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GAPPT

News & Reports

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Georgia Association of Public Pension Trustees™

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From the GAPPT President

Tim Milligan, CRPF™
Georgia Firefighters' Pension Fund

Hello everyone. I hope you are doing well!

It was truly inspiring to see so many familiar faces at our recent Fifteenth Annual Conference in Savannah. Fifteen years — an accomplishment worth celebrating! As we reflected on this milestone during the conference, it's crucial to acknowledge some key elements.

First and foremost, a heartfelt thank you to Jim Meynard for his visionary leadership and determination in bringing this idea to life. We also owe a debt of gratitude to our founding members who invested considerable effort in laying the foundation for our organization's success. Equally, we extend our appreciation to each plan and member who has contributed to our growth over the past 15 years.

We are immensely indebted to the countless volunteers who have generously shared their time and talents, enriched not only our organization but also enhancing the capabilities of trustees in their fiduciary roles. To each of you, I want to express my deepest gratitude for your invaluable contributions, both past, present, and future. Thank you!

As we eagerly anticipate the next 15 years, we recognize that it will require the dedication of more volunteers. If you are interested in getting involved or have specific skills to offer, rest assured, there's a place for you within our community. Please reach out to Brian Smith at boarddevelopment@gappt.org for more information on joining our various standing committees. Participating in a committee is not only a fantastic way to contribute but also an opportunity to connect and network with fellow members beyond our face-to-face gatherings.

Turning our attention to the conference itself, I believe we can all attest to the exceptional educational content delivered by the Program Committee. This year's presenters offered insights that were both relevant and timely, particularly as we navigate through market uncertainties. It was also a pleasure to welcome our new members and plans — a warm welcome to each of you!

Furthermore, I am delighted to announce the addition of two new Board members: Jason Justice, City of Gainesville-Retirement Plan A, as Director-at-Large, and AJ Baltozer, DWS, as Affiliate Chair. We eagerly anticipate their contributions to the Board and the organization.

On the topic of events, mark your calendars for our ever-popular GAPPT Night with the Atlanta Braves on June 18, 2024! Join us at Truist Field as we cheer on the Braves against the Detroit Tigers. Tickets tend to sell out quickly, so don't miss out — I hope to see you there!

Tim

In this issue:

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In this Edition

Finding Opportunity in Securitized Products

By Scott Weston, *Managing Director, Senior Portfolio Manager,* Fort Washington Investment Advisors

Securitized markets have matured notably in the last 10 to 15 years and may offer attractive yields and diversification. This paper outlines the evolution of Securitized Products and how investors may benefit from allocating to the growing asset class

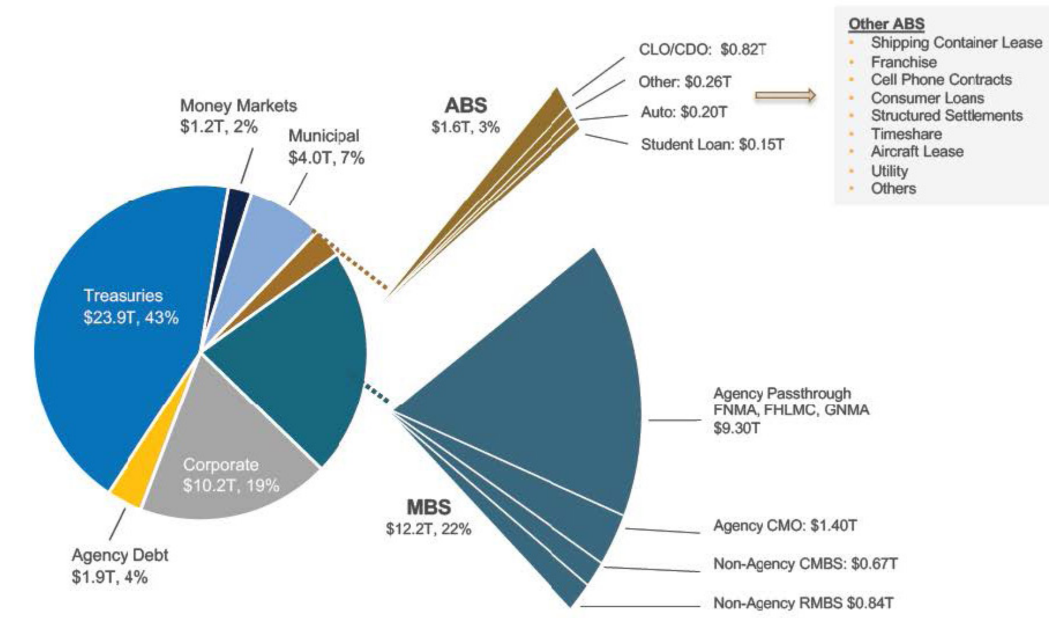
Key Points

- Securitized products may offer an attractive long-term risk/return profile and potential sources of both income and return
- Securitized products can provide investors diversification relative to other fixed-income sectors
- How securitized products may fit into a fixed income portfolio

What are Securitized products?

Securitized products are the second-largest segment of the entire U.S. Bond market, comprising $14 trillion (25% of the market) and surpassed in size only by U.S. Treasuries at $24 trillion. Corporate Bonds, while generally perceived to be more commonplace than securitized products, are surprisingly a smaller portion of the market, at $10 trillion (19% of the market). The remaining $7 trillion is split across smaller sectors including municipal bonds, government agency debt, and money markets. The securitized products market encompasses both Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS), which fall into two categories: agency (securities backed by key government agencies including Fannie Mae, Freddie Mac and Ginnie Mae), and non-agency (securities without the support of a government entity). The focus of this paper is on the non-government guaranteed, or non-agency, segment of the securitized products market. This segment comprises just over 5% of the total U.S. bond market, or $3.1 trillion (Figure 1).

Figure 1. The U.S. Bond Market is over $55 Trillion

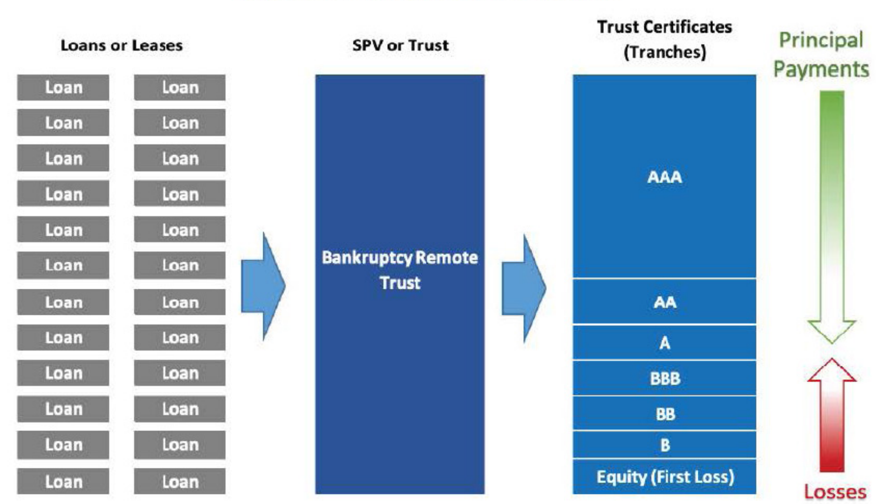


Source: SIFMA – Treasury, Corporates, Municipals, Agency Debt and Money Markets as of 12/31/2022. MBS and ABS as of 12/31/2021.

Securitization is the process by which financial assets are pooled and placed into a bankruptcy remote trust (the assets of which are protected from the depositor and/or sponsor of the trust), so they can be repackaged into both equity and interest-bearing securities, also known broadly as asset-backed securities. The cash flows from the underlying assets are passed through to owners of the trust's securities based on rules outlined in the governing document of the trust. These rules create distinct classes, or tranches, which have differing priority of principal repayment and differing application of losses. This results in securities with a range of maturity and risk profiles and, ultimately, return profiles. This tailoring of risk increases the appeal of the trust's securities to a wider range of investors with varying risk and return objectives (Figure 2).

Assets typically securitized include residential mortgage loans, auto loans, credit card receivables and commercial real estate loans. Less common assets include equipment leases, tax liens, shipping container leases, solar panel loans, cash flows from restaurant franchises and many others (Figure 3). Most people are surprised to learn how many of their personal financial obligations are funded through the securitization process.

Figure 2. Securitization Structure



Source: Fort Washington. Tranches with higher credit ratings are senior in the capital structure of the Trust and, therefore, have first priority on the Trust's assets.

How Securitized Products Fit in a Fixed Income Portfolio

Mortgage-backed securities, asset-backed securities and commercial mortgage-backed

Continued on page 6

securities comprise a wide swath of the fixed income market and are appropriate for use in most fixed-income portfolios, including both total return and asset-liability management mandates. For total return strategies, securitized products can satisfy a range of risk appetites–from high quality, short duration to higher risk, high-yield applications.

Short Duration: Historically, securitized products have proven to be an efficient and liquid asset class in the front-end of the curve offering attractive returns for the risk. Within the Morningstar Short Term and Ultra Short Bond categories, multi-sector securitized-focused funds have tended to be top quartile performers and can help outyield money market funds by 100 basis points or more.

Intermediate Duration/Core Bond: Multi-sector securitized strategies fit nicely in a core bond, or core plus, framework. Treasuries make up the largest segment of the Bloomberg Aggregate Index at 42%, while Securitized (mainly agency mortgage-backed securities) comes in second with 28%, and Corporate bonds are the third largest with 25%. Top performing multi-sector securitized strategies can add 100 - 125 basis points of alpha to this Securitized sleeve (contributing ~30-35 basis points to the overall core portfolio) with similar price volatility and a modest increase in credit risk vs. the Securitized Index–a strong value proposition.

High Income: Corporate high yield investors may consider a more opportunistic securitized strategy which invests in a combination of both investment grade and high yield securitized products. When

Figure 3. Securitization and the Consumer

Figure 3. Source: Fort Washington

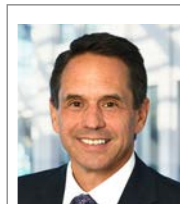
evaluated through a credit and/or rate cycle, these strategies can produce similar returns relative to a high yield corporate index, but with a fraction of the volatility and with substantially lower credit risk.

