

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 24, 2020

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Jennifer P. Mullen (by Zoom) and Craig B. O'Malley (by Zoom)

Board members in absence: Paul J. Slivinski

Staff members in attendance: Francis St. Germaine who recorded the minutes of the meeting

At approximately 9:30 a.m., with a quorum being present, Chairman Ferreira called the meeting to order, and he noted for all that, due to the Governor's current state of emergency declared for the COVID-19 pandemic, it has been determined that remote participation is permissible for those that choose to teleconference.

Then, the board members reviewed the meeting minutes of the open session meeting that was held on August 20, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on August 20, 2020.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on August 20, 2020. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the payment of the following warrants:

Warrant #28/2020	\$1,160,538.79	Warrant #29/2020	\$ 70.00
Warrant #30/2020	\$ 7,577.60	Warrant #31/2020	\$ 7,827.60
Warrant #32/2020	\$ 14,906.10		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #28/2020 through #32/2020.

Ms. Philbin moved to approve the payment, as noted, of warrants #28/2020 through #32/2020. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Then, the board members reviewed the payment of the following investment management fees:

- People's United Bank, July 2020 custodial fee \$ 3,786.54

After some discussion, the board members entertained a motion to approve the payment, as noted, of the above-mentioned investment management fees.

Mr. O'Malley moved to approve the payment, as noted, of the above-mentioned investment management fees. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 9/1/2020 in the amount of \$30,132.38
- PRIT Private Equity Fund VY 2020, a capital call payable on 9/1/2020 in the amount of \$13,671.12
- TA Realty Fund XII, a capital call payable on 10/13/2020 in the amount of \$2,000,000.00

After some discussion, the board members entertained a motion to approve the payment, as noted, of the above-mentioned capital calls.

Ms. Philbin moved to approve the payment, as noted, of the above-mentioned capital calls. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the following cash distributions from investment managers:

- Mesirow Financial Fund IV, a distribution received on 8/26/2020 in the amount of \$22,500.00
- Lexington Capital Fund VII, a distribution received on 8/28/2020 in the amount of \$12,742.00
- TerraCap Partners Fund IV, a distribution received on 9/10/2020 in the amount of \$218,302.13

Then, the board members considered the requests of the following former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions:

- Shardell A. Newton; amount of refund is \$73.97; deductions taken in error with the Town of Falmouth, D.P.W. Facilities Maintenance Division
- Jennifer O. Connors; amount of refund is \$8,697.43; resignation from service with the Falmouth Housing Authority

After some discussion, the board members entertained a motion to approve, as noted, the requests of the above-mentioned former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions.

Ms. Philbin moved to approve, as noted, the requests of the above-mentioned former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then noted the following members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Karen M. Basler; date of retirement is 7/3/2020 from the Town of Falmouth, Falmouth Public Schools; Group One
- Michael F. Small; date of retirement is 8/1/2020 from the Town of Falmouth, Fire Rescue Department; Group Four
- Shardell A. Newton; date of retirement is 8/1/2020 from the Town of Falmouth, D.P.W. Facilities Maintenance Division; Group One

Next, the board members noted the following new members of the Falmouth Retirement System:

- Daniel J. Preston; Maintenance Worker, Town of Falmouth, D.P.W. Parks Division, Group One; DOM 7/20/2020, 9% + 2%
- John G. Jensen; Utilities Maintenance Worker, Town of Falmouth, D.P.W. Water and Sewer Division, Group One; DOM 8/31/2020, 8% + 2%
- Jennifer L. Maclone; Human Resource Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2020, 9% + 2%
- Ragah Williams; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2020, 9% + 2%
- Holli L. Belain; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%

- Amanda L. Surette; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Kristen E. Taylor; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Ann C. Stephenson; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Leah M. Higgins; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Sheri L. Miller-Bedau; Assistant Health Agent, Town of Falmouth, Health Department, Group One; DOM 9/8/2020, 9% + 2%
- Bruce C. Cabral; Assistant Assessor, Town of Falmouth, Assessor's Department, Group One; DOM 9/14/2020, 9% + 2%

Then, the board members considered the following requests to purchase prior service:

