

MINUTES OF A MEETING OF THE  
RETIREMENT INVESTMENT COMMITTEE  
FEBRUARY 27, 2019

The meeting was called to order at 7:34 A.M.

Present: Mark Gerber, Finance Director/Treasurer; Christopher Conti,  
Retirement Board Trustee

Absent: Richard Aginian, Citizen Member

Also Present: Steve and David Gasper, UBS; Thelma Golden, Treasury  
Consultant; Frank Pisano, Library Board Member

Motion by Conti:  
Second by Gerber:

To approve the minutes of the Retirement Investment Committee meeting held  
December 5, 2018.

Ayes: 2  
Nays 0  
Absent: 1 (Aginian)

Steve and David reviewed their February 27, 2019 investment consultant report and Comerica Bank's Composite Review dated December 31, 2018. There was a record market decline in December; but returns in January and February were strong. They predict very slow growth in the economy and don't foresee the likelihood of a recession in the next 12-18 months.

They recommend that the Goldman Sachs Strategic Income Fund be replaced with the Bramshill Income Performance Fund. Bramshill is a small fixed income fund that can be very nimble without taking a lot of risk. They should produce positive returns over time and will be a complement to the two existing fixed income managers.

They also recommend the liquidation of Abbey Capital's managed futures fund and the addition of two new alternative hedge funds. The first is the Graham Absolute Return Class B Fund that is one of the most stable hedge funds that will give downside protection with less risk. Graham Capital Management is one of the leading hedge fund managers on Wall Street. The second hedge fund is the Whitebox Multi-Strategy Fund, LP. This fund should reduce risk in the portfolio and produce bond like volatility with real returns that are closer to what we would expect from stocks.

There is also a need to rebalance the portfolio in order to meet the investment guidelines by reducing the allocation in equities and adding to fixed income.

Motion by Conti:

Second by Gerber:

To forward a recommendation to the Retirement Board to reduce the allocation in the Vanguard S&P 500 ETF by \$3,000,000 and add \$1,500,000 to C. S. McKee and \$1,500,000 to Bradford & Marzec.

Ayes: 2  
Nays: 0  
Absent: 1 (Aginian)

Motion by Conti:

Second by Gerber:

To forward a recommendation to the Retirement Board and Retiree Health Care Fund Investment Committee to liquidate the Goldman Sachs Strategic Income Fund and transfer those funds into the Bramshill Income Performance Fund.

Ayes: 2  
Nays: 0  
Absent: 1 (Aginian)

Motion by Conti:

Second by Gerber:

To forward a recommendation to the Retirement Board and Retiree Health Care Fund Investment Committee to liquidate the Abbey Capital Managed Futures Fund and reduce the allocation in the Cavendish Managed Futures Fund. Proceeds would then be added together and divided by three, resulting in the Cavendish Managed Futures Fund receiving 1/3 of the total allocation, the Whitebox Multi-Strategy Fund receiving 1/3 of the total allocation, and the Graham Absolute Return Class B Fund receiving 1/3 of the total allocation.

Ayes: 2  
Nays: 0  
Absent: 1 (Aginian)

Meeting adjourned at 9:14 A.M.

Respectfully submitted,

Thelma Golden  
Treasury Consultant