

CITY OF BIRMINGHAM  
 RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE  
 FRIDAY, MARCH 12, 2021  
 FOLLOWING

- 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 December 4, 2020.
- B) Approval of Retiree Health Care Fund Expenses of \$64,387.05 for the period of January 1, 2021 through March 1, 2021.
- C) Resolution to receive the Summary of Assets for the period ending January 31, 2021 with a total market value of \$45,681,634.

	1/31/2021		12/31/2020		1/31/2020	
Bahl & Gaynor - Large-Cap Growth Liquidated	0	0.0%	0	0.0%	4,450,408	11.1%
Blackstone BREIT	1,122,164	2.5%	1,122,149	2.5%	0	0.0%
Bramshill Investments-Fixed Income	1,388,513	3.0%	1,392,371	3.0%	1,301,802	3.3%
C. S. McKee - Fixed Income	2,974,715	6.5%	2,878,535	6.3%	2,352,426	5.9%
Cavendish Managed Futures Ducenta Squared Asset Mgt (Bradford)	0	0.0%	4	0.0%	1,198,266	3.0%
Fiera Capital (Apex)	5,919,051	13.0%	5,839,772	12.8%	5,068,666	12.7%
Fiera Capital (Apex)	2,383,685	5.2%	2,370,182	5.2%	2,660,477	6.7%
Gabelli – SmCap Value	2,715,509	5.9%	2,654,204	5.8%	2,719,071	6.8%
Graham Absolute Return Hedge Fund	1,168,628	2.6%	1,171,079	2.6%	1,165,720	2.9%
Lazard - International Equity	0	0.0%	0	0.0%	3,514,707	8.8%
Lazard - Emerging Market	0	0.0%	0	0.0%	1,617,849	4.1%
MFS International Diversified Fund	6,649,497	14.6%	6,722,460	14.7%	0	0.0%
Polen Capital Management	4,664,876	10.2%	4,785,325	10.5%	0	0.0%
Seizert Capital - Mid Cap Value Liquidated	0	0.0%	0	0.0%	2,446,631	6.1%
Starwood SREIT	1,122,162	2.5%	1,122,149	2.5%	0	0.0%
Vanguard Mid-Cap ETF (VO)	2,349,206	5.1%	2,360,216	5.2%	0	0.0%
Vanguard S&P500 ETF (VOO)	6,855,968	15.0%	6,898,833	15.1%	5,851,286	14.6%
Westwood - Large-Cap Value	5,189,976	11.4%	5,287,854	11.6%	4,462,555	11.2%
Whitebox Multi-Strategy Hedge	1,177,686	2.6%	1,165,834	2.5%	1,135,067	2.8%
<b>Total</b>	<b>45,681,634</b>	<b>100.0%</b>	<b>45,770,967</b>	<b>100.0%</b>	<b>39,944,930</b>	<b>100.0%</b>

5) Investments

- A) To concur in the recommendation of the Retirement Investment Committee and investment consultants to rescind the previous authorization to enter into an agreement with Blackstone Securities Partners, L.P. if an agreement cannot be reached and transfer the funds previously allocated to the Blackstone Real Estate Income Trust (BREIT) into the Starwood Real Estate Income Trust (SREIT).
- B) To authorize Secretary-Treasurer, Mark Gerber, to execute new agreements with Westwood and to transfer the funds from the City's current Westwood commingled account vehicle to the Westwood separate account vehicle.

6) Unfinished Business

7) New Business

8) Meeting Open to the Public for Items Not on the Agenda.

9) 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 DECEMBER 4, 2020**

Christopher Conti called the meeting to order at 10:14 A.M.

