

CITY OF BIRMINGHAM
RETIREMENT INVESTMENT COMMITTEE MEETING
WEDNESDAY, JUNE 1, 2022, 7:30 A.M.

1. Retirement Fund - Summary of Assets

	4/30/2022		3/31/2022		4/30/2021	
Blackstone REIT (Allocated but not funded)	0	0.0%	0	0.0%	1,479,561	1.4%
Bramshill Investments - Fixed Income	0	0.0%	0	0.0%	4,137,997	3.8%
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	1,733,446	1.6%
Ducenta Squared - Fixed Income	385	0.0%	403	0.0%	14,083,431	13.0%
Blackrock Total Return K - Fixed Income	12,741,619	12.5%	13,273,634	12.1%	0	0.0%
Metropolitan West Total Return Bond Fund	12,732,967	12.5%	13,273,361	12.1%	0	0.0%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	15,455,801	14.3%
Polen Capital Management- Large-Cap Growth	0	0.0%	0	0.0%	11,579,397	10.7%
Westwood Holdings - Large-Cap Value	0	0.0%	0	0.0%	15,747,016	14.6%
Fidelity 500 Index Fund - Large-Cap Equity	30,159,118	29.6%	34,030,055	31.1%	0	0.0%
Vanguard Mid-Cap ETF (VO)	0	0.0%	0	0.0%	6,937,457	6.4%
MFS Mid-Cap Value	6,426,189	6.3%	6,793,707	6.2%	0	0.0%
Blackrock Mid-Cap Growth Equity	4,775,298	4.7%	5,592,327	5.1%	0	0.0%
Fiera Capital Inc. - SMID Growth	0	0.0%	0	0.0%	4,895,035	4.5%
Gabelli - Small-Cap Value	25,677	0.0%	25,823	0.0%	7,329,810	6.8%
Wells Fargo Special Small-Cap Value Fund	2,444,430	2.4%	2,586,770	2.4%	0	0.0%
Principal Small-Cap Growth Fund	1,963,949	1.9%	2,198,360	2.0%	0	0.0%
MFS International Diversified Fund (MDIZX)	0	0.0%	0	0.0%	16,050,620	14.9%
American Funds Europacific Growth	8,677,502	8.5%	9,382,735	8.6%	0	0.0%
Hartford International Opportunities Fund	9,260,002	9.1%	9,987,650	9.1%	0	0.0%
Graham Absolute Return - Hedge Fund	4,243,062	4.2%	4,102,958	3.7%	3,564,366	3.3%
Whitebox Multi-Strategy - Hedge Fund	4,306,138	4.2%	4,249,465	3.9%	3,547,727	3.3%
Starwood Realty Income Trust	3,906,145	3.8%	3,811,748	3.5%	1,479,561	1.4%
Cash	322,937	0.3%	114,800	0.1%	16	0.0%
Comerica Short Term Fund	11,992	0.0%	63,214	0.1%	0	0.0%
Total	101,997,409	100.0%	109,487,010	100.0%	108,021,242	100.0%

