

HAVERHILL RETIREMENT BOARD**Tuesday, October 8, 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).

Investment Manager Updates-

- 9:00AM-9:20AM- Stafford- Michelle Ewart and Shan Singh- 773-805-7805

Stafford Capital Partners Sustainable Fund I ("Fund")

The following information was taken directly from the October 8, 2019 Haverhill Retirement Board Presentation.

Firm Overview (as of March 31, 2019)

- Founded in 2000
- 80+ global investors
- 100% partnership owned
- 60+ employees
- \$1.5 billion in completed secondary transactions

ADV Review

- Form ADV 1A (dated 9/27/19) did not reveal any disciplinary disclosures. Form ADV 2A (dated 9/16/19) did not list any material changes, disciplinary disclosures, financial disclosures, or conflicts of interest to note.

Performance (as of June 30, 2019)

SSC I

Cash Flow Summary

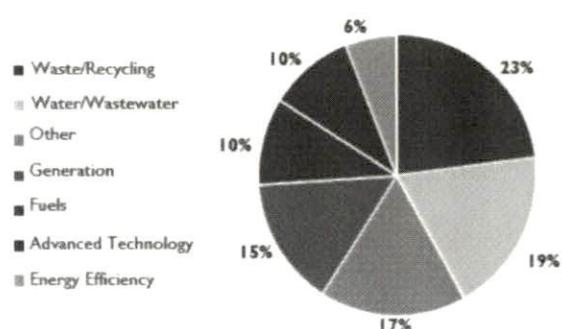
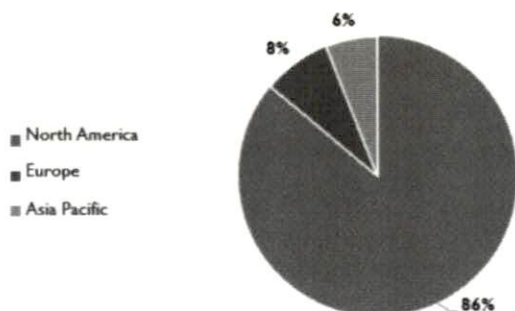
Fund/Trust Size	\$203.2 million
Committed (% of Fund/Trust)	\$191.2 million
Invested (% of Fund/Trust)	\$183.4 million
IRR	-6.4%
TVPI	0.7x
DPI	42%

Number of (remaining)

Primary Funds	11
Secondary Funds	1
Secondaries	6
Portfolio Companies	150

Fund Summary (as of June 30, 2019) Portfolio Company	Remaining Value USD	% of Underlying Portfolio
Aqua Venture Hldg. (NYSE: WAAS)	7,851,298	17.21%
Fulcrum BioEnergy, Inc.	5,734,901	12.57%
Enviva, L.P. (NYSE: EVA)	4,188,157	9.18%
Enerkem, Inc.	2,056,774	4.51%
TAS Energy, Inc.	2,022,262	4.43%
Detehtion Technologies, LLC	1,239,090	2.72%

Catapult Energy Services Grp	1,082,150	2.37%
Pattern Energy Holdings, LLC	1,065,351	2.34%
Fulham Company Limited	982,945	2.15%
Hayward Gordon Holdings, LP	910,326	2.00%
Total	27,133,254	59.48%



Exit Activity (2018 – Q2 2019)

Element II: Soleras Advanced Coatings

- Sold to a consortium of both financial and strategic buyers for USD 185 million in July 2018
- The sale resulted in a USD 66 million gain on the investment and a 3.5x multiple for Element Partners
- Ambienta I: Lakesight Technologies
 - Company sold for EUR 110.4 million in November of 2018 to TKH Group
 - 10.1x multiple and 54% IRR on the investment for Ambienta
- Element II: Agility Fuel Systems
 - Sold to Hexagon Composites for proceeds of USD 52 million in January 2019
 - Represents a 2.8x multiple on the investment for Element II
- AquaVenture Holdings and TPI
 - Both companies had IPO in 2016
 - Element and Virgin Green actively selling public equity stakes post lock up period
 - Plan to exit over next 6 – 12 months

