Ocala Investment Committee Minutes

110 SE Watula Avenue
Ocala, FL 34471
www.ocalafl.org

Monday, May 6, 2019

Regular Meeting

Emory Roberts

1. Call to Order

The Ocala Investment Committee held a meeting at the CMO Conference Room on Monday, May 6, 2019 at 9:00 AM.

Attendee Name	Title	Status	Arrived
Tammi Haslam	Budget Director	Present	
Jay A. Musleh	City Council Member	Absent	
Peter Brill	Assistant Director of Finance and Customer Service	Present	
John Zobler	City Manager	Present	
Emory Roberts	Director of Finance	Present	
Raymond Bachik	Accounting Manager	Present	

Others present: David Siegel of Sawgrass, Steve Alexander of PFM, Kim Maichele of Seix and Jon Griffith of CapTrust.

2. Introduction

3. Minutes Approval

a. Accepted Minutes Approval

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	John Zobler, City Manager
SECONDER:	Raymond Bachik, Accounting Manager
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

4. Reports

a. Seix Management Advisors

1. Accepted Seix Management Advisors

The first quarter, to characterize, did a U-turn. On December 19th, the Fed met and looked at their estimated dot plots; they were looking for 2019 to have two hikes and then one for 2020. With new Chairman Powell coming on board in early March, we felt the financial conditions would be a driving factor as to how the Fed would be led by Powell. We saw those financial conditions tighten in the fourth quarter and that was reflected in the decline in S&P by about 20%. For clarification purposes, when we talk about financial conditions, we focus in on Goldman Sachs financial conditions. That's what comprised stock market prices, interest rates, the value of a dollar and credit spreads. With financial conditions tightening by about 100 basis points, we saw interest rates were declining. However, with the sell off, as we moved into early January, you had Powell on panel discussions with his predecessors, and at that point in time he signaled a more patient approach to the Fed. Before, they were trying to get that normalization process in place, raising rates and with the balance sheet runoff. That was a big U-turn from what was conveyed December 19th versus January 4th. All communication that took place after that January 4th date was very dubbish. Markets liked it, we saw a rally transpire and in addition we saw credit spreads start to compress. On March 20th, the Fed met again. Very mindful of the fact that we were seeing a slowdown in China, there were some recessionary conditions in Europe and at that point in time the Fed revised their dot plots, such that they went from zero for 2019 and kept the one for 2020. They went from two to zero.

As we looked at the quarter itself, the Fed remained on pause. We were still in that target range of 2.25 - 2.5%. In addition, the Fed surprised markets in that they communicated that the balance sheet runoff would go from $30 billion a month to $15 billion starting in May. They also indicated that this wind down would be completed by the end of year. Looking at the composition of that balance sheet runoff, the majority is treasuries and mortgage back securities. As mortgage backs payoff or mature, various ones would be reinvested in treasuries or if it exceeds a certain limit they would runoff. All these dubbish comments resulted in a rally in all risk markets. In financial conditions, that index loosened 100 basis points. We are focused here on the Fed because that's the most important factor in influencing markets in the first quarter. One thing to note is when you see a risk on market, typically you would see interest rates increasing, but as you can see here, rates declined across the curve. The two-year was down about 23, five-year down 28, ten-year down 28 and thirty year down 20.

Another thing to note is that not only did Fed convey this dubbish tone, but we also saw many of the major central banks conveyed a dubbish tone as well in their communication. Looking at the ten-year, it went from a 268 to 241, and this shift lower translated well in positive returns in the fixed income market. The spread metric, if you look at the ten-year vs the three-month T-bill, is at a positive stance, but there was a period in late March when that metric was inverted. The question is how predictive is that inverted type of yield curve? Looking at research, the last seven economic recessions occurred anywhere between 140-487 days after that three-month to ten-year curve inverted for more than ten days straight. One thing we are looking at is earnings estimates and eleven out of the last twelve recessions led to an economic recession. So, if we continue to see earnings estimates to be marked down, it can be a leading indicator as to an impending economic recession.

