

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

August 18, 2024

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

David Brand	Chairman	Absent
LaChandra Burks	Vice-Chairman, Interim COO	Present
Mohamed Balla	City of Atlanta, CFO	Absent
Calvin Blackburn	City of Atlanta, Interim HR Commissioner	Present
Antonio Lewis	Atlanta City Council Member	Present
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	Present
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
Fumnanya Johnson	City of Atlanta, Finance
Agatha Hector	City of Atlanta, Pension
Rosie Woods	City of Atlanta, Pension
Donnie Beamer	City of Atlanta, Office of Technology & Innovation
Kweku Obed	Marquette Associates
Ed Emerson	Morris, Manning & Martin
Jeanette Cooper	Segal
Joe Morris	Bernstein Litowitz Berger & Grossmann
Derek Batts	Union Heritage
Eric Berry	Empower
Jason Simpson	Garcia Hamilton
Lauren Albanese	FIN News
Mirtha Donastorg	Atlanta Journal Constitution
Sally Kim	Earnest Partners
Victor Hymes	Legato

I. CALL TO ORDER

Vice-Chairman Burks called the meeting to order at 10:09 a.m. Vice-Chairman Burks 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

Vice-Chairman Burks requested an addition to the Agenda to allow Mr. Morris to speak about a potential securities litigation matter in Executive Session after any old business was reviewed.

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

III. PUBLIC COMMENT

Ms. Cooper addressed the Board to remind them that Segal was hosting a dinner at the GAPPT conference and any conference attendees from the Board were welcome to attend.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the July 24, 2024 regularly scheduled meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the July 24, 2024 Minutes, a motion was made by Mr. Winston to approve the Minutes as presented. The motion was seconded by Mr. Berry. The motion unanimously carried and the July Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Emerson reported that amended investment policy statements will be presented to the Board in either September or October with the changes for compliance to House Bill 481 and for any other changes recommended by Marquette. Retirement systems must adhere to the requirements of this new law by November 1, 2024. In addition to other provisions regarding fiduciary duties, this bill states that fiduciaries shall not subordinate the interest of the participants and their beneficiaries or sacrifice investment returns or accept increased investment risk in the promotion of any nonpecuniary interests. Nonpecuniary interests shall include, but not be limited to, the furtherance of any social, political, or ideological interests.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Obed walked through the market environment for July, 2024. He noted that the markets were strong in July amid speculation that the Fed may lower rates, possibly in September. For July, large cap stocks dominated with 16.7% returns while core bond funds were at the bottom of the returns.

