



DATE: 6/14/2023

TIME: 10:30 a.m.

LOCATION: Executive Boardroom

COMMITTEE MEMBERS: Joseph Peychaud, Chair | Maurice Sholas | Carol Markowitz | Kenneth Davis | Mubashir Maqbool | Rebecca Johnsey | Harold Heller

Pension Committee Meeting Agenda

I. Roll Call

II. Presentation Items

- A. Executive Summary of May 2023 Market Performance – Kweku Obed - Marquette & Associates, Inc.
- B. Asset Allocation Transition Plan Update – Kweku Obed, Marquette & Associates, Inc.

III. Action Items

- A. Resolution (R-081-2023) Authorization for Marquette Associates, Inc. to Reallocate Non-U.S. Equity Funds from Earnest Partners to BNYM DB SL ACWI EX-U.S. Small Cap and BNYM DB SL Emerging Markets Stock Index Funds

IV. Information Item

- A. May 2023 Supplemental Performance Report – Marquette & Associates, Inc.
- B. Employee Member Inquiry and Response – Potential Modifications to Plan Design

V. Public Comment

VI. Adjournment

May 2023

Executive Summary

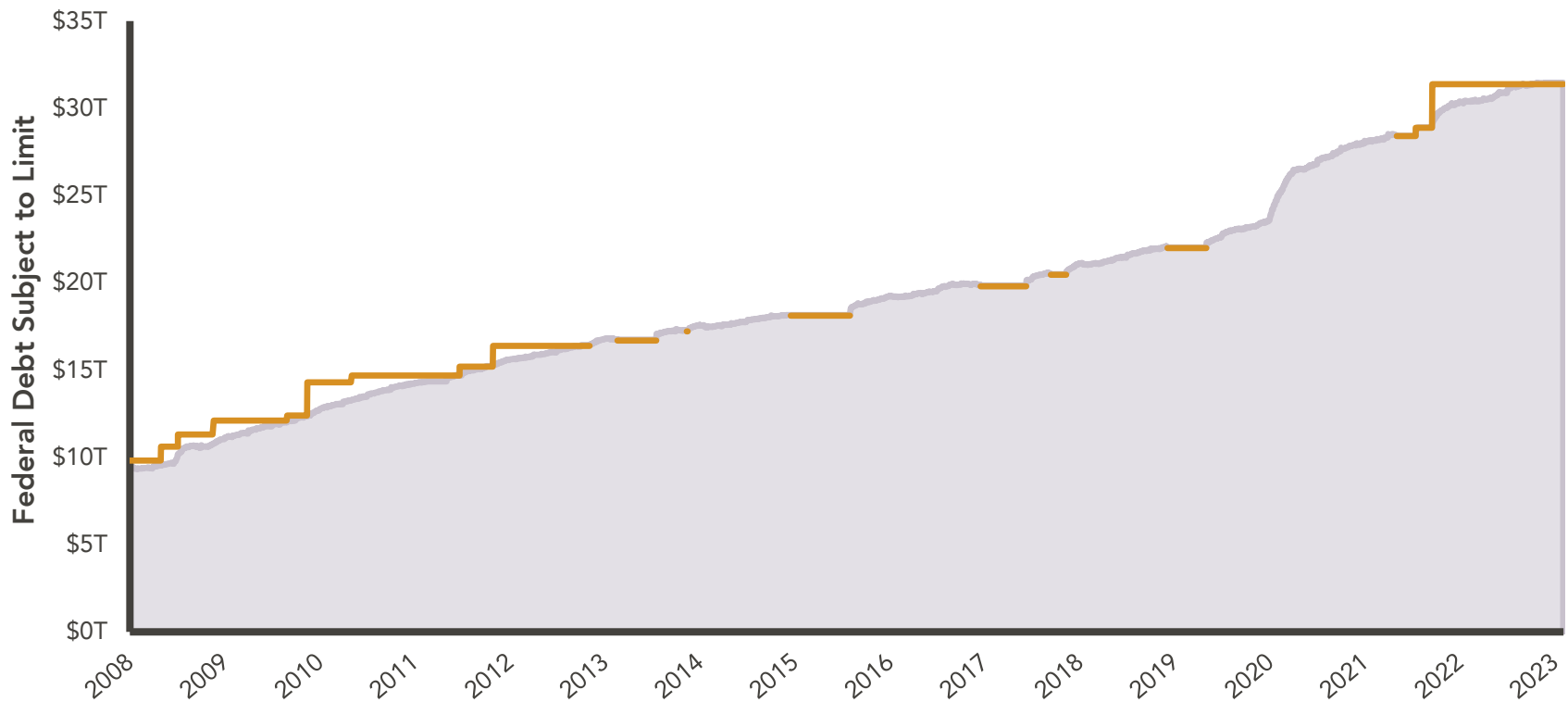


The background features a light gray grid of squares. Overlaid on this grid are several thin, dark gray lines. A prominent diagonal line runs from the top-left towards the bottom-right. Another diagonal line runs from the top-right towards the bottom-left. A horizontal line is positioned in the upper third of the image, and a vertical line is in the middle third. These lines intersect to form various geometric shapes and patterns.

U.S. Economy

Debt ceiling

A spending bill compromise approved by Congress suspended the debt ceiling until 2025



Source: White House Office of Management and Budget, Treasury Department, WSJ

CPI

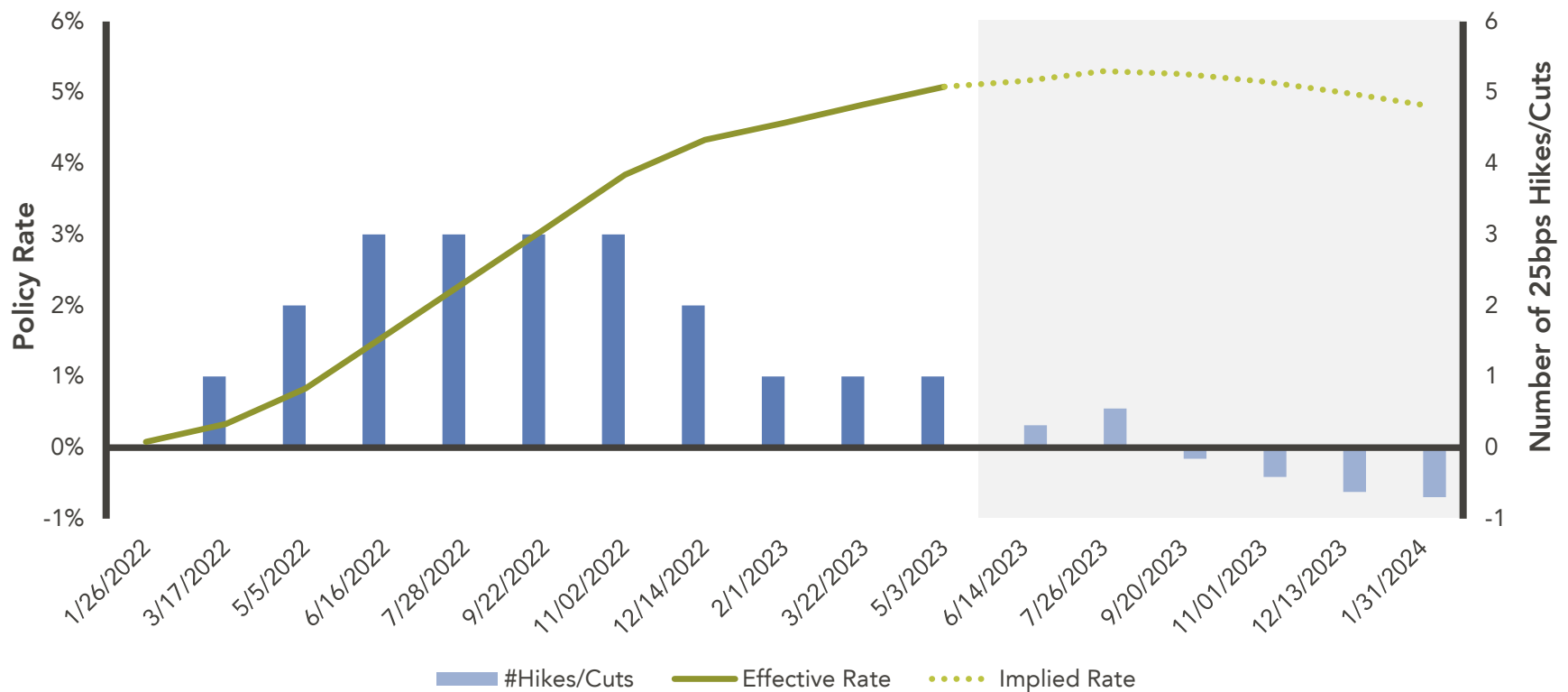
Headline CPI has continued to correct, driven by lower energy prices; core CPI has started to level out well above the Fed's 2% target



Source: Bloomberg, Bureau of Labor Statistics as of May 31, 2023

Rate expectations

Futures-based rate expectations have been volatile; the market is currently pricing in a pause in June amid mixed macro data



Source: Bloomberg as of June 2, 2023

Fixed Income

Fixed income performance

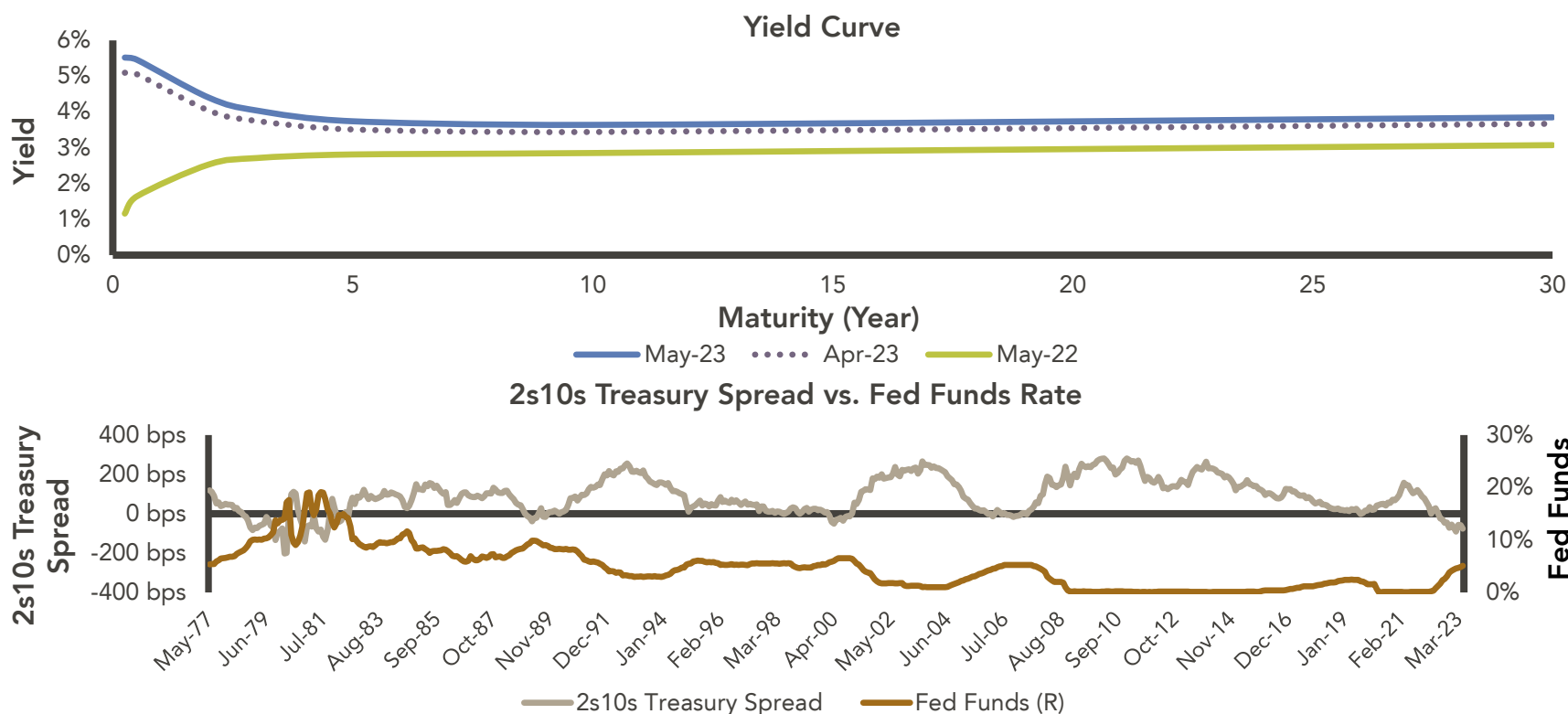
Fixed income indices posted negative returns in the month of May as rates rose as the Fed continues to hike; performance remains positive YTD

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	-1.1	-0.5	2.5	-2.1	-3.6	0.8	1.4
Intermediate Index	Blm Int. Gov./Credit	-0.7	-0.1	2.2	-0.5	-2.0	1.4	1.4
Government Only Indices	Blm Long Gov.	-2.8	-2.3	3.7	-8.1	-12.0	-0.8	1.5
	Blm Int. Gov.	-0.7	-0.2	2.0	-0.8	-2.5	1.0	0.9
	Blm 1-3 Year Gov.	-0.3	-0.1	1.5	0.0	-0.9	1.0	0.8
	Blm U.S. TIPS	-1.2	-1.1	2.2	-4.2	0.4	2.6	1.7
Credit Indices	Blm U.S. Long Credit	-2.7	-1.8	3.5	-4.5	-5.7	1.0	2.8
	Blm High Yield	-0.9	0.1	3.6	0.0	2.9	3.1	4.0
	CS Leveraged Loan Index	-0.1	0.9	4.0	5.5	5.9	3.6	3.8
Securitized Bond Indices	Blm MBS	-0.7	-0.2	2.3	-2.7	-3.6	0.1	1.1
	Blm ABS	-0.3	0.2	2.0	1.0	-0.2	1.6	1.5
	Blm CMBS	-0.6	0.2	1.9	-1.8	-1.9	1.4	1.8
Non-U.S. Indices	Blm Global Aggregate Hedged	-0.4	0.1	3.0	-0.9	-2.7	1.0	2.0
	JPM EMBI Global Diversified	-0.6	0.0	1.8	-1.5	-2.7	-0.1	2.1
	JPM GBI-EM Global Diversified	-1.6	-0.7	4.8	3.1	-2.3	-0.9	-1.3
Municipal Indices	Blm Municipal 5 Year	-1.0	-1.4	0.5	0.4	-0.7	1.3	1.5
	Blm HY Municipal	-0.7	-0.1	2.6	-2.2	2.5	2.5	3.4

Source: Bloomberg Barclays, Credit Suisse, JPMorgan as of May 31, 2023. The local currency GBI index is hedged and denominated in U.S. dollars.

