



MINUTES
Meeting No. 38
Meeting of the General Retirement System Investment Committee
February 11, 2019

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, February 11, 2019**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. Kerrie L. Vanden Bosch, Chairperson, called the meeting to order at 12:00 p.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Committee's Recording Secretary with the following Committee Members present: Kerrie L. Vanden Bosch (Chairperson), Kenneth Whipple- via telephone (Vice Chairperson), Doris Ewing (Secretary), June Nickleberry, Thomas Sheehan and David Sowerby.

Staff Present: David Cetlinski (Executive Director), Ryan Bigelow (Chief Investment Officer), Gail A. Oxendine (Assistant Executive Director), Kevin Kenneally (Deputy Chief Investment Officer) and Kristi Grden (Investment Analyst).

Committee Members Excused: None

Staff Excused: None

Visitors Present: John Naglick, General Retirement System Ex-Officio Trustee

APPROVAL OF AGENDA

Motion #19-38-01: Thomas Sheehan moved to approve the agenda dated Monday, February 11, 2019 as prepared by the Committees' Recording Secretary. David Sowerby supported. The motion passed unanimously.

APPROVAL OF MINUTES

Motion #19-38-02: Thomas Sheehan moved to approve the Minutes of **Meeting No. 37, held on Monday, December 10, 2018**, as prepared by the Committees' Recording Secretary. June Nickleberry supported. The motion passed unanimously.

Chairperson Vanden Bosch deferred future agenda items/discussion to the end of the meeting.

PRESENTATION:

New England Pension Consultants

Representatives Kristin Finney-Cooke, Kevin Leonard and Kim Kaczor from the Board's Investment Consulting firm, NEPC, discussed the following with the Committee:

- 2019 Investment Outlook
- Credit Presentation
 - Market Review and Outlook
- Raven Fund IV Discussion

Presentation materials were provided

Motion #19-38-03: Kenneth Whipple moved to follow the recommendation of NEPC and Investment Staff to fund an allocation of \$20,000,000.00 to Raven Asset Based Opportunity Fund IV LP, managed by Raven Capital Management. David Sowerby supported. The motion passed by vote as follows:

Yeas: Ewing, Sowerby, Whipple and Vanden Bosch – 4

Nays: Nickleberry and Sheehan - 2

- ***General Counsel Michael Van Overbeke entered the meeting at 1:18 p.m.***

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DISCUSSION:

Selection of Independent Committee Member

The Committee discussed the aforementioned matter at length with respect to the successor for Independent Committee member Robert Rietz. The Committee discussed individuals whom they deemed to be the most appropriate replacement and determined that former State Treasurer Nick Khouri would be the most suitable. The following motion was the result of said discussion:

Motion #19-38-04: Kenneth Whipple moved to designate Nick Khouri as replacement for former Committee member Robert Rietz, subject to verification from Mr. Khouri. Said confirmation/designation correspondence will be forwarded to the General Retirement System Board of Trustees, The State Treasurer and the Foundation for Detroit's Future for their concurrence. David Sowerby supported. The motion passed by vote as follows:

Yeas: Ewing, Sowerby, Whipple and Vanden Bosch – 4

Nays: None

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Motion #19-38-05:

Re: Tribute to Robert Rietz

Resolution Moved By: Thomas Sheehan – Supported By: June Nickleberry

WHEREAS, Robert Rietz was appointed by Governor Rick Snyder in 2014 as a member of the Investment Committee of the Detroit General Employees Retirement System, and

WHEREAS, Robert Rietz holds a Bachelor's of Science in Mathematics from Michigan State University and Honors College diligently with honor and integrity in his role as Committee Member, and

WHEREAS, Robert Rietz is a member of the American Academy of Actuaries and Fellow of the Conference of Consulting Actuaries, and

WHEREAS, Robert Rietz served four years on the Investment Committee of the Detroit General Employees Retirement System, and

WHEREAS, Robert Rietz served diligently with honor and integrity in his role as Committee member, and

WHEREAS, Robert Rietz carried out his responsibilities with Dedication, Sincerity, Scholarship and Hard Work and has provided Distinguished Service to the Investment Committee, Board of Trustees, Members and Retirees of the Retirement System and the City of Detroit, and

WHEREAS, the Investment Committee, Board of Trustees, the Members and Retirees of the Retirement System and the Citizens of the City of Detroit owe a debt of gratitude to Robert Rietz for his faithful service; THEREFORE BE IT

RESOLVED, that the Investment Committee, on behalf of itself and all concerned hereby expresses its gratitude and appreciation to **Robert Rietz** for his honorable and distinguished service as Investment Committee Member, and be it further

RESOLVED, that the Investment Committee, on behalf of all the aforementioned parties, says: **"THANK YOU FOR A JOB WELL DONE"** and expresses great appreciation and best wishes and much happiness in his future endeavors.

