MEETING OF THE GENERAL
GOVERNMENT RETIREMENT BOARD
WORKSHOP
June 22, 2022

A Workshop of the General Government Retirement Board was held on **June 22, 2022 at 2:00 p.m.** in the City Council Chambers at City Hall, Bristol, CT. Members present: Chairman Tom Barnes Jr., Mayor Jeffrey Caggiano, Comptroller Diane M. Waldron, Council Member Jacqueline Olsen, Commissioner's David Maikowski (Zoom), and William Veits. Absent: Vice Chairman David Preleski, Commissioner's David Butkus, Peter Dauphinais, Thomas DeNoto, and Frank Rossi.

Also present: John Oliver Beirne and John Beirne from Beirne Wealth Consulting
Eve Teich & Owen Boyle from Silver Point Capital
Peter Kenny & Jonathan Simmons from Golub Capital
Jonathan Savitz & Eric Miller from Greywolf Capital
John Barker, Greg Mullaney, & Keith Skinner from Neuberger Berman

1. **Call to Order.**

The meeting was called to order at 2:05 p.m. by Chairman Barnes.

2. **Investment Manager Presentations**

a. Silver Point Capital

Eve Teich, of Silver Point Capital, addressed the Board and reviewed their history/investment strategies. Silver Point Capital is actively involved in the companies they invest in and they are always analyzing the business/credit cycle to determine where opportunities are. Ms Teich also provided a high level overview of the company structure and explained that credit underwriting is at the core of their strategy. Since inception, the general return has been about 13%. The current market was discussed, and while interest rates persist there will likely be continued volatility in the Public Trading Markets. Terms, performance fees, and management fees were also addressed. The typical investment period is three years but they tend to get refinanced sooner than that (approximate maturity is about two to three years). Board Members engaged in a brief discussion with representatives from Silver Point Capital.

b. Golub Capital

Peter Kenny and Jonathan Simmons, of Golub Capital, provided an overview of their firm and discussed what makes them competitive in the field. They help Private Equity Firms buy companies and they only select about 3% of the deals they see each year. Underwriting standards are imperative to their platform. Golub Capital has sector expertise to help companies through all cycles and outperformed the leveraged loan index over its entirety and during Covid/ the Great Recession. Golub Capital focuses on ESG aligned sectors and tends to stay away from cyclical industries. Their strategy is to generate premium and consistent returns without losing money. Golub Capital also aims to be the first dollar of debt in any company so there is a layer of protection in the event that a loan defaults. There is a 50 basis point management fee and there are no incentive fees for the first two years. Board Members engaged in a brief discussion with representatives from Golub Capital.

Chairman Barnes left the meeting at 3:15pm.

c. Greywolf Capital

Jonathan Savitz and Eric Miller, of Greywolf Capital, provided an overview of their firm and discussed how historical markets compare to the current market. The Fed is currently trying to control inflation, which is slowing the economy down. Greywolf believes that we are heading into a distressed cycle and they're hoping to take advantage of it. Mr. Savitz explained that Greywolf focuses on downsides and there are typically good opportunities to make money in bankruptcy situations because of the skewed risk/reward ratio. The City is currently invested in Fund 1 which has a life to date return of 20.8%. Greywolf is launching a Fund 2, and it is only open to existing investors at this time. They are aiming for a July close. Mr. Savitz also provided the Board with an investment example with regards to shipping. Greywolf bought several small ships for $6-7 million and were able to cover the cost of the ship with a two year lease. While the lease provides significant return, the ships could also be scrapped and the metal would be worth around $3 million. Due to current market forces, these ships are now being sold for approximately $20 million. Opportunities still exist in this sector and Greywolf is launching a Shipping Fund 2. Board Members engaged in a brief discussion with representatives from Greywolf Capital.

d. Neuberger Berman

John Barker, Greg Mullaney, and Keith Skinner, of Neuberger Berman, addressed the Board and discussed Large Cap Growth and International Equities. They provided an overview on where the Large Cap Growth fund is now and how Neuberger Berman is reacting to the current market. With inflation rising, they are bracing for excessive tightening in the next few months and believe that there will be a recession sooner rather than later. They reviewed the overall portfolio structure and explained that they've historically outperformed the Russell Index in upside and downside environments.

Keith Skinner provided an overview of the International Equities. In 2019, their International Equities outperformed the benchmark pretty significantly. Neuberger Berman was able to take advantage of certain stocks at the wind down of the pandemic. Although 2021 was not a great environment for Europe, their fiscal unity strategy proved to be a massive leap forward. Mr. Skinner discussed Covid reopening, Ukraine, and inflation. Their biggest outperformance was in value markets. International Equities are heading into a difficult market and Neuberger Berman is watching the recession possibility very closely. They are currently making the portfolio more defensive. Board Members engaged in a brief discussion with representatives from Neuberger Berman.

3. Adjournment.

The workshop adjourned at 4:58 p.m.

Respectively submitted,

Diane M. Waldron

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Comptroller and Secretary, Retirement Board