Fourth quarter was a risk-off quarter. Spread products, such as corporates, under performed versus treasuries. We were underweight in corporates and so that bode well for performance. We had a 1.9% return vs the index at 1.74. If you look at the first quarter with the decline in interest rates, longer duration assets did better than shorter. Corporate led the way with BBB's doing better than higher quality issues, such as A and AA. Treasuries performed favorably from a nominal standpoint. If you look at spread products themselves, corporates generated the most excess return, followed by commercial mortgage backs, then asset back securities followed by residential mortgage back securities. The major primary spread sector is corporates and residential mortgage back securities. Much of the underperformance against the index, we were behind about 29 basis points, a 203 vs 2.32%. If you look against a higher quality benchmark, one thing to note is that the benchmark itself, the naming convention has changed, and we noted that. We invest in BBB but that last portion of the BBB category, you all have a higher quality stance to it; we don't invest in it and that can have a minimal effect.

On a fiscal YTD, the return was a 3.97, behind about 13 basis points versus the index at a 410. If you look for the year, it's a 411 vs a 434. Some of the longer-term performances we have outperformed; we just have a higher quality defensive stance at this point in time.

The market value was at $15.8 million, our duration a 389, pretty much in line with the benchmark and our credit quality, because our lower exposure in corporates is higher than the benchmark at AAA, versus AA.

On the sector distribution by duration, the credit exposure was about 0.5% compared to the index, 10.7 vs 24.5. That was a reason for under performance. However, our security selection within the category of financials and industrials was a contributor to performance. Looking at the securitized sector, we are almost neutral to the index at 31.4 vs 33.1, but drilling into various sectors, we are underweight in mortgage back securities, and that was the sector that did not do as well, so that was a contributor. We had an allocation to the commercial mortgage back and asset back sector, which was a positive contributor.

Going back and look as far as our stance, over the last year and half, we have been a bit more cautiously positioned. That belief was that the primary spread sectors, such as corporates and residential mortgage back securities, their spreads were tight, we felt that they were rich in value, and felt that we were coming close to the end of a credit cycle. We expected the fed to continue to raising rates and that they would continue about their normalization process. What actually occurred in the fourth quarter, we were anticipating that to occur a little earlier than it did. However, before that correction occurred in late October, early November, we went from what was a 0.8%, 8.8 times the index, to 0.5 times the index, so about half that weight. Doing so was beneficial, with that pivot as quickly as it was, one thing to saw was the markets bottomed on December 23rd. At that point in time markets traded very thin. Markets did compress very rapidly, and we may have missed a little bit. Given how quickly and rapidly that turn was, we aren't going to chase it. We feel given the way the markets are, there's a lot of uncertainty still that we are comfortable with our stance and look for opportunities to increase our spread product in corporates and mortgage back securities later in the year.

As far as compliance, we have been in compliance with the policy. One thing to note is that we have a 0% minimum to treasury, but we are not there at this time and we do have a higher rating to mortgage back securities within our policy.

As far as our stance, we look at fundamentals, technicals and valuations and that has not changed as far as how we characterize each one of those items. We are monitoring earnings, there is still a lot of leverage. A lot of the benefits that have accrued because of the tax situation for corporations has been used for buy-backs. From a technical standpoint, we feel like we are still going to have these rolling bouts of volatility. From a valuation standpoint, credit spreads still relatively rich, certainly well within from a three and five-year time period. Looking at corporate valuations, they go through cycles. We went from a spread of 153 at the end of December to a 119 in basis points during the quarter.

Any questions?

Powell has caused some volatility in the market as far as how he communicates. He is a Wall Street guy as opposed to Bernacke and Yellen being more the PhD. We felt that he was going to be different than his predecessors in that he wanted to show that the Fed is being independent to the Administration and being on that track to raise rates. At this point, they've communicated that it could go either way. We saw the dot plots are saying zero. At this point given his latest communication, which is outside of the first quarter, he's conveyed and stayed independent.

Mr. Roberts - There were some rumors about maybe having a decrease by the end of year or first quarter in 2020 to the Fed rate.

Mrs. Maichele - That's certainly subject to change because he changed within a matter of a few weeks.

Mr. Bachik - With the last economic report on March 31st, the GDP was higher than expected, the growth was quite a bit higher, so it may change.

