

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

May 18, 2022

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Board Members Present

Frank Sims

Alfred Berry, Jr.

Lisa Bracken

Brent Hullender

Rick “Bud” Light

Mohamed Balla

Lisa Gordon – Virtual Attendee

Jeffrey Norman

Chairman

General, City of Atlanta

Atlanta Public Schools

Fire, City of Atlanta

Police, City of Atlanta

CFO, City of Atlanta

COO, City of Atlanta

HR Commissioner, City of Atlanta

Others Present

Mary Shah

Lori Pocock

Eric Dec

Mu’min Islam

Youlanda Carr

Pamela Goins

Fumnanya Johnson

Amanda Rouser

Rosie Woods

Chelsea Deppert

Ed Emerson

Kweku Obed

Jeannie Chen

Jamie Helms

Stephanie Roberts

Strategic Benefits Advisors

Strategic Benefits Advisors

City of Atlanta, Legal

City of Atlanta, Legal

City of Atlanta, Finance

City of Atlanta, Finance

City of Atlanta, Finance

City of Atlanta, Pension Administration

City of Atlanta, Pension Administration

Morris, Manning & Martin

Morris, Manning & Martin

Marquette Associates

Deloitte

Deloitte

Garcia Hamilton

I. CALL TO ORDER

Chairman Sims called the meeting to order at 10:10 a.m. Chairman Sims noted that a quorum was present for the meeting and it was noted that Investment Managers were in attendance.

II. ADOPTION OF AGENDA

Chairman Sims asked if there were any changes to the agenda.

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

III. PUBLIC COMMENT

There was no public comment.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the April 20, 2022 regularly scheduled meeting and the May 2, 2022 special meeting to review the Actuarial Experience Study, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the April 20, 2022 Minutes and the May 2, 2022 Minutes, a motion was made by Mr. Berry to approve both sets of Minutes as written. The motion was seconded by Mr. Hullender. The motion unanimously carried and the Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Dec reported that the working group has met to discuss the Travel Policy for the Investment Board and Administrative Committees. An initial framework has been worked out, which will be reviewed by the working group. This group will have a second session to discuss any changes and then the policy should be complete in the next few weeks. Mr. Dec noted that the draft policy generally echoes the City of Atlanta Travel Policy unless specific changes are needed.

Chairman Sims asked about the additional attorney needed for the Celsius Holdings litigation and Mr. Emerson replied that it was necessary to have local counsel in Florida as part of the case. The case is contingency based, so fees will only be collected if the City prevails in the lawsuit, and the Florida attorney's fees would come out of the agreed on attorney's contingency fees.

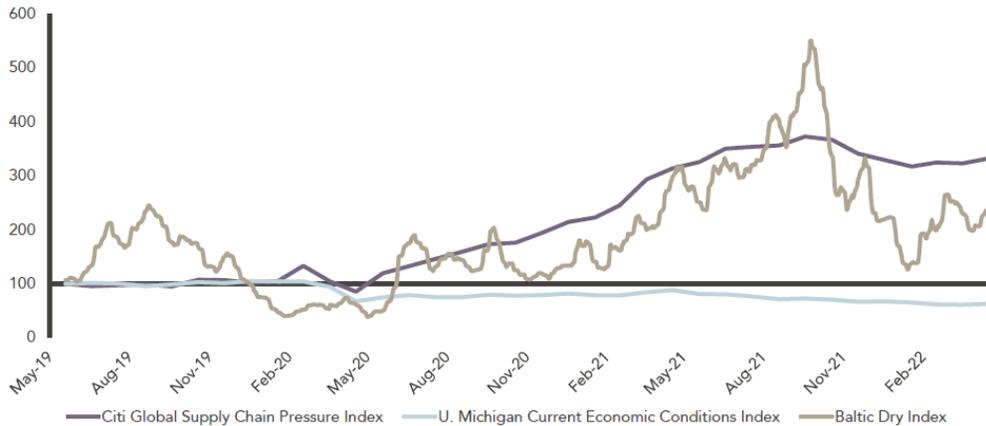
Mr. Emerson reported that the demand letter had been sent to Zenith for approximately \$460,000 for certain overpayment errors that occurred while they were the third-party administrator. The letter reserved the right to seek additional amounts from Zenith if other errors are discovered.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Obed walked through the market environment and performance for the three Plans. He noted the market is going through a challenging period and the Plans are holding up well compared to the overall market. He added that the supply chain continues to have stresses and disruptions due to COVID-19 with China being in another lockdown.

