

SUMMARY OF SPECIAL REMOTE/VIDEO-CONFERENCE
INVESTMENT MANAGERS' MEETING OF
THE CITY OF MIAMI
GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST

THE ROSE GORDON BUILDING
2901 BRIDGEPORT AVENUE
WALDEMAR LEE CONFERENCE ROOM
COCONUT GROVE, FLORIDA 33133
TELEPHONE: 305-441-2300 FAX: 305-441-2307
WWW.GESE.ORG

FRIDAY, APRIL 3, 2020

9:30 AM

MEMBERS: LUIS FERNANDEZ
CLARENCE GRAVES
PORFIRIO JIMENEZ
MARY LUGO
OLGA TORRES
SEAN MOY
ANN MARIE SHARPE
JOE SIMMONS, JR.
COREY TAYLOR

ALSO PARTICIPATING:

CHRIS BARNETT	ANNIE KONENGE
HOWARD BOSS	JAMIE O'NEIL
JENNIFER FALCONE	ENRIQUE RAMOS
THAD FLETCHER	GEORLIAM RODRIGUEZ
JON GREENHILL	MICHAEL G. SEBESTA
JANNA HAMILTON	RON A. SILVER, ESQ
BRIAN HARVEY	HILDA THOMPSON
JACQUELINE HATTLER	ELENA VALDES
PATRICK HEARNE	WALLY WILSON
EDGARD HERNANDEZ	
ASHLEY B. HYOTTE	

**SUMMARY OF THE
FRIDAY, APRIL 3, 2020
SPECIAL REMOTE MEETING**

Roll-Call – Mr. Edgard Hernandez, Pension Administrator called the roll. The roll-call reflected everyone present (via Zoom video conferencing.). Members of the public, including Pageant Media, from the United Kingdom joined the meeting (via telephone.)

I. ATTORNEY’S REPORT:

Governor’s Order – Mr. Silver stated that as per Governor’s Order Number 20-69 remote meetings are allowed and authorized. Mr. Silver added that we have been in constant contact with our money managers as well as with Wally and Hilda throughout this process. The managers have provided a written response with what they are doing and their views and outlook for the future. Mr. Silver stated that the operations of the Pension Office have not been affected. The Pension Administrator and staff have continued to work and there have been no interruptions on checks going out. Mr. Silver stated that as per the guidelines, there will be no traveling. We will be adhering to all guidelines set forth by the governor and city government.

II. PENSION ADMINISTRATOR’S REPORT:

We have followed updates on the virus and City communication regarding the State of Emergency. We met the March payroll deadline and plan to do the same with the April payroll. Based on the guidelines of social distancing and “Shelter in Place Order” from the City, the staff works on an alternating schedule and remotely from home. If the situation deteriorates, we will be moving everyone fully virtual but as for now, the office has remained opened and operational. We are asking members to send changes, questions and concerns via email or fax. For members who walk in, we are seeing them in the second floor, office lobby through the glass mirror in order to ensure the safety of the member and the staff.

III. SOUTHEASTERN ADVISORY SERVICES REPORT PRESENTED BY MS. HILDA THOMPSON AND MR. WALLY WILSON:

Ms. Thompson reported that for quarter ended December 31, 2020, we were up 5.5% and had \$808 million. The returns for February were -5.0% and the value was \$752 million. January and February wiped out the fourth quarter returns. Fixed Income added some value to their portfolio for January and February. Ms. Thompson stated that market corrections typically happen every three years. There have been two times the Fund suffered negative returns. In 2001 and 2002, during the “Market Bubble” the Fund lost 10% two years in a row. In 2008 the Fund lost 13.7%. In 2009 it lost 1.4%. The Trust has always been patient and allowed the managers to do their work. This has resulted in the Fund coming back and strongly recuperating and since 1987, the Trust has an annualize return of 8.5%. Some discussion took place. No action was taken at this time.

