

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
February 19, 2021

Pursuant to notice by the Interim-Executive Director, the Regular Meeting of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund was held on Friday, February 19, 2021, at 9:31 AM, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present by video conference were James Bradley, Craig Hughes and Betsy Taylor; Alternate Members were, John Clancy, Patrick Hogan, Gerald Kelley and Timothy Long.

Also present were John P. Barry, Interim-Executive Director; Jacquelyn Carey, Acting - Recording Secretary; and staff. In addition, Julian Regan and Pamela Dubuc of Segal Marco Advisors and Phil Brown of Brown Counsel were present.

Executive Director Barry reported that Interim-Chairperson Evers would not be in attendance.

On motion, duly made and seconded, it was unanimously

VOTED:- TO appoint James Bradley as Temporary Chairperson.

Temporary-Chairperson James Bradley presided.

SECTION II – REGULAR SESSION

a. Minutes

The Chairperson stated that the next item on the Agenda was the Consideration of Minutes of Prior Regular Meeting of the Board, January 15, 2021. He inquired if there were any questions. None were asked.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the Minutes of the Regular Meeting of January 15, 2021.

b. Approvals

Chairperson Bradley stated that the second item on the Agenda was Approvals. The Chairperson asked the Board to review the items listed for approval on pages 6-11 of the meeting packet.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item b. as indicated
on Pages 4 through 11 of the meeting packet.

c. Informational Items

The Chairperson stated that Section II covering Item c. as indicated on Pages 12 through 20 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

d. Report of Executive Director

Chairperson Bradley stated that the next item on the Agenda was a report from the Executive Director.

i. General Financial Reports

Mr. Barry directed the Board's attention to the Financial and Flash reports and gave an account of the Fund's financial activities for the month of January 2021. He reported that for the month of January, the Fund had a total of \$12,910,503 in deposits and \$18,974,745 in withdrawals for a net-negative of \$6,064,242. Executive Director Barry reported that the Fund had a market value of \$1,736,822,213 as of January 31, 2021. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He noted that private credit is now separated out from private equity, based on the asset allocation that was approved by the Board in 2020.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of January 2021.

On motion, duly made and seconded, it was unanimously

VOTED:- THAT the Retirement Board of the MBTA Retirement Fund move into Closed Session.

The meeting went into Closed Session at 9:36 AM.

*Alternate Board Member, Mary Ann O'Hara entered the video conference at 9:46 AM
and left at 11:31 AM.*

Attorney Phil Brown, left the video conference at 10:28 AM

The regular meeting reconvened at 12:06 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken

On motion, duly made and seconded, it was unanimously

VOTED:- TO accept the Operational Review of the MBTARF Staff Reorganization Plan prepared by Phil Y. Brown, Esq., a copy of which is attached hereto and incorporated herein by reference.

On motion, duly made and seconded, it was unanimously

VOTED:- TO accept and publish, a condensed version, to the website, the Interim Director's 2020 Annual Report to the Board of the MBTA Retirement Fund presented by John P. Barry., a copy of which is attached hereto and incorporated herein by reference.

On motion, duly made and seconded, it was unanimously

VOTED:- TO authorize the Executive Director to obtain, negotiate and execute investment documents governing the MBTARF's investment with Hamilton Lane Strategic Opportunities Offshore Fund VI (Series 2020) LP in the sum of \$15 million, conditioned on satisfactory review and approval of the investment documents by Investment Counsel and Investment Consultant, all in accordance with the policies and procedures of the MBTARF.

There being no further business to come before the Board,

On motion, duly made and seconded, it was unanimously

VOTED:- TO adjourn.

Adjourned accordingly at 12:07 PM

A true record.

ATTEST:

