

Belmont Contributory Retirement Board

Minutes of Special Meeting of July 11, 2022

Meeting Conducted Pursuant to Chapter 22 of the Acts of 2022

Board Members Present: Thomas Gibson, Chair; Floyd Carman (remote); Ross Vona; Walter Wellman (absent); Glen Castro.

Staff Present: Robert Soohoo; Ryan Horan.

Guests (remote): Scott Driscoll, NEPC; James H. Quirk, Jr., Board Counsel; David Allen, Albacore; Liam Morton, Albacore; Brendan McDonough, GoldenTree; Pat Dyson, GoldenTree; Jon Sachs, GoldenTree; Natalie Landis, GoldenTree.

Identified Public Attendees (remote):

Mr. Gibson called the meeting to order at 9:15 am and introduced all attending members.

Mr. Driscoll reviewed the Board's prior determination to add Private Debt as an asset class, and provided a summary of the RFP responses. All Board members were provided in advance the written presentation of both candidates.

**Presentation by AlbaCore Capital Group:** David Allen discussed his previous experience that led him to Albacore. He reviewed the firm operations, detailing its strategies both in strong and weaker markets, to show how they are able to find value. Being based in Europe and having American credit history allows Albacore have an advantage over the competition, and enables them to outperform the market, 11-13% net IRR. They have three complementary strategies: Private, Opportunistic and Dislocation. This allows them to find value in different market environments. Their background in pension funds allows them to understand the position and ideals that the board have as investors. They did reach out to PERAC to verify that they are eligible and able to be in compliance in Massachusetts. They detailed their ESG principles and the things they stay away from.

**Presentation by GoldenTree Asset Management:** Brendan McDonough started with an overview of the firm. GoldenTree is 100 percent employee owned, with the size (\$47B under management) and reputation to get into any market. Its opportunistic global strategy can take advantage of dislocations wherever they may be found. The presenters reviewed the factors which has created opportunity for distressed assets: inflation, policy, and geopolitical issues. The teams that would be handling the Board's investment were reviewed - a team for restructuring and turnaround that does its due diligence before any investment is made in a distressed asset. GoldenTree has an extensive history with public funds, which has over one billion invested, including the Boston Retirement Board and multiple MA public retirement boards. It thus has experience with PERAC as well. The IRR of the different vintage funds were reviewed. Fund 4 could be first vintage to see a true recession period. Discussed tenure and experience of their distressed committee.

Review by NEPC: Mr. Driscoll discussed his overview of the two strategies and their fee structures. GoldenTree had a more attractive fee rate, saving 12 and a half basis points through that firm. The GoldenTree experience with MA public pension systems does give them a distinct advantage with their knowledge of the laws and rules that we are dictated by. The Board members made their opinions

known that while both firms are quality candidates, the Board preferred GoldenTree. There was a question if the investment allocation should be higher due to the current markets. Mr. Driscoll brought up the issue of liquidity that the board must maintain.

**Motion** by Mr. Vona, seconded by Mr. Carman, to Select GoldenTree as the System's Private Debt Manager.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Absent

The Motion passed.

Mr. Gibson reminded the Board that waiver for certain requirements of the Open Meeting Law ends on July 15th. There are two bills in legislature to extend the waiver, and one may make a permanent change. The Board will maintain remote participation as allowed by the Open Meeting Law, but a quorum must be physically present for board meetings. Vendors and the public will also be provided remote options.

Mr. Vona discussed his training that he has been doing for NCEPRS. Mr. Gibson will follow up with PERAC on the status of the supplemental regulation for dispatchers. He also reminded the subcommittee of staff compensation adjustments which are overdue.

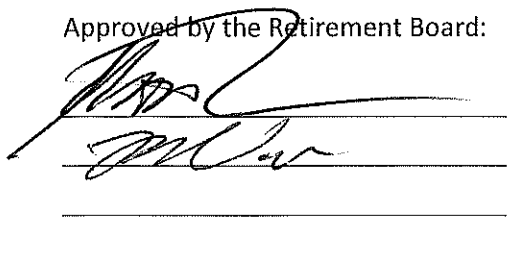
Documents Distributed:

July 11, 2022 Agenda  
AlbaCore Capital Presentation  
GoldenTree Asset Management Presentation

Respectfully Submitted,

Robert Soohoo  
Executive Director

Approved by the Retirement Board:



Handwritten signatures of board members on a line.

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July 25, 2022

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