

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

November 15, 2023

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

David Brand	Chairman	Present
Lisa Benjamin	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	Present
Quentin Hutchins	General Employees' Pension Plan – APS	Present
Brent Hullender	Firefighters' Pension Plan	Absent
Rick Light	Police Officers' Pension Plan	Absent

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
Pamela Goins	City of Atlanta, Finance
Michael Naftaniel	City of Atlanta Employee Benefits Director
Kweku Obed	Marquette Associates
Robert Burrell	Segal
Jeanette Cooper	Segal
Derek Batts	Union Heritage
Joseph McLane	Macquarie
Sam Starkey	

I. CALL TO ORDER

Chairman Brand called the meeting to order at 10:05 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

A motion was made by Ms. Benjamin to approve the Agenda as presented. The motion was seconded by Mr. Winston. 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 October 18, 2023 regularly scheduled meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the October 18, 2023 Minutes, a motion was made by Ms. Benjamin to approve the Minutes as presented. The motion was seconded by Mr. Winston. The motion unanimously carried and the October Minutes were approved.

V. ATTORNEY’S REPORT

Mr. Dec stated the RFI for additional securities litigation monitoring firms has gone out and the deadline for response is December 15, 2023.

VI. INVESTMENT CONSULTANT REPORT – Marquette Associates

Mr. Obed walked through the market environment for October 2023. He noted that the month of October typically sees negative returns and there was a sell off this year. November and December typically have a strong finish to end the year. The sell off in October was driven by Fed policy with rates going up. There was also geopolitical uncertainty with the situation in the Middle East.