- Daniel J. Preston; Maintenance Worker, Town of Falmouth, D.P.W. Parks Division; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$4,010.64 *(upon completion of this service purchase, the Falmouth Retirement System will accept 1 year and 3 months of 3(8)(c) liability on a 12-month basis)*
- Sheryl L. Lopes; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$6,783.37 *(upon completion of this service purchase, the Falmouth Retirement System will accept 1 year and 1 month of 3(8)(c) liability on a 12-month basis)*
- Amanda L. Surette; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,499.14 *(upon completion of this service purchase, the Falmouth Retirement System will accept 7 months of 3(8)(c) liability on a 12-month basis)*
- Judith D. Foley; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$5,146.19 *(upon completion of this service purchase, the Falmouth Retirement System will accept 8 months of 3(8)(c) liability on a 12-month basis)*
- Lori S. Raber; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$3,212.95 *(upon completion of this service purchase, the Falmouth Retirement System will accept 6 months of 3(8)(c) liability on a 12-month basis)*

After some discussion, the board members entertained a motion to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Ms. Philbin moved to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then noted the following first reports of injury:

- Eryn N. Lokerson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure.
Date of Injury 7/22/2020
- Bryan C. Hazelton; Police Officer, Town of Falmouth, Police Department, Group Four; while attempting to subdue a resistant subject, employee was injured.
Date of Injury 8/14/2020

Next, the board members reviewed the following correspondence from PERAC:

- PERAC memo #27/2020 Regular Compensation and Creditable Service Status of Certain Leaves
- PERAC memo #28/2020 Tobacco Company List

Also, the board members reviewed other relative correspondence.

Then, Jeffrey Fabrizio and Michael Dwyer of Wainwright Investment Counsel both joined the meeting by Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of July, and Mr. Fabrizio reviewed the plan results. Through the end of July, the plan's estimated market value was approximately \$154.1 million. Year-to-date, the plan is down 3.71% versus the policy benchmark which is down 2.76%. Compared to its policy benchmark (down 6.87%), the domestic equity sector (down 5.88%) is slightly ahead with all of the funds in this sector, other than RhumbLine Large Cap Growth, trending with negative performance. The international equity sector (down 11.87%) is behind its benchmark (down 9.43%) with all of the funds in this sector trailing their respective benchmarks. The domestic fixed income strategy (up 6.21%) is slightly behind its benchmark (up 6.95%). This is not unexpected as the majority of these investments, with the exception of Lord Abbett High Yield Core, are indexed. The performance of the real estate sector, year-to-date, is up 0.85% versus a benchmark that is down 0.29%. At the moment, Principal, P.R.I.T. and TerraCap Partners are the largest real estate investments within the portfolio, but only TerraCap Partners is indicating a positive return for the year. Due to the nature of the investments within the private equity sector, the returns are stated with as much as a two quarter lag. Still, this sector is estimated to be up 1.05% versus a benchmark that is down 8.14%. At this time, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest investments for the private equity sleeve of the portfolio. Siguler Guff & Company and Hamilton Lane are the two private equity funds within the

portfolio that are able to demonstrate a positive return for the period. For the year, the P.R.I.T. Absolute Return Fund is down 5.91% versus a benchmark that is up 0.75%. Lastly, the cash balance is approximately \$4.2 million. Wainwright Investment Counsel noted that "July showed some slight improvement in the financial markets. But, while the COVID-19 pandemic continues to be very serious and coupled with other U.S. and world issues, we can expect to experience real fluctuations in the economy....will be curious to hear what the investment managers have to say."

Mr. Dwyer then noted for the board members that the remainder of today's meeting is for the various investment professionals to give a brief presentation on their particular fund(s) as part of P.E.R.A.C.'s annual investment manager review. All presentations will be via Zoom.