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

ALSO PRESENT: Thelma Golden, Treasury Consultant; Investment Consultants:  
David Gasper, Matt Lasko, Megan Smith, Meredith Farber and  
Maureen Mendoza, UBS; Mark Buis and Richard Koch, Gabriel  
Roeder

14-2020

Motion by Boutros:  
Second by Valentine:

To Approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of  
September 11, 2020;  
To approve the Retiree Health Care fund expenses of \$50,305.48 for the period of  
July 1, 2020 through September 30, 2020;  
To receive the Summary of Assets for the period ending October 31, 2020 with a total  
market value of \$40,645,216.

ROLL CALL VOTE:

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

15-2020

The investment consultants report was reviewed at the December 4, 2020 Retirement Board meeting. Investments in the Retiree Health Care Fund mirror those of the Retirement Fund. Matt Lasko reported slight differences in the recommendations for the Retiree Health Care Fund. They are recommending reducing the Vanguard Mid-

Cap Index by 3%, reducing Apex by 3%, reducing Gabelli by 1%, increasing Westwood by 1.5%, and increasing MFS by 3%

16-2020

Motion by Valentine:

Second by Gerber:

To concur in the recommendation of the Retirement Investment Committee and the Investment Consultants to enter into an agreement with Blackstone Securities Partners, L.P. to invest in the Blackstone Real Estate Income Trust (BREIT) 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 BREIT account for the Retiree HealthCare Fund to be managed by Blackstone Securities Partners, L.P.; to authorize the reinvestment of dividends.

ROLL CALL VOTE:

Boutros: Aye

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

17-2020

Motion by Boutros:

Second by Valentine;

To concur in the recommendation of the Retirement Investment Committee and the Investment Consultants to enter into an agreement with Starwood Capital, L.L.C. to manage the Starwood Real Estate Income Trust 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 SREIT account for the Retiree Health Care Fund to be managed by Starwood Capital, L.L.C; to authorize the reinvestment of dividends.

ROLL CALL VOTE:

Boutros: Aye

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

18-2020

Motion by Valentine:  
Second by Rowland:

To concur in the recommendation of the Retirement Investment Committee and the Investment Consultants to reduce the Vanguard Mid-Cap Index (VO) by \$1,282,750; to reduce the allocation to Fiera Capital by \$1,496,500; to reduce the allocation to Gabelli by \$427,500, to increase the allocation to the MFS International Diversified Fund by \$1,282,750; to increase the allocation to Westwood by \$641,400; to transfer \$641,300 into the BREIT; to transfer \$641,300 into the SREIT; to transfer the funds from the account formerly managed by Cavendish equally into the SREIT and the BREIT accounts.

ROLL CALL VOTE:

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

19-2020

Mark Buis reported that the actuarial valuation for the Retiree Health Care Fund is only required every two years. The funding ratio for the plan at June 30, 2020 was 79.2%, which is very good. The numbers in this report tend to be very volatile because of health care inflation.

Rich Koch reported there was a substantial decrease in the recommended contribution from the prior valuation due primarily to a more favorable claims experience and the repeal of the Cadillac tax under the Affordable Care Act.

20-2020

Motion by Boutros:  
Second by Conti:

To receive the Retiree Health Care Actuarial Valuation for the fiscal year ended June 30, 2020.

ROLL CALL VOTE:

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

21-2020

Motion by Valentine:  
Second by Rowland:

To approve the fiduciary liability insurance policy from Cincinnati Insurance Companies for the period from January 2, 2021 through January 2, 2022 with a \$3,000,000 limit of liability and a \$10,000 deductible with a premium of \$5,112 for the Retiree Health Care Fund.

ROLL CALL VOTE:

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

22-2020

Motion by Boutros:  
Second by Valentine:

Resolution to receive the Retiree Health Care Fund Administration Budget for fiscal Year 2021-2022 as submitted.

ROLL CALL VOTE:

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

23-2020

Chris Conti and others present thanked Joe Valentine for his service on the Committee and extended their best wishes to him.

The meeting was adjourned at 10:29 A.M.

