

*MINUTES OF THE
BOARD OF TRUSTEES MEETING FOR THE COLUMBUS GEORGIA PUBLIC EMPLOYEE
RETIREMENT SYSTEMS PENSION AND BENEFIT TRUST FUND
June 26, 2024*

TRUSTEES PRESENT:

Mayor, Skip Henderson, Chairman; City Manager, Isaiah Hugley, Vice Chairman; Finance Director, Angelica Alexander, Secretary; Ricky Boren, Trustee; Fray McCormick, Trustee and Dusty Wilson, Trustee

TRUSTEES ATTENDING VIRTUALLY:

Roderick Graham, Trustee; Lisa Goodwin, Trustee

TRUSTEES ABSENT:

Jack Warden, Trustee; and Elizabeth Cook, Trustee

OTHERS ATTENDING IN PERSON OR VIRTUALLY:

Pamela Hodge, DCM Finance, Planning & Development; Lucy Sheftall, Assistant City Attorney; Shannel Davison, Investment Officer; Reather Hollowell, Human Resources Director; Cynthia Holliman, Senior Pension Plans Administrator; Savonne Monell, Columbus Water Works Representative; Angela Allison, Columbus Water Works Representative; Carl Robertson, Columbus Water Works Representative; Denise Brown, Investment Officer (Ret); and Glen Arrington, Recording Secretary

ADVISORS:

Richard Swift, Raymond James

GUESTS:

Seth Knight, Westend Advisors, Director; and Lewis Stocks, Westend Advisors, Portfolio Specialist

CALL TO ORDER

Mayor, Skip Henderson, called the June 26, 2024, meeting of the Board of Trustees of the Columbus Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund to order.

Richard Swift introduced advisors from Westend to talk to the board. The board has been talking about Westend for some time. They have been trailing the index and got a little bit behind. They are our tactical manager. Mr. Swift stated that he has had several discussions with them over the past few months. But he thought it would be appropriate for the board to hear from them. At this moment, over the past year, their index is up about 15% and they are

up about 10%. So, they are trailing by a 500 basis points, and that's enough to say hey, let's hear from the manager and see how they are doing and what they have to say.

Mr. Swift then thanked Seth Knight and Lewis Stocks for joining the board. Mr. Knight introduced Lewis Stocks. Mr. Stocks is a member of the investment committee. He is the portfolio specialist. He's a CFA. He's very involved with the day-to-day portfolio decisions, for the goal balance portfolio which the board has exposure to as part of the pension plan. Seth thanked the board for their business and support as well. He then turned it over to Lewis to provide a market update.

Mr. Knight spoke to the performance piece that Mr. Swift alluded to. Westend has certainly lagged the benchmark. It has been a difficult environment. One of the unique things about this market has been the concentration risk between tech related names. Also, as a part of the investment process, one of the key calling cards has always been risk awareness. So, we certainly see above average risk. And in this state in the economic cycle, we are managing that risk. But as we always do, we are seeking underappreciated opportunities. And we will speak to that as well.

Just as a quick refresher for those of you who might not be as familiar, Mr. Knight gave an overview of how the investment team looks at the world. Their process is one that is very fundamentally driven. And it is very qualitatively driven. They have a team of eight, and day to day they manager the portfolios through a macroeconomic lens. What they like to say at Westend is they do a great job of managing economic cycles. They are big believers in the economy. And they believe that the direction of the economy and the business cycle ultimately is what drives financial market returns. And so, what you will see is a series of economic data points that they view as most important. They spoke to the portfolio impact as well. But he did emphasize that it is a very qualitative approach with how they go about managing their investment process. They have over 30 years of experience in managing this process.

Mr. Stocks thanked the board for their partnership and then presented the board with background on the performance of the fund in recent years. He spent the next 15 minutes talking about Westend's economic and market outlook for the next year as well as the opportunities that they are excited about and taking advantage of.

After the presentation, Mr. Swift talked to the board a little further regarding Westend. They have been de-risking the market when it is actually in favor of risk for a little bit longer than they anticipated. Mr. Swift stated that he sees them as maybe a little bit of a hedge for what if we get a little bit of a difficult time. Where they are shifting, it seems like they are shifting to treasuries too, which is more conservative. Hopefully, we might see their returns flip a little bit. Mr. Swift stated that he would like to give them more time and requested thoughts and comments from the board. After discussion, Mr. Swift moved to the investment update.

INVESTMENT UPDATE

a. Performance Review

Richard Swift presented to the board regarding the fund's performance. With this month's report, Mr. Swift included information regarding the different indexes. The S&P 500 is up 20.24%. But if you were to equal weigh the S&P 500, it's up 12.3%. What that means is the S&P is overweighted in the top 5 holdings. When you strip that down and equal weigh it, you can see the return is not quite as much, in fact almost half. The Russell growth is over the past 11 months is up 25% and the Russell Value is up 14%. So that, again, points to the fact that market returns have favored risk over the past year. In terms of the portfolio, the fiscal year to date, we are at 11.51%; and over the past year 16%.

Reporting the performance of various managers followed. Funds that are doing well are Blackrock LCV, Boston Partners / Robeco, Vanguard FTSE EM VWO, Karpus Investment FI, Allianz Short Duration Hi Yield ASHPX, Prudential Total Return Bond Fund, and AEW Real Estate. Funds that are slightly behind or underperforming are Parnassus Equity LLC, Westwood Management Corp, John Hancock Small Cap, Causeway Capital Intl, Capital Group Intl Equity, and Westend Global Balanced. All other funds are in line.

Mr. Swift stated this is a very good report. We have a couple of managers that are trailing. But if given a little more time, and looking at their long-term records, he does not see any managers that are a real problem at this moment. But we will keep an eye on the ones that are trailing. He stated that he did want to point out that as of this report, the fund was at \$630M. The fund was up 11.51% fiscal year to date last month. A month later, on yesterday's close, we are at \$639M. So, we are \$9M ahead of where we were last month. We have two more days of trading after today, so we should be at 11.51%, maybe north of that at Fiscal Year End. He then opened for questions and discussion.

b. Asset Allocation

Mr. Swift then reviewed the asset allocation of the Pension fund. In terms of asset allocation and in terms of where our fund is and where our investment policy is, we are in line with all of our categories. We are at 62.3% in equities and 37.7% in fixed income. We are just slightly more in equities. The fund was brought down to 62% a few months ago, so it is back where it was when we made the adjustment. He then opened for questions.

MINUTES OF THE PREVIOUS MEETING

The minutes from May 8, 2024, regular Pension Board Meeting were submitted for approval. A motion to approve the minutes was made by Fray McCormick. City Manager, Isaiah Hugley, seconded the motion. The board voted and it was unanimously approved.

The minutes from June 13, called Pension Board Meeting were submitted for approval. A motion to approve the minutes was made by Dusty Wilson. Fray McCormick seconded the motion. The board voted and it was unanimously approved.

OLD BUSINESS

Finance Director, Angelica Alexander informed the board that in June, the board would use all of the approved funding that was approved in the September 13, 2023 meeting.

NEW BUSINESS

There was no new business for this meeting.

OTHER BUSINESS

There was no other business for this meeting.

ADJOURN

With there being no further business to discuss, Mayor Henderson reminded the board that we would not meet in July. He wished everyone a happy Independence Day. And with that, he declared the meeting adjourned.

The next meeting is scheduled for August 14, 2024, at 2:00 PM in the Information Technology Classroom.

Glen Arrington

Glen Arrington
Recording Secretary