

# ***SEWERAGE & WATER BOARD OF NEW ORLEANS***

## **PENSION COMMITTEE MEETING**

**WEDNESDAY, MARCH 4, 2015**

**10:30 AM**

### **COMMITTEE MEMBERS**

Mr. Wm. Raymond Manning, Chair • Mr. Alan Arnold • Mrs. Robin Barnes • Mr. Marion Bracy  
• Mr. Joseph Psychaud • Mr. Harold Heller, Jr. • Mr. Marvin Russell • Mr. Gerald Tilton • Mr. John Wilson

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### **FINAL AGENDA**

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#### **ACTION ITEMS**

1. Approval of Previous Report (November 5, 2014)
2. Cost of Living Adjustment for Board Pensioners (R-035-2015)
3. Executive Session
  - Disability Matters

#### **PRESENTATION ITEMS**

4. Chicago Equity Partners
5. FFC Monthly Report
6. Pension Investment Policy Review

#### **INFORMATION ITEMS**

7. Voluntary Retirement(s)
8. Annual Disability Report
9. New South Capital Management
10. Prisma Capital Partners
11. Earnest Partners
12. Equitas Capital Advisors (Hedge Fund)
13. Western Asset Management (Global Fixed Income TIPS)
14. Barrow Hanley
15. Pyramis Global Advisors
16. iShares (NAREIT)
17. Vanguard Index (Domestic REIT)
18. Powershares DB Commodity Index (Domestic Commodities)
19. Zazove (Residual Asset)
20. Fidelity Inst Prime Mmkt CL (Cash)
21. Securities Lending Report
22. Quarterly Pension Financial Activities & Pension Disbursements – Period Ending December 31, 2014
23. LAMP/DROP Statements

- 24. 2015 Committee/Board Meeting Schedule
- 25. Topics for Future Discussions
- 26. Response to Questions
- 27. Any Other Matters

**REFERENCE MATERIALS (In Binder)**

- A. Sewerage & Water Board By-Laws
- B. Pension Rules and Regulations
- C. Investment Policy
- D. Actuarial Valuation Report
- E. 2011-2020 Strategic Plan
- F. Commitments to the City Council
- G. Bond Ratings Information



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

## **Sewerage & Water Board OF NEW ORLEANS**

**MITCHELL J. LANDRIEU, President**  
**WM. RAYMOND MANNING, President Pro-Tem**

**625 ST. JOSEPH STREET**  
**NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER**  
**[www.swbnola.org](http://www.swbnola.org)**

### **AMENDED**

November 5, 2014

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The PENSION COMMITTEE of the Sewerage and Water Board of New Orleans ("Board") met on Wednesday, November 5, 2014 at 9:30 a.m. in the Board Room at 625 St. Joseph Street.

### **ATTENDANCE**

**PRESENT:** Mr. Wm. Raymond Manning (Chairman), Mr. Alan Arnold\*, Mrs. Robin Barnes, Mr. Harold Heller, Jr., Mr. Joseph Peychaud, Mr. Marvin R. Russell, Jr., Mr. Gerald Tilton and Mr. John H. Wilson III

\*Mr. Arnold departed the meeting at approximately 10:05 a.m.

**ABSENT:** Mr. Marion Bracy

Also in attendance were Director's Office, Legal, Finance and Personnel Department staff; Stephen Daste, Marcia Culotta and Octave Francis of FFC Capital Management; Erin Benoit of Weiler & Rees.

The meeting was called to order at approximately 9:39 a.m. to discuss and act upon the following matters:

### **APPROVAL OF PREVIOUS REPORTS (ACTION)**

The Pension Committee received the Pension Committee Report of October 1, 2014 for review and action. Mr. Wilson motioned to approve the report and Mr. Arnold seconded the motion. The motion passed.

### **PENSION PLAN RULE CHANGES (ACTION)**

The Committee received resolutions R-248-2014 and R-251-2014. Resolution R-248-2014 states the intent of the computation of the 1% increase in the employee pension contribution rate from 5% to 6% effective January 1, 2015. The additional employee pension contributions will be used to increase the accrued unfunded liability when the retirement system is not 100% funded and not used as an offsetting reduction in the employer contribution rate.

Mr. Arnold motioned to recommend approval of R-248-2014 and Mr. Peychaud seconded. The motion passed.

**PENSION PLAN RULE CHANGES (ACTION) (CONTINUED)**

Resolution R-251-2014 will amend Article II and Article VIII, Section 8.2(a) of the Rules and Regulations of the Employees' Retirement System of the S&WB. The current definition of "average compensation" will be deleted and replaced with new language to reflect the new definition of "average compensation" that changes the computation period to the following: 1.) For employees who become retirement eligible on or before December 31, 2014, average compensation will include a computation period of thirty-six (36) successive months of compensation; 2.) For employees who become retirement eligible on or after January 1, 2015 and retire on or after January 1, 2015 but before January 1, 2017, average compensation will include a computation period of thirty-six (36) successive months of compensation; 3.) For employees who become retirement eligible on or after January 1, 2015 and retire on or after January 1, 2017 but before January 1, 2018, average compensation will include a computation period of forty-eight (48) successive months of compensation; 4.) For employees who become retirement eligible on or after January 1, 2015 and retire on or after January 1, 2018, average compensation will include a computation period of sixty (60) successive months of compensation.

Additionally, resolution R-251-2014 will change the language of Article VIII, Section 8.2(a) to reflect an increase the employee contribution rate from 5% to 6% effective January 1, 2015.

Mrs. Barnes motioned to recommend approval of R-251-2014 and Mr. Arnold seconded. Mr. Manning took a vote and four (4) committee members were in favor of recommending approval and four (4) committee members were opposed. Mr. Grant expressed his concern regarding the committee's inability to reach a consensus on resolution R-251-2014. This resolution and its resulting recommendation will be forwarded to the Board of Trustees.

Note: During previous meetings Mr. Miller recommended that the employee members host listening sessions to notify employees that an action plan is being developed to meet the goals of strengthening the pension plan and increasing the funded ratio. The employee members hosted six (6) listening sessions at the four (4) main S&WB facilities. The employee members provided feedback to the committee from the listening sessions. The committee received a recommendation from staff to adopt two proposed amendments (Increase the employee contribution rate from 5% to 6% effective January 1, 2015; and increase the number of months used to determine average compensation for retirement calculation purposes from 36 months to 48 months; a third proposal that would change the membership requirement of rehired DROP participants to allow them to receive a retirement allowance if they are rehired after participating in the DROP program was deferred to allow for further research). At the Pension Committee Meeting of October 1, 2014 Michael Conefry, the Board's Actuary, and Erin Benoit, representing John Weiler, the Board's Legal Counsel, presented a response to the committee's request for information regarding the proposed amendments.

**PENSION CONSULTANT FEES (ACTION)**

The Committee received a memo from Robert Miller reporting staff's research and recommendation of FFC Capital Management's pension consultant fee. Mr. Miller explained that, at its meeting of September 17, 2014, the Board of Trustees voted to accept the proposal of FFC Capital Management's that was submitted in response to the Pension Investment Advisory Services RFP. The accepted proposal is for an initial three (3) year period (with two (2) one (1) year renewals) for a fee to be determined by negotiation not to exceed an initial three (3) year fee of \$397,500 or a total five (5) year fee of \$687,500. Mr. Miller explained that staff evaluated the fee proposal using data from two local retirement systems of comparable size and structure. Staff concluded that more assets per dollar are managed by FFC Capital Management, than that of the two local retirement systems, thus requiring higher management fees. Staff recommends the base fee proposal be accepted without further negotiation.

**PENSION CONSULTANT FEES (ACTION) (CONTINUED)**

Mr. Wilson motioned to recommend approval of the fee proposal and Mrs. Barnes seconded. The motion passed with Mr. Arnold in opposition to the recommendation. Mr. Arnold expressed concern regarding the amount of the proposed fee and its comparison to the investment management fees of only two (2) local retirement systems.

Note: During a previous meeting the committee was notified that the Board of Directors directed staff to begin the proposal process for the Pension Investment Advisory Services Contract. The Request for Proposal (RFP) was advertised on three (3) separate dates, beginning in May 2014. A selection committee was formed to evaluate the proposals received and to submit a recommendation to the committee. The committee received a listing of seven (7) finalists selected for the Pension Investment Advisory Services Contract and the criteria used in the evaluation of the proposals. The selection committee recommended acceptance of the FFC Capital Management proposal for an initial 3-year period at a rate of \$397,500.00. The committee approved the recommendation. This item was deferred at the Pension Committee Meeting of October 1, 2014.

**PRISMA CAPITAL PARTNERS-HEDGE FUND ABSOLUTE RETURN MANAGER (PRESENTATION)**

Peter Zakowich and John Diercksen presented to the committee an update on the Board's Hedge Fund Absolute Return Investment Portfolio. The portfolio performance statement submitted prior to the meeting indicates that the portfolio increased in value from \$20,863,243.00 to \$20,877,148.00 for the period ending September 30, 2014. This resulted in a one-month return rate of 0.07% (Gross and Net) compared to the Dow Jones Credit Suisse HFI return rate of -0.01% for the same period.

**FFC QUARTERLY REPORT (PRESENTATION)**

Octave Francis of FFC Capital Management presented to the committee the Sewerage and Water Board of New Orleans Employees' Retirement System 3<sup>rd</sup> Quarter Performance Report for 2014.

**COMMITTEE RESPONSIBILITIES**

This agenda item was not discussed.

**VOLUNTARY RETIREMENT(S)**

There were six (6) voluntary retirement applications submitted to the Pension Committee for review:

**Elzey, Gary A.**

Retirement Date: 11/20/14; Group: 3227 (DROP)

**Garrett, Theola S.**

Retirement Date: 11/01/14; Group: 0030 (DROP)

**Kaufman, Louis C.**

Retirement Date: 11/01/14; Group: 3225 (DROP)

**Pedesclaux, Jerrold V.**

Retirement Date: 11/01/14; Group: 0811 (DROP)

**Petes, Elton**

Retirement Date: 11/01/14; Group: 2330 (DROP)

**VOLUNTARY RETIREMENT(S) (CONTINUED)**

**Strong, David H., Jr.**

Retirement Date: 11/30/14; Group: 0040 (DROP)

**ISHARES-NAREIT**

There was no portfolio performance statement submitted for the period ending September 30, 2014.

**VANGUARD INDEX-DOMESTIC REIT**

There was no portfolio performance statement submitted for the period ending September 30, 2014.

**NEWSOUTH CAPITAL MANAGEMENT-SMALL/MID CAP EQUITY MANAGER**

The portfolio performance statement submitted by the Board's Small/Mid Cap Equity Investment Manager indicates that the portfolio decreased in value from \$31,289,597.00 to \$29,908,195.00 for the period ending September 30, 2014. This resulted in a one-month return rate of -4.41% (Gross) and -4.63 (Net) compared to the Russell 2500 Index return rate of -5.14% for the same period.

**PYRAMIS GLOBAL ADVISORS-US FIXED INCOME CORE PLUS MANAGER**

The portfolio performance statement submitted by the Board's U.S. Fixed Core Plus Investment Manager indicates that the portfolio decreased in value from \$59,297,971.00 to \$58,858,583.00 for the period ending September 30, 2014. This resulted in a one-month return rate of -0.74% (Gross) and -0.76% (Net) compared to the BC US Aggregate return rate of -0.68% for the same period. (\$7,093.00 was credited to this account)

**EARNEST PARTNERS-INTERNATIONAL MANAGER**

The portfolio performance statement submitted by the Board's International Investment Manager indicates that the portfolio increased in value from \$17,158,476.00 to \$17,421,748.00 for the period ending September 30, 2014. This resulted in a one-month return rate of 1.53% (Net) compared to the MSCI ACWI ex US Index return rate of 0.55% for the same period.

**EQUITAS CAPITAL ADVISORS-HEDGE FUND**

The portfolio performance statement submitted by the Board's Hedge Fund Absolute Return Investment Manager indicates that the portfolio decreased in value from \$32,553.00 to \$32,493.00 for the period ending September 30, 2014. This resulted in a one-month return rate of -0.1% (Gross) and -0.2% (Net) compared to the Dollar-Weighted return rate of -0.2%; Credit Suisse Hedge Fund Index return rate of 0.0% and the Evergreen Main Account return rate of -0.5% for the same period.

**WESTERN ASSET MANAGEMENT-GLOBAL FIXED INCOME TIPS**

The portfolio performance statement submitted by the Board's Global Fixed Income TIPS Investment Manager indicates that the portfolio increased in value from \$17,498,145.00 to \$18,059,255.00 for the period ending September 30, 2014. This resulted in a one-month return rate of -3.11% (Gross) and -3.14% (Net) compared to the Barclay's Capital World Government IL All Mat Index return rate of -3.42% and the Citigroup World Govt Bond Index, USD Unhedged Index return rate of -3.30% for the same period.

**BARROW, HANLEY, MEWHINNEY & STRAUSS-LARGE CAP VALUE MANAGER**

The portfolio statement submitted by the Board's Large Cap Value Investment Manager indicated that the portfolio decreased in value from \$26,977,063.00 to \$26,669,106.00 for the period ending September 30, 2014. This resulted in a one-month return rate of -1.14% (Gross) and -1.19% (Net) compared to the Russell 1000 Value Index return rate of -2.06% for the same period.

**CHICAGO EQUITY PARTNERS -LARGE CAP ENHANCED CORE MANAGER**

The portfolio performance statement submitted by the Board's Large Cap Enhanced Core Investment Manager indicates that the portfolio decreased in value from \$30,040,146.27 to \$29,475,546.98 for the period ending September 30, 2014. This resulted in a one-month return rate of -1.87% (Gross) and -1.90% (Net) compared to the Russell 1000 Index return rate of -1.75% for the same period. (\$0.31 was debited from this account; \$44,310.88 was credited to this account)

**POWERSHARES DB COMMODITY INDEX-DOMESTIC COMMODITIES**

There was no portfolio performance statement submitted for the period ending September 30, 2014.

**ZAZOVE-RESIDUAL ASSET**

There was no portfolio performance statement submitted for the period ending September 30, 2014.

**FIDELITY INST PRIME MMKT CL-CASH**

There was no portfolio performance statement submitted for the period ending September 30, 2014.

**SECURITIES LENDING REPORT**

The Securities Lending Report submitted by BMO Securities Lending indicates that the year-to-date revenue from securities lending is \$116,440.00 as of September 2014.

**QUARTERLY PENSION FINANCIAL ACTIVITIES PERIOD ENDING SEPTEMBER 30, 2014**

The Pension Committee received the Quarterly Pension Financial Activities and Pension Disbursements Statement for the period ending September 30, 2014.

**LAMP/DROP STATEMENTS**

The DROP report submitted by Louisiana Asset Management Pool (LAMP) indicates that the DROP account had an ending balance of \$12,375,997.13 for the period ending September 2014.

**2014 COMMITTEE/BOARD MEETING SCHEDULE**

The updated Committee and Board Meeting Schedule was submitted to the Pension Committee for review.

**TOPICS FOR FUTURE DISCUSSIONS**

This agenda item was not discussed.

**RESPONSE TO QUESTIONS**

This agenda item was not discussed.

**OTHER MATTERS**

There were no additional items discussed at this meeting.

**ADJOURNMENT**

Mr. Tilton motioned to adjourn the meeting and Mr. Wilson seconded. The meeting adjourned at approximately 10:55 a.m.

Very Truly Yours,

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Wm. Raymond Manning  
Chairman



## CONEFRY & COMPANY, L.L.C.

160 Pleasant Ridge Drive  
Belle Chasse, LA 70037-4502  
Tel. 504.392.8853 ■ Facsimile: 504.392.4430

February 2, 2015

Confidential

Ms. Sonji Skipper  
Personnel Department  
Sewerage and Water Board of New Orleans  
625 St. Joseph Street  
New Orleans, LA 70165

Re: January 1, 2015 Cost of Living Increases

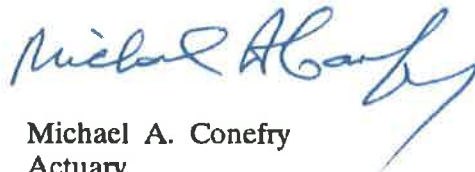
Dear Sonji:

Enclosed are listings of each retiree and beneficiary and the calculated Cost of Living increases (COLA's) to be effective as of January 1, 2015. These calculations have been prepared on the same basis as for the last several years, including the use of the "Basic Initial Monthly Benefit" field from your internal files instead of the re-constructed, calculated amount as had been done until the January 1, 2012 COLA. Also included is a tabulation by type of inactive member of the counts and totals for those who received a COLA and those who did not (because they were not yet age 65).

Enclosed are two listings in which, as requested, the "Social Security Number" field has been replaced again this year by the "Employee ID Number". The first listing contains the full data and result fields in the calculations. The second listing is double-spaced and contains only the fields needed for convenience of your staff in data entry and updating of your records. The "Employee ID Number" field is repeated on the right on this second listing for the same reason.

According to plan section 6.1(d), the COLA factor effective January 1, 2015 is not to be less than the change in the CPI for All Urban Wage Earners and Clerical Workers from August, 2013 to August, 2014, but not in excess of 2%. The increase this year is 1.594%, and thus 1.594% has been used in the calculations.

Yours truly,



Michael A. Conefry  
Actuary

MAC:wp  
Enclosures

## EXECUTIVE SUMMARY

### Employees' Retirement System of the Sewerage and Water Board Historical Summary of Cost of Living Increases

Section 6.1(d) of the "Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board" provides for an annual COLA increase effective each January 1st based on the twelve month change in the CPI for All Urban Wage Earners and Clerical Workers (CWUR0000SA0) ending the immediately preceding August. If that increase is zero or negative, the COLA change for that year is zero. The COLA change is applied only to the first \$10,000 of initial annual benefit (in other words it is not "compounded"), applies only to those age 65 and older and is limited to between zero and 2%. Prior to January 1, 2005, the COLA applicable to those retiring prior to January 1, 1984 was limited to 1% maximum, was effective July 1st instead of January 1st and it was necessary to confirm the COLA applicable to those individuals by separate resolution each year. Effective with the January 1, 2005 COLA, that distinction between those retiring before and on and after January 1, 1984 was removed.

#### Recent History of Applicable CPI Increases and COLA Amounts Awarded

<u>CPI Period</u>	<u>COLA Effective Date</u>	<u>CPI Change</u>	<u>COLA Percentage</u>	
8/2001 to 8/2002	January 1, 2003	+1.610%	1.610%	
8/2002 to 8/2003	January 1, 2004	+2.095%	2.000%	
8/2003 to 8/2004	January 1, 2005	+2.607%	2.000%	
8/2004 to 8/2005	January 1, 2006	+3.894%	2.000%	
8/2005 to 8/2006	January 1, 2007	+3.904%	2.000%	
8/2006 to 8/2007	January 1, 2008	+2.140%	2.000%	
8/2007 to 8/2008	January 1, 2009	+5.930%	2.000%	
8/2008 to 8/2009	January 1, 2010	-1.900%	0.000%	
8/2009 to 8/2010	January 1, 2011	+1.444%	1.444%	
8/2010 to 8/2011	January 1, 2012	+4.258%	2.000%	
8/2011 to 8/2012	January 1, 2013	+1.670%	1.670%	
8/2012 to 8/2013	January 1, 2014	+1.455%	1.455%	
<b>8/2013 to 8/2014</b>	<b>January 1, 2015</b>	<b>+1.594%</b>	<b>1.594%</b>	<b>*</b>

\* Current increase to be confirmed and recommended by Pension Committee

**JANUARY 1, 2015 COST OF LIVING ADJUSTMENT FOR BOARD PENSIONERS**

**WHEREAS**, it is the policy of the Sewerage and Water Board of New Orleans to provide a Cost of Living Adjustment to pensioners based on the increase in the Consumer Price Index, with a maximum increase of no more than 2% as provided in Article VI, Section 6.1(d)(1) of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans; and

**WHEREAS**, the change in the Consumer Price Index for All Urban Wage Earners and Clerical Workers from August 2013 to August 2014 is 1.594%; and

**WHEREAS**, the total increase to the Pension Fund of the Sewerage and Water Board of New Orleans to implement the Cost of Living Adjustment to pensioners effective January 1, 2015 will be \$56,231.16; and

**WHEREAS**, such funds are to be made available by the Pension Fund of the Sewerage and Water Board of New Orleans to provide for a Cost of Living Adjustment to said pensioners; and

**NOW THEREFORE, BE IT RESOLVED**, that the Pension Fund of the Sewerage and Water Board of New Orleans implement a 1.594% cost of living increase on the first ten-thousand dollars (\$10,000) of said pensioners' original Retirement Allowance (that is, the annual pension benefit paid at the time of retirement), effective January 1, 2015, for those pensioners who attained age 65 on or before December 31, 2014. The cost of living increase for a partial year of retirement after age 65 shall be pro-rated based on the actual number of days retired and over age 65 during the twelve-month period ending December 31, 2014 (that is, the number of days elapsed between attainment of age 65 and December 31, 2014).

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I, Cedric S. Grant, 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 Regular Meeting of said Board, duly called and held, according to law, on March 18, 2015.

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Cedric S. Grant  
Executive Director  
Sewerage and Water Board of New Orleans

Michael Nairne

Director

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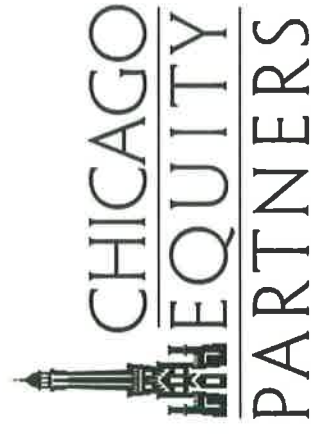
[clientservice@chicagoequity.com](mailto:clientservice@chicagoequity.com)

New Orleans  
Sewerage & Water Board

Monthly Investment Report  
January 2015

## Table of Contents

- Performance
- Account Appraisal
- Custodian Reconciliation
- Income and Expenses
- Purchase and Sale
- Broker Commissions
- Reconciliation Certificate



# Monthly Manager Reports

## Performance as of 1/31/2015

	Month	QTD	YTD	1 Year	2 Year	3 Year	4 Year	5 Year
Gross	-2.11	-2.11	-2.11	14.61	18.26	17.85	15.25	16.92
Net	-2.14	-2.14	-2.14	14.20	17.83	17.45	14.85	16.51
Russell 1000	-2.75	-2.75	-2.75	13.76	17.92	17.62	14.04	15.84

## Portfolio Market Value as of 1/31/2015

	Current Month
Beginning Portfolio Market Value	\$ 29,541,681.74
Contributions/Withdrawals	\$ (2.44)
Income	\$ 61,262.79
Market Appreciation/Depreciation	\$ (685,942.77)
Ending Balance	\$ 28,916,999.32
Cost	\$ 24,047,045.82
Fees, Period	\$ 8,434.12
Cash	\$ 225,869.34
Cash % of Portfolio	0.80%
Comments	

- 1.) For the current period, is the portfolio in compliance with the investment policy specified in the account guidelines? If not, please explain.  
Yes
- 2.) For the current period, has there been any change in your firm's investment management professionals or ownership structure? If so, please explain.  
No
- 3.) For the current period, have there been any changes to the portfolio's investment strategy? If so, please explain.  
No
- 4.) Please note any additional firm-wide information that SWBNO would find of interest.  
NA

**Chicago Equity Partners**  
**PORTFOLIO APPRAISAL**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**January 31, 2015**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Yield
<b>COMMON STOCK</b>								
<b>STAPLES</b>								
<b>Food</b>								
5,510	ARCHER DANIELS MIDLAND CO COM	40.20	221,487.84	46.63	256,931.30	0.9	3,306.00	1.3
5,480	PILGRIMS PRIDE CORP COM	30.58	167,603.66	27.15	148,782.00	0.5	493.20	0.3
3,080	TYSON FOODS INC CL A	25.19	77,582.69	39.04	120,243.20	0.4	492.80	0.4
			466,674.19		525,956.50	1.8	4,292.00	0.8
<b>Beverage</b>								
4,700	DR PEPPER SNAPPLE GRP COM	50.96	239,522.53	77.27	363,169.00	1.3	4,700.00	1.3
930	MONSTER BEVERAGE CORP	98.00	91,136.55	116.95	108,763.50	0.4	0.00	0.0
2,250	PEPSICO INC COM	87.66	197,236.81	93.78	211,005.00	0.7	4,320.00	2.0
			527,895.89		682,937.50	2.4	9,020.00	1.3
<b>Food and Drug Retailing</b>								
2,305	KROGER CO COM	23.79	54,844.53	69.05	159,160.25	0.6	968.10	0.6
6,300	RITE AID CORP COM	7.16	45,115.56	6.98	43,974.00	0.2	0.00	0.0
			99,960.09		203,134.25	0.7	968.10	0.5
<b>Household and Personal Products</b>								
13,760	AVON PRODS INC COM	13.66	187,981.03	7.74	106,502.40	0.4	12,108.80	11.4
1,890	CLOROX CO	101.12	191,114.21	106.71	201,681.90	0.7	4,158.00	2.1
1,725	KIMBERLY CLARK CORP COM	97.71	168,549.88	107.96	186,231.00	0.6	4,554.00	2.4

