



**MINUTES**  
**MEETING NO. 016**  
**MEETING OF THE POLICE AND FIRE RETIREMENT SYSTEM**  
**INVESTMENT COMMITTEE**  
**MONDAY, OCTOBER 17, 2016**

A MEETING OF THE INVESTMENT COMMITTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT WAS HELD ON **MONDAY, OCTOBER 17, 2016** IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, 500 WOODWARD AVENUE, 30<sup>TH</sup> FLOOR, SUITE 3000, DETROIT, MICHIGAN 48226

ROLL CALL:

CHAIRMAN **ROBERT SMITH** CALLED THE MEETING TO ORDER AT **9:38 A.M.** A QUORUM BEING PRESENT, ATTENDANCE WAS TAKEN BY RECORDING SECRETARY **JANET LENEAR** AND THE FOLLOWING COMMITTEE MEMBERS WERE PRESENT: SEAN NEARY, ROBERT SMITH (CHAIRMAN), REBECCA S. SORENSEN, GREGORY TROZAK, JOHN TUCKER, WOODROW TYLER AND MCCULLOUGH WILLIAMS, III (VICE CHAIRMAN)

ALSO PRESENT AT ROLL CALL:

EXECUTIVE DIRECTOR CYNTHIA A. THOMAS, ASSISTANT EXECUTIVE DIRECTOR DAVID CETLINSKI, CHIEF INVESTMENT OFFICER RYAN C. BIGELOW, INVESTMENT OFFICER MICHAEL KRUSHENA AND GENERAL COUNSEL RONALD A. KING

GUESTS PRESENT AT ROLL CALL:

MICHIGAN DEPARTMENT OF TREASURY EXECUTIVE DIRECTOR RONALD ROSE; POLICE AND FIRE RETIREMENT SYSTEM/GENERAL RETIREMENT SYSTEM TRUSTEE AND FINANCE DIRECTOR JOHN NAGLICK; AND POLICE AND FIRE RETIREMENT SYSTEM TRUSTEE MEGAN S. MOSLIMANI

EXCUSED:

COMMITTEE MEMBER MARK DIAZ

**MOTION #1 – 10-17-16: APPROVAL OF OCTOBER 17, 2016 AGENDA**

MOVED BY COMMITTEE MEMBER NEARY – SECONDED BY COMMITTEE MEMBER TUCKER: TO APPROVE TODAY'S OCTOBER 17, 2016 AGENDA AS PREPARED AND SUBMITTED BY THE COMMITTEE'S RECORDING SECRETARY. THE MOTION PASSED UNANIMOUSLY.

**FUTURE AGENDA ITEMS/DISCUSSION**

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** INFORMED THE COMMITTEE THAT THE FOLLOWING MATTERS WILL BE ADDRESSED AT THE COMMITTEE'S DECEMBER 12, 2016 MEETING:

POLICE AND FIRE 68 GASB REPORTS (GABRIEL, ROEDER, SMITH & COMPANY)

POLICE AND FIRE 2017 TACTICAL PLAN FOR REAL ESTATE (COURTLAND PARTNERS)

POLICE AND FIRE FINAL AUDIT

CHAIRMAN **SMITH** STATED THAT HE, **MR. BIGELOW** AND STAFF WILL WORK IN UNISON TO PREPARE THE COMMITTEE'S PROPOSED 2017 MEETING SCHEDULE FOR PRESENTATION AT SAID MEETING. HE ALSO SUGGESTED THAT YEARLY JOINT MEETINGS OF THE POLICE AND FIRE AND GENERAL INVESTMENT COMMITTEES WOULD PROVE BENEFICIAL TO BOTH COMMITTEES.

**MOTION #2 – 10-17-16: APPROVAL OF SEPTEMBER 19, 2016 MINUTES**

MOVED BY COMMITTEE MEMBER WILLIAMS – SECONDED BY COMMITTEE MEMBER NEARY: THAT THE COMMITTEE'S SEPTEMBER 19, 2016 MINUTES BE APPROVED AS RECORDED AND SUBMITTED BY THE COMMITTEE'S RECORDING SECRETARY. THE MOTION PASSED UNANIMOUSLY.