Supply chain stresses remain present

As China remains committed to a zero covid policy, recent lockdowns of Shanghai and Beijing surrounding provinces continue put pressure on supply chains and global trade flows



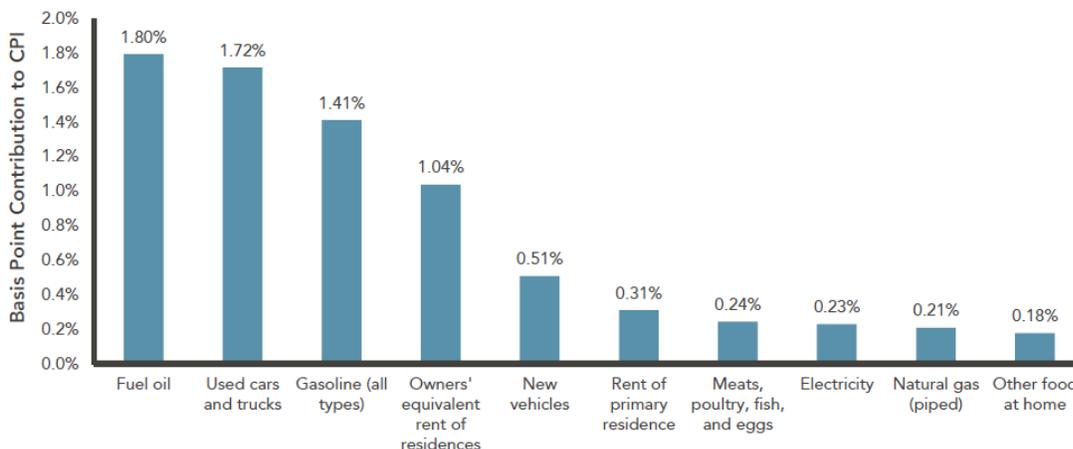
Sources: Bloomberg, University of Michigan as of April 30, 2022; index levels normalized to 100 as of May 2019.

Mr. Obed also noted the top contributors to inflation remained consistent. The CPI has hit the highest level on record since 1981 and the Fed is trying to combat inflation by raising interest rates. However, the market can have negative reactions to rate hikes so this must be done slowly. It is expected that once interest rates rise, spending will decrease which will be deflationary. The last rate hike was 50 basis points which is higher than usually seen.

Top contributors of inflation remain persistent

CPI continues to be led by energy, used cars and trucks, and rents. Additional inflationary contributors not yet measured such as the increased price of food inputs will continue to drive CPI higher

Top Ten Contributors to CPI



Source: Bloomberg as of April 30, 2022

For the Fixed Income equities, Mr. Obed noted April was a tough month, with indices down 3.8% for the month and 9.5% YTD. This asset class has more impact due to inflation. It is also negatively impacted when interest rates are raised.

Tighter monetary policy and higher real yields weigh on fixed income

Inflation fears drove rates higher, while attractive real yields pushed spreads wider

