

LAKE RIDGE PARKS & RECREATION ASSOCIATION, INC.
FINANCE COMMITTEE MEETING
TALL OAKS COMMUNITY CENTER AND VIRTUALLY VIA ZOOM
January 27, 2021
AGENDA

- I. Call to Order 7:00PM
- II. Open Forum
- III. Approval of the October 27, 2020 Minutes
- IV. Investment Review – Jim Webb Capital Financial, LLC
- VII. Open Forum
- VIII. Adjournment

* Please contact, Doug Milburn, Director of Administration at DMilburn@lakeridgeva.com by 4pm (EST),
Wednesday, January 27th to participate virtually*

**LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC. (LRPRA)
FINANCE COMMITTEE MEETING MINUTES**

October 27, 2020

Tall Oaks Community Center and virtually via ZOOM

Due to the COVID-19 pandemic, this meeting was conducted as an in-person/virtual hybrid meeting that had all committee members meeting virtually via ZOOM. Members of the community were offered the ability to join in, virtually using the software, ZOOM.

PRESENT: *Committee Members:* Brent Barnwell (Chair via ZOOM), Janet Foote (President via ZOOM), Michael Butler (Vice President via ZOOM), Mike Stephens (via ZOOM) *Staff Members:* Ike Mutlu (COO/GM), Michael Yuenger (Director of Finance and IT), Rebecca Hale (Assistant Finance Director via ZOOM), Laura Kruass (Director of Recreation via ZOOM, Doug Milburn (Director of Administration and Human Resources)
Board Members:

OPEN MEETING: Mr. Barnwell opened the meeting at 7:00pm.

OPEN FORUM: One homeowner spoke about how he was happy to join the finance meeting as he does not get many opportunities to do so because of work. He was hoping that the association could send more emails with community information and payment reminders. The homeowner was encouraged to sign up for the weekly News Flash online and to sign up for automatic debit payments if possible.

APPROVAL OF THE AUGUST 25, 2020 MINUTES: Ms. Foote made a motion to approve the August 25, 2020 Finance Committee meeting minutes. Mr. Stephens seconded the motion, and it was approved unanimously.

EXECUTIVE SESSION – EMPLOYEE HEALTH INSURANCE CONTRACT: Ms. Foote made a motion to convene into executive session to discuss employee health insurance contracts as permitted under the Virginia Property Owners' Association Act, Section 55.1-1816. Mr. Stephens seconded the motion, and it was approved unanimously. The committee convened into executive session at 7:07pm.

PRE SCHOOL RATES FOR SERVICE: The Finance Committee reconvened into open session at 7:44pm. Ms. Krauss discussed her recommendations on the rates for the pre-school for the upcoming year. She referenced the documents citing the rates that were included in the agenda and fielded some basic questions from the committee. The committee agrees with the recommendation from management on the rates and that the Finance Committee will bring that recommendation to the board at the November Board meeting.

SECURITY CONTRACT: Mr. Freer presented on our Signal 88 Security contract and what they do for the community. He discussed overview, history, hours and services, and cost. Mr. Barnwell asked about the details on the security reports that the Association receives and stated it is time stamped and specific. Mr. Stephens asked if we have a record of where they patrol and when and Mr. Freer stated that this is done through GPS. Mr. Freer fielded questions from Mr. Stephens and Ms. Foote about their successes and he spoke directly about how he believes they have assisted in lowering crime rates, break ins, and drug use within the community.

OPEN FORUM: Mr. Stephens brought up a public internet posting about a new homeowner that is restricting use of an entrance to one of our trails. Mr. Mutlu explained that he had researched the issue and discovered that the entrance to that trail is on private property and it within his rights to restrict this.

