

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF PENSION MEETING  
MARCH 7, 2016**

A meeting of the Pension Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Monday, March 7, 2016 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:32 a.m. by Chairman Campbell.

Present were: Chairman Bruce Campbell  
Commissioner Charles Ruifrok  
Commissioner Alternate Mike Way  
Commissioner Scott Rohr-arrived at 7:50 AM  
Mayor Ted Kedzierski

Absent: None

Also present: Don Lindow and William Gough of Azimuth Capital Management  
Rhonda Ricketts, Finance Officer/Treasurer

APPROVAL OF MINUTES OF THE MEETING HELD ON JANUARY 19, 2016

On MOTION by Commissioner Ruifrok and SECONDED by Commissioner/Mayor Kedzierski duly carried, the minutes of the Special meeting held on January 19, 2016 were approved as submitted. PASSED 4-0.

OLD BUSINESS

None

NEW BUSINESS - MARKET UPDATE

Don Lindow and Bill Gough from Azimuth Capital Management went through the handouts on the portfolio summary and answered questions from the Board. In review of 2015, Azimuth Capital has fully transitioned the investment portfolio. They pointed out that the beginning of the calendar year had been challenging and in recent weeks, the markets have been showing improvements. Mr. Lindow pointed out that Azimuth Capital is conscious of investment ratings when making their decisions of investment purchases. The bond portfolio is relatively short in term due to liquidity and investment returns. Currently there exists only three AAA bond rated companies – Exxon Mobil, Microsoft and Johnson and Johnson. Their outlook on the economy growth ranges from 2% to 3% annually.

The equity portion of the investment portfolio was originally over diversified. It now contains investments in their view that represent high quality, good valuations with good foundations. There is a limited exposure in the international market. The value strategy of Azimuth's investment policy meets the long-term goals for the pension system. The environment appears to be reasonable for long-term investing.

Earnings and valuations are an important part of investment decisions in the stock market. Azimuth is looking for businesses that are growing along with being solid quality investments.

A brief review of recent sales and purchases were discussed.

Besides the detailed handout of investment holdings and performances that was prepared by Azimuth Capital, additional materials were presented for review from Strategas Research Partners, LLC, quarterly report from Cornerstone Patriot Fund and a report prepared by Commonfund regarding the system's investment in the Commonfund Capital Partners V portfolio.

The Commission was appreciative of Mr. Lindow's and Mr. Gough's presentation of the portfolio.

#### NEXT MEETING

The Board suggested Monday, May 23, 2016 as the next meeting date at 7:30am.

#### ADJOURNMENT

The meeting was adjourned at 9:20 a.m. by a MOTION made by Commissioner Ruifrok seconded by Commissioner Way. PASSED 5-0.

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Rhonda Ricketts, Finance Officer/Treasurer