

CITY OF BIRMINGHAM
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
FRIDAY, SEPTEMBER 11, 2020
FOLLOWING 8:15 A.M. RETIREMENT BOARD

- 1) Call to Order
- 2) Roll Call
- 3) Announcements
- 4) Consent Agenda

All items listed on the consent agenda are considered to be routine by the Retiree Health Care Fund Investment Committee and will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a committee member so requests, in which event the item will be removed from the general order of business and considered as the last item under new business.

- A) Approval of Retiree Health Care Fund Investment Committee Meeting minutes of March 13, 2020.
- B) Approval of Retiree Health Care Fund Expenses of \$35,153.05 for the period of July 31, 2020 through September 30, 2020.
- C) Resolution to receive the Summary of Assets for the period ending July 31, 2020 with a total market value of \$39,949,203.

	7/31/2020		6/30/2020		7/31/2019	
Bahl & Gaynor - Large-Cap Growth	0	0.0%	5,063	0.0%	2,926,093	7.6%
Bramshill Investments-Fixed Income	1,326,698	3.3%	1,288,141	3.3%	1,281,912	3.3%
C. S. McKee - Fixed Income	2,761,000	6.9%	2,815,829	7.3%	2,340,225	6.1%
Cavendish Managed Futures	997,841	2.5%	997,567	2.6%	1,195,570	3.1%
Ducenta Squared Asset	5,668,624	14.2%	5,544,516	14.3%	4,974,139	13.0%
Fiera Capital	2,976,440	7.5%	2,808,095	7.2%	3,865,226	10.1%
Gabelli - SmCap Value	2,149,606	5.4%	2,138,219	5.5%	3,039,630	7.9%
Graham Absolute Return Hedge Fund	1,099,265	2.8%	1,057,015	2.7%	1,128,192	2.9%
Lazard - International Equity	189	0.0%	4,052	0.0%	3,759,843	9.8%
Lazard - Emerging Market	0	0.0%	0	0.0%	1,947,190	5.1%
MFS International Diversified Fund	4,635,901	11.6%	4,543,732	11.7%	0	0.0%
Polen Capital Management, LLC	4,181,278	10.5%	4,176,172	10.8%	0	0.0%
Seizert Capital Mid Cap (Liquidated)	184	0.0%	0	0.0%	2,715,787	7.1%
Vanguard Mid Cap ETF	3,070,620	7.7%	2,888,606	7.4%	0	0.0%
Vanguard S&P500 ETF (VOO)	5,998,775	15.0%	5,666,285	14.6%	5,351,628	14.0%
Westwood - Large-Cap Value	4,041,484	10.1%	3,886,529	10.0%	2,653,202	6.9%
Whitebox Multi-Strategy Hedge	1,041,300	2.6%	1,009,229	2.6%	1,128,588	2.9%
Total	39,949,203	100.0%	38,829,050	100.0%	38,307,225	100.0%

5 Investments

- A) To concur in the recommendation of Investment Consultant David Gasper and the Retirement Investment Committee to revise the asset guidelines for equities in Section IV.A.3.a.i.) of the Retiree Health Care Fund's Statement of Investment Objectives and Investment Policy Guidelines to increase the single issuer maximum to 15% at market (10% at purchase) from 5% and to strike the 5% notice requirement.
- B) To concur in the recommendation of the Retirement Investment Committee and the Investment Consultant to liquidate the Cavendish Managed Futures Fund in the Retiree Health Care Fund.

6) Unfinished Business

7) New Business

- A) Resolution to set the 2021 meeting dates for the regular meetings of the Retirement Health Care Board on Friday, March 12; Friday, June 11; Friday, September 10; and Friday, December 10 immediately following the 8:15 AM Retirement Board Meeting.

8) Communications

9) Meeting Open to the Public for Items Not on the Agenda

10) Adjournment

Mark Gerber
Secretary/Treasurer
Employees Retirement Board

Individuals requiring accommodations, such as interpreter services, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 at least one day in advance of the public meeting.

Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).

**MINUTES OF THE REGULAR VIRTUAL MEETING OF THE
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
HELD JUNE 12, 2020**

Christopher Conti called the meeting to order at 9:28 A.M.

