

Item 6
Administrative Items



MEMORANDUM

TO: Board of Trustees of the City of Delray Beach Police Officers' Retirement System

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Recommended DROP Fund Changes at MissionSquare

DATE: 2/21/2024

ISSUE:

DROP Fund Changes at MissionSquare

EXPLANATION:

Matt Dickey has recommended the following fund changes:

- 1) removal of the Invesco Global Equity Fund and map all assets held there to the existing RS Global Fund (in the same category);
- 2) removal of Western Asset fund and map all assets held there to American Funds Bond Fund of America.

Mr. Dickey noted that the MissionSquare Retirement Income Advantage Fund will "sunset" as of March 15, 2024.

For further information, see attached February 20, 2024 email.

RECOMMENDATION:

Consider Mr. Dickey's fund change recommendations.

From: [Dickey, Matt](#)
To: [Castronovo, Lisa](#)
Cc: [NFP Fiduciary First Operations](#)
Subject: FW: City of Delray Beach Police, Fire, and 457b Deferred Compensation Q4 2023 reports
Date: Tuesday, February 20, 2024 5:17:02 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)

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Hi Lisa,

Please see the links below for Police, Fire and 457b Deferred Compensation Q4 2023 reports.

For the Police Board we are recommending the removal of the Invesco Global Equity fund and mapping those assets to the existing Victory RS Global fund in the same category. On page 43 the Asset Class Review highlights the significant underperformance of Invesco on the rolling 3-, 5-, and 10-year returns. Victory RS has also delivered higher returns with less volatility highlighted in the Risk/Return scoring as well as the Information Ratio Rank where Victory ranks in the top 3%.

Western Asset continues to underperform since taking the hit for their currency exposure during the Ukraine invasion. We're recommending removing Western Asset and mapping those assets to American Funds Bond Fund of America. American Funds Bond Fund of America has outperformed over the rolling 3- and 5-year period and doing so by significant lower volatility. American Fund Bond Fund of America is ranked in the top 1% for its Information Ratio Rank where it's delivering at the top of its peer group in delivering risk adjusted returns.

We also wanted to note the sunseting of the MissionSquare Retirement IncomeAdvantage Fund on March 15th. This is the plan's in-plan income option, very similar to an annuity. The insurance company that MissionSquare was using no longer wishes to sponsor it and MissionSquare did not find an alternative. For those already in the fund, including retirees, there's no loss of guarantee or lifetime payments. Though future contributions will be redirected to the default fund beginning March 15th.

Matt Dickey

Senior Plan Advisor

Retirement

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