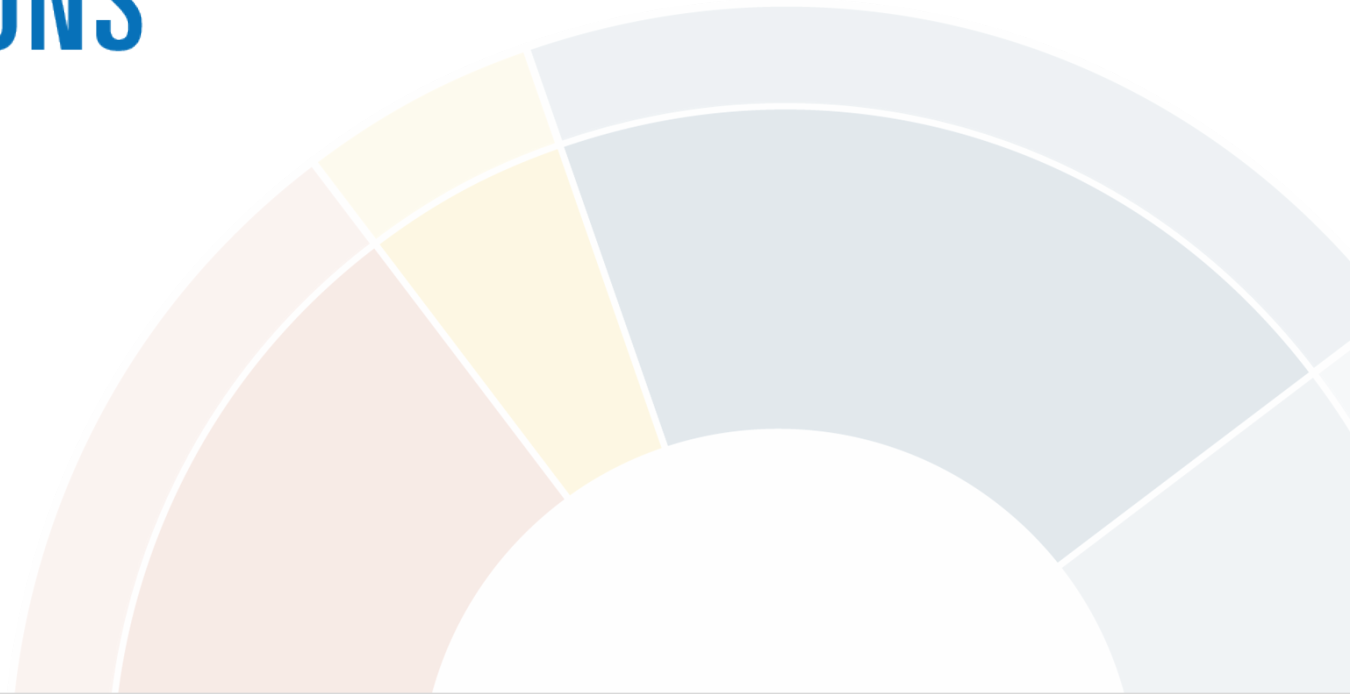
ADJOURNMENT: Ms. Foote made a motion to adjourn the meeting at 8:05pm, Mr. Butler seconded the motion and it was unanimously approved.

