

**REGULAR MEETING
BOARD OF TRUSTEES
CITY OF NEW ORLEANS EMPLOYEES' RETIREMENT SYSTEM
CITY HALL, CITY ATTORNEY'S OFFICE CONFERENCE ROOM
JANUARY 18, 2023**

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Trustees Present:

Ms. Courtney B. Bagneris, Active Employees' Representative
Marina M. Kahn, Retired Employees' Representative
Ms. Amy B. Trepagnier, Trustee
Mr. Kim T. DeLarge, Sr., Trustee

Trustees Absent:

Mr. Norman L. White, Treasurer/CFO

Others Present:

Jesse Evans, Jr., Director, Employees' Retirement System
Ian Jones, AndCo Consulting
Bernard Robertson, Robertson Wealth Management
Tanya Irvin, City Attorney's Office
Kristen Lee, City Attorney's Office
Michael Williams, Phelps Dunbar

Mr. Evans called the meeting to order at 9:35am after roll call.

MONTHLY REPORTS

Meeting Minutes - Regular Meeting - December 20, 2022

A motion was made by Ms. Bagneris and seconded by Mr. DeLarge to approve the December 20, 2022 regular meeting minutes. The motion passed with all in favor (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier).

Board to Ratify Retirement Allowances

A motion was made by Ms. Bagneris and seconded by Mr. DeLarge to approve the retirement allowances for the month of January. The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier).

Refund Report - Marked received

Contribution Report - Marked received

Transfer Report - Marked received

Deceased Member Report - Marked received

NEW BUSINESS

Date of the next regular meeting – The board’s next regular meeting is scheduled for Wednesday, February 15th at 9:30am. The meeting will be held at the site of the Louisiana Trustee Educational Council (LATEC) and Opal Group Investment Education Symposium at the Royal Sonesta Hotel in New Orleans. Virtual access will be available.

Member Interest

A motion was made by Ms. Bagneris and seconded by Mr. DeLarge to approve the rate of 2% interest on all eligible member contribution balances. The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier).

Ms. Kahn joined the meeting at 9:59am

COMMITTEE REPORTS

Investment Committee

Review year to date market environment and November 30, 2022 performance report

Mr. Jones reviewed the market update as of January 17th and performance through the month of November. He confirmed compliance with the current investment policy statement with the exception of the hedged allocation which was at 3.1% versus the 3.0% upper limit. He noted that Millennium would be providing \$3+ million of the liquidity in the near future which will bring the hedged allocation down close to the target hedged allocation of 2%.

Review asset allocation targets and options to fund the KKR Diversified Core Infrastructure Fund (\$36 million commitment)

Mr. Jones reviewed the suggested revisions to the investment policy statement (IPS) and the managers targeted to fund the KKR capital call. The board discussed the suggested revisions. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to implement the new asset allocation targets effective when the KKR calls of \$36 million infrastructure commitment are made:

- Decrease core plus fixed income from 12% to 10%
- Decrease emerging market fixed income from 2% to 0%
- Decrease US large cap from 32.5% to 32%
- Increase global infrastructure allocation from 3% to 10%
- Decrease GTAA from 7.5% to 5%

Review asset allocation targets and options to fund the KKR Diversified Core Infrastructure Fund (\$36 million commitment) - Con't

The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier, Ms. Kahn).

In addition to the investment policy statement (IPS) changes, the liquidity for the capital call was discussed by the board. A motion was made by Ms. Bagneris and seconded by Ms. Trepagnier to follow the recommendations of AndCo to liquidate and provide funding from the below listed managers on a proportionate basis to meet the \$36 million KKR capital call in a manner that improves compliance with the IPS targets.

- WEDGE
- Macquarie
- TCW
- Corbin Capital
- Ashmore Emerging Markets Total Return (full liquidation)
- BlackRock Multi-Asset Income Fund
- GMO Benchmark Free Allocation Fund
- Intercontinental Real Estate
- Principal Enhanced Property Fund
- Millennium International, Ltd

The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier, Ms. Kahn).

With respect to the above approved motions, it was noted that liquidity has already been requested from the following managers:

- \$4 million from Corbin Opportunity Fund which will be provided in February 2023 (as per Corbin after the meeting)
 - AndCo recommended that an additional \$2 million of liquidity should be requested from Corbin.
- \$4 million from Intercontinental U.S. Real Estate Investment Fund. Intercontinental has indicated that they will only provide roughly 10% (\$400,000) of the requested liquidity as of the 12/31/22 NAV
 - AndCo recommended that an additional \$1 million of liquidity should be requested from Intercontinental
- \$4 million from Principal Enhanced Property Fund. Principal has indicated that they will not provide any liquidity as of the 12/31/22 NAV

Review asset allocation targets and options to fund the KKR Diversified Core Infrastructure Fund (\$36 million commitment) - Con't

- AndCo recommended that an additional \$1 million of liquidity should be requested from Principal.

A motion was made by Ms. Bagneris and seconded by Mr. DeLarge to request an additional \$2 million from Corbin, an additional \$1 million from Intercontinental, and an additional \$1 million from Principal for future plan needs. The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier, Ms. Kahn).

Budget Committee

The board confirmed that the February meeting will be a virtual meeting to be held during the OPAL-LATEC investment education symposium (February 15th - 17th).

Member Relations Committee

Mr. Evans advised that funding has been received to make the one-time lump sum cost of living adjustments (COLAs). The payments should be made in January or early February. A letter describing the payments will be inserted into one of the upcoming monthly direct deposit statements

Contract Compliance Committee

Ms. Bagneris inquired about the actuary contract. Mr. Evans advised that Segal had some questions related to the contract. Ms. Irvin will discuss the questions with Mr. Evans and Segal. Ms. Irvin introduced her colleague, Ms. Lee.

Mr. Evans advised that the city is trying to get back on track with submitting the audit by June 30th. The June 30th deadline for the city requires the retirement plan audit to be completed by May 31st. Mr. Evans advised that the city council hires the auditor.

Headline Risk Committee

Mr. Evans advised that he still intends to have a mayor's office representative attend a future board meeting to discuss the C40 initiative.

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Governance Committee

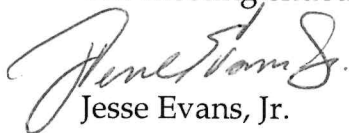
Mr. Evans discussed some possible small policy changes that could move forward a goal of the board related to diversity hiring. The board will discuss in more detail at a future meeting.

Staffing Committee

Mr. Evans advised that the office has an analyst position open that they hope to fill soon.

There being no further business, a motion was made by Ms. Bagneris and seconded by Mr. DeLarge to adjourn. The motion passed with all in favor. (Ms. Bagneris, Mr. DeLarge, Ms. Trepagnier, Ms. Kahn).

The meeting ended at 10:47 am


Jesse Evans, Jr.
Director