AGENDA
RETIREE HEALTH CARE BOARD OF TRUSTEES
ORGANIZATIONAL MEETING
MONDAY, FEBRUARY 9, 2026 – 3:00 P.M.
125 EAST SECOND STREET — MONROE, MI 48161
(734) 240-7003

I. CALL TO ORDER BY GRACE MILES, DEPUTY CLERK

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE LED BY GRACE MILES, DEPUTY CLERK

IV. ELECTION OF CHAIRPERSON—**ROLL CALL**

V. ELECTION OF VICE-CHAIRPERSON—**ROLL CALL**

VI. APPROVAL OF AGENDA (02/09/2026 Organizational Meeting)

VII. APPROVAL OF MINUTES (11/10/2025 Regular Meeting)

VIII. PUBLIC COMMENT

IX. COMMUNICATIONS

X. OLD BUSINESS

XI. NEW BUSINESS

1. 2026 Conflict of Interest Statements

   Suggested Action: Move to review, execute, and place it on file.

2. Investment Performance Reports
   a. Quarterly Report for period ending 12/31/2025
   b. 2026 Mariner Fee Notification

   Suggested Action: Move to accept/not accept the Report and place it on file.

3. Rebalance Recommendation/Cash Flow Review

   Suggested Action: Move to accept the report, place it on file and approve/not approve the recommended rebalance of the Investment Consultant subject to any changes. ROLL CALL

4. Monroe County Retiree Health Care Consolidated Report as of December 31, 2025 and January 31, 2026, from 5th/3rd Bank allocated market values of the RHC Trust among the County, Road Commission and Mental Health Authority.

   Suggested Action: Move to accept/not accept the report and place it on file.

5. Trust Agreement Revisions

   Suggested Action: Board Discretion.

XII. PUBLIC COMMENT

XIII. MEMBERS TIME

XIV. INFORMATION

XV. NEXT MEETING – May 11, 2026 at 3:00 p.m.

XVI. ADJOURNMENT

The County of Monroe will provide necessary auxiliary aids and services, such as signers for the hearing impaired and audiotapes of printed materials at the meeting to individuals with disabilities upon one week's notice to the County of Monroe. Individuals with disabilities requiring auxiliary aids or services should contact the County of Monroe by writing or calling the following: Human Resources - 125 East Second Street, Monroe, MI 48161 - Voice (734) 240-7295 or visit our website at www.co.monroe.mi.us.

RETIREE HEALTH CARE BOARD OF TRUSTEES MEETING MINUTES NOVEMBER 10, 2025

I. CALL TO ORDER

A Regular Meeting of the Monroe County Retiree Health Care Board of the Trustees was held in the City of Monroe on Monday, November 10, 2025. Chairman, Bob Neely, called the meeting to order at 3:00 p.m.

II. ROLL CALL

Roll call by Deputy Clerk taken as follows:

Trustees Present: Stephen Goodman, Bob Neely, Michel Grodi, Michael Bosanac and Dawn Asper

Trustees Absent: None

A quorum being present, the Board proceeded to conduct business.

III. PLEDGE OF ALLEGIANCE

Dawn Asper led the Pledge of Allegiance.

IV. APPROVAL OF AGENDA (11/10/2025 Regular Meeting)

Chairman Neely made an amendment to add three (3) agenda items: Attorney update on Education and Training Policy with a possible motion as number seven (7), Bloomfield Capital information as number eight (8), and a 2026 Meeting Schedule as number nine (9).

Motion by Michael Grodi, supported by Steve Goodman to approve the agenda with these amendments.

Dawn Asper explained this information should have been emailed to them and the Board should return to Roberts Rules of Order so all members can feel responsible in reviewing everything before the vote takes place.

Chairman Neely explained things came up at the last minute.

Michael Bosanac asked for clarification on the first item added and stated he needs to know what the agenda item is about in order to vote on the motion.

Chairman Neely explained the retirement system has an education and training policy and this Board does not.

Discussion was held regarding the additions to the agenda, the process for hiring VMT Law, and the actions taken at the last meeting.

Voice vote taken. Motion carried.

V. APPROVAL OF MINUTES (08/18/2025 Regular Meeting)
Motion by Michael Grodi, supported by Steve Goodman to approve the August 18, 2025 Regular Meeting minutes and waive the reading thereof.

Voice vote taken. Motion carried.

VI. PUBLIC COMMENT - None

VII. COMMUNICATIONS - None

VIII. OLD BUSINESS - None

IX. NEW BUSINESS

1. Q3 2025 Performance Report
   a. Discussion of comparative performance of Monroe RHC Trust against other similar public sector trusts

Brian Green, Mariner, explained he has good news but not great news. The Retiree Health Care Trust is well into positive territory but it did not outperform its benchmark. Mr. Green handed out a graph to help the Board understand why. Year-to-date, the total fund is up 12.06% and the policy index is up 12.39%. Mr. Green explained this performance comes from Domestic Equity which is up 10.67% and International Equity which is up 28.06%. Stated the Fixed Income section, Real Estate section, and Cash section of the portfolio are all in positive territory. Mr. Green explained the weakness was in the Domestic Equity section and elaborated on said weakness.

Motion by Michael Grodi, supported by Steve Goodman to accept and place the Q3 performance report on file.

Voice vote taken. Motion carried.

2. Market Value Update/Rebalance Consideration (to be distributed at meeting)

Mr. Green stated from a real estate standpoint, both American Realty Strategic Value and Boyd Watterson are in positive territory for the year. Explained the goal is to maintain, evaluate, and consider opportunities as they come but there are no current changes. Mr. Green stated so far this year the fixed income portfolio is up 6.2%. Boyd Watterson is off to a great start for the year. Vanguard Emerging Markets is up 29% for the year vs benchmark up 23%. Two international index funds are up 27.5%. From a return standpoint, it's more about U.S. Equity Markets slowing their pace of growth and international markets starting to play catch up. Mr. Green stated the Fidelity S&P 500 Index is up 14.8% and the Fidelity Extended Market Index is up 11.2%. Mr. Green explained Ancora and Reinhart both underperformed year to date. Further explained the overall experience with them has been successful, it's just been a struggle so far this year.

3. Review Clarkston performance and determine if action is warranted.

   Mr. Green explained Clarkston is only a 2.6% position of the portfolio. They had a tough first quarter, tough second quarter, great July and August, and an awful September. This has put them almost 7% behind for the quarter and almost 16% behind on a year-to-date basis. Mr. Green stated his recommendation is be patient with Clarkston Capital and said it is the wrong time to walk away from this portfolio. Explained this portfolio is a very diverse portfolio with diverse management.

   Discussion was held.

   Motion by Michael Bosanac, supported by Dawn Asper to terminate Clarkston Capital and seek recommendation from the investment consultant. Further discussion was held.

   Michael Bosanac amended his motion to terminate Clarkston Capital and allocate to the Fidelity Extended Market Index Fund. Dawn Asper agreed with this amendment.

   Roll Call by Deputy Clerk as follows:

AYE		NAY	ABSTAIN	EXCUSED
Bob Neely	Stephen Goodman			
Michael Grodi	Michael Bosanac			
Dawn Asper				

   Motion carried.

4. Reinhart Partners Acknowledgment and Consent form regarding the contract assignment.

   Brian Green explained why this form is necessary and stated nothing changes.

   Rob Abb, VMT Law, elaborated further on the form.

   Motion by Michael Grodi, supported by Steve Goodman to approve completing the Reinhart Partners Acknowledgment and Consent form regarding the contract assignment. Discussion was held.

   Voice vote taken. Motion carried.

5. Discussion to authorize an additional (third co-signer) on behalf of Monroe County Retiree Health Care Trust Board.

Chairman Neely explained how this could potentially cause problems in the future. With this correction, any two (2) of the four (4) authorized signors may execute documents that are approved by the Retiree Health Care Board.

Chairman Neely quoted the language from the original agenda item: Any document executed by the above signors – shall be pursuant to an approved transaction as recorded at a previously held RHC Board of Trustees meeting and (approved). ELECTRONIC SIGNATURES may ONLY be placed on any and all documents as prepared by the requesting party(ies) (i.e. Mariner Institutional, Fifth Third Bank, etc.) WITHOUT EDIT, CORRECTION, ADDITION, DELETION or otherwise change WITHOUT THE WRITTEN APPROVAL BY REQUESTING PARTY AND EITHER THE CHAIRPERSON OR VICE CHAIRPERSON. Electronic confirmation of said change will be acceptable evidence of change agreement. Any change of a requested document will be included in the following agenda packet at the next regularly scheduled meeting of the RHC Board of Trustees.

Discussion was held.

Motion by Michael Grodi, supported by Steve Goodman to authorize any two (2) of the four (4) authorized signors may execute documents that are approved by the Retiree Health Care Board.

Voice vote taken. Motion carried.

6. GLP-1 Drug Discussion

Mr. Green explained the potential effect(s) this could have on society as well as the retirement/pension system. Discussion was held with no action taken.

7. Attorney update on Education and Training Policy

The Chairman asked Mr. Abb to explain what VMT Law does as well as explain the Securities Actions Policy Resolution.

Mr. Rob Abb explained how VMT Law can help the Board now and in the future. He stated the monitoring services are provided at no cost and the only time a fee would be charged is if there is a case and a recovery. Mr. Abb explained this service is consistent with other municipalities.

Michael Gordi explained the Employees Retirement System has a similar service and he is in favor of getting it for this board.

Dawn Asper and Michael Bosanac explained their concerns.

Mr. Rob Abb further explained the process relating to the resolution.

Motion by Michael Grodi, supported by Steve Goodman to approve the securities actions policy resolution.

Voice vote taken. Motion carried.

Chairman Neely stated the Pension System has an employment and training policy and this board does not.

Mr. Rob Abb explained that according to Act 314, an education and training policy is a requirement.

Motion by Michael Grodi, supported by Steve Goodman to direct Mr. Abb and VMT Law to prepare an education and training policy and present it at the next meeting.

Discussion was held.

Michael Bosanac explained members have been using the County travel and training policy.

Mr. Abb advised formally adopting that policy if the board doesn't want to create an education and training policy specific for this board.

Voice vote taken. Motion carried.

8. Bloomfield Capital information

   Mr. Abb explained the update for this investment. Discussion was held with no action taken.

9. 2026 Meeting Schedule

   No discussion was held and no action was taken.

X. PUBLIC COMMENT—

XI. MEMBERS TIME—
Michael Bosanac – Explained he would like to talk about the process for hiring legal counsel. Rob Abb, VMT Law was not on the agenda last meeting but he attended and was hired that day. Stated he is wondering how that came about.

Chairman Neely explained having legal representation is consistent with what other municipalities do and consistent with what the Pension Board has and feels it was long overdue.

Michael Bosanac stated he may agree and inquired if it was that important why wouldn't it appear on the agenda.

Chairman Neely stated it was a subject of timing. Mr. Abb was available to come to the last meeting for discussion. He presented on the VMT background information, capabilities, and the customer/client list. The Board acted based on the presentation.

Discussion was held regarding an agreement as well as the vote that took place for this item at the last meeting.

Dawn Asper – Asked for in the future, an entire motion be given to all members and read aloud. Asked for documentation to be given before the meeting with time to review or hand out the documentation and vote on it at the next meeting.

Michael Grodi – Passed.

Stephen Goodman – Passed.

Bob Neely – Thanked everyone for the past year. Stated they've done a lot of great things for our beneficiaries. Look forward to working with you in the future. Wished everyone a happy holiday.

XII. INFORMATION — None

XIII. NEXT MEETING — February 9, 2025 at 3:00 p.m.

XIV. ADJOURNMENT – With no additional business to come before the Retiree Health Care Board of Trustees, Chairman Bob Neely adjourned the meeting at 4:22 p.m.

Respectfully submitted by:

Grace Miles

Grace Miles
Deputy Clerk/Administrative Assistant
Monroe County Board of Commissioners

Monroe County Retiree Health Care
Trust Board of Trustees

CONFLICT OF INTEREST STATEMENT 2026

Name: ______________________________ Position: ______________________________

Do you or any member of your immediate family (spouse and children):

1. Own stock in any organization that provides services to the RHC Trust Board?

   ☐ Yes ☐ No

2. Serve as an officer, director, employee, or consultant of any organization that provides services to the Retiree Health Care Trust Board?

   ☐ Yes ☐ No

3. Have any economic interest* in any organization that provides services to RHC Trust Board?

   ☐ Yes ☐ No

4. Have any economic interest* that would restrict or limit your obligation to serve as a member of the Retiree Health Care Trust Board of Trustees?

   ☐ Yes ☐ No

   *Economic interest does not include participation in any mutual fund or pension plan in which the individual has no authority to make individual investment decisions, or any stock ownership of less than 1% of the outstanding stock of any company that provides services to the Retiree Health Care Trust Board.

5. Agree not to solicit the Monroe County Retiree Health Care Fund or the County of Monroe, individually, or on behalf of others, for the express purpose of developing a financial management relationship regarding the Monroe County Retiree Health Care Fund?

If the answer to any question is “yes” explain, in detail, the exact relationship on a separate sheet and include your signature.

I agree to notify the Chairman of the Monroe County Board of Commissioners promptly if there are any changes in the above statements.

I certify that the above statements are true to the best of my knowledge and further that while serving as a Trustee of the Retiree Health Care Trust Board, I agree to abide by the highest standards of honesty, fairness and personal integrity and avoid even the perception of impropriety or conflicts of interest in carrying out my duties. I agree to the prohibition of accepting, receiving or soliciting any consideration or favor from a service provider of the Monroe County Retiree Health Care Trust Board while serving as a Trustee. In addition to myself, I agree and understand this probation applies to any family members or other person with a significant personal relationship.

______________________________ ______________________________
Signature Date

Monroe County Retiree Health Care Trust Board

Investment Performance Review
Period Ending December 31, 2025

Preliminary Data

MARINER

Index Returns (%)

Equities	Month	3 M	YTD	1 Year	3 Yr Ann	5 Yr Ann
S&P 500 Total Return	0.06	2.66	17.88	17.88	23.01	14.42
Russell Midcap Index	(0.28)	0.16	10.60	10.60	14.36	8.67
Russell 2000 Index	(0.58)	2.19	12.81	12.81	13.73	6.09
Russell 1000 Growth Index	(0.62)	1.12	18.56	18.56	31.15	15.32
Russell 1000 Value Index	0.68	3.81	15.91	15.91	13.90	11.33
Russell 3000 Index	(0.02)	2.40	17.15	17.15	22.25	13.15
MSCI EAFE NR	3.00	4.86	31.22	31.22	17.22	8.92
MSCI EM NR	2.99	4.73	33.57	33.57	16.40	4.20

Russell Indices Style Returns

YTD

	V	B	G
L	15.91	17.37	18.56
M	11.05	10.60	8.66
S	12.59	12.81	13.01

2024

	V	B	G
L	14.4	24.5	33.4
M	13.1	15.3	22.1
S	8.1	11.5	15.2

Index Returns (%)

Fixed Income	Month	3 M	YTD	1 Year	Mod. Adj. Duration	Yield to Worst
U.S. Aggregate	(0.15)	1.10	7.30	7.30	5.98	4.32
U.S. Corporate Investment Grade	(0.20)	0.84	7.77	7.77	6.83	4.81
U.S. Corporate High Yield	0.57	1.31	8.62	8.62	2.77	6.53
Global Aggregate	0.26	0.24	8.17	8.17	6.34	3.52

Levels

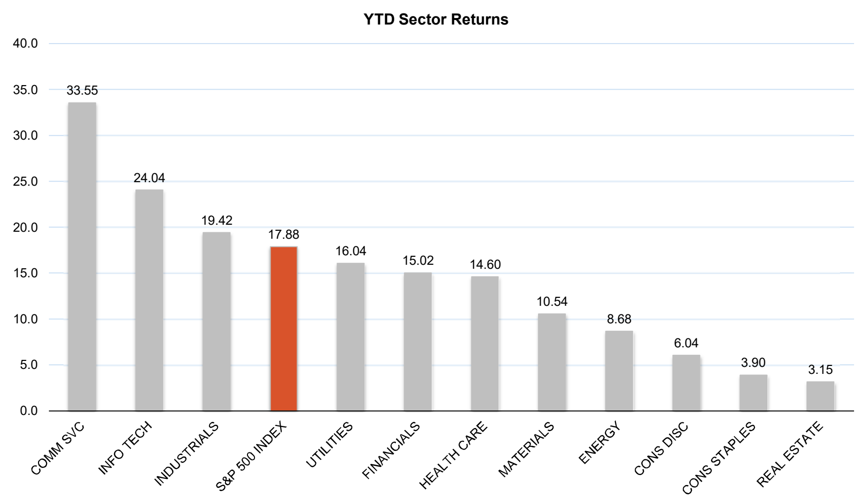
Currencies	12/31/25	12/31/24	12/31/23
Euro Spot	1.17	1.10	1.07
British Pound Spot	1.35	1.27	1.21
Japanese Yen Spot	156.71	141.04	131.12
Swiss Franc Spot	0.79	0.84	0.92
U.S. Dollar Index	1,203.56	1,309.66	1,212.89

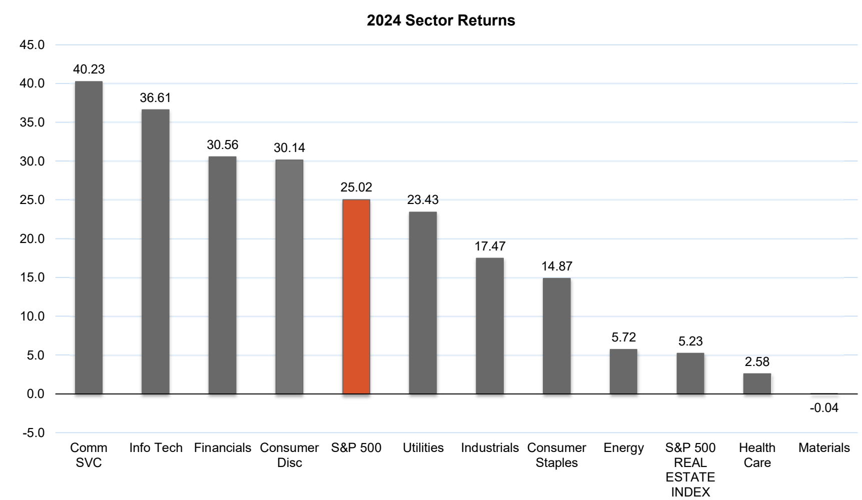
Levels (%)

Key Rates	12/31/25	12/31/24	12/31/23	12/31/22	12/31/21
US Generic Govt 3 Mth	3.63	4.31	5.33	4.34	0.03
US Generic Govt 2 Yr	3.47	4.24	4.25	4.43	0.73
US Generic Govt 10 Yr	4.17	4.57	3.88	3.87	1.51
US Generic Govt 30 Yr	4.84	4.78	4.03	3.96	1.90
Secured Overnight Financing Rate	3.87	4.49	5.38	4.30	0.05
Euribor 3 Month ACT/360	2.03	2.71	3.91	2.13	(0.57)
Bankrate 30Y Mortgage Rates Na	6.25	7.28	6.99	6.66	3.27
Prime	6.75	7.50	8.50	7.50	3.25

Levels

Commodities	12/31/25	12/31/24	12/31/23
Oil	57.42	71.65	80.45
Gasoline	2.83	3.11	3.21
Natural Gas	3.69	2.51	3.93
Gold	4,341.10	2,071.80	1,857.70
Silver	70.60	24.09	24.21
Copper	568.20	389.05	381.45
Corn	440.25	471.25	678.00
BBG Commodity TR Idx	276.25	226.43	245.89





Source: Bloomberg, Investment Metrics, & Federal Reserve Bank of St. Louis. For informational purposes only and should not be regarded as investment advice. Information is based on sources and data believed to be reliable, but Mariner Institutional cannot guarantee the accuracy, adequacy or completeness of the information. The material provided herein is valid only as of the date of distribution and not as of any future date.