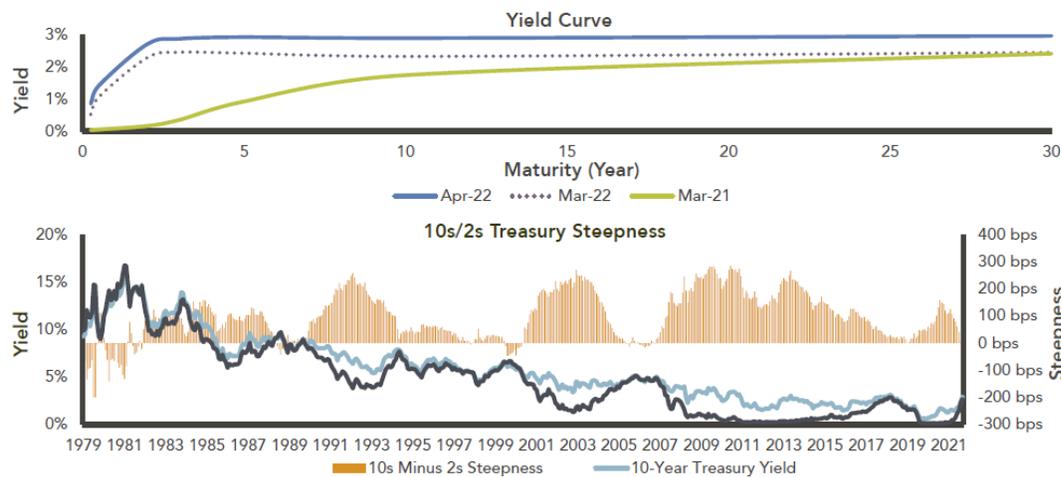
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Blm BC Aggregate	-3.8	-3.8	-9.5	-8.5	0.4	1.2	1.7
Intermediate Indices	Blm BC Int. Gov./Credit	-2.0	-2.0	-6.4	-6.5	0.8	1.3	1.5
Government Only Indices	Blm BC Long Gov.	-8.9	-8.9	-18.5	-12.2	0.7	1.7	2.6
	Blm BC Int. Gov.	-1.6	-1.6	-5.7	-6.0	0.5	0.9	1.0
	Blm BC 1-3 Year Gov.	-0.5	-0.5	-3.0	-3.5	0.6	0.9	0.8
	Blm BC U.S. TIPS	-2.0	-2.0	-5.0	0.7	5.4	3.9	2.3
Credit Indices	Blm BC U.S. Long Credit	-9.6	-9.6	-19.8	-14.9	0.7	2.3	3.8
	Blm BC High Yield	-3.6	-3.6	-8.2	-5.2	2.8	3.7	5.3
	CS Leveraged Loan Index	0.2	0.2	0.1	2.9	3.6	4.0	4.4
Securitized Bond Indices	Blm BC MBS	-3.5	-3.5	-8.3	-8.8	-0.6	0.5	1.3
	Blm BC ABS	-0.8	-0.8	-3.6	-3.9	1.0	1.5	1.5
	Blm BC CMBS	-2.3	-2.3	-7.7	-7.5	1.0	1.8	2.5
Non-U.S. Indices	Blm BC Global Aggregate Hedged	-2.7	-2.7	-7.5	-6.7	0.4	1.6	2.5
	JPM EMBI Global Diversified	-5.6	-5.6	-15.1	-14.5	-2.0	0.2	3.0
	JPM GBI-EM Global Diversified	-6.0	-6.0	-12.1	-15.9	-3.1	-1.3	-1.4
Municipal Indices	Blm BC Municipal 5 Year	-1.6	-1.6	-6.7	-6.5	0.3	1.0	1.5
	Blm BC HY Municipal	-3.6	-3.6	-9.8	-6.2	2.6	4.3	4.8

Note: The local currency GBI index is hedged and denominated in U.S. dollars. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of April 30, 2022

Mr. Obed noted that if the economic perspective is negative, yield curve inversion is possible and is generally a precursor to recession.

Curve ascends higher

The curve is basically flat from 3-years to 30-years as the back end sold off on rising inflation fears



Source: Federal Reserve as of April 30, 2022

Mr. Obed stated that US stocks were down 8.7% for the month of April and are continuing to go through a sell off.

The year-to-date U.S. equities sell-off deepens in April

April marked the largest monthly drawdown for most indices since March of 2020, led by growth-oriented stocks across the size spectrum