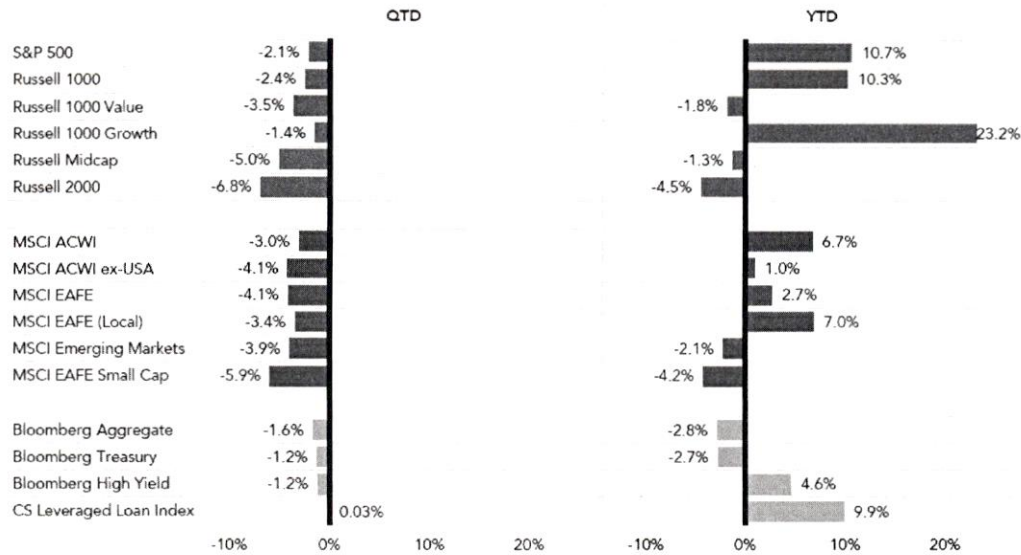
Year-to-date returns

2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	5yr	10yr
Large Cap 10.7%	Commodities 26.0%	Commodities 40.4%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Bank Loans 1.1%	Emerging Markets 37.3%	Small Cap 21.3%	Intl Small Cap 9.6%	Large Cap 13.7%	Large Cap 11.0%	Large Cap 11.2%
Bank Loans 9.9%	Bank Loans -1.1%	Large Cap 28.7%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Core Bond 0.0%	Intl Small Cap 33.0%	High Yield 17.1%	Large Cap 1.4%	Mid Cap 13.2%	Broad U.S. Equities 10.2%	Broad U.S. Equities 10.5%
Broad U.S. Equities 9.4%	High Yield -11.2%	Broad U.S. Equities 25.7%	Large Cap 18.4%	Mid Cap 30.5%	High Yield -2.1%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Core Bond 0.5%	Broad U.S. Equities 12.6%	Mid Cap 7.1%	Mid Cap 8.1%
High Yield 4.6%	Core Bond -13.0%	Mid Cap 22.6%	Emerging Markets 18.3%	Small Cap 25.5%	Large Cap -4.4%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Commodities 5.9%	Small Cap 5.6%
Commodities 2.8%	Intl Large Cap -14.5%	Small Cap 14.8%	Mid Cap 17.1%	Intl Small Cap 25.0%	Broad U.S. Equities -5.2%	Large Cap 21.8%	Large Cap 12.0%	Bank Loans -0.4%	Small Cap 4.9%	Bank Loans 4.3%	Bank Loans 4.3%
Intl Large Cap 2.7%	Broad Intl Equities -16.0%	Intl Large Cap 11.3%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Mid Cap -9.1%	Broad U.S. Equities 21.1%	Commodities 11.4%	Intl Large Cap -0.8%	High Yield 2.5%	Intl Large Cap 4.1%	High Yield 3.9%
Broad Intl Equities 1.0%	Mid Cap -17.3%	Intl Small Cap 10.1%	Broad Intl Equities 10.7%	Broad Intl Equities 21.5%	Small Cap -11.0%	Mid Cap 18.5%	Emerging Markets 11.2%	Mid Cap -2.4%	Bank Loans 2.1%	Broad Intl Equities 3.5%	Intl Small Cap 3.4%
Mid Cap -1.3%	Large Cap -18.1%	Broad Intl Equities 7.8%	Intl Large Cap 7.8%	Emerging Markets 18.4%	Intl Large Cap -13.8%	Small Cap 14.6%	Bank Loans 9.9%	Small Cap -4.4%	Emerging Markets -2.2%	Small Cap 3.3%	Intl Large Cap 3.1%
Emerging Markets -2.1%	Broad U.S. Equities -19.2%	Bank Loans 5.4%	Core Bond 7.5%	Commodities 17.6%	Commodities -13.8%	High Yield 7.5%	Broad Intl Equities 4.5%	High Yield -4.5%	Broad Intl Equities -3.9%	High Yield 3.1%	Broad Intl Equities 2.5%
Core Bond -2.8%	Emerging Markets -20.1%	High Yield 5.3%	High Yield 7.1%	High Yield 14.3%	Broad Intl Equities -14.2%	Commodities 5.8%	Core Bond 2.6%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Intl Small Cap 1.6%	Emerging Markets 1.2%
Intl Small Cap -4.2%	Small Cap -20.4%	Core Bond -1.5%	Bank Loans 2.8%	Core Bond 8.7%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Small Cap 2.2%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Emerging Markets 1.0%	Core Bond 0.9%
Small Cap -4.5%	Intl Small Cap -21.4%	Emerging Markets -2.5%	Commodities -23.7%	Bank Loans 8.2%	Intl Small Cap -17.9%	Core Bond 3.5%	Intl Large Cap 1.0%	Commodities -32.9%	Commodities -33.1%	Core Bond -0.1%	Commodities -2.8%

Source: Bloomberg as of October 31, 2023. Please see end of document for benchmark information.

Mr. Obed noted the last three months have all been negative, but most indexes are positive year to date for most asset classes. The markets have been up 6% – 7% YTD through September. If November is a strong month, then the year will end with strong returns.

Index summary

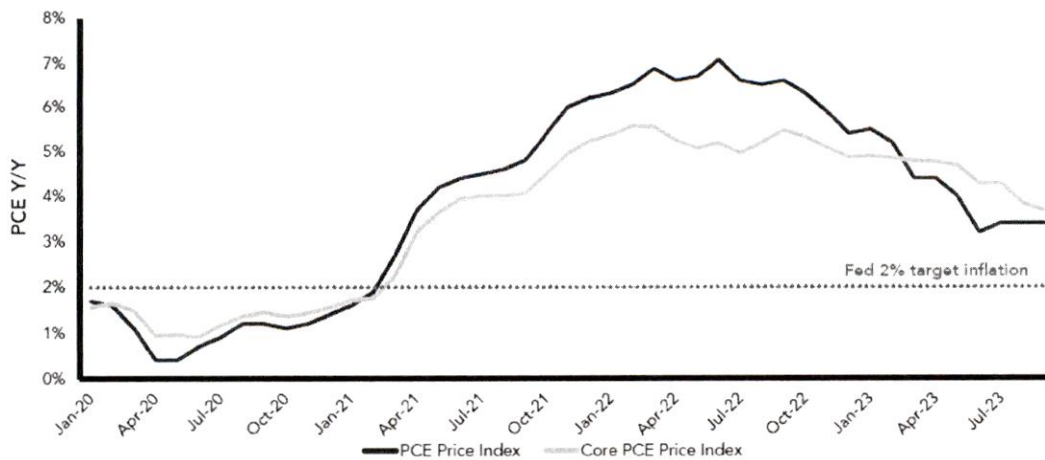


Source: Bloomberg as of October 31, 2023

Mr. Obed stated that PCE (Personal Consumption Expenditures) is a key measure of inflation that the Fed looks at. If the Fed raises rates, there will most likely be a sell off, but if it pauses rate hikes there should be a rally.