U.S. Treasury yield curve and steepness

The yield curve shifted upwards in May as rates rose across the curve, with short-dated rates increasing the most with a hike anticipated in June or July



U.S. Equities

U.S. equity performance

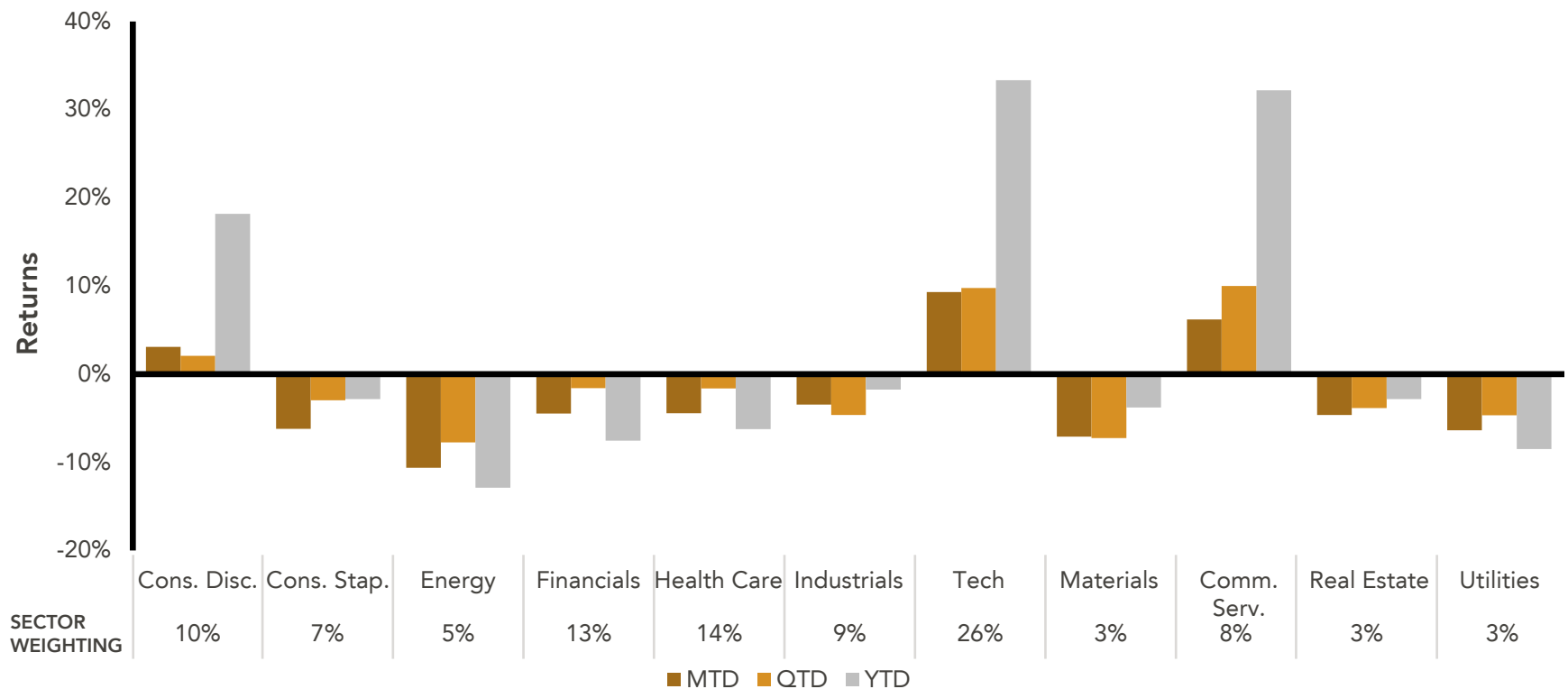
Value continued to struggle as large-cap led in May

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	-3.2	-0.7	0.2	2.0	11.3	8.5	10.6
	Wilshire 5000	0.4	1.5	8.9	2.1	12.6	10.3	11.6
	Russell 3000	0.4	1.5	8.7	2.0	12.2	10.1	11.4
Large-Cap Market Indices	S&P 500	0.4	2.0	9.6	2.9	12.9	11.0	12.0
	Russell 1000	0.5	1.7	9.3	2.4	12.5	10.6	11.7
	Russell 1000 Value	-3.9	-2.4	-1.4	-4.5	11.6	6.8	8.4
	Russell 1000 Growth	4.6	5.6	20.8	9.5	12.8	13.8	14.8
Mid-Cap Market Indices	Russell Mid-Cap	-2.8	-3.3	0.6	-4.5	10.2	6.9	9.3
	Russell Mid-Cap Value	-4.4	-4.4	-3.2	-9.5	12.3	5.2	8.0
	Russell Mid-Cap Growth	0.1	-1.4	7.6	5.8	5.8	8.2	10.6
Small-Cap Market Indices	Russell 2000	-0.9	-2.7	0.0	-4.7	9.2	2.7	7.4
	Russell 2000 Value	-2.0	-4.4	-5.0	-11.5	13.6	2.1	6.4
	Russell 2000 Growth	0.0	-1.1	4.9	2.7	4.6	2.7	7.9

Source: Bloomberg as of May 31, 2023

S&P 500 sector performance

Consumer Discretionary, Communication Services, and Technology only positive sectors as growth dominance continued



Source: Bloomberg as of May 31, 2023. Sector weighting as of March 31, 2023.

Non-U.S. Equities

Global equity performance

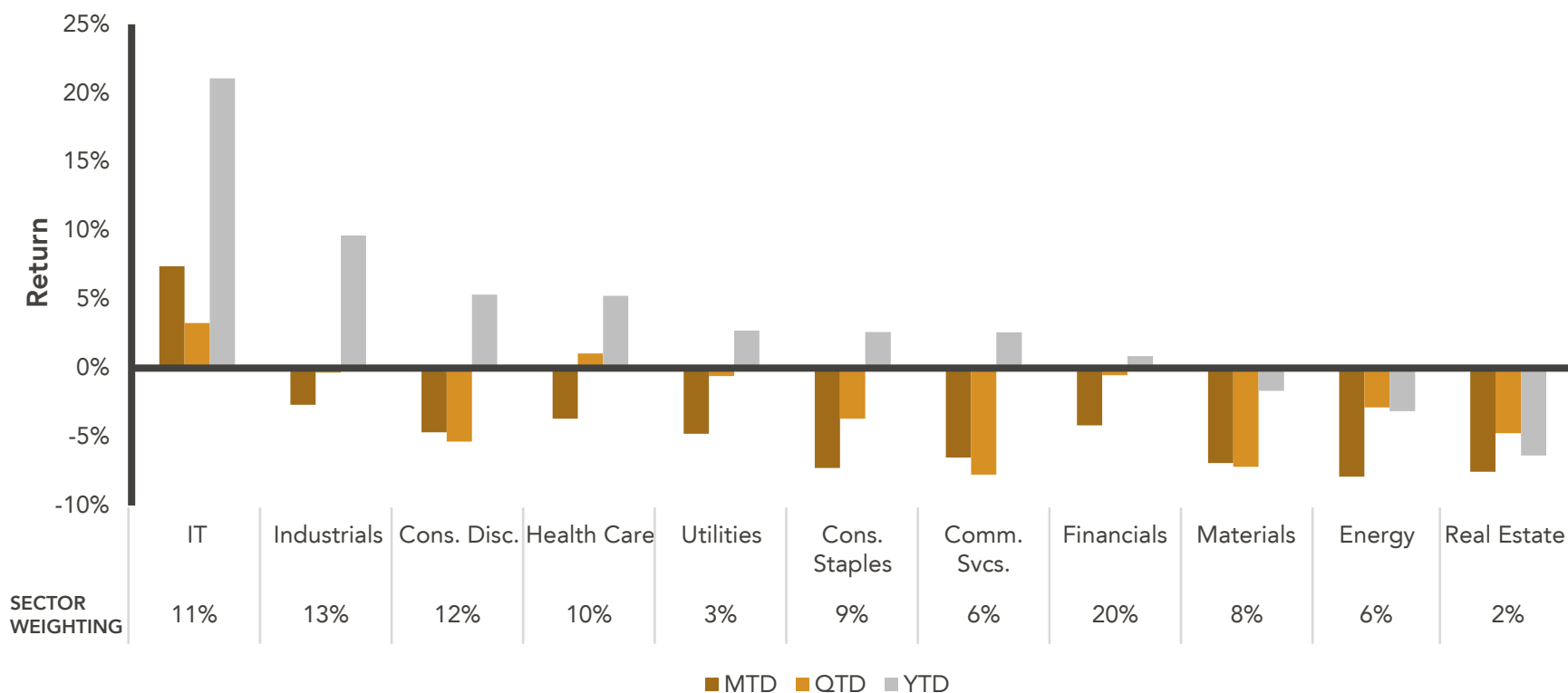
Both developed and emerging markets gave back some year-to-date gains

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	-1.1	0.4	7.7	0.9	10.1	6.8	7.8
	MSCI ACWI ex. U.S.	-3.6	-2.0	4.8	-1.4	7.2	2.2	3.8
Developed Markets Indices	MSCI EAFE	-4.2	-1.5	6.8	3.1	8.5	3.2	4.6
	MSCI EAFE Local	-1.6	0.7	8.2	6.2	11.4	5.6	6.9
Emerging Markets Indices	MSCI Emerging Markets	-1.7	-2.8	1.1	-8.5	3.5	-0.7	1.9
	MSCI EM Local	-1.0	-1.7	2.0	-4.7	5.0	1.8	4.8
Small-Cap Market Indices	MSCI EAFE Small-Cap	-4.2	-2.2	2.6	-4.7	5.2	0.3	5.5
	MSCI EM Small-Cap	1.1	1.8	5.7	-3.0	15.3	2.6	3.2
Frontier Markets Index	MSCI Frontier	-0.6	-0.1	3.0	-9.6	3.6	-0.3	1.9

Source: Bloomberg as of May 31, 2023

MSCI ACWI ex-US sector performance

Technology was the only positive sector for the month



Source: Bloomberg as of May 31, 2023. Sector weightings as of March 31, 2023

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Real Estate

Real estate performance

Valuation write-downs in apartment and office sectors, as well as sun-belt markets, drove negative performance for the third straight quarter

Indices	1Q23 (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
NPI	-1.8	-1.6	7.2	6.7	8.3
Income	1.0	3.9	4.1	4.3	4.6
Appreciation	-2.8	-5.4	3.0	2.4	3.6
NFI-ODCE	-3.2	-3.1	8.4	7.5	9.5
Income	0.8	3.4	3.7	3.9	4.3
Appreciation	-4.0	-6.3	4.6	3.5	5.0
FTSE NAREIT All Eq. REITs	1.7	-19.4	10.2	6.2	6.4
Property Type					
NPI Apartment	-2.1	-0.4	8.2	7.1	8.1
NPI Office	-4.1	-8.8	-0.5	2.3	5.7
NPI Industrial	-0.8	2.4	21.1	18.0	15.6
NPI Retail	0.5	1.0	0.5	0.6	5.4
NPI Hotel	2.3	10.6	-2.8	-0.5	3.8
Geographic Sectors					
NPI East	-2.2	-3.5	4.5	4.6	6.3
NPI Midwest	-1.6	-2.9	3.7	3.4	6.2
NPI South	-0.9	1.2	9.1	7.9	9.2
NPI West	-2.1	-1.6	8.8	8.4	10.1

Source: NCREIF as of March 31, 2023

The background features a light gray grid of squares. Overlaid on this grid are several thin, dark gray lines. A prominent diagonal line runs from the top-left towards the bottom-right. Another diagonal line runs from the top-right towards the bottom-left. A horizontal line is positioned above the word 'Infrastructure', and a vertical line is positioned to its right. These lines intersect to form various geometric shapes, including triangles and rectangles, creating a modern, architectural feel.

