

CITY OF BIRMINGHAM
RETIREMENT INVESTMENT COMMITTEE
WEDNESDAY, JUNE 2, 2021, 7:30 A.M.
VIRTUAL MEETING
AGENDA

1. Retirement Fund - Summary of Assets

	4/30/2021		3/31/2021		4/30/2020	
Bahl Gaynor - Large-Cap Growth (Liquidated)	0	0.0%	0	0.0%	9,638,038	10.6%
Bramshill Investments - Fixed Income	4,179,130	3.6%	4,132,557	3.7%	3,745,127	4.1%
C. S. McKee - Fixed Income	335,504	0.3%	783,682	0.7%	3,850,614	4.2%
Cavendish Managed Futures	0	0.0%	0	0.0%	3,231,656	3.5%
Ducenta Squared Asset Management (Bradford)	12,779,951	11.1%	13,005,338	11.7%	14,290,251	15.6%
Fiera Capital Inc. (Apex)	5,421,462	4.7%	5,212,656	4.7%	5,020,347	5.5%
Gabelli - Small-Cap Value	8,881,382	7.7%	8,587,464	7.7%	4,797,707	5.3%
Graham Absolute Return - Hedge Fund	3,817,123	3.3%	3,801,227	3.4%	3,080,853	3.4%
Lazard - International Equity (Liquidated)	0	0.0%	0	0.0%	6,126,883	6.7%
Lazard - Emerging Markets (Liquidated)	0	0.0%	0	0.0%	2,528,727	2.8%
MFS International Diversified Fund (MDIZX)	16,774,404	14.6%	16,345,496	14.7%	0	0.0%
Polen Capital Management, LLC	12,686,815	11.1%	11,784,203	10.6%	0	0.0%
Starwood SREIT	2,998,263	2.6%	2,970,778	2.7%	0	0.0%
Vanguard Mid-Cap ETF (VO)	7,792,647	6.8%	7,439,554	6.7%	7,139,341	7.8%
Vanguard S&P 500 ETF (VOO)	17,378,109	15.1%	16,448,573	14.8%	11,903,164	13.0%
Westwood Holdings - Large-Cap Value	17,892,962	15.6%	17,164,636	15.4%	13,063,394	14.3%
Whitebox Multi-Strategy - Hedge Fund	3,804,492	3.3%	3,753,432	3.4%	2,919,610	3.2%
Total	114,742,244	100.0%	111,429,656	100.0%	91,335,712	100.0%

2. Retiree Health Care Fund - Summary of Assets

	4/30/2021		3/31/2021		4/30/2020	
Bahl & Gaynor - Large-Cap Growth (Liquidated)	0	0.0%	0	0.0%	3,980,478	11.0%
Bramshill Investments - Fixed Income	1,406,212	2.9%	1,390,541	2.9%	1,260,175	3.5%
C. S. McKee - Fixed Income	2,376,418	4.9%	3,134,588	6.5%	2,394,832	6.6%
Cavendish Managed Futures	0	0.0%	0	0.0%	1,050,292	2.9%
Ducenta Squared Asset Management (Bradford)	5,302,329	11.0%	6,021,687	12.5%	5,199,990	14.3%
Fiera Capital Inc. (Apex)	2,624,979	5.4%	2,523,868	5.2%	2,484,739	6.8%
Gabelli - Small-Cap Value	3,227,782	6.7%	3,129,816	6.5%	2,011,164	5.5%
Graham Absolute Return - Hedge Fund	1,254,138	2.6%	1,247,993	2.6%	1,012,190	2.8%
Lazard - International Equity (Liquidated)	0	0.0%	0	0.0%	2,918,071	8.0%
Lazard - Emerging Market (Liquidated)	0	0.0%	0	0.0%	1,291,297	3.6%
MFS International Diversified Fund	7,025,538	14.5%	6,845,937	14.2%	0	0.0%
Polen Capital Management, LLC	5,242,971	10.8%	4,870,052	10.1%	0	0.0%
Starwood SREIT	2,273,967	4.7%	2,253,122	4.7%	0	0.0%
Vanguard Mid-Cap ETF (VO)	2,651,106	5.5%	2,531,003	5.2%	2,639,955	7.3%
Vanguard S&P 500 ETF (VOO)	7,756,908	16.0%	7,341,986	15.2%	5,313,026	14.6%
Westwood Holdings - Large-Cap Value	5,937,276	12.3%	5,695,086	11.8%	3,782,969	10.4%
Whitebox Multi-Strategy - Hedge Fund	1,250,210	2.6%	1,233,451	2.6%	959,425	2.6%
Total	48,329,835	100.0%	48,219,130	100.0%	36,298,603	100.0%