Asset Liability Management: Lastly, short- to intermediate-duration asset/liability management frameworks can benefit from a multi-sector securitized strategy. The high spread, highly rated securitized assets tend to be more capital efficient for a regulated insurance company or bank, while offering compelling returns vs. comparably rated corporate bonds.

Conclusion

The securitized markets have made remarkable progress since the Great Financial Crisis. Every year, the investor base increases, particularly in the non-agency, or non-government guaranteed, segments of the markets. We have observed significant gains in the breadth and depth of these markets, with more investors, dealers, and investment banks, resulting in improved liquidity. Importantly, institutional investors have broadly adopted securitized products and consultants and retail investors are increasingly interested. The insurance industry, spurred by private equity sponsors such as Apollo, Blackstone, Carlyle and KKR, has recognized the value in the asset class and has moved increasingly into the non-agency securitized markets since 2017 – industry exposure has increased from 9% to 13% of invested assets.*

Although these markets can be less transparent (limited TRACE reporting in the securitized markets) and more technical in nature, these factors actually help to generate compelling relative value opportunities. Investors with the right tools and resources to navigate the liquidity and complexity risks can expect to find promising return opportunities for the foreseeable future.



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Private Capital: Four Themes for 2024

By Randy Schwimmer, *Co-Head of Senior Lending*, and **Jason Strive,** *Head of Junior Capital & Private Equity Solutions, Nuveen*

The U.S. Federal Reserve's battle against inflation which triggered higher-for-longer interest rates means investors and borrowers alike are dealing with a slowdown in dealmaking, valuation discrepancies and higher borrowing costs. This has led to a pivot of buyout financings from public to private credit.

Private capital – both private credit and private equity – is in the spotlight.

Four trends for 2024 have been identified, emerging from the current market dynamics that will impact deal making and fundraising.

1. New normal rates: The new macro and what it means

Since the 2008 financial crisis, investors have become accustomed to an ultra-low rate environment, though are now faced with a new, higher rate landscape.

Tighter systemic liquidity is seen as favorable to credit buyers, given the structures, lower leverage and expanded pricing. It also keeps market conditions from becoming too frothy.

Considering the depressed levels of merger and acquisition activity during 2023, owners have been slower to achieve realizations. With more favorable all-in debt costs, equity returns should start improving, accompanied by a more accelerated deployment of dry powder for 2024.

These trends are also tailwinds for portfolio performance. Lower benchmarks will bring interest and fixed charge coverages back to more comfortable levels and allow borrowers with payment-in-kind

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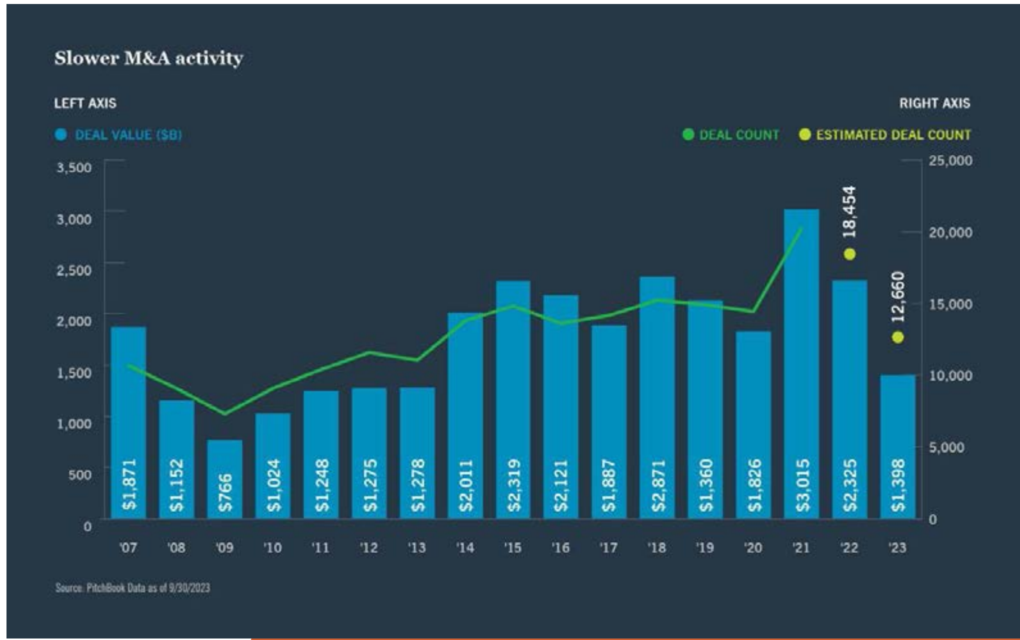

instruments to activate cash-pay options. In the first half of the year, the Fed is expected to avoid aggressive approaches to achieve a perfect 2% CPI landing. Investors could face a more balanced economy with rates closer to old averages.

2. Winners and losers: Continued dispersion from multiple market dimensions

In 2024, expect to see continued dispersion across three key market participants: private capital asset managers, private equity firms and portfolio companies. The winners in today's market have a variety of distinct attributes.

For asset managers: Those with scale, diverse investment capabilities, diverse sources of dry powder and sustainable deal-sourcing advantages will thrive. For private equity firms: Those with ample dry powder and a proven track record of valuation discipline will prevail as the "buyer of choice" for the best platform investment opportunities.

For portfolio companies: Those who have adopted prudent balance sheet structures or leveraged bifurcated financing strategies that offer payment-in-kind flexibility will be best suited to pursue organic and inorganic growth opportunities.

The strategies adopted by winners – embracing scale, cultivating diverse capabilities, leading with true sourcing advantages, exercising valuation discipline and maintaining conservative and flexible balance sheet structures – will highlight a brighter roadmap for success in 2024.

3. Stay alive to thrive: Portfolio excellence sustains investment activity

The gap between winners and losers will only accelerate as today's winners continue to thrive in the current market. Private capital managers with healthy, high-quality portfolios can and will continue to play offense and take market share. What goes into creating portfolio excellence? We believe investors should follow the below principles:

Diversification as a shield: Diversification must be evaluated across numerous dimensions: sector, deal structure, leverage profile, sponsor relationships, company model and so on. Absolutely fundamental is position-level diversification.

Flight-to-quality approach: Prioritizing high quality assets should always be a focus, irrespective of economic conditions. By consistently backing strong businesses (in both bull and bear markets), investors can have a durable portfolio that continues to see sustained growth despite a tough environment.

Clear alignment: Investing behind sponsor-backed portfolio companies has been crucial to mitigating risk. GPs not only bring deep experience creating value through market cycles, but more importantly have meaningful stakes in the outcome, typically through an equity investment.

Maintaining a diversified portfolio, focusing on resilient sectors and mitigating risk through strong alignment, private capital investors will not only survive challenges but can also thrive amidst uncertainty.

4. Next gen private capital: A new world of financial process

The Fed's efforts to tackle inflation all but drained liquidity from various sources. Buyout financings pivoted from public credit to private as a result. Lower interest rates will likely create advantageous conditions for liquid loans.

Private debt managers today have armed themselves with attractive, covid era-styled loan terms.

Middle market direct lenders have benefitted from a skewed ratio of private versus capital financing, and this will likely lead to refinancing and new leveraged buyouts for the long term.

Conditions may be just right

These themes present opportunity and risk for investors in today's market. However, we believe that with careful navigation, conditions could be the beginning of the "Goldilocks era" of private capital.


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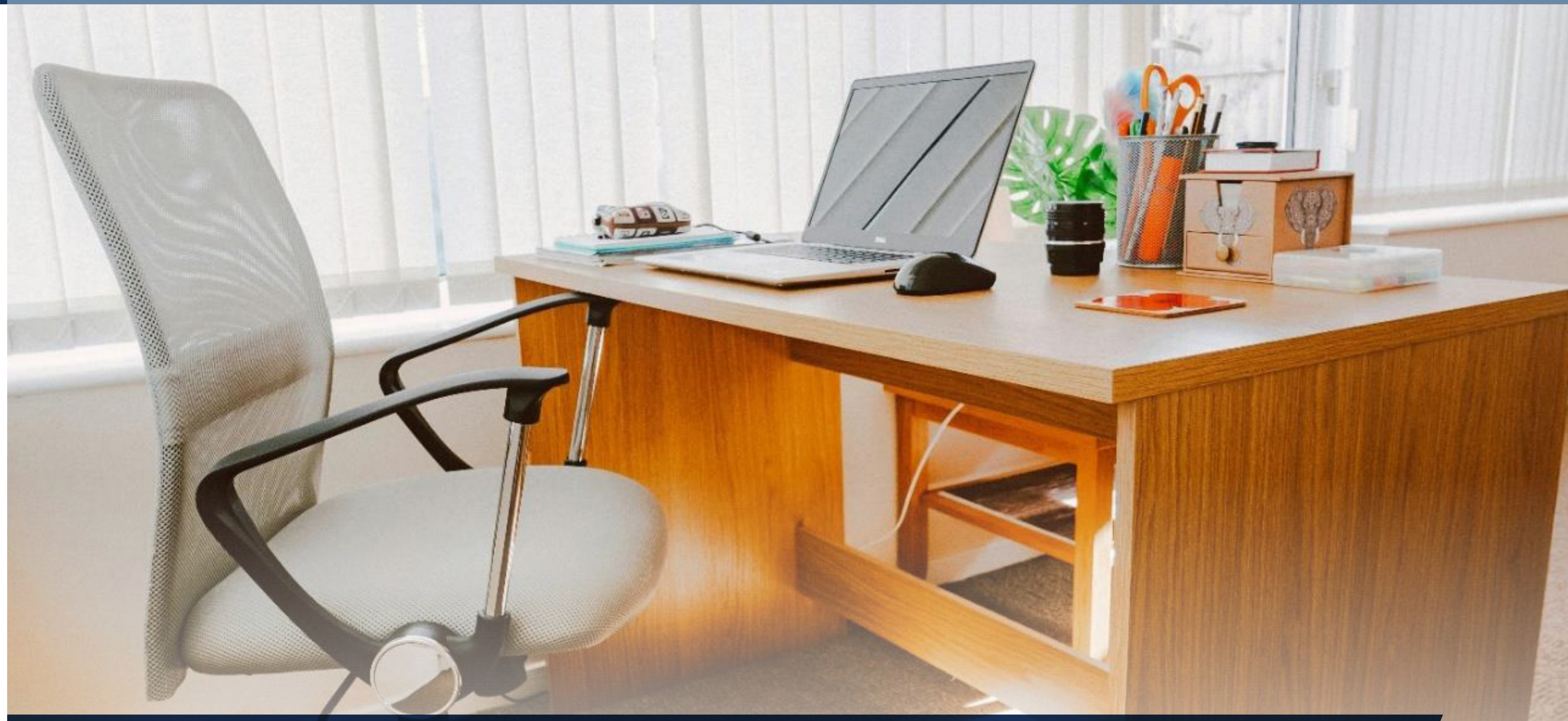

