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THE MINUTES
OF THE
REGULAR MONTHLY MEETING
OF THE
CONTRIBUTORY RETIREMENT BOARD
OF THE
TOWN OF BELMONT

December 31, 2013

The Regular Monthly Meeting of the Belmont Retirement Board was called to order by Chairman Rosario Sacco, at 8:15 A.M. in the Conference Room of the Town Clerk. Members present were.

Rosario Sacco, Chairman

Thomas Gibson, Vice-Chairman

Walter Wellman, Elected Member

Also present was the Board's Attorney James Quirk and Scott Driscoll and Richard Pszenny of NEPC, LLC, the Board's Consultants.

Scott talked about the Investment performance. Year to date we are up 16.7%, ahead of the index. Richard gave out the flash report. Tom said he is happy with the returns.

Scott said that the three Global Multi-Sector Fixed Income Investment Managers are here for their interviews. The Board will invest \$5M. It will be taken from SCOUT.

Jack McIntyre and Mark Juelis of Brandywine met with the Board, Jack McIntyre was on a conference call to the meeting. Brandywine Global is an independent subsidiary of Legg Mason, Inc. They operate as a fully autonomous entity. Legg Mason provides certain corporate services, such as Internal audit, insurance and international support. They are a typical Plan Sponsor. Their Investment Philosophy is: a) Invest in Bonds, b) Actively manage currency exposures to protect principal and enhance returns. c) Patiently rotating among countries and d) control risk by purchasing undervalued securities. Bring volatility down to 6%.

Mark Juelis spoke on philosophy and process. They invest in bonds with the highest real yields. capture interest income and generate principal growth through capital appreciation when market conditions permit. They don't believe in indexing/benchmark-hugging. Their performance for the year was down 3%.

Brandywine currently has three Massachusetts Public Funds as clients. Cambridge, Brockton and Taunton (2014). They know PERAC's restrictions.

Next was Manulife Asset Management. Daniel S. Janis, David W. Zielinski and Nancy Irving made the Presentation.

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They are a typical Plan Sponsor

- 1) They seek to increase the return profile in a low yield environment.
- 2) Maintain volatility consistent with fixed income instruments
- 3) Seek to protect against a rising rate environment
- 4) Diversify fixed income allocation away from benchmark – centric, domestic exposure
- 5) Preserve Liquidity

They have no clients in Massachusetts.

Loomis Sayles was presented by William Averill, V.P. and Bob McNamara V.P. Client Portfolio Manager. The Firm is performance driven with diverse global research perspectives. They believe in active management driven by fundamental proprietary research, that can provide opportunity for long term excess returns. They have a highly experienced, seasoned team.

Loomis is looking at G. M. debt. They are building new trucks and it is an improving company. They think it will be a good investment. They are looking at both G. M. and Ford. Their objective is to maximize total return through research driven security selection while managing downside risk through careful portfolio construction. They are value driven, opportunistic approach, long term investment horizon and allocations to out of benchmark securities can provide value and diversification.

The Board members talked about each Manager. Tom spoke, Loomis had three different approaches to reducing exposure. They are not tied to any firm. They are experienced professionals and have deep resources since 1926. We would be their Massachusetts Public Fund for Manulife. Taking the 5M from SCOUT would reduce their exposure.

The other Board Members had similar comments, they were impressed by Loomis Sayles. A motion was duly made and seconded and it was unanimously VOTED to hire Loomis/Sayles as a Bond Manager to invest \$5M. Mr. Sloman had said at the November Board meeting that he would prefer Loomis/Sayles.

Upon a motion duly made and seconded it was unanimously VOTED to grant superannuation retirement to:

- a. William Bielitz, Assessors Department Administrative Assistant, effective December 31, 2013 – 14 years 1 month – Option B
- b. William McDermott, Police Officer, Option C, 29 years 9 months, effective December 23, 2013
- c. Robert Dally, Dispatch Operator (911) effective March 2/8/2014, February 8, 2014 15 years 5 months, Option C.

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Upon a motion duly made and seconded it was unanimously VOTED to grant membership to

- a. Maria Klubnichkins, Electric Light Dept. Staff Accountant, November 4, 2013
- b. Candice Lillis, School Professional Aide, October, 2013
- c. Joseph Lilley, Wellington School Custodian, November 17, 2013
- d. Mary McHugh, Police Officer, June 3, 2013
- e. Rebecca Ticotsky, School Professional Aide, September 3, 2013

Upon a motion duly made and seconded it was unanimously VOTED to grant refunds to:

- a. Richard E. Markussen, resigned School Custodian December 13, 2013, 3 years 3 months membership
- b. Kelly A. Fung, terminated School Department Secretary effective November 6, 2013 became a member August 23 2013.

Chairman Roy Sacco wrote letters to House Clerk Steven T. James and William F. Welch, Senate Clerk opposing Senate bill 1225 eliminating investments by Retirement Boards in Fossil Fuel sale and exploration.

A motion was duly made and seconded and VOTED unanimously to approve FY2015 Appropriation in the amount of \$7,364,523.00 as approved by PERAC.

A motion was duly made and seconded and VOTED unanimously to approve Warrant #1312 in the amount of \$840,076.86.

A motion was duly made and seconded and VOTED to approve the Minutes of the November 27, 2013 regular monthly meeting with the correction of the wording of Board Member Jim Sloman's email to Board of Selectman member Ralph Jones. The correct wording is "I have been honored to serve as the Belmont Selectmen's appointed member and will do so through the end of my term July 31, 2014, after that date my service will be prohibited by PERAC as I will not have fulfilled their mandated "education" credits requirement. In my opinion this requirement has little to do with oversight competence. For the record, I would be pleased to continue my service to the Belmont Retirement but PERAC regulations will prohibit my service. Perhaps Attorney Quirk or Mr. Gibson can provide clarification".

Email received from Thomas O'Donnell, Compliance Office at PERAC, stating that they are updating all their existing Compliance Forms. The new forms will be sent to our vendors.

Manager's monthly reports:

- a. AEW Capital Management
- b. Atlanta Capital Management
- c. Mondrian Investments
- d. PIMCO
- e. Rothschild
- f. PRIT Fund
- g. SCOUT Investments
- h. HarbourVest

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Upon a motion duly made and seconded it was unanimously VOTED to schedule the next regular meeting for January 27, 2014.

Upon a motion duly made and seconded it was unanimously VOTED adjourn this meeting at 11:30 A.M.

a true copy

ATTEST:


CHAIRMAN


VICE-CHAIRMAN

EX-OFFICIO


ELECTED MEMBER


APPOINTED MEMBER