

# CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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## INVESTMENT COMMITTEE MINUTES

January 21, 2021

**PRESENT:** John Carr, Kelly Flannery, Teresa Smith, Marvin Wilson, and Joey Hager (left at 9:50)

**STAFF:** Sandy Thiry, Desiré Dixon, Tony Bass

**GUESTS:** **MFS** - Paul Garbe, Director, Relationship Manager  
Nicholas Paul, Institutional Portfolio Manager  
**Boston Partners** - Dan Farren, Sr. Relationship Manager  
Elizabeth Sherrin, Client Service Associate  
John Forelli, Portfolio Research  
Mike Mullaney, Global Macro Research

**OFFICIAL CALL TO ORDER** by John Carr at 8:00 a.m. and attendance was taken via roll call.

### I. DOMESTIC EQUITY MID CAP MANAGER REVIEW

#### MFS –

- A. Paul Garbe provided a summary of the performance over each quarter, one-year and since inception date, November 14, 2019. Three of the four quarters exceeded the benchmark with the Since Inception return exceeding the benchmark by 152 basis points, net of fees.
- B. Nick Paul provided an overview of the investment philosophy including their goal to outperform the benchmark over full market cycles. When selecting stocks, they consider the potential company's durability of growth to generate earnings growth across all business cycles. Contributors and detractors from sectors and individual stocks were reviewed. During the onset of the Covid-19 pandemic, they took advantage of opportunities to purchase stocks that would better position the portfolio.

#### BOSTON-PARTNERS –

- A. Dan Farren provided firm update and noted they have experienced some internal movement of personnel but will not impact the CFRS' strategy. The firm has managed assets for the CFRS since May 31, 1998.
- B. John Forelli provided the fund performance review. They have outperformed net of fees, over all time periods except for the 5-year period which slightly lagged. He also reviewed the stock selection process and portfolio characteristics including the diversification of the portfolio. The portfolio includes 125-150 securities with individual weightings typically no greater than 2%. Sector weightings were reviewed in comparison to the benchmark. Performance through the various market cycles were reviewed which showed consistency in outperforming the benchmark.
- C. Mike Mullaney provided a review of the market environment analysis, specifically of the Value vs. Growth cycle in the near term as well as the long term.

## **II. MEETING MINUTES**

Teresa Smith motioned to approve the minutes for the November 19, 2020 meeting and Joey Hager seconded the motion. The motion carried via roll call vote.

## **III. VARIOUS MANAGER UPDATES**

- A. The Committee reviewed Winslow Capital weightings of Amazon and Microsoft as of 01/08/2021. Amazon's weight was 8.35% versus the benchmark of 7.25%. Microsoft's weight was 8.01% versus the benchmark of 8.84%.
- B. Asset Allocation – The Total Fund market value was \$641M as of December 31, 2020 with all asset classes within target ranges.

## **IV. NEW BUSINESS**

- A. Given the lack of any retiree benefit increase over the last 13 years combined with the significant growth in retirement assets, the Investment Committee discussed the possibility for a one-time bonus and/or COLAs for retirees. John Carr will make the CFRS Board Chair aware of the Committee's desire and support of some type of economic assistance for the retirees.
- B. Marvin Wilson presented the Committee with a request for the CFRS to assist retirees with transportation to get their Covid-19 vaccinations. He will reach out to the Local 660 and the CFD for assistance as well.

Marvin Wilson motioned to adjourn at 10:00 a.m. and Kelly Flannery seconded the motion. The motion carried via roll call vote.

The next meeting is scheduled for February 18, 2021 at 8:00 a.m.

cc: Vanessa Heffron, Board Chair  
Lisa Flowers, Assistant City Attorney