

CITY OF BIRMINGHAM  
RETIREMENT INVESTMENT COMMITTEE MEETING  
WEDNESDAY, AUGUST 31, 2022, 7:30 A.M.

1. Retirement Fund - Summary of Assets

	7/31/2022		6/30/2022		7/31/2021	
Bramshill Investments - Fixed Income	0	0.0%	0	0.0%	6,555,472	5.6%
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	2,976,827	2.5%
Ducenta Squared - Fixed Income	0	0.0%	0	0.0%	12,422,209	10.6%
Blackrock Total Return K - Fixed Income	12,270,659	12.2%	12,338,342	12.9%	0	0.0%
Metropolitan West Total Return Bond Fund	12,275,585	12.2%	12,314,202	12.9%	0	0.0%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	16,818,229	14.4%
Polen Capital Management- Large-Cap Growth	0	0.0%	0	0.0%	14,009,075	12.0%
Westwood Holdings - Large-Cap Value	0	0.0%	0	0.0%	16,974,066	14.5%
Fidelity 500 Index Fund - Large-Cap Equity	29,988,761	29.8%	27,457,097	28.7%	0	0.0%
Vanguard Mid-Cap ETF (VO)	0	0.0%	0	0.0%	6,308,822	5.4%
MFS Mid-Cap Value	6,436,935	6.4%	5,951,210	6.2%	0	0.0%
Blackrock Mid-Cap Growth Equity	4,851,982	4.8%	4,277,552	4.5%	0	0.0%
Fiera Capital Inc. - SMID Growth	0	0.0%	0	0.0%	5,403,512	4.6%
Gabelli - Small-Cap Value	0	0.0%	0	0.0%	7,886,328	6.7%
Allspring Special Small-Cap Value Fund	2,441,965	2.4%	2,276,210	2.4%	0	0.0%
Principal Small-Cap Growth Fund	1,947,420	1.9%	1,780,627	1.9%	0	0.0%
MFS International Diversified Fund (MDIZX)	0	0.0%	0	0.0%	17,143,720	14.6%
American Funds Europacific Growth	8,409,701	8.4%	8,007,816	8.4%	0	0.0%
Hartford International Opportunities Fund	8,931,212	8.9%	8,586,253	9.0%	0	0.0%
Graham Absolute Return - Hedge Fund	4,300,097	4.3%	4,300,190	4.5%	3,603,621	3.1%
Whitebox Multi-Strategy - Hedge Fund	4,172,090	4.1%	4,200,823	4.4%	3,868,862	3.3%
Starwood Realty Income Trust	4,008,572	4.0%	3,986,775	4.2%	3,129,531	2.7%
Cash	491,030	0.5%	221,877	0.2%	0	0.0%
Comerica Short Term Fund	24,896	0.0%	15,818	0.0%	0	0.0%
<b>Total</b>	<b>100,550,906</b>	<b>100.0%</b>	<b>95,714,792</b>	<b>100.0%</b>	<b>117,100,275</b>	<b>100.0%</b>