Infrastructure

Infrastructure performance

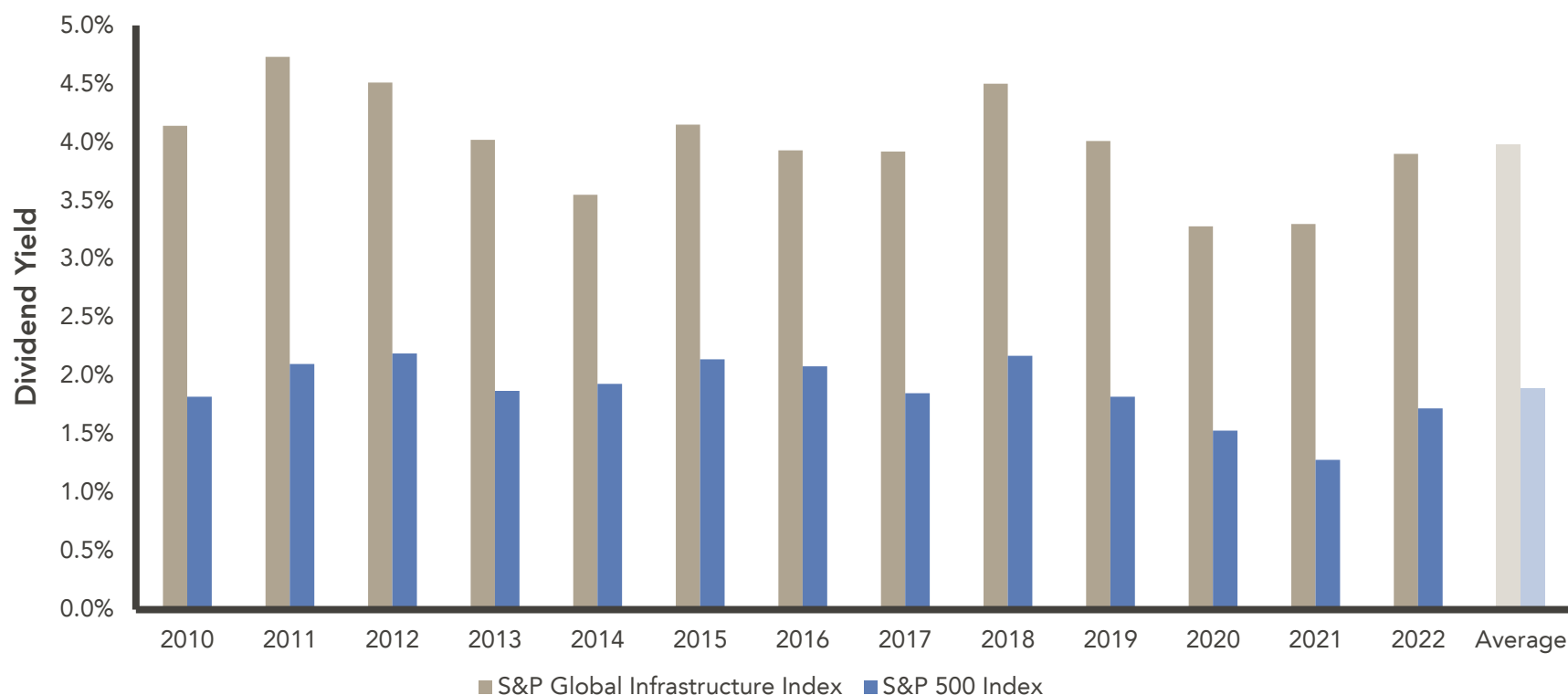
Infrastructure posted positive returns in 4Q as markets rebounded towards the end of the year

	4Q22 (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Burgiss Infrastructure Index (Private)	4.4	9.1	9.9	9.2	9.5
DJB Global Infrastructure Index	9.6	-6.6	1.4	4.3	6.4
Bloomberg Aggregate	1.9	-13.0	-2.7	0.0	1.1
CPI + 5%	5.8	11.7	10.0	8.8	7.6
S&P 500	7.6	-18.1	7.7	9.4	12.6
DJ Industrial Average	16.0	-6.9	7.3	8.4	12.3

Source: Bloomberg, Burgiss as of December 31, 2022

Infrastructure yield

Consistent income growth of underlying infrastructure holdings has fostered favorable inflation-adjusted yields relative to the S&P 500 index



Source: Bloomberg, Carlyle as of December 31, 2022

Private Equity

Private equity performance

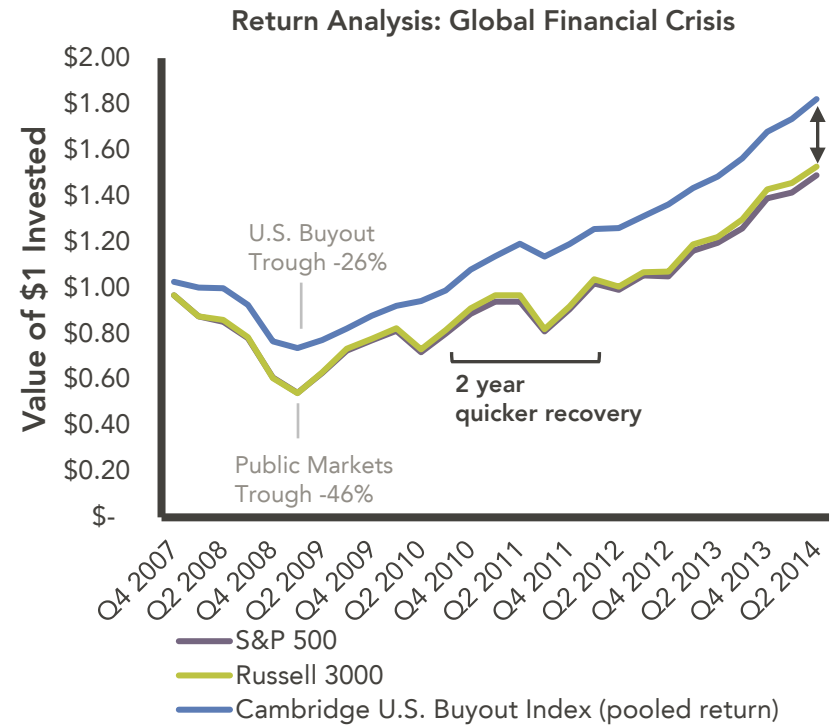
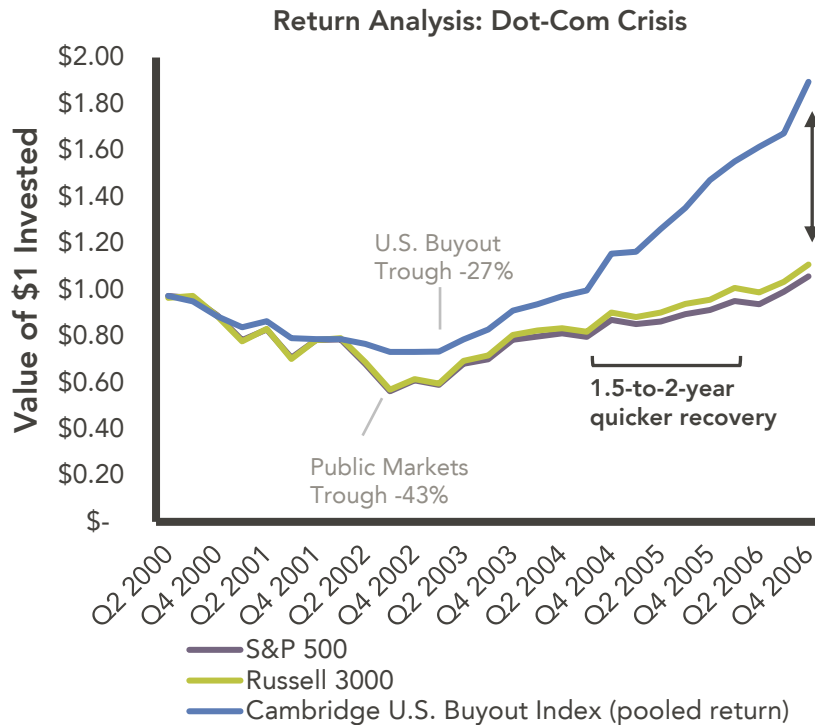
Performance across the private equity market continues to outpace most public market indices over recent and long dated periods

	4Q22 (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Private Equity	3.5	-2.1	18.8	16.5	15.4
North America Private Equity	1.7	-0.02	20.8	18.3	16.9
Europe Private Equity	9.9	-4.8	16.2	14.7	13.7
Rest of World Private Equity	3.3	-3.2	10.6	8.3	9.7
Global VC	-4.6	-18.4	23.9	22.5	19.3
North America VC	-6.0	-22.4	27.6	24.6	19.5
Europe VC	0.03	-19.9	22.9	23.4	17.0
Rest of World VC	-1.5	-5.6	16.9	17.8	19.3
MSCI All Country World Index	9.8	-18.4	4.0	5.2	8.0
S&P 500	7.6	-18.1	7.7	9.4	12.6
Russell 3000	7.2	-19.2	7.1	8.8	12.1
Russell 2000 Growth	4.1	-26.4	0.6	3.5	9.2

Source: Burgiss Buyout Indices, Bloomberg as of December 31, 2022

Private equity resilience during downturns

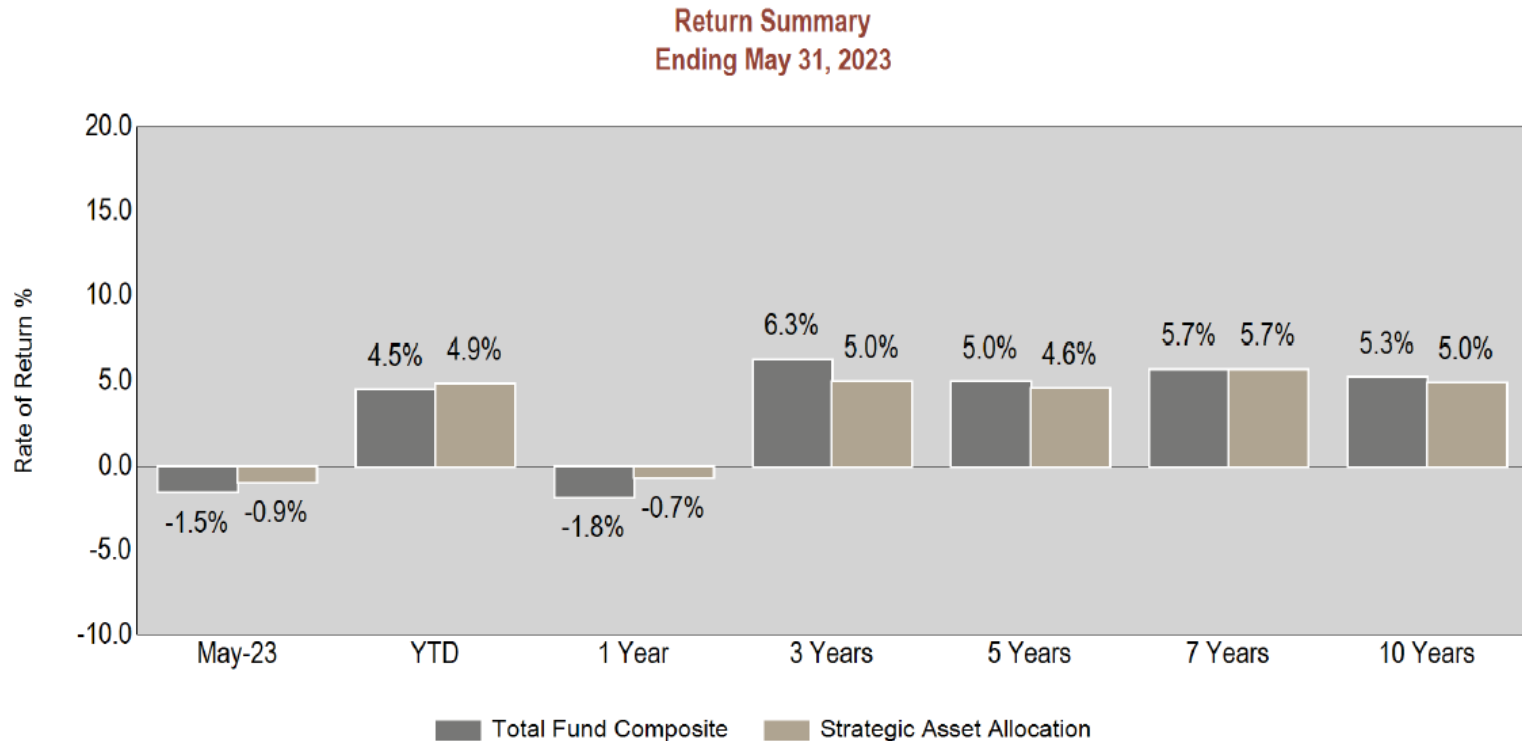
Private equity has historically experienced less significant pullbacks with quicker recoveries during public market downturns



Source: Bloomberg; Cambridge Associates; Neuberger Berman

Portfolio Review

Return Summary (May 31, 2023)



- The Fixed Income and Equity composites added to the Plan.
- The Real Estate composite detracted from the benchmark.

