



**“RE-BUILDING THE CITY’S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY”**

# **EMPLOYEES’ RETIREMENT SYSTEM OF THE Sewerage & Water Board OF NEW ORLEANS**

*LaToya Cantrell, President*

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November 10, 2021

The Pension Committee met virtually on Wednesday, November 10, 2021, via Microsoft Teams. The meeting convened at approximately 10:00 A.M.

## **Present:**

Director Joseph Peychaud  
Director Alejandra Guzman  
Director Maurice Sholas  
Ms. Latressia Matthews  
Mr. Harold Heller  
Mr. Kenneth Davis, Sr.  
Mr. Mubashir Maqbool

## **Other Board Members Present:**

N/A

## **Absent:**

Director Ralph Johnson  
Councilmember Jay H. Banks

Also, in attendance: Special Counsel Mrs. Yolanda Grinstead; Deputy Special Counsel Mr. Ed Morris; Mr. Ghassan Korban, Executive Director; Mr. Edgar Lewis, Chief Financial Officer; Mr. Kweku Obed and Mr. Jesus Jimenez, Marquette Associates, Inc.

## **PRESENTATION ITEMS**

Director Peychaud introduced Mr. Kweku Obed and Mr. Jesus Jimenez of Marquette Associates, Inc. who provided an overview of the Asset Allocation Study presented at the October Pension committee, as well as, an executive summary of the current financial markets.

### **Asset Allocation Study**

- Marquette presented its recommendation of Portfolio E to be the new asset allocation. This new portfolio mix would be achieved by:
- Reducing fixed income exposure to enhance expected risk/return trade-offs

- Revisiting the U.S./Non-U.S. equities allocation split
- Reducing equity style biases in favor of a core approach
- Eliminating the use of hedge funds in the allocation due to cost and performance
- Optimizing real estate allocation by adding a core open ended private real estate allocation vs a “proxy” allocations (REITs)
- Considering global infrastructure and private equity allocations to reduce public market volatility and enhance diversification

### **Capital Markets Executive Summary**

- Commodities and equities were the highest performing assets in third quarter.
- Performance of commodities shows that previous inflation concerns are real and will likely continue to be a headwind
- Recent inflationary pressures reaffirm the decisions used to derive the new asset allocation recommendations
- Low rate environment also should continue to help U.S. equities market
- U.S. infrastructure bill will help offset the pandemic and supply disruption related headwinds in 2022, allowing for a “soft landing” for the economy
- Will continue to monitor the financial markets and the U.S. economy to protect the future purchasing power of the pensioners

### **ACTION ITEMS**

- Resolution (R-115-2021) – Resolution for the acceptance of the 2021 Actuarial Report of Rudd & Wisdom
- Resolution (R-116-2021) – Resolution for the acceptance of January 1, 2021 Cost of Living Adjustment for Board Pensioners
- Resolution (R-117-2021) – Resolution to authorize transfer of U.S. Large Cap Growth Investment Funds from iShares S&P 500 Growth ETF account to BlackRock Russell 1000 Index Fund, resulting in approximately \$50,000 worth of annual fee savings
- Resolution (R-134-2021) – Resolution to accept recommended rebalancing of the current Asset Allocation to “Asset Allocation: Portfolio E”

**PUBLIC COMMENT**

None.

**INFORMATION ITEMS**

The information items were received.

**ADJOURNMENT:**

There being no further business to come before the Pension Committee, Director Peychaud made a motion to adjourn. Director Sholas accepted. Director Guzman seconded. The motion carried. The meeting adjourned at approximately 10:47 A.M.

Respectfully submitted,

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Mr. Joseph Peychaud, Chair