

CITY OF HOLLY HILL, FLORIDA
POLICE PENSION FUND BOARD OF TRUSTEES
AGENDA • NOVEMBER 16, 2023

City Commission Chamber

Police Pension Fund Board of Trustees

11:00 AM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448



City Commission Chamber
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

BOARD MEMBERS

Chairman

Captain Chris Yates

Sergeant Thomas Bentley
Sergeant Robert Hutchison
Robert W. Taylor
Kimberly Lawson

CITY CLERK

Valerie Manning

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

- 1. Minutes - August 17, 2023 - Police Pension Board Meeting
(Requested by Valerie Manning, City Clerk)

4. CHAIRPERSON'S REPORT

- 1. Chairperson's Report
(Requested by Valerie Manning, City Clerk)

5. OLD BUSINESS

- 1. Old Business
(Requested by Valerie Manning, City Clerk)

6. NEW BUSINESS

- 1. New Business
(Requested by Valerie Manning, City Clerk)

7. OTHER BUSINESS

- 1. 2024 Meeting Dates
(Requested by Valerie Manning, City Clerk)

8. ADJOURNMENT

Website Address – www.hollyhillfl.org (City Clerk)

NOTICE – If any person decides to appeal any decision of the Police Pension Board, he/she will need a record of the proceedings and, for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City does not prepare or provide such a record.



For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441



Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons needing a special accommodation to participate in the Police Pension Board proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.



Police Pension Board

SCHEDULED

Meeting: 11/16/23 11:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4339

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4339)

Minutes - August 17, 2023 - Police Pension Board Meeting

DISCUSSION:

Minutes from the August 17, 2023 Police Pension Board meeting.

MOTION:

Approve the minutes as submitted by staff.

HOLLY HILL POLICE OFFICERS' RETIREMENT TRUST FUND

"MEETING MINUTES"

Thursday August 17, 2023
City Commission Chambers

1. CALL TO ORDER

Meeting was called to order at 11:00 AM

2. ROLL CALL

Christopher Yates – Chairman
Thomas Bentley- Secretary
Robert Hutchison
Robert Taylor
Kimberly Lawson

3. APPROVAL OF MINUTES

- Minutes- February 16, 2023, HHPD Pension Board Meeting as well as Special Meeting
Motion to Approve both made by Lawson, 2nd by Hutchison
All in favor, Motion approved

4. CHAIRMAN'S REPORT

- Former Officer Justice King has resigned and his payouts has been processed.
- Motion to accept annual disclosure form, Foster and Foster. Motion made by Taylor, 2nd by Bentley. All in Favor
- Motion to approve Insurance policy form from Traveler's Insurance, option for renewal. Motion to find out price of renewal. Motion to approval made by Bentley, 2nd by Lawson, All in Favor, Motion Approved
- Motion to approve budget for 2023/2024. Motion made by Hutchison, 2nd by Taylor, All in Favor

5. NEW BUSINESS

- Attorney Paul Daragjati spoke about Former Officer Robert Milne in regards to a possible adversarial hearing. Motion for outside counsel for Milne case in possible adversarial former hearing. Motion made by Lawson, 2nd by Hutchison. All in Favor

- Motion to sign denial order letter in Former Officer Milne disability case. Motion made by Bentley, 2nd by Hutchison. All in Favor
- Inez Garcia, Salem Trust, spoke about new platform through Salem Trust for retirees. Pension Portal. Motion to sign full portal agreement for retirees. Motion made by Taylor, 2nd by Lawson. All in Favor
- 1st Quarter Report by Frank Wan of Burgess Chambers and Associates, Inc.
 - Plan had a gain of +3.5% this quarter (\$420,104.00 this quarter)
 - Plan has a current balance of \$12,944,093.00
- Motion to sign form to request rental income to be returned to Burgess Chambers and Associates from real estate. Motion made by Taylor, 2nd by Hutchison, All in Favor.

- Quarterly Invoice Payments of Outstanding Bills
Motion to Approve made by Taylor, 2nd by Lawson
All in favor, motion approved

7. OTHER BUSINESS

- Meeting Dates for 2023 – Commission Chambers at 11:00 AM.
 - November 16, 2023

8. ADJOURNMENT

- Meeting adjourned at 11:54 AM
Motion to adjourn meeting, motion made by Lawson, 2nd by Hutchison
All in Favor, meeting adjourned



Police Pension Board

Meeting: 11/16/23 11:00 AM
Department: City Clerk
Category: Chairperson's Report
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

SCHEDULED

CHAIRPERSON'S REPORT (ID # 4340)

DOC ID: 4340

Chairperson's Report

CHAIRPERSON'S REPORT:

- ✓ 2023-2024 COLA Adjustments have been sent to Salem Trust for processing
- ✓ Former Officer Saheed Ali resigned and has requested his reimbursement of his contributions be transferred to a 457 account
- ✓ Salem Trust Assignment, Ratification and Assumption Agreement

ASSIGNMENT, RATIFICATION, AND ASSUMPTION

WHEREAS, effective April 2, 2019, the custodian for [INSERT FUND NAME] (“the Fund”), Salem Trust Company, merged with TMI Trust Company and changed its name to TMI Trust Company ;

WHEREAS, effective April 2, 2019, TMI Trust Company commenced doing business as Salem Trust Company, a division of TMI Trust Company; and

WHEREAS, effective August 29, 2023 TMI Trust Company changed its name to Argent Institutional Trust Company;

WHEREAS, the resulting entity providing custodial services to the Fund will be Argent Institutional Trust Company which will do business as “Salem Trust Company, a division of Argent Institutional Trust Company”;

WHEREAS the Agreement can be assigned only with the express written approval of the Trustees of the Fund;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, it is covenanted and agreed as follows:

1. The Trustees of the Fund expressly consent to the assignment of its Agreement with Salem Trust Company (Attached as Exhibit A) to Salem Trust Company, a division of TMI Trust Company.

2. The Trustees of the Fund further expressly consent to the assignment of the Agreement with Salem Trust Company (Attached as Exhibit A) to Argent Institutional Trust Company, doing business as Salem Trust Company, a division of Argent Institutional Trust Company.

3. Argent Institutional Trust Company, doing business as Salem Trust Company, a division of Argent Institutional Trust Company (hereinafter, “Custodian”), hereby expressly (a) ratifies, assumes, adopts and agrees to be bound by all of the Agreements executed in the name Salem Trust Company or Salem Trust Company, a division of TMI Trust Company; (b) accepts the rights, powers, trusts, immunities, duties and obligations created by the Agreements, and (c) agrees to perform said authority, duties and obligations upon the terms and conditions set forth in the Agreements.

4. **Public Records:** Custodian will comply with public records laws, specifically to:

- a. Keep and maintain public records required by the Fund to perform the service.
- b. Upon request from the Fund or its public records custodian, provide the Fund with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does

not exceed the cost provided in this chapter or as otherwise provided by law.

- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Custodian does not transfer the records to the public agency.
- d. Upon completion of the contract, transfer, at no cost, to Fund all public records in possession of Custodian or keep and maintain public records required by the Fund to perform the service. If Custodian transfers all public records to Fund upon completion of the contract, Custodian shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Custodian keeps and maintains public records upon completion of the contract, Custodian shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Fund, upon request from Fund or its public records custodian, in a format that is compatible with the information technology systems of Fund.

IF CUSTODIAN HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS:

NAME ADDRESS TELEPHONE NUMBER EMAIL

- 5. **Section 448.095, Florida Statutes.** Custodian agrees to register with and use the E-Verify system to verify the work authorization status of all employees hired on and after January 1, 2021. Additionally, Custodian agrees to require any subcontractor to provide them with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized person.
- 6. Custodian is a Florida Non-Deposit Trust Company (Attached as Exhibit B) and as such is exempt from the provisions of Florida Statutes Chapter 280.

The parties have signed this Assignment and Assumption on the dates set forth below.

{00238701.DOCX;1}2

Signature

Date

Signature

Date

Accepted by Argent Institutional Trust Company, doing business as Salem Trust Company, a division of Argent Institutional Trust Company by _____.

(Signature)

Dated this _____ day of _____, 2023.

Witness:

Attachment: Salem Trust - Assignment, Ratification and Assumption Agreement (4340 : Chairperson's Report)



Police Pension Board

Meeting: 11/16/23 11:00 AM
Department: City Clerk
Category: Old Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4341

SCHEDULED

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4341)

Old Business

OLD BUSINESS:

- ✓ Former Officer Robert Milne has chosen to receive his contribution reimbursement. His reimbursement was deposited into his account. His medical disability pension request has been terminated.



Police Pension Board

Meeting: 11/16/23 11:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4343

SCHEDULED

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4343)

New Business

NEW

BUSINESS:

- ✓ 3rd Quarter Report - Frank Wan (Burgess Chambers)
- ✓ Investment Policy Statement - Frank Wan (Burgess Chambers)
- ✓ Payment of outstanding bills:
 - Paul Daragjati (Attorney services) - \$613.00
 - Salem Trust (Custodial services already deducted - **INFORMATIONAL PURPOSES ONLY**) - \$1750.00
 - Foster & Foster (Actuarial services) - \$0.00
 - Burgess Chambers (Investment services, 3rd Quarter) - \$6293.20
 - Integrity Fixed Income Management, LLC (Investment Management Fee) - \$1648.40



Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

September 30, 2023

Holly Hill Police Officers' Retirement Trust Fund

Investment Performance Period Ending September 30, 2023

The following investment information was prepared by BCA, relying upon data from statements provided by the plan custodian and/or investment manager(s).
BCA reviews transactions provided by the custodian and uses reasonable care to ensure the accuracy of the data contained herein.
However, BCA cannot guarantee the accuracy of the custodian's statement.

Holly Hill Police Officers' Retirement System
BCA Market Perspective ©
De-Risking Your Portfolio
October 2023

The recent surge in bond yields offers pension plans an opportunity to de-risk a portion of liabilities. The recent rapid climb among bond yields has nearly eliminated the potential reward in owning stocks over bonds, also known as the equity risk premium. In early October, the expected S&P 500 earnings yield over the next 12 months was just 0.74% above the 10-year Treasury bond yield – the lowest premium in over 20 years (WSJ 10/10/23).

When the stock market earnings yield is similar to the bond market yield, there is virtually no risk premium in owning stocks over bonds. For example, if the long-term return expectation in owning stocks is 8.0% and the yield to maturity of a high-quality bond portfolio is 6.0%, the return to risk trade-off favors bonds.

Yield to maturity is an accurate predictor of what a bond portfolio will produce over time and in the current environment it will be 90% income. And that is precisely what a pension plan looks for. Defined benefit plans were originally designed to carefully match liability payments to current period income, along with low volatility.

During the past several decades, pension fund asset allocators were forced to seek bond alternatives, as bond yields gradually declined to near zero in 2020. The alternatives introduced greater levels of risk to pensions plans. This included leveraged products, illiquidity, and lagging or estimated pricing of assets.

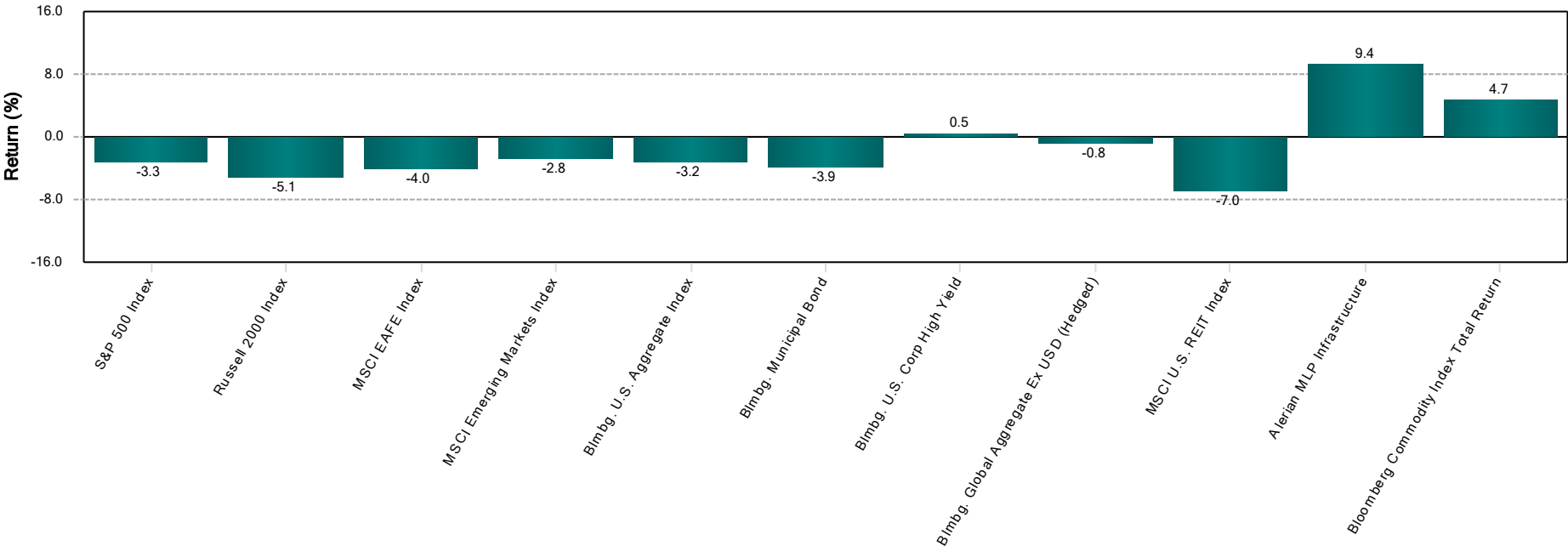
Using high quality bonds, it is possible today for a manager to build a long-term fixed-income portfolio model that nearly matches a portion of the long-term liability assumptions constructed by the actuary. If a pension fund sponsor wanted to de-risk a portion of the pension fund, this is possible today. How did this happen? The Federal Reserve and inflation together with market action raised the 10-year treasury bond to a 22 year high. And recently, the yield curve has begun offering longer-dated issues a higher yield. The 10-year U.S. Treasury may move higher, but that only makes the de-risking option even more attractive.

More public pensions plans are studying the topic and de-risking may be even more attractive for closed plans. Stocks are a great way to create long-term growth, but along with the ride comes volatility and uncertainty. In some cases, the draw-down recovery takes a decade. In contrast, a long-term and stable 6.0% yield to maturity derived from a dedicated bond portfolio might solve all or a portion of the volatility and liability problems for plan sponsors. De-risking will most likely still have a cost, but those costs have decreased significantly over the past few quarters, as interest rates have risen at a record pace.