ASSETMARK

GUIDED PORTFOLIO SOLUTIONS

GPS Select Low Volatility
GPS Focused Low Volatility

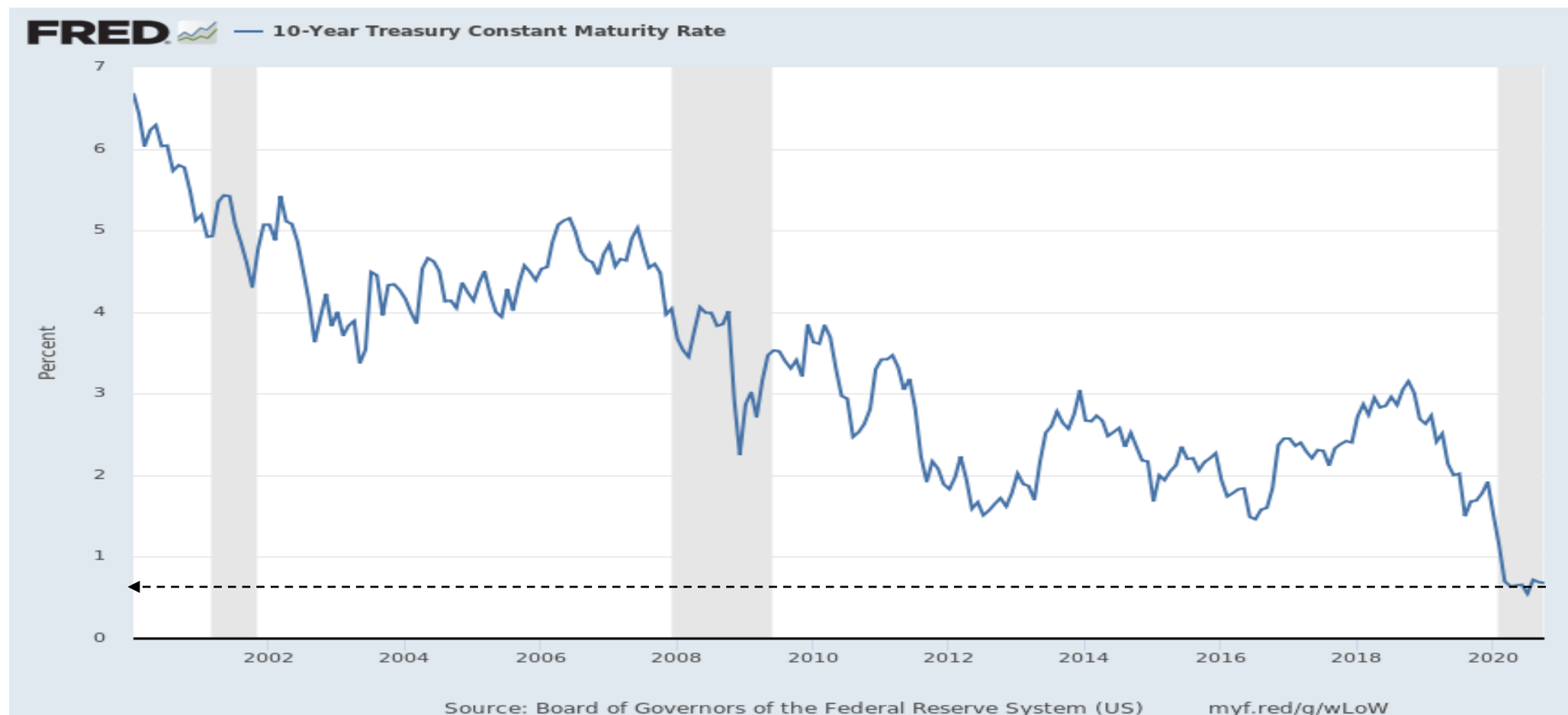
September 2020





New Normal for Bonds – Low Yields

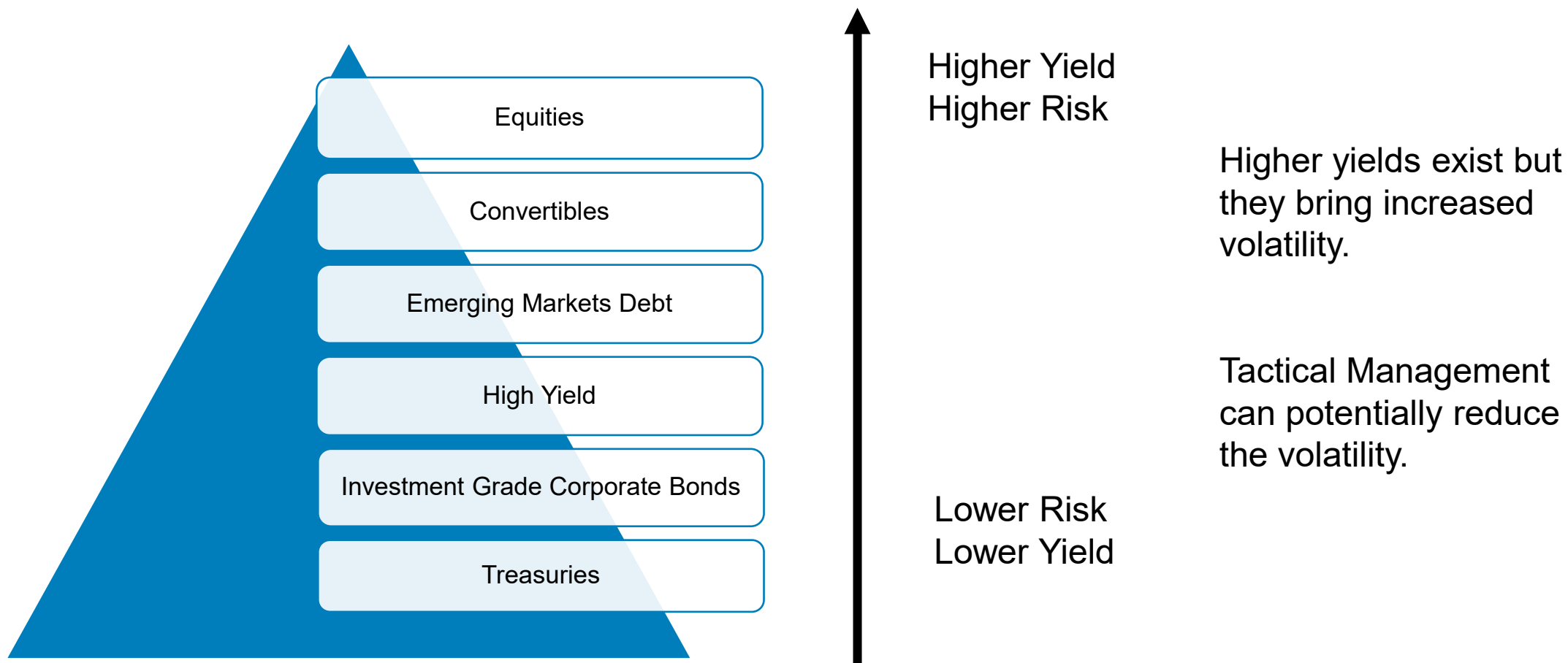
Record low interest rates have made it particularly challenging for investors seeking income while preserving capital.





What are the Options?

Simply using a laddered Treasury bond portfolio is unlikely to meet cash flow needs for many clients.



