



## Town of Palm Beach Investment Advisory Committee

To: Mayor and Town Council

From: Mr. Christopher Storkerson, Chairman  
Investment Advisory Committee

Date: January 24, 2025

Subject: Annual Report to Mayor and Town Council

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On behalf of the Investment Advisory Committee, I am pleased to provide the following report on the current status of the investments and actions taken during the past year by the Investment Advisory Committee.

The Investment Advisory Committee is responsible for overseeing the investment of the Town's surplus funds and the OPEB trust investments. The Committee was also charged with the oversight of the 1% Sales Surtax proceeds. A copy of the most recent quarterly report for the 1% Sales Surtax is attached.

### **Surplus Fund Investments**

The Town's surplus funds are managed by PFM Asset Management, the Florida Education Investment Trust (FEITF), and the Florida League of Cities Investment Trust, and the Town holds investments in Certificates of Deposit. The total balance of core investments as of November 30, 2024, was \$200,759,497.

### ***PFM Asset Management***

The Town's total investment with PFM represents approximately 21.65% of the total core portfolio. PFM 1-5 Year Actively Managed Portfolio one year return is 5.85%.

### ***Florida League of Cities Bond Funds***

The Florida League of Cities Investment Trust (FMIvT) has 20.46% of the Town investments; a total of \$41.1 million. \$12.2 million is with the Florida League of Cities Investment Trust 0-2 year and \$28.9 million is in 1-3 year bond fund and \$19,058 is in the Intermediate Bond fund. The FMIvT 0-2 year fund has returned 5.42%, the 1-3 year fund returned 5.68% and the intermediate fund returned 6.41% for the one year period ended November 30, 2024.

### ***Certificate of Deposits***

The Town had a total of \$34.7 million in three Certificate of Deposits with a one-year return of 5.35%. The current CDs holding had a weighted duration of .70 years.

### ***Short Term Investments***

The Town has approximately \$81.5 million in short term investments in FL PALM (23.03%), a Bank United Money Market account (13.39%) and a TD Bank MMA account (4.17%) for a total of 40.59% of the portfolio. The one-year return of FL Palm is 4.19%.

### **Health Insurance (OPEB) Trust**

The Committee oversees the investment of the assets of the Health Insurance (OPEB) Trust. The asset classes and actual and policy target allocation for the Health Insurance Trust as of December 31, 2024, are shown below:

<b>Asset Class</b>	<b>Actual Allocation</b>	<b>Target Allocation</b>
<b>Domestic Equity</b>	42.2%	40%
<b>International Equity</b>	9.3%	10%
<b>Non-Traditional Assets</b>	0.9%	3%
<b>Fixed Income</b>	35.6%	35%
<b>Real Estate</b>	8.4%	10%
<b>Liquid Capital</b>	3.7%	2%

Attached is a summary of the investments in the Health Insurance (OPEB) Trust and the quarterly returns as of November 30, 2024. For the one-year period ending November 30, 2024, the fund returned 17.55%. The return for the fiscal year ending on September 30, 2024, was 20.36%. The actuarial assumption for this trust is 5%. The funding status as of September 30, 2023, is 110.57%. This funding status will be updated as of September 30, 2024, later this month.

The market value of the portfolio as of December 31, 2024, was \$44,238,579. Mariner Consulting oversees the investments for this trust. The current money managers and investment benchmarks for the trust are shown below:

#### **Manager**

Vanguard Russell 3000 Index  
American Funds Europacific Growth Fund  
Pear Tree Polaris Foreign Value  
Vanguard Developed Markets Index  
Crescent Direct Lending Levered Fund II  
Vanguard Total Bond Market Index Fund  
Galliard Intermediate Core Fund  
PIMCO Diversified Income Bond Fund  
Intercontinental US REIF  
Principal Enhanced Property Fund  
Government STIF 15

#### **Investment Benchmark**

Russell 3000 Index  
MSCI AC World ex USA Net Index  
MSCI EAFE Net Index  
Vanguard Spliced Developed ex US Index  
HFRI Fund-of-Funds Strategic Index  
Barclays US Aggregate Index  
Bloomberg interned aggregate Index  
Bloomberg Global Credit  
NCREIF Fund Index  
NCREIF Fund Index  
Citigroup Treasury Bill 3 Month Index

**Financial Report**

The attached Financial Report contains a balance sheet and income statement for the OPEB Trust Fund. The attached report is as of September 30, 2024.

**General Information**

The current members of the Investment Advisory Committee include:

<b>Name:</b>	<b>Term Expires</b>
Chris Storkerson, Chairman	May 2025
Kathleen Anderson	May 2026
Lloyd Mc Adams	May 2025
Jacqueline Elizabeth de Sanctis	May 2026
Annette Geddes	May 2025

During the past 12 months the committee has held 3 meetings.

The next meeting of the Committee is scheduled for Friday, March 21, 2025, at 2:30pm. Mariner Consulting and PFM Asset Management will discuss the performance through December 31, 2024. A 2025 meeting schedule is attached to this report.