

CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING

July 24, 2024

Atlanta City Hall, Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

David Brand	Chairman	Present
LaChandra Burks	Vice-Chairman, Interim COO	Present
Mohamed Balla	City of Atlanta, CFO	Present
Jason Ingram	City of Atlanta, Interim HR Commissioner	Present
Antonio Lewis	Atlanta City Council Member	WebEx
Howard Shook	Atlanta City Council Member	Absent
Jason Winston	Atlanta City Council Member	Absent
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	Present
Rick Light	Police Officers' Pension Plan	Present

Others Present

Mary Shah	Strategic Benefits Advisors
Eric Dec	City of Atlanta, Legal via WebEx
Youlanda Carr	City of Atlanta, Deputy CFO
Marlo Crossley	City of Atlanta, Finance
Pamela Goins	City of Atlanta, Finance
Agatha Hector	City of Atlanta, Pension
Rosie Woods	City of Atlanta, Pension
Fumnanya Johnson	City of Atlanta, Finance
Alberto Rivera	Marquette Associates
Caroline Dorsey	Morris, Manning & Martin
Mayor Andre Dickens	City of Atlanta, Mayor
Jeanette Cooper	Segal
Eric Atwater	Aon Consulting
Jasmin Alvarez	City of Atlanta, Finance Intern
Makala Brooks	City of Atlanta, Finance Intern
Rajeer Ratnani	City of Atlanta, Finance Intern
Nicholas Baldini	City of Atlanta, Finance Intern
Cole Wenda	City of Atlanta, Finance Intern
Tahsan Hasan	City of Atlanta, Finance Intern
William Roach	Globalt via WebEx
Joe McLane	Macquerie via WebEx
Jason Simpson	Garcia Hamilton via WebEx
Lauren Albanese	FIN News via WebEx

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 Mr. Light 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 June 25, 2024 regularly scheduled meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the June 25, 2024 Minutes, a motion was made by Mr. Berry to approve the Minutes. The motion was seconded by Mr. Hullender. The motion unanimously carried and the June Minutes were approved.

V. ATTORNEY'S REPORT

Ms. Dorsey from Morris Manning & Martin informed the board that there were no updates from the attorneys.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Rivera walked through the market environment for June 2024. Assets performed well above the target return of 7.0% for the fiscal year. US large cap equities had a stellar year.