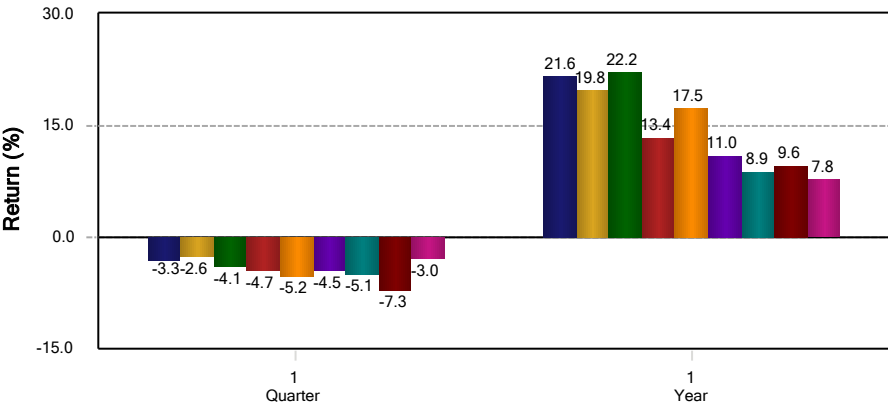
Quarterly Market Summary

September 30, 2023

1 Quarter Performance

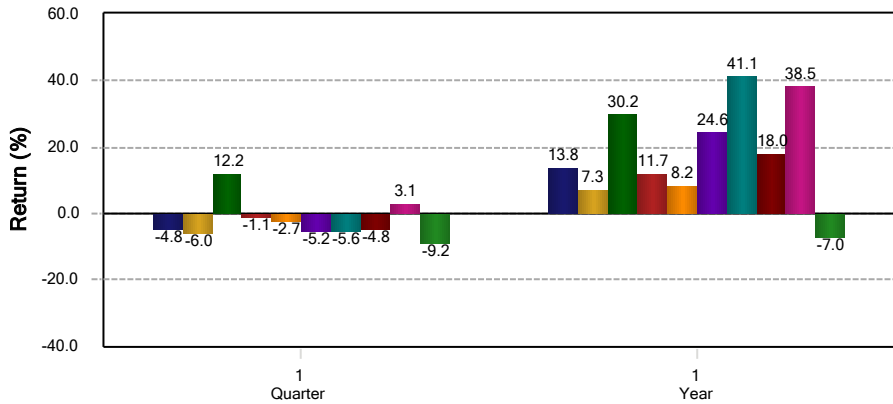


US Market Indices Performance



- S&P 500 Index
- Russell Midcap Index
- Russell 2000 Index
- S&P 500 Growth
- Russell Midcap Growth Index
- Russell 2000 Growth Index
- S&P 500 Value
- Russell Midcap Value Index
- Russell 2000 Value Index

US Market Sector Performance



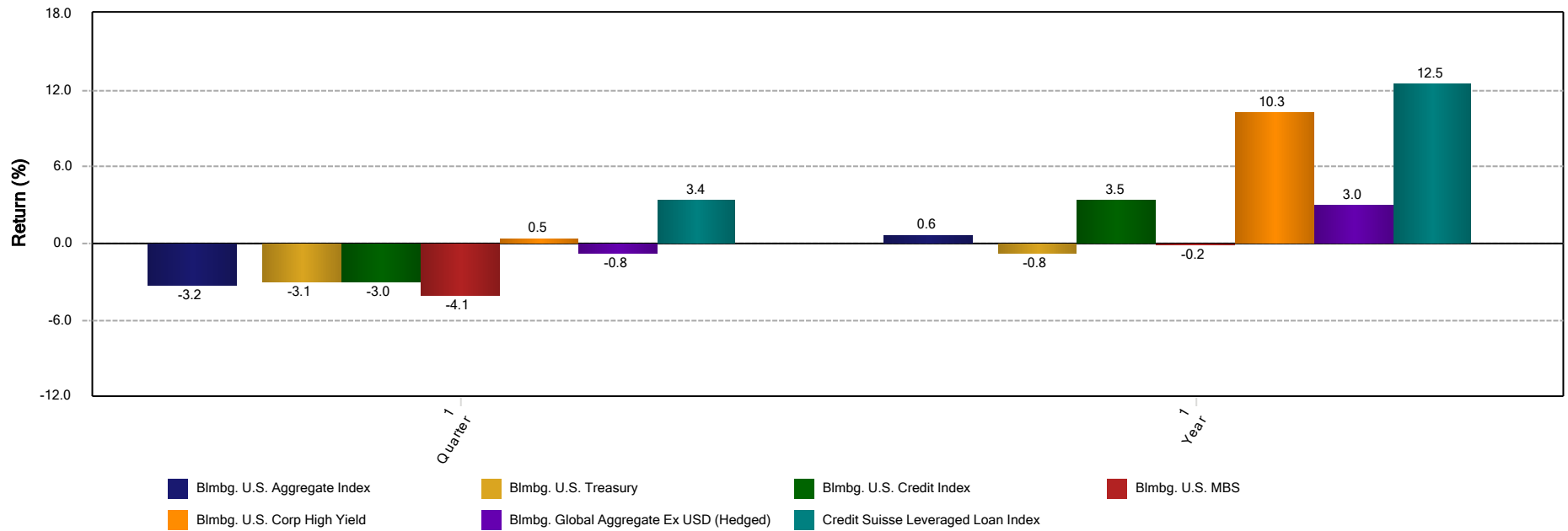
- S&P 500 Consumer Discretionary
- S&P 500 Consumer Staples
- S&P 500 Energy
- S&P 500 Financials
- S&P 500 Health Care
- S&P 500 Industrials
- S&P 500 Information Technology
- S&P 500 Materials
- S&P 500 Communication Services
- S&P 500 Utilities

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

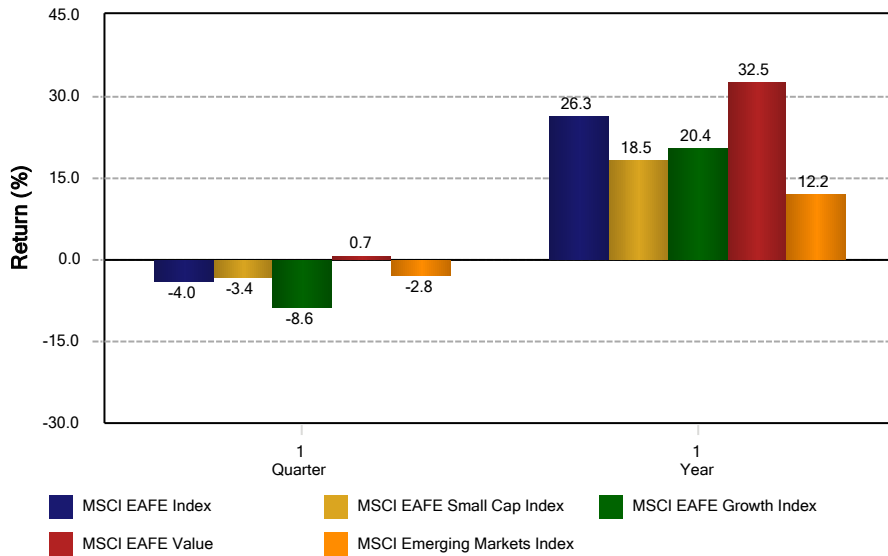
Quarterly Market Summary

September 30, 2023

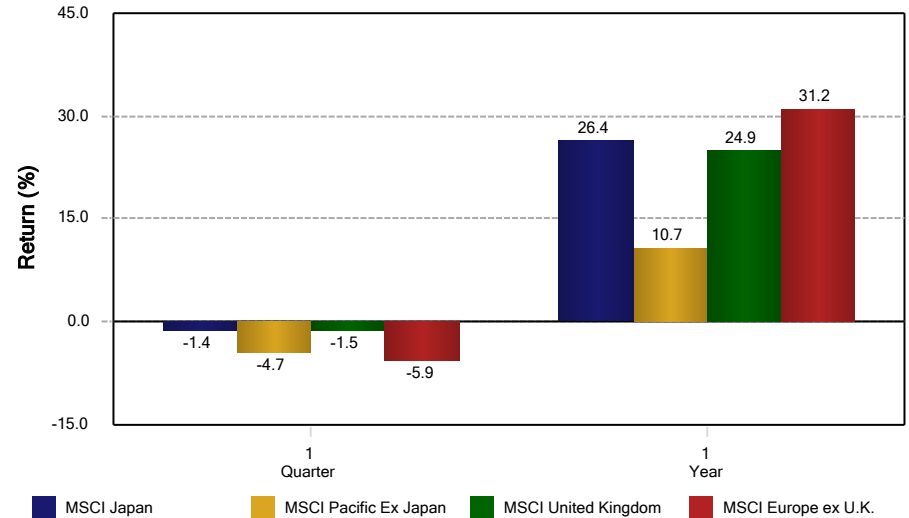
Fixed Income Market Sector Performance



Intl Equity Indices Performance



Intl Equity Region Performance

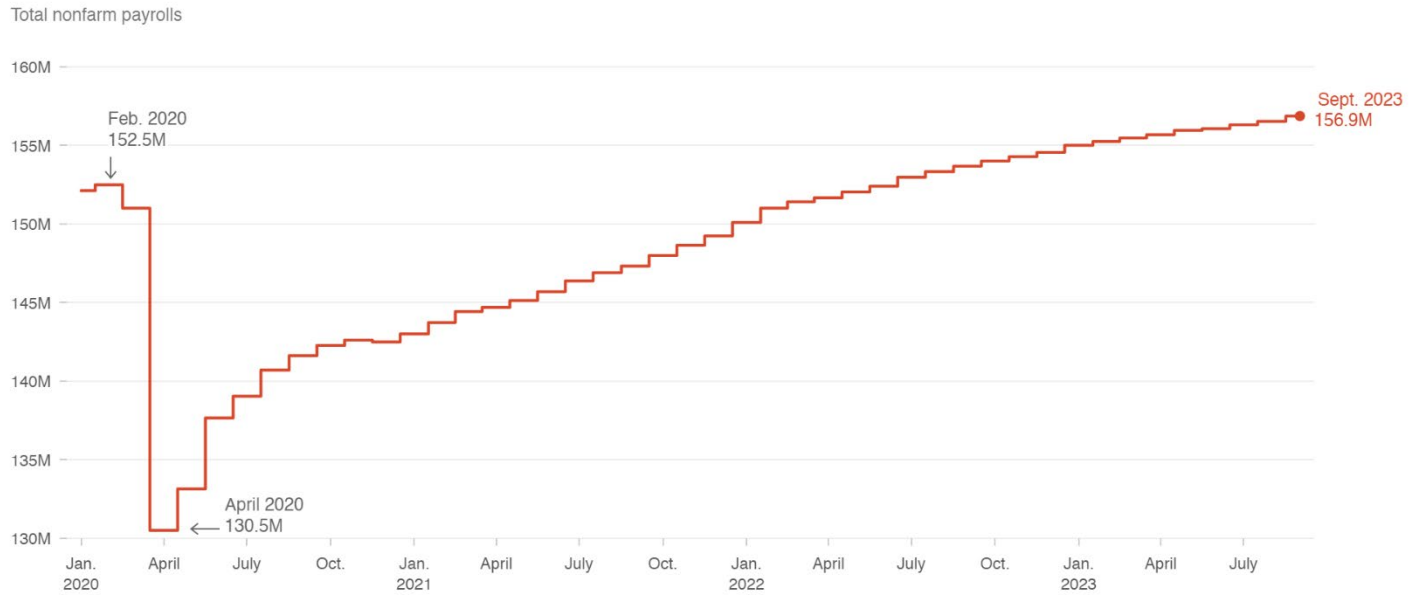


Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement System Total Fund Investment Summary September 30, 2023

In September, U.S. employers added about twice as many jobs as forecasters were expecting. The main concern with a strong labor market is the upward pressure on wages and inflation. Based on comments from the Fed, it appears that policymakers are leaning toward at least one more hike before the end of 2023.

The economy added 336,000 jobs in September



Source: Bureau of Labor Statistics

- o For the quarter, the Plan is down \$388K or -3.0% net, behind the policy index (-2.5%). The best three performers were: Cash (+1.2%), Integrity Fixed Income (-0.8%) and Intercontinental US Real Estate (-0.8%).
- o For the one-year period, the Plan was up \$1.2 million or +10.0% net, behind the policy index (+12.8%). The best three performers were: Polen Growth Fund Institutional Class (+22.0%), Fidelity 500 Index Fund (+21.6%) and FMI Large Cap Fund (+20.8%).
- o For the three and five-year periods, the System earned +4.3% (+3.8% net) and +6.0% (+5.3% net, top 27th), respectively.

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New



**Holly Hill Police Officers' Retirement System
Total Fund
Investment Summary
September 30, 2023**

- o In July, \$40K was raised from the FMI Large Cap fund to cover benefit payments.
- o In September, \$60K was raised from the Euro Pacific fund to cover benefit payments.
- o A Redemption Notice was submitted to Intercontinental Real Estate with an effective date of March 31, 2023 to redeem \$500K. On April 20, 2023, \$25,000 was redeemed. On August 23, 2023, an additional \$9,550 was redeemed. The redemption process will continue, providing liquidity for expenses. In August, the dividend reinvestment plan was turned off to allow cash dividends for expenses as well.

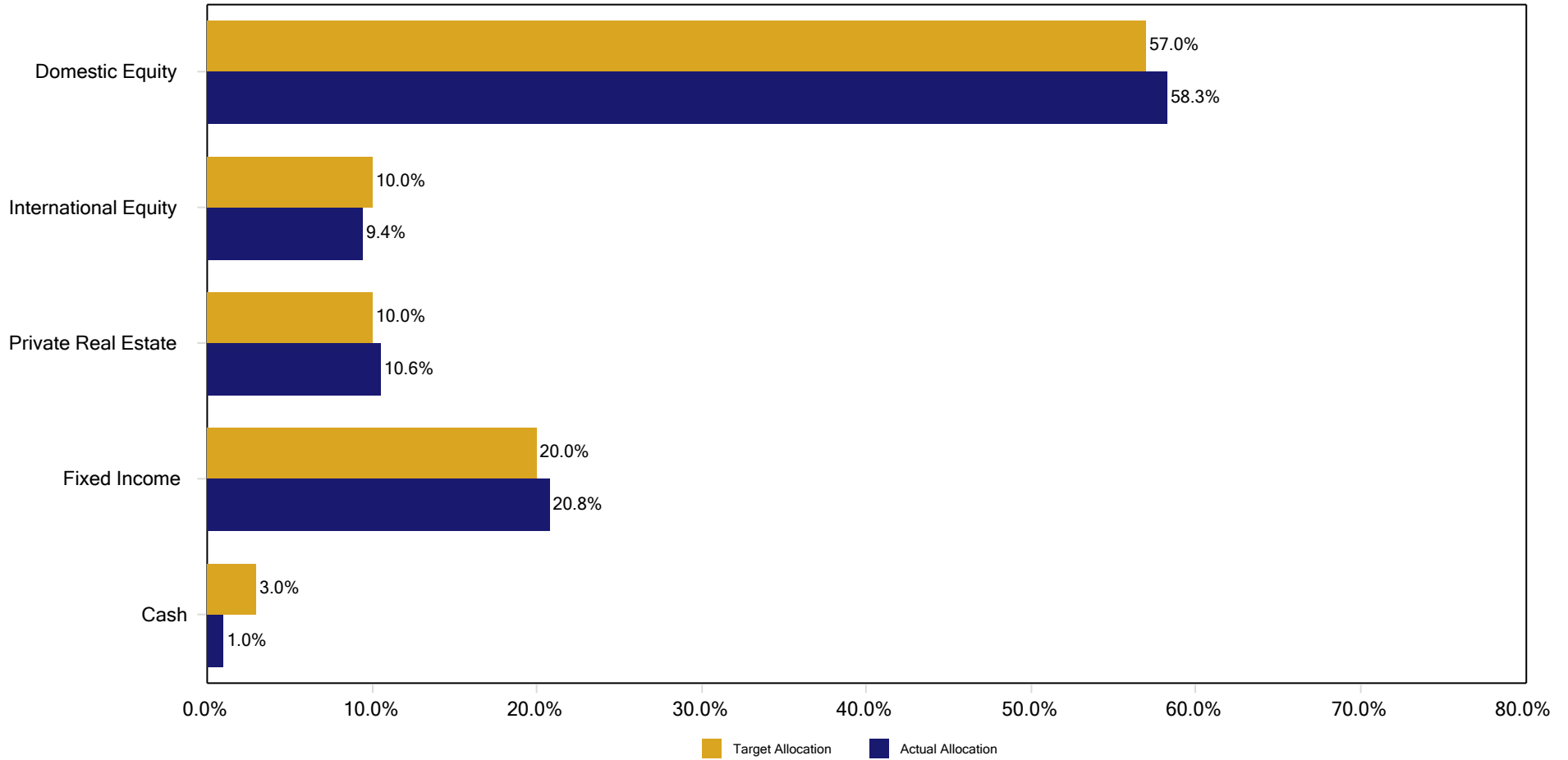


Holly Hill Police Officers' Retirement Trust Fund
Investment Performance - Net
September 30, 2023

