

**TOWN OF DAVIE POLICE PENSION PLAN
BOARD OF TRUSTEES MEETING MINUTES
November 14, 2023
1:30 P.M.**

The regular meeting of the Town of Davie Police Pension Plan Board of Trustees was called to order remotely on behalf of the Board by the Plan Administrator, Mr. Greg Brilliant – Precision Pension Administration – on November 14, 2023, at 1:36 P.M. There was a quorum present remotely to conduct an official meeting of the Davie Police Pension Plan Board of Trustees.

TRUSTEES PRESENT:

Mr. Paul Ortenzo – Chairman; Mr. Larry Davis – Secretary; Mr. Danny Perez, and Mr. Ed Taylor - Trustees. All Trustees listed herein were in attendance remotely for the meeting.

ABSENT and/or EXCUSED:

Mr. Jack Mackie - excused

OTHERS PRESENT:

Mrs. Patty Ostrander – PPA Administrative Assistant; Mr. Stu Kaufman – Klausner, Kaufman, Jensen, & Levinson; Mr. David Lee – Dahab & Associates; Mr. Don Dulaney – Dulaney & Company; Mr. Tim Nash – Intercontinental Real Estate (arrived at 1:50 p.m. and left at 2:12 p.m.); Mr. Aylon Ben-Shlomo and Ms. Keri Hepburn – Aristotle Capital Management (arrived at 2:12 p.m. and left at 2:29 p.m.); Ms. Janna Hamilton, Ms. Karen Tass, and Mr. Don Elsenbrock - Garcia Hamilton & Associates (arrived at 2:29 p.m. and left at 2:50 p.m.).

All attendees were remote for this quarterly meeting.

PUBLIC DISCUSSION:

None submitted.

NEW/UNFINISHED BUSINESS:

None

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CONSENT AGENDA:

None

WARRANTS APPROVED BY BOARD:

After review and consideration of Plan warrants #1813 – #1864 inclusive, a Motion to approve was made by Mr. Davis, seconded by Mr. Taylor. Motion passed 4/0.

APPROVAL OF THE MINUTES:

The Board reviewed the minutes from the August 08, 2023, Town of Davie Police Pension Plan Board of Trustees meeting. A Motion was made to approve the minutes by Mr. Davis, seconded by Mr. Taylor. Motion passed 4/0.

NEW/UNFINISHED BUSINESS:

None

DAHAB ASSOCIATES:

Reporting on behalf of Dahab Consulting was Mr. David Lee. Mr. Lee advised the Board that as of Q.E. September 30, 2023, the Davie Police Pension Plan was valued at \$200,963,772, representing a decrease of \$7,794,792 relative to the Q.E. June 30, 2023, valuation. Over the past quarter the portfolio posted net withdrawals totaling \$1,217,083 as well as net investment losses of \$6,577,709. The fund's net investment loss was composed of \$945,282 in income receipts and realized and unrealized capital losses of \$7,522,991.

For the quarter, the portfolio returned -3.1%, which was 0.1% better than the Davie Police Manager Shadow Index's return of -3.2% and ranked in the 60th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 9.7%, which was 0.5% above the benchmark's 9.2% performance, ranking in the 70th percentile. Since September 2013, the portfolio has returned 6.6% per annum and ranked in the 33rd percentile.

Mr. Lee advised the Board that he and Mr. Kaufman had been working on the Plan investment guidelines which were now updated to reflect the changes implemented by Florida Statutes 112.662 proxy voting. This concluded the report.

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KLAUSNER, KAUFMAN, JENSEN, & LEVINSON:

Reporting on behalf of Klausner, Kaufman, Jensen, & Levinson was Mr. Stuart Kaufman. Mr. Kaufman advised the Board that as per the changes to Florida Statute 112.662 regarding proxy voting by the investment managers, he and Mr. Lee had revised the investment guidelines to accurately reflect these changes. A Motion to accept these changes was made by Mr. Taylor, with a Second by Mr. Perez. The Motion passed 3/0 as Mr. Davis stepped away for a moment.

Mr. Kaufman next addressed the pending Clarivate litigation and advised that attorneys are awaiting a decision on Motions presented to the presiding Judge with no timetable for this decision. This concluded the report.