*Heat maps are displayed utilizing a 9-color scale, with green as the highest return for the time period noted and red as the lowest return for the time period noted. Color scales within each time period are mutually exclusive.

	QTR Progress	YTD Progress	Notes
Total Fund	=	-	Underperformance for the quarter driven by underperformance from small cap equity managers. Despite the YTD underperformance, portfolio still ranked 29th for YTD. Longer term returns rank in 1st or 2nd quartile.
Fidelity Institutional / Extended Market / Vanguard Developed Markets Index	=	=	Performed inline with expectations for index fund.
Ancora Small / Mid	-	-	Near term underperformance driven by focus on profitability and quality, two factors that were not rewarded in 2025 by the markets.. Long term outperformance across the board.
Reinhart Genesis Small/Mid	-	-	Strategy underperformed by 0.12% in the quarter. YTD underperformance driven by focus on profitability and quality, two factors that were not rewarded in 2025 by the markets.
Vanguard Emerging Markets	+	+	Similar to Q4, outperformed due to stock selection in Communication Services, notably Alibaba and Tencent.
Boyd Watterson Fixed Income	+	+	Long term outperformance across the board.
Boyd GSA Real Estate	+	+	Near term underperformance due to decline in office valuations. Long term performance remains solid.
American Realty Strategic Value	-	-	Near term underperformance again due to lease up activity for several new developments in the fund. Long term performance remains solid.

Investment Managers shall be monitored on the 9 criteria outlined below each quarter. Failure to meet 3 of the listed criteria will result in placement on a Watch List.

1. Three out of four (4) consecutive quarters of relative under-performance versus the benchmark.
2. Three (3) year trailing return below the top 50th percentile and underperformance vs. benchmark.
3. Five (5) year trailing return below the top 50th percentile and underperformance vs. benchmark.
4. Three (3) year downside volatility less than the index (lower than 100), as measured by down mkt ratio.
5. Five (5) year downside volatility less than the index (lower than 100), as measured by down mkt ratio.
6. No investigation of the firm by the Securities and Exchange Commission (SEC).
7. No merger or sale of firm.
8. No qualitative changes (style, purity drift, mgmt turnover, asset flows, 314 / IPS compliance)
9. No fee increases without prior written consent.

A "Yes" result means the Fund is In compliance with the IPS.

Ancora Small / Mid 12/2018	12/31/2025			9/30/2025			6/30/2025			3/31/2025			12/31/2024			9/30/2024			6/30/2024			3/31/2024		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Qtrly Perf	•			•			•			•			•			•			•			•		
2. 3 Year Return	•			•			•			•			•			•					•	•		
3. 5 Year Return	•			•			•			•					•			•			•	•		
4. 3 Year Downside Capture	•			•			•			•			•			•					•	•		
5. 5 Year Downside Capture	•			•			•			•					•			•			•	•		
6-. No Qualitative Changes.	•			•			•			•			•			•			•			•		
7. No firm changes	•			•			•			•			•			•			•			•		
8. No qualitative changes	•			•			•			•			•			•			•			•		
9. No fee changes	•			•			•			•			•			•			•			•		
Trigger Watch?	**No**			**No**			**No**			**No**			**No**			**No**			**No**			**No**		

Reinhart Small / Mid 11/2024	12/31/2025			9/30/2025			6/30/2025			3/31/2025			12/31/2024			9/30/2024			6/30/2024			3/31/2024		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Qtrly Perf	•			•			•			•			•					•			•			•
2. 3 Year Return			•			•			•			•			•			•			•			•
3. 5 Year Return			•			•			•			•			•			•			•			•
4. 3 Year Downside Capture			•			•			•			•			•			•			•			•
5. 5 Year Downside Capture			•			•			•			•			•			•			•			•
6. No SEC Issues	•			•			•			•			•					•			•			•
7. No firm changes	•			•			•			•			•					•			•			•
8. No qualitative changes	•			•			•			•			•					•			•			•
9. No fee changes	•			•			•			•			•					•			•			•
Trigger Watch?	**No**			**No**			**No**			**No**			**No**			**No**			**No**			**No**		

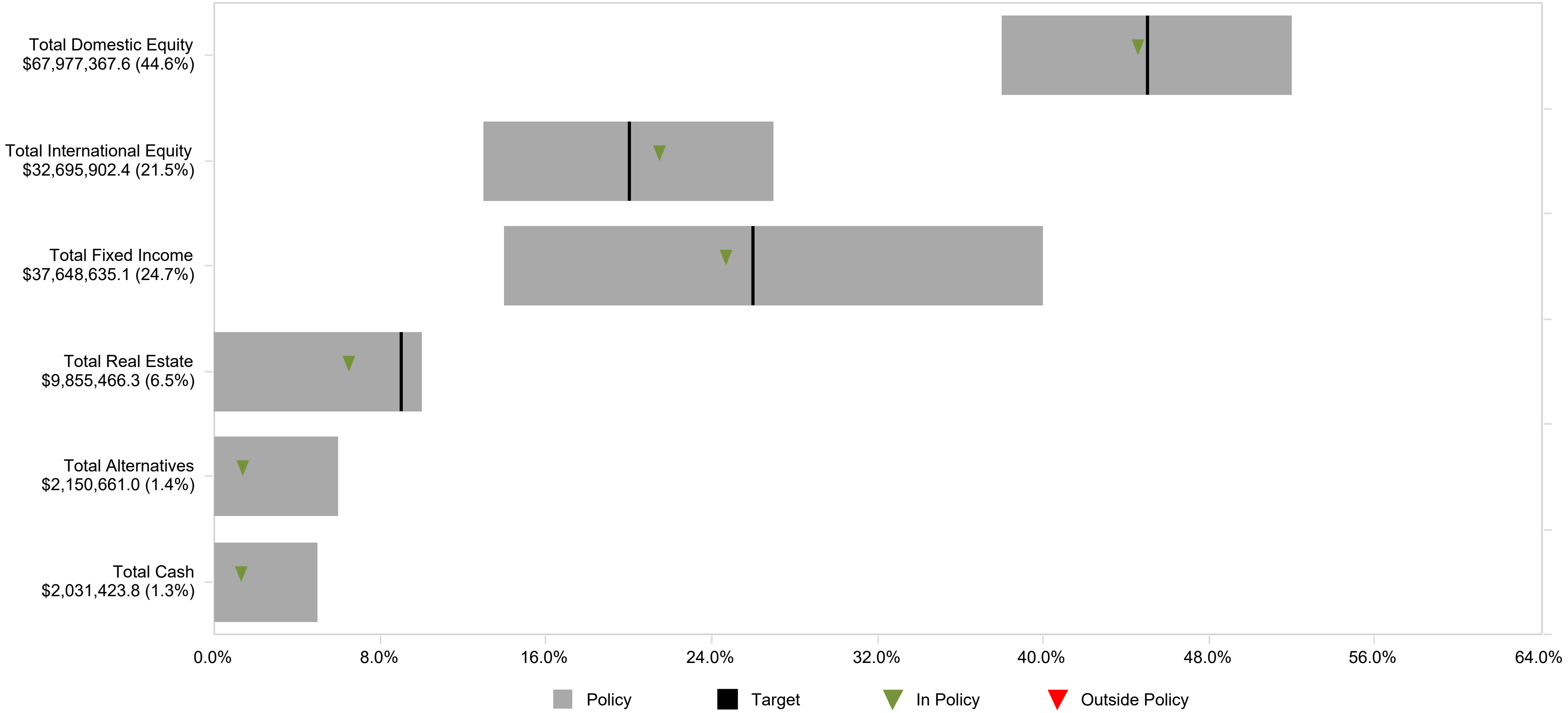
A "Yes" result means the Fund is In compliance with the IPS.

Vanguard Emerging Markets 9/2023	**12/31/2025**			**9/30/2025**			**6/30/2025**			**3/31/2025**			**12/31/2024**			**9/30/2024**			**6/30/2024**			**3/31/2024**		
	Yes	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**
1. Qtrly Perf	•			•			•			•			•					•			•			•
2. 3 Year Return			•			•			•			•			•			•			•			•
3. 5 Year Return			•			•			•			•			•			•			•			•
4. 3 Year Downside Capture			•			•			•			•			•			•			•			•
5. 5 Year Downside Capture			•			•			•			•			•			•			•			•
6. No SEC Issues	•			•			•			•			•					•			•			•
7. No firm changes	•			•			•			•			•					•			•			•
8. No qualitative changes	•			•			•			•			•					•			•			•
9. No fee changes	•			•			•			•			•					•			•			•
Trigger Watch?	**No**			**No**			**No**			**No**			**No**			**No**			**No**			**No**		

Boyd Watterson Fixed Income 2/1998	**12/31/2025**			**9/30/2025**			**6/30/2025**			**3/31/2025**			**12/31/2024**			**9/30/2024**			**6/30/2024**			**3/31/2024**		
	Yes	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**
1. Qtrly Perf	•			•			•			•			•			•			•			•		
2. 3 Year Return	•			•			•			•			•			•			•			•		
3. 5 Year Return	•			•			•			•			•			•			•			•		
4. 3 Year Downside Capture	•			•			•			•			•			•			•			•		
5. 5 Year Downside Capture	•			•			•			•			•			•			•			•		
6. No SEC Issues	•			•			•			•			•			•			•			•		
7. No firm changes	•			•			•			•			•			•			•			•		
8. No qualitative changes	•			•			•			•			•			•			•			•		
9. No fee changes	•			•			•			•			•			•			•			•		
Trigger Watch?	**No**			**No**			**No**			**No**			**No**			**No**			**No**			**No**		

A "Yes" result means the Fund is In compliance with the IPS.

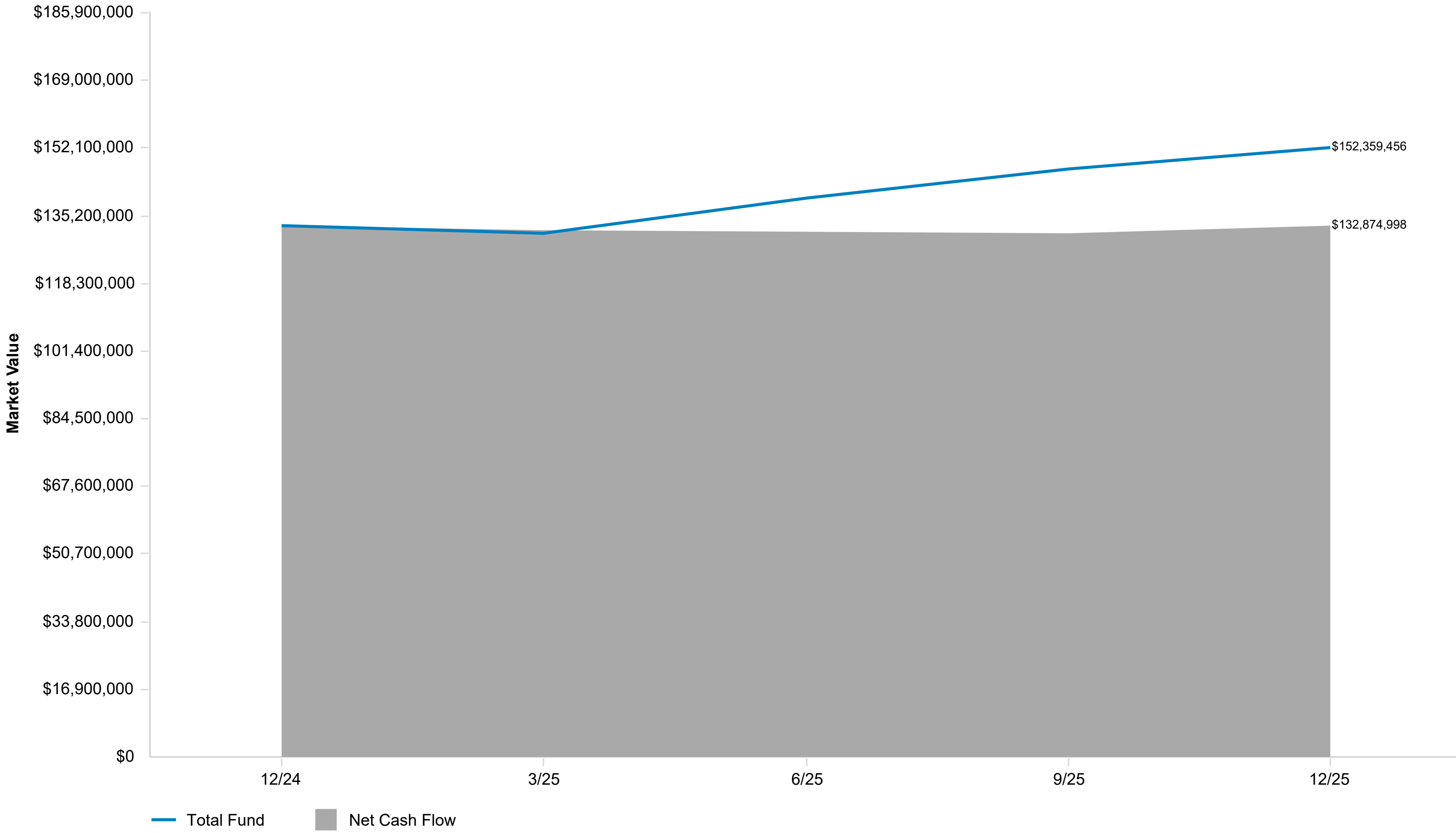
Executive Summary



Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Min. Rebal. ($000)	Target Rebal. ($000)	Max. Rebal. ($000)
Total Fund	**152,359,456**	**100.0**	**N/A**	**100.0**	**N/A**	**-**	**-**	**-**
Total Domestic Equity	67,977,368	44.6	38.0	45.0	52.0	-10,080,774	584,388	11,249,550
Total International Equity	32,695,902	21.5	13.0	20.0	27.0	-12,889,173	-2,224,011	8,441,151
Total Fixed Income	37,648,635	24.7	14.0	26.0	40.0	-16,318,311	1,964,824	23,295,147
Total Real Estate	9,855,466	6.5	0.0	9.0	10.0	-9,855,466	3,856,885	5,380,479
Total Alternatives	2,150,661	1.4	0.0	0.0	6.0	-2,150,661	-2,150,661	6,990,906
Total Cash	2,031,424	1.3	0.0	0.0	5.0	-2,031,424	-2,031,424	5,586,549

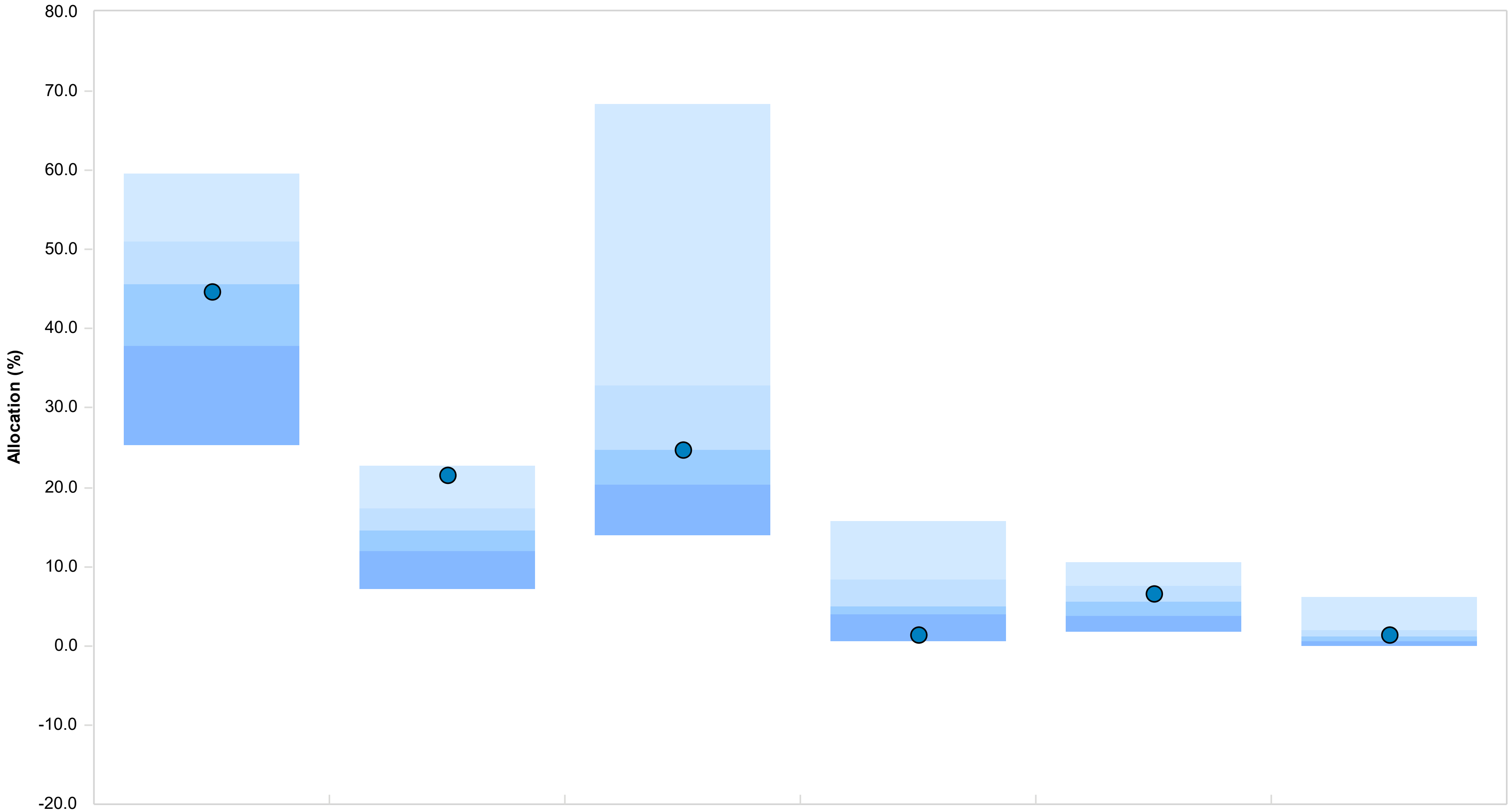
Schedule of Investable Assets



Schedule of Investable Assets

Periods Ending	Beginning Market Value $	Net Cash Flow $	Gain/Loss $	Ending Market Value $	%Return
1 YR	132,750,316	124,682	19,484,458	152,359,456	14.76