Mrs. Maichele - Right and that's why I was saying in terms of the economic information that gets released and certainly with the government shutdown, that causes some pent-up information flow and certainly that number was a surprise to the market that it was as strong as it was. When you look at the benefits from tax benefits, much of that reflected itself in the mid part of 2018 and we felt much of that was going to wane as we moved into 2019. That's one thing we will be monitoring is the GDP numbers.

Mr. Bachik- You said that if we have an inverted yield curve for more than 10 years, you can expect a recession from 110 to 400 days later?

Mrs. Maichele - For the three-month to ten-year. This research group was focusing in on the three-month T-bill vs the ten-year treasury. What happened was the three-month T-bill versus the ten-year inversion didn't last 10 days. We've had some false alarms in the past. I just wanted to speak to that at least as a caveat.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Raymond Bachik, Accounting Manager
SECONDER:	Tammi Haslam, Budget Director
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

b. Sawgrass Asset Management

1. **Accepted** Sawgrass Asset Management

Factors to watch, the number one would be the U-turn, the Fed pivot, some of the change in dialogue we saw coming from the Fed and how the market has priced that. As mentioned, it was expected to be one, possibly two more rate hikes in 2019 and that seems to be most likely off the table at this point. The market pricing is in more of a Fed cut at this point by the end of the year. The market has always been somewhat pessimistic, there's always been a differentiating opinion in terms of what the Fed was saying and what the market was saying. The market has always been more of the rates lower. We are seeing that come to fruition. In terms of what we believe, we think the Fed's going to do what they did this last period and keep rates as they are, barring some unforeseen event, which certainly could happen. The year is still young, and things could change. The Fed is having somewhat of a sweet spot here. If the strong economic numbers continue to come in, they could always change their opinion. Economic numbers are good. We do have this sense that there is a foundation there, that if something gets pulled out it could crumble quickly. There is a lot of recession talk. Economic number concern is not just from the Fed but from the market. If you listen to a lot of the earnings talk from CEO's, you hear recession mentioned a lot they do a tabulation of certain bearish terms, recession, slowdown and so forth. There is a dichotomy between the top line economic numbers and the underlying factors you are seeing and the dialogue that's going.

One interesting part is we mentioned stock prices and volatility, what you saw in the fourth quarter versus what you saw in the first quarter, which is just a complete reversal of stock prices, risky assets and credit spreads. Normally when you see risky assets rally such as that, the S&P was up over 13%, you see the yield curve shift up. That's more of a bullish sentiment. Usually the yield curve comes down because people are piling into flight to safety, flight to quality, people are piling into the US treasury curve. That's not what happened. We don't usually see stock market go up and prices go up as well, and the yield curve shift down. Usually it's not a black and white thing, there's usually a grey area.

Trade wars is a topic this morning. There was too much of an optimistic approach coming from the market when there was really no news coming out. There was a general feeling of its going to happen soon. It was almost to where market had priced in the completion of a trade deal. The yield curve inversion, what that means is what it has been in the past, doesn't mean what it could be next time.

The yield curve shifting down, why is that? If the economy is strong and people should be bullish on long term growth prospects, we've got strong risky assets, why is it down, flat, inverted? One of the reasons is that we still have divergence from U.S. rates to what you are seeing globally. There's a lot of concern overseas, both in Asia and Europe and in emerging markets and what those economies are doing locally. In the U.S. for any concerns we have, it is still considered the safe haven of the world. A lot of people are piling into the safe haven assets of the U.S.. Look at the German five-year boom, which is one of the better economies in Europe, and it's been negative for some time and it's still negative. When you've got a negative interest rate in Germany, you've got an over 2%, even though it seems low on a relative basis in the U.S., there's still international investors piling into the U.S. That's one of the reasons why you're seeing that U.S. yield curve stay flat. It must maintain that ceiling where we can't exceed that 2.5 type of range, especially on the five-year.

