

CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING

February 15, 2023

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

David Brand	Chairman	Present
Lisa Gordon	Vice-Chairman	Present
Mohamed Balla	City of Atlanta, CFO	Absent
Tarlesha Smith	City of Atlanta, HR Commissioner	Present
Antonio Lewis	Atlanta City Council Member	Absent
Howard Shook	Atlanta City Council Member	Absent
Jason Winston	Atlanta City Council Member	Present
Alfred Berry, Jr.	General Employees' Pension Plan – City	Present
Lisa Bracken	General Employees' Pension Plan – APS	Absent
Quentin Hutchins	General Employees' Pension Plan – APS	Present
Brent Hullender	Fire Fighters' Pension Plan	Present
Rick Light	Police Officers' Pension Plan	Present

Others Present

Mary Shah	Strategic Benefits Advisors
Lori Pocock	Strategic Benefits Advisors
Eric Dec	City of Atlanta, Legal
Youlanda Carr	City of Atlanta, Deputy CFO
Marlo Crossley	City of Atlanta, Finance
Fumnanya Johnson	City of Atlanta, Finance
Delisha Robinson	City of Atlanta, Finance
Karen Sutton	City of Atlanta, Finance
Beryl Taylor	City of Atlanta, Finance
Michael Naftaniel	City of Atlanta, Employee Benefits Director
Agatha Hector	City of Atlanta, Pension Administration
Amanda Rouser	City of Atlanta, Pension Administration
Rosie Woods	City of Atlanta, Pension Administration
Chelsea Deppert	Morris, Manning & Martin
Ed Emerson	Morris, Manning & Martin
Kweku Obed	Marquette Associates
Alberto Rivera	Marquette Associates
Jeanette Cooper	Segal
Derek Batts	Union Heritage
Benjamin Hymes	Legato
William Roach	Globalt
David Settles	State Street
Jason Simpson	Garcia Hamilton

I. CALL TO ORDER

Chairman Brand called the meeting to order at 10:10 a.m. Chairman Brand noted that a quorum was present for the meeting and the meeting was being held both in-person and via Webex Teleconference. It was also noted that Investment Managers were in attendance.

II. ADOPTION OF AGENDA

Chairman Brand asked if there were any changes to the agenda and there were none.

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

III. PUBLIC COMMENT

There was no public comment at this time.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the January 18, 2023 regularly scheduled meeting which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the January 18, 2023 Minutes, a motion was made by Ms. Gordon to approve the Minutes as written. The motion was seconded by Mr. Light. The motion unanimously carried and the January Minutes were approved.

V. ATTORNEY'S REPORT

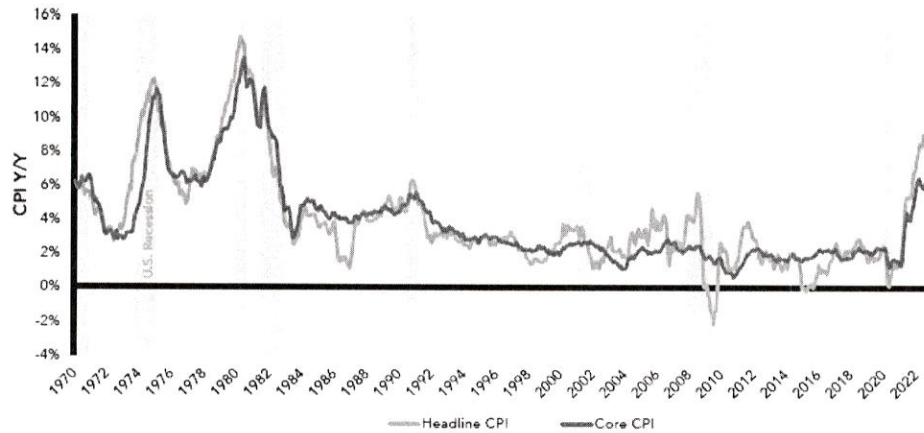
Neither Mr. Emerson nor Mr. Dec had anything to report this month.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Obed walked through the market environment and performance for the three Plans. He noted that 2022 was a very tough year with little opportunity for good news, but noted he had more positive updates to report today. Mr. Obed stated that inflation had caused a lot of market turbulence in 2022 and in response to rising inflation, there was a corresponding rise in interest rates. As interest rates went up, fixed income returns went down.

Inflation easing

Inflation has continued off the peak, with relief in shelter still to come; a correction in recent goods deflation could add back pressure



Source: Bloomberg, Bureau of Labor Statistics as of January 31, 2023

Mr. Obed noted that 2023 has been rewarding for the markets so far this year, with Fixed Income returns becoming positive.