Plan Sponsor TF Asset Allocation vs. All Public Plans - $50.0M to $99.9M



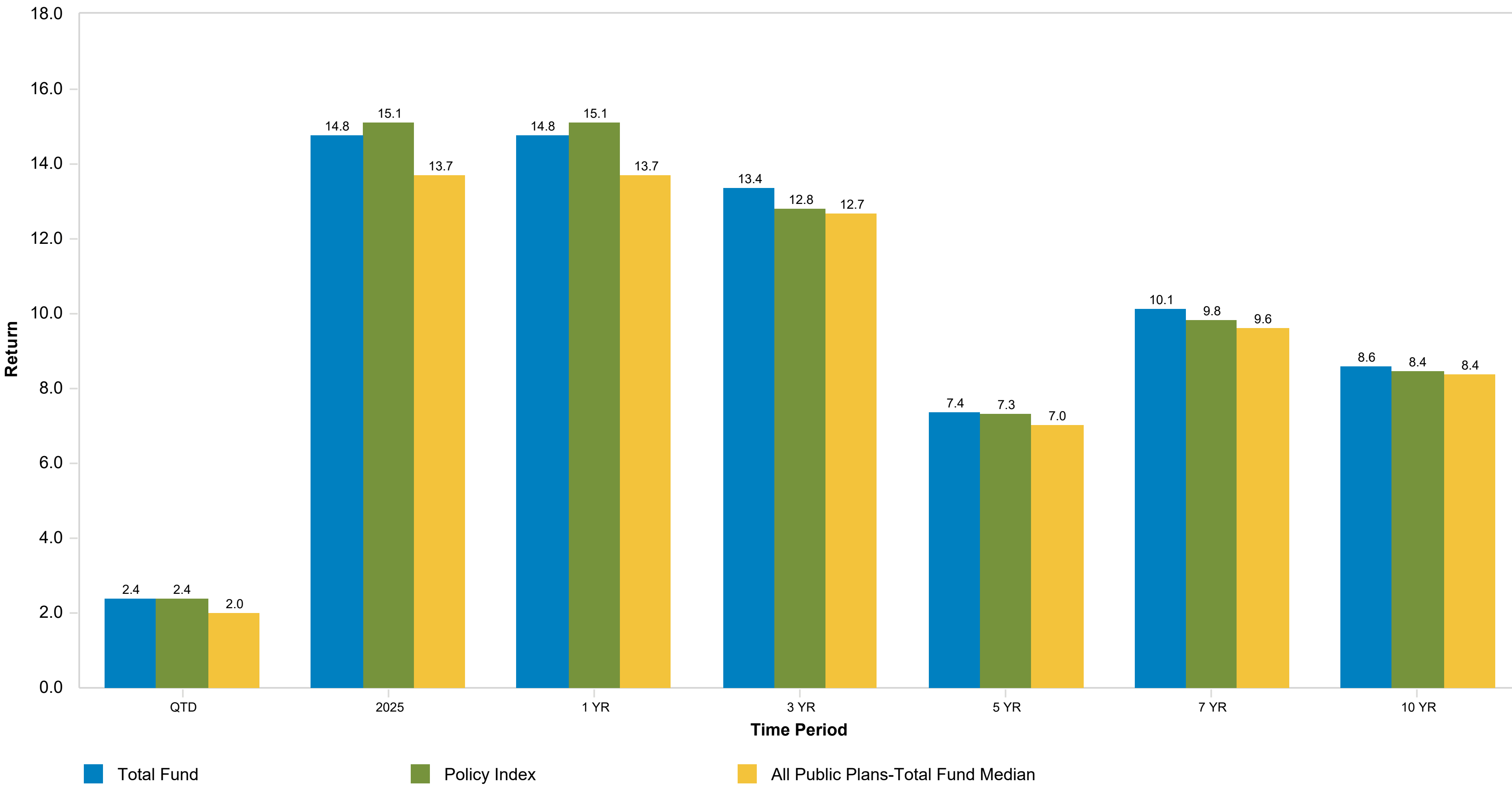
	US Equity	Global ex-US Equity	US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
Total Fund	44.62 (57)	21.46 (11)	24.71 (51)	1.41 (89)	6.47 (43)	1.33 (43)
5th Percentile	59.73	22.72	68.47	15.74	10.45	6.13
1st Quartile	51.12	17.24	32.83	8.33	7.54	2.05
Median	45.65	14.48	24.72	4.96	5.52	1.15
3rd Quartile	37.85	12.00	20.35	3.90	3.80	0.53
95th Percentile	25.39	7.24	13.93	0.63	1.83	0.05

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Gain/Loss Summary

	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Total Fund							
Beginning Market Value	**146,702,551**	**132,750,316**	**132,750,316**	**99,725,467**	**93,572,350**	**54,633,561**	**41,535,716**
Net Contributions	2,214,574	434,480	434,480	6,444,483	15,571,637	30,857,181	38,340,083
Gain/Loss	3,442,332	19,174,660	19,174,660	46,189,505	43,215,469	66,868,713	72,483,657
Ending Market Value	**152,359,456**	**152,359,456**	**152,359,456**	**152,359,456**	**152,359,456**	**152,359,456**	**152,359,456**

Comparative Performance



	Allocation		Performance(%)									
	Market Value $	%	MTH	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund	**152,359,456**	**100.0**	**0.84 (8)**	**2.38 (19)**	**14.76 (29)**	**14.76 (29)**	**13.37 (34)**	**7.37 (39)**	**10.15 (29)**	**8.60 (38)**	**6.00 (86)**	**01/01/1998**
Policy Index			0.72	2.40	15.09	15.09	12.79	7.33	9.83	8.45	6.56	
6.0% Annualized Return			0.49	1.47	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
All Public Plans-Total Fund Median			0.46	2.00	13.70	13.70	12.70	7.03	9.60	8.37	6.72	
Total Fund (Net of Fees)	**152,359,456**	**100.0**	**0.81 (10)**	**2.35 (21)**	**14.60 (32)**	**14.60 (32)**	**13.21 (37)**	**7.21 (43)**	**10.00 (35)**	**8.35 (52)**	**5.45 (95)**	**01/01/1998**
Policy Index			0.72	2.40	15.09	15.09	12.79	7.33	9.83	8.45	6.56	
6.0% Annualized Return			0.49	1.47	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
All Public Plans-Total Fund Median			0.46	2.00	13.70	13.70	12.70	7.03	9.60	8.37	6.72	
Total Domestic Equity	**67,977,368**	**44.6**	**0.22**	**1.73**	**12.59**	**12.59**	**18.74**	**10.90**	**14.95**	**-**	**12.06**	**10/01/2017**
60% S&P 500/40% Russell 2500			0.07	2.48	15.50	15.50	19.37	11.62	15.17	13.14	12.61	
Total International Equity	**32,695,902**	**21.5**	**2.96**	**5.61**	**35.24**	**35.24**	**17.87**	**9.18**	**10.61**	**-**	**7.28**	**10/01/2017**
MSCI AC World ex USA			3.02	5.11	33.11	33.11	17.95	8.46	10.70	-	7.71	
Total Domestic Fixed Income	**37,648,635**	**24.7**	**0.10**	**1.31**	**7.62**	**7.62**	**5.74**	**1.52**	**3.25**	**-**	**2.78**	**10/01/2017**
Barclays US Intermediate Gov/Credit Index			0.09	1.20	6.97	6.97	5.06	0.96	2.54	-	2.24	
Total Real Estate	**9,855,466**	**6.5**	**1.40**	**1.40**	**5.31**	**5.31**	**-1.01**	**3.08**	**4.46**	**-**	**5.22**	**10/01/2017**
NCREIF Fund Index-ODCE (VW) (Net)			0.68	0.68	2.90	2.90	-4.26	2.50	2.46	3.88	3.19	
Total Alternatives	**2,150,661**	**1.4**										
Total Cash	**2,031,424**	**1.3**	**0.31**	**0.98**	**4.41**	**4.41**	**4.86**	**3.20**	**2.61**	**-**	**2.62**	**10/01/2017**

* Prior to 12/31/2021 composite returns represent Ancora SMID (AATSX), after Ancora SMID Separate Account.

	Allocation		Performance(%)									
	Market Value $	**%**	**MTH**	**QTD**	**YTD**	**1 YR**	**3 YR**	**5 YR**	**7 YR**	**10 YR**	**Inception**	**Inception Date**
Domestic Equity												
Fidelity 500 Index (FXAIX)	38,894,276	25.5	0.06 (43)	2.65 (33)	17.86 (25)	17.86 (25)	22.99 (23)	14.41 (19)	-	-	15.01 (19)	12/01/2020
S&P 500 Index			0.06	2.66	17.88	17.88	23.01	14.42	17.29	14.82	15.02	
Large Blend Median			0.02	2.42	16.43	16.43	21.48	13.09	-	-	13.81	
Fidelity Extended Mkt Index (FSMAX)	16,328,767	10.7	-0.53 (63)	0.15 (70)	11.40 (28)	11.40 (28)	17.78 (10)	6.20 (61)	-	-	7.56 (61)	12/01/2020
S&P Completion Index			-0.53	0.13	11.32	11.32	17.59	6.06	12.42	10.89	7.43	
SMID Median			-0.19	1.53	7.90	7.90	11.97	7.20	-	-	8.53	
Ancora Composite*	6,383,505	4.2	1.88 (6)	-0.68 (78)	4.86 (70)	4.86 (70)	15.28 (26)	9.39 (32)	11.97 (61)	-	10.09 (61)	12/01/2018
Russell 2500 Index			0.08	2.22	11.91	11.91	13.75	7.26	11.75	10.40	9.79	
IM U.S. SMID Cap Equity (SA+CF) Median			0.11	1.99	7.87	7.87	12.67	7.61	12.67	-	10.75	
Reinhart Genesis PMV	6,370,820	4.2	1.53 (14)	2.10 (48)	6.65 (59)	6.65 (59)	-	-	-	-	5.88 (71)	11/01/2024
Russell 2500 Index			0.08	2.22	11.91	11.91	13.75	7.26	11.75	10.40	11.60	
IM U.S. SMID Cap Equity (SA+CF) Median			0.11	1.99	7.87	7.87	-	-	-	-	8.92	
International Equity												
Vanguard FTSE Developed Markets (VEA)	14,570,878	9.6	3.14 (22)	5.98 (18)	35.12 (27)	35.12 (27)	18.01 (31)	9.19 (30)	11.09 (31)	-	7.59 (30)	12/01/2017
FTSE Developed All Cap ex-U.S. Index			3.45	6.12	35.28	35.28	18.40	9.47	11.39	9.07	7.95	
Foreign Median			2.54	4.02	29.95	29.95	16.45	7.64	10.27	-	6.85	
Vanguard Developed Markets Inst (VTMNX)	11,681,079	7.7	3.17 (15)	5.68 (15)	35.16 (19)	35.16 (19)	17.94 (29)	9.13 (24)	-	-	9.55 (30)	05/01/2019
Vanguard Spliced Developed ex U.S. Index			3.44	6.08	34.86	34.86	18.03	9.14	11.06	8.66	9.60	
Foreign Large Blend Median			2.65	4.36	31.18	31.18	16.98	8.06	-	-	8.86	
Vanguard Emerging Markets (VMMSX)	6,443,946	4.2	2.18 (64)	4.64 (47)	35.66 (23)	35.66 (23)	-	-	-	-	18.40 (45)	09/01/2023
FTSE Emerging Index (Net)			1.57	1.79	26.01	26.01	15.43	4.89	8.37	8.56	18.27	
Diversified Emerging Mkts Median			2.62	4.46	31.79	31.79	-	-	-	-	17.94	
Domestic Fixed Income												
Boyd Watterson Asset Management	37,648,635	24.7	0.10 (54)	1.31 (30)	7.62 (42)	7.62 (42)	5.74 (44)	1.52 (49)	3.20 (44)	2.77 (55)	4.38 (50)	02/01/1998
Bloomberg Intermediate US Govt/Credit Idx			0.09	1.20	6.97	6.97	5.06	0.96	2.54	2.29	3.86	
IM U.S. Fixed Income (SA+CF) Median			0.14	1.18	7.37	7.37	5.55	1.42	3.04	2.89	4.38	

* Prior to 12/31/2021 composite returns represent Ancora SMID (AATSX), after Ancora SMID Separate Account.

	Allocation		Performance(%)																	
	Market Value $	%	MTH		QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date
Real Estate																				
Boyd Watterson GSA Fund	7,561,973	5.0	1.63	(-)	1.63	(5)	6.00	(16)	6.00	(16)	-0.33	(26)	2.78	(67)	4.35	(34)	5.92	(19)	6.31	(-)	12/01/2013
NCREIF Office Total Return			-		0.86		3.45		3.45		-7.71		-4.22		-1.92		0.49		2.50		
IM U.S. Private Real Estate (SA+CF) Median			-		1.13		5.11		5.11		-2.45		3.75		3.98		5.37		-		
American Realty Strategic Value	2,293,493	1.5	0.64		0.64		3.10		3.10		-3.12		3.64		4.45		-		4.45		01/01/2019
NCREIF Fund Index-ODCE (VW)			0.90		0.90		3.77		3.77		-3.45		3.39		3.35		4.79		3.35		
Alternatives																					
Monroe Capital Private Credit V LP	2,150,661	1.4																			
Cash Account	**2,031,424**	**1.3**	**0.31**		**0.98**		**4.41**		**4.41**		**4.86**		**3.20**		**2.61**		**-**		**2.38**		**10/01/2017**

* Prior to 12/31/2021 composite returns represent Ancora SMID (AATSX), after Ancora SMID Separate Account.

Comparative Performance - IRR

	QTD	YTD	FYTD	1 YR	2 YR	3 YR	5 YR	Inception	Inception Date
Private Debt									
Monroe Capital Private Credit V LP	0.00	7.41	7.41	7.41	8.83	N/A	N/A	8.41	12/11/2023

Financial Reconciliation Year to Date

	Market Value 01/01/2025	Net Transfers	Contributions	Distributions	Management Fees	Income	Apprec./ Deprec.	Market Value 12/31/2025
Total Fund	**132,750,316**	**-**	**3,509,480**	**-3,075,000**	**-202,605**	**3,643,435**	**15,841,023**	**152,359,456**
Total Equity	**85,589,441**	**-959,960**	**-**	**-**	**-81,067**	**1,671,536**	**14,453,320**	**100,673,270**
Total Domestic Equity	**61,413,488**	**-959,937**	**-**	**-**	**-81,067**	**699,251**	**6,905,633**	**67,977,368**
Fidelity 500 Index (FXAIX)	34,001,028	-1,000,000	-	-	-	430,092	5,463,157	38,894,276
Fidelity Extended Mkt Index (FSMAX)	11,151,078	3,803,102	-	-	-	92,904	1,281,683	16,328,767
Ancora SMID Cap	6,129,947	-	-	-	-40,141	107,573	186,126	6,383,505
Clarkston Partners (CISMX)	4,117,881	-3,763,039	-	-	-	-	-354,842	-
Reinhart Genesis PMV	6,013,555	-	-	-	-40,926	68,683	329,509	6,370,820
Total International Equity	**24,175,953**	**-23**	**-**	**-**	**-**	**972,285**	**7,547,688**	**32,695,902**
Vanguard FTSE Developed Markets (VEA)	10,783,601	-23	-	-	-	502,350	3,284,949	14,570,878
Vanguard Developed Markets Inst (VTMNX)	8,642,421	-	-	-	-	324,073	2,714,584	11,681,079
Vanguard Emerging Markets (VMMSX)	4,749,930	-	-	-	-	145,862	1,548,154	6,443,946
Total Fixed Income	**35,949,736**	**-1,000,000**	**-**	**-**	**-**	**1,434,185**	**1,264,714**	**37,648,635**
Total Domestic Fixed Income	**35,949,736**	**-1,000,000**	**-**	**-**	**-**	**1,434,185**	**1,264,714**	**37,648,635**
Boyd Watterson Asset Management	35,949,736	-1,000,000	-	-	-	1,434,185	1,264,714	37,648,635
Total Real Estate	**9,476,676**	**-**	**-**	**-**	**-121,538**	**388,567**	**111,762**	**9,855,466**
Boyd Watterson GSA Fund	7,224,009	-	-	-	-92,982	360,011	70,936	7,561,973
American Realty Strategic Value	2,252,667	-	-	-	-28,557	28,557	40,826	2,293,493
Total Alternatives	**1,239,434**	**789,195**	**-**	**-**	**-**	**110,805**	**11,227**	**2,150,661**
Monroe Capital Private Credit V LP	1,239,434	789,195	-	-	-	110,805	11,227	2,150,661
Total Cash	**495,031**	**1,170,765**	**3,509,480**	**-3,075,000**	**-**	**38,341**	**-**	**2,031,424**
Cash Account	495,031	1,170,765	3,509,480	-3,075,000	-	38,341	-	2,031,424

Historical market value and performance data through September 2017 was provided by Morgan Stanley.

Market values, performance and cash flow information beginning October 2017 to date was prepared by Mariner Institutional from statements provided by Fifth Third Bank and the investment managers.

Total Fund Policy

Allocation Mandate	Weight (%)
Jan-1973	
S&P 500 Index	55.00
Bloomberg Intermediate US Govt/Credit Idx	40.00
90 Day U.S. Treasury Bill	5.00
Apr-1999	
S&P 500 Index	50.00
Bloomberg Intermediate US Govt/Credit Idx	45.00
90 Day U.S. Treasury Bill	5.00
Jan-2014	
S&P 500 Index	25.00
Russell 2000 Index	10.00
FTSE Developed All Cap ex-US Index (NET)	15.00
Bloomberg Intermediate US Govt/Credit Idx	25.00
FTSE NAREIT All REITs Index	2.00
Russell Midcap Index	10.00
90 Day U.S. Treasury Bill	3.00
FTSE World Government Bond Index	10.00
Oct-2017	
S&P 500 Index	23.00
Russell 2500 Index	20.00
FTSE Developed All Cap ex-US Index (NET)	20.00
Bloomberg Intermediate US Govt/Credit Idx	21.00
NCREIF Fund Index-ODCE (VW) (Net)	9.00
HFRI Fund of Funds Composite Index	0.00
Alerian MLP Index	2.00
FTSE World Government Bond Index	5.00
90 Day U.S. Treasury Bill	0.00
Mar-2019	
S&P 500 Index	23.00
Russell 2500 Index	22.00
FTSE Developed All Cap ex-US Index (NET)	20.00
Bloomberg Intermediate US Govt/Credit Idx	21.00
NCREIF Fund Index-ODCE (VW) (Net)	9.00
HFRI Fund of Funds Composite Index	0.00
Alerian MLP Index	0.00
FTSE World Government Bond Index	5.00
90 Day U.S. Treasury Bill	0.00

Allocation Mandate	Weight (%)
Nov-2020	
S&P 500 Index	25.00
Russell 2500 Index	20.00
MSCI EAFE (Net) Index	20.00
Bloomberg Intermediate US Govt/Credit Idx	21.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-ODCE (VW) (Net)	9.00

Active Return - Arithmetic difference between the manager’s performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product’s performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

Down Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager’s performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund’s life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

Up Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Mariner Institutional compiled this report for the sole use of the client for which it was prepared. Mariner Institutional is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. Mariner Institutional uses the results from this evaluation to make observations and recommendations to the client. Mariner Institutional uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. Mariner Institutional analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides Mariner Institutional with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides Mariner Institutional with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause Mariner Institutional to believe that the information presented is significantly misstated.

