

**HAVERHILL RETIREMENT BOARD**  
**Tuesday, September 14, 2021 9:00AM**  
**Haverhill City Hall, Room 303 and Zoom**  
**David Van Dam is inviting you to a scheduled Zoom meeting.**

**Topic: My Meeting**  
**Time: Sep 14, 2021 09:00 AM Eastern Time (US and Canada)**

**Join Zoom Meeting**  
**<https://us02web.zoom.us/j/86913813232?pwd=NDZUVUo5WmFwYkRRTXF5WHBUc0VwZz09>**

**Meeting ID: 869 1381 3232**  
**Passcode: 358668**  
**One tap mobile**  
**+19294362866,,86913813232#,,,,\*358668# US (New York)**  
**+13017158592,,86913813232#,,,,\*358668# US (Washington DC)**

**Dial by your location**  
**+1 929 436 2866 US (New York)**  
**+1 301 715 8592 US (Washington DC)**  
**+1 312 626 6799 US (Chicago)**  
**+1 669 900 6833 US (San Jose)**  
**+1 253 215 8782 US (Tacoma)**  
**+1 346 248 7799 US (Houston)**  
**Meeting ID: 869 1381 3232**  
**Passcode: 358668**

**Find your local number: <https://us02web.zoom.us/j/86913813232?pwd=NDZUVUo5WmFwYkRRTXF5WHBUc0VwZz09>**

The meeting was called to order at: 9:05AM

In attendance: Board Members: William Klueber, James Cleary, Charles Benevento, Richard MacDonald, Lewis Poore, Gus Aristizabal (Wainwright Investment Counsel); and David Van Dam (Administrator).

#### Investment Manager Presentations

- Putnam

#### Putnam Investments U.S. Small Cap Growth Equity

The following information was obtained from the Investment Manager's presentation to the Board on September 14, 2021. The information provided herein, including, but not limited to historical performance and descriptive strategy information, was obtained from third party managers and/or custodians independent of and not affiliated with Wainwright Investment Counsel, LLC ("Wainwright") or its affiliates and has not been independently audited or verified

by Wainwright as a result. The information was gathered from sources deemed to be reliable; however, no assurance is made as to the accuracy of the data. Please refer to the Investment Manager's full presentation for additional details and disclosures. Unless otherwise noted, all the information is as of June 30, 2021.

### **Firm Update**

Putnam Investments has \$198 billion in assets under management.

The Firm did not report any legal or regulatory issues.

### **Strategy Update**

The Fund has \$889.6 million in assets under management. There were net inflows of \$27.1 million since July 1, 2020.

The Putnam U.S. Small Cap Growth Equity strategy is managed by William J. Monroe, CFA and supported by dedicated analysts Tania Harsono, CFA, and Ryan Leonard. Additionally, Mr. Monroe leverages the centralized research team that is spread across the Boston, London and Singapore offices, as well as other resources throughout the firm, including the fixed income research team, the sustainable investing team, the quantitative research team, and the risk-management team. Ryan Leonard is a new member of the team.

### **Performance**

	<b><u>Portfolio</u></b>	<b><u>Benchmark</u></b>
Number Of Holdings	90	–
Annual Turnover (LTM)	67%	--
P/E (last 12 months)	41.9x	59.4x
Current P / B	7.3x	6.5x
Current P/S	4.0x	2.5x
Earnings Growth (Next 5 Years)	18.9%	16.9%
Weighted Average Market Cap (\$ billion)	\$5.3	\$3.8
Median Market Cap (\$ billion)	\$4.4	\$1.5
Beta	0.89	–
Debt/Total Capital	50.7%	56.6%
Dividend Yield	0.2%	0.4%

### **Top 10 Holdings**

	<b><u>%</u></b>	<b><u>Industry</u></b>
InMode	2.71	Health care equipment and supplies
Boot Barn Holdings	2.50	Specialty Retail
Medpace	2.41	Life sciences tools and services
Hamilton Lane	2.17	Capital markets
ConMed	2.13	Health care equipment and supplies

R1 RCM	2.12	Health care equipment and supplies
TFI International	1.99	Road and rail
Manhattan Associates	1.98	Software
Open Lending	1.95	Capital Markets
	<u>%</u>	<u>Industry</u>
TechTarget	1.95	Media
Total Percent of Portfolio	21.91%	