Realized and Expected Distributions (2018 – Q2 2019)

- USD 77.6 million distribution as of Q2 2019, bringing DPI to 42%
- Aggregate distributions have increased by 38% over the last 18 months
- Additional distributions expected from AquaVenture, Enviva and Pattern

• Portfolio Summary

Fund	Vintage Year	Termination Date	Expected Extension?	Commentary
Primaries				
Hg Renewable Power Partners, L.P.	2006	6/1/2021	Yes	Extended to the earlier of June 2021 or receipt of award + 12 months in line with the on-going arbitration hearing in Spain
RockPort Capital Partners II, L.P.	2006	5/18/2018	No	Already extended twice, now working towards liquidation between 2018 and 2019

Riverstone/Carlyle Renewable and Alternative Energy Fund I, L.P.	2006	9/16/2016	No	Fund has closed
Ascent Capital Holdings LLC	2007	12/31/2021	Unknown	Fund was restructured and extended at the end of 2016
Braemar Energy Ventures II, L.P.	2007	8/10/2017	No	GP is going into wind down mode and working on exiting the remaining few companies
Hudson Clean Energy Partners, L.P.	2007	11/8/2018	Yes	Extension to 2020 is being considered with the fund currently in restructuring mode
Virgin Green Fund I, L.P.	2007	12/31/2019	Yes	Extended term by one year to 12/31/2019
Element Partners II, L.P.	2008	1/25/2020	Unknown	GP recently extended the fund life by one year from 1/25/2019 to 1/25/2020
KPCB Green Growth Fund, LLC	2008	4/30/2020	Yes	Fund being extended by 1-year from April 2019 to April 2020
NGP Energy Technology Partners II, L.P.	2008	12/31/2019	Yes	Extended by one year from 12/31/2018 to 12/31/2019
Riverstone/Carlyle Renewable and Alternative Energy Fund II, L.P.	2008	3/7/2018	No	Fund has entered wind down mode
RockPort Capital Partners III, L.P.	2008	5/7/2020	Yes	Exercised the second one-year extension in May 2019
Secondaries				
WHEB Ventures Private Equity L.P.	2005	5/30/2017	No	Working towards an orderly liquidation
Clean Technology Fund II, L.P. (Expansion Capital)	2005	8/1/2017	No	Fund has closed
Cleantech Europe I, L.P. (Zouk Ventures)	2006	9/17/2017	No	Entered into liquidation period
DFJ Element, L.P.	2006	6/9/2018	No	The fund had entered liquidation mode and working on exiting the remaining investments
Kleiner Perkins Caufield & Byers XII, LLC	2006	2/16/2020	Yes	Extended by one year from 2/16/2019 to 2/16/2020
Element Partners II, L.P. (Secondary)	2008	1/25/2020	Unknown	GP recently extended the fund life by one year from 1/25/2019 to 1/25/2020
Kleiner Perkins Caufield & Byers XIII, LLC	2008	4/30/2020	Yes	Extended by one year from 4/30/2019 to 4/30/2020
Opportunistic				
Ambienta Fund I	2009	12/31/2020	Unknown	No potential extensions expected at this time
Asia Environmental Partners, L.P. (Olympus)	2009	9/30/2019	Unknown	No potential extensions expected at this time

- 9:20AM-9:40AM- TerraCap- Steve Hagenbuckle-239-599-5124 with access code 83798.

Terracap

The following information was taken directly from the October 8, 2019 Haverhill Retirement Board Presentation.

Firm ADV Review

• Form ADV 1A (dated 3/29/19) did not reveal any disciplinary disclosures. Form ADV 2A (dated 3/29/19) did not list any material changes, disciplinary disclosures, financial disclosures, or conflicts of interest to note.

