

PLYMOUTH RETIREMENT BOARD
Wednesday, October 28, 2015
8:30 a.m.
Boston Manager Visits

Chairman Thomas Kelley called the meeting to order at 8:40 a.m. in the conference room at 15 Broad St., Suite 610, Boston MA. Present Board members were Thomas Kelley, Richard Manfredi, Shawn Duhamel, Lynne Barrett and Gerald Coughlin. Also present were Wendy Cherry and Karry Barros, as well as Anthony Tranghese and Maura Goulart both of Fiduciary Investment Advisors.

Section I: Investment Manager Annual Reviews:

Boston Trust

Mark Cushing, CFA, Managing Director and Ken Scott, Small Cap Investing, were present for Boston Trust's annual performance review. Boston Trust's team objectives are to provide well-diversified exposure to small cap U.S. equities and to generate competitive returns with less risk, over full market cycles. There is currently \$7.4 Billion in firm assets under management.

Mr. Cushing told the Board that he would review performance through the 3rd Qtr. 2015. Currently there are no organizational changes to report. The portfolio is well positioned and well managed however, the 3rd Qtr. 2015, was a brutally tough quarter. The fund was down 9% for the quarter but still outperformed the Russell 2000 Index by 3%. Reasonably valued higher quality stocks outperformed the benchmark but volatility increased as the market reassessed risk. Health care accounted for a large portion of the outperformance. Year-to-date performance is -6.6% vs. the Index of -7.7% and the 1-year is 1.1% vs. 1.3%

Mr. Cushing stated that in the month of October the market has rebounded a bit. Chairman Kelley asked if there was a reason for Market volatility. Mr. Scott, Director, Small Cap Investing, stated that it would be a few years before anyone can say for sure. He added that in the last three years there has been an extremely low amount of Market volatility. He explained that there is a Tolerance Risk Chart which shows Implied Volatility vs. Actual Volatility and that the Actual has really been low in comparison. Mr. Kelley asked Mr. Scott if he thought the Federal Government was going to raise interest rates any time soon. Mr. Scott stated that ultimately, the Market will set the rates. The Federal Government has extraordinary influence on the interest rate however, collective Market expectations need to be considered. The Board thanked both Mr. Cushing and Mr. Scott.

Boston Advisors

Doug Riley, Relationship Manager and Andrea Mackey, Institutional Client Services, from Boston Advisors were present for their annual client interviews with the Board. Mr. Riley told the Board that the firm is growing and experienced a record year last year. He continued by stating that the Firm launched four Mutual Funds (now managing), hired two Fundamental Analysts, hired a second trader and added an International Portfolio Manager. Chairman Kelley made an inquiry regarding energy stocks, and asked if it would be possible to have something sent to the Board at a later date. Ms. Mackey stated, she would speak with the folks from Analysis and see what might be available. Mr. Riley stated that the fund returned -7.1% for the 3rd Qtr. 2015, underperforming the -6.44% return of the benchmark S&P 500 Index by -.66%. The portfolio got off to a strong start in July 2015, outperforming the benchmark by nearly 80 basis points. However, other than a brief rebound in early September, relative performance slipped consistently beginning in August 2015. Underperformance was broad based, with only two out of ten sectors and six out of 22 industry groups beating the benchmark. Allocation (including cash) was slightly positive, but stock selection was the dominant impact on results. The Year-to-date return is -4.13% vs. benchmark of -5.29%, outperforming the benchmark by 1.16%.

Mr. Duhamel asked what effect the potential Federal Budget deal with Congress might have on the Markets. Mr. Riley stated a deal would provide additional stability and have a positive impact on the Market. He added, it is his feeling there will not be an interest rate hike any time soon.

The Board thanked Mr. Riley and Ms. Mackey.

Invesco-High Yield and International Growth Fund

Kerry Hepburn, Relationship Manager and Scott Roberts, Portfolio Manager (High Yield) were both present for their annual review. Greg Allison, Client Portfolio Manager (International Growth Fund) was conferenced in to give an update as well. Ms. Hepburn told the Board that there was a change on the London Team, one of the two team members that left was replaced. However, the same process is in place as has been for the last 13 years.