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Beginning Market Value	12,944,093	11,811,406	12,433,559	10,736,248
Contributions	30,278	-397,663	-1,363,589	-1,355,913
Gain/Loss	-387,979	1,172,649	1,516,421	3,206,056
Ending Market Value	12,586,391	12,586,391	12,586,391	12,586,391
Total Fund (%)	-3.0	10.0	3.8	5.3
Policy Index (%)	-2.5	12.8	6.2	6.3

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund
 Actual vs. Target Asset Allocation
 September 30, 2023

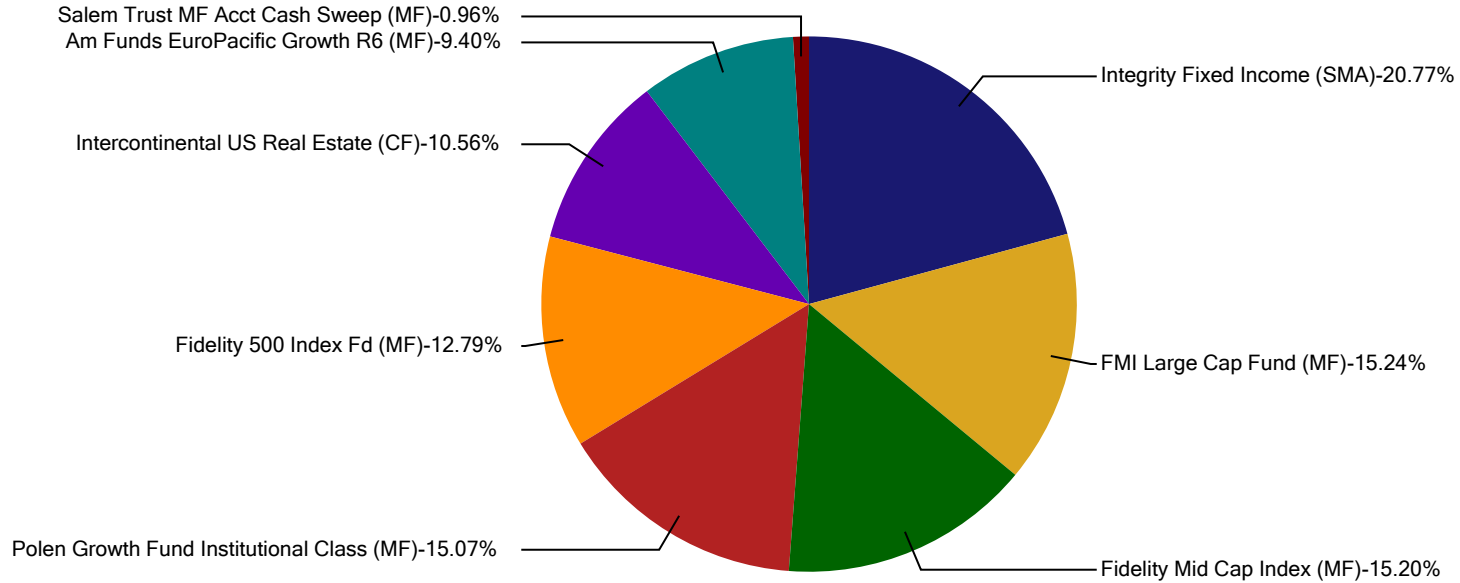


	Market Value Actual \$	Percent Actual	Percent Target	Percent Difference
Total Fund	12,586,391	100.0	100.0	0.0
Domestic Equity	7,338,213	58.3	57.0	1.3
International Equity	1,183,558	9.4	10.0	-0.6
Private Real Estate	1,329,657	10.6	10.0	0.6
Fixed Income	2,613,865	20.8	20.0	0.8
Cash	121,098	1.0	3.0	-2.0

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

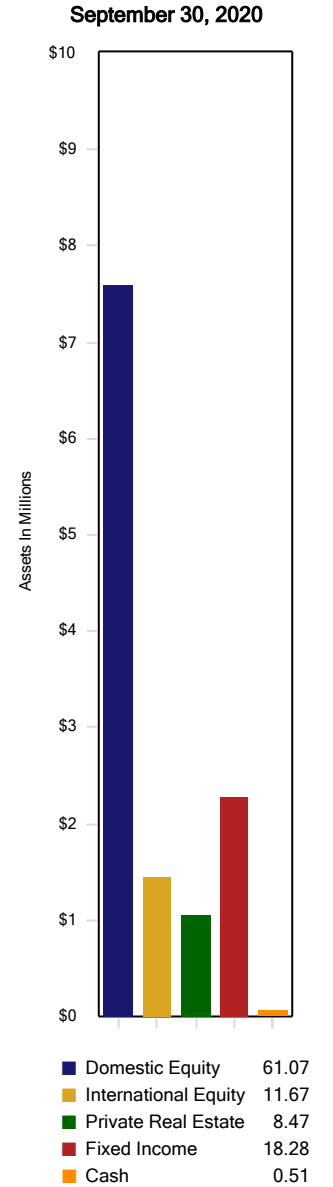
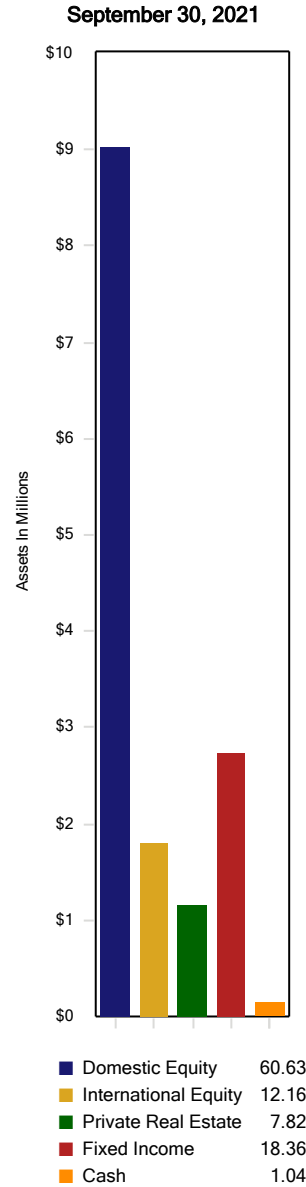
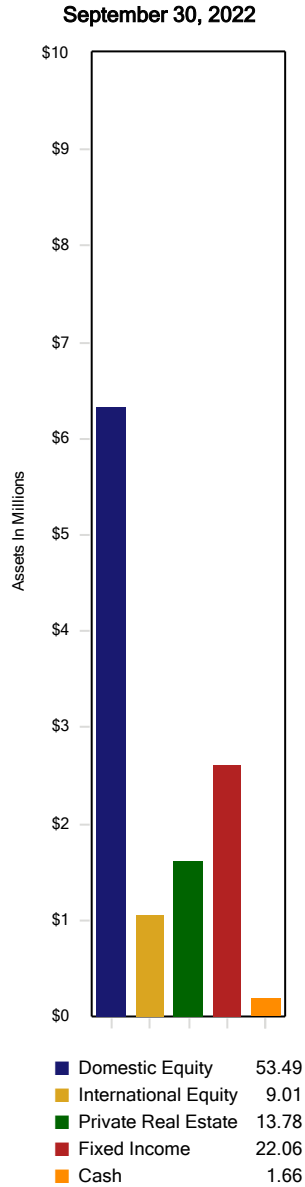
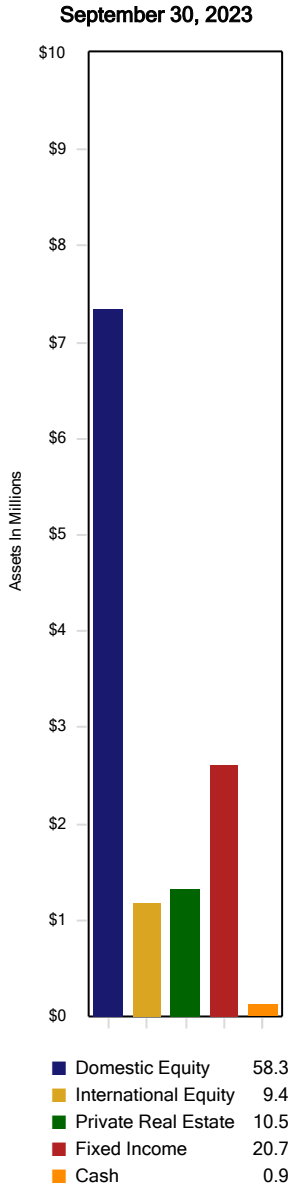
Holly Hill Police Officers' Retirement Trust Fund Asset Allocation

September 30, 2023 : 12,586,391.29



	<u>Market Value \$</u>	<u>Allocation (%)</u>
■ Integrity Fixed Income (SMA)	2,613,865	20.77
■ FMI Large Cap Fund (MF)	1,918,034	15.24
■ Fidelity Mid Cap Index (MF)	1,913,467	15.20
■ Polen Growth Fund Institutional Class (MF)	1,896,621	15.07
■ Fidelity 500 Index Fd (MF)	1,610,091	12.79
■ Intercontinental US Real Estate (CF)	1,329,657	10.56
■ Am Funds EuroPacific Growth R6 (MF)	1,183,558	9.40
■ Salem Trust MF Acct Cash Sweep (MF)	121,098	0.96

Holly Hill Police Officers' Retirement Trust Fund Historical Asset Allocation September 30, 2023



Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Gross
September 30, 2023

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	2 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	12,586,391	-2.9 (65)	10.5 (55)	-3.7 (82)	4.3 (63)	6.0 (27)
Policy Index		-2.5	12.8	-0.7	6.2	6.3
7.4%		1.8	7.4	7.4	7.4	7.4
CPI + 4%		2.2	7.8	10.2	10.0	8.2
Equity	8,521,771	-3.8	19.5	-4.4	5.8	N/A
Domestic Equity	7,338,213	-3.4	19.4	-3.3	6.9	N/A
Polen Growth Fund Institutional Class (MF)	1,896,621	-3.3	22.0	-10.4	1.6	N/A
Russell 1000 Growth Index		-3.1	27.7	-0.6	8.0	12.4
Fidelity 500 Index Fd (MF)	1,610,091	-3.3	21.6	1.4	10.2	N/A
S&P 500 Index		-3.3	21.6	1.4	10.2	9.9
FMI Large Cap Fund (MF)	1,918,034	-2.4	20.8	1.3	8.8	N/A
Russell 1000 Value Index		-3.2	14.4	0.7	11.1	6.2
Fidelity Mid Cap Index (MF)	1,913,467	-4.6	13.5	-4.3	8.1	N/A
Russell Midcap Index		-4.7	13.4	-4.4	8.1	6.4
International Equity	1,183,558	-6.2	20.2	-9.9	0.6	N/A
Am Funds EuroPacific Growth R6 (MF)	1,183,558	-6.2	20.2	-9.9	0.5	N/A
MSCI AC World ex USA		-3.7	21.0	-4.6	4.2	3.1
Private Real Estate	1,329,657	-0.8	-15.5	3.3	6.7	N/A
Intercontinental US Real Estate (CF)	1,329,657	-0.8	-15.5	3.3	6.7	6.7
NCREIF Fund Index-ODCE (VW)		-1.9	-12.1	3.6	7.1	5.7
Fixed Income	2,613,865	-0.8	1.9	-4.0	-2.5	N/A
Integrity Fixed Income (SMA)	2,613,865	-0.8 (3)	1.9 (14)	-4.0 (4)	-2.5 (6)	N/A
Bloomberg Intermediate US Govt/Credit Idx		-0.8	2.2	-4.2	-2.9	1.0
Cash	121,098	1.2	4.6	2.6	1.7	N/A
Salem Trust MF Acct Cash Sweep (MF)	121,098	1.2	4.6	2.6	1.7	N/A

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
September 30, 2023

	Market Value	QTR ROR - Rank	1 Year ROR - Rank	2 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	12,586,391	-3.0	10.0	-4.3	3.8	5.3
Policy Index		-2.5	12.8	-0.7	6.2	6.3
7.4%		1.8	7.4	7.4	7.4	7.4
CPI + 4%		2.2	7.8	10.2	10.0	8.2
Equity	8,521,771	-3.9	18.9	-4.9	5.4	N/A
Domestic Equity	7,338,213	-3.5	18.9	-3.8	6.4	N/A
Polen Growth Fund Institutional Class (MF)	1,896,621	-3.5 (50)	20.8 (88)	-11.3 (95)	0.6 (90)	N/A
Russell 1000 Growth Index		-3.1	27.7	-0.6	8.0	12.4
Fidelity 500 Index Fd (MF)	1,610,091	-3.3 (55)	21.6 (40)	1.4 (28)	10.1 (25)	N/A
S&P 500 Index		-3.3	21.6	1.4	10.2	9.9
FMI Large Cap Fund (MF)	1,918,034	-2.5 (55)	20.0 (18)	0.6 (75)	8.0 (94)	N/A
Russell 1000 Value Index		-3.2	14.4	0.7	11.1	6.2
Fidelity Mid Cap Index (MF)	1,913,467	-4.7 (63)	13.5 (38)	-4.3 (84)	8.1 (76)	N/A
Russell Midcap Index		-4.7	13.4	-4.4	8.1	6.4
International Equity	1,183,558	-6.3	19.6	-10.3	0.1	N/A
Am Funds EuroPacific Growth R6 (MF)	1,183,558	-6.3 (77)	19.6 (48)	-10.4 (66)	0.1 (62)	N/A
MSCI AC World ex USA		-3.7	21.0	-4.6	4.2	3.1
Private Real Estate	1,329,657	-1.0	-16.4	1.0	4.8	N/A
Intercontinental US Real Estate (CF)	1,329,657	-1.0	-16.4	1.0	4.8	5.0
NCREIF Fund Index-ODCE (VW)		-1.9	-12.1	3.6	7.1	5.7
Fixed Income	2,613,865	-0.9	1.6	-4.2	-2.8	N/A
Integrity Fixed Income (SMA)	2,613,865	-0.9	1.6	-4.2	-2.8	N/A
Bloomberg Intermediate US Govt/Credit Idx		-0.8	2.2	-4.2	-2.9	1.0
Cash	121,098	1.2	4.6	2.6	1.7	N/A
Salem Trust MF Acct Cash Sweep (MF)	121,098	1.2	4.6	2.6	1.7	N/A

