

**JACKSONVILLE POLICE AND FIRE PENSION FUND
FINANCIAL INVESTMENT ADVISORY COMMITTEE (FIAC)
MEETING SUMMARY – JANUARY 8, 2016
RICHARD “DICK” COHEE BOARD ROOM**

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting.

PRESENT

Bill Gassett
Sabrina Jackson-Carter
Rob Kowkabany
Craig Lewis Sr.
Brian Smith Jr.

STAFF

Beth McCague, Interim Executive Director
Dan Holmes, Summit Strategies – *via phone*
Steve Lundy, Economic Research Analyst
Debbie Manning, Executive Assistant

EXCUSED

Devin Carter, Chief Financial Officer

NOTE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

BETH McCAGUE CALLED THE MEETING TO ORDER @ 3:30PM

WELCOME

ELECTION OF FIAC CHAIRMAN AND SECRETARY

BETH ADVISED THE COMMITTEE THAT A CHAIRMAN AND SECRETARY NEEDED TO BE CHOSEN BY THE COMMITTEE EITHER BY SECRET BALLOT OR BY ELECTION AT TODAY’S MEETING.

FOLLOWING SOME DISCUSSION, BRIAN SMITH ADVISED THE COMMITTEE THAT HE WOULD LIKE TO BE THE CHAIRMAN. A MOTION WAS MADE BY ROB KOWKABANY TO

APPOINT BRIAN SMITH AS THE FIAC CHAIRMAN. SECONDED BY CRAIG LEWIS. VOTE WAS UNANIMOUS.

A MOTION WAS MADE BY BRIAN SMITH TO APPOINT CRAIG LEWIS AS THE FIAC SECRETARY. SECONDED BY ROB KOWKABANY. VOTE WAS UNANIMOUS.

ALSO, THE COMMITTEE HAS THREE MEMBERS ON THE BOARD WITH A THREE YEAR TERM, AND TWO MEMBERS WITH A TWO YEAR TERM. BILL GASSETT ASKED IF HE COULD SERVE THE TWO YEAR TERM, AND ROB KOWKABANY ALSO REQUESTED THE TWO YEAR TERM WHICH WAS AGREED UPON BY THE FIAC MEMBERS.

THE COMMITTEE WANTED TO KNOW WHO THEY WERE TO REPORT TO. BETH McCAGUE ADVISED THAT THE COMMITTEE WILL REPORT TO THE BOARD OF TRUSTEES. ALSO, IF THE COMMITTEE SHOULD RECEIVE INQUIRIES FROM CITY COUNCIL, PLEASE ADVISE THE PERSON REQUESTING THE INQUIRY TO CALL THE PENSION FUND.

THE TIMES ESTABLISHED FOR THE MEETINGS ON FRIDAY'S @ 3:30PM APPEAR TO WORK FOR EVERYONE ON THE COMMITTEE.

REVIEW OF RECOMMENDED CRITERIA FOR MANAGER SELECTION

AFTER MEETING WITH FOUR OUT OF FIVE FIAC MEMBERS, BETH ASKED EACH OF THEM WHAT THEY WERE LOOKING FOR IN THE MANAGER SELECTION PROCESS:

- **SABRINA JACKSON-CARTER SAID PERFORMANCE AND FEES**
- **ROB KOWKABANY SAID PERFORMANCE COMPARED TO INDEX**
- **CRAIG LEWIS SAID BETA**
- **BRIAN SMITH SAID VOLATILITY**

EACH COMMITTEE MEMBER HAD SOME WONDERFUL SUGGESTIONS.

BILL GASSETT HANDED OUT TWO REPORTS TO THE COMMITTEE. ONE TITLED "OBITUARY REPORT" AND THE OTHER "THE WEATHER REPORT".

