

**Worcester Retirement Financial Board Meeting**  
**June 11<sup>th</sup> 2020**

The Worcester Retirement Board met at 8:30 A.M. on Thursday June 11<sup>th</sup>, 2020 for their monthly financial meeting through teleconference. All Board members were present with the exception of T.Cullen. S. Wentzell acted as Chair for the meeting. S. MacLellan and D. Dynan, Meketa representatives were present.

From the first quarter the Board is up 6.4%. Market has continued to recover, equities has increased and fixed income has been stable. Regarding liquidity, 1/3 of the system is daily liquidity, 1/2 is monthly liquidity, PRIT portfolios make up most of the liquidity.

There was a balancing recommendation to move 40M out of PRIT Core Real Estate to PRIT General Allocation. This would bring the Board within tolerance range as well as reduce lagged valuations. Real Estate is predicted to become weak within the near future, PRIT is allocated defensively, this rebalancing would be seen as a safe move.

E. Early made a motion to rebalance per Meketa's recommendation. Voted 4-0.

In March Meketa had advertised an RFP on behalf of the Board for Emerging Market Debt. There were 23 responses in total, the Board narrowed down to three potential managers; Wellington, Aberdeen, and Eaton Vance. These three managers are to be interviewed this meeting.

Wellington was represented by Kristina O'Gannan and Maura Neely. Wellington has been in practice for over 30 years and is a 34 member team. Their investment philosophy focuses on three aspects; global perspective, Manage Risk holistically, and disciplined approach to research. They highlight their Blended Opportunistic EMD that invests across the full EM fixed income spectrum with the objective to outperform the benchmark. The benchmark makes up 50% JPMorgan EMBI and 50% JPMorgan GBI-EM. Government bonds make up most of the portfolio, with some cooperate and quasi sovereign debt. Smaller High-quality eastern European markets are a strong theme. There is a preference for External Debt over Local Debt. There is a capacity constraint of 7M and they are currently at 5M, due to this their fees are non-negotiable. Regarding the Covid-19 pandemic, their firm has had no layoffs and everyone has successfully worked from home.

Aberdeen was represented by Karen Barter and John Grybauskas. Aberdeen has 17B invested in EMD and 63B in EME, this gives them the ability to be in many places at once globally and provides real time feedback of current events. The senior team has had 14 years together and 30 years' experience total which is a strength for current markets during this pandemic. In regards to risk they have a dedicated risk management team that works hand-in-hand with their EMD investment team, all investments are modeled before implementation. The firm models a bottom up research team, located in 80 countries with connection to 1,000 companies and a 109 diverse investment team with 50 country visits a year. This firm requests a 45BP all in fee.

Eaton Vance was represented by Joe Fury, Brad Godfrey, and Michael Cirami. Eaton Vance is headquartered in Boston with an invested in 404B with 6B in Emerging Market Debt, their team consists of 40 members. This portfolio has out preformed the benchmark since inception in 2014. They are a very diverse firm with research in over 100 countries. Their process focus is on policy, such as social dynamics and politics, for economic outcomes. The firm is always analyzing and working to expand trading networks. Liquidity sources are very active with the goal to have low transaction costs as well as keep trade up and have a high access to market.

B. Stearns motioned to select Eaton Vance as manager of the Board Emerging Market Debt Fund. Voted 4-0

The Board recessed at approximately 11:00 A.M.

Respectfully Submitted,

---

Lisa M. Poske, Executive Secretary

---

Stephen F. Wentzell, Appointed Member, Acting Chair

---

Elizabeth A. Early, Elected Member

---

John F. Mahan, Elected Member

---

Robert V. Stearns, Ex Officio Member

DNA

---

Tamara Cullen, Fifth Member