**Chicago Equity Partners**  
**PORTFOLIO APPRAISAL**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**January 31, 2015**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Yield
475	PROCTER & GAMBLE CO COM	71.39	33,908.89	84.29	40,037.75	0.1	915.42	2.3
			581,554.01		534,453.05	1.8	21,736.22	4.1
Tobacco								
3,090	PHILIP MORRIS INTL INC COM	84.79	262,007.01	80.24	247,941.60	0.9	7,910.40	3.2
			1,938,091.19		2,194,422.90	7.6	43,926.72	2.0
HEALTH CARE								
Biotechnology								
250	BIOGEN IDEC INC COM	323.58	80,894.78	389.16	97,290.00	0.3	0.00	0.0
700	CELGENE CORP COM	117.97	82,577.35	119.16	83,412.00	0.3	0.00	0.0
6,350	GILEAD SCIENCES INC COM	78.01	495,378.39	104.83	665,670.50	2.3	0.00	0.0
1,430	UNITED THERAPEUTIC DEL COM	64.81	92,677.66	141.13	201,815.90	0.7	0.00	0.0
			751,528.18		1,048,188.40	3.6	0.00	0.0
Health Equipment and Supply								
1,920	EDWARDS LIFESCIENCES COM	110.26	211,689.80	125.35	240,672.00	0.8	0.00	0.0
310	INTUITIVE SURGICAL INC COM	446.23	138,330.59	494.48	153,288.80	0.5	0.00	0.0
5,860	JOHNSON & JOHNSON COM	91.87	538,371.71	100.14	586,820.40	2.0	12,657.60	2.2
2,925	MEDTRONICS PLC	41.06	120,120.03	71.40	208,859.28	0.7	2,632.68	1.3
			1,008,512.13		1,189,640.48	4.1	15,290.28	1.3

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Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Yield
<b>Health Providers and Services</b>								
500	AETNA INC NEW COM	39.90	19,950.00	91.82	45,910.00	0.2	20.00	0.0
1,565	ANTHEM INC COM	96.24	150,609.29	134.96	211,212.40	0.7	0.00	0.0
4,400	CIGNA CORP COM	61.77	271,778.76	106.83	470,052.00	1.6	176.00	0.0
500	EXPRESS SCRIPTS HOLDING CO	71.48	35,737.73	80.71	40,355.00	0.1	0.00	0.0
					767,529.40	2.7	196.00	0.0
<b>Pharmaceuticals</b>								
1,960	ABBVIE INC. COM	37.57	73,634.33	60.35	118,286.00	0.4	0.00	0.0
200	ACTAVIS PLC SHS	210.43	42,085.62	266.54	53,308.00	0.2	0.00	0.0
1,550	AMERISOURCEBERGEN CORP COM	63.51	98,440.86	95.05	147,327.50	0.5	496.00	0.3
1,550	CARDINAL HEALTH INC COM	47.04	72,909.39	83.19	128,944.50	0.4	1,209.00	0.9
500	MALLINCKRODT PUB LTD C SHS	92.21	46,104.35	105.99	52,995.00	0.2	0.00	0.0
310	MCKESSON CORP COM	123.82	38,383.76	212.65	65,921.50	0.2	223.20	0.3
2,000	MERCK & CO INC COM	60.15	120,309.52	60.28	120,560.00	0.4	3,040.00	2.5
18,118	PFIZER INC COM	21.65	392,229.05	31.25	566,187.50	2.0	13,044.96	2.3
					1,253,530.00	4.3	18,013.16	1.4
					4,258,888.28	14.7	33,499.44	0.8
<b>DISCRETIONARY</b>								
<b>Apparel</b>								
1,480	NIKE INC CL B	86.17	127,531.35	92.25	136,530.00	0.5	1,598.40	1.2



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<b>Automotive</b>								
1,100	DELPHI AUTOMOTIVE PLC SHS	66.59	73,244.85	68.73	75,603.00	0.3	0.00	0.0
1,550	LEAR CORPORATION	75.78	117,454.77	100.35	155,542.50	0.5	0.00	0.0
			190,699.62		231,145.50	0.8	0.00	0.0
<b>Hotels, Restaurant, Leisure</b>								
150	CHIPOTLE MEXICAN GRILL CL A	674.10	101,115.10	709.84	106,476.00	0.4	0.00	0.0
5,190	MARRIOTT INTL INC NEW CL A	69.93	362,940.93	74.50	386,655.00	1.3	830.40	0.2
1,690	ROYAL CARIBBEAN CRUISE COM	51.11	86,376.24	75.55	127,679.50	0.4	760.50	0.6
			550,432.27		620,810.50	2.1	1,590.90	0.3
<b>Media</b>								
12,300	CABLEVISION SYS CORP CL A	17.46	214,767.51	18.92	232,716.00	0.8	6,150.00	2.6
1,510	COMCAST CORP NEW CL A	46.94	70,875.89	53.14	80,248.95	0.3	570.78	0.7
690	DIRECTV GROUP INC COM	77.89	53,747.12	85.28	58,843.20	0.2	0.00	0.0
3,930	DISNEY WALT CO COM DISNEY	79.11	310,887.55	90.96	357,472.80	1.2	1,375.50	0.4
1,530	OMNICOM GROUP INC COM	70.86	108,420.93	72.80	111,384.00	0.4	1,224.00	1.1
3,440	TIME WARNER INC COM	73.29	252,102.63	77.93	268,079.20	0.9	2,924.00	1.1
			1,010,801.64		1,108,744.15	3.8	12,244.28	1.1

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<b>Retail</b>								
7,770	BEST BUY INC COM	35.59	276,553.18	35.20	273,504.00	0.9	4,662.00	1.7
1,300	BIG LOTS INC COM	44.31	57,607.71	45.91	59,683.00	0.2	0.00	0.0
950	COSTCO COMPANIES INC COM	129.43	122,961.50	142.99	135,840.50	0.5	779.00	0.6
3,000	HOME DEPOT INC COM	73.27	219,823.16	104.42	313,260.00	1.1	2,835.00	0.9
2,500	LOWES COS INC COM	59.15	147,871.76	67.76	169,400.00	0.6	1,100.00	0.6
300	SIGNET JEWELERS LTD SHS	127.13	38,138.04	121.11	36,333.00	0.1	0.00	0.0
1,800	WAL MART STORES INC COM	68.55	123,390.11	84.98	152,964.00	0.5	2,178.00	1.4
			986,345.46		1,140,984.50	3.9	11,554.00	1.0
			2,865,810.33		3,238,214.65	11.2	26,987.58	0.8
<b>TECHNOLOGY</b>								
<b>Communication Equipment</b>								
1,595	F5 NETWORKS INC COM	126.68	202,049.50	111.62	178,033.90	0.6	0.00	0.0
865	QUALCOMM INC COM	75.84	65,601.95	62.46	54,027.90	0.2	657.40	1.2
			267,651.45		232,061.80	0.8	657.40	0.3
<b>Computers Peripherals</b>								
8,540	APPLE INC COM	65.92	562,948.56	117.16	1,000,546.40	3.5	0.00	0.0
13,950	BROCADE COMMUNCTNS SYS COM	9.21	128,494.84	11.12	155,124.00	0.5	0.00	0.0

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11,130	HEWLETT PACKARD CO COM	25.11	279,423.04	36.13	402,126.90	1.4	3,561.60	0.9
9,340	PITNEY BOWES INC COM	25.55	238,667.50	23.98	223,973.20	0.8	13,636.40	6.1
			1,209,533.94		1,781,770.50	6.2	17,198.00	1.0
Electronic Equipment - Instrumentation								
5,685	JABIL CIRCUIT INC COM	20.82	118,377.54	20.61	117,167.85	0.4	1,591.80	1.4
Semiconductors								
26,950	ADVANCED MICRO DEVICES COM	2.75	74,132.65	2.57	69,261.50	0.2	0.00	0.0
5,040	FREESCALE SEMICONDUCTR COM CL A	20.35	102,576.65	32.09	161,733.60	0.6	0.00	0.0
4,950	LINEAR TECHNOLOGY CORP COM	40.69	201,392.91	44.94	222,453.00	0.8	4,554.00	2.0
1,575	XILINX INC COM	44.68	70,374.93	38.57	60,755.62	0.2	1,008.00	1.7
			448,477.14		514,203.72	1.8	5,562.00	1.1
Software								
3,900	ACTIVISION BLIZZARD IN COM	20.02	78,059.86	20.89	81,490.50	0.3	585.00	0.7
10,695	ELECTRONIC ARTS INC COM	33.01	353,086.68	54.86	586,727.70	2.0	0.00	0.0
11,500	MICROSOFT CORP COM	33.83	389,085.14	40.40	464,600.00	1.6	5,980.00	1.3

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3,000	ORACLE SYS CORP COM	34.97	104,912.24	41.89	125,670.00	0.4	600.00	0.5
			925,143.91		1,258,488.20	4.4	7,165.00	0.6
Software Services								
1,120	COGNIZANT TECH SOLUTNS CL A	51.28	57,430.13	54.13	60,625.60	0.2	0.00	0.0
3,120	COMPUTER SCIENCES CORP COM	38.88	121,305.65	60.68	189,321.60	0.7	0.00	0.0
1,540	EXPEDIA INC COM	85.19	131,198.50	85.93	132,332.20	0.5	431.20	0.3
6,520	FACEBOOK INC CL A	52.86	344,662.89	75.91	494,933.20	1.7	0.00	0.0
220	GOOGLE INC CL A	510.16	112,235.36	537.55	118,261.00	0.4	0.00	0.0
130	GOOGLE INC CL C	510.16	66,320.89	534.52	69,487.60	0.2	0.00	0.0
420	PALO ALTO NETWORKS INC COM	106.45	44,711.10	126.39	53,083.80	0.2	0.00	0.0
7,130	VERISIGN INC COM	53.91	384,395.48	54.48	388,442.40	1.3	0.00	0.0
			1,262,260.00		1,506,487.40	5.2	431.20	0.0
			4,231,443.98		5,410,179.47	18.7	32,605.40	0.6
INDUSTRIAL								
Aerospace								
2,000	GENERAL DYNAMICS CORP COM	141.46	282,928.60	133.21	266,420.00	0.9	3,360.00	1.3
920	LOCKHEED MARTIN CORP COM	114.17	105,034.23	188.37	173,300.40	0.6	2,097.60	1.2
6,310	SPIRIT AEROSYS HLDGS I COM CL A	40.81	257,519.26	45.04	284,202.40	1.0	0.00	0.0
			645,482.09		723,922.80	2.5	5,457.60	0.8

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<b>Capital Goods</b>								
1,300	3M CO COM	138.52	180,069.68	162.30	210,990.00	0.7	2,730.00	1.3
13,710	GENERAL ELEC CO COM	17.03	233,510.95	23.89	327,531.90	1.1	6,580.80	2.0
2,825	ITT CORP NEW COM NEW	46.11	130,256.14	35.81	101,163.25	0.3	1,028.30	1.0
1,980	TYCO INTERNATIONAL PLC	43.95	87,028.23	40.81	80,803.80	0.3	1,663.20	2.1
					720,488.95	2.5	12,002.30	1.7
<b>Commercial Services</b>								
820	CINTAS CORP COM	71.14	58,334.08	78.70	64,534.00	0.2	393.60	0.6
1,825	MCGRAW HILL FINL INC COM	72.03	131,462.30	89.44	163,228.00	0.6	2,044.00	1.3
2,420	ROBERT HALF INTL INC COM	57.06	138,089.15	58.06	140,505.20	0.5	1,258.40	0.9
1,170	VISA INC COM CL A	149.49	174,903.51	254.91	298,244.70	1.0	585.00	0.2
					666,511.90	2.3	4,281.00	0.6
<b>Construction</b>								
980	CARLISLE COS INC COM	88.94	87,159.40	89.68	87,886.40	0.3	666.40	0.8
500	LENNOX INTL INC COM	70.20	35,099.65	98.31	49,155.00	0.2	300.00	0.6
880	SNAP ON INC COM	109.84	96,658.78	132.71	116,784.80	0.4	1,056.00	0.9
420	WHIRLPOOL CORP COM	97.72	41,041.69	199.08	83,613.60	0.3	722.40	0.9
					337,439.80	1.2	2,744.80	0.8

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Machinery 2,780	CATERPILLAR INC COM	105.35	292,875.20	79.97	222,316.60	0.8	4,892.80	2.2
300	PARKER HANNIFIN CORP COM	125.48	37,644.00	116.46	34,938.00	0.1	324.00	0.9
6,390	TRINITY INDS INC COM	33.53	214,288.04	26.47	169,143.30	0.6	2,044.80	1.2
			544,807.24		426,397.90	1.5	7,261.60	1.7
Transportation 810	ALASKA AIR GROUP INC COM	56.00	45,362.91	67.87	54,974.70	0.2	0.00	0.0
1,080	AMERICAN AIRLS GRP INC COM	38.06	41,100.39	49.08	53,006.40	0.2	0.00	0.0
4,365	DELTA AIR LINES INC COM	9.94	43,371.89	47.31	206,508.15	0.7	0.00	0.0
5,125	SOUTHWEST AIRLS CO COM	25.84	132,420.42	45.18	231,547.50	0.8	92.25	0.0
4,090	UNION PAC CORP COM	85.61	350,161.80	117.21	479,388.90	1.7	5,398.80	1.1
			612,417.40		1,025,425.65	3.5	5,491.05	0.5
			3,196,320.29		3,900,187.00	13.5	37,238.35	1.0
FINANCIAL Banks 19,250	BANKAMERICA CORP COM	17.37	334,301.66	15.15	291,637.50	1.0	770.00	0.3
2,160	COMERICA INC COM	49.75	107,461.67	41.50	89,640.00	0.3	432.00	0.5
10,610	JPMORGAN CHASE & CO COM	46.38	492,121.01	54.38	576,971.80	2.0	2,122.00	0.4

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1,850	SUNTRUST BKS INC COM	41.26	76,335.02	38.42	71,077.00	0.2	740.00	1.0
11,600	WELLS FARGO & CO NEW COM	36.27	420,691.07	51.92	602,272.00	2.1	2,320.00	0.4
			1,430,910.43		1,631,598.30	5.6	6,384.00	0.4
Diversified Financials								
570	CAPITAL ONE FINL CORP COM	77.32	44,071.09	73.21	41,729.70	0.1	114.00	0.3
3,450	DISCOVER FINL SVCS COM	24.81	85,582.93	54.38	187,611.00	0.6	276.00	0.1
1,725	GOLDMAN SACHS GROUP COM	146.70	253,061.02	172.41	297,407.25	1.0	2,415.00	0.8
1,510	LAZARD LTD SHS A	51.03	77,059.60	45.80	69,158.00	0.2	467.09	0.7
3,650	MORGAN STANLEY COM NEW	31.85	116,261.78	33.81	123,406.50	0.4	973.34	0.8
			576,036.41		719,312.45	2.5	4,245.43	0.6
Insurance								
1,150	BERKSHIRE HATHAWAY INC CL B	80.89	93,021.68	143.91	165,496.50	0.6	0.00	0.0
820	EVEREST RE GROUP LTD COM	117.02	95,958.14	171.38	140,531.60	0.5	1,574.40	1.1
8,000	LINCOLN NATL CORP IND COM	47.65	381,185.05	49.98	399,840.00	1.4	320.00	0.1
2,300	REINSURANCE GROUP AMER COM NEW	80.44	185,021.73	82.81	190,463.00	0.7	1,104.00	0.6

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4,070	TRAVELERS COMPANIES COM	81.66	332,335.94	102.82	418,477.40	1.4	5,860.80	1.4
			1,087,522.53		1,314,808.50	4.5	8,859.20	0.7
Real Estate								
8,170	BRANDYWINE RLTY TR SH BEN INT NEW	12.47	101,868.45	16.61	135,703.70	0.5	4,902.00	3.6
6,860	CBL & ASSOC PPTYS INC COM	19.21	131,782.54	20.62	141,453.20	0.5	5,488.00	3.9
43,790	CHIMERA INVT CORP COM	3.23	141,573.74	3.14	137,500.60	0.5	29,777.20	21.7
600	DIGITAL RLTY TR INC COM	67.60	40,563.00	72.94	43,764.00	0.2	1,152.00	2.6
8,870	HOSPITALITY PPTYS TR COM SH BEN INT	27.86	247,144.12	32.59	289,073.30	1.0	15,966.00	5.5
2,910	OMEGA HEALTHCARE INVS COM	28.97	84,290.53	43.86	127,632.60	0.4	4,190.40	3.3
1,415	PUBLIC STORAGE INC COM	92.84	131,373.49	200.84	284,188.60	1.0	4,528.00	1.6
			878,595.88		1,159,316.00	4.0	66,003.60	5.7
			3,973,065.25		4,825,035.25	16.7	85,492.23	1.8
UTILITIES								
Utilities								
730	AGL RES INC COM	52.90	38,615.87	56.38	41,157.40	0.1	1,357.80	3.3
2,300	AMEREN CORP COM	28.61	65,800.10	45.28	104,144.00	0.4	3,542.00	3.4
900	AMERICAN WTR WKS INC COM	31.84	28,657.31	56.14	50,526.00	0.2	792.00	1.6
1,150	ATMOS ENERGY CORP COM	47.06	54,119.62	56.91	65,446.50	0.2	1,541.00	2.4



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1,190	EDISON INTL COM	63.55	75,630.13	68.15	81,098.50	0.3	1,499.40	1.8
2,765	ENERGY CORP NEW COM	75.35	208,351.54	87.51	241,965.15	0.8	9,179.80	3.8
4,640	EXELON CORP COM	33.09	153,539.99	36.04	167,225.60	0.6	9,744.00	5.8
5,300	PUBLIC SVC ENTERPRISE COM	35.09	185,986.06	42.68	226,204.00	0.8	7,261.00	3.2
2,000	UGI CORP NEW COM	36.59	73,174.82	36.99	73,980.00	0.3	2,000.00	2.7
			883,875.44		1,051,747.15	3.6	36,917.00	3.5
			883,875.44		1,051,747.15	3.6	36,917.00	3.5
<b>ENERGY</b>								
Energy Equipment								
900	FMC	56.12	50,509.98	37.48	33,732.00	0.1	0.00	0.0
TECHNOLOGIES INC								
COM								
3,170	NABORS INDS INC	26.21	83,088.28	11.51	36,486.70	0.1	0.00	0.0
COM								
690	NATIONAL	73.84	50,947.66	54.43	37,556.70	0.1	0.00	0.0
OILWELL VARCO								
COM								
7,670	PATTERSON UTI	30.23	231,897.81	17.16	131,617.20	0.5	1,534.00	1.2
ENERGY COM								
			416,443.73		239,392.60	0.8	1,534.00	0.6
Energy Exploration and Production								
1,010	ANADARKO PETE	108.58	109,666.96	81.75	82,567.50	0.3	363.60	0.4
CORP COM								
2,400	EOG RES INC COM	82.84	198,820.21	89.03	213,672.00	0.7	1,488.00	0.7
1,300	MURPHY USA INC	66.23	86,104.26	69.81	90,753.00	0.3	0.00	0.0
COM								

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3,460	NEWFIELD EXPL CO COM	33.34	115,372.80	29.78	103,038.80	0.4	0.00	0.0
1,600	TESORO PETE CORP COM	72.72	116,354.47	81.73	130,768.00	0.5	0.00	0.0
1,660	VALERO ENERGY CORP NEW COM	54.03	89,690.96	52.88	87,780.80	0.3	332.00	0.4
			716,009.66		708,580.10	2.5	2,183.60	0.3
Energy Integrated								
1,825	CHEVRON CORP NEW COM	80.86	147,578.23	102.53	187,117.25	0.6	5,256.00	2.8
1,050	CONOCOPHILLIPS COM	57.21	60,073.66	62.98	66,129.00	0.2	2,310.00	3.5
8,950	EXXON MOBIL CORP COM	75.86	678,917.75	87.42	782,409.00	2.7	15,752.00	2.0
580	HESS CORP COM	69.28	40,185.20	67.49	39,144.20	0.1	232.00	0.6
590	PHILLIPS 66 COM	52.40	30,918.45	70.32	41,488.80	0.1	0.00	0.0
			957,673.29		1,116,288.25	3.9	23,550.00	2.1
			2,090,126.68		2,064,260.95	7.1	27,267.60	1.3
TELECOMMUNICATIONS								
Telecommunications								
5,275	AT&T INC COM	33.60	177,265.07	32.92	173,653.00	0.6	8,862.00	5.1
33,850	FRONTIER COMMUNICATION COM	6.64	224,665.59	6.71	227,302.75	0.8	9,478.00	4.2
2,560	LEVEL 3 COMMUNICATIONS COM	43.79	112,107.17	49.74	127,334.40	0.4	0.00	0.0

**Chicago Equity Partners**  
**PORTFOLIO APPRAISAL**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**January 31, 2015**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Yield
1,625	VERIZON COMMUNICATIONS COM	38.91	63,224.44	45.71	74,278.75	0.3	3,168.75	4.3
			577,262.27		602,568.90	2.1	21,508.75	3.6
			577,262.27		602,568.90	2.1	21,508.75	3.6
<b>MATERIALS</b>								
Chemicals								
2,580	ALBEMARLE CORP COM	57.76	149,012.67	48.26	124,510.80	0.4	1,444.80	1.2
700	DU PONT E I DE NEMOURS CO COM	60.16	42,113.96	71.21	49,847.00	0.2	1,148.00	2.3
3,100	LYONDELLBASELL INDUSTR SHS - A -	54.03	167,496.56	79.09	245,179.00	0.8	930.00	0.4
1,300	P P G INDS INC COM	134.49	174,837.69	222.88	289,744.00	1.0	2,860.00	1.0
			533,460.87		709,280.80	2.5	6,382.80	0.9
Materials								
4,815	ALCOA INC COM	13.50	64,997.46	15.65	75,354.75	0.3	577.80	0.8
1,300	INTL PAPER CO COM	47.90	62,267.85	52.66	68,458.00	0.2	650.00	0.9
1,410	ROCK-TENN CO CL A	58.72	82,790.68	64.90	91,509.00	0.3	846.00	0.9
5,300	UNITED STATES STL CORP COM	26.11	138,381.44	24.44	129,532.00	0.4	1,060.00	0.8
			348,437.43		364,853.75	1.3	3,133.80	0.9
			881,898.30		1,074,134.55	3.7	9,516.60	0.9
Not Classified								
General Classification								
1,831	RESTAURANT BRANDS INTL COM	33.01	60,442.58	38.68	70,823.08	0.2	0.00	0.0

**Chicago Equity Partners**  
**PORTFOLIO APPRAISAL**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**January 31, 2015**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Yield
18	RESTAURANT BRANDS-EXCH UNITS	34.84	627.20	37.10	667.80	0.0	0.00	?
			61,069.78		71,490.88	0.2	0.00	0.0
			61,069.78		71,490.88	0.2	0.00	0.0
			23,821,176.48		28,691,129.98	99.2	354,959.67	1.2
<b>CASH AND EQUIVALENTS</b>								
General Classification								
Cash And Equivalents								
	MONEY MARKET FUND		176,187.78		176,187.78	0.6	35.24	0.0
General Classification								
DIVIDEND ACCRUAL ACCT								
			49,681.56		49,681.56	0.2	0.00	0.0
			225,869.34		225,869.34	0.8	35.24	0.0
			225,869.34		225,869.34	0.8	35.24	0.0
<b>TOTAL PORTFOLIO</b>			<b>24,047,045.82</b>		<b>28,916,999.32</b>	<b>100.0</b>	<b>354,994.91</b>	<b>1.2</b>

Account Name: NEW ORLEANS SEWERAGE AND WATER BOARD  
Account Number: 902001114

For the Month Ending: January 31, 2015

	Custodian	CEP	Difference
Beginning Market Value	29,571,950.58	29,541,681.74	30,268.84
Securities Market Value	28,677,710.98	28,691,129.98	(13,419.00)
Short Term Cash	243,898.51	176,187.78	67,710.73
Accrued Income		49,681.56	
Closing Market Value	28,921,609.49	28,916,999.32	4,610.17
IRR		(2.11)	

Investment Income	
Interest for Cash	0.00
Interest for Fixed Income	0.00
Dividends	49,681.56

Outstanding Trades	
Purchases	72,451.55
Sales	0.00

Comments:			
1 Difference Details			
See Hld Tab for Details			
Description	Custodian	CEP	Difference
	-13,419.00		(13,419.00)
			0.00
			0.00
			(13,419.00)

Prepared by: Jill Novak Date: 2/3/15

Chicago Equity Partners  
RECONCILIATION OF TRADE DATE VS. SETTLE DATE CASH  
Account Name: NEW ORLEANS SEWERAGE AND WATER BOARD  
January 31, 2015

Trade Date Cash	\$176,187.78
Purchases	72,451.55 1
Sales	0.00 2
Weekend Div & Interest	4,740.82 3
Other	0.00
Settle Date Cash	\$243,898.51
	0.00

