CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING
September 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	Present
Calvin Blackburn	City of Atlanta, Interim HR Commissioner	Present
Antonio Lewis	Atlanta City Council Member	Virtual
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	Absent
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
Pamela Goins	City of Atlanta, Finance
Beryl Taylor	City of Atlanta, Finance
Agatha Hector	City of Atlanta, Pension
Sam Teich	City of Atlanta, Pension
Rosie Woods	City of Atlanta, Pension
Patrick Collins	City of Atlanta, Human Resources
Alberto Rivera	Marquette Associates
Ed Emerson	Morris, Manning & Martin
Ben Kirkland	Segal
Eric Atwater	Aon
Benjamin Hymes	Legato
Derek Batts	Union Heritage
Eric Berry	Empower
Jason Simpson	Garcia Hamilton
Joseph McLane	Macquarie
Lauren Albanese	FIN News
William Roach	Globalt

I. CALL TO ORDER

Vice-Chairman Burks called the meeting to order at 10:12 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 presented 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

Mr. Atwater addressed the Board and asked for an update on the Aon proposal for actuarial services. Mr. Emerson stated that a working group met to provide a recommendation to the Board. However, due to the activity around plan design changes, the process was paused until the design changes were complete. Mr. Emerson suggested that the working group get back together to confirm their recommendation and then present it to the Board.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the August 21, 2024 regularly scheduled meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the August 21, 2024 Minutes, a motion was made by Mr. Hullender to approve the Minutes as presented. The motion was seconded by Mr. Berry. The motion unanimously carried and the August Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Emerson reported that the Fiduciary coverage insurance is up for renewal and presented four (4) options to the Board, listed below. He noted that all options would be sufficient to meet the City's needs and that the current policy is the policy the $3 million liability limit and $250K Retention. Mr. Hullender asked if the prices should have gone down since there is now more experience with the Board and Mr. Emerson replied the price increase is due to the increase of assets.

- $3M Limit/$100K Retention $103,398
- $3M Limit/$250K Retention $100,195 (current plan)
- $5M Limit/$100k Retention $122,195
- $5M Limit/$250K Retention $115,260

A motion was made by Mr. Berry to approve the $3 Million Limit / $250 Thousand Retention option. The motion was seconded by Mr. Hullender. The motion unanimously carried and the Fiduciary Insurance Police renewal was approved.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Rivera walked through the market environment for August, 2024. He noted that overall it was a good month, with all asset classes performing positively. Large Cap stocks led the markets with the highest returns YTD. While there is still a lot of market volatility, the market is seeing quick rebounds.

Year-to-date returns

YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	5yr	10yr
Large Cap 19.5%	Large Cap 26.3%	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 15.9%	Large Cap 13.0%
Broad U.S. Equities 18.2%	Broad U.S. Equities 26.0%	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%	Broad U.S. Equities 15.2%	Broad U.S. Equities 12.4%
Mid 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 11.2%	Mid Cap 9.6%
Intl Large Cap 12.0%	Mid Cap 17.2%	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%	Small Cap 9.7%	Small Cap 8.0%
Broad Intl Equities 11.2%	Small Cap 16.9%	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%	Intl Large Cap 8.6%	Intl Small Cap 5.3%
Small Cap 10.4%	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 -9.1%	Broad U.S. Equities 21.1%	Commodities 11.4%	Intl Large Cap -0.8%	Commodities 8.4%	Intl Large Cap 5.2%
Emerging Markets 9.5%	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 7.6%	Bank Loans 4.7%
Intl Small Cap 8.3%	Intl Small Cap 13.2%	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%	Intl Small Cap 6.4%	High Yield 4.7%
High Yield 6.3%	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 7.5%	Broad Intl Equities 4.5%	High Yield -4.5%	Bank Loans 5.5%	Broad Intl Equities 4.4%
Bank Loans 5.8%	Emerging Markets 9.8%	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%	Emerging Markets 4.8%	Emerging Markets 2.6%
Commodities 5.3%	Core Bond 5.5%	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%	High Yield 4.5%	Core Bond 1.6%
Core Bond 3.1%	Commodities -4.3%	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%	Core Bond 0.0%	Commodities -3.0%

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

Mr. Rivera noted that Fixed Income was positive for the month and is up 3.1% YTD anticipating a rate cut today.

