

Winter Park Firefighter's Pension Trust Fund

Quarterly Meeting

February 6, 2025 at 6:00 P.M.

Members:

Lt. Stuart Merrick, Chairman
Lt. John Bonnell, Vice Chairman/ Secretary
Mike Clifford, Trustee
Tony Gray, Trustee
Mike Baldwin, Trustee

Attendees:

Pedro Herrera, Attorney Via ZOOM
Burgess Chambers, BCA
Bryan Templeton, Administrative Assistant
Amy Lester, Westwood
Matt Lockridge, Westwood

Call to order:

Chairman, Lt. Stuart Merrick called the meeting to order at 6:01 P.M.

Approval:

A motion was made by Mike Clifford and seconded by Tony Gray to approve the minutes from November 7, 2024, and the quarterly billing for October-November-December 2024. *All were in favor.*

Public Comment: *None.*

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

Winter Park Firefighters Pension Plan Total Fund Investment Summary December 31, 2024

- For the quarter, the Plan was down \$98K or -0.1% (-0.1% net) – achieving the strategic model (-0.1%) and ranked in the **top 12th percentile**. The top performing asset categories were: Large Cap Growth (+7.1%, **top 17th**), Convertibles (+2.6%), and Large Cap Core (+2.4%, **top 45th**). Private real estate mark-downs appear to have ended.
- For the one-year period, the Plan earned \$8.5 million or +12.7% (+12.4% net), similar to the strategic model (+12.9%) and ranked in the **top 13th percentile**. The top three performing asset categories were: Large Cap Growth (+33.1%, **top 27th**), Large Cap Core (+25.1%, **top 42nd**), and Mid Cap Growth (+15.9%, **top 39th**).

- For the three-year period, the Plan earned \$4.1 million, averaging +2.4% (+2.1% net) per year.
- For the five-year period, the Plan earned \$21.4 million, averaging +6.6% (+6.3% net) per year.
- Beginning in January 2023, capital calls were received to fund the Ironsides Opportunities Fund II (private credit). Partial payments totaling \$1.1 million have been paid through January 2025, while **\$1.9 million** of the original **\$3 million commitment remains to be called**.
- In November 2022, a **\$500K redemption** was requested from the American Core Reality Fund and remains active. Payments totaling \$239K have been received through January 2025. A balance of \$261K remains. The DRIP has been reestablished and the 4Q24 distribution was reinvested.
- In November 2022, a **\$500K redemption** was requested from the Barings Reality Fund and remains active. Payments totaling \$384K have been received from Barings through January 2025. A balance of \$116K remains. The DRIP has been reestablished and the 4Q24 distribution was reinvested.
- In October 2024, \$281K was raised from the Fidelity 500 Index and wired to the Ironsides Opportunities Fund to satisfy a capital call.
- Westwood's large-cap value product's ten-year results were ahead of the benchmark (+9.6% vs. +8.5%). However, trailing performance over the past 12 months has pulled back annualized excess returns for the three and five-year periods. These relative trailing results are expected to improve, given that current higher interest rates should favor the portfolio's emphasis on high quality balance sheet companies.
- SSI's convertible bond product was ahead of the benchmark for the quarter (+2.8% vs. +2.7%, **top 20th**). The product averaged +8.5% per year for the last five years versus +10.3% per year for the benchmark and ranked in the **top 28th percentile**. The Plan uses a convertible bond index product which has provided better complementary performance.
- Cohen & Steer's infrastructure performance trailed its target for the quarter, but has beaten its benchmark for the one, three, and five-year periods.
- Euro-Pacific beat the benchmark for the quarter (-6.9% vs. -8.1%), and ten-year results were ahead (+6.2% vs. +5.7%).
- The Ironsides private credit product beat its benchmark for the 12-month period (+14.0% vs. +8.0%). Distributions totaling \$596,154 have been received through December 2024.
- ARA American Realty's private real estate's results were similar to the benchmark for the quarter (+1.0% vs. +1.2%), the second consecutive positive quarter. This suggests that the severe mark down cycle has ended.
- Barings Core Property real estate results were ahead of the benchmark for the quarter (+1.4% vs. +1.2%), following two previous positive quarters. This suggests that the severe mark down cycle has ended.
- TerraCap V performance appears to have stabilized, following large mark-downs in 2023. The original investment was \$2 million. The performance for the quarter suggests the mark down cycle has ended. Distributions totaling \$204,408 have been received through December 2024.

Westwood Holdings Group

Westwood reported on their LargeCap Value strategy which invests at the intersection of quality and value. We think the headwinds we have been facing with high beta, lower quality outperforming is at the turn, and we will be rewarded moving forward with the companies we hold that are at the intersection of high quality and value. We expect to see performance and peer rankings improve moving forward.

The environment since COVID has rewarded with lower quality stocks and we expect this to shift. We are happy with our portfolio positioning as we move forward in 2025 and expect to see the portfolio perform in terms of downside protection and overall returns as we expect to see market volatility and a brooding of returns outside of the Mag 7. We have already seen this occurring since 4Q24. While the last 12-18 months have been a headwind for our style, and this has affected 3 and 5 year performance, the longer term periods and since inception show strong absolute and relative outperformance.

A motion was made by Lt. Stuart Merrick and seconded by Lt. John Bonnell to stop all redemptions on ARA American Core and Barrings Core Property Fund. *All were in favor.*

A motion was made by Lt Stuart Merrick and seconded by Tony Gray to commit \$5 million to Ironside 2 which is scheduled to open May 1, 2025. *All were in favor.*

A new IPS will be presented at the May 2025 general meeting.

Attorney Report:

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

An update on the Social Security Fairness Act. It has been repelled. Just for our information 1099R-Disability is tax free.

Administrative Report:

Bryan Templeton, Assistant Pension Administrator, gave the Administrative Report:

A motion was made by Tony Gray and seconded by Mike Baldwin to approve the Detailed Accounting Report for the Administrative Expenses for 10-1-2023 to 9-30-2024. *All were in favor.*

New Business:

None

Old Business:

None

Adjournment:

Chairman, Lt. Stuart Merrick adjourned the meeting at 7:15 pm.

Respectfully Submitted,

Lt. John Bonnell, Vice Chairman/Secretary

John Bonnell 5-1-25