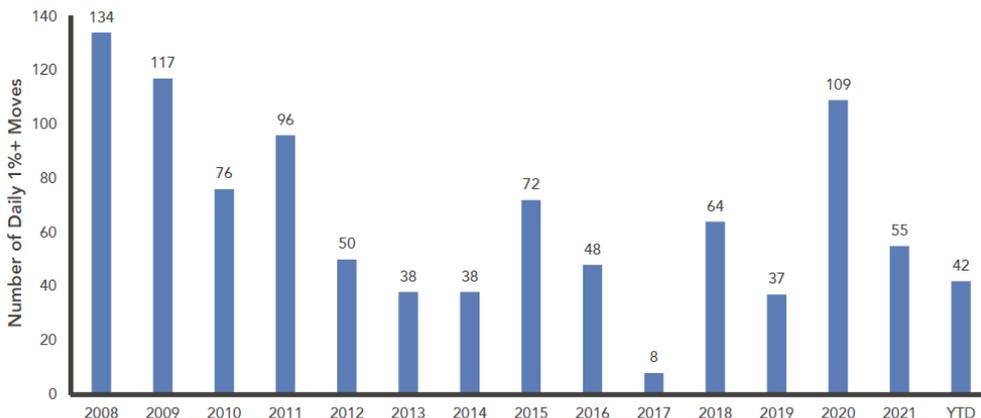
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	-4.8	-4.8	-8.7	-0.8	9.8	12.0	12.2
	Wilshire 5000	-9.0	-9.0	-13.5	-2.3	13.5	13.2	13.4
	Russell 3000	-9.0	-9.0	-13.8	-3.1	13.1	13.0	13.3
Large-Cap Market Indices	S&P 500	-8.7	-8.7	-12.9	0.2	13.8	13.7	13.7
	Russell 1000	-8.9	-8.9	-13.6	-2.1	13.6	13.4	13.5
	Russell 1000 Value	-5.6	-5.6	-6.3	1.3	9.6	9.1	11.2
	Russell 1000 Growth	-12.1	-12.1	-20.0	-5.3	16.7	17.3	15.6
Mid-Cap Market Indices	Russell Mid-Cap	-7.7	-7.7	-12.9	-6.1	10.5	10.7	12.0
	Russell Mid-Cap Value	-5.9	-5.9	-7.7	0.0	10.2	8.6	11.4
	Russell Mid-Cap Growth	-11.3	-11.3	-22.4	-16.7	8.7	12.1	12.2
Small-Cap Market Indices	Russell 2000	-9.9	-9.9	-16.7	-16.9	6.7	7.2	10.1
	Russell 2000 Value	-7.8	-7.8	-10.0	-6.6	8.4	6.7	9.8
	Russell 2000 Growth	-12.3	-12.3	-23.3	-26.4	4.1	7.1	9.9

Source: Morningstar Direct as of April 30, 2022

Mr. Obed noted there has been substantial daily price volatility in the S&P 500. There have been more than 45 days this year where changes in the market were +/- 1%. The expectation is there will continue to be more volatility in the market.

Substantial daily price volatility for the S&P 500

The number of daily price movements of +/-1% or greater for the S&P 500 index has been significant to start 2022 and is on pace to eclipse figures from last year



Source: Bloomberg as of April 30, 2022

Mr. Obed noted that non-US stocks have also gone through challenges in 2022, currently down 8.0% in April and 12.9% YTD.

Global stocks continue slide amid widespread pullback

All major global and non-U.S. equity indices posted negative returns during the month of April, in part due to elevated inflation, souring economic growth expectations, and a strong U.S. Dollar

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	-8.0	-8.0	-12.9	-5.4	9.4	9.5	9.2
	MSCI ACWI ex. U.S.	-6.3	-6.3	-11.4	-10.3	4.3	4.9	5.0
Developed Markets Indices	MSCI EAFE	-6.5	-6.5	-12.0	-8.1	4.4	4.8	5.8
	MSCI EAFE Local	-1.4	-1.4	-5.1	3.4	6.5	6.0	8.8
Emerging Markets Indices	MSCI Emerging Markets	-5.6	-5.6	-12.1	-18.3	2.2	4.3	2.9
	MSCI EM Local	-3.5	-3.5	-9.4	-14.4	4.1	6.2	6.0
Small-Cap Market Indices	MSCI EAFE Small-Cap	-6.9	-6.9	-14.8	-13.7	4.9	5.0	7.6
	MSCI EM Small-Cap	-5.0	-5.0	-9.1	-5.5	9.9	6.5	5.0
Frontier Markets Index	MSCI Frontier	-2.7	-2.7	-10.4	-0.4	6.2	5.1	5.7

Source: Bloomberg as of April 30, 2022

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that General Plan returns have been in line with the market as a whole and are doing as well as can be hoped. He added that with 25% of the portfolio in the fixed income class, that class's downturn will be reflected in the market value of the portfolios. He also noted that the market is resilient and will continue to go through boom and bust cycles. Chairman Sims asked if Marquette was satisfied with the current allocation strategy for the next 9 – 12 months and Mr. Obed stated he felt segments of the market, such as technology, could not support the prices they were getting and the free fall of the market would settle to a point of equilibrium. He felt the market will settle to a new normal with corrected prices for timber, housing and energy.

He provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of April 30, 2022.

MTD Performance (as of 4/30/2022)

Total Fund Composite: -5.9%
Total Fund Policy Benchmark: -6.2%

FYTD Performance (as of 4/30/2022)

Total Fund Composite: -7.4%
Total Fund Policy Benchmark: -8.0%

YTD Performance (as of 4/30/2022)

Total Fund Composite: -11.2%

Total Fund Policy Benchmark: -11.0%

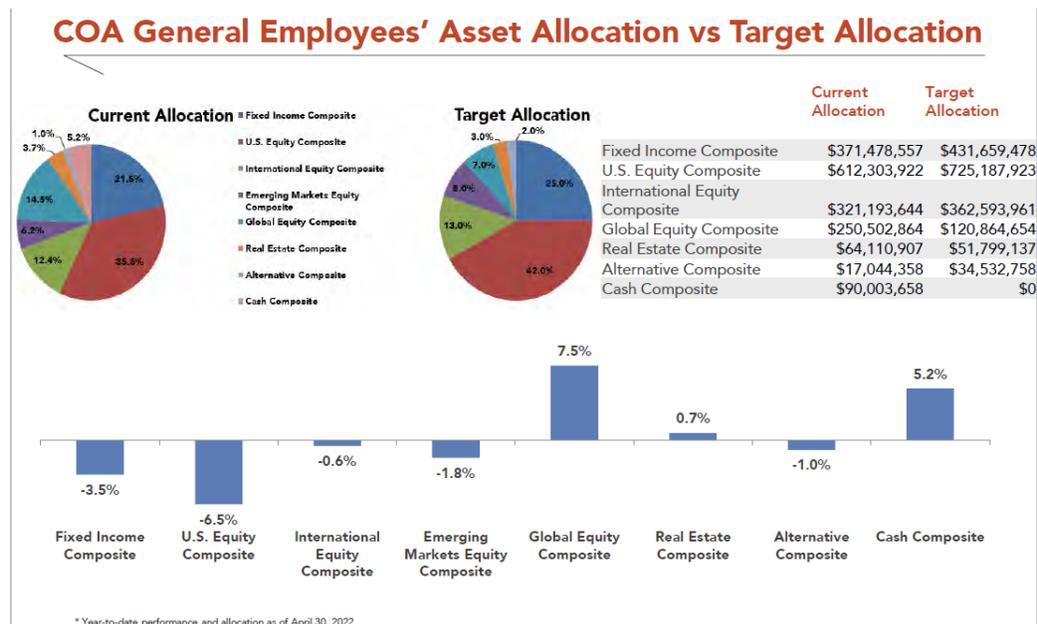
Mr. Obed looked at the top and bottom performers in the General Plan and noted that the top performers are a mix of Value and Quality managers while the bottom performers are more growth oriented. He also noted that the asset allocation has been devised to hit a target rate of return.

COA General Employees' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest Partners EM	-6.6%	-12.1%	Emerging Markets Equity
Artisan	-7.1%	-12.0%	International Equity
Earnest Partners SCC	-12.2%	-16.7%	U.S. Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Brown Capital SC	-27.5%	-12.6%	International Equity
Hardman Johnston	-22.6%	-11.4%	International Equity
Legato SCG	-24.6%	-23.3%	U.S. Equity

Mr. Obed reviewed the General Plan current asset allocation versus the target allocation and noted that the Plan is carrying slightly more cash than usual.



Performance Overview – Police Officers’ Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of April 30, 2022. The Plan had similar results compared to the General Plan for the same reasons.

MTD Performance (as of 4/30/2022)

Total Fund Composite: -6.0%
 Total Fund Policy Benchmark: -6.1%

FYTD Performance (as of 4/30/2022)

Total Fund Composite: -8.8%
 Total Fund Policy Benchmark: -8.5%

YTD Performance (as of 4/30/2022)