Why an Active Approach to Corporate Governance is Important in Today's Market

By Javier Bleichmar, *Partner,* **Erin Woods**, *Partner.* **Nancy Kulesa**, *Partner,* **William Massa,** *Associate,* Bleichmar Fonti & Auld LLP

Modern stock market investors take a variety of forms. Unfortunately, some of the largest investors on Wall Street (i.e., hedge funds, high frequency traders, and passive index funds) may have among the smallest incentives to address failures in corporate governance. This stands in stark contrast to public pension plans that, for years, have led the charge against executive wrongdoing. The lack of incentives to spur these private funds to address corporate governance is a problem that affects everyone. Recently, certain market participants and commentators have recognized the risk of falling into a "cartoon version of market capitalism," where some of the largest private shareholders have essentially given up trying to monitor the companies in which they invest.[1] As a result, it remains as important as ever for public pension plans to remain active and vigilant.

Today's Wall Street is substantially influenced by large, private investment firms.[2] It has also been defined by a decades-long shift towards passive investment strategies, such as index funds[3]

However, there is real doubt that many of these private funds are properly incentivized to monitor and ensure good corporate governance. Index funds seek only to match the performance of a broad index or other specific benchmark, and therefore lack a strong financial incentive to ensure that any individual company is well-run.[4] Similarly, hedge funds and day traders, who often trade on volatility or proprietary algorithms, may quickly trade in and out of companies, or have long closed their positions before the fallout from corporate misdeeds.[5]

Continued on page 10

According to a report published by The Wall Street Journal on February 27, 2024, a market dominated by those with little incentive to engage in corporate oversight could lead to share prices disconnected from corporate profitability.[6] It also risks ensuring the best allocation of capital—one of the primary goals of our market system.[7] What's more, the failure to enforce good governance harms long-term investors like public pension funds who will be around to suffer the consequences of corporate wrongdoing. The situation is concerning enough that some large equity investors have begun to realize what many public pension plans have known for years, that institutional investors cannot freeride on the efforts of others to ensure that corporate misconduct is appropriately addressed.

As Nicolai Tangen, the Chief Executive Officer of Norway's Government Pension Fund Global, told *The Wall Street Journal*, "[n]ot everyone can just be passive" and investors should not "free ride on a well-functioning market."[8] Mr. Tangen explained that taking an active approach in corporate governance is not based on trying to be a "global policeman," but that of a "shrewd capitalist" investor that aims to "enhance future long-term returns."[9]

Taking an active approach to corporate governance, however, is not new or uncommon for many public pension funds, who often take the lead in securities class actions against companies—the "ultimate way shareholders enforce control of big business," according to *The Wall Street Journal*.[10] Indeed, in 2023, institutional investors (including public pension plans) served as lead plaintiff or class representative in nine of the ten largest securities class action settlements and a number of successful derivative actions.[11]

In short, recent market commentary indicates that an active approach to corporate governance remains necessary to ensure the integrity of the market and maximize returns. This understanding is consistent with how public pension plans have acted for years, as they have led the way in achieving significant results in improving corporate governance practices and recovering plan assets through litigation. By continuing to take an active role in these matters, trustees and staff can help maximize asset values, work toward ensuring the integrity of the market, and keep corporate executives in check.

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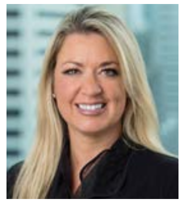

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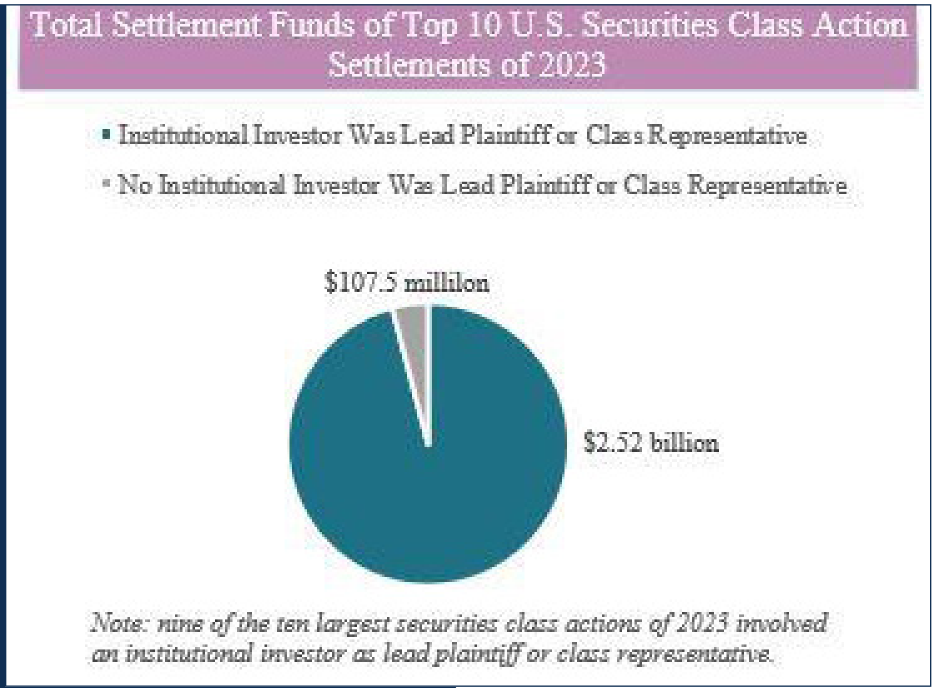

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2 Kardashian, Kirk, Why Institutions Should Be Active Investors, TUCK SCHOOL OF BUSINESS (May 16, 2018), https://www.tuck.dartmouth.edu/news/articles/why-institutions-should-be-active-investors.
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5 See THE WALL STREET JOURNAL, supra note i.
6 Id.
7 Id.
8 Id.
9 Id.
10 Id.

Why Investors Should Think Globally

By Alex Torrens, *Head of Walter Scott North America,* Walter Scott

US equities are in the midst of a more than decade-long period of dominance over their international peers. Indeed, such has been the scale of the outperformance that many US investors have chosen to leave their passports at home and stick exclusively with their home market. Whilst this approach is perhaps understandable, we think investors risk leaving opportunities on the table by failing to look beyond US shores.

The case for investing globally is often framed in terms of "why now", with proponents pointing to shifting macro conditions or other cyclical reasons to look beyond US shores at a given point in time. Today, the argument might focus on the likely persistence of many of the drivers of US outperformance over the past decade, whether valuation expansion, the epic run of the Magnificent Seven, or the strength of the dollar. Advocates of mean reversion, meanwhile, tell us that the stark outperformance of US equities is unlikely to last.

> "We think investors risk leaving opportunities on the table by failing to look beyond US shores"

But whilst these are all legitimate, interesting and important questions to be asking, relative calls between markets are notoriously difficult to get right on a consistent basis, let alone time well consistently too. In our view, investors should have exposure to both the US and international equity markets at all times for two separate but closely connected reasons.

The first of these, diversification, is, or at least should be, well understood. In the seventy years since Harry Markowitz introduced the world to modern portfolio theory,

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diversification has become a bedrock of investor thinking. And with good reason. Done correctly, diversification can potentially allow investors to increase the expected return of a portfolio for the same level of risk.

Of course, when Markowitz labelled diversification as "the only free lunch in finance" he was speaking to the risk/return benefits that accrue from buying uncorrelated assets. Today, the correlation between the US and other developed equity markets is relatively high, so the benefits of diversification are certainly not what they were prior to our globalised era. Only when investors venture into emerging and more esoteric geographies do we see a more material benefit emerge. That said, there is a residual diversification benefit to investing globally that allocators should want to harness: the serving might not be as big but you're still getting your sides for free.

> "Investors should have exposure to both the US and international equity markets at all times."

The second and most compelling argument for investing globally is the freedom to pursue the very best investment opportunities regardless of where they happen to be listed. Put bluntly, why would you not want to access to the broadest possible opportunity set? To be solely exposed to the US is to leave some outstanding opportunities on the table. No country has a monopoly on corporate excellence.

Many of the most interesting companies identified by our fundamental company analysis don't have US peers, or if they do they are a rather pale imitation. Just as there are no international equivalents of the Silicon Valley behemoths, there are no US analogues of the storied French and Italian luxury houses. Asian savings and protection? Industrial automation? Fashion and beauty? All long-term opportunities with market-leading exponents domiciled outside the US.

Nor are these businesses narrow plays on domestic economies. Overwhelmingly, they are global multi-nationals deriving a significant proportion of their sales and earnings from countries other than where they are listed. You're unlikely to be investing in a Japanese automation business for exposure to the Japanese economy or a Danish pharmaceutical firm solely for the domestic healthcare opportunities.

> "Why would you not want to access to the broadest possible opportunity set?"

It goes without saying that this bottom-up approach to global equity investing demands rigorous analysis of all stock-specific opportunities and risks. This includes paying due consideration to the impact of geopolitics, an issue very much front of mind for US sceptics of global investing

At a portfolio level, rather than look at events such as Ukraine or the Middle East through the prism of geography or sector, we think it more relevant to consider risk exposure by the potential for value impairment across stocks, and then aggregate this up. To think of China-Taiwan risk, for example, only as an Asian phenomenon is to overlook the severe ramifications for those US tech companies entirely dependent on Taiwanese chip manufacturers. Better to understand how risk is expressed across real-world businesses, then stocks, then the portfolio. Globalisation may be in retreat, but the world is still incredibly interconnected.