SUMMIT STRATEGIES – FIAC Meeting Materials - *Dan Holmes*

- **Proposed 2016 Calendar of Actions**

DAN HOLMES REFERRED TO THE CALENDAR WITH DISCUSSION

- **2015 Proposed Target Asset Allocation Review (June, 2015)**

DAN ADVISED THE COMMITTEE THAT THIS IS THE YEAR, IN FEBRUARY AND MARCH, THAT SUMMIT REVIEWS ASSET ALLOCATION WITH THE PENSION FUND BOARD OF TRUSTEES WHICH INCLUDES A REVIEW OF THE CAPITAL MARKET ASSUMPTIONS WHICH WILL PROVIDE A GOOD ROAD MAP. ALSO, WHAT NEEDS TO BE ADDED WITH THE NEW ORDINANCE.

- Review of Manager performance and pricing

For information purposes:

- Private Market Education (August, 2015)
- Real Estate Overview (May, 2015)

DAN HOLMES INCLUDED INFORMATION FOR THE COMMITTEE REGARDING THE PRIVATE MARKET EDUCATION AND REAL ESTATE OVERVIEW REPORTS THAT WERE PROVIDED TO THE BOARD IN 2015 WHICH THE COMMITTEE SHOULD REVIEW TO BRING THEMSELVES UP TO SPEED.

DAN HOLMES WILL TRY TO DELIVER INFORMATION TO THE FIAC COMMITTEE PRIOR TO THE BOARD MEETINGS SO THE COMMITTEE CAN REVIEW AND MAKE RECOMMENDATIONS TO THE BOARD. RE-BALANCING IS DONE AS NEEDED OR NECESSARY.

BILL GASSETT ASKED DAN HOLMES IF HE COULD GO BACK 20 YRS. FOR ASSET ALLOCATION AND FOR EACH YEAR PROVIDE THE PERCENT OF RETURN. DAN HOLMES WILL TRY TO EXTEND OUT 20 YRS. FOR THE FIAC COMMITTEE.

BILL GASSETT ALSO ASKED IF DAN'S REPORT COULD SHOW NET FIRST NOT GROSS. BETH McCAGUE AND DAN HOLMES CONFIRMED THIS HAS TO BE REVIEWED BY THE BOARD OF TRUSTEES FIRST BEFORE ANY CHANGES CAN BE MADE TO ANY REPORTS.

DAN HOLMES ALSO DISTRIBUTED A PROSPECTIVE FEE ANALYSIS REPORT FOR THE COMMITTEE TO REVIEW. DAN ADVISED THAT WHEN SUMMITT DOES A SEARCH, THEY ALWAYS NEGOTIATE THE LOWEST FEES.

BETH McCAGUE ADVISED THE COMMITTEE THAT THE BOARD WAS HOLDING OFF ON THE STATEMENT OF INVESTMENT POLICY CHANGES UNTIL THE BOARD OF TRUSTEES REVIEWS THE 2016 CAPITAL MARKET ASSUMPTIONS IN FEBRUARY.

CHAIRMAN BRIAN SMITH WOULD LIKE TO GET TOGETHER WITH BETH McCAGUE PRIOR TO THE MEETINGS TO DISCUSS THE AGENDA.

BETH McCAGUE AND STEVE LUNDY ARE WORKING ON A MONEY MANAGER COMPARISON CHART TO BE USED BY THE COMMITTEE WHICH THE "DRAFT" OF WAS HANDED OUT. IT IS A WORK IN PROGRESS. SUGGESTIONS WERE MADE BY THE

COMMITTEE AS TO WHAT THEY WOULD LIKE TO SEE IN THE REPORT. CHAIRMAN SMITH WOULD LIKE TO SEE CALENDAR YEAR RETURNS ON THE CHART. ADD MANAGER PERFORMANCE AS THE MANAGERS MAY HAVE CHANGED. 10 YEARS AND MORE AND 20 YRS.

ADD STEVE LUNDY INFORMATION TO THE PHONE LIST PROVIDED TO THE COMMITTEE.

NEXT MEETING WILL BE ON FEBRUARY 12TH @ 3:30PM

WITH NO FURTHER DISCUSSION, BETH McCAGUE ADJOURNED THE MEETING AT 5:05PM.

D. Manning, Executive Assistant