Mr. Roberts informed the Board that the number one performing sector was Energy and the number two was Metals and Mining. He stated that it is likely that defaults will increase in 2016, adding, although debt loads around the globe are high, defaults are still well below the historical average of 4.0% and likely to remain well below average. There are no real Market concerns, not overly concerned about interest rates. He continued by stating, the 3rd Qtr. 2015, was not good but the month of October was better. The Fund balance as of 9/30/15, is \$3,624,571.95. The fund was down for the 3rd Qtr. at -4.43 but outperformed the benchmark of -4.83. The year-to-date return is -2.83 still outperforming

the benchmark of -3.40. Mr. Kelley stated that the Town of Plymouth had recently been notified by the Entergy Company that its Power Plant would be closing and asked if Mr. Roberts had any information to share on the Company. Mr. Roberts stated that he was not familiar with Entergy but if he was able to gather any information he would forward to the Board.

Greg Allison was conferenced in to the meeting and spoke to the Board about the International Growth Fund. Mr. Allison stated that global data that showed slowing economic conditions, combined with the devaluation of China's currency, the renminbi, contributed to a sharp sell-off in global equities during the third quarter. The US Federal Reserve's decision to delay raising interest rates also heightened market participants concerns about the US economy's strength. The Fund outperformed slightly in the third quarter at -10.44 vs. the benchmark of -10.77. The Year-to-date return shows an underperformance of -1.0% at -6.95 vs. -5.95. Mr. Allison stated that we are six years into a "Bull Market" and defensive stocks continue to lead. He briefly reviewed the Increased Positions and New Purchases Lists, thanked the Board, and signed off. The Board thanked both Ms. Hepburn and Mr. Roberts.

Wellington Management Company LLP

Tom Egan, Relationship Manager welcomed the Board and gave a firm update. Mr. Egan stated that as of September 30, 2015, Market Value for WTC-CIF Research Equity is at \$4.0 million, WTC-CIF Opportunistic Investment is at \$6.9 million and WTC-CIF II Core Bond (Series 1) is at \$16.5 million totaling \$27.4 million. He continued, stating there are 2,100 + clients based in 55+ countries with \$898 billion in Client Assets under management. Wellington Management conducts research through fundamental, quantitative, macro, and technical lenses. He stated that the firm is performance driven, has high standards, ethics, integrity, and is globally diverse. These factors are all contributors to the firm sustainability.

Bradley Huggins, VP/Investment Director, reviewed the US Research Equity Portfolio. Mr. Huggins stated that stock selection drives performance. Their team approach provides deep coverage across a broad universe, using career industry specialist's experience and focus to get a clear picture of the potential upside. The quarter ending September 30, 2015, showed a negative return of -6.2 but still a slight outperformance to the benchmark of -6.4. The Year-to-date return is at -2.0 vs. the S&P 500's -5.3. Mr. Huggins told the Board that the top two performing sectors of the one year ending September 30, 2015, were Information Technology and Financials. He spoke briefly on the Technology, Health Care, and Energy Sectors stating the outlook is to expect continued advancements and innovation to set the stage for outsized growth opportunities for Technology, long-term drivers remain in place and it is believed we are in early stages of a new era of growth in Health Care, as well as we can expect to see a supply-demand shortfall by 2016-2017 to be a catalyst for improvement in Energy.

Mr. Kelley asked if any information was available on the Entergy Company, as recently, the Town of Plymouth was notified that the Power Plant would be shut down. Alan Hsu,

Global Industry Analyst, introduced himself and told the Board that because we are unable to “store electricity” nuclear and coal will always be necessary energy options. He went on to explain that many years ago when Nuclear Power Plants were build, they were a viable option however, he now believes that nuclear plants are not earning enough revenue to sustain themselves. These plants run 98% of the time and because of this, they are losing money at a higher rate and not meeting operating costs. The costs of electricity are higher than nuclear but the higher rates mean excess earnings for those companies. It's possible that the company could look into a legislative agreement in which case, a PPA, Power Plant Agreement, could be executed to lock in a higher rate of revenue going forward. Mr. Hsu added that some of these plants are facing revenue problems now do to decisions that were made 20-30 years ago. The Board thanked Mr. Hsu.

Jake Brown, Investment Director, gave an overview of the Opportunistic Investment Allocation Fund. Mr. Brown stated that the fund outperformed benchmark Year-to-date at -1.02 vs. -3.86. The benchmark is a blended mix made up of 65% Equity and 35% Fixed Income. This equity/fixed income mix has been rebalanced quarterly since October 1, 2007. Mr. Kelley asked Mr. Brown's opinion regarding a raise in interest rate being a function of the Market or Federal Policy. Mr. Brown stated he feels the answer has a bit to do with both. He does not feel there is much pressure to raise the rates and if there is an increase it most likely will not be dramatic. He added that oil could be a factor in the decision.