DULANEY & COMPANY ACTUARIAL:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney advised the Board that he has been corresponding with the Plan auditors, KSDT, in preparation for the annual year-end audit process. Additionally, he presented a report on funding ratios for his current public fund clients which shows the Davie Police Pension Plan with a funded ratio of 81.6% @ 6.95% Plan assumption rate as of 10/01/2022. This concluded the report.

INTERCONTINENTAL U.S. REAL ESTATE:

Reporting on behalf of Intercontinental was Mr. Tim Nash. Mr. Nash thanked the Board for their confidence in Intercontinental even though the investment returns have been disappointing. Mr. Nash advised that they currently have 519 investors in the U.S. Real Estate Investment Fund as they added four new investors in 2022. The Town of Davie Police Pension Plan has committed \$6m to the Fund, which as of 9/30/2023 had a net asset value of \$11,906,847.

During Q.E. 9/30/2023, the Intercontinental US Real Estate Investment portfolio lost 0.8%, which outperformed the benchmark NCREIF NFI-ODCE return of -1.9% by 1.1%. Over the trailing twelve-month period, the portfolio returned -15.6%, which trailed the benchmark's -12.2% return by 3.4%. Since September 2013, the Intercontinental US Real Estate Investment portfolio has returned 9.6% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 8.2% over the same time frame. This concluded the report.

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ARISTOTLE CAPITAL MANAGEMENT:

Reporting on behalf of Aristotle Capital Management was Ms. Keri Hepburn and Mr. Aylon Ben-Shlomo. Ms. Hepburn thanked the Board for their confidence in Aristotle and their process. She stated that during Q.E. 9/30/2023, Aristotle Capital Management completed the acquiring of Pacific Asset Management. This acquisition has resulted in an increase in the assets under management to \$76b.

Mr. Ben-Shlomo advised the Board that Q.E. 9/30/2023 returns were driven by security selections. The Davie Police Pension Plan's Aristotle Capital Management Value Equity Portfolio was valued at \$17,584,669, a decrease of \$574,265 from the Q.E. 6/30/2023 value of \$18,158,934. During the Q.E. 9/30/2023, the Aristotle Capital Management Value Equity portfolio lost 3.1%, which was 0.1% better than the Russell 1000 Value Index's return of -3.2% and ranked in the 73rd percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 16.3%, which was 1.9% better than the benchmark's 14.4% performance, and ranked in the 57th percentile. Since December 2020, the account has returned 4.4% per annum which trailed the benchmark by 1.3% over the same period and ranked in the 86th percentile. This concluded the report.

GARCIA, HAMILTON, & ASSOCIATES:

Reporting on behalf of Garcia Hamilton was Ms. Janna Hamilton, Ms. Karen Tass, and Mr. Don Elsenbrock. Ms. Hamilton thanked the Board for their long relationship with GH&A. Ms. Tass and Mr. Elsenbrock proceeded to go through the presentation book detailing a myriad of reasons why their fixed income portfolio was performing so poorly even though the market performance rankings are so tightly grouped. The leading cause was the average portfolio maturity which was 9.99 years compared with the Bloomberg Barclays Aggregate Index maturity of 8.49 years.

During the Q.E. 9/30/2023, the Garcia Hamilton Fixed Income portfolio returned a -5.0%, which underperformed the Custom Fixed Income Index's return of -3.2% and ranked in the 99th percentile of the Core Fixed Income universe. Over the trailing year, the portfolio returned -0.6%, which trailed the benchmark by 1.2% and ranked in the 98th percentile. Since September 2013, the account returned 1.5% per annum and ranked in the 60th percentile. This concluded the report.

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PLAN ADMINISTRATOR - PPA:

Mr. Brilliant had no additional pending business to discuss with the Board.

OPEN DISCUSSION:


Mr. Taylor presented a thought to the Board regarding acceptable, reimbursable expenses incurred at training seminars without a receipt. Chairman Ortenzo and Trustee Perez advised that in the interest of complete transparency they were of the opinion that all expenses for which reimbursement is sought should be verified by the presence of receipts. Mr. Taylor withdrew his proposal, and the process will remain status quo, receipts are required for reimbursement.

ADJOURN:

A Motion was made at 3:45 p.m. to adjourn by Mr. Perez with a Second by Mr. Taylor. The Motion passed without dissent, 3/0, as Mr. Davis had stepped away.

The next meeting is scheduled for February 13, 2024, at 1:30 P.M.

CHAIRMAN FOR THE BOARD

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Paul Ortenzo