The myriad links and chains in the global economy are an inconvenient truth for those who question the wisdom of straying from US shores in an uncertain and volatile world. Ultimately, no amount of US exposure can offer immunity from geopolitical risk. What it can guarantee you, however, is a sizeable chunk of country-specific risk, whether you're 100% invested, overweight or even just at 'market' weight. Risk, just like opportunity, can be found anywhere.

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U.S. Real Estate: Risk or Opportunity?

Submitted by AJ Baltozer, *Institutional Relationship Manager,* DWS

Nearly a year after the demise of Silicon Valley Bank and Signature Bank, bank tremors have resurfaced in the U.S., Japan, and Germany, rekindling fears around property and its perceived threat to the financial system. We believe that these concerns are not only overblown; they obscure an improving outlook for U.S. real estate. Consider the following:

1. U.S. banks appear well positioned to withstand real estate stress.

About $930 billion of U.S. commercial real estate (CRE) debt is slated to mature in 2024, nearly half of it held by banks.[1] In some cases, borrowers will struggle to refinance at higher interest rates and lower collateral values. Non-maturing loans could also default where rental income has dropped (e.g., a tenant vacated) or not kept pace with leasing, debt-service, or other expenses. Still, U.S. banks appear positioned to weather the storm. CRE represents 13% of bank assets.[2] If they suffered a 9% haircut(consistent with the Federal Reserve "stress test" of large banks), the hit to capital ratios would be about 120 basis points.[3] Though signifcant, an impairment of this magnitude would be manageable, in our view, against tier 1 capital ratios that are near record levels (14%, or 40% above Global FinancialCrisis (GFC) levels), particularly when off set with retained earnings over time.[2] In actuality, losses maybe much less severe. The Federal Reserve's stress tests assume CRE prices fall 40%.[3] This might be realistic for office properties, but these represent less than 20% of CRE loans (2%-3% of assets).[4] Prices in other sectors have dropped about half as much, and losses there are likely to be much smaller(since loans are typically buffered with an equity cushion of 40%-50%).[5] True, smaller institutions havegreater exposure to CRE, and some of the more than 4,600 banks in the country could fail.[2] Yet in our view, this does not rise to the level of a systemic problem.

2. Interest rate pressures may have peaked.

Surging interest rates were a formidable blow to real estate valuations. Yet they have declined markedly since October 2023, and with inflation receding (albeit haltingly),

Continued on page 14

even lower rates may be on the horizon.[6] In our view, stabilizing interest rates will relieve upward pressure on cap rates, the primary source of valuation pressure. Loan defaults may force more sales, but history shows that stress can coincide with a market recovery, as fresh capital looks to exploit emerging opportunities. In 2010, after the GFC, bank real estate delinquencies soared to 9% (they are just over 1% today) and nearly 20% of all transactions were "distressed" (per Real Capital Analytics), yet core diversified real estate funds produced a 16% total return.[7]

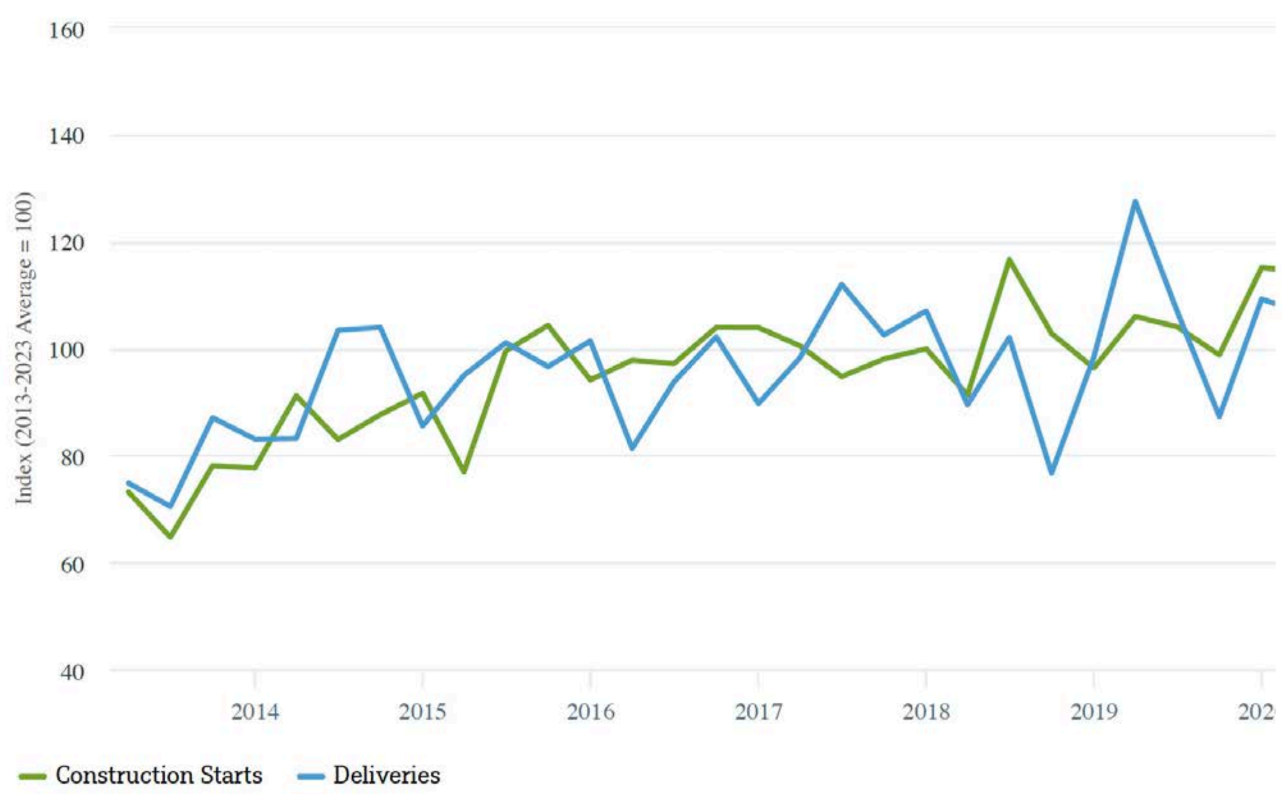
3. Real estate yields are approaching their highest levels in a decade.

The negative effects of rising interest rates are subsiding, but the benefits are only beginning to be felt. These include an increase in cap rates to their highest levels in a decade, as cash flows have remained resilient even as prices have dropped.[8] Higher yields deliver stronger income returns. They also provide greater protection against any future interest-rate shock (since a given increase in cap rates is less impactful from higher levels) and provide scope for value gains should yields track interest rates lower over time.

4. Construction is plummeting.

Another salutary effect of higher interest rates (and lower prices) is a sharp construction slow down. While the industrial and residential sectors (62% of the core real estate fund index) are experiencing record levels of supply, total construction starts have dropped 67% from their 2022 peak (see Exhibit).[9] Projects already underway will come to fruition, but industrial supply is poised to slide precipitously in the second half of 2024, followed by residential supply in 2025. Fundamentals in these sectors, already quite healthy (vacancies are at or below historical norms), may therefore tighten materially, supporting robust rental growth.[10]

Exhibit: Construction Starts



Note: Weighted Industrial (35%), Residential (30%), Office (20%), and Retail (15%)
Source: CoStar and DWS calculations. As of December 2023.

5. Demand drivers are compelling.

While the economic outlook is uncertain, recent momentum arguably reduces the likelihood of recession, which would otherwise undermine leasing activity. Meanwhile, structural drivers — household formation and prohibitive homeownership costs (residential rentals), e-commerce and supply-chain resilience (industrial) — remain firmly intact. Make no mistake: the office sector is structurally challenged and unlikely to recover before 2025, but it represents a shrinking slice of the real estate pie (18%).[11] Meanwhile, the retail sector has quietly emerged from its own structural"apocalypse", boasting the highest returns of all major sectors in 2023 on the back of strong service-driven demand.[10]

Doomsday headlines may persist, but do not be fooled: The outlook for real estate is getting brighter. Banks appear well positioned to address troubled real estate loans. Interest-rate pressures have likely peaked. Income returns are at their highest levels in a decade. Fundamentals are essentially sound, and with construction slumping, they will likely tighten. In short, we believe that 2024 will provide an attractive entry point to capitalize on the next real estate cycle.

Additional Resources

Retail sector shines as the U.S. consumer remains resilient consumer resilient

We believe that structurally tight labor markets and robust household finances —together with low current vacancies and limited new construction — will continue to underpin healthy retail fundamentals for the foreseeable future.

2024 Real Estate Outlook

We believe that 2024 will mark a turning point for U.S. real estate, as easing financial conditions off set a soft patch for fundamentals.

Residential: 2024 Outlook

While there has been a resurgence inrenter demand to levels consistent withstrong pre-pandemic years, the nation'sapartment market is still expected to seerising vacancies as it continuesmoderating into the close of 2023.

Author
Kevin White
Head of Real Estate Research
DWS

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10. NCREIF. As of December 2023.
11. NCREIF ODCE. As of December 2023.

Save the Date
June 18, 2024

VS. The Detroit Tigers at Truist Park

First pitch is at 7:20 p.m. but members are encouraged to arrive when the gates open to enjoy networking, food, and beverages.

Why: To visit with old and new GAPPT friends and root for the Braves as they take on the Detroit Tigers.

Who: This is a GAPPT members-only event.

Plan Sponsor Members:
$40.00 per individual.

Affiliate Members:
$300.00 per individual.

GAPPT Night with the Atlanta Braves

We are expecting a waitlist for this event. Don't miss out! Register today before tickets are gone!

15 YEARS OF PROVIDING GAPPT TRUSTEE EDUCATION

"Why are the meeting rooms too cold?"

Answers to Your Most Frequently Asked Questions about GAPPT Events

By Sue Reynolds, CRPF™, *GAPPT Executive Director*

When I see members at an educational event, they often ask me about our planning process and why we do what we do. Now that the 2024 conference has wrapped up, here are answers to some of the most frequently asked questions.

> **There is no such thing as a "perfect" location. Each site will have its unique challenges and advantages.**

Why don't we go to (fill in the destination)?

While it may seem simple, the Board of Directors considers many variables when deciding an event's location.

