

HAVERHILL RETIREMENT BOARD
Tuesday, May 14, 2019 9:00AM
Haverhill City Hall, Room 303

The meeting was called to order at: 9:08AM

In attendance: Board Members: William Klueber, James Cleary, Charles Benevento, Richard MacDonald, Lewis Poore, Gus Aristizabal, Wainwright; David Van Dam (Administrator).

Actuary Introduction: Linda Bournival from KMS Actuaries introduced herself and gave a brief introduction to her company that will be providing actuarial services to the board.

Investment Manager Updates

- GrandBanks- Steve Kurylo 781-997-4029 call 9:30AM-9:45AM

GrandBanks Capital Venture Fund II LP (GBC Fund II)

All information taken directly from "GrandBanks Capital Venture Fund II LP Update for Haverhill Retirement Board May 14, 2019" and "GBC Q1 2019 GP Report to Limited Partners"

Review of Disclosures

- Wainwright has reviewed form ADV (dated, March 26, 2019) for informational purposes only. Nothing herein should be construed as legal or regulatory advice. Form ADV Part 1 Item 11 did not disclose any disciplinary event.

Firm and Team

- Charley Lax – Managing General Partner
 - Co-founder, SoftBank Venture Capital (Mobius Venture Capital)
 - Co-founder, SoftBank Capital Partners
 - Co-creator, Flatiron Partners ((NYC)NYC)
 - Vimag Ventures, LLC.
 - Phoenix Technologies Ltd.
- Tim Wright – General Partner
 - CEO of non-US businesses, Geac Computer
 - Sr. Vice President, CTO and CIO, Terra Lycos
 - Sr. Vice President, CIO and Vice President of R&D, The Learning Company
- Steve Kurylo – Chief Financial Officer
 - VP of Finance, Schooner Capital
 - CFO Ironside Capital Group
 - Director of Financial Analysis, Manulife Financial

GBC Fund II

- 21 total Fund II investments
- 10 exits (Achievers, Affectly, Defense Mobile, Exit41, InfoActive, InsightSquared, Nexage/Millennial Media, SilverRail Technologies, Savored, and Windshield) returned 62.4% of Fund II's invested capital
- GBC is the lead and largest investor in portfolio companies representing 80.6% of GBC's current invested capital
- 407 Portfolio Company Employees - 82% of our companies are headquartered in MA (highest employment level was 1,483 in 2015)
- 1.57x Multiple of Cost as of March 31, 2019
- Total Transactions for last 12 months: 7 Follow-on Financings

Portfolio Overview

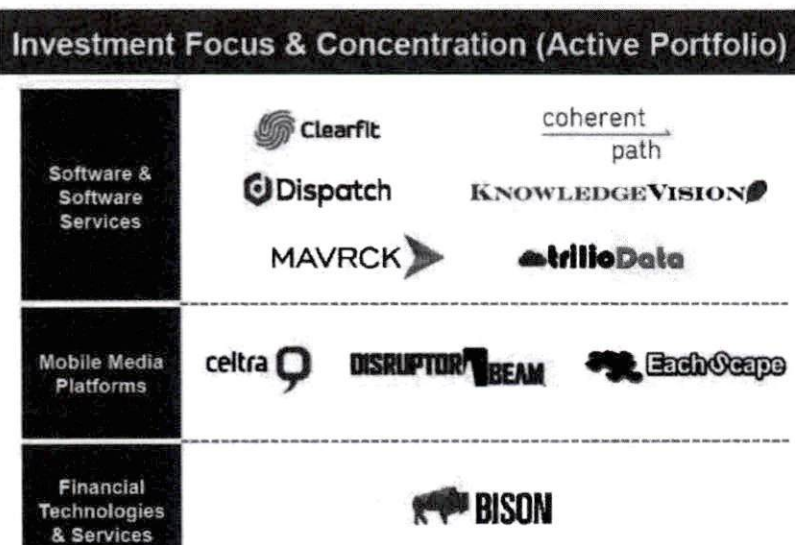
Fund II (\$ in '000)	# of Investments	Capital Invested	Total Value	Multiple of Capital Invested 9/30/2018	Multiple of Capital Invested 6/30/2018
Realized Investments	10	\$31,100	\$48,048	1.54x	1.54x
Unrealized Investments	11	\$45,881	\$72,750	1.59x	1.60x
Total Investments	21	\$76,981	\$120,798	1.57x	1.57x

