

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREMENT SYSTEM
REGULAR SCHEDULED TRUSTEE MEETING
May 21, 2024**

The regular meeting of the City of Madison Heights Policemen & Firemen Retirement System Board of Trustees was held on Tuesday, May 21, 2024, at 8:32 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Linda Kunath, Brett Moore, Anthony Roberts, Gary Strongarone

Others Present: Retirement System Attorney Thomas Michaud, arrived at 8:40 a.m.
Morgan Stanley\Graystone investment advisors Brian Brice
Others Present: Dave Thayer

48-24 Approval of Minutes of the Regular meeting of April 16, 2024

Motion by Trustee Moore and supported by Trustee Roberts to approve minutes of the regular meeting of April 16, 2024.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone
Nays: None
Motion Carried.

Meeting Open to the Public

No items were discussed.

49-24 Morgan Stanley\Graystone Consulting Investment Report

Morgan Stanley Brian Brice discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. The U.S. dollar is very strong compared to international. Quarterly returns are very good, up 10.6% and the magnificent 7 companies (Apple, Microsoft, Amazon, NVIDIA, Google, Tesla, and Meta Platforms) influenced strong returns in the S&P 500, although these companies were slightly reduced percent of the S&P 500 positive returns this past quarter. China is dragging returns for the international market. In the Plan's portfolio, large equities have outperformed benchmarks, including JP Morgan up 16.67% quarter to date compared to 11.41% benchmark Russell 1000 Growth, and Boston Partners up 12.12% quarter to date compared to 8.99% Russell 1000 Value. Emerging markets equities GQG Partners was up 24.89% fiscal year compared to 7.19% benchmark MSCI EM Net.

The annual wealth strategies analysis was reviewed, which included comparison of current scenario, target, and modified portfolio mix options. The analysis of returns is based on 20+ years secular assumptions and ratio for better returns versus risk. The current investment policy is in line with asset allocation, including the changes made last meeting to the policy. An Approved List Report for PNC Capital Advisors Core Fixed Income was distributed and noted that this core investment passed due diligence. Morgan Stanley will look to change to get longer dated bonds in the portfolio to have higher interest returns over a longer period. The private equity investment with Hamilton in the amount of \$1.5 million will be funded June 1, 2024 and private credit investment with Fortress in the amount of \$1.5 million will be funded July 1, 2024.

March 31, 2024 final investment balance was \$54,347,580.98, returns net of fees were up 4.59% quarter to date less than 5.50% benchmark, up 9.98% fiscal year to date less than 11.32% benchmark, up 3.01% the last 3 years less than 3.94% benchmark, and up 7.15% the last 5 years less than 7.15% benchmark. The total assets as of were \$54,188,585.77 at May 10, 2024 and were \$53,333,172 at April 5, 2024.

Motion by Trustee Roberts and supported by Trustee Moore to receive and file the investment report, wealth strategies analysis report, and list report.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone
Nays: None
Motion Carried.

Disability Retirement Application – Spangler C.

The disability retirement application of Carey Spangler was discussed. The retained physician is Managed Medical Review Organization (MMRO). Mr. Spangler is responsible to submit any and all information in support of his request, this provided information has been forwarded to MMRO for medical review and to make a determination.

Mr. Spangler designated his representative as Dave Thayer. Mr. Thayer stated that Mr. Spangler lives out of state and asked about process. Tom Michaud reviewed process and stated if MMRO doctor determines there is no disability then a mutually agreed medical committee will be selected to make a determination.

New Business.

No items were discussed.

50-24 Adjournment

Motion by Trustee Roberts to adjourn the meeting.

Yeas: Geraldts, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

Meeting was adjourned at 9:44 a.m.

Respectfully submitted,

Linda A. Kunath, Secretary