

**REGULAR MEETING MINUTES
SOUTHFIELD FIRE AND POLICE RETIREMENT SYSTEM BOARD**

MAY 13, 2025

The Board convened in Council Study at 12:00 p.m. The Meeting was started at 12:12 p.m. by President Fisher.

PRESENT: John Fisher; Duane Garth; Audrey Harvey; Irv Lowenberg; Brent Wilson (virtually)

ABSENT:

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green, Investment Consultant/Mariner; Megan Battersby, Retirement Program Director/SFPRS; Salvatore Ferrara and Lexi Woolf/PGIM

R.B. 25-039 **MOTION** by Harvey, supported by Lowenberg, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, April 8, 2025. **MOTION CARRIED UNANIMOUSLY**

Duane Garth exited the meeting.

R.B. 25-040 **MOTION** by Lowenberg, supported by Harvey, to acknowledge receipt of Portfolio Summary Report as of April 30, 2025, in the amount of \$201,060,663.18. **CARRIED UNANIMOUSLY**

R.B. 25-041 **MOTION** by Harvey, supported by Lowenberg, to approve payment of invoices as follows: Expense report from I. Lowenberg for April 8, 2025 meeting lunch; Invoice from YCM for asset management services for the period 1/1/2025 – 3/31/2025 in the amount of \$8,869.01; Invoice from Reinhart for asset management services for the period Quarter 1, 2025 in the amount of \$19,404.00; Invoice from Champlain for asset management services for the period 01 January 2025 to 31 March 2025 in the amount of \$25,762.89; Invoice from 1607 for asset management services for the period 1/1/25 through 3/31/25 in the amount of \$68,551.86; Invoice from NIS for asset management services for the period January 1, 2025 through March 31, 2025 in the amount of \$12,548.00; Invoice from Chase Cardmember Service for credit card changes for the period 04/03/25 – 05/02/25 in the amount of \$1,153.68; Invoice from Boyd Watterson for asset management services for the period 1/1/2025 through 3/31/2025 in the amount of \$10,366.00. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-042 **MOTION** by Harvey, supported by Fisher, to approve payment of expense reports from I. Lowenberg for Opal Public Funds Summit and Global Alts Miami 2025 Conference. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-043 **MOTION** by Lowenberg, supported by Harvey, to acknowledge receipt of Informational Item as follows: YTD 2024-2025 Budget. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-044 **MOTION** by Wilson, supported by Fisher, to acknowledge receipt and approval of DROP Applications from J. Baker and J. Hauger. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-045 **MOTION** by Fisher, supported by Wilson, to acknowledge receipt and approval of Retirement Application from J. Schneider. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-046 **MOTION** by Fisher, supported by Wilson, to acknowledge receipt and approval of DROP Distribution Elections from M. Meyer, S. Dickey, J. Schneider, G. Lask. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-047 **MOTION** by Fisher, supported by Wilson, to acknowledge receipt and approval of Annuity Withdrawal Distribution Elections from R. Downing and J. Schneider. **MOTION CARRIED UNANIMOUSLY**

Duane Garth re-entered the meeting.

Irv Lowenberg requested Board permission to attend the PGIM Real Estate 2025 Global Client Conference in Miami, FL on May 19-21. There was discussion regarding lead time for requests, the number of out-of-state conferences that should be allowed each year for each Board member, and whether an annual expense limit should be imposed on each Board member. The Board will address these issues next month and update the travel/education policy.

R.B. 25-048 **MOTION** by Harvey, supported by Garth, to approve attendance at the PGIM Real Estate 2025 Global Client Conference in May 2025 and the IMN 25th Annual Real Estate Opportunity & Private Funds Forum in Newport, RI in June 2025. **MOTION CARRIED UNANIMOUSLY**

PGIM presented an annual update to the Board. They provided an overview of the firm and the U.S. equity investment platform. They discussed market news and outlook. They reviewed each fund and its performance, drivers of that performance, and how they are well positioned for the current environment.