Fund II	3/31/2019	3/31/2018
Fund Commitment	\$85.7 M	\$85.7 M
Remaining Capital to be Called ¹	9.2%	2.1%
Invested and Reserved	108.5%	103.2%
Avg S Invested & Reserved per Portfolio Company	\$4.43 M	\$4.21 M

Performance (as of 3/31/2019)

	Fund II
Distributions to Paid-in Capital	0.48x
Residual Value to Paid-in Capital	0.69x
Total Value to Paid-in Capital	1.17
Net IRR to LPs	3.7%
% of Invested Capital Returned Since Inception	62.4%
# of Remaining Portfolio Companies	11 of 21

Active Portfolio Investments



Investment Highlights

- Dispatch
 - 16.1% ownership
 - Dispatch Technologies, Inc. delivers a mobile and software-as-a-service (SaaS) based platform to streamline the last mile of in-home service calls for franchises, legacy enterprise companies, and small and medium sized businesses.
 - Dispatch had a strong Q1 2019 (highest revenue quarter on record) as it grew revenue by 9% over Q4 2018 (previous highest revenue quarter) and 46% over Q1 2018. The Company experienced 35% year-over-year TTM revenue growth through Q1 2019 and is projecting 45% revenue growth for 2019.
 - Focused on improving internal processes and infrastructure in addition to making new strategic hires in marketing and sales to grow the company, headcount, and revenue, in a sustainable fashion.
 - Dispatch received a \$10.5 million strategic investment from Vista Equity Partners along with \$2.0 million from GrandBanks. The new capital will be used to accelerate product development and revenue growth.
- Celtra
 - 16.2% ownership
 - Celtra, Inc. provides a self-service, on-demand creative marketing platform for the creation, deployment, management and tracking of marketing campaigns.
 - Celtra had a good start to 2019 as Q1 2019 revenue was 45% higher than Q1 2018 but 28% lower than Q4 2018 (seasonally highest and record revenue quarter for Celtra) The Company experienced 33% year-over-year TTM revenue growth through Q1 2019 and is projecting 20% revenue growth for 2019.
 - The Company has hired an investment banker to position it for a potential exit in 2019. Very early indications of interest are have been received by the Company.
 - Celtra had positive net income in 2018 and is expected to have positive net income in 2019.

Disruptor Beam

- 27.5% ownership
- Disruptor Beam is a developer and publisher of mobile and social network games. The Company aims to transport the fans of literary, movie, and television series into the worlds they love. By linking game content to episodes and books, players become a living member of the world as stories continue to evolve around them. Disruptor Beams' games are accessed via social networks and mobile devices.
- Disruptor Beam's Q1 2019 revenue was 48% lower than Q4 2018 and 61% lower than Q1 2018. The Company experienced a 15% year-over-year TTM revenue decrease through Q1 2019 and is projecting a revenue decline of 51% in 2019. This revenue reduction is primarily the result of a change in revenue recognition from gross proceeds to net proceeds as Disruptor Beam's User Acquisition was transfer to a third-party vendor. Additionally, revenue from new game launches will not materialize until later in 2019.
- Disruptor Beam announce the release of Disruptor Engine - a platform with rich capabilities in Identity, Social, Analytics, Commerce, and Live Operations that enables efficient development and monetization for any mobile game developer.

