



“RE-BUILDING THE CITY’S WATER SYSTEMS FOR THE 21ST CENTURY”

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

LaToya Cantrell, President

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May 19, 2021

The Board of Trustees met on Wednesday, May 19, 2021 via Microsoft Teams. The meeting convened at approximately 10:24 A.M.

Present:

Dr. Tamika Duplessis, President Pro Tempore
Trustee Robin Barnes
Trustee Alejandra Guzman
Mr. Ramsey Green
Councilmember Jay Banks
Trustee Janet Howard
Trustee Ralph Johnson
Trustee Joseph Peychaud
Trustee Maurice Sholas
Trustee Latressia Matthews
Trustee Chris Bergeron

Absent:

Mayor Latoya Cantrell
Trustee Lynes Sloss
Trustee Harold Heller
Trustee Adam Kay

Also, in attendance: Mr. Ghassan Korban, Executive Director; Ms. Yolanda Grinstead, Special Counsel; Mr. Ed Morris, Deputy Special Counsel; Mrs. Christy Harowski, Chief of Staff; Mr. Kweku Obed and Jesus Jimenez, Marquette Associates, Inc.

Trustee Tamika Duplessis asked for a motion to approve the minutes dated February 24, 2021. Trustee Peychaud made a motion. Trustee Sholas seconded. The motion carried.

PRESENTATION ITEMS

Trustee Duplessis introduced Mr. Kweku Obed and Mr. Jesus Jimenez of Marquette Associates, Inc. Mr. Kweku Obed and Mr. Jesus Jimenez of Marquette Associates, Inc. gave a presentation on the executive summary and market overview for the first quarter of 2021.

Members of the Board: • JANET HOWARD • ROBIN BARNES • CHRISTOPHER BERGERON • LATOYA CANTRELL •
• TAMIKA DUPLESSIS, PHD • ALEJANDRA GUZMAN • RALPH JOHNSON • JAY H. BANKS • ADAM KAY •
• JOSEPH PEYCHAUD • MARVIN RUSSELL • LYNES SLOSS • MAURICE SHOLAS • LATRESSIA MATTHEWS •

Key points:

One-year anniversary of market bottom: March 23rd marked the one-year anniversary of the pandemic driven market bottom; since then, equity indices have roared back to life, returning 67-121% across U.S. and non-U.S. indices.

- Reflation trade: both interest rates and inflation expectations rose as vaccination rates climbed; 10-year
- Treasury yield climbs 81 basis points to end the quarter at 1.74%; expectation is muted and transitory gradual rise in rates and inflation until end of economic recovery.
- Equities continue to rise with cyclicals leading the way: Value and small maintained their outperformance trends from 4Q20 for both U.S. and non-U.S. indices; the rise in rates and economic re-openings helped propel value over-growth.
- Inflation and rising rates emerge as primary market worries: Massive expansion in money supply and dramatic rise in savings rates coupled with rise in commodity prices has fueled inflation concerns; higher rates weighed on growth stocks during the quarter.
- Greater investor risk-taking: growing signs of frothiness from Archegos/Greensill blowup, SPAC frenzy, margin debt usage; however, corporate issuers remain cautious.
- Central banks remain accommodative but starting to contemplate less accommodation: Fed committed to zero rates and no tapering until economy recovered, Bank of Canada and Bank of Japan planning tapering.
- Biden's \$2.25T infrastructure investment plan: may drive sustained growth in U.S. and globally; expected to be tailwind for EM commodity producers offset by rising U.S. rates.

CORRESPONDING RESOLUTION

- Resolution (R-061-2021) Resolution to Adopt Funding Policy and Amend the Rules and Regulations of the Employee's Retirement System of the Sewerage and Water Board of New Orleans
 - **Trustee Duplessis made a motion to approve the resolution.**
 - **Trustee Peychaud moved to approve. Trustee Sholas seconded. The motion carried.**

PUBLIC COMMENT:

None

INFORMATION ITEMS:

None

ADJOURNMENT:

There being no further business to come before the Board of Trustees, Trustee Duplessis made a motion to adjourn. Trustee Howard moved. Trustee Barnes seconded. The motion carried. The meeting adjourned at approximately 10:50 A.M.

Respectfully submitted,

Mayor Latoya Cantrell - President

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