

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREE HEALTH CARE BOARD
REGULAR SCHEDULED TRUSTEE MEETING
July 18, 2023**

The regular meeting of the City of Madison Heights Policemen & Fire Retiree Health Care Board of Trustees was held Tuesday, July 18, 2023, at 9:17 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Kevin Barrett, Eric Bissinger, Linda Kunath, Anthony Roberts

Others Present: Retirement System Attorney Thomas Michaud
Morgan Stanley\Graystone investment advisors Brian Brice

01-24 Approval of Minutes of the Special Meeting of May 12, 2023

Motion by Trustee Barrett and supported by Trustee Bissinger to approve minutes of the special meeting of May 12, 2023.

Yeas: Barrett, Bissinger, Gerald, Kunath, Roberts
Nays: None
Absent: None
Motion Carried.

Meeting Open to the Public

No items were discussed.

02-24 Morgan Stanley\Graystone Consulting Investment Report

Morgan Stanley Brian Brice discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. Investments in U.S. equities S&P 500 are 6.6% up month to date, the NASDAQ is up 32.3% year to date. Consumer tech and media are leading the increases. The federal reserve took a pause on further increasing interest rates, but two more .25% interest rate hikes are anticipated before 12/31/23. There is a possibility of corrections in the equity market, leaning towards value, and a strong labor market to continue along with capital spending and a resilient housing market. In the capital market indices, the bond market was down 13.1% in 2022 and is down 2% year to date.

This fund meets the qualifications to invest in Brevan Howard Hedge fund. Morgan Stanley sent investment agreement to Tom Michaud for review. The policy targets 3%, about \$800,000, to invest in hedge funds. Morgan Stanley is looking at a single hedge fund manager, for exposure to asset class, but has diversification, a number of portfolio strategies under one ownership. This investment consideration is not to take on undo risk. The manager will typically receive 1.5% management fee plus 15% of the return, and there is up to 3 months to liquidity. Private Investments have not been funded.

A June 30, 2023 returns were up 9.67% fiscal year to date, up 3.24% quarter to date and up 1.33% in June, 2023. Cash has been earning about 5%. The total assets as of July 10, 2023 were \$25,168,320 and were \$25,612,601 at May 2, 2023.

Motion by Trustee Barrett and supported by Trustee Bissinger to receive and file the investment report.

Yeas: Barrett, Bissinger, Gerald, Kunath, Roberts
Nays: None
Absent: None
Motion Carried.

New Business.

No items were discussed.

03-24 Adjournment

Motion by Trustee Roberts and supported by Trustee Bissinger to adjourn the meeting.

Yeas: Barrett, Bissinger, Geraldts, Kunath

Nays: None

Absent: None

Motion Carried.

The meeting was adjourned at 9:23 a.m.

Respectfully submitted,

Linda Kunath, Secretary