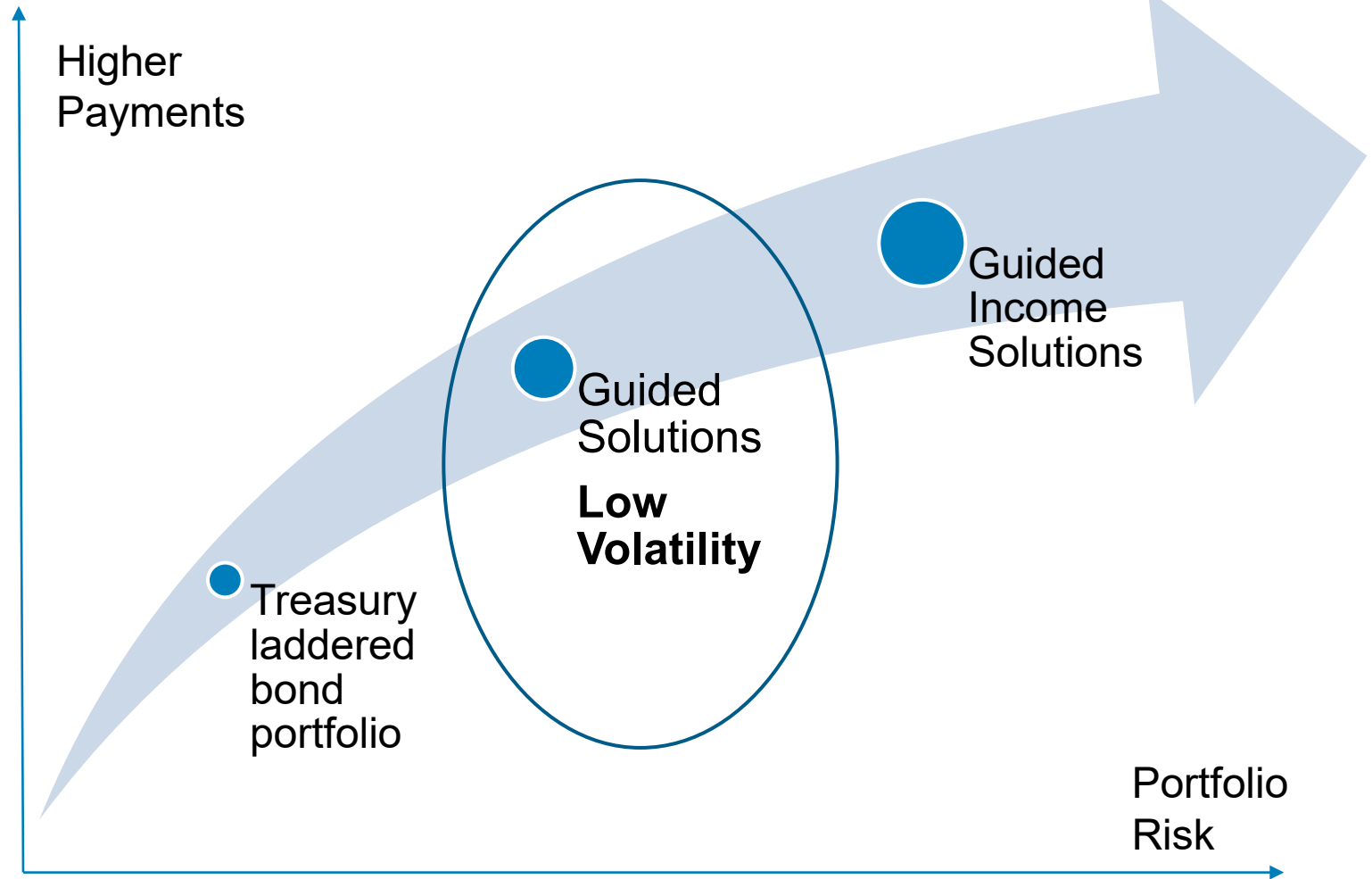
For illustrative purposes only. Risk for specific investments varies.

What are the Options?

AssetMark Guided Solutions provides two alternatives for addressing income needs while managing volatility.

“**Low Volatility**” attempts to reduce volatility by tactically managing investments while providing income and total return.

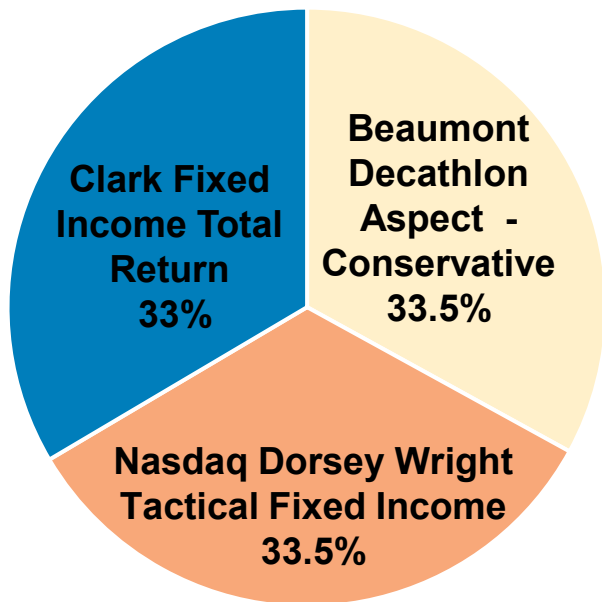
For higher payout objectives, **Guided Income Solutions** relies on a bucketing approach that allows higher risk allocations to equities and draws down both principal and income.



