

Winter Park Police Officer's Pension Trust Fund

Quarterly Meeting

November 7, 2024, at 6:00 P.M.

Members:

Lt. Kevin Roesner, Chairman
Sgt. Pam Woehr, Vice Chairman/Secretary
Tony Grey, Trustee
William Deuchler, Trustee

Attendees:

Pedro Herrera, Attorney
Via Zoom
Burgess Chambers, BCA
Jeff Templeton, Administrator
Bryan Templeton, Administrative Assistant
Nick Vician, Terra Cap
Steve Hagenbuckle, Terra Cap
Jamie Lane, Terra Cap
Peter Melauson, Constitutional Capital Partners
Dan Clark, Constitutional Capital Partners

Call to order:

Chairman, Lt. Kevin Roesner called the meeting to order at 6:00 P.M.

Approval:

A motion was made by Lt. Kevin Roesner and seconded by William Deuchler to approve the minutes from August 1, 2024, and the quarterly billing for July-August-September 2024. All were in favor.

Public comment-None.

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

For the quarter, the Plan earned \$4.0 million or +5.9% (+5.8% net), beating the strategic model (+6.0%) and ranked in the top 29th percentile. The top three performing asset categories were: Infrastructure (+14.8%, top 23rd), Small Cap Core (+9.3%, top 30th) and Mid Cap Core (+9.2%, top 30th). The Advent convertible product was replaced with a better performing and lower cost index product(ICVT).

For the one-year period, the Plan earned \$12.0 million or +19.9% (+19.5% net), behind the strategic model (+22.9%) and ranked in the 50th percentile. The difference was due in large part

to the Terra-Cap asset mark downs in the fourth quarter of 2023 and Westwood missing their benchmarks. The best three performing asset categories were: Large Cap Core (+36.3%, top 46th), Infrastructure (+34.2%, top 7th), and Mid Cap Core (+29.3%, top 22nd). The fixed-income performance of +11.6% was the best in 15 years.

For the three-year period, the Plan earned \$6.6 million, averaging +3.7% (+3.3% net) per year.

For the five-year period, the Plan earned \$23.7 million, averaging +8.1% (+7.8% net) per year.

For the ten-year period, the Plan averaged +7.2% (+6.9% net) per year. It should be noted that the Florida Retirement System's expected rate of return was reduced to +6.7% in 2023.

Beginning in January 2023, capital calls were issued to fund the Ironsides Opportunities Fund II (private credit). Payments totaling \$1.1 million have been made through October 2024, while \$1.9 million of the original \$3 million commitment remains to be called.

In November 2022, an \$800K redemption was requested from the American Core Realty Fund. Payments totaling \$278K have been received through September 2024, and a balance of \$522K remains. Since July 2023, American Core has distributed \$78,734 in dividends after the DRIP was halted.

In November 2022, an \$800K redemption was requested from the Barings Realty Fund. Payments totaling \$185K have been received through September 2024, and a balance of \$615K remains. Since October 2023, Barings has distributed \$63,418 in dividends after the DRIP was halted.

In August 2024, the Premium Tax Distribution of \$624,732.71 was received and allocated to cash for future expenses.

In October 2024, \$281K was raised from Fidelity 500 Index and wired to the Ironsides Opportunities Fund to satisfy a capital call.

Manager Reviews

Westwood's large-cap value product outperformed its benchmark during the 10-year period (+10.3% vs. +9.2%). However, relative performance during the past year has moved the three and five-year returns below the benchmark. The reason is the absence of technology which can be found in the Fidelity S&P 500 product in your portfolio.

In the third quarter of 2024, Advent Convertibles and the SPDR Bloomberg Convertible ETF were fully liquidated, and the proceeds were invested into the iShares Convertible Bond index ETF (ICVT).

Cohen & Steers Global Infrastructure earned +14.8% during the quarter vs. the benchmark return of +13.8% and ranked in the top 23rd percentile. Results were ahead of the benchmark for the 12-month period (+34.2% vs. +29.9%, top 7th). Three-year performance averaged +7.7% net per year and ranked in the top 14th percentile.