- Disruptor Beam signed a deal to produce a game for ARCHER, a FOX property, and Dr. Who, a BBC property, that would fill their launch schedule through 2020.
- Globespan- Andy Goldfarb 617-947-2310 call 9:50AM-10:05AM

Globespan Capital Partners Fund V (Globespan)

The following information was taken directly from the May 2019 "Haverhill Retirement System Fund V Update" and "2019 Q1 GCP V" reports.

	<i>Net Investor IRR</i>	<i>LP Total Value/Paid-in Capital</i>	<i>Distributions/Paid-In Capital</i>
Globespan Capital Partners Fund V	12.6%	215%	153%
Cambridge Associates Top Quartile	13.2%	211%	160%
Cambridge Associates Median	8.1%	163%	109%

Fund Performance (as of March 31, 2019):

Review of Disclosures

- Wainwright has reviewed form ADV (dated, March 29, 2019) for informational purposes only. Nothing herein should be construed as legal or regulatory advice. Form ADV Part 1 Item 11 did not disclose any

disciplinary event.

Future:

- 2018 / 2019 LP distributions of \$213.3M related to the partial disposition of Redfin (RDFN), Roku (ROKU) and Perfecto Mobile.
- As of March 31, 2019, Fund V has sold 85% of its holdings in Redfin and 90% of its holdings in Roku.
- \$557.4M of limited partner distributions since inception
 - 153% of distributions to paid-in capital as of March 31, 2019 compared to most recently published (9/30/2018) Cambridge Associates median benchmark of 109% for 2006 funds
- Net Investor IRR of 12.6% as of 3/31/2019 compared to most recently published (9/30/2018) Cambridge Associates median benchmark of 8.1% for 2006 funds
- Total invested since inception is \$409.3M (108% of total commitments)
- Total capital called since inception is \$372.8M (99% of total commitments)
- BitSight announced a \$60M round in June 2018.

Roku IPO:

- Roku began trading on the public market September 28, 2017
 - IPO Price Per Share: \$14.00
 - May 6, 2019 Price Per Share: \$65.75
 - Fund V held 4.7 million shares at IPO at an average cost of \$3.18

Redfin IPO

- Redfin began trading on the public market July 28, 2017
 - IPO Price Per Share: \$15.00
 - May 6, 2019 Price Per Share: \$20.45
 - Fund V held 2.8 million shares at IPO at an average cost of \$3.82

10 Active Fund Investments

- Rev
 - Series A, 25.2% ownership
 - Rev is developing efficient online outsourced translation solutions
 - Rev.com finished Q1 2019 in line with its revenue plan with a growth rate of 43% year over year.
- Bitsight
 - Series A, 7.6% ownership
 - Second largest investor
 - BitSight is creating a content based analytics platform that helps companies assess and manage IT security risk
 - In March 2019, BitSight announced the availability of a new capability for insurers that delivers accurate, trusted security performance information on millions of small- and medium-sized insurance applicants in just seconds, enabling underwriters to rapidly evaluate and price cyber risk for the growing SMB market. This new rapid underwriting assessment leverages BitSight's market- leading security ratings platform and provides the most comprehensive, trustworthy security performance information available in the marketplace today.
- SundaySKy
 - Series A, 16.7% ownership
 - SundaySky is developing a highly innovative mechanism for dynamically generating video files for use on web pages
 - SundaySky exceeded its revenue plan for Q1 2019.
- Betterment
 - Series B, 1.2% ownership
 - IPO likely in the next 24 months
 - Betterment is a goal-based online investment company delivering smart, personalized financial advice paired with low fees and a superb customer experience.
 - In December 2018, Betterment announced the launch of Two-Way Sweep, an advanced cash management and optimization tool. Building on Betterment's low-risk investment account Smart Saver, the new Two-Way Sweep tool provides added financial guidance through automated cash management. Two-Way Sweep is the next step in empowering Betterment customers to put their cash to work.
- Credit Sesame
 - Series C, 8.9% ownership
 - Credit Sesame is a consumer credit and debt management platform
 - The company is positioning itself as an industry leader in the Personal Credit Management (PCM) category. Credit Sesame sees PCM as the evolution and future of the free credit score movement and plans to solidify PCM brand positioning and messaging in 1H 2019.
- Kaminario
 - Series C, 7.9% ownership
 - Kaminario builds high performance flash based enterprise storage devices
 - In December 2018, Kaminario announced that razorblue is migrating to its high performing all-flash storage platform as they have seen an 800 percent performance enhancement over traditional storage solutions. In addition, razorblue selected Kaminario for the commercial flexibility of its Cloud Fabric software. One of the top 50 Managed Service Providers, U.K.-based razorblue, works with a range of enterprise customers in various industries, including healthcare, retail, manufacturing, financial services and hospitality.