Some of the financial conditions, in a way it just doesn't make sense. Going back a couple of quarters, where the Feds goal by raising interest rates is to slow down the long-term growth of the economy, not too hot not too cold. The reality was since they started raising rates, the stock market sky rocketed. We talked about financial conditions, they involve the volatility barometer, corporate bond spreads, equity prices. The equity prices are really the biggest factor. Stock prices are what's driving most of these conditions. You saw the stock market rallying by 13% in the first quarter. The Fed is exhibiting its concern, these financial conditions are still showing strength and it's going against what the Fed is doing and what the market is saying.

Looking at some of the past inversions and what it means. There have been a couple of inversions, most recently the three-month and ten-year, it wasn't a long-term thing. In the past when there's been inversions, the inversion itself isn't the cause as much as it is the symptom. It's a result of other factors that are playing a part causing the yield curve to invert. The Fed is doing what it can to avoid that. Every time you see a recessionary period, in each case target rate is coming down. A lot of times it comes down to the Fed making policy mistakes and tightening too much. By the time they have already started to ease and lower rates, it is too late. That's why a lot of the time you see the recession doesn't happen right away, it's usually a period of a few months to over a year to when that recession might hit. By that time the Fed may already be trying to put everything back in the bag and lower rates, but it's too late. The question becomes did the Fed make a policy mistake or tighten too much? It's too early to know at this point but just because they may reverse stance and start to lower rates, doesn't mean we are out of the woods at that point. In this case, the ten-year and the two-year did not convert. As a quarter end, looking at the front end of the curve, focused on the three year or the five year is where you see the main points of inversion. The one-year at 239, the five-year at 233, the ten-year at 240, it's obviously very close. The inversion is focused on the front part of the curve. There is so much academic research as to what the yield curve inversion means and there are so many factors that go into it. The only thing we do know is there is a lot of volatility out there. In terms of your portfolio, there's not much incentive to go out 5 years. We are looking at different swaps, different trading ideas where we can focus on the one to two-year space. You're picking up the same amount of yield in that space as you are in the four to five-year space. We don't think rates are going to shoot up anytime soon. We are OK gaining the same amount of yield for less duration, a little higher quality and taking it easy and playing it more conservative. Looking at the yield curve over the quarter, the ten-year is down 28 basis points, the five-year 28 basis points as well.

Corporate bond spreads for the quarter, the one to five-year space was tightened by 35 basis points. Now that's after fourth quarter that you saw widening of almost the same magnitude. A lot of that is getting back what we lost in the fourth quarter. From our firm’s standpoint, that was an overreaction in fourth quarter. We felt confident it would bounce back. We are overweight credit, in the very high-quality space. The lower quality assets did out perform in the first quarter. From a security selection standpoint, we were slightly negative, however the overweight in credit in general outweighed that aspect. That overweight credit stance was still a positive for your portfolio.

For performance for the quarter, we slightly under performed. It was a factor of we are slightly slow duration. Right now, we are about 90% duration of the benchmark. I think we are going to be somewhat range bound being that the Fed is going to be on hold the rest of the year. We are probably on the lower end of that range, which is why we're slightly slow duration. If rates do pick up I can see that increasing, getting more benchmark like. That was balanced out by the overweight in credit and credit out performing as much as it did. On the one-year basis, we are in line with benchmark. The 163 return from benchmark when you annualize that out, that's almost a 6.5% return. Looking over long term, three-year, five-year, ten-year, we are outperforming. We are seeing higher yields, higher returns, if rates come down then it does mean a more positive return. We are seeing a positive in terms of return numbers now being a little bit higher.

In terms of the portfolio, we are out-yielding the benchmark even with that short duration. Being short duration and out-yielding the benchmark is positive.

For compliance, we maintain being in compliance

Any questions?

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Raymond Bachik, Accounting Manager
SECONDER:	Peter Brill, Assistant Director of Finance and Customer Service
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

