

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

MINUTES
JOINT MEETING
SEPTEMBER 17, 2025 – 8:09 a.m.
233 Fulton Street East

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

Also present: Mr. Benjamin Dziengel, Executive Director of the Retirement Systems, Mr. Thomas Michaud, Legal Advisor to the Boards, Mr. Scott Hazen, Mr. Matt Autry, and Ms. Greta Nolan of Adams Street Partners, Ms. Rachel Dickey of Wellington Management Company, Mr. Brian Green of Mariner, and Ms. Peggy Korzen.

Mr. Tryc made the motion to excuse the absences of Mr. Ewald, Mr. Robbins, and Ms. Jackson. The motion was seconded by Mr. Butts and carried.

There were no public comments regarding agenda items.

Mr. Butts made the motion to approve the minutes of the Joint Meeting of August 20, 2025. The motion was seconded by Mr. Fabiano and carried.

Mr. Scott Hazen, CFA, Partner, Head of Investor Relations, Mr. Matt Autrey, Partner, Primary Investments, and Ms. Greta Nolan, Principal, Investor Relations, of Adams Street Partners (ASP) presented their firm’s annual report to Trustees. Mr. Hazen noted that ASP is a 100% employee-owned private equity firm. ASP has \$62 billion in assets under management and 45+ years of proprietary data. He noted that since their inception, no client has lost capital in an ASP investment program. He noted that ASP has 340+ employees in 13 offices worldwide with 110+ investment professionals. Mr. Hazen and Mr. Autrey reviewed their organization, people, and process. He stated that ASP’s systematic collaboration of senior investment professionals is designed to promote sourcing and insights. Ms. Nolan noted that ASP has experienced strong and steady growth, entirely focused on private markets. She commented that there is risk and uncertainty around the tariff impact, global trade and geopolitical tensions and thus slower growth is expected. New deal activity has been slower to date in 2025 and regarding valuations, while they are modestly down from the peak, new valuations remain elevated. Mr. Autrey stated that exit activity in the private equity market is muted to date in 2025 due to broader macro uncertainty. GP fundraising has slowed except for the highest quality funds. ASP’s focus on secular themes is what drives their growth and diversification. They have access to high quality primary sponsors across all subclasses and size brackets. Mr. Autry stated that small to mid-size buyout funds provide exposure to growth. Ms. Nolan provided Trustees with a review of the City of Grand Rapids General and Police & Fire Retirement Systems’ portfolios as of March 31, 2025:

General Retirement System

	<u>Investor Commitment</u>	<u>Amount Drawn</u>	<u>Net IRR*</u>	<u>M.V. (NAV)</u>	<u>Dist. Rec. (D)</u>	<u>Total Value (NAV+D)</u>
ASP 2010 Program	\$5,000,000	\$4,482,750	13.66%	\$1,999,778	\$7,883,604	\$9,883,382

ASP 2013 Program	\$5,000,000	\$4,634,201	12.40%	\$4,228,151	\$5,549,310	\$9,777,461
ASP 2015 Program	\$6,500,000	\$5,853,145	18.63%	\$7,431,810	\$5,921,378	\$13,353,188
ASP 2017 Program	\$6,000,000	\$5,153,001	15.30%	\$6,941,189	\$2,846,074	\$9,787,263
ASP 2019 Program	\$5,500,000	\$4,617,956	14.37%	\$6,097,734	\$634,709	\$6,732,443
Grand Total	\$28,000,000	\$24,741,053	14.61%	\$26,698,662	\$22,835,075	\$49,533,737

*Since Inception

Police & Fire Retirement System

	<u>Investor Commitment</u>	<u>Amount Drawn</u>	<u>Net IRR*</u>	<u>M.V. (NAV)</u>	<u>Dist. Rec. (D)</u>	<u>Total Value (NAV+D)</u>
ASP 2010 Program	\$5,000,000	\$4,482,750	13.66%	\$1,999,778	\$7,883,604	\$9,883,382
ASP 2013 Program	\$5,000,000	\$4,634,201	12.40%	\$4,228,151	\$5,549,310	\$9,777,461
ASP 2015 Program	\$6,500,000	\$5,853,145	18.63%	\$7,431,810	\$5,921,378	\$13,353,188
ASP 2017 Program	\$6,000,000	\$5,153,001	15.30%	\$6,941,189	\$2,846,074	\$9,787,263
ASP 2019 Program	\$7,000,000	\$5,877,399	14.37%	\$7,760,757	\$807,813	\$8,568,570
Grand Total	\$29,500,000	\$26,000,496	14.61%	\$28,361,685	\$23,008,179	\$51,369,864

*Since Inception

Ms. Nolan reviewed the portfolios' diversification of investment commitments. Mr. Hazen commented that with respect to the General Retirement System portfolio, its NAV peaked in 2021/2022 and continues to decline as distributions outpace capital calls and growth on unrealized investments. With respect to the Police & Fire Retirement System portfolio, its existing NAV peaked in 2021/2022 and continues to decline as distributions outpace capital calls and growth on unrealized investments. He highlighted ASP's 2025 Global Private Equity Program and noted that it is a comprehensive private equity solution. The report was received and filed by Chairman Hawkins.