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***IMPORTANT DISCLOSURE INFORMATION RE COALITION GREENWICH BEST INVESTMENT CONSULTANT AWARD (formerly known as the Greenwich Quality Leader Award):**
The awards are not indicative of any future performance. The awards or any other rankings and/or recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction, nor should it be construed as a current or past endorsement by any of our clients. No fee was paid to participate in this award survey.
The 2024-25 award was issued in February 2025, based on data from February to September of 2024. The 2023 award was issued in April 2024, based on data from Feb to November of 2023. The 2022 award was issued in April 2023, based on data from Feb to November of 2022. The 2021 award was issued in April of 2022, based on data from July to October 2021. Data was collected via interviews conducted by Coalition Greenwich. The 2024 and 2023 awards were issued to Mariner Institutional (formerly AndCo Consulting). The 2021 and 2022 awards were issued to AndCo, prior to becoming Mariner Institutional. The methodology: For the 2024-25 Coalition Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and September 2024, Crisil Coalition Greenwich conducted interviews with 699 individuals from 563 of the largest tax-exempt funds in the United States. For the 2023 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. For the 2022 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2022, Coalition Greenwich conducted interviews with 727 individuals from 590 of the largest tax-exempt funds in the United States. For the 2021 Greenwich Best Investment Consultant Award – Overall U.S. Investment Consulting – Midsize Consultants – Between July and October 2021, Coalition Greenwich conducted interviews with 811 individuals from 661 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either pension or investment pool assets greater than $150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

MARINER

Access to a wealth of knowledge and solutions.

MARINER

To: Monroe County Retiree Health Care Trust

From: Brian Green

Date: February 9, 2026

Re: Mariner Fee Notification

<u>Mariner Institutional Consulting Fee Update</u>

This memo is meant to serve as notification of the implementation of our contractual fee increase of 3% effective 1/1/2025. The fee is due to increase by the contractually indicated rate of 3.0%, from $61,900 per year to $63,757 per year. The fee will continue to be billed quarterly in arrears, meaning the first invoice reflecting the adjusted fee will be sent in late March 2025 for services rendered in Q1 2025.

We began working together in October 2017 with an annual fee of $60,000 per year. Per contract, that fee was guaranteed through 12/31/2020. In recognition of the overall relationship with Monroe County (covering Retirement, County RHC, Road Commission RHC and Community Mental Health RHC), we discounted the fee to $55,000 per year in July 2018. On 1/1/2021, 1/1/2022, 1/1/2023, 1/1/2024, and 1/2025 the fee was increased by 3% according to the current contract.

In 2019 and 2020, the Road Commission RHC and Community Mental Health RHC plans were consolidated into the County RHC Trust. This consolidation reduced the overall consulting fees paid by those two plans by $36,000 per year ($18,000 per plan).

Looking at the current breakdown between the 3 participating entities, the fee increase breaks down as follows:

	% as of 11/30/2025	Proportion of Current	Proportion after Increase	$ Increase
County	73.05%	$46,575	$47,972	$1,397
Road	16.00%	$10,199	$10,505	$306
CMH	10.95%	$6,983	$7,193	$209
Total	**100.00%**	**$63,757**	**$65,670**	**$1,913**

We continue to believe the consolidation of the RHC plans is a success. The cost savings and synergies incurred by all parties is a true benefit. Mariner has invested heavily into growing our team and capabilities over the last 8 years.

Monroe County Retiree Health Care 2/6/2026											
	Current Market Value and Allocation		Recommended Rebalance	Target Market Value and Allocation		Market Value After Rebalance		IPS Limits		Variance from Target	
Name	$	(%)		$	(%)	$	%	Min	Max	$	%
Total Fund	**$155,309,119**	**100.00%**	**$0**	**$155,309,119**	**100.00%**	**$155,309,119**	**100.00%**			**($0)**	**0.0%**
Domestic Equities											
Fidelity S&P 500 Index	$38,660,309	24.9%	$0	$38,827,280	25.0%	$38,660,309	24.9%			($166,971)	-0.1%
Fidelity Extended Mkt Index	$16,445,551	10.6%	$0	$15,530,912	10.0%	$16,445,551	10.6%			$914,640	0.6%
Ancora Small / Mid	$6,750,151	4.3%	$1,000,000	$7,765,456	5.0%	$7,750,151	5.0%			($15,305)	0.0%
Reinhart Partners	$6,768,738	4.4%	$1,000,000	$7,765,456	5.0%	$7,768,738	5.0%			$3,282	0.0%
Sub-Total Domestic Equities	**$68,624,749**	**44.2%**	**$2,000,000**	**$69,889,103**	**45.0%**	**$70,624,749**	**45.5%**	**25%**	**51%**	**$735,646**	**0.5%**
International Equities											
Vanguard Developed Markets	$27,691,571	17.8%	($2,000,000)	$24,849,459	16.0%	$25,691,571	16.5%			$842,112	0.5%
Vanguard Emg Mkts	$7,004,090	4.5%	$0	$6,212,365	4.0%	$7,004,090	4.5%			$791,725	0.5%
Sub-Total International Equities	***$34,695,661***	***22.3%***	***($2,000,000)***	***$31,061,824***	***20.0%***	***$32,695,661***	***21.1%***	***13%***	***27%***	***$1,633,837***	***1.1%***
Sub-Total Global Equities		***66.5%***	***$0***	***$100,950,927***	***65.0%***	***$103,320,410***	***66.5%***	***50%***	***70%***	***$2,369,483***	***1.5%***
Fixed Income				$0							
Boyd Watterson - Int Fixed	$36,253,236	23.3%	$0	$33,380,371	21.5%	$36,253,236	23.3%	*14%*	28%	$2,872,865	1.8%
Sub-Total Fixed Income	***$36,253,236***	***23.3%***	***$0***	***$33,380,371***	***21.5%***	***$36,253,236***	***23.3%***			***$2,872,865***	***1.8%***
Real Estate											
Boyd Watterson GSA	$7,561,973	4.9%	$0	$7,561,973	4.9%	$7,561,973	4.9%			$0	0.0%
American Realty Value	$2,293,493	1.5%	$0	$2,293,493	1.5%	$2,293,493	1.5%	*0%*	10%	$0	0.0%
Unfunded Real Estate	$0	0.0%	$0	$4,122,355	2.7%	$0	0.0%			($4,122,355)	-2.7%
Sub-Total Real Estate	***$9,855,466***	***6.3%***	***$0***	***$13,977,821***	***9.0%***	***$9,855,466***	***6.3%***			***($4,122,355)***	***-2.7%***
Alternative Investments											
Monroe Capital Fund V	$2,108,888	1.4%	$0	$3,000,000	1.9%	$2,108,888	1.4%			($891,112)	-0.6%
Bloomfield Capital Fund V	$3,690,527	2.4%	$0	$4,000,000	2.6%	$3,690,527	2.4%			($309,473)	-0.2%
Unfunded Alternatives	$0	0.0%	$0	$0	0.0%	$0	0.0%			$0	0.0%
Sub-Total Alt Investments	***$5,799,415***	***3.7%***	***$0***	***$7,000,000***	***4.5%***	***$5,799,415***	***3.7%***	***0%***	***6%***	***($1,200,585)***	***-0.8%***
Cash											
Cash Account	***$80,592***	***0.1%***	***$0***	***$0***	***0.0%***	***$80,592***	***0.1%***	***0%***	***5%***	***$80,592***	***0.1%***

This summary page is not an official statement. Please refer to your custodial statements. Past performance is not indicative of future returns.

	Market Value 12/31/2025	$ Change	Cash Flow	% Change	Benchmark % Change	Difference
Total Fund	**$152,359,457**	**$2,809,967**	**$139,695**	**1.84%**	**1.60%**	**0.24%**
Domestic Equities						
Fidelity S&P 500 Index	$38,894,276	($233,967)	$0	-0.60%	-0.60%	0.00%
Fidelity Extended Market Index	$16,328,767	$116,784	$0	0.72%	0.72%	0.00%
Ancora Small / Mid	$6,383,505	$366,646	$0	5.74%	4.65%	1.09%
Reinhart Partners	$6,370,820	$397,918	$0	6.25%	4.65%	1.60%
Sub-Total Domestic Equities	**$67,977,368**	**$647,381**	**$0**	**0.95%**		
International Equities						
Vanguard Developed Markets	$26,251,957	$1,439,614	$0	5.48%	5.48%	0.00%
Vanguard Emg Mkts	$6,443,946	$560,144	$0	8.69%	7.40%	1.29%
Sub-Total International Equities	***$32,695,903***	***$1,999,758***	***$0***	***6.12%***	***5.48%***	
Fixed Income						
Boyd Watterson - Int Fixed	$37,648,635	$204,601	($1,600,000)	0.54%	0.20%	0.34%
Sub-Total Fixed Income	***$37,648,635***	***$204,601***	***($1,600,000)***	***0.54%***	***0.20%***	
Real Estate						
Boyd Watterson GSA	$7,561,973	$0	$0	0.00%	0.00%	0.00%
American Realty Value	$2,293,493	$0	$0	0.00%	0.00%	0.00%
Unfunded Real Estate	$0	$0	$0			
Sub-Total Real Estate	***$9,855,466***	***$0***	***$0***	0.00%	***0.00%***	0.00%
Alternative Investments						
Monroe Capital Fund V	$2,150,661	($41,773)	$0			
Bloomfield Capital Fund V	$0	$0	$3,690,527			
Private Credit / Direct Lending	$0	$0	$0			
Sub-Total Alternative Investments	***$2,150,661***	***($41,773)***	***$3,690,527***			
Cash						
Cash Account	***$2,031,424***	***$0***	***($1,950,832)***			

	QTD	YTD
Total Fund	**1.84%**	**1.84%**
Policy Index	1.60%	1.60%

FIFTH THIRD BANK
Charitable Management Services
Monroe County RHC-Mutual Fd

11/30/2025

Account Activity
November 1, 2025 - November 30, 2025

Fund		Market Value 11/1/2025	Cost Basis 11/1/2025	Units	Dividends	Interest	Fees	Additions	(Distributions)	Unit Change	Unit Balance	Realized Gains Or Losses	Ending Cost Basis 11/30/2025	Market Value 11/30/2025
Monroe County RHC	Principal	$92,667,664.99	$67,676,245.66	6,326,365.670				$0.00	$0.00	0.000	6,326,365.670	($13,083.35)	$67,663,162.31	$92,921,372.15
	Income	$17,116,490.23	$14,131,996.92	1,168,532.478	$38,601.75	$0.00	($13,575.16)	$0.00	$0.00	1,708.300	1,170,240.778	($2,420.14)	$14,154,603.37	$17,188,443.49
		$109,784,155.22	$81,808,242.58	7,494,898.148	$38,601.75	$0.00	($13,575.16)	$0.00	$0.00	1,708.300	7,496,606.448	($15,503.49)	$81,817,765.68	$110,109,815.64
Monroe Road Commission	Principal	$21,297,641.96	$17,414,053.78	1,453,977.188				$133,294.15	$0.00	9,098.577	1,463,075.765	($3,025.74)	$17,544,322.19	$21,489,590.51
	Income	$2,609,575.02	$2,173,233.42	178,154.115	$8,406.13	$0.00	($2,956.20)	$0.00	$0.00	372.009	178,526.124	($369.20)	$2,178,314.15	$2,622,183.62
		$23,907,216.98	$19,587,287.20	1,632,131.303	$8,406.13	$0.00	($2,956.20)	$133,294.15	$0.00	9,470.586	1,641,601.889	($3,394.94)	$19,722,636.34	$24,111,774.13
CMH RHC		$15,274,904.48	$12,992,269.23	1,042,808.528				$0.00	$0.00	0.000	1,042,808.528	($2,156.60)	$12,990,112.63	$15,316,724.38
		$1,185,794.00	$1,001,376.25	80,953.442	$5,787.83	$0.00	($2,035.42)	$0.00	$0.00	256.137	81,209.579	($167.95)	$1,004,960.71	$1,192,802.61
		$16,460,698.48	$13,993,645.48	1,123,761.970	$5,787.83	$0.00	($2,035.42)	$0.00	$0.00	256.137	1,124,018.107	($2,324.55)	$13,995,073.34	$16,509,526.99
	TOTAL	***150,152,070.69***	***115,389,175.15***	***10,250,791.421***	***$52,795.71***	***$0.00***	***($18,566.78)***	***$133,294.15***	***$0.00***	***11,435.023***	***10,262,226.444***	***($21,222.98)***	***$115,535,475.25***	***$150,731,116.76***
		Beginning Unit Price	***14.65***										***Ending Unit Price***	***$14.69***

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VMT LAW
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MEMORANDUM

TO: **MONROE COUNTY RETIREE HEALTH CARE FUND**

FROM: **VMT LAW, P.C.**

RE: **COMMENTS ON TRUST AGREEMENT**

DATE: **FEBRUARY 2, 2026**

This memorandum is presented in response to a request to review the current Trust Agreement Resolution for the Monroe County Retiree Health Care Fund Restatement effective date December 4, 2018, and first amendment effective date April 1, 2025 (the "Trust Agreement").

The Monroe County Board of Commissioners (the "Board") established the Monroe County Retiree Health Care Plan (the "Plan") pursuant to the authority set forth under MCL 46.12a(1)(a). The County Board appointed a Board of Trustees with the authority and fiduciary responsibility for the proper operation of the Plan. Accordingly, the County Board established the Monroe Retire Health Care Fund (the "Fund") to provide assistance in meeting the liabilities of the Plan with the intent that the Trust Agreement govern the composition, management, control, and disposition of assets of the Fund. The Fund and Trust Agreement are subject to the requirements of Public Employee Retirement Health Care Fund Investment Act, Public Act 1999, No. 149 (MCL 38.1211 *et. seq)*, and are intended to comply with Section 115 of the Internal Revenue Code 26 USC §115, as amended (the "IRC"). Therefore, Trust Fund assets may only be used for those purposes authorized by the provisions of the Trust Agreement and which are consistent with federal and state law.

To assist in the Trust Agreement review process, Chairman Bob Neely asked Board member to submit any questions or comments concerning the Trust Agreement. Trustees Mike Grodi, Steve Goodman, and Chairman Neely submitted questions and comments which are summarized below. I have also included comments and responses as well as recommendations for future consideration regarding the provisions of the Trust Agreement.

Trustee Comments

A. Recitals

Paragraph four of the Recitals: WHEREAS, the Fund and this Trust Agreement are intended to comply with the requirements of Public Employee Retirement Health Care Fund Investment Act, Public Act 1999, No. 149 (MCL §38.1211 et. seq.), and at all times be established and administered as a tax-exempt trust of a government instrumentality and political subdivision in accordance with Section 115 of the Internal Revenue Code 26 USC 115 ("Code").

- The statutes cited are current but not exhaustive. I would suggest an additional reference to Act 314 and acknowledgement that the Fund will operate in accordance with its provisions as well.

B. Article I: Creation, Purpose, and Definitions

Section 1.03 (a) "Administrator"

- The language setting forth the duties of the Administrator is mostly consistent with other RHC plans. However, the Administrator should also be tasked with responsibilities delegated by the Board of Trustees in accordance with its responsibilities under the Trust Agreement.

Section 1.03 (s) "Trustee"

- The definition of "Trustee" references the resolution of the County Board delegating authority to the Board of Trustees. If we have it, I would recommend also adding a citation to that resolution (i.e., County Resolution #___). I would also recommend considering a citation to PA 314 and that the Board is a fiduciary under that statute.

C. Article II: Trust and Trust Administration

Section 2.01 Trust Fund Established.

- Most of the language is typical and consistent with other RHC plans. However, the decisions to establish accounts should be at the direction of the Board as it deems necessary (not if the Trustee or Administrator deems it necessary – this creates a potential conflict. What if the Trustee deems it necessary and the Administrator does not – who has ultimate decision making authority? This should be clarified).

Section 2.03 Custodian's and Administrator's Responsibility.

- The provisions setting forth the responsibilities of the Custodian are consistent with other RHC agreements. However, the Trustee (Board of Trustees) is ultimately responsible so the referenced reports which should be reported to the Board and the Board should oversee the Administrator's accounting. This section also needs clarification.

Section 2.04 Management of Trust Fund.

- The language concerning the management of the Trust Fund is mostly consistent and appropriate with the following comments:
    - I would recommend a citation to Act 314 be added as the section uses "Investment Fiduciary" or alternative, amend the definitions section to include a reference to Act 314 whenever "Investment Fiduciary" is used; and
    - The Board's authority should not be subject to the authority of the Administrator, and the County Board should not be able to arbitrarily choose to intervene and make investments without the Board (will discuss further later).

Section 2.06 Disbursements (a) – (c).

- Generally the provisions governing disbursements are appropriate but again the language in the Trust Agreement creates another issue of potential conflict between the Board and

Administrator. The Administrator should make recommendations, and the Board should give directions. Otherwise, there could be a conflict.

- Specifically, the use of different phrases to describe different types of disbursements appears inconsistent and conflicting. The Board "may" direct the Custodian to make disbursements "solely with respect to management, investment, or reinvestment … including payment of reasonable Trust expenses…but shall have no authority to direct the Custodian to make disbursements …with respect to benefit payments or other Plan expenses."
  - Section (b) then gives "exclusive responsibility" to the Administrator to pay "expenses of the Trust Fund itself"
  - "Plan expenses" and "expenses of the Trust Fund" and "Trust expenses" are not defined terms.
  - The Board "may" pay Trust expenses pursuant to Section (a) but then the Administrator has "exclusive responsibility" to pay "expenses of the Trust Fund itself."
  - These sections need clarification and should be simple: the Board directs the Administrator to pay all plan expenses related to the investment, management, and administration of the Trust Fund.
- The Board, as Trustee, should have (and will ultimately be responsible) for disbursements from the Trust Fund to pay expenses. The Administrator can coordinate those payments but subject to Board oversight and approval.

D. Article III: Specific Powers and Duties of the Trustees

Section 3.01 Trustee Duties (c).

- Without question a Trustee has a duty to be informed and is delegated the authority under Section 3.01 to communicate freely with service providers, including the Fund's actuary, investment consultant, attorney, custodian, etc.

Section 3.02 Trustee Powers.

- Section 3.02(a) The language used in the Trust Agreement and use of the word "income" was taken verbatim from Section 13(5) of Michigan Public Act 314 of 1965, as amended.
- The Trustee powers listed are generally consistent with those listed in Public Act 314 and should be read as exhaustive to include any action necessary and consistent with the terms of the Trust Agreement.
- The Plan's Actuary should be included in this list of suitable agents in Section 3.03(j). All other retiree health care plans I work with directly retain an actuary and receive regular reports and review those with the actuary annually (at least).
- The Board should retain all service providers including the actuary. As discussed earlier, this section (appropriately) delegates the authority to pay expenses incurred from service providers to the Board which directly contradicts Section 2.06 that "exclusively" gives that authority to the Administrator. This conflict should be corrected.

