

MINUTES OF THE CITY OF GALVESTON EMPLOYEES' RETIREMENT FUND  
BOARD OF TRUSTEES OF GALVESTON, TEXAS

Meeting Date  
August 6, 2024

The following members were present:

Robert Simmons  
Csilla Ludanyi  
Don Davison  
Rodney Low  
Trina Jankowski

The following members were absent:

Lewis Rosen  
Roland Bassett, Jr.

Also attending was Ron Kern and Katie Hendrick (Graystone Consulting)

It was determined that a quorum was present, and the meeting was called to order at 1:00.

Motion to approve minutes of May 7, 2024 was made by Don Davison; second by Rodney Low; Motion passed unanimously.

Ron Kern and Katie Hendrick with the Quantitative Group, presented the Performance Evaluation. The following illustrates the returns and balances for the quarter:

|                              | Market<br>Value   | Actual<br>Return | Benchmark                |        |
|------------------------------|-------------------|------------------|--------------------------|--------|
| ishares S&P 500ETF           | 24,776,000        | 4.40%            | Standard & Poors 500     | 4.28%  |
| Vanguard Mid Cap ETF         | 12,817,000        | -2.74%           | Russell Midcap           | -3.35% |
| ishares S&P Small Cap        | 6,731,000         | -3.15%           | S&P Small Cap 600        | -3.11% |
| ishares MSCI EAFE ETF        | 4,700,000         | -0.38%           | MSCI EAFE Index          | 0.96%  |
| ishares MSCI Emerging Mkts   | 1,184,000         | 4.74%            | MSCI EM Net              | 5.00%  |
| American Funds New World     | 1,065,000         | 1.64%            | MSCI EM Net              | 5.00%  |
| baird aggregate bond fund    | 3,362,000         | 0.24%            | Bloomberg Inter Govt     | 0.06%  |
| Met West Total Return Bond   | 3,662,000         | -0.02%           | Bloomberg Inter Govt     | 0.06%  |
| TIAA CREF Bond Fund          | 3,098,000         | 0.32%            | Bloomberg Inter Govt     | 0.06%  |
| Brandywine Global Opp        | 2,010,000         | -2.55%           | Citiworld Govt Bond      | -1.58% |
| PIMCO Income Fund            | 2,492,000         | 0.44%            | Bloomberg Inter Govt     | 0.06%  |
| Bluerock Total Income        | 903,000           | -2.00%           | NCREIF Property Index    | -0.22% |
| Cion Ares Diversified Credit | 2,301,000         | 1.58%            | Morningstar LSTA         | 1.93%  |
| Pomona Investment            | 2,411,689         | 0.00%            | S&P Global Listed Pri Eq | -2.71% |
| Cash                         | 1,305,699         |                  |                          |        |
|                              | <u>72,818,388</u> |                  |                          |        |

Ron discussed the performance report. He referred to page 14 of the report which discloses all fees and pointed out that total fees are approximately .36% and fees have been very carefully controlled. The Fund performance was up 0.72% for the quarter and up 12.80% for the 12 months ended June 30, 2024.

The fund was rewarded for staying invested during the tough times at the beginning of the year and is well diversified by asset class. The Plan is now returning some of the previous large gains.

Total rate of return since inception has been 7.02%; total over 10 years has been 6.22%.

Ron Kern made the following recommendation:

Sell:

500,000 iShares Corp S&P 500

3,715,139 (total liquidation) Met West Total Return

2,048,174 (total liquidation) Brandywine Global Opp

Buy:

1,250,000 Baird Aggregate Bond Fund

1,500,000 Nuveen Core Bond

1,113,313 Pimco Income Fund

2,400,000 FS Credit REIT

Motion to accept was made by Csilla; second by Trina. Motion passed unanimously.

The study requested by the City changing the factor from 2.65 to 2.75 was discussed but no action was taken. If the City opts to make any changes to the Plan, a special meeting will be called.

The next regular meeting was set for Tuesday, November 12, 2024. This is one week later than the usual meeting date due to Biker's Weekend,

Compiled financial statements for the quarter showed an increase in changes in net assets of \$4,741,005 for year to date. The compilation report was discussed, including specifically the categories of investment income, benefits paid, administrative fees and the comparison to the same period in the prior year.

With no further business or requests, the meeting was adjourned at 1:55.

---

Ann Masel, Plan Administrator

Term expiration dates:

Robert Simmons-11/26

Trina Janlowski-11/26

Rodney Low-11/26

Don Davison-Board designee 8/26

Roland Bassett-8/26

Lewis Rosen-Board designee 2/4/20

Csilla Ludanyi-City Finance appt.