* Composite performance is compared against its benchmark on a one-month basis ending May 31, 2023.

Annualized Performance (Net of Fees)

	Ending May 31, 2023									Inception Date
	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	
Total Fund Composite	-1.5%	0.3%	4.5%	-1.8%	6.3%	5.0%	5.7%	5.3%	6.1%	Jul-02
<i>Strategic Asset Allocation</i>	-0.9%	2.0%	4.9%	-0.7%	5.0%	4.6%	5.7%	5.0%	5.8%	Jul-02
Fixed Income Composite	-1.0%	1.6%	2.8%	-1.8%	-1.7%	1.7%	--	--	1.5%	Jan-18
<i>Fixed Income Balanced Index</i>	-1.1%	2.0%	2.5%	-2.1%	-3.3%	0.9%	--	--	0.7%	Jan-18
Equity Composite	-1.3%	-0.2%	7.0%	-0.4%	12.0%	8.4%	10.9%	10.2%	8.0%	Jun-06
<i>Equity Balanced Index</i>	-1.6%	0.4%	5.4%	-1.5%	11.5%	7.7%	9.9%	10.3%	8.5%	Jun-06
Alternative Asset Composite	0.0%	0.0%	0.0%	-2.5%	4.5%	2.5%	3.1%	2.5%	2.9%	May-07
Real Estate Composite	-4.0%	-5.6%	-1.9%	-14.7%	5.2%	4.5%	3.6%	5.6%	7.5%	Apr-10
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	6.4%	Apr-10
Global Infrastructure Composite	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22

SWBNO Manager Contribution – YTD Performance

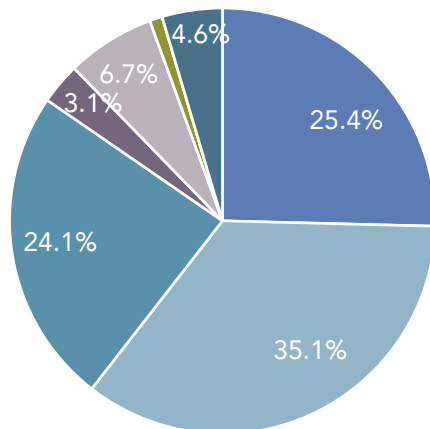
Top Performers	Strategy	Absolute Performance	Benchmark Performance
Fidelity (Pyramis Global Advisors)	Fixed Income	+2.8%	+2.5%

Bottom Performers	Strategy	Absolute Performance	Benchmark Performance
Earnest Partners	Non-U.S. Equity	+4.5%	+4.8%

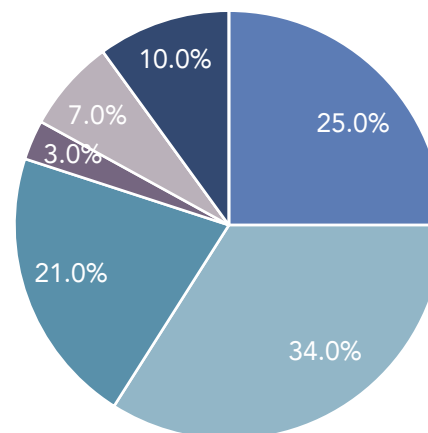
* Year-to-date performance as of May 31, 2023.

Current Asset Allocation vs. Target Allocation

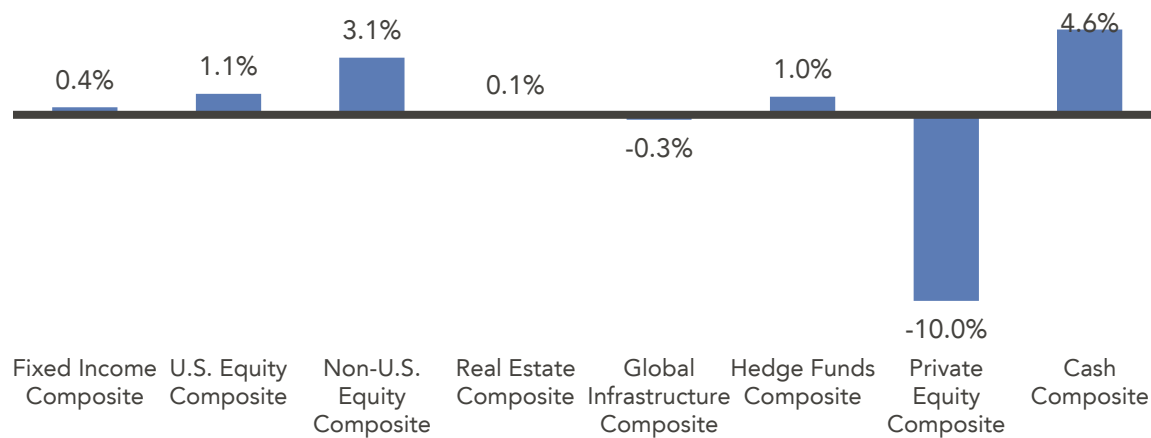
Current Allocation



Target Allocation



- Fixed Income Composite
- U.S. Equity Composite
- Non-U.S. Equity Composite
- Real Estate Composite
- Global Infrastructure Composite
- Hedge Funds Composite
- Private Equity Composite
- Cash Composite



*Data ending May 31, 2023

Composite	Current Allocation	Target Allocation
Fixed Income	\$55,344,260	\$54,471,640
U.S. Equity	\$76,545,885	\$74,081,430
Non-U.S. Equity	\$52,444,081	\$45,756,178
Real Estate	\$6,807,100	\$6,536,597
Global Infrastructure	\$14,667,037	\$15,252,059
Hedge Funds	\$2,100,021	\$0
Private Equity	\$0	\$21,788,656
Cash	\$9,978,176	\$0

Actions Taken

Action	Event	Date	Amount
Education Seminar	Investing 101	October 2021	
Approved	Asset Allocation	November 2021	
Approved	IPS Updated	February 2022	
Terminated	iShares S&P 500 Growth ETF	June 2022	\$19,490,438.73
Hired	BlackRock Russell 1000 Growth	June 2022	\$19,490,438.73
Approved	New Passive Manager Lineup Approved	August 2022	
Terminated	Vanguard Real Estate ETF	November 2022	\$15,137,777.81
Hired	Fidelity Real Estate Index Fund	November 2022	\$7,000,000
Hired	Cohen & Steers Global Infrastructure Fund	November 2022	\$15,000,000
Redemption	Prisma Capital Partners	November 2022	\$16,589,276.62
Executed	Rebalance to Approved Asset Allocation	February 2023	See next slides for details

Approved Allocation

Asset Class	Legacy	Approved	
Broad Fixed Income	35.0%	25.0%	
91 Day T-Bills	1.0%	0.0%	
Total Fixed Income	36.0%	25.0%	▼
Broad U.S. Equity (All Cap Core)	27.0%	0.0%	
US Large-Cap Core	0.0%	25.0%	
US Mid-Cap Core	0.0%	4.0%	
US Small-Cap Core	0.0%	5.0%	
Total U.S. Equity	27.0%	34.0%	▲
Broad Non-US Equity	20.0%	0.0%	
Developed Large-Cap	0.0%	15.0%	
Non-US Small-Cap	0.0%	3.0%	
Emerging Market	0.0%	3.0%	
Total Non-U.S. Equity	20.0%	21.0%	▲
Hedge Fund - FOF	8.0%	0.0%	
Total Hedge Funds	8.0%	0.0%	▼
Real Estate - Core	0.0%	3.0%	
Public REITs	9.0%	0.0%	
Total Real Assets	9.0%	3.0%	▼
Global Infrastructure	0.0%	7.0%	
Private Equity - Fund of Funds	0.0%	10.0%	
Total Illiquid Assets	0.0%	17.0%	▲

	Legacy	Approved	
Avg. Annualized 10 Yr. Return	5.91%	7.01%	
Avg. Annualized 10 Yr. Volatility	9.42%	11.61%	

Fixed Income

- Use fixed income as a source of liquidity opposed to a source of return, given the current market conditions
- Align fixed income exposure with annual cash needs

Equities

- Global equity mix of 60% U.S. and 40% non-U.S. for better expected risk-adjusted returns
- Increase passive allocation in large cap core and add a U.S. small- and mid-cap allocation
- Establish allocation to non-U.S. small-cap
- Establish allocation to emerging markets

Hedge Funds

- Eliminate hedge funds due to structural headwinds that have resulted in disappointing annualized returns and high fees

Real Estate

- Eliminate Public REITs (an equity "proxy" for real estate)
- Add a core open ended private real estate strategy that focuses on yield and a lower correlation to traditional asset classes

Global Infrastructure

- Consider adding private global infrastructure to improve portfolio diversification and enhance returns to have an additional inflation protection component in the portfolio

Private Equity

- Consider private equity to high quality small buyout FOFs and lower-middle market direct exposure

Source: Marquette Associates Asset Allocation Study; as of March 31, 2021. Blue highlighting depicts new asset classes.

Phase 1: Global Infrastructure and Real Estate

Global Infrastructure	Action	Amount	Transaction Date
Fidelity Core Plus Fixed Income	Separate Account Cash Raise	-\$10 million	Nov 10
Vanguard Real Estate Index	ETF Sale	-\$5 million	Nov 16
Cohen & Steers Global Listed Infrastructure	Mutual Fund Purchase	+\$10 million	Nov 17
Cohen & Steers Global Listed Infrastructure	Mutual Fund Purchase	+\$5 million	Nov 18

Real Estate	Action	Amount	Transaction Date
Vanguard Real Estate Index	ETF Sale	-\$10 million	Nov 1 and Nov 16
Fidelity Real Estate Index	Mutual Fund Purchase	+\$7 million	Nov 17
Cash	For Benefit Payments	+\$3 million	Nov 1

Phase 2: U.S. Large Cap Equites

U.S. Large Cap	Action	Amount	Transaction Date
BlackRock Russell 1000 Growth	Commingled Fund Sale	-\$16.5 million	Feb 22
BNYM AFL-CIO Large Cap Index	Commingled Fund Purchase	+\$16.5 million	Feb 22
Fidelity Core Plus Fixed Income	Separate Account Cash Raise	-\$5 million	Feb 23
BNYM AFL-CIO Large Cap Index	Commingled Fund Purchase	+\$5 million	Feb 23
Barrow, Hanley, Mewhinney & Strauss	Mutual Fund (Full Liquidation)	-\$15.2 million	Feb 27
BNYM AFL-CIO Large Cap Index	Commingled Fund Purchase	+\$15 million	Feb 27
BNYM AFL-CIO Large Cap Index	Commingled Fund Purchase	+\$10 million	Feb 28
BlackRock Russell 1000 Growth	Commingled Fund (Full Liquidation)	-\$2.7million	Mar 1
BNYM AFL-CIO Large Cap Index	Commingled Fund Purchase	+\$9 million	Mar 2

Phase 2: U.S. Mid and Small Cap Equites

U.S. Mid and Small Cap	Action	Amount	Transaction Date
New South Capital Smid-Cap Value	Separate Account Cash Raise	-\$7 million	Feb 27
BNYM AFL-CIO Mid Cap Index	Commingled Fund Purchase	+\$3 million	Feb 27
BNYM AFL-CIO Small Cap Index	Commingled Fund Purchase	+\$3 million	Feb 27
New South Capital Smid-Cap Value	Separate Account Cash Raise	-\$9 million	Feb 28
BNYM AFL-CIO Mid Cap Index	Commingled Fund Purchase	+\$3 million	Feb 28
BNYM AFL-CIO Small Cap Index	Commingled Fund Purchase	+\$3 million	Feb 28
BNYM AFL-CIO Mid Cap Index	Commingled Fund Purchase	+\$3 million	Mar 1
BNYM AFL-CIO Small Cap Index	Commingled Fund Purchase	+\$5 million	Mar 1
New South Capital Smid-Cap Value	Separate Account (Full Liquidation)	-\$16 million	Mar 2

Proposed Phase 3: Non-U.S. Equites

Non-U.S. Equites	Action	Amount	Transaction Date
Earnest Partners	Commingled Fund Sale	-\$14 million	June 2023
BNYM Emerging Markets Index	Commingled Fund Purchase	+\$7 million	June 2023
BNYM Non-U.S. Small Cap Index	Commingled Fund Purchase	+\$7 million	June 2023

Current and Future Active Searches

Asset Class	Action	Amount	Timeline
Private Equity	Issued RFI	TBC	Under Review
Global Infrastructure	Issued RFI	\$7 million	Under Review
Private Real Estate	Issued RFI	\$15 million	Under Review
Non-US Small-Cap	Issue RFI	~\$7 million	TBC
Emerging Markets	Issue RFI	~\$7 million	TBC
U.S. Mid Cap	Issue RFI	~\$9 million	TBC
U.S. Small Cap	Issue RFI	~\$11 million	TBC
Core Fixed Income	Issue RFI	~\$55 million	TBC

Purpose:

**Empower our
clients to meet their
investment
objectives**

Vision

Be a trusted partner to our clients
through effective investment programs

Mission

Provide independent and thoughtful
investment guidance

Why Marquette?