Respectfully submitted,

Thelma Golden  
Treasury Consultant

Retiree Health Care Fund Expenses  
1/1/2021 - 3/1/2021

<u>Date</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
1/13/2021	Polen	Investment Management Period of 1/1/2021 - 3/31/2021	\$ 7,079.66
1/12/2021	C.S. McKee	Investment Management Period ending 3/31/2021	\$ 2,015.13
1/15/2021	Fiera Capital	Investment Management Period of 1/1/2021 - 3/31/2021	\$ 3,259.00
1/11/2021	Westwood Trust	Investment Management Period of 10/1/2020-12/31/2020	\$ 7,374.41
1/20/2021	Ducenta Squared	Investment Management Period of 10/01/2020 - 12/31/2020	\$ 3,568.42
12/31/2020	Gabriel, Roeder, Smith	Actuarial Services	\$ 23,750.00
1/20/2021	UBS	Investment Consultant Period of 10/01/2020 - 12/31/2020	\$ 6,344.20
1/21/2021	Gamco	Investment Management Period of 1/01/2021 - 3/31/2021	\$ 6,628.00
1/27/2021	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 10/1/2020 - 12/31/2020	\$ 4,368.23
TOTAL			<u>\$ 64,387.05</u>



1125 NW Corporate Blvd., Suite 300 • Boca Raton, FL 33421 • Tel. 561-241-2423 • www.polencapital.com

REMITTANCE COPY

Mark Gerber  
151 Martin  
Birmingham, MI 48009

January 13, 2021

STATEMENT OF MANAGEMENT FEES

Quarterly Fee calculated for assets under management as of December 31, 2020

For the billing period from January 1, 2021 to March 31, 2021

Custodian Account no: 1055089631  
Account no: CITY0153  
Account name: CITY OF BIRMINGHAM RETIREE HEALTHCARE FUND

Management Fee Calculation Detail

	Breakpoints	Annual Rate	Account Assets	Fee
Total Portfolio:	Balance	0.600%	\$4,785,323	\$7,079.66
Total			\$4,785,323	\$7,079.66

Please remit the total fee amount to Polen Capital at the address indicated below.

Payment for this invoice can be sent via mail or wire:

By Mail:  
Check payable to:  
Polen Capital Management  
P.O. Box 919766  
Orlando, FL 32891-9766

Overnight Address:  
EIS Lockbox/Cust Svc  
Attn: Polen Capital Management LLC  
#919766  
2290 Premier Row  
Orlando, FL 32809

By Wire:  
SunTrust Bank  
1000 Peachtree St., N.E., Atlanta, GA  
ABA: 061 000 104  
Account Name: Polen Capital  
Management LLC  
Account #: 1000214295577

SEC RULE 204.3 REQUIRES US TO OFFER IN WRITING TO DELIVER TO YOU UPON REQUEST A WRITTEN DISCLOSURE STATEMENT CONTAINING INFORMATION CONCERNING OUR BACKGROUND AND BUSINESS PRACTICES.

Keep a copy of this invoice for tax purposes.

**CSM Advisors, LLC**

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

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

**Client Assets**

90705	Birmingham Employees' Retirement System	\$1,734,178.77
90706	City of Birmingham Retiree Health Care Fund	\$2,878,755.63
		<b>\$4,612,934.40</b>

**Fee Calculation**

(fee schedule - Fixed Income New)

\$0	to	\$25,000,000	0.350%	\$16,145.27
\$25,000,000	to	\$50,000,000	0.300%	\$0.00
\$50,000,000	to	\$100,000,000	0.250%	\$0.00
\$100,000,000	to	\$1,000,000,000	0.200%	\$0.00

