

Worcester Retirement Financial Board Meeting Minutes
August 19th 2021

The Worcester Retirement Board met at 8:30 A.M. on Thursday August 19th, 2021 for their financial board meeting. Board members R. Stearns, and E. Early, and T. Cullen were present. R. Stearns acted as Chair for the meeting. Meketa representative S. MacLellan was present. S. Wentzell arrived at 8:40AM.

On a global level, the U.S. Market Returns remain strong; they are up 15.3% YTD even with increased number of COVID-19 cases. Inflation and Unemployment rates remain high.

In regards to the Systems Portfolio, it remains well diversified. As of July 31st 2021 it is at an 11.3% increase YTD. The portfolio has a better YTD return percentage of 30.01% VS PRIT's 29.5%. This quarter's highest returns were in Private Equity with 9.7% and Domestic Equity with a 7.4% return. The lowest for the quarter were Core fixed income and value added fixed income, both at 2%.

The Old Farm investment has been fully processed and funded using PRIT Core fund for 26M. Due to this funding when the system is looking to fund for August benefits payments there will be rebalancing by withdrawing 26M plus what is needed for August benefits out of PE to refill the PRIT Core fund.

Entrust has also been fully processed and the System recycled its first cap call for about 1.5M which will be funded out of cash.

Both funds will be held under the new subcategory of Portfolio Completion strategies.

Under Chapter 176 of the Acts of 2011, the Retirement System is required to post RFPs every seven years for its open-ended investment strategies. The Systems existing passive portfolios are currently managed by SSGA and were put out to bid with responses due in June.

The bid resulted in 5 responses; Mellon, Northern Trust, SSGA, ASB, and Metis. Mellon, Northern Trust, and SSGA were seen as highly advantageous while the others were seen as advantageous. The Board reviewed the managers, their strategy availability as well as their fee summaries.

Voted: Retain SSGA 4-0

Voted: Allow Meketa to issue RFP for Small Cap Search as well as investment grade Bonds and TIPS. 4-0

The Board adjourned at approximately 9:07 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

Tamara Cullen, Fifth Member