Cost: Hotel room rates and food and beverage costs are major deciding factors. Most of us would agree that the Ritz Carlton at Lake Oconee would be a fabulous location to host our Annual Conference. However, spending $700+ a night for a room would only be acceptable to some budgets.

Meeting Space: As our event attendance and membership continue to rise, finding properties large enough to host our growing educational programs is imperative. Each educational event also has specific requirements for meeting room space. What will work well for the Annual Conference will not necessarily work for the Trustee School and vice versa.

Member Suggestions: The Board always welcomes members' recommendations, but our plan members are located throughout the state. Savannah is often a top choice for our metro Atlanta plans, but members living along the coast often prefer to venture inland.

Why aren't GAPPT events held outside of Georgia?

Since the GAPPT primarily serves Georgia public retirement systems, the Board prefers to select locations within the state.

Why aren't GAPPT educational events held in the Atlanta area?

One of the Association's priorities is to provide a forum for members to network with other public plan fiduciaries. While an Atlanta location may be convenient, many members could not stay overnight or attend evening networking events.

Why isn't the Trustee School held at a 'resort/ coastal' property?

The Trustee School's primary focus is the Certified

Continued on page 18

Retirement Plan Fiduciary™ program. Since CRPF™ participants are required to be in class all day, a beautiful view is not necessarily high on the priority list. Resort properties and coastal locations also tend to be expensive. We select cost-effective sites to ensure the Association can continue offering plan members a lower registration rate. We also tend to choose central/inland locations so that the Trustee School can be convenient for most plans. Finally, since the Trustee School is held in September, inland locations are often the safest bet to avoid hurricane-related cancellations.

Why are registration fees 'X amount'?

Plan Sponsor members are often surprised to learn that their registration fee only covers about half of the cost of attending the event.

The cost to attend the recent Fifteen Annual Conference was almost $570.00 per person.

For the Association to remain financially viable, we charge a higher registration rate for Affiliate attendees. Their fees, along with the generosity of our sponsors, allow us to offer a heavily discounted rate to plan members and guests.

Why does the GAPPT room block tend to sell out?

The GAPPT negotiates our hotel contracts 2+ years before the event dates, and we must rely on historical data for our room count. While accurate forecasting has proven somewhat challenging with multiple years of exponential membership growth, we always request adjustments in our block as we get closer to the event dates.

Members must understand that a room block is a contractual agreement between the GAPPT and the hotel.

When the GAPPT guarantees a certain number of nights in its room block, it will be financially responsible for the hotel's lost profit if they go unused. It is also important to note that if an individual cancels late or reduces the length of their stay, it will also negatively impact the room block. It is a delicate balance… The GAPPT wants to reserve enough rooms for our attendees but cannot afford to commit to too many. There are several ways our members can help, though.

- **Register early and reserve your room using the link provided in the confirmation email.**
- **Ensure your reservation is listed under your name, not a colleague's.**
- **Only make your reservation for the actual nights you will be in attendance.**
- **If you must cancel all or part of your reservation, do it early. This may allow a fellow member to stay at the hotel at a discounted rate.**
- **Do not "hold" a room in anticipation of your attendance.**

Why doesn't the hotel bar/restaurant stay open late?

In our RFPs, contract discussions, and pre-convention meetings, we inform every event hotel that their food and

beverage outlets will see heavy usage. Many hotels will not agree to extended bar hours unless a group sells out the property. They prefer not to disturb other hotel guests at night, especially if the bar is near guest rooms.

Why can't we have sodas, additional snacks, more appetizers, etc.?

Unlike other nonprofit associations, the GAPPT offers substantial breakfasts, lunches, breaks, and hosted receptions at its events. However, we must stick to a budget to keep attendee registration rates reasonable. Hotel food and beverage costs will impact our menu choices.

The cost to offer sodas during breaks at the Hyatt Regency would have been $9.00 per can!

Why do the session evaluations have so many repetitive questions?

On February 1, 2022, the International Accreditors for Continuing Education and Training (IACET) awarded the GAPPT the prestigious Accredited Provider accreditation. This accreditation took over a year, and the Association is proud to be the only pension education organization in the country recognized by IACET. However, this also means that GAPPT presenters, moderators, and attendees must adhere to IACET's high standards for evaluating continuing education programs. We hope the value and prestige of our IACET accreditation (to both you and your plan beneficiaries) outweigh any additional time needed to complete these surveys.

Event evaluation responses are not read in real-time. If you have an immediate concern, like requesting a temperature change, please go to the registration desk or tell your moderator. We will do our best to assist you.

Why can't Affiliate members receive a printed program at registration?

To reduce unnecessary paper consumption and printing costs, the Association now provides event information electronically through our app, GAPPTIACCESS, or the website's "Registrant Webpage." All registrants can access the app and webpage three weeks before the Annual Conference or Trustee School to view the event schedule, attendee list, downloadable program book, and other event information. (Please note that CRPF™ books are only available to course registrants.)

Once the Plan Sponsor attendees have received their programs, extra copies are always available to Affiliates at registration.

Why are the meeting rooms too cold/too hot?

Temperatures in large meeting spaces are challenging to regulate, especially when temporary airwalls divide the rooms. Please be aware that the GAPPT staff cannot access the rooms' thermostats. If the session moderator informs us that a temperature change is needed, we must request this from the hotel's engineering department. Also important to remember is that everyone has their ideal temperature… What is too cold for one individual may be too warm for another. Therefore, we always recommend that our event attendees wear layers to remain comfortable.

What is the GAPPT event refund policy?

The Association allows a refund of registration fees (less a $25.00 processing fee) up to three weeks before an event. After this point, registration fees are non-refundable. This is due to non-recoupable expenses such as printing costs and food guarantees. To ensure the refund policy is communicated to our members, it is included in event notifications and invoices.

What if I have another question?

Please contact info@gappt.org or call the office at 470-970-8830. Annie and I will be happy to address your questions or concerns.

Featured Article

The GAPPT Board of Directors

The GAPPT's success is due largely to its standing committees and volunteers. This quarter, the Association is highlighting the work of the Board of Directors. The Board is made up of the Executive Committee (President, Vice President, Secretary, and Treasurer), four Directors-at-Large, and the Affiliate Chair.

As the highest leadership body of the GAPPT and to satisfy its fiduciary duties, the Board is responsible for (and not limited to) creating and implementing Board procedures, ensuring compliance with the bylaws, providing strategic direction, and active maintaining and delivering strategic plans, approving, and monitoring educational programs, accessing the performance of the Association, and providing broad fiscal oversight including adopting an annual budget.

Board members advocate and promote the GAPPT as well as know the Association's mission, policies, and programs, and follow the bylaws, policies, and Board resolutions. To serve on the Board, an individual must be a GAPPT Plan Sponsor or Emeritus member in good standing. In addition to the responsibilities required of the Board, each position on the Board has specific responsibilities. The Board is supported by the Association's staff and GAPPT Committees and Committee Chairs.

To find out more about the Board of Directors and their responsibilities, visit https://gappt.memberclicks.net/board-of-directors. To read more about the business of the Board, visit https://gappt.memberclicks.net/board-of-directors-meeting-minutes.

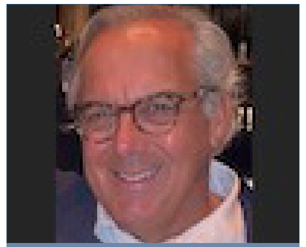
Want to get more involved!?

The GAPPT continues to grow due to the participation of its members... Members like you! To read more about the GAPPT Committees or to express an interest in joining a committee like the Communications Committee, visit the GAPPT website at gappt.org/committees or reach out to the Board Development Chair, Brian Smith at **bsmith@polencapital.com.**

Board of Directors Members:

Tim Milligan
President
Georgia Firefighters' Pension Fund
president@gappt.org

Ramona Bivins
Vice President
Clayton County Schools
vicepresident@gappt.org



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David Harris
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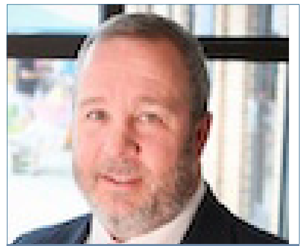

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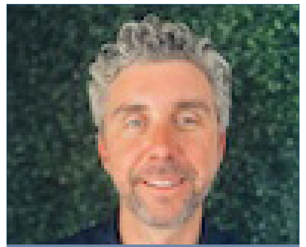


Jason Justice
Director-at-Large
City of Gainesville – Retirement Plan A
director4@gappt.org

AJ Baltozer
Affiliate Chair
DWS

Plan Sponsor Member
Terry Hicks, CRPF™

Title: Chairman
Plan Name: Clayton County Georgia Public Employee Retirement System
Plan Assets: $531.5 million
Funding Status: 89.26%
Number of Board Trustees: Five
Consultant's Name and Firm: Jon Breth, AndCo Consulting
GAPPT Member Since: 2010

How (or why) did you get involved with the GAPPT?
The Clayton County Georgia Public Employee Retirement System was one of the original nine plans to help form the GAPPT. Our Board, which I was a member of at that time, supported the formation of the Association each step of the way.

From your perspective, what are the benefits of being a member of the GAPPT?
For me, the biggest benefit is the education provided. When I became a Board member at Clayton County in 1998 there was no formal pension trustee education so what I learned was during the four Board meetings per year. There was not enough time at these meetings dedicated to the education of the trustees.

What is your favorite tip for our Plan Sponsor members?
Take advantage of the trustee education you receive at the Annual Conference and the Trustee School each year.

What is your typical day like?
While I'm retired, I serve on three different Boards including the pension board. I chair two of those and serve as the secretary/treasurer for the third which is a non-profit. For the non-profit I keep the books for all donations, prepare year-end tax statements, prepare our IRS 990-EZ, and make sure we comply with IRS non-profit laws, workers' compensation insurance, and Georgia state unemployment insurance.

What would you like to know about other Georgia Pension Plans?
I would like to know how they are set up and function. The Plan Sponsor Roundtable discussions held at the Annual Conference and Trustee Schools are very important to me to gain this information. I would love for them to be longer!

Member Spotlight

"Our members are our greatest asset"

In every GAPPT News & Reports issue, we highlight members who have given their time, effort, and support to GAPPT's educational programming and its members.