PRESENT: Pierre Boutros, Christopher Conti, Mark Gerber, Ruth Rowland,
Joseph Valentine

ALSO PRESENT: Steve and David Gasper, UBS; Thelma Golden, Treasury
Consultant; Matt Lasko, Megan Smith and Meredith Farber, Flagship
Financial Services

04-2020

Motion by Valentine:
Second by Conti:

To Approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of
March 13, 2020;

To approve the Retiree Health Care fund expenses of \$36,451.71 for the period of
January 1, 2020 through June 30, 2020;

To receive the Summary of Assets for the period ending April 30, 2020 with a total
market value of \$36,298,603.

ROLL CALL VOTE:

Boutros: Aye
Conti: Aye
Gerber: Aye
Rowland: Aye
Valentine: Aye

05-2020

The investment consultant report was reviewed at the June 12, 2020 Retirement Board
meeting. Investments in the Retiree Health Care Fund mirror those of the Retirement
Fund.

06-2020

Motion by Valentine:

Second by Conti:

To concur in the recommendation of the Retirement Investment Committee and the UBS Financial Services/Flagship Financial Partners team to terminate the relationship with Bahl & Gaynor; to enter into an agreement with Polen Capital Management, LLC to invest those funds in their Polen Focus Growth strategy for the Retiree Health Care Fund; to authorize Secretary-Treasurer Mark Gerber to execute the agreement on behalf of the Retiree Health Care Fund Investment Committee; to direct Comerica Bank to create a new large-cap growth equity fund account for the Retiree Health Care Fund to be managed by Polen Capital Management, LLC.

ROLL CALL VOTE:

Boutros: Aye

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

07-2020

Motion by Valentine:

Second by Conti:

To concur in the recommendation of the Retirement Investment Committee and the UBS Financial Services/Flagship Financial Partners team to terminate the relationship with Lazard Capital in both the developed international and emerging market strategies; to transfer those funds into the MFS International Diversification I mutual fund for the Retiree Health Care Fund; to direct Comerica Bank to create a new international account for the Retiree HealthCare Fund.

ROLL CALL VOTE:

Boutros: Aye

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

08-2020

Motion by Boutros:
Second by Valentine:

To approve the Consent of Assignment of the Birmingham Retiree Health Care Fund contract with Tortoise Credit Strategies to R Squared BM, LLC and to authorize Finance Director Mark Gerber to sign the Consent of Assignment on behalf of the City.

ROLL CALL VOTE:

Boutros: Aye
Conti: Aye
Gerber: Aye
Rowland: Aye
Valentine: Aye

Chris Conti reported that the Retirement Investment Committee will be undertaking an RFP (Request for Proposal) for investment consultant services. The process will be started in the second half of 2020 with the RFP to go out during the first quarter of 2021 and a recommendation to be made in the second half of 2021.

The meeting was adjourned at 9:35 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

Retiree Health Care Fund Expenses
6/1/2020 - 7/31/2020

<u>Date</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
6/18/2020	Bahl & Gaynor	Investment Management Period of 4/1/2020 - 6/30/2020	\$ 2,672.57
7/13/2020	C.S. McKee	Investment Management Period ending 9/30/2020	\$ 1,880.45
7/15/2020	Fiera Capital	Investment Management Third Quarter 2020	\$ 3,861.13
7/10/2020	Westwood Trust	Investment Management Period Ending 6/30/2020	\$ 6,149.81
7/23/2020	Ducenta Squared	Investment Management Period of 4/01/2020 - 6/30/2020	\$ 3,384.53
7/15/2020	Gamco	Investment Management 7/1/2020 - 9/30/2020	\$ 5,342.00
7/27/2020	UBS	Investment Consultant Period of 4/01/2020 - 6/30/2020	\$ 6,139.58
6/30/2020	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 1/1/2020 - 3/31/2020	\$ 1,501.94
6/30/2020	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 4/1/2020 - 6/30/2020	\$ 3,890.17
6/30/2020	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 4/1/2020 - 6/30/2020	\$ 330.87
TOTAL			<u>\$ 35,153.05</u>