Euro-Pacific was behind the benchmark for the quarter (+5.5% vs. +7.3%). Ten-year results beat the benchmark (+6.8% vs.+6.2%) and ranked in the top 21st percentile.

ARA American Realty's private real estate's results were in line with the benchmark for the quarter (+0.2% vs. +0.2%), suggesting the severe mark down cycle has ended.

Barings Core Property real estate results were ahead of the benchmark for the quarter (+1.2% vs. +0.2%), suggesting the severe mark down cycle has ended.

TerraCap V experienced a -29.1% markdown in December 2023. The original investment was \$3.5 million. With property sales/redemptions/payouts back to the Plan, the capital balance was reduced to \$3,160,500. A positive return was reported for the quarter (+1.4%), suggesting the severe mark down cycle has ended.

Constitutional Capital Partners

The City of Winter Park Police Officers

Pension Plan is a \$3million investor in IOFII.

Net IRR to City of Winter Park Police Officers Pension Plan2

Date Actual Cash Flows

1/20/2023 (471,546.30)

5/12/2023 (456,857.85)

9/22/2023 183,346.53

12/27/2023 (91,889.58)

3/27/2024. 129,444.78

6/18/2024 (428,930.81)

6/30/2024 1,289,488.52

NAV at 6/30/2024. 1,289,488.52 \$

Net IRR 14%

Cash Flow Summary - Partners Capital Account

(based on 6/30/2024 valuations)

Contributions 1,479,680.45

Distributions (314,996.23)

Gain/(Loss) 124,804.30

Net Asset Value 1,289,488.52 \$

Cash Flows Subsequent to 6/30/2024

8/20/2024 327,069.53

10/21/2024 (281,234.80)

Terra Capital

Winter Park Police

- Commercial real estate has been challenged for the past 2 years primarily due to higher interest rates
- Significant new apartment supply being delivered in many markets has limited rent growth in apartment assets, however the wave of new supply is declining
- Discussed TerraCap returns in all asset classes prior to interest rate hikes compared to returns after interest rate hikes
- Reviewed Winter Park Police's investment, cash flow, and returns
- Discussed loan maturities and the fact that TerraCap has been able to successfully extend all loan maturities in Fund V through today
- Discussed the fact that 2023 valuations created unrealized markdowns, and TerraCap intends to hold properties longer than initially forecasted to focus on business plans to rebuild value
- Throughout 2024, valuations of apartments and industrial assets have been increasing compared to last year as evidenced by some early appraisals received and sales TerraCap has monitored in our markets
- The reset pricing of many real estate assets could present a good opportunity to buy assets at valuations much lower than the prior peak
- Discussed TerraCap Partners VI strategy and the opportunities TerraCap is seeing in the marketplace, including two potential acquisitions

A motion was made by Tony Grey and seconded by William Deuchler to fund 3 million dollars into Ironside 3 after The Attorney gives us the approval to move on with this transaction.

All were in Favor.

Attorney Report:

Pedro Herrera, Sugarman, Susskind, Braswell & Herrera, P.A., gave the Attorney Report:

Pedro updated the board on all new legislative activities.

FS 287.138 Foreign countries of concern

FS 787.06 Human Traffic

Administrative Report:

Jeff Templeton, Pension Administrator, gave the Administrative Report:

Dates for 2025 Board meetings

Feb 6, 2025 @4pm.

May 1, 2025 @4 pm.

Aug 7, 2025 @ 4pm.

Nov 6, 2025 @4pm.

The city has been advised and the community room has been reserved for the meeting dates.

New Business:

None

Old Business:

None

Adjournment:

Chairman, Lt. Kevin Roesner adjourned the meeting at 7:249pm.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to be "Pam Woehr", with a large, stylized flourish above the name.

Sgt. Pam Woehr Vice Chairman/Secretary