

**GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT (“GRS”)**

EDUCATION POLICY

Adopted: March 31, 2010

I. PURPOSE.

The Board of Trustees of the General Retirement System of the City of Detroit (the “Board”) recognizes and affirms the importance of education to the success of fulfilling its constitutional and statutory fiduciary duty to prudently administer the retirement system for the exclusive benefit of the members and their beneficiaries as set forth below.

Section 13 of Michigan Public Act 314 of 1965, as amended, mandates that the Board and other fiduciaries of the fund discharge their duties with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the Retirement System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

A. The GRS Education Policy rests on the following important premises:

1. GRS is a trust for the exclusive benefit of its members, and the administration of GRS is subject to strict fiduciary responsibilities under the law. All of GRS’s operations and activities must be undertaken solely to advance and protect the interests of the members, retirees and beneficiaries of GRS and must be conducted in a prudent manner.
2. As fiduciaries, Board members are expected to be capable of completing their duties and responsibilities. Board members are also responsible for making policy decisions relating to pension plan administration of GRS. The diversity of each individual Board member’s background presents a challenge in addressing necessary and recommended continuing professional education opportunities. To that end, they must acquire an appropriate level of knowledge to achieve proficiency in the conduct of GRS’s business.
3. There exists a unique body of knowledge that is relevant to Board members in carrying out of their distinct roles and responsibilities.
4. Both continuing education in the topics vital for pension trustees and participation in state and national pension organizations are essential to successfully carrying out these fiduciary duties.
5. Each Board member has an ongoing obligation to make every effort to attend and participate in the Board’s meetings with its policy and investment advisors; to represent the Retirement System in such national and state organizations as the Board determines are beneficial to its interests.

B. The objectives of the GRS Education Policy are as follows:

1. To ensure that all Board members gain the knowledge necessary to carry out their fiduciary responsibilities.
2. To ensure that access to relevant information is made available to all Board members.
3. To ensure that Board members possess shared knowledge relevant to pension administration and the investment of trust assets, to enable effective group discussion, debate, and decision making.

Prudent administration requires each Board member to achieve and maintain proficiency in the conduct of GRS's business by educating himself or herself in matters central to the prudent administration of the retirement system and the investment of retirement funds. To that end, the Board adopts this Education Policy (this "Policy") to promote the Board members' ability to achieve this proficiency.

II. DEFINITIONS.

"Board" or "Board of Trustees" shall mean the Board of Trustees of the General Retirement System of the City of Detroit.

"Board member" shall mean any member of the GRS Board of Trustees.

"GRS" shall mean the General Retirement System of the City of Detroit.

"GRS staff" or "Staff" shall mean the Executive Secretary, the Recording Secretary, Assistant Retirement Administrators, the Investment Analyst, and all other employees of the GRS.

"Service provider" shall mean any consultant, manager, advisor, custodian or other individual or entity providing services to the Board and/or GRS.

III. GUIDELINES.

The following sets forth guidelines that govern the Board's continuing education activities, which are designed to develop the skills necessary to promote the prudent administration of the retirement system and investment of the retirement funds. These guidelines are intended to be read and applied in conjunction with, and to complement, GRS's Trustee Due Diligence and Travel and Expense Policies. Due diligence activities, however, shall not be a substitute for educational programs.

In accordance with the GRS Travel and Expense Policy, each Board member and GRS staff shall have an established travel allowance to cover the travel and expenses related to participation in educational activities. Within the budgeted travel allowance, Board members and GRS staffs are further limited to the number of in-state and out-state educational programs in which they can participate. Accordingly, Board members and GRS staffs are encouraged to carefully consider their individual educational needs and to pursue educational programs that support their continued development as a prudent fiduciary.

A. General Provisions.

1. Board members shall strive to develop and maintain an appropriate level of knowledge and skill necessary to administer the retirement system prudently throughout their term as members of the Board. The following areas of continuing education are required:

- a. pension law and regulatory issues;
- b. selection and retention of plan professionals;
- c. institutional investment principals and performance measurement;
- d. principles of asset allocation and investment management;
- e. actuarial evaluation and process;
- f. benefits administration;
- g. board governance, ethics and fiduciary obligations; and
- h. organizational budget and audit procedures.

2. Educational opportunities designed to help Board members achieve proficiency in these areas include:

- a. external conferences, seminars, workshops and events sponsored by corporate sponsors, professional or trade organizations, investment managers and/or other primary service providers, including, but not limited to, investment consultants, investment managers legal counsel, custodians and/or actuaries;
- b. in certain circumstances, external conferences, seminars, workshops and events sponsored by corporate sponsors. professional and trade organizations and/or other third party professional conferences (“Professional Conference”) may be appropriate for a Board member to attend should the subject matter be germane to Board function. However, Board members who attend such Professional Conferences in his or her professional capacity may not also attend in his or her capacity as a Board member. In no event will the expense of attending a Professional

Conference by a Board member who attends the Professional Conference in his or her professional capacity be reimbursed by GRS. Only with the written permission of the Board may a Board member attend a Professional Conference in his or her capacity as a Board member.

c. pension association meetings and events;

d. in-house educational seminars, presentations, new trustee orientations and briefings; and

e. relevant print and electronic media resources.

