



Milestones

REPORT TO THE MEMBERSHIP OF THE MBTA RETIREMENT FUND

Executive Director's Message



I am writing on behalf of the Board of Trustees and staff to wish you a safe and enjoyable summer season. I would also like to take

this opportunity to update you on your retirement fund's performance. Soon you will be receiving the official 2012 Annual Report.

The Fund posted a return of 14.9%*, ending the year with a market value of approximately \$1.48 billion. Despite slowing growth in China and uncertainty in Europe, the financial markets have taken a giant step forward in 2012.

By employing a sophisticated, diversified approach, the Fund is implementing a strategy to achieve long-term, risk-adjusted returns and provide superior performance through changing market and economic cycles. The Fund's 14.9% return in 2012 exceeded its Policy

Benchmark Index by over 3% and beat median returns for U.S. Taft-Hartley, Public, and Corporate Pension Funds by approximately 2.5%, 2.5% and 1.2%, respectively. Notably, the Fund ranked in the top one percentile of reported Taft-Hartley Funds.

Leading contributors to the Fund's top-tier performance in 2012 included returns from equity and fixed income portfolios. Both of these portfolios benefited from diversified investments in market sectors that fared well in a setting of accommodative U.S. monetary policy, modest U.S. economic growth, and fiscal tightening in industrialized markets.

As we pass the midpoint of 2013, the tailwind has generally continued as U.S. stocks power ahead during the first two quarters of 2013 as investor confidence returns to the equity markets. The U.S. stock market's resilience in the face of bad news from abroad is driven by hopeful signs from the domestic economy. There have been positive signs in some recent

IN THIS ISSUE

Director's message	1
Jacquelyn Carey	3
Congratulations	4
In Memoriam	6

Milestones

Published solely as a service to Fund Members by giving you information and a voice by which you can exchange views with the Board and with each other.

Retirement Board

Janice Loux, *Chairperson*
Jonathan R. Davis
James M. Evers
John J. Lee
James M. O'Connell
Darnell L. Williams

Honorary Board Member

Katherine A. Hesse

Alternate Board Members

John A. Clancy
Brian P. Cummins
Gerald K. Kelley
Jeanne M. Morrison
James M. O'Brien

Executive Director

Michael H. Mulhern

Deputy Director

John P. Barry

Retirement Fund Staff

Jacquelyn E. Carey
Maura E. Corso
Brian P. Crowley
John G. Fitzgerald
David M. Hanson
Pamela M. Holloman
Siobhán M. Keeney
Catherine M. McGahan
Dominique S. Sye
Nancy M. Walsh

economic data, including employment, industrial production, home sales, and retail sales.

During 2012, the Fund increased its value by approximately \$84 million. This growth is net of \$175.4 million the Fund distributed to retired members and beneficiaries during 2012. In spite of the investment gains the Fund has realized over the last four years, restoring the Fund's fully-funded status remains a major challenge. The losses of the 2008 market melt-down, which reportedly eliminated \$4 Trillion of wealth from retirement plans worldwide, hit the MBTA Retirement Fund hard, and, like all retirement systems, we are required to find and implement solutions in order to achieve better funding levels. Today, more of our members are retired and collecting pension benefits than are actively working and making contributions to the Fund. Relying on investment performance and employer and employee contributions are not enough to regain a fully-funded status. The structural changes in the current Pension Agreement are designed to confront our new reality. Minimum pension eligibility criteria for new employees (now 25 years of service and 55 years of age) reflect changing workforce demographics and will also help to manage required contribution levels and control future liabilities.

*gross of fees

As we look ahead with cautious optimism for 2013, U.S. stock and bond markets ended the second quarter moving in very different directions. On a positive note, the S&P 500 index of large cap U.S. stocks gained 13.8% for the year-to-date through June 2013, the index's best first half gain since 1998. On the other hand, due in large part to market reaction to U.S. Federal Reserve Bank's statements, yields on U.S. Treasury bonds rose sharply, contributing to losses in the bond market during the first half of the 2013.