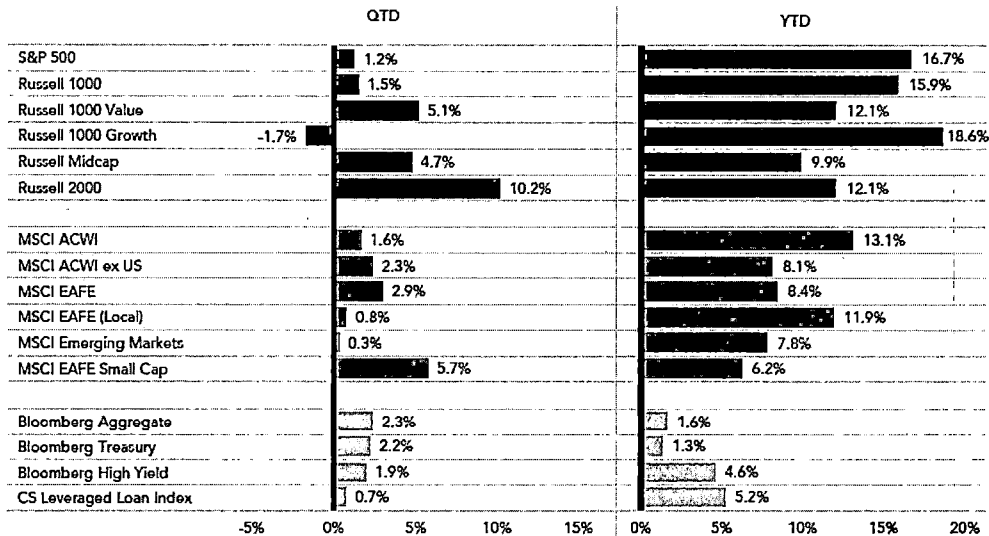
Year-to-date returns

YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	5yr	10yr
Large Cap 16.7%	Large Cap 20.3%	Commodities 26.0%	Commodities 40.4%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Bank Loans 1.1%	Emerging Markets 37.5%	Small Cap 21.5%	Intl Small Cap 9.0%	Large Cap 15.0%	Large Cap 13.2%
Broad U.S. Equities 15.7%	Broad U.S. Equities 20.0%	Bank Loans -1.1%	Large Cap 23.7%	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%	Broad U.S. Equities 14.2%	Broad U.S. Equities 12.6%
Small Cap 12.1%	Intl Large Cap 18.2%	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%	Mid Cap 10.2%	Mid Cap 9.9%
Mid Cap 9.9%	Mid Cap 17.2%	Core Bond 23.6%	Mid Cap 22.6%	Emerging Markets 18.3%	Small Cap 25.5%	Large Cap -2.4%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Broad U.S. Equities 0.5%	Small Cap 8.0%	Small Cap 8.7%
Intl Large Cap 8.4%	Intl Large Cap 14.5%	Intl Large Cap -14.5%	Mid Cap 14.0%	Mid Cap 17.1%	Intl Small Cap 23.0%	Broad U.S. Equities -5.2%	Broad U.S. Equities 21.8%	Large Cap 19.0%	Bank Loans -0.4%	Commodities 7.6%	Intl Small Cap 5.1%
Broad Intl Equities 8.1%	Broad Intl Equities 15.6%	Broad Intl Equities -16.0%	Intl Large Cap 11.3%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Mid Cap -0.1%	Broad U.S. Equities 21.1%	Commodities 11.4%	Intl Large Cap -0.8%	Intl Large Cap 7.4%	Intl Large Cap 4.0%
Emerging Markets 7.3%	High Yield 13.4%	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%	Broad Intl Equities 6.3%	Bank Loans -4.7%
Commodities 7.2%	Intl Small Cap 13.2%	Large Cap -18.1%	Broad Intl Equities 7.6%	Intl Large Cap 7.8%	Emerging Markets 18.4%	Intl Large Cap -13.6%	Small Cap 14.6%	Bank Loans 9.9%	Small Cap -4.4%	Intl Small Cap 5.5%	High Yield 4.6%
Intl Small Cap 6.2%	Bank Loans 13.0%	Broad U.S. Equities -19.2%	Bank Loans -5.4%	Core Bond 7.5%	Commodities 17.6%	Commodities -13.8%	High Yield 7.9%	Broad Intl Equities 4.5%	High Yield -4.8%	Bank Loans 5.4%	Broad Intl Equities 4.2%
Bank Loans 5.2%	Emerging Markets 10.3%	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%	High Yield 4.2%	Emerging Markets 2.0%
High Yield 4.6%	Core Bond 5.5%	Small Cap -20.4%	Core Bond -4.5%	Bank Loans 2.8%	Core Bond 10.6%	Core Bond -10.6%	Bank Loans 4.2%	Intl Small Cap 2.2%	Emerging Markets -14.7%	Intl Large Cap 3.4%	Core Bond 0.4%
Core Bond 1.6%	Commodities -4.3%	Intl Small Cap -21.4%	Emerging Markets -3.5%	Commodities -23.7%	Bank Loans 8.2%	Intl Small Cap -17.9%	Core Bond 0.5%	Intl Large Cap 1.0%	Commodities -32.9%	Core Bond 0.2%	Commodities -2.9%

Source: Bloomberg as of July 31, 2024. Please see end of document for benchmark information.

Mr. Obed also noted that other benchmarks were showing solid results, with the US market outperforming non-US markets.

