Pursuant to the March 12, 2020 executive Order of the Governor Suspending Certain Proivsions of the Open Meeting Law, members of the public can access the meeting only through telephone. Public access will be available by calling 312-626-6799; meeting ID No.: 546 896 9127.

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Concord Retirement Board was held on Wednesday, June 24, 2020 at 8:30 a.m. through Zoom meeting ID no.: 546 896 9127.

Present:	**Peter J. Fulton, Chair, Elected** **Mary M. Barrett, Ex Officio** **Kerry A. Lafleur, Appointed** **Brain J. Whitney, Elected** **Arnold D. Roth, 5th Member, Appointed**
Also Present:	**Linda A. Boucher, Retirement Administrator** **Anthony Tranghese, Investment Consultant, FIA** **Denise D'Entremont, President, Rhumbline Advisers**

Chair Peter Fulton opened the meeting at 8:36 a.m.

The Board unanimously approved the May 27, 2020 meeting minutes.

The Board unanimously approved the June 30, 2020 retiree payroll as follows:

Pension:	$652,723.44
Annuity:	$165,336.41
Total Payroll:	**$818,059.85**

The Board unanimously approved the following operating expenses:

ADP, Inc.	Invoice No.: 558393185		$1,865.23
Natalie Lefebvre	Reimb. postage		$ 23.40
Linda Boucher	Reimb. office supplies/Zoom meeting May		$ 45.66
Stone Consulting, Inc.	Actuarial Consulting Services January through March 2020		$ 2,500.00
Town of Concord	May tele. charges		$ 21.28
Town of Concord	Reim. Staff Salaries, Benefits and Town Services		
	Salaries:	$40,398.26	
	Benefits:	$ 1,795.83	
	Health Ins. Stipend:	$ 752.50	
	Medicare Tax:	$ 585.77	
	Subtotal:	$43,532.36	
	Town Services:		
	Treasury:	$ 1,408.60	
	Expense:	$ 390.65	
	Facilities:	$ 4,960.50	
	Audit:	$ 3,000.00	
	Postage:	$ 175.00	
	Subtotal:	$ 9,934.75	
	Total:	**$53,467.11**	$53,467.11
Grand Total:			**$57,922.68**

The Board acknowledged there were no new members.

Name	Unit	Department	Position	Hire Date	Group
None					

The Board unanimously approved the following new retirements:

Name	Unit/Group	Department	Position	Retirement Date	Service
Scott Camelleri	Town/4	Police	Patrolman	08/02/2019	31.5000
Omitted from July 2019 agenda.					
Mary Tessari	School/1	CCRSD	Registrar	06/27/2020	32.6667
Patricia Siekman	School/1	CCRSD/CPS	Payroll Specialist	06/30/2020	20.5000
Maria Schofield	School/1	CPS	Sr. Admin. Assist.	06/30/2020	31.7500
Beverly Lucas	School/1	CPS	Sr. Admin. Assist.	06/30/2020	22.6667

The Board acknowledged there were no refunds/rollovers.

Name	Unit/Group	Department	Position	Amount	Service
None					

The Board acknowledged there were no transfers to another system.

Name	Unit/Group	Department	Position	Amount	Service
None					

INVESTMENT MANAGER REVIEW – RHUMBLINE

Peter Fulton welcomed Denise D'Entromont to the meeting and thanked her for joining us via Zoom. Denise began her presentation by noting that she wished the numbers looked a little better. She explained that because Rhumbline's index fund returns are tied to the market, performance was right in line with the benchmark.

She noted that the first quarter of 2020 took an extra hard hit, however, May and June are up slightly. The portfolio is up 11.5% since inception through May 31, 2020. The market value of the portfolio at May 31, 2020 is $18,573,803.40. (A 20% increase in market value since inception is not solely investment return and includes an additional contribution of $749,954.61 minus two withdrawals totaling $1,250.050.31.)

Denise also mentioned that there are 14 other investors in the fund. The total market value of Rhumbline's S & P 500 Pooled Index fund at May 31, 2020 is $759.2MM. Concord's ownership in this fund is 2.45%.

Having a $2.5 billion in assets under management in the pooled index fund will enable us to share in low-cost trading.

The portfolio is monitored daily and will only trade once a month since it is not necessary to trade an index fund daily.

The characteristics of the portfolio are in line with the index.

Within the S & P 600 Index Fund, we look for small emerging companies with room to grow. Since inception, this fund is down 7.0%. (A 7.0% decrease in the market value of the fund is not solely investment return but also includes an additional contribution of $409,939.00 and a withdrawal of $500,071.31.)

Within the small cap core stocks, there are 24 other investors with $189.4 million in assets under management. Concord's ownership within this fund is 2.48%.

Denise directed the Board to Rumbline's organization chart. She noted that after 25 years of service, she has been promoted to General Partner and President and that the firm has added a new Chief Operating Manager, Steve Goff.

Denise concluded her presentation and the Board thanked her for her time.

INVESTMENT CONSULTANT REVIEW:

Tony Tranghese began his presentation by noting that the report he has provided us with has updated numbers through the month of May. For the month, the S & P 500 was up 4.8%. For the year-to-date, the S & P 500 is down 5.0%. The markets continue to move and are actually hovering around that neutral position so far this year. The pain of a very sharp sell-off in February and March is still reflected in the minus 5.0% return for the year.