Terracap II Update

Investor	Distribution Date	Return of Capital	10% Preferred Return	80/20 Profit Split	Total Distribution
Haverhill Retirement System	1/27/2014	570,420.21	-	-	570,420.21
Haverhill Retirement System	5/6/2014	26,776.31	-	-	26,776.31
Haverhill Retirement System	10/10/2014	201,175.36	15,407.60	172,310.27	388,893.23
Haverhill Retirement System	2/3/2015	4,806.87	4,314.05	12,008.32	21,129.24
Haverhill Retirement System	5/6/2015	340,390.56	34,385.89	278,215.10	652,991.55
Haverhill Retirement System	12/8/2015	98,763.77	21,032.37	107,217.47	227,013.61
Haverhill Retirement System	2/29/2016	58,048.29	14,672.10	42,025.52	114,745.91
Haverhill Retirement System	5/13/2016	82,713.04	16,677.33	-	99,390.37
Haverhill Retirement System	12/12/2016	120,391.03	6,784.94	-	127,175.97
Haverhill Retirement System	8/18/2017	175,880.80	1,687.25	-	177,568.05
Haverhill Retirement System	12/5/2017	557,156.97	321,342.52	75,406.92	953,906.41
Haverhill Retirement System	12/29/2017	39,136.51	14,989.42	-	54,125.93
Haverhill Retirement System	2/6/2018	621,435.99	(236,167.00)	542,840.82	928,109.81
Haverhill Retirement System	4/9/2018	285,935.80	-	53,604.30	339,540.10
Haverhill Retirement System	5/15/2018	523,149.62	-	121,088.14	644,237.76
Haverhill Retirement System	6/27/2018	121,568.63	-	-	121,568.63
Haverhill Retirement System	12/20/2018	70,998.90	49,789.14	65,960.75	186,748.79
Haverhill Retirement System	1/22/2019	-	-	101,960.77	101,960.77
Haverhill Retirement System	4/23/2019	-	-	21,960.78	21,960.78
Haverhill Retirement System	7/19/2019	11,568.63	-	6,431.37	18,000.00
Total		\$ 3,910,317.29	\$ 264,915.61	\$ 1,601,030.53	\$ 5,776,263.43

Cash Flows

Fair Value at 06/30/2019	Date	Cash Flow
Investment	12/4/2013	(4,000,000.00)
Distribution	1/27/2014	570,420.21
Distribution	5/6/2014	26,776.31
Distribution	10/10/2014	388,893.23
Distribution	2/3/2015	21,129.24
Distribution	5/6/2015	652,991.55
Distribution	12/8/2015	227,013.61
Distribution	2/29/2016	114,745.91
Distribution	5/13/2016	99,390.37
Distribution	12/12/2016	127,175.97
Distribution	8/18/2017	177,568.05
Distribution	12/5/2017	953,906.41
Distribution	12/29/2017	54,125.93
Distribution	2/6/2018	928,109.81
Distribution	4/9/2018	339,540.10
Distribution	5/15/2018	644,237.76
Distribution	6/27/2018	121,568.63
Distribution	12/20/2018	186,748.79
Distribution	1/22/2019	101,960.77
Distribution	4/23/2019	21,960.78
FMV Net of Carried Interest	6/30/2019	499,735.00
Net IRR		15.68%
Net Equity Multiple		1.56

Additional Wainwright Notes

- Sold 21 of 24 total acquisitions
- 3 left under contract to sell. Remaining positions are small and will have a minimal impact on IRR and return multiples

