

**MINUTES
INVESTMENT COMMITTEE MEETING
RETIREMENT BOARD OF TRUSTEES
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
10:00 A.M., TUESDAY, FEBRUARY 15, 2022
209 ST. FERDINAND STREET
BATON ROUGE, LA 70802**

Call to Order and Roll Call

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

The meeting was called to order at 10:05 a.m. by Investment Committee Chairman Mr. Mark LeBlanc. Mr. Drago formally called the roll.

Committee members present:	Linda Hunt, J. Daniels, Mark Leblanc
Committee members absent:	David West
Staff present:	James Mack, Kyle Drago, Aisha Mirza, Jeffrey Lagarde
Others present:	Chris Brokaw – AndCo, Jon Breth - AndCo

1. PRESENTATION BY ANDCO OF FOURTH QUARTER 2021 INVESTMENT PERFORMANCE REVIEW FOR CPERS;

Mr. Leblanc opened with Item 1 on the agenda, and Mr. Breth gave a general market environment overview for U.S. and International markets, including sector and industry results. Mr. Brokaw then provided a performance review for the CPERS portfolio for the 4th quarter.

Mr. Breth noted we liquidated our investment in Magnitude by December 31st, and funded Evanston with \$53 million on February 1st. He mentioned having that cash on the sideline helped with the volatility in the month of January. Mr. Brokaw discussed each manager's performance for the quarter.

Mr. Leblanc inquired if we had any managers on a watch list. Mr. Breth indicated that Segall Bryant & Hamill was on the watch list for underperformance, but recommended taking them off the list after several periods of improved returns. Mr. Leblanc inquired about Sprucegrove, and Mr. Breth noted that they were not on a watch list and that their recent underperformance was due to style and not anything fundamentally wrong with their investment process.

Mr. Breth led a discussion on our Private Equity portfolio and Mr. Leblanc inquired about when our next investment to private equity would take place. Mr. Breth noted the \$53 million to Evanston and the \$100 million to Franklin Park (\$50 million in 2021, \$50 million in 2022).

Mr. Breth reminded the committee of our small position in GTAA with BlackRock was meant to be temporary and to fund our IFM commitment. Now that IFM is funded, Mr. Breth suggested we liquidate the remainder of GTAA and fund the remainder of Evanston. He noted this moves us closer to our target allocation of 5% in Hedge Funds.

Mr. Mack led a discussion about his meeting earlier in the week with Franklin Park, where he gave the committee his thoughts on their management and strategy.

2. PRESENTATION BY ANDCO OF FOURTH QUARTER 2021 INVESTMENT PERFORMANCE REVIEW FOR THE PGT;

Mr. Breth moved on to Item 2 and gave the committee a synopsis of the PGT performance for the 4th quarter. He noted that GTAA with BlackRock still serves a purpose in this fund as opposed to the CPERS fund.

Ms. Hunt inquired of Mr. Breth and Mr. Brokaw what their general thoughts on Pension Obligation Bonds were and if they thought they might be a good option for PGT and/or the CPERS fund. Mr. Breth discussed the pros and cons. Mr. Mack discussed his experiences with Pension Obligation Bonds and how they are worth exploring for PGT.

Mr. Daniels inquired about the process for the City and the Board in issuing Pension Obligation Bonds. Ms. Hunt noted that the City Parish as the employer would manage the structure, with the Board approving how to extend the funds and what risk mitigation measures would be put in place, along with the City Parish.

Mr. Breth discussed what the merits of a fully funded PGT would be and how it wouldn't ultimately impact the asset allocation strategy we currently have in place.

3. REVIEW OF US LARGE CAP EQUITY ALLOCATION;

Mr. Leblanc introduced Item 3, the discussion of the CPERS allocation to Large Cap Equity. Mr. Breth led the discussion of a comparison of several potential managers. Mr. Mack gave a recap of the previous investment committee meeting and the discussion surrounding potential InTech replacements.

Mr. Breth suggested to the committee replacing the investment in InTech with a larger allocation to the BlackRock Index, and placing a small carve out of \$75 million in a new manager, AQR. Mr. Leblanc suggested we interview the team at AQR. Mr. Mack suggested setting up a zoom call with AQR and the committee agreed on this option.

4. ADMINISTRATIVE MATTERS;

Mr. Leblanc moved to Item 4 and asked if there were any administrative matters to discuss. Mr. Mack brought up a housekeeping issue that Mr. Breth discussed at length. Mr. Breth suggested moving the CPERS assets in BlackRock from a comingled trust to the BlackRock mutual fund. He noted this would make it easier on AndCo and the CPERS staff to meet liquidity needs as the fees are exactly the same for both vehicles.

5. TAKING ANY ACTION NECESSARY RELATIVE TO ITEMS 1 THROUGH 4;

Mr. Leblanc made a motion to liquidate \$15 million of BlackRock Multi Asset Fund from CPERS portfolio to fund Evanston fund. Mr. Daniels seconded. The motion carried without objection or opposition.

Mr. Leblanc made a motion to move the BlackRock investment from a comingled fund to a mutual fund. Mr. Daniels seconded. The motion carried without objection or opposition. The motion carried without objection or opposition.

ADJOURN;

Motion to adjourn by Mr. Daniels. Seconded by Ms. Hunt at 11:50 am. The motion carried without objection or opposition.

MARK LEBLANC
INVESTMENT COMMITTEE CHAIRMAN

JAMES A. MACK
RETIREMENT ADMINISTRATOR