



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, October 8, 2019 at 8:30 a.m.

The meeting was called to order at 8:48 a.m.

Attendance

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

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
Brian Green – AndCo Investment Advisor

ABSENT: David Gillam – City Attorney / Interim City Manager

Kim Gibbs left the meeting at 9:00am

Public Comment

None

Board approval of the agenda for October 8, 2019 meeting

Moved by Bret Nelson to approve the October 8, 2019 meeting agenda

Supported by Lee Collick

MOTION ADOPTED UNANIMOUSLY 4/0

Board approval of the draft minutes for September 9, 2019 meeting

Moved by Lee Collick to approve the September 9, 2019 meeting minutes

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

INVESTMENTS

Investment performance review as of September 30, 2019 presented by Brian Green of AndCo.

Market value/allocation of assets as of September 30, 2019 is \$132,028,864.

Current month – total portfolio underperformed the benchmark: 1.17% vs. 1.21% index.

Three-month performance – total portfolio outperformed the benchmark: 0.70% vs. 0.53% index.

YTD performance – total portfolio underperformed the benchmark: 13.42% vs. 13.68% index.

One-year performance – total portfolio underperformed the benchmark: 3.63% vs. 3.87% index.

Inception – total portfolio underperformed the benchmark: 4.94% vs. 6.39% index.

Brian reported that September was positive and that Seizert and Ancora performed well this past month. Brian also reported that trade talks with China are anticipated to ramp up again this week, and that from a U.S. standpoint the economy is still slowing. Additionally, Brian reported that the Fed will be cutting rates again within the next one to two weeks, and again in December. Brian also reported that the probability of a recession in 2020 has increased to 40%, and that AndCo will continue to reposition the city's portfolio in anticipation of the recession.

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

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II, LP Cash Flow Distribution Letter dated 9-24-19

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Investment Research – 3Q United States

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Investment Research – 3Q Europe

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Investment Research – 3Q Asia

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Core Real Estate – 3Q Privcap / Conversations

Moved by Bret Nelson to receive and file

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

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 Thursday, November 7, 2019 at city hall room 309.

Moved by Lee Collick to adjourn the meeting (9:03 a.m.) and confirm next meeting for November 7, 2019 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0