For illustrative purposes only. Risk for specific investments varies.

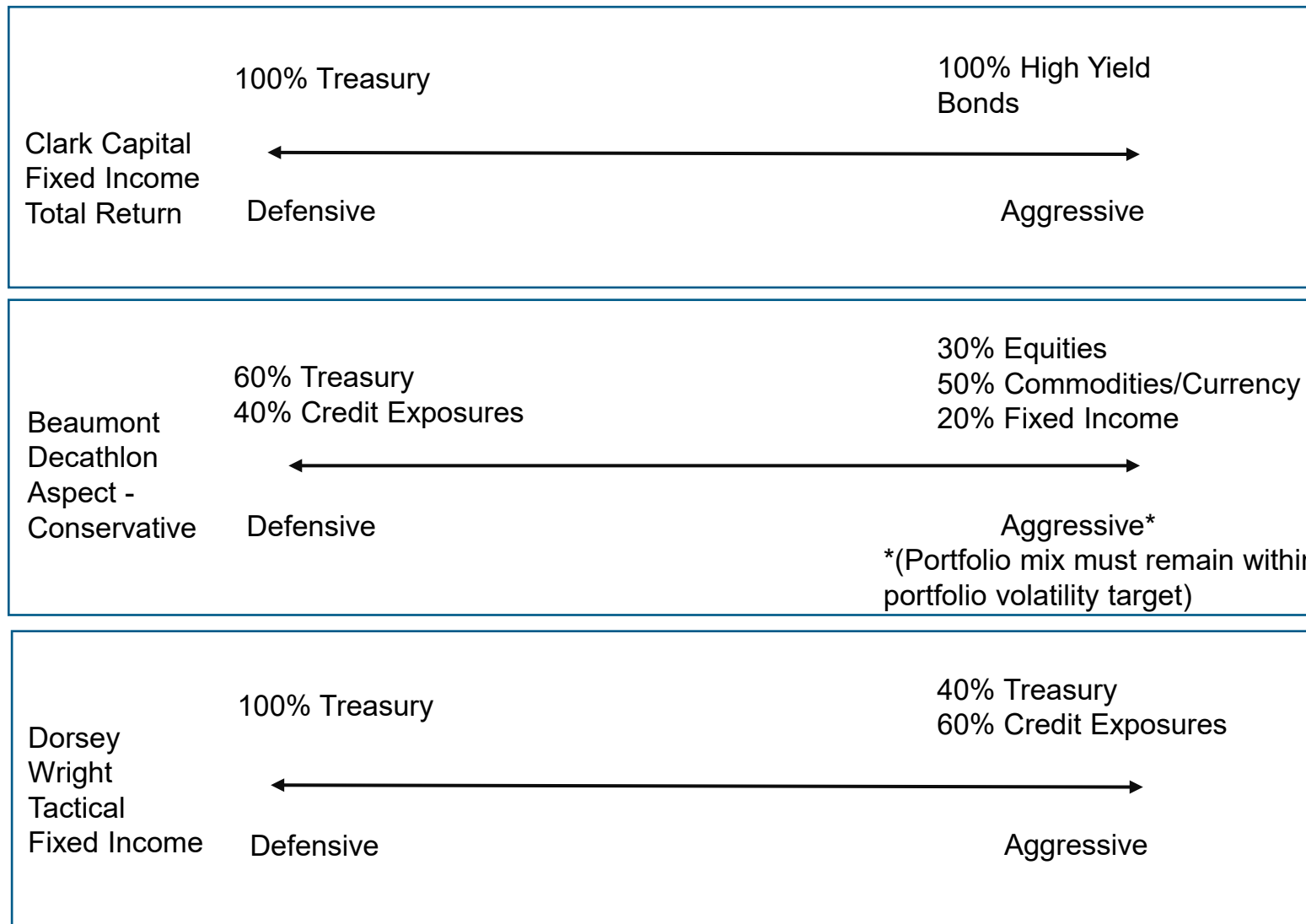
Low Volatility: Model Allocation*

Select Low Volatility and Focused Low Volatility



- Beaumont Decathlon Aspect - Conservative (BCM)
- Nasdaq Dorsey Wright Tactical Fixed Income
- Clark Fixed Income Total Return (FITR)

* Allocation as of 6/12/2020. Allocation subject to change.