*Annualized Fee* **\$16,145.27**

*Quarterly Fee* **\$4,036.32**

*Calculated Adjustment* **(\$807.26)**

*Quarterly Fee with Adjustment* **\$3,229.05**

**Discount Calculation**

Client	Assets	% of total assets	Gross Fee	Discount	Net Fee
90706 City of Birmingham Retiree Health Care Fund	\$2,878,756	62.4%	\$2,518.91	20.0%	\$2,015.13
90705 Birmingham Employees' Retirement System	\$1,734,179	37.6%	\$1,517.41	20.0%	\$1,213.93
<b>Quarterly Advisory Fee</b>	<b>\$4,612,934</b>		<b>\$4,036.32</b>		<b>\$3,229.05</b>



**FIERACAPITAL**

January 15, 2021

**CITY OF BIRMINGHAM RETIREE HEALTHCARE SYSTEM**

151 Martin Street  
Birmingham, MI 48009

**CITY OF BIRMINGHAM RETIREE HEALTHCARE SYSTEM - 1055074004**

FIERA CAPITAL INC.

**SUMMARY OF MANAGEMENT FEES**

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For The Period January 1st thru March 31st, 2021	
Portfolio Value as of 12-31-20	\$ 2,370,181.92
2,370,182 @ 0.55 % per annum	<u>3,259.00</u>
Quarterly Management Fee	\$ 3,259.00
<b>TOTAL DUE AND PAYABLE</b>	<b>\$ 3,259.00</b>

As per SEC Rule 206(4)-2, we urge you to compare this report with your custodian statements. It is the client's responsibility to verify the accuracy of the computation. The custodian will not do an independent verification of the accuracy of the computation of fees.

**ACH Instructions:**  
BMO Harris Bank  
111 West Monroe  
Chicago, IL 60603  
ABA Number: 071000288  
Swift Code: HATRUS44  
Account Name: Fiera Capital Inc.  
Account Number: 2553816

**To pay by check:**  
Payable to Fiera Capital Inc.  
Attn: Myron Charas  
10050 Innovation Dr, Suite 120  
Dayton, OH 45342

Billing inquiries should be directed to:  
Myron Charas  
myron.charas@fieracapital.com and  
BillingFCI@fieracapital.com  
937-388-1437

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

**CITY OF BIRMINGHAM RETIREE HEALTH  
CARE FUND**

Account: 41-2031-01-5  
Invoice: 5001150  
Invoice Date: January 11, 2021  
Page 1 of 2

**Invoiced Fee Summary**

Balance From Previous Invoice	\$6,607.95
Payments Received	-6,607.95
Current Quarterly Fees	7,374.41
<b>Total Amount Due</b>	<b>\$7,374.41</b>

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: 5001150  
Invoice Date: January 11, 2021

**Amount Due: \$7,374.41**

Amount Paid:

PAYMENT DUE 15 DAYS FROM INVOICE DATE

**Please remit payment to:**

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

736-860.000-802.0200

**CITY OF BIRMINGHAM RETIREE HEALTH  
CARE FUND**

Account: 41-2031-01-5  
Invoice: 5001150  
Invoice Date: January 11, 2021  
Page 2 of 2

**Current Quarterly Fees To 12/31/2020**

Total Relationship Market Value: \$5,287,085.54

**65 BP - ETFs AND MFS EXCLUDED**

Based on \$4,538,099.52 in value:

First \$4,538,099.52 @ 0.650 % 29,497.65

Annual Total \$29,497.65  
X 1/4

**\$7,374.41**

**Total Current Period Fees**

**\$7,374.41**

**Amount Due for Current Period**

**\$7,374.41**

**Total Amount Due**

**\$7,374.41**

January 20, 2021

**Fixed Income Management Fee  
City of Birmingham  
Retiree Health Care Fund  
xxxxxx3214**

Inception Date: 09/17/2009

	<u>Billing Period</u>	<u>Asset Value</u>
Beginning	October 1, 2020	
Ending	December 31, 2020	\$5,836,341.24

Billing Summary

Management Fee Schedule:

Market Value Tiers

From	To	Fee Rate	Value	Days in Year	Days in Period	Fee
\$ -	\$ 50,000,000	0.250%	\$5,836,341.24	360	90	\$3,647.71
<b>Prorated Contributions/Withdrawals</b>						
October 8, 2020		0.250%	\$1,906.90	360	7	(\$0.09)
October 8, 2020		0.250%	\$6,580.29	360	7	(\$0.32)
October 14, 2020		0.250%	\$15,690.37	360	13	(\$9.54)
October 14, 2020		0.250%	\$15,690.37	360	13	(\$9.54)
October 22, 2020		0.250%	\$2,348.74	360	21	(\$0.34)
October 22, 2020		0.250%	\$8,154.16	360	21	(\$1.19)
October 26, 2020		0.250%	\$15,690.37	360	25	(\$18.35)
November 5, 2020		0.250%	\$1,855.16	360	35	(\$0.45)
November 5, 2020		0.250%	\$6,412.12	360	35	(\$1.56)
November 17, 2020		0.250%	(\$23,742.99)	360	47	\$82.82
November 19, 2020		0.250%	\$1,929.40	360	49	(\$0.66)
November 19, 2020		0.250%	\$6,686.75	360	49	(\$2.28)
December 2, 2020		0.250%	\$15,690.37	360	62	(\$45.51)
December 3, 2020		0.250%	\$6,692.89	360	63	(\$2.93)
December 3, 2020		0.250%	\$1,926.58	360	63	(\$0.84)
December 4, 2020		0.250%	\$6,536.84	360	64	(\$2.91)
December 4, 2020		0.250%	\$2,041.93	360	64	(\$0.91)
December 15, 2020		0.250%	\$15,690.37	360	75	(\$55.05)
December 17, 2020		0.250%	\$6,407.25	360	77	(\$3.43)
December 17, 2020		0.250%	\$1,859.77	360	77	(\$0.99)
December 30, 2020		0.250%	\$6,480.78	360	90	(\$4.05)
December 30, 2020		0.250%	\$1,871.60	360	90	(\$1.17)
December 30, 2020		0.250%	\$6.28	360	90	\$0.00

**Total Management Fee**

**\$3,568.42**

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

**ACH/EFT Instructions (PREFERRED):**

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

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: 80009244908

Checks should be made out to:  
Ducenta Square Asset Management  
Address:  
555 W. 5th Street, Suite 3700 Los Angeles, CA. 90013



**Gabriel, Roeder, Smith & Company**

One Towne Square  
Suite 800  
Southfield, Michigan 48076-3723  
(248) 799-9000

#1023

**Invoice**

Date	Invoice
12/31/2020	459230

**Bill To:**

Attention: Mr Mark Gerber  
Birmingham City OPEB  
P.O. Box 3001  
Birmingham, Michigan 48012

**Please Remit To:**

Dept. # 78009  
Gabriel, Roeder, Smith & Company  
PO Box 78000  
Detroit, Michigan 48278-0009

Federal Tax ID
38-1691268

**Client 3167, OPEB Val 2020 0630, Project 3167-010**

**Amount**

June 30, 2019 valuation of Retiree Health Plan	19,000.00
Allocation of Unfunded Actuarial Liability and Amortization payment to 25 component units	2,500.00

736-860.000 - 802-0400

\$21,500

+ 2,250

23,250

*Mark Gerber*  
1/5/2021



**Gabriel, Roeder, Smith & Company**

One Towne Square  
Suite 800  
Southfield, Michigan 48076-3723  
(248) 799-9000

#1023

**Invoice**

Date	Invoice
12/30/2020	459215

**Bill To:**

Attention: Mr. Mark Gerber  
City of Birmingham Employees Retirement System  
P.O. Box 3001  
Birmingham, Michigan 48012

**Please Remit To:**

Dept. # 78009  
Gabriel, Roeder, Smith & Company  
PO Box 78000  
Detroit, Michigan 48278-0009