Notary Public



Returns - Net of Fees

| | <u>MONTH TO</u> <u>DATE</u> | <u>YTD</u> | <u>ROLLING 1</u> <u>YEAR</u> | <u>ROLLING 3</u> <u>YEARS</u> | <u>ROLLING 5</u> <u>YEARS</u> | <u>ROLLING 10</u> <u>YEARS</u> | <u>MKT VALUE</u> | <u>ALLOCATION</u> |
|--|--------------------------------|------------|---------------------------------|----------------------------------|----------------------------------|-----------------------------------|------------------|-------------------|
| <u>EQUITY-USD</u> | | | | | | | | |
| TOTAL LARGE CAP EQUITY | 4.15 | 3.44 | 33.36 | 13.55 | 15.99 | 12.59 | 325,393,858 | 18.5 |
| S&P 500 | 2.76 | 1.72 | 31.29 | 14.14 | 16.82 | 13.43 | | |
| TOTAL SMALL CAP EQUITY | 7.05 | 10.77 | 50.98 | 17.35 | 19.39 | 12.95 | 162,112,634 | 9.2 |
| RUSSELL 2000 GROWTH | 3.30 | 8.28 | 58.88 | 18.95 | 21.15 | 13.80 | | |
| RUSSELL 2000 VALUE | 9.39 | 15.15 | 41.06 | 10.14 | 14.22 | - | | |
| GLOBAL EQUITY AND EMERGING MARKETS | 2.58 | 2.33 | 60.86 | 22.29 | 25.19 | | 171,459,740 | 9.8 |
| MSCI ALL COUNTRY WORLD INDEX (NET) | 2.32 | 1.85 | 30.25 | 10.29 | 14.24 | - | | |
| <u>TOTAL INTERNATIONAL EQUITY</u> | | | | | | | | |
| MSCI EAFE | 1.57 | -0.04 | 24.04 | 4.24 | 9.64 | 5.37 | 201,647,470 | 11.5 |
| | 2.24 | 1.15 | 22.46 | 4.59 | 9.73 | 5.04 | | |
| <u>FIXED INCOME</u> | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | -1.05 | -1.33 | 3.58 | 4.45 | 4.45 | 4.06 | 412,038,090 | 23.5 |
| BC AGGREGATE | -1.44 | -2.15 | 1.38 | 5.32 | 3.55 | 3.58 | | |
| <u>SHORT TERM INVESTMENTS</u> | | | | | | | | |
| 91 DAY T-BILL | 0.01 | 0.02 | 0.40 | 1.54 | 1.20 | 0.63 | | |
| MASTER ACCOUNT | 0.00 | 0.00 | 0.18 | 1.41 | 1.13 | 0.60 | 32,438,388 | 1.8 |
| CASH EQUITIZATION CUSTOM INDEX | 3.42 | 3.64 | 33.05 | 12.07 | 15.45 | 11.02 | | |
| 91 DAY T-BILL | 0.01 | 0.02 | 0.40 | 1.54 | 1.20 | 0.63 | | |
| SSGM CASH EQUITIZATION | 2.48 | 2.62 | 23.42 | 8.34 | 12.74 | 9.54 | 7,147,097 | 0.4 |



Returns - Net of Fees

| | <u>MONTH TO</u> <u>DATE</u> | <u>YTD</u> | <u>ROLLING 1</u> <u>YEAR</u> | <u>ROLLING 3</u> <u>YEARS</u> | <u>ROLLING 5</u> <u>YEARS</u> | <u>ROLLING 10</u> <u>YEARS</u> | <u>MKT VALUE</u> | <u>ALLOCATION</u> |
|---|--------------------------------|--------------|---------------------------------|----------------------------------|----------------------------------|-----------------------------------|----------------------|-------------------|
| TOTAL HEDGE FUND* | 0.52 | 0.52 | 4.84 | 1.29 | 3.19 | 2.75 | 56,846,024 | 3.2 |
| 91 T - BILL ONE MONTH LAG PLUS 300BP | 0.26 | 0.26 | 3.56 | 4.61 | 4.23 | 3.65 | | |
| CSFB/TREMONT HEDGE FUND INDEX LAG | -0.22 | -0.22 | 5.95 | 3.02 | 4.32 | 3.72 | | |
| DIVERSIFIED BETA | -0.65 | -0.62 | 14.61 | 7.99 | 9.04 | - | 112,246,812 | 6.4 |
| 91 DAY T BILL PLUS 300 BPS | 0.26 | 0.51 | 3.41 | 4.58 | 4.23 | 3.65 | | |
| 60% MSCI WORLD EQUITY/40% BC AGG BOND | 0.96 | 0.07 | 18.07 | 8.99 | 10.07 | - | | |
| BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR | 0.01 | 0.02 | 0.41 | 1.55 | 1.21 | - | | |
| OPPORTUNISTIC** | - | 9.30 | 9.30 | 9.27 | - | - | 5,661,810 | 0.3 |
| BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTR | -1.04 | 2.30 | 2.30 | 5.89 | - | - | | |
| PRIVATE CREDIT** | | | | | | | | |
| STATE STREET PE BENCHMARK*** | - | - | - | - | - | - | | |
| TOTAL PRIVATE CREDIT | 2.79 | 2.76 | - | - | - | - | 18,967,177 | 1.1 |
| PRIVATE EQUITY ** | | | | | | | | |
| STATE STREET PE BENCHMARK | - | 13.76 | 3.74 | 9.90 | 9.51 | 11.48 | | |
| TOTAL PRIVATE EQUITY^^ | 10.32 | 17.93 | 17.93 | 11.78 | 9.32 | 9.90 | 111,784,121 | 6.4 |
| REAL ESTATE ** | | | | | | | | |
| NCREIF PROPERTY INDEX QTR LAG | - | 2.01 | 2.69 | 5.44 | 6.77 | 9.70 | | |
| NCREIF ODCE | - | -0.11 | 1.39 | 5.18 | 6.64 | 10.27 | | |
| TOTAL REAL ESTATE | 0.68 | 1.25 | 1.25 | 5.50 | 6.44 | 10.58 | 138,921,666 | 8.0 |
| TOTAL FUND | | | | | | | | |
| MBTA ALLOCATION MIX | 1.47 | 1.57 | 16.98 | 8.40 | 9.06 | 7.23 | | |
| MBTA POLICY MIX | 1.08 | 1.25 | 16.15 | 7.98 | 9.28 | 7.75 | | |
| TOTAL FUND | 1.52 | 1.45 | 20.46 | 9.46 | 10.83 | 8.26 | 1,756,664,887 | 100.0 |
| PREVIOUS MKT VALUE | | | | | | | 1,736,822,213 | |
| MONTHLY CHANGE IN MARKET VALUE | | | | | | | 19,842,674 | |
| 12/31/2020 MKT VALUE | | | | | | | 1,740,985,469 | |
| YTD CHANGE IN MARKET VALUE | | | | | | | 15,679,418 | |