Investment Consultant presented Investment Performance Review for the Period Ending March 31, 2025. The Executive Summary was as follows:

During the first quarter of 2025, global equity markets experienced a significant rotation in market leadership, with international equities and value stocks outperforming U.S. growth stocks. Several factors contributed to this shift, including concerns about potential trade tariffs, evolving expectations for economic growth, and a reassessment of the artificial intelligence (AI) theme that had previously driven market gains. Volatility accompanied the shake-up in the markets. The S&P

500 declined by 4.3% and small cap stocks suffered even larger losses. The international equity markets, particularly Europe and China, showed strong positive returns (MSCI EAFE Index 6.9%). Fiscal initiatives in Europe and improved sentiment towards Chinese technology companies contributed to this out performance. The fixed income markets benefited from a "flight to safety" amid equity market volatility and expectations of potential future interest rate cuts; the Bloomberg US Aggregate gained 2.8%. Real estate also posted a positive return (NFI-ODCE 0.8% net). The diversifying benefits of fixed income and real estate helped mitigate losses from the domestic equity markets.

1. Total Fund return of +0.02% outperformed the Policy Index return of -0.08% and ranked in the 37th percentile. The primary drivers of the outperformance were the focus on Value and Dividends in the Large Cap allocation, in addition to outperformance from both Reinhart and Champlain.
2. Within the Large Cap allocation, the S&P Dividend Aristocrat returned +3.2%, with Value at +0.3% and Growth at -8.4%.
3. Within the small cap allocation, Champlain and Reinhart outperformed.
4. Within International Equity, 1607 and ABS both underperformed their index. 1607 underperformed due to NAV expansion and US exposure within underlying global funds. ABS underperformed due to their smaller cap bias.
5. Within Fixed Income, both Boyd Watterson and NIS matched the benchmark for the quarter. Marathon I continues to distribute capital each quarter, Fund II is 33% deployed. Bloomfield Capital is nearly fully deployed. During the quarter capital calls were made for Monroe Capital Fund V, Marathon Distressed Credit Fund II and EnTrust Blue Ocean Fund II.
6. Within the hedge fund allocation, Nantucket lagged the index due to technology and growth holdings.
7. Within Real Estate, PRISA I, II and III all outperformed for the quarter. JCR IV is actively harvesting. Ares (Landmark) Fund VII had continued activity during the quarter and is approximately 66% called. IRR since inception is 9.3%. TerraCap is 100% called. Artemis is 41% called and Centerbridge has called 42% of capital.
8. Constitution Co-invest fund called 99% of the commitment. The Partnership fund has called 56% of capital.
9. As of quarter end the Total Fund was in compliance with Public Act 314.

R.B. 25-049 MOTION by Lowenberg, supported by Fisher, to approve the quarterly market rate of return of 0.0187% for the quarter ending March 31, 2025. MOTION CARRIED UNANIMOUSLY

R.B. 25-050 MOTION by Lowenberg, supported by Harvey, to approve rebalancing of the portfolio by transferring \$2,500,000 from 1607 Capital Fund to Cash. MOTION CARRIED UNANIMOUSLY

Private Equity discussion was tabled until a future meeting.

Ironsides amendment request to be able to borrow funds for additional investments was discussed. Investment Consultant recommended that the request be denied as existing uncalled capital should be put to work and the fund's current investments meet what was expected when initial due diligence was completed. The response deadline was May 8, prior to the next scheduled meeting date when it was received, and Legal Counsel noted that negative consent was employed whereas failure to act would constitute a consent to the amendment. It was noted that communication has already been received indicating that the amendment was approved.

R.B. 25-051 MOTION by Lowenberg, supported by Garth, to confirm and acknowledge President's non-consent to and non-approval of the Ironsides Co-Investment Fund VI, L.P. Amendment as presented. MOTION CARRIED UNANIMOUSLY

Legal Counsel has been waiting for guidance from Treasury on actuarial audit requirements. He previously received a draft indicating that the requirements will only apply to retiree health care plans and recommended that no action be taken on issuing an RFP until final guidelines were issued. An updated draft numbered letter regarding the experience study and actuarial audit requirements in PA 202 of 2017 has been sent out by Treasury to begin a 30-day public comment period. While it confirms that actuarial audits will only be required for RHC plans, he suggested that the Board may want to consider some level of audit in the future as a fiduciary best practice.

Retirement Program Director did not have anything specific for the Board.

Brent Wilson asked whether Legal Counsel or the Retirement Program Director had any information about the credited service purchase program that was negotiated in the last Fire contract. Both indicated that they recently received from HR a draft policy that they were asked to review to ensure alignment with current retirement plan guidelines and to provide any feedback or recommendations. Both provided input but have not had any further contact.

There being no further business to come before the Board, the meeting was adjourned at 2:21 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on June 10, 2025