c. PFM Asset Management

1. Accepted PFM Asset Management

We had a lot of discussion about the inversion of the yield curve and what does that mean. We had that liquidation, back in October, that brought our duration down a little bit. We took advantage of that situation coupled by the fact that maybe the Fed's on hold this year, so we did a lot of work to take advantage of the situation that occurred in January. With this idea that inflation has maybe been dropping a little bit, a lot of industries are having trouble filling positions. It's interesting with all that’s going on, why don't we have some inflation? The Fed is a little confused as to what is really happening. We saw the U.S. two-year drop, we saw the ten-year drop. The bottom line, especially for the portfolio, is if the Fed is going to be on hold for the rest of this year, we increase our duration and take advantage of this situation. We increased the duration from 154 to 185. If all is true about the current situation with the Fed, we took advantage of it and so we sold a lot of it. There was a lot of transactions this past quarter. The majority of the coupon yields that we unloaded were around the 120 - 150 coupons, bringing up 100 - 150 basis points of new bonds, 250 - 275, 3% bringing into the portfolio, increasing that duration and taking advantage of this whole situation. The Fed is pretty much on hold and doesn't know what to do. With that in mind, we want to take advantage and make the best situation for the portfolio and extend this duration now while it still makes sense. We were really short duration to the benchmark and then we were going to hold steady, thinking the Fed was going to raise rates. We felt what's best for the City was to extend the duration and at least take advantage for the next 6 - 8 months. We outperformed the benchmark by 32 basis points in the quarter. It helped the situation from what happened in the fourth quarter; it was the worst quarter in probably 30 - 40 years with both the equity market and fixed income market were both down the same quarter by some big numbers. So, 32 basis points above the benchmark and 43 for the year.

The closing in between the yield-on market, the current yield on all the bonds as of March 31, and the yield-on cost is the cost at time of purchase, you can see that number is closing in. It's the tightest gap we've had in a long time and the closest number we've had in a long time. I suspect we're going to get to the point this year where we will keep up with and slowly start to pass that. That's simply because what the yield curve is doing and what the Fed is doing. Our duration was 185 and the benchmark is 180. Credit quality, from an S&P, is AA. We still have about 8.3% in the one-year.

From a dollar standpoint portfolio earnings, I think it's $250,000 more this quarter than last quarter so we had solid earnings. Market value is higher, there's a positive total return.

All in all, the portfolio from the asset allocation standpoint, there is not a lot of change. Probably the biggest trend since June of last year is we have been reducing the amount of treasuries in the portfolio, bringing that down and spreading those assets across the portfolio. We had that flight to quality last quarter which has reversed. Spreads tightened up a little on corporates and asset backs, therefore their contribution to the overall return was better this quarter. We still are weaning ourselves off agencies and going into treasuries.

Versus the benchmark, which is the one to three, we are a little less in each category. I think this is where we are going to have additional returns this year if that curve continues to drop, and the expectation that the Fed's not doing much, we might see the values of this also contribute to the portfolio going forward.

Credit quality, 46% is in the AA+. High credit quality, which is important if you need liquidity.

Top 10 holdings listed from US treasuries, agencies and the various corporates.

Looking at the sales that took place. So, if you see from a coupon standpoint, you can see how the coupon rates were all 1 to 1.5, maybe as high as 190, as low as 87 basis points. That was all the stuff we were working with when rates were low. You will see quite a bit of that portfolio was sold off. Here's all the buys you can see. The rates are getting over 3%, high 2%'s.

Mr. Bachik - When you're buying a bond and you can buy a par, discount or premium, so when the bond matures if you buy it at a premium you're guaranteed to get less principal than what you paid? If it's a million-dollar bond you have to pay $1.1 million. So, you're going to get $100,000 less than you paid but you're going to get higher interest rates on the term of the bond. What's the strategy there, buying the par? I guess psychologically when you buy it a discount you're paying less money and you're going to get more money going forward, you're getting less interest. Is there any strategy involved in that?

You have the amortization going on, so the premium is being amortized against the interest rate for the term of the bond so you're getting more interest. You'll get the full par amount back and then as you amortize the premium, which will be a negative against the coupon earnings. It really depends on when you bought it and what the interest rates are doing. Its market driven.

From an investment policy standpoint, here is the permitted investments. 34% in treasuries, corporates are next at 35.1% followed by asset backs. The three largest categories of the portfolio. Everything is in compliance as far as asset allocation. We are in compliance with the issuance limitations.

From a strategy standpoint, our first quarter was to increase duration. We didn't do much with sector allocation. We will be setting the portfolio up for continued success throughout the rest of this year based on the feeling that the Fed is going to be on hold this year. If there is a rate cut, it will greatly benefit by having this longer duration. If rates do go up, we have the higher coupons to help offset any market value loss.

