

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 23, 2021

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

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 physically present, Chairman Ferreira called the meeting to order, and he noted for all that, in accordance with Chapter 20 of the Acts of 2021, relating to the COVID-19 pandemic, it has been determined that remote participation is permissible for those that choose to teleconference.

Then, the Director reviewed for the board members the monthly reconciliation of the cash account, submitted by the Town Treasurer, for the month of July. Through the end of July, the Director noted that the account with Rockland Trust has receipts in the amount of \$1,294,896.79 and a statement balance in the amount of \$72,446.00. He noted that the month-end fund balance is \$37,297.62 with outstanding checks for the month in the amount of \$35,148.38. In addition, it was noted that the check sequence for the month of July began with check #10403 and ended with check #10447. 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 monthly reconciliation submitted by the Town Treasurer.

Ms. Mullen moved to accept the monthly reconciliation submitted by the Town Treasurer. 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 reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on August 19, 2021. After some discussion, the board members entertained a motion to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on August 19, 2021.

Mr. O'Malley moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on August 19, 2021. 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 #28/2021	\$1,148,903.53	Warrant #29/2021	\$ 7,962.40
Warrant #30/2021	\$ 7,962.40		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #28/2021 through #30/2021.

Mr. O'Malley moved to approve the payment, as noted, of warrants #28/2021 through #30/2021. 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

Then, the board members reviewed the payment of the following investment fee:

- People's United Bank, July 2021 custodial fee \$ 4,548.67

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

Ms. Philbin moved to approve the payment, as noted, of the above-mentioned investment fee. 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 reviewed the following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY2018, a capital call payable on 9/1/2021 in the amount of \$58,355.65
- PRIT Private Equity Fund VY2020, a capital call payable on 9/1/2021 in the amount of \$97,394.72

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

Ms. Mullen 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 8/27/2021 in the amount of \$60,000.00
- Lexington Capital Fund VII, a distribution received on 8/30/2021 in the amount of \$22,299.00
- PRIT Private Equity Fund VY2018, a distribution received on 9/1/2021 in the amount of \$31,376.11
- TerraCap Partners Fund IV, a distribution received on 9/14/2021 in the amount of \$29,147.51

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:

- Sheri L. Miller-Bedau; amount of transfer is \$2,509.59; resignation from service with the Town of Falmouth, Health Department (*with this transfer, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis*)
- Jill E. Erickson; amount of refund is \$22.45; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Kathryn E. Entwisle; amount of refund is \$18,058.09; termination from service with the Town of Falmouth, Communications Center (*with this refund, the Falmouth Retirement System will accept 2 years and 9 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 former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions.

Ms. Mullen 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. 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 noted the following members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Florence M. DiFilippo; date of retirement is 8/1/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Christine A. Medeiros; date of retirement is 8/1/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Rodman L. Palmer; date of retirement is 8/1/2021 from the Town of Falmouth, Inspectional Services Department; Group One

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

- Charles E. Starr Jr.; Payroll Clerk, Falmouth Housing Authority, Group One; DOM 7/21/2021, 9% + 2%
- Adam J. Souweine; Program Director, Town of Falmouth, Recreation Department, Group One; DOM 8/9/2021, 9% + 2%
- Lionel E. Hall; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Taylor L. Shoemake; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Leona P. Silva; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Tess E. Pimental; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Jasmine M. Bishop; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Samira D. Mazloum; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Melanie A. McCusker; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Cheyenne E. Lambert; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Delaney G. Mathews; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Alexis T. Nawrocki; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Alexa M. Scribner; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Molly E. Bruce; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Kristen E. Kallberg; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Jenna L. Noelte; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%

- Sharon F. Shea; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2021, 9% + 2%
- Catherine M. Femino; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2021, 9% + 2%

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

- Scott T. Starbard; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$14,415.91 (*upon completion of this military service purchase, the Falmouth Retirement System will accept 4 years of 3(8)(c) liability on a 12-month basis*)

After some discussion, the board members entertained a motion to approve, as noted, the request of the above-mentioned member to purchase his/her service prior to membership with the Falmouth Retirement System.

Ms. Mullen moved to approve, as noted, the request of the above-mentioned member to purchase his/her service prior to membership with the Falmouth Retirement System. 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 reviewed the following first reports of injury:

- James M. Craven; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while positioning patient on a stretcher, employee was injured.
Date of Injury 8/6/2021
- John L. DePonte; Police Officer, Town of Falmouth, Police Department, Group Four; while arresting a non-compliant subject, employee was injured.
Date of Injury 8/6/2021
- Robert A. Martino Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while assisting a patient, employee was injured.
Date of Injury 9/1/2021
- William G. Kosky Jr.; Police Officer, Town of Falmouth, Police Department, Group Four; while detaining a combative subject, employee was injured.
Date of Injury 9/3/2021
- Gregory S. Geggatt; M.E.O., Town of Falmouth, D.P.W. Highway Division, Group One; while pulling on a metal plate cover, employee was injured.
Date of Injury 9/9/2021

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

- PERAC memo #24/2021 Important Amendment to G.L. c. 32 §100

Also, the board members reviewed other relative correspondence.