Safeguarding your retirement security is our top priority. The Board and the Fund's Management will continue to position the Fund for long-term growth and careful risk management for the benefit of our members and beneficiaries. As always, our staff and service providers are committed to providing exceptional service to all the members of the Retirement Fund.

Yours respectfully,

Michael H. Mulhern
Executive Director

Jacquelyn Carey, as a Compliance Officer, works closely with all of the Fund's investment management firms.



When Jacquelyn Carey accepted an internship in the summer of 2007 as a financial assistant to the MBTA Retirement Fund, she did not know that she was just beginning a career that would

continue for the next six years - and counting. Today, Jacquelyn is a well-versed asset to the Funds' investment team as a Compliance Officer and also as a Coordinator of the Written Information Security Program (WISP) policy.

As a Compliance Officer, Jacquelyn works closely with all of the Fund's investment management firms. Her duties include maintaining records of Securities and Exchange Commission (SEC) filings; monitoring quarterly reporting submitted by the firms; and managing annual audits received by the Fund of the firms. As a Coordinator of the WISP policy, Jacquelyn ensures that the members' personal information is properly protected.

"As someone who has worked with the Fund since she was in college, Jacquelyn understands the importance of her responsibilities as Compliance Officer and as Coordinator of the WISP Policy," said John Barry, Deputy Director at the MBTA Retirement Fund. "Not only is she an exceptional member of the team and a highly qualified individual, but she is also a pleasure to work with."

Jacquelyn earned a Bachelor's degree in Finance from Fairfield University and an MBA from Suffolk University, where she graduated from the Sawyer School of Management with a concentration in Finance.

"Every day I apply what I learned in college to my job and I know my education has really paid off," Jacquelyn said. "My colleagues have been influential in my ongoing development at the Fund".

Although the majority of her work is done behind the scenes, Jacquelyn also enjoys opportunities to interact personally with the members of the Fund. While she serves dual-roles for the Fund, above all she believes that her most important role is serving those who the Fund represents, the Members and their families.

"My job is important for compliance and investment reasons," said Jacquelyn. "The most important part of my job, though, is protecting the security of the members' futures by overseeing that all of the investment managers' documentation complies with the Fund's Investment Policy Statement."

One example of how Jacquelyn maintains relationships with investment managers is through annual questionnaires. The questionnaire addresses topics such as cash flow projections, valuation policies, employee turnover and any back office operational changes. Specifically, managers are asked to disclose any investigations or warnings from regulatory offices. Through the collection and review of this document, the Fund is able to obtain a higher level of transparency.

In an ongoing effort to protect the members, the Fund decided to hire a Compliance Officer to ensure a heightened level of oversight of the numerous investment management firms that the Fund works with. As someone who had worked with the Trust in the past and as a recent college graduate, Jacquelyn was the perfect choice.

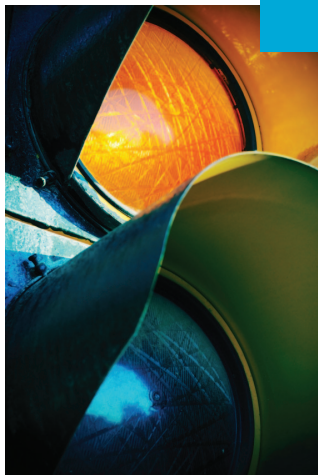
"The most important part of my job is protecting the security of the members."

— Jacquelyn Carey

Congratulations

MBTA Retirees

THE FOLLOWING MEMBERS HAVE RETIRED ON OR BEFORE JUNE 1ST 2013.