Any questions?

Mr. Bachik - Of all the previous recessions, have all the other economies been in recession at the same time as the U.S.? Like China, Europe?

On a large-scale historical standpoint, that history doesn't have as much impact as it does today. The world wasn't as intra-connected as it is today. From a long history standpoint, not just the last 100 years, you could have recessions in parts of the globe, and other parts of the globe wouldn't even recognize that it was happening. Today's world is different. Everything is so interdependent because of our trade.

Kim - Certain areas in Europe are on that cusp of recession. Certainly, watching China, when Fed had announced in 2016 to raise rates for 4 times and they only did one, a lot of that was driven as it related to China because they really needed to put a lot of liquidity into the economy.

I think Europe missed a big thing. They didn't do the quantitative easing as much as the US did and when they did, they got started way too late. Over the next ten years as we look back, they didn't manage the recession as well as we did. As much as we went through, Europe didn't have such an aggressive stance on the recession and they still can't seem to quite get out of it.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Raymond Bachik, Accounting Manager
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

d. CapTrust Asset Management

1. **Accepted** CapTrust Asset Management

Looking at market value cash flow summary, you can see the bars drop off to the end of 2018 for that draw down we had for the withdrawals. That gives you a picture of what the impact of that was.

Isolation on fees being paid, you can see the fees charged in fourth quarter 2018 came down significantly from prior quarters. You can see in the first quarter the numbers are still down and again that would reflect changes in market value.

Looking at the allocation, your total portfolio is made up of internal accounts of about 18.61%, with the rest of the portfolio being managed, that's 81.84 %. The total value was $206,805,000. The percentages work out as they should.

The actual percentage figures between the 3 different managers is 30%, 40%, 30%.

Primary performance, net performance of the managers after fees. You can see for the three-month period we just finished the return was 1.62% against the benchmark of 1.65%, so it's a 3 basis points fade from the policy itself. The one-year period was 3.5 against 3.55. For the most part, particularly in the long term, the portfolio has beaten its policy on a net basis. There are a few exceptions to that.

Fiscal 2019 at this point, we are at 2.92 against the portfolio benchmark of 3.15.

Any questions on performance?

About six months ago, Kim had asked for some revisions on the IPS. We have an investment policy statement and there are addendums to that document. Each one of them is just a slight refinement of the mandate for each of the three managers. Kim recommended a couple of changes. Some were mechanical, (firm names, names to the benchmark), we made those changes. There were some other changes that we decided not to make. All of the completed documents have been signed by the managers. Emory to counter sign them and send back.

Mr. Alexander - In the policy addendum it talks about a peer group. Could we get some idea what that peer group is? Is there a composite that we could have? At this point, we don't know what that peer group is.

Mr. Griffith - The answer to your question is of course. I'll make sure there's a refinement/definition of exactly what peer group is.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Raymond Bachik, Accounting Manager
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

5. Overview - Internal Investment Report

Investment CPE Requirement

1. **Accepted** Internal Investment Report

This is our internal report, portfolio totals. One thing to note is our SBA and Florida fixed income trust, we are back up over $10 million in each account. That's going to help fund our prepayment of pension again. We don't have a final figure yet, but we are very close to getting that. We won't have to take it out of the portfolios this year, we will have it in the investment trust. They are performing very well. It was a very positive quarter from everyone, everyone had a positive return. Historically, we are above where we were last June. We are going into the summer which is our higher business term. We might look at the excess cash, see if we can put some back into the portfolio at that time. More revenues, more expenses.

Any questions?

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	John Zobler, City Manager
SECONDER:	Raymond Bachik, Accounting Manager
AYES:	Haslam, Brill, Zobler, Roberts, Bachik
ABSENT:	Musleh

6. Other Matters

1. IPS Addendum

7. Adjournment

Minutes

A motion to approve the minutes as printed on this __________ day of ___________; ________ was made by _____________________, seconded by _______________________,

votes for __________, votes against _______________.

_________________________________ _______________________________________

Secretary Chairman