

**CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING**

August 19, 2020

Teleconference

10:00 A.M. – 12:00 P.M.

BOARD MEMBERS PRESENT

FRANK SIMS	Chairman
JEFFREY NORMAN	HR Commissioner, City of Atlanta
JOSHUA WILLIAMS	Vice Chairman - COO, City of Atlanta
REGGIE GRANT	Appointee, City of Atlanta
NATALYN ARCHIBONG	Councilmember, City of Atlanta
MARCI COLLIER OVERSTREET	Councilmember, City of Atlanta
LISA BRACKEN	CFO, APS City of Atlanta
BRENT HULLENDER	Fire, City of Atlanta
ALFRED BERRY, JR.	General, City of Atlanta
RICK ‘BUD’ LIGHT	Police, City of Atlanta
QUENTIN HUTCHINS	APS, City of Atlanta

BOARD MEMBERS NOT PRESENT

ROOSEVELT COUNCIL	CFO, City of Atlanta
JOYCE SHEPARD	Councilmember, City of Atlanta
HOWARD SHOOK	Councilmember, City of Atlanta
JP MATZIGKEIT	Councilmember, City of Atlanta

OTHERS PRESENT

MIKE SHEA	Zenith American Solutions
INETTA WORTHY	Zenith American Solutions
MARY SHAH	Strategic Benefit Advisors
STEPHANIE ATLI	Strategic Benefit Advisors
LOUIS AMIS	City of Atlanta HR
YOULANDA CARR	City of Atlanta Finance
CARL CHRISTIE	City of Atlanta Law
ALICIA THOMPSON	City of Atlanta Law
KWEKU OBED	Marquette Associates
JESUS JIMINEZ	Marquette Associates
ED EMERSON	Morris, Manning and Martin
AARON MOODY	Morris, Manning and Martin
MARSHA PETZEL	Wells Fargo
LAUREN HILL	Wells Fargo
JEANETTE COOPER	Segal Advisors

I. CALL TO ORDER

Chairman Mr. Frank Sims called the Webex teleconference meeting to order at 10:09 a.m. Chairman Sims noted that a quorum was present for the meeting.

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II. ADOPTION OF THE AGENDA

A motion was made by Mr. Hullender to approve the Agenda as presented and the motion was seconded by Mr. Grant. The motion unanimously carried and the Agenda was approved as noted.

III. PUBLIC COMMENT

Chairman Sims asked if there were any public comments. It was noted no public comments were made.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the March 18, 2020 Board meeting and the August 12, 2020 Special Call meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the March 18, 2020 and August 12, 2020 minutes, a *motion was made by Ms. Overstreet to approve the Minutes the motion was seconded by Mr. Norman. The motion was unanimously carried and approved.*

V. ATTORNEY'S REPORT

Fiduciary Liability Policy

Mr. Christie informed the Board that he reached out to the carrier regarding increasing the aggregate limits of the policy, the additional subcategories and the potential of Cyber coverage. Mr. Christie advised the Board that unfortunately has not heard back from the underwriter. Mr. Christie advised the Board that they are not covered under the City of Atlanta Cyber Policy but it is important that the Third Party Administrator is covered. Mr. Shea and Ms. Shah acknowledged their companies do have Cyber insurance coverage.

Chairman Sims asked the Board members if they would like to defer until the Board meeting on September 23, 2020. Councilman Overstreet asked Mr. Christie if the Board defers until the next meeting will there be any increase in premium. Mr. Christie advised the Board that there has not been any increase since the original quote in February 2020.

It was the consensus of the Board to defer to the next Board Meeting.

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VI. INVESTMENT CONSULTANT REPORT – Marquette Associates

Mr. Obed opened his presentation by informing the Board that the meeting packet has reports as of June 2020 but he has one page updates as of July 31, 2020.

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of July 31, 2020:

COA General

MTD Performance (as of 7/31/20)

Total Fund Composite: 4.2%

Total Fund Policy Benchmark: 4.2%

FYTD Performance (as of 7/31/20)

Total Fund Composite: 4.2%

Total Fund Policy Benchmark: 4.2%

YTD Performance (as of 7/31/20)

Total Fund Composite: 0.6%

Total Fund Policy Benchmark: 0.5%

COA Police

MTD Performance (as of 7/31/20)

Total Fund Composite: 3.9%

Total Fund Policy Benchmark: 3.9%

FYTD Performance (as of 7/31/20)

Total Fund Composite: 3.9%

Total Fund Policy Benchmark: 3.9%

YTD Performance (as of 7/31/20)

Total Fund Composite: 0.5%

Total Fund Policy Benchmark: -0.3%

COA Fire

MTD Performance (as of 7/31/20)

Total Fund Composite: 3.9%

Total Fund Policy Benchmark: 3.8%

FYTD Performance (as of 7/31/20)

Total Fund Composite: 3.9%

Total Fund Policy Benchmark: 3.8%

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YTD Performance (as of 7/31/20)

Total Fund Composite: 0.3%

Total Fund Policy Benchmark: -0.8%

Mr. Obed reviewed with the Board the U.S. economy overview as of the end of the second quarter of 2020. He advised the board that re-openings are happening across the globe as fears of a second wave of COVID-19 surfaces.