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

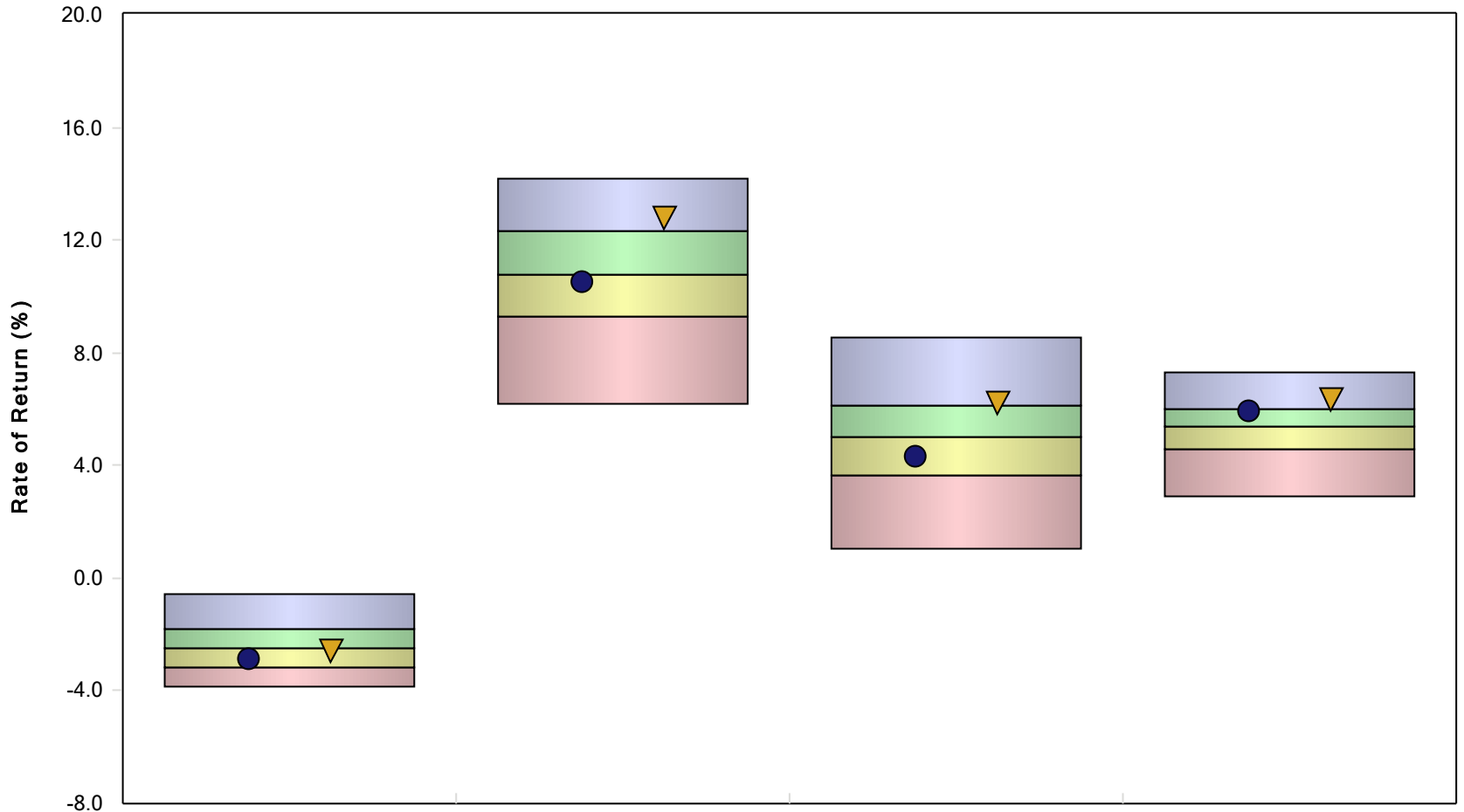
Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
September 30, 2023

1. Returns prior to 04/01/2019 were provided by previous service providers. Past performance should be used for illustrative purposes only.

2. **Policy Index:** eff 09/20 57% Russ 3000, 10% MSCI ACWI ex US, 20% BC Int G/C, 10% NCREIF ODCE and 3% 90-day treasury index; eff 12/17 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 20% BC Int G/C, 10% NCREIF Prop Idx; eff 3/16 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 8/13 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 1/09 20% Russ 1000 Value, 20% Russ 1000 Growth, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (gross), 35% BC Int G/C; eff 1/05 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 7.5% Russ 2000, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; eff 9/04 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 15% Russ 2500 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; Prior 24% Russ 1000 Value, 18% Russ 1000 Growth, 18% Russ 2500 Growth, 40% BC Int G/C

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343) : New

Holly Hill Police Officers' Retirement Trust Fund
Peer Universe Quartile Ranking
September 30, 2023



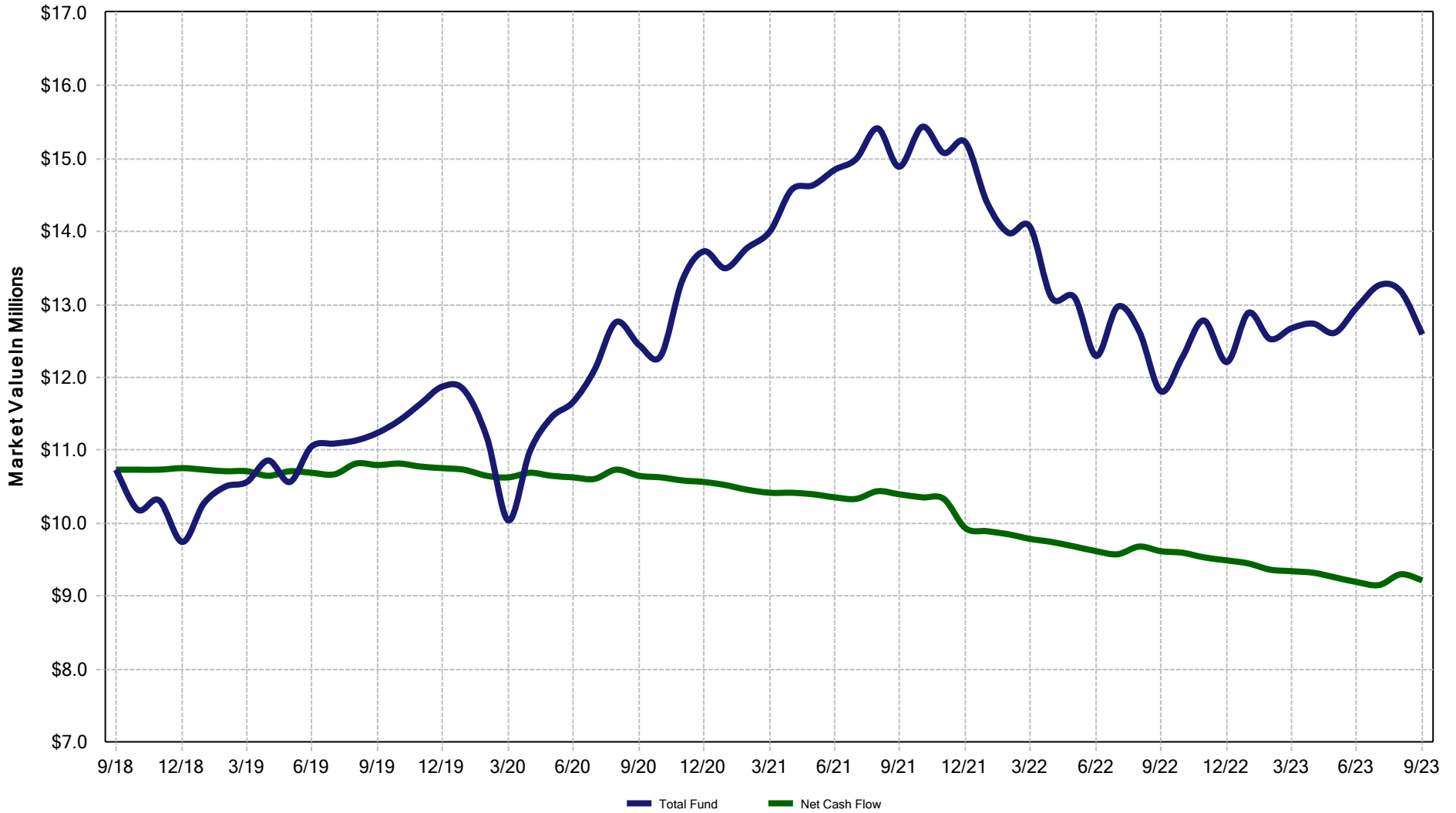
● Total Fund
▼ Policy Index

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Total Fund	-2.9 (65)	10.5 (55)	4.3 (63)	6.0 (27)
Policy Index	-2.5 (52)	12.8 (18)	6.2 (24)	6.3 (17)
5th Percentile	-0.6	14.2	8.6	7.3
1st Quartile	-1.8	12.3	6.2	6.0
Median	-2.5	10.8	5.0	5.4
3rd Quartile	-3.1	9.3	3.6	4.6
95th Percentile	-3.8	6.2	1.0	2.9

Parentheses contain percentile rankings.

Calculation based on quarterly data.

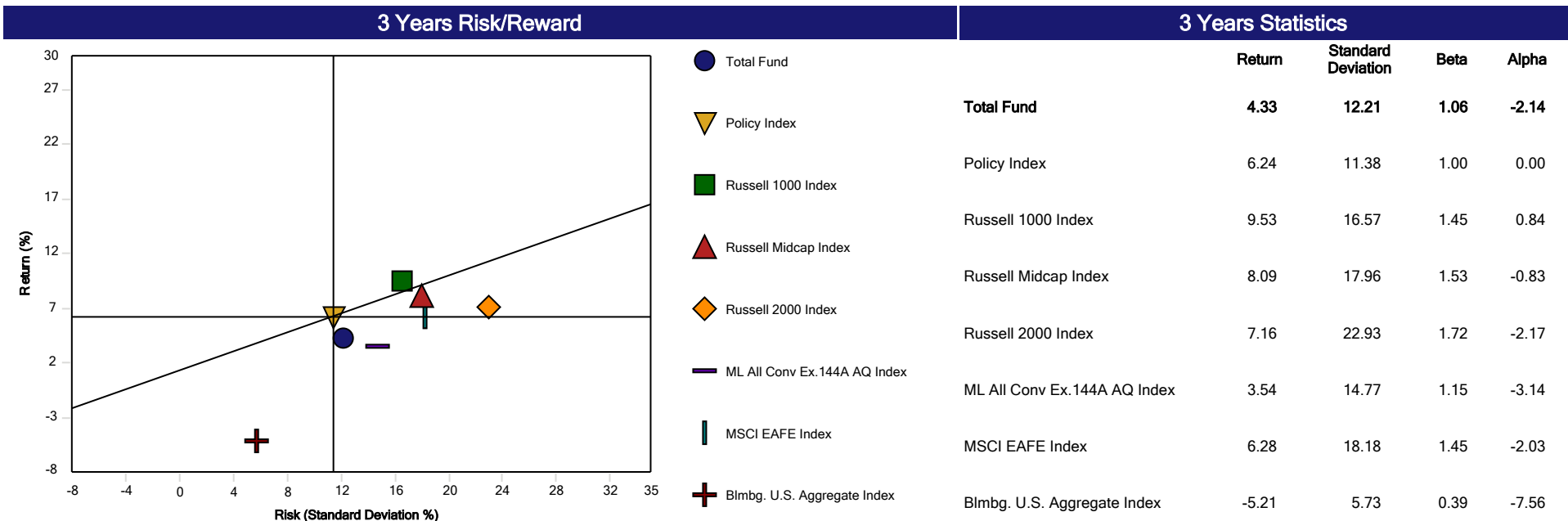
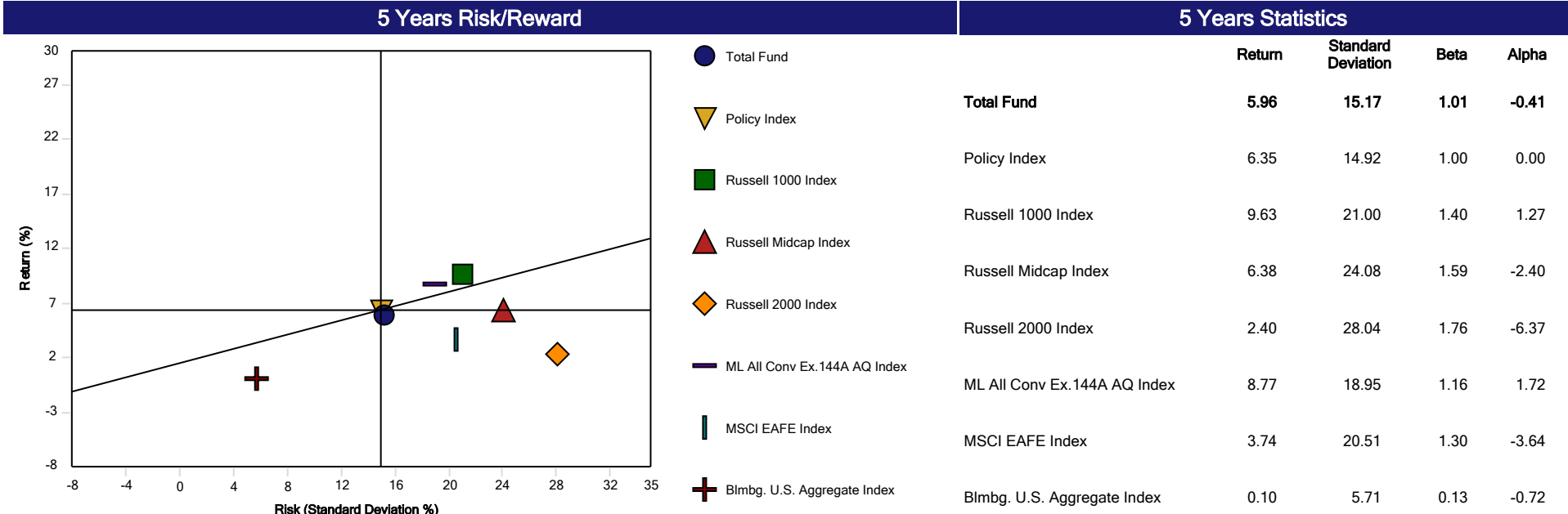
Holly Hill Police Officers' Retirement Trust Fund Growth of Investments October 1, 2018 Through September 30, 2023



<u>Beginning MV</u>	<u>Ending MV</u>	<u>Annualized ROR</u>
\$10,736,248	\$12,586,391	6.0

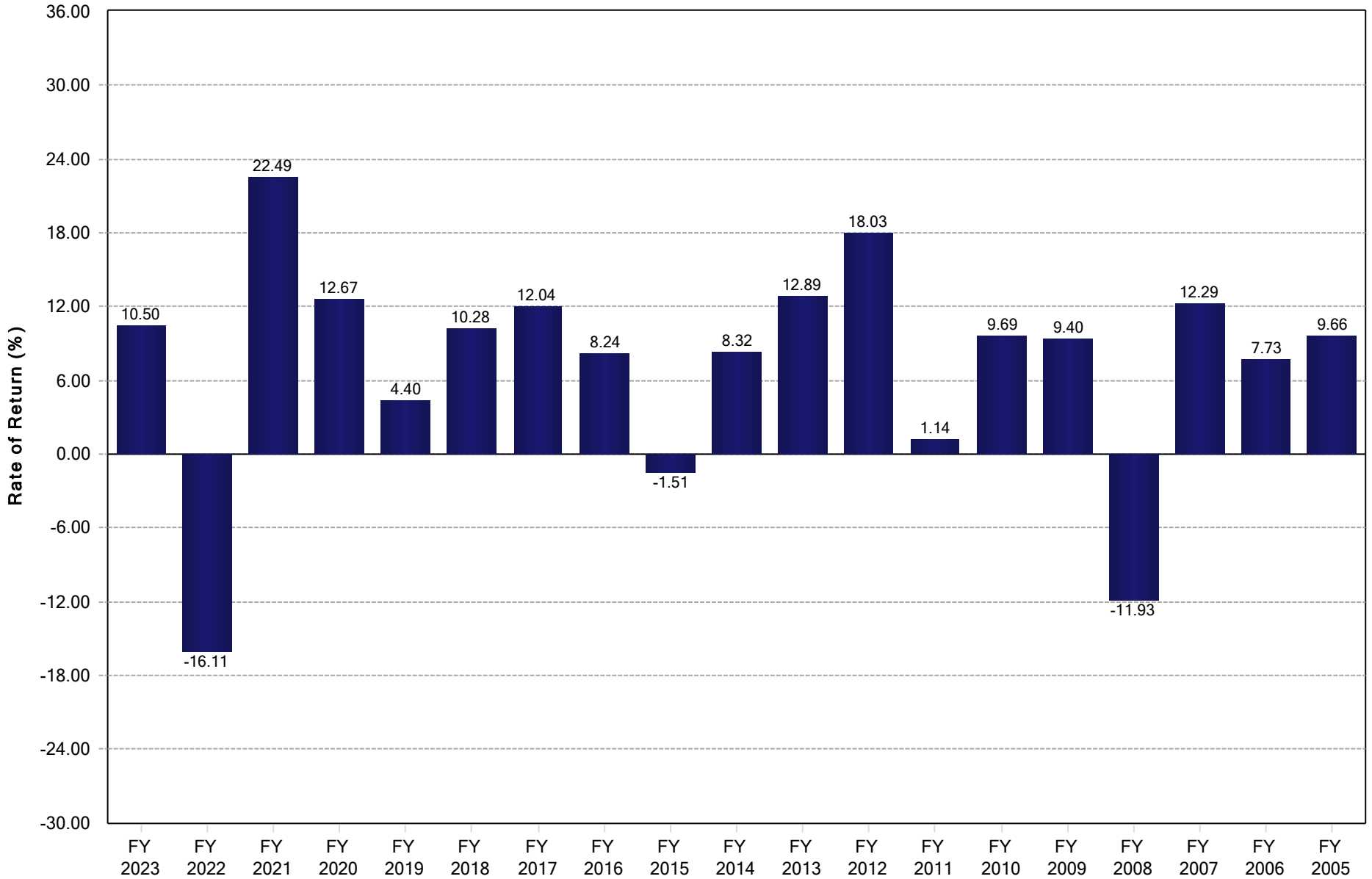
Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Capital Market Line Period Ending September 30, 2023



Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

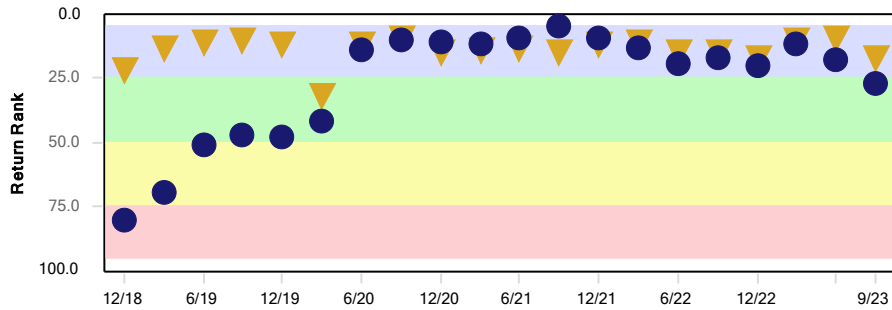
Holly Hill Police Officers' Retirement Trust Fund Fiscal Year Rates of Return September 30, 2023



Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

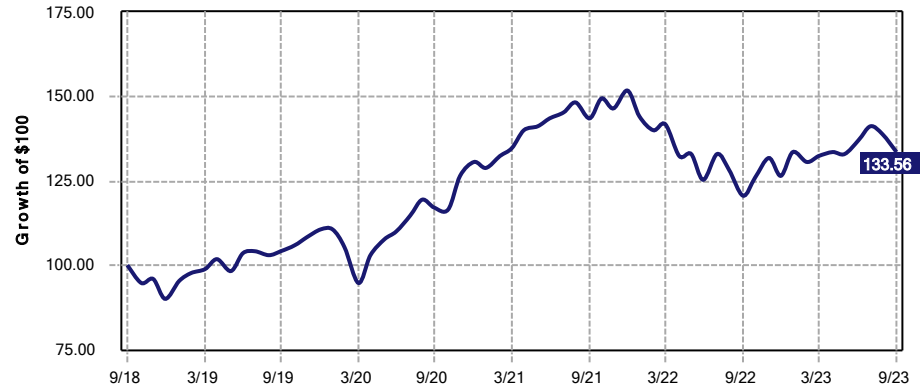
Holly Hill Police Officers' Retirement Trust Fund Total Fund September 30, 2023

5 Years Rolling Percentile Ranking - 5 Years

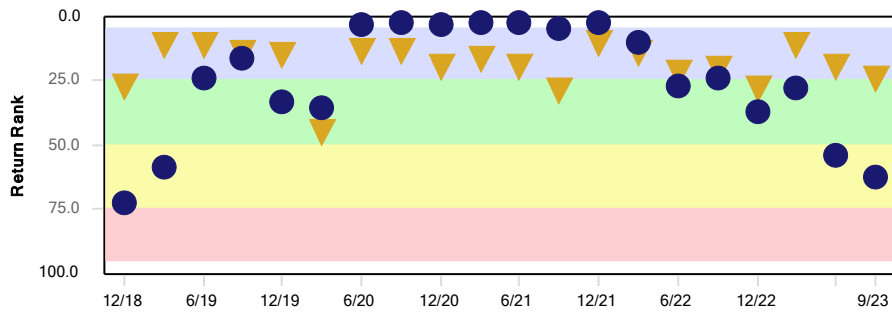


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	13 (65%)	4 (20%)	2 (10%)	1 (5%)
▼ Policy Index	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

Growth of a Dollar

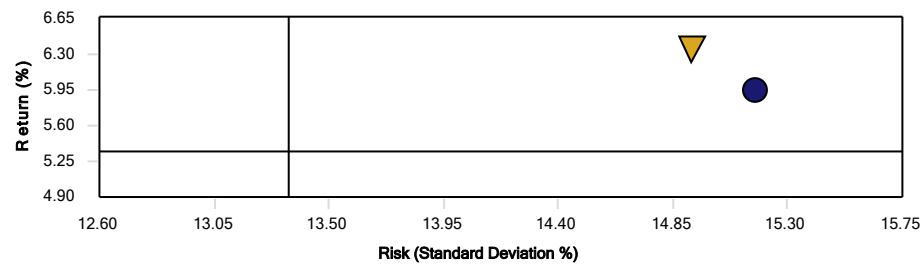


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	11 (55%)	5 (25%)	4 (20%)	0 (0%)
▼ Policy Index	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Total Fund	5.96	15.17
▼ Policy Index	6.35	14.92
— Median	5.35	13.35

Historical Statistics - 5 Years

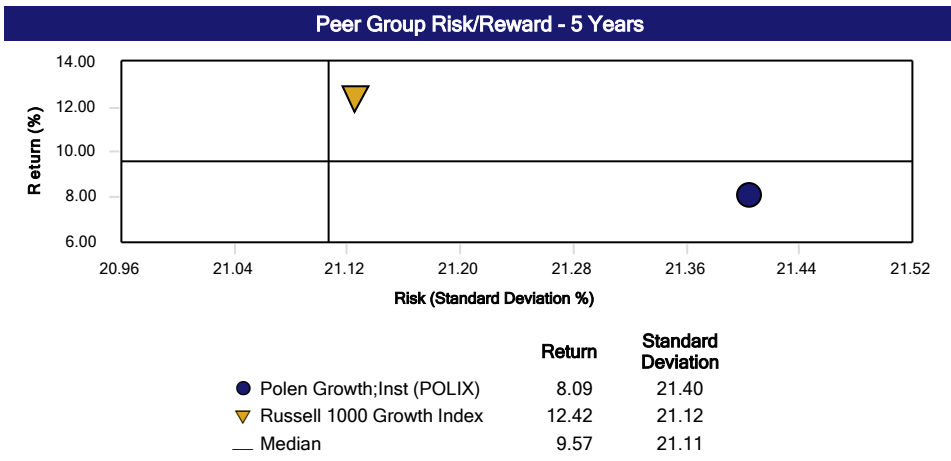
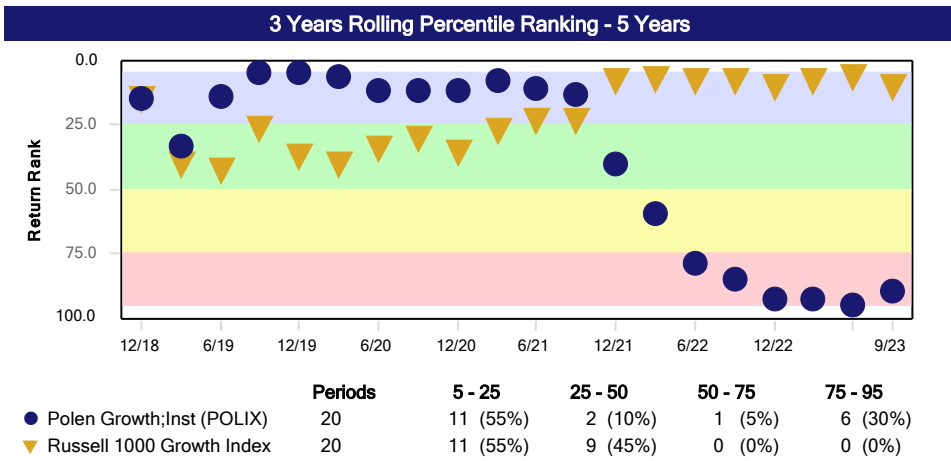
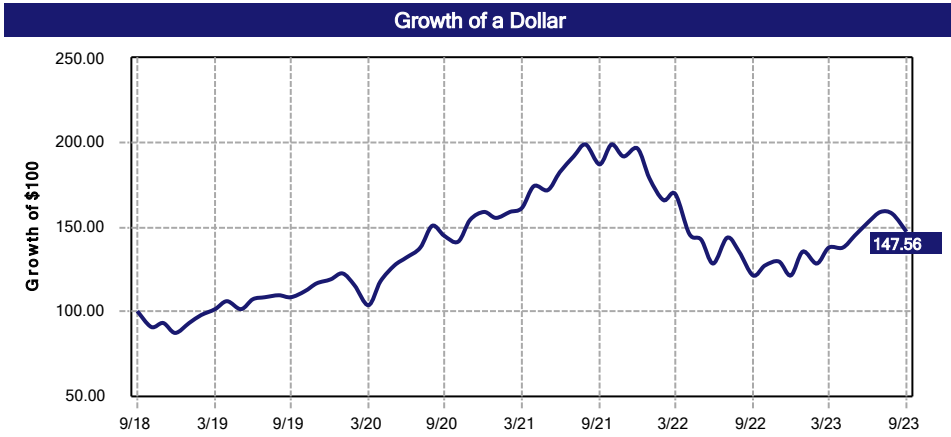
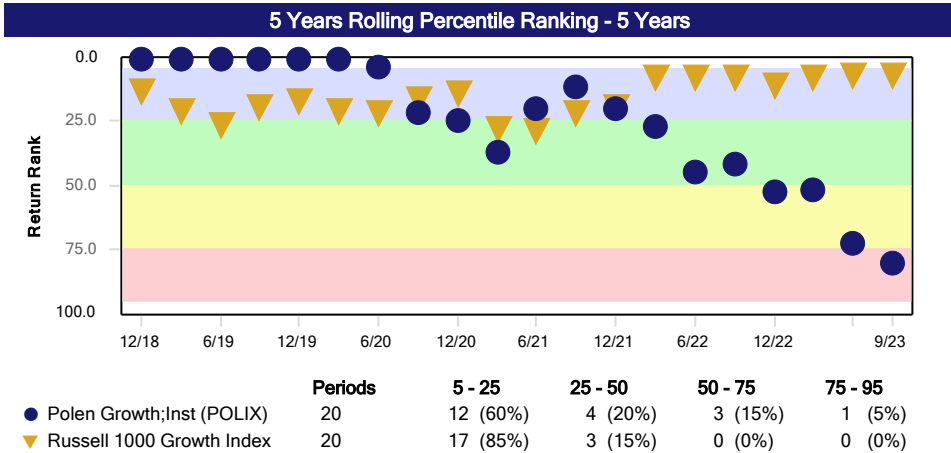
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	5.96	15.17	-0.41	1.01	0.35	104.86	100.64
Policy Index	6.35	14.92	0.00	1.00	0.37	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	4.33	12.21	-2.14	1.06	0.27	117.18	96.17
Policy Index	6.24	11.38	0.00	1.00	0.44	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Polen Growth;Inst (POLIX) September 30, 2023



Historical Statistics - 5 Years

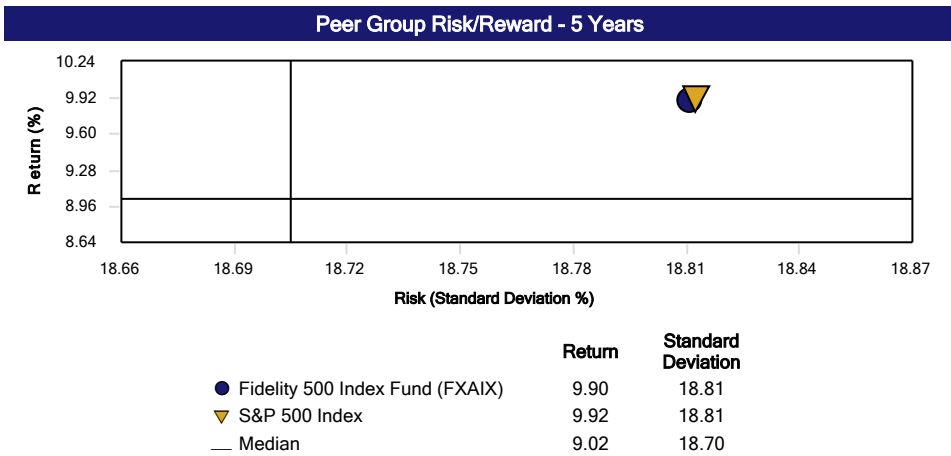
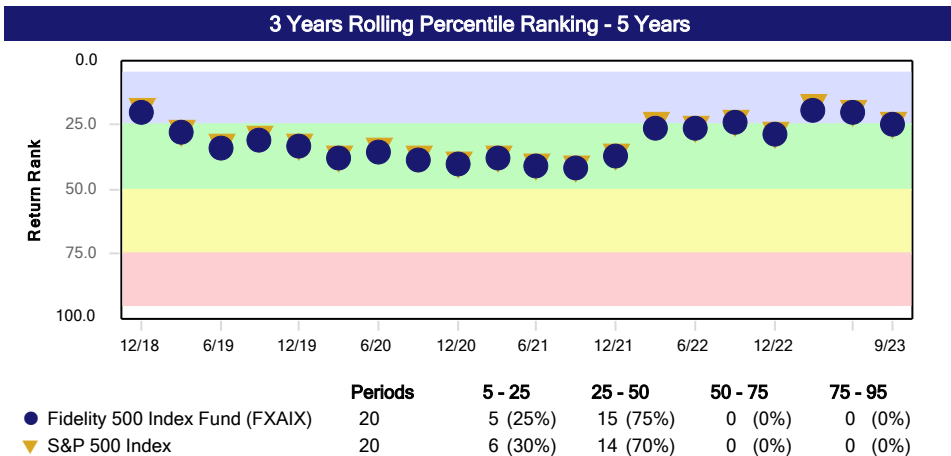
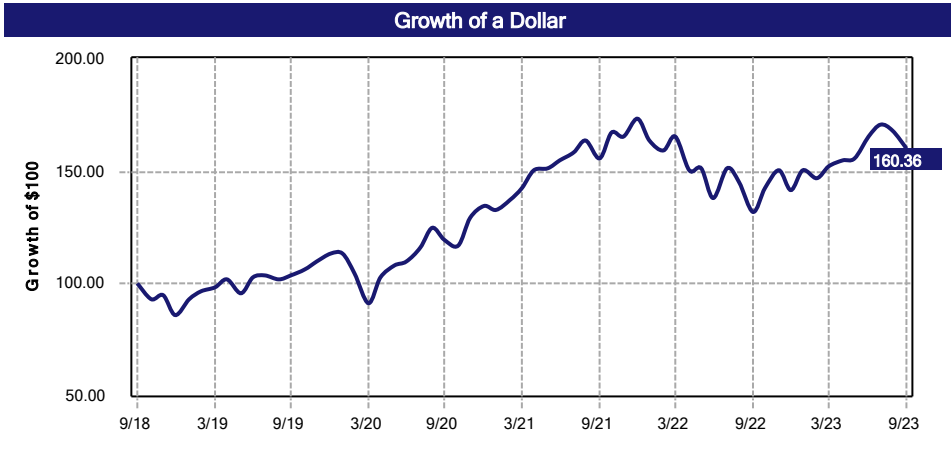
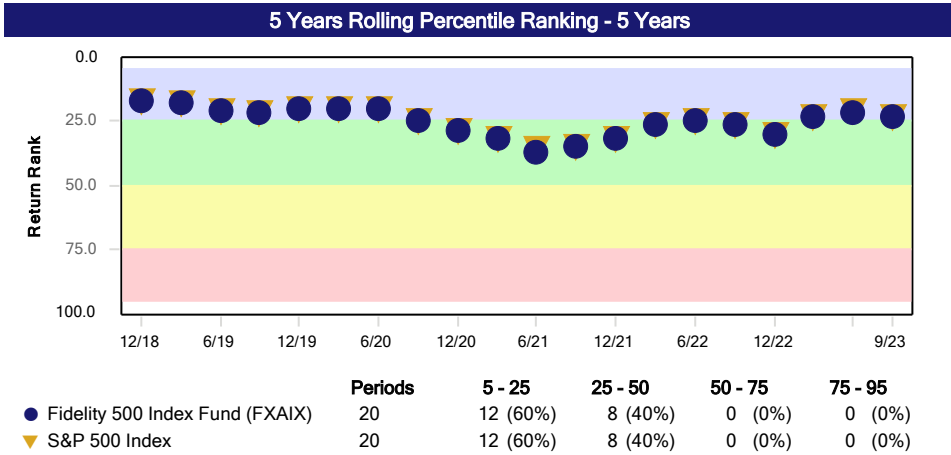
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	8.09	21.40	-3.59	0.98	0.39	103.39	92.03
Russell 1000 Growth Index	12.42	21.12	0.00	1.00	0.58	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	0.56	21.95	-6.93	1.03	0.06	113.47	90.26
Russell 1000 Growth Index	7.97	20.52	0.00	1.00	0.40	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Fidelity 500 Index Fund (FXAIX) September 30, 2023



