

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
MANAGER REVIEW MEETING
SEPTEMBER 26, 2019**

A special meeting of the Board of Trustees was held on Thursday, September 26, 2019 at the Marriott Centerpoint, 3600 Centerpoint Parkway, Pontiac, MI 48321. The meeting was called to order at 9:00 A.M.

TRUSTEES PRESENT

Robert Giddings
Walter Moore, Chairman
Billie Swazer
Patrice Waterman, City Council
James Walker

TRUSTEES ABSENT

Sheldon Albritton, Vice-Chair
James Mirani
Deirdre Waterman
John White

MANAGERS

Ademir Zeco, Consequent Capital
Cyril Theccanat, Consequent Capital
Amanda Baron, First Eagle Investment
Camille Bryan, First Eagle Investment
Ross Vaillancourt, Intercontinental Real Estate
Laler DaCosta, Invesco Real Estate
Chas Duvall, Invesco
Justin Yagerman, Invesco Private Capital
Martha Payne, Mesirow Financial
Larry Fumarolo, Northern Trust
Stephanie Hest (*telephonically*)
Mac Nickey, Northern Trust
Darren Kleis, Principal Global Investors
Rich Pentz, Principal Global Investors
Greg Prost, Robinson Capital
Jim Robinson, Robinson Capital
Jim Kelts, Victory Capital
Andrea Leistra, Victory Capital
Bill Orke, WCM Investment
Ryan Quinn, WCM Investment
Mike Gallagher, Wellington Management
Claire Lewis, Wellington Management

OTHERS PRESENT

Linda Watson, City Retiree
David Lee, Dahab & Associates
Steven Roth, Dahab & Associates
Cynthia Billings-Dunn, Sullivan, Ward, Asher & Patton
Kristy Neumann, Executive Assistant
Deborah Munson, Executive Director

Chairman Moore opened the meeting at 9:00 a.m. The meeting was adjourned at 9:01 a.m. for lack of quorum.

Mr. Lee and Mr. Roth presented reviewed the Performance Report for Q2 2019.

Robinson Capital

Greg Prost and Jim Robinson

Mr. Prost provided an update on Mr. Gunn, the Senior Portfolio Manager. He said that the firm has acquired one new staff member and four new accounts. He discussed the unprecedented interest rate cuts - twice in one year - and noted that they are the lowest long-term interest rates in history. He discussed the effect of negative interest rates on bonds globally and the concern for a potential recession

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and the impact those things will have. The portfolio performance returns for Q2 2019 is 2.19% and 2.85% since inception, net of fees.

Victory Capital

Jim Kelts and Andrea Leistra

Ms. Leistra announced that the acquisition of USAA Investments had been completed in July 2019 which almost doubles the size of the firm.

Mr. Kelts noted that two senior managers of the team have left since the acquisition, and that 23 new credit analysts were acquired as part of the acquisition. He reviewed the firm's investment philosophy, process and portfolio. The portfolio performance returns for Q2 2019 is 2.94% and 5.17% since inception, net of fees.

Wellington Management

Mike Gallagher and Claire Lewis

Ms. Lewis provided a summary of the investment team, strategy overview and portfolio. The portfolio performance returns for Q2 2019 is 1.3% and 13.5% since inception, net of fees.

Northern Trust

Larry Fumarolo, Stefanie Hest and Mac Nickey

Mr. Nickey presented a summary of the firms AUM which total \$975 billion. Ms. Hest reviewed the firm's Investment team and investment process and how they manage 1,000 securities with a focus on risk management. The portfolio performance returns for Q2 2019 is 0.7% and 10.7% since inception, net of fees.

WCM Investment Management

Bill Orke and Ryan Quinn

Mr. Quinn presented the company overview. He reviewed the firm's organizational chart and their investment process. He noted that the portfolio was compiled of 30-40 International equities with most having a typical market capitalization of \$3.5 billion. The portfolio performance returns for Q2 2019 is 9.9% and 10.4% since inception, net of fees.

First Eagle

Amanda Baron and Camille Bryan

Amanda Baron introduced herself and her colleague Camille Bryan a sovereign research analyst who previously worked at the Federal Reserve Board. She reviewed the firm's investment management strategy which focuses on downside protection. In the past 7 years they haven't had many opportunities to showcase downside protection in the portfolio until the fourth quarter of 2018 when they outperformed the benchmark by 4.38%. She concluded that there were no firm changes and they were celebrating the firms 40th anniversary this year. The portfolio performance returns for Q2 2019 is 4.1% and 3.8% since inception, net of fees.

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Roundtable Discussion (1:00 pm)

Mr. Lee led the discussion with the Trustees and managers.

Principal Global

Darren Kleis and Rich Pentz

Mr. Pentz and Mr. Kleis introduced themselves and gave an overview of their firm. Mr. Pentz announced that he has been assigned as the System's account representative to replace James Lange whose territory no longer includes Michigan. Mr. Kleis reviewed the performance summary, highlighting where they exceeded their benchmark. The portfolio performance returns for Q2 2019 is 1.3% and 7.3% since inception, net of fees.

Intercontinental Real Estate Corporation

Ross Vaillancourt

Mr. Vaillancourt introduced himself and gave an overview of his firm and the portfolio. The portfolio performance returns for Q2 2019 is 1.2% and 8.0% since inception, net of fees.

Invesco

Laler DaCosta, Chas Duvall and Justin Yagerman

Mr. Duvall introduced himself, Mr. DaCosta and Mr. Yagerman and provided an overview of the firm. He announced the retirement of Paul Michaels effective April 1, 2020. He also announced that Principal has acquired Oppenheimer Funds.

Mr. DaCosta presented on behalf of the real estate portfolio. The portfolio performance returns for Q2 2019 is .8% and 6.8% since inception, net of fees.

Mr. Yagerman presented on behalf of the private equity portfolio. He reviewed the investment philosophy highlighting the integrity of reputation and importance of due diligence. The portfolio performance returns for Q2 2019 is .3% and 11.9% since inception, net of fees.

Mesirow Financial

Martha Payne

Ms. Payne presented an overview of the investment team and noted that their years of experience and long-term relationships with top-tier managers are indispensable for success. She said they have a more selective process and reject funds approved by larger firms because of their due diligence process. The Fund IV portfolio performance returns for Q2 2019 is (.3%) and 4.9% since inception, net of fees. The Fund VI portfolio performance returns for Q2 2019 is (.3%) and 4.7% since inception, net of fees.

Consequent Capital Management

John Robinson and Ademir Zeco

Mr. Zeco discussed the fund's performance and provided the Trustees with additional information on

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Southeastern Global Partners. The Trustees requested additional information.

Wrap Up

Chairman Moore solicited comments and suggestions from the Trustees. There was additional discussion.

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on September 25, 2019

As recorded by Kristy Neumann,
reviewed and edited by Legal Counsel
and Executive Director