### **Sector Allocation**

	Product (%)	Benchmark (%)
Communication Services	3.96	2.97
Consumer Discretionary	15.84	15.23
Consumer Staples	0.0	3.58
Energy	0.70	2.04
Financials	6.59	4.90
Health Care	27.47	30.47
Industrials	16.23	13.39
Information Technology	21.90	21.30
Materials	1.85	3.05
Real Estate	1.65	2.80
Utilities	0.0	0.27

The Portfolio is overweight in Industrials, Financials, Communication Services, Consumer Discretionary and Information Technology. The Portfolio has underweight allocations to Utilities, Real Estate, Materials, Energy, Health Care and Consumer Staples.

### **One Year Attribution**

Health Care, Utilities, Communication Services and Real Estate were the top contributors to performance over the one year period. Industrials, Consumer Discretionary and Information Technology were the top detractors.

- Fisher

### **Fisher Investments Small Cap Value**

The following information was obtained from the Investment Manager's presentation to the Board on September 14, 2021. The information provided herein, including, but not limited to historical performance and descriptive strategy information, was obtained from third party managers and/or custodians independent of and not affiliated with Wainwright Investment Counsel, LLC ("Wainwright") or its affiliates and has not been independently audited or verified by Wainwright as a result. The information was gathered from sources deemed to be reliable; however, no assurance is made as to the accuracy of the data. Please refer to the Investment Manager's full presentation for additional details and disclosures. Unless otherwise noted, all the information is as of June 30, 2021.

Firm Update Fisher Investments has \$186 billion in assets under management. There were net inflows of \$21 billion in 2020 and \$9 billion so far in 2021 at the Firm level. Of the \$9 billion so far this year, approximately \$6.2 billion is managed in the Small Cap Value strategy. Fisher has \$52 billion in institutional AUM.

Small Cap Value had no outflows and the following are the inflows for the past two years: four new accounts in 2020 for \$176.7 million and seven new accounts in 2019 for \$191.6 million.

There were no reported changes to the investment team or the investment process. Fisher continues to work on diversifying the Firm's employee base to include more minorities and more female management. Fisher did not disclose any legal or regulatory issues.

### **Performance**

	<b><u>YTD</u></b>	<b><u>1 Yr.</u></b>	<b><u>3 Yrs.</u></b>	<b><u>5 Yrs.</u></b>	<b><u>Since Inception</u></b> <b>(February 2000)</b>
Haverhill Portfolio (Net)	25.4%	57.0%	15.4%	17.4%	13.8%
Russell 2000 Value	25.4%	59.5%	8.4%	11.7%	10.1%
Alpha	0.0%	-2.5%	7.0%	5.7%	3.7%
Universe Ranking (Evestment Alliance)	54	44	5	4	N/A

### **Portfolio Characteristics**

	<b><u>Portfolio Benchmark</u></b>	
Number Of Holdings	96	--
Annual Turnover (LTM)	13%	--
P/E (last 12 months)	19.7x	14.1x
Current P / B	2.6x	1.7x
Current P/S	1.6x	1.2x
Weighted Average Market Cap (\$ billion)	\$6.2	\$3.0
Beta	0.89	--
Top 10 Holdings	26.6%	--
Dividend Yield	0.65%	--

### **Top 10 Holdings**

	<b><u>%</u></b>
SVB Financial	4.23
Cleveland Cliffs Inc.	3.69
Alcoa	3.34
	<b><u>%</u></b>
Synaptics Inc.	2.99
Boston Beer	2.39
Brooks Automation	2.22
Chart Industries	2.02
Qorvo Inc.	2.02
West Pharmaceuticals Services	1.94

Yelp Inc.	1.76
Total	26.6%

### **Sector Allocation**

	<b><u>Product (%)</u></b>	<b><u>Benchmark (%)</u></b>	<b><u>Relative Weight (%)</u></b>
Information Technology	18.1	5.6	12.5
Consumer Discretionary	16.8	8.3	8.5
Health Care	18.7	11.2	7.5
Materials	11.0	4.7	6.3
Consumer Staples	2.8	2.8	0.0
Industrials	13.2	15.4	-2.2
Communication Services	1.6	4.0	-2.4
Energy	3.1	5.9	-2.8
Utilities	0.0	4.8	-4.8
Real Estate	1.2	11.4	-10.2
Financials	13.5	25.9	-12.4

Over the last 12 months there was a market rally in low quality (typically firms with high leverage, low return on assets and equity, low earning quality) stocks. Fisher did not participate in this market uptick as the portfolio includes better quality and larger market capitalization position. Despite the low quality rally, the portfolio performed well on an absolute basis, but lagged the benchmark. Among the low quality names that rallied are: Game Stop, AMC, Macy's, and American Eagle.

- IR&M

### **Income Research + Management Core Bond Fund II LLC**

The following information was obtained from the Investment Manager's presentation to the Board on September 14, 2021. The information provided herein, including, but not limited to historical performance and descriptive strategy information, was obtained from third party managers and/or custodians independent of and not affiliated with Wainwright Investment Counsel, LLC ("Wainwright") or its affiliates and has not been independently audited or verified by Wainwright as a result. The information was gathered from sources deemed to be reliable; however, no assurance is made as to the accuracy of the data. Please refer to the Investment Manager's full presentation for additional details and disclosures. Unless otherwise noted, all the information is as of June 30, 2021.

### **Firm Update**

Income Research + Management ("IR&M") has \$98 billion in assets under management. A breakdown of AUM by client base is below:

- Corporate: 23%
- Not-For-Profit: 23%
- Insurance: 13%
- Taft Hartley/Union/Other: 15%

- Government: 12%
- Sub-Advisory: 10%
- Private: 4%

The Firm has been independently owned since its inception over 300 years ago. Bill O'Malley became Co-CIO in January of 2020 (with Jim Gubitosi). Jack Sommers is the Executive Chairperson and Board member. The Firm is currently working remotely with a small group of investment professionals working in the office. The Firm has 61 investment professionals with an average of 12 years of experience working on the portfolio management team. The team is comprised of eight Principals, nine Portfolio Managers, seven Directors and Product Specialists, ten Research Analysts, six Traders, and six Product Specialists.

The Firm did not report any legal or regulatory issues.

### Performance

	YTD	1 Yr.	3 Yrs.	5 Yrs.	Since Inception (November 2008)
Haverhill Portfolio	-0.16%	0.96%	6.50%	3.91%	4.39%
Index3	-0.69%	-0.08%	5.43%	3.11%	3.61%
(Index was the Salomon G/C 10+ Index. The current index is the Bloomberg Barclays Aggregate Index)					
Alpha	0.53%	1.04%	1.07%	0.80%	0.78%
Universe Ranking (Evestment Alliance)	54	44	5	4	N/A

### Portfolio Characteristics

	Portfolio	Benchmark
Yield (%)	1.57	1.42
Spread to Treasury (bps)	58	35
Effective Duration	6.51	6.65
Convexity	0.54	0.27
Average Quality	Aa2/AA-	Aa2/AA
	Portfolio (%)	Benchmark (%)
Aaa	62.8	71.0
Aa	2.7	3.4
A	14.1	11.2
Baa	19.2	14.4
Ba	0.6	0.0
Below Ba	0.0	0.0
Not Rated	0.0	0.0
Cash	0.6	0.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Sector Allocation**

	Portfolio (%)	Benchmark (%)
Government	19.7	39.8
Treasury	17.4	38.3
TIPs	0.6	0.0
Agency	0.0	1.3
Gov't Guaranteed	1.6	0.1
Credit	31.7	29.9
Finance	11.1	8.1
Industrial	17.1	16.1
Utility	3.4	2.2
Credit Non-Corporate	0.1	3.6
Securitized	46.4	29.6
RMBS	2.8	0.0
Agency RMBS	26.1	27.3
ABS	8.1	0.3
CMBS	9.4	1.2
Agency CMBS	0.0	0.8
Municipal	1.7	0.7
GO	0.3	0.2
Revenue	1.4	0.5
Municipal Other	0.0	0.0
Cash	0.6	0.0

The portfolio is overweight Corporate Securities and Securitized securities and underweight Treasuries. These two overweight's have contributed to performance relative to the Bloomberg Barclays Aggregate Index as spreads have tightened. The portfolio is run duration neutral relative to the benchmark.

