

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 22, 2022

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman and Paul J. Slivinski

Board members in absence: Jennifer P. Mullen and Craig B. O'Malley

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

Others in attendance: Nicholas Poser, Legal Counsel for the Falmouth Retirement Board (by Zoom)

At approximately 9:30 a.m., with a quorum being physically present at the office of the Falmouth Retirement System, Chairman Ferreira called the meeting to order, and he noted for all that, in accordance with Chapter 107 of the Acts of 2022 relating to the COVID – 19 pandemic and the Open Meeting Law waiver, it has been determined that remote participation is permissible for those that choose to teleconference.

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, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,038,372.28 and a statement balance in the amount of \$62,350.54. She noted that the month-end fund balance is \$49,689.63 with outstanding checks for the month in the amount of \$12,660.91. In addition, it was noted that the check sequence for the month of July began with check #10821 and ended with check #10858. Also, it was noted that check #10560, check #10562 and check #10634 had been voided. All the checks in this sequence have 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.

Mr. Slivinski moved to accept the monthly reconciliation submitted by the Town Treasurer. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on August 25, 2022. 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 25, 2022.

Ms. Philbin moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on August 25, 2022. Mr. Slivinski seconded the motion; all board members present voted in the affirmative.

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

Warrant #30/2022	\$1,209,054.68	Warrant #31/2022	\$ 8,366.40
Warrant #32/2022	\$ 8,366.40	Warrant #33/2022	\$105,612.71
Warrant #33/2022DD	\$ 22,092.01		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #30/2022 through #33DD/2022.

Mr. Slivinski moved to approve the payment, as noted, of warrants #30/2022 through #33DD/2022. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

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

- People's United Bank, July 2022 custodial fee \$ 4,694.60

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. Slivinski seconded the motion; all board members present voted in the affirmative.

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

- PRIT Private Equity Fund VY2018, a capital call payable on 9/1/2022 in the amount of \$6,576.70
- PRIT Private Equity Fund VY2020, a capital call payable on 9/1/2022 in the amount of \$18,169.31
- PRIT Private Equity Fund VY2022, a capital call payable on 9/1/2022 in the amount of \$160,622.44

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. Slivinski seconded the motion; all board members present voted in the affirmative.

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

- Lexington Capital Fund VII, a distribution received on 8/30/2022 in the amount of \$9,180.00

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:

- Prince S. Wright; amount of refund is \$249.69; deductions taken in error by the Falmouth Housing Authority
- John B. Moorehead; amount of refund is \$24,484.47; resignation from service with the Town of Falmouth, D.P.W. Facilities Maintenance Division (*with this refund, the Falmouth Retirement System will accept 5 years and 5 months of 3(8)(c) liability on a 12-month basis*)
- Amanda A. Santos; amount of refund is \$382.86; termination from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 2 months of 3(8)(c) liability on a 12-month basis*)
- Matthew T. Edwards; amount of refund is \$53,197.27; termination from service with the Town of Falmouth, Fire Rescue Department (*with this refund, the Falmouth Retirement System will accept 7 years and 11 months of 3(8)(c) liability on a 12-month basis*)
- Jacqueline M. Keaney; amount of transfer is \$19,652.97; resignation from service with the Town of Falmouth, Recreation Department (*with this transfer, the Falmouth Retirement System will accept 3 years and 11 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.

Mr. Slivinski 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, all board members present voted in the affirmative.

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

- Karen A. Hogan; date of retirement is 8/1/2022 from the Town of Falmouth, Falmouth Public Schools; Group One
- Julian M. Suso; date of retirement is 8/27/2022 from the Town of Falmouth, Office of the Town Manager; Group One

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

- Katherine P. Troccoli; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 7/25/2022, 9% + 2%
- Diane M. Carolla; Paralegal, Town of Falmouth, Office of the Town Counsel, Group One; DOM 8/29/2022, 9% + 2%