If you would like to nominate a fellow member as a future spotlight, please contact Annie Hardie at annie@gappt.org.

Member Spotlight

Affiliate Member
Laura Stein

Position Title: Of Counsel
Company: Robbins Geller Rudman & Dowd LLP
Member Since: 2011

How (or why) did you get involved with the GAPPT?
I became involved with the GAPPT through my work with Georgia-based institutional investors, and learning how the mission aligns with the interests of my clients.

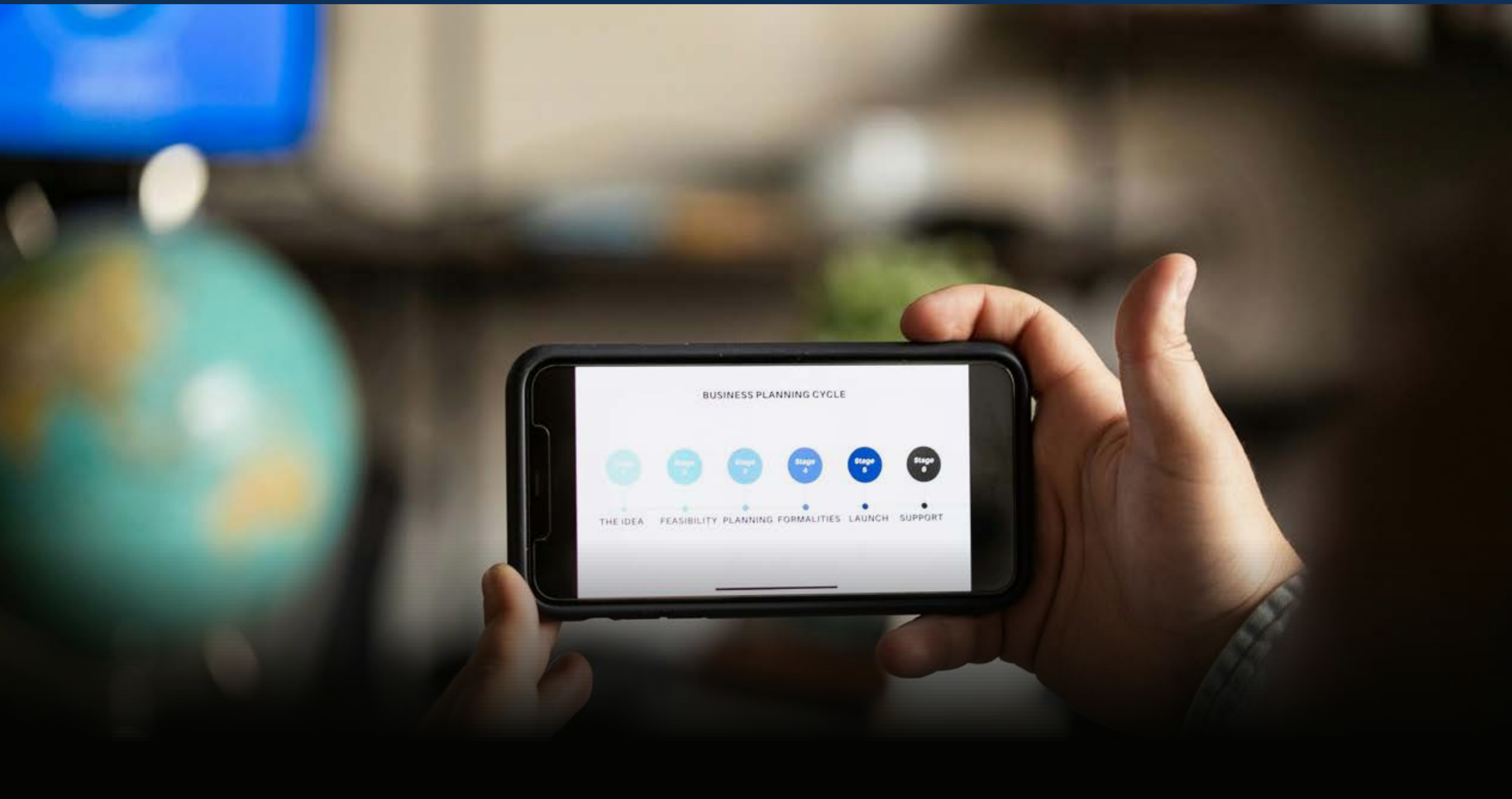
From your perspective, what are the benefits of being a member of the GAPPT?
I believe that the main benefit of being a member of the GAPPT is to be involved with an organization that makes a real difference to the Georgia Public Pension Funds and their Trustees tasked with making sure that beneficiaries and their families are taken care of for years to come.

What do you enjoy most about the GAPPT?
The thing I enjoy the most about the GAPPT is the opportunity to visit with our clients at GAPPT events as well as the opportunity to actively participate on panels and share insights about how our work can aid Trustees in their efforts.

Give us your thoughts on your GAPPT position/committee, and what will be your focus for the association in 2024?
I believe that I would best add value as a part of the Affiliate Committee of the GAPPT. My firm Robbins Geller Rudman & Dowd LLP has been a staunch supporter of the GAPPT and its mission for many years. I would be honored to have the opportunity to help develop important and timely topics for discussion at future events and find ways to help the GAPPT further its goals and initiatives.

Could you give us a brief description of Robbins Geller Rudman & Dowd LLP ?
Robbins Geller Rudman & Dowd LLP is one of the world's leading complex class action firms representing plaintiffs in securities fraud, antitrust, breach of fiduciary duty, consumer fraud, and privacy cases. The Firm is ranked #1 on the most recent ISS Securities Class Action Services Top 50 Report for recovering more than $1.75 billion for investors in 2022 – the third year in a row Robbins Geller tops the list. And in those three years alone, Robbins Geller recovered nearly $5.3 billion for investors, more than double the amount recovered by any other plaintiffs' firm. With 200 lawyers in 10 offices, Robbins Geller is one of the largest plaintiffs' firms in the world and the Firm's attorneys have obtained many of the largest securities class action recoveries in history, including the largest securities class action recovery ever – $7.2 billion –in In re Enron Corp. Sec. Litig.

GAPPT members may reach you at the following:
Laura Stein
Robbins Geller Rudman & Dowd LLP
LStein@rgrdlaw.com
(215)988-9546
261 Old York Road Suite 507-A
Jenkintown, PA, 19046



The Business Cycle & Factor Investing

By Susie Wang, *Director, Investment Strategy Team,* Balentine, LLC

The business cycle influences the performance of different asset classes and sectors and the direction of interest rates.

The business cycle refers to the natural fluctuation of economic activity over time, typically characterized by periods of expansion, slowdown, contraction, and recovery. These fluctuations are driven by various dynamics, including changes in consumer spending, investment, employment, and overall economic output. Understanding the business cycle is crucial for investors as it influences the performance of different asset classes and sectors, as well as impacts the direction of interest rates.

During **expansion**, businesses grow, employment rises, and consumer confidence typically increases. This phase is marked by increasing demand, rising corporate profits, and a generally positive economic outlook. Investors might consider potential outperformance in equities and commodities, especially in cyclical sectors like technology and industrials, and rising interest rates' impact on interest-sensitive sectors like real estate.

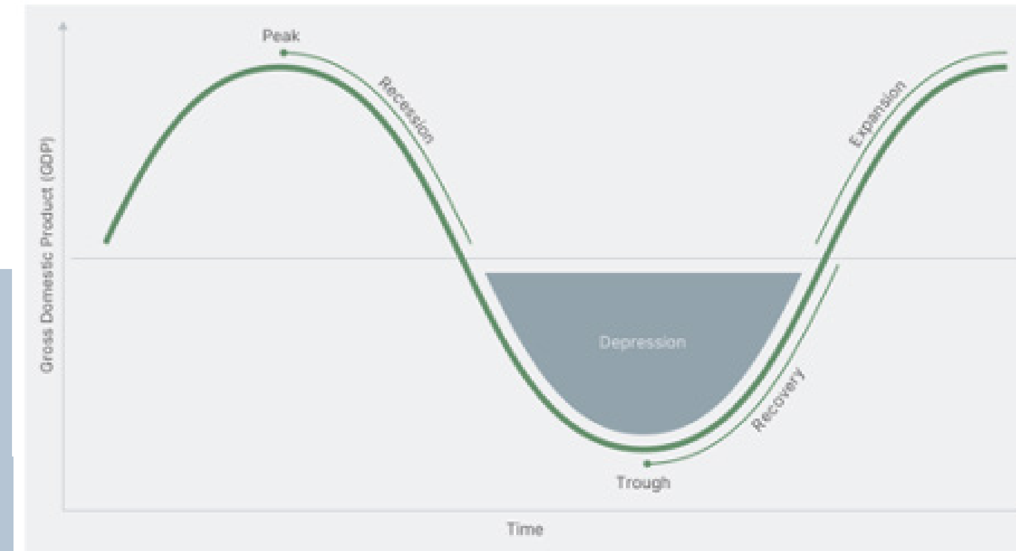
These times can't last forever, and after a peak, representing the height of economic activity. Inflationary pressures may build up, and central banks might respond by raising interest rates to cool down the economy. In this **slowdown** phase, corporate profits may still be strong, but investors become cautious about the potential for a downturn.

Contraction, or recession, is characterized by declining economic activity. Businesses may reduce production, unemployment rises, and consumer spending decreases. During this phase, investors often seek safe-haven assets, and riskier investments may underperform. Defensive sectors like healthcare and utilities might fare better. Lower rates may benefit interest-sensitive sectors.

Recovery Phase: the trough is the bottom of the economic cycle, where economic activity reaches its lowest point. This phase often sets the stage for the next expansion as businesses adjust, and economic conditions gradually improve.

FIGURE 1: The Business Cycle

Understanding the business cycle is crucial for investors because it influences the performance of different asset classes and sectors and impacts the direction of interest rates.



Source: Investopedia & Balentine

Factors provide a way to take advantage of subtle market movements within asset classes.

Our understanding of the business cycle can guide us in making predictions about the types of assets that may outperform in each stage of the cycle. Factor investing is a tool that enables investors to take advantage of subtle market movements within asset classes to capture this outperformance.

What are Factors?

