

Worcester Retirement Board
Finance Meeting
April 11th, 2024

The Board met at 8:30 a.m. in open public session for a financial meeting on April 11th, 2024, in the Levi Lincoln Chambers, Worcester, 01608. All Board Members were in attendance. Meketa Representative Steven Maclellan was present. An unnamed member of the public was present.

Regarding the markets, February provided mixed results. US Equity had strong returns as well as non-US developed equity markets. However, fixed income has had drawbacks. The Yield Curve remains inverted, inflation increased .1% and is still slightly above expectations at 3.2% come end of February.

As of March 31st 2024, the portfolio is estimated at 3.1% which does not include private markets. An abundance of the portfolios private equity exposure is through the PRIT Peavy sleeves, this has been beneficial. There have been a few months where that has been self-funding, where the portfolio is earning more than being called and is expected to continue. Returns are 10.1% as of the past year. Historically returns have been strong.

The Portfolio is ahead of the benchmark in International Equity, Emerging Markets, and Fixed income. Real Estate has been the biggest detractor however that is not unique to the system, Core fixed income has also been on the decline.

Mr. Maclellan gave summary of the seven mega-cap stocks of the tech sector and their recent growth trends. This recent growth is like the dot-com bubble of the 2000's and discussed possible risks and gains with the trend.

In 2025 and early 2026 there are contracts which will be ready to go out to bid and are due for a search. High Yield Bonds, Bank Loans, International Small Cap Equity, and the Custody Bank. Meketa Requested the Board authorize searches for all when the time comes. The Board voted to approve the upcoming RFPs 5-0.

9:30 Board Adjourned
Respectfully Submitted

Lisa Poske, Executive Secretary

Elizabeth Early, Chair/ Elected Member

Matthew Wally, Appointed Member

Robert Stearns, Ex-Officio Member

John Mahan, Elected Member

Tamara Cullen, Fifth Member