



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 at the City Hall building in conference room # 122 on Friday May 5, 2023, at 9:30 a.m.

The meeting was called to order at 10:09 a.m.

Attendance

PRESENT: Bret Nelson - Vice Chairperson
Monica Hunt – Trustee
Paul Brake – Trustee
Kyle DuBuc - Trustee

ALSO PRESENT: Debra Peck Lichtenberg – Director of Finance
Lisa Genord – Financial Analyst / Pension Technician
Tom Michaud – Board Attorney with VanOverbeke, Michaud, & Timmony P.C.
Brian Green – Investment Advisor with AndCo

ABSENT: Lee Collick – Chairperson

Public Comment

There were no public attendees / comments.

Board approval of the agenda for the May 5, 2023 meeting

Moved by Bret Nelson to approve the agenda for the May 5, 2023 meeting

Supported by Paul Brake

MOTION ADOPTED UNANIMOUSLY 4/0

Board approval of the draft minutes for the February 17, 2023 meeting

Moved by Bret Nelson to approve the draft minutes for the February 17, 2023 meeting

Supported by Paul Brake

MOTION ADOPTED UNANIMOUSLY 4/0

INVESTMENTS

Investment performance review presented by Brian Green of AndCo.

Market value/allocation of assets as of March 31, 2023 is \$140,564,882

3-month performance – total portfolio underperformed the benchmark: 4.03% vs. 4.43% index.

Year-to date performance – total portfolio underperformed the benchmark: 4.03% vs. 4.43% index.

1-year performance – total portfolio outperformed the benchmark: -4.60% vs. -5.39% index.

3-year performance – total portfolio outperformed the benchmark: 12.22% vs. 12.01% index.

5-year performance – total portfolio underperformed the benchmark: 6.13% vs. 6.28% index.

Inception – total portfolio underperformed the benchmark: 6.05% vs. 6.45% index.

Brian reported that the markets continued to rally in the 1st quarter of 2023 and noted the Federal Reserve recently approved its 10th interest rate hike in just a little over one year. Brian anticipates that the Fed is likely done with these hikes and more than likely later this year will see those rates start to be cut, especially factoring in continued inflation and the recent banking crisis / rescue. Brian reported that the city's overall portfolio is up 4% for the quarter, mostly due to both the domestic and international markets rallying. Brian also reported that the only negative-performing class was real estate, however Prisa II was still a good contributor overall. Debra Peck-Lichtenberg requested that Brian / AndCo

provide the fiscal year-to-date return to the Asset Allocation & Performance slides within the presentation booklet, beginning with the next meeting.

The complete AndCo Investment Performance Review report dated March 31, 2023 is on file in the Finance Department.

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP– Investor Statement for Period Ending March 31, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP – Detailed Management Fee Report for Quarter Ending March 31, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP – Distribution Letter dated March 28, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP – Withdrawal Redemption Letter dated March 27, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II - Performance Report 1Q 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate – Quarterly Insights 1Q 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP & Prisa II UHC, LP Financial Statements as of December 31, 2022

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP 4Q 2022 Investor Call - February 9, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II Annual Fund Review 2022

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

Seizert Capital Partners (SCP) Quarterly Report as of March 31, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

Seizert Capital Partners (SCP) Directions Newsletter 1Q 2023 as of March 31, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

Seizert Capital Partners (SCP) GIPS Verification Announcement in April 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

Seizert Capital Partners (SCP) Summary of Material Changes to Form ADV as of March 9, 2023

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

TerraCap Partners V LP Statement of Changes in Partner's Capital For the Quarter Ended 12/31/2022 - Unaudited

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

TerraCap Partners V LP Financial Report & Market Update Q4 2022

Moved by Bret Nelson to receive and file.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

LEGAL

None

OTHER

Annual advisor and consultant review – In accordance with Board policy, each year one existing advisor/consultant is reviewed along with prospective advisors/consultants. The legal consultant services are due for review. Tom Michaud, retiree health care board attorney, will provide the board with a summary of the services that are being provided on a regular basis, confirm the fee structure, and provide any other pertinent information for the board to review at the next meeting.

Moved by Bret Nelson for the retiree health care investment board to review a summary of the legal consultant services and fee structure documentation, which Tom Michaud will provide, at the next retiree health care investment board meeting.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

NEXT MEETING AND ADJOURNMENT

Next quarterly meeting is scheduled immediately following the retirement system board meeting at approximately 9:30 a.m. on Friday, August 4, 2023 at the City Hall Building at 203 South Troy Street, in the first floor conference room # 122.

Moved by Bret Nelson to adjourn the meeting (10:18 a.m.) and confirm the next meeting for Friday, August 4, 2023, immediately following retirement system board meeting at approximately 9:30 a.m.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0