1 Custodian's pending settlement of buy trades.

2 Custodian's pending settlement of sale trades.

3 Weekend dividends

1/31/2015 EDISON INTL COM	496.82
1/31/2015 JPMORGAN CHASE & CO	4,244.00
	4,740.82

0.00

**Chicago Equity Partners**  
**INCOME AND EXPENSES**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**From 01-01-15 Through 01-31-15**

Ex-Date	Pay-Date	Security	Amount
<b>COMMON STOCK</b>			
01-02-2015	01-20-2015	BRANDYWINE RLTY TR SH BEN INT NEW	1,225.50
01-02-2015	01-31-2015	JPMORGAN CHASE & CO COM	4,244.00
01-05-2015	01-28-2015	COMCAST CORP NEW CL A	339.75
01-05-2015	01-28-2015	ORACLE SYS CORP COM	360.00
01-07-2015	02-02-2015	AT&T INC COM	2,479.25
01-07-2015	02-02-2015	VERIZON COMMUNICATIONS COM	893.75
01-08-2015	02-01-2015	LINCOLN NATL CORP IND COM	1,600.00
01-13-2015	02-13-2015	ABBVIE INC. COM	960.40
01-13-2015	01-30-2015	AETNA INC NEW COM	125.00
01-13-2015	01-13-2015	MACYS INC COM	20.00
01-13-2015	01-30-2015	TRINITY INDS INC COM	639.00
01-14-2015	01-30-2015	EOG RES INC COM	402.00
01-14-2015	02-06-2015	GENERAL DYNAMICS CORP COM	1,240.00
01-15-2015	02-20-2015	CATERPILLAR INC COM	1,946.00
01-16-2015	02-04-2015	LOWES COS INC COM	575.00
01-21-2015	02-24-2015	HOSPITALITY PPTYS TR COM SH BEN INT	4,346.30
01-21-2015	02-17-2015	PROCTER & GAMBLE CO COM	305.71
01-21-2015	02-18-2015	TYCO INTERNATIONAL PLC	356.40
01-26-2015	02-13-2015	CLOROX CO	1,398.60
01-28-2015	02-13-2015	MORGAN STANLEY COM NEW	365.00
01-28-2015	02-17-2015	PILGRIMS PRIDE CORP COM	31,619.60
01-29-2015	02-16-2015	OMEGA HEALTHCARE INVS COM	1,542.30
01-29-2015	02-26-2015	SIGNET JEWELERS LTD SHS	54.00
			<u>57,037.56</u>
<b>CASH AND EQUIVALENTS</b>			
01-02-2015	01-02-2015	MONEY MARKET FUND	1.47
01-26-2015	01-26-2015	MONEY MARKET FUND	<u>4,223.77</u>
			<u>4,225.24</u>

**Chicago Equity Partners**  
**INCOME AND EXPENSES**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**From 01-01-15 Through 01-31-15**

Ex-Date	Pay-Date	Security	Amount
<b>EXPENSE ACCOUNTS</b>			
01-16-2015	01-16-2015	Custodian Fee	2.45
			<u>2.45</u>
<b>NET INCOME</b>			<b>61,260.35</b>

**Chicago Equity Partners**  
**PURCHASE AND SALE**  
**NEW ORLEANS SEWERAGE AND WATER BOARD**  
**ACCOUNT NUMBER: 902001114**  
**From 01-01-15 To 01-31-15**

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
01-22-15	01-27-15	400	JABIL CIRCUIT INC COM	20.57	8,230.00
01-22-15	01-27-15	2,300	JABIL CIRCUIT INC COM	20.80	47,835.17
01-23-15	01-28-15	2,500	JABIL CIRCUIT INC COM	20.88	52,202.25
01-23-15	01-28-15	200	JABIL CIRCUIT INC COM	20.88	4,176.16
01-26-15	01-29-15	285	JABIL CIRCUIT INC COM	20.82	5,933.96
01-30-15	02-04-15	270	JOHNSON & JOHNSON COM	101.24	27,335.99
01-30-15	02-04-15	6,300	RITE AID CORP COM	7.16	45,115.56
					190,829.09
<b>SALES</b>					
01-27-15	01-27-15	1,700	COVIDIEN PLC SHS	35.19	59,823.00
01-22-15	01-27-15	700	F5 NETWORKS INC COM	111.03	77,719.63
01-23-15	01-28-15	345	F5 NETWORKS INC COM	114.67	39,559.48
					177,102.11



**Chicago Equity Partners**  
**BROKER COMMISSIONS**  
From 01-01-15 to 01-31-15

<u>Portfolio</u>	<u>Implied</u>	<u>Explicit</u>	<u>Total</u>
AQUA TRADING #0197			
AQUA TRADING #0197			
NEW ORLEANS SEWERAGE AND WATER BOARD	0.00	12.00	12.00
SUBTOTAL	0.00	12.00	12.00
TOTAL	0.00	12.00	12.00
B-TRADE SERVICE #7001			
B-TRADE SERVICE #7001			
NEW ORLEANS SEWERAGE AND WATER BOARD	0.00	94.50	94.50
SUBTOTAL	0.00	94.50	94.50
TOTAL	0.00	94.50	94.50
ITG #0099			
ITG #0099			
NEW ORLEANS SEWERAGE AND WATER BOARD	0.00	96.01	96.01
SUBTOTAL	0.00	96.01	96.01
TOTAL	0.00	96.01	96.01
<b>GRAND TOTAL</b>	<b>0.00</b>	<b>202.51</b>	<b>202.51</b>

RECONCILIATION CERTIFICATION

Chicago Equity Partners

We have reconciled the monthly custodial reports from New Orleans Sewerage and Water Board Custodian Bank for month end January 2015.

Jill A. Novak  
Chicago Equity Partners, LLC

01/31/15  
Date



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

March 4, 2015

Pension Committee  
Sewerage and Water Board of New Orleans  
New Orleans, Louisiana

Dear Committee Members:

Subject: Review of Employees' Retirement System Investment Policy Statement

The Policy Adoption Statement of the Sewerage and Water Board of New Orleans Employees' Retirement System Investment Policy Statement states "*The Board of Trustees will review this IPS at least annually to determine whether stated investment objectives are still relevant, and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.*" In accordance with this policy adoption statement and since the policy has not be formally reviewed since August 11, 2011, it is appropriate for the policy to be reviewed as soon as practicable.

Staff has provided the attached marked-up draft of the Employees' Retirement System Investment Policy Statement for your review. The marked-up changes reflect the recommendations of FFC Capital Management. Staff will be prepared to discuss the policy at the March 4, 2015 meeting of the Pension Committee.

Robert K. Miller  
Deputy Director

**SEWERAGE & WATER BOARD**  
**of NEW ORLEANS**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**INVESTMENT POLICY STATEMENT**



Original Draft Adopted - November 4, 2004

As Amended – ~~August 17, 2011~~ February 4, 2015

Document Prepared By:



FFC CAPITAL MANAGEMENT

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## EXECUTIVE SUMMARY

**Name of Plan:** SWBNO Employees' Retirement System ("the Plan")  
**Type of Plan:** Defined Benefit Plan, IRS Qualified  
**Plan Sponsor:** Sewerage and Water Board of New Orleans (SWBNO)  
**Time Horizon:** Greater than 5 years (Long Term)  
**Assumed ROR:** 7.00% (Actuarial Assumption<sup>1</sup>)  
**Strategic Allocation:** 42.00% Equities / 37.00% Fixed Income / 21.00% Alternatives

<u>Asset Class/Sub-Class</u>	<u>Minimum</u>	<u>Strategic Allocation</u>	<u>Maximum</u>
<b>EQUITY</b>		<b>42.00</b>	
US Large Cap Equities	20.00	20.00	35.00
US Mid Cap Equities	0.00	0.00	7.50
US SMID Cap Equities	0.00	13.00	21.50
US Small Cap Equities	7.50	0.00	15.00
International Equities	5.00	9.00	10.00
Int'l Emerging Equities	0.00	0.00	5.00
<b>FIXED INCOME</b>		<b>37.00</b>	
Core Bond	0.00	0.00	25.00
Core Plus Bond	25.00	28.00	35.00
High Yield Bonds	0.00	0.00	10.00
Global TIPS	0.00	9.00	15.00
Convertible Bond	0.00	0.00	10.00
<b>ALTERNATIVES</b>		<b>21.00</b>	
Commodities	0.00	7.25	10.00
Multi-Strategy HFOF	0.00	8.75	10.00
Private Equity	0.00	0.00	10.00
Real Estate/REITs	0.00	5.00	10.00

<sup>1</sup> As determined from 2010 Actuarial Report

**The Investment Policy Statement (IPS) should be reviewed and updated at least annually. Any change to this policy should be communicated in writing on a timely basis to all parties of interest.**

## **STATEMENT OF PURPOSE**

The purpose of this Investment Policy Statement (IPS) is to guide the Board of Trustees (the members of the Sewerage & Water Board and the elected employee members to the Board of Trustees) [ Appendix A] in effectively supervising, monitoring and evaluating the investment of the SWBNO Employees' Retirement System assets. The Plan's investment program is defined in the various sections of the IPS by:

1. Stating in a written document the Board of Trustees' attitudes, expectations, objectives, and guidelines for the investment of all Plan assets.
2. Setting forth an investment structure for managing all Plan assets. This structure includes various asset classes, investment management styles, asset allocation, and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term.
3. Providing guidelines for each investment portfolio that when viewed in conjunction with each individual investment manager's contract, control the level of overall risk and liquidity assumed in that portfolio.
4. Providing policy concurrent rate-of-return and risk characteristics for various investment options utilized in developing asset allocation. [Appendix B].
5. Encouraging effective communications between the Board of Trustees, the investment consultant and hired money managers.
6. Establishing formal criteria to monitor, evaluate, and compare the performance results achieved by the money managers on a regular basis.
7. Complying with all fiduciary, prudence and due diligence requirements experienced investment professionals would utilize; and with all applicable laws, rules and regulations from various local, state, federal, and international political entities that may impact Plan assets.
8. ~~Complying (though not bound by law to comply) with ERISA regulations as a matter of prudence.~~

This IPS has been formulated, based upon consideration by the Board of Trustees, of the financial implications of a wide range of policies, and describes the prudent investment process the Board of Trustees deems appropriate.



## INTRODUCTION

This document establishes the Investment Policy Statement for the SWBNO Employees' Retirement System for the management of the assets held for the benefit of the participants and beneficiaries in the System. The Board of Trustees is responsible for managing the investment process of the Retirement System in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this IPS through careful study of the returns and risks associated with various investment strategies in relation to the current and projected liabilities of the Retirement System. This policy has been chosen as the most appropriate policy for achieving the financial objectives of the Retirement System which are described in the Objectives section of this document.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighted against the long term potential for appreciation of assets.

In addition to the policy defined herein, the management of the SWBNO Employees' Retirement System will be in strict compliance with all relevant and applicable legislation.

## STATEMENT OF OBJECTIVES

The assets of the SWBNO Employees' Retirement System shall be invested in accordance with all relevant legislation. Specifically:

1. Investment shall be in accordance with the Louisiana Revised Statutes, R.S. 11:3821.
2. Investments shall be made solely in the interest of the participants and beneficiaries of the pension plan and for the exclusive purpose of providing benefits to such participants and their beneficiaries and defraying the reasonable expenses of administering the plan.
3. The Board of Trustees and its investments advisors shall exercise the judgment and care under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion and intelligence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.

The primary investment objective shall be to achieve full funding of the actuarial accrued liability so that such assets are preserved for the providing of benefits to participants and their beneficiaries and such long-term return (either in the form of income or capital appreciation or both) may without undue risk maximize the amounts available to provide such benefits. These objectives have been established in conjunction with a comprehensive review of both the current and projected financial requirements and investment returns by asset class.

While there cannot be complete assurance that these objectives will be realized, it is believed that the likelihood of their realization is reasonably high based upon this Investment Policy and historical performance of the asset classes discussed herein. The objectives have been based on a five-year investment horizon, so that short-term fluctuation should be viewed secondary to long-term investment results.

Relative performance benchmarks for the System's investment managers are set forth in the Control Procedures section of this document.

This IPS has been arrived at upon consideration by the Board by a wide range of policies, and describes the prudent investment process the Board deems appropriate. This process includes seeking various asset classes and investment management styles that, in total, are expected to offer participants a sufficient level of overall diversification and total investment return over the long-term. The objectives are:

1. Maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on Plan assets.
2. Achieve a fully funded status with regard to the Accumulated Benefit Obligation and 100% of the Projected Benefit Obligation.
3. Have the ability to pay all benefit and expense obligations when due.
4. Maintain flexibility in determining the future level of contributions.

5. Maximize return within reasonable and prudent levels of risk in order to minimize contributions.

6. Control costs of administering the plan and managing the investments.

Keys to achieving objectives include maximizing investment returns within prudent levels of risk, while minimizing the Plan's reliance on contributions.

#### **Time Horizon**

The investment guidelines are based upon the Plan's investment time horizon of (>5) greater than five years. Interim fluctuations should be viewed with appropriate perspective. Similarly, the Plan's strategic asset allocation is based on this long-term perspective. Short-term liquidity requirements are anticipated to be non-existent, or at least should be covered by the annual contribution.

#### **Risk Tolerances**

The Board recognizes the difficulty of achieving the Plan's investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Board also recognizes some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing the risk tolerances of the IPS, the ability to withstand short- and intermediate-term variability were considered. These factors were:

- The SWBNO Employees' Retirement System's strong financial condition enables the Board to adopt a long-term investment perspective, allowing for a less aggressive risk tolerance.
- Demographic characteristics of participants suggest an average risk tolerance due to the moderate to aging work force.

In summary, the SWBNO Employees' Retirement System's prospects for the future, current financial condition and several other factors suggest collectively the Plan can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives.

#### **Performance Target**

The desired investment objective is a long-term rate of return on assets that is at least 7.00%, as defined by current<sup>2</sup> actuarial assumptions. ~~Annually, over a three to five (3 to 5) year period, the~~ Plan's overall ~~annualized~~ total return, after deducting for advisory, money management, and custodial fees, as well as total transaction costs; should perform above a customized index comprised of market indices weighted by the strategic asset allocation of the Plan.

---

<sup>2</sup> Based upon 2010 actuarial report

## ASSET ALLOCATION POLICY

### Targets and Ranges

It shall be the policy of the SWBNO Employees' Retirement System to invest in each style based asset class ranging between a minimum and a maximum of total plan assets as indicated below:

**Stated Ranges are as a Percent of Total Plan Assets**

<u>Mandate</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
<b>EQUITY</b>		<b>42.00</b>	
<i>US Large Cap Stocks</i>	20.00	20.00	35.00
<i>Large Cap Value</i>	0.00	10.00	35.00
<i>LC<sup>3</sup> Enhanced Core</i>	0.00	10.00	35.00
<i>US Small/Mid Cap Stocks</i>	7.50	13.00	22.50
<i>SMID Cap Core/Value</i>	0.00	13.00	22.50
<i>Non US Stocks</i>	5.00	9.00	10.00
<i>International Equity</i>	5.00	9.00	10.00
<b>FIXED INCOME</b>		<b>37.00</b>	
<i>Core Plus Bond</i>	25.00	28.00	35.00
<i>Global TIPS<sup>4</sup></i>	0.00	9.00	15.00
<b>ALTERNATIVES</b>		<b>21.00</b>	
<i>Commodities</i>	0.00	7.25	18.00
<i>Multi-Strategy/Absolute<sup>5</sup></i>	0.00	8.75	10.00
<i>Real Estate/REITs<sup>6</sup></i>	0.00	5.00	10.00

During the investment manager selection process, the Board of Trustees will communicate specific manager guidelines regarding capitalization and stylistic characteristics such that the total portfolio conforms to policy. It is expected that these guidelines will be strategic in nature and not change frequently.

<sup>3</sup> Large Cap

<sup>4</sup> Treasury Inflation Protected Securities

<sup>5</sup> Hedge Fund-of-Funds

<sup>6</sup> Real Estate Investment Trusts

### **Asset Class Guidelines**

The Board of Trustees believes long-term investment performance, in large part, is primarily a function of asset class mix. The Board of Trustees has reviewed the long-term performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

History suggest, that while interest-generating investments, such as bond portfolios, have the advantage of relative stability of principal value; they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, this year-by-year variability may be worth accepting, provided the time horizon for the equity portion of the portfolio is sufficiently long (greater than five years).

### **Adherence to Policy**

The Board of Trustees is guided by the philosophy that asset allocation is the most significant determinant of long term investment return. The Retirement System asset allocation will be maintained as close to the target allocations as reasonably possible. Contributions to the Plan and withdrawals to pay benefits and expenses shall be allocated across portfolios to bring the asset mix as close to the target allocation as possible.

Rapid, substantive and unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Any divergence caused by these factors should be of a short-term nature.

The Board of Trustees or its designee will review the Plan's allocation status at least quarterly. It is anticipated that active rebalancing will occur at least annually.

### **Cash Holdings**

It shall be the policy of The Employees' Retirement System of The Sewerage & Water Board of New Orleans to be fully invested to the maximum extent possible. Any cash holdings in separate short term accounts should be kept as small as possible.

However, the Board of Trustees may from time to time authorize the use of cash equivalent(s)<sup>7</sup> and or money market fund(s)<sup>8</sup> as interim investment vehicle(s) for assets being transitioned from one manager/product to another.

For equity and fixed income portfolios, cash and short term instruments maturing in less than 360 days shall be restricted to a maximum of 5% of each portfolio except for brief periods or when building liquidity in anticipation of a large withdrawal.

Cash equivalent reserves shall consist of cash instruments having a quality rating by at least two rating agencies<sup>9</sup> of A-2, P-2, F-2, or higher.

Investment managers shall have discretion to invest up to 5% of assets under management in cash reserves when they deem it appropriate. However, the Investment

<sup>7</sup> Fixed Income instrument maturing in 360 days or less

<sup>8</sup> Very liquid mutual fund that invests solely in cash equivalents

<sup>9</sup> Standard & Poor's, Moody's, or Fitch



Managers will be evaluated against their peers on the performance of the total funds under their direct management.

**Non-Individual Securities**

The Board of Trustees may authorize the use of non-individual securities such as indexed instruments<sup>10</sup> (interchangeably referred to as passive instruments), mutual funds, and other pooled (interchangeably referred to as commingled) investment vehicles.

**Rebalancing**

The percentage allocation to each asset class may vary as much as plus or minus 5% from the strategic allocation (policy), depending upon market conditions. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation of the Plan. If there are no cash flows, the allocation of the Plan will be reviewed quarterly.

If the Board of Trustees judges cash flows to be insufficient to bring the Plan within the strategic allocation ranges, the Board of Trustees shall decide whether to effect transactions to bring the strategic allocation within the threshold ranges.

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<sup>10</sup> Also commonly referred to index funds, exchange traded funds, or ETFs.

### GUIDELINES FOR INDIVIDUAL SECURITY HOLDINGS

	Equities	Fixed Income & Cash	Alternatives
<b>Minimum Diversification Standards:</b>			
Single Investment	(a) Maximum 6% * $\phi$	(a) Maximum 10% * $\phi$ except U.S. Treasury Notes and Bonds	Not Applicable
	(b) Maximum of 5% of outstanding shares of any company		
Single Industry	(c) Maximum 25% *	(b) Maximum 25% *	
Single Sector	(d) Maximum of 2 times the appropriate style index	(c) Maximum of 2 times the appropriate style index. *	
<b>Minimum Liquidity Standards</b>	(a) Readily marketable securities of U.S. corporations, foreign securities or ADRs	(a) Readily marketable U.S. Corporate and Government debt obligations, including mortgage pass-through, CMOs, convertible bonds and foreign securities.	Not Applicable
	(b) Traded on one or more domestic or international exchanges.	(b) Remaining outstanding principal value of the issue must be (and remain) at least \$100 million unless Plan Trustees approve.	
<b>Minimum Quality Standards</b>	(a) At least 3 years of earnings history **	Minimum Quality Ratings: Cash & Equivalents – S&P A-2, Moody's P-2, Fitch F-2 S&P – BBB** Moody's – Baa** Only Core Plus portfolio is allowed to buy and/or hold bonds rated below BBB/Baa.	Not Applicable
	(b) Profitable (from continuing operations) in at least 3 of the last 5 years	BBB/Baa bonds not to exceed 15% of portfolio*, † For Core Plus only, bonds rated below BBB/Baa are not to exceed 15% of portfolio; non-rated bonds are not to exceed 1% of portfolio *	
<b>Bond Maturities</b>		(a) Minimum (single issue) maturity: None, but maturities under 12 months will be viewed as "cash" under this policy  (b) Maximum remaining, term to maturity (single issue) at purchase: 30 years	Not Applicable

	Equities	Fixed Income & Cash	Alternatives
<b>Foreign Securities</b>	(a) Foreign securities to a maximum of 5%*	Foreign debt issues to a maximum of 5%*†  Foreign debt issues to a maximum of 15% for Core Plus portfolio	Foreign debt issues to a maximum of 5%
<b>Prohibited Categories</b>	(a) Preferred stock (b) Lettered stock and other unregistered equity securities (c) Margin purchases (d) Short sales or warrants (e) Issuer related to the investment manager (f) Options, except as noted below (g) Commodity contracts, except stock index futures	(a) issuer related to the investment manager (b) Issues traded flat (not currently accruing interest) (c) Debt obligations of either the Sewerage & Water Board of New Orleans or the City of New Orleans (d) Commodity contracts, except bond futures	(a) Direct Investments
<b>Portfolio Turnover</b> (maximum expected in one quarter without prior consultation)	35%	35%	Not Applicable
<b>Reports to the Pension Committee</b>	At least quarterly	At least quarterly	At least quarterly
<b>Written Reports to the Committee</b>	*Monthly	Monthly	Quarterly

\* Percentages refer to the market value of any single investment manager's portfolio, not the total fund. Small/Mid Cap Manager(s) is allowed a maximum of 10% in a single position. Foreign securities limitations do not apply to International Equity Manager(s) or Core Plus Bond Manager(s).

\*\* Either as a stand alone company or as a separately identifiable subsidiary, division or line of business. Not applicable to Core Bond Plus, Private Equity, Real Estate/REIT, or Absolute Return. Refer to individual manager guidelines.

φ Exception given for index funds.

†With the exception of Convertible Bonds and Core Bond Plus. Refer to individual manager guidelines.

**Comment [DB1]:** Additional language added for Small/ Mid managers



## **DUTIES AND RESPONSIBILITIES**

The Board of Trustees is responsible for overseeing the Retirement Systems' investments. This includes, but is not limited to, the selection of acceptable asset classes, allowable ranges of holdings between asset classes and individual investment managers as a percent of assets, the definition of acceptable securities within each asset class, investment performance expectations, and monitoring compliance with state investment regulations.

The Board of Trustees selects, retains and replaces investment managers and custodians, and controls the asset allocation within policy limits.

The Board of Trustees will communicate the policy and performance expectations to the Investment Managers. The Board of Trustees will also review investment performance regularly to assure the policy is being followed and progress is being made toward achieving the objectives.

### **Board of Trustees**

As fiduciaries under the Plan, the primary responsibilities of the Board of Trustees are:

1. Prepare and maintain this investment policy statement
2. Prudently diversify the Plan's assets to meet an agreed upon risk/return profile
3. Prudently select both actively managed and indexed (passive) investment products
4. Control and account for all investment, record keeping, and administrative expenses associated with the Plan
5. Monitor and supervise all service vendors and investment options
6. Avoid prohibited transactions and conflicts of interest.

### **Pension Consultant**

The Board of Trustees will retain a third-party Consultant to assist the Board of Trustees in managing the overall investment process. The Consultant will be responsible for guiding the Board of Trustees through a disciplined and rigorous investment process to enable the Board of Trustees to meet the fiduciary responsibilities outlined herein.

### **Investment Managers**

Distinguishable from the Board of Trustees and Pension Consultant, who are responsible for managing the investment process, investment managers are responsible for making investment decisions (security selection and price decisions). The Investment Managers shall be responsible for determining investment strategy and implementing security selection and the timing of purchases and sales within the policy guidelines set forth in this statement and as otherwise provided by the Board of Trustees. The specific duties and responsibilities of each investment manager are:

1. Manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective contracts, prospectus, or trust agreement.

2. Exercise full investment discretion with regards to buying, managing, and selling assets held in the portfolios.
3. If managing a separate account (as opposed to a mutual fund or a commingled account), seek approval from the Board of Trustees prior to purchasing and/or implementing the following securities and transactions, unless otherwise stated in manager's contract with Board of Trustees:
  - Letter stock and other unregistered securities; commodities or other commodity contracts; and short sales or margin transactions. Securities lending; pledging or hypothecating securities.
  - Investments in the equity securities of any company with a record of less than three years continuous operation, including the operation of any predecessor
  - Investments for the purpose of exercising control of management,
4. Vote promptly all proxies and related actions in a manner consistent with the long-term interest and objectives of the Plan as described in this IPS. Each investment manager shall keep detailed records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.
5. Communicate with the Board of Trustees all significant changes pertaining to the fund it manages or the firm itself. Changes in ownership, organizational structure, financial condition, and professional staff are examples of changes to the firm in which the Board is interested.
6. Effect all transactions for the Plan subject to best price and execution. If a manager utilizes brokerage commission generated from Plan assets to effect soft-dollar transactions, records detailing all activity (brokerage and soft-dollar use) will be kept and communicated to the Board of Trustees on a monthly basis.
7. If applicable (i.e. for active equity managers), to direct its trading to designated commission recapture broker(s) at or near target level of 35% of total trades placed on behalf of Plan. Again, records detailing the level of participation will be kept and communicated to the Board of Trustees on a monthly basis.
8. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals, acting in a like capacity and fully familiar with such matters, would use in like activities for like retirement Plans with like aims in accordance and compliance with ERISA and all applicable laws, rules, and regulations.
9. If managing a separate account<sup>11</sup> (as opposed to an indexed product, mutual fund or commingled account), **acknowledge co-fiduciary responsibility by signing and returning a copy of this IPS.**

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<sup>11</sup> Also referred to as SMA or separately managed account

### **Custodian**

Custodians are responsible for the safekeeping of the Plan's assets. The specific duties and responsibilities of the custodian are:

1. Maintain separate accounts by legal registration
2. Value the holdings
3. Collect all income and dividends owed to the Plan
4. Settle all transactions (buy-sell orders) initiated by the Investment Manager
5. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

### **INVESTMENT PRODUCT AND MANAGER SELECTION**

The process for selecting both indexed strategy products, as well as alternative strategy managers will consist of the Consultant's pre-search development of criterion which consider both quantitative and qualitative characteristics for the specific class and style of indexed or alternative strategy. The Board of Trustees will adopt and diligently apply this criterion in its selection of each passive product or alternative strategy manager.