John E. Agcaoili
713-Tres Controller Money Room

Jean A. Alexandre
138-Bus Transportation Southampton

Joseph J. Alongi
126-Bus Transportation ChrltwnFels

Timothy J. Armstrong
321-SIM Signals

Maryann L. Baker
123-Bus Transportation CabotAlbany

Edward Banh
128-Bus Transportation Quincy

Frederick M. Bennett
432-Rail Maint Red Cabot

Stacey A. Bester
441-Bus Transportation Admin

Willie J. Bogus
132-LRail Transp Green Reservoir

Donald C. Bolstad
113-HRail Transp Red JFK/UMASS

Alphonso J. Boone
321-SIM Signals

Michael P. Burns
432-Rail Maint Red Cabot

Theresa A. Cadegan
341-SIM Transmission&Distribution

Donald E. Campbell
414-Veh Main Repair Facility -Bus

George A. Cardinale
321-SIM Signals

Ann M. Cass
783-Railroad Operations

George J. Cavaliere
125-Bus Transportation Bennett

Thomas M. Cawley
351-PIM MOW Rail Equipment

Helen A. Cefalo
351-PIM MOW Rail Equipment

Horace Chau
516-Design,Const-SthwstCorrdr

John F. Cherry
132-LRail Transp Green Reservoir

Annie C. Citroni
132-LRail Transp Green Reservoir

Steven D. Collins
341-SIM Transmission&Distribution

Patricia A. Collins
751-Human Resources EmployTrng&ADA

William C. Colman
333-PIM MOW RTL

Deborah Conley
128-Bus Transportation Quincy

Kevin J. Conley
123-Bus Transportation CabotAlbany

Michael T. Conroy
128-Bus Transportation Quincy

Michael Conti
125-Bus Transportation Bennett

Ronald Cook
113-HRail Transp Red JFK/UMASS

Louis Cordeiro
132-LRail Transp Green Reservoir

Kevin M. Craven
413-Veh Main Repair Facility -Rail

Kevin B. Croke
123-Bus Transportation CabotAlbany

Edward J. Cronin
128-Bus Transportation Quincy

Frank Crowley
432-Rail Maint Red Cabot

Wendell Curtis
123-Bus Transportation CabotAlbany

Linda Dailey
113-HRail Transp Red JFK/UMASS

Charles E. Dailey
413-Veh Main Repair Facility -Rail

Robert Dalrymple
128-Bus Transportation Quincy

Kevin J. Dargan
102-OCC Opers Control Center

Richard R. Destefano
98-Tres Controller MBTAExpenses

Denise M. Difabio
713-Tres Controller Money Room

Louis Dimanche
113-HRail Transp Red JFK/UMASS

Michael P. Dionne
132-LRail Transp Green Reservoir

Leo A. Dirrane
321-SIM Signals

Kathleen C. Dougan
139-OCC Trng Bus Charlestown

Classie M. Durant
125-Bus Transportation Bennett

John A. Dutra
414-Veh Main Repair Facility -Bus

James M. Fahey
321-SIM Signals

Michele Fay-Gillis
132-LRail Transp Green Reservoir

Patrick J. Fennelly
132-LRail Transp Green Reservoir

Brian P. Ferrari
126-Bus Transportation ChrltwnFels

Francis X. Flaherty
511-Design, Const. Old Colony

Paulette A. Foley
125-Bus Transportation Bennett

Donna M. Fontes-Trowers
112-HRail Transp OrangeWellington

Wayne B. Freedman
126-Bus Transportation ChrltwnFels

Cynthia A. Fulti
129-Bus Transportation Lynn

Paul W. Gagne
762-Materials Mgmt Stores

Paul W. Gagne
762-Materials Mgmt Stores

John P. Gillis
128-Bus Transportation Quincy

Bryan Gilmartin
128-Bus Transportation Quincy

Nancy Gooding-Cordeiro
95-Safety Administration I

Kevin J. Graney
126-Bus Transportation ChrltwnFels

Michael E. Greene
454-Bus Maintenance Arborway

Robert F. Griffin
333-PIM MOW RTL

Nancy L. Griffin
414-Veh Main Repair Facility -Bus

George E. Groomes
835-HRail CustomerService Red

Judith A. Halloran
414-Veh Main Repair Facility -Bus

James O. Harris
114-HRail Transp Blue Orient Hght

Robert L. Helfer
126-Bus Transportation ChrltwnFels

Frank P. Hill
442-Bus Maintenance Albany

Ann M. Hogan
835-HRail CustomerService Red

Jimmy Humphrey
123-Bus Transportation CabotAlbany

William H. Janey
333-PIM MOW RTL

Theresa A. Jean-Jacques
721-Legal

Gary John
102-OCC Opers Control Center

Philip K. Joseph
463-Rail Maint Red Mattapan

Linda L. Kaufman
128-Bus Transportation Quincy

Scott F. Kelley
521-Design,Constr-North Statn

William Kenney
128-Bus Transportation Quincy

Congratulations

MBTA Retirees(cont'd)

THE FOLLOWING MEMBERS HAVE RETIRED ON OR BEFORE JUNE 1ST 2013.

