

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION

INVESTMENT COMMITTEE MEETING AGENDA

February 21, 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®, and Brad Hess, CaP®, with Andco consulting. Max Barnes joined the meeting at 6:10pm.

Approval of Agenda and Legal Notice: Motion to approve the agenda (SLong) second (ERubio) with unanimous voiced 2 to 0 vote. Legal Notice was posted by Secretary of CCCC.

Public Comment: None Present.

Minutes of Previous Meeting: Motion (SLong) second (ERubio) to approve Investment Committee Meeting minutes of November 08, 2018 as presented with unanimous voiced 2 to 0 vote.

Unfinished / New Business:

Despite decent corporate earnings and macro-economic data (GDP, unemployment), it was an extremely challenging and volatile equity market environment in the fourth quarter of 2018. The S&P 500 was down -13.5% while the Russell 2000 was down -20.2%. International markets did slightly better than domestic markets in the quarter, as the MSCI EAFE returned -12.5% while the MSCI Emerging Markets index returned -7.5%, reversing the strong outperformance of domestic equities during the first three quarters of 2018. This was the worst quarter for equity markets since the 2008/2009 financial crisis. The equity sell off was driven by global growth concerns, Fed Reserve actions and trade/tariff issues. Fixed income saw positive returns (Barclays’ US Agg +1.6% in the quarter) even in the face of the fourth Fed Reserve rate increase of the year (and 9th since the Fed began raising rates in 2015), as investors sought out the relative safety of bonds as equities sold off. The less risky Govt (2.5% return in quarter) and MBS bonds (2.1% return) were the drivers of FI returns while Corporate Credit (-0.2%) posted negative returns during the quarter. Subsequent to the end of the quarter, we discussed market rebound YTD 2019, as the Fed Reserve reversed course and put a hold on interest rate increases.

The portfolio ended the 4th quarter 2018 at \$7,743,587. We reviewed the asset allocation and noted that it was close to our targets and well within our allowable ranges for all assets classes. Sally asked if the range (0-15%) for Inflation Protection Fixed Income was correct and Andco responded that they would check into it and get back to the committee. AndCo did not recommend any asset allocation changes. The total fund returned -3.63%, underperforming the policy index of -2.13%. While the roughly 15% in equities outperformed its index given is tilt toward dividend paying & value stocks, our fixed income and real assets underperformed its respective indexes, primarily due to the managers being underweight to the safest fixed income areas (Govt bonds) and overweight to corporate credit and emerging markets. All managers are performing as we expect and there were no manager changes recommended. We also discussed 2019 YTD performance for the mutual funds, which was much improved versus what was experienced in the 4th quarter. The investment committee commented that given the bounce back, it would make sense to have an updated market value to share with the full board at the 2/28 meeting.

Next Meeting: TBD

Adjournment: Motion to adjourn was made at 6:55 pm by (SLong) second (ERubio). Voiced vote 2 to 0.