOC 1 Type 2 Audit (aka SOC 1) reported by the auditor no exceptions, a completely clean audit report, which makes 16 years with the same results. The audit reviewed the internal controls and procedures established to avoid inadvertent errors and fraud. The auditor compares the controls and procedures to the actual workflow. Finally, Mr. Baur provided an update on Palmer vs. Palmer, demanding an extraordinary allocation of resources. If we charge as an expert witness, we can set our own rate. For certified records we can charge an hourly rate according to a schedule. Mr. Herrera has not billed so far.

VI. PLAN FINANCIALS

Mr. Baur presented the plan financials for the Trustees to review. The Trustees received, reviewed, and filed the interim financial statements through December 31, 2023. The Board then reviewed the Warrant dated February 2, 2024 for payment of invoices.

Jeffrey Kolton made a motion to approve the warrant dated February 2, 2024. The motion received a second from Adam Neri, approved by the Trustees 5-0.

VII. BENEFIT APPROVAL

There were no benefit approvals.

VIII. OTHER BUSINESS

None

IX. PUBLIC COMMENTS

None

X. ADJOURNMENT

The next regular meeting is scheduled for Friday, May 3, 2024. The Lake Mary Police Officers' Retirement System Trustees joined the joint meeting at 9:20 AM.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Adam Neri', is written over the printed name.

Adam Neri
Secretary