

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

MEETING NO. 3327

THURSDAY March 16, 2023

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 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 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: Steve Watson

AGENDA APPROVAL

RETIREMENT APPLICATIONS

RECEIPTS (ACKNOWLEDGE ONLY)

DISBURSEMENTS

REFUNDS (ANNUITY WITHDRAWALS)

EMPLOYEE LOANS

MINUTES FOR DISTRIBUTION:

March 2, 2023

MINUTES FOR APPROVAL:

February 16, 2023

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR'S REPORT

CHIEF INVESTMENT OFFICER'S 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

March 16, 2023

10:00 A.M. – Disability T. Crain (Closed Session)

10:15 A.M. – Legal Discussion- Plan Funding Litigation (Closed Session)

11:00 A.M. –

April 6, 2023

10:00 A.M. –

10:30 A.M. –

11:00 A.M. –

April 20, 2023

10:00 A.M. –

10:30 A.M. –

11:00 A.M. –

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	Douglas Gross – Police Lieutenant - Police
RETIREMENT TYPE-PLAN	Drop – New
SERVICE CREDIT-EFFECTIVE DATE	16 05 19 – 02 21 23

NAME, TITLE, DEPARTMENT	Douglas Gross – Police Lieutenant - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	08 08 00 – 02 21 23

NAME, TITLE, DEPARTMENT	Kevin T. Reed – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	17 04 14 – 03 01 23

NAME, TITLE, DEPARTMENT	Kevin T. Reed – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	08 08 00 – 03 01 23

NAME, TITLE, DEPARTMENT	Assata D. Sherrill – Police Officer - Police
RETIREMENT TYPE-PLAN	Vested - New
SERVICE CREDIT-EFFECTIVE DATE	17 00 24 – 03 21 16

POLICE AND FIRE MEETING SCHEDULE 2023

DATE
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
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 December 31, 2022 Wilshire Report

Paradigm- US Equity Large Cap Value. Paradigm's Large Cap Value strategy underperformed on the one quarter period returning 11.74% vs the benchmark of 12.42%, 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 4Q 2022, bouncing back from the large underperformance in 1Q 2022. In 1Q 2022, the strategy struggled, when growth stocks underperformed value. During 4Q 2022, the strategy outperformed it's benchmark, returning 17.52% vs the benchmark of 15.21%.

LA Capital – Emerging Markets. LA Capital's Emerging Markets strategy underperformed during 4Q, keeping their 5-year investment performance below policy and peer ranking below median. During 4Q 2022, the strategy underperformed it's benchmark, returning 7.03% vs the benchmark of 9.70%.

Ativo- Non-US Equity Large Cap Growth. Ativo's International Equity strategy underperformed during 4Q 2022, returning 12.39% vs the benchmark of 14.28%. The underperformance over the last three quarters has 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 outperformed the benchmark in 4Q 2022, returning 17.86% versus 15.21%. Despite this, longer-term performance continues to be below the benchmark and peer median over the 3 and 5 year periods.

Allspring – Global Low Volatility Equity. Allspring's investment style and philosophy had struggled to outperform since early 2019 as growth stocks rapidly outperformed value stocks. Allspring began to see some performance recovery during 2021, which continued 2022. Allspring outperformed the benchmark 12.01% versus 8.48% during the quarter. Longer term returns and peer comparisons remain 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 4Q 2022, they outperformed the benchmark, returning 4.56% vs 4.17%. 3 year returns and peer rankings remain below policy and universe median.

FOCUS LIST- OUTPERFORMERS – as of December 31, 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 performance, returning 12.76%, vs. the benchmark of 12.18%. Relative to peers D&D performed in the 30th 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, Kennedy Capital, a small cap value strategy in the U.S. Equity portfolio provided strong performance, returning 10.45%, vs. the benchmark of 8.42%. Relative to peers Kennedy performed in the 20th percentile on the 3 year period, while continuing to perform in the top 2 quartiles over the 5 and 10 year periods.

FOCUS LIST- OUTPERFORMERS – as of December 31, 2022 Wilshire Report (con't)

Loomis Sayles -Core Plus Fixed Income, Loomis Sayles, a core plus fixed income strategy in the Fixed Income portfolio provided strong performance, returning 2.38%, vs. the benchmark of 1.87%. Relative to peers Loomis Sayles performed in the 6th percentile on the 1 quarter period, while continuing to perform in the top quartile over the 1, 3 and 5 year periods.

COMMITTEES

FINANCE – BERENT, NAGLICK, PEGG, ORZECH AND WATSON

JOINT PERSONNEL – **PFRS:** NAGLICK, PEGG, 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

LOBBYIST – BERENT, ORZECH, PEGG AND PINCHEK