It has been an interesting year looking at the year-to-date column. The column shows that growth stocks are up 5.0% and value stocks are down 15.7%. So, the wide disparity we spoke about last meeting with Russell, has certainly persisted this year and is reflected in those figures. Even in the month of May, growth outperformed value by a fairly wide margin.

What's interesting is that the biggest names in the growth index are those large tech companies such as Microsoft, Google, and Apple. These stocks have performed the best and have been very resilient. They had strong balance sheets coming into the crisis, have held up well and have been strong since the crisis.

The Russell 2000 Index are your small cap stocks. They are down 15.9% year-to-date. The Russell 2000 is similar to the S & P 600 Index - which is what Denise spoke about in her report. They have performed poorly this year - but are up 6.5% in the month of May.

So far this year, bonds are one of the best places to be. The aggregate bond index is up 5.5% for the year-to-date and was up .50% in May. Bonds are performing normally in an equity sell-off environment as there is a flight to quality. Rates have come down sharply this year. The year started at just shy of 2.0% on the 10-year yield and we are well below 1.0% today.

High-yield bonds are down 4.7% for the year but, we are up 4.4% since March 23rd.

Long-bonds, especially high-grade bonds, have been the best place to be this year. Long duration bonds, 20 – 30-year bonds, were up 11.0% but up just modestly at 1.0%, so far in the month of May.

International stocks have a similar story to US. They have rebounded and performed positively since late March but have not rebounded as much as we would like to see. The EAFE Index is up 4.4% in May but down 14.3% for the year. This index is for developed countries around the world such as Western Europe, Japan and Australia. Emerging markets such as China, India, most of Asia, Eastern Europe and Latin America are down 16.0% this year - making this one of the worst places to be invested from a broad perspective.

The portfolio at the end of May finished with $171 million. The asset allocation slide shows the actual allocation compared to the target allocation. For the most part, the allocation is close to target. That is purposeful in order to keep the risk profile of the portfolio intact. We need to make sure that we are not dramatically overweight or underweight to any asset class. The modest move the Board made earlier this year to reduce fixed income and allocate those proceeds to equities has proved helpful as equities have performed very well since late March.

In the month of May, the portfolio enjoyed positive performance as you would expect from the index page we looked at. In the month, the portfolio was up 2.6% compared to the benchmark that was up 2.4%. So far this quarter the portfolio is up 9.0%. Year-to-date, the portfolio is down 5.0% which is below the benchmark by 2.5%.

Wellington, the dedicated fixed income manager is up 1.0% for the month, 5.5% year-to-date. They performed well in the month and returned .50% ahead of the benchmark. So far this year, they are basically in line with the index and ranked 23rd percentile in a universe of similar mandates.

Our dedicated domestic equity sleeve is comprised of the two Rhumbline portfolios. You will notice that they are right in line with the index - which is exactly their job. For the year, they are down 8.5% versus the benchmark which is down 8.8% for the same period.

Acadian, the International Manager was up 3.5% for the month of May - which is a little behind the benchmark. For the year, they are down 13.4% - almost a percent better than the benchmark and ranked at the 5th percentile.

What you can interpret here is that Acadian did a very nice job of protecting on the downside of the crisis and, so far, they have outperformed the benchmark for the quarter. this quarter even though they underperformed in May and outperformed in April. This quarter, they are up 12.3% and the benchmark is up 11.1%.

So far, it would be fair to say, the managers have done what we expected them to do.

PRIT's Real Estate segment is up 1.7% for the quarter and down 2.8% for the year - just a little bit behind the blended benchmark.

Three quarters of the real estate portfolio are direct investments in real estate as opposed to publicly traded REITS. This makes calendar quarter valuations more appropriate which is where we see more of the activity in terms of returns.

For the calendar year, real estate is down 2.8%, versus the index which is down 3.3%. What will prove to be an interesting and dynamic environment for real estate will be if this work from home continues to persist.

PRIT"s portfolio is relatively insulated but not entirely, relative to many of their peers. PRIT has retail exposure but little to no direct hotel exposure - which has been the segment of real estate that has been hardest hit.

Multi-asset shows Russell rebounding very sharply. They are up 15.0%, the benchmark is up 12.9%. With the benchmark up and Russell outperforming are signs toward recapturing some of the other underperformance this year. However, they are still about 4.0% behind their benchmark for the year.

Hedge Fund portfolio was up only 0.9% for the quarter whereas the benchmark was up 6.0% and year-to-date 8.0% versus 3.0% on the negative side.

If we look at the overall portfolio, it has been Russell on the whole and then PRIT Hedge Funds that have been the drag on the results relative to benchmark and in absolute terms for the year.

Private equity portfolio only strikes a meaningful value on a quarterly basis so when we get the inter-quarter month reports, the returns for the month are usually just reflective of modest revisions in fees and then in June, we should see a more meaningful move. Likely to the negative as these valuations are done quarterly in arrears.

On the whole, the portfolio has rebounded nicely and has participated in the market rally. It is still a difficult year even with these very strong returns.

Tony concluded his presentation and the Board thanked him for his time.

It was upon motion made and duly seconded that the meeting adjourned at 10:05 a.m.

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Peter J. Fulton, Chair, Elected

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Mary M. Barrett, Ex Officio

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Kerry A. Lafleur, Appointed

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Brian J. Whitney, Elected

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Arnold D. Roth, 5th Member, Appointed