The first investment manager to join the meeting was Denise D'Entremont from RhumbLine Advisers to present their Russell 1000 Value Pooled Index Fund, their Russell 1000 Growth Pooled Index Fund, their S&P 400 Pooled Index Fund and their S&P 600 Pooled Index Fund. She began by providing the board members with a current profile of the firm. As of June 30, 2020, their firm has about \$68.0 billion in total assets under management with approximately \$46.2 billion in assets being managed for public funds. She provided some very brief comments about COVID-19, and she noted that they continue to launch and fund new products as well as add new public clients. In terms of the funds, the Russell 1000 Value Pooled Index Fund (large cap) is down approximately 9.35% year-to-date. As of August 31, 2020, the market value for the retirement system's account was approximately \$9.4 million. Overall, this pooled index fund has approximately \$492.0 MM in assets spread between 838 holdings. The Falmouth Retirement System owns about 1.92% of this fund, and the system is one of eighteen investors in the Russell 1000 Value Pooled Index Fund. She then discussed their Russell 1000 Growth Pooled Index Fund (large cap). This fund is up approximately 30.47% year-to-date. As of August 31, 2020, the market value for the retirement system's account was approximately \$11.7 million. Overall, this pooled index fund has approximately \$903.6 MM in assets spread between 436 holdings. The Falmouth Retirement System owns about 1.30% of this fund, and the system is one of twenty-six investors in the Russell 1000 Growth Pooled Index Fund. Next, she discussed their S&P 400 Pooled Index Fund (mid cap). Year-to-date, this fund is down approximately 5.55%. As of August 31, 2020, the market value for the retirement system's account was approximately \$5.1 million. Overall, this pooled index fund has approximately \$864.5 MM in assets spread between 402 holdings. The Falmouth Retirement System owns about 0.59% of this fund, and the system is one of thirty-seven investors in the S&P 400 Pooled Index Fund. Then, she discussed their S&P 600 Pooled Index Fund (small cap). Year-to-date, this fund is down approximately 11.07%. As of August 31, 2020, the market value for the retirement system's account was approximately \$5.2 million. Overall, this pooled index fund has approximately \$230.2 MM in assets spread between 602 holdings. The Falmouth Retirement System owns about 2.26% of this fund, and the system is one of twenty-five investors in the S&P 600 Pooled Index Fund. Lastly, Ms. D'Entremont explained their trade strategy and their commission structure. After some additional discussion with the board members, Ms. D'Entremont thanked the board members for the relationship and exited the board meeting.

Then, Jenna Oliver from LMCg Investments joined the meeting to give a brief presentation on their Mid-Cap Core Equity strategy and their International Small Cap Equity strategy. She began

by providing the board members with an overview of their firm. Founded in 2000, LMCG Investments, formerly known as Lee Munder Capital Group, is headquartered in Boston, MA and the firm has 62 employees. It is a firm of entrepreneurs and active asset management across the globe is the firm's sole focus. She noted that they are proud to have a diverse client base with approximately \$6.7 billion in assets under management. She reminded the board members that their Mid-Cap Core Equity strategy is a combination investment strategy. This combination strategy provides two very separate, distinct teams and portfolios...the mid-cap value strategy and the small/mid-cap growth strategy. These two distinct philosophies are combined to form their mid-cap core fund which provides for lower volatility than a concentrated single strategy. She reviewed the portfolio construction and strategy, the portfolio characteristics, and the style. As of June 30, 2020, the retirement system's share of this portfolio, which year-to-date is down 8.8%, had a market value of approximately \$14.2 million. Next, she reviewed with the board members their International Small Cap Equity strategy. She shared their investment approach, their portfolio characteristics, and their portfolio construction. As of June 30, 2020, the retirement system's share of this portfolio, which year-to-date is down 17.7%, had a market value of approximately \$4.1 million. She then discussed with the board members their impending closing and liquidation of the International Small Cap Equity Fund due to the resignation of a portfolio manager. After some additional discussion with the board members, Ms. Oliver thanked the board members for the relationship and exited the board meeting.

The board members then discussed the impending closing and liquidation of the LMCG Investments International Small Cap Equity Fund and the retirement system's need to have cash available to cover Q4 2020 retiree payroll and upcoming capital calls. After some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to liquidate to cash their full investment in the LMCG International Small Cap Equity Fund.

Ms. Philbin moved to liquidate to cash their full investment in the LMCG International Small Cap Equity Fund. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, Paul Todisco, Francesco Daniele and Emily Green of the P.R.I.M. Board joined the meeting to give a brief presentation on their hedge fund portfolio, their core real estate portfolio and their private equity portfolios as part of P.E.R.A.C.'s annual investment manager review. Mr. Todisco began by noting some of their top accomplishments during the past year. He then reviewed their mission and the fund overview including their oversight & staffing and the core fund facts. He highlighted their board membership and their committee membership. In addition, he provided a brief organizational update. Mr. Daniele then discussed various economic data and the effects of COVID-19 on the markets. He discussed with some detail their hedge fund portfolio, their core real estate portfolio and their private equity portfolios. As of June 30, 2020, the Falmouth Retirement System had a total investment in the P.R.I.T. funds of approximately \$20.0 million.

