

NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND Investment Board Meeting

Martin Gaal
Board President

Thomas F. Meagher, III
Secretary-Treasurer

SUBJECT:

Board of Trustees Investment Board Meeting
Fire Fighter's Pension & Relief Fund

TIME, DATE AND PLACE:

10:00 am February 12, 2020
2401 Westbend Parkway
Suite 3001
New Orleans, Louisiana 70114

Board President Martin Gaal called the meeting to order. The following members of the Board of Trustees were present: Gaal, Meagher, Krsak, Roy, McConnell and Tervalon. Norm White was absent.

Six members present. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 10:05 a.m. The Secretary Treasurer opened the meeting with the Pledge of Allegiance and a moment of silence for fallen firefighters.

Also present,
Jon Breth, & Co. Consulting
Paul Mitchell
Kenny Prevost, retired firefighter
Louis Robein, Board Attorney
Nicholas Lavene, active firefighter

COMMUNICATIONS:

Meagher noted that the LATEC/Opel conference begins next Wed, Thurs and Friday in New Orleans and all Board members are registered.

Registration for NCPERS' annual conference in May in Las Vegas will be completed this week. Roy, Krsak, Tervalon, Meagher, Mitchell and Gaal will attend the conference. Mitchell will make hotel reservations and conference registrations for each attendee. Flight arrangements will be handled by each respective member.

REVIEW AND ACCEPT MINUTES

September 2019 Investment Board Minutes require approval.
There was no Oct., Nov., or Dec 2019 and Jan 2020 Investment Board meeting.

REGULAR BUSINESS:

Fund performance

Jon indicated that the twelve month performance for the entire fund was up 14.81% and over 18% for the 12 months ended 2019. He reviewed the performance of the four mutual funds purchased by the Fund, noting that each mutual fund is performing as expected or better. The Vanguard Stock index fund is matching the index as expected. The Euro Pacific Growth Fund is up 14% over the last 12 months, compared to its benchmark at 9.94% over the same time frame. The Baird Aggregate Bond Fund is up 10.36 vs 9.64 for the benchmark. The BlackRock Multi Asset income is a dividend seeking investor and is behind its benchmark 9.81% vs 13.85 due to the surge in the value of non-dividend paying stocks. 50% of the BlackRock Fund is comprised of foreign stocks, including emerging markets. Jon considers the overall performance outstanding, noting the market slumped immediately after the initial investment which caused underperformance relative to the benchmarks at that time and surged in the fall of 2019 after the most recent allocation of cash to the market.

McConnell arrived for the meeting.

Whalehaven is still in liquidation. The push is on since 2011 to liquidate this fund. This is a hedge fund/private equity investment started in 2007. There have been no positive results in liquidating the Fund. Jon has proposed to write down this asset as recovery is deemed unlikely as well as consider getting Board legal counsel to prepare a letter demanding recovery.

Endgame: Based upon discussion with the Company's CEO proceeds from a customer may be available for distribution. The total value of the investment is estimated at \$2.5 million. The Fund has less than a 20% stake in the entity. A write down is suggested.

Fire Flix update: Jon noted that Vertical entertainment has acquired the Culling and Tell Tale Heart out of bankruptcy. The National Lampoon movie, Dirty Movie II, is not in bankruptcy. There is no update on this movie other than that Amazon Prime video in the UK is showing the movie during 2019. Jon suggested the Tarca prepare a demand letter seeking payment.

Fire Lake Development

Jon noted that the recent sale of portions non golf property and cancellation of the outstanding debt on the property has resulted in a \$3,000,000 valuation of the remaining parcel of non-golf course property, and \$2,000,000 valuation of the golf course which is equal to the assessed tax value of the property.

Greensprings

Jon noted that the investment is headed to its last stages as planned. He expects that the Fund will be totally liquidated during 2020. Performance of the Fund has been outstanding.

Fire Water

The Fund received a dividend payment during 2019, the first of its kind. Meagher and Mitchell will meet with management before the summer session begins. This Biloxi Water Park has refinanced its debt. Profitability should be improved in the next few years.

Fire Game

This investment consists of a piece of property in Biloxi, Ms. on Caillavet Street, appraised at \$300,000. The initial investment involved the acquisition of a gaming license and construction of a new casino. The casino project failed.

Wilton Private Equity

This fund is nearing completion and should be liquidated by year end.

Murphree Venture Partners:

The management at Murphree is moving to liquidate the Fund.

Louisiana Fund I: We are still trying to liquidate or sell this Fund. New offers will be sought after financials are released. Two biotech holdings are being marketed to create liquidity. Management is seeking an extension to the Fund beyond 2020, to which investors have not agreed to at this point. An investor's meeting is scheduled for mid-2020 on the extension and liquidation proposal.

ADJURNMENT:

MOTION: Moved by Meagher and seconded by Gaal to adjourn the meeting.

Motion passed.

NO OBJECTIONS

APPROVED BY: Thomas J. Meagher III Date 5/13/2020