

**NEW ORLEANS FIRE FIGHTER'S
PENSION AND RELIEF FUND**
Investment Board Meeting

Martin Gaal
Board President

Thomas F. Meagher, III
Secretary-Treasurer

SUBJECT:

Board of Trustees Investment Board Meeting
Fire Fighter's Pension & Relief Fund

TIME, DATE AND PLACE:

10:00 am March 8, 2023
5710 General Haig Street
New Orleans, Louisiana 70124

This meeting was available via Webex.

Board President Martin Gaal called the meeting to order. The following members of the Board of Trustees were present: Gaal, Meagher, Krsak, Roy, Nelson, and Tervalon and White.

With a quorum being present, the Board President declared the meeting duly convened to conduct business at 10:05 a.m. The Secretary Treasurer opened the meeting.

Also present,
Paul Mitchell
Louis Robein, Board Attorney
Jon Breth, And Co. Consulting

COMMUNICATIONS:

None

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Meagher and seconded by Krsak to approve the minutes of the November 2022 investment Board meeting. There was no December, January and February investment meeting.

Motion passed.

NO OBJECTIONS

REGULAR BUSINESS:

Jon opened the meeting with a letter from And Co's president noting that Jon Breth, among others, was admitted to the partnership at And Co. The firm experienced revenue growth and added employees across the firm, across every avenue at the firm including accounting,

performance consulting, and marketing.

A discussion followed on inflation noting that the components impacting inflation are changing from high fuel prices, high auto prices, increased housing prices to high labor prices as business come back on line and pay higher wages to attract and hire employees. Health care workers and restaurant employees were cited as examples. The Russian invasion has impacted the price of oil due to availability. Long term inflation expectation is fairly low over the next two years.

Jon Breth provided the Board with a performance update for the period ended December 31, 2022 and for the two-month period ended February 28, 2023. Jon noted that the first nine months of 2022 was a tough one for the market. The Bond market was the worst ever since 1978 and the equity market was down 18%, its worst since the crash of 2008. The fourth quarter produced US equity returns of 8 to 9% while emerging market performance was up 15%. Fixed income was up 1.9% for the quarter as well. Discussion followed on interest rate, yield curve movement and fixed income performance for the fourth quarter of 2022..

International performance was hurt by good earnings growth in the US. A strong US dollar also hurt performance of foreign stocks in the first three quarters of the year. This was reversed in the fourth quarter.

The fund's asset allocation has a higher cash allocation than previous periods, but the portfolio is within limits set by the IPS. (Funding and contract completion for the Taurus private equity investment was discussed. The first closing is expected to be late April.)

Other comments regarding fourth quarter performance follow.

Jackson Square This small cap managers performed well in the quarter but poorly year to date. The firm had holdings get acquired to supplement performance in the quarter. Management changes at the small cap firms was discussed and deemed to not have an impact on future performance. The manager will remain on our watch list due to performance.

Clarkson Partners This small cap manager performed well during the quarter and year to date relative to the benchmark.

Euro Pacific has underperformed for the year due primarily to their growth bias and reluctance to China. Fund should consider pairing this manager with a value fund. The fund is broad in diversification and low cost.

Baird bounced back nicely in the fourth quarter as they don't take interest rate risk. They are doing a good job in issuer selection.

Black Rock (multi asset income) had a good quarter, up 5.25% versus the index 8.08%, but lagged bench mark during the fourth quarter. Their portfolio is not 50% equity which makes it hard to measure overall performance versus a benchmark. The asset gives fund exposure to markets not covered in other holdings i.e., lower risk dividend and income paying stocks and

bonds. We have no ESG exposure in this fund.

YTD Performance through February 2023

YTD Performance through February saw the total fund up 2.43%, with equities performing well, up 4.82% vs benchmark of 3.95%. the fixed income composite was up .52% Our small cap managers both had positive performance but lagged their respective indexes. Vanguard total stock index outperformed the S&P index.

New Manger additions

The Fund added the **Hartford Strategic Income Fund** and **PIMCO Income Fund** at the end of January. Both outperformed their benchmark for the month of February, although performance for the month was down.

Blackrock Multi Asset outperformed the benchmark and is positive year to date. The outperformance is due to growth stocks performing well.

Legacy Assets

Louisiana Fund One:

Jon and Paul participated in a conference call with this investment. Management has requested an extension which was granted. This fund contains several holdings, some of which appear to have some promise of a payout. Two drug related investments did not perform as well in clinical trials as had been expected, however management believes there is enough interest to continue new trials. Discussion followed on the current valuation of this asset. Jon noted that management goes through a very thorough valuation process and this investment he believes is not overvalued. No adjustment to our financials is warranted

Lakewood Restoration

The STOYA group will provide transportation for interested residents from the neighborhoods surrounding the proposed development from Lakewood Golf course to their complex on Manhattan on Saturday March 11,2023.

Gulf Islands Water Park

The fund has received a \$50,000 deposit in connection with our acceptance of a buyout offer of \$1,500,000. This offer is pending financing and is expected to close in May of this year at best.

ADJURNMENT:

MOTION: Moved by Meagher and seconded by Roy to adjourn the meeting.

Motion passed.

NO OBJECTIONS

APPROVED BY:  **Date** 7/12, 2023