- Kevin R. Rottler; Assistant Recreation Director, Town of Falmouth, Recreation Department, Group One; DOM 8/29/2022, 9% + 2%
- Jessica J. Salsman; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/29/2022, 9% + 2%
- Selena M. Alvarado; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Patricia M. Bexon; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Celena D. Gallant; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Slader R. Merriman; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Elisabeth A. Villanueva; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Stephanie L. Ferreira-Maciel; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Kathleen Karchner; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Heather L. Kelley; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Kate E. Masterson; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Kelsey A. Powers; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Wayne V. Smith; Safety Monitor, Town of Falmouth, Falmouth Public Schools, Group One DOM 8/30/2022, 9% + 2%
- Mary E. Tenca; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/6/2022, 9% + 2%
- Cheryl A. Flett; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/6/2022, 9% + 2%
- Kayla C. Knippel; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/12/2022, 9% + 2%
- Tracie L. Smith; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/12/2022, 9% + 2%
- Crystal D. Santiago; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/12/2022, 9% + 2%
- Ryan A. McSweeney; Custodian, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/12/2022, 9% + 2%
- Philip E. Henry; Wastewater Operator, Town of Falmouth, Wastewater Division, Group One; DOM 9/19/2022, 9% + 2%
- Caroline Tansey; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One DOM 9/26/2022, 9% + 2%

Then, the board members reviewed the following first reports of injury:

- Kurt S. Ruta; Police Officer, Town of Falmouth, Police Department, Group Four; while placing an individual into custody, employee was injured.
Date of Injury 7/4/2022
- Craig M. Jones; Police Officer, Town of Falmouth, Police Department, Group Four; while breaking up a fight, employee was injured.
Date of Injury 7/4/2022
- John L. DePonte; Police Officer, Town of Falmouth, Police Department, Group Four; while arresting a combative subject, employee was injured.
Date of Injury 7/16/2022
- Paul T. DiAngelis; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while moving heavy metal furniture, employee was injured.
Date of Injury 7/19/2022
- Craig M. Jones; Police Officer, Town of Falmouth, Police Department, Group Four; while transporting an arrested subject, employee was injured.
Date of Injury 7/24/2022
- Craig M. Jones; Police Officer, Town of Falmouth, Police Department, Group Four; while booking an intoxicated subject, employee was injured.
Date of Injury 8/11/2022

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #23/2022 Vacation Buybacks as Regular Compensation

Also, the board members reviewed other relative correspondence.

Next, the Chairman asked for a motion to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual.

Ms. Philbin moved to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

At approximately 9:40 a.m., the board members left the open session meeting and moved into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. At the conclusion of the executive session meeting, as noted by the Chairman, the board members would reconvene their open session meeting.

At approximately 9:45 a.m., the board members reconvened their open session meeting, and the Chairman noted the following action taken during the executive session meeting.

TODD A. TAYLOR – ACCIDENTAL DISABILITY RETIREMENT

The board members reviewed the *Member’s Application for Disability Retirement, Treating Physician’s Statement Pertaining to Member’s Application for Disability Retirement* and other supporting documentation. Mr. Slivinski moved to accept the voluntary accidental disability retirement application submitted by Todd A. Taylor and to request that P.E.R.A.C. convene an examination by a regional medical panel. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

The Director then reminded the board members of the upcoming M.A.C.R.S. Fall Conference to be held in Springfield, MA from October 2nd through 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 continuing education training credits. After some discussion, the board members entertained a motion to approve the associated conference fee and travel for the board members as well as the two staff members to attend the M.A.C.R.S. Fall Conference.

Ms. Philbin moved to approve the associated conference fee and travel for the board members as well as the two staff members to attend the M.A.C.R.S. Fall Conference. Mr. Slivinski seconded the motion; all board members present voted in the affirmative.

Next, Attorney Poser noted the following activity 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.

With Mr. Ferreira’s term set to expire at the end of October, the board members then discussed the position of Chairman of the Falmouth Retirement Board. After some discussion, the board members entertained a motion to appoint Ellen K. Philbin as Chair of the Falmouth Retirement Board and Craig B. O’Malley as Vice Chair of the Falmouth Retirement Board through the conclusion of their current terms, respectively.