2. Retiree Health Care Fund - Summary of Assets

	7/31/2022		6/30/2022		7/31/2022	
Bramshill Investments - Fixed Income	0	0.0%	0	0.0%	2,402,721	4.7%
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	2,756,707	5.4%
Ducenta Squared Asset - Fixed Income	0	0.0%	0	0.0%	5,737,353	11.3%
Blackrock Total Return K - Fixed Income	5,613,087	12.5%	5,457,276	12.8%	0	0.0%
Metropolitan West Total Return Bond Fund	5,602,306	12.4%	5,447,213	12.8%	0	0.0%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	7,672,234	15.2%
Polen Capital Management - Large-Cap Growth	0	0.0%	0	0.0%	5,789,263	11.4%
Westwood Holdings - Large-Cap Value	0	0.0%	0	0.0%	6,106,949	12.1%
Fidelity 500 Index Fund - Large-Cap Equity	13,197,862	29.3%	12,083,693	28.4%	0	0.0%
Vanguard Mid-Cap ETF (VO)	0	0.0%	0	0.0%	2,252,243	4.4%
MFS Mid-Cap Value	2,772,834	6.2%	2,563,598	6.0%	0	0.0%
Blackrock Mid-Cap Growth Equity	1,946,417	4.3%	1,715,979	4.0%	0	0.0%
Fiera Capital Inc. - SMID Growth	0	0.0%	0	0.0%	2,616,352	5.2%
Gabelli - Small-Cap Value	0	0.0%	0	0.0%	3,273,331	6.5%
Allspring Special Small-Cap Value Fund	1,033,139	2.3%	963,012	2.3%	0	0.0%
Principal Small-Cap Growth Fund	823,908	1.8%	753,342	1.8%	0	0.0%
MFS International Diversified Fund	0	0.0%	0	0.0%	7,179,884	14.2%
American Funds Europacific Growth Fund	3,624,805	8.0%	3,451,582	8.1%	0	0.0%
Hartford International Opportunities Fund	3,813,506	8.5%	3,666,213	8.6%	0	0.0%
Graham Absolute Return - Hedge Fund	1,412,832	3.1%	1,412,867	3.3%	1,183,979	2.3%
Whitebox Multi-Strategy - Hedge Fund	1,371,008	3.0%	1,380,450	3.2%	1,271,363	2.5%
Starwood Realty Income Trust	3,040,218	6.7%	3,023,686	7.1%	2,373,525	4.7%
Cash	819,175	1.8%	673,172	1.6%	0	0.0%
Goldman Sachs Financial Government Fund	8,278	0.0%	8,563	0.0%	0	0.0%
<b>Total</b>	<b>45,079,374</b>	<b>98.2%</b>	<b>42,600,644</b>	<b>98.4%</b>	<b>50,615,904</b>	<b>100.0%</b>

3. Approval of minutes of the regular meeting held March 16, 2022 and June 1, 2022.

4. Schedule 2023 regular meetings of the Retirement Investment Committee at 7:30 a.m. on March 1, May 31, August 30, and November 15.

5. Investment Consultant Report

B. Employee Retirement System

- 1) Economic Update & Capital Markets Overview
- 2) June 30, 2022 Performance Report
- 3) July 2022 Flash Report
- 4) Alternative Investment Fund Changes Update

C. Retiree Health Care Plan

- 1) Economic Update & Capital Markets Overview
- 2) June 30, 2022 Performance Report
- 3) July 2022 Flash Report
- 4) Alternative Investment Fund Changes Update

6. Meeting open to the public for matters not on the agenda

7. Schedule of Investment Funds/Services

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

8. Adjourn

The highly transmissible COVID-19 Delta variant is spreading throughout the nation at an alarming rate. As a result, the CDC is recommending that vaccinated and unvaccinated personnel wear a facemask indoors while in public if you live or work in a substantial or high transmission area. Oakland County is currently classified as a substantial transmission area. The City has reinstated mask requirements for all employees while indoors. The mask requirement also applies to all board and commission members as well as the public attending public meetings.

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 MEETING OF THE  
RETIREMENT INVESTMENT COMMITTEE  
MARCH 16, 2022

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

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

ABSENT: Richard Aginian, Citizen Member

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;  
Brett Reardon and Jeremy Chambers, Captrust

Motion by Conti:  
Second by Aginian:

To approve the minutes of the special meeting held January 18, 2022, and the regular meeting held December 1, 2021.

ROLL CALL VOTE:

Aginian: Absent  
Conti: Aye  
Gerber: Aye

Jeremy Chambers reviewed the proposed Investment Policy Statement for the Retirement System with the investment Committee.

Motion by Conti:  
Second by Gerber:

To forward a recommendation to the Retirement Board that they adopt the proposed Investment Policy Statement as modified and approved by the Retirement Investment Committee:

ROLL CALL VOTE:

Aginian: Absent  
Conti: Aye  
Gerber: Aye

Jeremy Chambers reviewed the proposed Investment Policy Statement for the Retiree Health Care Fund.

Motion by Conti:  
Second b Gerber:

To forward a recommendation to the Retiree Health Care Fund Investment Committee that they present the proposed Investment Policy Statement as modified and approved by the Retirement Investment Committee to the City Commission for approval.

ROLL CALL VOTE:

Aginian: Absent  
Conti: Aye  
Gerber: Aye

Jeremy Chambers and Brett Reardon reviewed Captrust's Quarterly Review for the 4<sup>th</sup> Quarter of 2021.

Captrust will provide the entire Quarterly Review to the Retirement Board and Retiree Health Care Fund Investment Committee but will only highlight certain sections, including, but not limited to, the section under market commentary regarding headwinds and tailwinds, current asset allocation versus target allocation, portfolio performance, and the investment policy monitor. They will also give an update of current numbers and trends as appropriate.