3. Approval of Minutes:

Regular Virtual Meeting Held March 3, 2021
Special Virtual Meeting Held March 23, 2021
Special Virtual Meeting Held April 13, 2021
Special Virtual Meeting Held May 19, 2021
Special Virtual Meeting Held May 20, 2021
Special Virtual Meeting Held May 21, 2021
Special Virtual Meeting Held May 26, 2021

4. Investment Consultant Report.

5. Discussion Regarding the Investment Consultant RFP.

6. Meeting Open to the Public for Matters Not on the Agenda.

7. Investment Manager Spreadsheets.

- A. Retirement Fund
- B. Retiree Health Care Fund

8. Adjourn

NOTICE: Individuals with disabilities requiring accommodations for effective participation in this meeting should contact the city clerk's office at (248) 530-1880 (voice) or (248) 644-5115 (TDD) at least one day in advance to request mobility, visual, hearing or other assistance.

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 A REGULAR VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MARCH 3, 2021

The meeting was called to order at 7:35 A.M.

PRESENT: Richard Aginian, Citizen Member (Sarasota, FL)
Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
Christopher Conti, Retirement Board Trustee (Naples, Florida)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;
Matt Lasko, Megan Smith, Meredith Farber, Maureen Mendoza,
and David Gasper, UBS; John VanGorder, Retirement Board

Motion by Conti
Second by Aginian:

To approve the minutes of the regular virtual meeting held November 24, 2020.

ROLL CALL VOTE:

Aginian: Aye
Conti: Aye
Gerber: Aye

David Gasper announced that Forbes recently recognized two team members as best wealth advisors from their respective states: Matt Lasko from Connecticut and David Gasper from Michigan.

Matt Lasko reviewed the 4th Quarter, 2020 report that was distributed with the agenda. The full year for fixed income was strong, but the back half of the year performance lagged. J.P. Morgan did a study that anticipated returns for a 60-40 bond portfolio would be 4.2%, before taxes, inflation and fees. They think bonds will return 1-1/2% over the next 5-6 years. Stock selection, manager selection, and positioning of the portfolio are going to be the big drivers of positive performance.

There was a big large-cap growth tech rally in 2020. Large-cap value underperformed. In the 4th quarter, you saw a shift to value beginning. Small, mid, and international equities had a very strong 4th quarter. The 4th quarter was the driver for the year's positive returns.

UBS believes the market will be back to pre-Covid unemployment levels by January of next year. From a consumer stand point, there is much pent up savings. When you add stimulus and current income, there may be a great deal of spending once people become more comfortable. That could be a big boost to the GNP and to businesses.

There may be a deep, but short-lived, recession in 2021. They are keeping a keen eye on inflation and are not too concerned about interest rates at this time.

The retail investors have been big investors. There has been a large amount of options trading. The first half of 2021 should be positive, but the second half will be more volatile. The vaccine rollout is happening. COVID cases are dropping. Earnings and stimulus are big drivers. We could see a shift from a valuations driven market to an earnings driven market. In the second leg of re-opening, manager selections will be more important versus passive investing.

In a review of the fund's performance over a ten-year period, the fund has outperformed the targeted actuarial assumption rate in all time periods. At a previous Retirement Board meeting, City Manager Joe Valentine reported that auditor, Plante and Moran, did a benchmark with the State of Michigan and other retirement plans in Oakland County and found that both the Retirement and Retiree Health Care Funds were better funded than the State plan and other Oakland County plans. The funding level was also better than many plans across the country.

Richard Aginian stated that pension accounting is extremely complicated. There are many variables. He requested that UBS provide a simple one-page analysis of how pension accounting works. .

Megan Smith reviewed the Investment Solutions Portfolio Analysis that was provided under separate cover and projected on the screen. Based on the assumed rates of return for each asset class of index managers, the study shows why alternatives should be good for the portfolio. The study shows that the current portfolio would earn 5.3%. If the alternatives were removed, the return would be 4.49%. Richard Aginian asked Megan Smith to provide a study to illustrate how much risk it would take in order to earn 6.75%

Maureen Mendoza reviewed the performance of Graham and Whitebox. Graham was just under the index in the 4th quarter, but is recovering in 2021. Both managers are transparent and are positioned to do well in 2021. We track what they are trading to make sure they do not move outside their trading strategy.

