

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

1. Retirement Fund - Summary of Assets

	10/31/2022		9/30/2022		10/31/2021	
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	3,798	0.0%
Ducenta Squared - Fixed Income	0	0.0%	0	0.0%	247,002	0.2%
Blackrock Total Return K - Fixed Income	11,198,529	12.1%	11,364,600	12.6%	14,209,916	12.1%
Metropolitan West Total Return Bond Fund	11,128,058	12.0%	11,343,032	12.6%	14,182,397	12.0%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	57,863	0.0%
Fidelity 500 Index Fund - Large-Cap Equity	27,422,085	29.5%	25,558,435	28.4%	36,835,988	31.3%
MFS Mid-Cap Value	5,812,231	6.3%	5,288,210	5.9%	6,664,172	5.7%
Blackrock Mid-Cap Growth Equity	4,198,080	4.5%	4,037,741	4.5%	6,999,222	5.9%
Gabelli - Small-Cap Value	0	0.0%	0	0.0%	28,305	0.0%
Allspring Special Small-Cap Value Fund	2,318,111	2.5%	2,084,575	2.3%	2,620,204	2.2%
Principal Small-Cap Growth Fund	1,887,314	2.0%	1,752,077	1.9%	2,683,534	2.3%
American Funds Europacific Growth	7,619,216	8.2%	7,260,508	8.1%	8,677,417	7.4%
Hartford International Opportunities Fund	7,987,964	8.6%	7,756,195	8.6%	8,746,094	7.4%
Driehaus Emerging Markets	0	0.0%	0	0.0%	4,591,142	3.9%
Graham Absolute Return - Hedge Fund	0	0.0%	4,598,796	5.1%	3,805,777	3.2%
Whitebox Multi-Strategy - Hedge Fund	3,287,275	3.5%	4,312,495	4.8%	3,991,923	3.4%
Starwood Realty Income Trust	4,079,785	4.4%	4,058,021	4.5%	3,438,161	2.9%
Cash	205,625	0.2%	432,763	0.5%	4,290	0.0%
Comerica Short Term Fund	5,736,043	6.2%	41,693	0.0%	30,386	0.0%
Total	92,880,315	100.0%	89,889,140	100.0%	117,817,589	100.0%

2. Retiree Health Care Fund - Summary of Assets

	10/31/2022		9/30/2022		11/31/2021	
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	1,993	0.0%
Ducenta Squared Asset - Fixed Income	0	0.0%	0	0.0%	117,977	0.2%
Blackrock Total Return K - Fixed Income	5,122,342	12.2%	5,198,305	12.9%	6,316,882	12.3%
Metropolitan West Total Return Bond Fund	5,078,351	12.1%	5,176,455	12.8%	6,305,352	12.2%
Vanguard S&P 500 ETF (VOO)	0	0.0%	0	0.0%	26,382	0.1%
Fidelity 500 Index Fund - Large-Cap Equity	12,007,923	28.6%	11,108,235	27.5%	15,573,443	30.2%
MFS Mid-Cap Value	2,265,029	5.4%	2,060,818	5.1%	2,870,720	5.6%
Blackrock Mid-Cap Growth Equity	1,684,098	4.0%	1,619,777	4.0%	2,807,802	5.4%
Gabelli - Small-Cap Value	0	0.0%	0	0.0%	11,730	0.0%
Allspring Special Small-Cap Value Fund	980,739	2.3%	881,935	2.2%	1,108,548	2.2%
Principal Small-Cap Growth Fund	798,479	1.9%	741,263	1.8%	1,135,341	2.2%
American Funds Europacific Growth Fund	3,647,491	8.7%	3,475,769	8.6%	3,573,054	6.9%
Hartford International Opportunities Fund	3,590,497	8.5%	3,486,319	8.6%	3,700,535	7.2%
Driehaus Emerging Markets	0	0.0%	0	0.0%	2,040,507	4.0%
Graham Absolute Return - Hedge Fund	0	0.0%	1,510,979	3.7%	1,250,410	2.4%
Whitebox Multi-Strategy - Hedge Fund	1,080,238	2.6%	1,417,147	3.5%	1,311,803	2.5%
Starwood Realty Income Trust	3,094,228	7.4%	3,077,721	7.6%	2,607,600	5.1%
Cash	749,015	1.8%	602,815	1.5%	702,068	1.4%
Goldman Sachs Financial Government Fund	1,895,713	4.5%	16,343	0.0%	80,224	0.2%
Total	41,994,143	93.7%	40,373,882	98.5%	51,542,372	100.0%

3. Approval of minutes of the regular meeting held August 31, 2022.

4. Investment Consultant Report

A. Employee Retirement System

- 1) Economic Update & Capital Markets Overview
- 2) September 30, 2022 Performance Report
- 3) October 2022 Flash Report

B. Retiree Health Care Plan

- 1) Economic Update & Capital Markets Overview
- 2) September 30, 2022 Performance Report
- 3) October 2022 Flash Report

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 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
AUGUST 31, 2022

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

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

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

ROLL CALL VOTE:

Aginian: Abstained because he was not present at that meeting.
Conti: Aye
Gerber: Aye

Motion by Aginian:
Second by Conti:

To approve the minutes of the regular meeting held June 1, 2022.

ROLL CALL VOTE:

Aginian: Aye
Conti: Aye
Gerber: Aye

Motion by Aginian:
Second by Conti:

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.

ROLL CALL VOTE:

Aginian: Aye
Conti: Aye
Gerber: Aye

Jeremy Chambers and Brett Reardon reviewed Captrust's Quarterly Review for the 2nd Quarter
of 2022.

Retirement Investment Committee

August 31, 2022

Page 2

A review of the asset allocation of the Fund shows that the asset allocation is close to The Fund's target. Captrust would have to see a variance of 5% from the actual allocation vs. the target allocation before recommending a change.

Investment returns for the Retirement Fund as of 6/30/2022 were down 11.26%. They were up 5.63% as of 7/31/2022. Starwood has had outstanding performance.

Captrust has no recommended changes for the portfolio.

Mark Gerber reported that the Retirement System is getting close to \$8.5 million a year in benefit payments. The Retirement System is still underfunded.

The Captrust Investment Policy Monitor (Scorecard) ranks most of the Fund's investments in the 90's. A score of 80 is considered good.

The Committee has requested that Captrust's presentation to the Retirement Board report on market conditions and fund performance over the last 6 months plus a verbal report of the fund performance as of the current date.

The redemption dates for both Graham and Whitebox will occur on September 30. Proceeds will be sent out 10-15 days after in mid-October. The Partners Group Private Equity Fund will accept deposits November 1.

There will be a full redemption of approximately \$4,300,000 from Graham. Whitebox will redeem 25% (approximately \$1,240,000) for the first quarter. It will take a year for a full redemption from Whitebox.

The Committee directed Captrust to explore options for the short-term investment of these funds, including the Comerica short-term fund, a T-Bill, or a reallocation into existing funds.

Captrust reported that the Retiree Health Care Fund's performance as of June 30, 2022 was down 10.94% and up 5.50% as of 7/31/2022.

The Committee has requested that Captrust include historical data, a benchmark and target rate from Comerica in their investment performance reports.

The meeting was adjourned at 8:34 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 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 RERGX	9/10/2021 3/22/2022	\$8,732,950 2,010,700	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 10/11/2022	\$3,428,013 -1,078,124	1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019 10/21/2022	\$3,428,013 CLOSED	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 10/11/2022	\$1,126,494 -354,287	1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019 10/21/2022	\$1,126,494 CLOSED	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