Fixed income performance

Bond indices were positive in August, as dovish Fed rhetoric and slower labor growth set the stage for a September rate cut

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	1.4	3.8	3.1	7.3	-2.1	0.0	1.6
Intermediate Index	Blm Int. Gov./Credit	1.2	3.1	3.6	7.1	-0.4	1.0	1.8
Government Only Indices	Blm Long Gov.	2.0	5.7	0.4	4.9	-9.8	-5.1	0.7
	Blm Int. Gov.	1.1	2.9	3.2	6.3	-0.6	0.5	1.4
	Blm 1-3 Year Gov.	0.9	2.1	3.3	5.9	1.0	1.3	1.3
	Blm U.S. TIPS	0.8	2.6	3.3	6.2	-1.3	2.0	2.1
Credit Indices	Blm U.S. Long Credit	2.1	5.3	1.9	9.7	-5.7	-1.2	2.6
	Blm High Yield	1.6	3.6	6.3	12.6	2.5	4.5	4.7
	CS Leveraged Loan Index	0.6	1.3	5.8	9.8	6.3	5.5	4.7
Securitized Bond Indices	Blm MBS	1.6	4.3	3.3	7.5	-1.7	-0.2	1.3
	Blm ABS	1.0	2.3	4.0	7.2	1.4	1.9	2.1
	Blm CMBS	1.2	3.3	5.1	9.3	-1.0	0.8	2.3
Non-U.S. Indices	Blm Global Aggregate Hedged	1.1	3.0	3.2	7.5	-0.9	0.2	2.2
	JPM EMBI Global Diversified	2.3	4.2	6.7	13.4	-1.7	0.4	2.9
	JPM GBI-EM Global Diversified	3.1	5.4	1.5	6.0	-1.7	0.1	-0.3
Municipal Indices	Blm Municipal 5 Year	1.3	2.3	1.5	5.0	0.0	1.0	1.7
	Blm HY Municipal	1.2	2.3	6.5	12.4	0.5	2.8	4.5

Mr. Rivera discussed the U.S. Equities market and noted that small cap stocks were going through an interesting time, but may be helped by a rate cut since they are more sensitive to interest rate policy.

U.S. equity performance

Small-cap equities declined in August, but other major indices gained as large-cap, value-oriented stocks led the broad market