Index summary

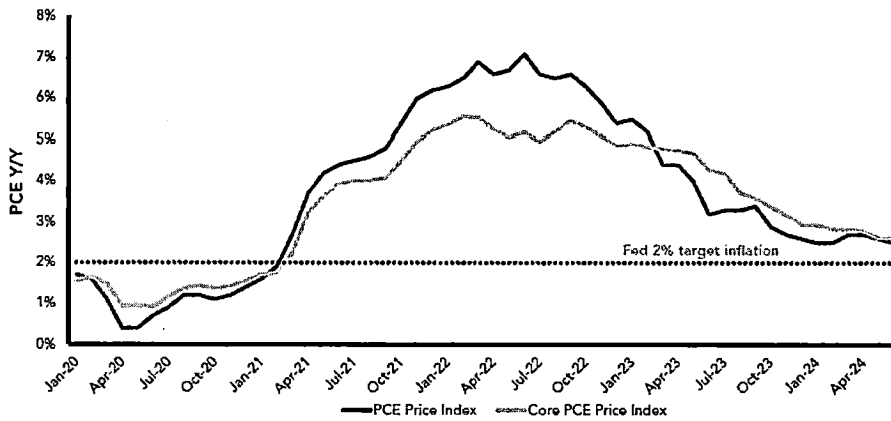


Source: Bloomberg as of July 31, 2024

Mr. Obed discussed one of the macro indicators – PCE or Personal Consumption Expenditures – and noted they were also improving in anticipation of a September rate cut.

PCE

The Fed's preferred inflation gauge eased slightly from a year ago in June, all but solidifying a widely anticipated September rate cut

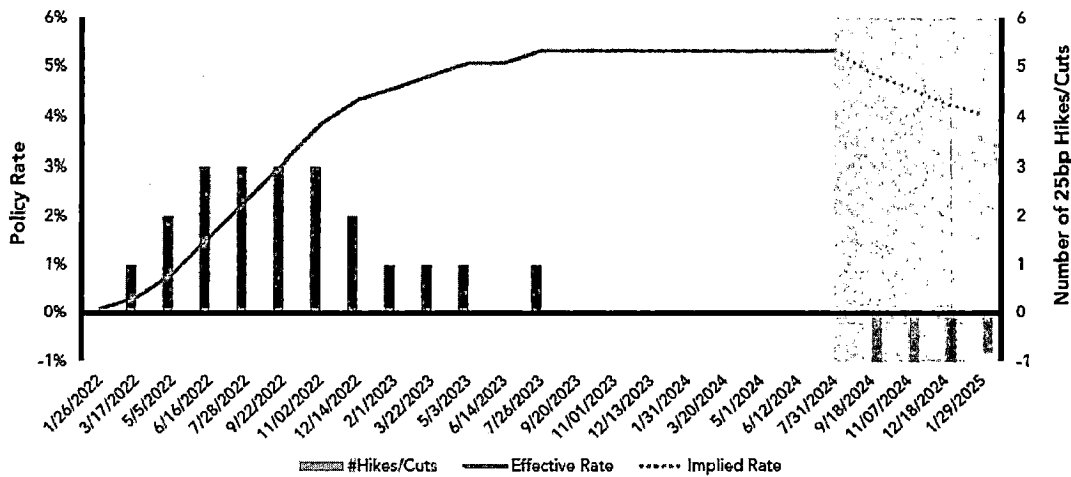


Source: Bloomberg, Bureau of Economic Analysis as of June 30, 2024

Mr. Obed stated the markets are anticipating 4 rate cuts of 25 basis points each.

Rate expectations

Recent market action has dramatically changed forecasts; the market now expects roughly four 25 basis point rate cuts before year-end



Source: Bloomberg as of August 6, 2024. Gray shading indicates forecasts.

Mr. Obed reported that Fixed Income was up 2.3% in July and 1.6% overall YTD.

Fixed income performance

Bond indices posted stronger returns in July driven by rate cut expectations, dovish Fed rhetoric, and weaker jobs data