Chris Buell and Meredith Joly, both Portfolio Specialists, reviewed performance of the Core Bond Fund. The fund slightly underperformed the benchmark Year-to-date at .79 vs. 1.13. The performance for the 1 year is 2.78 vs. 2.94 again, slightly under at -.16. Mr. Buell told the Board that the portfolio does not contain a lot of risk. We are currently in a very challenging environment and it is his opinion that as growth increases the Federal Government will increase interest rates. Mr. Buell asked the Board to accompany him to the Fixed Income Trading Floor for a tour. At the end of the tour, the Board thanked Mr. Buell and Mr. Egan.

Westfield Capital

Justin Moscardelli, Partner, welcomed the Board and gave a brief Firm Update. Westfield Capital Management is a Boston-based firm with \$14.9 billion in assets under management as of September 30, 2015, with 65 employees. They use a Team approach allowing analysts to have an impact on portfolios creating a differentiated culture. They specialize in growth equities across the market capitalization spectrum and are 100% employee owned aligning the Company's interest with those of the Clients. Mr. Moscardelli listed the four key components of Westfield's investment process as Experience Driven Idea Generation, Team-based Investment Review, Disciplined Portfolio Construction and Focused Risk Management. He told the Board the Firm has 18 investment professional with extensive experience, these professional have an average of 19 years of experience with 8 years being the average years of firm tenure.

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Investment Review Meeting Minutes

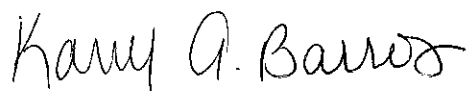
Will Muggia, President, CEO and CIO, told the Board that during the 3rd Qtr. 2015, equities suffered broad losses globally and this was the worst quarter since 2011. He stated that momentum factors drove performance showing a return of -6.44 for the 3rd Qtr. 2015. He described the market environment in third quarter of 2015, as the ultimate "risk off" trade. The best performing asset class was Long term Treasury Bonds, Corporate Bonds and T-Bills. He went on to say that Utilities was the only sector with positive returns in the quarter. Health Care and commodity exposed sectors (Material and Energy) significantly underperformed. Mr. Muggia stated that as China/global growth concerns continue volatility is likely to remain elevated. He believes due to low inflation and slow growth the interest rates will remain lower for longer however, the U.S. consumer remains a bright spot.

Hamlen Thompson, Managing Partner, spoke to the Board about Energy. He stated that power prices are weak due to the low cost of natural gas. It is difficult to make money when pricing is low. In order to make higher returns, prices need to be raised. He added that Power prices are based on transmission costs, making it difficult for companies to make money. Mr. Kelley mentioned that the Town of Plymouth had recently been notified that the Power Plant would be closing in the near future. He asked Mr. Thompson what his thoughts were as far as pricing on the issue. Mr. Thompson stated that Power Plants run constantly so not only is there the potential to lose money continually but also there is a significant cost to keep the plant up to code. He added that it is possible that the company owning the Power Plant might be looking for some help from regulators. If the regulators could raise the price, there is potential for a higher return. He stated that if the Power Plant were to close, the cost of other types of energy will increase, it is the result of "supply and demand." The Board thanked Mr. Thompson.

Adjournment:

Motion to adjourn meeting made by Mr. Coughlin at 3:35 p.m.; seconded by Mr. Manfredi. Unanimously voted.

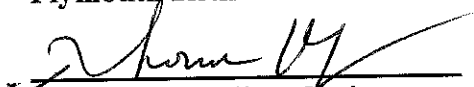
Respectfully submitted,




Karry A. Barros
Assistant Director

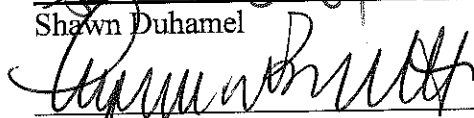
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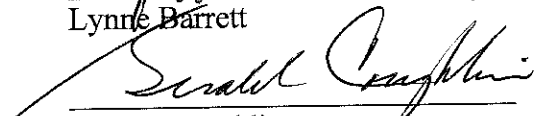
Plymouth Retirement Board:


Mr. Thomas Kelley, Chairman


Richard Manfredi


Shawn Duhamel


Lynne Barrett


Gerald Coughlin

December 18, 2015
Dated _____