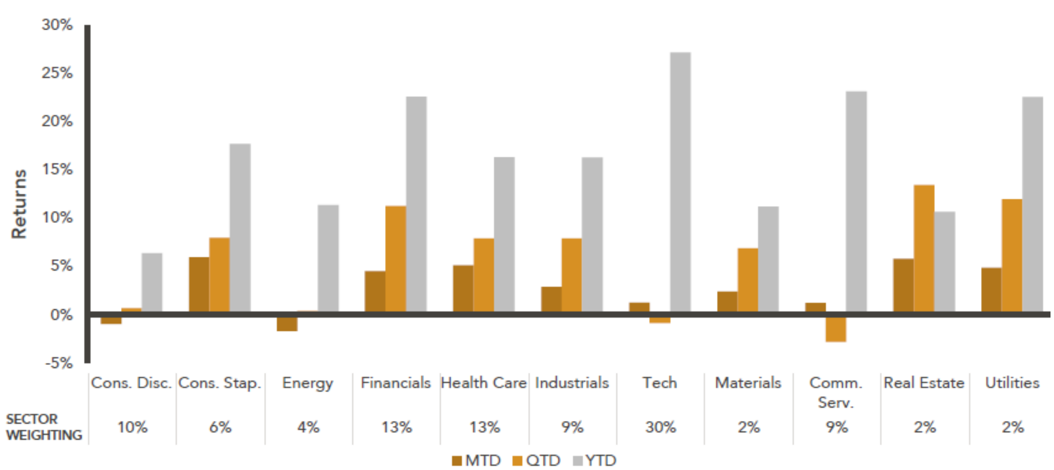
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	2.0	6.6	11.7	22.1	7.7	11.8	11.8
	Wilshire 5000	2.2	4.1	18.2	26.0	7.3	14.9	12.1
	Russell 3000	2.2	4.1	18.2	26.1	7.9	15.2	12.4
Large-Cap Market Indices	S&P 500	2.4	3.7	19.5	27.1	9.4	15.9	13.0
	Russell 1000	2.4	3.9	18.6	26.6	8.3	15.6	12.7
	Russell 1000 Value	2.7	7.9	15.1	21.1	7.3	11.2	8.9
	Russell 1000 Growth	2.1	0.3	21.1	30.8	8.9	19.1	16.0
Mid-Cap Market Indices	Russell Mid-Cap	2.0	6.8	12.1	20.2	3.5	11.2	9.6
	Russell Mid-Cap Value	1.9	8.0	13.0	20.2	5.4	10.8	8.3
	Russell Mid-Cap Growth	2.5	3.1	9.3	19.1	-0.5	10.5	10.6
Small-Cap Market Indices	Russell 2000	-1.5	8.5	10.4	18.5	0.6	9.7	8.0
	Russell 2000 Value	-1.9	10.1	9.1	19.2	3.1	10.4	7.5
	Russell 2000 Growth	-1.1	7.0	11.7	17.7	-2.1	8.4	8.2

Source: Bloomberg as of August 31, 2024

Mr. Rivera stated technology stocks were driving many of the returns in the S&P 500.

S&P 500 sector performance

Defensive and rate-sensitive sectors, including Consumer Staples and Real Estate, led in August as the U.S. equity market broadened out



Source: Bloomberg as of August 31, 2024. Sector weights are as of June 30, 2024.

Mr. Rivera reported that global equities had all positive returns, but lagged U. S. stocks.

Global equity performance

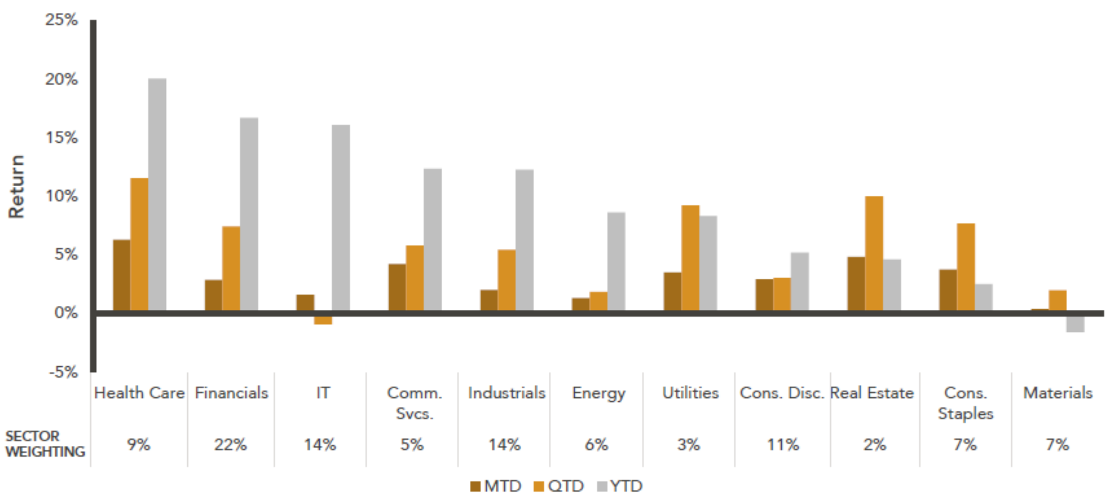
Developed international stocks continued to perform well in August, while EM small caps rebounded from a flat July

