

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD
SPECIAL MEETING**

May 10, 2018 Minutes – Mazza Room

The Special Meeting of the Retirement Board was called to order at 8:01 a.m.

In attendance were:

Members: Joseph Pellegrino, Chairman
Kevin Coyner (arrived 8:37 a.m.)
Mark Kordick
Peter Mynarski
Mike Wacek

Staff: Linda Culver, Clerical Assistant
Alison Graham, Employee Benefits Manager
Mary Pepe, Director Human Resources
Nataliya Yemets, Assistant to the Treasurer

RTM: Miriam Kreuzer

Neuberger Berman: Edward Berman
Michael Savinelli
Maura Reilly Kennedy
Justin McVign
Jack Shannon
Andrew White

Private Equity/Private Debt Review with Neuberger Berman

Mr. Savinelli introduced the staff of Neuberger Berman present for the meeting and described their roles supporting the Town of Greenwich's Retirement Board Portfolio. He requested, for the sake of confidentiality, the Private Equity/Private Debt report be returned to Neuberger Berman at the end of the meeting.

Ms. Kennedy provided an overview of the current Private Equity/Private Debt investments (representing 22% of the overall Town of Greenwich portfolio), the Commitment Plan for going forward and the performance of the Legacy portion of the Town of Greenwich's Portfolio. She described the goal of the program as putting together a pool of private equity investments in two phases and the strategy of the allocation: Phase 1 in Neuberger Berman proprietary diversified funds as co-investors; and, within two years, commence Phase 2, direct private equity investments.

Ms. Kennedy described how management fees were computed on each of the portfolio's investments and pointed out the advantages of diversification, access to deals, and that no overlay fee was charged by Neuberger Berman.

Members of the Board asked for a projection of the Portfolio in 2022 and its correlation to actuarial projection for growth and acknowledging retirement payouts. Ms. Kennedy commented that Neuberger Berman estimated a range of possible outcomes for the private equity fund; it is expected to grow from its current \$86 million to \$100 million in two years. Assumptions are based on the 50th percentile of the outcomes and reflect the possibility of a downside of 4% and an upside of 20% cited in Cambridge Data's 25-year historical private equity performance model.

Neuberger Berman agreed to add a benchmark to the annual rate of return private credit report to be consistent with the public equity benchmarking of Cambridge's presentation.

The Board reviewed a list of holdings and asked Ms. Kennedy to assign a quality performance grade between 1-4 to each for better understanding of Neuberger Berman's philosophy of valuation, a holding's risk/return profile, the sources of deals and distributions. She explained Neuberger Berman's portfolio analysis as an examination of funds for risk mitigation and value creation to identify possibilities to re-deploy capital. Describing Neuberger Berman's due diligence process, the layers of specialty researchers, analysts and investment committees involved in decision making were reviewed.

ADJOURNMENT

A motion to adjourn was made by Mr. Wacek, seconded by Mr. Mynarski. The Committee voted 4-0-0 to adjourn the meeting at 10:40 A.M.

Respectfully Submitted,

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Chairman