

MINUTES OF THE RETIREMENT BOARD
Thursday, June 1, 2023

A meeting of the Retirement Board was held on Thursday, June 1, 2023 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:

Bryan Santo, Larry Rocca, Michael Grix, Dan Willis, Ken Willis, Carol Grant

Excused:

Mark Deldin, Harold Haugh

Also Present:

Cindy Mitchell, John Schapka, Joe Biondo, Tom Michaud, Mike Holycross, Gary Cutler

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 8:30 a.m. by Vice-Chair Santo.

2. Adoption of Agenda

A motion was made by Trustee Rocca, supported by Trustee Dan Willis to adopt the agenda. The motion carried.

3. Approval of Minutes from May 18, 2023

A motion was made by Trustee Grix, supported by Trustee Rocca to approve the minutes from May 18, 2023 as presented. The motion carried.

4. Approval of Invoices

A motion was made by Trustee Grix, supported by Trustee Ken Willis to approve the list of invoices as presented. The motion carried.

5. Public Participation

None

6. Retirement Services Report – Cindy Mitchell

Ms. Mitchell reported that activity numbers were lower than last year for this same time period. She noted that there are 227 individuals who have not returned the Annual Signature Verification. She anticipates a second mailing going out next week.

A motion was made by Trustee Grix, supported by Trustee Dan Willis to receive and file the Retirement Services Report provided by Ms. Mitchell. The motion carried.

7. NWQ Investment Management Annual Update – Jim Stephenson, Ted Lamson, Lisa George

Mr. Jim Stephenson, Mr. Ted Lamson and Ms. Lisa George joined the meeting in-person to provide the Board with an update on their investment with NWQ Investment Management. Ms. George introduced herself, Mr. Stephenson and Mr. Lamson (who is not new to Nuveen but is new to the MCERS team). Mr. Lamson also introduced himself and gave a brief update on Nuveen's strategy and recent performance. He stated there have been no changes to their philosophy and just a few personnel changes.

Mr. Stephenson continued the presentation and delved further into their global equity investment strategy (EAS). He provided a performance update and examined equity attribution for the trailing three years. He talked about the portfolio's sector breakdown and their top 10 holdings. He discussed market conditions with the index and their global investment approach. He briefly examined their outlook, exposure changes and their banking (both regional and non-US) exposure.

Trustee Grix and Mr. Cutler asked some questions and Mr. Stephenson responded.

A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the NWQ Investment Management Annual Update. The motion carried.

8. Investment Consultant Report – Mike Holycross

a. Monthly Flash Report – April

b. 1st Quarter Performance Report

Mr. Holycross distributed two additional handouts to the Board members today. He discussed performance through March 31, 2023 and briefly examined the over/underweight areas of the portfolio.

Mr. Holycross also mentioned that there is currently \$8.8 million in Cash, and he would like to propose a rebalance to the Board today. He does not have a document prepared today but suggested moving \$15 million to cover upcoming capital calls and other necessary payments over the next 90 days or so. This would involve moving \$5 million from YCM, \$5 million from Comerica S&P 500, \$1 million from Reinhart Partners, \$1 million from Comerica S&P 400, \$1 million from CRM, \$1 million from Comerica S&P 600 and \$1 million from Clarkston Capital. He would be able to prepare the letters and get this moving by the middle of next week.

A motion was made by Trustee Dan Willis, supported by Trustee Ken Willis to approve the \$15 million rebalance as presented verbally by Mr. Holycross. The motion carried.

A motion was made by Trustee Grix, supported by Trustee Rocca to receive and file the reports and handouts provided by Mr. Holycross. The motion carried.

9. Analyst Report – Gary Cutler

Mr. Cutler advised that he will be traveling to New York later this month to visit with Tiger Global and Cramer Rosenthal McGlynn. He also commented on the effect of inflation on fixed dollar pensions and noted that this is a big issue for retirees in this system.

A motion was made by Trustee Rocca, supported by Trustee Grix to receive and file the Analyst Report provided by Mr. Cutler. The motion carried.

10. Legal Report – Tom Michaud

Mr. Michaud had nothing official to report today.

11. Unfinished Business

None

12. New Business

Vice-Chair Santo requested the individuals who attended the recent MAPERS Conference provide a brief verbal report. Trustee Ken Willis advised that he appreciated the new information he learned and enjoyed meeting new people from other municipalities and plans. Trustee Rocca commented on a presentation that was related to AI and stated that he found it very interesting. Mr. Cutler mentioned that the handouts are all now available online via the MAPERS website. Vice-Chair Santo also noted that he enjoyed Brian Green's presentation as well as the presentation Trustee Rocca mentioned about AI.

A motion was made by Trustee Ken Willis, supported by Trustee Grix to receive and file the verbal reports provided by the trustees who attended the 2023 Spring MAPERS Conference. The motion carried.

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Dan Willis to adjourn the meeting at 9:38 a.m. The motion carried.