Historical Statistics - 5 Years

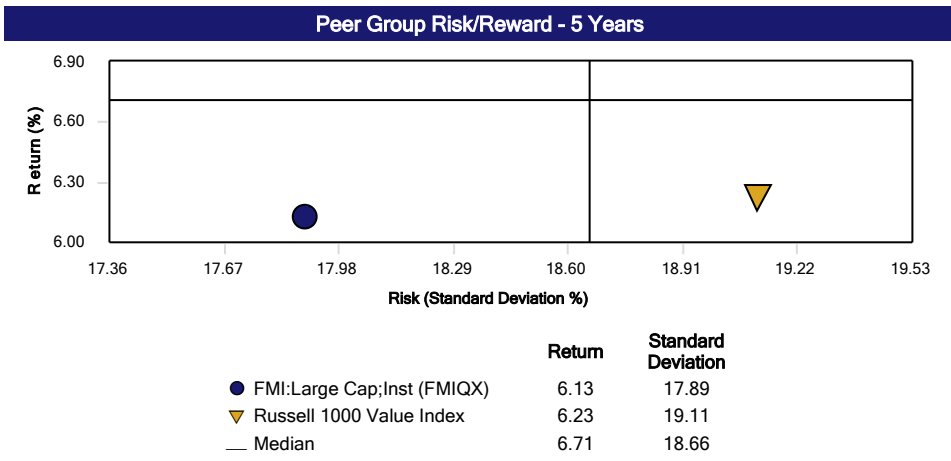
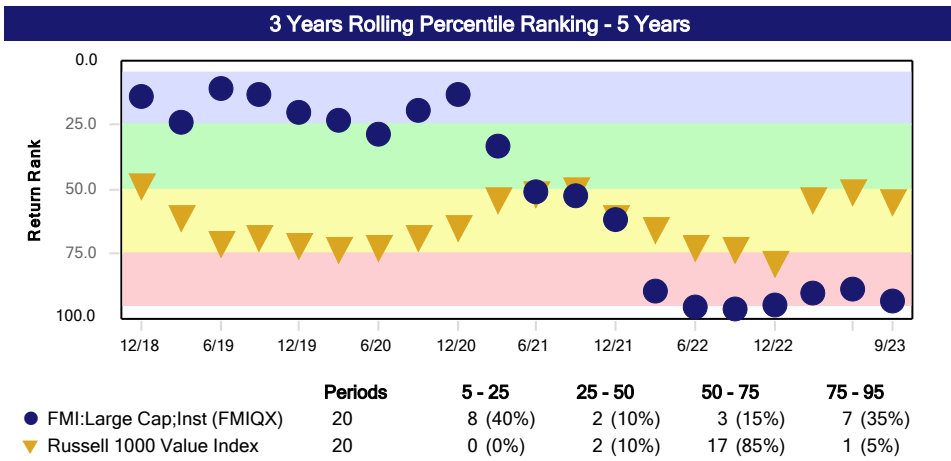
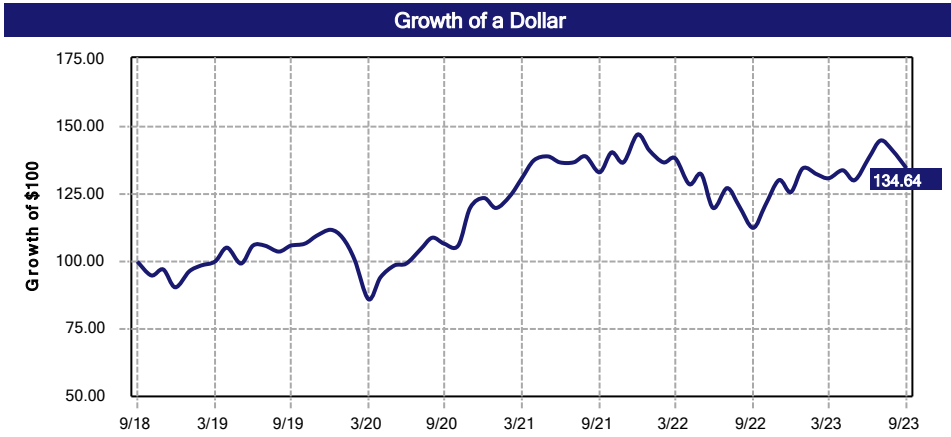
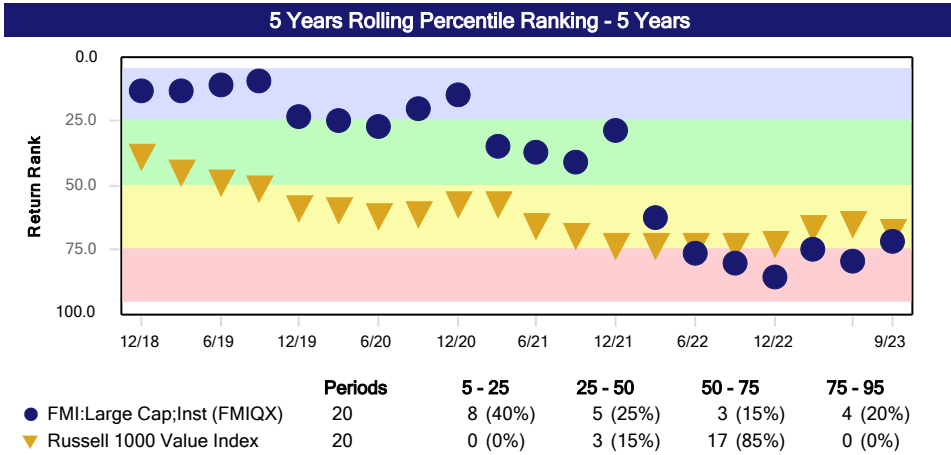
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	9.90	18.81	-0.01	1.00	0.51	100.00	99.97
S&P 500 Index	9.92	18.81	0.00	1.00	0.51	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	10.14	17.60	-0.01	1.00	0.54	100.00	99.96
S&P 500 Index	10.15	17.60	0.00	1.00	0.54	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund FMI:Large Cap;Inst (FMIQX) September 30, 2023



Historical Statistics - 5 Years

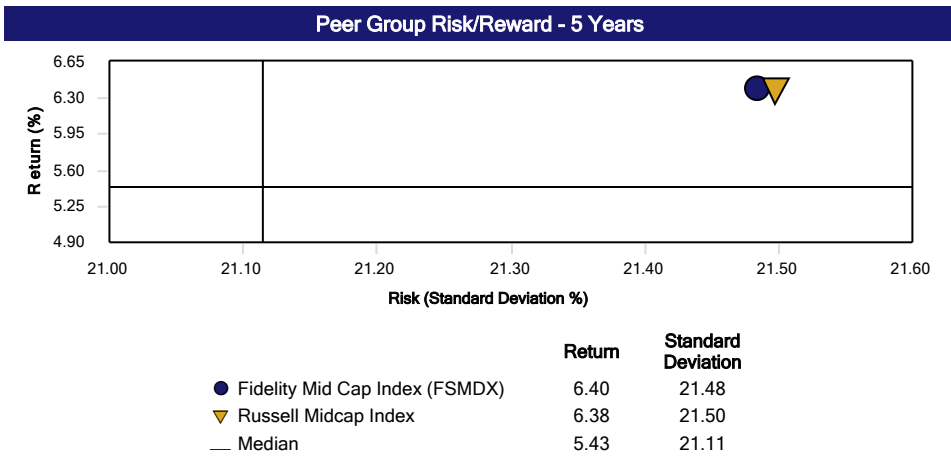
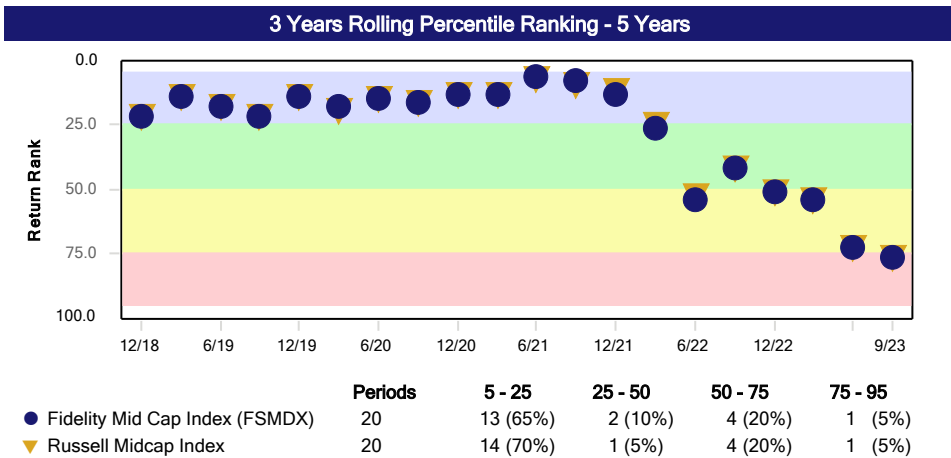
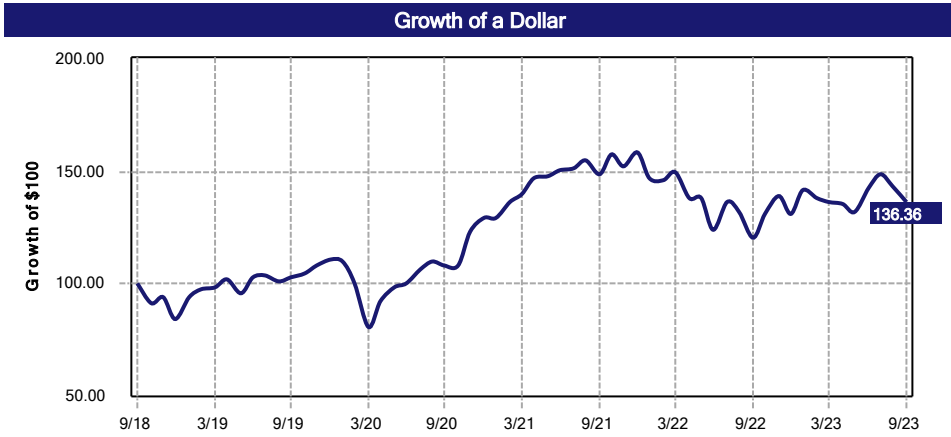
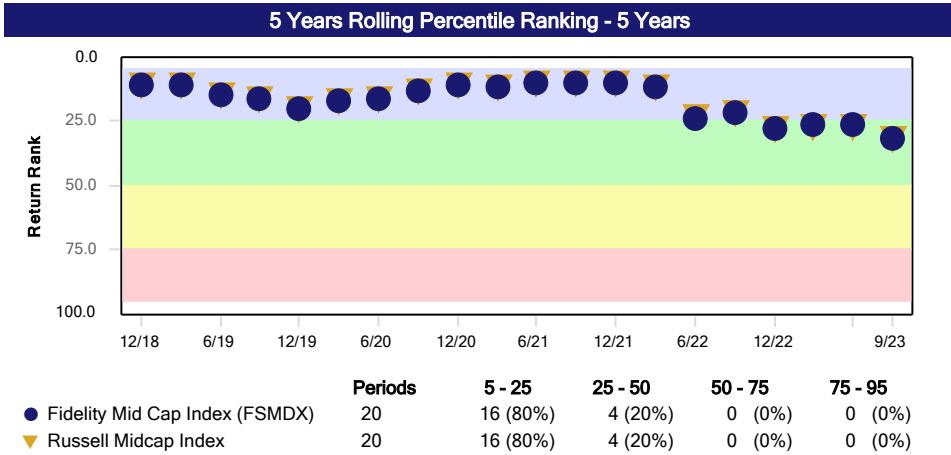
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	6.13	17.89	0.39	0.91	0.33	95.43	95.51
Russell 1000 Value Index	6.23	19.11	0.00	1.00	0.32	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	8.04	17.50	-2.41	0.97	0.43	108.47	96.53
Russell 1000 Value Index	11.05	17.35	0.00	1.00	0.59	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Fidelity Mid Cap Index (FSMDX) September 30, 2023