Total Fund Composite: -11.9%
 Total Fund Policy Benchmark: -11.2%

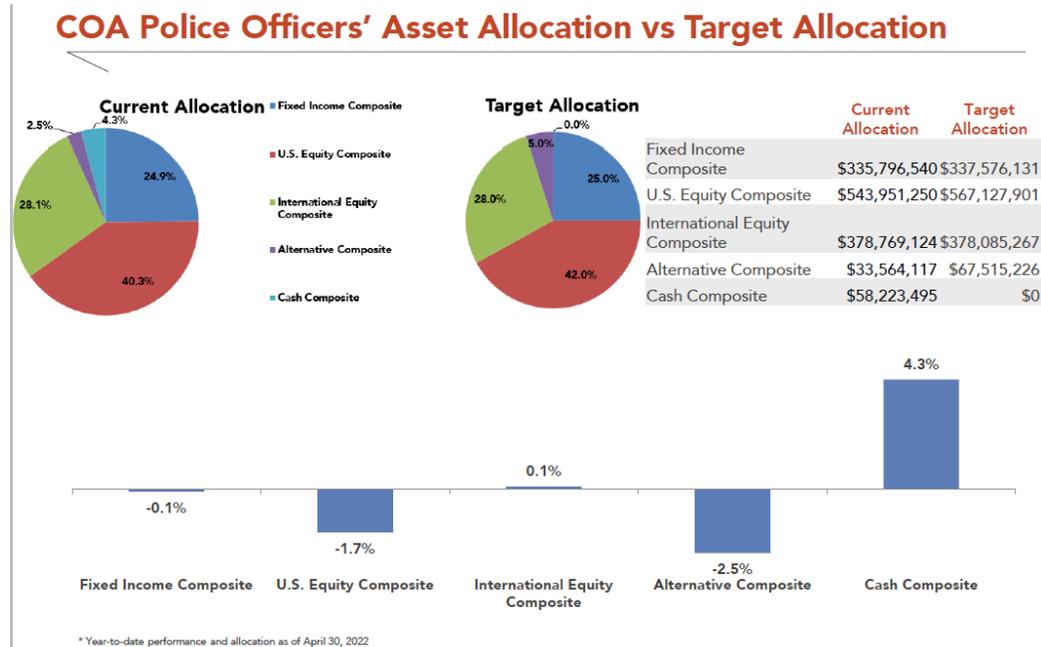
Mr. Obed looked at the top and bottom performers in the Police Officers’ Plan and noted the bottom performers are all growth leaning managers.

COA Police Officers’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Artisan Partners	-7.1%	-12.0%	International Equity
Earnest SCC	-12.2%	-16.7%	U.S. Equity
Macquarie SCC	-13.6%	-16.7%	U.S. Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Brown SC	-27.5%	-12.6%	International Equity
Hardman Johnston	-22.6%	-11.4%	International Equity
Driehaus SCG	-29.0%	-23.3%	U.S. Equity

Mr. Obed reviewed the Police Officers' Plan current asset allocation versus the target allocation and noted that the Plan is carrying slightly more cash than usual.



Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of April 30, 2022.

MTD Performance (as of 4/30/2022)

Total Fund Composite: -6.2%
 Total Fund Policy Benchmark: -6.4%

FYTD Performance (as of 4/30/2022)

Total Fund Composite: -9.8%
 Total Fund Policy Benchmark: -8.9%

YTD Performance (as of 4/30/2022)

Total Fund Composite: -12.7%
 Total Fund Policy Benchmark: -11.9%

Mr. Obed looked at the top and bottom performers in the Fire Fighters’ Plan and noted that the bottom performers, Brown, Hardman and Driehaus, are all growth leaning managers. He also noted that Garcia Hamilton is doing well compared to the benchmark for Fixed Income managers due to their strategy.

