



**MINUTES**  
**Meeting No. 36**  
**Meeting of the General Retirement System Investment Committee**  
**October 29, 2018**

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, October 29, 2018**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. David Sowerby, Chairperson, called the meeting to order at 11:32 a.m. A quorum was present.

**ROLL CALL:**

Attendance was taken by the Committee's Recording Secretary with the following Committee Members present: David Sowerby (Chairperson), Kerrie L. Vanden Bosch (Vice Chairperson), Doris Ewing (Secretary), June Nickleberry, Robert Rietz, Thomas Sheehan and Kenneth Whipple.

Staff Present: David Cetlinski (Executive Director), Ryan Bigelow (Chief Investment Officer), Michael VanOverbeke (General Counsel – VanOverbeke, Michaud and Timmony, P.C.), Gail A. Oxendine (Assistant Executive Director), Kevin Kenneally (Investment Officer) and Kristi Grden (Investment Analyst).

Committee Members Excused: None

Staff Excused: None

Visitors Present: John Naglick, General City Board Ex-Officio Trustee

**APPROVAL OF AGENDA**

**Motion #18-36-01:** Thomas Sheehan moved to approve the agenda dated Monday, October 29, 2018 as prepared by the Committees' Recording Secretary. Robert Rietz supported. The motion passed unanimously.

***Chairperson Sowerby noted the very robust schedule ahead of the Committee and made mention of various discussion points that are significant to the goals and mission of the Committee.***

## **APPROVAL OF MINUTES**

**Motion #18-36-02:** Thomas Sheehan moved to approve the Minutes of **Meeting No. 35, held on Monday, September 10, 2018**, as prepared by the Committees' Recording Secretary. Kenneth Whipple supported. The motion passed unanimously.

- ***Assistant Executive Director Gail Oxendine entered the Boardroom at 11:38 a.m.***

## **PRESENTATION:**

### **New England Pension Consultants**

Representatives Kristin Finney-Cooke and Kevin Leonard from the Board's Investment Consulting firm, NEPC, discussed the following with the Committee:

- Diversifying Strategies Manager Search
- Diversifying Bucket
- GAM Update
- Emerging Market Equity
- Small Cap Emerging Markets

*Presentation materials were provided*

**Motion #18-36-03:** Doris Ewing moved to hire Mariner LDC who is managed by the Mariner Investment Group LLC, as the Relative Value Manager for the multi-strategy asset class for an allocation to the diversifying strategies portfolio as recommended by the Chief Investment Officer and NEPC; pending fee negotiation target of a 4% allocation. Robert Rietz supported. The motion passed by vote as follows:

Yeas: Ewing, Nickleberry, Rietz, Vanden Bosch, Whipple and Chairperson Sowerby - 6

Nays: Sheehan- 1

**Motion #18-36-04:** Kenneth Whipple moved to approve the recommendation by the Chief Investment Officer and NEPC to select Engadine Partners and SEG Partners at a 1% allocation. Doris Ewing supported. The motion passed unanimously.

**Motion #18-36-05:** Thomas Sheehan moved to approve the recommendation by the Chief Investment Officer and NEPC to retain BlackRock- Strategic Income Opportunities" as an "ARFI" manager/product to replace GAM. Kenneth Whipple supported. The motion passed unanimously.

**Motion #18-36-06:** Doris Ewing moved to approve the recommendation by the Chief Investment Officer and NEPC to retain “Axiom Investors- Axiom Emerging Market Equity Strategy” as the EME manager/product to replace Aberdeen. June Nickleberry supported. The motion passed unanimously.

**Motion #18-36-07:** Doris Ewing moved to approve the recommendation by the Chief Investment Officer and NEPC to retain “Fidelity Institutional Asset Management- Emerging Markets Equity Small Cap” as the EME SC manager/product to replace Aberdeen; sizing to be determined and subject to fee negotiations. June Nickleberry supported. The motion passed unanimously.

- ***The Committee recessed for a brief break at 1:37 p.m. and reconvened the meeting at 1:48 p.m.***

**PRESENTATION:**

**2018 Proposed Retirement System Budget/Quarterly Financials**

Chief Accounting Officer Ramzee Jackson presented the proposed 2018 Budget/Quarterly Financials to the Committee.

**PRESENTATION:**

**Funding Policy Committee**

The Funding Policy committee provided policy updates to the Investment Committee.

**PRESENTATION:**

**Gabriel, Roeder, Smith and Company**

Kenneth Alberts and David T. Kausch, the System’s Actuaries, discussed the following with the Committee:

- Funding Policy Model Tool update

## **CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- AQR Delta update
- Proposed December 10, 2018 Meeting Agenda
  - Diversifying Strategies
  - Private Equity
  - Townsend may be in attendance
  - GASB Reports
  - Audit and Actuarial Reports (these will be provided in advance of meeting).

***-Concludes CIO's report-***

## **LEGAL REPORT**

General Counsel, Michael VanOverbeke, provided the following informational items:

- FOIA updates/requests continue to come into the office; these request are handled by Staff accordingly
- The General City Board of Trustees hired the Miller firm to review the Systems' holdings with Gateway Marketplace.
  - Members of the Miller firm (Melvin "Butch" Hollowell, Kevin O'Shea and Angela Baldwin) appeared before the General City Board on 10/24/2018.

***-Concludes Legal Counsel Report-***

## **Public/Member Comments**

- None

## **Old Business/New Business**

- Committee member Robert Rietz will not seek re-appointment to the Committee at the end of his term in December 2018. He provided his intent in writing.
  - Recommendations for replacement will come to the Committee at the next Committee meeting.

Minutes – GRS IC Mtg.  
Meeting No. 036  
October 29, 2018

**ADJOURNMENT**

There being no further business before the Investment Committee, **Chairperson Sowerby** adjourned the meeting at 2:48 p.m. The Investment Committee's next meeting is scheduled for **Monday, December 10, 2018** at 12:00 p.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



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RYAN BIGELOW  
CHIEF INVESTMENT OFFICER

Recording Secretary: TaKneisha Johnson