Historical Statistics - 5 Years

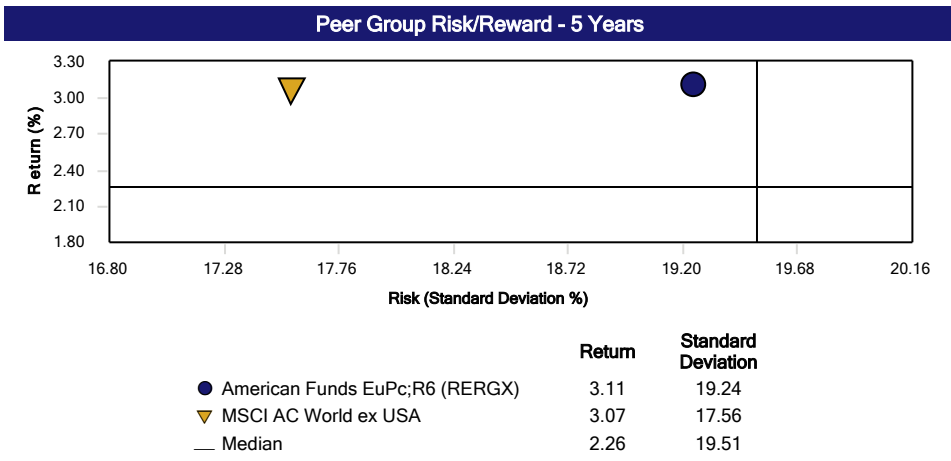
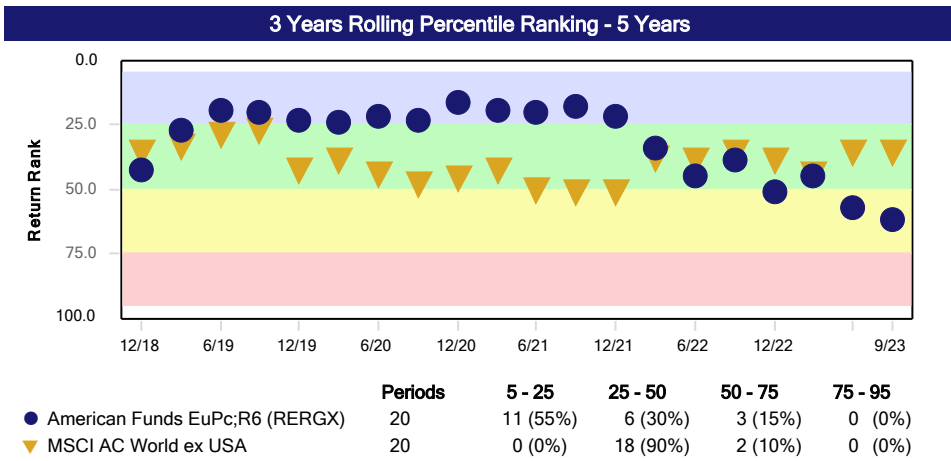
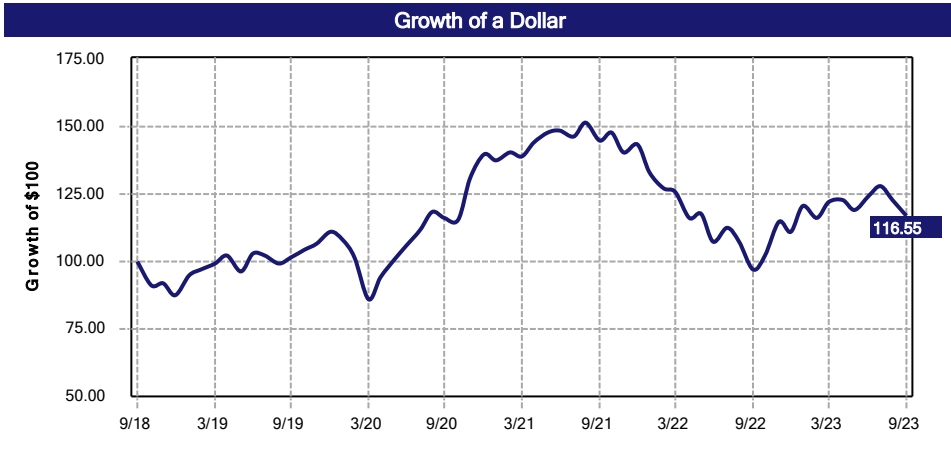
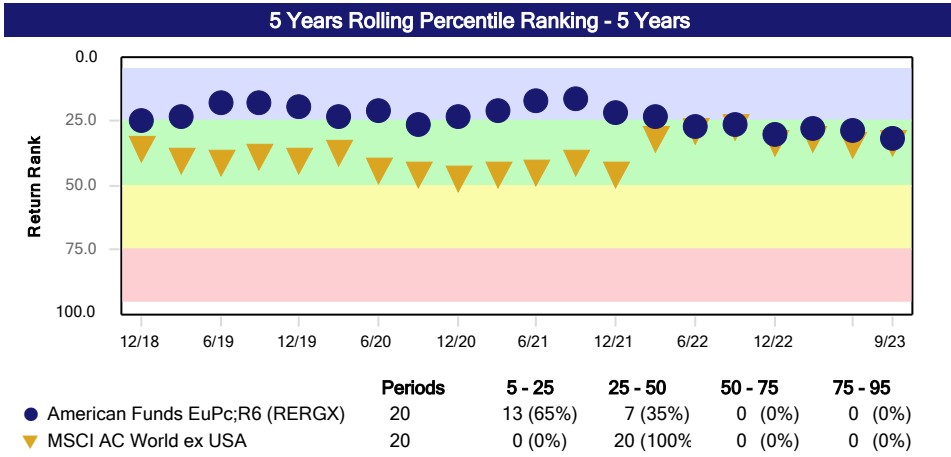
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	6.40	21.48	0.02	1.00	0.32	99.85	99.93
Russell Midcap Index	6.38	21.50	0.00	1.00	0.32	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	8.10	19.24	0.01	1.00	0.41	99.88	99.93
Russell Midcap Index	8.09	19.24	0.00	1.00	0.41	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund American Funds EuPc;R6 (RERGX) September 30, 2023



Historical Statistics - 5 Years

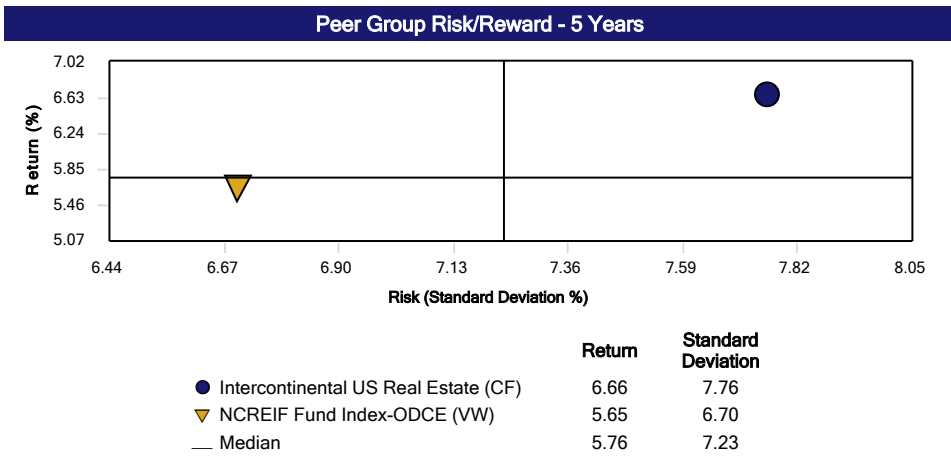
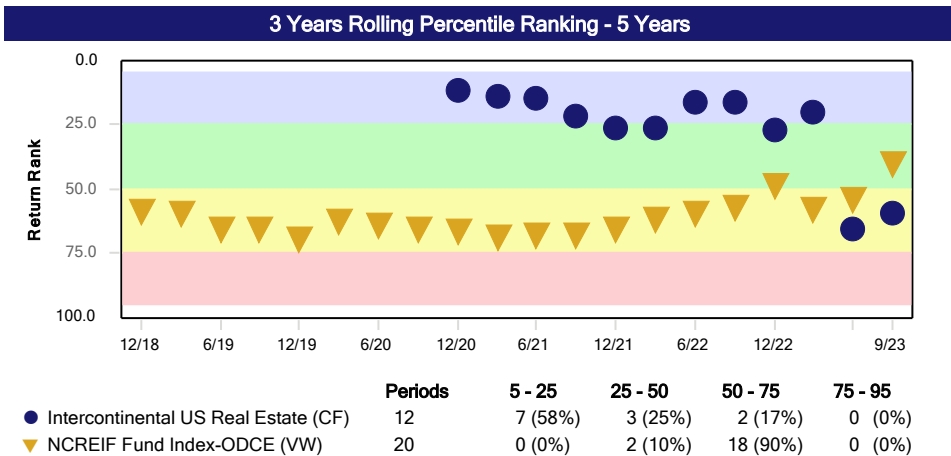
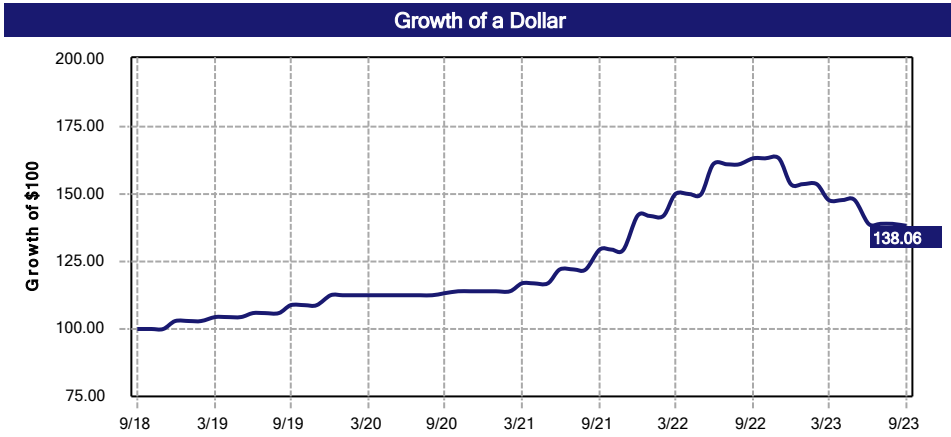
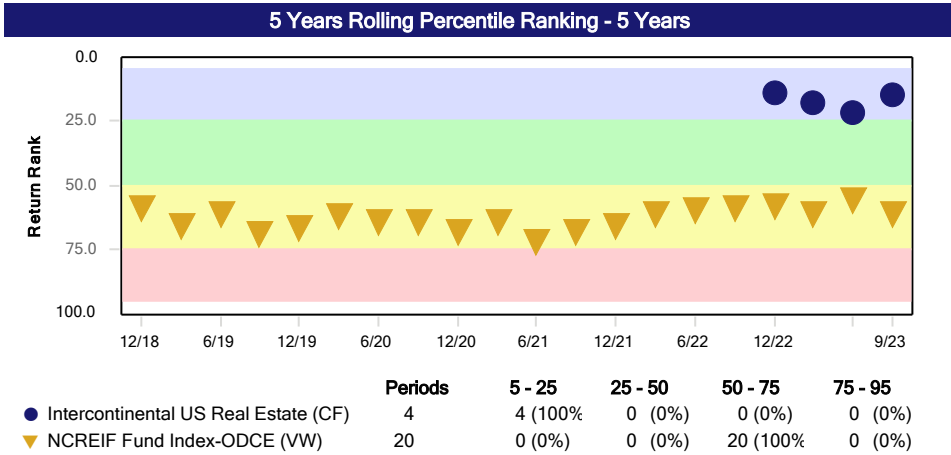
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	3.11	19.24	0.03	1.07	0.17	110.33	109.84
MSCI AC World ex USA	3.07	17.56	0.00	1.00	0.16	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	0.08	18.76	-4.10	1.07	0.01	119.95	101.10
MSCI AC World ex USA	4.24	16.94	0.00	1.00	0.23	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Intercontinental US Real Estate (CF) September 30, 2023



Historical Statistics - 5 Years

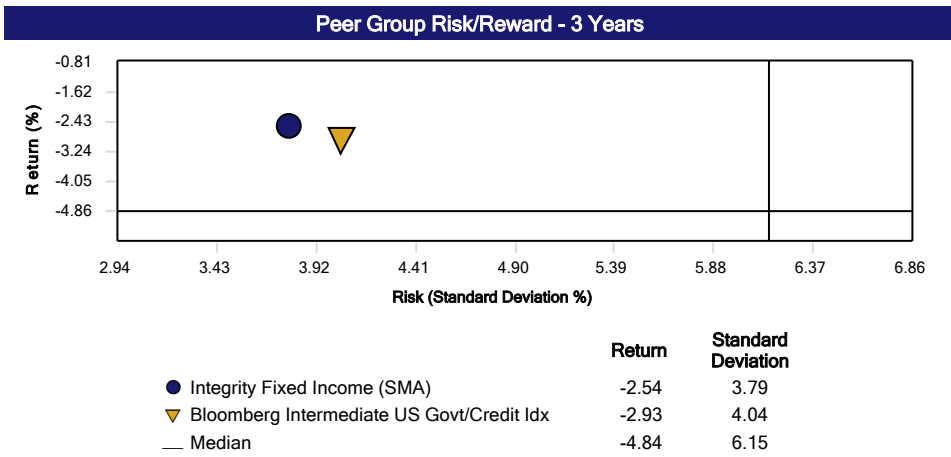
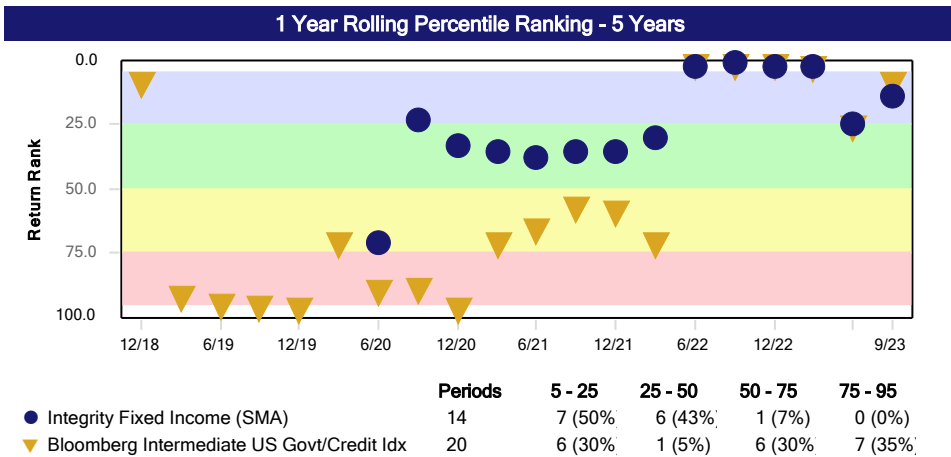
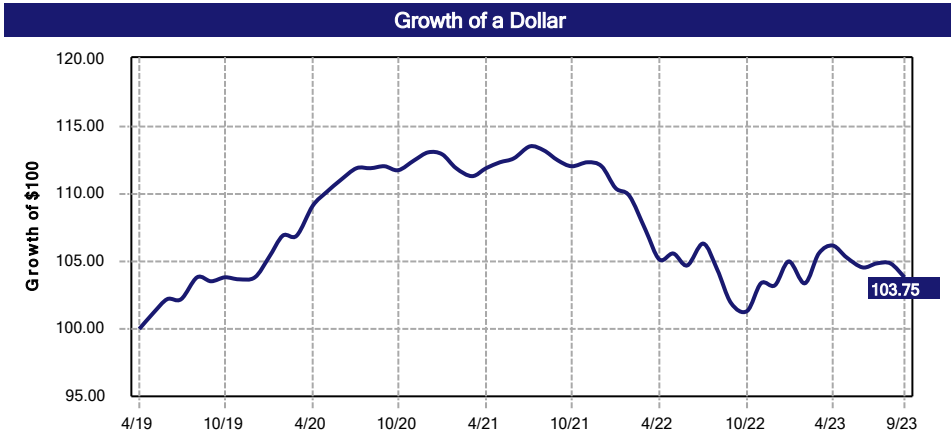
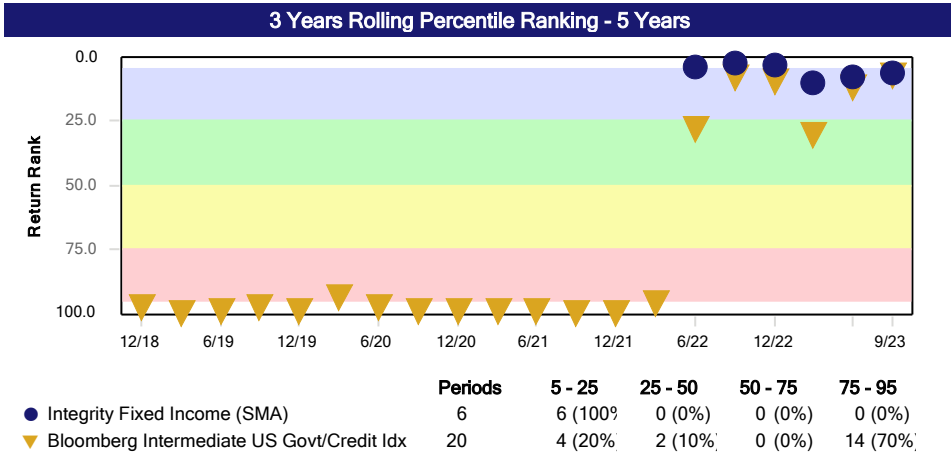
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	6.66	7.76	0.51	1.09	0.61	115.28	117.19
NCREIF Fund Index-ODCE (VW)	5.65	6.70	0.00	1.00	0.55	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	6.72	9.85	-1.14	1.12	0.50	129.25	108.48
NCREIF Fund Index-ODCE (VW)	7.13	8.41	0.00	1.00	0.60	100.00	100.00

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

Holly Hill Police Officers' Retirement Trust Fund Integrity Fixed Income (SMA) September 30, 2023



Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	-2.54	3.79	0.19	0.93	-1.11	93.10	97.74
<i>Bloomberg Intermediate US Govt/Credit Idx</i>	<i>-2.93</i>	<i>4.04</i>	<i>0.00</i>	<i>1.00</i>	<i>-1.14</i>	<i>100.00</i>	<i>100.00</i>

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	1.85	3.98	-0.15	0.91	-0.62	92.49	89.83
<i>Bloomberg Intermediate US Govt/Credit Idx</i>	<i>2.20</i>	<i>4.37</i>	<i>0.00</i>	<i>1.00</i>	<i>-0.48</i>	<i>100.00</i>	<i>100.00</i>

Attachment: Quarterly Report - Burgess Chambers & Associates - September 30, 2023 (4343 : New

**Holly Hill Police Officers' Retirement Trust Fund
Glossary
September 30, 2023**

- ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.
- ALPHA- A linear regressive constant that measures expected return independent of Beta.
- ASSET ALLOCATION- The division of portfolio asset classes in order to achieve an expected investment objective.
- BALANCED UNIVERSES - Public Funds, Endowments & Foundations, Corporate peer groups, and PSN peer groups.
- BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.
- BOND DURATION- A measure of portfolio sensitivity to interest rate risk.
- COMMINGLED FUND- An investment fund which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.
- CONVERTIBLE BONDS - Hybrid securities' that offer equity returns during rising equity markets and improved down-market protection.
- CORE- An equal weighting in both growth and value stocks.
- CORRELATION COEFFICIENT- A measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.
- GROWTH MANAGER- Generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.
- INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500).
- INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.
- LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds \$10 billion.
- MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).
- MID CAP- Generally, the term refers to a company that has a market capitalization between \$2 and \$10 billion.
- NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.
- NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.
- NET- Investment return accounts only for manager fees.
- PROTECTING FLORIDA INVESTMENT ACT (PFIA) - SBA publishes a list of prohibited investments (scrutinized companies).
- RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period, excluding contributions.
- RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.
- R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund's price changes could be attributed to changes in the market index over the time period.