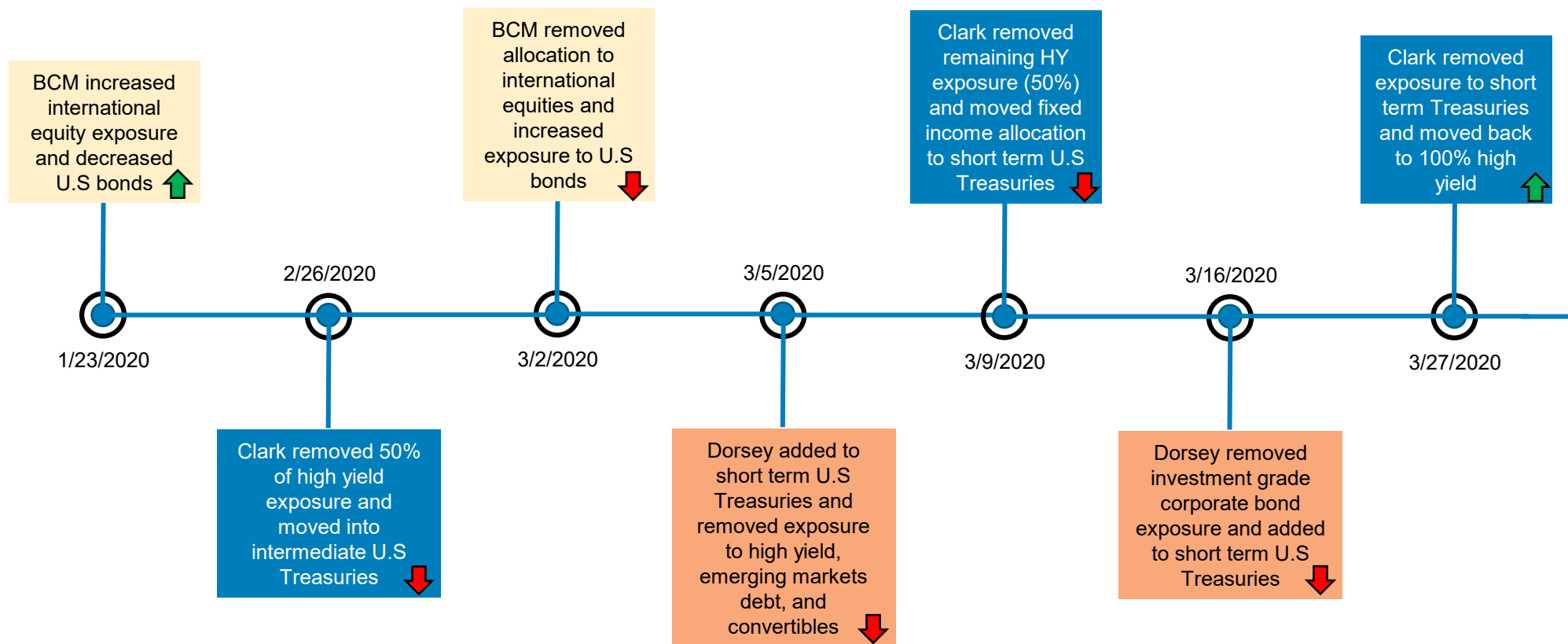


Strategist Q1 2020 Tactical Moves

- Beaumont Decathlon Aspect – Conservative
- Dorsey Wright Tactical Fixed Income
- Clark Capital Fixed Income Total Return



↑ More Aggressive

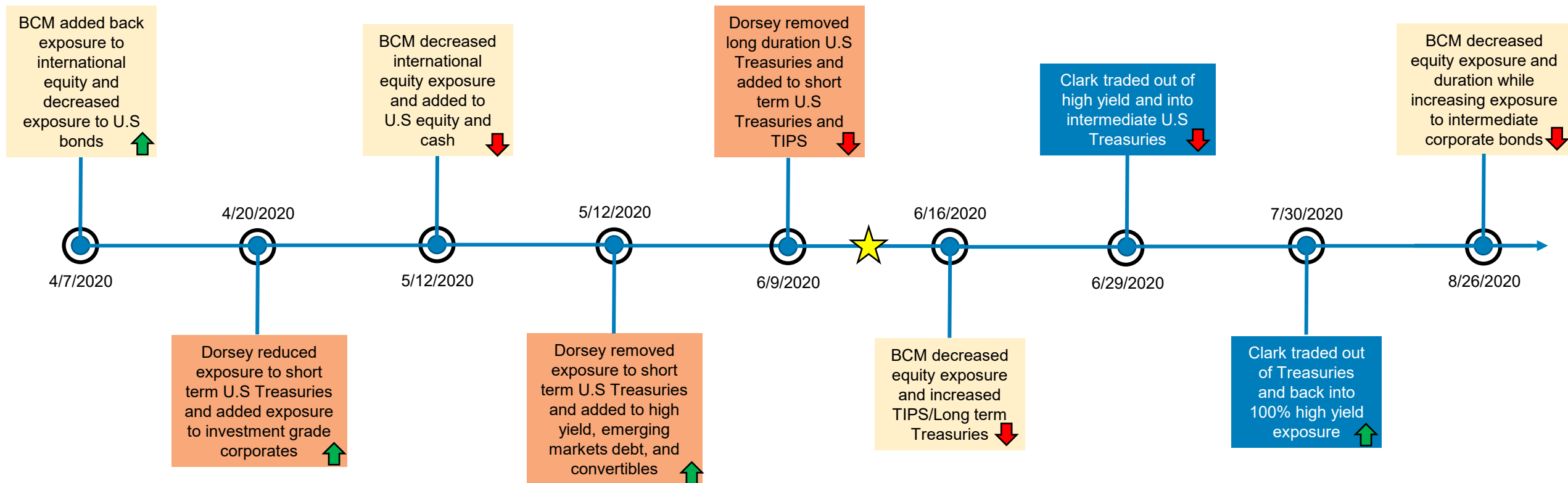
↓ More Defensive



Strategist Q2 & Q3 2020 Tactical Moves

- Beaumont Decathlon Aspect – Conservative
- Dorsey Wright Tactical Fixed Income
- Clark Capital Fixed Income Total Return