Timothy J. Kenney
132-LRail Transp Green Reservoir

Mark D. Kervin
125-Bus Transportation Bennett

Dennis F. Killeen
113-HRail Transp Red JFK/UMASS

Harold Kirkland
122-Bus Transportation Arborway

Robert S. Kneeland
125-Bus Transportation Bennett

Franklin D. Lam
447-Bus Maintenance Arlington Ave

Christopher L. Lanci
113-HRail Transp Red JFK/UMASS

Jason Law
836-HRail CustomerService Blue

William Livingston
835-HRail CustomerService Red

William Lyons
113-HRail Transp Red JFK/UMASS

Alexander Maklakov
321-SIM Signals

John A. Maloof
113-HRail Transp Red JFK/UMASS

Dorrit Marshall
32-LRail Transp Green Reservoir

Ann M. McCabe
321-SIM Signals

Regina Y. McKeon
132-LRail Transp Green Reservoir

David J. McSweeney
712-Tres Controller GeneralAccountg

Philius A. Menard
126-Bus Transportation ChrltwnFels

Polina Mendeleyev
321-SIM Signals

Joseph P. Moore
413-Veh Main Repair Facility -Rail

Daniel J. Moran
413-Veh Main Repair Facility -Rail

Arlyne R. Morrison
129-Bus Transportation Lynn

Patricia A. Mudge
132-LRail Transp Green Reservoir

John R. O'Brien
351-PIM MOW Rail Equipment

Diane M. O'Brien
835-HRail CustomerService Red

Thomas J. O'Brien
351-PIM MOW Rail Equipment

Kevin O'Callaghan
452-Bus Maintenance Quincy

Francisco Ocasio
464-Bus Maintenance North Cambridg

Frank M. O'Donnell
762-Materials Mgmt Stores

Timothy F. O'Donovan
839-SIM AFC Maintenance Coord

Joseph W. Omogrosso
126-Bus Transportation ChrltwnFels

Richard J. Osetek
113-HRail Transp Red JFK/UMASS

Aldo Parise
132-LRail Transp Green Reservoir

Valerie J. Parise
132-LRail Transp Green Reservoir

Paul F. Patalano
132-LRail Transp Green Reservoir

William E. Patten
432-Rail Maint Red Cabot

John W. Pelton
836-HRail CustomerService Blue

Robert W. Pittman
82-Vehicle Engineering

William E. Pitts
126-Bus Transportation ChrltwnFels

James Pitts
126-Bus Transportation ChrltwnFels

Richard L. Pomerleau
433-Rail Maint OrangeWellington

William F. Prescott
129-Bus Transportation Lynn

Tommaso Prestia
114-HRail Transp Blue Orient Hght

Robert A. Rickard
126-Bus Transportation ChrltwnFels

Eloisa Rivera
126-Bus Transportation ChrltwnFels

Daniel F. Roche
132-LRail Transp Green Reservoir

Michael J. Ryan
466-Rail Maint Green Riverside

George R. Shanks
511-Design,Constr-Old Colony

Albert F. Shaughnessy
128-Bus Transportation Quincy

Paul R. Sisson
324-SIM Electrical Maintenance

Mable Smith
455-Bus Maintenance Cabot

Clara B. Smith
837-LRail CustomerService Green

Laureen M. Sorrento
82-Vehcle Engineering

Edith G. Spagnuolo
414-Veh Main Repair Facility -Bus

Patricia B. Sprague
441-Bus Transportation Admin

Reginald J. Stovell
414-Veh Main Repair Facility -Bus

Loyal Stover
413-Veh Main Repair Facility -Rail

Richard J. Stuart
462-Rail Maint Green Reservoir

Stanley E. Svensson
432-Rail Maint Red Cabot

Robert D. Sweeney
413-Veh Main Repair Facility -Rail

William E. Taylor
413-Veh Main Repair Facility -Rail

Robert C. Thompson
432-Rail Maint Red Cabot

Wenceslaus Tifre
371-SIM Power Systems & Equipment

Carol L. Timberlake
92-C_MKT Customer Communications

Kevin W. Toohy
432-Rail Maint Red Cabot

Aleida Torres
126-Bus Transportation ChrltwnFels

Maybell Turner
132-LRail Transp Green Reservoir

Rosa Vega-Baez
122-Bus Transportation Arborway

William D. Veiga
762-Materials Mgmt Stores

John Vendetti
414-Veh Main Repair Facility -Bus

Edward C. Vickery
341-SIM Transmission&Distribution

Maryanne Walsh
106-COO Administration

John W. Walsh
333-PIM MOW RTL

Morgan A. Wells
462-Rail Maint Green Reservoir

Henry J. Welsh
414-Veh Main Repair Facility -Bus

John G. Williams
509-Design,Constr-South Office

Ruby L. Williamson
834-HRail CustomerService Orange

Vinton D. Wong
764-Materials Mgmt Purch Inventory

Kevin P. Woods
333-PIM MOW RTL

Brian J. Worley
447-Bus Maintenance Arlington Ave

Peter W. Zagami
129-Bus Transportation Lynn

In Memoriam



THE FOLLOWING MBTA RETIREES HAVE PASSED AWAY.