Terracap III Update

Investor	Distribution Date	Return of Capital	Profit	Carried Interest	Notional Interest from Other Investors	Total Distribution
Haverhill Retirement System	9/23/2016	-	-	-	29,434.62	29,434.62
Haverhill Retirement System	10/25/2016	36,440.61	-	-	-	36,440.61
Haverhill Retirement System	1/23/2017	177,040.01	99,220.56	(19,844.11)	-	256,416.46
Haverhill Retirement System	2/22/2017	67,700.61	35,190.53	(7,038.11)	-	95,853.03
Haverhill Retirement System	3/24/2017	42,871.31	-	-	-	42,871.31
Haverhill Retirement System	8/15/2017	87,886.18	-	-	-	87,886.18
Haverhill Retirement System	12/15/2017	15,004.96	-	-	-	15,004.96
Haverhill Retirement System	6/12/2018	228,882.79	68,215.38	-	-	297,098.17
Haverhill Retirement System	6/10/2019	123,362.19	-	-	-	123,362.19
Haverhill Retirement System	9/17/2019	269,182.52	96,509.75	(8,063.77)	-	357,628.50
Total		\$ 1,048,371.18	\$ 299,136.22	\$ (34,945.99)	\$ 29,434.62	\$ 1,341,996.03

Cash Flows

Fair Value at 06/30/2019	Date	Cash Flow - Investment Only	Cash Flow with Notional Interest
Investment	6/23/2016	(2,572,278.56)	(3,000,000.00)
Notional interest from final close	9/23/2016	-	29,434.62
Distribution of NOI from properties	10/25/2016	36,440.61	36,440.61
Distribution - Sale of Harbour Pointe	1/23/2017	256,416.46	256,416.46
Distribution - Sale of Lake Destiny II	2/22/2017	95,853.03	95,853.03
Distribution - Loan Proceeds	3/24/2017	42,871.31	42,871.31
Distribution - NOI	8/15/2017	87,886.18	87,886.18
Distribution - NOI	12/15/2017	15,004.96	15,004.96
Distribution - Sale of Keller Center	6/12/2018	297,098.17	297,098.17
Distribution - Sale of Royal Office Center	6/10/2019	123,362.19	123,362.19
FMV Net of Carried Interest	6/30/2019	2,557,177.00	2,557,177.00
Net IRR		13.09%	6.77%
Net Equity Multiple		1.37	1.18

Additional Wainwright Notes

• Sold 4 of 13 positions. The remaining 7 holdings are all income properties.

- 9:40AM-10:00AM- DSF- Tom Mazza- 617-966-5211

DSF Multi-Family Real Estate Fund III, LP ("Fund")

The following information was taken directly from the October 8, 2019 Haverhill Retirement Board Presentation.

Fund Performance (as of June 30, 2019):

	Q2	1 Year	3 Year	5 Year
Fund Income Return	1.66%	6.32%	6.71%	6.53%
Fund Appreciation Return	1.89%	4.68%	5.38%	3.56%
NCREIF Income Return	1.06%	4.27%	4.30%	4.37%
NCREIF Appreciation Return	0.36%	1.47%	1.77%	1.75%

	Q2	1 Year	3 Year	5 Year
Total Fund Return	3.55%	11.21%	12.37%	10.26%
NCREIF (Appreciation)	1.42%	5.79%	6.13%	6.18%

- The Fund achieved a gross total return of 3.55% in Q2-19, composed of a 1.66% income return and a 1.89% appreciation return, both of which increased from the prior quarter and continue to outperform the NCREIF Apartment index's income and appreciation return on a quarterly, trailing 1-year, trailing 2-year and trailing 3-year basis, as indicated in the table above.
- The Fund's trailing 1-year gross total return remained strong through the second quarter at 11.21%, outperforming the NCREIF Apartment index by 5.42%. The Fund's trailing 1-year gross income return also remains strong at 6.32%, outperforming the NCREIF index.
- A major component of the Fund's total return has been generated from income, with the trailing 1-year, trailing 2-year and trailing 3-year averaging a mid-6% gross income return.

Fund Summary (as of June 30, 2019):

Q2	
Total Fund Size	\$285.1 M
Invested Capital	\$285.1 M
Capital Called to Date	100%
Total Investments	8
Gross Assets	\$842.1 M
Net Assets	\$304 M
Average Deal Size	\$99.8 M
Leverage	65%
Weighted Average Cost of Debt	3.83%
Total Units	3,336
Portfolio Occupancy	96%

- Form ADV 1A (dated 3/29/19) listed no disciplinary disclosures. ADV 2A (dated 12/31/18) listed several material changes that have been reviewed. Form ADV 2A did not list any disciplinary or financial disclosures, or any conflicts of interest to note.