**WILSHIRE ASSOCIATES**

**DAVID LINDBERG** AND **J.M. RUSCETTI** PROVIDED THE COMMITTEE WITH A CAPITAL MARKET UPDATE.

COMMITTEE MEMBER **JOSEPH BOGDAHN** ENTERED THE MEETING AT 10:05 A.M.

WILSHIRE ASSOCIATES - CONTINUED

**MESSRS. LINDBERG** AND **RUSCETTI** ALSO DISCUSSED AUGUST, 2016 MANAGER PERFORMANCE AND CITY/COUNTY RETIREMENT SYSTEM COMPARISONS (PUBLIC PENSIONS HAVE BEEN MOVING INTO A MORE GLOBAL EQUITY PROFILE AND INCREASED USE OF ALTERNATIVES SUCH AS PRIVATE EQUITY, REAL ESTATE AND CREDIT).

~CONCLUDES WILSHIRE'S PRESENTATION~

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** PROVIDED THE COMMITTEE WITH A COPY OF THE SYSTEM'S SUMMARY ASSET ALLOCATION (BLACK AND BLUE) REPORT AS OF SEPTEMBER 30, 2016; AND NOTED THAT THE SYSTEM'S SECURITIES LENDING POLICY WILL BE PRESENTED AND DISCUSSED AT THE COMMITTEE'S DECEMBER 12, 2016 MEETING.

~CONCLUDES CHIEF INVESTMENT OFFICER'S REPORT~

LEGAL REPORT

GENERAL COUNSEL **RONALD A. KING** ASKED THE COMMITTEE TO ENTER INTO CLOSED SESSION TO DISCUSS HIS LEGAL REPORT.

**MOTION #3 - 10-17-16: ENTERING INTO CLOSED SESSION**

MOVED BY COMMITTEE MEMBER TUCKER - SECONDED BY COMMITTEE MEMBER TYLER: THAT THE COMMITTEE ENTER INTO CLOSED SESSION TO DISCUSS GENERAL COUNSEL'S LEGAL REPORT. A ROLL CALL VOTE WAS TAKEN, THE MOTION PASSED UNANIMOUSLY AND THE COMMITTEE ENTERED INTO CLOSED SESSION AT **10:45 A.M.**

**MOTION #4 - 10-17-16: RETURNING TO OPEN SESSION**

MOVED BY COMMITTEE MEMBER TYLER - SECONDED BY COMMITTEE MEMBER TUCKER: THAT THE COMMITTEE RETURN TO OPEN SESSION. THE MOTION PASSED UNANIMOUSLY AND THE COMMITTEE RETURNED TO OPEN SESSION AT **10:58 A.M.**

~CONCLUDES LEGAL REPORT~

**MOTION #5 – 10-17-16: INDEPENDENT COMMITTEE MEMBER RE-APPOINTMENT**

MOVED BY COMMITTEE MEMBER WILLIAMS – SECONDED BY COMMITTEE MEMBER BOGDHANN: THAT REBECCA S. SORENSEN BE RE-APPOINTED AN INDEPENDENT MEMBER OF THE INVESTMENT COMMITTEE. THE MOTION PASSED UNANIMOUSLY.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE INVESTMENT COMMITTEE, CHAIRMAN **SMITH** ADJOURNED THE MEETING AT **10:58 A.M.\*** UNTIL **MONDAY, DECEMBER 12, 2016**, AT **10:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226.

\*THE COMMITTEE WILL REPORT TO THE CONFERENCE ROOM OF CLARK HILL'S OFFICE (500 WOODWARD AVENUE, 35<sup>TH</sup> FLOOR, DETROIT, MICHIGAN 48226) TO ATTEND A JOINT MEETING WITH THE INVESTMENT COMMITTEE OF THE GENERAL RETIREMENT SYSTEM AT **11:00 A.M.**

RESPECTFULLY SUBMITTED,



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ASSISTANT EXECUTIVE DIRECTOR

MINUTES PREPARED BY: JANET S. LENEAR, RECORDING SECRETARY

MINUTES REVIEWED BY: RYAN C. BIGELOW, CHIEF INVESTMENT OFFICER