Federal Tax ID
38-1691268

**Client 24, PenVal 2020 0630, Project 24-099** **Amount**

Finalized the June 30, 2020 valuation

11,800 ← 9,300.00  
2,500.00

Allocation of Unfunded Actuarial Liability and Amortization payment to 25 component units

5-year projection of pension and retiree health plan contributions

4,500 ← 3,300.00  
1,200.00

- 2 additional scenarios - FY 2020 rate of return at 0% and 15% (2 scenarios @\$600)

**Amount Due**

**\$16,300**

Valuation 101-274.000 - 802.0400 \$11,800  
 5 Year forecast 101-274.000 - 802.0400 \$2,250  
 736-860.000 - 802.0400 \$2,250

*Mark Gerber*  
1/5/2021



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

ubs.com/fs

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

**Invoice**

**Date:** 01/20/2021  
**Contract ID:** 1255  
**Invoice No.:** 20201231410A  
**Billing Period:** 10/01/2020 to 12/31/2020  
**Institutional Consultant:** BIRMINGHAM

**Institutional Consulting**

Charges for the period:	\$6,344.20
Fee for AUA: \$38,829,050.00	\$6,344.20
Other Consulting Fees:	\$0.00
Credits for the period:	\$0.00
Prior Balance:	\$0.00
<b>Ending Balance:</b>	<b>\$6,344.20</b>

(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:**

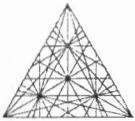
UBS ABA: 026007993  
 UBS A/C: 101-WA-258641-000  
 Further credit to: YYM346500070  
 Client name: CITY OF BIRMINGHAM  
 RETIREE HEALTH CARE  
 FUND  
 Contract ID: 1255  
 Bank address: UBS  
 600 Washington Blvd.  
 9<sup>th</sup> Floor  
 Stamford, CT 06901

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

# Fees and credits for the period

## Fee for Assets Under Advisement

Account	Asset Value	Rate	Fee
M3 XXX38	\$38,829,050.00	0.065%	\$6,344.20
<b>Total</b>	<b>\$38,829,050.00</b>		<b>\$6,344.20</b>



**GAMCO**  
ASSET MANAGEMENT

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

January 21, 2021

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: January 1 - March 31, 2021

**Portfolio Values**

S9507 City of Birmingham Retiree Health Care	12/31/2020	\$2,651,225
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**Fee Basis**

1.000% Of First \$40,000,000	\$6,628
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**Current Amount Due**

\$6,628

*736-860.000-802.0200*

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S9507 City of Birmingham Retiree Health Care Fund-Small Cap

January 21, 2021  
20201231-154-5620-A

Current Amount Due \$6,628

Please make checks payable to Gamco Investors, Inc.

331



**City of Birmingham**

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

Dept.#: 1011 Date: 1/27/2021

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>\$ 4,368.23</u>	<u>Custodial Services/market value fees</u>
Account #:	<u>736-860.000-802.0300</u>				<u>10/1/2020-12/31/2020</u>

	<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: \$ 4,368.23**

**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

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**DATE:** March 3, 2021

**TO:** Retiree Health Care Fund Investment Committee

**FROM:** Mark Gerber, Finance Director/Treasurer  
Thelma Golden, Treasury Consultant

**SUBJECT:** Blackstone Real Estate Investment Trust (BREIT)

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At the December 4, 2020 regular meeting, the Retiree Health Care Fund Investment Committee took action to enter into an agreement with Blackstone Securities partners, L.P. to invest funds in the Blackstone Real Estate Investment Trust (BREIT). We are not currently invested in the BREIT. Blackstone does not have a relationship with Comerica Bank who serves as fund custodian. They currently only deal with a financial advisor or broker type arrangement for purchase of their BREIT. They had indicated that, in order to purchase the BREIT, we would have to do so through UBS since the BREIT is offered there. This would result in bypassing our custodian, Comerica Bank. Representatives from UBS are working with Blackstone and Comerica Bank to enter into an agreement that would allow us to run the transaction through our custodian, Comerica Bank. We are hopeful that this will be the case.

