

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION

INVESTMENT COMMITTEE MEETING MINUTES

April 18, 2019 6:00 PM

Call to Order: Investment Committee meeting called to order by Director Rubio, committee chair at 6:05 pm in Administration Conference room of the Florida Department of Health – Citrus Building, Lecanto, FL.

Moment of Silence: Differed

Pledge of Allegiance: Differed

Attendance: Ernesto “Tito” Rubio (Investment Committee Chair), Sally Long, CFP®, Brendon Vavrica, CFP® and Brad Hess, CFA®, with Andco consulting, Max Barnes, CPA, Dr. Adnan Mohammadbhoy, CCCC Board member.

Approval of Agenda and Legal Notice:

Public Comment: No Public Present.

Minutes of Previous Meeting: Motion (SLong) second (ERubio) to approve Investment Committee Meeting minutes of February 21, 2019 as amended. Max Barnes was not present at the February 21, 2019 meeting. Unanimous voiced 2 to 0 vote.

Unfinished / New Business:

Review of earnings from the Quarter ended March 31, 2019.

Brendon Vavrica and Brad Hess from AndCo provided an update on the market environment and a portfolio review for the 1st quarter 2019.

Market Environment - After a difficult end to 2018, markets rebounded strongly during the 1st quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter. Within equities, domestic stocks outperformed international markets. The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. Growth indices outperformed value indices across the market cap spectrum during the 1st quarter. Growth stocks have outperformed value in all but one quarter over the last two years. This was a relative hinderance to the portfolio, as due to our bylaws of only being able to spend income/dividends, our equity exposure avoids growth stocks and is focused on dividend paying value stocks. Fixed income securities underperformed equities to start 2019 with the broad market Bloomberg Barclays Aggregate Index returning 2.9%. Interest rates fell for all maturities across the US Treasury Yield Curve as Fed guidance signaled a pause in monetary policy tightening through 2019. Interest rates in the

middle of the curve saw the greatest declines causing the curve to invert with shorter-term maturities paying higher interest rates than those in the middle of the curve. This has historically preceded a recession by 6-24 months. Investment grade corporate issues were the best performing securities this quarter, outperforming Treasury and securitized issues.

Portfolio review – the portfolio ended 3/31/2019 at \$8,322,833 compared to the \$7,743,587 market value at 12/31/2018. The portfolio had \$65,182 in income and \$514,113 in capital appreciation during the quarter. We reviewed the asset allocation versus the IPS target ranges. While we are within the IPS range for all asset classes and fairly tight to the targets, AndCo is recommending a rebalance back to target and will provide a rebalance schedule for the full board meeting on 4/25/2019. The total return of the fund in the 1st quarter 2019 was 7.48%, which outperformed the Total Fund Policy index of 6.32% by 1.16%. The equity composite returned 10.93% vs. 13.65% for the S&P 500 and underperformed due to our value bias. The total fixed income composite for the fund returned 3.74% vs. the policy index of 2.94%. All of the investment funds in the portfolio are performing as expected and no changes were recommended at this time. During the Fiscal Year-To-Date period of 7/1/2018 through 3/31/2019, the portfolio has generated \$298,656 in income or 99.65% of our full fiscal year \$300,000 income target.

Next Meeting: TBD

Adjournment: Motion to adjourn was made at 7:15 pm by (SLong) second (AMohammadbhoy). Voiced vote 4 to 0.