Mr. Obed informed the Board that positive sentiment has been building in the market as the S&P 500 moved into positive territory for the 1 year return as of June 30.

Mr. Obed advised the Board that the unemployment rate dropped from 14.7% in April 2020 to 11.1% in June 2020.

Fixed Income

Mr. Obed informed the Board that fixed income for the year-to-date is strong at 6.1%. He advised the Board that due to interest rates taking a significant dip was part of the reason for the strong return.

Mr. Obed informed the Board that Core Bonds yield curve remains at record lows but are steepening due to vaccine progress and more positive economic indicators. He advised the Board that bank loan and high yield spreads have tightened to 600-700 basis points but still offer some value. Mr. Obed informed the Board that Emerging Market Debt spreads are still wide but are showing compelling value.

U.S. Equity

Mr. Obed noted that many U.S. equities are still negative across the market. He informed the Board that for the year-to-date Broad Market Indices are -8.4% but for the past three months a positive 18.5%. He advised the Board during the past three months Russell 1000 Growth was up 27.8%, Russell Mid Cap Growth was up 30.3% and the Russell 2000 Growth was up 30.6%. He advised the Board that the past three months has been the strongest bear market rally ever at 38.6.

Mr. Obed advised the Board that they expect volatility to remain elevated given the recent rise in COVID-19 infections, the upcoming presidential election and rising tensions between the U.S. and China.

Non-U.S. Equity

Mr. Obed informed the Board that International Equities have also rebounded but for the year-to-date they are still negative. He advised the Board that they are still phasing into the new allocation of International Equities but due to the phasing in the Funds did not bear the brunt of the downturn.

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Performance Overview - General Employees' Pension Plan

Mr. Obed informed the Board that for the period ending June 30, 2020 Fixed Income, International Equity, Global Equity and Real Estate composites added value to the plan but U.S. Equity and Emerging Markets Equity composites detracted from the benchmark.

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers.

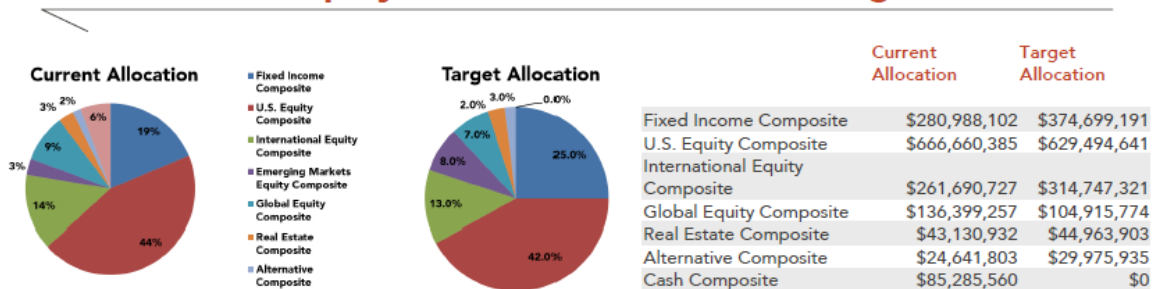
COA General Employees' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Mesirow	+6.9%	+6.1%	Fixed Income
Channing Capital	-16.8%	-23.5%	U.S. Equity
Earnest Partners SCC	-11.2%	-13.0%	U.S. Equity
Hardman Johnston	-1.6%	-11.0%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Legato	-4.9%	-3.1%	U.S. Equity
Artisan Partners	-15.1%	-11.3%	International Equity
Earnest Partners EM	-18.8%	-9.8%	Emerging Markets

Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation

COA General Employees' Asset Allocation vs Target Allocation



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Performance Overview – Police Officers’ Pension Plan

Mr. Obed informed the Board that for the period ending June 30, 2020 U.S. Equity and International Equity composites added value to the plan but Fixed Income composite detracted from the benchmark.

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers.