Fixed income performance

Fixed income indices started 2023 strong as rates rallied and spreads compressed on the back of easing inflation and slowing rate hikes

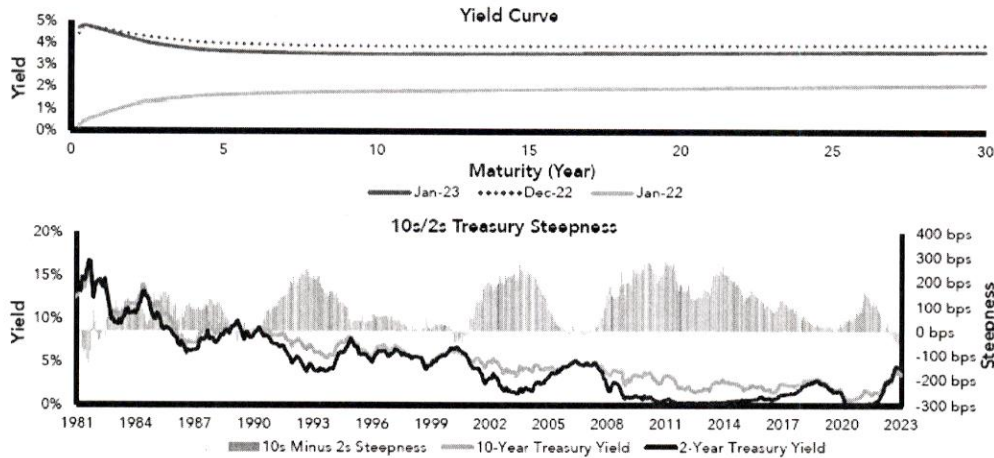
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	3.1	3.1	3.1	-8.4	-2.3	0.9	1.4
Intermediate Index	Blm Int. Gov./Credit	1.9	1.9	1.9	-5.1	-1.1	1.3	1.3
Government Only Indices	Blm Long Gov.	6.4	6.4	6.4	-21.4	-7.5	-0.3	1.6
	Blm Int. Gov.	1.6	1.6	1.6	-5.0	-1.3	1.0	0.9
	Blm 1-3 Year Gov.	0.7	0.7	0.7	-2.4	-0.4	1.0	0.7
	Blm U.S. TIPS	1.8	1.8	1.8	-8.4	1.1	2.7	1.4
Credit Indices	Blm U.S. Long Credit	6.7	6.7	6.7	-15.6	-5.0	0.8	3.0
	Blm High Yield	3.8	3.8	3.8	-5.2	1.3	3.0	4.3
	CS Leveraged Loan Index	2.6	2.6	2.6	1.1	3.0	3.5	3.9
Securitized Bond Indices	Blm MBS	3.3	3.3	3.3	-7.5	-2.4	0.3	1.1
	Blm ABS	1.4	1.4	1.4	-2.4	0.0	1.5	1.4
	Blm CMBS	2.6	2.6	2.6	-7.1	-1.6	1.5	1.9
Non-U.S. Indices	Blm Global Aggregate Hedged	2.3	2.3	2.3	-7.7	-2.4	1.0	2.0
	JPM EMBI Global Diversified	3.2	3.2	3.2	-12.7	-4.8	-0.7	2.0
	JPM GBI-EM Global Diversified	4.7	4.7	4.7	-7.9	-4.4	-2.5	-1.7
Municipal Indices	Blm Municipal 5 Year	2.0	2.0	2.0	-0.9	0.0	1.7	1.7
	Blm HY Municipal	4.4	4.4	4.4	-6.6	0.0	3.7	3.8

Source: Bloomberg, Credit Suisse, JPMorgan as of January 31, 2023. The local currency GBI index is hedged and denominated in U.S. dollars.

He also noted there is still an inversion of the yield curve which is usually a prediction of recession.

U.S. Treasury yield curve and steepness

The inversion of the yield curve between 2- and 10-year Treasuries continues to persist as the Fed has not yet signaled a pivot in policy



Source: Federal Reserve as of January 31, 2023

Mr. Obed stated the US Equity market is off to a good start for the year.

