

Worcester Retirement Financial Board Meeting
February 13, 2020

The Worcester Retirement Board met at 8:30 A.M. on Thursday February 13, 2020, in the Levi Lincoln Chamber room 310B Worcester City Hall. All Board members were present. Robert Stearns acted as Chair for the meeting. Daniel Dynan attended as the Meketa representative.

January was low globally. System down was -.5% in January however it's been up an estimated 1.3% with an estimated .8% gain year to date.

As of 12/13/19, the system valued at 1.04 Billion. In line with targets.

Recommended rebalancing due to the market environment. There is a lot of risk due to the corona virus and the elections, so a more conservative approach is deemed more logical. It is recommended to move 4% out of equities and 2% into bonds and real estate using a 10M allocation from S&P 500, 10M from MSCI EAFE into PRIT Real Estate, and then 2% out of emerging markets (20M) from the PRIT EM to core bonds at IR&M. This will produce a 1% underweight in the equity asset classes and result in being in the high-end for core fix income & real estate range.

IR&M management transition was discussed.

There will need to be a core bond search in 2021.

E. Early made a motion to rebalance according to the Meketa recommendation of moving 10M from S&P500, 10M MSCI EAFE to PRIT Real estate and 20M From PRIT EM to core IR&M. VOTED: Unanimous.

Steve Wentzell arrived at 8:42 AM.

As of 12/31/19 performance review, Asset classes were all up. The WRS total return as of 12/31/19, net of fees, was 16.6. Equities lead the way, US up over 30% international up 23% emerging 22%. Bonds were up, 8.3 for core fixed income, 13 for value added. Real estate 8, private equity 13, and print fund up 16.2.

R. Stearns made a motion to allow Meketa to do a RFP search for Emerging Market Debt portfolio. VOTED: Unanimous.

WRB was neutral and in line with PRIT. The biggest difference with the benchmark was Real assets and Timber, WRB up 6.6 PRIT up only .8 (PRIT doesn't invest in infrastructure).

The Board recessed at approximately 9:00 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

Tamara Cullen, Fifth Member