Bahl & Gaynor

Investment Counsel

June 18, 2020

Mr. Mark Gerber
The City of Birmingham
151 Martin Street
P.O. Box 3001
Birmingham, MI 48012-3001

Acct: ending 3143
Code: bers-2
Mgr: Scott D. Rodas
State Residence: MI

MANAGEMENT FEE:

The City of Birmingham Retirees Health Care Fund

6/16/2020 Market Value:	\$ 4,211,321.87
Quarterly Fee Based On:	
\$ 4,211,322 @ 0.30% per annum	\$ 3,158.49
Quarterly Fee:	<u>\$ 3,158.49</u>
For the Period 4/1/2020 through 6/30/2020	
'bers-2' prorated for 14 days not managed from 6/17/2020 through 6/30/2020	-\$ 485.92
Net Fee:	<u>\$ 2,672.57</u>

If you are making a payment:

Mail payment to our lockbox address:

Bahl & Gaynor / Lockbox, P. O. Box 640688, Cincinnati, Ohio 45264-0688

For proper processing, indicate either the code or the account number on all payments.

Wire/ACH payments are available. Information provided upon request.

For address changes, questions, or concerns, please contact:

Christina Lannan @ 513.618.4018 or email clannan@bahl-gaynor.com

Bahl & Gaynor Main Phone Number: 513.287.6100

736-8610.000-802.0200

CSM Advisors, LLC

CSM Advisors, LLC
PO Box 779086
Chicago, IL 60677-9086

NEW PAYMENT ADDRESS

412 / 566-1234
866 / 691-3074 FAX
Direct billing inquiries to:
Kelly Lesko (klesko@csmccke.com)

7/13/2020

CSMcKee client # 90706

Invoice # 30892

City of Birmingham Retiree Health Care Fund

Mr. Mark Gerber CPA
Assistant Finance Director
Birmingham Employees' Retirement System
151 Martin Street, P.O. Box 3001
Birmingham, MI 48012

Quarterly Advisory Fee Invoice

Fee for Period Ending: 9/30/2020

Assessment Date

6/30/2020

Asset Value

\$2,686,359.01

Quarterly Fee

\$1,880.45



July 15, 2020

(UBSTA 1055073997) Birmingham Employees Retirement System, City of
(UBSTA 1055074004) City of Birmingham Retiree Healthcare System
151 Martin Street
Birmingham, MI 48009

**Fiera Capital Inc.
Third Quarter 2020
Statement of Management Fees**

	Market Value	Quarterly Fee
Account Values at June 30, 2020		
Account 3997	\$5,673,792.61	
Account 4004	\$2,808,093.88	
Quarterly Fee @ .55% per annum	Account 3397	\$7,801.46
		\$7,801.46
Quarterly Fee @ .55% per annum	Account 4004	\$3,861.13
		\$3,861.13
	Total	\$11,662.59
Fee Due and Payable		\$11,662.59

Send a check payable to:
Fiera Capital Inc.
Attn: Myron Charas
10050 Innovation Drive, Suite 120
Dayton, OH 45342

Billing inquiries should be directed to:
Myron Charas
BillingFCI@fieracapital.com
mcharas@fieracapital.com
(937) 388-1437

ACH/Wire Instructions:
Citi Private Bank
1 Court Square, 22nd Floor
Long Island City, NY 11120
Routing #: 021000089
Acct. #: 4974013748
Account Name:
Fiera Capital Inc.

736-860.000-802.0200



Westwood
Wealth Management®

Westwood Trust
200 Crescent Court, Ste. 1200
Dallas TX 75201

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account: 41-2031-01-5
Invoice: 5001074
Invoice Date: July 10, 2020
Page 1 of 2

Invoiced Fee Summary

Balance From Previous Invoice	\$6,802.54
Payments Received	-6,802.54
Current Quarterly Fees	6,149.81
Total Amount Due	\$6,149.81

Detach and return portion below in the enclosed envelope.

