

**MINUTES OF THE REGULAR MEETING OF THE
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
HELD JUNE 14, 2019**

The meeting was called to order at 8:18 A.M. by Christopher Conti

PRESENT: Christopher Conti, Mark Gerber, Ruth Rowland, Joseph Valentine

ABSENT: Patty Bordman

ALSO PRESENT: Steve and David Gasper, UBS; Pete Kauffman, Retirement Board;
Matt Bartalino, Retirement Board

07-2019

Motion by Valentine:

Second by Rowland:

To approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of March 18, 2019;

To approve the Retiree Health Care Fund Expenses of \$42,918.16 for the period from December 6, 2018 through May 31, 2019;

To receive the Summary of Assets for the period ending April 30, 2019 with a total market value of \$36,970,596.

Bordman: Absent

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

08-2019

Steve and David Gasper reviewed the June 5, 2019 investment consultant report and Comerica Bank's Composite Performance Review for periods ending March 31, 2019 that were distributed at the meeting. Steve stated that, from a risk allocation standpoint, we are walking through this environment carefully. What we did with the recent asset allocation moves was to reduce our position in real big risk managers. We added two managers, Graham and Whitebox, that have a fixed income orientation but can be long or short in fixed income. The risk level can now be less than the previous managed futures managers but more than our current fixed income managers. They are still very cognizant of the risk level, but need to add some return in a low-return environment.

First quarter performance was above the benchmark; one-year performance was below. The three equity managers that underperformed were value managers. Value stocks underperformed growth stocks. Larger stocks did better than smaller stocks.

Seizert, a mid-cap value manager, has underperformed due to some poor stock picks. They haven't changed their ability to perform with the risk levels that they take. In the most recent three months they have had steady performance; but, they are on a watch list.

Gabelli, a small-cap value manager, that had some underperformance. They are a good value manager and are doing nothing different. They have been very strong the last two months.

Lazard, an international equity manager, who underperformed has a value bias. International lagged U.S. markets driven by a strong run on the dollar. When the dollar appreciates versus the rest of the world, there is a negative impact on investments.

The fund is positioned in the lower end of our target range for fixed income and toward the higher end of our target range for equities. Our fixed income managers are good fixed income managers relative to their index, but fixed income rates will continue to remain low.

The meeting was adjourned at 8:49 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant