

**West Palm Beach Police Pension Fund
2100 North Florida Mango Road
West Palm Beach, Florida 33409**

Minutes

**May 3, 2019
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on May 3, 2019¹ at 8:32 AM, in the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

Present at the meeting: Jonathan Frost, Board Chairman Troy Marchese, Board Secretary and Craig Kahle, Board Trustee.

Also present: Mark Parks, Finance Director – City of West Palm Beach; Jon Quigley & Laurie Watson, Great Lakes Advisors; Joseph Caligiuri & Michael Cervi, Champlain Investment Partners; Kurt Terrien, Clarkston Capital; Lou Penque, John McCann, AndCo Consulting; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Penque indicated he received clarification from Mr. Amrose from his April 19, 2019 inquiry.

APPROVAL OF THE MINUTES APRIL 19, 2019 – TABLED

INVESTMENT PRESENTATIONS

Mr. Jon Quigley & Ms. Laurie Watson, Great Lakes Advisors; Mr. Joseph Caligiuri & Mr. Michael Cervi, Champlain Investment Partners and Mr. Kurt Terrien, Clarkston Capital came before the Board and provided a detailed overview of their respective firms and their investment process. All provided thought provoking investment presentations and the Board thanked them all for their time.

The Trustees reviewed each manager pros and cons and at the conclusion of the discussion they came to a consensus. As a result, Mr. Marchese made a motion to engage Champlain Investment Partners, authorize Mrs. Jensen to secure an investment agreement and to fund the manager with assets from New Amsterdam (currently being invested by State Street Global). The motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 3-0.

Mr. McCann will prepare a new investment policy at a future meeting.

ANDCO – INVESTMENT CONSULTANT

After a difficult end to 2018, markets rebounded strongly during the 1st quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter.

¹ Meeting date changed from May 10, 2019

West Palm Beach Police Pension Fund – Minutes

May 3, 2019

Page 2 of 4

Within equities, domestic stocks outperformed international markets. US markets pushed higher as the US Federal Reserve (Fed) shifted their stance on monetary policy toward a more accommodative posture, US and China moved closer to are solution of their ongoing trade dispute and the partial government shut down that began in December came to an end.

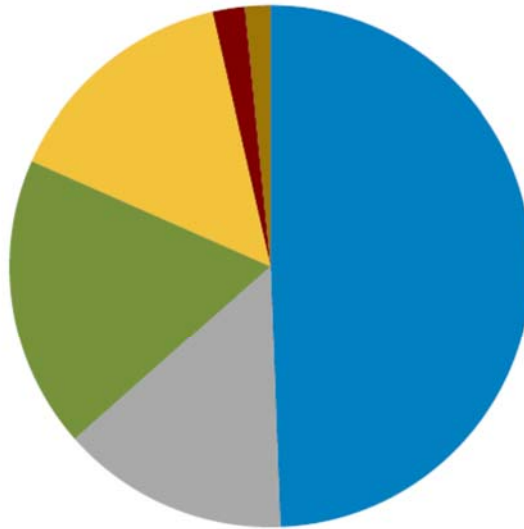
The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. US equity returns over the 1-year period are positive with the S&P 500 appreciating 9.5% while the Russell 2000 posted a more modest gain of 2.0%.

As of March 31, 2019, the total assets were valued at \$375,231,300, which is up from \$349,950,779 as of December 31, 2018. For the quarter, the total fund returned 8.90% vs. 9.29% compared to the target index. The public funds median return was valued at 9.25% for the quarter.

On a three and five-year basis, the Plan returned 9.42% & 6.77% respectively. The five-year return cited ranked our Fund in the TOP 6% of the investment universe and exceeded our compliance standard of Top 40%.

Asset Allocation Summary

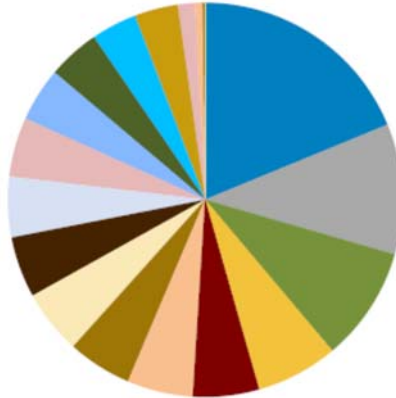
Asset Allocation By Segment as of
March 31, 2019 : \$375,231,300



Allocation		
Segments	Market Value	Allocation
Domestic Equity	185,370,287	49.4
International Equity	52,797,942	14.1
Domestic Fixed Income	68,073,494	18.1
Real Estate	55,554,455	14.8
Private Equity	7,515,165	2.0
Cash Equivalent	5,919,958	1.6

Manager Allocation Summary

Asset Allocation By Manager as of
March 31, 2019 : \$375,231,300



Allocation	Market Value	Allocation
■ Garcia Hamilton Fixed Income	70,462,141	18.8
■ RhumbLine Equity S&P 500	40,130,494	10.7
■ Intercontinental	35,246,179	9.4
■ Eagle Equity	25,209,296	6.7
■ J.P. Morgan	20,308,276	5.4
■ RhumbLine R1000 Growth	20,243,336	5.4
■ Vanguard Intl Equity (VTRIX)	19,732,089	5.3
■ RhumbLine International Equity	19,718,001	5.3
■ Anchor Equity	18,828,178	5.0
■ New Amsterdam Equity	18,684,063	5.0
■ Wellington	18,247,157	4.9
■ RhumbLine S&P Mid Cap 400	16,569,848	4.4
■ RhumbLine R1000 Value	16,009,566	4.3
■ SSGA Small-Mid Cap Equity (SSMKX)	14,078,661	3.8
■ Oppenheimer Int Equity	13,347,852	3.6
■ Aberdeen U.S. P.E. VII	5,256,747	1.4
■ JP Morgan Global P.E. VII	2,258,418	0.6
■ R&D Cash	900,739	0.2
■ Mutual Fund Cash	261	0.0

Mr. McCann reviewed the overall performance of the managers and pointed out the lackluster performance of Wellington. Mr. McCann advised the Board should allow Wellington more time to correct itself. The Board elected to defer action due to Mr. McCann’s recommendation and will continue to monitor.

In a spirit of transparency, the entire investment report may be viewed on-line at:
<http://wpbppf.com/modules/investments/index.asp>

ATTORNEY’S REPORT

FINAL ORDER: Mr. Jensen provided the Final Order in the Evrley Matter. Motion by Mr. Kahle to accept and execute the cited order, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 3-0.

West Palm Beach Police Pension Fund – Minutes

May 3, 2019

Page 4 of 4

ACTUARIAL AUDIT: Data has been transferred and study underway.

RECENT LEGISLATION: Cancer presumption for firefighters noted by Mrs. Jensen.

COURT CASE: Mrs. Jensen spoke of a Pembroke Pines case that may require legislative change to the special act. She will review with Mr. Amrose, the Board Actuary.

ADMINISTRATOR'S REPORT

No Formal Report

OPEN DISCUSSION

Mr. Frost asked Mr. Parks his thoughts of a State of the Pension Address to the city commission. Mr. Parks suggested the matter be tabled due to the Mayor transition. No further action taken.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 10:39 AM.

Next meeting is scheduled for June 14, 2019 at 8:30 AM

A handwritten signature in black ink, appearing to read 'Troy Marchese', is written over a faint circular stamp or watermark.

Troy Marchese, Board Secretary