After some additional discussion with the board members, Mr. Todisco, Mr. Daniele and Ms. Green exited the board meeting.

Then, Matthew Kosara of HGK Asset Management joined the meeting to discuss their international equity fund. He began by providing a brief organizational overview. He then provided a performance update of their portfolio. As of August 31, 2020, the net asset value of the retirement system's account was approximately \$9.6 million. Year-to-date, the portfolio was down approximately 0.07% gross of fees. He noted some of their current holdings, and he discussed some of the key performance data through Q2 2020. Some of the commentary included the following:

"Faced with huge headwinds to their economic well-being, there have been remarkable moves carried out by governments globally in both monetary and fiscal policy, with virtually no opposition raised in any geography. If the level of stock markets is considered to be the scorecard then the policy has been a major success....There is, however, some considerable risk that this assessment is very superficial, and the behavior of government bond markets suggests that the economic environment is far from healthy. Productivity improvements are clear for some of the service industries as a result, although social distancing has the potential to destroy many business models. The third quarter will bring numerous surprises and challenges: the surprise will be within corporate results and commentary as certain companies will have benefited in unanticipated areas, whilst others will be unable to escape from the uncomfortable consequences of the economic collapse, albeit with "Covid-adjusted normalized earnings" and promises of recovery; the challenges will be especially at the government level. Only once the governments cease to be the driver of economic demand will the true consequences of the pandemic become visible."

After some additional discussion with the board members, Mr. Kosara exited the meeting.

Next, Tristan Miller and Misa Takada of Dimensional Fund Advisors joined the meeting to give a brief presentation on their International Core Equity Fund. Mr. Miller began with a brief overview of the firm. They are a global investment firm with a long history of managing time-tested investment strategies for clients. With \$514.0 billion in global assets under management, they have a global investment team with strong ties to leading academics and a high degree of practitioner's knowledge and experience across market cycles. Ms. Takada then discussed their investment philosophy and process. In terms of the fund, the international core equity portfolio, year-to-date, is down 6.36%. She discussed the portfolio characteristics, the sector allocations, and the country allocations. In addition, she noted the fees. In closing, they both noted that Dimensional Fund Advisors appreciates the business and will continue to work tirelessly to maintain the confidence with which the board members have entrusted them. After some additional discussion with the board members, Mr. Miller and Ms. Takada exited the meeting.

Next, Stephen Hagenbuckle, Susana Alvarez Davis and Joseph Connolly of TerraCap Management joined the meeting to discuss their TerraCap Partners Fund IV. This is a fairly new investment for the retirement system. Mr. Connolly began by providing the board members with a brief

overview of their firm. He noted that they are a 100% employee-owned real estate investment management firm with \$1.3 billion in assets under management. TerraCap Partners is a tactical thematic and event-oriented investment manager that invests defensively in high-demand secondary growth markets only. Mr. Hagenbuckle then noted that their current portfolio is resilient through recent times of crisis. He highlighted their investment team and discussed their investment focus, their demand markets, the population growth and migration, and their portfolio summary as well as factors for current market conditions. He provided some brief detail on various properties held in Fund IV. He noted that that Falmouth Retirement System had committed \$5.0 million of which 100% has been called. At this time, TerraCap Partners Fund IV has an IRR of approximately 16.46%. After some additional discussion with the board members, Mr. Hagenbuckle, Ms. Alvarez Davis and Mr. Connolly exited the board meeting.

Next, the Chairman asked for a motion to suspend the open session meeting so that the board members could recess for lunch. Chairman Ferreira noted that, at 1:00 p.m., the board members would reconvene their open session meeting.

Ms. Mullen moved to suspend the open session meeting so that the board members could recess for lunch. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

At approximately 11:45 a.m., the board members suspended the open session meeting so that they could recess for lunch.

At approximately 1:00 p.m., the board members concluded their lunch recess and the Chairman asked for a motion to reconvene the open session meeting.

Mr. O'Malley moved to reconvene the open session meeting. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

With a quorum being present, the Chairman called the open session meeting back to order, and again, Michael Dwyer of Wainwright Investment Counsel noted for the board members that the focus of today's meeting is for the various investment professionals to give a brief presentation on their particular fund(s) as part of P.E.R.A.C.'s annual investment manager review. All presentations will be via Zoom.