- ✓ Our people
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research



PREPARED BY MARQUETTE ASSOCIATES

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ABOUT MARQUETTE ASSOCIATES

Marquette was founded in 1986 with the sole objective of providing investment consulting at the highest caliber of service. Our expertise is grounded in our commitment to client service — our team aims to be a trusted partner and as fiduciaries, our clients' interests and objectives are at the center of everything we do. Our approach brings together the real-world experience of our people and our dedication to creativity and critical thinking in order to empower our clients to meet their goals. Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request and on our website. For more information, please visit www.MarquetteAssociates.com.

AUTHORIZATION FOR MARQUETTE ASSOCIATES, INC. TO REALLOCATE NON-U.S. EQUITY FUNDS FROM EARNEST PARTNERS TO BNYM DB SL ACWI ex-U.S. SMALL CAP AND BNYM DB SL EMERGING MARKETS STOCK INDEX FUNDS

WHEREAS, the Pension Committee of the Sewerage and Water Board of New Orleans (“Board”), is entrusted with the fiduciary responsibility to properly oversee the investment and management of the pension fund of the Employees’ Retirement System of the Sewerage and Water Board of New Orleans (“Board Pension Plan”); and

WHEREAS, Marquette Associates, Inc. performed an assessment of the Board Pension Plan investments as part of a larger review of the plan’s asset and manager allocations at the request of and on behalf of the Board; and

WHEREAS, On November 17, 2021, the Board authorized Marquette Associates, Inc. to amend the Investment Policy Statement to reflect the rebalanced asset allocation targets as part of the review of the plan’s asset and manager allocations; and

WHEREAS, On February 16, 2022, the Investment Policy Statement was amended to reflect the rebalanced asset allocation targets developed from Marquette Associates, Inc. review of the plan’s asset and manager allocations; and

WHEREAS, on June 14, 2023, Marquette Associates, Inc.’s recommendation that approximately \$7.0 million is raised from Non-U.S. Equity Large Cap assets being held by EARNEST Partners and reallocated to the BNY Mellon DB SL ACWI ex-U.S. Small Cap Fund, was presented to the Pension Committee; and

WHEREAS, on June 14, 2023, Marquette Associates, Inc.’s recommendation that approximately \$7.0 million is raised from Non-U.S. Equity Large Cap assets being held by EARNEST Partners and reallocated to the BNY Mellon DB SL Emerging Markets Stock Index Fund, was presented to the Pension Committee; and

WHEREAS, the Board relies upon the financial investment consulting services of Marquette Associates, Inc. and has confidence in its professional expertise.

NOW THEREFORE, BE IT RESOLVED, the Board authorizes Marquette Associates, Inc. to raise \$14.0 million from the EARNEST Partners fund portfolio holdings. The Board authorizes Marquette Associates, Inc. to invest approximately \$7.0 million (or 3%) of the proceeds to the BNY Mellon DB SL ACWI ex-U.S. Small Cap Fund and apply approximately \$7.0 million (or 3%) in proceeds to the BNY Mellon DB SL Emerging Markets Stock Index Fund, as soon as feasible.

I, GHASSAN KORBAN, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board of Trustees, duly called and held,
according to law, on June 21, 2023.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



(Preliminary, Subject to Change)



Employees' Retirement System

The Sewerage & Water Board of New Orleans

Employees' Retirement System

Monthly Performance Report

May 31, 2023

Total Fund Composite

Manager Status

Market Value: \$217.9 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
Fidelity (Pyramis Global Advisors)	Core Plus Fixed Income	In Compliance	---
BNYM AFL-CIO Large Cap Index	Large-Cap Core	In Compliance	---
BNYM AFL-CIO Mid Cap Index	Mid-Cap Core	In Compliance	---
BNYM AFL-CIO Small Cap Index	Small-Cap Core	In Compliance	---
Earnest Partners	Non-U.S. Large-Cap Core	In Compliance	---
Prisma Capital Partners LP	Multi-Strat. Hedge FoF	Termination	No longer in Approved Asset Allocation
Fidelity Real Estate Index Fund	U.S. REIT	In Compliance	---
Cohen and Steers Global Infrastructure Fund	Global Infrastructure	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

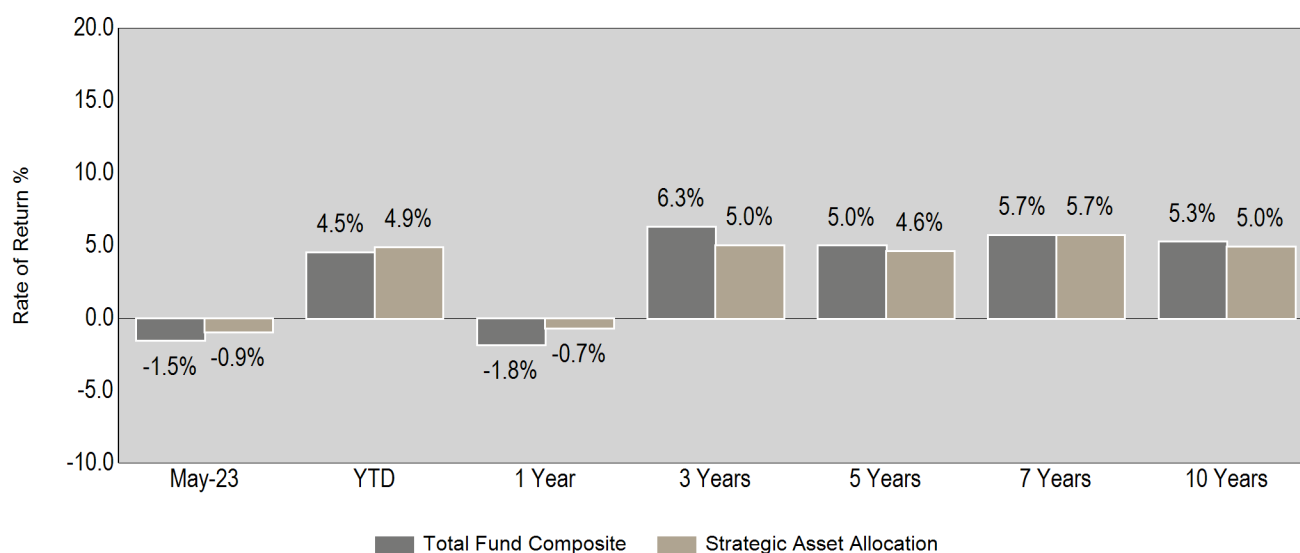
Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Return Summary Ending May 31, 2023



Return Summary - 1 Year

Asset Allocation vs. Target

	Total Return		Current	Current	Policy	Difference	%
Total Fund Composite	-1.8%	Fixed Income	\$55,344,260	25.4%	25.0%	\$872,620	0.4%
Fixed Income Composite	-1.8%	U.S. Equity	\$76,545,884	35.1%	34.0%	\$2,464,454	1.1%
Equity Composite	-0.4%	Non-U.S. Equity	\$52,444,081	24.1%	21.0%	\$6,687,904	3.1%
Alternative Asset Composite	-2.5%	Hedge Funds	\$2,100,021	1.0%	0.0%	\$2,100,021	1.0%
Real Estate Composite	-14.7%	Real Assets	\$21,474,138	9.9%	10.0%	-\$314,518	-0.1%
		Private Equity	--	--	10.0%	-\$21,788,656	-10.0%
		Other	\$9,978,176	4.6%	0.0%	\$9,978,176	4.6%

Summary of Cash Flows

	Last Month	Year-To-Date	One Year	Three Years	Five Years
Beginning Market Value	\$221,311,829	\$211,513,426	\$231,985,192	\$205,081,937	\$218,356,128
Net Cash Flow	-\$65,621	-\$3,411,384	-\$10,009,841	-\$29,459,425	-\$53,432,742
Net Investment Change	-\$3,359,649	\$9,784,518	-\$4,088,791	\$42,264,048	\$52,963,174
Ending Market Value	\$217,886,560	\$217,886,560	\$217,886,560	\$217,886,560	\$217,886,560

Total Fund Composite

Market Value: \$217.9 Million and 100.0% of Fund

Ending May 31, 2023

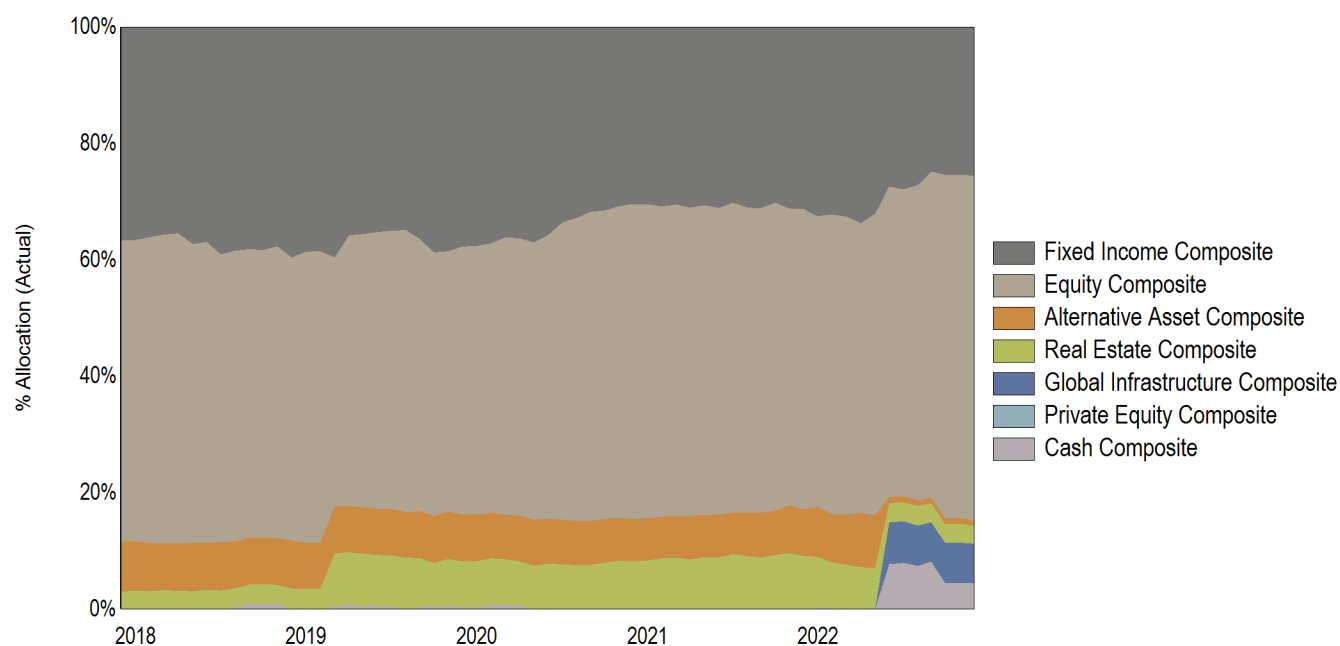
	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		217,886,560	-3,250,872	100.0	100.0	0
Fixed Income Composite		55,344,260	-6,439	25.4	25.0	872,620
Fidelity (Pyramis Global Advisors)	Core Plus Fixed Income	55,344,260	-6,439	25.4	25.0	872,620
Equity Composite		128,989,965	5,137,329	59.2	55.0	9,152,357
BNYM AFL-CIO Large Cap Index	Large-Cap Core	58,038,467	19,000,000	26.6	25.0	3,566,827
BNYM AFL-CIO Mid Cap Index	Mid-Cap Core	8,355,443	6,000,000	3.8	4.0	-360,020
BNYM AFL-CIO Small Cap Index	Small-Cap Core	10,151,975	8,000,000	4.7	5.0	-742,353
Earnest Partners	Non-U.S. Large-Cap Core	52,444,081	0	24.1	15.0	19,761,097
Alternative Asset Composite		2,100,021	-83,501	1.0	0.0	2,100,021
Prisma Capital Partners LP	Multi-Strat. Hedge FoF	2,100,021	-83,501	1.0	0.0	2,100,021
Real Estate Composite		6,807,100	0	3.1	3.0	270,504
Fidelity Real Estate Index Fund	U.S. REIT	6,807,100	0	3.1	3.0	270,504
Global Infrastructure Composite		14,667,037	0	6.7	7.0	-585,022
Cohen and Steers Global Infrastructure Fund	Global Infrastructure	14,667,037	0	6.7	7.0	-585,022
Private Equity Composite		--	--	--	10.0	-21,788,656
Cash Composite		9,978,176	-8,336,004	4.6	0.0	9,978,176
Cash	Cash & Equivalents	9,978,176	-8,336,004	4.6	0.0	9,978,176