With exception given to indexed products, for example an iShares or SPDR S&P 500 ETF, as well as alternative strategy managers, for example Private Equity, Absolute Return/HFOFs and/or Real Estate/REIT managers, the Board of Trustees will apply the following due diligence criteria in selecting each (active) equity and fixed income manager.

1. Regulatory oversight: Each investment manager should be a regulated bank, an insurance company, a mutual fund organization, or an SEC registered investment adviser.
2. Correlation to style or peer group: The product should be highly correlated to the asset class of the investment option. This is one of the most critical parts of the analysis, since most of the remaining due diligence involves comparisons of the manager to the appropriate peer group.
3. Performance relative to a peer group: The product's performance should be evaluated against the peer group's median manager return, for 1-, 3-, and 5-year cumulative periods.
4. Performance relative to assumed risk: The product's risk-adjusted performance (standard deviation, alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance.
5. Minimum track record: The product's inception date should be greater than three years.
6. Assets under management: The product should have at least \$75 million under management.

7. **Holdings consistent with style:** The screened product should have no more than 20% of the portfolio invested in "unrelated" asset class securities.
8. **Stability of the organization:** i.e. *Manager Tenure* - no material organizational or investment team changes in the past two years.

#### **Volatility**

Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined portfolios will be similar to that of the market opportunity available to institutional investors with similar return objectives.

The volatility of each investment managers' portfolio will be compared to the volatility of appropriate market indices and peer groups. Above median volatility is acceptable only so long as performance is commensurately above median.

#### **Liquidity**

Based on current actuarial assumptions, it is expected that contributions will exceed benefit payments for the foreseeable future. Therefore, there is no need for Investment Managers to maintain liquid reserves for payment of pension benefits.

If benefit payments are projected to exceed contributions in some future period, the Board of Trustees or its designee will notify the investment managers well in advance of any withdrawal orders to allow them sufficient time to build up necessary liquid reserves. The managers will be expected to review the cash flow requirements with the Pension Committee at least annually.

#### **Voting of Proxies**

Voting of proxy ballots shall be for the exclusive benefits of the participants and beneficiaries of the Retirement System. Unless the Board of Trustees provides information on how to vote a proxy, the investment managers shall vote the proxies in accordance with its own policy for shareholder issues. Managers will communicate their proxy voting record to the Board of Trustees in writing every quarter and will provide a written summary of all proxies voted on an annual basis.

#### **Execution of Security Trades**

The Board of Trustees expects the purchase and sale of securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees may implement a Directed Brokerage Program in the future. In June of 2001, the Board of Trustees implemented a Commission Recapture Program.

#### **Securities Lending Guidelines**

The Plan may engage in the lending of securities subject to the following guidelines:

1. Collateral on loans is set at 102% of the market value of the security plus accrued interest.
2. Collateral should be marked to market daily.
3. Securities of the System are not released until the custodian bank receives payment for the book entry withdrawal of the loaned security.



4. Eligible securities can include the lending of all U.S. Treasury and other government guaranteed securities, corporate securities, and common stock.

## **CONTROL PROCEDURES**

### **Conflicts of Interest**

The Investment Manager (and any persons acting on its behalf) who enters into a contract with the Plan must reasonably believe, immediately prior to entering into the contract, that the contract represents an arm's length arrangement between the parties and that the Board of Trustees, alone or together with the Board of Trustee's independent agents, understands the proposed method of compensation and its risks. In addition to the requirements of Form ADV, the Investment Manager shall disclose to the Board of Trustees, or to the Board of Trustee's independent agent, prior to entering into an advisory contract, all material information concerning the proposed advisory arrangement including the following:

1. The periods which will be used to measure investment performance throughout the contract and their significance in the computation of the manager's fee.
2. The nature of any index which will be used as a comparative measure of investment performance, the significance of the index, and the reason the Investment Manager believes the index is appropriate.
3. How the securities will be valued and the extent to which the valuation will be determined independently where the Investment Manager's compensation is based in part on the unrealized appreciation of securities for which market quotations are not readily available.

### **Review of Liabilities**

All major liability assumptions regarding number of participants, compensation, benefit levels, and actuarial assumptions will be subject to an annual review by the Board. This review will focus on an analysis of major differences between the Retirement System's assumptions and actual experience.

### **Review of Investment Policy Statement**

The IPS will be reviewed annually and updated with pertinent or substantive changes as frequent as necessary.

### **Review of Investment Objectives**

Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy for achieving these objectives.

It is not expected that the investment policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in the investment policy.

### **Review of Investments**

The Board will review in addition to the total fund; each active manager's and indexed product's performance at least quarterly with its Consultant. The total fund will be measured against a composite index of asset class proxies or benchmarks blended in the same percentages as the IPS asset allocation targets contained herein. Each active investment manager will be measured against an appropriate benchmark(s) as stated in their respective contract(s). Each indexed product will be measured against its appropriate tracking index.

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### **Market Indices**

Available benchmarking opportunities for the capital markets include the Dow Jones 30 Industrial Average, S&P 500, Russell 1000 Indexes for large cap equities, the Russell 2000 Index for small cap equities, the MSCI ACWI Index for global equities, the MSCI EAFE-ACWI ex-U.S. Index for international equities, the ~~Salomon Brothers Broad Investment Grade~~ Barclays Aggregate Bond Index for investment grade fixed income securities, Venture Economics Index for Private Equity, CSFB Tremont HFRI Fund-of-Funds Index for Absolute Return, ~~the Merrill Lynch Convertible Bond Index for convertible bonds~~ and/or other comparable indices appropriate for monitoring individual portfolio investment strategies. Some of the other comparable indices include style indices such as the Russell 1000 Growth or Value Index for large cap growth or value, and the Russell 2000 Growth or Value Index for small cap growth or value.

Performance reviews will focus on:

1. Total Retirement System and investment manager compliance with the IPS guidelines and stated investment regulations.
2. Material changes in the manager organizations, such as in investment philosophy, personnel, acquisitions or losses of major accounts, etc.
3. Comparison of managers' results to a universe of funds using a similar investment style and similar asset classes.
4. Comparison of managers' results to style specific benchmarks established for each individual manager's portfolio. Where multiple asset classes are employed in a portfolio, a customized benchmark index will be developed to mirror the asset classes utilized by the manager.
5. The appropriate market index will be stated in each investment manager's contract.

### **Compliance**

On an ongoing basis, the Board of Trustees and its Consultant will review each investment manager's relative compliance with, and adherence to the principles, guidelines and benchmarks established in this IPS. Annually, each investment manager will be formally examined and graded individually. If, in the opinion of the Board of Trustees, there is concern for remedial action to be taken by the investment manager, it will be expressed and communicated by the Board of Trustees to the Investment Manager at that time.

The investment managers will be responsible for keeping the Board of Trustees advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance of all managers. The investment managers will be responsible for reconciliation with Custodian Bank.

### **Performance Expectations**

The Board of Trustees recognizes that real return objectives may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, the Board of Trustees will use comparative performance statistics to evaluate investment results. Each investment manager (whether equity, fixed income or alternative manager) and the total Retirement System, will be expected to achieve minimum performance standards as follows:

- 1) Rank in the top forty percent (40%) of an appropriate style peer group of actively managed portfolios over rolling three-year periods.
- 2) Exceed an appropriate benchmark index, net of management fees over rolling three-year periods.
- 3) ~~Where appropriate, rank in the top forty percent (40%) of a style universe over rolling three-year periods.~~

The Board of Trustees is keenly aware that ongoing review and analysis of the Plan's investment products and managers is just as important as the due diligence implemented during the selection process. The net performance of all indexed products and investment managers will be monitored on an ongoing basis; and at the sole discretion of the Board of Trustees, corrective (probation, termination) or progressive (new hire, add funds) action may be taken if it is deemed appropriate at any time.

On a timely basis, but not less than quarterly, the Board of Trustees will meet to review whether or not individual active investment managers as well as indexed products achieve and maintain the Board's performance expectations as outlined above; specifically:

- The manager's adherence to the Plan's investment guidelines
- Material changes in the manager's organization, investment philosophy, and/or personnel
- Any legal, SEC, and/or other regulatory agency proceedings affecting the manager.

While these performance standards should be achieved over a three to five year period complete market cycle, the Board of Trustees will also monitor performance on a shorter-term basis.

The Investment Managers are requested to be aware at all times of the pension plan's actuarial assumption of seven percent (7%) overall annual return.

### **Probationary Period**

Investment managers should be advised that the Board of Trustees intends to track interim progress toward multi-year (3 to 5-year) goals. However, if in the opinion of the

Board of Trustees an investment manager's performance is deemed to be deficient, the Board of Trustees will inform the investment manager in writing that the firm has been placed on probation (*Watch List*). The length of an investment manager's probation period will be determined by the Board of Trustees on a case-by-case basis. If the Board of Trustees' concerns are not sufficiently addressed during this probationary period, or if the investment manager is unable to remedy deficiencies in performance, this would constitute grounds for termination of the investment manager.

An Investment Manager may be removed from probation if, in the opinion of the Board of Trustees, the factors which caused the probationary review have been eliminated, mitigated or otherwise appropriately and sufficiently addressed to the complete and total satisfaction of the Board of Trustees.

Specifically, a manager may be placed on the Watch List and a thorough review and analysis of the investment manager may be conducted, when:

1. A manager performs below median for their peer group over 1, 3, and/or 5 year cumulative period(s); or over any period deemed relevant by the Board of Trustees.
2. A manager's 1 to 3 year risk adjusted return (alpha and/or Sharpe) falls below the peer group's median risk adjusted return.
3. There is a change in the professionals managing the portfolio.
4. There is a significant decrease in the product's assets.
5. There is an indication the manager is deviating from his/her stated style and/or strategy.
6. There is an increase in the product's fees and expenses.
7. Any extraordinary event such as a substantive change in firm ownership occurs that may interfere with the manager's ability to fulfill their role in the future.

The Board of Trustees has determined it is in the best interest of the Plan's participants that performance objectives be established for each investment manager. Manager performance will be evaluated in terms of an appropriate market index (e.g. the S&P 500 stock index for large cap domestic equity manager) and the relevant peer group (e.g. the PSN<sup>12</sup> Large Cap Universe for large cap domestic managers).

A manager evaluation may include the following steps:

1. A letter to the manager asking for an analysis/explanation of their performance (underperformance) for the period(s) under review.
2. An analysis of recent transactions, holdings, and portfolio characteristics to determine the cause for underperformance or to check for a change in style.

<sup>12</sup> PSN Enterprise is a software application licensed by Plan's Consultant; powered by the PSN investment manager database. The PSN database provides connectivity to separately managed accounts, open ended mutual funds, closed end funds, exchange traded funds, hedge funds, fund-of-funds, stocks, variable annuities, and other investment content. A proprietary platform of Informa Investment Solutions, the PSN database was fully integrated into the former Check Free Systems Mobius investment manager database in September 2006.



3. A meeting with the manager, which may be conducted on-site, to gain insight into organizational changes and any changes in strategy or discipline.

#### Style Benchmarks

<u>Style Based Asset Class</u>	<u>Index/Benchmark</u>	<u>Peer Group Universe</u>	Formatted Table
<i>Global Equity (Styles)</i>	<i>Russell 3000 Index</i>	<i>PSN All Cap</i>	Formatted: Font: Italic
<b>Class Aggregate</b>	<b>Russell 3000 Index</b>	<b>PSN All Cap</b>	Formatted: Centered
Large Cap Value	Russell 1000 Value Index	PSN Large Cap Value	Formatted: Font: Not Italic
LC Enhanced Core	Russell 1000 Index	PSN Large Cap	Formatted: Centered
Large Cap Growth	Russell 1000 Growth Index	PSN Large Cap Growth	Formatted: Centered
Mid Cap Core	Russell Mid Cap Index	PSN Mid Cap	Formatted: Centered
<b>SMID Cap Core</b>	<b>Russell 2500 Index</b>	<b>PSN Small/Mid Cap</b>	Comment [DB2]: Inserted new asset class for new Small / Mid mandate
Small Cap Core	Russell 2000 Index	PSN Small Cap	Formatted: Centered
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<u><b>International Equity</b></u>	<u><b>MSCI ACWI-EX-US Index</b></u>	<u><b>PSN Int'lernational Equity</b></u>
<u><b>Global Fixed Income (Styles)</b></u>	<u><b>Barclays Aggregate Bond</b></u>	<u><b>PSN Core Plus Fixed</b></u>
<u><b>Class Aggregate</b></u>	<u><b>Barclays Aggregate Bond Index</b></u>	<u><b>PSN Core Plus Fixed</b></u>
<u><b>Core Bond</b></u>	<u><b>Barclays Aggregate Bond Index</b></u>	<u><b>PSN Core Fixed</b></u>
<u><b>Core-Plus Bond</b></u>	1) Barclays Aggregate Bond Index + 2) <sup>13</sup> — 2) Barclays Global Agg Bond Index + 50 bps	<u><b>PSN Core Plus Fixed</b></u>
<u><b>Global TIPS</b></u>	4) <u><b>CG World Govt Index</b></u> 2) <u><b>BGI Barclays World Inflation Linked Bond World Government Infl. Linked Index</b></u>	<u><b>PSN Global Fixed TIPS</b></u>
<u><b>Convertible Bonds</b></u>	BofA ML Inv. Grade Convertible Bond Index	<u><b>PSN Convertibles</b></u>
<u><b>Alternatives Investments</b></u>	<u><b>Sub-Class Blended Index</b></u>	
<u><b>Class Aggregate</b></u>	<u><b>Sub-Class Blended Index</b></u>	<u><b>N/A</b></u>
<u><b>Absolute Return/Multi-Strat/Multi-Manager HFOFs/Absolute Return</b></u>	1) Dow Jones Credit Suisse Blue Chip HF Index 2) HFRI Fund-of-Funds Index	<u><b>N/A PSN Fund-of-Funds</b></u>
<u><b>Domestic REITs</b></u>	<u><b>DJ Wilshire REIT Index</b></u> <u><b>MSCI REIT</b></u>	<u><b>PSN REIT/Real Estate</b></u>
<u><b>International REITs</b></u>	<u><b>DJ Wilshire xUS RESI Index</b></u> <u><b>FTSE/EPRA NAREIT ex US</b></u>	<u><b>PSN Global/International REIT</b></u>
<u><b>Commodities</b></u>	<u><b>S&amp;P GSCI</b></u>	<u><b>PSN Commodities &amp; Energy</b></u>

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<sup>13</sup> Formerly Lehman Brothers Aggregate Bond Index

### **Cause for Termination**

While the Board of Trustees intends to fairly evaluate both indexed (passive) products and active investment managers over time; the Board reserves the right to terminate its relationship with a product sponsor or investment manager at any time without a probationary period if there is:

1. Failure to meet the Board of Trustees' communication and reporting requirements.
2. A significant change in the personnel managing the investment decisions of the Fund, or a change in the ownership of the Investment Manager that could be deemed to adversely impact the management of Fund assets.
3. A lack of confidence that the Investment Manager or his organization can produce acceptable results in the future.
4. Unacceptable justification for poor performance results.
5. Lack of responsiveness to the Board of Trustees.
6. A change in asset allocation which may result in the termination of an Investment Manager for reasons other than for cause.
7. In the Board of Trustees' opinion, a change of Investment Manager would be beneficial to the Plan.

There is no implied contract for a fixed time period, or otherwise, between the SWBNO Employees' Retirement System and any of its Investment Managers, and the relationship between the parties may be terminated at any time for any reason with prior written notification.

### **Measuring Costs**

The Board of Trustees will review, at least annually, all costs associated with the management of the Plan's investments including:

1. Fees and expense reimbursements of pension consultant
2. Fees and expense ratios of each investment manager
3. Custody Fees: Encompassing the holding of the assets, the collection of income and disbursement of payments.
4. Trading Costs: Evaluating whether or not the manager is demonstrating attention to best execution efforts, commission recapture program targets<sup>14</sup>, and other efficiencies in trading securities.

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<sup>14</sup> Refer to Page 15, #'s 6 and 7 of this IPS for details

~~The Board of Trustees will review this IPS at least annually to determine whether stated investment objectives are still relevant, and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.~~

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### **POLICY ADOPTION STATEMENT**

This Investment Policy document is hereby adopted by the Board of Trustees of the  
Sewerage and Water Board of New Orleans on ~~December 17, 2008~~February 4, 2015.

Adopted by: The Board of Trustees of Sewerage and Water Board of New Orleans

\_\_\_\_\_, Trustee

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### CO-FIDUCIARY ACKNOWLEDGEMENT

The undersigned hereby acknowledges fiduciary capacity as defined by the Employee Retirement Investment Security Act (ERISA) of 1974.

The undersigned hereby acknowledges that it has read this Investment Policy Statement document and further will comply with the procedural and reporting requirements contained herein; and as amended by the Board of Trustees from time to time.

Acknowledged by:

Print Name:

Title:

Company:

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## APPENDIX A

### Sewerage and Water Board of New Orleans Board Officers

Mitchell J. Landrieu, President

~~Tommie Vassel~~[Raymond Manning](#), President Pro-Tem

### Sewerage and Water Board of New Orleans Board Members

~~Jacquelyn Brechtel Clarkson, Council Member-at-Large~~[Alan Arnold](#)

~~Stacy Head, Councilwoman~~[Robin Barnes](#)

~~Jon D. Johnson, Councilman~~[Marion Bracy](#)

~~Karen Henley-Raymond~~[Dr. Tamika Duplessis](#)

~~Raymond Manning~~[Scott Jacobs](#)

~~Mark M. Moody~~[Keri Kane](#)

~~Glen Pilie~~[Mark Moody](#)

~~Florence Schornstein~~[Joseph Psychaud](#)

~~Beverly Wright, PhD~~

~~Loyee P. Wright~~[Kimberly Thomas](#)

### Sewerage and Water Board of New Orleans Employee Trustees

Harold Heller

Marvin Russell

Gerald Tilton

John Wilson

### Sewerage and Water Board of New Orleans Management

~~Marcia St. Martin~~[Cedric S. Grant](#), Executive Director

Robert K. Miller, Deputy [Executive](#) Director

## APPENDIX B

### SUMMARY OF CAPITAL MARKETS INPUTS

#### LONG TERM CAPITAL MARKET ASSUMPTIONS

##### RETURN AND RISK CHARACTERISTICS

ASSET CLASS	EXPECTED AROR	RISK	CORRELATION to US LCE
US Large Cap Equity	8.40	17.00	1.00
US Mid Cap Equity	8.55	21.00	.91
US Small Cap Equity	8.70	25.00	.80
US Long Bonds	4.75	6.00	.30
Cash Equivalents	3.00	3.00	-.01
Non-US Equity	8.70	20.00	.65
Non-US Fixed Income	4.75	10.00	.04
Inflation Indexed Bonds	4.50	5.50	.30
High Yield Bonds	7.00	10.00	.50
Private Equity	12.00	30.00	.73
Absolute Return	7.50	9.00	.50
Real Estate	7.00	16.00	.45
Emerging Equities	9.50	28.00	.60

Note: Risk is quantified as a measurement of Standard Deviation or the annual variability of returns.  
AROR = Annualized Rate of Return. US LCE = US Large Capitalization Equity.

The above table was developed in November 2009 utilizing data that was derived from sources believed to be accurate and reliable. Past performance is not necessarily indicative of future results; hence, there is no implied guarantee that any individual asset class will achieve the referenced Expected AROR.



## APPENDIX C

### GLOSSARY OF TERMS

**Absolute Return Strategies:** Strategies that are developed by private investment firms that seek to generate high absolute returns taking active positions in a variety of markets employing different financial instruments.

**Active Management:** (also called *active investing*) refers to a portfolio management strategy wherein the manager makes specific investments with the goal of outperforming an investment benchmark index. Investors or mutual funds that do not aspire to create a return in excess of the market benchmark index will often invest in an index fund that replicates as closely as possible the investment weighting and returns of that index. This is called passive management. Active management is the opposite of passive management, because the manager of a passive management fund does *not* seek to outperform the benchmark index.

**Accumulated Benefit Obligation:** ABO is an approximate measure of the liability of a pension plan in the event of a termination at the date the calculation is performed.

**Alpha:** This statistic measures a portfolio's return in excess of the market return adjusted for risk. It is a measure, of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk, which was taken for that level of market exposure.

**Asset Allocation:** The process of determining the optimal allocation of a fund's portfolio among broad asset classes.

**AROR:** Annualized rate of return.

**Basis Point:** 100 bps (basis points) equals 1%.

**Best Execution:** This is formally defined as the difference between the strike price (the price at which a security is actually bought or sold) and the "fair market price", which involves calculating opportunity costs by examining the security price immediately after the trade is placed. Best execution occurs when the trade involves no lost opportunity cost, for example, when there is no increase in the price of a security shortly after it is sold.

**Beta:** A statistical measure of the volatility or sensitivity, of rates of return on a portfolio or security in comparison to a market index. The beta value measures the expected change in return per one percent change in the return on the market. Thus, a portfolio with a beta of 1.1 would move 10% more than the market.

**Commingled Fund:** This is a type of investment fund that is similar to a mutual fund in that investors purchase and redeem units that represent ownership in a pool of securities. Commingled funds usually are offered through a bank- administered plan allowing for broader and more efficient investing.

**Commission Recapture:** An agreement by which a plan Fiduciary earns credits based upon the amount of brokerage commissions paid. These credits can be used for services that will benefit the plan such as consulting services, custodian fees, or hardware and software expenses.

**Convertible Bonds:** Securities, usually bonds or preferred shares that can be converted into common stock.

**Core Fixed Income -** A fixed income approach that applies 90% or more of the securities available in the Lehman Brothers Aggregate Index. MBS issues should be the major component of the portfolio in a core product.

**Core Fixed Plus:** A debt investment with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate. This fixed-income style permits managers to add instruments with greater risk and greater potential return, such as high yield, global and emerging market debt, to their core portfolios of investment-grade bonds.

**Correlation Coefficient:** Correlation measures the degree to which two variables are associated with one another. Correlation is a commonly used tool for constructing a well-diversified portfolio. Traditionally, equities and fixed-income asset returns have not moved closely together. The asset returns are not strongly correlated. A balanced fund with equities and fixed-income assets represents a diversified portfolio that attempts to take advantage of the low Correlation between the two asset classes.

**Defined Benefit Plan:** A DB plan is a type of employee benefit plan in which employees know (through a formula) what they receive upon retirement or after a specified number of years of employment with an employer. The employer is obligated to contribute funds into the defined benefit plan based on an actuarially determined obligation that takes into consideration the age of the workforce, their length of service and the investment earnings that are projected to be achieved from the funds contributed. Defined Benefit Plans are over funded if the present value of the future payment obligations to employees is less than the current value of the assets in the Plan. It is under funded if the obligations exceed the current value of these Plan assets.

**Direct Investment:** (1). Also referred to as **Direct Stock Plans** are offered by companies that allow you to purchase or sell stock directly through them without your having to engage an investment advisor or pay commissions to a broker. But you may have to pay a fee for using the plan's services. Some companies require that you already own stock in the company or are employed by the company before you may participate in their direct stock plans. You may be able to buy stock by investing a specific dollar amount rather than having to pay for an entire share. DSPs usually will not allow you to buy or sell your securities at a specific market price or at a specific time. Rather, the company will purchase or sell shares for the plan at established times — for example, on a daily, weekly, or monthly basis — and at an average market price. You can find when the company will buy and sell shares and how it determines the price by reading the company's disclosure documents. Depending on the plan, you may be able to have your shares transferred to your broker to have them sold, but the plan may charge you a fee to

do so. (2.) Also refers to the prohibited process or transaction type as it relates to alternatives. For this purpose, Direct Investment is defined as an investment made directly by an investor with a private company as it relates to a Private Equity or Absolute Return transaction; without the benefit and discretion of a third party investment manager or advisor.