In the event that an agreement is not reached between Blackstone and Comerica Bank by the time of this meeting, the Retirement Investment Committee and investment consultants are recommending that the Retiree Health Care Fund Investment Committee rescind its authorization to enter into an agreement with Blackstone and transfer the funds previously allocated to the Blackstone Real Estate Income Trust (BREIT) into the Starwood Real Estate Income Trust (SREIT).

## SUGGESTED ACTION;

To concur in the recommendation of the Retirement Investment Committee and investment consultants to rescind the previous authorization to enter into an agreement with Blackstone Securities Partners, L.P. if an agreement cannot be reached and transfer the funds previously allocated to the Blackstone Real Estate Income Trust (BREIT) into the Starwood Real Estate Income Trust (SREIT).

# MEMORANDUM

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**DATE:** March 8, 2021

**TO:** Birmingham Retiree Health Care Investment Committee

**FROM:** Mark Gerber, Secretary/Treasurer

**SUBJECT:** Westwood Investment Changes

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Westwood has made the business decision to close their commingled funds by the end of this year and offer their strategies in only separate account and mutual fund vehicles. They are offering to move the City of Birmingham's positions into their separate account vehicle of the same Large Cap Value strategy. They will waive the \$25 MM separate account minimum and have the assets combined and prorated to receive the standard fee of 50bps. The current fee the City pays is 65 bps.

This will require the City to sell its current positions in the commingled Westwood funds and re-purchase the new separate account funds. The City will be out of the market on these funds for one day. If the City loses out on any market gain on this trading day, Westwood will reimburse the City.

## SUGGESTED ACTION:

To authorize Secretary-Treasurer, Mark Gerber, to execute new agreements with Westwood and to transfer the funds from the City's current Westwood commingled account vehicle to the Westwood separate account vehicle.

----- Forwarded message -----

From: **Mark Gerber** <[Mgerber@bhamgov.org](mailto:Mgerber@bhamgov.org)>

Date: Fri, Dec 18, 2020 at 9:19 AM

Subject: Re: Message for Birmingham Retirement Board & Investment Committee

To: David Gasper <[david.gasper@ubs.com](mailto:david.gasper@ubs.com)>

Cc: Matt Lasko <[matt.lasko@ubs.com](mailto:matt.lasko@ubs.com)>, Megan Smith <[megan.l.smith@ubs.com](mailto:megan.l.smith@ubs.com)>, Meredith Farber <[meredith.farber@ubs.com](mailto:meredith.farber@ubs.com)>, <[maureen.mendoza@ubs.com](mailto:maureen.mendoza@ubs.com)>, Thelma Golden <[Tgolden@bhamgov.org](mailto:Tgolden@bhamgov.org)>

Thank you David for bringing this to my attention. Your communication is noted and will be included as a communication in the agenda for our next regular business meeting of the Retirement Investment Committee and Retirement Board.

Best wishes and happy holidays to the Flagship Financial Partners team.

On Fri, Dec 18, 2020 at 9:06 AM <[david.gasper@ubs.com](mailto:david.gasper@ubs.com)> wrote:

To The Birmingham Retirement Board and Investment Committee,

We are writing this letter to inform you of an incident we found to be rather inappropriate, and we thought was worthy of bringing to your attention. During the December 4th Retirement Board Meeting, immediately following Frank Pisano's aggressively volunteering to be on the committee to search and conduct due diligence on the upcoming RFP for the city's retirement and healthcare funds, Frank sent a text message to one of our team members, Megan Smith, which read "Good Luck! – Frank". Given Frank's clear intentions on replacing Flagship Financial Partners as consultants to the plan, which he has been extremely vocal about time and time again (and can be found in meeting minutes), there are no other conclusions to draw that this was a taunting and highly inappropriate message to send for many reasons:

Frank is neither on the Investment Committee, nor the Retirement Board, and attends these meetings as a member of the public. To find a consultant's cell phone number and send them any message at all, let alone during a meeting, is highly inappropriate and frankly made Megan quite uncomfortable.

