



CITY OF ROYAL OAK RETIREE HEALTH CARE INVESTMENT BOARD MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES

A meeting of the Retiree Health Care Investment Board of Trustees was conducted in the city hall conference room 309, Royal Oak MI, Monday – May 6, 2019 at 8:30 a.m.

The meeting was called to order at 8:14 a.m.

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kim Gibbs- Trustee
Kyle DuBuc- Trustee
Don Johnson – Trustee

ALSO PRESENT: Julie Rudd - Bd Chief Administrative Officer/ Bd Secretary/Bd Treasurer
Lisa Genord- Administrative Assistant- Pension Technician
Brian Green – Investment Advisor with AndCo
Tom Michaud – Bd attorney with VanOverbeke Michaud and Timmony

Public Comment- none

Board approval of the draft minutes for April 12, 2019 meeting

Moved by Bret Nelson to approve the April 12, 2019 meeting minutes

Supported by Lee Collick

MOTION ADOPTED UNANIMOUSLY 5/0

INVESTMENTS

Preliminary performance summary as of April 30, 2019 presented by Brian Green

Market value/allocation of assets as of April 30, 2019 is \$133,342,026.

Current month – total portfolio outperformed the benchmark: 2.65% vs. 2.44% index.

Three-month performance – total portfolio outperformed the benchmark: 6.04% vs. 5.83% index.

YTD performance – total portfolio outperformed the benchmark: 12.10% vs. 12.00% index.

One-year performance – total portfolio underperformed the benchmark: 5.54% vs. 7.27% index.

Inception – total portfolio underperformed the benchmark: 5.37% vs. 6.95% index.

Brian provided a market update as of April 30, 2019, reporting that the equity market is still showing positive and upward performance. Fixed income investments also have been primarily positive. Long-term interest rates have been down for 2019.

The complete AndCo Investment Performance Review report dated April 30, 2019 is on file in Finance Office.

Moved by Bret Nelson to receive and file report.

Supported by Kim Gibbs

MOTION ADOPTED UNIANIMOUSLY 5/0

Brian provided a historical performance report review on Seizert Capital Mid Cap as of May 2019. The Seizert current portfolio comparison was made as of 3/31/19 to the Russell Mid Cap Value TR USD and Russell Mid Cap TR USD portfolios as benchmarks. Brian reported that Seizert Capital Partners Mid Cap is a concentrated portfolio with 27 holdings currently and has been consistent in the last 10 years with a range of holdings from 25 to 31. In the last 10 years, on a quarterly basis,

the historical number of holdings, percentage of assets in top 10 holdings, cash allocation, portfolio turnover, and manager style has remained consistent and unchanged. Brian also reported that historically, Seizert underperforms in comparison to the benchmark for two consecutive years, and then in the third year, outperforms the benchmark. Seizert's outperformance in the third year more than offsets their underperformance in the previous two years. Seizert's overall experience is that they outperformed the benchmark 10 out of 16 calendar years. Brian's recommendation is to keep Seizert Capital Partners Mid Cap in the portfolio and stated that he is also still adding it to other client's portfolios as well.

Seizert Mid Cap Review dated May 2019 provided at the meeting

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

AndCo Investment Performance Review dated March 31, 2019 provided at the meeting

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

AndCo ADV Part 2A report dated March 15, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

AndCo 2019 Privacy Notice

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) Quarterly Report dated March 31, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) Mid Cap Commentary 1Q 2019 as of March 31, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) Directions 1Q 2019 as of March 31, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) Announcement of GIPS Verification April 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate PRISA II Flash Performance Report First Quarter 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate Asset & Investment Report First Quarter 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL - none

OTHER - none

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30am on Tuesday – June 4th, 2019 at city hall room 309.

Moved by Lee Collick to adjourn the meeting (8:44 a.m.) and confirm next meeting for June 4th, 2019 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0