- Turbonomic
 - Series C, 3.5% ownership
 - Turbonomic provides an Intelligent Workload Management solution for cloud and virtualized environments
 - In April 2019, Turbonomic announced that CRN®, a brand of The Channel Company, has awarded Turbonomic a 5-Star rating in its 2019 Partner Program Guide for the second consecutive year. The 5-Star rating recognizes an elite set of companies that CRN identifies as the most successful partner programs in the channel. Vendor selection is based on investments in program offerings, partner profitability, partner training, education and support, marketing programs and resources, sales support, and communication.
- Roku
 - Series D
 - Roku is a connected-TV media distribution platform
- SMS Gup Shup
 - Series D, 15.1% ownership
 - SMS GupShup is a social messaging platform that enables users to build mobile communities
- Redfin
 - Series E, \$10.6 million investment
 - Redfin is an online real estate company that provides real estate search and brokerage services

Companies with the best prospects at this time are Rev, Bitsight, Betterment, and SundaySky

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report.

WIC provided a market update as of May 8, 2019 and a performance update through March 2019.

2. WIC provided a rebalancing report as of May 8, 2019.

3. WIC provided updated performance for Fisher Investments and Putnam as of April 30, 2019.

4. WIC presented a year to date schedule of distributions from limited partnerships (period ended May 8, 2019).

5. WIC presented an update on real estate, private equity and timber investments as of December 31, 2018.

6. The Board approved taking up to \$2.2 million from PRIT Core on a monthly basis to cover benefit payments and capital calls.

7. The Board approved taking \$300,000 from IR&M for the month of May to cover expenses.

8. In June, the Board will look to allocate \$17 million in appropriations.

Gus from Wainwright requested that the Board sign an amendment to his consulting agreement to have a start date of March 1, 2019 rather than April 1, 2019.

A motion was made by Poore to accept the request as stated above and seconded by Cleary.

Vote- 5 yes

A Consent of Stockholder was sent to the Board to sign by RII World Timberfund, Inc.

A motion was made by MacDonald to have the Chairman sign it, seconded by Benevento.

Vote- 4 yes, 1 no

- Up to \$2.5M for May month-end warrant – VOTE-

A motion was made by Benevento on the advice of Gus Aristizabal from Wainwright, Investment Consultant to take \$2.2 million from the PRIT cash account and \$300,000 from IRM for the May warrant, seconded by MacDonald.

Vote- 5 yes

New Member Enrollments

Acknowledge new member enrollments:

- **Haverhill Public Schools:** Joleen Knox, Helen Fitzgerald, Vidarli Pereyra and Melissa Pierce. **City of Haverhill Police Department:** Mark Andrukaitis and Michael Mills.

A motion was made by Poore to accept the New Member Enrollments as listed above, seconded by Benevento.

Vote- 5 yes

Board Member Richard MacDonald had to leave the meeting to answer a phone call, but he would return.

Buybacks/Makeups-

- Haverhill Public Schools: Holly Arsenault, 3 years, 9 months (August 29, 2005-November 4, 2012), Ped ESP; Annerys Fabian, 7 months (September 17, 2017-October 21, 2018), Noon Supervisor and Kate Judson, 1 year, 4 months (May 22, 2009-September 9, 2012), ESP. City of Haverhill: Steven Bucuzzo, 1 year, 3 months (July 24, 2017-November 14, 2018), Purchasing Agent.