Lee A. Alexander
January 10, 2013

John F. Cain
January 31, 2013

Richard D. Digan
December 27, 2012

Willie J. Gooding
December 10, 2012

Henry Allen
April 12, 2013

Peter C. Calcaterra
April 28, 2013

Gilbert Y. Donaldson
May 6, 2013

Stephen J. Graham
February 19, 2013

Harold Anderson
April 23, 2013

James F. Cannon
December 1, 2012

William J. Donovan
December 4, 2012

Donald W. Greenidge
May 3, 2013

James W. Bailey
December 5, 2012

John Hy. Carson
April 12, 2013

John Doyle
April 25, 2013

Americo J. Grossi
December 12, 2012

Walter K. Balkus
October 30, 2012

Bernard J. Carter
April 4, 2013

Joseph F. Dwyer
May 28, 2013

Chalmer G. Groves
October 27, 2012

Anthony Barbere
December 9, 2012

Joseph L. Clougherty
November 9, 2012

Kevin H. Edginton
October 15, 2012

Leo J. Halpin
December 20, 2012

Robert M. Belleville
January 30, 2013

Benjamin B. Coleman, Jr.
December 4, 2012

Michael F. Fahy
January 17, 2013

George J. Henault
September 20, 2012

Arthur W. Bernier
April 9, 2013

Herbert B. Coles
March 3, 2013

James Filosa
May 28, 2013

Linda M. Holt
April 18, 2013

Arthur Bihl
December 29, 2012

Thomas Collings
September 24, 2012

Donald E. Fitzgerald
December 5, 2012

Steven P. Hyde
November 27, 2012

Chester Brooks
December 12, 2012

James Collins
November 16, 2012

James P. Ford
August 27, 2012

Patrick J. Hynes
May 31, 2013

Thomas Brown, Jr.
November 23, 2012

Marie F. Connors
May 28, 2013

Joseph S. Fortino, Jr.
February 17, 2013

Fonda L. Johnson
December 13, 2012

Peter Bruno
April 1, 2013

Francis Cormican
December 19, 2012

Francis J. Gallagher
September 13, 2012

Kevin M. Joyce
September 27, 2012

Max Burkin
January 22, 2013

Fredrick P. Craven, Jr.
December 2, 2012

Vincent Galvagno
March 19, 2013

Thomas F. Keady
May 6, 2013

Frederick W. Burt III
December 17, 2012

Maxwell C. Curry
February 25, 2013

Linda P. Germain
February 1, 2013

Thomas F. Kelley
September 20, 2012

Theodore S. Buttner
January 27, 2013

George A. DeYoung
January 15, 2013

Carmen T. Giordano
January 4, 2013

James J. Kelliher
October 25, 2012

