

City of Boynton Beach Municipal Firefighters Pension Trust Fund

MINUTES

September 22, 2022

9:00 A.M.

Remotely, Chairman Raybuck called to Order the special meeting of the Board of Trustees of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund, on September 22, 2022, at 9:05 A.M.

TRUSTEES PRESENT:

Mr. Jon Raybuck – Chairman; Mr. Stan Cale, Board Secretary & Mr. Conner Flechaus – Trustee. Also, in attendance was Mr. Hugh Bruder¹ – Fire Chief, Ex-Officio.

OTHERS PRESENT:

Mr. Matthew McCue, FIN News; Mr. Mark Eisner, Mr. Kevin Campbell & Mr. Eric Wilcomes, Taurus Private Market; Mr. David Weeks & Mr. Thomas Capobianco, Serenitas Capital; Mr. David West – AndCo Consulting; Mr. Adam Levinson, Board Attorney – Klausner, Kaufman, Jensen and Levinson; Mr. Dave Williams, Plan Administrator; Mr. Michael Williams, Administrative Plan Assistant.

It should be noted that there was a quorum for the Board to have an official meeting.

PUBLIC DISCUSSION:

Mr. Raybuck asked Mr. D. Williams if there were any public comments received for the meeting. Mr. D. Williams replied that there were not. Mr. Raybuck asked if anyone present had any public comments, which no one replied. Public Discussion was closed.

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

Mr. Raybuck asked if everyone had an opportunity to review the minutes of August 3, 2022. A Motion was made by Mr. Flechaus to approve the minutes. The Motion was seconded by Mr. Cale. All Trustees voted yes, and the motion was passed 3-0².

APPROVAL OF THE WARRANTS:

Warrants 486 through 498 were presented to the Board for approval. After review & consideration a motion was made by Mr. Flechaus to approve Warrants as presented. The Motion was seconded by Mr. Cale. All Trustees voted yes, and the motion was passed 3-0.

NEW BUSINESS

- Serenitas Gamma Fund II³: After a brief introduction by Mr. West, Mr. David Weeks & Mr. Thomas Capobianco of Serenitas Capital reviewed the cited product offering. It was noted that LMCG Investments handles risk oversight, legal compliance, operations and information technology for the Serenitas team, which allows them to solely focus on the investment side of the business.

¹ Departed 9:53 A.M.

² http://bbffp.org/docs/minutes/Minutes%20Boynton%20Fire%20Pension_20220803_signed.pdf#zoom=100

³ Non-Core Fixed Income.

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Mr. Weeks spoke about the following market concerns: Rising interest rate environment, Volatility in fixed income markets, High inflationary environment & Fed tightening may lead to a potential recession. As a result, investments are sought with the following traits: Negative correlation to fixed income markets / low correlation to broader markets, Seek to reduce downside risk, Attractive risk/reward profile & Seek to make money throughout the investment cycle, including rising interest rate environments. The investments range Mortgage Credit, Corporate Credit and Credit Instruments.

TARGET MISPRICINGS: Analyze and seek to acquire fundamentally cheap securities.

FOCUS ON MITIGATING DOWNSIDE RISK: And seek to reduce drawdowns during market dislocations.

CAPTURE MARKET INEFFICIENCIES: Drives fund returns.

Serenitas' approach seeks downside risk mitigation. Further, the Serenitas fund is uncorrelated to broader equity and fixed income indices.

Annualized Performance					
(as of August 31, 2022)	1YR	3YR	5YR	7YR	Since Inception ¹
SCGMF Series A[^]	7.33%	8.85%	8.25%	8.59%	8.96%
Bloomberg Barclays US Agg*	-11.52%	-1.99%	0.52%	1.27%	1.38%
Bloomberg Barclays US Corp. HY*	-10.60%	1.02%	2.58%	4.33%	4.05%

Why Serenitas?

Experienced Team: We have a successful track record, both in prop trading and as a fund manager. The team has been working together for more than 15 years. LMCG is an established asset management firm with deep resources and an institutional infrastructure.

Unique Investment Approach: We take low exposure to credit spreads and interest rates. Our robust proprietary analytics allows the fund to take advantage of both market inefficiencies and evolving market opportunities. We strive to take advantage of pricing inefficiencies within the asset classes where we have extensive experience.

Outstanding Performance Track Record: Series A 8.96% annualized return with 3.61% volatility since inception as of August 31, 2022. Low correlation to broader markets. Diversification within traditional fixed income portfolio.

At the conclusion of the presentation a round robin session was undertaken. Mr. West interjected that is product was not a generic rollout by the AndCo Investment Committee. It was felt that it would be a good fit for this Plan. Mr. West cited strong returns, Outstanding Bios, Manager Diversification and Performance without sacrificing return. Mr. West felt 3% up to 4 million dollars would be the targeted mandate.

At the conclusion of the foregoing, Mr. Raybuck made the motion to engage Serenitas for the targeted mandate proposed by Mr. West of 3% of the Fund up to 4 million dollars. Mr. Cales seconded the motion. All Trustees voted yes, and the motion was passed 3-0.

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Review of Private Equity - Taurus Private Equity Presentation: Mr. West cited that private equity investments are a practical diversification. He added it would be moving funds from the public space to the private space. Mr. West recommended that 3-5% be allocated from the domestic and international equity allocation should the Board wish to pursue. At this juncture the floor was turned over to the Taurus Private Equity Group present to review their product.

Mr. Mark Eisner, Mr. Kevin Campbell & Mr. Eric Wilcomes of the Taurus Private Market Group provided an introduction to private markets to the Board. The following was advised: Private equity is typically investing in a privately held company that is not listed on a public stock exchange. Private equity firms will invest in a privately held company in exchange for a specific percentage of ownership in that business. Private equity firms will provide guidance on the strategy and management of the business with the goal of business growth. Private equity is a broad term that includes a variety of investment strategies; these strategies include leveraged buyout and venture capital among others. It was noted that approximately 30% of the investors are public pension funds. Sovereign wealth funds came in second at 18%.

The argument was made as to why invest in private equity. The following chart⁴ exhibited how that sector outpaced the others.



Various private equity investment strategies were also reviewed by the presenters. At the conclusion of the presentation a question answer session followed. The Board thanked the presenters for a thought-provoking presentation. By consensus, the asked that this matter be placed on the next agenda.

ATTORNEY'S REPORT:

No formal report provided.

PLAN ADMINISTRATOR:

No formal report provided.

OPEN DISCUSSION:

No discussion ensued.

⁴Chart sourced from the American Investment Council 2021 Public Pension Study.

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ADJOURN:

Meeting adjourned at 10:58 A.M.

Next meeting November 2, 2022, at 9:00 A.M.

DocuSigned by:
Stan Cole
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FOR THE BOARD

DocuSigned by:
Jon Raybuck
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