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	2.5	4.2	16.0	23.4	5.8	12.1	8.8
	MSCI ACWI ex-U.S.	2.8	5.2	11.2	18.2	2.1	7.6	4.4
Developed Markets Indices	MSCI EAFE	3.3	6.3	12.0	19.4	4.1	8.6	5.2
	MSCI EAFE Local	0.4	1.2	12.4	16.7	7.6	9.6	7.5
Emerging Markets Indices	MSCI Emerging Markets	1.6	1.9	9.5	15.1	-3.1	4.8	2.6
	MSCI EM Local	0.4	1.0	12.1	16.3	0.1	6.6	5.4
Small-Cap Market Indices	MSCI EAFE Small-Cap	2.0	7.8	8.3	15.1	-2.4	6.4	5.3
	MSCI EM Small-Cap	1.8	1.7	8.9	16.2	3.2	11.8	5.0
Frontier Markets Index	MSCI Frontier	2.0	3.9	10.1	10.1	-2.7	2.8	1.0

Mr. Rivera stated that communication and healthcare saw good returns this month in emerging markets.

MSCI ACWI ex-U.S. sector performance

After returning 6.3% in August, Health Care is now the top performing sector of the MSCI ACWI ex-U.S. Index thus far in 2024



Source: Bloomberg as of August 31, 2024. Sector weights based on the MSCI ACWI ex-U.S. Index as of June 30, 2024.

Performance Overview - General Employees' Pension Plan

Mr. Rivera stated that the General Plan was up 1.9% in August and 10.4% 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 August 31, 2024.

MTD Performance (as of 8/31/2024)
Total Fund Composite: 1.9%
Total Fund Policy Benchmark: 1.7%

FYTD Performance (as of 8/31/2024)
Total Fund Composite: 4.9%
Total Fund Policy Benchmark: 4.8%

YTD Performance (as of 8/31/2024)
Total Fund Composite: 10.4%
Total Fund Policy Benchmark: 10.8%

Mr. Rivera 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

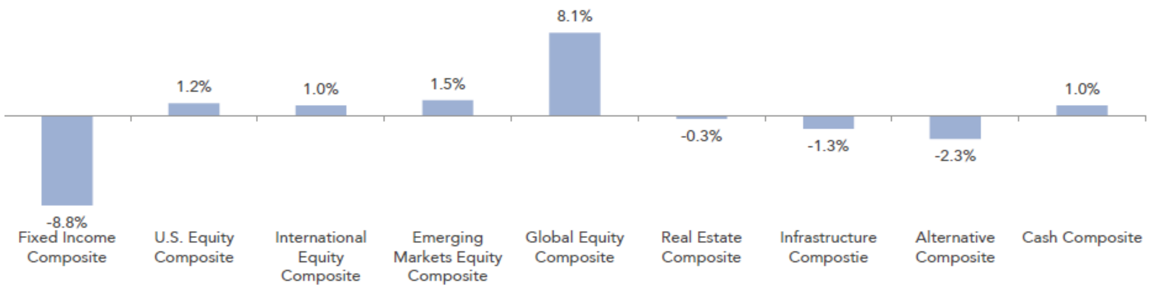
Top Performers	Absolute Performance	Benchmark Performance	Strategy
Hardman Johnston	+18.3%	+11.2%	International Equity
Goldman EM	+11.7%	+9.5%	Emerging Markets Equity
Artisan	+13.9%	+12.0%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Earnests EM	+1.5%	+9.5%	Emerging Markets Equity
Earnest SCC	+4.4%	+10.4%	U.S. Equity
Union Heritage	+15.7%	+19.5%	U.S. Equity

Mr. Rivera noted the Plan is currently underweight in fixed income and Marquette will be working slowly to get back to the target allocation.