Mr. Ferreira moved to appoint Ellen K. Philbin as Chair of the Falmouth Retirement Board and Craig B. O’Malley as Vice Chair of the Falmouth Retirement Board through the conclusion of their current terms, respectively. Mr. Slivinski seconded the motion; all board members present voted in the affirmative.

Then, Michael Dwyer of Wainwright Investment Counsel joined the meeting. 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 \$193.3 million. Year-to-date, the plan is down 5.68% versus the policy benchmark which is down 9.26%. Compared to its policy benchmark (down 13.04%), the domestic equity sector (down 10.07%) is ahead. The international equity sector (down 12.87%) is ahead of its benchmark (down 16.40%). In the current environment of rising interest rates, value should outperform growth. Still, all the equity managers continue to experience negative returns which is a primary driver for this portfolio's decline in value. The domestic fixed income strategy (down 8.38%) is slightly behind its benchmark (down 8.25%). 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 16.48% versus a benchmark that is up 5.33%. 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 4.30% versus a benchmark that is presently down 0.35%. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio. For the year, the P.R.I.T. Absolute Return Fund is down 1.92% versus a benchmark that is down 6.02%. Lastly, the cash balance is approximately \$10.0 million. Wainwright Investment Counsel noted that "the economy continues to be very turbulent. Both the equity and bond markets continue to be down in tandem which is very unusual. Typically, when one is down the other is up. However, at today's board meeting, they will be extremely interested to hear from the investment managers and their perspective on the economy."

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, and Attorney Poser exited the meeting.

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, 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, 2022, their firm has about \$81.5 billion in total assets under management with approximately \$54.6 billion in assets being managed for public funds. She noted some organizational changes and provided some business updates. In terms of the funds, the Russell 1000 Value Pooled Index Fund (large cap) is down approximately 9.85% year-to-date. As of August 31, 2022, the market value for the retirement system's account was approximately \$11.1 million. Overall, this pooled index fund has approximately \$721.0 MM in assets spread between 858 holdings. The Falmouth Retirement System owns about 1.55% 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 down approximately 23.19% year-to-date. As of August 31, 2022, the market value for the retirement system's account was approximately \$8.3 million. Overall, this pooled index fund has approximately \$838.3 MM in assets spread between 520 holdings. The Falmouth Retirement System owns about 0.99% 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 down approximately 13.58%. As of August 31, 2022, the market value for the retirement system's account was approximately \$6.6 million. Overall, this pooled index fund has approximately \$1,166.7 MM in assets spread between 402 holdings. The Falmouth Retirement System owns about 0.57% of this fund, and the system is one of thirty-eight 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 14.74%. As of August 31, 2022, the market value for the retirement system's account was approximately \$6.7 million. Overall, this pooled index fund has approximately \$313.5 MM in assets spread between 602 holdings. The Falmouth Retirement System owns about 2.15% 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. Year-to-date, this fund is down approximately 19.57%. As of August 31, 2022, the market value for the retirement system's account was approximately \$4.9 million. Overall, this pooled index fund has approximately \$375.3 MM in assets spread between 801 holdings. The Falmouth Retirement System owns about 1.32% of this fund, and the system is one of seventeen 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 thanked the board members for the relationship and exited the board meeting.

Next, James Gribbell and Jordan Cram from LMCG Investments joined the meeting to give a brief presentation on their Mid-Cap Core Equity strategy. Ms. Cram 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 forty-one 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 \$3.9 billion in assets under management. Mr. Gribbell 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. He reviewed the portfolio construction and strategy, the portfolio characteristics, and the style. As of June 30, 2022, the retirement system's share of this portfolio, which year-to-date is down 15.8%, has a market value of approximately \$16.5 million. After some additional discussion with the board members, Mr. Gribbell and Ms. Cram thanked the board members for the relationship, and they 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 and then he provided a performance update of their portfolio. As of August 31, 2022, the net asset value of the retirement system's account was approximately \$10.2 million. Year-to-date, the portfolio was down approximately 15.29% gross of fees. He reviewed their international commingled fund second quarter trades and provided some rationale for the transactions. He discussed some of the key performance data through Q2 2022. It was noted that the global equity market weakness is providing an increasing number of investment opportunities and they are encouraged to see the return of more realistic cost of capital assumptions in valuations. The purging of excess in certain

sectors is helpful. In the short term, much will depend on the behavior of the Russia – Ukraine conflict. Here, the role of China may emerge as a critical moderating influence. At moments of stress, the financial markets look to central bankers for reassurance, but unfortunately, there appears to be very little that is credible emanating from them. Also, COVID continues to be a risk. As ever, crises can provide some compelling opportunity. After some additional discussion with the board members, Mr. Kosara exited the board meeting.

