



**BOARD OF TRUSTEES FOR UNIVERSITY CITY PENSION PLAN
MINUTES OF JOINT MEETING**

**Non-Uniformed and Police & Fire Employee's Retirement System
April 19, 2022, at 6:30 p.m.**

A meeting of the Board of Trustees via Zoom was called to order by acclamation at 6:30 p.m.

Members in Attendance: **James Stutz, Edward Deitzler, Tony Westbrooks, Patrick Wall, Brian Isenberg, Thomas Jennings, Eric Whritnour, Gregory Rose-non-voting, Steve McMahon-Councilmember**

Member(s) Absent:

Member(s) Excused: **Joel Myers**

Others in Attendance: **Wiley Angell– Ziegler Capital Management, LLC
Heather Mehta – Greensfelder, Hemker & Gale PC
Keith Cole –Treasurer**

Agenda

Member Wall motioned to approve the agenda. The motion was seconded by Member Whritnour. The motion was passed with unanimous consent.

Minutes

Chairman Stutz called for an approval of the January 18, 2022, minutes. Member Wall moved to approve the minutes. The motion was seconded by Member Jennings and approval carried unanimously.

Quarterly Portfolio Review

Wiley Angell of Ziegler Capital Management LLC provided an overview of the previous quarter's Non-Uniformed and Police and Fire portfolios. Wiley reviewed the Police and Firemen's Retirement Fund. Wiley reviewed the asset allocation for the plans on page 8 of their presentation. The Bond allocation started the quarter at the minimum weight of 20%. As bonds underperformed stocks during the quarter, this minimal allocation enhanced returns. The equity allocation was at the max position of 80% and the covered call consisted of 30% of that 80%, the max allowed. As Covered Call outperformed stocks and bonds, the Covered Call allocation enhanced returns. Stocks also outperformed bonds, further enhancing returns.

Wiley then covered page 7 of the presentation. He pointed out that all asset classes had negative returns for the quarter, with bonds producing the worst results. The total portfolio return, including the mutual funds that FAMCO does not directly manage was -3%, 200 basis points over the total benchmark return of -5.7%. Likewise, the assets managed by FAMCO

outperformed the benchmark during the quarter. These assets returned -3.10%, 230 basis points over the total benchmark return of -5.4%. The bond portfolio modestly underperformed the Bloomberg Aggregate Bond Index and produced a return of -5.8%. The FAMCO stock portfolio returned -3.4%% for the quarter, 170 basis points ahead of the Index return of -5.1%. Wiley noted that the FAMCO stocks have outperformed the mutual fund equities in all periods. This is primarily due to large capitalization stocks outperforming mid and small capitalization stocks during much of the period, since inception of those investments. Overall, the result was very strong, although in a negative market.

Wiley then reviewed the current economic and market environment. He focused the committee on inflation data as that is dominating current headlines. Rising inflation expectations have resulted in rising interest rates and negative returns in bonds. The Federal Reserve has a difficult task ahead, balancing the need to reduce inflation, while avoiding a recession. Wiley pointed out that the Fed's recent comments include inflation fighting strategies including raising the Federal Funds Rate and selling bonds that the Fed acquired during the Quantitative Easing. He indicated that there is a possibility the Fed will be selling bonds at the same time as the Treasury is issuing bonds, with the supply of these bonds potentially putting further pressure on interest rates. Overall, Wiley indicated that the objective over the coming months will be to avoid market risk. This will be accomplished by maintaining the lowest weight allowed for bonds, which are vulnerable to further price declines. Additionally, FAMCO is looking for opportunities to further reduce the duration of the bond portfolio. They will also maintain the max weight in the Covered Call strategy, which is designed to mitigate risk through sell call options on stocks, producing income that dampens downside risk.

Legal Update from Heather Mehta

Heather Mehta shared that she will be reporting at each meeting, Non-Uniformed and Police & Fire, regarding benefit claims. However, for the joint, MO State Legislative is in session and there are several bills that could impact pension plans that are in a pending status. One is governmental entities are not allowed to discriminate against its employees to require them to get covid vaccines.

Council Liaison's/City Manager's Comments

Councilmember McMahon shared to the Board; Prop F did not pass.

City Manager Rose stated the developments continues and believes Costco will open sometime in September of this year. We have another development that is looking very positive, Crescent Plumbing. Tru Hotel development, looking to break ground in about a year from now. QuikTrip continues to move through the process.

Other Matters

- None noted

Next Meeting Date(s)

Next meeting dates will be July 19, 2022, and October 18, 2022, tentatively

Adjournment

The meeting adjourned at 6:54 p.m. with a motion by Member Jennings, seconded by Member Whritnour and passed with unanimous consent.