

**MINUTES OF DECEMBER 12, 2024 CITY OF ALEXANDRIA
SUPPLEMENTAL RETIREMENT PENSION BOARD
JOINT DUE DILIGENCE MEETING**

PRESENT:

<u>Members</u>	<u>Others</u>
Kelsea Bonkoski (Medic/Fire Marshal - Alternate)	Eric Bachman, PIMCO
Robert Gilmore (Deputy Sheriffs)	Barry Bryant, Dahab
Julian Gonsalves (Management)	Kadira Coley, Staff
Katherine Key (Management)	Denise Cummings, Staff
Kendel Taylor (Management)	Diana Fuentes, Staff
Dana Wedeles, (General Schedule – Alternate)	Elizabeth Honaker, Medic/Fire Marshal
	Kimberly Hurley, General Schedule
	Catisha Jackson, Staff
	Dylan Kempton, Fire
	Ryan Klein, Police
	Shirl Mammarella, Police
	Rick Muse, Fire
	Catharine Roddy, PIMCO
	Robert Stackhouse, General Schedule
	Darryl Stanton, Medic/Fire Marshal

¹Technical Corrections and Plan Document Review Committee

²Vendor & Service Provider

Absent:

Cassandra Branch (Deputy Sheriff)

Jina Edwards (General Schedule)

Jesse Maines (Management - Alternate)

James Mikell (Medic/Fire Marshal)

Jim Moore (General Schedule)

Sharath Rereddy (General Schedule – Alternate)

CALL TO ORDER

The meeting was called to order at 8:48 AM Thursday, December 12, 2024.

New and current board members introduced. A brief explanation was given of what we do quarterly in the meetings and the role of the investment manager.

MEETING RECORD

Meeting minutes were approved.

Ms. Taylor made a motion to:

Approve the September 12, 2024 minutes.

Ms. Wedeles seconded the motion. The motion was approved (5 - 0).

MANAGER DUE DILIGENCE PRESENTATION – PIMCO (Eric Bachman and Catharine Roddy)

- Mr. Bryant gave an overview of PIMCO. He requested that they speak on the general economy, inflation, their investment products and introduced the speakers.
- Mr. Bryant briefly pointed out the fluctuation in the economy regarding the recession. He also explained what the FEDs were trying to do by raising rates and then lowering them to get inflation under control.
- The team from PIMCO stated that there are four strategies that they manage for the City. They briefly went over each fund's performance (Total Return fund, StocksPLUS small cap fund, All Asset fund, and RAE Emerging Markets fund) and the economic outlook.
- **Total Return Fund**
 - Ms. Roddy explained that the fund is a diversified high-quality core-oriented portfolio. The fund outperformed its benchmark because they rely on multiple sources of return that contribute to their alpha profile.
 - Ms. Roddy discussed how overweight/underweight duration relates to the interest rate sensitivity.
 - Two key risks in a bond portfolio are the interest rate positioning and the credit risk. Currently there is not a lot of risk in purchasing bonds and they believe the FEDs will likely cut rates. High quality bonds are attractive right now.
- **StockPLUS Small Cap**
 - This fund generates meaningful excess returns over time without the traditional approach of stock picking. PIMCO does so by replicating the equity index using futures and swaps and taking the remainder of the capital and investing in high quality PIMCO stock.
 - The performance on this fund year to date, the Russell 2000 had a return of 11.14%. The fund outperformed by 120 basis points after the fees.
- **All Asset Fund**
 - A global multi-asset strategy. Mr. Bryant suggested PIMCO skip this fund since this Board is not invested in the fund.
- **RAE Emerging Market**
 - This is a systematic value strategy that has performed well.
 - A disciplined framework that seeks to take advantage of mean reversion in equity markets.
 - Stock selection using quantitative signals.
 - This is a systematic strategy designed to outperform overtime.

FINANCIAL & QUARTERLY REPORT REVIEW

- Mr. Bryant gave an overview of the current market and the third quarter of 2024 returns.
- Plan funds had an average return this quarter. The Supplemental fund returned 4.9% and landed in the 68th percentile.
- The 4th quarter returns may look different due to the move away from Polen.
- If managers are not adding money over the long term, the Plan will be getting rid of them.
- There is a lot of cash in the portfolio, which was a drag on returns this quarter. Dahab will recommend rebalancing in the coming quarter.
- Acadian has done very well for the plan thus far.

ADMINISTRATORS REPORTS

Regular Investment and Cash Flow Reports

Rebalancing report was included in the packet.

Other Items

An updated education listing was provided.

Mr. Gonsalves made a motion to:

Approve travel to training listed on the education list for the 2025 calendar year.

Ms. Key seconded the motion. The motion was approved (6 - 0)

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

No report was given.

Vendor & Service Provider Review Committee

No report was given.

OLD BUSINESS:

None.

NEW BUSINESS:

Elections

Ms. Coley thanked the Board members who were leaving and welcomed Alethia Predeoux and Arthur Wicks who will be representing the management side, Kimberly Hurley and Robert Stackhouse who will represent the General Schedule employees and Elizabeth Honaker and Darryl Stanton who will represent the Medics and Fire Marshals.

NEXT MEETINGS

- a. Wednesday, January 8 at 8:45 AM – Interim Meeting
- b. Wednesday, February 5th at 8:45 AM – Interim Meeting
- c. Thursday, March 13th at 8:45 Due Diligence Meeting

ADJOURNMENT

The meeting adjourned at 11:08 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting

Education Listing
Calendar 2025
Election Documents

Distributed to Board members at the meeting:

Dahab Performance Review September 2024 (Specific to your plan)
PIMCO Presentation