We estimate that the SREIT and BREIT will both return over 5%. They both look for solid properties that will continue to pay their rent and continue to be occupied. They are on par with pre-pandemic levels.

David Gasper reported that Westwood has made a 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. This will result in them lowering their fees from 65 bps to 50 bps. The city will be out of the market for one day in order to make the change. The fund will be managed the same.

Matt Lasko stated that they are very happy with the current managers and the position of the portfolio and have no recommended changes at this time.

Frank Pisano apologized for his aggressiveness toward Megan Smith and the Flagship team. He had not given them a fair chance since they started as consultants. His frustration got the best of him, and it will not happen again. Chris Conti thanked him for his apology and stated that we all represent the City of Birmingham and always want to be cordial and treat each other with respect.

Mark Gerber gave an update on the situation with Blackstone. Currently, BREITS have to be purchased through a financial advisor or broker type arrangement. With Starwood, we were able to work with Comerica to work this out. We typically do not run transactions through an advisor, but through our custodian. There are many complications that are involved. Everyone has to feel comfortable with proceeding. We will work with Blackstone and Comerica to see if an agreement can be reached.

In the event an agreement cannot be reached, Maureen Mendoza would be comfortable moving the allocated funds into the SREIT.

Motion by Conti:
Second by Gerber

To forward the following recommendation to the Birmingham Retirement Board and Retiree Health Care Fund Investment Committee in the event that the funds are not able to invest in the BREIT; to transfer the funds previously allocated to Blackstone Real Estate Income Trust (BREIT) into the Starwood Real Estate Income Trust (SREIT).

Aginian: Absent
Conti: Aye
Gerber: Aye

Frank Pisano questioned the use of Comerica as custodian. If they do not work with certain managers, does this inhibit the fund? David stated that overall Comerica has been pretty accommodative. This may be something to think about in the future. Mark Gerber stated that no one at Comerica is working at the office. It takes so much longer to get things done when everyone is working remotely.

Richard Aginian confirmed his request that UBS provide a one-page explanation of the funding process for retirement plans and a report that illustrates what we would have to do to earn 6.75%.

The meeting was adjourned at 9:05 A.M.

Retirement Investment Committee
March 3, 2021
Page 4

Respectfully submitted,

Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MARCH 23, 2021

The meeting was called to order at 3:00 P.M.

PRESENT: Richard Aginian, Citizen Member (Sarasota, FL)
 Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
 Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board

The purpose of the special meeting was to discuss the process for reviewing the Request for Proposals (RFP) for investment consulting services for the Retirement Board and Retiree Health Care Fund Investment Committee. The Committee will discuss the process and how to review the proposals before making a recommendation to the Retirement Board and Retiree Health Care Fund Investment Committee.

Mark Gerber reported that City Commission approved a local emergency in order to allow virtual meetings until either the end of the calendar year or until the State's health department says the emergency is over.

The Retirement Board decided that the Retirement Investment Committee would conduct all interviews, review all proposals, and make a recommendation to the Board. The Committee agreed to interview all seven respondents to the RFP. The Committee agreed to provide the Board with a ranking for all seven proposals, reasons for selecting the top three, and reasons for selecting the top choice for the Board's approval. If the Board would like to interview the top one, two, or three, it will be their choice.

There was discussion as to whether the interviews would be open to the public and whether the Committee could use a hybrid approach and meet in person and interview applicants virtually. The City has a large conference room with a camera and a huge monitor if the committee would be permitted to meet there. Frank Pisano reported that the library has held meetings using the hybrid format and suggested the Committee could meet there. Mark Gerber will check with the city attorney to determine if the interviews would be subject to the Open Meetings Act and whether the interviews could be done in a hybrid format at the municipal building or the library.

In addition to some questions from the Detailed Evaluation of Consultant's Proposal, we should ask some open-ended questions to get a feel for what is the applicant's philosophy, what they could do for the city, and what is unique about them.