**Directed Brokerage:** Circumstances in which a board of trustees or other fiduciary requests that the investment to a particular broker so that the commissions generated can be used for specific services or resources. See *Soft Dollars*.

**Dollar-Weighted Rate of Return:** Method of performance measurement that calculates returns based on the cash flows of a security or portfolio. A dollar-weighted return applies a discounted cash flow approach to obtain the return for a period. The discount rate that equates the cash inflow at the end of the period plus any net cash flows within the period with the initial outflow is the dollar-weighted rate of return. This return also is referred to as the internal rate of return (IRR).

**Economically-Targeted Investment (ETI):** Investments where the goal is to target a certain economic activity, sector, or area in order to produce corollary benefits in addition to the main objective of earning a competitive risk-adjusted rate of return.

**Equal Weighted:** In a portfolio setting, this is a composite of a manager's return for accounts managed that gives equal consideration to each portfolio's return without regard to size of the portfolio. Compare to *Size-Weighted Return*. In index context, equal weighted means each stock is given equal consideration to the index return without regard to market capitalization. The Value Line Index is an example of an equal weighted index.

**ERISA:** Employee Retirement Income Security Act is a 1974 law governing the operation of most private pension and benefit plans. The law eased pension eligibility rules, set up the *Pension Benefit Guaranty Corporation*, and established guidelines for the management of pension funds.

**Fiduciary:** Indicates the relationship of trust and confidence where one person (the Fiduciary) holds or controls property for the benefit of another person.

Any person who (1) exercises any discretionary authority or control over the management of a plan or the management or disposition of its assets, (2) renders investment advice for a fee or other compensation with respect to the funds or property of a plan, or has the authority to do so, or (3) has any discretionary authority or responsibility in the administration of a plan.

**Foreign Direct Investment (FDI)** is defined as a company from one country making a physical investment into building or factory in another country. Its definition can be extended to include investments made to acquire lasting interest in enterprises operating outside of the economy of the investor.

**Fund-of-Funds:** A fund-of-funds (FoF) is an investment fund that uses an investment strategy of holding a portfolio of other investment funds rather than investing directly in shares, bonds or other securities. This type of investing is often referred to as multi-manager investment.

There are different types of 'fund of funds', each investing in a different type of collective investment scheme (typically one type per FoF), eg. Mutual Fund FoF, Hedge Fund FoF, Private Equity FoF or Investment Trust FoF.

**Geometric Return:** A method of calculating returns which links portfolio results on a quarterly or monthly basis. This method is best illustrated by an example, and a comparison to Arithmetic Returns, which does not utilize a time link. Suppose a \$100 portfolio returned +25% in the first quarter (ending value is \$125) but lost 20% in the second quarter (ending value is \$100). Over the two quarters the return was 0% - this is the geometric return. However, the arithmetic calculation would simply average the two returns:  $(+25\%)(.5) + (-20\%)(.5) = +2.5\%$ .

**Global:** This term commonly refers to all countries including the United States. Common benchmarks include the MSCI All Country World Index (ACWI).

**Hedge Fund:** A hedge fund is a private investment fund open to a limited range of investors that is permitted by regulators to undertake a wider range of activities than other investment funds and also pays a performance fee to its investment manager. Although each fund will have its own strategy which determines the type of investments and the methods of investment it undertakes, hedge funds as a class invest in a broad range of investments, from shares, debt and commodities to works of art.

As the name implies, hedge funds often seek to offset potential losses in the principal markets they invest in by hedging their investments using a variety of methods, most notably short selling. However, the term "hedge fund" has come to be applied to many funds that do not actually hedge their investments, and in particular to funds using short selling and other "hedging" methods to increase rather than reduce risk, with the expectation of increasing return.

**Hedge Fund Fund-of-Funds: (HFoFs)** An investment fund consisting of multiple hedge funds. HFoFs can be made up of several hedge funds with similar strategic focus or several hedge funds with varying or multiple strategies. The latter would be referred to as a multi-strategy HFoF.

**International:** This term commonly refers to all countries excluding the United States. Common benchmarks include the MSCI All Country World Index (ACWI) ex US and the MSCI EAFE Index.

**Large Cap (LC) Enhanced Core:** An investment seeking to provide a total return that exceeds that of typically the S&P 500 index. The fund normally invests at least 80% of net assets in common stocks that comprise the S&P 500 Index, convertible securities that are convertible into stocks included in that index, and derivatives whose returns are closely equivalent to the returns of the S&P 500 Index or its components. It generally holds fewer stocks than the index and may hold securities that are not in the index.

**Large Cap Growth:** Large-Cap Growth funds seek to invest in large companies with good growth prospects. According to Morningstar, large-cap funds invest in companies with market capitalizations of more than \$11 billion. Other organizations may use different definitions. Large-cap funds typically are less volatile than mid-cap and small-



cap funds because large companies are more established and more predictably successful than smaller companies. Large companies also are more likely to pay dividends. Growth funds often have high P/E ratios because managers are willing to pay a premium for stocks of fast-growing companies.

**Large Cap Value:** Large-Cap Value funds seek capital appreciation by investing primarily in large companies with market capitalizations of \$5 billion or more. In selecting stocks, managers of value funds target companies that appear undervalued in terms of price-earnings ratios, price-to-book ratios or other such measures. Large-cap funds tend to be less volatile than those that invest in smaller companies.

**Liquidity Risk:** The risk that there will be insufficient cash to meet the fund's disbursement and expense requirements.

**Market Capitalization:** The market cap of a stock is its current price multiplied by the number of shares outstanding. It is the measure of a company's total value on a stock exchange.

**Market Timing:** A form of *Active Management* that moves funds between asset classes based on short-term expectations of movements in the capital markets. (Not recommended as a prudent process). It is very difficult to improve investment performance by attempting to forecast market peaks and troughs. A forecasting accuracy of at least 71% is required to outperform a buy and hold strategy.

**Market-Weighted:** Typically used in an index composite. The stocks in the index are weighted based on the total *Market Capitalization* of the issue. Thus, more consideration is given to the index's return for higher market capitalized issues than smaller market capitalized issues.

**Money Markets:** Financial markets in which financial assets with a maturity of less than one year are traded. Money market funds also. Refer to open-end mutual funds that invest in low-risk, highly liquid, short-term financial instruments and whose net asset value is kept stable at \$1 per share. The average portfolio maturity is 30 to 60 days.

**Passive Management:** (also called **passive investing**) is a financial strategy in which a fund manager makes as few portfolio decisions as possible, in order to minimize transaction costs, including the incidence of capital gains tax. One popular method is to mimic the performance of an externally specified index—called an 'index funds'. Passive management is most common in the equity markets, where index funds track a stock market index, but it is becoming more common in other investment types, including bonds, commodities, and hedge funds.

**Private Equity:** Equity capital made available to companies or investors, but not quoted on a stock market. The funds raised through private equity can be used to develop new products and technologies, to expand working capital, to make acquisitions, or to strengthen a company's balance sheet.

**Profit Sharing Plan:** Retirement plan that receives contributions as a percentage of the company's profits.

**Projected Benefit Obligation:** PBO is a measure of a pension plan's liability at the calculation date assuming that the plan is ongoing and will not terminate in the foreseeable future.

**Proxy Voting:** A written authorization given by a shareholder to someone else to vote his or her shares at a stockholders annual or special meeting called to elect directors or for some other corporate purpose.

**REIT (Real Estate Investment Trust):** An investment fund whose objective is to hold real estate-related assets, either through mortgages, construction and development loans, or equity interests.

**Residual Risk:** Residual risk is the unsystematic, firm-specific, or diversifiable risk of a security or portfolio. It is the portion of the total risk of a security or portfolio that is unique to the security or portfolio itself and is not related to the overall market. The residual risk in a portfolio can be decreased by including assets that do not have similar unique risk.

For example, a company that relies heavily on oil would have the unique risk associated with a sudden cut in the supply of oil. A company that supplies oil would benefit from a cut in another company's supply of oil. A combination of the two assets helps to cancel out the unique risk of the supply of oil. The level of residual risk in a portfolio is a reflection of the "bets" which the manager places in a particular asset class or sector. Diversification of a portfolio can reduce or eliminate the residual risk of a portfolio.

**Risk-Adjusted Return:** The return on an asset or portfolio, modified to explicitly account for the risk of the asset or portfolio.

**Risk-Free Rate-of-Return ( $R_f$ ):** This rate is widely accepted as the return on a 90-day T-Bill. This is used as a proxy for no risk due to its US Government issuance and short-term maturity. The term is really a misnomer since nothing is free of risk. It is utilized since certain economic models require a "risk free" point of departure. See *Sharpe Ratio*.

**R-squared ( $R^2$ ):** Formally called the coefficient of determination, this measures the overall strength or "explanatory power" of a statistical relationship. In general, a higher  $R^2$  means a stronger statistical relationship between the variables that have been estimated, and therefore more confidence in using the estimation for decision-making.

**SWBNO:** Sewerage and Water Board of New Orleans (Plan Sponsor)

**Safe Harbor Rules:** A series of guidelines which when in full compliance may limit a fiduciary's liabilities.

**Sharpe Ratio:** This statistic is a commonly used measure of risk-adjusted return. It is calculated by subtracting the *Risk-free Return* (usually the then current 3-Month T-Bill rate) from the portfolio return and dividing the resulting "excess return" by the portfolio's total risk level (standard deviation). The result is a measure of return gained per unit of total risk taken. The Sharpe ratio can be used to compare the relative performance of managers. If two managers have the same level of risk but different levels of excess return, the manager with the higher Sharpe ratio would be preferable. The Sharpe ratio is most helpful when comparing managers with both different returns and different levels of risk. In this case, the Sharpe ratio provides a per-unit measure of the two managers that enables a comparison.

**Socially-Targeted Investment:** An investment that is undertaken based upon social, rather than purely financial, guidelines. See also *Economically-Targeted Investment*.

**Soft-Dollars:** The portion of a plan's commission expense incurred in the buying and selling of securities that is allocated through a *Directed Brokerage* arrangement for the purpose of acquiring goods or services for the benefit of the plan. In many soft dollar arrangements, the payment scheme is affected through a brokerage affiliate of the consultant. Broker-consultants servicing smaller plans receive commissions directly from the counseled account. Other soft dollar schemes are effected through brokerages that, while acting as the clearing/transfer agent, also serve as the conduit for the payment of fees between the primary parties to the directed fee arrangement.

**Standard Deviation (Risk):** A statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns were normally distributed (i.e., has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

**Strategic Asset Allocation:** Rebalancing back to the normal mix at specified time intervals (quarterly) or when established tolerance bands are violated ( $\pm 5\%$ ).

**Tactical Asset Allocation:** The "first cousin" to *Market Timing* because it uses certain "indicators" to make adjustments in the proportions of portfolio invested in three asset classes - stocks, bonds, and cash.

**Time Horizon:** *The Plan* or portfolio's investment time horizon is defined as the point in time when disbursements in a given year exceed the sum of contributions, and increase in assets as a result of investment performance. In other words, *the Plan's* time Horizon is the point in time when there is more money going out than there is coming in.

It can also be described as the primary variable in determining the allocation between equities and fixed income. An investment time horizon of less than five years is considered *short*, while five years or more is considered *long*.

**Time-Weighted Rate of Return:** Method of performance measurement that strips the effect of cash flows on investment performance by calculating sub period returns before and after a cash flow and averaging these sub period returns. Because dollars invested do not depend on the investment manager's choice, it is inappropriate to weight returns within a period by dollars.

**Treasury Inflation Protected Securities (TIPS):** A special type of Treasury note or bond that offers protection from inflation. As with other Treasuries, when you buy an inflation-indexed security you receive interest payments every six months and a payment of principal when the security matures. The difference is that the coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI).

**Trading Costs:** Behind investment management fees, trading accounts for the second highest cost of plan administration. Trading costs usually are usually quoted in cents per share. Median institutional trading costs range around 5 to 7 cents per share.

**(U.S.) 90-Day T-Bill:** The 90-Day or 3-Month T-Bill provides a measure of riskless return. The rate of return is the average interest rate available in the beginning of each month for a T-Bill maturing in 90 days.

**(U.S.) Large Cap:** Companies based in the United States referred to as domestic companies having market capitalizations between \$10 billion and \$200 billion.

**(U.S.) Mid Cap:** Companies based in the United States referred to as domestic companies having a market capitalization of between \$2 billion and \$10 billion.

**(U.S.) SMID Cap:** Companies based in the United States referred to as domestic companies having a market capitalization of between \$300 million and \$10 billion. A term commonly used to refer to an equity style of management which combines both Small Cap and Mid Cap disciplines. A term used to acknowledge both Small and Mid-Cap Stocks collectively.

**(U.S.) Small Cap:** The definition of (U.S.) small-cap can vary throughout the investment industry, but generally a company based in the United States with a market capitalization between \$300 million to \$2 billion.

**Variance:** The Variance is a statistical measure that indicates the spread of values within a set of values. For example, the range of daily prices for a stock will have a variance over a time period that reflects the amount that the stock price varies from the average, or mean price of the stock over the time period. Variance is useful as a risk statistic because it gives an indication of how much the value of a portfolio might fluctuate up or down from the average value over a given time.

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This glossary was compiled from various sources including the following:

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Foundation for Fiduciary Studies, Auditor's Handbook, 2002-2003

Wikipedia (free encyclopedia)

Investment Management Consultants Association (IMCA)



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**Inter-Office Memorandum**

**DATE:** February 24, 2015  
**FROM:** Personnel Department  
**TO:** Cedric S. Grant, Executive Director  
**RE:** Summary Report on Application(s) for Retirement for the Month of March 2015

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**VOLUNTARY**

**Lawrence Dugay (DROP)**  
**Retirement Date:** 03/31/2015  
**Organization Code:** 3112

**Sheila E. Holmes (DROP)**  
**Retirement Date:** 03/15/2015  
**Organization Code:** 0540

**Keith M. Pete**  
**Retirement Date:** 03/01/2015  
**Organization Code:** 0081

**Alice Soliman**  
**Retirement Date:** 03/08/2015  
**Organization Code:** 0340

**Rosita Thomas (DROP)**  
**Retirement Date:** 03/01/2015  
**Organization Code:** 0300

**Adrianne M. Thompson (DROP)**  
**Retirement Date:** 03/28/2015  
**Organization Code:** 0519

cc: Level 1 Managers  
Level 2 Managers  
EIC Chairperson



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### Inter-Office Memorandum

**DATE:** February 24, 2015

**TO:** Pension Committee

**FROM:** Personnel Department

**RE:** ANNUAL DISABILITY RETIREMENT STATUS REVIEW REPORT

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Attached is the 2014 Disability Retirement Status Review Report on disability pensioners. The report lists a total of sixty-four (64) disability retirees. The disability status update of twenty-five (25) disability retirees under the age of 60 was reviewed; Thirty-five (35) disability retirees were exempt from this review because of their age and four (4) disability retirees died in 2014.

On January 2, 2015, twenty-five (25) Disability Retirement Medical Review Forms were mailed to disability retirees under the age of sixty (60), with a deadline of January 31, 2015 to submit an update on their medical status. On February 3, 2015, three (3) non-responsive disability retirees were mailed a second letter requesting a disability status update.

In accordance with Article VI, Section 6.2(f)(2) of the Rules and Regulations of the Employees' Retirement System of the S&WB, due to a lack of response to the request for updated medical information, the Personnel Department authorized the Payroll Department to temporarily suspend the disability retirement benefit of three (3) non-responsive disability retiree effective with the payment of February 13, 2015. The non-responsive disability retirees have since complied with our request for updated medical information and the disability pension benefits have been reinstated (including all suspended payments).

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## DISABILITY RETIREMENT STATUS REVIEW REPORT

### CALENDAR YEAR 2014

TOTAL NUMBER OF DISABILITY RETIREES.....	64
60 YEARS & OVER (EXEMPT).....	35
DEATHS.....	4
UNDER 60 YEARS (EVALUATED).....	25
NEW RETIREE NOT EVALUATED.....	0
EVALUATED.....	25
BENEFIT SUSPENDED.....	0
UNDER REVIEW.....	2
DISABLED.....	23
NO LONGER DISABLED.....	0

**Sewerage and Water Board New Orleans**  
Mandatory Monthly Manager's Report - NewSouth Capital Management  
For Period Ending -  
**January 31, 2015**

SWBNO Portfolio Trailing Period Performance								
ROR	Trailing1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 4Y	Inception
Gross-of-Fee	(2.35)	(0.53)	(2.35)	11.93	15.86	15.91		19.03
Net-of-Fee	(2.36)	(0.75)	(2.36)	11.14	14.80	14.87		18.07
Russell 2500	(2.05)	0.15	(2.05)	7.33	15.88	16.61		18.15

\* Manager must name/ include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Period To-Date & Calendar Year Performance								
ROR	MTD	QTD	YTD	2014	2013	2012	**2011	2009
Gross-of-Fee	(2.35)	(2.35)	(2.35)	12.17	28.84	16.76	10.85	
Net-of-Fee	(2.36)	(2.36)	(2.36)	11.12	27.69	15.75	10.74	
Russell 2500	(2.05)	(2.05)	(2.05)	7.07	36.80	17.88	5.26	

\* Manager must name/include performance stats for relative benchmark as stipulated in IPS and/or contract.

\*\* inception date 8/17/11

SWBNO Portfolio Market Value and Statistics		
	Prior Month End. 1/31/15	Recent Quarter End. Q4-14
Beginning Market Value (near \$)	31,045,541	29,908,195
Contributions/Withdrawals	0	(400,000)
Market Impact +/-	(731,143)	1,537,346
Ending Market Value (near \$)	30,314,398	31,045,541
Commissions Paid	790	2,990
Commissions Recaptured	NA	NA
Management Fees (accrued est)		
Performance Fees (if applicable)	NA	NA
Cash Held in Account (\$ Amt.)	765,907	914,183
Cash Held in Account (%)	2.5	2.9

**Comments:**

1) For the period (prior month), is the portfolio in compliance with the guidelines stated in the IPS? If not, please explain in detail.

**Yes**

2) For the period (prior month), has there been any substantive changes in your firm's investment management professional staff or ownership structure? If so, please describe in detail.

**None**

3) For the period (prior month), has there been any substantive changes to your firm's investment strategy or philosophy? If so, please describe in detail.

**None**

4) Please disclose any/all quantitative and qualitative information about your firm, that the Board would find pertinent.

**N/A**

Please attach a list of portfolio holdings for the period (prior month end).

For quarter ending periods, please provide a proxy report detailing all proxies voted during the quarter.

**Holdings Report as of 1/31/15:**

Security Description	Price Base	Shares	Total Adjusted Cost (Base)	Current Value
Cash & Equivalents			765,906.71	765,906.71
Amdocs LTD	48.18	22300	790,154.38	1,074,414.00
Autozone Inc.	596.96	2000	568,911.00	1,193,920.00
CGI Group Inc - Class A	39.6	30900	1,010,290.30	1,223,640.00
Corrections Corp of America	39.32	31500	834,935.22	1,238,580.00
Discovery Communications Class A	28.99	36200	1,176,042.78	1,049,257.00
Dun & Bradstreet Corp	115.11	10400	884,136.18	1,197,144.00
Fiserv Inc	72.53	18000	471,035.70	1,305,540.00
Flowserve Corp	54.49	20300	651,613.48	1,106,147.00
Gannett Inc.	31.01	55000	595,143.48	1,705,550.00
Gencorp	16.8	46700	752,172.11	784,560.00
HCC Insurance Holdings Inc.	53.34	17700	490,753.74	944,118.00
Howard Hughes Corp	130.63	8400	987,680.40	1,097,292.00
HSN Inc.	77.44	16100	487,762.38	1,246,784.00
Jarden Corp.	48.02	23250	918,213.45	1,116,465.00
Mettler Toledo International	303.95	3800	575,998.55	1,155,010.00
MSC Industrial Direct Co-A	75.07	10800	636,237.65	810,756.00
Open Text Corp	56.67	28900	842,679.01	1,637,763.00
Scripps Networks Interactive Class A	71.09	11200	447,528.48	796,208.00
Service Corp International	22.63	45600	424,896.24	1,031,928.00
Stancorp Financial Group	62.04	11600	336,783.96	719,664.00
Teleflex Inc	109.56	5600	459,836.72	613,536.00
Thermo Fisher Scientific Inc.	125.21	11600	597,306.04	1,452,436.00
Tribune Media Co	58.89	15400	1,090,452.44	906,906.00
ViaSat Inc	56.22	13800	788,667.02	775,836.00
Walter Investment Management Corp	15.07	31100	705,275.06	468,677.00
Willis Group Holdings Public Ltd	43.3	18800	717,968.68	814,040.00
Xylem Inc	34.1	26800	654,018.85	913,880.00
Zebra Technologies Corp Cl A	83.46	14000	526,049.70	1,168,440.00

TOTAL PORTFOLIO

\$ 30,314,397.71

**SEWERAGE & WATER BOARD OF NEW ORLEANS**  
**Monthly Manager Report – Prisma Spectrum Fund Ltd**  
**Estimated Performance – January 31, 2015**

SWBNO Portfolio Trailing Period Performance								
ROR	Trailing 1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y ^	Trailing 3Y ^	Trailing 4Y ^	Inception
Gross-of-Fee	-0.11%	1.72%	-0.11%	2.74%	16.67%	10.82%	8.01%	4.06%
Net-of-Fee	-0.11%	1.54%	-0.11%	2.53%	15.59%	10.14%	7.51%	3.81%
*Benchmark	0.81%	2.33%	0.81%	5.29%	17.23%	11.18%	8.27%	4.19%

\* Benchmark shown is the Dow Jones Credit Suisse HFI.

^ The Trailing 2, 3 and 4 year performance numbers are calculated as an annualized return.

SWBNO Portfolio Period To-Date & Calendar Year Performance								
ROR	MTD	QTD	YTD	2014	2013	2012	2011	2010
Gross-of-Fee	-0.11%	-0.11%	-0.11%	2.46%	11.54%	7.66%	-3.13%	7.82%
Net-of-Fee	-0.11%	-0.11%	-0.11%	2.31%	10.96%	7.52%	-3.28%	7.47%
*Benchmark	0.81%	0.81%	0.81%	4.14%	9.72%	7.67%	-2.52%	10.95%

\* Benchmark shown is the Dow Jones Credit Suisse HFI.

SWBNO Portfolio Market Value and Statistics		
	Month End 01/15	Recent Quarter End. Q4-14
Beginning Market Value (near \$)	20,990,974	20,893,074
Contributions/Withdrawals		
Income		
Market Impact +/-	(22,041)	97,900
Ending Market Value (near \$)	20,968,934	20,990,974
Commissions Paid		
Commissions Recaptured		
Management Fees (accrued)	(17,497)	(52,233)
Performance Fees (if applicable)	1,276	(5,110)
Cash Held in Account (\$ Amt.)		
Cash Held in Account (%)	0.14%	1.65%

Note: Gross-of-Fee includes management fees, but excludes performance fees.

**Comments:**

1) For the period (prior month), is the portfolio in compliance with the guidelines stated in the IPS? If not, please explain in detail. Yes.

2) For the period (prior month), has there been any substantive changes in your firm's investment management professional staff or ownership structure? If so, please describe in detail. No

3) For the period (prior month), has there been any substantive changes to your firm's investment strategy or philosophy? If so, please describe in detail. No

4) Please disclose any/all quantitative and qualitative information about your firm, that the Board would find pertinent. None



**Sewerage and Water Board New Orleans**  
**Mandatory Monthly Manager's Report - Earnest Partners**  
**For Period Ending -**  
**January, 2015**

SWBNO Portfolio Trailing Period Performance								
ROR	Trailing 1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 4Y	Inception
Net-of-Fee	(1.40)	(2.34)	(1.27)	(5.29)	4.25	5.40		10.78
MSCI ACWI ex US	(3.61)	(0.99)	(0.15)	(4.54)	4.94	5.42		9.54

\* Manager must name/ include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Period To-Date & Calendar Year Performance								
ROR	MTD	QTD	YTD	2013	2012	2011	2010	2009
Net-of-Fee	(1.27)	(2.49)	(1.27)	12.43	18.50	NA	NA	NA
MSCI ACWI ex US	(0.15)	(3.88)	(0.15)	15.32	16.84	NA	NA	NA

\* Manager must name/ include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Market Value and Statistics		
	Prior Month End. 12/14	Recent Quarter End. Q4-14
Beginning Market Value (near \$)	16,483,125	16,666,271
Proceeds from Sales/Maturities	1,900,000	1,900,000
Contributions/Withdrawals	1,900,000	1,900,000
Income	0	0
Market Impact +/-	(406,741)	(406,741)
Ending Market Value (near \$)	14,359,530	14,359,530
Commissions Paid	NA	NA
Commissions Recaptured	NA	NA
Management Fees (accrued est)*	NA	NA
Performance Fees (if applicable)	NA	NA
Cash Held in Account (\$ Amt.)	NA	NA
Cash Held in Account (%)	NA	NA

\*An annual 0.85% fee, is embedded in the asset value

**Sewerage and Water Board New Orleans**  
Mandatory Monthly Manager's Report - Equitas Evergreen Fund, L.P.

**For Period Ending: January 31, 2015**

SWBNO Portfolio Trailing Period Performance										
ROR	Trailing 1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 4Y	Trailing 5Y	Trailing 6Y	*Since Inception
Gross-of-Fee	-0.1%	-9.4%	-0.1%	-9.7%	-20.3%	-32.2%	-29.4%	-24.5%	-19.9%	-17.8%
Net-of-Fee	-0.2%	-9.7%	-0.2%	-10.6%	-21.2%	-32.9%	-30.0%	-25.2%	-20.6%	-18.7%
Dollar-Weighted	-0.2%	-9.7%	-0.2%	-10.1%	-19.8%	-33.9%	-22.7%	-6.8%	2.7%	-5.7%
Credit Suisse Hedge Fund Index	0.8%	2.3%	0.8%	5.3%	6.2%	6.6%	4.7%	6.0%	7.8%	4.2%
Evergreen Main Account	0.6%	1.4%	0.6%	35.0%	23.2%	17.0%	12.8%	13.7%	13.0%	6.9%

\*Inception: May 1, 2007.

