

Shrewsbury Contributory Retirement Board Meeting Minutes

DATE: October 27, 2023

PLACE: Town Hall Selecboard's Meeting Room

PRESENT: Mary Thompson, Zhmin Li, Ralph Iaccarino , Michael Hale. Alice Ferro

ALSO PRESENT: Gregory Gatsogiannis, Greg McNeillie, Eleni Southworth, Stephon Malone, Matthew Nevins, Francesco Danielle, Trey Greer, Lauren Puglisi, Jim Skesavage

Chairman Thompson called the meeting to order at 9:31 am.

The Board was joined by Greg McNeillie of Dahab Associates for the Board's Annual Meeting with its Investment Managers.

At 9:31 the Board was joined on Google Meets by Eleni Southworth, Stephon Malone and Matthew Nevins of Fiera Capital. They were displayed on the Jamboard for the benefit of all present at the meeting.

After opening remarks by Eleni Southworth, the presentation was turned over to Stephon Malone for the presentation of the Mid Cap Growth Review.

Mr. Malone discussed the performance of the portfolio dating back to the time of the initial investment, but with a focus on the more recent history. He discussed the investment strategy of the portfolio, as well provided an overview of their current thinking and where Fiera saw the market heading.

His presentation complete, Mr. Malone opened up the floor for questions. Mr. Hale asked a question regarding the ways in which the current high interest environment impacted the way in which companies were evaluated. Mr. Malone indicated that debt load management was always something that was monitored.

Their presentation before the Board complete, the Google meet Session was terminated and Eleni Southworth, Stephon Malone and Matthew Nevins left the meeting at 9:55 am.

At 9:57 am the Board was joined in person by Francesco Danielle from the Massachusetts PRIM Fund. Mr. Danielle spoke on some of the recent accolades received by the PRIM Fund. Mr. Danielle discussed the investment performance and highlighted some recent changes to the PRIM Fund's Asset Allocation guidelines, specifically a 1% reduction in Global Equities and a corresponding 1% increase in Private Equity.

Mr. Danielle ended by taking questions from the Board and was asked how the shift to Remote work was impacting the fund's investments in Real Estate. My Danielle acknowledged that trend but noted the relative strength of the PRIM Fund's Real Estate investments, as they are in high quality assets.

His business before the Board complete, Mr. Danielle left the meeting at 10:34 am.

At 10:35 am the Board was joined in person by Trey Greer and Lauren Puglisi of Earnest Partners. Mr. Greer began by giving an overview of Earnest Partners methodology when selecting investments as well as the performance of the MidCap Value fund.

Mr. Greer then turned over the presentation to Lauren Puglisi. Ms. Puglisi spent a fair amount of time highlighting selected companies in which the portfolio is invested. This was done to illustrate the characteristics of the types of investments Earnest seeks out as well and to demonstrate the composition of the different sectors that make of the fund. The presenters then fielded questions from the Board.

At 10:59 am Mr. Greer and Ms. Puglisi exited the meeting.

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After a brief pause, the Board was joined at 11:04 AM by Jim Skesavage, of Atlanta Capital, who joined via Google Meets and was displayed on the Jamboard.

Mr. Skesavage spoke on Atlanta’s philosophy of investing in high quality assets which provide good returns in up markets and exceptional returns during negative markets, providing for consistently strong performance over time.

Mr. Skesavage discussed the performance the fund, framing it against the core strategy previous mentioned, and illustrating the validity of their approach. The Board indicated they had no questions for Mr. Skesavage

At 11:20 Am, his presentation complete, Mr. Skesavage left the meetings and the google meet session was terminated.

Mr. McNeillie gave some brief comments indicating that he was pleased with the performance of the investment managers performances to date.

In light of the recent PERAC investment report which showed that where most systems experienced a decrease in management fees from 2018 to 2022, the Shrewsbury system saw an increase. While the assumption is that this is largely due to the addition of the 3 non-PRIM managers, it was requested that an analysis be done to determine the cause of the increase in management fees, as well as if the additions of Fiera, Earnest and Atlanta benefitted the system to such a degree as to justify the increased fees.

Mr. McNeillie indicated that he was sure that the new investments were net positives but that he didn’t want to speculate without running the numbers and that he would put together a report for the Board.

A motion was made by Alice Ferro, seconded by Zhmin Li and so voted 5-0 in favor of adjourning the meeting at 11:24 AM.

Respectfully submitted,

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Executive Director

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