Total Fund Composite

Asset Allocation

Market Value: \$217.9 Million and 100.0% of Fund

Historic Asset Allocation

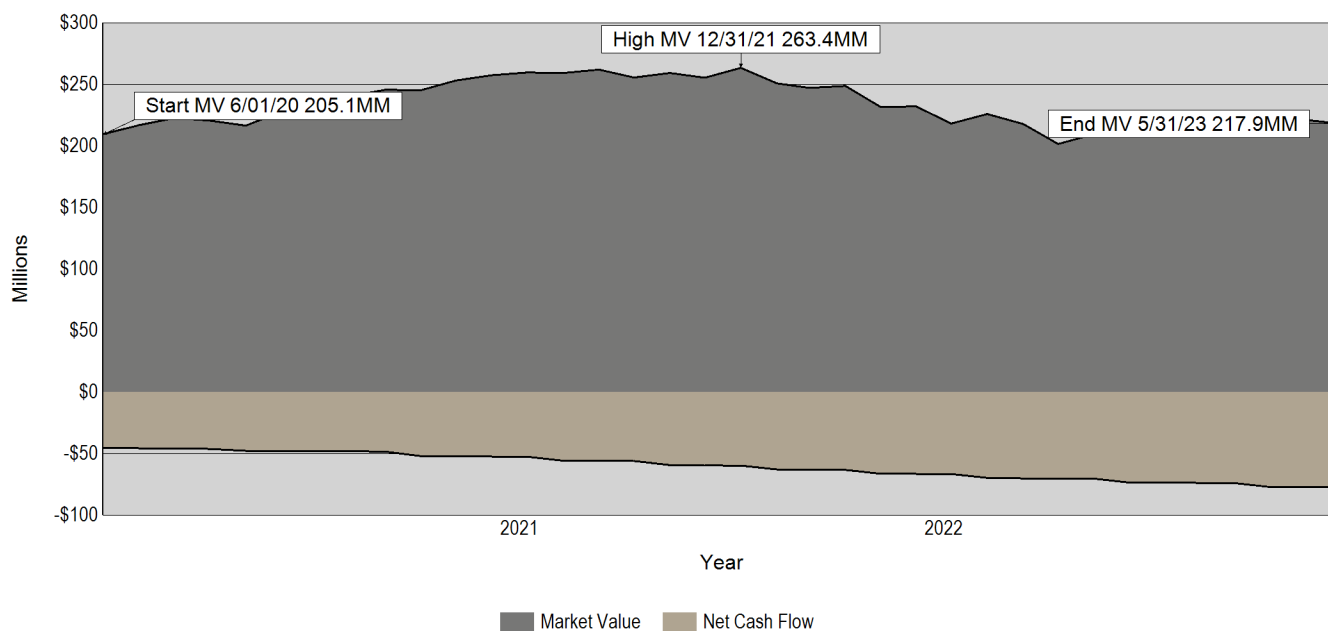


	Current	Policy	Difference	%
Fixed Income	\$55,344,260	\$54,471,640	\$872,620	0.4%
U.S. Equity	\$76,545,884	\$74,081,430	\$2,464,454	1.1%
Non-U.S. Equity	\$52,444,081	\$45,756,178	\$6,687,904	3.1%
Hedge Funds	\$2,100,021	\$0	\$2,100,021	1.0%
Real Assets	\$21,474,138	\$21,788,656	-\$314,518	-0.1%
Private Equity	--	\$21,788,656	-\$21,788,656	-10.0%
Other	\$9,978,176	\$0	\$9,978,176	4.6%
Total	\$217,886,560	\$217,886,560		

Total Fund Composite

Market Value History

Market Value: \$217.9 Million and 100.0% of Fund



Summary of Cash Flows

	Last Month	Year-To-Date	One Year	Three Years	Five Years
Beginning Market Value	\$221,311,829	\$211,513,426	\$231,985,192	\$205,081,937	\$218,356,128
Net Cash Flow	-\$65,621	-\$3,411,384	-\$10,009,841	-\$29,459,425	-\$53,432,742
Net Investment Change	-\$3,359,649	\$9,784,518	-\$4,088,791	\$42,264,048	\$52,963,174
Ending Market Value	\$217,886,560	\$217,886,560	\$217,886,560	\$217,886,560	\$217,886,560

Total Fund Composite

Annualized Performance (Gross of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

Ending May 31, 2023

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	-1.5%	0.4%	4.7%	-1.4%	6.8%	5.4%	6.0%	5.5%	6.2%	Jul-02
<i>Strategic Asset Allocation</i>	-0.9%	2.0%	4.9%	-0.7%	5.0%	4.6%	5.7%	5.0%	5.8%	Jul-02
Fixed Income Composite	-1.0%	1.7%	2.9%	-1.6%	-1.5%	1.9%	--	--	1.7%	Jan-18
<i>Fixed Income Balanced Index</i>	-1.1%	2.0%	2.5%	-2.1%	-3.3%	0.9%	--	--	0.7%	Jan-18
Equity Composite	-1.3%	-0.1%	7.2%	0.1%	12.5%	9.6%	10.7%	10.0%	7.9%	Jun-06
<i>Equity Balanced Index</i>	-1.6%	0.4%	5.4%	-1.5%	11.5%	7.7%	9.9%	10.3%	8.5%	Jun-06
Alternative Asset Composite	0.0%	0.0%	0.0%	-2.2%	5.1%	2.9%	3.3%	2.7%	3.0%	May-07
Real Estate Composite	-4.0%	-5.6%	-1.9%	-14.7%	5.2%	4.5%	3.6%	5.6%	7.5%	Apr-10
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	6.4%	Apr-10
Global Infrastructure Composite	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22

Please note: Returns through inception for the alternative asset composite were calculated and verified using information from the investment manager rather than the Plan's custodian.

Total Fund Composite

Calendar Performance (Gross of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

	Calendar Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Fund Composite	-14.9%	14.6%	10.9%	19.1%	-3.3%	11.6%	6.4%	-1.7%	5.6%	11.0%	11.7%
<i>Strategic Asset Allocation</i>	-15.4%	11.6%	11.0%	18.9%	-3.8%	12.8%	6.4%	-2.8%	4.2%	11.5%	10.5%
Fixed Income Composite	-12.7%	0.3%	9.7%	10.2%	--	--	--	--	--	--	--
<i>Fixed Income Balanced Index</i>	-13.0%	-1.5%	7.6%	9.3%	-0.3%	--	--	--	--	--	--
Equity Composite	-16.6%	21.5%	21.1%	29.2%	-5.6%	19.0%	11.0%	-0.3%	9.0%	23.8%	16.9%
<i>Equity Balanced Index</i>	-17.0%	19.7%	20.0%	28.6%	-7.6%	17.3%	16.0%	0.5%	12.6%	33.6%	16.4%
Alternative Asset Composite	-1.9%	4.7%	8.9%	8.0%	-4.6%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
Real Estate Composite	-25.4%	40.4%	-4.4%	29.3%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%
<i>MSCI US REIT</i>	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
Global Infrastructure Composite	--	--	--	--	--	--	--	--	--	--	--

Investment Manager

Annualized Performance (Gross of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

Ending May 31, 2023

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	-1.5%	0.4%	4.7%	-1.4%	6.8%	5.4%	6.0%	5.5%	6.2%	Jul-02
<i>Strategic Asset Allocation</i>	-0.9%	2.0%	4.9%	-0.7%	5.0%	4.6%	5.7%	5.0%	5.8%	Jul-02
Fixed Income Composite	-1.0%	1.7%	2.9%	-1.6%	-1.5%	1.9%	--	--	1.7%	Jan-18
<i>Fixed Income Balanced Index</i>	-1.1%	2.0%	2.5%	-2.1%	-3.3%	0.9%	--	--	0.7%	Jan-18
Fidelity (Pyramis Global Advisors)	-1.0%	1.7%	2.9%	-1.6%	-1.5%	1.9%	2.0%	2.4%	4.0%	Apr-07
<i>Bloomberg US Aggregate TR</i>	-1.1%	2.0%	2.5%	-2.1%	-3.6%	0.8%	0.8%	1.4%	2.9%	Apr-07
Equity Composite	-1.3%	-0.1%	7.2%	0.1%	12.5%	9.6%	10.7%	10.0%	7.9%	Jun-06
<i>Equity Balanced Index</i>	-1.6%	0.4%	5.4%	-1.5%	11.5%	7.7%	9.9%	10.3%	8.5%	Jun-06
BNYM AFL-CIO Large Cap Index	0.4%	4.9%	--	--	--	--	--	--	--	Feb-23
<i>Russell 1000</i>	0.5%	4.9%	9.3%	2.4%	12.5%	10.6%	12.1%	11.8%	2.4%	Feb-23
BNYM AFL-CIO Mid Cap Index	-3.1%	-7.0%	--	--	--	--	--	--	-7.0%	Feb-23
<i>S&P 400 MidCap</i>	-3.2%	-7.0%	-0.3%	-2.6%	12.6%	6.0%	8.8%	9.0%	-7.0%	Feb-23
BNYM AFL-CIO Small Cap Index	-1.3%	-7.7%	--	--	--	--	--	--	-7.7%	Feb-23
<i>Russell 2000</i>	-0.9%	-7.4%	0.0%	-4.7%	9.2%	2.7%	7.5%	7.4%	-7.4%	Feb-23
Earnest Partners	-2.9%	-1.4%	4.9%	-1.5%	13.7%	4.6%	8.2%	5.6%	7.1%	Jun-10
<i>MSCI ACWI ex USA</i>	-3.6%	0.4%	4.8%	-1.4%	7.2%	2.2%	5.4%	3.8%	5.2%	Jun-10
Alternative Asset Composite	0.0%	0.0%	0.0%	-2.2%	5.1%	2.9%	3.3%	2.7%	3.0%	May-07
Prisma Capital Partners LP	0.0%	0.0%	0.0%	0.8%	6.1%	3.5%	3.8%	3.0%	3.2%	May-07
Real Estate Composite	-4.0%	-5.6%	-1.9%	-14.7%	5.2%	4.5%	3.6%	5.6%	7.5%	Apr-10
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	6.4%	Apr-10
Fidelity Real Estate Index Fund	-4.0%	-5.6%	-1.9%	--	--	--	--	--	-6.8%	Nov-22
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	-5.4%	Nov-22
Global Infrastructure Composite	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22
Cohen and Steers Global Infrastructure Fund	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>	-5.1%	-0.2%	-2.5%	-9.3%	4.9%	4.9%	5.7%	5.9%	-4.7%	Nov-22

Investment Manager

Calendar Performance (Gross of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

	Calendar Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Fund Composite	-14.9%	14.6%	10.9%	19.1%	-3.3%	11.6%	6.4%	-1.7%	5.6%	11.0%	11.7%
Strategic Asset Allocation	-15.4%	11.6%	11.0%	18.9%	-3.8%	12.8%	6.4%	-2.8%	4.2%	11.5%	10.5%
Fixed Income Composite	-12.7%	0.3%	9.7%	10.2%	--	--	--	--	--	--	--
Fixed Income Balanced Index	-13.0%	-1.5%	7.6%	9.3%	-0.3%	--	--	--	--	--	--
Fidelity (Pyramis Global Advisors)	-12.7%	0.3%	9.7%	10.2%	-0.3%	4.7%	5.6%	0.1%	6.2%	-0.7%	7.6%
Bloomberg US Aggregate TR	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.6%	6.0%	-2.0%	4.2%
Equity Composite	-16.6%	21.5%	21.1%	29.2%	-5.6%	19.0%	11.0%	-0.3%	9.0%	23.8%	16.9%
Equity Balanced Index	-17.0%	19.7%	20.0%	28.6%	-7.6%	17.3%	16.0%	0.5%	12.6%	33.6%	16.4%
BNYM AFL-CIO Large Cap Index	--	--	--	--	--	--	--	--	--	--	--
Russell 1000	-19.1%	26.5%	21.0%	31.4%	-4.8%	21.7%	12.1%	0.9%	13.2%	33.1%	16.4%
BNYM AFL-CIO Mid Cap Index	--	--	--	--	--	--	--	--	--	--	--
S&P 400 MidCap	-13.1%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%
BNYM AFL-CIO Small Cap Index	--	--	--	--	--	--	--	--	--	--	--
Russell 2000	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%
Earnest Partners	-12.5%	12.9%	13.9%	23.3%	-15.7%	31.6%	5.5%	-5.5%	-1.6%	13.5%	19.5%
MSCI ACWI ex USA	-16.0%	7.8%	10.7%	21.5%	-14.2%	27.2%	4.5%	-5.7%	-3.9%	15.3%	16.8%
Alternative Asset Composite	-1.9%	4.7%	8.9%	8.0%	-4.6%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
Prisma Capital Partners LP	1.1%	4.7%	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
Real Estate Composite	-25.4%	40.4%	-4.4%	29.3%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%
MSCI US REIT	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
Fidelity Real Estate Index Fund	--	--	--	--	--	--	--	--	--	--	--
MSCI US REIT	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
Global Infrastructure Composite	--	--	--	--	--	--	--	--	--	--	--
Cohen and Steers Global Infrastructure Fund	--	--	--	--	--	--	--	--	--	--	--
FTSE Global Core Infrastructure 50/50 Index (Net)	-4.9%	14.9%	-4.1%	25.1%	-4.0%	18.4%	10.9%	-8.8%	15.4%	13.5%	13.2%