Captrust will provide a review of the alternative managers at the next Retirement Investment Committee meeting.

Brett Reardon provided an update on the emerging market fund managed by Driehaus that has over 7% exposure to Russian assets that carry increased risks for the near future. They believe it is prudent for the Retirement Board and Retiree Health Care Fund Investment Committee to take immediate action to remove the allocation in the Driehaus Emerging Markets fund and to transfer those funds equally into the Hartford International Opportunities Fund and the American Funds Europacific Growth Fund.

Motion by Conti:  
Second by Gerber:

To forward a recommendation to the Retirement Board that they take action to liquidate the Driehaus Emerging Markets Growth Fund and transfers proceeds equally into the American Funds Europacific Growth Fund and the Hartford International Opportunities Fund.

Aginian: Absent  
Conti: Aye  
Gerber: Aye

Motion by Conti:  
Second by Gerber:

To forward a recommendation to the Retiree Health Care Fund Investment Committee that they take action to liquidate the Driehaus Emerging Markets Growth Fund and transfers proceeds equally into the American Funds Europacific Growth Fund and the Hartford International Opportunities Fund.

Aginian: Absent  
Conti: Aye  
Gerber Aye.

The meeting was adjourned at 9:01 A.M.

Respectfully submitted,

Thelma Golden  
Treasury Consultant

MINUTES OF A REGULAR MEETING OF THE  
RETIREMENT INVESTMENT COMMITTEE  
JUNE 1, 2022

The meeting was called to order at 7:30 A.M.

PRESENT: Mark Gerber, Finance Director/Treasurer  
Richard Aginian, Citizen Member

ABSENT: Christopher Conti, Retirement Board Trustee

ALSO PRESENT: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;  
Brett Reardon and Jeremy Chambers, Captrust

Motion by Gerber:

To approve the minutes of the regular meeting held March 16, 2022.

Aginian abstained because he was not present at that meeting. The minutes will be placed on the agenda of the August 31, 2022 meeting.

Jeremy Chambers and Brett Reardon reviewed Captrust's Quarterly Review for the 1<sup>st</sup> Quarter of 2022.

In response to a question from Richard Aginian, Brett Reardon stated that they do not recommend a reallocation of the bond portfolio at this time.

Captrust presented research on alternative fund managers including Graham and Whitebox. They are recommending that funds from Graham and Whitebox be transferred into the Partners Group private equity fund.

Motion by Aginian:  
Second by Gerber;

To recommend to the Retirement Board and Retire Health Care Fund Investment Committee that they authorize the transfer of funds from Whitebox and Graham into the Partners Group Private Equity Fund.

ROLL CALL VOTE:

Aginian: Aye  
Conti: Absent  
Gerber: Aye

Retirement Investment Committee

June 1, 2022

Page 2

Captrust presented research on various real estate funds including Starwood. Captrust does not have a recommendation to replace Starwood at this time as they have done very well. The research was done for due diligence.

Mark Gerber reported that the Actuarial Report and 5-year Experience Study will be presented to the Retirement Board at their December meeting. Actuarial assumptions will be reviewed at that time.

The meeting was adjourned at 8:35 A.M.

Respectfully submitted,

Thelma Golden  
Treasury Consultant

# MEMORANDUM

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**DATE:** June 29, 2022

**TO:** Retirement Investment Committee

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

**SUBJECT:** Retirement Investment Committee-  
2023 Meeting Dates

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The Retirement Investment Committee typically schedules its regular meetings on the Wednesday of the week prior to the week the regular Retirement Board meetings are scheduled. The Retirement Board plans to schedule its regular 2023 meetings on March 10, June 9, September 8, and December 1.

We are recommending that the committee schedule its regular meetings at 7:30 A.M. on March 1, May 31, August 30, and November 15.