Value, Size, Quality, Low Volatility, and Momentum are factors – stock characteristics that explain a security's risk and return.

Value describes the difference between returns of high price-to-sales or expensive to low price-to-sales

Size describes the difference between cheap stocks and small and large-cap stocks.

Quality, a factor introduced in recent years, describes the difference in returns among (a) companies with robust and weak operating profitability and (b) between companies that are highly leveraged and conservatively positioned.

Low Volatility describes stocks that consistently demonstrated lower volatility than securities in the same asset class.

Continued on page 26

FIGURE 2: FTSE Russell Equity Factor Definitions

Each factor captures specific stock characteristics.

Factor	Potential Additive Characteristics	Criteria
Value	Stocks that appear cheap tend to perform better than stocks that appear expensive.	cash flow yield, earnings yield, and price-to-sales ratio
Quality	Higher-quality companies tend to perform better than lower-quality companies.	profitability, efficiency, earnings quality, and leverage
Size	Smaller companies tend to perform better than larger companies.	the inverse of full market capitalization index weights
Low volatility	Stocks that exhibit low volatility tend to perform better than stocks with higher volatility.	the standard deviation of five years of weekly total return
Momentum	Stocks that rise or fall in price tend to continue rising or falling in price.	cumulative 11-month return (past 12 months excluding most recent month)

Source: Bloomberg & Balentine

Featured Article

Momentum identifies investments with positive momentum (recent strong returns) or negative momentum (recent weak returns) to calibrate portfolio exposure to either.

Importantly, each factor captures a specific risk premium. The risk premiums associated with each factor are robust across periods and geographies and have the potential to offer excess returns. When we review the return spread and sensitivity to the market between winners and losers from over the past 30 years, rewarded factors often have a credible reason to offer a persistent premium because of several fundamental principles and market dynamics and based upon sources of systematic risk, investor behavioral biases, and structural limitations.

Although single factors have historically outperformed market-cap benchmark on risk adjusted basis over a long run, they often experience strong cyclicality, which can lead to extended periods of underperformance. The table below shows the top performing factor in any given year has historically changed over time, with periods of significant dispersion between best and worst performers such as 2016, 2020, 2022, and so far, 2023.

For example, in the late 1990s and 2010s, value investors experienced prolonged deviations from expected returns in factor investing. Investors may aim to capitalize on the cyclical nature of factors by adjusting their strategy towards those anticipated to outperform in various market conditions. This involves adhering to a disciplined, rules-based approach.

Though predicting how factors will perform in the coming months is a challenging task, factor cyclicality can be explained by corporate fundamentals and their sensitivity to macroeconomic risks. Therefore, they do tend to move in predictable ways. Size and Value factors tend to be cyclical, with higher operating leverage and more reliance on external funding. In contrast, Quality and Low Volatility tend to be defensive, with lower operating leverage and more reliance on internal cash flows. The momentum factor is trend-focused, is more transient, and tends to perform well in the later stage of cyclical upturns and downturns.

With different risk premia and movement patterns, holding a single factor constant can constrain a portfolio.

Certain Factors are More Likely to Outperform in Certain Stages of the Business Cycle.

When we combine our knowledge of the business cycle with the specific qualities of factors, we can see that certain factors are more likely to outperform in certain stages of the business cycle.

- **During Bull Markets and Economic Expansion:** Growth is above trend, and investors' risk appetite accelerates. In portfolios, you can generate opportunities for returns by emphasizing Valuation metrics and Size factors to capitalize on the market's positive sentiment position for cyclical expansion; companies with higher leverage and smaller size tend to benefit the most.
- **During Economic Downturns and Bear Markets:** Growth is below trend and decelerating, and investors' risk appetite is decelerating. In portfolios, you can generate opportunities for returns by shifting focus to Quality Metrics and Low Volatility factors, which will position investors defensively as stocks that share those factors tend to have lower operating leverage and more reliance on internal cash flows.

Continued on page 28

FIGURE 3: Factor Leadership (2013 – 2023)

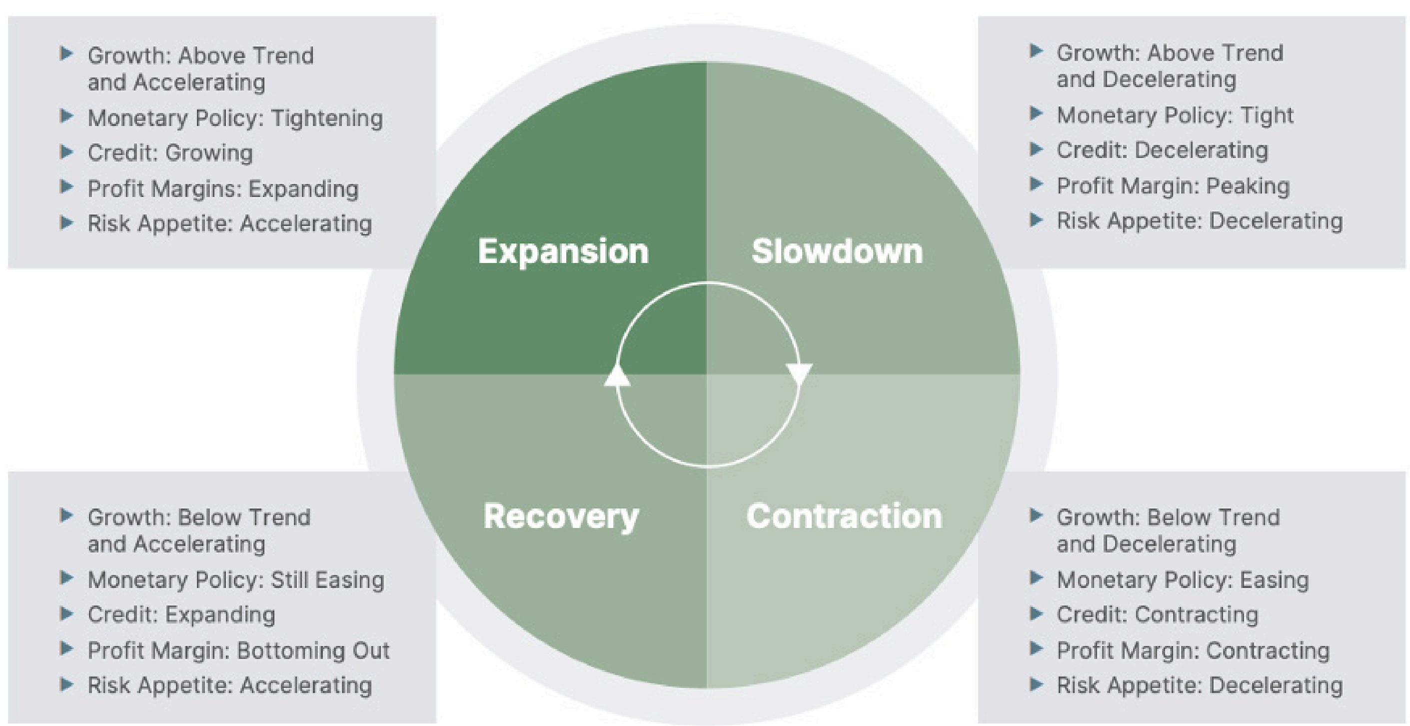
The top performing factor in any given year has historically changed over time, with periods of significant dispersion between best and worst performers.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023*	15Yr Avg
Size 36.60%	Low Vol 15.85%	Low Vol 3.06%	Value 18.66%	Quality 28.07%	Low Vol -2.43%	Quality 32.19%	Quality 26.32%	Value 31.73%	Value -8.74%	Quality 27.43%	Quality 12.34%
Value 36.38%	S&P 500 13.67%	Momentum 2.69%	Size 15.99%	Momentum 22.83%	Quality -2.68%	Low Vol 32.16%	Momentum 24.65%	Quality 30.21%	Low Vol -16.15%	S&P 500 20.36%	Size 11.45%
Momentum 33.58%	Quality 13.33%	Quality 2.11%	S&P 500 11.95%	S&P 500 21.82%	Momentum -4.39%	S&P 500 31.47%	S&P 500 18.39%	S&P 500 28.68%	Size -17.97%	Low Vol 17.87%	Value 11.00%
S&P 500 32.37%	Value 12.88%	S&P 500 1.37%	Low Vol 11.56%	Low Vol 20.00%	S&P 500 -4.39%	Momentum 30.92%	Size 16.39%	Low Vol 26.86%	S&P 500 -18.13%	Momentum 14.00%	S&P 500 10.65%
Quality 31.66%	Momentum 12.65%	Size -2.26%	Quality 10.71%	Value 19.74%	Value -8.09%	Value 29.78%	Low Vol 13.65%	Momentum 25.20%	Momentum -18.20%	Value 12.19%	Momentum 10.56%
Low Vol 29.61%	Size 11.32%	Value -3.34%	Momentum 7.94%	Size 18.25%	Size -8.34%	Size 29.03%	Value 7.06%	Size 22.80%	Quality -21.42%	Size 10.97%	Low Vol 10.30%
Dispersion (Best – Worst Factor)											
6.99	4.53	6.40	10.72	9.82	5.91	3.17	19.26	8.93	12.68	16.45	2.05

*as of December 4, 2023
Source: Bloomberg & Balentine

FIGURE 4: Market Forces during the Business Cycle

Each stage of the business cycle presents different broad and systematic forces that impact asset prices.



Source: Bloomberg & Balentine

FIGURE 5: Single Factors vs. Russell 1000 Index Excess Return During Different Macro Regimes

Factors perform differently in Expansion, Slowdown, Recovery, and Contraction.

Source: Bloomberg & Balentine

- **Well-defined market cycle:** The Momentum factor, unlike other factors, has less persistent fundamental characteristics but is consistent with the transitory nature of its price-based definition. Therefore, it works best during the late stage of Expansion and Contraction, which are well-defined parts of the market cycle.

Amidst the crossroads of tightening monetary policy, easing fiscal policy, persistent inflation, and geopolitical risks, investors oscillate between optimism and caution. In such a landscape, a bottoms-up multi-equity factor investment approach, grounded in a systematic economic regimes model, emerges as a potential dynamic strategy for navigating market complexities.