Returns for periods longer than one year are annualized.

SWBNO Portfolio Period To-Date & Calendar Year Performance										
ROR	MTD	QTD	YTD	2013	2012	2011	2010	2009	2008	2007
Gross-of-Fee	-0.1%	-0.1%	-0.1%	-29.1%	-51.2%	-20.2%	-1.6%	9.6%	-26.9%	11.0%
Net-of-Fee	-0.2%	-0.2%	-0.2%	-29.8%	-51.7%	-20.8%	-2.2%	8.5%	-27.7%	9.2%
Dollar-Weighted	-0.2%	-0.2%	-0.2%	-25.4%	-48.4%	-10.7%	1.4%	8.5%	-27.7%	9.2%
Credit Suisse Hedge Fund Index	0.8%	0.8%	0.8%	9.7%	7.7%	-2.5%	11.0%	18.6%	-19.1%	6.8%
Evergreen Main Account	0.6%	0.6%	0.6%	15.7%	4.0%	-0.7%	17.9%	11.5%	-27.5%	9.4%

SWBNO Portfolio Market Value and Statistics		
	Prior Month Ending 01/31/15	Recent Quarter Ending 01/31/15
Beginning Market Value (near \$)	29,403	29,403
Contributions/Withdrawals	-	-
Income	-	-
Market Impact +/-	(32)	(32)
Ending Market Value (near \$)	29,346	29,346
Commissions Paid	-	-
Commissions Recaptured	-	-
Management Fees (accrued)	(25)	(25)
Performance Fees (if applicable)	-	-
Cash Held in Account (\$ Amt.)	-	-
Cash Held in Account (%)	-	-



**Sewerage and Water Board New Orleans**  
**Mandatory Monthly Manager's Report - Equitas Evergreen Fund, L.P.**  
**For Period Ending: January 31, 2015**

**Comments:**

- |                                                                                                                                                                                           |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1) For the period (prior month), is the portfolio in compliance with the guidelines stated in the IPS? If not, please explain in detail.                                                  | <b>YES</b> |
| 2) For the period (prior month), has there been any substantive changes in your firm's investment management professional staff or ownership structure? If so, please describe in detail. | <b>NO</b>  |
| 3) For the period (prior month), has there been any substantive changes to your firm's investment strategy or philosophy? If so, please describe in detail.                               | <b>NO</b>  |
| 4) Please disclose any/all quantitative and qualitative information about your firm, that the Board would find pertinent.                                                                 | <b>NO</b>  |

**Equitas Open Book Policy**

**Equitas has an open book, but not open distribution policy. This means that while we are happy to discuss and review the managers on our platform with our investors, we do not mass distribute confidential information. This is for the protection of the investors in our Fund by limiting exposure to potential conflicts from outside investors in the Fund's managers.**

**Disclaimer**

**\*The information contained in this report is an unaudited preliminary estimate based on current information. It is obtained from sources deemed to be reliable and accurate, but may be revised periodically without notice, especially at month-end when the net asset value (NAV) of the Fund is set and your monthly statement is mailed from the Fund's administrator.**

**Sewerage and Water Board New Orleans**  
Mandatory Monthly Manager's Report - Western Asset Management  
For Period Ending - January 31, 2015

SWBNO Portfolio Trailing Period Performance								
ROR	Trailing 1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 5Y	Inception
<b>Gross-of-Fee</b>	0.87%	0.24%	0.87%	3.74%	0.14%	1.41%	3.72%	4.77%
<b>Net-of-Fee</b>	0.83%	0.14%	0.83%	3.32%	-0.26%	1.01%	3.31%	4.36%
<b>Benchmark</b>	0.97%	0.93%	0.97%	3.94%	-0.05%	1.42%	4.31%	5.17%
<b>**Custom Benchmark</b>	-0.29%	-1.53%	-0.29%	-2.05%	-1.77%	-1.54%	1.58%	4.34%

\* Manager must name/ include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Period To-Date & Calendar Year Performance								
ROR	MTD	QTD	YTD	2011	2010	2009	2008	2007
<b>Gross-of-Fee</b>	0.87%	0.24%	0.87%	10.37	2.09	13.37	-7.04	9.93
<b>Net-of-Fee</b>	0.83%	0.14%	0.83%	9.94	1.68	12.92	-7.42	9.49
<b>Benchmark</b>	0.97%	0.93%	0.97%	10.65	3.95	2.55	10.89	10.95
<b>**Custom Benchmark</b>	-0.29%	-1.53%	-0.29%	6.35	5.17	13.21	-7.32	11.84

\*\*The Fund's benchmark is the Barclays Capital World Government IL All Mat, USD Unhedged; Custom benchmark is the Citigroup World Govt Bond Index, USD Unhedged

SWBNO Portfolio Market Value and Statistics		
	Prior Month End. 1/15	Recent Quarter End. Q4-14
Beginning Market Value (near \$)	17,421,523	17,498,145
Contributions/Withdrawals	-	-
Income	0.00	0.00
Market Impact +/-	150,887	(76,622)
Ending Market Value (near \$)	17,572,409	17,421,523
Commissions Paid	N/A	N/A
Commissions Recaptured	N/A	N/A
Management Fees (accrued)	0	\$ 17,521.72
Performance Fees (if applicable)	N/A	N/A
Cash Held in Account (\$ Amt.)	0	0
Cash Held in Account (%)	0	0

# Employees' Retirement System of the Sewerage and Water Board of New Orleans

## Performance Summary Report

January 31, 2015

	Current Month	Latest 3 Months	Latest 6 Months	Year to Date	Latest 12 Months	Latest 2 Years	Latest 3 Years	Latest 5 Years	Latest 7 Years	Inception <sup>1</sup> to Date
Portfolio (Gross) <sup>3</sup>	0.87%	0.24%	-1.43%	0.87%	3.74%	0.14%	1.41%	3.72%	2.80%	4.77%
Portfolio (Net) <sup>4</sup>	0.83%	0.14%	-1.63%	0.83%	3.32%	-0.26%	1.01%	3.31%	2.39%	4.36%
Benchmark <sup>5</sup>	0.97%	0.93%	-0.86%	0.97%	3.94%	-0.05%	1.42%	4.31%	3.25%	5.17%

Annualized<sup>2</sup>

Base Currency: US DOLLAR

Total Account Value (Market Value & Accrued Interest): \$ 17,572,409.24

<sup>1</sup> Subject to the performance clock date, close of business day 04/06/2006, as agreed upon by Client and Investment Manager.

<sup>2</sup> Represents the annualized return for the period indicated.

<sup>3</sup> The performance calculation reflects the deduction of administrative and custodian fees only. The impact of advisory fees on performance is not reflected in this calculation.

<sup>4</sup> Net-of-Fees performance returns are an estimate of time-weighted rate of return. The effective fee, based on a fee schedule, is deducted from the monthly return.

<sup>5</sup> Barclays World Government LL All Mat, USD Unhedged

Past investment results are not necessarily indicative of future investment results.

# Employees' Retirement System of the Sewerage and Water Board of New Orleans

## Summary of Holdings January 31, 2015

Security Description	Book Value	Market Value	Accrued Interest	% of Assets
Total Assets	<u>\$11,693,013.65</u>	<u>\$17,572,409.24</u>	<u>\$0.00</u>	<u>100.00%</u>
Total Account Value (Market Value & Accrued Interest)				\$17,572,409.24

# Employees' Retirement System of the Sewerage and Water Board of New Orleans Schedule of Current Holdings

January 31, 2015

Asset ID	Current Units/ Original Face	Security Description	Ratings		Book Value		Market Value		Accrued Interest	% of Assets
			Moodys's	S&P	Price	Total	Price	Total		
VW80000024	1,178,802.52	WESTERN ASSET GLOBAL INFLATION LINKED PLUS LLC	Aa1	Aa+	\$9184	11,693,013.65	14.9070	17,572,409.24	0.00	100.00%
Total Assets:						<u>\$11,693,013.65</u>		<u>\$17,572,409.24</u>	<u>\$0.00</u>	<u>100.00%</u>

Total Account Value (Market Value & Accrued Interest) \$17,572,409.24

NR: SECURITY NOT RATED BY RATING AGENCY.

Employees' Retirement System of the Sewerage and Water Board of New Orleans

Purchases & Sales

For the Period January 01, 2015 through January 31, 2015

Trade Date	Settlement Date	Asset ID	Current Units/ Original Face	Security Description	Price	Cost/ Proceeds	Accrued Interest	Total Transaction
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No Purchases & Sales By Settlement Date transactions from January 01, 2015 through January 31, 2015

# **Employees' Retirement System of the Sewerage and Water Board of New Orleans** **Portfolio Characteristics (% Of Market Value)** **January 31, 2015**

SECTOR	DURATION YEARS							
	< 1	1 TO 3	3 TO 5	5 TO 7	7 TO 10	10 TO 15	15 PLUS	TOTAL
	0	0	0	0	0	100	0	100
	0	0	0	0	0	100	0	100
<b>TOTAL</b>	0	0	0	0	0	100	0	100

Bucketing of securities is based on un-adjusted duration, and Index Linked bonds are based on real yield duration

\*TOTAL NUMBERS ARE SUBJECT TO ROUNDING DIFFERENCES.



## **Western Asset Limited Liability Company (LLC) Oath of Affirmation and Statement of Changes in Net Assets**

The Oath of Affirmation asserts Western Asset's belief that the information contained in the statement is accurate. The Statement of Changes in Net Assets represents a reconciliation of the change in net assets during the period, comprised of the income and gain or loss on the investments and activity from participant transactions. These monthly reports are provided in addition to each monthly statement you receive from The Bank of New York Mellon. Further information on the Fund—including an Oath of Affirmation and Statement of Changes in Net Assets for the Western Asset Limited Liability Company fund(s) in which you were invested during the month—is available on your "My Account" page via our website at: [www.westernasset.com](http://www.westernasset.com).

Should you have any questions, please contact us at [CSTeamLLC@westernasset.com](mailto:CSTeamLLC@westernasset.com).



# Employees' Retirement System of the Sewerage and Water Board of New Orleans

## Disclaimer

January 31, 2015

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The valuations provided herein are for informational purposes only, represent Western Asset's estimate of the current market value of an instrument, and are based on the effective date in which positions or transactions are reflected in the portfolio's net asset value. The valuations and accounting reports are not audited financial statements and are not intended to be used as the official accounting books and records for the portfolio. The valuations are supplied in good faith based on information Western Asset believes to be accurate. Please contact Western Asset directly if you would like more information regarding the valuation process.

# Western Asset Global Inflation-Linked Plus, L.L.C.

Fact Sheet as of 1/31/15



## STATISTICS

	Inception Date	Total Net Assets	Net Asset Value	Index
	10/4/2005	\$434,165,038	\$14.907	Barclays World Govt Inflation Linked All Maturities (unhedged)
	Yield To Maturity	Duration	Convexity	
Global Inflation-Linked Plus LLC	0.14%	11.99	2.34	
Index <sup>1</sup>	-0.43%	12.64	3.01	

## OBJECTIVES

The Global Inflation Linked Plus portfolio's investment objective is to maximize long-term total return, consistent with prudent investment management. Under normal market conditions, the Portfolio expects to invest at least 80% of its total net assets, either directly or indirectly through investments in other commingled investment vehicles, in inflation linked securities. In addition, under normal market conditions, the Portfolio expects to invest at least 80% of its total net assets, either directly or indirectly through investments in other commingled investment vehicles, in investment grade debt and fixed income securities (including inflation linked securities) rated at the time of purchase at least Baa3 or BBB- by a nationally recognized rating agency such as Moody's Investors Service, Inc., Standard & Poor's or Fitch Ratings, or that are of a comparable quality as determined by Western Asset.

## PERFORMANCE<sup>2</sup>



## ANALYSIS

### SECTOR EXPOSURE

	FUND (%)	INDEX (%) <sup>1</sup>
Government	-0.01	0.00
Inflation Protected	98.10	100.00
Investment Grade Credit	0.00	0.00
High Yield	0.00	0.00
Emerging Market	0.80	0.00
Foreign Exchange	0.61	0.00
Cash & Cash Equivalents	0.49	0.00

### QUALITY EXPOSURE

	FUND (%)	INDEX (%) <sup>1</sup>
AAA	79.75	56.26
AA	11.96	41.89
A	0.46	1.85
BBB	6.73	0.00
BB	0.00	0.00
B	0.00	0.00
CCC	0.00	0.00
FX Forwards- NR	0.61	0.00
Cash & Cash Equivalents	0.49	0.00

### CURRENCY EXPOSURE

	FUND (%)	INDEX (%) <sup>1</sup>
Australia	0.96	1.15
Brazil	0.35	0.00
Canada	2.38	2.49
Denmark	0.47	0.24
Euro	13.16	13.86
Hong Kong	0.00	0.00
Japan	1.61	1.85
Mexico	0.53	0.00
New Zealand	0.42	0.47
Sterling	29.93	32.02
Sweden	0.19	1.13
United States	49.99	46.81

### COUNTRY EXPOSURE

	FUND (%)	INDEX (%) <sup>1</sup>
Australia	0.96	1.15
Canada	2.38	2.49
Hong Kong	0.00	0.00
France	11.22	10.20
Germany	-4.45	3.65
Sweden	0.19	1.13
United Kingdom	29.93	32.02
United States	49.99	46.81
New Zealand	0.42	0.47
Italy	3.17	0.00
Japan	1.61	1.85
Mexico	0.53	0.00
Greece	0.00	0.00
Russia	0.00	0.00
Multi-National	0.00	0.00
Luxembourg	0.00	0.00
Spain	3.22	0.00
Kazakhstan	0.00	0.00
Netherlands	0.00	0.00
South Korea	0.00	0.00
Iceland	0.00	0.00
Brazil	0.35	0.00
Ireland	0.00	0.00
Denmark	0.47	0.24
Norway	0.00	0.00
South Africa	0.00	0.00

<sup>1</sup>Barclays World Government Inflation Linked All Maturities Index (Unhedged).

<sup>2</sup>The performance calculation reflects the deduction of administrative and custodian fees only. The impact of advisory fees on performance is not reflected in this calculation. Returns for periods greater than one year are annualized. Past results are no guarantee of future performance. An investment in the Portfolio may be worth more or less than you originally paid for based on factors such as interest rate, credit, strategy and limited liquidity risks. Additional risks and information regarding fees, expenses and tax considerations are more fully described in the Confidential Offering Memorandum, which must precede or accompany this material. Please read the Offering Memorandum carefully before investing.

© Western Asset Management Company 2015.

**Western Asset Global Inflation Linked  
Plus, L.L.C.  
Statement of Changes in Net Assets  
Month Ended January 31, 2015**

**From operations**

Net investment loss	\$	(2,285,005)
Net realized loss		(325,363)
Net change in unrealized gain (loss)		<u>6,218,171</u>
Net increase in net assets resulting from operations		<u>3,607,803</u>

**From participant transactions**

Proceeds from subscriptions		12,000,000
Payments for redemptions		<u>(94,410)</u>
Net increase in net assets		15,513,393

**Net assets**

Beginning of month		<u>418,651,645</u>
End of month	\$	<u><u>434,165,038</u></u>

**Net asset value per share**

Beginning of month		<u>14.780</u>
End of month	\$	<u><u>14.907</u></u>

*Western Asset Global Inflation Linked Plus, L.L.C.*

*Affirmation of the Commodity Pool Operator*

IN WITNESS WHEREOF, the undersigned has made and signed this document, and affirms that to the best of his knowledge and belief the information contained on the attached statement is accurate and complete.

By:



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Kevin Ehrlich, Esq., Chief Compliance Officer  
Western Asset Management Company,  
Commodity Pool Operator for *Western Asset Global Inflation  
Linked Plus, L.L.C.*

# Sewerage & Water Board of New Orleans

Manager's Report - Barrow, Hanley, Mewhinney & Strauss

Periods Ending 1/31/15

SWBNO Portfolio Trailing Period Performance									
ROR	Trailing 1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 5Y	Trailing 7Y	Inception 9-5-06
Gross-of-Fee	-4.30	-2.00	-4.30	11.56		16.81	13.89	6.63	6.68
Net-of-Fee	-4.34	-2.14	-4.34	10.91		16.10	13.18	5.95	6.04
R1000V	-4.00	-1.43	-4.00	12.93		17.79	15.14	6.45	5.93

SWBNO Portfolio Period To-Date & Calendar Year Performance									
ROR	MTD	Trailing 3M	YTD	2014	2013	2012	2011	2010	2009
Gross-of-Fee	-4.30	-2.00	-4.30	12.77	32.45	15.17	2.60	11.70	23.44
Net-of-Fee	-4.34	-2.14	-4.34	12.12	31.64	14.47	1.96	10.46	22.64
R100V	-4.00	-1.43	-4.00	13.45	32.53	17.51	0.39	15.51	19.69

\* Manager must name/include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Market Value and Statistics				
	Prior Month Jan 2014		Recent Quarter End. Q4-14	
Beginning Market Value (near \$)	27,112,273		26,669,106	
Contributions/Withdrawals			-38,885	mgmt fees
Income				
Market Impact +/-	-1,163,946		1,032,051	
Ending Market Value (near \$)	25,909,466		27,112,273	
Commissions Paid				N/A
Commissions Recaptured				N/A
Management Fees (accrued)	38,861	est	38,885	actual
Performance Fees (if applicable)				N/A
Cash Held in Account (\$ Amt.)	0		0	
Cash Held in Account (%)	0		0	

Ending Shares owned: 1,111,328  
NAV: \$23.31 /share

1) For the period (prior month), is the portfolio in compliance with the guidelines stated in the IPS? If not, please explain in detail.

Yes

2) For the period (prior month), has there been any substantive changes in your firm's investment management professional staff or ownership structure? If so, please describe in detail.

No

3) For the period (prior month), has there been any substantive changes to your firm's investment strategy or philosophy? If so, please describe in detail.

No

4) Please disclose any/all quantitative and qualitative information about your firm, that the Board would find pertinent.

N/A

Please attach a list of portfolio holdings for the period (prior month end).

For quarter ending periods, please provide a proxy report detailing all proxies voted during the quarter. N/A

# Sewerage and Water Board of New Orleans

Barrow Hanley Large Cap Value Fund  
Month Ended: January 31, 2015  
BHMFO0204702

BARROW, HANLEY, MEWHINNEY & STEARNS

## Market Value Summary:

	Current Period	Year to Date
Beginning Balance	\$27,112,272.63	\$27,112,272.63
Contributions	0.00	0.00
Redemptions	0.00	0.00
Management Fees	(38,861.12)	(38,861.12)
Unrealized Gains/Losses	(1,163,945.66)	(1,163,945.66)
Ending Balance	\$25,909,465.85	\$25,909,465.85

## Unit Value Summary:

	Current Period	Year to Date
Beginning Units	1,112,968.474	1,112,968.474
Unit Purchases from Contributions	0.000	0.000
Unit Sales for Withdrawals	0.000	0.000
Unit Withdrawals for Mgmt. Fees	(1,640.456)	(1,640.456)
Ending Units	1,111,328.018	1,111,328.018
Period Beginning Unit Value	24.360324	24.360324
Period Ending Unit Value	23.313968	23.313968
Net Change	(1.046356)	(1.046356)

\*\* Average Cost:

15,010,121.89

## Performance Summary:

	Current Month	Quarter To Date	Three Months	Year to Date	One Year	Annualized Three Years	Annualized Five Years	Annualized Seven Years	Annualized Ten Years	Annualized Since Inception*
Gross of Fees:	(4.30%)	(4.30%)	(2.00%)	(4.30%)	11.56%	16.81%	13.89%	6.63%	N/A	6.68%
Net of Fees:	(4.34%)	(4.34%)	(2.14%)	(4.34%)	10.91%	16.10%	13.18%	5.95%	N/A	6.04%

\*Inception Date: 09/05/2006

Statements are Produced by NKS

\*\* Please note that average cost is being used to calculate the cost basis on statements.

Participant: Sewerage and Water Board of New Orleans

Account Number: BHMFO0204702

BARROW, HANLEY, MEWHINNEY & STRAUSS

Fund: Barrow Hanley Large Cap Value Fund

Cusip:

Account Valuation

01/01/2015 - 01/31/2015

Date	Ending Value	Purchases	Shares Purchased	Sales	Shares Sold	Shares Outstanding
1/2/15	\$27,081,887.48	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/5/15	\$26,520,067.67	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/6/15	\$26,301,417.22	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/7/15	\$26,598,371.68	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/8/15	\$27,075,425.58	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/9/15	\$26,819,358.25	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/12/15	\$26,646,300.55	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/13/15	\$26,524,558.50	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/14/15	\$26,304,398.86	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/15/15	\$26,156,832.60	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/16/15	\$26,486,281.28	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/20/15	\$26,529,021.50	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/21/15	\$26,696,394.15	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/22/15	\$27,049,980.90	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/23/15	\$26,898,904.33	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/26/15	\$26,923,435.27	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/27/15	\$26,578,294.84	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/28/15	\$26,123,108.54	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/29/15	\$26,365,352.81	\$0.00	0.0000	\$0.00	0.0000	1,112,968.4740
1/30/15	\$25,909,465.85	\$0.00	0.0000	\$38,861.12	1,640.4560	1,111,328.0180
1/31/15	\$25,909,465.85	\$0.00	0.0000	\$0.00	0.0000	1,111,328.0180
Fees Accrued for month:	\$0.00	\$0.00	0.0000	\$38,861.12	1,640.4560	

Manager's Report - Pyramis Global Advisors  
For Period Ending -  
January  
31, 2015

SWBNO Portfolio Trailing Period Performance								
ROR	Trailing1M	Trailing 3M	YTD	Trailing 1Y	Trailing 2Y	Trailing 3Y	Trailing 4Y	LOF Ann
Gross-of-Fee	1.94	2.19	1.94	6.69	3.91	4.51	5.56	6.18
Net-of-Fee	1.92	2.13	1.92	6.43	3.66	4.25	5.31	5.93
BC US Aggregate	2.10	2.92	2.10	6.61	3.32	3.07	4.44	5.27

\* Manager must name/ include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Period To-Date & Calendar Year Performance								
ROR	MTD	QTD	YTD	2014	2013	2012	2011	2010
Gross-of-Fee	1.94	1.94	1.94	6.21	(0.67)	7.65	7.80	10.01
Net-of-Fee	1.92	1.92	1.92	5.95	(0.91)	7.39	7.56	9.76
BC US Aggregate	2.10	2.10	2.10	5.97	(2.02)	4.21	7.84	6.54

\* Manager must name/include performance stats for relative benchmark as stipulated in IPS and/or contract.

SWBNO Portfolio Market Value and Statistics		
	Prior Month End. 01/15	Recent Quarter Q4- 14
Beginning Market Value (near \$)	59,680,367	58,858,583
Contributions/Withdrawals	0	0
Income	7898	21,952
Market Impact +/-	1,164,667	843,736
Ending Market Value (near \$)	60,837,136	59,680,367
Commissions Paid	NA	NA
Commissions Recaptured	NA	NA
Management Fees (accrued est)	11,304	33,172*
Performance Fees (if applicable)	NA	NA
Cash Held in Account (\$ Amt.)	NA	NA
Cash Held in Account (%)	NA	NA

\*Q3'14 fee used as a proxy as the current quarterly fee is unavailable.