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

Ending May 31, 2023

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	-1.5%	0.3%	4.5%	-1.8%	6.3%	5.0%	5.7%	5.3%	6.1%	Jul-02
<i>Strategic Asset Allocation</i>	-0.9%	2.0%	4.9%	-0.7%	5.0%	4.6%	5.7%	5.0%	5.8%	Jul-02
Fixed Income Composite	-1.0%	1.6%	2.8%	-1.8%	-1.7%	1.7%	--	--	1.5%	Jan-18
<i>Fixed Income Balanced Index</i>	-1.1%	2.0%	2.5%	-2.1%	-3.3%	0.9%	--	--	0.7%	Jan-18
Equity Composite	-1.3%	-0.2%	7.0%	-0.4%	12.0%	8.4%	10.9%	10.2%	8.0%	Jun-06
<i>Equity Balanced Index</i>	-1.6%	0.4%	5.4%	-1.5%	11.5%	7.7%	9.9%	10.3%	8.5%	Jun-06
Alternative Asset Composite	0.0%	0.0%	0.0%	-2.5%	4.5%	2.5%	3.1%	2.5%	2.9%	May-07
Real Estate Composite	-4.0%	-5.6%	-1.9%	-14.7%	5.2%	4.5%	3.6%	5.6%	7.5%	Apr-10
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	6.4%	Apr-10
Global Infrastructure Composite	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

	Calendar Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Fund Composite	-15.3%	14.0%	10.5%	18.8%	-3.6%	11.6%	6.4%	-1.7%	5.6%	11.0%	11.7%
Strategic Asset Allocation	-15.4%	11.6%	11.0%	18.9%	-3.8%	12.8%	6.4%	-2.8%	4.2%	11.5%	10.5%
InvMetrics Public DB Net Rank	74	44	81	60	30	95	78	78	47	85	53
Fixed Income Composite	-12.9%	0.0%	9.5%	10.0%	--	--	--	--	--	--	--
Fixed Income Balanced Index	-13.0%	-1.5%	7.6%	9.3%	-0.3%	--	--	--	--	--	--
InvMetrics Public DB US Fix Inc Net Rank	74	13	15	9	--	--	--	--	--	--	--
Equity Composite	-17.1%	20.8%	21.1%	24.3%	1.2%	19.0%	11.0%	-0.3%	9.0%	23.8%	16.9%
Equity Balanced Index	-17.0%	19.7%	20.0%	28.6%	-7.6%	17.3%	16.0%	0.5%	12.6%	33.6%	16.4%
InvMetrics Public DB Total Eq Net Rank	59	37	7	96	1	97	7	16	19	88	44
Alternative Asset Composite	-2.7%	3.8%	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
InvMetrics Public DB Hedge Funds Net Rank	41	77	47	48	81	40	93	45	85	59	46
Real Estate Composite	-25.4%	40.4%	-4.4%	29.2%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%
MSCI US REIT	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
InvMetrics Public DB Real Estate Pub Net Rank	--	--	61	1	50	77	11	48	12	99	15
Global Infrastructure Composite	--	--	--	--	--	--	--	--	--	--	--

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

Ending May 31, 2023

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	-1.5%	0.3%	4.5%	-1.8%	6.3%	5.0%	5.7%	5.3%	6.1%	Jul-02
<i>Strategic Asset Allocation</i>	-0.9%	2.0%	4.9%	-0.7%	5.0%	4.6%	5.7%	5.0%	5.8%	Jul-02
Fixed Income Composite	-1.0%	1.6%	2.8%	-1.8%	-1.7%	1.7%	--	--	1.5%	Jan-18
<i>Fixed Income Balanced Index</i>	-1.1%	2.0%	2.5%	-2.1%	-3.3%	0.9%	--	--	0.7%	Jan-18
Fidelity (Pyramis Global Advisors)	-1.0%	1.6%	2.8%	-1.8%	-1.7%	1.8%	1.9%	2.4%	3.9%	Apr-07
<i>Bloomberg US Aggregate TR</i>	-1.1%	2.0%	2.5%	-2.1%	-3.6%	0.8%	0.8%	1.4%	2.9%	Apr-07
Equity Composite	-1.3%	-0.2%	7.0%	-0.4%	12.0%	8.4%	10.9%	10.2%	8.0%	Jun-06
<i>Equity Balanced Index</i>	-1.6%	0.4%	5.4%	-1.5%	11.5%	7.7%	9.9%	10.3%	8.5%	Jun-06
BNYM AFL-CIO Large Cap Index	0.4%	4.9%	--	--	--	--	--	--	--	Feb-23
<i>Russell 1000</i>	0.5%	4.9%	9.3%	2.4%	12.5%	10.6%	12.1%	11.8%	2.4%	Feb-23
BNYM AFL-CIO Mid Cap Index	-3.1%	-7.0%	--	--	--	--	--	--	-7.0%	Feb-23
<i>S&P 400 MidCap</i>	-3.2%	-7.0%	-0.3%	-2.6%	12.6%	6.0%	8.8%	9.0%	-7.0%	Feb-23
BNYM AFL-CIO Small Cap Index	-1.3%	-7.7%	--	--	--	--	--	--	-7.7%	Feb-23
<i>Russell 2000</i>	-0.9%	-7.4%	0.0%	-4.7%	9.2%	2.7%	7.5%	7.4%	-7.4%	Feb-23
Earnest Partners	-2.9%	-1.6%	4.5%	-2.3%	12.7%	3.7%	7.3%	4.8%	6.2%	Jun-10
<i>MSCI ACWI ex USA</i>	-3.6%	0.4%	4.8%	-1.4%	7.2%	2.2%	5.4%	3.8%	5.2%	Jun-10
Alternative Asset Composite	0.0%	0.0%	0.0%	-2.5%	4.5%	2.5%	3.1%	2.5%	2.9%	May-07
Prisma Capital Partners LP	0.0%	0.0%	0.0%	0.5%	5.6%	3.1%	3.5%	2.8%	3.1%	May-07
Real Estate Composite	-4.0%	-5.6%	-1.9%	-14.7%	5.2%	4.5%	3.6%	5.6%	7.5%	Apr-10
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	6.4%	Apr-10
Fidelity Real Estate Index Fund	-4.0%	-5.6%	-1.9%	--	--	--	--	--	-6.8%	Nov-22
<i>MSCI US REIT</i>	-3.1%	-5.0%	0.0%	-13.0%	7.0%	3.2%	2.5%	4.4%	-5.4%	Nov-22
Global Infrastructure Composite	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22
Cohen and Steers Global Infrastructure Fund	-5.4%	-1.3%	-2.4%	--	--	--	--	--	-5.6%	Nov-22
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>	-5.1%	-0.2%	-2.5%	-9.3%	4.9%	4.9%	5.7%	5.9%	-4.7%	Nov-22

Investment Manager

Calendar Performance (Net of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

	Calendar Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Fund Composite	-15.3%	14.0%	10.5%	18.8%	-3.6%	11.6%	6.4%	-1.7%	5.6%	11.0%	11.7%
Strategic Asset Allocation	-15.4%	11.6%	11.0%	18.9%	-3.8%	12.8%	6.4%	-2.8%	4.2%	11.5%	10.5%
InvMetrics Public DB Net Rank	74	44	81	60	30	95	78	78	47	85	53
Fixed Income Composite	-12.9%	0.0%	9.5%	10.0%	--	--	--	--	--	--	--
Fixed Income Balanced Index	-13.0%	-1.5%	7.6%	9.3%	-0.3%	--	--	--	--	--	--
InvMetrics Public DB US Fix Inc Net Rank	74	13	15	9	--	--	--	--	--	--	--
Fidelity (Pyramis Global Advisors)	-12.9%	0.0%	9.7%	10.2%	-0.3%	4.7%	5.6%	0.1%	6.2%	-0.7%	7.6%
Bloomberg US Aggregate TR	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%
eV US Core Plus Fixed Inc Net Rank	36	30	24	34	34	52	28	44	26	45	69
Equity Composite	-17.1%	20.8%	21.1%	24.3%	1.2%	19.0%	11.0%	-0.3%	9.0%	23.8%	16.9%
Equity Balanced Index	-17.0%	19.7%	20.0%	28.6%	-7.6%	17.3%	16.0%	0.5%	12.6%	33.6%	16.4%
InvMetrics Public DB Total Eq Net Rank	59	37	7	96	1	97	7	16	19	88	44
BNYM AFL-CIO Large Cap Index	--	--	--	--	--	--	--	--	--	--	--
Russell 1000	-19.1%	26.5%	21.0%	31.4%	-4.8%	21.7%	12.1%	0.9%	13.2%	33.1%	16.4%
eV US Large Cap Equity Net Rank	--	--	--	--	--	--	--	--	--	--	--
BNYM AFL-CIO Mid Cap Index	--	--	--	--	--	--	--	--	--	--	--
S&P 400 MidCap	-13.1%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%
eV US Mid Cap Equity Net Rank	--	--	--	--	--	--	--	--	--	--	--
BNYM AFL-CIO Small Cap Index	--	--	--	--	--	--	--	--	--	--	--
Russell 2000	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%
eV US Small Cap Equity Net Rank	--	--	--	--	--	--	--	--	--	--	--
Earnest Partners	-13.2%	12.0%	12.9%	22.2%	-16.4%	30.5%	4.6%	-6.3%	-2.5%	12.5%	18.5%
MSCI ACWI ex USA	-16.0%	7.8%	10.7%	21.5%	-14.2%	27.2%	4.5%	-5.7%	-3.9%	15.3%	16.8%
eV ACWI ex-US Large Cap Core Eq Net Rank	11	22	49	56	61	21	15	86	28	97	39

Investment Manager

Calendar Performance (Net of Fees)

Market Value: \$217.9 Million and 100.0% of Fund

	Calendar Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Alternative Asset Composite	-2.7%	3.8%	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
<i>InvMetrics Public DB Hedge Funds Net Rank</i>	41	77	47	48	81	40	93	45	85	59	46
Prisma Capital Partners LP	0.4%	3.8%	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%
<i>InvMetrics Public DB Hedge Funds Net Rank</i>	22	77	47	48	81	40	93	45	85	59	46
Real Estate Composite	-25.4%	40.4%	-4.4%	29.2%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%
<i>MSCI US REIT</i>	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
<i>InvMetrics Public DB Real Estate Pub Net Rank</i>	--	--	61	1	50	77	11	48	12	99	15
Fidelity Real Estate Index Fund	--	--	--	--	--	--	--	--	--	--	--
<i>MSCI US REIT</i>	-25.4%	41.7%	-8.7%	24.3%	-5.8%	3.7%	7.1%	1.3%	28.8%	1.3%	16.5%
<i>Real Estate MStar MF Rank</i>	--	--	--	--	--	--	--	--	--	--	--
Global Infrastructure Composite	--	--	--	--	--	--	--	--	--	--	--
Cohen and Steers Global Infrastructure Fund	--	--	--	--	--	--	--	--	--	--	--
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>	-4.9%	14.9%	-4.1%	25.1%	-4.0%	18.4%	10.9%	-8.8%	15.4%	13.5%	13.2%
<i>Infrastructure Mstar MF Rank</i>	--	--	--	--	--	--	--	--	--	--	--

Total Fund Composite

Fee Schedule

Market Value: \$217.9 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Median ²
Core Plus Fixed Income	Fidelity (Pyramis Global Advisors)	0.25% on the first \$50 million 0.22% on the next \$50 million 0.20% on the next \$100 million 0.17% on the balance	0.25% \$136,757	0.30%
Large-Cap Core	BNYM AFL-CIO Large Cap Index	0.01% on the balance	0.01% \$5,804	0.06%
Mid-Cap Core	BNYM AFL-CIO Mid Cap Index	0.01% on the balance	0.01% \$836	0.06%
Small-Cap Core	BNYM AFL-CIO Small Cap Index	0.01% on the balance	0.01% \$1,015	0.05%
Non-U.S. Large-Cap Core	Earnest Partners	0.85% on the balance	0.85% \$445,775	0.65%
Multi-Strat. Hedge FoF	Prisma Capital Partners LP	1.00% on the balance	1.00% \$21,000	1.00%
U.S. REIT	Fidelity Real Estate Index Fund	0.07% on the balance	0.07% \$4,765	1.19%
Global Infrastructure	Cohen and Steers Global Infrastructure Fund	0.89% on the balance	0.89% \$130,537	0.85%
Total Investment Management Fees			0.34% \$746,488	0.36%

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

² Source: 2019 Marquette Associates Investment Management Fee Study.

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June 7, 2023

Employees' Retirement System of the Sewerage & Water Board of New Orleans
Pension Committee
Chairman Joseph Peychaud

The purpose of this letter is to document the plan sponsor's current position on a series of proposed plan design changes to the Employees' Retirement System of the Sewerage & Water Board of New Orleans (Pension Plan) suggested by a Pension Committee Employee Member.