2. Retiree Health Care Fund - Summary of Assets

	4/30/2022		3/31/2022		4/30/2021	
Blackstone REIT (allocated but not funded)	0	0.0%	0	0.0%	1,122,149	2.5%
Bramshill Investments - Fixed Income	0	0.0%	0	0.0%	1,392,371	3.0%
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	2,878,535	6.3%
Ducenta Squared Asset - Fixed Income	0	0.0%	0	0.0%	5,839,772	12.8%
Blackrock Total Return K - Fixed Income	5,549,769	12.4%	5,781,494	12.0%	0	0.0%
Metropolitan West Total Return Bond Fund	5,546,425	12.4%	5,781,818	12.0%	0	0.0%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	6,898,833	15.1%
Polen Capital Management - Large-Cap Growth	0	0.0%	0	0.0%	4,785,325	10.5%
Westwood Holdings - Large-Cap Value	0	0.0%	0	0.0%	5,287,854	11.6%
Fidelity 500 Index Fund - Large-Cap Equity	13,147,153	29.5%	15,060,360	31.3%	0	0.0%
Vanguard Mid-Cap ETF (VO)	0	0.0%	0	0.0%	2,360,216	5.2%
MFS Mid-Cap Value	2,768,204	6.2%	2,926,520	6.1%	0	0.0%
Blackrock Mid-Cap Growth Equity	1,915,654	4.3%	2,243,413	4.7%	0	0.0%
Fiera Capital Inc. - SMID Growth	0	0.0%	0	0.0%	2,370,182	5.2%
Gabelli - Small-Cap Value	10,529	0.0%	10,596	0.0%	2,654,204	5.8%
Wells Fargo Special Small-Cap Value Fund	1,034,182	2.3%	1,094,403	2.3%	0	0.0%
Principal Small-Cap Growth Fund	830,901	1.9%	930,075	1.9%	0	0.0%
MFS International Diversified Fund	0	0.0%	0	0.0%	6,722,460	14.7%
American Funds Europacific Growth Fund	3,740,234	8.4%	4,044,208	8.4%	0	0.0%
Hartford International Opportunities Fund	3,953,894	8.9%	4,264,591	8.9%	0	0.0%
Graham Absolute Return - Hedge Fund	1,394,103	3.1%	1,348,065	2.8%	1,171,079	2.6%
Whitebox Multi-Strategy - Hedge Fund	1,415,058	3.2%	1,396,435	2.9%	1,165,834	2.5%
Starwood Realty Income Trust	2,962,533	6.6%	2,890,940	6.0%	1,122,149	2.5%
Cash	358,962	0.8%	352,950	0.7%	4.29	0.0%
Goldman Sachs Financial Government Fund	5,645	0.0%	51,211	0.1%	0	0.0%
Total	44,633,248	99.2%	48,177,080	99.2%	45,770,967	100.0%

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

4. Investment Consultant Report
 - B. Employee Retirement System
 - 1) Economic Update & Capital Markets Overview
 - 2) March 31, 2022 Performance Report
 - 3) April 2022 Flash Report
 - 4) REIT and Hedge Fund Manager Recommendation
 - C. Retiree Health Care Plan
 - 1) Economic Update & Capital Markets Overview
 - 2) March 31, 2022 Performance Report
 - 3) April 2022 Flash Report
 - 4) REIT and Hedge Fund Manager Recommendation
5. Meeting open to the public for matters not on the agenda
6. Schedule of Assets Held/Investment Services
 - A. Retirement Fund
 - B. Retiree Health Care Fund
7. 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 interpretacion, la participacion efectiva en esta reunion deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el dia antes de la reunion publica.
(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 4th 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

Retirement Investment Committee

March 16, 2022

Page 3

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

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

		DATE OF HIRE/ TRANSFER	ORIGINAL \$/ TRANSFER \$	MANAGEMENT FEE
FIXED INCOME	BLACKROCK TOTAL RETURN K MPHQX	9/10/2021	\$11,643,934	0.38%
FIXED INCOME	METROPOLITAN WEST RETURN BD I 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	WELLS FARGO SPECIAL SMALL CAP VALUE R6 ESPRX	9/10/2021	\$2,619,885	0.87%
SMALL-CAP GROWTH EQUITY	PRINCIPAL SMALL-CAP I R6 PCSMX	9/10/2021	\$2,619,885	0.86%
INTERNATIONAL EQUITY	AMERICAN FUNDS EUROPACIFIC GROWTH R6 REGX	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
REIT	STARWOOD SREIT	12/4/2020 3/24/2021	\$1,479,661 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 K MPHQX	9/10/2021	\$4,993,694	0.38%
FIXED INCOME	METROPOLITAN WEST RETURN BD I 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	WELLS FARGO SPECIAL SMALL CAP VALUE R6 ESPRX	9/10/2021	\$1,123,581	0.87%
SMALL-CAP GROWTH EQUITY	PRINCIPAL SMALL-CAP 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 FEE 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019	\$1,126,494	2% MANAGEMENT FEE 25% INCENTIVE
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
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