Next, Michael Mammes and Eliot Zalevsky of Dimensional Fund Advisors joined the meeting to give a brief presentation on their International Core Equity Fund. To start, Mr. Mammes provided a brief firm update. They are a global investment firm with a long history of managing time-tested investment strategies for clients. With \$575.0 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. Mr. Zalevsky discussed their investment philosophy, the portfolio characteristics, the sector allocations, and the country allocations. In terms of the fund, the international core equity portfolio, year-to-date, is down 17.88%. As of June 30, 2022, the account value for the Falmouth Retirement System was approximately \$10.1 million. Also, he discussed their fees. In closing, Mr. Mammes noted that Dimensional Fund Advisors appreciates the relationship 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. Mammes and Mr. Zalevsky exited the board meeting.

Trey Greer and Kaylee Makel of Earnest Partners then joined the meeting to discuss their Small Cap Core Equity Portfolio. Ms. Makel began by reviewing the current guidelines and investment policy with the board members to affirm that their firm remains in compliance, and, to confirm that there have been no changes to our policy. She noted for the board members that there have been no material changes within their organization, and that they continue to be a 100% employee-owned firm. It was noted that the portfolio was, for the most part, fully invested, and that the ending portfolio value for the Falmouth Retirement System, as of June 30, 2022, was approximately \$16.7 million. Mr. Greer reviewed the performance measurements, the asset growth, the sector weightings, and the equity portfolio characteristics. He provided a review of their investment process as well as a brief overview of the equity markets which he noted were broadly negative in the second quarter of 2022. Continued uncertainty surrounding the Federal Reserve’s posture combined with supply chain disruptions exacerbated by the war in Eastern Europe have caused a recalibration of investor’s expectations. Fighting inflation is the central banks main priority following the increased CPI readings and engineering a “soft landing” will be difficult. Despite the uncertainty within market sectors, the labor market continued to show strength as the unemployment rate declined. After some additional discussion with the board members, Mr. Greer and Ms. Makel thanked the board members for the relationship, and they exited the board meeting.

Next, Patrick Hearne and Shawn Mahoney of State Street Global Advisors 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 \$3.48 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 before transitioning the discussion to our two fixed income strategies. As of August 31, 2022, the High Yield Bond Index Fund had a market value of approximately \$3.1 million and the Passive Bond Market Index Fund had a market value of approximately \$26.5 million. Year-to-date, the High Yield Bond Index Fund was down roughly 10.57% gross of fees, and the Passive Bond Market Index Fund was down 10.75% 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.

Then, 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 by providing a brief organizational overview....highlighting their collaborative team with their deep sector expertise. He did note some impending changes to their team. He then provided a performance update of the portfolio. The retirement system made an initial commitment of \$3.0 million, and as of August 31, 2022, the market value was approximately \$3.2 million. 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.

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

Ms. Philbin moved to suspend the open session meeting so that the board members could recess for lunch. Mr. Slivinski seconded the motion; all board members present voted in the affirmative.

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. Slivinski moved to reconvene the open session meeting. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

With a quorum being physically present at the office of the Falmouth Retirement System, the Chairman called the open session meeting back to order, and again, he noted for all that, in accordance with Chapter 107 of the Acts of 2022 relating to the COVID – 19 pandemic and the Open Meeting Law waiver, 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 primary focus for 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.

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 \$38.5 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. As of June 30, 2022, the fund had closed on seventy-four investments for a total investment of approximately \$2,098.3 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. He provided details on some of their more recent transactions. In addition, he provided the board members with some U.S. real estate economic and market overview. Some of the key take-aways include:

- strong tailwinds ahead for industrial demand
- tight market conditions keep rent growth expectations well above average
- pockets of strength emerging within the office market
- retail sector continues to show strength from both consumers and tenants

After some additional discussion with the board members, Mr. Sullivan thanked the board members for the relationship and exited the board meeting.