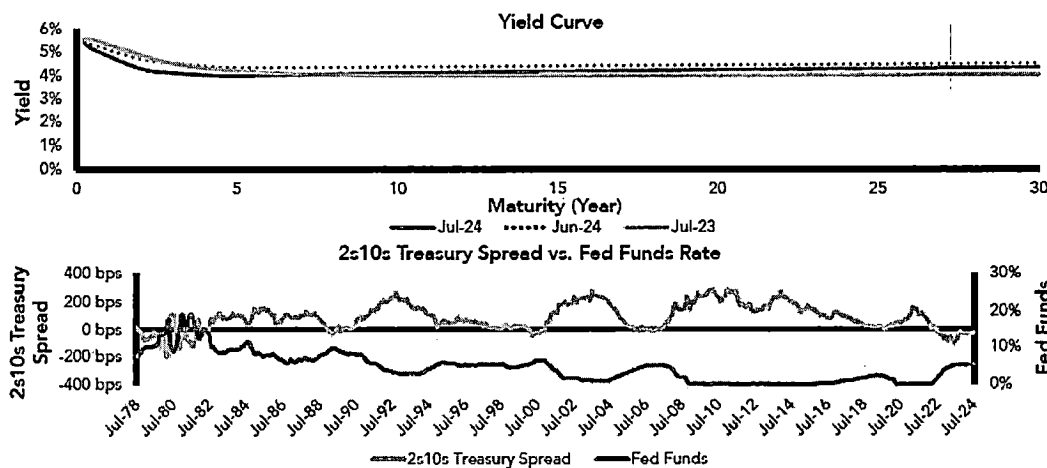
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Bim Aggregate	2.3	2.3	1.6	5.1	-2.6	0.2	1.6
Intermediate Index	Bim Int. Gov./Credit	1.9	1.9	2.4	5.9	-0.8	-1.1	1.8
Government Only Indices	Bim Long Gov.	3.6	3.6	-1.6	0.0	-10.5	-3.6	0.9
	Bim Int. Gov.	1.8	1.8	2.1	5.2	-1.0	0.7	1.3
	Bim 1-3 Year Gov.	1.2	1.2	2.4	5.4	0.7	1.3	1.2
	Bim U.S. TIPS	1.8	1.8	2.5	4.4	-1.6	2.4	2.1
Credit Indices	Bim U.S. Long Credit	3.1	3.1	-0.3	5.4	-6.5	-0.5	2.7
	Bim High Yield	1.9	1.9	4.6	11.1	2.2	4.2	4.6
	CS Leveraged Loan Index	0.7	0.7	5.2	10.4	6.2	5.4	4.7
Securitized Bond Indices	Bim MBS	2.6	2.6	-1.6	4.9	-2.3	-0.3	1.2
	Bim ABS	1.4	1.4	3.0	6.5	1.1	1.9	2.0
	Bim CMBS	2.1	2.1	3.8	8.0	-1.4	1.0	2.2
Non-U.S. Indices	Bim Global Aggregate Hedged	1.9	1.9	2.1	6.2	-1.3	0.5	2.2
	JPM EMBI Global Diversified	1.9	1.9	4.3	9.2	-2.1	0.1	2.8
	JPM GBI-EM Global Diversified	2.3	2.3	-1.5	0.1	-2.4	-1.0	-0.5
Municipal Indices	Bim Municipal 5 Year	1.0	1.0	0.2	3.0	-0.5	0.9	1.7
	Bim HY Municipal	1.1	1.1	5.3	9.4	0.1	3.1	4.7

Source: Bloomberg, Credit Suisse, JPMorgan as of July 31, 2024. The local currency GBI index is hedged and denominated in U.S. dollars.

Mr. Obed reviewed the current state of the yield curve and noted it was still inverted. Normally, an inverted yield curve is a good predictor of a recession, but there hasn't been a recession even though the yield curve has been inverted for 36 months.

U.S. Treasury yield curve and steepness

The yield curve shifted lower in July due to rate cut expectations; the 2/10 Treasury spread moved to its tightest since last October



Source: Federal Reserve, Bloomberg as of July 31, 2024

Mr. Obed noted the US Equity markets had a good 2024 but saw a lot of volatility. He added that July was a good month for the markets. Small cap stocks are sensitive to interest rates and were up 10.2% with the prospect of lower rates.

U.S. equity performance

Small-cap and value-oriented equities rallied in July, as large-cap growth stocks pulled back from intra-month highs

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	4.5	4.5	9.5	17.2	7.5	11.1	12.0
	Wilshire 5000	1.9	1.9	15.7	21.0	7.5	13.9	12.3
	Russell 3000	1.9	1.9	15.7	21.1	8.1	14.2	12.6
Large-Cap Market Indices	S&P 500	1.2	1.2	16.7	22.1	9.6	15.0	13.2
	Russell 1000	1.5	1.5	15.9	21.5	8.5	14.6	12.9
	Russell 1000 Value	5.1	5.1	12.1	14.8	7.0	9.9	9.0
	Russell 1000 Growth	-1.7	-1.7	18.6	26.9	9.5	18.4	16.3
Mid-Cap Market Indices	Russell Mid-Cap	4.7	4.7	9.9	13.7	3.7	10.2	9.9
	Russell Mid-Cap Value	6.0	6.0	10.9	13.8	5.5	9.6	8.6
	Russell Mid-Cap Growth	0.6	0.6	6.6	12.3	-0.2	9.6	10.9
Small-Cap Market Indices	Russell 2000	10.2	10.2	12.1	14.3	1.9	8.9	8.7
	Russell 2000 Value	12.2	12.2	11.2	15.7	-4.6	9.5	8.1
	Russell 2000 Growth	8.2	8.2	13.0	12.8	-1.1	7.6	8.9