Year-to-date returns

YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	5yr	10yr
Large Cap 15.3%	Large Cap 20.3%	Commodities 26.0%	Commodities 40.4%	Broad U.S. Equities 20.0%	Large Cap 21.3%	Bank Loans 1.1%	Emerging Markets 22.3%	Small Cap 21.3%	Int Small Cap 9.8%	Large Cap 18.0%	Large Cap 12.0%
Broad U.S. Equities 13.2%	Broad U.S. Equities 26.0%	Bank Loans 1.1%	Large Cap 28.2%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Core Bond 5.0%	Int Small Cap 33.0%	High Yield 17.1%	Large Cap 7.4%	Broad U.S. Equities 14.1%	Broad U.S. Equities 12.1%
Commodities 11.1%	Int Large Cap 18.2%	High Yield 11.2%	Broad U.S. Equities 28.7%	Large Cap 18.4%	Mid Cap 30.5%	High Yield 27.1%	Broad Int Equities 27.2%	Mid Cap 12.8%	Core Bond 0.3%	Mid Cap 9.5%	Mid Cap 9.0%
Emerging Markets 7.7%	Mid Cap 17.2%	Core Bond 11.0%	Mid Cap 22.4%	Emerging Markets 18.3%	Small Cap 25.3%	Large Cap 4.4%	All Large Cap 25.0%	Broad U.S. Equities 12.7%	Broad U.S. Equities 0.5%	Commodities 8.3%	Small Cap 7.0%
Broad Int Equities 5.7%	Small Cap 18.9%	All Large Cap 14.5%	Small Cap 14.8%	Mid Cap 17.1%	Int Small Cap 25.0%	Broad U.S. Equities 8.2%	Large Cap 21.8%	Large Cap 10.7%	Bank Loans 0.4%	Small Cap 6.3%	Bank Loans 4.8%
Int Large Cap 5.3%	Broad Int Equities 15.6%	Broad Int Equities 16.0%	Int Large Cap 11.3%	Int Small Cap 12.3%	Int Large Cap 22.0%	Mid Cap 9.1%	Broad U.S. Equities 21.1%	Commodities 11.4%	Int Large Cap 0.8%	Int Large Cap 8.3%	Int Small Cap 4.3%
Mid Cap 5.0%	High Yield 13.4%	Mid Cap 17.3%	Int Small Cap 10.1%	Broad Int Equities 10.7%	Broad Int Equities 21.5%	Small Cap 11.2%	Mid Cap 18.3%	Emerging Markets 11.0%	Mid Cap 22.4%	Broad Int Equities 5.3%	Int Large Cap 4.9%
Bank Loans 4.4%	Int Small Cap 13.2%	Large Cap 18.1%	Broad Int Equities 7.8%	All Large Cap 7.8%	Emerging Markets 19.3%	Int Large Cap 13.5%	Small Cap 14.0%	Bank Loans 9.9%	Small Cap 4.4%	Bank Loans 8.4%	High Yield 4.3%
High Yield 2.6%	Bank Loans 12.0%	Broad U.S. Equities 16.2%	Bank Loans 5.4%	Core Bond 7.2%	Commodities 17.6%	Commodities 13.0%	High Yield 7.0%	Broad Int Equities 4.3%	High Yield 4.3%	Int Small Cap 4.2%	Broad Int Equities 3.5%
Small Cap 1.7%	Emerging Markets 17.2%	Emerging Markets 20.1%	High Yield 5.3%	High Yield 7.1%	High Yield 14.3%	Broad Int Equities 14.2%	Commodities 5.8%	Core Bond 2.4%	Broad Int Equities 3.7%	High Yield 5.7%	Emerging Markets 3.4%
Int Small Cap 1.5%	Core Bond 15.3%	Small Cap 30.4%	Core Bond 21.3%	Bank Loans 7.4%	Core Bond 8.7%	Emerging Markets 14.4%	Bank Loans 4.2%	Int Small Cap 7.2%	Emerging Markets 21.1%	Emerging Markets 1.7%	Core Bond 1.2%
Core Bond 0.2%	Commodities 4.4%	Int Small Cap 21.4%	Emerging Markets 22.7%	Commodities 22.7%	Bank Loans 8.3%	Int Small Cap 17.0%	Core Bond 1.5%	Int Large Cap 1.0%	Commodities 32.0%	Core Bond 0.2%	Commodities 3.1%

Source: Bloomberg as of June 30, 2024. Please see end of document for benchmark information.

Mr. Rivera pointed to overall nice returns YTD in the majority of sectors, while core fixed income was still being negatively impacted by the Fed rate policy. Rate cuts will bode well for the fixed income investments.

Mr. Rivera provided a more granular look at fixed income performance, which is starting to show some positive gains.

Fixed income performance

Fixed income indices were broadly positive in 2Q outside of long duration assets; performance in credit continues to be favorable

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	0.9	0.1	-0.7	2.6	-3.0	-0.2	1.3
Intermediate Index	Blm Int. Gov./Credit	0.8	0.6	0.5	4.2	-1.2	0.7	1.5
Government Only Indices	Blm Long Gov.	1.7	-1.8	-5.0	-5.6	-10.4	-4.2	0.6
	Blm Int. Gov.	0.8	0.6	0.2	3.4	-1.4	0.3	1.1
	Blm 1-3 Year Gov.	0.6	0.9	1.2	4.5	0.3	1.0	1.1
	Blm U.S. TIPS	0.8	0.8	-0.7	-2.7	-1.3	-2.1	1.9
Credit Indices	Blm U.S. Long Credit	0.6	-1.7	-3.3	2.0	-6.8	10.9	2.4
	Blm High Yield	0.9	1.1	2.6	10.4	1.6	3.9	4.3
	CS Leveraged Loan Index	0.3	1.9	4.4	11.0	6.0	5.4	4.6
Securitized Bond Indices	Blm MBS	1.2	0.1	-1.0	2.1	-2.9	-0.5	0.9
	Blm ABS	0.7	1.0	1.7	5.5	0.7	1.6	1.8
	Blm CMBS	-1.0	0.7	1.7	6.0	-1.8	0.7	-2.0
Non-U.S. Indices	Blm Global Aggregate Hedged	0.9	0.1	0.1	4.2	-1.6	0.2	2.0
	JPM EMBI Global Diversified	0.6	0.3	2.3	9.2	-2.6	0.0	2.6
	JPM GB-EM Global Diversified	-1.1	-1.6	-3.7	0.7	-3.3	-1.3	-0.9
Municipal Indices	Blm Municipal 5 Year	1.1	-0.4	-0.8	2.3	-0.6	0.8	1.6
	Blm HY Municipal	2.4	2.6	4.1	8.9	0.1	3.0	4.7

Source: Bloomberg, Credit Suisse, JPMorgan as of June 30, 2024. The total currency GBI index is hedged and denominated in U.S. dollars.