The Committee will present 5-7 questions to all applicants prior to the interviews. All committee members will review the Proposal Evaluation that was included in the agenda and mark which questions to keep and which to delete. In addition, they will provide additional open-ended questions. They will forward their suggested questions

to Mark Gerber and Thelma Golden by April 5. Thelma will consolidate all submitted questions into one document and present it to the Committee at a special meeting.

The Committee scheduled a special virtual meeting for Tuesday April 13, 2021, from 2:00 – 3:30 P.M. to review the consolidated list of questions submitted by the Committee, and to develop a questionnaire of 5-7 questions that will be presented to each applicant prior to the interviews.

The Committee agreed that each member would review the proposals and do a pre-evaluation of the proposals individually prior to interviews with the applicants. After the interviews, the Committee will then meet together to review the proposals, interviews, and individual scores to rank the applicants and prepare a recommendation for the Retirement Board and Retiree Health Care Fund Investment Committee.

Fifty minutes will be allocated to each interview with a 10-minute break: 5 minutes for introductions, 10 minutes for each applicant to present an overview of their proposal, 30 minutes for questions from the Committee, and a 5-minute wrap up from the applicant.

The Committee scheduled special virtual meetings to conduct the interviews on May 19, 20, and 20, 2021, from 1:00 – 5:00 P.M. A special virtual meeting was scheduled for May 26, 2021, from 1:00 – 3:30 P.M. as a follow-up to review the proposals, individual scoring and interviews.

Conti suggested that the final question in summary could be “Why do you think you would be the right fit for Birmingham?”

Frank Pisano expressed interest in being a part of the evaluation process. Mark Gerber responded that the Retirement Board assigned the responsibility of conducting the interviews and evaluating the proposals to the appointed members on the Committee.

Mark Gerber reported that the City decided that it would post all proposals on the MITN website. Approximately 40 firms downloaded the RFP. Some were interested in becoming a discretionary investment advisor, which is not what Birmingham is comfortable doing right now.

Respectfully submitted,

Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
APRIL 13, 2021

The meeting was called to order at 2:00 P.M.

PRESENT: Richard Aginian, Citizen Member (Sarasota, FL)
Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board,
Jonathon Hofley

The purpose of the special meeting was review the consolidated list of questions submitted by committee members to evaluate the investment consultant proposals for the Retirement Board and Retiree Health Care Fund Investment Committee and to develop an evaluation tool to be used during interviews with the candidates.

Committee members reviewed the Detailed Evaluation of Consultant's Proposal Form that was included in the agenda and agreed to identify those questions that would be used during the interviews.

Mark Gerber reported that the city attorney has stated that the interviews will be public meetings. The Committee agreed that everyone involved in the interview process would participate remotely using the zoom format. He will let individuals enter the meeting and mute them until it is their turn to speak. He will determine if he can put an applicant back into the waiting room once their interview is finished. He will request the names of those individuals who will represent during their interview and let those people into the meeting when it is their turn. Members from the public should be allowed to enter the meeting and will be muted

Mark Gerber reported that, after the special meeting scheduled on March 26, 2021 when the Committee ranks the candidates, the scores would be put on the public record. He will ask the city attorney if the RFP proposals have to be posted.

The Committee identified those questions that will be used during the interviews and agreed that the same questions would be used during each interview and would be provided to all candidates prior to the interviews. The remaining questions on the evaluation form will be used to evaluate the individual RFP proposals.

The Committee agreed that it would provide each candidate with the same introductory explanation of the interview process and the same closing explanation of the next steps in the evaluation process. Chris Conti requested a written statement for the introduction and closing statements to ensure that all candidates receive the same information.

Thelma Golden will provide the committee members with a list of questions to be used during the interview process, a list of questions to be used individually during the evaluation of the written proposals, and written introductory and closing statements to be used during the interviews.

The meeting was adjourned at 3:23 P.M.

Respectfully Submitted,

Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MAY 19, 2021

Chris Conti called the meeting to order at 1:10 P.M.

PRESENT: Richard Aginian, Citizen Member (Birmingham, MI)
 Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
 Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board; John
 VanGorder, Retirement Board; Mike Holycross, Steve Gordon and Chris
 Kuhn, AndCo; Larry Carone, Mike Shebak and Brian Hrabak, Clearstead;
 Dori Drayton and Jeremy Chambers, Captrust

The purpose the special meeting was to interview applicants for the investment consultant of the Retirement Board and Retiree Health Care Fund Investment Committee.