Then, Stephen Hagenbuckle and Joseph Connolly of TerraCap Management joined the meeting to discuss their TerraCap Partners Fund IV. 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 the retirement system had committed \$5.0 million of which 100% has been called, and now, is receiving a return of the capital. Currently, TerraCap Partners Fund IV has a gross IRR of approximately 15.97%. The remaining fair market value of the retirement system's investment is approximately \$4.4 million. After some additional discussion with the board members, Mr. Hagenbuckle and Mr. Connolly exited the board meeting.

Next, Radhika Cobb of BentallGreenOak Strategic Capital Partners joined the meeting to give a brief presentation on the Metropolitan Real Estate Partners Distressed Co-Investment Fund. To begin, Ms. Cobb outlined for the board members the agreement between BentallGreenOak 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 remain in place. There has been no change or other disruption to the day-to-day management of the funds. With regards to their 2008 Distressed Co-Investment Fund, 97% of the capital has been called while, as of June 30, 2022, 139.9% in distributions have been returned to their investors. She noted that they have closed on a secondary sale of the two remaining underlying fund interests and all underlying fund positions have now been liquidated. It is expected that MREP 2008 DCIF will be fully liquidated and an orderly conclusion to the investment will occur sometime early in 2023. After some additional discussion with the board members, Ms. Cobb ended her meeting with the board members.

Francesco Daniele 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. He began with an overview of the P.R.I.M. Board and the P.R.I.T. Fund(s). He 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 of Massachusetts. As of June 30, 2022, the fund had approximately \$92.4 billion in assets under management. He highlighted some of their top accomplishments and their recent recognitions. He noted their board membership, their committee membership, their investment team(s) as well as their finance and operations team. He then discussed various economic data and the effects 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, 2022, the Falmouth Retirement System had a total investment in the various P.R.I.T. funds of approximately \$38.5 million. After some additional discussion with the board members, Mr. Daniele thanked the board members for the relationship and exited the board meeting.

Then, Tim D'Arcy 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 \$2.1 billion committed to fifty-one investments. In 2017, the Falmouth Retirement System made a \$5.0 million commitment to this fund. As of August 31, 2022, the retirement system has received about \$3.6 million in distributions with a fund remaining net asset value of approximately \$3.6 million. The net IRR is approximately 22.5%. He then reviewed their portfolio construction as well as their secondary deal flow, performance drivers and investment activity. After some additional discussion with the board members, Mr. D'Arcy exited the board meeting.

Next, 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 fifty-six secondary transactions with a total committed capital of \$7.0 billion. As of August 2022, \$9.9 billion or 159% of contributed capital has been distributed to the limited partners. This fund has generated a net multiple of 1.62x. 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.

For the final presentation of the day, 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 approximately \$1.45 million has been called and \$2.5 million has been distributed back to the retirement system. The Partnership Fund IV is 100% committed with about thirty-nine 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, it was noted that this fund is currently winding down, but it is likely that they will exercise their options to extend. 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.

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. Philbin moved to adjourn the open session meeting. Mr. Slivinski seconded the motion; all board members present voted in the affirmative.

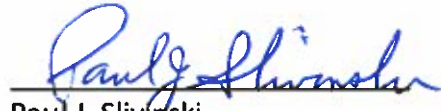
At approximately 2:45 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 2:00 p.m. on Thursday, October 20, 2022 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

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ATTEST:



Russell R. Ferreira
Chairman, Elected Member



Paul J. Slivinski
Appointed Member



Ellen K. Philbin
Vice Chairman, Fifth Member

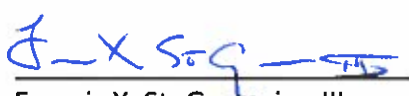
ABSENT

Jennifer P. Mullen
Ex-Officio Member

ABSENT



Craig B. O'Malley
Elected Member



Francis X. St. Germaine III
Director