Mr. Rivera stated the US equity market saw nice gains for the month with growth stocks outperforming the others. He added there has been some cooling off in the technical sectors. Because the portfolios have a mix of core, growth and value stocks, they are diversified to limit downward trends due to volatility in the different sectors.

U.S. equity performance

Small cap and value equity benchmarks declined in the second quarter, as the Russell 2000 Value Index fell into negative territory for the year

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	1.2	-1.3	4.8	16.0	6.4	10.3	11.3
	Wilshire 5000	3.1	3.3	13.6	23.0	7.4	13.6	11.9
	Russell 3000	3.1	3.2	13.6	23.1	8.1	14.1	12.1
Large-Cap Market Indices	S&P 500	3.6	4.3	15.3	24.6	10.0	15.0	12.9
	Russell 1000	3.3	3.6	14.2	23.9	8.7	14.6	12.5
	Russell 1000 Value	-0.9	-2.2	6.6	13.1	5.5	9.0	8.2
	Russell 1000 Growth	6.7	8.3	20.7	33.5	11.3	19.3	16.3
Mid-Cap Market Indices	Russell Mid-Cap	-0.7	-3.3	5.0	12.9	2.4	9.5	9.0
	Russell Mid-Cap Value	-1.6	-3.4	4.5	12.0	3.7	8.5	7.6
	Russell Mid-Cap Growth	1.7	-3.2	6.0	15.1	-0.1	9.9	10.5
Small-Cap Market Indices	Russell 2000	-0.9	-3.3	1.7	10.1	-2.6	6.9	7.0
	Russell 2000 Value	-1.7	-3.6	-0.8	10.9	-0.5	7.1	6.2
	Russell 2000 Growth	-0.2	-2.9	4.4	9.1	-4.9	6.2	7.4

Source: Bloomberg as of June 30, 2024

Mr. Rivera reported that the global equity markets also had a good June, but still lags relative to the US market. Emerging markets performed particularly well in June.

Global equity performance

Emerging markets led the international equity space in June, while developed markets remain positive for the year despite a weaker 2Q

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	2.2	2.9	11.3	19.4	5.4	10.8	8.4
	MSCI ACWI ex. U.S.	-0.1	1.0	5.7	11.6	0.5	5.5	3.8
Developed Markets Indices	MSCI EAFE	-1.6	-0.4	5.3	11.5	2.9	6.5	4.3
	MSCI EAFE Local	-0.6	1.0	11.1	15.1	8.1	9.0	7.4
Emerging Markets Indices	MSCI Emerging Markets	3.9	5.0	7.5	12.5	-5.1	3.1	2.8
	MSCI EM Local	4.3	6.2	11.0	15.5	-1.6	5.6	5.8
Small-Cap Market Indices	MSCI EAFE Small-Cap	-3.0	-1.8	0.5	7.8	-3.4	4.2	4.3
	MSCI EM Small-Cap	3.2	5.9	7.0	20.0	2.5	10.0	5.2
Frontier Markets Index	MSCI Frontier	0.0	0.6	5.9	12.3	-3.2	2.2	0.7

Performance Overview - General Employees' Pension Plan

Mr. Rivera stated that the General Plan returned 9.7% for the fiscal year ending 6/30/2024 compared to a target return of 7.0%.

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 June 30, 2024.

MTD Performance (as of 6/30/2024)

Total Fund Composite: 1.0%

Total Fund Policy Benchmark: 1.1%

FYTD Performance (as of 6/30/2024)

Total Fund Composite: 9.7%

Total Fund Policy Benchmark: 11.3%

YTD Performance (as of 6/30/2024)

Total Fund Composite: 5.2%

Total Fund Policy Benchmark: 5.7%

Performance Overview – Police Officers' Pension Plan

Mr. Rivera 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 June 30, 2024. The Police Officers' Plan returned 11.1% for the fiscal year ending 6/30/2024 compared to a target return of 7.0%.