PCE

Despite recent moderation, core PCE levels — the Fed’s preferred measure of inflation — remain above the 2% rate that the bank targets



Source: Bloomberg, Bureau of Economic Analysis as of September 30, 2023

Mr. Obed stated that month to date and year to date returns are negative in Fixed Income since higher interest rates are driving the returns down.

Fixed income performance

Sharp increases in longer-maturity interest rates have led to broad negative performance across fixed income asset classes in recent time

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Bloomberg Aggregate	-1.6	-1.6	-2.8	0.4	-5.6	-0.1	0.9
Intermediate Indices	Bloomberg Int. Gov./Credit	-0.5	-0.5	0.2	2.2	-3.0	1.0	1.2
Government Only Indices	Bloomberg Long Gov.	-4.9	-4.9	-13.0	-8.4	-16.2	-3.2	0.1
	Bloomberg Int. Gov.	-0.3	-0.3	0.0	1.5	-3.2	0.6	0.7
	Bloomberg 1-3 Year Gov.	0.3	0.3	2.0	2.9	-0.8	1.1	0.8
	Bloomberg U.S. TIPS	-0.7	-0.7	-1.5	-0.7	-2.0	2.3	1.6
Credit Indices	Bloomberg U.S. Long Credit	-4.1	-4.1	-6.6	0.6	-10.1	-0.3	2.0
	Bloomberg High Yield	-1.2	-1.2	4.6	6.2	1.2	3.1	3.9
	CS Leveraged Loan Index	0.0	0.0	9.9	11.6	5.9	4.3	4.3
Securitized Bond Indices	Bloomberg MBS	-2.1	-2.1	-4.3	-0.8	-5.7	-1.1	0.3
	Bloomberg ABS	-0.2	-0.2	1.8	3.5	-0.9	1.4	1.4
	Bloomberg CMBS	-0.9	-0.9	-0.8	1.8	-3.8	0.8	1.5
Non-U.S. Indices	Bloomberg Global Aggregate Hedged	-0.7	-0.7	0.4	1.7	-3.9	0.5	1.7
	JPM EMBI Global Diversified	-1.4	-1.4	.04	8.4	-5.0	-0.2	2.1
	JPM GBI-EM Global Diversified	-1.4	-1.4	3.7	13.5	-3.0	-12.1	-1.2
Municipal Indices	Bloomberg Municipal 5 Year	-0.1	-0.1	-1.0	2.2	-1.7	1.0	1.3
	Bloomberg HY Municipal	-1.6	-1.6	-1.6	4.0	-1.3	1.7	3.8

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

Mr. Obed noted that US Equities matched the trends mentioned before. While October saw negative returns, results year to date have been strong in the Large-Cap indices.

U.S. equity performance

All major U.S. equity indices notched negative returns in October, with small-cap equities now in negative territory on a year-to-date basis

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	-1.3	-1.3	1.4	3.2	9.8	8.0	10.3
	Wilshire 5000	-2.7	-2.7	9.7	8.2	8.6	9.9	10.3
	Russell 3000	-2.7	-2.7	9.4	8.4	9.2	10.2	10.5
Large-Cap Market Indices	S&P 500	-2.1	-2.1	10.7	10.1	10.4	11.0	11.2
	Russell 1000	-2.4	-2.4	10.3	9.5	9.5	10.7	10.9
	Russell 1000 Value	-3.5	-3.5	-1.8	0.1	10.2	6.6	7.6
	Russell 1000 Growth	-1.4	-1.4	23.2	19.0	8.7	14.2	13.8
Mid-Cap Market Indices	Russell Mid-Cap	-5.0	-5.0	-1.3	-1.0	6.0	7.1	8.1
	Russell Mid-Cap Value	-5.0	-5.0	-4.4	-3.6	8.8	5.7	6.9
	Russell Mid-Cap Growth	-5.1	-5.1	4.3	3.3	0.8	8.1	9.1
Small-Cap Market Indices	Russell 2000	-6.8	-6.8	-4.5	-8.6	3.9	3.3	5.6
	Russell 2000 Value	-6.0	-6.0	-6.5	-9.9	9.7	3.3	5.2
	Russell 2000 Growth	-7.7	-7.7	-2.9	-7.6	-1.8	2.7	5.7

Source: Bloomberg as of October 31, 2023

Mr. Obed stated that the Non-US Equities have had similar results to the US market, showing negative returns in October, but positive YTD returns in most indices.