Pension Plan design changes are typically reviewed in the context of a total benefits package to employees for recruiting and retaining employees and weighing the budgetary constraints and costs of providing a defined benefit plan to the employees. Plan experience and industry trends inform the estimated financial and non-financial impacts of the change in plan design being considered by a plan sponsor. In addition to experience studies which are done by the plan actuary at least every 5 years, factors such as the current reciprocal transfers agreement between the Pension Plan and the Employees' Retirement System of the City of New Orleans should be considered and studied to provide informed recommendations on changes to plan design.

Last fiscal year the following plan design changes were provided to management and Pension Committee Chairman (refer to 8/31/22 email attached). Shortly thereafter it was agreed to engage the plan actuary to provide commentary and estimated funding impacts for discussion purposes (refer to 9/21/22 attached letter from Rudd & Wisdom).

1. Increasing the time to vest from 5 years to 10 years
2. Increasing the rate of benefit accrual for a retirement allowance from 2.5% per year to 3% for years of service from 0-25 (impact would reduce the time required to earn a benefit equal to 100% of average compensation from 34.375 years to 31.25 years)
3. Implement a cap on the maximum annual pension of \$130,000

The 8/31/2022 email communication received indicated:

We would like the S&WB actuarial manager to study the impact of these proposed changes and furnish a report as soon as possible. If the report suggests positive impact then these changes should be adopted in retrospect starting January 1, 2010.

The suggestions were reviewed with the plan actuary, and it was communicated the proposed design changes **were not aligned** with strategic goals and **were not feasible** from a cost benefit perspective. Additionally, it was suggested during the next 5-year experience study and comprehensive plan design review the items proposed could be again considered along with any other input received by the Pension Committee on plan design features.

Board of Directors: LaToya Cantrell – President, Tamika Duplessis – President Pro Tem, Freddie King – Councilmember, Joseph Peychaud, Robin Barnes, Carol Markowitz, Alejandra Guzman, Lynes Sloss, Maurice Sholas, Janet Howard



The primary factors in reaching the current position by management include the following:

1. Increasing vesting period is expected to negatively impact recruitment and retention and as noted by the plan actuary there is not a significant cost savings generated from increasing vesting to 10 years due to the majority of those employees who currently terminate vested in years 5-10 of service request a return of employee contributions and receive no additional plan benefits.
2. Increasing the rate of benefit accrual would significantly decrease funded status and require additional funding sources meaning higher employee contributions and/or higher employer contributions, which is contrary to current Funding Policy which maintains employee contributions at 6%. The estimated impact as indicated by the plan actuary is 12% to 15% additional accrued actuarial liability (AAL) related to active members or \$13m.
3. Implementing a cap of \$130,000 provides limited cost savings to the plan due to a limited number of employees that would be impacted given the current benefit formula and present IRS limitations for an annual annuity and yearly compensation.

We are available to provide the Pension Committee any additional information on this matter and appreciate each Committee Member's genuine interest in our employees' financial well-being as demonstrated by your service to the Pension Committee.

Sincerely,

E. Grey Lewis
Chief Financial Officer
Sewerage & Water Board of New Orleans
625 St. Joseph Street, Room 313
New Orleans, LA 70165
elewis@swbno.org
office: 504.585.2371
cell: 504.609.9460

Attachments

Email dated 8/31/2022 from Pension Committee Employee Member

Letter dated 9/21/2022 from Rudd & Wisdom

Board of Directors: LaToya Cantrell – President, Tamika Duplessis – President Pro Tem, Freddie King – Councilmember, Joseph Peychaud, Robin Barnes, Carol Markowitz, Alejandra Guzman, Lynes Sloss, Maurice Sholas, Janet Howard

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Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
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David G. Wilkes, F.S.A.

VIA ELECTRONIC DELIVERY
September 21, 2022

PERSONAL AND CONFIDENTIAL

Mr. Joseph Peychaud
Chairman of the Pension Committee
Sewerage and Water Board of New Orleans
625 St. Joseph Street
New Orleans, Louisiana 70165

Re: Pension Plan Design Study

Dear Mr. Peychaud:

We have reviewed the August 31, 2022 letter you received from an employee member of the Pension Committee regarding a request for an actuarial design study of the Employees' Retirement System of the Sewerage and Water Board of New Orleans (ERS of SWBNO). Below we present a general analysis, but if you wish for us to provide a more detailed analysis at this time or if we have misinterpreted the employee member's request, please let us know and we can revise or append the information presented in this letter.

The employee member of the Pension Committee requested that the following three modifications to the ERS of SWBNO be analyzed:

1. Change the vesting schedule as follows:

Years of Credited Service	Current Plan Vesting Percent	Proposed Plan Vesting Percent
Less than 5	0%	0%
At least 5 but less than 10	100%	0%
10 or more	100%	100%

2. Change the Retirement Allowance as follows:

Years of Credited Service	Current Plan Accrual Factor Per Year of Service	Proposed Plan Accrual Factor Per Year of Service
0 – 25	2.5%	3.0%
25+	4.0%	4.0%

Under the Rules and Regulations of the ERS of SWBNO, the maximum benefit is capped at 100% of a Member's Average Compensation. Thus, under the current Plan design, the benefit accrues at a rate of 2.5% per year for the first 25 years and then 4.0% per year for the next 9.375 years until the 100% cap is reached. Then, the accrued benefit remains at 100% of Average Compensation for years beyond 34.375 years.

Under the proposed design, the benefit would accrue at a rate of 3.0% per year for the first 25 years and then 4.0% per year for the next 6.25 years until the 100% cap is reached. Then, the accrued benefit would remain at 100% of Average Compensation for years beyond 31.25 years.

3. Implement a cap on the maximum annual pension of \$130,000.

In order to determine the impact on the Plan liability for each of the above three proposed design changes, we would need to program our valuation software to value the proposed benefits, consider whether or not there would be any accompanying assumption changes (e.g., potentially change the termination rates to reflect the later vesting date, potentially change the retirement rates to reflect the accrual of larger benefits earlier in a career, etc.), review and confirm the results, and prepare a brief report conveying the results. In the interest of time, this letter presents some general observations. If, after reviewing these observations, the SWBNO wishes to proceed with the full design study, we will provide an estimate of the cost of the study before commencing work on this project.

General Observations of Proposed Plan Changes

Item Nos. 1 and 3 would reduce the cost of the Plan while Item No. 2 would increase the cost of the Plan. It may be that the intent of proposing Item Nos. 1 and 3 is to partially offset the increased cost to the Plan associated with Item No. 2. However, the net effect of the three proposed changes to the Plan will undoubtedly significantly increase the Plan's Actuarial Accrued Liability (AAL) and reduce the Plan's Funded Status (i.e., the ratio of Plan Assets to the AAL).

a) Item No. 1 - Change in Vesting Schedule:

Upon termination of employment, a nonvested Member must receive a return of their employee contribution account balance, and thus the Plan ultimately does not pay an employer-provided benefit to these individuals. Vested Members who terminate employment prior to retirement eligibility have the option of (a) leaving their employee contributions in the Plan and eventually receiving an annuity when they reach retirement age or (b) choosing to withdraw their employee contribution account balance in lieu of any future employer-provided benefits from the Plan. Plan experience shows that the majority of the vested Members elect to withdraw their employee contribution account balance upon termination. **Thus, the cost savings associated with Item No. 1 would likely be minimal since even though this design change would force all Members who terminate employment with less than 10 years of service to receive their employee contribution account balances, most terminated Members with 5 to 10 years of service already elect to withdraw their employee contribution account balances.**

b) Item No. 2 - Change in Retirement Allowance formula:

Increasing the accrual factor from 2.5% to 3.0% for the first 25 years of service would increase the Plan benefit by 20% (i.e., $3.0/2.5 = 1.20$ or a 20% increase) for Members who vest and elect to receive a Plan benefit rather than withdraw their employee contributions upon termination. For Members who work more than 25 years, the benefit increase would be less than 20% as eventually the current design or the proposed design would cap the benefit at 100% of Average Compensation. **Thus, we would expect the increase to the active Members' liability to be less than 20%. A rough estimate of the increase in active Member AAL and the Normal Cost would be 12% to 15%.**

Also, please note that the stated reason for this proposed increase is to provide benefits similar to "civilian employees of NOPD who earn 3.00% per annum retirement benefits" in the Municipal Police Employees' Retirement System (MPERS). It is our understanding that civilian employees have an employee contribution rate between 7.5% and 10.0% of compensation to the MPERS plan depending on their date of hire and the subplan in which they participate. This compares to the 6% employee contribution rate in the ERS of

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SWBNO. Thus, employees in MPERS contribute significantly more for this higher accrual rate. If the SWBNO were to pursue this design study, then the SWBNO may wish to explore increasing the employee contribution rate to help pay for such additional benefits.

c) Item No 3 - Implement a cap on the maximum annual pension of \$130,000:

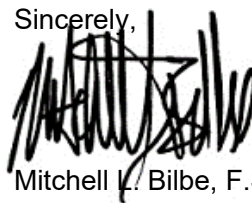
Currently the Plan caps the benefit at 100% of Average Compensation but in no event shall such benefit exceed the Internal Revenue Code Section 415(b) limit which is the lesser of the Defined Dollar Limit (presently \$245,000 in 2022 for a life annuity payable at age 65) and the Compensation Limit (100% of the 3-year average of compensation) under Rules and Regulations Section 6.10(g)(10). Although the Defined Dollar Limit of \$245,000 may appear to be high, for most Members the 100% of Average Compensation limit is much lower and thus the effective benefit limit is lower than \$245,000. Therefore, in general, only Members with Average Compensation in excess of \$130,000 would be affected by the proposed limitation. **As of January 1, 2022, there are 6 active Members with Average Compensation in excess of \$130,000 per year. Assuming this proposed limit is indexed to inflation just like the 415(b) limit, then implementation of the \$130,000 limit would minimally reduce the Plan's AAL.**

As of January 1, 2022, the total AAL of the Plan was \$350M, \$96M of which was attributable to Active Members. The Normal Cost, which is solely attributable to Active Members, was \$5.3M for 2022. **A rough estimate of the net effect of these proposed plan changes would be a 13.5% increase (i.e., the midpoint of our estimated range of 12% to 15%) in the Active Member AAL (i.e., a \$13M increase) and the Normal Cost (i.e., a \$700,000 increase).** Under the Plan's Funding Policy, the Employer's contribution is determined as the sum of the Normal Cost plus an amortization of the Unfunded AAL, where the amortization is accomplished in layers over various periods. Under the Funding Policy, a change in the Unfunded AAL due to a Plan amendment is amortized over 15 years instead of the 25-year period that applies to assumption changes and gains/losses. The idea behind the shorter amortization period for plan amendments is to encourage the employer to improve the Plan's Funded Status prior to improving Plan benefits.

As of January 1, 2022, the Plan's Funded Status is 72% and the Employer's contribution is 22.8% of payroll. **We estimate that the Plan's Funded Status would decline by 3% to 69% and the Employer's contribution would increase by 4.5% to 27.3% of payroll. These estimates assume that the employee contribution rate remains at 6% of payroll under the proposed design.**

We can prepare actual estimates upon request, but these ballpark estimates may help you decide whether to proceed with such an actuarial design study. Please let us know if you have any questions.

Sincerely,



Mitchell L. Bilbe, F.S.A.

MLB:nm

cc: E. Grey Lewis

Yolanda Grinstead

On Aug 31, 2022, at 9:07 PM, Muby Maq <muby06@gmail.com> wrote:

Dear chairman Peychaud,

A few months ago I gave you a petition signed by close to 500 S&WB employees requesting the changes in the SWB pension plan.

The following are the changes that the employees of the S&WB of New Orleans would like to propose to safeguard their pension funds.

1. Increase the vestment period from current 5 years of service to 10 years of service for an employee to be eligible for pension from the SWB.

Keep in mind that the vestment period at SWB was always 10 years of service till ex-mayor Marc Morial manipulated it and reduced it from 10 year service to 5 year of service.

2. The S&WB is an essential service entity. No city can exist without drinking water and a sewerage system. The employees would like to get similar treatment like civilian employees of NOPD who earn 3.00% per annum retirement benefits.

Therefore, the S&WB employees would like to increase their benefits from the current rate of 2.5% to 3.00%.

3. Currently, the City of New Orleans employees pension benefits are capped at \$ 150,000 per annum. The S&WB employees would like to cap the pension benefits to \$130,000 per annum.

Keep in mind that the S&WB pension is funded by the employee's contributions, whereas the city of New Orleans employees pension can be funded by mileage increases if need arises. In addition the City of New Orleans has over 3000 employees , whereas, the SWB has only 1100 employees, almost 1/3rd in size.

We would like the S&WB actuarial manager to study the impact of these proposed changes and furnish a report as soon as possible.

If the report suggests positive impact then these changes should be adopted in retrospect starting January 1, 2010.

Please direct the SWB CFO to get the actuarial manager to immediately request them to do the studies and furnish their report.

Thank you.

Best regards,

Mubashir Maqbool, SWB employees pension trustee