COA Firefighters' Manager Contribution – YTD Performance

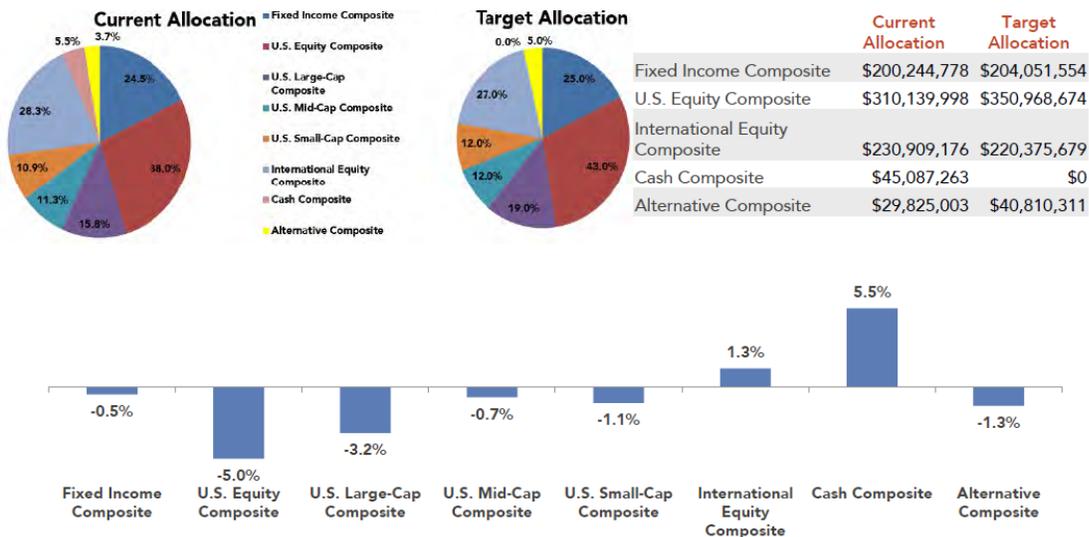
Top Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	-12.3%	-16.7%	U.S. Equity
Garcia Hamilton	-7.7%	-9.5%	Fixed Income

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Brown SC	-27.5%	-12.6%	International Equity
Hardman Johnston	-22.6%	-11.4%	International Equity
Driehaus SCG	-29.0%	-23.3%	U.S. Equity

* Year-to-date performance as of April 30, 2022

Mr. Obed reviewed the Fire Fighters' Plan current asset allocation versus the target allocation and noted that the Plan is carrying slightly more cash than usual to offset the volatility of the market.

COA Firefighters' Asset Allocation vs Target Allocation



* Year-to-date performance and allocation as of April 30, 2022

Mr. Obed also pointed out that, overall, while April was a tough month for the market, the Plans did a little better than market and there is no recommendation to make changes at this time. Mr. Light asked if

more rate hikes were planned and Mr. Obed replied that 8 rate hikes were targeted for 2022. Mr. Obed noted that there have been 2 already this year and more are on the horizon. He also noted that it is not expected that inflation will be at the same level at this time next year.

VII. NEW BUSINESS

Deloitte Project Update

Mr. Helms and Ms. Chen from Deloitte gave an update on the Pension Data project. Mr. Helms noted that the project is on track to be complete in January 2023 as planned.

Ms. Chen presented the project timeline and noted that the initial phase of project kick-off and setup of the database is complete and Deloitte now has access to the City data. She reported that Deloitte was now in the second phase of the project which is diving into the calculations and data analysis. They also have found refund information going back to the 1970s and obtained the pay history from 1994. All data has been combined into a single database. The population currently being reviewed is those hired prior to 2010. Deloitte has also completed an enhancement of their templates to streamline the review process.

Ms. Chen showed the Active Population Count by Plan that will require detailed service history calculations. Overall, 44% of the 2,589 participants identified will require a detailed review to determine if their service is accurate. The other 56% will be spot checked to ensure that their data is correct.

Ms. Chen stated that the next steps in the project will be to perform initial service history reviews to identify discrepancies and determine if there are periods of service that require additional research for actives in the scope of the project. She added that the majority of Phase 2 would be spent on this analysis.

The Committee discussed the Annual Pension Benefit Statements that had been sent in prior years. It was determined that, after the data cleanup is complete, real-time updates could be seen on the On-Line Data Modeler. If paper statements were still wanted, SBA could send those in 2023 with information current as of 12/31/2022. It was also discussed that SBA is working with the HR Department to determine how to best present information on the modeler to employees who do not have daily access to computers, most specifically to the General Plan participants who work in the field.

VIII. OLD BUSINESS

There was no old business to discuss.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions from the audience.

X. DATE OF NEXT MEETING

The next Board meeting will be held on June 22, 2022. The meeting will be in person at Atlanta City Hall in Committee Room 1.

XI. ADJOURNMENT

There being no further business to be brought before the Board at this time at 11:17 a.m.
Chairman Sims called for adjournment.

Respectfully Submitted,

Chairman, Frank Sims

These minutes were adopted on _____, 2022