**Holly Hill Police Officers' Retirement Trust Fund
Glossary
September 30, 2023**

- SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.
- SMALL CAP- Generally refers to a company with a market capitalization \$300 million to \$2 billion.
- STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.
- SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).
- TIME WEIGHTED (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) returns are the same and vice versa.
- TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.
- TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta).
- UP AND DOWN-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising and declining market periods.
- VALUE MANAGER- Generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.

**Holly Hill Police Officers' Retirement Trust Fund
Disclosure
September 30, 2023**

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

Performance Reporting:

1. Changes in portfolio valuations due to capital gains or losses, dividends, interest, income and management fees are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.
2. Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.
3. Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.
4. Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.
5. The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.
6. Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.
7. Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe subject to revision.
8. BCA relies on third party vendors to supply tax cost and market values, In the event that cost values are not available, market values may be used as a substitute.
9. BCA has not reviewed the risks of individual security holdings.
10. BCA investment reports are not indicative of future results.
11. Performance rankings are time sensitive and subject to change.
12. Mutual Fund (MF), Collective Investment Trusts (CIT) and Exchange Traded Funds (ETF) are ranked in net of fee universes.
13. Separately Managed Account (SMA) and Commingled Fund (CF) returns are ranked in gross of fees universes.
14. Composite returns are ranked in universes that encompass both gross and net of fee returns.
15. Total Fund returns are ranked in a gross of fee universe.
16. Private investments may include performance fees in addition to a management fee. For the purpose of BCA's calculations, net returns take in consideration both performance and management fees, but gross returns include management fees only.
17. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 315 East Robinson Street Suite #690, Orlando, Florida 32801, 407-644-0111, info@burgesschambers.com.

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P: 407-644-0111 F: 407-644-0694

HOLLY HILL POLICE OFFICERS' PENSION PLAN
Investment Policy Statement

1. PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees maintains that an important determinant of future investment returns is the expression and periodic review of the Fund's investment objectives. To that end, the Trustees have adopted this Statement of Investment Policy.

In fulfilling their fiduciary responsibility, the Trustees recognize that the retirement system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Fund are long-term, and that the investment policy should be made with a view toward performance and return over a number of years. The general investment objective, then, is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains and/or losses - that exceeds the actuarial interest rate assumption on an annual basis year after year.

The Board, the Fund's investment manager(s), and investment monitor shall comply with the following fiduciary standard:

A fiduciary shall discharge its duties with respect to the Plan solely in the interest of the participants and beneficiaries and -

- a. for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan;
- b. with the care, skill, prudence, and diligence under the circumstance then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aim;
- c. by diversifying the investments of the Plan so as to minimize the risk of large loss, unless under the circumstances it is clearly prudent not to do so.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, the volatility of interest rates and securities markets make it necessary to judge results within the context of several years rather than over short periods of one or two years or less.

2. INVESTMENT PERFORMANCE OBJECTIVES

The below listed performance measures will be used as objective criteria for evaluating effectiveness of the money manager:

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A. Total Fund Performance

1. The performance of the total Fund will be measured for rolling three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance of this portfolio will be comprised of 57.0% Russell 3000 index, 10% MSCI ACWI Ex. U.S. index, 10% NCREIF ODCE index, 20% Bloomberg Barclays Intermediate U.S. Govt/Credit index, and 3.0% 90-day treasury index.
2. On an absolute basis, it is expected that the total return of the combined equity, fixed income and cash portfolio, will equal or exceed the actuarial earnings assumption rate. For each actuarial valuation, the Board will determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter.

B. Domestic Stock Performance

1. The *large-cap Core* equity portion of the portfolio is expected to perform at a rate at least equal to the Standard & Poor's 500 stock index, and rank within the top 50th percentile of an appropriate *core* equity universe over three and five-year periods.
2. The *large-cap growth* equity portion of the portfolio is expected to meet or exceed the return of an appropriate S&P or Russell Value index and rank within the top 50th percentile of an appropriate *growth* equity universe over three and five-year periods.
3. The *large-cap value* equity portion of the portfolio is expected to meet or exceed the return of an appropriate S&P or Russell Value index, and rank within the top 50th percentile of an appropriate *value* equity universe over three and five-year periods.
4. The *mid-cap & small-cap equity* portion of the portfolio are expected to meet or exceed the return of the appropriate S&P or Russell index, and rank within the top 50th percentile of an appropriate *mid-cap* equity universe over three and five-year periods.

C. Bond Performance

The core bond portion of the portfolio is expected to perform at a rate at least equal to an appropriate Bloomberg Barclays Index and rank within the top 50th percentile of an appropriate fixed income universe.

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D. International Equity Performance

The international portion of the portfolio is expected to meet or exceed the return of the MSCI ACWI Ex. U.S. Index and rank within the top 50th percentile of an appropriate *international* equity universe.

E. Real Estate Performance

The REIT portion of the portfolio is expected to meet or exceed the return of the Wilshire REIT Index and rank within the top 40th percentile of an appropriate *REIT* universe. Private real estate portfolio is expected to meet or exceed the return of the NCREIF ODCE Index.

3. INVESTMENT STANDARDS AND GUIDELINES

Liquidity: The Fund's investment manager(s) shall be kept informed of the liquidity requirements of the Fund. The investment portfolio shall be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.

Custodian: The Board has retained and will continue to retain a third party to be custodian of the Fund's assets. All securities shall be designated as an asset of the Fund, and no withdrawal of securities-in whole or part-shall be made from safekeeping except by an authorized member of the Board or the Board's designee. Security transactions between a broker dealer and a custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the money or security, as appropriate, in hand at the conclusion of the transaction.

Bid requirement: The Board shall determine the approximate maturity date based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

Risk and Diversification: The investments held by the Fund shall be diversified to the extent practical to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank which financial instruments are bought and sold.

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A. Authorized Investments:

1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Saving Insurance Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the government of the United States.
3. Bonds issued by the State of Israel.
4. Bonds, stocks, convertible securities or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia provided the corporation is listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market and, in the case of bonds only, holds an investment grade rating within the four (4) highest classifications of a major rating service. Convertible securities will be deemed as equity and shall not be held to the rating standards of fixed-income. Foreign convertibles are limited to those that settle in U. S. dollars and traded on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market or the OTC.
5. Private Commingled Real Estate Investments and Real Estate Investment Trusts (REITS).
6. Commingled stock, bond, or money market funds and institutional mutual funds whose investments are restricted to securities meeting the criteria outlined in Section 3.

B. Limitations

1. Investments in equities shall not exceed 80% of the Fund's assets at market value.
2. Not more than 5% of the total Fund's assets at cost shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of the company.

HOLLY HILL POLICE OFFICERS' PENSION PLAN
Investment Policy Statement

3. Not more than 5% of the Fund's fixed income portfolio (at market) shall be invested in the securities of any single corporate issuer (*This excludes issues of any U.S. government agency*). In the event of a downgrade below investment grade, the manager will dispose of such securities when it is economically feasible.
4. Illiquid investments, as described in Chapter 215.47, Florida Statutes, are prohibited.
5. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.
6. The following investments are prohibited:
 - a. Futures (excluding mutual and exchange traded funds)
 - b. General obligations issued by a foreign government
 - c. Hedge funds
 - d. Insurance annuities
 - e. Internally managed assets
 - f. Margin Accounts
 - g. Options (excluding mutual and exchange traded funds)
 - h. Private mortgages
 - i. Securities lending
 - j. Under Protecting Florida's Investment Act (PFIA), scrutinized companies published by the State Board of Administration, unless an indirect investment is unable to divest, as provided for in Florida Statutes, section 215.473.

4. COMMUNICATIONS

- A. The custodian shall apprise the Trustees of all transactions and shall forward all proxies to the manager within ten calendar days. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets. On a quarterly basis, the manager shall provide a written report affirming compliance with the security restrictions of Section 3 above and a summary of common stock diversification and attendant schedules. In addition, the manager shall deliver each quarter a report detailing the Fund's performance, adherence to the investment policy, forecast of the market and economy, portfolio analysis and current assets of the Trust. Written reports and personal presentations shall be delivered to the Trustees within 60 days of the end of the quarter. The manager will provide immediate written and telephone notice to the Trustees of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section 3 above.

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- B. The manager will disclose any securities that are not in compliance with Section 3 in each quarterly report.
- C. The Trustees shall retain a monitoring service to evaluate and report on a quarterly basis the rate of return and relative performance of the fund.
- D. The Trustees will meet quarterly with the monitoring service's representative to review the Performance Report. The Trustees will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Fund on a quarterly basis.
- E. The equity manager shall report to the Trustees on an annual basis with respect to proxies, the issues, votes and dates, and if not voted, a written explanation.

5. CRITERIA FOR INVESTMENT MANAGER REVIEW

The board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. With this in mind, the following are adopted:

If, at any time, any one of the following is breached, the portfolio manager will be warned of the Board's serious concern for the Fund's continued safety and performance.

- A. Four consecutive quarters of the investment manager's performance below the 40 percentile in manager performance rankings.
- B. Standard deviation for the Fund in excess of 120% of the market.
- C. Loss by the manager of any senior investment personnel.
- D. Any change in basic investment philosophy by the manager.
- E. Failure to attain a 60% vote of confidence by the Board of Trustees.
- F. Failure to observe the security quality restrictions in Section 3.

6. INTERNAL CONTROLS

The Fund shall be governed by a set of written internal controls and operational procedures, which shall be periodically reviewed by the Fund's certified public accountant (CPA). At the time of every financial audit, the CPA shall review the controls that should be designed to prevent loss of funds that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or the employees of the City of Holly Hill.

HOLLY HILL POLICE OFFICERS' PENSION PLAN
Investment Policy Statement

7. CONTINUING EDUCATION

The Fund acknowledges the importance of continuing education for the Trustees. Education will be provided on an ongoing basis by the Fund's actuary, attorney, custodian, investment manager(s), consultant, and administrator. In addition, the Trustees are encouraged to attend educational conferences in connection with their duties and responsibilities as Trustees. Each Trustee is encouraged to attend a minimum of two conferences or seminars per year. Additional conferences or seminars are also encouraged. Each Trustee may attend up to six conferences in state and two conferences out-of-state, every year, without additional Board approval.

8. FLORIDA STATUTES 112, 185 AND APPLICABLE CITY OF HOLLY HILL ORDINANCES

If at any time, this document found to be in conflict with Chapter 112 or Chapter 185, Florida Statutes, or the applicable City of Holly Hill Ordinances, the Statutes and Ordinances shall prevail.

The Board and its investment managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with regulations adopted by the Department of Management Services.

- A. Definition of pecuniary factor: The term "pecuniary factor" is defined as a factor that an investment fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]
- B. Exclusive consideration of pecuniary factors: Only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]
- C. Proxy voting: Only pecuniary factors may be considered when voting proxies. [112.662(3)]
- D. Filing requirements: The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's investment consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.

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- E. Contracting and external communication requirements: Manager contracts shall comply with Section 215.855 as follows:

Any written communication made by an investment manager to a company in which such manager invests public funds on behalf of the Board must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

- F. The Investment Consultant will provide Investment Managers for consideration who invest only based on pecuniary factors as defined by Florida Statutes §112.662.
- G. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following:

The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests.

9. REVIEW AND AMENDMENTS

It is the Trustees intention to review this document periodically and to amend this statement to reflect any changes in philosophy, objectives or guidelines. In this regard, the money managers' interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any portfolio manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the money manager concurs with the provisions of this document.

Once the Board has adopted the investment policy, the investment policy shall be promptly filed with the Department of Management Services, the plan sponsor, and the consulting actuary. The effective date of the Investment Policy Statement and any amendment thereto, shall be the 31st calendar day following the filing date with the plan sponsor.

HOLLY HILL POLICE OFFICERS' PENSION PLAN
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10. PROCEDURE FOR REBALANCING ASSET ALLOCATION

The investment strategy of the Plan utilizes five separate investment approaches, each having a target allocation and an asset allocation range (based on market values), as follows:

<u>Investment Approach</u>	<u>Target Allocation (%)</u>	<u>Range</u>	
		<u>Min (%)</u>	<u>Max (%)</u>
Domestic Equity	57.0	30	70
International Equity	10.0	5	20
Fixed Income	20.0	15	40
Private Real Estate	10.0	0	15
Cash	3.0	0	10
	100.0		

Over the long-term, it is expected that total equities (domestic and international stocks) will account for 70% of the total assets. The 30% balance will be allocated among fixed income securities and alternative assets. Since market conditions will favor one approach over another, during 12 to 36 month time periods, the asset allocations will require periodic adjustment. Since the long-term approach of the Plan is to achieve blended returns of various investment approaches, it is essential that relative weightings do not become over or under-allocated for long periods of time. Accordingly, at least annually, a rebalancing will be made under the direction of the investment consultant to rebalance the assets of the Plan.

If an investment approach falls below or exceeds the stated range outlined above, the consultant is responsible for recommending the appropriate asset allocation changes.

BOARD OF TRUSTEES
HOLLY HILL POLICE OFFICERS'
PENSION PLAN

ATTEST:

By: _____
As: Chairman, Board of Trustees

By: _____
As: _____

Date: _____

Date: _____

Attachment: 2023-08-17 Holly Hill Police Investment Policy Statement (4343 : New Business)



Police Pension Board

SCHEDULED

Meeting: 11/16/23 11:00 AM
Department: City Clerk
Category: Other Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4344

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4344)

2024 Meeting Dates

VOTE ON 2024 MEETING DATES:

- February 15
- May 16
- August 15
- November 14