DA

Westwood Trust
200 Crescent Court, Ste. 1200
Dallas TX 75201

Account: 41-2031-01-5 Invoice: 5001074
Invoice Date: July 10, 2020

Amount Due: \$6,149.81

Amount Paid:

Please remit payment to:

PAYMENT DUE 15 DAYS FROM INVOICE DATE

Westwood Trust
Attn: Trust Accounting Group
200 Crescent Court, Ste. 1200
Dallas TX 75201

City of Birmingham
Attn: Mark Gerber, CPA
P.O. Box 3001, 151 Martin
Birmingham MI 48012

DA

736-860000-802.0200



Westwood
Wealth Management®

Westwood Trust
200 Crescent Court, Ste. 1200
Dallas TX 75201

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account:
Invoice:
Invoice Date:
Page 2 of 2

41-2031-01-5
5001074
July 10, 2020

Current Quarterly Fees To 06/30/2020

Total Relationship Market Value: \$3,885,760.90

65 BP - ETFS AND MFS EXCLUDED

Based on \$3,784,496.75 in value:

First	\$3,784,496.75	@	0.650 %	24,599.23
			Annual Total	\$24,599.23
				X 1/4

\$6,149.81

Total Current Period Fees

\$6,149.81

Amount Due for Current Period

\$6,149.81

Total Amount Due

\$6,149.81

July 23, 2020

**Fixed Income Management Fee
City of Birmingham
Retiree Health Care Fund
xxxxxxx3214**

Inception Date: 09/17/2009		
	<u>Billing Period</u>	<u>Asset Value</u>
Beginning	April 1, 2020	
Ending	June 30, 2020	\$5,545,040.94

Billing Summary

Management Fee Schedule:

Market Value Tiers					Days in	Days in	
From	To	Fee Rate	Value	Year	Period	Fee	
\$ -	\$ 50,000,000	0.250%	\$5,545,040.94	360	90	\$3,465.65	
Prorated Contributions/Withdrawals							
April 1, 2020		0.250%	\$105,690.37	360	0	\$0.00	
April 9, 2020		0.250%	\$8,455.65	360	8	(\$0.47)	
April 22, 2020		0.250%	(\$443,041.65)	360	21	\$64.61	
April 23, 2020		0.250%	\$7,999.74	360	22	(\$1.22)	
April 27, 2020		0.250%	\$105,690.37	360	26	(\$19.08)	
April 27, 2020		0.250%	\$191.84	360	26	(\$0.03)	
May 7, 2020		0.250%	\$7,936.94	360	36	(\$1.98)	
May 21, 2020		0.250%	\$8,050.63	360	50	(\$2.80)	
June 4, 2020		0.250%	\$1,794.74	360	64	(\$0.80)	
June 4, 2020		0.250%	\$6,347.72	360	64	(\$2.82)	
June 8, 2020		0.250%	\$40.23	360	68	(\$0.02)	
June 9, 2020		0.250%	\$105,690.37	360	69	(\$50.64)	
June 11, 2020		0.250%	\$925.10	360	71	(\$0.46)	
June 18, 2020		0.250%	\$8,091.48	360	78	(\$4.38)	
June 18, 2020		0.250%	\$207.55	360	78	(\$0.11)	
June 23, 2020		0.250%	\$105,690.37	360	83	(\$60.92)	
Total Management Fee						<u><u>\$3,364.53</u></u>	

If possible, we would greatly appreciate the use of ACH/EFT payments at this time.

ACH/EFT Instructions (PREFERRED):

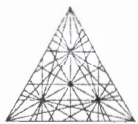
Bank: First Republic Bank
Bank Address: 111 Pine Street
San Francisco, CA 94111
Account Name: R Squared BM LLC
DBA Ducenta
Squared Asset
Management
ABA #: 321 081 669
Account Number: 80008678536

If ACH/EFT not possible, please note that our name and our address have changed:

Checks should be made out to:
Ducenta Squared Asset Management

Address:
555 W. 5th Street, Suite 3700 Los Angeles, CA. 90013

Note: Q2 valuations and data provided by Tortoise Credit Strategies



GAMCO
ASSET MANAGEMENT

One Corporate Center
Rye, NY 10580-1422
t 914.921.5000
GABELLI.COM

July 15, 2020

Mr. Mark Gerber
City of Birmingham
Assistant Finance Director
151 Martin Street
PO Box 3001
Birmingham, MI 48012-3001

INVOICE FOR INVESTMENT MANAGEMENT SERVICES

PERIOD UNDER MANAGEMENT: July 1 - September 30, 2020

Portfolio Values

S9507 City of Birmingham Retiree Health Care	06/30/2020	\$2,136,981
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Fee Basis

1.000% Of First \$40,000,000	\$5,342
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Current Amount Due

\$5,342

7.36-862600-802.0200

S9507 City of Birmingham Retiree Health Care Fund-Small Cap

July 15, 2020
20200630-154-5620-A

Current Amount Due \$5,342

Please make checks payable to Gamco Investors, Inc.