Property Summary

Property	Location	# Units	Purchase Date	Purchase Price
Halstead Malden Square	Malden, MA	195	July 2016	\$73,750,000
Halstead Station	New Rochelle, NY	408	October 2016	\$148,500,000
Halstead Milford	Milford, CT	246	December 2017	\$50,500,000
Tarrytown Crossing	Tarrytown, NY	300	March 2018	\$91,020,436
SoMa Apartments	Boston, MA	347	July 2018	\$65,000,000
Halstead Abington	Abington, MA	180	October 2018	\$53,925,436
Halstead Manchester	Manchester, NH	640	February 2019	\$88,500,000
Halstead Framingham	Framingham, MA	1020	May 2019	\$227,050,436

Additional Wainwright Notes

5. First sale target for Malden Square is expected in Q1/Q2 2020
6. SoMa Apartments
 - DSF believes the property was mismanaged prior to their acquisition
 - Close to the red line in Boston
7. Halstead Manchester
 - DSF believes the property was mismanaged prior to their acquisition
 - Family owner, open areas and amenities improvements
8. Halstead Framingham
 - DSF believes the property was mismanaged prior to their acquisition
 - Several corporate headquarters close by that provide strong demand for the property

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report.

Wainwright Investment Counsel provided a market update as of October 2, 2019 and a performance update through August 2019.

1. Wainwright Investment Counsel provided a rebalancing report as of October 2, 2019. WIC reminded the client that the valuations used for rebalancing purposes are the most recent valuations available from People's Bank and that those valuations will be different than the valuations ultimately reported by PRIT.

2. Wainwright Investment Counsel provided preliminary performance for Fisher Investments as of September 30, 2019. The Board approved the liquidation of \$2.1 million to cover benefit payments.
3. Wainwright Investment Counsel provided preliminary performance for Putnam Investments as of September 30, 2019 and discussed the amendment to the management agreement between Haverhill Retirement Board and The Putnam Advisory Company, LLC ("Putnam") to make Putnam responsible for voting proxies for securities held in the Account. The Board voted and approved the amendment.
4. Wainwright Investment Counsel provided preliminary performance for Molpus Woodlands Fund IV as of June 30, 2019.
5. Wainwright Investment Counsel presented meeting notes of both the "GTI 8 Investor Call October 2019" and "AIF Investor Call October 2019" presentations with information as of June 30, 2019. In the GTI 8 presentation, investors were reminded that the GTI 8 initial term expires on July 3, 2020 and GTI 8 may be extended for a three-year period with the approval of a Special Majority of Investors (66 2/3%). If not extended, GTI 8 will enter a 3-year Liquidation Period on July 4, 2020. The Board agreed to vote to not extend the initial term and to start the liquidation of the GTI 8 on July 4, 2020.

Warrants

Review and approve the warrants:

- September 2019 Warrant #9-2019: \$2,293,187.91 (approved for up to \$2,200,000.00).
- Estimated October 2019 warrant: \$2,400,000.00.

A motion was made by Benevento to accept the warrant as listed above for \$2.4 million for the October warrant, seconded by Cleary.

Vote- 5 yes

- Up to \$2.1M for October month-end warrant – VOTE-

A motion was made by Poore to take up to \$2.1 million out of Fisher for the October warrant, seconded by Benevento.

Vote- 5 yes

91 Notice of Excess Earnings- Bradley Andrews- Vote for a payment plan

A motion was made by Benevento to allow the payment plan, but no more than 3 months, seconded by MacDonald.

