

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 November 10, 2021
2401 Westbend Parkway
Suite 3001
New Orleans, Louisiana 70114

This meeting was held via zoom.

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 Mr. Tervalon and Norm 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,

Jon Breth, & Co. Consulting

Paul Mitchell

Louis Robein, Board Attorney

Varrick Dyer, firefighter

Mark Porche, firefighter

Frank James, financial writer

COMMUNICATIONS:

None noted

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Meagher and seconded by Gaal to approve the minutes of the April and July 2021 investment Board meeting. There was no August, September and October 2021 Investment Board meeting.

Motion passed.

NO OBJECTIONS

REGULAR BUSINESS:

Fund performance

Jon noted that his presentation will review performance of the third quarter 2021. His discussion covered the economy, shifts in interest rates and its related impact on equities and fixed income. Interest rates ended its fall in the third quarter, a move opposite of the first quarter, triggering an outperformance in growth stocks and financials, particularly large cap holdings. The vaccine rollout, which helped the economy, in the US helped US stocks outperform international equities as well.

John noted that the total fund return was 15.54% year to date, 4.91% in the third quarter. The large cap holdings outperformed the small cap holdings and growth outperformed value in the quarter. Clarkson Partners and Jackson Square both underperformed their benchmark, which was disappointing. Jon noted that his discussions with the management teams at both firms indicated no management changes or unusual holdings which affected performance. Our International Fund was up 1.94% for the quarter versus a 2.39% index return.

The drop in interest rates produced negative returns (-0.04%) in the fixed portion of the Fund for the quarter.

Legacy Holdings:

The Fund's legacy holdings, which is essentially all of the alternative portfolio, is, in the case of the private equity investments, mostly written off on the system's financials (Fire Flix, Whalehaven, Endgame,) or are closing out (Greensprings, Murphree, Louisiana Fund 1 and Wilton). The Fund recognizes this portfolio has limited performance ability and is being phased out.

The Fund's remaining alternatives portfolio \$5,000,000, of which represents holdings in real estate, had very little change in performance during the quarter. The Fund continues to seek opportunities to liquidate these legacy assets, so that the portfolio can be positioned in a more traditional fashion.

Black Rock, a multi asset liquid alternative investment fund, provides the fund with exposure to high yield bonds, global stocks and global bonds. Their quarter to date performance of 1.19% was less than the index return of 2.82.

Greensprings will make a final distribution of this venture capital fund later this year.

Greensprings Crossover will follow with a final distribution sometime in 2022.

Murphree Venture Partners has a final distribution scheduled this year.

La Fund 1 has extended the partnership agreement for two years with no management fee. The Fund maintains about 8 investments, two of which, a cocaine treatment drug and cancer treatment drug are in clinical trials and need additional funding, which management indicates is forthcoming.

Whalehaven is still in liquidation. The push is on since 2011 to liquidate this fund. This is a hedge fund/private equity investment started in 2007. There have been no positive results in liquidating the Fund. Jon has proposed to write down this asset as recovery is deemed unlikely as well as consider getting Board legal counsel to prepare a letter demanding recovery.

Endgame: The Fund is being liquidated. Proceeds are forthcoming.

Fire Flix update: Jon noted that Vertical entertainment has acquired the Culling and Tell Tale Heart out of bankruptcy. The National Lampoon movie, Dirty Movie II, is not in bankruptcy. There is no update on this movie other than that Amazon Prime video in the UK is showing the movie during 2019. No new action.

Fire Lake Development

No new activity to discuss.

Fire Game

This investment consists of a piece of property in Biloxi, Ms. on Caillavet Street, appraised at \$300,000. The initial investment involved the acquisition of a gaming license and construction of a new casino. The casino project failed. The property has a for sale sign on it. No offers have been made.

Wilton Private Equity

This fund is nearing completion and should be liquidated by year end.

ADJURNMENT:

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

Motion passed.

NO OBJECTIONS

APPROVED BY:  **Date:** 2/9/2022