COA General Employees' Asset Allocation vs Target Allocation

	Current Allocation	Target Allocation
Fixed Income Composite	$405,796,761	$575,157,365
U.S. Equity Composite	$769,825,380	$747,704,574
International Equity Composite	$335,375,195	$287,578,682
Global Equity Composite	$289,083,356	$134,203,385
Real Estate Composite	$51,569,982	$57,515,736
Infrastructure Composite	$33,052,106	$57,515,736
Alternative Composite	$13,318,281	$57,515,736
Cash Composite	$19,170,155	$ -



Performance Overview – Police Officers' Pension Plan

Mr. Rivera stated that the Police Plan was up 1.7% in August and 11.3% 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 August 31, 2024.

<u>MTD Performance (as of 8/31/2024)</u>
Total Fund Composite: 1.7%
Total Fund Policy Benchmark: 1.6%

<u>FYTD Performance (as of 8/31/2024)</u>
Total Fund Composite: 5.3%
Total Fund Policy Benchmark: 5.3%

<u>YTD Performance (as of 8/31/2024)</u>
Total Fund Composite: 11.3%
Total Fund Policy Benchmark: 10.9%

Mr. Rivera 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	+22.7%	+11.7%	U.S. Equity
Hardman Johnston	+18.3%	+11.2%	International Equity
Goldman Sachs	+11.7%	+9.5%	Emerging Markets Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	+4.5%	+10.4%	U.S. Equity
Brown SC	+7.2%	+8.7%	International Equity

Performance Overview – Firefighters' Pension Plan
Mr. Rivera stated that the Fire Plan was up 1.7% in July and 10.7% 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 August 31, 2024.

MTD Performance (as of 8/31/2024)
Total Fund Composite: 1.7%
Total Fund Policy Benchmark: 1.6%

FYTD Performance (as of 8/31/2024)
Total Fund Composite: 4.9%
Total Fund Policy Benchmark: 5.1%

YTD Performance (as of 8/31/2024)
Total Fund Composite: 10.7%
Total Fund Policy Benchmark: 10.7%

Mr. Rivera 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	+22.6%	+11.7%	U.S. Equity
Hardman Johnston	+18.2%	+11.2%	International Equity
Goldman Sachs	+11.7%	+9.5%	Emerging Markets Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	+4.5%	+10.4%	U.S. Equity
Brown SC	+7.2%	+8.7%	International Equity

VII. NEW BUSINESS

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 current list of candidates has been confirmed by Ms. Woods but if additional submissions are received via mail, the candidate list would need to be amended. SBA needs to mail out biographies so members have 30 days to review candidate information. The proposed dates for the election are for November 4 through November 8. Mr. Hullender and Mr. Berry expressed concern with mail getting to the retirees in a timely manner. After discussion, it was decided to change the slightly delay the election period and to mail the both the ballot and candidate biographies together to the retirees.

A motion was made by Mr. Berry to adopt an election period of November 11 through November 15, 2024 and to mail the biographies and ballots together no later than October 11, 2024. The motion was seconded by Mr. Hullender. The motion carried and the election period and retire mailing date were approved.

VIII. OLD BUSINESS

Mr. Hullender asked about the election period for the employees who were moving from the 2010 plan to the 2005 plan and Mr. Balla stated the City was currently reaching out to the impacted employees and is targeting to have all elections completed by January 1, 2025. Ms. Shah added that SBA has drafted a letter for the employees and is working with the HR directors to hold on-site meetings in October. Mr. Hullender asked if employees could be defaulted to the 2005 plan if no election was received, but Mr. Balla stated the employee must opt in to the 2005 plan.

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 October 16, 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 10:47 a.m. Vice-Chairman Burks called for adjournment.

Respectfully Submitted,

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LaChandra Burks, Vice-Chairman
These minutes were adopted on October 16, 2024