

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREE HEALTH CARE BOARD
REGULAR SCHEDULED TRUSTEE MEETING
September 19, 2023**

The regular meeting of the City of Madison Heights Policemen & Fire Retiree Health Care Board of Trustees was held Tuesday, September 19, 2023, at 9:58 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Eric Bissinger, Linda Kunath, Anthony Roberts, Gary Strongarone

Others Present: Morgan Stanley\Graystone investment advisors Brian Brice

04-24 Approval of Minutes of the Regular Meeting of July 18, 2023

Motion by Trustee Roberts and supported by Trustee Bissinger to approve minutes of the special meeting of July 18, 2023.

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

Meeting Open to the Public

No items were discussed.

05-24 Morgan Stanley\Graystone Consulting Investment Report

Morgan Stanley Brian Brice discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. Cash continues to provide strong returns and is 15.06% of portfolio, policy target is 0.00%. Investments in U.S. equities S&P 500 are 18.7% up year to date, strongly supported by 12.4% returns from the magnificent 7 (Apple, Microsoft, Amazon, NVIDIA, Google, Tesla, and Meta Platforms). The federal reserve target of 2% inflation has not yet been met. The risk of economic recession has increased modestly for 2023. The federal reserve is not expected to increase rates at the 9/20/23 meeting, but two more .25% interest rate hikes are still anticipated before 12/31/23. Europe equities are up year to date, with Eurozone STOXX 50 up 18.0% and France CAS 40 up 17.5%. US size-style is up year to date, with Russell 3000 and Russell 3000 Growth up 18.0% and 31.0%, respectively. In the Capital market indices, the US aggregate bond market was down -0.7% quarter to date and is up 1.4% year to date. Bonds still offer decent relative value and the potential for portfolio hedging.

Hedge fund investment update, the management fee is 1.5%, for a minimum \$25 million plan and minimum \$100,000 investment. No placement fee is charged by Morgan Stanley and there is no lock up period, and a 90 notice required. Return is anticipated to be 7.6%. Cash in the investment fund will be used for this investment. Private Investments have not yet been funded.

As of August 31, 2023 returns were up 8.38% year to date, up 0.40% quarter to date and up 6.01% over the last 3 years. The total assets as of September 11, 2023 were \$25,189,043 and were \$25,168,320 at July 10, 2023.

Motion by Trustee Roberts and supported by Trustee Strongarone to receive and file the investment report.

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

New Business.

No items were discussed.

06-24 Adjournment

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

Yeas: Bissinger, Geraldts, Kunath, Roberts, Strongarone

Nays: None

Absent: None

Motion Carried.

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

Respectfully submitted,

Linda Kunath, Secretary