



## SUMMARY TO THE BOARD OF TRUSTEES AND F.I.A.C. MANAGER UPDATE WORKSHOP

Wednesday, February 3, 2021  
11:00 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
Richard "Dick" Cohee Board Room

### Board of Trustees

Cpt. Michael Lynch  
Richard Patsy

### Guests

Matt Soule, TSW  
Bill Bellamy, TSW

### Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Kevin Grant, Finance Manager

### Notice

**NOTICE:** Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [SLundy@coj.net](mailto:SLundy@coj.net) to file a public records request.

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### Summary

#### I. Public Speaking

None.

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II. Manager Update

*a. Thompson, Siegel & Walmsley – Matt Soule & Bill Bellamy*

Matt Soule and Bill Bellamy made their presentation on their firm, Thompson, Siegel & Walmsley. They covered the following pages and topics from their presentation slides:

- Large Enough to have Deep Resources; Small Enough to be Client-Focused (page 2)
- Jacksonville Police & Fire Pension Fund Performance Summary as of 12/31/2020 (page 3)
- Risk/Return Profile – Primary Goal Risk Adjusted Returns (page 4)

Timothy Johnson asked how TSW's fees compare to the aggregate.

Matt Soule said that he would get that information for Timothy Johnson. He said that the last time he checked, the fees were competitive.

- Meet Our Team: TSW Income Strategies (page 5)
- Investment Philosophy (page 6)
- Evaluate Risk/Business Cycle and Position the Portfolio (page 7)
- Security Selection Process (page 8)
- Portfolio Risk Controls (page 9)

Richard Patsy asked how returns would be affected if TSW was not permitted to invest in high-yield.

Bill Bellamy said that it would not affect the investment process. The allocation to high-yield is 10%, and is considered a core return income enhancer to the portfolio.

Richard Patsy asked what sectors TSW avoids in the high-yield environment.

Bill Bellamy said that TSW avoids the energy industry, and telecom. It is hard to get paid for taking on the extra risk in these sectors.

- TSW Fixed Income Broad Corporate Market Cap Exposure (page 20)
- Portfolio Characteristics as of 12/31/2020 (page 10)
- Portfolio Characteristics Changes: Year to Date (page 11)
- Portfolio Characteristics: Quality & Duration Distributions (page 12)
- Duration & Yield Curve Position (page 13)
- Bloomberg Barclays Indices Returns (page 14)
- Attribution (page 15)
- Outlook for 2021 (page 17)

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Bill Bellamy discussed TSW's flexibility to build solutions to its client's specifications – if the PFPF wants X amount of risk, or wants to put limits around certain bond ratings, TSW has that capability and it is easy to do. TSW already does this for some clients.

Richard Patsy and Timothy Johnson thanked TSW for a great presentation.

III. Adjournment  
11:45 A.M.

Summary Approved:

Nawal McDaniel, Board of Trustees Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director  
City of Jacksonville Police and Fire Pension Fund

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**To be Approved:** 02/19/2021