

# CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

428 East Fourth Street • Suite 205 • Charlotte, North Carolina • 28202 • (704) 626-2728 • Fax (704) 626-7365

## INVESTMENT COMMITTEE MINUTES

March 21, 2024

**PRESENT:** John Carr, Joey Hager

**ABSENT:** Mike Feehley, Teresa Smith, Matt Hastedt

**OTHER:** Sandy Thiry, Tony Bass, Desiré Dixon, Lisa Flowers – legal counsel

**GUESTS:** Clay Lindsey and Eric Mintz (in person)  
Greg Czarnecki and William Heaphy (phone)

**Official Call To Order** was given by John Carr at 8:04 a.m. The Investment Committee meeting was conducted as a working session due to the lack of a quorum.

### **Meeting Minutes Approval & Asset Allocation Report**

The approval of the February 15, 2024 Investment Committee meeting minutes and review of the February 29, 2024 Asset Allocation report were postponed until the April Investment Committee meeting.

### **Small Cap Domestic Equity Review**

#### **Eagle Asset Management**

Clay Lindsey and Eric Mintz reviewed team updates and portfolio performance. They reminded the Committee of the retirement of Bert Boksen and that the transition of duties to Eric has been seamless. They also re-affirmed that the promotion of Jason Fitzpatrick and Crystal Wamble two years ago has had a favorable impact to the team.

As of December 31, 2023, the 1-year, 3-year, 5-year, and Since Inception (9/24/2010) net of fee returns lagged the benchmark while the 10-year period exceeded the Russell 2000 Growth benchmark. In the quarter-to-date period (January 1 through March 20, 2024), fund performance has started off well with a gross of fees return of 8.2% versus the benchmark return of 5.2%. The gross of fees rolling one-year performance through March 20, 2024 was in-line with the benchmark at 22.1%.

In the calendar year 2023, the relative underperformance was driven by poor stock selection within Healthcare (i.e., biotech), Consumer Discretionary, and Communication Service stocks. For the year, all sector returns within the Russell 2000 Growth experienced positive returns, except for Utilities, with Consumer Staples capturing the greatest returns. The Energy sector was down -7.60% in the Fourth Quarter 2023.

### **William Blair**

Greg Czarnecki informed the Committee that the transition of ICoM to William Blair in 2021 is in the rearview mirror and has been seamless. The Small Cap Value mutual fund was soft-closed and ended the calendar year 2023 at \$1.3 billion in assets under management. Greg provided a team update which included one of their Industrials analysts departed to pursue other career endeavors in February 2024. The departing analyst's coverage represented less than 3% of the current portfolio holdings. The two other Industrials analysts (Jesse Fink and Matthew Fleming) will cover these duties until a replacement can be named.

Bill Heaphy provided an overview of the Small Cap Value performance. He reported that their Fourth Quarter 2023 and the 1-year period, as of December 31, 2023, returns lagged the Russell 2000 Value benchmark. However, updated net of fees performance through February 29, 2024 showed that all time periods have exceeded the benchmark, with the only exception being the rolling 1-year period. Discussion included the best performers and detractors; sector underweights and overweights; and a market outlook for small cap stocks going forward.

The working session ended at 9:33 a.m.

The next Investment Committee Meeting is scheduled for  
Thursday, April 18, 2024 at 8:00 a.m.