The Director then reminded the board members of the upcoming M.A.C.R.S. Fall virtual conference to be held on October 4th and October 5th. It was noted that, at this time, a draft agenda was available, and that certain sessions have been approved by P.E.R.A.C. for board member C.E.U. training credits. After some discussion, the board members entertained a motion to approve the associated conference fee for the board members as well as the two staff members to attend the M.A.C.R.S. Fall virtual conference.

Ms. Philbin moved to approve the associated conference fee for the board members as well as the two staff members to attend the M.A.C.R.S. Fall virtual conference.

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 Director noted the following activity, provided by Attorney Poser, in the pending legal matters:

- *Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453; a joint pre-hearing memorandum has been filed with D.A.L.A. with no hearing date scheduled yet.
- *Daniel Donahue v. Falmouth Retirement Board*, CR-21-0048; a joint pre-hearing memorandum has been filed with D.A.L.A. with no hearing date scheduled yet.

Then, Michael Dwyer of Wainwright Investment Counsel joined the meeting via Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of July, and he reviewed the plan results. Through the end of July, the plan's estimated gross market value was approximately \$195.5 million. Year-to-date, the plan is up 12.16% versus the policy benchmark which is up 9.27%. Compared to its policy benchmark (up 16.24%), the domestic equity sector (up 15.30%) is behind. The international equity sector (up 12.69%) is ahead of its benchmark (up 9.90%). The equity managers continue to drive the portfolio's returns with some very strong performance. The domestic fixed income strategy (up 0.67%) is slightly ahead of its benchmark (up 0.03%). As interest rates rise, fixed income will decline. The performance of the fixed income funds is not unexpected as most of these investments, apart from Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is up 12.56% versus a benchmark that is up 5.37%. At present, the real estate funds, except for Metropolitan Real Estate which is in the process of winding down their fund, are ahead of the benchmark. Due to the nature of the investments held within the private equity sector, their performance returns are stated with as much as a two-quarter lag. Yet, this sector is estimated to be up 26.94% versus a benchmark that is presently at 10.41%. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio. Apart

from Lexington Capital Fund V and Siguler Guff & Company Fund III, all of the funds in this sector appear to be providing double digit positive returns for the year. For the year, the P.R.I.T. Absolute Return Fund is up 7.67% versus a benchmark that is up 4.66%. Lastly, the cash balance is approximately \$19.8 million. Wainwright Investment Counsel noted that they continue to be “pleased with the overall performance of this portfolio” and “the high reported cash balance does not reflect the rebalance of the portfolio which has been executed”.

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 and Paulo Campos 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, their S&P 600 Pooled Index Fund and their MSCI EAFE Pooled Index Fund. Ms. D’Entremont began by providing the board members with a current profile of the firm. As of June 30, 2021, their firm has about \$92.3 billion in total assets under management with approximately \$58.5 billion in assets being managed for public funds. She provided some very brief comments about the COVID-19 pandemic. In terms of the funds, the Russell 1000 Value Pooled Index Fund (large cap) is up approximately 20.32% year-to-date. As of August 31, 2021, the market value for the retirement system’s account was approximately \$12.8 million. Overall, this pooled index fund has approximately \$747.3 MM in assets spread between 843 holdings. The Falmouth Retirement System owns about 1.73% of this fund, and the system is one of nineteen 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 21.08% year-to-date. As of August 31, 2021, the market value for the retirement system’s account was approximately \$12.5 million. Overall, this pooled index fund has approximately \$976.3 MM in assets spread between 497 holdings. The Falmouth Retirement System owns about 1.28% of this fund, and the system is one of twenty-seven 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 up approximately 20.30%. As of August 31, 2021, the market value for the retirement system’s account was approximately \$7.4 million. Overall, this pooled index fund has approximately \$1,276.7 MM in assets spread between 401 holdings. The Falmouth Retirement System owns about 0.58% of this fund, and the system is one of thirty-nine 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 up approximately 23.04%. As of August 31, 2021, the market value for the retirement system’s account was approximately \$26.7 million. Overall, this pooled index fund has approximately \$413.2 MM in assets spread between 603 holdings. The Falmouth Retirement System owns about 6.47% of this fund, and the system is one of twenty-eight investors in the S&P 600 Pooled Index Fund. She then discussed their MSCI EAFE Pooled Index Fund. This is a new investment for the retirement system. As of August 31, 2021, the market value for the retirement system’s account was approximately \$4.0 million. Overall, this pooled index fund has approximately \$384.2 MM in assets spread between 847 holdings. The Falmouth Retirement System owns about 1.05% of this fund, and the system is one of sixteen investors in the MSCI EAFE 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 and Mr. Campos 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. 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 56 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 \$7.5 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 noted the unexpected passing of their portfolio manager for the small/mid-cap growth strategy, and their personnel plan moving forward. She then reviewed the portfolio construction and strategy, the portfolio characteristics, and the style. As of June 30, 2021, the retirement system's share of this portfolio, which year-to-date is up 14.1%, has a market value of approximately \$21.0 million. After some additional discussion with the board members, Ms. Oliver thanked the board members for the relationship, and she exited the board meeting.

