

FINAL

CITY OF FARMINGTON RETIREE HEALTH CARE FUND June 8, 2018

A special meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Friday, June 8, 2018 at Farmington City Hall, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 8:55 a.m. by Chairman Schneemann.

PRESENT: Murphy, Schneemann, Weber.

ABSENT: None.

OTHERS PRESENT: None.

APPROVAL OF AGENDA

MOTION by Murphy, seconded by Weber, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

DISCUSSION

Blackstone Real Estate Investment Trust (BREIT)

Discussion ensued regarding the recommended investment in BREIT by Morgan Stanley at the May 22, 2018 meeting.

MOTION by Weber, seconded by Murphy, to approve investment in BREIT, as recommended by Morgan Stanley. MOTION CARRIED UNANIMOUSLY.

INVESTMENT REBALANCE

MOTION by Murphy, seconded by Weber, to approve the recommended rebalance of the portfolio as presented. **[SEE ASSET ALLOCATION DISTRIBUTION]** MOTION CARRIED UNANIMOUSLY.

MISCELLANEOUS

Public Comment

No public comment was heard.

Trustee Comments

No trustee comment was heard.

ADJOURNMENT

MOTION by Murphy, seconded by Weber, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

Meeting adjourned at 9:06 a.m.

Christopher M. Weber, Secretary

APPROVED: August 21, 2018

Asset Allocation / Rebalance

March 31, 2018

City of Farmington Retiree Healthcare

Asset Class	Investment Account	Bond Account	Combined Market Value	Portfolio %	Policy Target	Value at Policy Target	Investment Rebalance	Bond Rebalance	Value after Reallocation	% After Reallocation	% Over (Under)	\$ Over (Under)
Domestic Equities (10 - 70%)	\$1,358,566	\$2,825,791	\$4,184,376	42.4%	35%	\$3,454,024	\$0	\$0	\$4,184,376	42.4%	7.4%	\$730,352
Edgewood Large Cap Growth	\$392,540	\$628,990	\$1,221,530	12.4%			\$0	\$0	\$1,221,530	12.4%		
S&P Dividend	\$298,315	\$571,550	\$869,865	8.8%			\$0	\$0	\$869,865	8.8%		
Delaware Large Cap Value	\$393,051	\$856,562	\$1,249,613	12.7%			\$0	\$0	\$1,249,613	12.7%		
Ziegler Small Core	\$274,680	\$568,689	\$843,368	8.5%			\$0	\$0	\$843,368	8.5%		
International Equities (0 - 30%)	\$851,578	\$1,729,288	\$2,580,866	26.2%	25%	\$2,487,160	\$0	\$0	\$2,580,866	26.2%	1.2%	\$113,706
Cambar International	\$338,340	\$684,231	\$1,022,571	10.4%			\$0	\$0	\$1,022,571	10.4%		
iShares EAFE	\$347,773	\$711,433	\$1,059,206	10.7%			\$0	\$0	\$1,059,206	10.7%		
Lazard Emerging Markets	\$165,465	\$333,624	\$499,089	5.1%			\$0	\$0	\$499,089	5.1%		
Fixed Income (10 - 100%)	\$881,062	\$1,769,282	\$2,750,344	27.9%	20%	\$1,973,728	(\$165,000)	(\$325,000)	\$2,260,344	22.9%	2.9%	\$286,616
Vanguard Bond	\$302,135	\$384,943	\$687,078	7.0%			(\$105,000)	(\$195,000)	\$387,078	3.9%		
J.P. Morgan Strategic Income	\$334,074	\$681,631	\$1,015,705	10.3%			(\$30,000)	(\$65,000)	\$920,705	9.3%		
Loomis Sayles Bond	\$344,853	\$702,708	\$1,047,561	10.6%			(\$30,000)	(\$65,000)	\$952,561	9.7%		
Blackstone BREIT (0 - 5%)	\$0	\$0	\$0	0.0%	5%	\$493,432	\$165,000	\$325,000	\$490,000	5.0%	0.0%	(\$3,432)
Absolute Return Assets (0 - 5%)	\$0	\$0	\$0	0.0%	5%	\$493,432	\$0	\$0	\$0	0.0%	-5.0%	(\$493,432)
Equity Hedge Assets (0 - 5%)	\$0	\$0	\$0	0.0%	5%	\$493,432	\$0	\$0	\$0	0.0%	-5.0%	(\$493,432)
Opportunistic Assets (0 - 5%)	\$0	\$0	\$0	0.0%	3%	\$296,059	\$0	\$0	\$0	0.0%	-3.0%	(\$296,059)
Cash (0 - 10%)	\$145,814	\$207,241	\$353,055	3.6%	2%	\$197,373	\$0	\$0	\$353,055	3.6%	1.6%	\$155,682
Current Cash Balance	\$145,814	\$207,241	\$353,055	3.6%			\$0	\$0	\$353,055	3.6%		
Combined Accounts	\$3,337,040	\$6,531,602	\$9,868,641	100%	100%	\$5,625,125	\$0	\$0	\$9,868,641	100%		

Bond Proceeds cash needs per month 3.5 Months of cash available after rebalance.
 The Investment Account is typically cash flow positive \$1,500 per month.
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 Source: Morgan Stanley Statements & InvestmentMetrics / PARIS