* YTD Returns lags by one month. Actual returns through January 31, 2021

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2020 adjusted for cash flows.

The month return is actually the last quarter returns

^ 36% Buyout, 9% Venture, 37% Debt and 18% Fund of Funds

^^ Active portfolio - post 2005



Returns - Gross of Fees

| | <u>MONTH TO</u> <u>DATE</u> | <u>YTD</u> | <u>ROLLING 1</u> <u>YEAR</u> | <u>ROLLING 3</u> <u>YEARS</u> | <u>ROLLING 5</u> <u>YEARS</u> | <u>ROLLING</u> <u>10 YEARS</u> | <u>MKT VALUE</u> | <u>ALLOCATION</u> |
|--|--------------------------------|------------|---------------------------------|----------------------------------|----------------------------------|-----------------------------------|------------------|-------------------|
| <u>EQUITY-USD</u> | | | | | | | | |
| TOTAL LARGE CAP EQUITY | 4.17 | 3.48 | 33.54 | 13.71 | 16.21 | 12.91 | 325,393,858 | 18.5 |
| S&P 500 | 2.76 | 1.72 | 31.29 | 14.14 | 16.82 | 13.43 | | |
| TOTAL SMALL CAP EQUITY | 7.05 | 10.88 | 51.59 | 17.92 | 20.04 | 13.65 | 162,112,634 | 9.2 |
| RUSSELL 2000 GROWTH | 3.30 | 8.28 | 58.88 | 18.95 | 21.15 | 13.80 | | |
| RUSSELL 2000 VALUE | 9.39 | 15.15 | 41.06 | 10.14 | 14.22 | - | | |
| GLOBAL EQUITY AND EMERGING MARKETS | 2.58 | 2.46 | 61.68 | 23.01 | 25.96 | | 171,459,740 | 9.8 |
| MSCI ALL COUNTRY WORLD INDEX (NET) | 2.32 | 1.85 | 30.25 | 10.29 | 14.24 | - | | |
| <u>TOTAL INTERNATIONAL EQUITY</u> | | | | | | | | |
| MSCI EAFE | 1.60 | 0.10 | 24.88 | 4.95 | 10.39 | 6.09 | 201,647,470 | 11.5 |
| | 2.24 | 1.15 | 22.46 | 4.59 | 9.73 | 5.76 | | |
| <u>FIXED INCOME</u> | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | -1.03 | -1.29 | 3.77 | 4.64 | 4.65 | 4.27 | 412,038,090 | 23.5 |
| BC AGGREGATE | -1.44 | -2.15 | 1.38 | 5.32 | 3.55 | 3.58 | | |
| <u>SHORT TERM INVESTMENTS</u> | | | | | | | | |
| 91 DAY T-BILL | 0.01 | 0.02 | 0.40 | 1.54 | 1.20 | 0.63 | | |
| MASTER ACCOUNT | 0.00 | 0.00 | 0.18 | 1.41 | 1.13 | 0.60 | 32,438,388 | 1.8 |
| CASH EQUITIZATION CUSTOM INDEX | 3.42 | 3.64 | 33.05 | 12.07 | 15.45 | 11.02 | | |
| 91 DAY T-BILL | 0.01 | 0.02 | 0.40 | 1.54 | 1.20 | 0.63 | | |
| SSGM CASH EQUITIZATION | 2.48 | 2.62 | 23.42 | 8.34 | 12.74 | 9.54 | 7,147,097 | 0.4 |