IV. MONEY MANAGERS’ REPORT:

Barings International presented by Ms. Jacqueline Hattler, Mr. Jon Greenhill via video and Ashley B. Hyotte via telephone. Ms. Hattler reported that Barings is outperforming your benchmark by a little over 5%. On a year to date basis they are outperforming by a little over 3.5%. On a one year basis close to 5%. Mr. Greenhill went over Barings’ strategy, holdings and historical performance. Ms. Thompson stated that on a quarter to date, absolute basis, Barings is down 8%. Mr. Silver asked if the Board should be doing anything with their decision helping process and asked if there are any changes on how Barings is handling our portfolio. Mr. Greenhill replied that they continue doing what they have always done and are grateful for the great communication with the Fund. A lengthy discussion took place. Mr. Silver stated that timing is not a good way of dealing with the market. He reiterated that we rely on our managers and we always adhere to our investment objectives. This report concluded. No action was taken at this time.

Atlanta Capital Management presented by Mr. Joe Hudepohl - Mr. Hudepohl stated that Atlanta Capital has not deviated from their investment strategy despite of market conditions. Your portfolio was up 38.7% for quarter ended December 31, 2019, versus the Russel 1000 Growth up a little over 36% and the S&P up about 30%. Absolute numbers for the first quarter are down a little less 14% for the first quarter on an absolute basis. The Russell was down the same. The S&P is down almost 20%. For the trailing twelve month Atlanta Capital is still up 1.4%. Mr. Hudepohl stated that the Market experienced the fastest 30% decline ever. This is unprecedented. Mr. Hudepohl stated that over time Atlanta Capital will continue to do even better, as the Markets distinguish which companies will survive in this environment. Mr. Hudepohl added that they have not had any problems in buying or trading and feel their business will do well in this economy. Mr. Hudepohl went over the holdings in the portfolio. He stated that Atlanta Capital is focused on long term returns. Some discussion took place. Mr. Silver asked if the Board should be doing anything with their decision helping process. Mr. Hudepohl replied that they continue doing what they need to do and focus on high quality businesses. Some additional discussion took place. This report concluded. No action was taken at this time.

Cooke & Bieler presented by Mr. Thad Fletcher and Mr. Jamie O'Neil – Mr. Fletcher stated he is confident this will turn around. Mr. O'Neil stated that he is disappointed with the performance but returns for the last quarter, last year end and since inception, were ahead of the Market. Looking at Market history, they feel good about our portfolio. They have companies with very strong prospects despite of this period. Mr. Fletcher stated that this down turn is not fundamental driven and every asset class has been affected. Mr. Silver asked if the Board should be doing anything with their decision helping process. Mr. O'Neil replied that they were comfortable, as they have been through periods like this before and the Board does not need to do anything different. Chairman Moy asked Ms. Thompson regarding Cooke & Bieler's loss. Ms. Thompson responded that for the quarter Cooke & Bieler was down 30%. From their Market Value on December 31, 2019, it was \$145 million. They are down to \$99 million. Ms. Thompson asked if Cooke & Bieler owned medical supplies companies. Mr. O'Neil replied that they did and mentioned the companies where they had stocks in. Mr. Wilson asked for the current dividend yield on the portfolio. Mr. O'Neil replied that the yield in the portfolio was 3.2%. Some additional discussion took place. Mr. Fletcher stated that they have never diverted from their investment philosophy in process. Mr. Fletcher added that in Markets fundamentally challenged, they have done very well. They continue doing

what they need to do and focus on high quality businesses. Some additional discussion took place. This report concluded. No action was taken at this time.

Break was taken.

Cramer Rosenthal McGlynn presents by Mr. Chris Barnett and Brian Harvey- Mr. Barnett reported that the S&P was down 20% year to date. The Small Cap was down almost 40%. Based on statics, March was the worse month for this period. Cramer is down 38% versus the benchmark down 36%. March has been the worse since 1926. Mr. Brian added that in Markets fundamentally challenged, they have done very well. They continue doing what they need to do and focus on high quality businesses. Chairman Moy asked Ms. Thompson regarding Cramer's numbers. Ms. Thompson responded that at their high Market Value, it was \$55 million, currently \$34 million, roughly \$20 million down and that explains the 38%. Some additional discussion took place. This report concluded. No action was taken at this time.