Then, Benjamin Tobey and Darren Kleis of Principal Global Investors joined the meeting so that they could give a brief informational update on their U.S. Property Account. To open, Mr. Tobey provided the board members with a brief organizational overview of the firm. Founded in 1879, Principal is a trusted and experienced global investment leader with approximately \$486.5 billion in assets under management. Mr. Kleis then reminded the board members that their firm is involved in all four quadrants of the real estate platform; private equity, private debt, public equity and public debt. He noted that they have roughly \$82.9 billion in total real estate assets under management and they are able to draw from more than 60 years of real estate investment experience. He highlighted their "very consistent and stable" portfolio management team which provides a team approach to portfolio management. He provided the board members with an account overview as well as an account summary for the Falmouth Retirement System. As of August 31, 2020, the market value of the retirement system's investment was around \$6.6 million. In addition, he shared some thoughts on their 2020 strategic themes, their diversification by region and by property type, and their performance summary. After some additional discussion with the board members, both Mr. Tobey and Mr. Kleis exited the board meeting.

Next, Tim D'Arcy and Keith Brittain from Hamilton Lane joined the meeting. Mr. D'Arcy began by providing the board members with a brief update on their firm. He reviewed their secondary platform and secondary team. With regards to their Secondary Fund IV, the capital called from its investors is around 86% with about 29.3% of the capital distributed back to the investors. As of March 31, 2020, the net IRR is approximately 15.2%. Mr. Brittain noted that they expect to utilize a majority of the distributions to off-set capital calls and to pay down the outstanding balance of the credit line. He then reviewed their portfolio construction as well as their secondary deal flow and investment activity. He stated that "the portfolio remains well positioned to navigate a volatile COVID -19 environment." After some additional discussion with the board members, both Mr. D'Arcy and Mr. Brittain exited the board meeting.

Then, Keri Hepburn and Brandon Lopez from Aristotle Capital Management joined the meeting to discuss their Small Cap Equity Collective Investment Trust. This is a relatively new investment for the retirement system. Ms. Hepburn began by providing the board members with a brief overview of their firm. She noted their boutique structure with a stable, experienced investment team and a diversified client base. She described their investment philosophy and their investment process. Mr. Lopez provided a market review and outlook as well as a portfolio review. "Falling interest rates have helped to fuel growth's outperformance of value. Falling interest rates have also driven a rotation into more speculative investments. To better understand the risks associated with COVID-19 and its potential secondary effects, we are reviewing key drivers at the company level and the potential impact to our long-term thesis." In closing, he reviewed the top contributors and detractors to the portfolio and he noted some of the transactions through Q2 2020. After some additional discussion with the board members, both Ms. Hepburn and Mr. Lopez exited the board meeting.

Martha Payne of Mesirow Financial then joined the meeting. She began by providing the board members with a brief overview of Mesirow Financial. She noted that there have been no significant changes to their firm. They have a deep, integrated team and they are all based in Chicago, IL. They have a simple, client-centric allocation policy with a focus to optimize capital

under management to maximize opportunity. She noted that that Falmouth Retirement System had committed \$1.5 million of which about \$1.4 million has been called and \$2.0 million has been distributed back to the retirement system. The Partnership Fund IV is 100% committed with about 39 underlying managers. She briefly summarized some of the select portfolio drivers in which the Partnership Fund IV has invested. She discussed their investment strategy and their portfolio construction. It is a moderately sized portfolio designed to provide diversification by manager, by vintage year and by sub-asset class strategy. The investment team tends to emphasize a highly selective and rigorous manager selection process. In closing, she noted that this fund is currently winding down, but it is likely that they will exercise their option for 1-year extensions. After some additional discussion with the board members, Ms. Payne exited the board meeting.

