

GENERAL RETIREMENT SYSTEM
and
POLICE and FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
JOINT MEETING
MARCH 19, 2025 – 8:13 a.m.
233 E. Fulton, Suite 216

The meeting was called to order by Chairman Hawkins. Other members present: Mr. David Tryc, Mr. Justin Ewald, Mr. Philip Balkema, Mr. William Butts, Ms. Donijo DeJonge, Mr. William Fabiano, Mr. Drew Robbins (virtual), and Ms. Holly Jackson. Absent: Mr. Martin Timkovich.

Also present: Ms. Lisa Balkema, Acting Executive Director of the Retirement Systems, Mr. Thomas Michaud, Legal Advisor to the Boards, Ms. Apurva Schwartz and Mr. Connor VanDenBosch of Harding Loevner, Mr. Gregory Bellman of HighVista, Mr. Brian Green of Mariner (virtual), and Ms. Peggy Korzen.

Mr. Ewald made the motion to excuse the absence of Mr. Timkovich. The motion was seconded by Mr. Tryc and carried.

There were no public comments regarding agenda items.

Mr. Butts made the motion to approve the minutes of the Joint Meeting of February 19, 2025. The motion was seconded by Mr. Fabiano and carried.

Ms. Apurva Schwartz, Portfolio Specialist, and Mr. Connor VanDenBosch, Manager of Institutional Business Development, of Harding Loevner (HL) presented their firm's annual report to Trustees. Ms. Schwartz commented that international markets finished the final quarter of 2024 on a down note. High-quality companies lagged modestly in the quarter and for the full year, the portfolio faced substantial challenges early on due to three major trends: 1) the deep value rally in Japan (a trend HL was unlikely to capture); 2) the surge in Chinese SOEs and banks (a trend HL deliberately avoided); and 3) the narrow momentum driven rally in a handful of heavyweight story stocks. Mr. VanDenBosch reviewed HL's organizational team and process and noted that HL has 31 analysts with 23 years of average experience. {Mr. Robbins entered the meeting virtually at 8:18 a.m.} They had total assets under management of \$43.4 billion as of December 31, 2024. Mr. VanDenBosch provided a summary of both portfolios and noted the following return statistics as of December 31, 2024:

	<u>3 Mo.</u>	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>	<u>Since Inception</u>
General Retirement System	-7.97%	3.08%	-1.10%	5.13%	5.68%
Police & Fire Retirement System	-7.97%	3.08%	-1.10%	5.15%	5.69%
MSCI ACWI ex-US Index	-7.50%	6.09%	1.35%	4.60%	5.06%

*Inception date: April 1, 2015

Ms. Schwartz also reviewed the benchmark performance and performance attribution, for the trailing 12 months as of December 31, 2024. She commented on the key contributors and currency depreciation. She revised portfolio positioning and stated that the portfolio experienced a turnover of 15.3% in 2024. Ms. Schwartz noted that there is attractive valuation for high-quality growth and now is a good time to invest. There seems to be no sign of lower interest rates despite central bank cuts, but perceptions can change quickly. Ms. Schwartz provided Trustees with an overview on HL's quality and growth investment philosophy as of December 31, 2024 and their international ADR absolute and active sector weights. She noted that

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approximately 22% of the portfolio revenue comes from the U.S., facing low tariff risk exposure. The growth index trailed the value index by 30 percentage points over three years. She stated that a long-time horizon is essential and that international markets are more diversified than the U.S. As of December 31, 2024, HL had 53 holdings with a dividend yield of 2.5% and 5-year average portfolio turnover of 13.2%. HL's portfolio decision-making structure imposes individual accountability, mitigates biases, and ensures continuity. The report was received and filed by Chairman Hawkins.