State Street Global Advisors presented by Patrick Hearne and Dwayne Hancock - Mr. Hearne reported that it had been a remarkable and volatile environment under the circumstances. Staff is working 98% remotely. Mr. Hancock stated that the Funds are as expected, doing the same replicating the benchmark. Mr. Wilsom asked what is the approximate yield in the S&P 500. Mr. Hancock replied that it is roughly about 2.5% to 3%. Chairman Moy asked Ms. Thompson regarding State Street's numbers. Ms. Thompson responded that it was at \$149 million and as of March 31st, \$130 million. Mr. Silver asked for the overall general investment plan. Mr. Hancock responded that the mandate should remain and closely track the benchmark. Some discussion took place. This report concluded. No action was taken at this time.

T. Rowe Price presented by and Mr. Ron Taylor and Ms. Jennifer Falcone - Ms. Falcone stated that the firm remains a balanced and stable financial organization and firm has strong, robust business continuity plan. Mr. Taylor reported that for the first quarter, the Market was down 14.1%. Your portfolio has a return of 6.7% versus the benchmark. Mr. Silver asked if the Board should be doing anything with their decision making process. Mr. Taylor responded it did not. Ms. Thompson stated that their December 2019, value was \$31 million. Their January 31st was just over \$25 million. They lost about \$5 million but had a 14% return. Some additional discussion took place. This report concluded. No action was taken at this time.

Garcia Hamilton presented by Ms. Janna Hamilton, Mr. Gilbert Garcia, and Jeffrey D. Detwiler - Mr. Garcia stated that the Fund was doing fine. We started the year at roughly \$15 billion and are about \$14.8 billion under management. Everything is fine as a company. Mr. Garcia stated that they are looking for great opportunities. Mr. Silver asked if the Board should be doing anything with their decision helping process. Mr. Garcia responded “no, not at all and if there is anything, is to be patience, be patience to avoid any irrational decision. It is going to work out.” Ms. Thompson stated that Garcia Hamilton was the only manager that increased their value since December 31st, from \$47 million to \$47.5 million. This is 1%. For quarter to date they are down about 2%. Some additional discussion took place. This report concluded. No action was taken at this time.

Richmond Capital Management presented by Mr. Howard Bos - Mr. Bos reported that March was a difficult month. For the month of March you had a rerun of -1.88% versus 0.59% for the Index. Year to date your return is 1.59% versus a little over 3% for the Index. Mr. Silver asked if the Board should be doing anything with their decision helping process. Mr. Bos replied “no.” They follow the Investment Policies and this is a high quality portfolio. Ms. Thompson stated that Richmond earned \$1 million for the quarter. Some additional discussion took place. This report concluded. No action was taken at this time.

Seix Investment Advisors presented by Mr. Mike Sebesta – Mr. Sebesta reported that your portfolio has been positioned very conservative and cautious. For the month of March you had a positive return of .88% versus the Index down .59%. For the quarter your portfolio is up 4.88% versus the Index 3.15%. The best performing is the one year number at 10.58%, which outperformed the benchmark by 164 basis points. Mr. Wilson stated that Seix was the only manager with a positive return for the month of March. They started the year with \$59.4 million and ended March 31st with \$61.8 million. Some discussion took place. This report concluded. No action was taken at this time.

Some discussion took place regarding setting a meeting date. A motion was not made but the Board agreed on having a remote meeting on Friday, May 8, 2020.

Some discussion took place regarding the building's update. Mr. Hernandez stated that the contractor finished the stucco of the first phase of the building. Due to Covid-19 the work has slowed down but it will resume in the days to come.

Trustee Simons moved to adjourn. Trustee Lugo seconded the motion. The motion was unanimously approved.

SPECIAL REMOTE/VIDEO-CONFERENCE
INVESTMENT MANAGERS' MEETING OF
THE CITY OF MIAMI
GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST

THE ROSE GORDON BUILDING
2901 BRIDGEPORT AVENUE
WALDEMAR LEE CONFERENCE ROOM
COCONUT GROVE, FLORIDA 33133
TELEPHONE: 305-441-2300 FAX: 305-441-2307
WWW.GESE.ORG

FRIDAY, APRIL 3, 2020

MOTIONS

1. Motion to adjourn.

Moved by Trustee Simmons
Seconded by Trustee Lugo

Discussed and moved on page 7.