

Worcester Retirement Financial Board Meeting

August 22, 2019

The Worcester Retirement Board met at 8:00 A.M. on Thursday August 22, 2019, in the Levi Lincoln Chamber Worcester City Hall. Board members Tamara Cullen, John Mahan Stephen Wentzel and Elizabeth Early were in attendance. Mr. Wentzell acted as Chair for the meeting. Also in attendance were Meketa representatives Dan Dynan and Stephen MacLellan.

Meketa representatives briefly reviewed World Markets for the second quarter of 2019 as well as the Board's investment performance. Total system return net of fees for the second quarter was 3% bringing the YTD through 6/30 to 9.7% net. Meketa estimates investment return for July was flat and that the System is down -1.5% through last night. They provided a comparison of PRIT actual Asset allocation to that of the WRS. There is a similar risk posture as PRIT although there are notable differences in the Board underweight to Portfolio Completion Strategies 2% vs. 9% PRIT and overweight to Real Assets 10% vs. 4% PRIT. Meketa continues to like those differences. The Boards current allocation is within policy range for all but the Value Added asset class. Meketa suggested that the Board could increase the range though they do not think it is necessary since with fund distributions it should correct. No action was taken. Macro outlook is predicting instability going forward and a bumpier end of the year with tariffs, Brexit etc. It was highlighted to the Board that the PRIT General Allocation (approx. 1/4 Board's portfolio) has been repositioning and scaling back risk in the portfolio.

Board gave approval for State Street custodian to write off a position in Magnum Hunter Resources originally bought by Penn Capital.

Vitruvian Investment Partners Fund I has eight remaining holdings in the Fund. They have proposed liquidation at an 8.25% premium to the 6/30 valuation to investors or investment in a "continuation fund" Meketa had recommended liquidation and that decision was made via e-mail previously. Board concurred.

Meketa also is recommending approving the hard cap increase that was requested by GIP IV. Board was in agreement.

The Board recessed the meeting at approximately 10:25 a.m.

Respectfully Submitted,

Elizabeth A. Early, Executive Secretary and Elected Member

Stephen F. Wentzell, Appointed Member and Acting Chair

John F. Mahan, Elected Member

DNA
Robert V. Stearns, Ex Officio Member

Tamara Cullen, Fifth Member