Chris Conti announced to each applicant that approximately 50 minutes would be allowed for each interview with a 10-minute break in between: 5 minutes for introductions, 10 minutes for the applicants to present an overview of their proposal, 30 minutes for questions from the Investment Committee and 5 minutes for a wrap-up from the applicant.

He also announced to each applicant that the Investment Committee would meet next week to collectively rank the applicants and prepare a recommendation for the Retirement Board and Retiree Health Care Fund Investment Committee. A decision could be made during regular meetings scheduled for June 11, 2021. Applicants will be contacted if there are additional questions or interviews. The Investment Committee will promptly notify the applicants of any actions taken regarding the appointment of an investment consultant.

Mike Holycross, Steve Gordon and Chris Kuhn represented AndCo to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

Larry Carone, Mike Shebak, and Brian Hrabak represented Clearstead to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

Dori Drayton and Jeremy Chambers represented Captrust to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

The meeting was adjourned at 4:10 P.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MAY 20, 2021

Chris Conti called the meeting to order at 1:00 P.M.

PRESENT: Richard Aginian, Citizen Member (Birmingham, MI)
Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;
John VanGorder, Retirement Board; Todd Wagenberg, Chris Forte
and Chad Petherick, Integrated Fiduciary Advisory Services

The purpose the special meeting was to interview an applicant for the investment consultant of the Retirement Board and Retiree Health Care Fund Investment Committee

Chris Conti announced that approximately 50 minutes would be allowed for each interview with a 10-minute break in between: 5 minutes for introductions, 10 minutes for the applicants to present an overview of their proposal, 30 minutes for questions from the Investment Committee and 5 minutes for a wrap-up from the applicant.

He also announced that the Investment Committee would meet next week to collectively rank the applicants and prepare a recommendation for the Retirement Board and Retiree Health Care Fund Investment Committee. A decision could be made during regular meetings scheduled for June 11, 2021. Applicants will be contacted if there are additional questions or interviews. The Investment Committee will promptly notify the applicants of any actions taken regarding the appointment of an investment consultant.

Todd Wagenberg, Chris Forte and Chad Petherick represented Integrated Fiduciary Advisory Services to review the power point overview of their proposal that was displayed on their screen and answered questions from the Investment Committee.

The meeting was adjourned at 2:00 P.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MAY 21, 2021

Chris Conti called the meeting to order at 1:00 P.M.

PRESENT: Richard Aginian, Citizen Member (Birmingham, MI)
Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;
John VanGorder, Retirement Board; David Lee and Steve Roth,
Dahab Associates; Matt Lasko, David Gasper, Meredith Smith,
Maureen Mendoza, UBS/Flagship Financial Services; Brian Brice,
Timothy Brice and Rebecca Wolfe, Graystone Consulting

The purpose the special meeting was to interview applicants for the investment consultant for the Retirement Board and Retiree Health Care Fund Investment Committee

Chris Conti announced that approximately 50 minutes would be allowed for each interview with a 10-minute break in between: 5 minutes for introductions, 10 minutes for the applicants to present an overview of their proposal, 30 minutes for questions from the Investment Committee and 5 minutes for a wrap-up from the applicant.

He also announced that the Investment Committee would meet next week to collectively rank the applicants and prepare a recommendation for the Retirement Board and Retiree Health Care Fund Investment Committee. A decision could be made during regular meetings scheduled for June 11, 2021. Applicants will be contacted if there are additional questions or interviews. The Investment Committee will promptly notify the applicants of any actions taken regarding the appointment of an investment consultant.

David Lee and Steve Roth represented Dahab Associates to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

Matt Lasko, David Gasper, Megan Smith and Maureen Mendoza represented UBS/Flagship Financial Partners to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

Brian Brice, Timothy Brice and Rebecca Wolfe represented Graystone Consulting to review the power point overview of their proposal that was displayed on the screen and answered questions from the Investment Committee.

The meeting was adjourned at 4:10 P.M.

Respectfully submitted,
Thelma Golden
Treasury Consultant

MINUTES OF A SPECIAL VIRTUAL MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
MAY 26, 2021

Chris Conti called the meeting to order at 1:00 P.M.