Source: Bloomberg as of July 31, 2024

Mr. Obed reported the non-US Equity markets have also done well YTD, with high single digit to low double digit returns.

Global equity performance

Developed small-cap stocks led the international equity space to start the third quarter

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	1.6	1.6	13.1	17.0	5.8	11.0	8.7
	MSCI ACWI ex-U.S.	2.3	2.3	8.1	9.7	1.8	6.3	4.2
Developed Markets Indices	MSCI EAFE	2.9	2.9	8.4	11.2	3.6	7.4	4.8
	MSCI EAFE Local	0.8	0.8	11.9	14.1	8.2	9.0	7.5
Emerging Markets Indices	MSCI Emerging Markets	0.3	0.3	7.8	6.3	-2.7	3.4	2.6
	MSCI EM Local	0.6	0.6	11.7	10.4	0.7	5.9	5.6
Small-Cap Market Indices	MSCI EAFE Small-Cap	5.7	5.7	6.2	9.1	-2.1	5.5	5.1
	MSCI EM Small-Cap	0.0	0.0	7.0	12.6	3.0	10.3	5.1
Frontier Markets Index	MSCI Frontier	1.9	1.9	7.9	7.0	-2.5	2.1	0.7

Source: Bloomberg as of July 31, 2024

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that the General Plan was up 3% in July and 8.4% YTD.

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 July 31, 2024.

MTD Performance (as of 7/31/2024)

Total Fund Composite: 3.0%
 Total Fund Policy Benchmark: 3.1%

FYTD Performance (as of 7/31/2024)

Total Fund Composite: 3.0%
 Total Fund Policy Benchmark: 3.1%

YTD Performance (as of 7/31/2024)

Total Fund Composite: 8.4%
 Total Fund Policy Benchmark: 9.0%

Mr. Obed reviewed the performance of the top and bottom performing investment managers and stated no changes are recommended at this time.

COA General Employees' Manager Contribution – YTD Performance

<u>Top Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Hardman Johnston	+14.0%	+8.1%	International Equity
Goldman EM	+10.3%	+7.8%	Emerging Markets Equity
Artisan	+10.2%	+8.4%	International Equity

<u>Bottom Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Earnests EM	-0.7%	+7.8%	Emerging Markets Equity
Earnest SCC	+7.1%	+12.1%	U.S. Equity
Union Heritage	+12.1%	+16.7%	U.S. Equity

Performance Overview – Police Officers' Pension Plan

Mr. Obed stated that the Police Plan was up 3.5% in July and 9.4% YTD.

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 July 31, 2024.

MTD Performance (as of 7/31/2024)

Total Fund Composite: 3.5%
 Total Fund Policy Benchmark: 3.7%

FYTD Performance (as of 7/31/2024)

Total Fund Composite: 3.5%
 Total Fund Policy Benchmark: 3.7%

YTD Performance (as of 7/31/2024)

Total Fund Composite: 9.4%
 Total Fund Policy Benchmark: 9.1%

Mr. Obed reviewed the performance of the top and bottom performing investment managers and stated no changes are recommended at this time.

COA Police Officers’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Driehaus SCG	+20.3%	+13.0%	U.S. Equity
Hardman Johnston	+14.0%	+8.1%	International Equity
Goldman Sachs	+10.3%	+7.8%	Emerging Markets Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	+7.1%	+12.1%	U.S. Equity
Brown SC	+4.2%	+6.7%	International Equity
Macquarie SCC	+10.3%	+12.1%	U.S. Equity

Performance Overview – Firefighters’ Pension Plan

Mr. Obed stated that the Fire Plan was up 3.2% in July and 8.9% YTD.