Yeas: Ewing, Nickleberry, Sheehan, Sowerby, Whipple and Vanden Bosch – 6

Nays: None

DISCUSSION:

Sub-committee Replacement Review

The Committee discussed and decided to defer until which time the replacement Independent Committee Member has been identified and confirmed.

Chairperson Vanden Bosch will sit on the Funding Policy Committee until the new Independent Committee Member is confirmed.

CEM Benchmarking Study

The Committee discussed the feasibility in continuing with the study. David Sowerby suggested looking to the previous study to determine what the recommendations were and what action was taken as a result. Staff will provide the previous study to the Committee.

Performance Evaluation/Appraisal of Chief Investment Officer

The Committee will create a developmentally-focused performance evaluation/appraisal for Chief Investment Officer, Ryan Bigelow. The evaluation will be for development purposes and not compensation at this point.

Service Provider Review Policy

The Committee decided to review the Legal provider in concurrence with the Service Provider Review Policy. The following motion is a result of that discussion:

Motion #19-38-06: Thomas Sheehan moved that the Committee conduct an appraisal of General Counsel and direct that Investment Staff provide the Committee with a comparative cost analysis for legal services, with input from General Counsel. David Sowerby supported. The motion passed unanimously.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- Funding update
 - The Committee had previously requested an update on all Managers hired in the last few months and funding activity.
- 2018 Audit; Insight Valuations
 - There is currently no quantitative basis for a valuation at this point for Insight, so the value of Insight is estimated.
- Investment Policy Statement Revisions
 - Asset allocations have been revised with respect to ranges.

-Concludes CIO's report

Motion #19-38-07: Thomas Sheehan moved to acknowledge receipt of and approve the changes to the Investment Policy Statement as presented. David Sowerby supported. The motion by vote as follows:

Yeas: Ewing, Sheehan, Sowerby, Whipple and Vanden Bosch– 5

Nays: None

Abstentions: Nickleberry - 1

LEGAL REPORT

General Counsel, Michael VanOverbeke, in addition to his formal report, provided the following informational items:

- Administrative Calendar
- Proposed Semi-Annual Compliance Report for the General Retirement System
- Summary Annual Report
- ASF Recoupment Implementation
- Meeting with new State Treasurer Eubanks
- Update on Gateway marketplace will be provided at a future Committee meeting

Withdrawn Motion: Thomas Sheehan moved to approve and accept the Summary Annual Report as submitted. The motion was withdrawn by Committee member Sheehan.

- The Summary Annual Report will be re-submitted to the Committee for review at the March meeting at which time any corrections/modifications will be made.

Motion #19-38-08: Thomas Sheehan moved to acknowledge the ASF recoupment issue and the Investment Committee concurrence with the General Board's application of the over/under payments policy to this instance. David Sowerby supported. The motion passed unanimously.

Motion #19-38-09: Thomas Sheehan moved to acknowledge receipt and concurrence of the Eighth Semi-Annual Compliance Report to the State Treasurer for the period of July 1, 2018 through December 31, 2018 and direct that it be signed by the Investment Committee Chairperson Kerrie Vanden Bosch and also be forwarded to the State Treasurer on behalf of the Investment Committee. David Sowerby supported. The motion passed unanimously.

Public/Member Comments

- None

Old Business/New Business

- None

David Sowerby moved to adjourn meeting #38. Thomas Sheehan supported.

ADJOURNMENT

There being no further business before the Investment Committee, **Chairperson Vanden Bosch** adjourned the meeting at 3:10 p.m. The Investment Committee's next meeting is scheduled for **Monday, March 25, 2019** at 12:00 p.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Recording Secretary: TaKneisha Johnson