Section 3.03 Restrictions on Trustee Powers(b).

- While it is typical that the employer retain all authority over the administration and structure of its health care plan, the language could be clearer concerning the limitation of the Trustee with respect to paying expenses incurred due to the administration of the Plan. The Administrator appropriately is responsible for the day-to-day operations of the Plan, but the language could be clearer with respect to paying expenses attributable to "administering the Plan."

E. Article IV: Investment Managers, Insurance contracts and Board Direction

Section 4.07 Board Direction.

- This language is highly problematic and unusual. Ultimately the County Board of Commissioners has the authority to amend the plan and can, at any time, assume control over the Trust and make itself the Trustee.
- However, Sec. 4.07 creates a situation wherein the County Board could direct the investment or reinvestment of the Fund. Essentially, the County Board could force the Board to make one or multiple investments that: (1) the Board does not believe to be prudent or in the best interest of the Fund; (2) are not compatible with the Investment Policy Statement; (3) are contrary to law and the asset allocation limitations established by Act 314; (4) the Board's Investment Consultant recommended against; (6) jeopardize the liquidity of the Trust Fund and its ability to make necessary disbursements.
- Taking such an action would undermine and subvert the investment authority delegated to the Board as the Trustee of the Trust Fund.
- The Board makes investments with long-term planning and in coordination with its Investment Consultant. Each investment is made after careful consideration of the long-term goals and needs of the Plan, including liquidity. If the County Board can force an investment into any asset class in any amount at any time, how can the Trustee prudently make and adhere to long-term investment strategy?
- Hypothetically, the County Board could direct an investment into an illiquid strategy and force the Trustee to then liquidate other assets to meet liquidity needs, which was not part of the Trustees' long-term strategy and could impact the ability of the Fund to meet its investment objectives.
- Additionally, the idea that the County Board would only intervene on a specific investment (that presumably the Trustee did not elect to pursue) raises serious concerns about conflicts or motivations to assume responsibility and make a one-off investment contrary to the Board's investment strategy.
- Finally, while Section 4.07 notes that the County Board assumes fiduciary responsibility for any investments it directs, the Board is ultimately responsible for the funding of the Trust. It is difficult if not impossible to untangle one investment from a portfolio and assign responsibility for the overall outcome of the Fund.

F. Article V: Concerning the Trustee

Section 5.01 Trustee-Members.

- The number of trustees who serve on a retiree health care board can vary but in my experience tends to be around 5 individuals; however, depending on the size of the Plan and number of interested groups, a larger board of 7 members may be prudent to ensure that each stakeholder has the ability to participate, especially when the plan is a multi-employer plan.

- Sec. 5.01(c): I do not have background on the origin of why the County Commissioner Trustee was given an exemption from the requirement that he or she MAPERS fiduciary education designation series (MAP tests). However, I agree that all Trustees owe the same fiduciary duty and are held to the same standard – making education equally important for all members regardless of whether they are a County Commissioner. Education is important for all Trustees and we fully support any efforts to increase the knowledge and education available for Trustees.

- Typically, in my experience, the plan sponsor/administrator is responsible for the day-to-day operations of the plan and attends board meetings but does not sit on the board. The administrator/secretary/director of a retiree health care or pension system is tasked with taking direction and instruction from the Board of Trustees in most plans and because that individual is supervised by the Board, they do not serve on that governing body as supervising oneself could create a potential conflict.

Section 5.03 Resignation, Removal and Vacancies of Trustee-Members

- The provisions on resignation and removal are consistent with most similar plans. The attendance requirements are less common but are contained in a number of retiree health care and pension plan documents and trust agreements to ensure that individuals serving on boards regularly attend and participate in the management and administration of the Trust Fund.
- I would recommend is that the Chair of the Board of Trustees, not the County Board, be authorized to approve excused absences – that seems like an unnecessary administrative burden to delegate to the Chair of the County Board and would be more appropriate for the Chair of the Trust Board.

Section 5.08 Education

- This section should be amended to reflect the importance of trustee education and be an "encouragement" to trustees to attend educational programs offered by MAPERS – not "may attend". Further, an education budget should be adopted annually consistent with Act 314 which requires that the Board adopt a budget each year for education and travel and that requirement should be followed (Sec. 13(6) of Act 314).

VMT Recommendations

After reviewing the Trust Agreement and Trustee comments/concerns, I identified the following issues and concerns that warrant further consideration:

- The document is overly complex and unnecessarily complicated. For example, when citing to the duties/limits of Board's authority in Act 314, a reference would be sufficient without a complete list. Further, the Board should have a policy governing education, ethics, and a code of conduct and those provisions can be more appropriately addressed therein. The repetitive and conflicting delegation of authority between the Board and County Administrator is also unnecessary.
- The investment authority is delegated to the Board but there are unusual and concerning reservations included in Section 4.07 for the County Board. The Board has a fiduciary duty to manage the investments and is responsible for the funding of the Plan – the Board, with its consultant, should be developing the IPS and the only group making investments. As discussed more thoroughly above, another entity making one off investments without the Board's approval creates significant risk and could negatively impact the Board's long-term investment strategy and goals.

- There is a significant amount of delineation of certain authority to the Board and other authority to the County Administrator. Those delineations are often inconsistent and create potential issues identified previously. As a general best practice, the Trust Agreement should delegate all authority for the administration, investment and management of the Trust Fund to the Board. The Board is then empowered, in accordance with the Trust Agreement and Act 314, to delegate such authority as it deems prudent. For example, the Trust Agreement currently allows each employer group to select its own actuary. This would be highly inefficient and could potentially triple the cost of actuarial services. The Board, which is required to consider actuarial data and information elsewhere in the Trust Agreement – should be delegated the authority to retain one actuary, just as it does any other service provider, and work with that actuary.
- The Board should consider whether its composition is appropriate and consistent with best practices and whether the County Administrator, serving on the Board and as an agent acting on behalf of the Board, creates a conflict.

If, after review of the above comments, recommendations, and suggestions, the Board desires to propose revisions and comments on the Trust Agreement to the County Board, this office is prepared to assist.

As always, if you have any questions regarding the foregoing opinion or require additional information, please do not hesitate to contact this office. Thank you.

TRUST AGREEMENT RESOLUTION

FOR THE

MONROE COUNTY RETIREE HEALTH CARE FUND

FOR RETIREES OF

COUNTY OF MONROE, MICHIGAN

MONROE COMMUNITY MENTAL HEALTH AUTHORITY AND

MONROE COUNTY ROAD COMMISSION

Restatement Effective Date: December 4, 2018

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TRUST AGREEMENT RESOLUTION FOR THE

MONROE COUNTY RETIREE HEALTH CARE FUND

RECITALS

WHEREAS, the Monroe County Board of Commissioners (the "Board") established the Monroe County Retiree Health Care Plan (the "MC Plan") pursuant to its authority under MCL §46.12a(1)(a).

WHEREAS, Monroe County has incurred liability under the terms of the MC Plan with respect to its current and future retired participants and the Board established the Monroe County Retiree Health Care Fund (the "Fund") to provide a source of money to assist in meeting its liabilities under the MC Plan.

WHEREAS, it is the intention of Monroe County to continue to make contributions to the Fund and the Board desires to establish a formal trust agreement to govern the composition, management, control and disposition of the assets in the Fund.

WHEREAS, the Fund and this Trust Agreement are intended to comply with the requirements of Public Employee Retirement Health Care Fund Investment Act, Public Act 1999, No. 149 (MCL §38.1211 et. seq.), and at all times be established and administered as a tax-exempt trust of a government instrumentality and political subdivision in accordance with Section 115 of the Internal Revenue Code 26 USC 115 ("Code").

WHEREAS, the Board authorized the adoption, establishment and execution of this Trust Agreement originally effective November 1, 2011 and has, on occasion, amended and restated it.

WHEREAS, the Board desires to amend and restate this Trust Agreement to reflect that Monroe Community Mental Health Authority ("MCMHA") and Monroe County Road Commission ("MCRC") shall become contributing Employers to the Fund, as a multi-employer trust, for the purposes of transferring their existing retiree health care funds and contributing subsequent contributions to this Fund to provide a source of money to meet their respective liabilities under their respective retiree health care plans.

NOW THEREFORE, the Board hereby adopts this restated Trust Agreement Resolution for the Retiree Health Care Fund (the "Trust") effective as of the Restatement Effective Date, and agrees that the Trust shall be comprised, held and disposed of as follows:

ARTICLE I
CREATION, PURPOSE AND DEFINITIONS

Section 1.01 **Creation of Trust**. This Trust is created under the authority of the County Enabling Act at MCL §46.12a and the Public Employee Health Care Fund Investment Act at MCL §38.1211, et. seq. and is created as an essential function trust of the County of Monroe, Michigan (and its agencies) under Section 115 of the Code. The creation and operation of the Trust are intended to comply with the requirements of Michigan law and the Code in all relevant aspects.

Section 1.02 Purpose of Trust. The purpose of this Trust is to provide a vehicle for funding and pre-funding retiree health care benefits to Participants as provided and governed by the Plan, which are payable from funds in the Trust or other eligible assets of the Employers.

Section 1.03 Definitions. When the initial letter of a word or phrase is capitalized, it shall have the following meaning:

(a) "Administrator" means the central office of the Administrator/Chief Financial Officer of the County of Monroe, Michigan, which is charged with the responsibility to administer and oversee the day to day operations of the MC Plan, and such other responsibilities as set forth under this Trust Agreement.

(b) "Accounts" shall have the meaning ascribed to it under 2.01 below.

(c) "Board" or "Board of Commissioners" means the Board of Commissioners for the County of Monroe, Michigan. A reference to the "Board" in this Agreement shall mean the Board of Commissioners of the County of Monroe, Michigan, and shall not mean the Monroe County Retiree Health Care Board of Trustees or the governing boards of MCMHA or MCRC. The "Board's Chairperson" shall mean the then presiding Chairperson of the Board of Commissioners for the County of Monroe, Michigan.

(d) "Code" means the Internal Revenue Code of 1986, as amended, together with its related treasury regulations and rules. References to any Code provisions shall include successor provisions.

(e) "County" means the County of Monroe, Michigan general purpose government.

(f) "Custodian" means the Treasurer for the County of Monroe, Michigan, when acting to facilitate fund transfers related to the MC Plan RHC Fund cash management. Custodian also means the outside financial institution appointed and retained by the Trustee when serving as the Custodian for the Fund under a custodial agreement entered between the Trustee and financial institution.

(g) "Employer" means, or "Employers" mean, in the aggregate, the County, MCMHA and MCRC.

(h) "Fund" means the Monroe County Retiree Health Care Fund for Retirees of the County of Monroe, Monroe Community Mental Health Authority and Monroe County Road Commission.

(i) "Investment Fiduciary" means any party who exercises discretionary authority or control in the investment of the Fund's assets, or renders investment advice for the Fund for a fee or other direct or indirect compensation.

(j) "Investment Policy Statement" means the investment objectives and guidelines adopted by the Board of Commissioners under which the delegated investment fiduciaries of the Fund shall carry out their duties under the Trust Agreement.

(k) "MCMHA" means the Monroe Community Mental Health Authority, which shall act through its governing board.

(l) ""MCRC" means the Monroe County Road Commission, which shall act through its governing board.

(m) "Participants" means the retired members and/or their eligible dependents who are covered by and entitled to retiree health care benefits under the terms of the applicable Plan.

(n) "Party in Interest" has the meaning ascribed under MCL §38.1132d(4), which generally includes (i) an Investment Fiduciary, counsel, or employee of the County; (ii) a person providing services to the County; (iii) the County; (iv) an organization, any of whose members are covered by the Plan; (v) a spouse, ancestor, lineal descendant, or spouse of a lineal descendant of an individual described in subdivision (i) or (ii); and (vi) an entity controlled by an individual or organization described in subdivisions (i) to (v).

(o) "Plan" means or "Plans" mean, in the aggregate, the Monroe County Retiree Health Care Plan ("MC Plan"), the Monroe Community Mental Health Authority Retiree Health Care Plan ("MCMHA Plan") and the Monroe County Road Commission Retiree Health Care Plan ("MCRC Plan").

(p) "Property" refers to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates, investment trust certificates, interest in partnerships whether limited or general or in any insurance contract, policy, annuity, or other investment media offered by an insurance company.

(q) "Restatement Effective Date" means the date set forth on the cover (first) page of this Trust Agreement.

(r) "Trust" means the trust established in this Trust Agreement Resolution for the Fund.

(s) "Trustee" means the *Monroe County Retiree Health Care Board of Trustees*, created pursuant to Article V and VI below and delegated as the Investment Fiduciary for the Trust Fund pursuant to MCL §38.1213(a).

(t) "Trust Fund" means all such money, Property, and all investments made therewith and proceeds thereof and all earnings and profits thereon held by the Custodian or Trustee in the Trust, less payments made by the Trustee.

ARTICLE II
TRUST AND TRUST ADMINISTRATION

Section 2.01 Trust Fund Established. A Trust Fund is established by the Employers and shall be continued for the sole purpose of funding or pre-funding the obligations, liabilities and expenses of the Plan. The Trust Fund shall be held by the Custodian in trust and dealt with in accordance with the provisions of this Trust Agreement. At the direction, and in coordination with the Trustee, the Custodian or the Administrator may create separate bookkeeping accounts within the Trust Fund as deemed necessary by the Trustee or Administrator (e.g. to separately account for individual money managers or bookkeeping accounts to separately account for contributions made by each Employer). Notwithstanding these separate bookkeeping accounts, the Fund shall be invested pursuant to a single Investment Policy Statement with no separate investments per Employer.

Section 2.02 Contributions to the Trust Fund. The Board of Commissioners for the County and the governing boards of MCMHA and MCRC each has the sole authority to decide the amount of contributions and deposits into the Trust Fund with respect to their own Plan liabilities and may consult with their own actuary regarding the funding levels necessary to pre-fund its own Plan obligations on an actuarial basis. Contributions, as determined in the sole discretion of such boards, may consist of the following:

(i) Employer contributions to fund or pre-fund retiree health benefits under its Plan.

(ii) Other eligible funds of the Employers transferred into the Trust Fund for retiree health benefit-related expenses under its Plan.

(iii) Mandatory employee contributions, which shall be deducted from active employees' compensation and remitted as an employer contribution into the Trust for purposes of federal tax compliance.

(iv) Cost sharing amounts paid by eligible retirees for continued or annual illustrated premium or premiums for health care plan choices selected by the retiree.

The Custodian or Administrator shall account for the aggregate amount of contributions made to the Trust by each Employer, with no distinction between each type of contribution made to the Trust. Each Employer shall be solely responsible for separately accounting for and tracking the amounts of each type of contribution made to the Trust (e.g., the Employer will be responsible for separately account for and tracking each employee's mandatory employee contributions deposited into the Trust).

Section 2.03 Custodian's and Administrator's Responsibility. The Custodian shall accept, receive and hold all Property paid or remitted by each Employer or by other transfers and credits designated as assets for the Trust Fund, including the deposit of any existing assets in an account within each Employer attributable to, designated or earmarked for retiree health care obligations and liabilities. The Custodian shall have no authority over or responsibility for the management of the Trust Fund and shall act as directed by the Trustee or Administrator pursuant to the terms of this Trust Agreement.

The Administrator shall account for all contributions made to and any payments or disbursements made from the Trust, and account for any cash reserves or other short-term, liquid investments that the Administrator directs the Custodian to hold as set forth below. Within 20 days of the end of the preceding month, the Administrator, together with the Custodian, will prepare a monthly financial report.

Section 2.04 Management of Trust Fund.

(a) Except as otherwise provided under this section and Articles IV and V, the Trustee shall act as the Investment Fiduciary for the Trust with the exclusive power to manage, invest and reinvest the assets of the Trust Fund in accordance with and limited by the terms of this Trust Agreement, the Investment Policy Statement and applicable law. With respect to its appointment as the Investment Fiduciary of the Fund, the Trustee generally shall not be subject to the direction of any other person in the discharge of its duties, nor shall its authority be subject to delegation or modification, except that such power is specifically subject to (i) the authority of the Administrator for the County and the governing boards for MCMHA and MCRC to decide the reasonable level of liquid assets necessary to timely pay for the current and ongoing benefit and administrative expenses incurred under the Plan; (ii) the authority of the Board of Commissioners to allocate for management a portion or all of the Trust Fund to an Investment Manager, Insurance Contract or the Board itself as set forth in Article V; or (iii) any term of this Trust Agreement that provides otherwise, including the Board's discretion to amend the Trust to provide otherwise.

(b) The Custodian shall carry out the written investment directions given from time to time and shall carry out the Administrator's written direction to hold a specified percentage or portion of the Trust Fund in cash or in other short-term, liquid investments that the Administrator, in its sole discretion, deems necessary to satisfy the current and ongoing administrative expenses of the Trust and the benefit and administrative expenses of the MC Plan. MCMHA and MCRC shall provide written notice to the Administrator of not less than ten (10) business days in advance for each and every planned withdrawal of funds, so that coordination of the funds availability is ready in consultation with the investment consultant and Custodian.

(c) The Trust Fund shall be invested and reinvested without any distinction between principal and income or contributing Employer, as specifically directed by the Trustee.

(d) The Custodian or Trustee shall not be required to maintain separate investments for any Account or Employer under the Trust Fund, and no Participant shall have the right to separately direct the investment of any Account.

(e) The Trust shall not be treated as a pension account or pension asset for any purpose under a tax-qualified retirement system (i.e. not part of the retirement system for the County MCMHA or MCRC).

(f) The Trust at all times shall be administered so as to retain tax exempt status under Code Section 115.

Section 2.05 <u>Exclusive Benefit Trust Payments</u>.

(a) This Trust, as a separate and distinct trust fund, is created to perform an essential function of each Employer of funding and pre-funding retiree health care benefits for Participants pursuant to the terms of the Plan. The assets of this Trust shall be used exclusively for the benefit of Participants and to pay fees and expenses for the administrative cost and expense in carrying out such essential governmental function.

(b) No portion of the principal or income of this Trust shall revert to the Employers, any creditor of the Employer or other individual, nor shall it be used for or diverted to any purpose other than the exclusive benefit of Participants or the payment of reasonable administrative expenses of the Trust or Plan, unless all obligations and liabilities of the Plan have been satisfied and such Plan and Trust are terminated.

(c) Any income or earnings of the Trust Fund shall be allocable to the Trust Fund or, on a pro rata basis, to each of the Accounts thereunder. Except as otherwise permitted under this Agreement (including Section 2.07 below), the Plan and applicable law, assets contributed to this Trust are irrevocable and may not be refused, refunded, or returned to the Employers or the employee making such contribution, except as otherwise required under the terms of County Policy #442 and the Plan with respect refunding employee contributions, to the extent permitted by law, under the following circumstances:

  (i) When an employee quits, resigns or otherwise terminates his/her employment with his or her Employer prior to becoming eligible for retiree health care benefits under the Plan; or

  (ii) When an employee executes a voluntary, irrevocable waiver of retiree health care benefits under the Plan.

(d) Upon the dissolution of the Trust, any assets remaining after the payment of debts and the satisfaction of liabilities are to be distributed to the Employers (in the manner and amount determined under this Trust Agreement on a basis equal to the then value of each Employer's allocated assets less any prorated costs or expenses), or, as directed by the Board or the governing boards of MCMHA and MCRC, to one or more states, political subdivisions of states, the District of Columbia, or other organizations the income of which is excluded under Section 115(1) of the Code.

(e) The assets of the Trust and any ability of a Participant to receive retirement health care benefits under the Plan shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law and shall be unassignable.

Section 2.06 <u>Disbursements</u>. Disbursements from the Trust Fund shall be made by the Custodian only upon written direction received from the Trustee or Administrator as limited by this Section.

(a) The Trustee may direct the Custodian to make disbursements from the Trust Fund solely with respect to management, investment or reinvestment of the assets of the Trust Fund, including payment of reasonable Trust expenses, but shall have no authority to request or direct the Custodian to make disbursements from the Trust Fund with respect to benefit payments or other Plan expenses.

(b) The Administrator shall have the exclusive responsibility for coordinating disbursements or payments from the Trust Fund for the sole purpose of paying expenses of the Trust Fund itself.

(c) The Administrator shall have the exclusive responsibility for coordinating disbursements or payments from the Trust Fund for the sole purpose of satisfying the obligations and paying expenses of the MC Plan. Without limiting the generality of the foregoing, but in furtherance thereof, the Administrator may direct the Custodian to reimburse the Health Insurance Internal Service Fund (Fund #677) for any benefit or administrative expenses paid by such Fund #677 on behalf of the MC Plan, to pay premiums to insurance companies; reimburse a third party administrator, a health care provider, or a Participant for benefit expenses incurred and payable under the terms of the MC Plan; or pay reasonable administrative expenses of the MC Plan. Any expenses incurred that are related to such disbursements or payments from the Trust Fund under this subparagraph shall be separately allocated against the County's bookkeeping account under the Fund and not treated as an overall expense of the Trust Fund.

(d) The governing board for MCMHA (or its written designee) shall have the exclusive responsibility for coordinating disbursements or payments from the Trust Fund for the sole purpose of satisfying the obligations and paying expenses of the MCMHA Plan. Without limiting the generality of the foregoing, but in furtherance thereof, the governing board for MCMHA (or its written designee) may direct the Administrator to direct the Custodian to reimburse MCMHA for any benefit or administrative expenses paid by it on behalf of the MCMHA Plan, to pay premiums to insurance companies; reimburse a third party administrator, a health care provider, or a Participant for benefit expenses incurred and payable under the terms of the MCMHA Plan; or pay reasonable administrative expenses of the MCMHA Plan. Any expenses incurred that are related to such disbursements or payments from the Trust Fund under this subparagraph shall be separately allocated against MCMHA's bookkeeping account under the Fund and not treated as an overall expense of the Trust Fund.

(e) The governing board for MCRC (or its written designee) shall have the exclusive responsibility for coordinating disbursements or payments from the Trust Fund for the sole purpose of satisfying the obligations and paying expenses of the MCRC Plan. Without limiting the generality of the foregoing, but in furtherance thereof, the governing board for MCRC (or its written designee) may direct the Administrator to direct the Custodian to reimburse MCRC for any benefit or administrative expenses paid by it on behalf of the MCRC Plan, to pay premiums to insurance companies; reimburse a third party administrator, a health care provider, or a Participant for benefit expenses incurred and payable under the terms of the MCRC Plan; or pay reasonable administrative expenses of the MCRC Plan. Any expenses incurred that are related to such disbursements or payments from the Trust Fund under this subparagraph shall be separately allocated against MCRC's bookkeeping account under the Fund and not treated as an overall expense of the Trust Fund.

(f) The Administrator shall notify the Trustee, the Board and the governing boards for MCMHA and MCRC of any significant events or changes in the law that may impact the funding and pre-funding of the Plan's obligations.

(g) The Custodian shall accept written directions by facsimile or through other electronic communications, which shall have the same effect as a writing delivered by mail or in person. The Administrator, Trustee and governing boards of MCMHA and MCRC (or their written designee) shall ensure that any payment or disbursements that it directs under this Section conforms to the provisions of the Plan, this Trust Agreement and the provisions of any applicable law, and may direct the Custodian to pay such disbursement directly to the person or persons, natural or otherwise, at such time and in such amounts as specified in the authorized directions from the Administrator, Trustee or governing board of MCMHA and MCRC (or their written designee) to the Custodian.

Section 2.07 **Contributing Employers**. The Board of Commissioners, at its sole discretion and consistent with MI Const. 1963, Art. VII, §28, may approve other governmental employers to contribute to the Fund for the purposes of funding such employers' retiree health care obligations. The Board, by approving and adopting this restated Trust Agreement as of the Restatement Effective Date, has approved MCMHA and MCRC to each become a contributing Employer to the Fund. Each contributing Employer to the Fund is subject to all of the terms and conditions set forth under this Trust Agreement, including this Section 2.07 and the Board's sole authority to amend or terminate the Trust under Sections 8.03 and 8.04.

(a) Acceptance of the Trust and Trust Agreement. Each Employer accepts the Trust and agrees to be subject to the terms, obligations, responsibilities and duties imposed upon it under applicable law and this Trust Agreement, as may be amended or restated by the Board of Commissioners from time to time in its sole discretion and without further approval by such Employer.

(b) Initial Valuation and Bookkeeping Accounts. When a new Employer first contributes to the Fund, the Custodian shall value, as of the date of the transfer of assets into the Fund by the new contributing Employer, the account balance attributable to each existing Employer in the Fund, and the beginning balance transferred to the Fund by the new contributing Employer.

The Custodian shall maintain a separate bookkeeping account for each contributing Employer reflecting their initial valuation and subsequent adjustments to such account for its contributions to the Fund, its pro rata share of net gains and losses on the overall Fund investments, its pro rata share of Fund expenses and any disbursements and payments made by the Fund as requested by the Employer in accordance with and subject to Section 2.06 above. The Custodian shall allocate each Employer's pro rata share on a quarterly basis based on the Employer's account balance existing as of the end of each calendar quarter.

The Custodian shall directly issue to each Employer quarterly statements of such Employer's account. Each Employer, in writing, shall acknowledge receipt of such statements of account and advise the Custodian and the Trustee of its approval or disapproval thereof. Failure by an Employer to disapprove any such statement of account in writing within sixty (60) calendar days after its receipt thereof shall be deemed approval of such statement of account. The approval by an Employer of the statement of account shall serve to release and discharge all parties, including but not limited to the Custodian and Trustee, from any liability or accountability to the Employer as respects the propriety of such party's acts or transactions shown in the statement of account, except with respect to any acts or transactions as to which the Employer shall file written objections within the 60-day time period prescribed.

Any written objections to a statement of account shall be reviewed by the Custodian and the Trustee, and the Trustee shall furnish to the Employer a written statement regarding any corrections that will be made to the disputed statement or the Trustee's reasons for not making any such adjustments. If the Employer continues to object to the Trustee's findings and conclusions, the Monroe County Auditor shall make a final and binding decision to settle the dispute. If the Monroe County Auditor agrees with the Trustee's position, the contesting Employer shall be solely responsible for and liable to pay any expenses associated with the dispute. If the Monroe County Auditor agrees with the contesting Employer's position, any expenses associated with the dispute shall be paid by the Trust.

(c) Commingled Investments. Notwithstanding anything to the contrary, all assets of the Fund, including assets attributable to each Employer under its separate bookkeeping account, shall be commingled for investment purposes and collectively managed in accordance with the terms of this Trust Agreement (including Articles III and IV below) and the single Investment Policy Statement adopted by the Board of Commissioners. Except to the extent expressly set forth in this Trust Agreement, a contributing Employer shall not be considered, or authorized to act as, an Investment Fiduciary with respect to the individual investment of assets allocated to its separate bookkeeping account.

(d) Indemnification and Limitations of Liability. A contributing Employer agrees that it is subject to and limited by the indemnification provisions set forth in this Trust Agreement and any investment, service or other agreement entered into by the Trust or on behalf of the Trust by the County, Trustee, Board, Administrator or MC Treasurer ("related agreement"). The contributing Employer further agrees that the County, Board, Trustee, Administrator and Custodian do not guarantee, shall not be responsible or liable for and shall not indemnify nor hold harmless a contributing Employer with respect to (i) investment gains or losses under the Fund, (ii) Fund expenditures or (iii) claims that are remote, speculative or unforeseen. Notwithstanding the foregoing, a contributing Employer, at its sole expense, may seek indemnification for valid claims to the extent as otherwise permitted under Article VI of this Trust Agreement or a related agreement.

(e) Actuarial and GASB Reporting Requirements and Standards. In accordance with Section 7.03 below, each contributing Employer remains obligated to engage its own actuary and satisfy its own obligations under Michigan law and the Governmental Accounting Standards Board with respect to its retiree health care plan liabilities and costs. Any expenses incurred by the Employer in meeting such obligations and requirements shall be at the sole expense of such Employer or its Plan, and if the Employer requests the Fund to reimburse it for such expense, such disbursement from the Fund shall be solely attributed to the Employer's separate bookkeeping account under the Fund.

(f) Cessation of Fund Participation. An Employer may terminate its contribution to the Trust Fund and participation under this Trust Agreement, subject to the following rules:

(i) A partial termination of contributions and partial withdrawal of an Employer's assets in the Trust shall not be permitted (provided, however that an Employer may receive disbursements from the Trust to pay benefits or expenses as set forth in and subject to Section 2.06 above). For the sake of clarity, the Employer, in other words, must completely terminate all contributions to the Trust Fund, withdraw 100% of its share of the assets in the Trust Fund and completely cease to participate as an Employer under this Trust Agreement.

(ii) The Employer must provide written advance notice to the Trustee that it is contemplating terminating its contributions to and participation under the Trust. This notice must be provided at least 30 calendar days prior to the date that the governing body of the Employer is holding a regular or special open meeting to discuss or otherwise approve such termination of participation under this Trust. The Trustee, in its sole discretion, may waive this 30-day notice period.

(iii) The governing body of the Employer must approve the termination of contributions and participation under this Trust by a 2/3^{rds} affirmative vote of all members of such governing board.

(iv) The Employer must send another written notice to the Trustee that the governing board has approved the Employer's termination of participation in the Trust. This notice must be served at least thirty (30) calendar days in advance of the Employer's proposed termination effective date of Fund participation (which 30-day advance notice may be waived in the sole discretion of the Trustees).

(v) Notwithstanding anything to the contrary, the actual termination effective date for the Employer's Fund participation shall be determined in the sole discretion of the Trustee based on Fund's asset liquidity and accounting and reconciliation process, but in no event shall the termination effective date and final distribution of assets occur later than one-hundred and twenty (120) calendar days following the calendar quarter in which the Trustee received the Employer's written notice of intent to terminate its Fund participation.

(vi) All expenses and costs attributable to terminating participation in this Trust shall be solely attributable to and paid by the requesting Employer, including, but not limited to, expenses and costs related to the accounting, reconciliation and liquidation process described in this section.

(vii) The Custodian and the Trustee shall review the most recent statement of account for the Employer that is requesting to terminate its participation in the Fund for the purpose of determining asset liquidity and investment exchanges that are necessary to distribute the Employer's share of assets. Based on this review, the Trustee shall declare the termination effective date and the Custodian shall prepare and issue to the Employer a final written statement of account within 10 business days of said termination effective date. If the Employer does not object in writing to the final statement of account within 10 business days of receipt of the final statement, the Employer shall be deemed to have approved such final statement, and, thereby, have released and discharged all parties, including but not limited to the Custodian and Trustee, from any liability or accountability to the Employer as respects the propriety of such party's acts or transactions shown in the final statement of account. Any written objections to the final statement of account shall be reviewed by the Custodian and the Trustee, and the Trustee shall furnish to the Employer a written statement regarding any corrections that will be made to such final statement or the Trustee's reasons for not making any adjustments.

If the Employer continues to object to the Trustee's findings and conclusions, the Monroe County Auditor shall make a final and binding decision to settle the dispute. If the Monroe County Auditor agrees with the Trustee's position, the contesting Employer shall be solely responsible for and liable to pay any expenses associated with the dispute. If the Monroe County Auditor agrees with the contesting Employer's position, any expenses associated with the dispute shall be paid by the Trust.

(viii) In no event may the Employer revoke its request to terminate its contributions to and participation in the Trust within three business days of the approved termination effective date, unless the Trustee, in its sole discretion, approves such revocation and thereby permits the Employer to continue to contribute to and participate in the Trust.

(ix) Upon the settlement and approval of the final statement of account, the Trustee, as of the date(s) determined by the Trustee, shall direct the Custodian to transfer the Employer's share of the assets to a successor trust fund that has been created by the Employer under the authority of the County Enabling Act at MCL §46.12a and the Public Employee Health Care Fund Investment Act at MCL §38.1211, et. seq., and has been created as a tax-exempt trust under Code Section 115 or 501(c)(9). Unless otherwise determined in the sole discretion of the Trustee, the assets shall be distributed in the form of cash, and not in securities or other property, and may be distributed in one or more payments for the purpose of a final accounting and reconciliation.

(x) Notwithstanding the foregoing, the Trustee may direct the Custodian to transfer the Employer's share of the assets directly to the Employer in the event that the Employer provides sufficient evidence acceptable to the Trustee that the Employer has satisfied all obligations and liabilities under the Employer's Plan in accordance with Section 2.05 above and applicable law.

(xi) Notwithstanding anything to the contrary herein, the Board of Commissioners, in its sole discretion, may remove any Employer from contributing to and participating in the Trust for any reason at any time. The Board will provide written advance notice to the Employer that it is contemplating terminating the Employer's contribution and participation under the Trust. This notice will be provided at least 30 calendar days prior to the date that the Board is holding a regular or special open meeting to discuss or otherwise approve such termination of participation under this Trust. The Board must approve the termination of contribution and participation under this Trust by a 2/3rds affirmative vote of all members of the Board. In this event, the provisions set forth in Section 2.07(f)(v) through (x) above shall be the process followed to terminate such Employer's contribution and participation in the Trust.

ARTICLE III
SPECIFIC POWERS AND DUTIES OF THE TRUSTEES

Section 3.01 Trustee Duties.

The Trustee, as the Investment Fiduciary, shall discharge its duties as follows:

(a) Invest the assets of the Trust Fund in accordance with the written Investment Policy Statement that shall be adopted by the Board of Commissioners and subject to the terms of this Trust Agreement.

(b) In consultation with its appointed investment advisor, recommend to the Board of Commissioners changes to the Investment Policy Statement from time to time as necessary to carry out its Investment Fiduciary duties hereunder or to comply with applicable law.

(c) Communicate to any investment advisor or manager appointed under this Trust Agreement the investment goals, objectives, performance standards, financial, actuarial or any other information or matters that bear upon the proper investment management of the Fund, including providing a copy of this Investment Policy Statement to such party and any material changes that may subsequently occur.

(d) 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.

(e) Act with due regard for the management, reputation and stability of the issuer and the character of the particular investments being considered.

(f) Discharge its duties solely in the interest of the Fund, and make investments for the exclusive purpose of providing retiree health care benefits to Participants under the terms of the Plan and defraying reasonable expenses of investing the assets of the Trust Fund.

(g) Give appropriate consideration to those facts and circumstances that the Trustee knows or should know are relevant to the particular investment or investment course of action involved, and act accordingly. For purposes of this subsection, "appropriate consideration" includes, but is not limited to, a determination by the Investment Fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the Trust Fund, to further the purposes of the Trust and Fund, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:

(i) The diversification of the investments of the system.

(ii) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system.

(iii) The projected return of the investments of the system relative to the funding objectives of the system.

(h) Give appropriate consideration to investments that would enhance the general welfare of the Employer and its citizens if those investments offer the safety and rate of return comparable to other investments permitted by applicable law and this Agreement and available to the Trustee at the time the investment decision is made.

(i) Monitor the investment of the assets with regard to the limitations on those investments pursuant to this Agreement, the Investment Policy Statement for the Trust Fund and applicable law, as well as monitor the performance of any investment advisor or manager duly appointed under this Agreement. Upon discovery that an investment causes the Trust to exceed a limitation so prescribed or the advisor or manager fails to perform as mutually expected, the Trustee shall reallocate assets in a prudent manner in order to comply with the prescribed limitation and or take corrective action to remove or remediate the action of such advisor or manager.

(j) Annually publish and make available to the Board a list of all expenses paid by soft dollars (i.e. brokerage commissions that are used by the Trust Fund to purchase goods or services) to the extent required by the Public Employee Retirement System Investment Act (MCL 38.1132, et. seq.).

Section 3.02 Trustee Powers. The Trustee shall have the right, power and authority to take any action and to enter into and carry out every agreement with respect to the Trust Fund that may be necessary or advisable to discharge its responsibilities with respect to the Trust Fund; provided, however, that powers and duties shall be discharged in accordance or compliance with and subject to this Trust Agreement, the Investment Policy Statement adopted by the Board of Commissioners and applicable law and may be further restricted or expanded through duly adopted Board Resolutions. Such powers shall include:

(a) To use a portion of the income of the Trust Fund to defray the costs of investing, managing, and protecting the assets of the Trust Fund.

(b) To retain, manage, improve, repair, operate and control all property, real or personal, at any time comprising part of the Trust Fund.

(c) To purchase, subscribe or otherwise acquire for the Trust Fund any securities or other property. In making investments, the Trustee shall diversify the investments so as to minimize the risk of large losses, unless under the circumstances it is the Trustee's opinion it is not prudent to do so.

(d) To sell, exchange, convey, convert, redeem, transfer, grant options upon, lend or otherwise dispose of any securities or property held by the Trust Fund, by private contract or at public auction, for cash or on credit, and no person dealing with the Trustee shall be required to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale, action or other disposition.

(e) To settle, compromise or arbitrate any claims, debts or damages, due or owing to or from the Trust; to commence or defend suits or legal proceedings; and to represent the Trust in all suits or legal proceedings.

(f) To exercise any conversion privilege or subscription right in connection with any securities or other property of the Trust Fund; to consent or object to the reorganization, consolidation, merger or readjustment of the finances of, or to the sale, mortgage, pledge or lease of the property of any corporation or association, any of the securities of which are in the Trust Fund; to do any act with reference to the above, including the exercise of options, making of agreements and payment of expenses or assessments which may be deemed necessary or advisable in connection therewith; and to hold and retain any securities or other property which it may so acquire.

(g) To vote, personally or by general or limited proxy, any stock in the Trust Fund and similarly to exercise, personally or by general or by limited power of attorney, any right appurtenant to any securities or other property in the Trust Fund.

(h) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable and to agree to reduction in the rate of interest on, or to any other modification or change in the terms of, any mortgage or any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for preserving the value of the investment; to waive any default in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid on property in foreclosure, to take a deed in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to release the obligation on the bond secured by such mortgage and to exercise and enforce in any proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee.

(i) To hold part or all of the Trust Fund in cash, without liability for payment of interest thereon for a reasonable period of time.

(j) To employ suitable agents, including but not limited to an outside Custodian, investment advisers, investment managers and outside counsel as may be necessary or desirable, in the opinion of the Trustee or pursuant to the Investment Policy Statement, in the administration of the Trust Fund, and to pay them reasonable expenses and compensation as may be agreed upon as an expense of administration of the Trust Fund. The Trustee (or the Board to extent hiring investment managers, advisors or other fiduciaries) shall cause each service provider under this Trust Agreement or the Plan to agree not to offer, promise or provide any consideration, kickback or other favor to interested parties or their family members or any person with significant personal relationship to an interested party. This assurance shall be provided in writing at the commencement of any contractual relationship with the Employer, this Trust or the Plan, or the next amendment or renewal of an existing relationship.

(k) To hold any securities in bearer form or by electronic book entry.

(l) To negotiate, execute and deliver contracts, waivers, releases or other instruments necessary or proper for accomplishing the foregoing powers.

Section 3.03 <u>Restrictions on Trustee Powers</u>.

(a) The Trustee shall not cause the Trust to engage in a transaction if the Trustee knows or should know that the transaction is any of the following, either directly or indirectly:

(i) A sale or exchange or a leasing of any property from the Trust to a Party in Interest for less than the fair market value, or from a Party in Interest to the Trust for more than the fair market value.

(ii) A lending of money or other extension of credit from the Trust to a Party in Interest without the receipt of adequate security and a reasonable rate of interest, or from a Party in Interest to the Trust with the provision of excessive security or at an unreasonably high rate of interest.

(iii) A transfer to, or use by or for the benefit of, the Employer of any assets of the Trust for less than adequate consideration (except for purposes of providing benefits under the Plan or defraying reasonable administrative expenses of the Plan or Trust Agreement).

(iv) The furnishing of goods, services, or facilities from the Trust to a Party in Interest for less than adequate consideration, or from a Party in Interest to the Trust for more than adequate consideration.

(b) The Trustee shall have no authority to administer the Plan or direct the Custodian to make disbursements that are related to benefits or expenses incurred under or attributable to administering the Plan. Subject to the Board of Commissioners' reserved authority to amend the MC Plan or Trust, the Administrator has the sole authority to determine the benefit program structure and to administer and oversee the day to day operations of the MC Plan, including the determination of plan design and benefit structure; the portion of Trust Fund assets that should be held by the Custodian in cash or other short-term, liquid investments to ensure the timely payment of benefit and administrative expenses incurred under the MC Plan; Participant cost sharing requirements; and retention and procurement of all service providers, actuaries, insurers or other third party administrators necessary for the proper administration of the MC Plan. Similarly, the governing boards of MCMHA and MCRC, and not the Trustee or Administrator, retain sole authority and discretion over the administration and structure of their respective MCMHA and MCRC Plans.

(c) With respect to the Trust Fund, the Trustee shall not do any of the following:

(i) Deal with the assets of the Trust in his or her own interest or for his or her own account.

(ii) In his or her individual or any other capacity act in any transaction involving the Trust on behalf of a party whose interests are adverse to the interests of the Trust or the interest of the Participant covered under the Plan.

(iii) Receive any consideration from any party dealing with the Trust in connection with a transaction involving the assets of the Trust Fund (other than for the benefit of the Trust Fund).

(iv) Invest in a debt instrument issued by a foreign country that has been identified by the United States state department as engaging in or sponsoring terrorism.

(d) Notwithstanding the foregoing, this section does not prohibit an Investment Fiduciary from doing any of the following:

(i) Receiving any benefit to which he or she may be entitled as a Participant covered under the Plan.

(ii) Receiving any reimbursement of expenses properly and actually incurred in the performance of his or her duties as Trustee for the Trust Fund and in accordance with County policies providing for reimbursement of expenses.

(iii) Serving as an Investment Fiduciary in addition to being an officer, employee, agent, or other representative of the Employer.

(iv) Receiving agreed upon compensation for services rendered to the Employer not related to services as Trustee.

ARTICLE IV

INVESTMENT MANAGERS, INSURANCE CONTRACTS AND BOARD DIRECTION

Section 4.01 Appointment of Investment Managers; Insurance Contracts.

(a) The Trustee, or the Board of Commissioners by written instrument delivered to the Trustee, may designate any part or all of the Trust Fund to be allocated to one or more separate investment accounts ("Separate Investment Accounts"), or separate insurance contract accounts ("Separate Insurance Contract Accounts").

(i) With respect to each Separate Investment Account, the Trustee or Board shall:

(A) appoint an investment manager that (x) is a registered investment adviser under either the investment advisers act of 1940, 15 USC 80b-1 to 80b-21, the uniform securities act, 1964

PA 265, MCL 451.501 to 451.818, or the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703, (y) is a bank as defined under the investment advisers act of 1940, 15 USC 80b-1 to 80b-21, or (z) is an insurance company qualified under MCL section 38.1136(3), who shall acknowledge by written instrument delivered to the Board that it is a fiduciary with respect to the Separate Investment Account, and

(B) if appointed by the Board, deliver to the Trustee a copy of the written instrument described in (i) above and evidence satisfactory to the Trustee that the investment manager satisfies these requirements.

(ii) With respect to each Separate Insurance Contract Account, the Trustee or Board shall cause to be paid, or shall direct the Custodian to pay, such sums to such insurance company or companies as the Trustee or Board shall designate to purchase or continue in effect such contracts, including, but not limited to, contracts of the deposit administration type, annuity and/or policies of life insurance issued by such life insurance company or companies, whether or not on a group basis, as the Trustee or Board shall specify, and any such contract may be allocated by the insurance company or companies to its general account or to one or more of its separate accounts. In addition, the Trustee or Board may at any time, or from time to time, deposit with the Custodian as part of the Trust Fund such a contract or contracts, and such contract or contracts, whether contracted for and purchased by the Board or by the Trustee, shall be treated as assets to the Trust Fund. The Trustee or Board may from time to time remove an investment manager or insurance company, and may, from time to time, direct the Custodian to transfer assets from one separate account to another, or to transfer assets to or from the Trust Fund to a Separate Investment Account or Separate Insurance Contract Account. The Trustee or the Board shall, by written instrument delivered to the Custodian, and to the Trustee with respect to any Board created Separate Investment Account or Separate Insurance Account, notify them of the name and specimen signature of each individual who is authorized to act for an investment manager or insurance company. With respect to each separate account, the Custodian and Trustee may rely conclusively upon a written instrument appointing an investment manager or insurance company and designating the person or persons authorized to act for the investment manager or insurance company, until such time as the Trustee receives notice of the removal of the investment manager or insurance company, or the change of the designated person or persons authorized to act with respect to the separate account.

(b) Should an investment manager at any time elect to place security transactions directly with a broker or dealer, the Custodian or Trustee shall not recognize such transaction unless and until it has received instructions or confirmation of such fact from the investment manager. Should the investment manager direct the Custodian or Trustee to utilize the services of any person with regard to the assets under its management or control, such instructions shall be in writing and shall specifically set forth the actions to be taken by the Custodian or Trustee as to such services.

(c) In the event that an investment manager places security transactions directly or directs the utilization of a service, the investment manager shall be solely responsible for the acts of such persons. The sole duty of the Custodian or Trustee as to such transactions shall be incident to its duties as custodian.

(d) Notwithstanding any other provision of this Agreement, an investment manager shall not have the power to lend assets of the Trust Fund unless the exercise of such power by the investment manager has been authorized in writing by the appointing Trustee or the Board of Commissioners, as applicable. The Custodian shall not accept any direction by an investment manager to exercise such power unless it shall have received satisfactory evidence that the Trustee or Board has granted such authority to the investment manager. In no event shall the Trustee have power to change, remove or otherwise appoint an investment manager with respect to Trust assets that has been placed with another investment manager pursuant to the Board of Commissioner's appointment and direction.

Section 4.02 **Transfer of Assets and Duties Relating to Separate Investment Accounts**. If a Separate Investment Account is established, the Trustee shall permit the investment manager to hold such portion or all of the assets allocated to the Separate Investment Account for the purpose of investing such assets in accordance with Section 4.06. If a Separate Investment Account is established, the Custodian and Trustee shall act upon the written instructions of the duly appointed investment manager to complete receipt or delivery of assets purchased or sold with respect to such account. The investment manager shall have sole responsibility for determining how any corporate securities held in such account are to be voted and the Trustee, the Board and the Custodian may not vote any such securities except in the manner directed by such investment manager. The Trustee or Custodian shall not have any duty to account for or value the assets held by an investment manager other than to consolidate the valuations received by the Trustee or Custodian from the investment manager for purposes of rendering the accounts. The Trustee and Custodian may rely conclusively upon the certification by the investment manager of the value of the assets held in the Separate Investment Account.

Section 4.03 **Duties Relating to Insurance Contracts.** If a Separate Insurance Contract Account is established, the Trustee or Board shall enter into such insurance contract or contracts as determined to be appropriate. The insurance company shall have exclusive responsibility for the investment and management of any amounts held under such contract or contracts. .

Section 4.04 **Investment of Cash.** Except to the extent an investment manager does so, the Trustee or Custodian shall invest the cash of a Separate Investment Account, for short term purposes by purchasing, holding and selling United States Treasury Bills, certificates of deposits, money market mutual funds, and similar short term investments, including undivided interests or participations therein and participations in common or collective funds composed of temporary or short-term investments, including such funds maintained by the Trustee.

Section 4.05 **Limitation of Liability of Trustee.** The Board and Trustee intend by this Article to allocate to investment managers and insurance companies all fiduciary responsibility with respect to investments in a Separate Investment Account or a Separate Insurance Contract Account under the management of such investment manager or insurance company except to the extent the Trustee invests cash as hereinbefore provided.

To the extent the Separate Investment Account or Insurance Contract is established at the direction of the Board, the Board shall have the responsibility and obligation to monitor the performance of the investment manager or insurance company, unless such duty to monitor is otherwise delegated in writing to the Trustee. To the extent the Separate Investment Account or Insurance Contract is established at the direction of the Trustee, the Trustee shall have the responsibility and obligation to monitor the performance of the investment manager or insurance company. Other than the duty to monitor the overall performance of the investment manager or insurance company, the Trustee and Board shall not have any duty or obligation to review any investments to be acquired, held or disposed of pursuant to the directions of an investment manager or insurance company (including the propriety of holding or selling any securities or property held by the investment manager or insurance company), nor to review, or make recommendations with respect to, the retention or disposition of any such investment. Except as otherwise may be provided by applicable state or federal law, the Trustee shall not incur any liability for any loss of any kind which may result from the Trustee's acting without question on the direction of, or failing to act in the absence of any direction from, an investment manager or insurance company. Nevertheless, the Board shall indemnify the Trustee and hold it harmless from all damages, liabilities, claims, costs and expenses, including reasonable attorney's fees, incurred by or assessed against the Trustee by reason of its acting upon any direction of an investment manager or insurance company or by reason of its failure to act in the absence of any such direction, except any claim or liability by reason of its failure to invest cash balances in accordance with Section 4.04 hereof. The Trustee shall not be deemed to be a party to or to have any obligations under any agreement with any investment manager. On receipt of directions from an investment manager or insurance company, the Trustee shall promptly make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out such directions. The Trustee shall be fully protected in relying upon any telegram, facsimile, telecopy, letter or other communication purporting to have been sent by the investment manager which the Trustee believes in good faith to be genuine.

Section 4.06 **Powers of Investment Manager and Insurance Company.** An investment manager or insurance company shall, except as otherwise provided in Section 4.01(d) hereof, have the investment powers and duties hereinbefore granted to or imposed upon the Trustee in Article IV.

Section 4.07 **Board Direction.** Notwithstanding any other provision of this Agreement, the Board of Commissioners shall have the authority to direct the investment and reinvestment of all or any portion of the Trust Fund in one or more investments as permitted by Article IV hereof and to exercise the powers set forth therein. In the event that the Board elects to exercise its authority under this Section 4.07, the following provisions shall apply and override contrary provisions:

(a) The Board shall deliver to the Custodian and Trustee a resolution of the Board of Commissioners directing the investment or reinvestment of all or any portion of the Trust Fund or designating the individuals who are authorized to exercise on behalf of the Board the authority set forth in this Section 4.07. The Custodian and Trustee shall be entitled to rely upon such resolution until a subsequent resolution of the Board is delivered to them. Any direction to the Custodian or

Trustee pursuant to this Section 4.07 shall be in writing and each such written direction shall constitute the Board's certification that the direction given or confirmed thereby is a proper direction.

(b) The Board shall be the named Investment Fiduciary with respect to any directed investments pursuant to this Section 4.07. The Custodian or Trustee shall follow the directions of the Board with respect to investment and reinvestment of the portion of the Trust Fund under the control of the Board and shall not have any duty to review any investment to be made pursuant to such directions or to make any recommendation with respect to the disposition or continued retention of any such investment. Nevertheless, the Board hereby agrees to indemnify the Custodian and Trustee and hold them harmless from any claims, damages, losses, costs and expenses, including reasonable attorney's fees, incurred by or asserted against the Custodian or Trustee by reason of its acting on any direction of the Board or by reason of its failure to act in the absence of any such direction, including, without limitation, any claims which arise out of any allegation that, as a result of any Board-directed investment, the Custodian or Trustee has become liable for, or on account of, any breach by the Board, or any other person or entity, of any of their respective responsibilities, obligations or duties under applicable law.

(c) The Board shall have sole responsibility for determining how any corporate securities purchased by the Trustee pursuant to the direction of the Board are to be voted and the Trustee may not vote any such securities except in the manner directed by the Board. The indemnification provisions set forth above shall be applicable to any claims, damages, losses, costs and expenses, including reasonable attorney's fees, incurred by or asserted against the Trustee as a result of any voting of securities by the Trustee in accordance with the direction of the Board or any failure by the Trustee to vote securities in the absence of such direction.

(d) In the event that the Board desires to relinquish its authority to direct the investment of any portion of the Trust Fund as exercised under this Section 4.07, it shall provide written notice thereof to the Custodian and Trustee at least sixty (60) days in advance of the date upon which it will discontinue exercising such authority. Within thirty (30) days after its receipt of such notice, the Trustee, in its sole discretion, shall either (i) advise the Board in writing that, at the expiration of such sixty (60) day period, it will manage the investment of such portion of the Trust Fund or (ii) advise the Board in writing that it will not manage such portion of the Trust Fund, in which event the Board shall continue to manage such portion of the Trust Fund until an investment manager or an insurance company is appointed to manage such portion of the Trust Fund in accordance with Section 4.01 hereof.

ARTICLE V

CONCERNING THE TRUSTEE

Section 5.01 Trustee-Members. The Monroe County Retiree Health Care Board of Trustees shall serve as the Trustee of this Trust Fund. The Board of Commissioners generally has the exclusive authority to prudently select and appoint Trustee-members, but subject to the following guidelines:

(a) The Monroe County Retiree Health Care Board of Trustees shall be comprised of five (5) voting members:

(i) One (1) of whom shall be a member of the Board of Commissioners who is appointed under the Board of Commissioner's bylaw provision of Article II, Section 2.1 to serve for a two-year term consistent with terms of office of the Board of Commissioners and satisfies the criteria set forth in Section 5.01(d) below.

(ii) One (1) of whom, as recommended by the Board of Commissioners Chairperson and approved by the Board, shall satisfy the criteria set forth in Section 5.01(d) below and either (i) be a retired County employee who is a member participant enrolled in the Monroe County Retiree Health Care Plan and resides in the County of Monroe, Michigan, or (ii) is an active County employee making mandatory contributions to the Trust. Such Trustee member shall serve a three (3) year term.

(iii) One (1) of whom shall be the County's Administrator/Chief Financial Officer (except as otherwise provided in Section 5.03(d) below regarding automatic removal of such Administrator/Chief Financial Officer).

(iv) Two (2) members of whom shall be residents of the County of Monroe, Michigan or employed full-time by a business or public entity within the County of Monroe, and are appointed by the Board of Commissioners upon the recommendation of the Board's Chairperson in accordance with the following qualifications and/or conditions:

- have a bachelor's degree in finance, economics or accounting and have at least 10 years of employment experience in the field of finance, accounting or economics; or

- possess a combination of experience, training and requisite knowledge in the investment field to satisfy the above qualifications standard. A Trustee may only be appointed under this section after he/she is recommended and certified by the Monroe County Human Resources Director as possessing education, experience and background in the field of finance, accounting or economics to qualify such member to serve as Trustee, to be selected by the Board of Commissioners.

The above-noted members under this subparagraph (iv) shall serve a three-year term.

(v) There is no term limit; the Board may reappoint the same Trustee-member to serve for the next term.

(b) Notwithstanding the foregoing, the Board, in its sole discretion, may appoint interim Trustee-members to serve in accordance with this Agreement for an interim, definitive period not to exceed 60-day intervals until the Board is able to diligently review candidates and appoint the new Trustee-members under this amended and restated Agreement and/or appoint any successor Trustee-members upon subsequent vacancies. The appointment term of the interim Trustee member shall automatically expire after 60 calendar days, unless the Board takes formal action to extend such appointment for another 60-day interval.

(c) Each Trustee-member shall be required to take and pass the MAPERS Fiduciary Designation series (basic, intermediate and advanced) in at least each of the ensuing 12-month periods of service as a Trustee; provided, however, that a Trustee member who possess the requisite knowledge, experience and training prior to appointment may request in writing that the Board of Commissioners waive this MAPERS requirement, which waiver shall be decided in the sole discretion of the Board.

(d) In the judgment of the Commissioners, each of the Trustee members appointed under Section 5.01(a)(i)(ii) and (iv) above shall be:

(i) financially literate (i.e. have the ability to read and understand financial statements and ask relevant questions regarding financial risks);

(ii) have an understanding of fiduciary duties with the aptitude and fortitude to actively participate in decisions and contested matters; and

(iii) have the ability to comprehend actuarial valuations and their impact on funding obligations.

Section 5.02 **<u>Oath of Offices</u>**. Each Trustee-member shall take an oath of office administered by the County Clerk, and agree to discharge his or her duties in accordance with Section 5.01 and abide by all other provisions of this Trust Agreement.

Trustee-members shall conduct themselves with the highest standards of honesty, fairness and personal integrity and avoid even the perception of impropriety or conflicts of interest in carrying out their duties under this Trust Agreement. Each Trustee-member shall sign the Conflict of Interest Statement, which is attached as Exhibit 1.

In furtherance of these goals, each Trustee-member, members of the Board, the Custodian, the Administrator, the members of the governing boards of MCMHA and MCRC and each employee of the Employer associated with administering this Trust Agreement and/or the Plan ("interested parties") are prohibited from accepting, receiving or soliciting any consideration, kickback or other favor from a service provider of the Employer (including investment advisors, investment managers or other fiduciary or non-fiduciary service providers). Consideration shall include cash, gratuity, entertainment, meals, event tickets, golf outings, or any other item of value (whether tangible or intangible); provided, however, that consideration shall not include any conferences or seminars, including meals served during such conferences or seminars, which is sponsored by a provider of the Employer. This restriction extends to any family members or other person with a significant personal relationship to an interested party.