**BMO Securities Lending**

**January 2015 Executive Summary Reports for**

**SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND**

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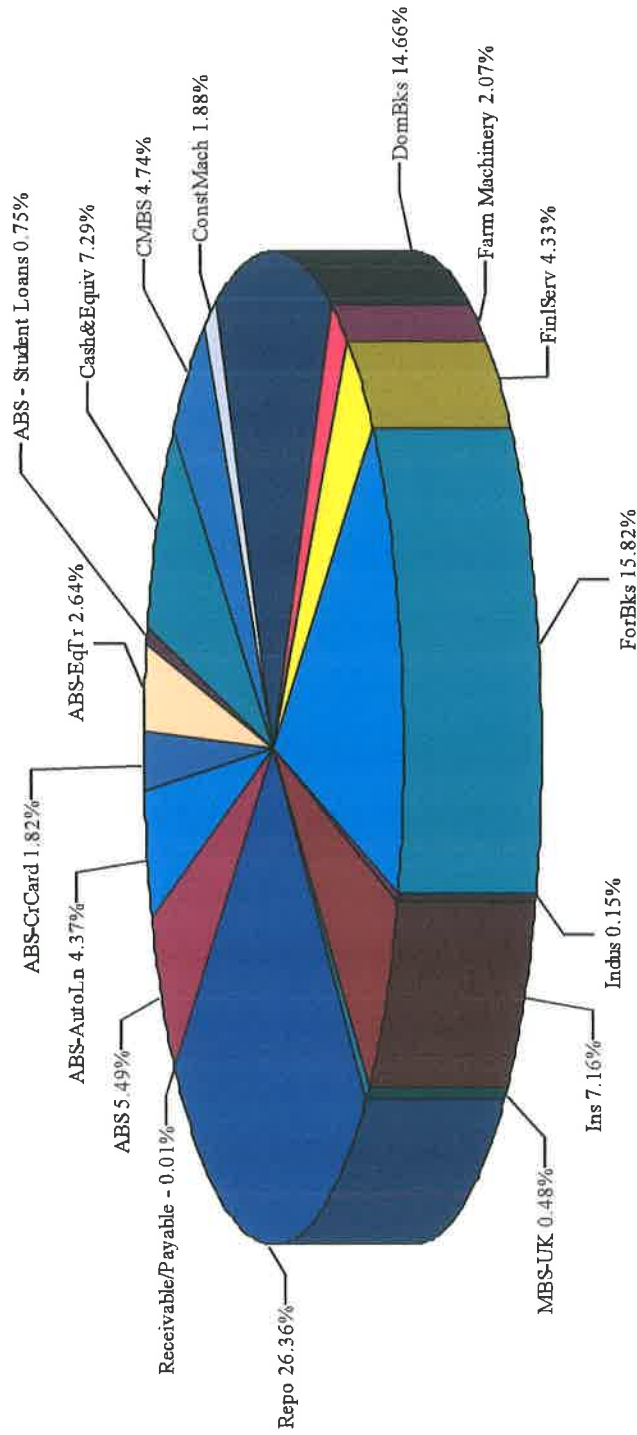
BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group, that provide trust, custody, securities lending, investment management, and retirement plan services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions. Those products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO). Investment products are: NOT FDIC INSURED - NO BANK GUARANTEE - MAY LOSE VALUE

# BMO Securities Lending Executive Summary

## SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND

BMO Securities Lending Fund, LLC

January 2015



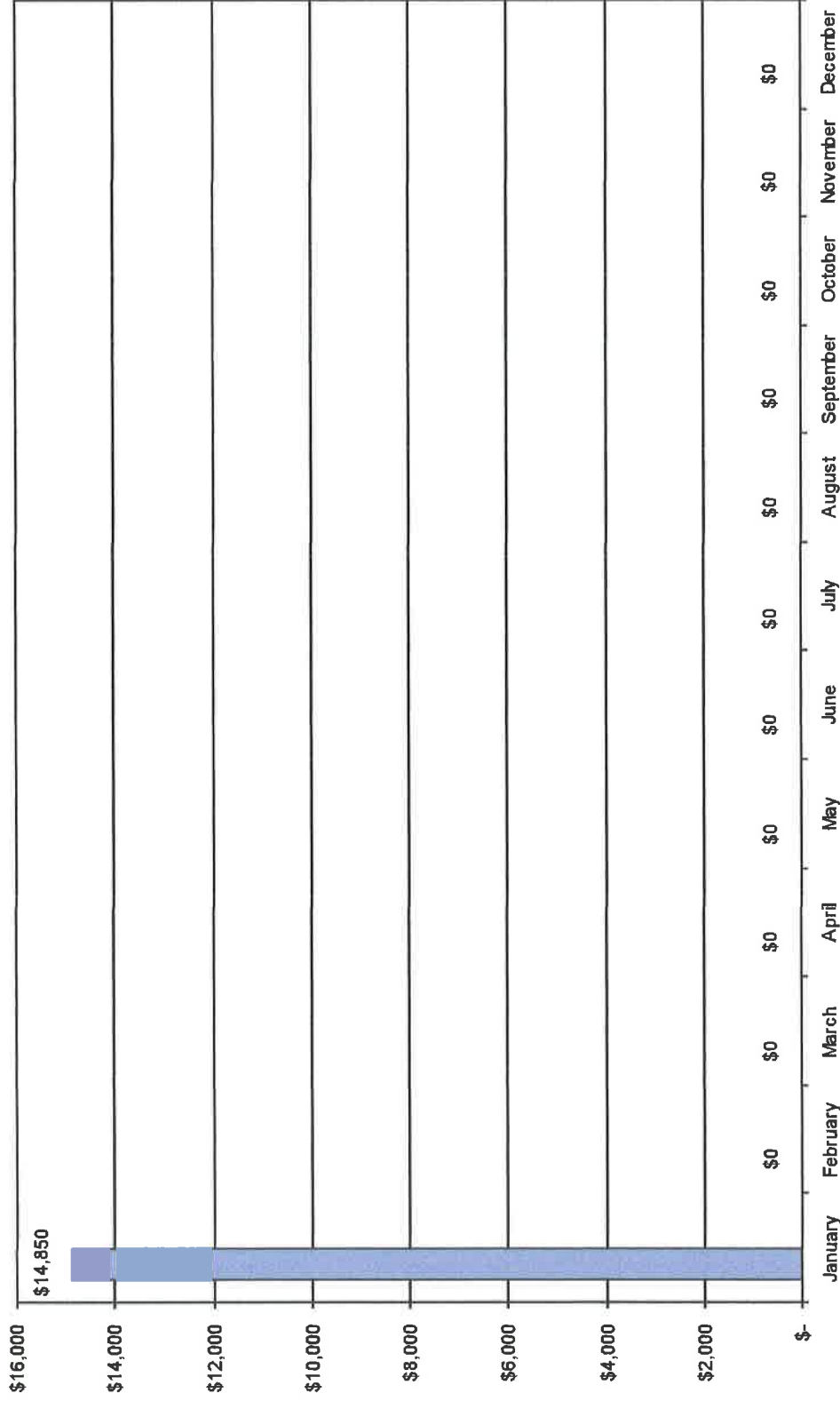
Principal Value at Market	0.99985244
Credit Quality (% of holdings rated A or better)	100.00%
Pool Amortized Cost	\$2,655,105,854.75
Loan Balances	\$50,889,588.00
% Ownership	1.92%

Data presented was obtained or derived from sources believed to be accurate. BMO shall not be liable for any errors in the data or for any action taken in reliance thereon. This report contains confidential information and is to be used only by the intended recipient. Dissemination to other parties is expressly prohibited.

When the Principal Value at Market is less than \$1.00, clients exiting the pool, either partially or entirely, are required to make the LLC whole for any deficiency in cash collateral. The deficiency will be calculated based on the client's average daily loan balance during the period in which the PVAM is below \$1.00. Please call your BMO representative for a complete description of the calculation methodology.

# **BMO Securities Lending Executive Summary** **SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND**

## **January 2015 Client Earnings**



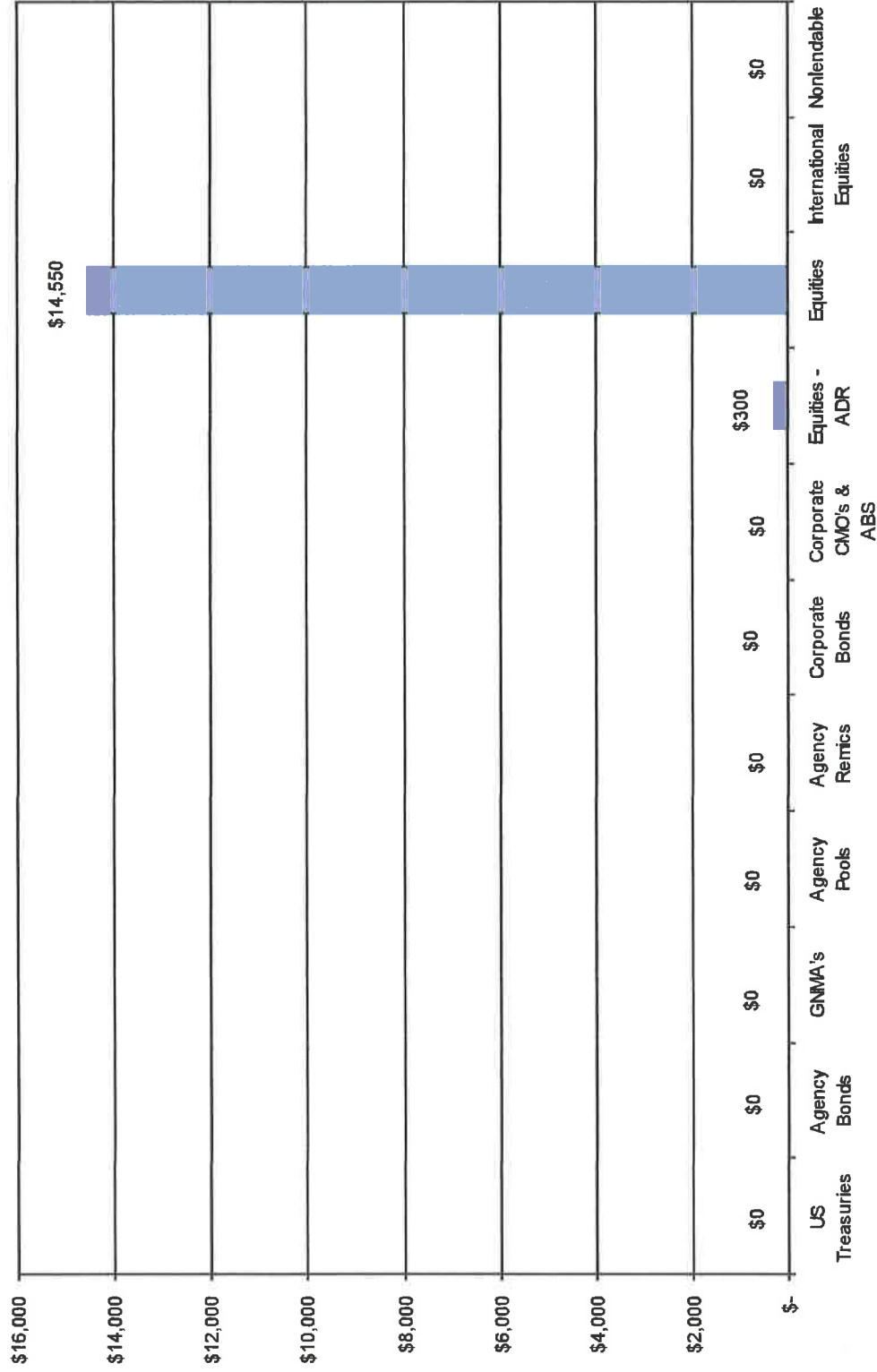
**Year to Date Monthly Average Earnings = \$14,850**

**Year to Date Earnings = \$14,850**

Earnings may include revenue received from sponsors of mutual funds held in the collateral portfolio account(s).

# **BMO Securities Lending Executive Summary** **SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND**

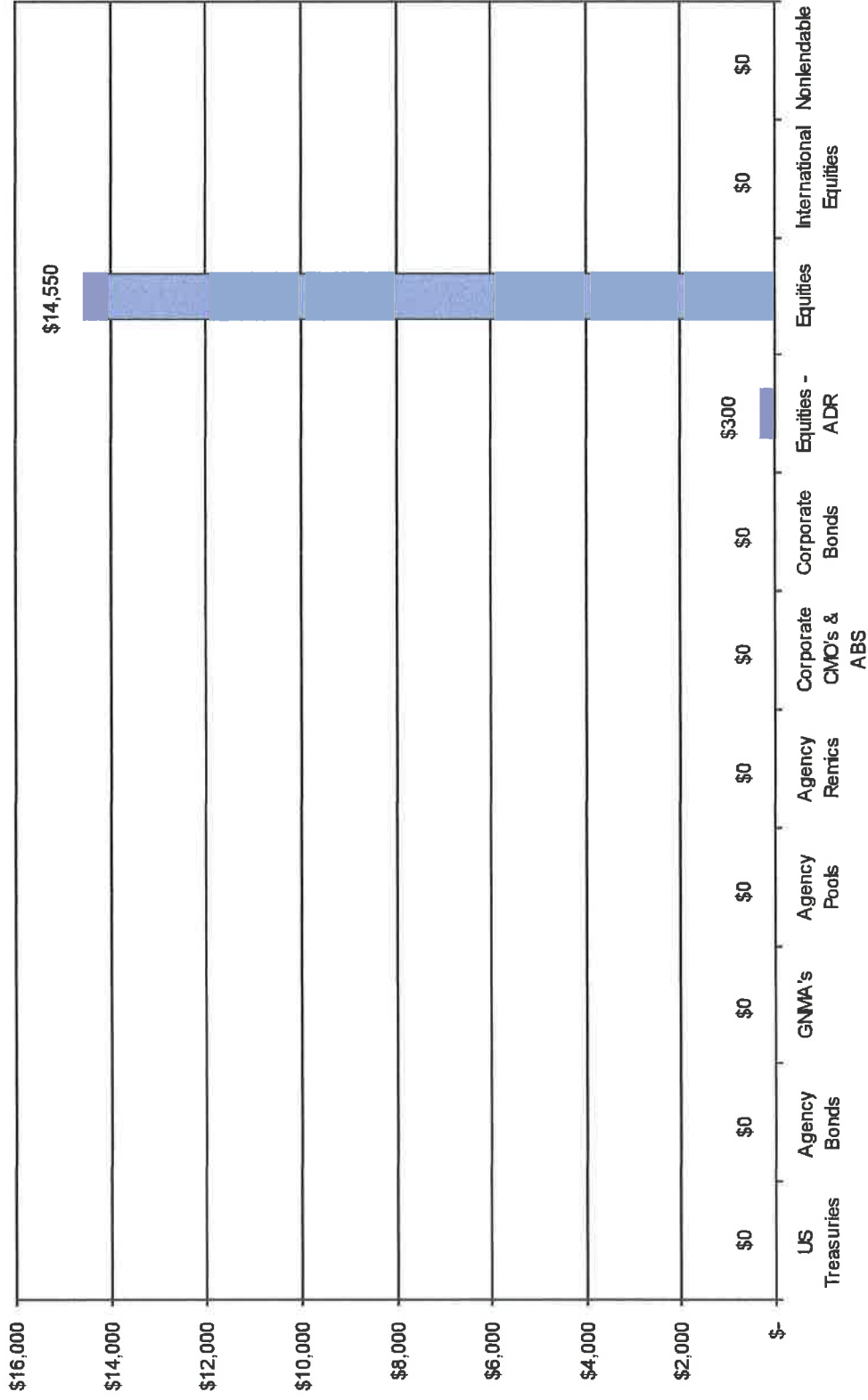
**January 2015 Year to Date Earnings - Asset Class Breakdown**



**January 2015 Year to Date Earnings = \$14,850**

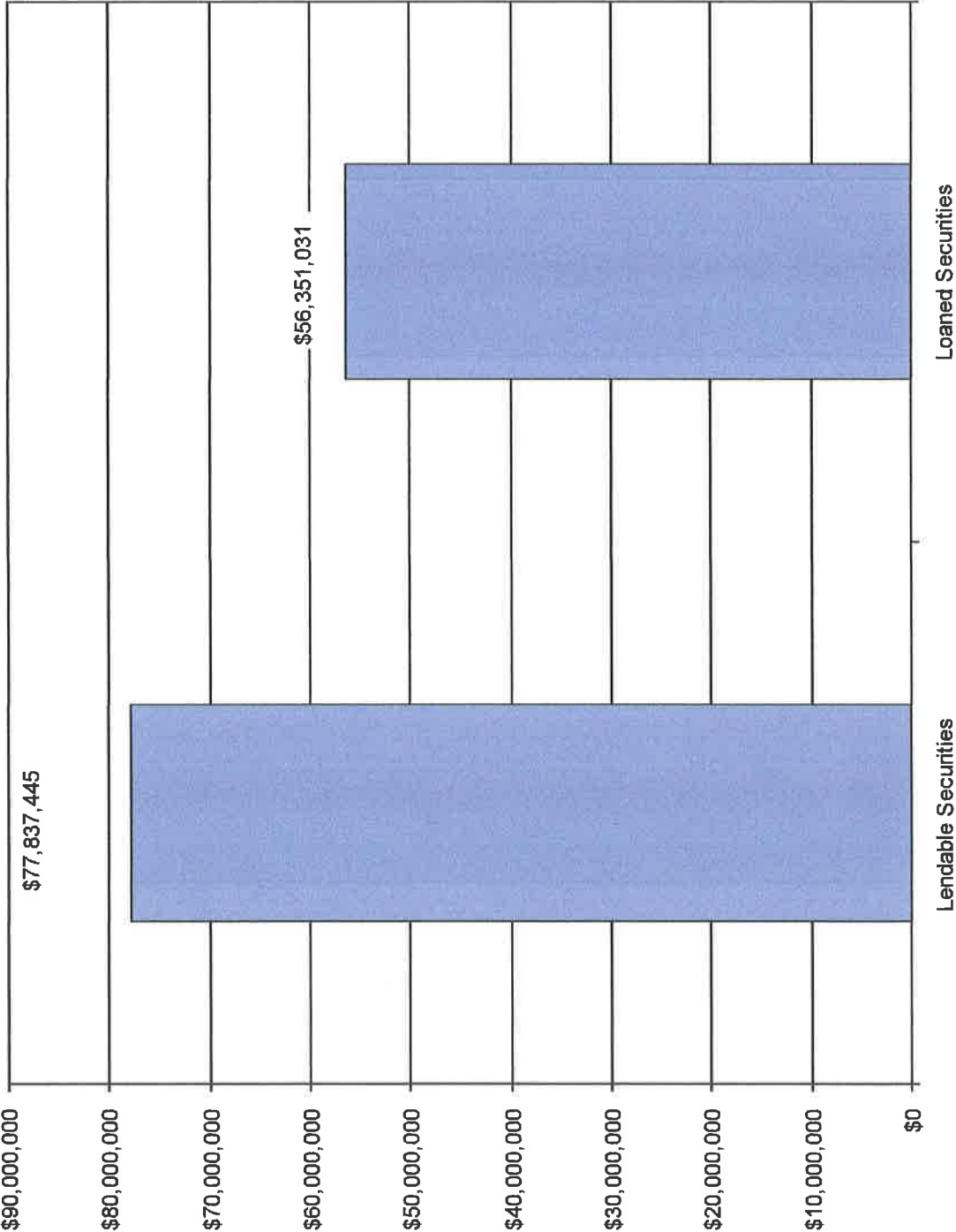
# **BMO Securities Lending Executive Summary** **SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND**

## **January 2015 Earnings - Asset Class Breakdown**



**January 2015 Earnings = \$14,850**

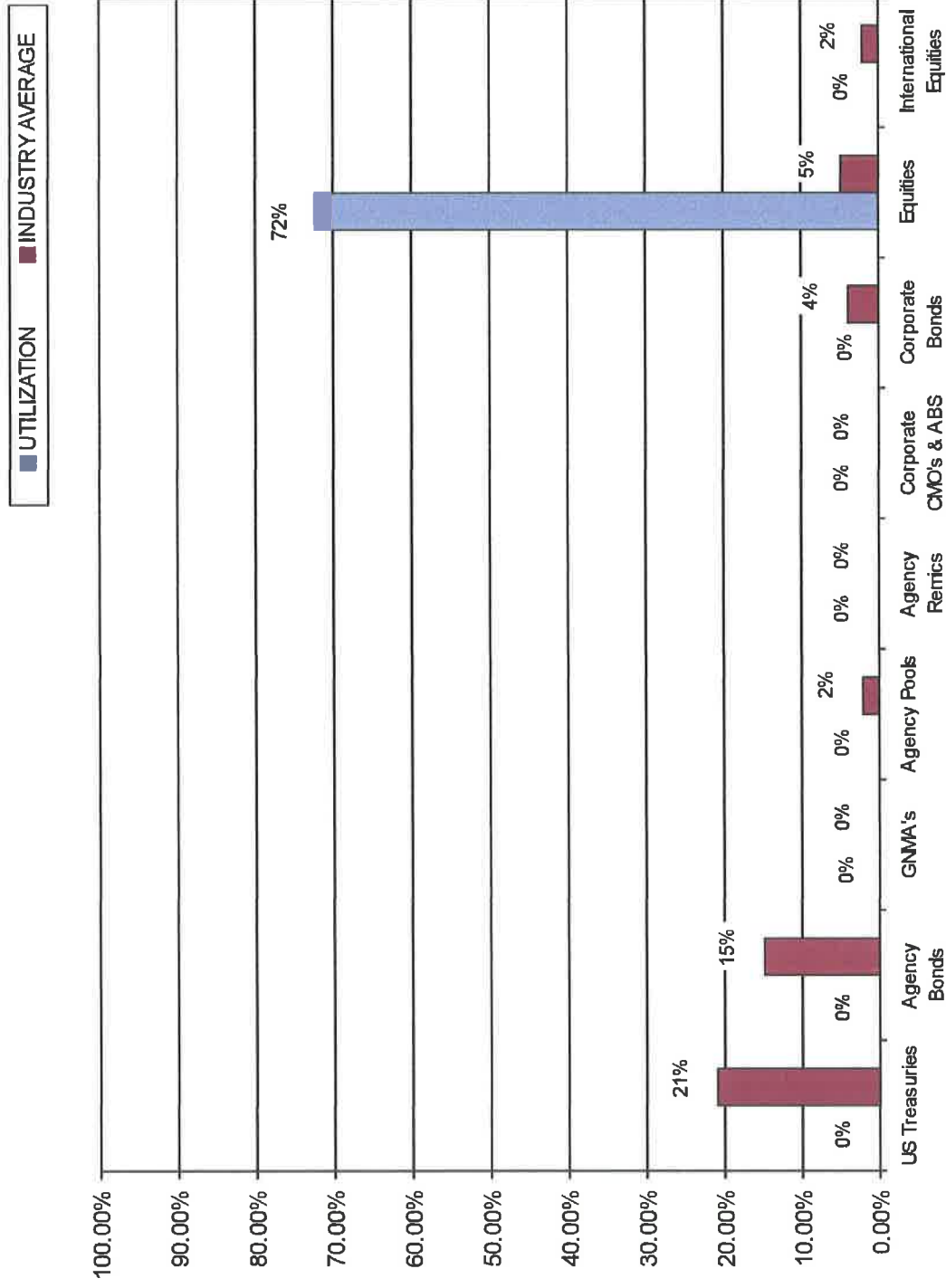
**BMO Securities Lending Executive Summary**  
**SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND**  
**January 2015 Average Utilization**



# BMO Securities Lending Executive Summary

## SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND

January 2015 Average Utilization - Asset Class Breakdown



\*Source: The Risk Management Association as of 4th Quarter 2014



# BMO Securities Lending

## Approved Borrower Relationships – January 31, 2015

- |                                                           |                                                   |
|-----------------------------------------------------------|---------------------------------------------------|
| ▪ Albert Fried & Company, LLC                             | ▪ Morgan Stanley & Co. LLC                        |
| ▪ Barclays Capital Inc.                                   | ▪ National Financial Services LLC                 |
| ▪ BNP Paribas Prime Brokerage, Inc.                       | ▪ Newedge Group                                   |
| ▪ BNP Paribas Securities Corp.                            | ▪ Nomura Securities International, Inc.           |
| ▪ Cantor Fitzgerald & Co.                                 | ▪ Pershing LLC                                    |
| ▪ Citadel Securities LLC                                  | ▪ Raymond James & Associates Inc.                 |
| ▪ Citigroup Global Markets Inc.                           | ▪ Bank of Nova Scotia / Scotia Capital (USA) Inc. |
| ▪ Credit Suisse Securities USA                            | ▪ SG Americas Securities LLC                      |
| ▪ Deutsche Bank / Deutsche Bank Securities Inc.           | ▪ Societe Generale New York Branch                |
| ▪ Goldman Sachs & Co.                                     | ▪ TD Ameritrade Clearing                          |
| ▪ HSBC Securities (USA)                                   | ▪ TD Securities (USA) LLC                         |
| ▪ Janney Montgomery Scott LLC                             | ▪ Timber Hill LLC                                 |
| ▪ J.P. Morgan Securities Corp. / JP Morgan Clearing Corp. | ▪ UBS Securities LLC                              |
| ▪ Jefferies LLC                                           | ▪ Wells Fargo Advisors, LLC / First Clearing      |
| ▪ Knight Execution & Clearing Services LLC                | ▪ Wells Fargo Securities LLC                      |
| ▪ Merrill Lynch, Pierce, Fenner & Smith Inc.              |                                                   |

**Special Note to ERISA Clients:** Please review the above list of Approved Borrowers carefully. As noted in Section 12 of your Securities Lending Agency Agreement, you must notify BMO (the Lending Agent) immediately if any of these listed Borrowers (or their affiliates) exercise investment discretion or render investment advice with respect to securities of the Plan that are available to be lent under the Agreement.