3. Board members shall seek out, evaluate and attend appropriate educational programs to meet the following minimum goals:

a. achieve, over time, proficiency in the areas identified herein; and

b. stay apprised of new relevant developments.

4. GRS shall support its Board members' efforts to achieve these minimum goals and shall provide further education and training as appropriate under the circumstances. It is recommended that during a Board member's initial term, such Board member should seek out the following basic educational experiences during the following intervals:

a. Ethics Training;

b. Stanford Law School Fiduciary College;

c. Investment Program at Wharton School of the University of Pennsylvania or other similar higher educational program

d. Trustee training provided by MAPERS or NCPERS or similar organization;

e. Board Strategic Workshops;

f. Educational and training programs offered by retained consultants;

g. Stanford Directors College; and

h. One Institutional Investor Roundtable/Symposium or Public Funds Forum or equivalent.

B. Program Selection and Approval Process.

1. Certain educational programs are well known to provide important training to board members of retirement systems. Board member attendance at the following educational conferences/programs are hereby pre-approved:

a. Michigan Association of Public Employee Retirement Systems ("MAPERS");

- b. National Conference of Public Employee Retirement Systems (“NCPERS”);
- c. International Foundation of Employee Benefit Plan (“IFEBP”)
- d. National Association of Securities Professionals (“NASP”)
- e. National Association of State Retirement Administrators (“NASRA”);
- f. Council of Institutional Investors (“CII”); and,
- g. one or more training and educational programs developed by retained consultants to GRS.

2. Other educational programs offered by the International Foundation of Employee Benefit Plans (“IFEBP”), Government Financial Officers Association, (“GFOA”), Pension Real Estate Association (“PREA”), Public Funds Forum and Institutional Investor Conferences; commercial enterprises such as Strategic Research Institute (“SRI”) or institutions of higher education, such as The Wharton School of the University of Pennsylvania, the Stanford Directors College, Institute for International Research, and the Pacific Pension Institute provide valuable trustee education, and shall be given consideration by the Board. The Board shall annually adopt and maintain a “Schedule of Approved Educational Programs” for attendance by Board members and/or staff.

C. Annual Budget and Expenses.

The Board shall establish an annual budget to cover the cost of providing continuing fiduciary education for GRS Board members and staff. As provided by the Trustee Travel and Expense Policy, GRS shall reimburse Board members for all reasonable and necessary expenses incurred in attending educational programs encouraged hereunder as provided in this Policy subject to the limitations as provided in the GRS Travel and Expense Policy.

D. Reporting.

1. A Board member attending an education program shall provide an oral report evaluating the program and its merits to the Board at their next regular meeting, the key points of which shall be included in the minutes of the meeting. In addition, Board members shall provide the Board with the materials obtained during the program, so that they may be made available to other Board members and staff for reference purposes.

2. If the educational program provides a certificate of attendance, Board members must provide a copy of the certificate of attendance from the conference or seminar sponsor with his or her travel reimbursement request to be reimbursed. Failure to provide a copy of the certificate of attendance within a reasonable period of time may result in the suspension of future travel reimbursements for attendance at educational programs for a period of time as determined by the

Board. The Board acknowledges that there may be extenuating circumstances (i.e., family or personal emergencies, illness, etc.); or instances where an individual's schedule may not permit participation in the entire conference; which may result in a conference attendee not attending the required number of sessions or classes to receive a certificate of attendance. Under these circumstances, the Board shall have the discretionary authority to approve an appropriate reimbursement request notwithstanding that a certificate of attendance was not obtained.

3. The Executive Secretary shall report at least annually on the participation of Board members and staff in educational activities during the previous fiscal year.

E. New Board Member Orientation.

1. In order to provide information to those who may considering becoming Board members, copies of this and other Board policies relating responsibilities of Board members shall be made available to the public.

2. The Executive Secretary and the Board General Counsel shall also be responsible for developing a Trustee Handbook and a New Trustee Orientation Program, designed to familiarize each new Board member with all aspects of GRS's operations and policies. The goal is to assure that each new Board member is prepared to participate fully in the responsibilities of the Board and to obtain required education as soon as possible after joining the Board. Board members shall participate in the orientation program within 45 days of being elected or appointed to the Board.

3. The New Board Member Orientation Program shall include:

- a. The history and organization of GRS and all relevant governing documents;
- b. Most recent plan description and member and retiree handbooks;
- c. Most recent actuarial valuation and financial statements;
- d. An introduction to the Board and staff, and GRS premises;
- e. Fiduciary duties of the Board members and the Board;
- f. Relevant laws affecting the Board and GRS;
- g. Most recent asset/liability study;
- h. Most recent investment performance report;
- i. Board policies and Bylaws;

- j. Current issues before the Board;
- k. Most recent business plan and budget;
- l. Up-to-date organization chart;
- m. Up-to-date names and phone numbers of Investment Consultants, Investment Managers, other Board members and GRS Staff; and
- n. Most recent meeting calendar and other relevant manuals, materials and documentation.

IV. POLICY REVIEW.

The Board shall review this Policy at least every three years to assure its efficacy and relevance. This Policy may be amended from time to time by majority vote of the Board.