 More Aggressive
 More Defensive



★ GPS added Beaumont and Dorsey Wright on 6/12/2020

Strategist Historical Performance – Net of Fees

Description	YTD	1 Year	3 Year	5 Year	Since inception*
Clark Capital Fixed Income Total Return	3.99	6.24	2.82	4.99	4.99
Bloomberg Barclays US Aggregate	6.79	6.98	5.24	4.18	4.18
Bloomberg Barclays US Government (1-3 Y)	3.11	3.64	2.66	1.81	1.81

Beaumont Decathlon Aspect - Conservative	7.40	8.53	5.74	4.82	3.89
Bloomberg Barclays US Aggregate	6.79	6.98	5.24	4.18	3.82
Bloomberg Barclays US Government (1-3 Y)	3.11	3.64	2.66	1.81	1.75

Dorsey Wright Tactical Fixed Income	10.85	10.24	6.06	5.04	3.65
Bloomberg Barclays US Aggregate	6.79	6.98	5.24	4.18	3.45
Bloomberg Barclays US Government (1-3 Y)	3.11	3.64	2.66	1.81	1.46

Manager performance is shown for illustrative purposes only. Actual strategy returns varies. Source: Zephyr, FactSet

BCM : Pre 7/1/15 – Model less max fee. Post 7/1/15 – composite

Clark : Pre 1/1/16 – GIPS verified less max fee. Post 1/1/16 – composite

Dorsey : Pre 4/1/20 – GIPS verified less max fee. Post 4/1/20 – composite

For the periods of time it's either model based returns or GIPS verified returns provided by manager, max fees include the maximum platform and advisor fee for specific strategist. Composites include all fees - platform (which includes strategists fees) and advisor fees.

Mutual fund and ETF fees are included in both model and composite returns.

* Since Inception:

Clark Capital Fixed Income Total Return: 10/1/2015 to 09/30/2020

Beaumont Decathlon Aspect – Conservative: 12/31/2014 to 09/30/2020

Dorsey Wright Tactical Fixed Income: 4/1/2013 to 09/30/2020

Low Volatility Offerings

Focused Low Volatility

Select Low Volatility

KEY DIFFERENCES

- | | |
|---|---|
| <ul style="list-style-type: none">• Uses GuidePath® mutual funds• \$10,000 minimum investment• No platform or custody fee | <ul style="list-style-type: none">• Separately managed accounts• \$50,000 minimum investment• All-in-one platform fee starting at 0.65% |
|---|---|

BEST FIT

- | | |
|--|--|
| <ul style="list-style-type: none">• Smaller accounts• Managed account features• Simple fee structure | <ul style="list-style-type: none">• Larger accounts• Full-service managed account• Lower all-in cost |
|--|--|

Client-Approved, Quarterly Commentary

Focused Low Volatility Quarterly Review

GPS Focused Low Volatility

Q3 2020

Quarterly Performance Drivers

What Helped

- Convertible Bonds
- Global technology equity exposure
- Semiconductor equity exposure
- Treasury inflation protected securities

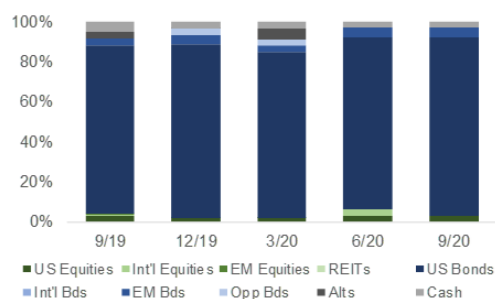
What Hurt

- U.S. Treasuries
- U.S. corporate bonds

Quarterly Allocation Changes

- 7/30 – Increased high yield and decreased U.S. Treasuries
- 8/26 – Reduced equity and increased fixed income

Asset Allocation



Research Provider Selection¹

- Beaumont Capital Management
- Clark Capital
- Dorsey Wright

Current Positioning

- A large allocation to high yield given Clark's risk on positioning. The high yield exposure is diversified with an equally large allocation to higher quality fixed income. Lastly, there are some small exposures to equities, convertible bonds, and emerging market government debt.