U.S. equity performance

All major domestic equity indices posted a strong start to 2023

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	2.9	2.9	2.9	-0.9	8.7	7.8	12.0
	Wilshire 5000	6.9	6.9	6.9	-8.2	9.8	9.3	12.4
	Russell 3000	6.9	6.9	6.9	-8.2	9.5	9.1	12.3
Large-Cap Market Indices	S&P 500	6.3	6.3	6.3	-8.2	9.9	9.5	12.7
	Russell 1000	6.7	6.7	6.7	-8.5	9.7	9.4	12.5
	Russell 1000 Value	5.2	5.2	5.2	-0.4	8.5	6.9	10.1
	Russell 1000 Growth	8.3	8.3	8.3	-16.0	9.9	11.2	14.5
Mid-Cap Market Indices	Russell Mid-Cap	8.3	8.3	8.3	-3.3	9.0	8.0	11.1
	Russell Mid-Cap Value	8.1	8.1	8.1	-0.7	9.3	6.9	10.2
	Russell Mid-Cap Growth	8.7	8.7	8.7	-8.5	6.5	8.3	11.7
Small-Cap Market Indices	Russell 2000	9.7	9.7	9.7	-3.4	7.5	5.5	9.4
	Russell 2000 Value	9.5	9.5	9.5	-0.5	9.9	5.8	8.8
	Russell 2000 Growth	9.9	9.9	9.9	-6.5	4.3	4.7	9.5

Source: Bloomberg as of January 31, 2023

He also noted that the global markets are off to a good start as well, with returns in positive territory.

Global equity performance

International equities started the year on a strong note

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	7.2	7.2	7.2	-8.0	6.8	5.5	8.2
	MSCI ACWI ex. U.S.	8.1	8.1	8.1	-5.7	3.6	1.4	4.2
Developed Markets Indices	MSCI EAFE	8.1	8.1	8.1	-2.8	4.3	2.1	4.9
	MSCI EAFE Local	6.3	6.3	6.3	2.6	6.2	4.8	7.6
Emerging Markets Indices	MSCI Emerging Markets	7.9	7.9	7.9	-12.1	1.4	-1.5	2.1
	MSCI EM Local	6.5	6.5	6.5	-8.4	3.4	1.2	5.1
Small-Cap Market Indices	MSCI EAFE Small-Cap	7.5	7.5	7.5	-8.9	2.5	0.4	6.4
	MSCI EM Small-Cap	5.9	5.9	5.9	-9.1	8.6	1.1	3.5
Frontier Markets Index	MSCI Frontier	4.5	4.5	4.5	-20.2	-2.2	-2.7	2.9

Source: Bloomberg as of January 31, 2023

Mr. Berry asked if there was thought of adding more active managers to the portfolio and Mr. Obed remarked that any portfolio has a blend of active and passive managers. He added that when the investment sub-committee meets later today, they will look at areas where there are more active managers.

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that the General Plan had a strong return in January and is also up 7.7% Fiscal Year-To-Date. He also noted the long-term return is up 8.5% over the past 10 years

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 January 31, 2023.

MTD Performance (as of 1/31/2023)

Total Fund Composite: 5.8%
Total Fund Policy Benchmark: 5.7%

FYTD Performance (as of 1/31/2023)

Total Fund Composite: 7.7%
Total Fund Policy Benchmark: 6.7%

YTD Performance (as of 1/31/2023)

Total Fund Composite: 5.8%
Total Fund Policy Benchmark: 5.7%

Mr. Obed presented the top and bottom performers in the General Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

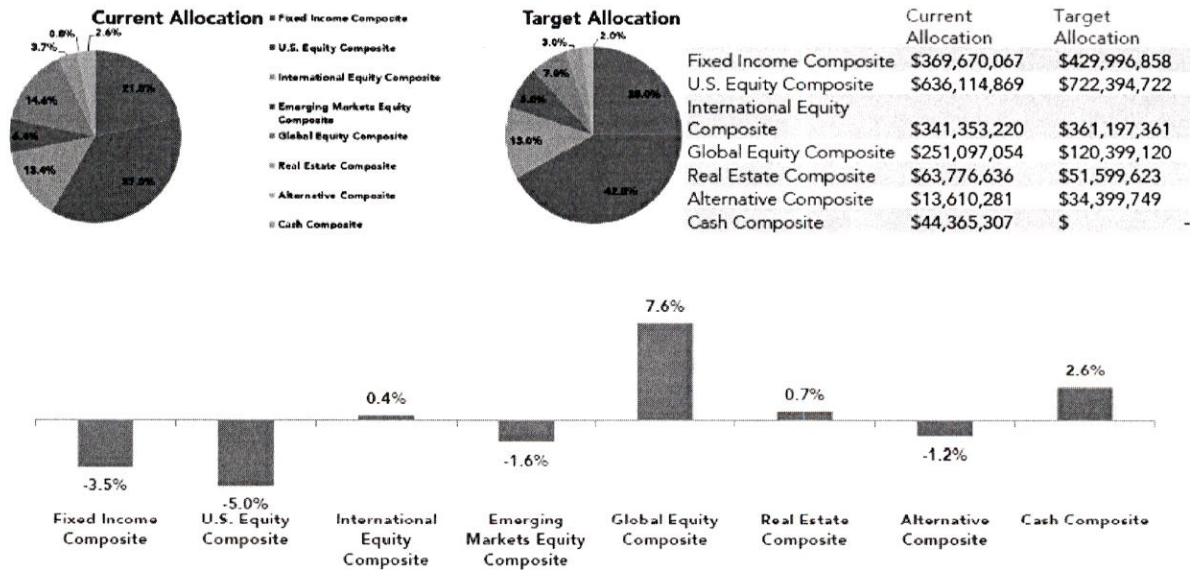
COA General Employees' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Goldman Sachs EM	10.4%	7.9%	Emerging Markets Equity
Channing	11.4%	9.5%	U.S. Equity
Hardman Johnston	9.6%	8.1%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Union Heritage	3.5%	6.3%	U.S. Equity
Brown Capital SC	5.8%	7.2%	International Equity

