

**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., MONDAY, AUGUST 22, 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 10:00 a.m. by Investment Committee Chairman Mr. Mark LeBlanc and formal roll call was not necessary because two members present makes a quorum.

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

1. REVIEW AND APPROVAL OF MARCH MEETING MINUTES

Mr. Leblanc opened with Item 1 on the agenda to review and approve the June meeting minutes. Motion by Mr. Daniels to approve the minutes and a second by Mr. Leblanc with no objection the motion carried.

2. PRESENTATION BY ANDCO OF SECOND QUARTER 2022 INVESTMENT PERFORMANCE REVIEW FOR CPERS

Mr. Leblanc moved to Item 2 on the agenda and AndCo gave their quarterly presentation. Mr. Brokaw started by first reviewing the market environment in general stating that the Russian invasion has changed the markets globally and that some of the higher prices are here to stay; these higher prices include oil and gas, agriculture and energy. He further stated that while the GDP has fallen and inflation was a major concern prior to the Russian invasion, it is now at a 40 year high, job growth continues.

Mr. Breth discussed how the CPERS portfolio has held up well and is durable with steady return streams, which is due to the changes that have been made to the portfolio. He continued to discuss how there is volatility in US equity and that the long term fixed income was a good alternative and is working out well. Mr. Breth pointed out that timing went our way and that in some respects we got lucky with the level of our cash holdings at the beginning of the year. He noted that the international segment and just about everything overseas, is under performing and that emerging markets are where value is coming back with managing exposure in China. Mr. Breth stated next that fixed income was pretty consistent and that there is an opportunity to add incremental income. He pointed to Western Asset as a manager and that a full evaluation needs to be done when they come down next month to meet with Mr. Mack. CPERS is paying them on a macroeconomic level to make the right decisions and as a manager they just have not been able to do that consistently.

Mr. Daniels asked if the private equity profile that CPERS has, is similar to what other systems in Louisiana have. Mr. Breth noted that this is an area that is a broad swath of diversification and the way it is built out is what he has seen as traditionally successful for other portfolios; what is in place for CPERS is what the traditional playbook for institutions is to be successful. CPERS does not have private debt funds and that is not what the plan focus is at this point.

Mr. Mack added that many other systems use private credit and Mr. Breth agreed that a lot of money is put into these opportunities but that it is hard to find value there. Mr. Breth further mentioned that certainly AndCo will look into it and over time it could be an option but would be a small allocation.

Mr. Breth moved onto discussing the PGT, stating that there was loss in the portfolio that was tied to other stocks than what the CPERS portfolio has. He stated that Blackrock is now having outperformance and that the drivers for PGT are fixed income and that is where the movement will be because it is simple, liquid and smooth.

Mr. Breth compared the PGT to CPERS portfolio stating that CPERS had a decline in April but overall did well considering the environment and that it is the environment is just a tricky place. With the bond market the last year there is nowhere to hide and that is just a bad recipe. Mr. Breth continued the discussion stating that AndCo will continue to look at the long term growth of the portfolio.

Mr. Mack added to the discussion about the market during the month of May and that the broad market value was holding up growth and that fixed income wasn't as bad, so there was a little reprieve on the overall loss and that was in line with April's market volatility.

3. **PRESENTATION BY ANDCO OF SECOND QUARTER 2022 INVESTMENT PERFORMANCE REVIEW FOR THE PGT**

Mr. Breth and Mr. Brokaw continued to present regarding the health of the PGT, as the bulk of the market action and updates were addressed in conjunction with Item 2.

4. **ADMINISTRATIVE MATTERS;**

Mr. Leblanc moved onto Item 4 and there were no administrative matters to be handled.

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

Mr. Leblanc moved to Item 5 stating there was no further action necessary and a motion to adjourn was necessary.

ADJOURN;

Motion to adjourn by Mr. Daniels. Seconded by Mr. Leblanc at 11:05 am. The motion carried without objection.



MARK LEBLANC
INVESTMENT COMMITTEE CHAIRMAN



JAMES A. MACK
RETIREMENT ADMINISTRATOR