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CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
June 18, 2026

The meeting was called to order by Board Chairperson, Jeremy Flack, at 9:03 a.m.

ROLL CALL

Members Present:	Flack, Foster *(Via TX)*, Grimes *(Via TX)*, Nerdrum *(Via TX)*, Toth, Walbridge *(Via TX)*
Members Absent:	DiGiovanni, Praschan, Schreier
Staff Present:	Buffone, Gustafson, Lieder, Orcutt *(Via TX)*
Others:	Michael VanOverbeke

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Toth and **seconded** by Grimes to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 May 21, 2026 Regular Board Meeting

It was **moved** by Toth and **seconded** by Grimes to approve the May 21, 2026, Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA - None

D. DISCUSSION ITEMS - None

E. ACTION ITEMS

E-1 Resolution to Terminate GQG Emerging Markets Equity Fund

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retiree Health Care Benefit Plan & Trust, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and

WHEREAS, the Investment Policy Committee (IPC), and the Board of Trustees have approved an asset allocation target of 0 – 10% for International Emerging Markets Equity, and

WHEREAS, Graystone, the Retirement System's investment consultant, and the Investment Policy Committee (IPC) have discussed a change in Emerging Markets Managers at the May 5th and June 2nd IPC meetings, and,

WHEREAS, Graystone, the Retirement System's investment consultant, and the IPC interviewed two firms, Baillie Gifford and City of London at the June 2nd IPC meeting, and,

WHEREAS, Graystone ,as the Retirement System's investment consultant, has recommended that investment in the GQG Emerging Markets Equity Fund be terminated due to performance and portfolio positioning and that the proceeds be invested with Baillie Gifford and City of London so be it,

RESOLVED, that the Board of Trustees approves the termination of GQG Emerging Markets Equity Fund, and the proceeds of such liquidation in the amount of approximately $11 million be invested into the Baillie Gifford Emerging Markets All Cap Mutual Fund and the City of London Emerging (Free) Markets Country Fund Composite Fund in the amounts of $8 million and $3 million, respectively.

It was **moved** by Foster and **seconded** by Toth to approve the termination of GQG Emerging Markets Equity Fund, and the proceeds of such liquidation in the amount of approximately $11 million be invested into the Baillie Gifford Emerging Markets All Cap Mutual Fund and the City of London Emerging (Free) Markets Country Fund Composite Fund in the amounts of $8 million and $3 million, respectively.

Approved

E-2 Resolution to Invest in Baillie Gifford Emerging Markets All Cap Mutual Fund

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retiree Health Care Benefit Plan & Trust, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and

WHEREAS, the Investment Policy Committee (IPC), and the Board of Trustees have approved an asset allocation target of 0 – 10% for International Emerging Markets Equity, and

WHEREAS, Graystone, the Retirement System's investment consultant, and the Investment Policy Committee (IPC) have discussed a change in Emerging Markets Managers at the May 5th and June 2nd IPC meetings, and interviewed two firms, Baillie Gifford and City of London at the June 2nd IPC meeting, and

WHEREAS, Graystone, the Retirement System's investment consultant and the Investment Policy Committee (IPC) have recommended an investment in the Baillie Gifford Emerging Markets All Cap Mutual Fund (MF), so be it,

RESOLVED, that the Board of Trustees approve the investment In the Baillie Gifford Emerging Markets All Cap Mutual Fund (MF), with a total commitment in the amount of approximately $ 8 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

It was **moved** by Foster and **seconded** by Toth to approve the investment In the Baillie Gifford Emerging Markets All Cap Mutual Fund (MF), with a total commitment in the amount of approximately $8 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

Approved

E-3 Resolution to Invest in City of London Emerging (Free) Markets Country Fund Composite

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retiree Health Care Benefit Plan & Trust, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and

WHEREAS, the Investment Policy Committee (IPC), and the Board of Trustees have approved an asset allocation target of 0 – 10% for International Emerging Markets Equity, and

WHEREAS, Graystone, the Retirement System's investment consultant, and the Investment Policy Committee (IPC) have discussed a change in Emerging Markets Managers at the May 5th and June 2nd IPC meetings, and interviewed two firms, Baillie Gifford and City of London at the June 2nd IPC meeting, and

WHEREAS, Graystone, the Retirement System's investment consultant and the Investment Policy Committee (IPC) have recommended an investment in the City of London Emerging (Free) Markets Country Fund Composite, so be it,

RESOLVED, that the Board of Trustees approve the investment In the City of London Emerging (Free) Markets Country Fund Composite, with a commitment in the amount of $5 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence. This investment to be funded with the remaining proceeds from GQG (approximately $3 million) and by selling $2 million from the DFA Emerging Markets Fund.

It was **moved** by Foster and **seconded** by Walbridge to approve the investment In the City of London Emerging (Free) Markets Country Fund Composite, with a commitment in the amount of $5 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence. This investment to be funded with the remaining proceeds from GQG (approximately $3 million) and by selling $2 million from the DFA Emerging Markets Fund.

Approved

E-4 FYE 2026 Budget Reallocations

Ms. Orcutt presented the FYE 2026 Budget Reallocations.

It was **moved** by Walbridge and **seconded** by Foster to approve the Fiscal Year End 2026 Budget Reallocations.

Approved

F. REPORTS

F-1 Preliminary Investment Reports for the Month Ended May 31, 2026

Ms. Orcutt submitted the Financial Report for the month ended May 31, 2026, to the Board of Trustees:

5/31/2026 Asset Value (Preliminary)	$343,318,244
4/30/2026 Asset Value (Audited by Northern)	$337,666,446
Calendar YTD Increase/Decrease in Assets *(excludes non-investment receipts and disbursements)*	$20,706,874
Percent Gain <Loss>	6.42%
June 17, 2026 Asset Value	**$344,235,437**

F-2 Legal Report

Mr. VanOverbeke discussed a securities action against Zoetis, Inc. Mr. VanOverbeke's office was contacted by one of the System's securities monitoring firms, Labaton Keller Sucharow, LLP, with regards to one of the stocks held in the System's Rhumbline portfolios, Zoetis, Inc. The System's legal department is currently investigating potential violations of the federal securities laws. Zoetis is an animal health company that develops, manufactures, and sells vaccines, medicines, diagnostics, biopharmaceuticals, and digital solutions for companion animals and livestock. The officers running the company were very well aware of market declines that were coming, and health concerns caused by their products, none of which were disclosed to investors.

It was **moved** by Toth and **seconded** by Grimes to approve the System's legal department to file a cause of action against Zoetis, Inc.

Approved

G. TRUSTEE COMMENTS / SUGGESTIONS

H. FUTURE AGENDA ITEMS - *None*

I. INFORMATION *(Received & Filed)*

I-1 Record of Paid Invoices

The following invoices have been paid since the last Board meeting.

	PAYEE	AMOUNT	DESCRIPTION
1	Graystone	$4,305.56	Investment Consulting Fee 3/2026
	Total	$4,305.56	

J. ADJOURNMENT

It was **moved** by Toth and **seconded** by Grimes to adjourn the meeting at 9:09 a.m.

Meeting adjourned at 9:09 a.m.

Wendy Orcutt

Wendy Orcutt, Executive Director
City of Ann Arbor Employees' Retirement System