Mr. Obed showed the actual versus target allocation for the General Plan and noted there will be asset allocation discussions with the investment sub-committee later today.

COA General Employees' Asset Allocation vs Target Allocation



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 January 31, 2023. The Police Officers’ Plan had similar results compared to the General Plan, with a good rebound for the month. The Plan is up 7.7% over the past 10 years.

MTD Performance (as of 1/31/2023)

Total Fund Composite: 5.8%
 Total Fund Policy Benchmark: 5.7%

FYTD Performance (as of 1/31/2023)

Total Fund Composite: 8.1%
 Total Fund Policy Benchmark: 7.6%

YTD Performance (as of 1/31/2023)

Total Fund Composite: 5.8%
 Total Fund Policy Benchmark: 5.7%

Mr. Obed presented the top and bottom performers in the Police Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

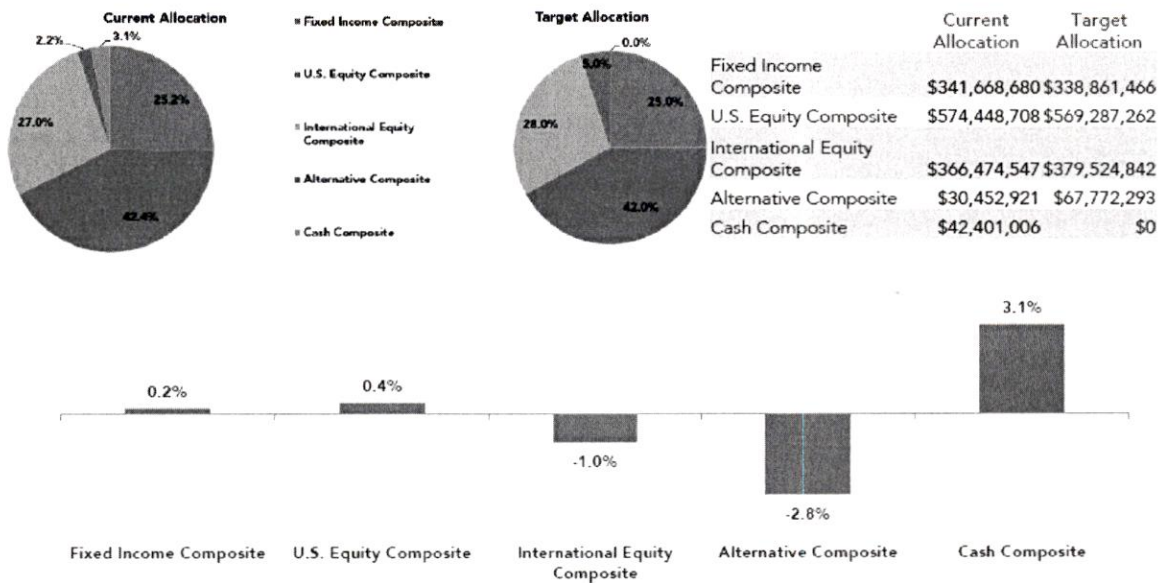
COA Police Officers’ Manager Contribution – YTD Performance

<u>Top Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Goldman Sachs	10.4%	7.9%	Emerging Markets
Hardman Johnston	9.6%	8.1%	International Equity
Earnest SCC	10.8%	9.7%	U.S. Equity

<u>Bottom Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Driehaus SCG	6.0%	9.9%	U.S. Equity
Macquarie SCC	8.1%	9.7%	U.S. Equity
Brown SC	5.8%	7.2%	International Equity

Mr. Obed showed the actual versus target allocation for the Police Plan and noted there will be asset allocation discussions with the investment sub-committee later today.