A motion was made by Benevento to accept the Buybacks/Makeups as listed above, but to exclude Steven Bucuzzo until further details are received.

Vote- 4 Yes, 1 absent

Refunds

- **Haverhill Public Schools:** Linda Archambault, Karen Castellano, Brandon Rodriguez and Robert Shirling.

A motion was made by Poore to accept the Refunds as listed above, seconded by Benevento.

Vote- 4 yes, 1 absent

Transfers

- **Haverhill Public Schools:** Kelly Bryson (MTRS) and Erica DeMartino (MTRS).
Whittier Vo-Tech: Susan Lally (Lawrence). **City of Haverhill- Wastewater:** David Shaw (NBPT).

A motion was made by Poore to accept the Transfers as listed above, seconded by Benevento.

Vote- 4 yes, 1 absent

Retirements/Disabilities/Survivor Benefits

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- Acknowledge Superannuations: **Whittier Vo-Tech:** Kathryn Drouin (05/22/2019; 15 yrs., 1 month). **Haverhill Police Department:** William Miller, III (06/01/2019; 24 yrs., 4 months), John Rosario (05/28/19; 34 yrs., 5 months) and Joseph Florent (04/27/19; 35 yrs., 8 months). **Haverhill Public Schools:** Pamela O'Brien (6/30/19; 20 yrs., 2 months).

A motion was made by Poore to accept the Retirements/Disabilities/Survivor Benefits as listed above, seconded by Benevento.

Vote- 4 yes, 1 absent

PROSPER Update- No Action Needed at this time.

No action was needed at the time of the board meeting.

Richard MacDonald came back into the meeting.

Minutes

- Review and approve the April 9, 2019 Regular meeting minutes.

A motion was made by Cleary to accept the minutes as listed above, seconded by Benevento.

Vote- 5 yes

Warrants

Review and approve the warrants:

- April 2019 Warrant #4-2019: \$2,190,481.89 (approved for up to \$2,300,000.00).
- Estimated May 2019 warrant: \$2,500,000.00.

A motion was made by Benevento to accept the estimated May warrant as listed above, seconded by Poore.

Vote- 5 yes

Correspondence to be reviewed

Scott + Scott	4/30/19	1Q19 Litigation Update
Wolf Popper LLP	4/25/19	2/19 Update
PERAC Memo #15/2019	4/18/19	Application for a Waiver of Education Restrictions
PERAC Memo #16/2019	4/30/19	Cash Book Submissions
PERAC Pension News Flash	4/29/19	PERAC Appoints General Counsel
Eastern Bank	3/19	Bank Reconciliation

The materials were made available at the board meeting for the members to review.

New Business

Matters and issues the Board would like to discuss at future meetings.

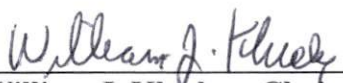
Mr. Poore requested to review office job descriptions at the next Board meeting.

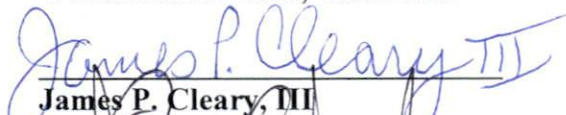
Mr. Poore requested to discuss appropriations and the allocation of those funds at the next Board meeting.

A motion was made by MacDonald to adjourn the meeting at 11:05AM, seconded by Benevento.

Vote- 5 yes

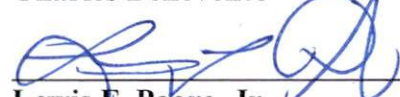
Date of next scheduled Retirement Board meeting is Tuesday, June 11, 2019, 9:00AM.


 William J. Klueber, Chairman


 James P. Cleary, III


 Richard MacDonald


 Charles Benevento


 Lewis F. Poore, Jr.