MTD Performance (as of 6/30/2024)

Total Fund Composite: 0.6%

Total Fund Policy Benchmark: 0.6%

FYTD Performance (as of 6/30/2024)

Total Fund Composite: 11.1%

Total Fund Policy Benchmark: 11.1%

YTD Performance (as of 6/30/2024)

Total Fund Composite: 5.7%

Total Fund Policy Benchmark: 5.2%

Performance Overview – Firefighters' Pension Plan

Mr. Rivera 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 June 30, 2024. He noted the Firefighters' Plan returned 11.1% for the fiscal year ending 6/30/2024 compared to a target return of 7.0%.

MTD Performance (as of 6/30/2024)

Total Fund Composite: 0.9%

Total Fund Policy Benchmark: 1.0%

FYTD Performance (as of 6/30/2024)

Total Fund Composite: 11.1%

Total Fund Policy Benchmark: 11.1%

YTD Performance (as of 6/30/2024)

Total Fund Composite: 5.5%

Total Fund Policy Benchmark: 5.4%

Mr. Rivera report that Marquette has been in contact with the liquidation firm for the Consequent Investment. Blueprint is working on the disposing the remaining assets and generating the remaining distributions to the Pension Trusts. Mr. Rivera reminded the Board that private equity is not a liquid asset and it takes some time to get a good price for assets. Mr. Berry asked that this update be provided for the General Administrative Committee.

VII. NEW BUSINESS**Update on Plan Design**

CFO Balla reported to the Board that the Proposed Pension legislation, by Ordinance No. 24-O-1377 and Ordinance No. 24-O-1378, was introduced to City Council on July 1, 2024. Pursuant to Section 3-507 of the Atlanta City Charter, CFO Balla is asking that the Investment Board provide a non-binding recommendation in favor or against the proposed pension plan modifications.

Mr. Hullender made a motion for the Investment Board to give a favorable recommendation for the proposed pension modifications. The motion was seconded by Mr. Light. The motion unanimously carried and the recommendation in favor of the proposed pension plan modifications was approved.

DIME Program

CFO Balla spoke about the DIME program which is diversity investment management engagement program for high school students to give awareness to the investment field. Mr. Light noted this has been discussed at GAPPT and could be a good topic of to be presented during one of their conferences. Chairman Brand asked that Mr. Dion Woods speak at a future meeting after the attorneys have had a chance to review the program.

Election Timing for Board Representatives

Ms. Shah reported that the four Investment Board Plan Representative positions would be held this fall. The qualifying period for these elections is September 1st to September 15th. Notification of the qualifying period will need to be sent to participants. As in past elections, communications will be sent via email to active employees and USPS mail for retired employees.

Update to Actuarial Report for General Employees and School Board

Ms. Cooper reported that Segal has updated the actuarial reports for the General Employees' Plan and the School Board Plan. This was due to a change in how the pay was being annualized for participants with less than one year of service. The impact on the General Employees was a \$183,000 increase in contributions. Due to the School Board's legislated contribution policy, there is no impact on the School Board's contribution for fiscal 2025.

Mr. Hullender made a motion to accept the amended actuarial report for the General Employees and School Board. The motion was seconded by Mr. Berry. The motion unanimously carried and the amended actuarial reports were approved.

VIII. OLD BUSINESS

There was no Old Business to discuss this month.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

Chairman Brand informed the Investment Board that he will be stepping down his position in order to take on the affordable housing project at Mayor Dickens' request. Mayor Dickens addressed the Investment Board and thanked everyone for their contributions. He gave a special salute to Chairman Brand for all the accomplishments with the Board over the past couple of years. He is setting a date of October 1st for the transition to the newly appointed Chairman.

X. DATE OF NEXT MEETING

The next Board meeting is scheduled for August 21, 2024 at 10:00 a.m. Chairman Brand noted that he will not be available for this meeting. COO Burks will be available. 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 10:54 a.m. Chairman Brand called for adjournment.

Respectfully Submitted,



COO LaChandra Burks, Vice-Chairman

These minutes were adopted on August 21, 2024