Ms. Rachel Dickey, Assistant Vice President, Institutional Client Group, of Wellington Management Company (WMC) presented her firm's annual report to Trustees. Ms. Dickey stated that WMC has \$1,291 billion of client assets under management. WMC has 847 investment professionals, with 181 partners all active in the firm. They have over 3,100 clients based in 66 countries. Ms. Dickey provided a review of WMC's people, process, and small cap portfolio. WMC employs industry and stock specific research, implements their insights in clients' portfolios, and they have deep resources and collaboration. She noted that WMC's investment objective is to outperform the Russell 2000 Index over 3-5 year periods. WMC employs a team approach and ESG considerations. They have concentrated sub-portfolios and they diversify by industry and style. She stated that WMC believes: 1) fundamentals of companies in the same industry can vary widely over time, stock prices will follow; 2) dedicated bottom-up research can anticipate fundamental change and identify pricing anomalies; 3) we can beat the market by exploiting intra-industry dispersion; 4) one size does not fit all; and 5) diversification is the only "free lunch." WMC's Small Cap 2000 blends investor flexibility with benefits of diversification. Investment returns through July 31, 2025 for the General and Police & Fire Retirement Systems' portfolios were reported as follows:

	<u>2024</u>	<u>1 Yr.</u>	<u>3 Yrs.</u>	<u>5 Yrs.</u>	<u>10 Yrs.</u>	<u>Since Inception</u>
Ret. Systems	17.4%	6.4%	12.0%	13.3%	11.1%	11.7%
Russell 2000	11.5%	-0.6%	7.0%	9.8%	7.4%	8.0%

	<u>YTD</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ret. Systems	2.2%	22.2%	-21.4%	16.5%	29.6%	34.3%
Russell 2000	-0.1%	16.9%	-20.4%	14.8%	20.0%	25.5%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>		
Ret. Systems	-9.9%	21.1%	20.6%	-1.7%		
Russell 2000	-11.0%	14.6%	21.3%	-4.4%		

She reviewed the top performing and bottom performing sectors as well as provided information on the top ten active positions and portfolio characteristics. The report was received and filed by Chairman Hawkins.

Mr. Brian Green of Mariner next presented Trustees with a report outlining Private Equity and Private Credit Pacing. He reviewed the Private Equity and Private Credit commitment models for both the General and Police & Fire Retirement Systems and noted that Mariner monitors and adjusts the commitment model annually. The typical life cycle for Private Equity is between 10-15 years and 6-10 for Private Credit. He stated that for the Police & Fire Retirement System, the Private Equity commitment model assumes \$527.4 million in assets, 4.03% annual net growth rate, \$30.0 million market value of Private Equity, a 5% target Private Equity allocation, and a goal of reaching a new target by 2032. He recommended Trustees consider an additional commitment of \$12 million in 2026, and gradually decreasing to a commitment of \$5 million by 2029 each year up through 2035. He stated that for the General Retirement System, the Private Equity commitment model assumes \$468.1 million in assets, 1.72% annual net growth rate, \$28.4 million market value of Private Equity, a 5% target Private Equity allocation, and a goal of reaching a new target by 2032. He recommended Trustees consider an additional commitment of \$12 million in 2026, and gradually decreasing to a commitment of \$4 million by 2028 each year up through 2035. He stated that for the Police & Fire Retirement System, the Private Credit commitment model assumes \$527.4 million in assets, 4.03% annual net growth rate, \$18.2 million market value of Private Credit, a 5% target Private Credit allocation, and a goal of reaching a new target by 2030. He recommended Trustees consider an additional commitment of \$23 million in 2026, of that, \$8 million in closed-end funds and \$15 million in Evergreen funds. He stated that for the General Retirement System, the Private Credit commitment model assumes \$468.1 million in assets, 1.72% annual net growth rate, \$18.2 million market value of Private Credit, a 5% target Private Credit allocation, and a goal of reaching a new target by 2030. He recommended Trustees consider an additional commitment of \$18 million in 2026, of that, \$6 million in closed-end funds and \$12 million in Evergreen funds. Mr. Butts asked when the General Retirement System should start worrying about a long-term commitment to Private Equity funds; Mr. Green responded in approximately 20-30 years. Mr. Green stated both funds are underweighted to Private Credit currently and Mariner would consider re-writing everything with respect to this asset class. He reviewed the pros and cons of being one of the first investors in Private Equity v. one of the last investors. Following Trustee discussion, Mr. Green agreed to bring candidates for Trustee review for Private Equity at the December 2025 Joint Board meeting and to continue the Private Credit discussion and education over the next few meetings.

Mr. Green next discussed the Grosvenor Opportunist Credit Fund (GCM) annual distribution election. He noted that generally in the last week of September, GCM asks its investors whether they wish to take the 5% distribution in cash or have the 5% reinvested in the portfolio. The decision is generally due by October 31. Mr. Green recommended that Trustees vote to take the distribution in cash and noted it would likely be between \$840,000 - \$890,000 paid January 31, 2026. Following Trustee discussion, Mr. Tryc made the motion on behalf of the General Retirement System to take this year's 5% cash distribution from the Grosvenor Opportunistic Credit Fund. The motion was seconded by Mr. Timkovich and carried. Mr. Fabiano made the motion on behalf of the Police & Fire Retirement System to take this year's 5% cash distribution from the Grosvenor Opportunistic Credit Fund. The motion was seconded by Mr. Balkema and carried.

Chairman Hawkins disclosed that a number of Trustees attended a dinner last evening with Mr. Hazen, Mr. Autrey, Ms. Nolan and Ms. Dickey. In addition to himself and his spouse, in attendance were Mr. & Mrs. Timkovich, Mr. Tryc, Mr. and Mrs. Dziengel, and Ms. Korzen.

The meeting adjourned at 9:36 a.m.

The next Joint Meeting of the General and Police & Fire Retirement System Boards will be held Wednesday, November 19, 2025, at 8:15 a.m., 233 Fulton Street East, Suite 216, Grand Rapids, Michigan.

Benjamin T. Dziengel
Executive Director
General and Police & Fire Retirement Systems