

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD WORKSHOP MINUTES
May 2, 2016

I. CALL TO ORDER AND ROLL CALL

The Regular Quarterly Board Meeting of the Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees was held at the Village Hall Council Chambers, 345 Tequesta Drive, Tequesta, Florida, on May 2, 2016. The workshop was called to order at 1:08 p.m.

A roll call was taken by Pension Administrator Denise McNeill. In attendance at the meeting were: Board Member John Terzakis, and Board Member Kyle Stone. It was noted a quorum was not present.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Denise McNeill, Investment Monitor John Thinnies, and Custodian Amed Avila.

II. PUBLIC COMMENT

There was no public comment

V. PRESENTATIONS

4. a. Annual Custodial Update

Amed Avila of Fiduciary Trust appeared before the Board to present an update since the transition to Fiduciary Trust. He reported the Plan transitioned from Salem Trust to Fiduciary Trust on October 30, 2015 and they transitioned pension payment service on January 4, 2016. He reported it was a seamless transition and he is still involved in the daily activity. Board Member John Terzakis thanked Mr. Avila for a smooth transition.

3. a. Quarterly Performance Report as of March 31, 2016

John Thinnies of Bogdahn Group appeared before the Board to present the Performance Report as of March 31, 2016. He reviewed the performance report noting the beginning of 2016 was poor; however the market began to transition early in February; international continues to lag the domestic markets and oil has rallied and the price has begun to increase. He reported active management did not do well in the past year and especially in the prior quarter. Mr. Thinnies reported that for quarter ending March 31, 2016 the Plan's market value was \$11,601,625 and the asset allocations were as follows; Domestic Equity 49.9%, International Equity 14.7%, Domestic Fixed Income 29.0%, Global Fixed Income 4.9% and Cash Equivalent 1.4%. He stated the allocations are in range with the targeted allocations. Mr. Thinnies reported the total fund was up for the quarter .66% versus the policy of 1.75%; Brown Advisory was down -1.34% versus the benchmark at 0.74%, Gabelli/GAMCO was up 1.82% versus the benchmark of 1.64%, EuroPacific fund was down -2.32% versus the benchmark at -0.26%, Garcia Hamilton fixed Income was up 3.25% versus the benchmark at 3.03%, and Templeton was up 0.24% versus the benchmark at 6.12%. He went on to review each manager in detail. He reported Bogdahn

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had recently met with Brown's portfolio manager and investment team as they have not performed well in the past three years. He advised that Bogdahn is not currently recommending they make a change from Brown. Mr. Thinnes explained EuroPacific is doing well overall; however they trailed in the recent period due to lack of holdings in energy and energy markets. Garcia Hamilton is doing well and has outperformed the bench. Discussion followed regarding the international market and Mr. Thinnes reported Templeton is not doing well. He reported Bogdahn had spoken with the firm the prior week to address their performance relative to the bench. They explained the reasons for the underperformance to the bench related to Templeton's defensive position on interest rates and their bets that the US dollar would appreciate faster than it has. He reported Bogdahn remains confident in Templeton and is not recommending moving the assets at this time. Mr. Thinnes advised Bogdahn will be keeping an eye on Templeton and Brown accordingly. Discussion followed regarding the asset allocation and upcoming capital call for real estate. Mr. Thinnes explained the 10% going into real estate should be a good allocation change for the Plan. John Thinnes departed the meeting at 1:22 p.m.

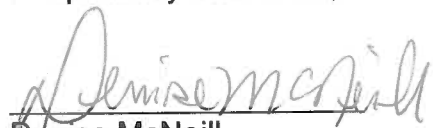
Mrs. Jensen explained the remaining items can be held until the next meeting when the Board has a quorum.

Mrs. Jensen reported member David Cooper had a pending disability application; however he recently went by the administrator's office and withdrew his disability request and instead has applied for a refund of contributions. Mrs. Jensen explained the Board cannot take action on the refund request without a quorum.

Discussion followed regarding meetings via teleconference versus requiring Board members to be present in the room. Mrs. Jensen explained it is possible the State may change the rules related to the requirements at some point.

There being no further business, the workshop was adjourned at 1:30 p.m.

Respectfully submitted,



Denise McNeill

Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

Village of Tequesta Public Safety Officers' Pension Plan