Returns - Gross of Fees

| | <u>MONTH TO</u> <u>DATE</u> | <u>YTD</u> | <u>ROLLING 1</u> <u>YEAR</u> | <u>ROLLING 3</u> <u>YEARS</u> | <u>ROLLING 5</u> <u>YEARS</u> | <u>ROLLING</u> <u>10 YEARS</u> | <u>MKT VALUE</u> | <u>ALLOCATION</u> |
|---|--------------------------------|--------------|---------------------------------|----------------------------------|----------------------------------|-----------------------------------|----------------------|-------------------|
| TOTAL HEDGE FUND* | 0.52 | 0.52 | 4.84 | 1.29 | 3.19 | 2.75 | 56,846,024 | 3.2 |
| 91 T - BILL ONE MONTH LAG PLUS 300BP | 0.26 | 0.26 | 3.56 | 4.61 | 4.23 | 3.65 | | |
| CSFB/TREMONT HEDGE FUND INDEX LAG | -0.22 | -0.22 | 5.95 | 3.02 | 4.32 | 3.72 | | |
| DIVERSIFIED BETA | -0.64 | -0.59 | 14.84 | 8.22 | 9.34 | - | 112,246,812 | 6.4 |
| 91 DAY T BILL PLUS 300 BPS | 0.26 | 0.51 | 3.41 | 4.58 | 4.23 | 3.65 | | |
| 60% MSCI WORLD EQUITY/40% BC AGG BOND | 0.96 | 0.07 | 18.07 | 8.99 | 10.07 | - | | |
| BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR | 0.01 | 0.02 | 0.41 | 1.55 | 1.21 | - | | |
| OPPORTUNISTIC** | - | 9.30 | 9.30 | 9.27 | - | - | 5,661,810 | 0.3 |
| BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTR | -1.04 | 2.30 | 2.30 | 5.89 | - | - | | |
| PRIVATE CREDIT** | | | | | | | | |
| STATE STREET PE BENCHMARK*** | - | - | - | - | - | - | | |
| TOTAL PRIVATE CREDIT | 2.79 | 2.76 | - | - | - | - | 18,967,177 | 1.1 |
| PRIVATE EQUITY ** | | | | | | | | |
| STATE STREET PE BENCHMARK | - | 13.76 | 3.74 | 9.90 | 9.51 | 11.48 | | |
| TOTAL PRIVATE EQUITY^^ | 10.32 | 17.93 | 17.93 | 11.78 | 9.32 | 9.90 | 111,784,121 | 6.4 |
| REAL ESTATE ** | | | | | | | | |
| NCREIF PROPERTY INDEX QTR LAG*** | - | 2.01 | 2.69 | 5.44 | 6.77 | 9.70 | | |
| NCREIF ODCE*** | - | -0.11 | 1.39 | 5.18 | 6.64 | 10.27 | | |
| TOTAL REAL ESTATE | 0.68 | 1.25 | 1.25 | 5.50 | 6.44 | 10.58 | 138,921,666 | 8.0 |
| TOTAL FUND | | | | | | | | |
| MBTA ALLOCATION MIX | 1.47 | 1.57 | 16.98 | 8.40 | 9.06 | 7.23 | | |
| MBTA POLICY MIX | 1.08 | 1.25 | 16.15 | 7.98 | 9.28 | 7.75 | | |
| TOTAL FUND | 1.53 | 1.52 | 20.59 | 9.80 | 11.19 | 8.61 | 1,756,664,887 | 100.0 |
| PREVIOUS MKT VALUE | | | | | | | 1,736,822,213 | |
| MONTHLY CHANGE IN MARKET VALUE | | | | | | | 19,842,674 | |
| 12/31/2019 MKT VALUE | | | | | | | 1,740,985,469 | |
| YTD CHANGE IN MARKET VALUE | | | | | | | 15,679,418 | |

* YTD Returns lags by one month. Actual returns through January 31, 2021

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2020 adjusted for cash flows.

The month return is actually the last quarter returns

^ 36% Buyout, 9% Venture, 37% Debt and 18% Fund of Funds

^^ Active portfolio - post 2005