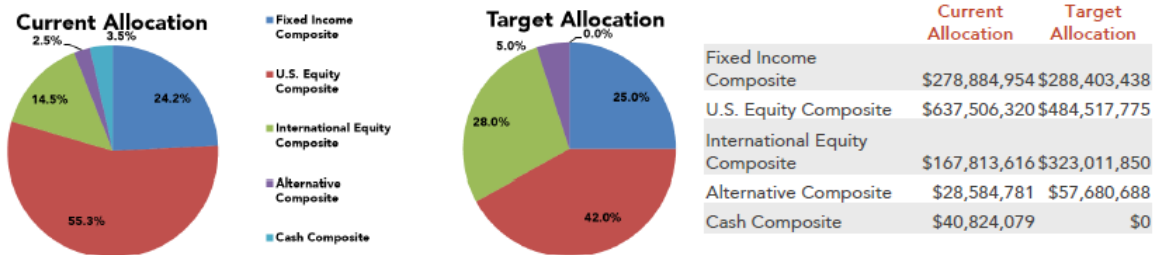
COA Police Officers’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Mesirow	+7.2%	+6.1%	Fixed Income
Macquarie SCC	-11.7%	-13.0%	U.S. Equity
LMCG Investments	+3.3%	-3.1%	U.S. Equity
Hardman Johnston	-1.6%	-11.0%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Garcia Hamilton	+4.6%	+5.3%	Fixed Income
Artisan Partners	-15.1%	-11.3%	International Equity

Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation.

COA Police Officers’ Asset Allocation vs Target Allocation



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Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed informed the Board that for the period ending June 30, 2020 Fixed Income, U.S. Mid-cap composite, U.S. Small-cap and International Equity composites added value to the plan and U.S. Large-cap composites matched the benchmark.

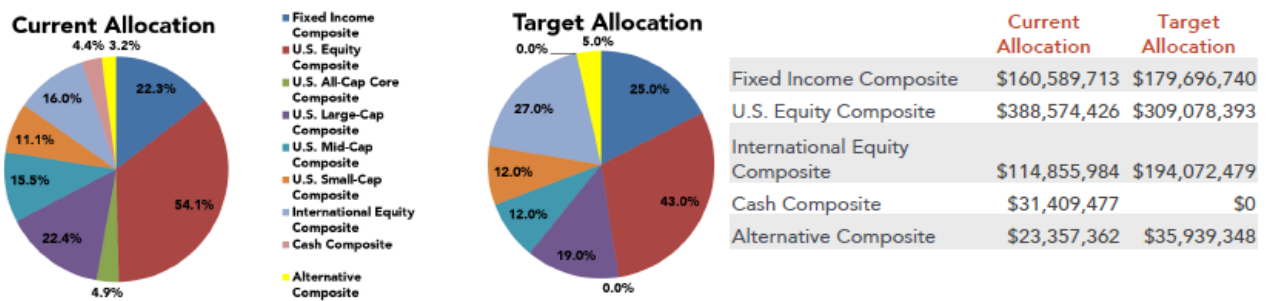
Mr. Obed reviewed with the Board the Top Performers for the plan.

COA Firefighters’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Mesirow	+6.7%	+6.1%	Fixed Income
LMCG Investments	+3.3%	-3.1%	U.S. Equity
Hardman Johnston	-1.6%	-11.3%	International Equity

Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation.

COA Firefighters’ Asset Allocation vs Target Allocation



Mr. Hullender asked Mr. Obed that due to U.S. Equities being so high is it a good time to shift from U.S. Equities. Mr. Obed informed the Board that he would recommend pairing back some of the gains and rebalancing it back into the International Markets. He informed the Board that he would recommend doing it over the next few months.

Mr. Hullender asked if there would need to be an Investment Manager search. Mr. Obed informed the Board that they would not need to look for an Investment Manager due to making changes to the fund and putting Index Funds as place holders prior to COVID 19.

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Mr. Berry asked Mr. Obed if the funds have any Female managers in place. Mr. Obed informed the Board that they currently do not have any Female managers but as searches for new Investment Managers the criteria would be looked at.

VII. NEW BUSINESS

The Board noted there was no new business to discuss.

VIII. OLD BUSINESS

The Board noted there was no old business to discuss.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

Mr. Berry informed the Board that he asked Mr. Shea to send an Investment Article that is interesting reading and recommend the Board members take an opportunity to read. The Board members acknowledged receipt of the email.

X. DATE OF NEXT MEETING

Councilman Overstreet asked the Board if the next meeting is September 16, 2020 or September 23, 2020. Mr. Hullender informed the Board that the meeting date was changed due to conflict with City of Atlanta Council meetings. The Board agreed to hold the next meeting via teleconference on September 23, 2020 at 11:00 a.m.

XI. ADJOURNMENT

There being no further business to be brought before the Board at this time at 1:02pm *Chairman Sims called for adjournment.*

Respectfully Submitted,

Chairman, Frank Sims

Vice Chairman, Joshua Williams

These Minutes were adopted on _____, 2020