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JACKSONVILLE POLICE AND FIRE PENSION FUND  
BOARD OF TRUSTEES AND  
FINANCIAL INVESTMENT AND ADVISORY COMMITTEE  
MANAGER UPDATE SUMMARY – OCTOBER 26, 2018 – 10:00AM

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**PRESENT**

Willard Payne, Secretary  
Cpt. Michael Lynch, Trustee

**STAFF**

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Assistant Plan Administrator

**GUESTS**

John Johnson, Eagle Capital Management

**MEETING CONVENED**

10:03AM

**MEETING ADJOURNED**

10:41AM

NOTICE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact Steve Lundy, Assistant Plan Administrator at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements. 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. Additional items may be added / changed prior to meeting.

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**I. PUBLIC SPEAKING PERIOD**

*None.*

**II. EAGLE CAPITAL MANAGEMENT – MANAGER UPDATE**

*John Johnson*

*Willard Payne convened the meeting at 10:03AM.*

*John Johnson introduced himself and Eagle Capital Management. He gave a brief history of Eagle and the firm's strategies and objectives of portfolio management and stock selection.*

*John Johnson discussed market trends among tech stocks, and the stock market as a whole. He discussed the world economy and its effects on the market. Everything is growing.*

*Willard Payne said he used to be a McDonald's operator. He discussed McDonald's recent good performance with John Johnson.*

*John Johnson discussed Coca Cola and the trends in the Soft Drink industry.*

*John Johnson discussed a stock selection strategy Eagle uses - is a company prone to disruption by Amazon? If so, Eagle does not select that company's stock.*

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*Timothy Johnson asked John Johnson to discuss Eagle's strategy to buy strong value companies with great growth potential.*

*John Johnson said that Eagle looks at a company as it exists today, and asks "looking out 5-10 years, where will that company be?"*

*John Johnson discussed recent market volatility, noting that it is very emotional, and does not make much sense. There has been a lot of activity in Eagle's portfolio due to recent volatility. The volatility gives Eagle the chance to 'fine-tune' its portfolio.*

*Timothy Johnson and John Johnson discussed appropriate benchmarks for Eagle.*

*John Johnson said that with a 30-stock portfolio, any one specific benchmark would not be a perfect fit.*

*John Johnson discussed investment consulting services firm Wilshire Associates – Eagle has no experience with Wilshire. Wilshire has a pure quantitative method of analyzing managers' processes. Eagle has always been different 'from the average bear'. For example, Eagle is not a statistical-value based manager. Value and Growth are two sides of the same coin. People who look at pure statistics get perplexed – people should listen to how Eagle thinks.*

*Michael Lynch asked John Johnson to discuss Eagle's selling of JPMorgan and buying of Goldman Sachs.*

*John Johnson said that JPM's growth outlook is low, and Goldman Sachs' is better, considering rising interest rates. Eagle wants 'unrecognized growth value'.*

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Steve Lundy, Assistant Plan Administrator  
Posted 10/26/2018  
Revised 10/29/2018

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Willard Payne, Secretary  
To be approved at the Board Meeting on November 15, 2018.