

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION

INVESTMENT COMMITTEE MEETING AGENDA

July 18, 2019 6:00 PM

Call to Order: Investment Committee meeting called to order by Director Rubio, committee chair at 6:00 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®, Dr. Adnan Mohammadbhoy and Dr. William Dixon, CCCCF Board members. Brendon Vavrica, CFP® with Andco consulting.

Approval of Agenda and Legal Notice: Agenda meeting approved by unanimous vote.

Public Comment: No public present.

Minutes of Previous Meeting: Approval of Investment Committee Meeting minutes of April 18, 2019 and Jun 20, 2019. Motion by Dr. Mo, second by Ms. Long, approved by unanimous vote.

Unfinished / New Business:

Brendon Vavrica from AndCo provide an update on the market environment and portfolio review during the 2nd quarter 2019.

Market Environment - markets continued to recover in the 2nd quarter, however the return pattern was very up and down given the changing market sentiment. Broad international and domestic equity markets had returns in the 2%-4.5% range during the period as investors overlooked signs of weakening global growth and uncertainty related to any trade deal with China in favor of the expectation of increased accommodation from the Fed. Fixed income returns were similar to that of equities as rates fell in anticipation of future rate reductions from the Fed.. Within equities, the large cap S&P 500 Index returned 4.3% during the quarter while the small cap Russell 2000 Index gained 2.1% for the period. Growth indices outperformed value indices again across the market cap spectrum during the 2nd quarter. 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 domestic equities slightly with the broad market Bloomberg Barclays Aggregate Index returning 3.1%. 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 6/30/2019 at \$8,675,983 compared to the \$8,322,883 market value at 3/31/2019. The portfolio had \$73,616 in income and 160,602 in capital appreciation during the quarter. We reviewed the asset allocation versus the IPS target ranges. The total return of the fund in the 2nd quarter 2019 was 2.78%. This was slightly below the Policy index of 2.94%. The equity composite returned 3.58% vs. 4.30% for the S&P 500 and underperformed due to our value bias. The total fixed income composite for the fund returned 2.89% vs. the policy index of 3.08%. 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 6/30/2019, the portfolio has generated \$372,272 in income or 124.09% of our full fiscal year \$300,000 income target.

Discussion on the course for changes to the Investment Policy and Strategy occurred. Recommended that changes to the By-laws would have to be made to ensure funding in years where the portfolio did not have growth. The committee would recommend to the board a change from the 80/20 percent to a percentage of total invested for funding of the foundation.

Next Meeting: August 15, 2019

Adjournment: Motion to adjourn was made at 7:45 pm by Ms. Long second by Dr. Mohammadbhoy. Voiced vote 4 to 0.