

**POLICE AND FIRE RETIREMENT SYSTEM  
OF THE  
CITY OF DETROIT**

**MEETING NO. 3321**

**THURSDAY December 15, 2022**

**9:00 A.M.**

**AGENDA**



**CHAIRPERSON: DEAN PINCHECK  
VICE CHAIRPERSON: MATTHEW GNATEK**

*"With advance notice of seven calendar days, the City of Detroit will provide interpreter services at public meetings, including language translation and reasonable ADA accommodations. Please contact the Civil Rights, Inclusion and Opportunity Department at [\(313\) 224-4950](tel:3132244950) through the TTY number 711, or e-mail [crio@detroitmi.gov](mailto:crio@detroitmi.gov) to schedule these services".*

*Questions regarding this notice may be sent to the LEP Coordinator in the CRIO Department by email at [crio@detroitmi.gov](mailto:crio@detroitmi.gov) or by phone at (313) 224-4950. Those interested in requesting interpretation or translation services for their department may also contact the LEP Coordinator for assistance in coordinating these services.*

Please silence cell phones and to ensure there are no distractions, refrain from personal phone calls/conversations during "open meeting." There is a lobby area to conduct personal business.

ROLL CALL:

Excused:

AGENDA APPROVAL

RETIREMENT APPLICATIONS

RECEIPTS (ACKNOWLEDGE ONLY)

DISBURSEMENTS

REFUNDS (ANNUITY WITHDRAWALS)

EMPLOYEE LOANS

MINUTES FOR DISTRIBUTION:

December 01, 2022

MINUTES FOR APPROVAL:

November 17, 2022

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

- DPOA Request

EXECUTIVE DIRECTOR'S REPORT

INTERIM CHIEF INVESTMENT OFFICER'S REPORT

- CIO Report

PUBLIC COMMENT (3-minute time limit)

PUBLIC RELATIONS ADVISOR'S REPORT

LOBBYIST'S REPORT

GENERAL COUNSEL'S REPORT

- Legal Report

COMMITTEE REPORT

FOR REVIEW

**TABLED MOTIONS/DISCUSSIONS**

**PRESENTATION SCHEDULE**

**December 15, 2022**

9:45 A.M. – Plante Moran Audit

10:15 A.M. – Kelley Cawthorne – Rob Elhenicky

11:00 A.M. –

**January 19, 2023**

10:00 A.M. –

10:30 A.M. –

11:00 A.M. –

**February 2, 2023**

10:00 A.M. –

10:30 A.M. –

11:00 A.M. –

**RETIREMENT APPLICATIONS**

NAME, TITLE, DEPARTMENT Cregg D. Hughes – Police Sergeant - Police  
RETIREMENT TYPE-PLAN Drop – New  
SERVICE CREDIT-EFFECTIVE DATE 17 01 19 – 05 12 22

NAME, TITLE, DEPARTMENT Cregg D. Hughes – Police Lieutenant -  
Police  
RETIREMENT TYPE-PLAN Hybrid – Drop  
SERVICE CREDIT-EFFECTIVE DATE 07 11 00 – 05 12 22

NAME, TITLE, DEPARTMENT Gerry H. Johnson, Jr. - Police Sergeant -  
Police  
RETIREMENT TYPE-PLAN Service – New  
SERVICE CREDIT-EFFECTIVE DATE 17 04 14 – 10 30 22

NAME, TITLE, DEPARTMENT Lauren W. McLemore - Police Sergeant -  
Police  
RETIREMENT TYPE-PLAN Drop – New  
SERVICE CREDIT-EFFECTIVE DATE 20 09 12 – 09 20 22

NAME, TITLE, DEPARTMENT Lauren W. McLemore - Police Sergeant -  
Police  
RETIREMENT TYPE-PLAN Hybrid – Drop  
SERVICE CREDIT-EFFECTIVE DATE 08 03 00 – 09 20 22

NAME, TITLE, DEPARTMENT Matthew J. Ryan - Police Sergeant - Police  
RETIREMENT TYPE-PLAN Service – New  
SERVICE CREDIT-EFFECTIVE DATE 19 07 03 – 11 28 22

NAME, TITLE, DEPARTMENT Willie Smith, III – Police Sergeant - Police  
RETIREMENT TYPE-PLAN Hybrid – Drop  
SERVICE CREDIT-EFFECTIVE DATE 05 01 00 – 07 23 19

NAME, TITLE, DEPARTMENT Verlin D. Williams – Fire Fighter - Fire  
RETIREMENT TYPE-PLAN Service - New  
SERVICE CREDIT-EFFECTIVE DATE 15 08 09 – 12 05 22

**RETIREMENT APPLICATIONS – cont'd**

NAME, TITLE, DEPARTMENT	Verlin D. Williams – Fire Sergeant EMT - Fire
RETIREMENT TYPE-PLAN	Hybrid -Service
SERVICE CREDIT-EFFECTIVE DATE	08 06 00 – 12 05 22

