

MINUTES OF THE RETIREMENT BOARD
Thursday, August 26, 2021

A meeting of the Retirement Board was held on Thursday, August 26, 2021 at 8:30 a.m. in the Administration Building, 9th Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Mark Deldin, Bryan Santo, Gary Cutler, Harold Haugh, Larry Rocca, Michael Grix

Excused:

George Brumbaugh

Also Present:

Stephen Smigiel, John Schapka, Joe Biondo, Christina Miller, Tom Michaud, Mike Holycross

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 8:31 a.m. by Chair Deldin.

2. Adoption of Revised Agenda

A motion was made by Vice-Chair Santo, supported by Trustee Haugh to adopt the revised agenda as presented. The motion carried.

3. Approval of Minutes from August 12, 2021

A motion was made by Trustee Rocca, supported by Trustee Grix to approve the minutes from August 12, 2021 as presented. The motion carried.

4. Approval of Invoices

There were no invoices presented for approval today.

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson is on vacation. There was no information to report today.

7. H.I.G. Capital LLC Annual Update – Jackson Craig

Mr. Jackson Craig joined the meeting remotely via Webex to present the Board with an update on their investment with H.I.G. Capital. They focus on credit opportunities in the small and mid-cap space. He provided a high level summary of Fund VI which launched in April 2020 and the fund is off to a very strong start. Mr. Craig noted that there have been no changes to their team (no turnover, no departures) in the last 7-8 years. He examined the sectors they are invested in and he expects they will deploy roughly the

same amount of capital this year as they did last year (about \$300 million). Mr. Craig also briefly outlined H.I.G.'s strategy and reported that while it is still early, there is nothing in the fund that is underperforming right now.

A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the H.I.G. Capital LLC annual update. The motion carried.

8. Marathon Asset Management Annual Update – James Atwater, Jason Friedman

Mr. James Atwater and Mr. Jason Friedman joined the meeting to provide the Board with an update on their investment with Marathon Asset Management. Mr. Atwater began the presentation with a brief introduction of himself and Marathon. The firm was started in 1998 and currently has \$22 billion in assets under management. Mr. Atwater discussed how the fund is set-up and what they will be working on in the future. He also introduced Mr. Friedman who provided a brief update on the distressed market and their fund in particular. They have had zero write downs and no losses early. Mr. Friedman reviewed a few specific investment examples (including Hertz and Europcar). He stressed that they have a very large pipeline of potential investments to choose from moving forward and they will continue to follow their disciplined investment process.

A motion was made by Trustee Rocca, supported by Trustee Grix to receive and file the Marathon Asset Management annual update. The motion carried.

9. Unfinished Business

Chair Deldin inquired when the deadline is for submitting self-nomination forms to run for the remainder of former Trustee Murphy's term. Ms. Schave advised that the deadline is tomorrow at 4:30 p.m. and so far only one individual has requested and returned a form.

10. New Business

a. 2021 TerraCap Annual Conference – Naples, FL – October 20-22

Chair Deldin noted that this item had been added to the meeting agenda yesterday and the invitation had been provided to all Board members with the revised agenda. Mr. Holycross reminded the Board members that TerraCap is relatively new to the Retirement System's portfolio and stated that they are holding their annual investor meeting near the end of October.

A motion was made by Trustee Haugh, supported by Trustee Rocca to approve Board member and staff attendance and expenses for the 2021 TerraCap Annual Conference. The motion carried.

Ms. Schave will email the Board members and staff to determine who would like to attend and ensure that the appropriate arrangements are made for travel and lodging.

11. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Haugh to adjourn the meeting at 9:10 a.m. The motion carried.