

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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INVESTMENT COMMITTEE MINUTES

September 19, 2024

PRESENT: John Carr, Joey Hager, Mike Feehley (arrived at 8:18)

ABSENT: Teresa Smith, Matt Hastedt

OTHER: Sandy Thiry, Tony Bass, Desiré Dixon, Lisa Flowers

GUESTS: Travis Miley and Nicole Tetrault – Wellington Management
Patrick Hearne (via phone) - SSGA

OFFICIAL CALL TO ORDER by John Carr at 8:04 a.m.

Approval of Meeting Minutes

Mike Feehley motioned to approve the August 15, 2024 meeting minutes as presented and Joey Hager seconded the motion. The motion carried unanimously.

Asset Allocation Report

The Committee reviewed the asset allocation report and determined that all asset classes were acceptable according to the Investment Policy Statement and market conditions. The Fund's total market value was estimated to be \$669,510,724 million as of August 31, 2024.

International Equity Review

Wellington Management

Nicole Tetreault reviewed the firm's investing philosophy as well as noting that the firm is a private partnership with no CIO. The portfolio is run by the global industry analysts with all the firm's investors making decisions.

Travis gave an overview of the fund's performance and team structure, noting no changes within the team. The portfolio is designed to be industry neutral and style benign. The first half of 2023 started out poorly but recently starting to claw-back some of the underperformance from 2023. In 2023 the fund lagged the benchmark by 260 basis points. As of August 31, 2024, the 1 year reporting period continued to lag the benchmark by 30 basis points while the Year-to-Date reporting period outperformed the benchmark by 130 basis points. Industry weights are relative to the benchmark as stock selection drives performance. Top drivers of the portfolio were health care and consumer discretionary while the detractors were industrials and information technology. He also noted Real Estate performed well in the portfolio within specific geographies.

Wellington is optimistic and expects the portfolio returns will continue to improve.

Domestic Fixed Income and Domestic and International Equity Review

State Street Global Advisors

Patrick Hearne provided firm updates and advised that there have been no changes to the investment team in the past year.

Patrick provided the performance review as of August 31, 2024, and advised the portfolios met or exceeded their benchmarks for all reporting periods, except for the Year-To-Date reporting period for the Russell 1000 Index SL

Fund. The Passive Bond Market Index Fund returned 7.35% compared to 7.30% for the Bloomberg US Aggregate Index for the last 12-month reporting period. For the same reporting period, the Russell 1000 Index SL Fund returned 26.62% over the past year compared to the index of 26.60% The EAFE Index SL Fund returned 19.66% compared to the index of 19.40% There was \$13K in fee savings due to securities lending program between July 2023 and June 2024. The fees will no longer be an offset to the invoice but rather wrapped into the Net Asset Value of the fund.

Various Manager Updates

There were no manager updates presented during the September meeting.

New Business

There was no new business presented during the September meeting.

Mike Feehley motioned to adjourn at 9:25 a.m. and Joey Hager seconded the motion.

The motion carried unanimously.

The next Investment Committee Meeting scheduled for Thursday, October 17, 2024, at 8:00 a.m.