



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, Tuesday, August 6, 2019 at 8:30 a.m.

The meeting was called to order at 8:30 a.m.

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kim Gibbs- Trustee
Kyle DuBuc- Trustee
Corey O'Donohue – Police Chief / Assistant City Manager / Acting City Manager

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

Public Comment

None

Board approval of the agenda for August 6, 2019 meeting

Moved by Bret Nelson to approve the August 6, 2019 meeting agenda

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 5/0

Board approval of the draft minutes for July 1, 2019 meeting

Moved by Bret Nelson to approve the July 1, 2019 meeting minutes

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 5/0

INVESTMENTS

Investment performance review as of June 30, 2019 provided by Chris Kuhn of AndCo

Market value/allocation of assets as of June 30, 2019 is \$132,621,935.

Current month – total portfolio underperformed the benchmark: 4.60% vs. 4.87% index.

Three-month performance – total portfolio underperformed the benchmark: 3.04% vs. 3.35% index.

YTD performance – total portfolio underperformed the benchmark: 12.53% vs. 13.00% index.

One-year performance – total portfolio underperformed the benchmark: 5.35% vs. 7.11% index.

Inception – total portfolio underperformed the benchmark: 5.14% vs. 6.84% index.

Chris reported that despite the recent market volatility, the 2nd quarter performance was very good.

AQR and First Eagle were paying dividends despite the market volatility, however both Seizert and Ancora mid-caps trailed for the quarter.

Investment performance review as of July 31, 2019 provided by Chris Kuhn of AndCo

Market value/allocation of assets as of July 31, 2019 is \$132,797,922.

Current month – total portfolio outperformed the benchmark: 0.54% vs. 0.43% index.

Three-month performance – total portfolio underperformed the benchmark: 1.01% vs. 1.40% index.

YTD performance – total portfolio underperformed the benchmark: 13.24% vs. 13.57% index.
One-year performance – total portfolio underperformed the benchmark: 4.05% vs. 5.42% index.
Inception – total portfolio underperformed the benchmark: 5.24% vs. 6.82% index.
Chris reported that we were off to a good start in July up until the last day or so, and that August is off to a rocky start. Seizert Capital Mid Cap outperformed the index for the month of July, while Ancora Small Mid-Cap underperformed in July. Chris / AndCo did not recommend any changes considering the ongoing market volatility.

The complete AndCo Investment Performance Review reports dated June 30, 2019 and July 31, 2019 are on file in Finance Office.

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate – Asset & Investment Report 2nd Quarter 2019

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate – 2018 ESG Highlights

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate – Prisa II Flash Report 2nd Quarter 2019

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) - Quarterly Report dated June 30, 2019

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) – Mid Cap Commentary 2Q 2019 as of June 30, 2019

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) – Directions Newsletter 2Q 2019 as of June 30, 2019

Moved by Kyle DuBuc to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL

None

OTHER

2019 Fiduciary Liability Insurance Policy

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 5/0

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30am on Monday, September 9, 2019 at city hall room 309.

Moved by Lee Collick to adjourn the meeting (8:37 a.m.) and confirm next meeting for September 9, 2019 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0