

**CITY OF MADISON HEIGHTS
GENERAL RETIREE HEALTH CARE BOARD
REGULAR SCHEDULED TRUSTEE MEETING
April 18, 2023**

The Meeting of the City of Madison Heights General Retiree Health Care Board of Trustees was held on Tuesday, April 18, 2023, at 9:52 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Board Members: Kevin Barrett, Eric Bissinger, Linda Kunath

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

Excused: Board Members: Jeff Geraldts and Anthony Roberts

20-23 Excuse Board Members Jeff Geraldts and Anthony Roberts

Motion by Trustee Bissinger and supported by Trustee Kunath to excuse Board Members Jeff Geraldts and Anthony Roberts from the regular meeting of April 18, 2023.

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

21-23 Approval of Minutes of the Special Meeting of March 21, 2023

Motion by Trustee Bissinger and supported by Trustee Kunath to approve minutes of the special meeting of March 21, 2023.

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

Meeting Open to the Public

No items were discussed.

22-23 Morgan Stanley\Graystone Consulting Investment Report

Morgan Stanley discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. The Federal Reserve has continued to tighten, inflation is above policy targets and the post-COVID boom's economic resolution is still not finalized. Morgan Stanley models project the next bull market phase as one of normalized inflation and higher neutral rates. The 2023 seven-year annual return forecast for global stocks remains essentially unchanged, at 5.2%, with projected US equity returns improving modestly to 4.4%, which is below historical average.

Hedge fund education material was distributed and discussed. The policy targets 3%, however the minimum Trust value is \$25 million that is required 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. Brian Brice will follow up with prospective manager about minimum balance to invest.

Quarter to date returns were up 4.66% net of fees, for the fiscal year to date up 5.88% net of fees, and last 3 years up 111.89% net of fees. The total assets as of April 10, 2023 were \$16,998,612 and as of March 31, 2023 were \$25,236,150.

Motion by Trustee Bissinger and supported by Trustee Kunath to receive and file the investment reports.

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

23-23 Graystone Consulting Investment Changes Memorandum

Motion by Trustee Bissinger and supported by Trustee Kunath to receive and file the Graystone Consulting Custom Investment Outsourcing Discretionary – Quarter Ending March 31st, 2023 – Investment Changes Memorandum.

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

24-23 Adjournment

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

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

The meeting was adjourned at 10:01 a.m.

Respectfully submitted,

Linda Kunath, Secretary