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 July 31, 2024.

MTD Performance (as of 7/31/2024)

Total Fund Composite: 3.2%
 Total Fund Policy Benchmark: 3.5%

FYTD Performance (as of 7/31/2024)

Total Fund Composite: 3.2%
 Total Fund Policy Benchmark: 3.5%

YTD Performance (as of 7/31/2024)

Total Fund Composite: 8.9%

Total Fund Policy Benchmark: 9.0%

Mr. Obed reviewed the performance of the top and bottom performing investment managers and stated no changes are recommended at this time.

COA Firefighters’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Driehaus SCG	+20.3%	+13.0%	U.S. Equity
Hardman Johnston	+13.9%	+8.1%	International Equity
Goldman Sachs	+10.3%	+7.8%	Emerging Markets Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	+7.0%	+12.1%	U.S. Equity
Brown SC	+4.2%	+6.7%	International Equity
Ativo	+7.1%	+8.1%	International Equity

Mr. Winston reported he has been working with the CFO to look at investing in venture capital companies which support small local businesses. Mr. Obed stated the Plans were always open to new ideas, but need to make sure that the good ideas lead to good portfolio results.

Mr. Obed also gave an update on the liquidation of the Consequent portfolio. He noted this is a private market allocation in the process of being liquidated by Blue Print. At a high level, Blue Print is working diligently to liquidate the investments at fair market value and since this is a private market, it is slower to sell. Mr. Obed noted that they have a detailed report with a summary table that shows the remaining amounts.

VII. NEW BUSINESS

Update on 2010 Plan Legislation

Ms. Shah stated that legislation for those in the 2010 plan will be submitted on Monday, August 26 to City Council. The impacted employees are a small group of approximately 150 who were hired between July 1, 2010 and August 31, 2011. They are paying the same rate as the participants in the 2005 plan, but have a smaller multiplier. Mr. Balla has outlined the proposed changes in a letter to the Investment Board and recommended the Board approves a non-binding resolution supporting the outlined changes.

A motion was made by Mr. Hullender to provide a non-binding recommendation that City Council approve the 2010 Pension Plan modifications as presented. The motion was seconded by Mr. Berry. The motion unanimously carried and the non-binding recommendation in favor of the 2010 Pension Plan modifications was approved.

Election for Board Representatives

Ms. Shah gave an update on the election of representatives from the General, APS, Police and Fire Plans who will serve on the Investment Board. She stated the qualifying period would be September 1 through September 15 for people to submit their request to run for the positions. Ms. Shah added the Board would need to approve the Election Official, who is usually the current HR Commissioner. The Election Official is responsible for general oversight of the election. Mr. Lewis asked if the Election Official could be confirmed after the new HR Commissioner is officially approved and Ms. Burks stated that since the City is doing a national search to fill the position, the HR Commissioner won't be in place prior to the start of the qualifying period.

A motion was made by Mr. Berry to appoint Interim HR Commissioner Calvin Blackburn as the Election Official for the 2024 Investment Board representatives election. The motion was seconded by Mr. Hutchins. The motion carried and Mr. Blackburn was approved as the Election Official. Mr. Lewis abstained.

Potential Securities Litigation Case

A motion was made by Mr. Lewis to move to executive session to discuss a potential securities litigation case. The motion was seconded by Mr. Berry. The motion unanimously carried and the Board moved to executive session at 10:43 a.m.

A motion was made by Mr. Berry to exit executive session. The motion was seconded by Mr. Winston. The motion unanimously carried and the Board exited executive session at 11:03 a.m.

Vice-Chairman Burks noted no vote was needed after the Executive Session discussion.

VIII. OLD BUSINESS

There was no Old Business to discuss this month.

Mr. Berry did note that at the NASP Conference this June, William Roach who is one of the City's Investment Managers, received the Travis Bell award.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions or comments at this time.

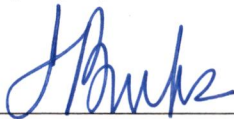
X. DATE OF NEXT MEETING

The next Board meeting is scheduled for September 18, 2024 at 10:00 a.m. 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 11:04 a.m. Vice-Chairman Burks called for adjournment.

Respectfully Submitted,



LaChandra Burks, Vice-Chairman

These minutes were adopted on September 18, 2024