POLICE AND FIRE MEETING SCHEDULE 2023

DATE
January 5, 2023-Cancelled
January 19, 2023
February 2, 2023
February 16, 2023
March 2, 2023
March 16, 2023
April 6, 2023
April 20, 2023
May 4, 2023
May 18, 2023
June 1, 2023
June 15, 2023
July 6, 2023- Cancelled
July 20, 2023
August 3, 2023
August 17, 2023
September 7, 2023
September 21, 2023
October 5, 2023
October 19, 2023
November 2, 2023
November 16, 2023
December 7, 2023
December 21, 2023- Cancelled

ALL BOARD MEETINGS ARE ON THURSDAY AND BEGIN AT 9:00 A.M. UNLESS NOTED

2023 MEETING SCHEDULE  
INVESTMENT COMMITTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM

DATE
January 27, 2023
February 20, 2023
April 17, 2023
June 26, 2023
August 21, 2023
October 2, 2023
December 11, 2023

\*ALL INVESTMENT COMMITTEE MEETINGS BEGIN AT 10:00 A.M. UNLESS NOTED DIFFERENTLY AND WILL BE IN THE BOARD CONFERENCE ROOM.

**FOCUS LIST - UNDERPERFORMERS -as of June 30, 2022 Wilshire Report**

**Paradigm-** US Equity Large Cap Value. Paradigm's Large Cap Value strategy underperformed on the one quarter period returning -13.41% vs the benchmark of -12.21%, bringing their 3-year return below the benchmark, and the strategy below the peer universe median on a 3-year basis.

**Allspring-** Non-US Equity Small Cap Growth. Allspring's Non-U.S. Equity Small Cap Fund rebounded in 2Q 2022, bouncing back from the large underperformance in 1Q 2022. In 1Q 2022, the strategy struggled, when growth stocks underperformed value. During 2Q 2022, growth underperformed once again, but the strategy was able to add value.

**Ativo-** Non-US Equity Large Cap Growth. Ativo's International Equity strategy underperformed during 2Q 2022, returning -15.98% vs the benchmark of -13.73%. The strategy struggled during the quarter, while growth stocks underperformed value. This underperformance led the strategy to be below benchmark at the 3- and 5-year period, while also below the peer median on the same periods.

**Mondrian-** Non-US Equity Small Cap Value. Mondrian's Small Cap strategy performed well over 2Q 2022 as their philosophy favors value-oriented stocks. During 2Q 2022, Mondrian outperformed the benchmark, returning -15.65% versus -17.94%. Longer-term performance continues to be below the benchmark over 3 and 5 years.

**Allspring –** Global Low Volatility. Allspring's investment style and philosophy had struggled to outperform since early 2019 as growth stocks rapidly outperformed value stocks. Analytic began to see some performance recovery during 2021, which continued during 2022. Analytic outperformed the benchmark -8.36% versus -9.27% during the quarter. Longer term returns and peer comparisons are still below benchmark and median.

**Penn Capital –** High Yield Fixed Income. PENN Capital, a high-quality, defensive-oriented high yield investment manager in the DPFRS Portfolio, struggled during the market and credit rally during 2020 and 2021. Over 2Q 2022, they provided downside protection, as we would expect to see with their portfolio construction, given the rate environment, performing -9.35% vs the benchmark of -9.83%.

**FOCUS LIST- OUTPERFORMERS – as of June 30, 2022 Wilshire Report**

**Deroy & Devereaux-** US Equity All Cap Value. Deroy & Devereaux, a Diverse-Owned investment manager all cap value strategy in the U.S. Equity portfolio provided strong downside protection, returning -12.23%, vs. the benchmark of -12.41%. Relative to peers D&D performed in the 46th percentile this quarter, while, continuing to perform in the top 2 quartiles over the 3- and 5-year periods.

**Kennedy -**US Equity Small Cap Value, a small cap value strategy in the U.S. Equity portfolio provided strong downside protection, returning -13.71%, vs. the benchmark of -15.28%. Relative to peers Kennedy performed in the 21st percentile on the 3-year period, while continuing to perform in the top 2 quartiles over the 5- and 10-year periods.

**Lazard –** Emerging Markets, an emerging markets strategy in the Non-U.S. Equity portfolio provided strong downside protection, returning -8.82%, vs. the benchmark of -11.45%. Relative to peers Lazard

performed in the 8th percentile on the 1 quarter period, while continuing to perform in the top 2 quartiles over the 3- and 5-year periods.

**TT International Equity-** Non-US Equity Large Cap Value, an international equity strategy in the Non-U.S. Equity portfolio provided strong downside protection, returning -13.09%, vs. the benchmark of -14.66%. Relative to peers TT international performed in the 2nd percentile on the 3-year period, while continuing to perform in the top quartile over the 5 and 10 year periods.

## **COMMITTEES**

**FINANCE** – BERENT, NAGLICK, PEGG, ORZECH AND WATSON

**JOINT PERSONNEL** – **PFRS:** NAGLICK, PEGG, SERDA AND THOMAS **GRS:** NICKLEBERRY, PERKINS, SHEEHAN, AND HALL-WAGNER

**POLICY** – BERENT, JAMES, PEGG AND PINCHECK

**PUBLIC RELATIONS** –BERENT, NAGLICK, PEGG, PINCHECK AND EXECUTIVE STAFF: EXECUTIVE DIRECTOR DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR KELLY TAPPER AND GENERAL COUNSEL RONALD KING