331



UBS Financial Services Inc.
1000 Harbor Boulevard, 6th FL.
Weehawken, NJ 07086-6761

ubs.com/fs

Invoice

Date: 07/27/2020
Contract ID: 1255
Invoice No.: 202006304108
Billing Period: 04/01/2020 to 06/30/2020
Institutional Consultant: BIRMINGHAM

Attn: Mark Gerber
CITY OF BIRMINGHAM
RETIREE HEALTH CARE FUND
ATTN - MARK GERBER CPA
151 MARTIN STREET
PO BOX 3001
BIRMINGHAM MI 48012-3001

Institutional Consulting

Charges for the period:	\$6,139.58
Fee for AUA: \$37,989,632.00	\$6,139.58
Other Consulting Fees:	\$0.00
Credits for the period:	\$0.00
Prior Balance:	\$0.00
Ending Balance:	\$6,139.58

(PLEASE PAY)

Please note:

Valuation of assets held outside UBS is based on information provided by you or at your direction. UBS does not verify this information. Account statements provided by your custodian are the only official record of your holdings.

Payment instructions

Full payment must be received within 30 days of the receipt of this invoice. Please reference the Invoice Number with your payment.

If paying by check, please send to:

UBS Financial Services
100 Crescent Ct
Suite 400
Dallas, TX 75201
Attention: The Gasper Financial Group

If paying by wire, please remit payment to:

UBS ABA: 026007993
UBS A/C: 101-WA-258641-000
Further credit to: YYM346500070
Client name: CITY OF BIRMINGHAM
RETIREE HEALTH CARE
FUND
Contract ID: 1255
Bank address: UBS
600 Washington Blvd.
9th Floor
Stamford, CT 06901

If paying by Direct Debit with your UBS account, your Institutional Consultant will arrange for your account(s) to be debited.

736-866-000-802. 0600

Fees and credits for the period

Fee for Assets Under Advisement

Account	Asset Value	Rate	Fee
M3 XXX38	\$37,989,632.00	0.065%	\$6,139.58
Total	\$37,989,632.00		\$6,139.58



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 6/30/2020

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.				<u>\$ 1,501.94</u>	<u>Custodial Services/market value fees</u>

Account #: 736-860.000-802.0300 10/1/2019-3/31/2020

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.					

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.					

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.					

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.					

Account #: _____

GRAND TOTAL: \$ 1,501.94

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board
Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 6/30/2020

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.	_____	_____	_____	<u>\$ 3,890.17</u>	<u>Custodial Services/market value fees</u>

Account #: 736-860.000-802.0300 4/1/2020-6/30/2020

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.	_____	_____	_____	_____	_____

Account #: _____

GRAND TOTAL: \$ 3,890.17

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board

Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 6/30/2020

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.	_____	_____	_____	<u>\$ 330.87</u>	<u>Custodial Services/market value fees</u>

Account #: 736-860.000-802.0300 4/1/2020-6/30/2020

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.	_____	_____	_____	_____	_____

Account #: _____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.	_____	_____	_____	_____	_____

Account #: _____

GRAND TOTAL: \$ 330.87

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board
Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____

MEMORANDUM

DATE: September 8, 2020

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer

SUBJECT: Proposed Investment Policy Revisions

The Retirement Investment Committee met virtually on September 2, 2020 to review the Retiree Health Care Fund's investment policy and recommended changes submitted by Polen Capital Management.