# SECURITIES LENDING PORTFOLIO

## BMO SECURITIES LENDING FUND, LLC

Valuation Date: 01/30/2015

Security ID	Par Value	Description	Sector	Code	Rating	Maturity Date	Reset	Terms	Wtd Ave Maturity	Yield	% of Total	Market Price	Market Value	Amortized Cost	Change
00182EAU3	100,000,000.00	ANZ NEW ZEALAND INTL LTD	11	Aa3/AA-		06/16/2016	03/16/2015	3 MONTH LIBOR + 24	1.69	0.483	3.77%	100.0040	100,004,000.00	100,000,000.00	4,000.00
05252ACF6	25,000,000.00	AUSTRALIA & NEW ZEALAND B	11	Aa2/AA-		07/15/2016	04/15/2015	3 MONTH LIBOR + 18	0.71	0.433	0.94%	99.9670	24,991,750.00	25,000,000.00	-8,250.00
05545IAS7	4,074,000.00	BHP BILLITON FIN USA LTD SR	7	A1/A+		09/30/2016	03/30/2015	3 MONTH LIBOR + 26	0.09	0.483	0.15%	100.0406	4,075,654.04	4,077,616.01	-1,961.97
06417HDE3	30,000,000.00	BANK NOVA SCOTIA HOUSTO	13	Aa2/A+		01/08/2016	04/10/2015	3 MONTH LIBOR + 23	0.79	0.482	1.13%	100.0946	30,028,380.00	29,994,987.56	33,392.44
06417HES1	75,000,000.00	BANK NOVA SCOTIA HOUSTO	13	Aa2/A+		02/05/2016	02/02/2015	FED FUNDS EFF PREV +	0.08	0.530	2.82%	100.2653	75,198,970.00	75,000,000.00	198,975.00
06538HUB4	50,000,000.00	BANK TOKYO MITSUBISHI LTD	13	A1/A+		07/15/2016	04/15/2015	3 MONTH LIBOR + 36	1.41	0.633	1.88%	100.0023	50,001,150.00	50,000,000.00	1,150.00
09248U619	11,650,473.72	BLACKROCK TEMP FUND #24	2	/		02/02/2015	02/02/2015	MMKT	0.01	0.057	0.44%	100.0000	11,650,473.72	11,650,473.72	0.00
09248U643	26,885,336.34	BLACKROCK TEMP CASH #21	2	/		02/02/2015	02/02/2015	MMKT	0.03	0.053	0.07%	100.0000	26,885,336.34	26,885,336.34	0.00
126802CU9	23,224,999.93	CABELAS CR CARD MASTER N	19	/AAA		03/16/2020	02/17/2015	1 MONTH LIBOR + 35	0.16	0.517	0.87%	100.0312	23,232,246.13	23,222,644.54	9,601.59
14912LSU1	50,000,000.00	CATERPILLAR FINL SVCS MTN	28	A2/A		08/28/2015	02/27/2015	3 MONTH LIBOR + 15	0.53	0.364	1.88%	100.0939	50,046,950.00	50,000,000.00	46,950.00
19624MAA5	49,643,964.15	COLONY AMERN HOMES 2014-	15	Aa1/		07/17/2031	02/17/2015	1 MONTH LIBOR + 95	0.34	1.118	1.87%	98.5886	48,943,289.24	49,643,964.15	-700,674.91
2027A0G99	50,000,000.00	COMMONWEALTH BK AUSTRA	11	Aa2/AA-		12/04/2015	03/04/2015	3 MONTH LIBOR + 21	0.62	0.445	1.88%	100.1535	50,076,250.00	49,975,250.88	101,499.32
2027A0HE2	30,000,000.00	COMMONWEALTH BK AUSTRA	11	Aa2/AA-		06/03/2016	03/03/2015	3 MONTH LIBOR + 20	0.36	0.435	1.13%	100.0183	30,005,490.00	30,000,000.00	5,490.00
24422ESJ9	55,000,000.00	DEERE JOHN CAP CORP MTNS	35	A2/A		02/25/2016	02/25/2015	3 MONTH LIBOR + 10	0.54	0.334	2.07%	100.0561	55,030,855.00	55,000,000.00	30,855.00
254683BH7	25,000,000.00	DISCOVER CARD EXE TR SER	19	Aaa/AAA		08/15/2019	02/17/2015	3 MONTH LIBOR + 20	0.17	0.432	0.94%	99.7929	24,948,212.50	25,000,000.00	-51,787.50
26200V104	330,821.59	DREYFUS INST CASH ADVANT	2	/		02/02/2015	02/02/2015	MMKT	0.00	0.060	0.01%	100.0000	330,821.59	330,821.59	0.00
316175207	140,419,907.64	FIDELITY INST MMF CLI #59	2	/		02/02/2015	02/02/2015	MMKT	0.16	0.063	5.29%	100.0000	140,419,907.64	140,419,907.64	0.00
34528QC22	33,000,000.00	FORD CR FLOORPLAN MASTE	17	Aaa/AAA		01/15/2018	02/17/2015	1 MONTH LIBOR + 38	0.22	0.547	1.24%	100.0595	33,019,635.00	33,000,000.00	19,635.00
34528QDF8	33,000,000.00	FORD CREDIT FLRPLN TR A SE	17	Aaa/AAA		02/15/2019	02/17/2015	1 MONTH LIBOR + 40	0.22	0.567	1.24%	100.1100	33,036,300.00	33,000,000.00	36,300.00
36159LBS4	35,000,000.00	GE DEALER FLOORPLAN MAST	16	Aaa/		02/20/2017	02/20/2015	1 MONTH LIBOR + 57	0.28	0.738	1.32%	100.0084	35,002,940.00	35,000,000.00	2,940.00
36159LCK0	35,000,000.00	GE DEALER FLOORPLAN SER 2014	16	Aaa/		07/20/2019	02/20/2015	1 MONTH LIBOR + 38	0.28	0.548	1.32%	99.7721	34,920,235.00	35,000,000.00	-79,765.00
36159LNC4	46,000,000.00	GE DEALER FLOORPLAN SER 2014	15	Aaa/		10/20/2019	02/20/2015	1 MONTH LIBOR + 45	0.36	0.518	1.73%	99.9915	45,996,090.00	46,000,000.00	-3,910.00
3696236V1	78,000,000.00	GENERAL ELEC CAP CORP ME	12	A1/AA+		02/15/2027	02/17/2015	1 MONTH LIBOR + 95	0.53	1.117	2.94%	99.8301	77,867,478.00	78,000,000.00	-132,522.00
3696236Y5	55,000,000.00	GENERAL ELEC CAP CORP ME	12	A1/AA+		03/19/2015	04/10/2015	3 MONTH LIBOR + 38	1.45	0.632	2.07%	100.1610	55,088,550.00	55,000,000.00	88,550.00
38741YDR7	12,721,049.00	GRANITE MASTER ISSUER PLC	22	Aa1/A		12/17/2054	02/17/2015	1 MONTH LIBOR + 4	0.09	0.248	0.48%	99.3500	12,638,362.18	12,721,049.00	-82,686.82
46186LAA0	50,000,000.00	INVITATION HOMES 2014-SFR2	15	Aaa/		09/17/2031	02/17/2015	1 MONTH LIBOR + 110	0.34	1.268	1.88%	99.0197	49,509,825.00	50,000,000.00	-490,175.00
46641PAA0	17,920,488.97	JPMCC 2014-FL4 A	21	Aaa/AAA		12/15/2030	02/17/2015	1 MONTH LIBOR + 95	0.12	1.117	0.67%	100.0312	17,926,071.20	17,920,488.97	5,582.23
46643RAA4	30,000,000.00	J P MORGAN CHASE COML MT	21	/AAA		11/15/2031	02/17/2015	1 MONTH LIBOR + 140	0.20	1.567	1.13%	100.3022	30,080,645.00	30,000,000.00	90,645.00
46849LSF9	30,000,000.00	JACKSON NATL LIFE GLOBAL F	8	A1/AA		09/30/2015	03/30/2015	3 MONTH LIBOR + 35	0.67	0.607	1.13%	100.1975	30,059,250.00	30,000,000.00	59,250.00
4812C0316	12,934,856.94	J P MORGAN LIQ ASSET FD # 3	2	/		02/02/2015	02/02/2015	MMKT	0.01	0.072	0.49%	100.0000	12,934,856.94	12,934,856.94	0.00
52470G304	33,225.52	WESTERN ASSET INST CASH	2	/		02/02/2015	02/02/2015	MMKT	0.00	0.066	0.00%	100.0000	33,225.52	33,225.52	0.00
55608PAJ3	50,000,000.00	MACQUARIE BANK LTD FRNS	11	A2/A		06/15/2016	03/16/2015	3 MONTH LIBOR + 45	0.85	0.691	1.88%	100.1393	50,069,650.00	50,000,000.00	69,650.00
59217GBK4	50,000,000.00	METROPOLITAN LIFE GLOBAL	8	Aa3/AA-		06/23/2016	03/23/2015	3 MONTH LIBOR + 13	0.98	0.382	1.88%	100.0031	50,001,550.00	50,000,000.00	1,550.00
64952WBPT7	30,000,000.00	NEW YORK LIFE GLOBAL FDG	8	Aaa/AA+		05/23/2016	04/23/2015	3 MONTH LIBOR + 35	0.94	0.607	1.13%	100.3587	30,107,610.00	30,000,000.00	107,610.00
6547AVAG6	50,000,000.00	NISSAN MASTER OWNER TR R	17	Aaa/		02/15/2018	02/17/2015	1 MONTH LIBOR + 30	0.34	0.467	1.88%	100.0058	50,002,900.00	50,000,000.00	2,900.00
65559ET57	50,000,000.00	NORDEA BK FINLAND PLC NY	11	Aa3/AA-		06/13/2016	03/13/2015	YANKEE CD	0.79	0.421	1.88%	100.0583	50,029,150.00	50,000,000.00	29,150.00
74153WGA5	30,000,000.00	PRICOA GLOBAL FDG I MEDIU	8	A1/AA-		08/19/2015	02/19/2015	3 MONTH LIBOR + 27	0.23	0.502	1.13%	100.0841	30,025,230.00	30,000,000.00	25,230.00
74256LAP4	50,000,000.00	PRINCIPAL LIFE GLOBAL FDG II	8	A1/A+		10/07/2016	02/02/2015	FED FUNDS EFF + 35	0.06	0.460	1.88%	100.0083	50,004,150.00	50,000,000.00	4,150.00
78010ULG0	50,000,000.00	ROYAL BK OF CDA BD CDS	11	Aa3/AA-		12/16/2015	03/16/2015	3 MONTH LIBOR + 22	0.85	0.463	1.88%	100.1844	50,082,200.00	50,000,000.00	92,200.00
78448GAB6	20,000,000.00	SLM STUDENT LN TR SER 2014	36	Aaa/		10/25/2021	02/25/2015	1 MONTH LIBOR + 35	0.20	0.518	0.75%	99.7148	19,942,960.00	20,000,000.00	-57,040.00
83051HJH0	46,350,000.00	SKANDINAVISKA ENSKILDA BA	13	A1/A+		04/16/2015	04/16/2015	3 MONTH LIBOR + 37.5	1.33	0.629	1.75%	100.0591	46,376,929.35	46,350,000.00	26,929.35
86562CBA9	35,000,000.00	SUMITOMO MITSUI BKG CORP	13	A1/A+		03/13/2015	03/13/2015	3 MONTH LIBOR + 40	0.55	0.641	1.32%	100.0445	35,015,575.00	35,000,000.00	15,575.00
86562CT69	40,000,000.00	SUMITOMO MITSUI BKG CORP	13	A1/A+		04/01/2015	04/01/2015	3 MONTH LIBOR + 40	0.92	0.655	1.51%	100.0397	40,015,980.00	39,998,659.33	17,220.67
89114QAU2	65,000,000.00	TORONTO DOMINION BANK	11	Aa1/AA-		07/13/2016	04/13/2015	3 MONTH LIBOR + 17	1.79	0.424	2.45%	100.0308	65,020,020.00	65,000,000.00	20,020.00
94988H5G5	39,000,000.00	WELLS FARGO BANK N A SR F	13	Aa3/AA-		07/13/2016	04/13/2015	3 MONTH LIBOR + 28	1.18	0.537	1.47%	99.9910	39,045,864.00	39,000,000.00	45,864.00
94988J2K2	74,000,000.00	WELLS FARGO BANK NATL AS	13	Aa3/AA-		06/02/2016	03/02/2015	3 MONTH LIBOR + 15	0.86	0.384	2.79%	99.9910	73,993,340.00	74,000,000.00	-6,660.00
991900101	124,954.98	DREYFUS CASH MGT INST SH	2	/		02/02/2015	02/02/2015	MMKT	0.00	0.030	0.00%	100.0000	124,954.98	124,954.98	0.00
999991888	1,068,680.45	GOLDMAN SACHS FINANCIAL	2	/		02/02/2015	02/02/2015	MMKT	0.00	0.062	0.04%	100.0000	1,068,680.45	1,068,680.45	0.00
MA0000000	-247,062.67	INCOME PAYABLE/RECEIVABL	0	/						0.000	-0.01%	0.0000	-247,062.67	-247,062.67	0.00
RZ1613466	100,000,000.00	MORGAN STANLEY TERM REP	1	/A-1		05/01/2015	02/02/2015	TERM REPO	0.11	0.660	3.77%	100.0000	100,000,000.00	100,000,000.00	0.00
RZ1613474	100,000,000.00	MORGAN STANLEY TERM REP	1	/A-1		05/01/2015	02/02/2015	TERM REPO	0.11	0.660	3.77%	100.0000	100,000,000.00	100,000,000.00	0.00

RZ1613482	100,000,000.00	CITIGROUP TERM REPO	1	/A-1	05/05/2015	02/02/2015	TERM REPO	0.11	0.460	3.77%	100.0000	100,000,000.00	100,000,000.00	0.00
RZ1613870	100,000,000.00	GOLDMAN TERM REPO	1	/A-1	05/05/2015	02/02/2015	TERM REPO	0.11	0.530	3.77%	100.0000	100,000,000.00	100,000,000.00	0.00
RZ1614019	100,000,000.00	GOLDMAN SACHS TERM REPO	1	/A-1	05/05/2015	02/02/2015	TERM REPO	0.11	0.510	3.77%	100.0000	100,000,000.00	100,000,000.00	0.00
RZ1614738	50,000,000.00	BARCLAYS TRI-PARTY REPO	1	/A-1	02/02/2015	02/02/2015	DAILY REPO	0.06	0.160	1.88%	100.0000	50,000,000.00	50,000,000.00	0.00
RZ1614745	150,000,000.00	BARCLAYS TERM REPO	1	/A-1	03/16/2015	02/02/2015	TERM REPO	0.17	0.530	5.65%	100.0000	150,000,000.00	150,000,000.00	0.00
	2,655,135,696.56							25.18	0.544	100.00%		2,654,714,066.15	2,655,105,854.75	-391,788.60

5% Position = 132,756,784.83

Port. Avg Days to Mat. = 25

Principal Value at Market = 0.99985244

(Market Value / Units Outstanding)

Liability Days to Mat. = 1

Difference = 24

\*\*Cannot Exceed 59 Days\*\*

#### Credit Quality

% of holdings rated A or better plus cash equivalents (money market and repo) = 100.00%

Note: Average Maturity is defined by the Reset Date of the Note.

Money Market Funds are exempt from Industry and Issuer concentration limits.

Sector Breakdown	\$ Amount	% of Investments
Receivable/Payable-0	-247,062.67	-0.01%
Repo-1	700,000,000.00	26.36%
Money Market Funds-2	193,448,257.18	7.29%
Industrial-7	4,077,616.01	0.15%
Insurance-8	190,000,000.00	7.16%
Foreign Banks-11	419,975,250.68	15.82%
Financial Services-12	115,000,000.00	4.33%
Domestic Banks-13	389,343,646.89	14.66%
ABS-15	145,643,964.15	5.49%
ABS - Equip. Trust-16	70,000,000.00	2.64%
ABS - Auto Loan-17	116,000,000.00	4.37%
ABS - Credit Card-19	48,222,644.54	1.82%
CMBS-21	125,920,488.97	4.74%
MBS - UK-22	12,721,049.00	0.48%
Construction Machinery-29	50,000,000.00	1.88%
Farm Machinery-35	55,000,000.00	2.07%
ABS - Student Loans-36	20,000,000.00	0.75%
	2,655,105,854.75	100.00%

Certain data presented was obtained or derived from sources believed to be accurate. BMO shall not be liable for any errors in the data or for any action taken in reliance thereon. This report contains confidential information and is to be used only by the intended recipient. Dissemination to other parties is expressly prohibited.

BMO Securities Lending is a part of BMO Global Asset Management and represents the securities lending services provided by BMO Harris Bank N.A., offering products and services through various affiliates of BMO Financial Group.

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group, that provide trust, custody, securities lending, investment management, and retirement plan services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions. Those products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO). Investment products are: NOT FDIC INSURED - NO BANK GUARANTEE - MAY LOSE VALUE

# BMO Securities Lending

## January 2015 Year to Date EARNINGS SUMMARY REPORT

### SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND

ACCOUNT	TYPE	EARNINGS	REBATES	BMO REVENUE	NET EARNINGS
902001114 S&WB NO - CHICAGO	Stocks	\$8,199.93	\$2,221.95	\$2,388.88	\$3,589.10
902001221 S&WB NO - VANGUARD REIT	Stocks	\$2,171.66	(\$126.44)	\$919.22	\$1,378.88
902001239 S&WB NO - EPRA/NAREIT	Stocks	\$1,865.98	(\$1,937.74)	\$1,521.45	\$2,282.27
902001254 S&WB NO - ELEMENTS ROGERS	Stocks	\$131.12	(\$65.81)	\$78.73	\$118.20
902001262 S&WB NO - POWERSHARES DB COMMODITY	Stocks	\$2,184.56	\$640.38	\$617.66	\$926.52
902001288 S&WB NO - NEWSOUTH CAPITAL	Stocks	\$12,416.13	\$1,493.07	\$4,368.24	\$6,554.82
<b>TOTAL Equity</b>		<b>\$26,969.38</b>	<b>\$2,225.41</b>	<b>\$9,894.18</b>	<b>\$14,849.79</b>
<b>TOTAL SEWERAGE &amp; WATER BOARD OF NEW ORLEANS PENSION FU</b>		<b>\$26,969.38</b>	<b>\$2,225.41</b>	<b>\$9,894.18</b>	<b>\$14,849.79</b>

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# BMO Securities Lending

## January 2015 EARNINGS SUMMARY REPORT

### SEWERAGE & WATER BOARD OF NEW ORLEANS PENSION FUND

ACCOUNT	TYPE	EARNINGS	REBATES	BMO REVENUE	NET EARNINGS
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## BMO Securities Lending Fund, LLC

### Portfolio Statistics and Commentary January 31, 2015

Total Assets:	\$2,655,105,855
PVAM:	0.99985244
Average Quality:	AA3
Average Maturity (to reset):	25 Days
Weighted Average Life:	0.83 Years

### Portfolio Discussion

The PVAM of the BMO Securities Lending Fund, LLC improved to .99985 during January. The majority of the improvement was driven by price appreciation of corporate securities within the insurance and banking sectors.

Spreads for asset-backed, mortgage-backed and commercial mortgage-backed securities tightened during January, which has led to an upward pricing trend in those sectors heading into the month of February. As we have discussed in recent months, the current valuation of the Fund below \$1.00 continues to be attributable to two asset-backed securities (Invitation Homes Trust 14-SFR2 A and Colony American Homes 14-2A A) which the market is pricing to full extension. With both securities maintaining significant credit enhancement and strong rating stability, we remain comfortable with the current credit profile. We continue to believe the pricing of these securities will improve, given the expected new issuance of single-family rental ABS in 2015 and continued strength within the single family rental market.



### Loan/Funding Commentary

Average loan balances dropped approximately \$30 million during January as utilization rates declined slightly across asset classes. The one exception was corporate bonds, which ticked up modestly. One month LIBOR, three month LIBOR, and Opening Fed Funds ended the month mostly unchanged from year-end, leaving lending margins stable.

*This is not intended to serve as a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgment at this date and are subject to change. Information has been obtained from sources we consider to be reliable, but we cannot guarantee its accuracy. This report contains confidential information and is to be used only by the intended recipient. Dissemination to other parties is expressly prohibited.*

BMO Global Asset Management and BMO Harris Bank N.A., offer products and services through various affiliates of BMO Financial Group. Investment products are: **NOT FDIC INSURED - NO BANK GUARANTEE - MAY LOSE VALUE**. 12-325-158 (09/12) GAM LH ELE





## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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**Date:** February 3, 2015

**From:** Rosita P. Thomas *RPT.*, Interim Finance Administrator

**To:** Cedric S. Grant, Executive Director  
Robert Miller, Deputy Director

**Re:** Quarterly Pension Financial Activities  
Period ending December 30, 2014

**ATTN:** Anita Simmons

Attached is the Quarterly Pension Financial Activities statement for the period ending December 30, 2014. Please place this item on the March 2015 Pension agenda as an informational item.

If you have any questions, please contact Steve Woolridge at (504) 585-2320 or contact Rosita P. Thomas at (504) 585-2364.

# Sewerage & Water Board of New Orleans Committee & Board of Director's Meeting Schedule

# 2015

MONDAY	MARCH 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	MARCH 3, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	MARCH 4, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	MARCH 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	MARCH 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	MARCH 18, 2015	9:00 AM	BOARD OF DIRECTOR'S

WEDNESDAY	APRIL 1, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	APRIL 1, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	APRIL 3, 2015	HOLIDAY	GOOD FRIDAY / OFFICE CLOSED
MONDAY	APRIL 6, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	APRIL 7, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	APRIL 10, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	APRIL 15, 2015	9:00 AM	BOARD OF DIRECTOR'S

MONDAY	MAY 4, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	MAY 5, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	MAY 6, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	MAY 6, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	MAY 8, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	MAY 20, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	MAY 25, 2015	HOLIDAY	MEMORIAL DAY / OFFICE CLOSED

MONDAY	JUNE 1, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JUNE 2, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	JUNE 3, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JUNE 3, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	JUNE 5, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JUNE 17, 2015	9:00 AM	BOARD OF DIRECTOR'S

WEDNESDAY	JULY 1, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JULY 1, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	JULY 3, 2015	HOLIDAY	INDEPENDENCE DAY/OFFICE CLOSED
MONDAY	JULY 6, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JULY 7, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	JULY 10, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JULY 15, 2015	9:00 AM	BOARD OF DIRECTOR'S

MONDAY	AUGUST 3, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	AUGUST 4, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	AUGUST 5, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	AUGUST 5, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	AUGUST 7, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	AUGUST 19, 2015	9:00 AM	BOARD OF DIRECTOR'S

# Sewerage & Water Board of New Orleans

## Committee & Board of Director's Meeting Schedule

2015

<b>TUESDAY</b>	<b>SEPTEMBER 1, 2015</b>	<b>8:00 AM</b>	<b>OPERATIONS/ FINANCE COMMITTEE</b>
WEDNESDAY	SEPTEMBER 2, 2015	<b>9:00 AM</b>	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	SEPTEMBER 2, 2015	10:30 AM	PENSION
FRIDAY	SEPTEMBER 4, 2015	9:00 AM	EXECUTIVE COMMITTEE
<b>MONDAY</b>	<b>SEPTEMBER 7, 2015</b>	<b>HOLIDAY</b>	<b>LABOR DAY / OFFICE CLOSED</b>
WEDNESDAY	SEPTEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	OCTOBER 5, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	OCTOBER 6, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	OCTOBER 7, 2015	<b>9:00 AM</b>	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	OCTOBER 7, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	OCTOBER 9, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	OCTOBER 21, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	NOVEMBER 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	NOVEMBER 3, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	NOVEMBER 4, 2015	<b>9:00 AM</b>	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	NOVEMBER 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	NOVEMBER 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	NOVEMBER 18, 2015	9:00 AM	BOARD OF DIRECTOR'S
<b>THURSDAY</b>	<b>NOVEMBER 26, 2015</b>	<b>HOLIDAY</b>	<b>THANKSGIVING / OFFICE CLOSED</b>
<b>FRIDAY</b>	<b>NOVEMBER 27, 2015</b>	<b>HOLIDAY</b>	<b>VETERANS DAY / OFFICE CLOSED</b>
WEDNESDAY	DECEMBER 2, 2015	<b>9:00 AM</b>	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	DECEMBER 2, 2015	10:30 AM	PENSION COMMITTEE
MONDAY	DECEMBER 7, 2015	8:00 AM	OPERATIONS COMMITTEE
TUESDAY	DECEMBER 8, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	DECEMBER 11, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	DECEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
<b>FRIDAY</b>	<b>DECEMBER 25, 2015</b>	<b>HOLIDAY</b>	<b>CHRISTMAS DAY / OFFICE CLOSED</b>

**NOTE: DUE TO THE LABOR DAY HOLIDAY IN SEPTEMBER, WE ARE ATTEMPTING TO HOLD THE OPERATIONS AND FINANCE COMMITTEES AS A JOINT MEETING.**