

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

MINUTES
JOINT MEETING
MAY 21, 2025 – 8:34 a.m.
233 Fulton Street East

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

Also present: Ms. Lisa Balkema, Acting Executive Director of the Retirement Systems, Mr. Thomas Michaud, Legal Advisor to the Boards, Mr. Brian Green of Mariner, Mr. Craig VanderWall and Ms. Nancy Studenroth of Great Lakes Advisors, Ms. Anna Freedman and Mr. Levi Dwyer of Loomis Sayles, Mr. Ray Caprio and Mr. Mark Anderson of National Investment Services, and Ms. Peggy Korzen.

There were no public comments regarding agenda items.

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

Mr. Brian Green presented the quarterly performance report to Trustees. Mr. Green commented that the U.S. Federal Reserve continued its shift away from contractionary monetary policy during the quarter and held policy rates steady at a range of 4.25% - 4.50%. Growth in the U.S. labor market continued during the first quarter. Domestic equity results were broadly lower for the quarter as concerns regarding future economic growth guided by increased uncertainty surrounding geopolitics and domestic policy took hold. Most international stocks advanced during the first quarter on the backs of a declining U.S. dollar and concerns regarding U.S. economic growth. Fixed income markets gained during the quarter, driven by their coupons and declining Treasury yields for maturities of one year and longer. Weakness in the U.S. dollar during the quarter led to relative strength in international equity markets as many major non-U.S. currencies appreciated. The equity rotation away from risky trades has exacerbated the performance disparity between large and small cap stocks as concerns about the economy weigh more heavily on small cap stocks. International equity markets surged in U.S. dollar terms as the U.S. dollar weakened relative to major world currencies. Broad-based fixed income indexes ended the quarter on a high note with the TIPS index climbing 4.2%. Despite this quarter's setback, large and mid-cap domestic equities have still posted solid performance on a trailing-year basis. Mr. Green also provided a summary economic review of all the major asset classes. Following a review of the capital markets, the Quarterly Funds Evaluation of the investment managers of the General and Police & Fire Retirement Systems was conducted.

SUMMARY OF RETURNS
PERIODS ENDED 03/31/25

<u>Plan</u>	<u>QTR.</u>	<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>	<u>10 YEARS</u>
General Retirement System	1.54	7.49	3.70	10.56	6.37
Policy Index	1.65	7.97	3.90	10.38	5.76
Police & Fire Retirement System	1.48	7.60	3.88	10.67	6.39

05/21/25

Loomis, Sayles and Company, LP, Boston, MA
Ms. Anna Freedman, Product Management Analyst
Mr. Levi Dwyer, Relationship Manager

National Investment Services of America, LLC, Milwaukee, WI
Mr. Ray Caprio, Director Institutional Sales
Mr. Mark Anderson, Chief Strategy Officer

After conclusion of the interview process, Trustees discussed the presentations. Mr. Green stated that all 3 candidates seek to accomplish the same thing. Each Trustee provided his/her opinion on the 3 candidates. Mr. Green stated that Trustees can do one of 3 things at this point: 1) make a decision today, subject to successful contract negotiations and legal review; 2) make a decision today, subject to successful contract negotiations, legal review and a site visit; or 3) conduct site visits to two of the candidates. Ms. DeJonge questioned why a move needs to be made to an intermediate fixed income manager v. leaving the funds invested as they are in the aggregate bond fund at Northern Trust. Mr. Green stated that the index bond fund at Northern was to be a short-term vehicle only. Mr. Michaud commented that despite Mr. VanderWall's previous affiliation with the Police & Fire Retirement System Board, Trustees need to remember they are hiring an entity, not a specific person. Trustees are relying on Mariner's recommendations and due diligence process to make an informed decision, therefore, there would not be a conflict of interest should Trustees decide to hire Great Lakes Advisors. Mr. Green stated that Mariner is confident in all 3 of the candidates and that it comes down to Trustees' comfort level when choosing a manager. Following Trustee discussion, Mr. Tryc made the motion on behalf of the General Retirement System to hire Great Lakes Advisors, LLC for their intermediate fixed income product subject to successful contract negotiations, legal review, and site visit. The motion was seconded by Ms. Jackson and carried. Mr. Ewald made the motion on behalf of the Police & Fire Retirement System to hire Great Lakes Advisors, LLC for their intermediate fixed income product subject to successful contract negotiations, legal review, and site visit. The motion was seconded by Mr. Fabiano and carried.

Mr. Green next addressed the HighVista private equity account by noting that each retirement system has 48.4% of the current market value of each system's investment. HighVista is in the process of securing secondary market bids for approximately \$500 million in net asset value across eight private equity funds they manage, of which, the HighVista Venture Capital Fund VIII is one. Each retirement system will have the opportunity to participate in the sale of Venture Capital Fund VIII. If the retirement plans decline to participate in the sale, future liquidity would be based upon the sale of the 352 remaining active investments. Mr. Green stated that Mariner does not know any of the possible economics on the planned sale, but HighVista is hoping to provide pricing details to limited partners in late May. He stated that there is a possibility that bids come in at a level that HighVista declines to move forward with any sale. Mariner hopes to provide the Boards with an actionable recommendation for the June 18, 2025 Joint Board meeting; however, he stated that there is a possibility that the deadline for a response would come before the June meeting. As a backup plan, he asked Trustees to allow the Chairman and Vice Chairman of each Board to approve or decline the sale offer. The approval or denial would be based upon a written recommendation from Mariner. Mr. Balkema made the motion on behalf of the Police & Fire Retirement System to allow the Chairman and Vice Chairman to approve or decline the sale offer by HighVista per Mariner's recommendation if the deadline for the response falls before the June 18, 2025 Joint Board meeting. The motion was seconded by Mr. Ewald and carried. Mr. Timkovich made the motion on behalf of the General Retirement System to allow the Chairman and Vice Chairman to approve or decline the sale offer by HighVista per Mariner's recommendation if the deadline for the response falls before the June 18, 2025 Joint Board meeting. The motion was seconded by Mr. Butts and carried.

Mr. Green next discussed the topic of due diligence visits and provided Trustees with an updated report on the various managers, grouped by location, to facilitate efficient visits to multiple managers in one trip. He reminded Trustees that all managers welcome visits to their offices outside of an annual meeting

as well. Chairman Hawkins stated his desire to get back on track with a regular schedule for due diligence visits. He asked Ms. Balkema to prepare a report outlining the various managers and the last time due diligence visits were made and provide this at the June 18, 2025 Joint Board meeting to discuss. Future due diligence visits would also be coordinated with Mariner.

Ms. Korzen next discussed the topic of the Executive Director search. She commented that Mr. Niemeyer at CPS noted they have received 9 applications thus far, but only 1 person is qualified. Mr. Niemeyer stated he has been talking with prospective applicants, both inside and outside of the City, and will continue to do so. The deadline for applications is June 5, 2025.

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

Ms. Balkema commented she recently received an email from PIMCO stating that due to a redemption at the end of 2024, they adjusted the fee calculation to be based on Grand Rapids' invested assets rather than the trailing fund NAV, which results in a reduction of fees paid by the Retirement Systems. The reduction is temporary, just for 2025. PIMCO will be reducing their incentive and management fees each calendar quarter-end in 2025. There is no action required by the Board.

The meeting adjourned at 11:23 a.m.

The next Joint Meeting of the General and Police & Fire Retirement System Boards will be held Wednesday, June 18, 2025, at 8:10 a.m., 233 Fulton Street East, Grand Rapids, Michigan.

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