**Treasuries**

When yields went up in March 2021, the management team added to Treasuries. The management team have increased the exposure to securitized credit (e.g., agency RMBS, CMBS) and reduced TIPS lately as inflationary expectations have come down.

**Credit**

In Credit, the Financial Sector allocation has been in Bank Money Centers and High Quality Insurers. REITS are an area where Credit is underweight.

In Industrials, the Portfolio is underweight Energy because this manager believes that spreads are trading at an assumption that oil prices are at \$100/barrel.

The management team is selectively adding to names in the Utilities sector despite the fact that Utilities are tightly regulated and there have been some issues with fires on the West Coast.

The management team is underweight long credit, but are continuing to selectively add to credit when spreads widen.

### **Securitized**

Focus on high quality (typically AAA), but have recently added portfolio exposure that is at the lower end of investment grade. Focus on idiosyncratic issues (aged \$70-80 K mortgages that unlikely to refinance).

In ABS, the team has recently added to securitized REITS while avoiding auto and credit card ABS.

In CMBS, the team is looking into single family rentals and distribution centers with Amazon as a tenant.

### **Municipals**

The firm is selectively looking at market opportunities like the “Build America” program.

### **Investment Consultant Review & Update Report**

- Overview of Markets and Performance Report
- 1- Wainwright Investment Counsel provided a market update as of September 7, 2021, and a performance update for the portfolio as of July 31, 2021.
  - 2- Wainwright Investment Counsel provided a rebalancing report as of September 7, 2021. Wainwright Investment Counsel reminded the client that the valuations used for rebalancing are the most recent valuations available from People’s United Bank. Those valuations will be different from the valuations ultimately reported by Pension Reserves Investment Trust. The Board will take up to \$2.0 M from Pension Reserves Investment Trust in September 2021 to cover benefit payments.
  - 3- Wainwright Investment Counsel provided the schedule of distributions received year-to-date from the private equity and real estate managers through September 7, 2021.
  - 4- Wainwright Investment Counsel provided preliminary performance for Putnam Investments and Fisher Investments as of August 31, 2021.
  - 5- Wainwright Investment Counsel discussed Inflation and the recent regulatory enforcement against technology companies in China with the Board.

### **Warrants**

Review and approve the warrants:

- August 2021 Warrant #08-2021: \$2,389,375.20 (approved to transfer up to \$2,000,000.00).



A motion was made by Cleary to accept the August 2021 Warrant as listed above, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

- Estimated September 2021 warrant: \$2,500,000.00. Up to \$2,000,000.00 for September 2021 month end warrant.

A motion was made by Cleary to accept the Estimated September 2021 Warrant and transfer of up to \$2,000,000.00 for the warrant, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

#### New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Kimberley A. Costanzo, Katherine Shanahan, Victoria MacMillan, Michelle Hazelwood, Neuris De La Cruz, Amy Sevene, Jessica Lee, Kerry Bean, Casy Haskell, Sarah-Ann D'Angelo, Pamela Zgrodnik, Niisrine Rahhal-Safi, Jaklyn MacDonald, Kara Gendron, Alison Walker, James Darwin, Haley N. Bomil, Nicole Diamond, Katherine R. Klingerman, Emily Benson, Cassidy Toomey, Michaela McMullen, Coralie Mathieu, Michelle Low, Christian Molina, Kelly Fillion, Abigail McCarthy, Nicole Bartlett, Antonio Infante, Nicole Smith, Ashleigh Viola, Samantha Fazio, Tammy Leavitt, Jessica Rozon, Elizabeth Oleary, Jill Cote, Stacey Therrien, Marinna Gosselin, Olivia Clark, Cassandra Mancini, Stephanie Stewart, Jennifer Ashley, Elizabeth Simmons, Cynthia Rwabuhinga, Karyn McHugh, Rita Almanzar, Tiffany Bell, Julie Faucher, Gidalia Lopez and Yu Kang, Sophie Rodriguez, Gilbert Polanco, Lori Giunta and Hudson Hartman. **City of Haverhill- Haverhill Police Department:** Selenni Garcia and Carly Fowler. **City of Haverhill- Health & Inspectional Services:** Elsy Rivas. **City of Haverhill- Water Treatment:** Jonathan Decker.

A motion was made by Cleary to accept the New member Enrolments as listed above, seconded by Benevento.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

#### Buybacks/Makeups-

- Robert Pistone, Jr. is buying back 1 yr., 4 months of time for his Groveland Police Reserve Time for (May 27, 1997- December 31, 1997) and January 1, 1998- October 14, 1998); \$1,414.37.

A motion was made by Poore to send the Buyback request made by Robert Pistone, Jr. to Michael Sacco, the board attorney for his review prior to any action by the board, seconded by Cleary.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Refunds-

- Erik Frasca (\$60,667.11; 14 yrs., 8 months, city highway), Richard Jalbert (\$6328.05; 4 yrs., 6 months, school), Michael Bresnahan (\$6,019.12; 8 yrs., 0 months, city councilor), Paul Loan (\$16,731.83; 4 yrs., 5 months, school), Felix Torres-Ramon (\$5,716.92; 1 yr., 7 months, school) and Gene Fontaine (\$29,665.14; 6 yrs., 11 months, school).

A motion was made by Benevento to accept the Refunds as listed above, seconded by Poore.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Rollovers-

- None at this time.

No action needed by the board at this time.

Transfers-

- **City of Haverhill- Haverhill Public Schools:** Gwendolyn Junghans (\$8,272.77; 1 yr., 10 months-State) and Kathleen Smith (\$36,833.71; 4 yrs. 3 months-MTRS).

A motion was made by Poore to accept the Transfers as listed above, seconded by Benevento.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Retirements/Disabilities/Survivor Benefits- VOTE

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- Acknowledge Superannuations: **City of Haverhill- Haverhill Public Library:** Lyn Leone (10/18/2021; 10 yrs., 11 months).

A motion was made by Benevento to accept the Retirements/Disabilities/Survivor benefits as listed above, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

PROSPER Update-

- No action needed at this time.

No action needed by the board at this time.

Old Business- Status of DLS Investigation, status of Teamsters Union Local 170 Agreement-signing of MOA and office salary adjustments.

A motion was made by Benevento to pay Laura a \$2,500.00 bonus (not included in her pay and no retirement taken out) now for her dedicated work in the office and give her another \$2,500.00 retroactive to 1/1/2021 at another time to be determined, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

A motion was made by Poore to give Lannie a \$2,500.00 bonus for her dedication to the office with the approval of the boards labor attorney, David Jenkins, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Minutes

- Review and approve the August 10, 2021 regular meeting minutes. VOTE

A motion was made by Cleary to accept the regular board meeting minutes from August 10, 2021, seconded by Benevento.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Correspondence to be reviewed

PERAC Memo #24	8/17/2021	Important Amendment to G.L.32, Section 100
Wolf Popper, LLP	8/19/2021	Litigation Update
Scott + Scott	8/21	2Q21 Quarterly Report
Eastern Bank	07/2021	Bank Reconciliation
Teamsters Union Local 170	9/1/2021	Notification from union to change and/or amend contract that expires 12/31/2021

The board requested that the administrator forward information related to the union to David Jenkins, the board labor attorney.

Greater Lawrence Sanitary District 7/28/2021 Request for 2020 (3)(8)c payment

All correspondence was made available by the administrator for the boards review.

New Business-

Matters and issues the Board would like to discuss at future meetings.

A motion was made by MacDonald to have the October 12, 2021 board meeting via Zoom, seconded by Cleary.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

Adjourn- VOTE


A motion was made by MacDonald to adjourn at 11:13AM, seconded by Benevento.

Roll call vote- 5 yes, Cleary, Benevento, Klueber, Poore and MacDonald.

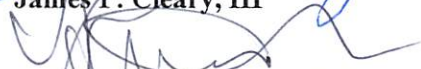
Date of next scheduled Retirement Board meeting is Tuesday, October 12, 2021 at 9:00AM.

  
\_\_\_\_\_  
William J. Klueber, Chairman

  
\_\_\_\_\_  
Charles Benevento

  
\_\_\_\_\_  
James P. Cleary, III

\_\_\_\_\_  
Lewis F. Poore, Jr.

  
\_\_\_\_\_  
Richard MacDonald