Next, Stephen Hagenbuckle and Joseph Connolly of TerraCap Management joined the meeting to discuss their TerraCap Partners Fund IV. This is a relatively 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. 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 retirement system had committed \$5.0 million of which 100% has been called, and now, is receiving a return of their capital. At this time, TerraCap Partners Fund IV has an IRR of approximately 15.41%. After some additional discussion with the board members, Mr. Hagenbuckle and Mr. Connolly exited the board meeting.

Laura Strickland of the P.R.I.M. Board then 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. Ms. Strickland began with an overview of the P.R.I.M. Board and the P.R.I.T. Fund. She noted that P.R.I.M. is an independent, self-funded agency that has a professional, experienced and focused investment staff which is governed by a nine-member board of trustees. Their mission is to relieve the pension funding burden placed on the taxpayers. As of June 30, 2021, the fund had approximately \$95.7 billion in assets under management. She highlighted some of their top accomplishments and their recent recognitions. She noted their board membership, their committee membership, their investment team as well

as their finance and operations team. She then discussed various economic data and the effects of COVID-19 on the markets. She discussed with some detail their hedge fund portfolio, their core real estate portfolio and their private equity portfolios. As of June 30, 2021, the Falmouth Retirement System had a total investment in the different P.R.I.T. funds of approximately \$28.0 million. After some additional discussion with the board members, Ms. Strickland exited the board meeting.

Then, 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 fund is in the post-investment phase with \$2.2 billion committed to 51 transactions. As of March 31, 2021, the net IRR is approximately 22.9%. Mr. Brittain noted that they have successfully completed a recapitalization of the fund’s portfolio which resulted in a significant distribution to the partners. He then reviewed their portfolio construction as well as their secondary deal flow, performance drivers and investment activity. He stated that “they believe that the portfolio continues to remain 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.

For the final presentation of the morning, Martha Payne and Courtney Haynes of Mesirow Financial then joined the meeting. Ms. Haynes 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 investment team which creates a synergy of expertise across strategies. They have a transparent, client-centric allocation policy with a focus to optimize capital under management to maximize opportunity. Ms. Payne then noted that that Falmouth Retirement System had committed \$1.5 million of which about \$1.4 million has been called and \$2.2 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 fund 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 options for extension. After some additional discussion with the board members, Ms. Payne and Ms. Haynes thanked the board members for the relationship and 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.

Mr. O’Malley moved to suspend the open session meeting so that the board members could recess for lunch. 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

At approximately 11:35 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.

Ms. Mullen 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 physically present, the Chairman called the open session meeting back to order, and again, he noted for all that, in accordance with Chapter 20 of the Acts of 2021, relating to the COVID-19 pandemic, it has been determined that remote participation is permissible for those that choose to teleconference. Michael Dwyer of Wainwright Investment Counsel then reminded 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.

Next, Brian McGehee of BentallGreenOak Strategic Capital Partners joined the meeting to give a brief presentation on their Metropolitan Real Estate Partners Distressed Co-Investment Fund. To begin, Mr. McGehee outlined for the board members the agreement that BentallGreenOak has reached to acquire Metropolitan Real Estate Equity Management from The Carlyle Group. BentallGreenOak is a global real estate investment adviser and a globally recognized provider of real estate services. Metropolitan Real Estate Partners is still able to make independent investment decisions and will continue to be responsible for the management of their Metropolitan funds. The investment process and executive team will remain in place. It is anticipated that there will be no change or other disruption to the day-to-day management of the funds. He noted for the board members that their team has a deep bench of investment professionals with a consistent track record of outperforming the benchmarks across all strategies. With regards to their 2008 Distressed Co-Investment Fund, 97% of the capital has been called while, as of June 30, 2021, 139.9% in distributions have been returned to their investors. He provided the board members with a partnership summary of the fund including the performance and the projected net cash flow timing. In closing, it was noted that the fund seems to be doing well, but the COVID-19 pandemic has slowed the transaction process. Some minor exposures remain as this partnership is nearing its completion. A full liquidation of the fund in the coming quarters is anticipated. After some additional discussion with the board members, Mr. McGehee ended his meeting with the board members.

