

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES WORKSHOP**  
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA  
Thursday, May 4, 2017  
12:00 Noon

**BOARD'S COMMUNICATION TO THE CITY COMMISSION**

**Items Requiring City Commission Action**

- None at this time

**Items That May Be Of Interest to the City Commission**

- None at this time

**Items Submitted For City Commission Consideration**

- None at this time

Present: Jon Stahl, Chairman  
Lynn Wenguer, Secretary  
Jill Prizlee, Trustee  
Pat Long, Trustee

Absent: Paul Tanner, Trustee  
Mark Burnam, Trustee  
Ron Cameron, Trustee  
Kirk Buffington, Ex-Officio

Also Present: Sean Levesque & Melissa Krajewski, Schroder Investment Managers  
John Norman, Wedge Capital Management  
Richard Dahab, Dahab Associates  
Paul Bangel, City Attorney's Office  
Nick Schiess, Pension Administrator  
Jane Dyar, Pension & Recording Secretary

**CALL TO ORDER**

Chairman Stahl noted the lack of a quorum. A discussion arose regarding impediments to proceeding as a workshop to receive reports from the investment professionals who had travelled at considerable expense and time to provide their reports to the Board. Mr. Bangel reported that there was not any restriction within State Statutes but he suggested that the most conservative course of action was to adjourn the meeting because the absent Trustees would be disadvantaged by not receiving the same information as those present. The investment professionals all agreed to review only the information that was already present in the written reports provided to all the Trustees well in advance of the meeting.

## **INVESTMENT MANAGEMENT REPORT: SCHRODERS INVESTMENT MANAGERS**

Melissa Krajewski and portfolio manager Sean Levesque appeared before the Board to provide a report on the emerging market international equity fund managed by Schrodgers Investment Managers. Ms. Krajewski discussed the firm, noting no organizational changes. She reported that the return for the 2016 calendar year was 11.6% versus 11.2% for the index. Mr. Levesque reviewed the investment strategy and process, country and sector allocations and holdings all in great detail. He discussed the geopolitical environment and the effects of the U.S. presidential election on the international markets. Mr. Levesque reviewed economic conditions and anticipated market favor of emerging market equities, noting that they were generally undervalued relative to other asset classes.

## **INVESTMENT MANAGEMENT REPORT: WEDGE CAPITAL MANAGEMENT**

John Norman appeared before the Board to provide a report on the domestic large cap value equity portfolio managed by Wedge Capital Management. He reported that the investment return net of fees was 3.95% the index of 3.27% and for the trailing one year period was 17.89% versus 19.22% for the index. Mr. Norman reviewed long-term performance, noting that the net of fee performance exceeded the index since inception. He then reviewed the investment strategy and process, sector allocations and holdings all in great detail.

Mr. Norman discussed market and economic conditions and anticipated a shift in market favor from growth to value equities. He also anticipated that a lower return environment will result in the increased importance of the fundamental qualities of firms, which will bring about a return of favor to active versus passive investment management.

## **INVESTMENT CONSULTANT REPORT: DAHAB ASSOCIATES**

Mr. Dahab provided the Board with a report on the investment portfolio for the calendar year ending March 31, 2017. He reported that the investment return for the quarter was 5.7% net of fees, which ranked in the top 2nd percentile of the public fund universe. The return for the fiscal year-to-date was 6.6%.

Mr. Dahab reviewed the performance of all the individual investment products in great detail, noting that the portfolio was very diversified with a slight growth bias.

Mr. Dahab discussed market and economic conditions, noting that the domestic economy grew only at a modest pace.

## **ADJOURNMENT**

The meeting adjourned at 1:58 PM.