- Frank has a history of this behavior, harassing retired consultant Steve Gasper in the past with calls and text messages.
- Frank has no relationship to speak of with Megan Smith, having never spoken in person or on the phone, so to seek out her phone number and send a taunting message like this crosses several lines we are not comfortable with.

We as consultants concluded that the best course of action was to bring this incident to the committee's attention in an effort of full transparency.

Best Regards,

Megan Smith  
David Gasper  
Matt Lasko  
Meredith Farber  
Maureen Mendoza

David B. Gasper, CFP®, CIMA®  
Senior Vice President – Wealth Management  
Private Wealth Advisor  
**Flagship Financial Partners**  
Collaboration | Integrity | Independence | Passion  
UBS Private Wealth Management  
UBS Financial Services

**BIRMINGHAM RETIREE HEALTH CARE FUND  
INVESTMENT MANAGERS/CUSTODIAN/OTHER SERVICES**

		DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	MANAGEMENT FEE*
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 -835,504	6/12/2015 9/8/2017	-1,380,000 -1,648,000	.25% ON THE FIRST \$50 MILLION
FIXED INCOME	BRAMSHILL INVESTMENTS INCOME PERFORMANCE FUND BRMSX	3/18/2019	1,255,691			1.10%
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
EQUITY LAARGE-CAP GROWTH	POLEN CAPITAL MANAGEMENT POLEN FOCUS GROWTH STRATEGY	6/12/2020	\$4,149,825			0.60%
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 12/4/2020	-\$700,000 -500,000 -\$520,000 \$1,600,000 \$641,400	0.65% ON ASSETS UP TO \$25,000,000
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%
EQUITY SMID-CAP GROWTH	FIERA CAPITAL INC.	6/20/2015 9/8/2017 12/13/2019 12/4/2020	\$2,238 \$672,600 -\$1,300,000 -\$1,496,500			.55% OF ASSETS ON LAST BUSINESS DAY OF PREVIOUS QUARTER
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	12/4/2020	-\$1,282,750	0.04%
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 12/4/2020	45,250 1,148,818 -\$341,680 \$138,000 302,700 -\$400,000 -\$427,500	1%- 1ST \$40 MILLION .5%- OVER \$40 MILLION DUE ON 1ST DAY OF QTR
EQUITY INTERNATIONAL	MFS INTERNATIONAL DIVERSIFIED FUND - R6 SHARES (MDIZX)	6/12/2020 12/4/2020	\$4,543,732 \$1,282,750			0.76%
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/18/2019	\$1,126,494			1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/18/2019	\$1,126,494			2% MANAGEMENT 25% INCENTIVE
REIT	BLACKSTONE BREIT	12/4/2020 12/4/2020	\$1,111,720			1.25% MANAGEMENT FEE, 12.5% PERFORMANCE FEE, SUBJECT TO 5% ANNUAL HURDLE AND HIGH WATER MARK
REIT	STARWOOD SREIT	12/4/2020 12/4/2020	\$1,111,720			1.25% MANAGEMENT FEE, 12.5% PERFORMANCE FEE, SUBJECT TO 5% ANNUAL HURDLE AND HIGH WATER MARK
CUSTODIAN	COMERICA	6/15/2001				0.0475%
INVESTMENT CONSULTANT	UBS THE GASPER FINANCIAL GROUP	3/9/2007				.065% OF PLAN ASSETS ON LAST DAY OF PREVIOUS FY PD QTRLY

Bahl & Gaynor liquidated 6/12/2020  
Lazard Capital liquidated 6/12/2020  
Cavendish Liquidated 9/1/2020

Revised: 12/4/2020