Next, Devin Sullivan of TA Realty joined the meeting to discuss their Realty Associates Fund XII. Mr. Sullivan began with a brief organizational overview of the firm. TA Realty considers itself to be one of the largest buyers and sellers of industrial real estate with approximately \$32 billion in assets under management. He highlighted their dedicated strategies and proven track record. He noted their established, experienced and stable team across different real estate disciplines. He provided the board members with some U.S. real estate economic and market overview. Some of the key take-aways include:

- the second quarter data captured the steep decline in economic activity due to the pandemic-induced lockdowns
- the economy is on a path to recovery, but the pace of the recovery looks like it has slowed as new COVID-19 cases begin to spike
- price discovery remains challenged

He noted that Fund XII had its final equity closing in February 2020 with equity commitments totaling \$1,178.1 MM. As of June 30, 2020, the fund had closed investments on 19 assets for a gross purchase price of about \$526.1 MM. They continue to execute a disciplined investment strategy with a focus on diversification, income growth and property fundamentals. He provided details on some of their more recent transactions. In addition, he noted the sizable capital call for the month of October. After some additional discussion with the board members, Mr. Sullivan exited the board meeting.

Then, Mark Andrew of Lexington Capital Partners joined the meeting to give a brief presentation on their Lexington Capital Fund V and their Lexington Capital Fund VII. Mr. Andrew began with a brief update of their firm, Lexington Capital Partners. He highlighted their leadership position within the secondary markets, their global platform, their deep and experienced investment team, and their substantial capital base. He noted that Fund V has been one of their better performing funds. This fund has been 100% committed, and to-date, it has distributed 189% of the contributed capital. At this time, Lexington Capital Fund V is essentially fully distributed and has generated a net multiple of 1.7x. After some additional discussion with the board members regarding this fund, Mr. Andrew then turned his discussion to Lexington Capital Fund VII. Since 2014, this fund has been fully committed with total capital of \$7.05 billion. It has completed 56 transactions with a total committed capital of \$7.0 billion. As of August 2020, \$8.9 billion or 143%

of contributed capital has been distributed to the limited partners. He discussed Fund VII's current portfolio construction including the transactions, the sector and geographic diversification, and the sponsor exposures. In addition, he discussed with the board members the investment performance of their funds and the opportunities in the global secondary markets. After some additional discussion with the board members, Mr. Andrew thanked the board members for the relationship and exited the meeting.

For the final presentation of the day, Gregory Balewicz and Riz Hussain from Lord Abbett joined the meeting to discuss their High Yield Core Fixed Income strategy. Mr. Balewicz began with a summary of the retirement system's investment. The retirement system made an initial commitment of \$3.0 million, and as of August 31, 2020, the market value was about \$3.3 million. He discussed their relationship team, and provided an overview of their firm with approximately \$198.5 billion in assets under management. He highlighted their collaborative team with their deep sector expertise noting that "we aspire to be the most respected asset manager in the world." Mr. Hussain then discussed in some detail their investment process, their quantitative risk management, their portfolio construction, and their portfolio characteristics including sector allocation. After some additional discussion with the board members, Mr. Balewicz thanked the board members for the relationship and both he and Mr. Hussain exited the board meeting.

After some additional commentary and discussion with the board members, Mr. Fabrizio and Mr. Dwyer ended their meeting with the board members.

Then, the Town Treasurer, Patricia O'Connell, joined the meeting via Zoom, and she reviewed for the board members the monthly reconciliation of the cash account for the month of July. Through the end of July, it was noted that the account with Rockland Trust has receipts in the amount of \$1,217,338.80 and a statement balance in the amount of \$95,701.04. She noted that the month-end fund balance is \$21,508.89 with outstanding checks for the month in the amount of \$74,192.15. In addition, it was noted that the check sequence for the month of July began with check #9913 and ended with check #9954. There are no checks in this sequence that have not been accounted for through the end of the month. After some discussion, the board members entertained a motion to accept the report from the Office of the Treasurer.

Ms. Philbin moved to accept the report from the Office of the Treasurer. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open session meeting.

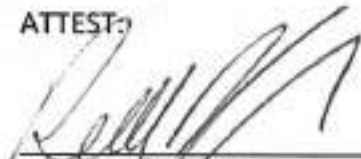
Ms. Mullen moved to adjourn the open session meeting. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

At approximately 2:55 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, October 22, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



Russell R. Ferreira
Chairman, Elected Member



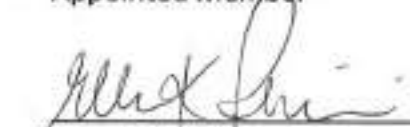
Jennifer P. Mullen
Ex-Officio Member

ABSENT

Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director