Global equity performance

Global equity benchmarks were down in October, and EAFE Small Cap and Emerging Markets indices are now negative on a year-to-date basis

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	-3.0	-3.0	6.7	10.5	6.7	7.5	6.8
	MSCI ACWI ex-USA	-4.1	-4.1	1.0	12.1	3.0	3.5	2.5
Developed Markets Indices	MSCI EAFE	-4.1	-4.1	2.7	14.4	5.7	4.1	3.1
	MSCI EAFE Local	-3.4	-3.4	7.0	10.4	11.0	6.4	6.0
Emerging Markets Indices	MSCI Emerging Markets	-3.9	-3.9	-2.1	10.8	-3.7	1.6	1.2
	MSCI EM Local	-3.6	-3.6	0.3	9.8	-1.1	3.6	4.2
Small-Cap Market Indices	MSCI EAFE Small Cap	-5.9	-5.9	-4.2	6.5	0.3	1.6	3.4
	MSCI EM Small Cap	-4.8	-4.8	8.2	17.2	9.0	7.8	3.7
Frontier Markets Index	MSCI Frontier	-5.8	-5.8	1.1	4.8	-0.6	1.1	1.4

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that the General Plan had negative returns this month, in line with the market as a whole.

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 October 31, 2023.

MTD Performance (as of 10/31/2023)

Total Fund Composite: -2.7%

Total Fund Policy Benchmark: -3.1%

FYTD Performance (as of 10/31/2023)

Total Fund Composite: -6.4%

Total Fund Policy Benchmark: -6.4%

YTD Performance (as of 10/31/2023)

Total Fund Composite: 0.9%

Total Fund Policy Benchmark: 0.8%

Mr. Obed showed the top and bottom performers for the month in the General Plan and noted that no changes are recommended at this time.

COA General Employees' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Channing SCV	1.5%	-6.5%	U.S. Equity
Artisan	9.9%	2.7%	International Equity
Earnest EM	0.5%	-2.1%	Emerging Markets Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Legato SCG	-7.6%	-2.9%	U.S. Equity
Hardman Johnston	-3.6%	1.0%	International Equity
Brown SC	-4.3%	-0.8%	International Equity

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 October 31, 2023. The Police Officers' Plan had returns similar to the General Plan.

MTD Performance (as of 10/31/2023)

Total Fund Composite: -3.0%
 Total Fund Policy Benchmark: -3.2%

FYTD Performance (as of 10/31/2023)

Total Fund Composite: -6.5%
 Total Fund Policy Benchmark: -6.5%

YTD Performance (as of 10/31/2023)

Total Fund Composite: 0.5%
 Total Fund Policy Benchmark: 0.4%

Mr. Obed showed the top and bottom performers for the month in the Police Plan and noted that no changes are recommended at this time.

COA Police Officers’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Artisan	9.9%	2.7%	International Equity
Driehaus SCG	0.0%	-2.9%	U.S. Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Hardman Johnston	-3.7%	1.0%	International Equity
Brown SC	-4.3%	-0.8%	International Equity

Performance Overview – Firefighters’ 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 October 31, 2023. He noted the Firefighters’ Plan also matched the market and is in positive territory for the year.

MTD Performance (as of 10/31/2023)

Total Fund Composite: -3.1%
 Total Fund Policy Benchmark: -3.2%

FYTD Performance (as of 10/31/2023)

Total Fund Composite: -6.6%
 Total Fund Policy Benchmark: -6.5%

YTD Performance (as of 10/31/2023)

Total Fund Composite: 0.3%
 Total Fund Policy Benchmark: 0.2%

Mr. Obed showed the top and bottom performers for the month in the Fire Plan and noted that no changes are recommended at this time.

COA Firefighters' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Ativo	7.6%	1.0%	International Equity
Driehaus SCG	0.0%	-2.9%	U.S. Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Hardman Johnston	-3.7%	1.0%	International Equity
Brown SC	-4.3%	-0.8%	International Equity

VII. NEW BUSINESS

Northern Trust Securities Lending

Mr. Berry stated the Security Lending Presentation in the package is informational. It was presented to the General Administrative Committee last week. The General Committee believes this is a good idea to pursue and would like the City Legal team to review.

VIII. OLD BUSINESS

There was no Old Business to discuss this month.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

Ms. Smith noted that Open Enrollment begins next week and she encouraged everyone to review their benefit choices.

X. DATE OF NEXT MEETING

The next Board meeting will tentatively be held on Wednesday, December 20, 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 10:23 a.m. Chairman Brand called for adjournment.

Respectfully Submitted,



David Brand, Chairman

These minutes were adopted on February 1, 2024