

FULTON COUNTY SCHOOLS EMPLOYEES' PENSION FUND
PENSION BOARD
MINUTES
November 16, 2022

The Fulton County School Employees' Pension Fund Pension Board ("Pension Board") met in regular quarterly meeting on November 16, 2022, at 2:00 pm at North Learning Center, 450 Northridge Parkway, Sandy Springs, Georgia 30350.

Pension Board members present: Mr. Marvin L. Dereef, Jr., Dr. Gonzalo La Cava, Mr. John Anderson, Mr. Stuart Berry, Ms. Lisa Sutton, and Dr. Mike Looney.

Absent Pension Board member: Mr. Sam Ham

Dr. Looney served as Chair of the meeting. Ms. Greta Tinaglia, Deputy Chief Financial Officer served as secretary of the meeting.

Also present were: Ms. Cheryl Shaw, Parker Poe; Ms. Kathy Solley, Parker Poe; Ms. Karina Vasquez, Parker Poe; Mr. Casey Gillespie, SEI Private Trust Company; Ms. Suzanne Hatfield, Director of Accounting, Mr. Charles Robinson, Retirement Services Coordinator; Ms. Kendall Cherry, Retirement Services Specialist; Mr. Gregory Haitz, Board Vacancy Candidate and Mr. Randy Stewart, Communications Manager.

Call to Order

The Chair called the meeting to order at 2:00 pm, and at the Chair's request, Mr. Stuart Berry led the Pledge of Allegiance.

Action Items

a. Approval of Agenda

The Chair noted a copy of the agenda had been provided to Pension Board members in advance of the meeting and was posted on the website.

A motion to approve the Pension Board Agenda for the November 16, 2022, meeting was made by Mr. Gonzalo La Cava and seconded by Mr. Stuart Berry and was unanimously approved.

b. Approval of August 17, 2022, Meeting Minutes

The Chair noted Pension Board members had been provided a copy of the minutes of the August 17, 2022, meeting in advance of this meeting. He also noted all approved minutes will be available for public view on the Retirement Services website.

A motion to approve the August 17, 2022, meeting minutes was made by Mr. Stuart Berry and seconded by Ms. Lisa Sutton and unanimously approved.

Reports

c. Pension Payroll Report (August 2022, September 2022 & October 2022)

At the request of the Chair, Mr. Charles Robinson, Retirement Services Coordinator, presented the Pension Payroll Report.

d. Atlas Update/Pension Payroll Withholdings

At the request of the Chair, Mr. Charles Robinson presented this report regarding the transition of the pension payroll to the Atlas system and the tax withholding required by the federal government and states in which pensioners reside. An update was also provided on the status of the waived/refunded penalties. A ruling is currently pending with the IRS.

e. 1st Quarter Treasurer's Report

At the request of the Chair, Ms. Suzanne Hatfield, Director of Accounting, presented the Treasurer's Report for the period ending September 30, 2022.

At September 30th, the Pension Fund had total assets of over \$433.6 million, total liabilities of \$1.3 million and a net position of \$432.2 million. There were total pension contributions of \$6.86 million and other local income composed of \$25.9 million in interest/dividends on investments, loss on sale of investments of \$199k and change in market value of investments of \$-27.5 million. Total revenues through September 30th are \$-19.1 million. Expenditures include administrative expenses totaling \$150k and pension benefits of \$9.3 million.

f. 3rd Quarter CY 2023 Investment Performance Review

At the request of the Chair, Ms. Liz Braeden of SEI Investments presented, via conference call, the 3rd Quarter CY 2023 Portfolio Review of Fulton County School Employees' Pension Fund which included a report of the Plan's investment performance for the period ending September 30, 2022.

As of the close of the market on September 30, 2022, the assets decreased to \$428.6 million. The 3rd quarter return was -5.69%; the 2022 fiscal year return was -13.3%, and the 2021 fiscal year return was 27.5%. The return since inception rate was 5.57%. The continued decline of the capital markets were due, in part, to the investor concerns over persistent high inflation, aggressive Federal Reserve rate hikes and slowing global GDP growth.

g. Investment Policy Statement

Ms. Greta Tinaglia presented suggested updates to the existing Investment Policy Statement (IPS) which provides clarity around the composition of the Category 1 benchmark and moves the existing range of the allowed Alternatives weighting to 0% - 10% to reflect recent changes in Georgia Law (Official Code of Georgia Annotated §47-20-87).

After clarification regarding the potential for higher volatility of these investments, the Board moved forward with the consideration.

A motion to adopt the amended and restated Investment Policy Statement as presented to the meeting by Greta Tinaglia, effective as of November 16, 2022 was made by Mr. John Anderson and seconded by Mr. Marvin L. Dereef, Jr.

Executive Session

A motion to adjourn to Executive Session to discuss investment securities and portfolios, personnel and other matters as permitted by law and to return to public session at the conclusion of the Executive Session was made by Mr. Stuart Berry and seconded by Ms. Lisa Sutton and unanimously approved.

The Pension Board adjourned to Executive Session at 2:52 pm and returned to public session at 3:15 pm.

h. Board Vacancy Candidate

A summary of the intent and qualifications of Mr. Greg Haitz was read by Dr. Mike Looney.

A motion to recommend to the Board of Education, at the December 14, 2022 meeting, the appointment of Mr. Greg Haitz to serve on the Fulton County Schools Employees' Pension Fund Pension Board. The motion was made by Mr. Stuart Berry and seconded by Mr. Marvin L. Dereef, Jr.

i. Environmental, Social & Governance Training (ESG)

Mr. Casey Gillespie of SEI Private Trust Company presented the training. The training primarily focused on three categories: sustainable investing, custom portfolio implementation and investment stewardship. The board requested, at a future meeting, additional information regarding options and risks associated with each category.

Adjournment

With no further business, the meeting was adjourned at 3:38pm.

The Pension Board meeting schedule along with links to the Pension Board meeting video will be available on the Retirement Services website.

2/10/2023

X Greta P. Tinaglia

Greta Tinaglia
For Marvin L. Dereef, Jr., Board Secretary
Signed by: Tinaglia

Exhibits to Minutes:

- September 30, 2022 Investment Performance Review
- September 30, 2022 Treasurer's Report
- Pension Payroll Report (August, September & October 2022)
- Atlas Update/Pension Payroll Withholding
- Investment Policy Statement
- Environmental, Social and Governance Presentation