Vote- 5 yes

New Member Enrollments

Acknowledge new member enrollments:

- **Haverhill Public Schools:** Kolby Sheaff, Llisel Hiraldo, Allise Rodger, Gregory Green, Christine Venti, Nikyla Fernandez, Edzaida Alvarez, Donald Preston, Keryn Smith, Raymond Voter, Dawn Keenan, David Picanso, Tammy Roberts, Abigail Carven, Ana Figueroa, Delfi Almonte, Mildre Ointo, Maria Nunez, Jeannette Woolf, Michael Kwegyir-Attah, Angel Jimenez, Susan Disabato, Thomas, Duston, Dennys Sanchez-Aleman, Haneen Kayah, Kylie Tracy, Andre Ouellette, Caroline Bird and Laurie D'Addario. **Whittier Vo-Tech:** Paul MacMullin. **City of Haverhill-Police Department (Parking):** Martin Longo. **City of Haverhill-Fire Department:** Arthur Azevedo. **City of Haverhill-Skating Rink:** Billy Jones. **City of Haverhill-Wastewater:** Kenneth Jones.

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

Vote- 5 yes

Buybacks/Makeups- None at this time.

Refunds- Haverhill Public Schools: Wayne Jalbert.

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

Vote- 5 yes

Transfers

- **Haverhill Retirement Board:** Scentia Saintcy (Newton). **Haverhill Public Schools:** Bridget DeBenedetto (Amesbury), Alison DiGloria (Lawrence), Tara Hudson (Lawrence), Jillregin Mencis (Plymouth County) and Kyle Sweeney (Lexington).

A motion was made by MacDonald to accept the Transfers as listed above, seconded by Cleary.

Vote- 5 yes

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: **City of Haverhill- Police Department:** Dennis Moriarty (09/30/19; 28 yrs., 2 months). **City of Haverhill- School Department:** Diane L. Boucher

(based on workers compensation status to be confirmed, 10/03/19; 13 yrs., 0 months).

A motion was made by Poore to accept the Superannuation of Dennis Moriarty, seconded by MacDonald.

Vote- 5 yes

PROSPER Update- Wentworth

The Administrator notified the Board Members that they need to go into their PROSPER accounts to vote on the death benefit for Ms. Wentworth.

Old Business- Election by Declaration Announcement- Vote

No action was taken.

Union Representative local 170 future meeting invitation.

Minutes

- Review and approve the September 10, 2019 regular meeting minutes and review and approve the September 24, 2019 meeting minutes.

A motion was made by Benevento to accept the minutes of September 10, 2019 and September 24, 2019 as listed above, seconded by MacDonald.

Vote- 5 yes

Correspondence to be reviewed

PERAC Memo #22/2019	9/25/19	Tobacco Company List
PERAC Memo #23/2019	9/27/19	Mandatory Retirement Board
		Member Training-4 th Quarter 2019
Law Offices of Michael Sacco, P.C.	9/16/19	Audit Response Letter
Wolf Popper LLP	9/11/19	Securities Litigation Update
Scott + Scott	9/30/19	Securities Litigation Update
Eastern Bank	8/19	Bank Reconciliation

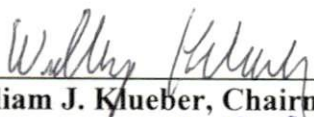
All correspondence was made available by the Administrator for the board to review.

New Business

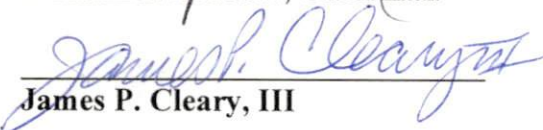
Matters and issues the Board would like to discuss at future meetings.

A motion was made by Benevento to adjourn the meeting at 11:40AM, seconded by MacDonald.


Vote- 5 yes



William J. Klueber, Chairman



James P. Cleary, III



Charles Benevento

Lewis F. Poore, Jr.

Richard MacDonald

Date of next scheduled Retirement Board meeting is Tuesday, November 12, 2019, 9:00AM.