



MINUTES
Meeting No. 23
Meeting of the General Retirement System Investment Committee
MARCH 06, 2017

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on Monday, March 06, 2017, at the Retirement System's office at Ally Detroit Center, 500 Woodward Suite 3000; Detroit, Michigan. David Sowerby, Chair, called the meeting to order at 12:03 p.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Recording Secretary with the following Committee Members present: David Sowerby (*Chair*), Kerrie L. Vanden Bosch (*Vice Chair*), Doris Ewing (*Secretary*), June Nickleberry, Robert Rietz, Kenneth Whipple and Thomas Sheehan.

Others Present: Ryan Bigelow (*Chief Investment Officer*), Michael Krushena (*Assistant Chief Investment Officer*), Aaron Castle, for (*General Counsel – VanOverbeke, Michaud and Timmony, P.C.*) Michael VanOverbeke via tele-conference (*General Counsel – VanOverbeke, Michaud and Timmony, P.C.*) and LaMonica Arrington-Cabeau (*Manager II*).

Absent: Cynthia A. Thomas (*Executive Director*)

Visitors Present: Kenneth Alberts and Judith Kermans: Gabriel, Roeder, Smith and Co. Alan Torrance: CEM Benchmarking.

APPROVAL OF MINUTES

Motion #17-23-01: Thomas Sheehan moved to approve the Minutes of Meeting No. 022, held on Monday, January 30, 2017. Kenneth Whipple seconded. Motion passed unanimously.

APPROVAL OF AGENDA

Motion #17-23-02: Thomas Sheehan moved to approve the Agenda as presented. Robert Rietz seconded. Motion passed unanimously.

PRESENTATIONS:

Gabriel, Roeder, Smith & Co.

Representatives of Gabriel, Roeder, Smith and Co., Kenneth Alberts and Judith Kermans appeared before the Committee to discuss Annual Actuarial Valuation of Component I as of June 30, 2015.

Presentation materials were provided: Project List

Motion #17-23-03: Kenneth Whipple moved to acknowledge receipt of the Annual Actuarial Valuation of Component I as presented to the Investment Committee at the meeting held today: March 06, 2017. Thomas Sheehan seconded. Motion passed unanimously.

Motion #17-23-04: Kenneth Whipple moved to approve the Annual Actuarial Valuation of Component I as presented to the Investment Committee at the meeting held today: March 06, 2017 and defer any further action until all avenues with the City of Detroit regarding the contribution rates have been exhausted. Thomas Sheehan seconded. Motion passed unanimously.

~Concludes Presentation~

CEM Benchmarking

Representative Alan Torrance appeared before the Committee to discuss the results of the Investment Cost Effectiveness Analysis.

~Concludes Presentation~

*The Committee **recessed for break at 1:37 p.m. and reconvened at 1:46 p.m.***

Motion #17-23-05: Kerrie L. Vanden Bosch moved to accept receipt of the Investment Cost Effectiveness Analysis as presented to the Investment Committee at the meeting held today: March 06, 2017. Thomas Sheehan seconded. Motion passed unanimously.

New England Pension Consultants

Representatives Kristin Finney-Cooke, Kim Kazor and Kevin Leonard as well as Amanda Karlsson and Oliver Fadley (via tele-conference) discussed the following with the Committee:

- Asset Allocation Update
- CLO and Direct Lending Education
- Credit Opportunities
- 4Q16 Investment performance analysis
- 3Q16 Private Equity Report

Presentation materials were provided.

~Concludes Presentation~

Direction of Chair:

Move forward with the preliminary steps as outlined, discussed and recommended by New England Pension Consultants (NEPC).

LEGAL REPORT

Michael VanOverbeke, General Counsel, provided the following informational items for discussion:

- Administrative Calendar for review
- Correspondence from State Treasurers Office
- Reappointment of Kenneth Whipple to the Investment Committee
- Plante Moran Divisional Allocation Audit (no action needed).

Motion #17-23-06: Thomas Sheehan moved to direct General Counsel to draft an appropriate correspondence to the State Treasurers office and be signed and approved by the Investment Committee Chairperson. Kenneth Whipple seconded. Motion passed unanimously.

Motion #17-23-07: Thomas Sheehan moved to acknowledge receipt of the correspondence from The General Retirement System Board of Trustees, State Treasurer's Office and the Foundation for Detroit's Future which concurs with the acceptance of the re-appointment of Kenneth Whipple to the Investment Committee for a term of six (6) years. Robert Rietz seconded. Motion passed unanimously.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, provided a report for actionable items and updates for discussion and approval:

- Townsend Memorandum (Liquidation of Tier Reit)
- Valstone Properties (Extension of the fund for one year and consider the request for fee reduction: 25 basis points)
- Request for Proposal (no action required; committee input is welcome and staff will move forward with the process within 30 days)

Motion #17-23-08: Thomas Sheehan moved to accept the recommendation from the consultant Townsend as supported by the Chief Investment Officer with respect to the liquidation of Tier Reit as presented at today's meeting: March 6, 2017. Doris Ewing seconded. Motion passed unanimously.

Motion #17-23-09: Thomas Sheehan moved to accept the recommendation from Valstone as supported by the Chief Investment Officer with respect to the extension of Fund IV for one year with the consideration of fee reduction (possibly 25 basis points). Robert Rietz seconded. Motion passed unanimously.

FUTURE AGENDA ITEMS/DISCUSSION

- None

PUBLIC/MEMBER COMMENTS

- None

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ADJOURNMENT

There being no further business before the IC, **Chairman Sowerby** adjourned the meeting at 4:06 p.m. The IC's next meeting is scheduled for **Thursday, May 25th, 2017**, at 12:00 noon in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Administrative Assistant II: TaKneisha Johnson