Mr. Gregory Bellman, Vice President, of HighVista (HV) presented his firm's annual report to Trustees. Mr. Bellman provided a structure overview of the HV Global Partners I, L.P. fund by noting that they have 40% invested in their HV Private Equity V portfolio, 40% invested in their HV International Partners III portfolio, and 20% invested in their HV Venture Partners VIII portfolio. The HV Global Partners I portfolio is approximately \$52.3 million in size with 100% committed and 99% called. They have 61 manager commitments and 12 co-investments. He reviewed the portfolio's geographic diversification, investment stage, industry diversification, and portfolio trends. Mr. Bellman discussed the HV Global Partners I manager performance, as well as the underlying portfolio performance. Mr. Bellman provided Trustees with a team overview. He stated that the specialty alternatives investment firm was founded in 2004 and they are employee-owned with \$11 billion in assets under management. Mr. Bellman also provided Trustees with a report on the HighVista Venture Capital XIV fund. The reports were received and filed by Chairman Hawkins.

Ms. Korzen next discussed the topic of the Executive Director search. She provided Trustees with two additional proposals: one from CPS and one from Baker Tilly; both firms have also conducted executive-level searches for the City of Grand Rapids. She stated that she received notice that Palladian West withdrew from consideration. All three candidates, MGT, CPS, and Baker Tilly have an approximate time frame of 14-16 weeks for the search. She compared the fees of the three companies and noted that all three firms have various phases involved in the process; however, they all seem to provide similar service. She noted that she did like that CPS will call candidates as part of their process. She stated that either MGT or CPS would be a suitable candidate as Baker Tilly's fees were the highest and several services would result in additional fees. Mr. Balkema asked if the companies are aware that the work they will be performing for the Retirement Systems would be considered separate from the City; Ms. Korzen said yes. Following Trustee discussion, Mr. Ewald made the motion to hire CPS to conduct the search for a new Executive Director for the Retirement Systems. The motion was seconded by Ms. Jackson and carried.

Board approval was requested for attendance at the following conference: the 2025 Spring MAPERS Conference to be held May 18 – 20 by Chairman Hawkins, Mr. Tryc, Mr. Ewald, Mr. Timkovich, Mr. Fabiano, Ms. Balkema and Ms. Korzen. Mr. Tryc made the motion on behalf of the General Retirement System to approve attendance of the aforementioned conference by Trustees and staff per the Trustee Training, Educational Development and Due Diligence policy. The motion was seconded by Mr. Butts and carried. Mr. Balkema made the motion on behalf of the Police & Fire Retirement System to approve attendance of the aforementioned conference by Trustees and staff per the Trustee Training, Educational Development and Due Diligence policy. The motion was seconded by Mr. Fabiano and carried.

Mr. Green next discussed the topic of due diligence visits and provided Trustees with a report on the various managers and grouped them by location to facilitate efficient visits to multiple managers in one trip. He did state that there are other managers besides Baird Advisors that hold annual conferences. Some may have already happened for 2025, but he will research and report back to the Board which managers hold annual meetings and when they will be occurring. He also noted that all the managers welcome Trustees to visit their office outside of an annual meeting as well. Chairman Hawkins confirmed that Mr. Green will revise the due diligence schedule with any annual meetings for managers and present the report to Trustees at the May 21 Joint Board meeting.

There were no public comments on items not on the agenda.

Ms. Balkema commented that due to the interviews of fixed income managers at the May 21, 2025 Joint Board meeting, the meeting schedule will be slightly adjusted as follows: the General Retirement System meeting will still be at 8:00 a.m., the Police & Fire Retirement System meeting will be at 8:05 a.m. and the Joint Board meeting will be at 8:30 a.m. She also noted that Mr. Merhige of Harvest Fund Advisors contacted

her recently to ask to move his annual presentation from the November 2025 Joint Board meeting to the December 2025 Joint Board meeting due to a schedule conflict; she agreed.

Chairman Hawkins noted that he and Mr. Ewald and his spouse attended a dinner last night with Ms. Schwartz and Mr. VanDenBosch of Harding Loevner.

The meeting adjourned at 9:15 a.m.

The next Joint Meeting of the General and Police & Fire Retirement System Boards will be held Wednesday, May 21, 2025, at 8:30 a.m., 233 Fulton Street East, Grand Rapids, Michigan.

Lisa Balkema
Acting Executive Director
General and Police & Fire Retirement Systems