¹Firms that provide investment research considered in deriving the GuidePath Fund's asset allocation
Source: AssetMark. As of September 30, 2020. Allocations, positioning and viewpoints are as of a point in time and subject to change

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Quarterly Market Review

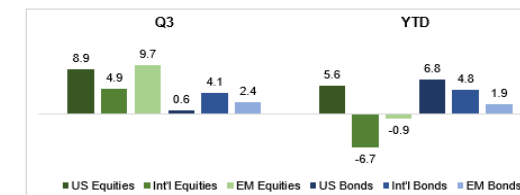
September 2020

QUARTERLY Market Review



Market Review

- The third quarter started strong, then markets fell in the final month of the quarter, as the elections took center stage along with questions over reopening the economy. However, all equity markets remained in positive territory for the quarter with Emerging Markets leading the way. An impressive 6-month run for the US equity markets, up 31.3%—the best since 2009, saw year-to-date returns turn positive at 5.6%.¹



Source: Morningstar

- Two stocks, Apple and Amazon, made up over 10% of the index and drove 25% of the S&P 500 return for the quarter. Outside of these two stocks, the S&P 500 saw some broadening of contribution to returns, as staple companies like Berkshire Hathaway, Procter & Gamble, UPS and Mastercard made it into the top ten contributors. Year-to-date, the dominance of FANAMA – Facebook, Amazon, Netflix, Apple, Microsoft, Alphabet (Google) – remained, contributing 8.9% to the S&P 500 return while the other 494 stocks detracted 3.3%.²
- Five sectors saw double-digit returns for the quarter, with three of them seeing returns over 40% for the six-month period. Consumer discretionary continued to lead the pack returning 15.1% for the quarter, but we started to see some broadening of leadership with industrials and materials rounding out the top three sectors. The value heavyweights of energy, real estate and financials lagged in the quarter, energy was the only sector with negative returns at -19.7%. The collapse of global oil demand resulted in a -48.1% return for energy year-to-date.³
- Smaller-caps reverted back to trailing larger-caps and growth stocks extended their run relative to value. Mid-caps and small-caps trailed the S&P 500 by 4.2% and 5.8%, respectively, for the quarter. Large-cap growth outperformed large-cap value by

For general public use.

AssetMark | 1

Guided Portfolio Solutions Team



Zoë Brunson, CFA
Senior Vice President



Davin Gibbins, CFA, CAIA®
Senior Vice President



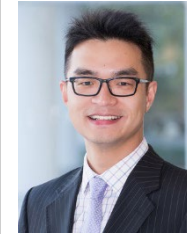
Kezia Samuel, CAIA®
Managing Director of
Client Portfolio Management



Selwyn Crews
Director of Portfolio
Management



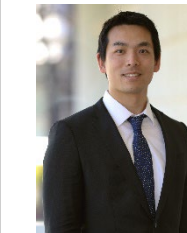
Chris Valley
Portfolio Management Analyst



Mike Cheng, CFA
Vice President of Quantitative Research



Laxus Tat
Quantitative Analyst



Zihan Zhang
Quantitative Analyst

Important Information

This report is for informational purposes only, is not a solicitation, and should not be considered investment, legal or tax advice. The information has been drawn from sources believed to be reliable, but its accuracy is not guaranteed, and is subject to change.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio. No investment strategy, such as asset allocation, can guarantee a profit or protect against loss. Actual client results will vary based on investment selection, timing, market conditions, and tax situation. It is not possible to invest directly in an index.

Investments in equities, bonds, options, and other securities, whether held individually or through mutual funds and exchange traded funds, can decline significantly in response to adverse market conditions, company-specific events, changes in exchange rates, and domestic, international, economic, and political developments. Investments in bonds and fixed income related securities involve market and interest rate risk (prices can decline, if interest rates increase), and default risk (an issuer being unable to repay principal and interest). High-yield bonds are generally subject to greater risk of default than investment-grade bonds. Real estate investments are subject to credit and market risks, typically based on changes in interest rates and varied economic conditions. Investing in alternative investments, including managed futures, commodities, and currencies is not appropriate for all persons, as the risk of loss is substantial. Investments in futures involve market, counterparty, leverage, liquidity, interest rate, foreign currency, commodity, volatility, and other risks.

MODEL INFORMATION

Guided Portfolio Solutions returns are based on model tracking portfolios established at the time of the inception on the AssetMark platform. Model returns are hypothetical and do not reflect the actual investment results of any individual client participating in the asset allocation program, but represent the performance of the models as initially established and as adjusted over time.

The maximum fee for GPS Focused Low Volatility Strategies portfolios is 1.5%. The maximum fee for GPS Select Low Volatility Solutions is 2.15%. Unless otherwise notes, Profile 3 examples are shown for investors seeking a “moderate” portfolio and may not be appropriate for all investors.

For more complete information about the various investment solutions available, including the investment objectives, risks and fees, please refer to the Disclosure Brochure and applicable Fund Prospectus. Please read them carefully before investing. For a copy, please contact an AssetMark Consultant or Financial Advisor.

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