Section 5.03 **Resignation, Removal, and Vacancies of Trustee-Members.**

(a) Resignation. Any Trustee-member may resign by giving thirty (30) days' advance, written notice of intention to do so to the Chairman of the Board of Commissioners, or such shorter notice as the Board of Commissioners may approve.

(b) Removal. The Board of Commissioners may remove any Trustee-member at a meeting of the Board without any advance notice. The Board will notify the Trustee-member of his or her removal by certified mail within ten (10) business days following the Board's removal decision.

(c) Removal Due to Attendance. For a monthly meeting schedule, any Trustee-member shall be removed when he or she fails to attend three (3) Trustee meetings (for any reason) in a rolling 12-month period, unless the Chairman of the Board of Commissioners, in his sole discretion, excuses the absence at the written request of such Trustee-member. For quarterly meeting schedule, failure to attend two (2) quarterly meetings in a rolling 12-month period shall have the same consequence. The Chairman to the Board also can recommend to the Board, for Board approval, that a temporary Trustee-member be appointed to serve in the absence of a Trustee-member who expects to be absent from meetings of the Retiree Health Care Board of Trustees. Each rolling period shall commence as of the last absence from said meeting.

(d) Automatic Removal. If a Trustee-member is a County Board Commissioner, officer or employee of the Employer or Participant when appointed as a Trustee-member, then such individual shall be automatically removed as Trustee-member at the earliest time such individual ceases to be a Board Commissioner, officer, employee or Participant. If the Administrator/Chief Financial Officer is removed by reason of absences from Trustee meetings under this provision, the Board shall appoint a new Department Head or other qualified trustee to serve as the successor Trustee-member, until such time as the Board acts otherwise. A Trustee-member who violates the County's Code of Ethics, including the Oath of Office or other requirements under Section 5.02, shall be automatically removed as a Trustee-member and may face other disciplinary actions if such Trustee-member is an employee of the Employer pursuant to the Employer's employment policies and practices.

The removal under this paragraph shall occur automatically and without any requirements for action by the Board of Commissioners or any notice to the individual so removed.

(e) Vacancies. When any person appointed as a Trustee-member ceases to be a Trustee-member, the remaining Trustee-members then serving, or successor Trustee-members subsequently appointed, as the case may be, shall become vested with full powers of the Trustee as set forth and subject to the terms of this Trust Agreement.

The Board of Commissioners shall have the sole discretion and exclusive authority and shall immediately appoint, at a special meeting of the Board called for this purpose, a successor

Trustee-member to fill any Trustee-member vacancies, subject to the guidelines set forth in Section 5.01.

Section 5.04 Meeting, Quorum, and Voting.

(a) Open Meetings. The Monroe County Retiree Health Care Board of Trustees shall hold meetings regularly, at least once a calendar quarter, and shall designate the time and place of each meeting. All Trustee meetings shall be public and shall be held subject to the provisions of the Open Meetings Act. Notice of the meetings will be posted at the Monroe County Courthouse prior to each meeting.

(b) Quorum and Voting. A quorum of the Monroe County Retiree Health Care Board of Trustees shall consist of a majority of the then serving Trustee-members. When a quorum is present at any meeting, a majority of the Trustees-members present and voting shall decide any questions brought before such meeting, and the action of the Trustee-members present and voting, so long as a quorum is present, shall be valid and binding as the action of the Trustee. Each Trustee-member present at the meeting where a quorum is present shall only have one vote. If a dissenting Trustee-member, within a reasonable time after he or she has knowledge of any action or failure to act by the majority, registers his or her dissent in writing and delivers such dissent to the other Trustee-members and to the Board of Commissioners, the dissenting member will not be responsible for any such action or failure to act.

Section 5.05 Chairman, and Vice Chairman. Monroe County Retiree Health Care Board of Trustees shall elect from among the Trustee-members a Chairman and Vice Chairman. This election shall occur annually at the first Trustee meeting of the calendar year. The Chairman shall preside over the meetings of the Trustee. If the Chairman is unable to preside over a meeting, the Vice Chairman shall preside over that meeting.

Section 5.06 Role of County Clerk and Record of Proceedings. The Monroe County Clerk, or his/her designee, shall act as the clerk and secretary to the Trustee and shall attend all Trustee meetings. The Clerk, or his/her designee, shall keep a written record and minutes of all Trustee meetings and decisions, which shall be made available to all Trustee-members within seven (7) calendar days in advance of the next Trustee meeting and will be made available to the Board of Commissioners upon request. Such record and minutes of the Trustee meetings and decisions shall be duly approved by the Trustee at the next Trustee meeting. The Clerk, or his/her designee, shall not serve or be appointed as a Trustee-member under this Trust Agreement.

Section 5.07 Compensation and Expenses. A per diem payment of $25 per meeting attended shall be paid to the Trustee-members; provided, however, that:

(a) A Trustee-member voluntarily may waive in writing to be paid a meeting per diem; and

(b) A Trustee-member who is an employee of the Employer, receiving regular compensation by the Employer, shall not be eligible for or paid such per diem payment.

The per diem payment constitutes reimbursement of the members' expenses for attending meetings and shall follow the rules and conditions for all other Boards and Commissions of the County including any adjustments made to the per diem payment amount. Per diem payments do not qualify while Trustees attend educational conferences, training classes or seminars. Other than the per diem payment, the Trustee-members shall serve without additional reimbursement of expenses or other compensation for their services as Trustee-members, except as otherwise approved by the Board to reimburse Trustee-members for reasonable and necessary costs, expenses and disbursements incurred by them exclusively in the performance of their trustee duties under this Trust Agreement, subject to County policies and rates covering said expenses and approved in advance by the Board of Commissioners. Such reimbursement shall be paid from the Trust Fund if not paid directly from the Employer. Trustee-members who are employees of the Employer shall continue to be paid their regular compensation for performance of their regular duties with the Employer, which may include fulfilling their duties as Trustees; provided that no additional compensation shall be paid or owing to such employee solely with respect to such employee's performance of additional services, allocation of additional time and effort in his/her role as a Trustee-member.

Section 5.08 **Education**. Upon the approval and direction of the Board of Commissioners, each Trustee-member may attend educational conferences, trainings and seminars that take place solely within the State of Michigan to enable the Trustee-member to competently fulfill his/her duties and obligations as the Investment Fiduciary of the Trust Fund. The Chairman of the Monroe County Retiree Health Care Board of Trustees shall present a proposal to the Board of Commissioners at least once a year of the proposed education for the year. The Trustee-members shall be entitled to reimbursement for all reasonable and necessary cost, expenses and disbursement incurred by them in attending the educational conference, training or seminar that has been approved by the Board of Commissioners. Notwithstanding the foregoing, Trustee-members are encouraged to attend other educational conferences, training or seminars throughout the duration of their appointment as Trustee-members of the Trust Fund to enable them to prudently fulfill their roles as investment fiduciaries for the Trust Fund.

ARTICLE VI

LIMITATIONS OF RESPONSIBILITY/INDEMNIFICATION

Section 6.01 **Trustee Responsibilities**. The Trustee's responsibilities and liabilities shall be subject to the following limitations and other limitations as set forth by law:

(a) The Trustee shall have no duties other than those expressly set forth in this Trust Agreement, or those imposed on the Trustee by applicable laws.

(b) The Trustee shall be responsible only for money and property actually received and held in trust by the Custodian under this Trust Fund.

(c) The Trustee shall have no liability for the (i) acts or omissions with respect to disbursement requests made to the Custodian from the Trust Fund under Section 2.06 above to pay for the benefits or administrative expenses incurred under the Plan, or (ii) the acts or omissions regarding any aspect related to establishing, operating and administering the Plan.

(d) The Trustee shall be protected in acting in good faith upon any paper or document believed by such Trustee to be genuine and believed to have been made, executed, or delivered by the parties purporting to have made, executed, or delivered the same. So long as the Trustee commits no act of willful misconduct, bad faith or gross negligence, the Trustee shall not be held personally answerable nor personally liable for either (i) any liability or debt contracted by it as Trustee or for the non-fulfillment of contracts, or (ii) for any error of judgment or for any loss arising out of any act or omission, whether or not performed at the request of the Trustee or any employee, agent or attorney elected or appointed by or working for the Trustee, to the fullest extent allowed by law.

(e) The Trustee shall not be responsible for the adequacy of the Trust Fund to meet and discharge any obligations under the Plan. The Board of Commissioners for the County and the governing boards for MCMHA and MCRC shall have the sole discretion, exclusive authority and sole liability to decide the amount and timing of all contributions to be made to the Trust Fund.

(f) The Trustee shall neither be required to take action to enforce the payment of any contribution or appropriation to the Trust Fund nor determine that the contributions deposited in the Trust Fund comply with the provisions of applicable law, the Plan, applicable collective bargaining agreements or any resolution of the Board of Commissioners for the County or the governing boards for MCMHA and MCRC.

Section 6.02 **Indemnification**. To the fullest extent allowed by law and to the extent not covered by insurance or indemnified by a third party, the Employer and Trust Fund shall indemnify and hold harmless each Trustee-member from any personal liability to which the Trustee-member may be subjected by reason of any act done or omitted to be done in his or her official capacity as Trustee, unless such personal liability arises out of or result from the willful misconduct, gross negligence or intentional wrongdoing of the Trustee-member.

Section 6.03 **Suit and Proceeding**. The cost and expenses of any action, suit, or proceeding brought by or against the Trustee, which costs and expenses shall include attorney fees, shall be paid from the Trust Fund, to the extent not covered by insurance, except in relation to matters as to which it shall be adjudged in such action, suit, or preceding that the Trustee was acting in bad faith, was grossly negligent or was guilty of willful misconduct in the performance of such Trustee's duties. Such reimbursement shall be to the fullest extent allowed by law, except that the Trust may not reimburse the Trustee for expenses covered by insurance or reimbursed by any third party.

Section 6.04 **Errors and Omissions Insurance**. To cover liability or losses incurred by reason of the act or omission of a Trustee or other fiduciary of the Trust or Plan, the Board of Commissioners shall either:

(a) self-insure or purchase insurance for liability defense and indemnification; or

(b) direct the Trustee to procure errors and omissions insurance coverage through a separate policy and pay the expense of the separate policy from assets of the Trust Fund.

ARTICLE VII

ACCOUNTING AND RECORD KEEPING

Section 7.01 Accounting.

(a) The Administrator shall issue its accounting and report to the Trustee as required under Section 2.03 above. The Trustee also shall maintain or cause to be maintained its own suitable records, data, and information relating to its Trust responsibilities. The Trustee's books and records relating thereto shall be open to inspection and audit to the Board of Commissioners, the governing boards of MCMHA and MCRC and to any others as required by law, at reasonable times and at reasonable intervals as determined by the Board of Commissioners.

(b) The County, through its Administrator/Chief Financial Officer, shall:

(i) Within one hundred eighty (180) days following the close of the County's fisical year, prepare, or cause to be prepared, and file with the Board, financial statements audited by a Michigan Certified Public Accounting firm for the prior 12 month period, and prepare, and file with the Michigan Department of Treasury, Form 5572 or its successor to comply with Public Act 202 of 2017 Health Care (OPEB) Report.

(ii) Within 60 days following the receipt of the year-end actuarial valuation of the Trust or MC Plan, prepare a written annual report on the performance of the Trust over the prior year including investments held and their allocations against the Investment Policy Statement, money managers and the value held at year-end, contributions to the Trust, summary of the expenses over the past year, change in total asset value of the Trust and allocation to each employer, investment performance over a ten (10) year time period and the funded ratio of plans from each of the employers. The chief administrator officer or other representative of MCMHA or MCRC shall cooperate and provide any information reasonably requested by the County Administrator/Chief Financial Officer in preparing the written annual report, including year-end actuarial valuations of the MCMHA Plan and MCRC Plan.

(c) The County shall maintain these reports and financial statements on behalf of the Trust Fund.

(d) The Trustee also shall render such further reports from time to time as may be requested by the Board of Commissioners and shall submit its final report and accounting to the Board when the Monroe County Retiree Health Care Board of Trustees shall cease to be the Trustee of this Trust Fund.

Section 7.02 Actuarial Review of the Trust Fund. An actuarial review of the Trust Fund, including the funding progress of the Trust and the liabilities and obligations under each of the Plans shall be prepared at least once every two (2) years, or on a more frequent basis as determined by the Administrator with respect to the MC Plan, the governing body of MCMHA with respect to the MCMHA Plan and the governing body of MCRC with respect to the MCRC Plan. The actuary shall be selected and retained by the Administrator with respect to the MC Plan, the governing body of MCMHA with respect to the MCMHA Plan and the governing body of MCRC with respect to the MCRC Plan. Each Employer can select its own actuary or decide to use the same actuary as the other Employers. The retention of the actuary under this Section shall be as a function of the administration and day to day operations of the respective Plans and the actuary shall issue its written actuarial report to Board of Commissioners with respect to the MC Plan and to the respective governing bodies of MCMHA and MCRC with respect to the MCMHA and MCRC Plans. A copy of the actuarial report also shall be served on the Trustee and the Administrator.

Section 7.03 **Record Retention**. The Trustee shall retain its records relating to the Trust as long as necessary for the proper administration of the Trust and Plan, and for at least a period of seven years or longer period required by law.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 **Construction and Governing Law**. This Trust Agreement shall be construed, enforced and administered in accordance with the Code and laws of the State of Michigan. If any provision of the Trust Agreement is held to violate the Code or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the Trust.

The headings and subheadings in this Trust Agreement are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Trust Agreement.

In resolving any conflict among provisions of this Trust Agreement and in resolving any other uncertainty as to the meaning or intention of any provision of this Trust Agreement, the interpretation that (i) causes the Trust to be exempt from federal taxation as an integral part of the County, (ii) causes the Trust to comply with all applicable requirements of the Code, and (iii) causes the Trust to comply with applicable State law, shall in that order prevail over any different interpretation.

Section 8.02 **Duration of Trust.** Unless sooner terminated, the Trust created under the Trust Agreement shall continue for the maximum period of time permitted by the laws of the State.

Section 8.03 **Amendment.** The Board of Commissioners has the sole discretion and exclusive authority to amend this Trust at any time and in any manner permitted by applicable law.

Section 8.04 **Termination of Trust**. The Board of Commissioners has the sole discretion and exclusive authority to completely or partially terminate this Trust Agreement and Trust Fund at any time, including terminating a contributing Employer's participation in the Trust; provided, however, any such termination shall be subject to the provisions of this Trust Agreement, including Section 2.05. In the event that contributions to the Trust have been completely terminated and all assets of the Trust have been distributed in accordance with the purposes and provisions of this Trust Agreement, the Plan and applicable law, the Board of Commissioners may terminate the Trust completely by appropriate resolution specifying the date of such termination.

Section 8.05 **<u>Parties Bound</u>**. This Trust Agreement shall be binding upon the Trustee, the Board of Commissioners, the Custodian, the Administrator and all Participants, and, as the case may be, the heirs, executors, administrators, successors, and assigns of each of them.

Section 8.06 **<u>Severability</u>**. If any provision of the Trust Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Trust Agreement shall continue to be fully effective.

*[***SIGNATURE PAGE FOLLOWS***]*

EXECUTION PAGE

In Witness Whereof, the County of Monroe, Michigan, through its Board of Commissioners, has caused this Trust Agreement to be amended and restated generally effective as of Restatement Effective Date, and, hereby agrees to the provisions of this Trust.

BOARD OF COMMISSIONERS FOR THE COUNTY OF MONROE, MICHIGAN

Dated: 12 NOV, 2019

By: ______________________
Its: Chairman

The governing boards of the Monroe Community Mental Health Authority and Monroe County Road Commission, by signing below, hereby accept the Trust and all of the terms of this Trust Agreement, as amended and restated, and accepts their positions, and agree to all of the obligations, responsibilities and duties imposed upon them under this Trust Agreement and applicable law.

MONROE COMMUNITY MENTAL HEALTH AUTHORITY

Dated: November 12, 2019

By: ______________________
Its: Executive Director

MONROE COUNTY ROAD COMMISSION

Dated: November 12, 2019

By: ______________________
Its: Managing Director

The Trustee, Custodian and Administrator, by signing below, hereby accept the Trust, as amended and restated, and their positions, and agree to all of the obligations, responsibilities and duties imposed upon the Trustee, Custodian and Administrator under this Trust Agreement and applicable law.

MONROE COUNTY RETIREE HEALTH CARE BOARD OF TRUSTEES

Dated: October 28, 2019

By: ______________________
Its: Chairman

TREASURER OF THE COUNTY OF MONROE, MICHIGAN

Dated: October 28, 2019

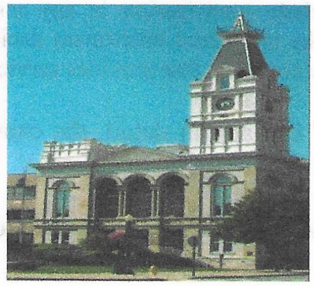
By: Kay Sisung
Its: Treasurer

ADMINISTRATOR OF THE COUNTY OF MONROE, MICHIGAN

Dated: October 28, 2019

By: Michael Bosanac
Its: Administrator/Chief Financial Officer, Trustee-Member

EXHIBIT 1



Monroe County Retiree Health Care Trust Board of Trustees

CONFLICT OF INTEREST STATEMENT

Name: ______________________________

Position: ______________________________

Do you or any member of your immediate family (spouse and children):

1. Own stock in any organization that provides services to the Retiree Health Care Trust Board?

   ☐ Yes ☐ No

2. Serve as an officer, director, employee, or consultant of any organization that provides services to the Retiree Health Care Trust Board?

   ☐ Yes ☐ No

3. Have any economic interest* in any organization that provides services to Retiree Health Care Trust Board?

   ☐ Yes ☐ No

4. Have any economic interest* that would restrict or limit your obligation to serve as a member of the Retiree Health Care Trust Board of Trustees?

   ☐ Yes ☐ No

If answered "yes" in subparagraphs 1 to 4 above, please describe stock ownership, position(s) with organization, economic interest with organization or restrictions/limitations on obligations under this Trust:______________________________

____

____

*Economic interest does not include participation in any mutual fund or pension plan in which the individual has no authority to make individual investment decisions, or any stock ownership of less than 1% of the outstanding stock of any company that provides services to the Retiree Health Care Trust Board.

If the answer to any question is "yes" explain, in detail, the exact relationship on a separate sheet and include your signature.

I agree to notify the Chairman of the Monroe County Board of Commissioners promptly if there are any changes in the above statements.

I certify that the above statements are true to the best of my knowledge and further that while serving as a Trustee of the Retiree Health Care Trust Board, I agree to abide by the highest standards of honesty, fairness and personal integrity and avoid even the perception of impropriety or conflicts of interest in carrying out my duties. I agree to the prohibition of accepting, receiving or soliciting any consideration or favor from a service provider of the Monroe County Retiree Health Care Trust Board while serving as a Trustee. In addition to myself, I agree and understand this probation applies to any family members or other person with a significant personal relationship.

Signature Date