COA Police Officers' Asset Allocation vs Target Allocation



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 January 31, 2023. He noted the Fire Fighters’ Plan returns are similar to Police and General Plan returns. The Plan is up 7.2% over the past 10 years.

MTD Performance (as of 1/31/2023)

Total Fund Composite: 5.6%
 Total Fund Policy Benchmark: 5.5%

FYTD Performance (as of 1/31/2023)

Total Fund Composite: 7.1%
 Total Fund Policy Benchmark: 6.8%

YTD Performance (as of 1/31/2023)

Total Fund Composite: 5.6%
 Total Fund Policy Benchmark: 5.5%

Mr. Obed presented the top and bottom performers in the Fire Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

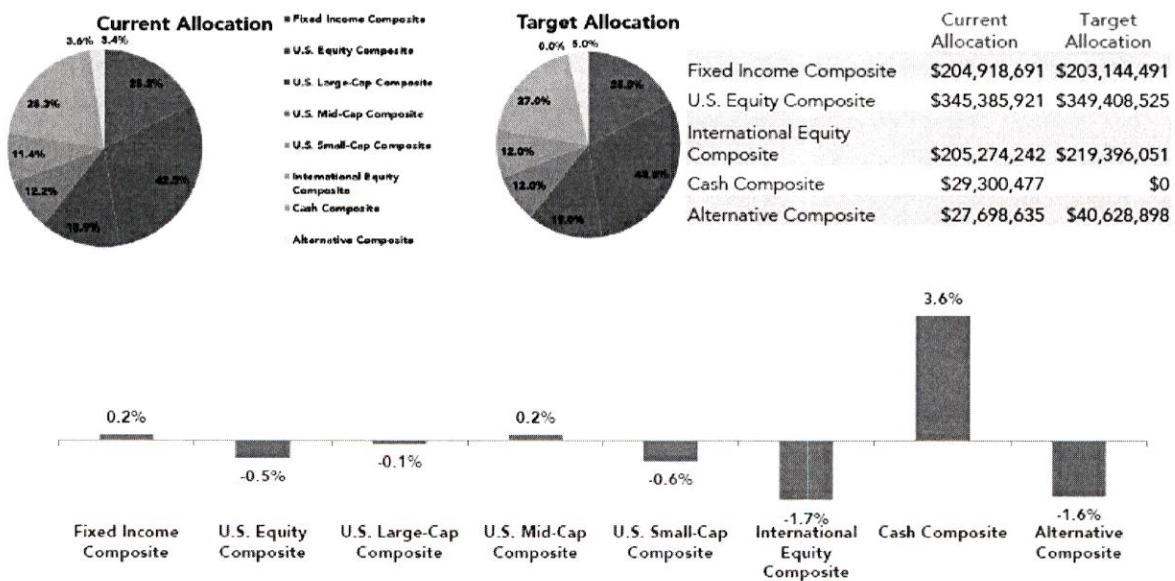
COA Firefighters' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Goldman Sachs	10.4%	7.9%	Emerging Markets
Hardman Johnston	9.6%	8.1%	International Equity
Earnest SCC	10.8%	9.7%	U.S. Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Driehaus SCG	6.0%	9.9%	U.S. Equity
Brown SC	5.8%	7.2%	International Equity

Mr. Obed showed the actual versus target allocation for the Fire Plan and noted there will be asset allocation discussions with the investment sub-committee later today.

COA Firefighters' Asset Allocation vs Target Allocation



VII. NEW BUSINESS

Securities Monitoring Update

A motion was made by Mr. Hullender to enter Executive Session at 10:29 a.m. to discuss security litigation topics surrounding Bioventis. The motion was seconded by Mr. Berry. The motion unanimously carried and the Board entered Executive Session.

A motion was made by Mr. Hullender to exit Executive Session at 10:43 a.m. The motion was seconded by Mr. Berry. The motion unanimously carried and the Board exited Executive Session.

A motion was made by Mr. Hullender to move forward with the securities litigation against Bioventis, Inc. and to retain Robbins Geller Rudman & Dowd LLP to represent all Plans. The motion was seconded by Mr. Berry. The motion unanimously carried.

VIII. OLD BUSINESS

There was no Old Business to discuss this month.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions or comments at this time.

X. DATE OF NEXT MEETING

The next Board meeting will be held on Thursday, March 16, 2023. 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 10:44 a.m. Chairman Brand called for adjournment.

Respectfully Submitted,



David Brand, Chairman

These minutes were adopted on March 16, 2023