State law provides that no more than 5% of the total portfolio can be invested in one company. Polen's portfolio in total is approximately 10% of the total retirement portfolio. If they have a company stock equal to 15% of their portfolio, that would translate into 1.5% of the total portfolio. I have reviewed this with our legal advisor. We do not think we would be in danger of violating state law. The Retiree Health Care Fund Investment Committee has the authority to make changes to the policy.

The Retirement Investment Committee took action to recommend the following revisions to the Asset Guidelines for equities in the Retiree Health Care Fund's investment policy guidelines. These recommendations include increasing the single issuer maximum to 15% at market (10% at purchase) from 5% and striking the 5% notice requirement.

A copy of the proposed policy that highlights the proposed changes is provided as a separate attachment.

SUGGESTED ACTION:

To concur in the recommendation of Investment Consultant David Gasper and the Retirement Investment Committee to revise the asset guidelines for equities in Section IV.A.3.a.i.) of the Retiree Health Care Fund's Statement of Investment Objectives and Investment Policy Guidelines to increase the single issuer maximum to 15% at market (10% at purchase) from 5% and to strike the 5% notice requirement.

3. Asset Guidelines

a. Equities

1.) Diversification

No more than 5% of the total Birmingham Employees Retirement Fund equities at market value shall be invested in any one company. No investment manager will initiate an investment of more than 105% of the individual manager's equities at market value in any one company. In instances where positions have appreciated, the current position in any one company will be permitted to grow to no more than 150% of the individual manager's equities at market value. ~~Each manager will be required to notify the Birmingham Employee's Retirement Board when an equity position exceeds 5%.¹~~

2.) Quality

Only securities whose quality is generally classified as investment grade are permissible.

3.) Turnover

There shall be no specific guidelines with regard to portfolio activity. By not restricting turnover, the manager is given the flexibility to adjust his asset mix and security selection to changing market expectations.

4.) Permissible Universe

- a.) Common stocks listed on a major U.S. Exchange (including Over-The-Counter securities as permitted under Public Act 314 of 1965, as amended)
- b.) Securities convertible into common stocks
- c.) Mutual funds
- d.) Bank collective investment funds
- e.) American Depositary Receipts (A.D.R.'s)
- f.) Global equities

¹ Revised 9/24/01.

MEMORANDUM

DATE: September 2, 2020

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer

SUBJECT: Retirement Investment Committee Recommendations

The Retirement Investment Committee held a regular virtual meeting on September 2, 2020, to review the performance of the fund's investment managers, the asset allocation of the fund, and prospective alternative investment managers. The Investment Consultant and the Investment Committee recommends the liquidation of the Cavendish Managed Futures Fund. The Committee will forward a recommendation for the replacement of those funds to the Retiree Health Care Fund Investment Committee at a future meeting.

SUGGESTED ACTION:

To concur in the recommendation of the Retirement Investment Committee and the Investment Consultant to liquidate the Cavendish Managed Futures Fund in the Retiree Health Care Fund.

MEMORANDUM

DATE: August 4, 2020

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Secretary-Treasurer

SUBJECT: Retiree Health Care Fund Investment Committee
2021 Meeting Dates

The Retiree Health Care Fund Investment Committee typically schedules its regular meetings to immediately follow the Retirement Board meetings. The Retirement Board has scheduled its regular meetings for 2021 to be held at 8:15 A.M. on March 12, June 11, September 10, and December 10. It is recommended that the committee schedule its regular meetings on those dates.

SUGGESTED ACTION:

To schedule the 2021 regular meetings for the Retiree Health Care Fund Investment Committee to be held immediately following the Retirement Board meetings on March 12, June 11, September 10, and December 10.

		DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	MANAGEMENT FEE*	ACCOUNT
FIXED INCOME	DUCENTA SQUARED ASSET MANAGEMENT	9/3/2009 6/11/2010 12/21/2010 10/31/2011 3/8/2013	\$3,338,708 -\$549,560 -\$152,170 \$1,000,000 -\$35,504	6/12/2015 9/8/2017	-1,380,000 -1,648,000	25% ON THE FIRST \$50 MILLION	1055053214
FIXED INCOME	BRAMSHILL INVESTMENTS INCOME PERFORMANCE FUND BRMSX	3/18/2019	1,255,691			1.10%	1055086643
FIXED INCOME	C.S. MCKEE	8/25/2009 6/11/2010 12/21/2010 3/11/2011 10/31/2011 12/14/2012 3/8/2013	\$3,338,506 -\$739,825 -\$304,330 -\$590,000 \$660,000 -1,300,000 -\$355,089	6/12/2015 12/11/2015 9/8/2017	-1,656,000 1,067,020 -1,950,500	.35% ON THE FIRST \$25 MILLION 30% ON THE NEXT \$25 MILLION PLUS 20% DISCOUNT	1055053198
EQUITY LAARGE-CAP GROWTH	POLEN CAPITAL MANAGEMENT POLEN FOCUS GROWTH STRATEGY	6/12/2020	\$4,149,825			0.60%	1055089631
EQUITY LARGE-CAP VALUE	WESTWOOD HOLDINGS GROUP	7/9/2009 10/31/2011 12/14/2012 3/8/2013 3/4/2014 6/12/2015	\$2,352,860 -\$950,000 \$300,000 \$417,752 -\$244,050 \$552,000	4/14/2016 9/9/2016 12/9/2016 12/13/2019	-\$700,000 -500,000 -\$520,000 \$1,600,000	0.65% ON ASSETS UP TO \$25,000,000	1055047945
EQUITY LARGE-CAP INDEX FUND	VANGUARD S&P 500 ETF (VOO)	4/14/2016 9/9/2016 12/9/2016 9/8/2017	\$1,300,000 \$1,000,000 \$1,040,000 \$360,000			0.05%	1055076280
EQUITY SMID-CAP GROWTH	FIERA CAPITAL INC.	6/20/2015 9/8/2017 12/13/2019	\$2,238 \$672,600 -\$1,300,000			.55% OF ASSETS ON LAST BUSINESS DAY OF PREVIOUS QUARTER	1055074004
EQUITY MID-CAP BLEND	VANGUARD MID-CAP ETF (VO)	4/2/2020 4/13/2020 4/16/2020 4/23/2020	\$625,000 \$625,000 \$625,000 \$581,714			0.04%	1055089132
EQUITY SMALL-CAP VALUE	GABELLI ASSET MANAGEMENT	6/15/2001 7/11/2001 3/11/2005 12/9/2005 3/10/2006 12/8/2006 5/21/2008	\$658,161 \$823 -\$266,131 \$41,895 -\$343,956 -\$24,027 25,073	6/11/2010 3/8/2013 3/4/2014 6/12/2015 9/8/2017 12/13/2019	45,250 1,148,818 -\$341,680 \$138,000 302,700 -\$400,000	1%- 1ST \$40 MILLION .5%- OVER \$40 MILLION DUE ON 1ST DAY OF QTR	1055021204
EQUITY INTERNATIONAL	MFS INTERNATIONAL DIVERSIFIED FUND - R6 SHARES (MDIZX)	6/12/2020	\$4,543,732			0.76%	1055089622
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/18/2019	\$1,126,494			1.5% MANAGEMENT 20% INCENTIVE	1055086661
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/18/2019	\$1,126,494			2% MANAGEMENT 25% INCENTIVE	1055086652
MANAGED FUTURES FUND	CAVENDISH MANAGED FUTURES (WINTON CAPITAL MANAGEMENT)	4/14/2016 9/8/2017 3/18/2019	\$1,400,000 \$302,700 -\$661,030			MANAGEMENT FEE - 1% PERFORMANCE FEE - 20% OF NEW PROFITS	1055076271
CUSTODIAN	COMERICA	6/15/2001				0.0475%	M00471
INVESTMENT CONSULTANT	UBS THE GASPER FINANCIAL GROUP	3/9/2007				.065% OF PLAN ASSETS ON LAST DAY OF PREVIOUS FY PD QTRLY	

Abbey Capital Managed Futures Fund liquidated 3/18/2019
 Goldman Sachs Strategic Income Fund liquidated 3/18/2019
 Seizert Capital Partners MCV Fund liquidated 12/13/2019
 Bahl & Gaynor liquidated 6/12/2020
 Lazard Capital liquidated 6/12/2020

Revised: 7/2/2020