Walter A. Cabral
January 8, 2013

Augustine J. Diblasi
October 11, 2012

Michael F. Glynn
December 17, 2012

Martin J. Kenney
April 16, 2013

In Memoriam (cont'd)



THE FOLLOWING MBTA RETIREES HAVE PASSED AWAY.

George Langston
September 9, 2012

Frederick P. O'Brien
January 31, 2013

Paul D. Somontes
April 28, 2013

Arthur E. Leahy
September 19, 2012

Rita V. O'Connell
December 31, 2012

Joseph Stepinski
September 19, 2012

Michael J. Lydon
April 30, 2013

John J. O'Leary
September 29, 2012

Roland H. Stubbs
April 22, 2013

Joseph E. Madigan
April 3, 2013

Francis T. O'Loughlin
November 20, 2012

Francis E. Sullivan
January 23, 2013

Dennis M. Maguire
December 1, 2012

Mary F. O'Neil
June 3, 2013

Timothy E. Sullivan
November 29, 2012

Marilyn E. Martinez
December 23, 2012

David Owens
February 28, 2013

Thomas Swan
January 27, 2013

Frank J. Masciulli
December 20, 2012

Raymond Phoenix
November 13, 2012

Willie J. Tabb
May 30, 2013

John McCuen
October 2, 2012

Domemic A. Puglielli
October 20, 2012

Francis M. Toomey
January 3, 2013

John J. McDonough
October 5, 2012

David E. Raboin
October 21, 2012

Carmen Ungaro
March 8, 2013

Leslie V. Medford
October 9, 2012

William V. Richi
February 15, 2013

Edward Warner
November 23, 2012

James P. Miller
November 8, 2012

Raymond L. Rivet
December 23, 2012

Louis Watson
April 21, 2013

James P. Murphy
May 12, 2013

Alfred Shargabian
May 13, 2013

David C. Weekes
April 12, 2013

Joseph Murray
April 20, 2013

Glynn S. Shavers
March 17, 2013

Robert F. Whitston
October 5, 2012

Michael Naughton
April 7, 2013

Edward W. Sheehan
October 30, 2012

Peter L. Wood
October 24, 2012

Albert Newcomb, Jr.
November 21, 2012

Janet Skora-Brooks
November 3, 2012

Victor R. Woodroffe
June 7, 2013

Stephen A. Newton
May 10, 2013

Edward I. Small
March 19, 2013

Arthur Young
January 10, 2013

One Washington Mall
Boston, MA 02108

® ECCC/MBTA 109C



**MBTA
RETIREMENT
FUND**

Presort
Standard
US Postage
PAID
Boston, MA
Permit #55917



Milestones

THE REPORT TO THE MEMBERSHIP OF THE MBTA RETIREMENT FUND