Author
Susie Wang
Director
Investment Strategy Team

CRPF™
Certified Retirement Plan Fiduciary™

CRPF™ Frequently Asked Questions: Designation Renewals

Important Reminders for CRPF™ Designees

Active Designees with a CRPF™ Expiration of March 31, 2025

Need to earn eight (8) GAPPT CECs between April 1, 2024, and March 31, 2025 to keep their Active Status.

CECs earned at the Tenth Annual Trustee School (September 16-18, 2024, I Columbus) and the Sixteenth Annual Conference (March 24-27, 2025 I Braselton) wil qualify.

Only four (4) online sessions can apply towards CRPF™ recertification.

Lapsed Designees with a CRPF™ Expiration of March 31, 2024.

Need to earn twelve (12) GAPPT CECs between April 1, 2024, and December 31, 2024, to regain their Active status.

Any CECs earned during this time period, including those earned at the Tenth Annual Trustee School (September 16-18, 2024 I Columbus), will qualify.

Only four (4) online sessions earned can apply towards CRPF™ recertification.

Once Active status has been regained, designees must still fulfill their annual requirement of eight (8) CECs before March 31, 2025. (No "double dipping.") CECs earned at the Sixteenth Annual Conference (March 24-27, 2025 I Braselton) will qualify.

What are the recertification requirements for active designees with an expiration date of March 31, 2025?

Active designees must earn at least eight (8) GAPPT Continuing Education Credits (CECs) between April 1, 2024, and March 31, 2025. A $35.00 recertification fee is also required. This fee is automatically added to your organization's membership renewal.

What happens if I don't earn my annual required CECs?

Your CRPF™ designation will lapse on April 1, 2025. Lapsed participants can regain their CRPF™ designation but must obtain twelve (12) CECs before December 31, 2025. An additional fee of $5.00 will also apply.

What will count toward the lapsed CEC requirement?

Any CEC earned at a GAPPT event between April 1, 2024, and December 31, 2024, will qualify. This includes CECs earned at the Tenth Annual Trustee School (September 16-18, 2024).

Continued on page 30

Can I use GAPPT online sessions to meet my lapsed CEC requirements?
While members can take an unlimited number of online sessions, only four (4) CECs earned through the online platform will apply to your lapsed requirements. For lapsed designations, the online session must have been completed between April 1, 2024, and December 31, 2024, to qualify.

What happens when I earn the required twelve CECs?
Your CRPF™ expiration date will move to March 31, 2025. Please remember that just like active designees, reinstated designees must then receive eight (8) CECs before March 31, 2025, or their designation will again lapse.

How can I tell if I have earned the required CECs?
CEC requirements are listed in the individual member profile. If a designee has met the lapsed requirement, it will state “2024 CEC/Hour Requirement (Hours Complete)”. If not, all CECs have been earned, it will state “2024 CEC/Hour Requirement (Hours Incomplete)”.

If I fulfill the required twelve (12) CEC requirements, why will my CRPF™ Designation Status (Fee) still say “Lapsed”?
This notation is for fee collection purposes only. Once the recertification fee is paid, this will change to “Active”.

How is the lapsed recertification fee assessed?
Lapsed fees will be applied to the organization’s 2025 membership renewal invoice.

If I earn a CEC at the Tenth Annual Trustee School (September 16-18, 2024), can it apply to both the lapsed CEC requirement AND to the regular eight (8) CEC requirement?
No. CECs earned at the Trustee School can apply to the regular eight (8) CEC requirement, but only after you earn the lapse requirement of twelve (12) CECs. (No “double-dipping”.)

What if I do not earn the required twelve (12) CECs before the December 31, 2024, deadline?
Your CRPF™ designation will expire. Participants with expired CRPF™ designations must retake the CRPF™ Advanced Course and successfully pass its examination to reinstate their certification.

I recently earned my CRPF™ designation at the 2023 Annual Trustee School (Athens). What do I need to do?
Upon completing the Advanced Course, you received a CRPF™ expiration date of March 31, 2024. Once the 2024 $35.00 certification fee is paid, your CRPF™ expiration will move to March 31, 2025. As an active designee, you will need to earn eight (8) CECs between April 1, 2024, and March 31, 2025.

How can I reinstate my expired CRPF™ designation?
To reinstate their expired designation, participants must register for the CRPF™ Advanced Course and successfully pass its examination. The recertification fee for expired designations is $45.00.

Are other organization hours or vendor “educational” sessions accepted for CRPF™ recertification?
No. Only CECs obtained at a GAPPT event or through our online education platform may be used for CRPF™ recertification purposes.

How do I know if I have met the state of Georgia’s mandated continuing education requirements?
Georgia’s continuing education requirements are dependent on when an individual was appointed/elected to their position and can vary by year. By maintaining an ACTIVE CRPF™ designation, members can be assured they comply with the state-mandated requirements.

What’s the difference between GAPPT Continuing Education Credits (CECs) and IACET Continuing Education Units (IACET CEUs)?
As an IACET Accredited Provider, the GAPPT offers IACET CEUs for its learning events that comply with the ANSI/IACET Continuing Education and Training Standard. IACET CEUs may or may not be awarded depending on the session’s format and an individual’s participation level. Since this varies, the GAPPT only uses CECs for CRPF™ recertification purposes.

What if I have questions related to my CRPF™ designation and its requirements?
Please contact info@gappt.org.

Fifteenth Annual Conference Recap

399 registered attendees
17% increase in trustee registrations from 2023

26 Conference Bag Items donated by Affiliate firms

27 Conference Sponsors

1,386 Session evaluations submitted

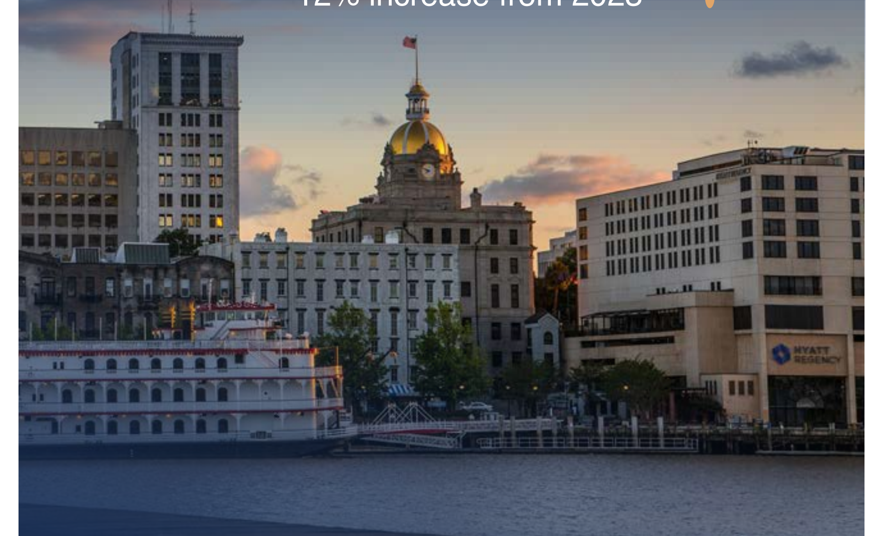
128.3 IACET CEUs earned

2,069 CECs earned

47 Conference Presenters

29 Casino Raffle Prizes

43 Plans represented
12% increase from 2023



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Letter from the Executive Director

Sue Reynolds, CRPF™

Happy Spring!

Since our last newsletter, the Association has hosted its successful Fifteenth Annual Conference. I am pleased to announce that this year's event at the Hyatt Regency Savannah saw our highest number of attendees to date! The Savannah location was well-received by our attendees, and the river provided a beautiful backdrop to the GAPPT's networking events. The Board and I want to thank everyone who contributed to the success of this milestone conference. Whether you purchased a sponsorship, presented educational content, moderated a session, scanned name badges, or attended the sessions, your dedication to the Association's educational mission is much appreciated.

GAPPT events would not be possible without the invaluable contribution of our event volunteers. I personally would like to thank Harold Grindle, Cheryl Denham, and Bob Denham for their hard work and assistance. Their efforts ensured that our members had a memorable and positive experience.

During the conference, the GAPPT welcomed its recently elected and appointed Board of Directors members: Tim Milligan (Georgia Firefighters' Pension Fund) as President, David Harris (Gwinnett County Public Schools) as Treasurer, Matthew Hamby (City of Flowery Branch) as Director at Large – Position 1. Jason Justice (City of Gainesville) as Director at Large – Position 4 and AJ Baltozer (DWS) as Affiliate Committee Vice Chair. These individuals play a crucial role in shaping the future of our Association, and we look forward to their contributions in the year ahead.

As we gear up for the summer, our focus turns to the Fourth Annual GAPPT Night with the Atlanta Braves. This highly anticipated networking event, back by popular demand, will take place on June 18, 2024, at Truist Park's Back Porch, an exclusive private meeting space with a stunning field view. The online registration form and additional event information are available on the GAPPT website, but we urge you to register promptly. Attendance at this members-only event is limited, and tickets are expected to sell out!

In other news, I am pleased to announce that the membership recently approved the latest revision of the Association's bylaws. In addition to updating the language to reflect the organization's governance more accurately, the document also included a new name for the GAPPT: The Georgia Association of Public Plan Trustees. Please note that the Association's mission has not changed. The new name emphasizes our dedication to educating trustees and staff members of all public retirement systems, including DB and DC plans. Members should look for the new logo at our upcoming events, with everything finalized by December 2024.

Finally, do not forget to mark your calendars for September 16-28, 2024. This year, we are excited to host the Tenth Annual Trustee School in a new location: Columbus, Georgia. Participants can register for the Certified Retirement Plan Fiduciary™ curriculum or the continuing education course and earn up to fourteen of their state-required educational hours. General information is now on the website, with online registration beginning on May 15, 2024. The Trustee School is an excellent opportunity for members to expand their knowledge, gain valuable insights, and connect with fellow plan members… You won't want to miss it!

As always, if you have any questions or concerns, please do not hesitate to contact me. Here's wishing you and your families a wonderful and safe summer!

Best,

Sue

GEORGIA ASSOCIATION OF

GAPPT

PUBLIC PLAN TRUSTEES

SAVE THE DATE

Sixteenth Annual Conference

March 24–27, 2025

Chateau Elan | Braselton, Georgia

Visit www.gappt.org for more information.