

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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INVESTMENT COMMITTEE MINUTES

October 20, 2022

PRESENT: John Carr, Matt Hastedt, Joey Hager, Kevin Gordon, Teresa Smith (left at 9:48 a.m.)

STAFF: Sandy Thiry, Tony Bass, Desiré Dixon

GUESTS: Kate Hurley and Matthew Jaffe, J.P. Morgan Asset Management
Ron Lanier, UBS Asset Management

Official call to order by John Carr at 7:56 am. He expressed his gratitude to Marvin Wilson for his dedication to the beneficiaries of the CFRS and for serving on the Investment Committee. He welcomed Kevin Gordon to the Investment Committee as the newly-elected retiree Board member.

I. Real Estate Review

J.P. Morgan Asset Management

The Committee was provided with organizational update. The Fund's performance was discussed. Individual sectors were reviewed noting that the Industrial sector was the reason for the underperformance over the recent time periods while the Retail sector performed the best. The Strategic Property Fund continues to sell properties in the Office and Retail sectors while increasing assets in the Residential Housing sector.

UBS Asset Management

There were no organizational updates to report. Although the third quarter results were not available, the real estate market continued to experience a slow-down and very preliminary estimates indicate that UBS will trail the benchmark, but performed better than J.P. Morgan. The Trumbull Property Fund continues to sell-off their "non-strategic" assets anticipating the transition to be completed by the end of 2023, barring any unforeseen circumstances.

II. Asset Allocation Report

The Committee reviewed the September 30, 2022 asset allocation report. All asset classes were in-compliance with the Investment Policy Statement.

III. International Fixed Income Discussion

The Committee discussed the International Fixed Income strategy in relation to the Asset Liability Study and the new asset allocation targets approved by the Board on July 28, 2022.

MOTION: In order to implement the new asset allocation targets approved by the Board, Joey Hager motioned to terminate the Colchester Non-U.S. Fixed Income Fund and to begin redeeming the proceeds as soon as administratively possible. Matt Hastedt seconded the motion. The motion carried unanimously.

IV. Investment Policy Statement Review

The Committee reviewed the Investment Policy Statement and confirmed all suggested changes were updated along with additional formatting and grammatical changes.

Motion: Matt Hastedt motioned to accept the red-lined version of the Investment Policy Statement and to present for the full Board's approval at the October Board meeting. Joey Hager seconded the motion. The motion carried unanimously.

V. Investment Committee Charter Review

The Committee reviewed the IC Charter which included technical formatting on the Resolutions page and confirmed all suggested changes were updated.

Motion: Teresa Smith motioned to accept the red-lined version of the Charter and to present for the full Board's approval at the October Board meeting. Matt Hastedt seconded the motion. The motion carried unanimously.

VI. Approval of Meeting Minutes

Matt Hastedt motioned to approve the September 22, 2022 meeting minutes as presented and Joey Hager seconded the motion. The motion carried unanimously.

VII. New Business

No new business was presented during the October Investment Committee meeting.

Joey Hager motioned to adjourn at 9:56 a.m. and Matt Hastedt seconded the motion. The motion carried unanimously.

The next IC Meeting is scheduled for November 17, 2022, at 8:00 a.m.

cc: Vanessa Heffron, Board Chair