Brad Bennett and Cliff Yonce of Siguler Guff & Company then joined the meeting. They began with a quick reminder of their firm....a multi-strategy private equity investment firm with a specialization of investing in distressed opportunities. The firm has a dedicated team of investment professionals that is deep with experience. They reminded the board members that the Falmouth Retirement System had committed \$5.0 million to their Distressed Opportunities Fund III, a fund that buys all things distressed. It is estimated that, as of June 30, 2021, \$4.85 million of the total commitment has been called, and they have distributed back to the retirement system about \$7.11 million. The Falmouth Retirement System's share of this portfolio has a remaining value of approximately \$0.92 million. They provided a performance update, including performance drivers and positions. They then discussed with the board members the proposed liquidation plan of their Distressed Opportunities Fund III...noting that, in the next month or so, the retirement system will be served with a decision to either extend the term of the fund or participate in a tender of the fund. After some additional discussion with the board members, Mr. Bennett and Mr. Yonce both ended their meeting with the board members.

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. At this time, Fund V is essentially fully distributed and has generated a net multiple of 1.68x. After some additional discussion with the board members regarding this fund, Mr. Andrew then turned his discussion to their 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 2021, \$9.4 billion or 151% 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 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.

Patrick Hearne and Shawn Mahoney of State Street Global Advisors then joined the board meeting. To begin, Mr. Hearne provided the board members with a current overview of their firm. S.S.g.A. is the investment management arm of State Street Corporation which is a global leader in financial services with a heritage dating back over two centuries. S.S.g.A. is entrusted with over \$3.9 trillion in assets worldwide. Their investment team seeks to offer broad-based market exposure in highly specialized active and passive strategies across the risk-return spectrum. He discussed the current economic environment and their continued concerns around the COVID-19 pandemic. He then discussed with the board members the current market value of our two fixed income strategies. As of August 31, 2021, the High Yield Bond Index Fund had a market value of approximately \$3.5 million and the Passive Bond Market Index Fund had a market value of approximately \$29.7 million. Year-to-date, the High Yield Bond Index Fund was up roughly 4.81% gross of fees and the Passive Bond Market Index Fund was down 0.67% gross of fees. Also, he provided the board members with an overview of the global fixed income arena including their investment philosophy, their investment process, and their risk management.

After some additional discussion with the board members, Mr. Hearne and Mr. Mahoney exited the board meeting.

Next, Gregory Balewicz, Timothy Poulin and Andrew Fox 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, 2021, the market value was approximately \$3.6 million. He noted their relationship team and provided an overview of their firm....highlighting their collaborative team with their deep sector expertise. Mr. Fox 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 their group exited the board meeting.

For the final presentation of the day, Devin Sullivan and Kendrick Leckband 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 \$12.3 billion in assets under management. He highlighted their dedicated strategies and proven track record. He noted their established, experienced and stable team across the various real estate disciplines. 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, 2021, the fund had closed on 46 investments for a total investment of approximately \$1,214.4 MM. 100% of the fund's committed capital has now been called, and the fund is now in the return of capital phase. They continue to execute a disciplined investment strategy with a focus on diversification, income growth and property fundamentals. Ms. Leckband provided details on some of their more recent transactions. In addition, she provided the board members with some U.S. real estate economic and market overview. Some of the key take-aways include:

- industrial sector supply/demand imbalance will further tighten fundamentals
- heightened demand for housing will continue to benefit all multi-family markets
- the retail sector will continue to surprise to the upside
- office is improving but still uncertain

After some additional discussion with the board members, Mr. Sullivan and Ms. Leckband exited the board meeting.

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

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. 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

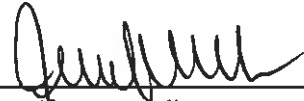
At approximately 2:40 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, October 21, 2021 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



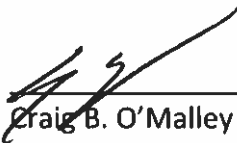
Russell R. Ferreira
Chairman, Elected Member



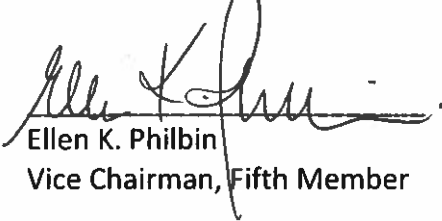
Jennifer P. Mullen
Ex-Officio Member

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