PRESENT: Richard Aginian, Citizen Member (Birmingham, MI)
 Mark Gerber, Finance Director/Treasurer (Birmingham, MI)
 Christopher Conti, Retirement Board Trustee (Birmingham, MI)

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;
 John VanGorder, Retirement Board

The purpose of the special meeting was to evaluate the investment consultant proposals for the Retirement Board and Retiree Health Care Fund Investment Committee, to rank the proposals and to prepare a recommendation of the top 2 or 3 candidates for the Retirement Board and Retiree Health Care Fund Investment Committee.

The committee reviewed each candidate and discussed their strengths and weaknesses. Then the committee members ranked their candidates in order. There was consensus around the top two or three candidates. A final decision on the top candidate to recommend to the Retirement Board will be discussed at the next regular meeting of the Retirement Investment Committee.

There were some questions regarding if fees could be negotiated after selecting a consultant. Mark Gerber will contact Beier Howlett about that issue and come back to the committee with an answer.

The meeting was adjourned at 3:10 P.M.

Respectfully submitted,

Thelma Golden

Treasury Consultant

MEMORANDUM

DATE: May 26, 2021

TO: Retirement Investment Committee

FROM: Mark Gerber, Secretary-Treasurer
Thelma Golden, Treasury Consultant

SUBJECT: Retirement Investment Consultant Evaluations

The Retirement Investment Committee met at a special virtual meeting on May 26, 2021 to review the written investment consultant proposals and the oral interviews conducted May 19-21, 2021. The Committee was able to make a preliminary ranking of the consultants at that meeting but wanted to have additional discussion at this meeting before making a formal recommendation to the Retirement Board and Retiree Health Care Fund Investment Committee at their regular meetings on June 11, 2021.

SUGESTED ACTION:

To forward a recommendation to the Retirement Board and Retiree Health Care Fund Investment Committee that _____ be appointed as the investment consultant for the Retirement Board and Retiree Health Care Fund Investment Committee.

**BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM
INVESTMENT MANAGERS/CUSTODIAN/OTHER SERVICES**

		DATE OF HIRE/ TRANSFER	ORIGINAL \$/ TRANSFER \$	DATE OF TRANSFER	TRANSFER \$	MANAGEMENT FEE	ACCOUNT
FIXED INCOME	DUCENTA SQUARED ASSET MANAGEMENT	9/3/2009 6/11/2010 12/21/2010 10/31/2011 4/14/2016 6/10/2016 3/9/2018	\$14,948,519 1,895,360 -866,020 8,050,000 2,100,000 2,000,000 1,621,550	9/14/2018 3/8/2019 9/13/2019 12/13/2019 12/4/2020	1,033,150 1,500,000 2,944,207 1,000,000 1,025,700	.250% ON THE FIRST \$50 MILLION	1055053189
FIXED INCOME	BRAMSHILL INVESTMENTS INCOME PERFORMANCE FUND BRMSX	3/8/2019	\$3,731,754			1.10%	1055086634
FIXED INCOME	C. S. MCKEE	8/25/2009 6/11/2010 12/21/2010 3/11/2011 10/31/2011 3/8/2013	\$14,955,191 812,295 -1,732,400 -1,000,000 5,200,000 -\$2,866,445	12/11/2015 4/14/2016 6/10/2016 3/9/2018 3/8/2019 12/13/2019	4,671,240 3,000,000 1,400,000 1,621,550 11,500,000 4,000,000	.35% ON THE FIRST \$25 MILLION .30% ON THE NEXT \$25 MILLION PLUS 20% DISCOUNT	1055053170
EQUITY LARGE-CAP GROWTH	POLEN CAPITAL MANAGEMENT, LLC POLENFOCUS GROWTH STRATEGY	6/12/2020	\$10,042,487			0.60%	1055089659
EQUITY LARGE-CAP VALUE	WESTWOOD HOLDINGS GROUP	7/9/2009 6/11/2010 10/31/2011 3/8/2013 3/4/2014 4/14/2016	\$16,886,783 -2,617,400 -6,025,000 1,910,963 -1,476,870 -3,573,000	9/9/2016 12/9/2016 3/9/2018 9/13/2019 12/13/2019	-\$1,000,000 -3,000,000 -293,400 2,257,225 5,000,000	0.65% ON ASSETS UP TO \$25,000,000	1055047954
LARGE CAP EQUITY INDEX	VANGUARD S&P 500 ETF (VOO)	4/14/2016 9/9/2016 12/9/2016 3/9/2018 3/8/2019	\$3,000,000 2,000,000 6,000,000 -594,500 -3,000,000			0.05%	1055076262
EQUITY SMID-CAP GROWTH	FIERA CAPITAL INC.	6/20/2015 3/9/2018 9/13/2019 12/13/2019	\$8,760,910 -481,400 -1,570,244 -5,000,000	12/4/2020	-2,923,400	.55% OF ASSETS ON LAST DAY OF PREVIOUS QUARTER	1055073997
EQUITY MID-CAP BLEND	VANGUARD MID-CAP ETF (VO)	4/2/2020 4/13/2020 4/16/2020 4/23/2020	\$1,600,000 1,600,000 1,600,000 1,829,260	12/4/2020	-2,923,400	0.04%	1055089123
EQUITY SMALL-CAP VALUE	GABELLI ASSET MANAGEMENT	3/10/2000 6/8/2001 10/18/2002 3/21/2003 9/19/2003 10/25/2004 3/11/2005 12/9/2005 3/10/2006 12/8/2006	\$5,000,000 2,220,000 1,483,890 -1,500,000 -875,000 -1,699,670 -3,628,233 460,728 -2,885,044 -500,000	3/8/2013 3/4/2014 4/14/2016 6/10/2016 3/9/2018 9/13/2019 12/13/2019	3,153,089 -1,476,870 -1,148,000 -500,000 -448,100 -981,402 -2,000,000	1%- 1ST \$40 MILLION .5%- OVER \$40 MILLION DUE ON 1ST DAY OF QTR	1055015550
EQUITY INTERNATIONAL	MFS INTERNATIONAL DIVERSIFIED FUND - R6 SHARES (MDIZX)	6/12/2020 12/4/2020	\$9,338,481 4,821,100			0.76%	1055089640
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/8/2019	\$3,428,013			1.5% MANAGEMENT 20% INCENTIVE	1055086625
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019	\$3,428,013			2% MANAGEMENT 25% INCENTIVE	1055086607
REIT	STARWOOD SREIT	12/4/2020 3/24/2021	\$1,479,561 1,479,619			1.25% MANAGEMENT FEE 12.5% PERFORMANCE FEE, SUBJECT TO 5% ANNUAL HURDLE AND HIGH WATER MARK	1055091156
CUSTODIAN PERFORMANCE MEASUREMENT	COMERICA BANK	1951				0.0475% \$500/MANAGER QUARTERLY	M00638
INVESTMENT CONSULTANT	UBS THE GASPER FINANCIAL GROUP	3/9/2007				.065% OF PLAN ASSETS ON LAST DAY OF PREVIOUS FY. PD QTRLY	

Lazard Capital Int'l & EM liquidated 6/12/2020
Bahl & Gaynor LCG liquidated 6/12/2020
Cavendish Liquidated 9/11/2020

Revised:

4/27/2021

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

		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 -\$835,504	6/12/2015 9/8/2017	-1,380,000 -1,648,000	.25% ON THE FIRST \$50 MILLION	1055051214
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 LARGE-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 12/4/2020	-\$700,000 -500,000 -\$520,000 \$1,600,000 \$641,400	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 12/4/2020	\$2,238 \$672,600 -\$1,300,000 -\$1,496,500			.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	12/4/2020	-\$1,282,750	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 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	1055021204
EQUITY INTERNATIONAL	MFS INTERNATIONAL DIVERSIFIED FUND - R6 SHARES (MDIZX)	6/12/2020 12/4/2020	\$4,543,732 \$1,282,750			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
REIT	STARWOOD SREIT	12/4/2020 3/24/2021	\$1,111,720 \$1,122,185			1.25% MANAGEMENT FEE, 12.5% PERFORMANCE FEE, SUBJECT TO 5% ANNUAL HURDLE AND HIGH WATER MARK	1055091174
CUSTODIAN	COMERICA	6/15/2001				0.0475%	M00471
INVESTMENT CONSULTANT	UES THE GASPER FINANCIAL GROUP	3/9/2007				.065% OF PLAN ASSETS ON LAST DAY OF PREVIOUS FY PD QTRLY	

Baird & Gwynne liquidated 6/12/2020
Lazard Capital liquidated 6/12/2020
Cavendish Liquidated 9/1/2020

Revised: 3/24/2021