**SUGGESTED ACTION:**

**To schedule the 2023 regular meetings of the Retirement Investment Committee at 7:30 A.M. on March 1, May 31, August 30, and November 15.**



**BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM  
INVESTMENT FUNDS & SERVICES**

		DATE OF HIRE/ TRANSFER	ORIGINAL \$/ TRANSFER \$	MANAGEMENT FEE
FIXED INCOME	BLACKROCK TOTAL RETURN BOND K MPHQX	9/10/2021	\$11,643,934	0.38%
FIXED INCOME	METROPOLITAN WEST RETURN BOND MTXDTIX	9/10/2021	\$11,643,934	0.44%
LARGE-CAP EQUITY	FIDELITY 500 INDEX FXAIX	9/10/2021	\$34,931,802	0.02%
MID-CAP VALUE EQUITY	MFS MID-CAP VALUE R6 MVCKX	9/10/2021	\$6,695,262	0.69%
MID-CAP GROWTH EQUITY	BLACKROCK MID-CAP GROWTH EQUITY K BMGKX	9/10/2021	\$6,695,262	0.75%
SMALL-CAP VALUE EQUITY	ALLSPRING SPECIAL SMALL-CAP VALUE R6 ESPRX	9/10/2021	\$2,619,885	0.87%
SMALL-CAP GROWTH EQUITY	PRINCIPAL SMALL-CAP GROWTH I R6 PCSMX	9/10/2021	\$2,619,885	0.86%
INTERNATIONAL EQUITY	AMERICAN FUNDS EUROPACIFIC GROWTH R6 REGRX	9/10/2021 3/22/2022	\$8,732,950	0.49%
INTERNATIONAL EQUITY	HARTFORD INTERNATIONAL OPPORTUNITIES R6	9/10/2021 3/22/2022	\$8,732,950 2,010,700	0.71%
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/8/2019	\$3,428,013 2,010,700	1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019	\$3,428,013	2% MANAGEMENT 25% INCENTIVE
PRIVATE EQUITY FUND	PARTNERS GROUP PRIVATE EQUITY	6/10/2022		2.31% MANAGEMENT 10% PERFORMANCE
REIT	STARWOOD PROPERTY TRUST 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
CUSTODIAN PERFORMANCE MEASUREMENT	COMERICA BANK	1951		0.0475% \$500/MANAGER QUARTERLY
INVESTMENT CONSULTANT	CAPTRUST FINANCIAL ADVISORS	6/23/2021		\$60,000 ANNUALLY 3% INCREASE AFTER 3 YEARS

**BIRMINGHAM RETIREE HEALTH CARE FUND  
INVESTMENT FUNDS & SERVICES**

		DATE OF HIRE/ TRANSFER	ORIGINAL \$/ TRANSFER \$	MANAGEMENT FEE
FIXED INCOME	BLACKROCK TOTAL RETURN BOND K MPHQX	9/10/2021	\$4,993,694	0.38%
FIXED INCOME	METROPOLITAN WEST RETURN BOND MTXDTIX	9/10/2021	\$4,993,694	0.44%
LARGE-CAP EQUITY	FIDELITY 500 INDEX FXAIX	9/10/2021	\$14,981,081	0.02%
MID-CAP VALUE EQUITY	MFS MID-CAP VALUE R6 MVCKX	9/10/2021	\$2,871,374	0.69%
MID-CAP GROWTH EQUITY	BLACKROCK MID-CAP GROWTH EQUITY K BMGKX	9/10/2021	\$2,871,371	0.75%
SMALL-CAP VALUE EQUITY	ALLSPRING SPECIAL SMALL- CAP VALUE R6 ESPRX	9/10/2021	\$1,123,581	0.87%
SMALL-CAP GROWTH EQUITY	PRINCIPAL SMALL-CAP GROWTH I R6 PCSMX	9/10/2021	\$1,123,581	0.86%
INTERNATIONAL EQUITY	AMERICAN FUNDS EUROPACIFIC GROWTH R6 RERGX	9/10/2021 3/22/2022	\$3,745,270 915,867	0.49%
INTERNATIONAL EQUITY	HARTFORD INTERNATIONAL OPPORTUNITIES R6	9/10/2021 3/22/2022	\$3,745,270 915,867	0.71%
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/8/2019	\$1,126,494	1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019	\$1,126,494	2% MANAGEMENT 25% INCENTIVE
PRIVATE EQUITY	PARTNERS GROUP PRIVATE EQUITY	6/10/2022		2.31% MANAGEMENT 10% PERFORMANCE FEE
REIT	STARWOOD PROPERTY TRUST 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
CUSTODIAN PERFORMANCE MEASUREMENT	COMERICA BANK	1951		0.0475% \$500/MANAGER QUARTERLY
INVESTMENT CONSULTANT	CAPTRUST FINANCIAL ADVISORS	6/23/2021		\$60,000 ANNUALLY 3% INCREASE AFTER 3 YEARS