

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
June 21, 2019

Pursuant to notice by the Executive Director, the Regular Meeting of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund was held on Friday, June 21, 2019, at 9:32 AM, at One Washington Mall, 4<sup>th</sup> Floor, Boston, MA 02108.

The Members present in the boardroom or by conference call were Michael Abramo, James M. Evers, Steve Grossman, Craig S. Hughes, James M. O'Brien and Betsy Taylor; Alternate Members were Patrick Hogan, Gerald Kelley and Timothy Long.

Also present were John P. Barry, Interim-Executive Director; Pamela Holloman, Recording Secretary; and staff.

Interim-Chairperson James Evers presided.

SECTION II – REGULAR SESSION

a. Minutes

The Chairperson stated that the next item on the Agenda was the Consideration of Minutes of Prior Meeting of the Board, May 17, 2019. 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 May 17, 2019.

b. Minutes

The Chairperson stated that the next item on the Agenda was the Consideration of Minutes of the Special Meeting of the Board, May 24, 2019. 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 Special Meeting of May 24, 2019.

c. Approvals

Chairperson Evers stated that the second item on the Agenda was Approvals. The Chairperson asked the Board to review the items listed for approval on pages 4-8 of the meeting packet. A discussion ensued.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item a. as indicated on Pages 4 through 8 of the meeting packet.

d. Informational Items

The Chairperson stated that Section II covering Items c. as indicated on Pages 9 through 14 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

e. Report of Executive Director

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

i. General Financial Reports

Executive Director Barry gave a report on the Fund's financial activities for the month of May 2019, all as outlined in the Financial and Flash reports.

Executive Director Barry reported that for the month of May, the Fund had a total of \$15,148,010 in deposits and \$18,854,271 in withdrawals for a net-negative of \$3,706,261. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmarks.

Executive Director Barry reported:

- The spike in contributions were due to the third pay period in May.

- Fund staff will be beta testing the self-service portal on MBTARF.com.
- Fund staff and IT vendor, PTG are developing online policies for the self-service portal to ensure highest standards of security are implemented.
- Trustee Michael Abramo requested that the self-service portal is over-communicated to membership.

Executive Director Barry answered all questions asked and concluded his report.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of May 2019.

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 9:43 AM.

The regular meeting reconvened at 11:36 AM.

f. Auditor

The Chairperson stated that the next item on the Agenda was the Board consideration and vote regarding the 2018 Audit Report and 2018 Comprehensive Annual Financial Report (CAFR).

On motion, duly made and seconded, it was unanimously

VOTED:- TO Approve the 2018 Audit Report.

On motion, duly made and seconded, it was

VOTED:- TO Approve the 2018 Comprehensive Annual Financial Report (CAFR)<sup>1</sup>.

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<sup>1</sup> Recorded 1 abstention from Trustee Michael Abramo

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 11:38 AM

A true record.

ATTEST:

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Notary Public



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>
<b><u>EQUITY-USD</u></b>								
<b>TOTAL LARGE CAP EQUITY</b>	<b>6.94</b>	<b>17.98</b>	<b>9.08</b>	<b>13.13</b>	<b>9.08</b>	<b>15.22</b>	<b>293,853,955</b>	<b>18.8</b>
<b>S&amp;P 500</b>	<b>7.05</b>	<b>18.54</b>	<b>10.42</b>	<b>14.19</b>	<b>10.71</b>	<b>14.70</b>		
<b>TOTAL SMALL CAP EQUITY</b>	<b>7.28</b>	<b>21.26</b>	<b>2.43</b>	<b>15.35</b>	<b>8.69</b>	<b>15.16</b>	<b>118,705,815</b>	<b>7.6</b>
<b>RUSSELL 2000 GROWTH</b>	<b>7.70</b>	<b>20.36</b>	<b>-0.49</b>	<b>14.69</b>	<b>8.63</b>	<b>14.41</b>		
<b>RUSSELL 2000 VALUE</b>	<b>6.37</b>	<b>13.47</b>	<b>-6.24</b>	<b>9.81</b>	<b>-</b>	<b>-</b>		
<b>GLOBAL EQUITY AND EMERGING MARKETS</b>	<b>6.88</b>	<b>23.07</b>	<b>10.36</b>	<b>20.63</b>	<b>12.28</b>	<b>-</b>	<b>121,910,777</b>	<b>7.8</b>
<b>MSCI ALL COUNTRY WORLD INDEX (NET)</b>	<b>6.55</b>	<b>16.23</b>	<b>5.74</b>	<b>11.62</b>	<b>6.16</b>	<b>-</b>		
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>6.54</b>	<b>14.80</b>	<b>-2.46</b>	<b>9.29</b>	<b>3.15</b>	<b>7.14</b>	<b>170,974,007</b>	<b>11.0</b>
<b>MSCI EAFE</b>	<b>5.93</b>	<b>14.03</b>	<b>1.08</b>	<b>9.11</b>	<b>2.25</b>	<b>6.90</b>		
<b><u>FIXED INCOME</u></b>								
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1.27</b>	<b>5.79</b>	<b>6.74</b>	<b>3.68</b>	<b>3.04</b>	<b>4.70</b>	<b>414,774,134</b>	<b>26.6</b>
<b>BC AGGREGATE</b>	<b>1.26</b>	<b>6.11</b>	<b>7.87</b>	<b>2.31</b>	<b>2.95</b>	<b>3.90</b>		
<b><u>SHORT TERM INVESTMENTS</u></b>								
<b>91 DAY T-BILL</b>	<b>0.22</b>	<b>1.24</b>	<b>2.31</b>	<b>1.38</b>	<b>0.87</b>	<b>0.49</b>		
<b>MASTER ACCOUNT</b>	<b>0.19</b>	<b>1.18</b>	<b>2.24</b>	<b>1.36</b>	<b>0.87</b>	<b>0.51</b>	<b>27,133,217</b>	<b>1.7</b>
<b>CASH EQUITIZATION CUSTOM INDEX</b>	<b>6.77</b>	<b>17.34</b>	<b>5.31</b>	<b>12.70</b>	<b>7.88</b>	<b>12.56</b>		
<b>91 DAY T-BILL</b>	<b>0.22</b>	<b>1.24</b>	<b>2.31</b>	<b>1.38</b>	<b>0.87</b>	<b>0.49</b>		
<b>SSGM CASH EQUITIZATION</b>	<b>6.27</b>	<b>15.66</b>	<b>3.49</b>	<b>11.25</b>	<b>6.81</b>	<b>11.71</b>	<b>7,469,432</b>	<b>0.5</b>



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>
<b>TOTAL HEDGE FUND*</b>	-0.30	10.89	-5.26	1.76	0.03	3.81	32,339,285	2.1
91 T - BILL ONE MONTH LAG PLUS 300BP	0.47	2.27	5.32	4.36	3.85	3.48		
CSFB/TREMONT HEDGE FUND INDEX LAG	-1.00	4.35	0.22	3.62	2.15	-		
<b>DIVERSIFIED BETA</b>	4.09	13.92	7.27	6.74	5.38	-	101,599,010	6.4
91 DAY T BILL PLUS 300 BPS	0.47	2.75	5.38	4.42	3.90	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	4.46	12.71	7.33	8.07	5.31	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.23	1.25	2.33	1.40	0.89	-		
<b>OPPORTUNISTIC**</b>	2.18	10.94	10.94	-	-	-	11,092,396	0.7
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.98	2.39	0.69	-	-	-		
<b>PRIVATE EQUITY **</b>								
STATE STREET CUSTOMIZED BENCHMARK	4.12	3.19	9.40	12.64	9.96	13.04		
TOTAL PRIVATE EQUITY^^	1.98	0.09	4.43	8.61	6.50	9.41	124,101,929	8.0
<b>REAL ESTATE **</b>								
NCREIF PROPERTY INDEX QTR LAG	1.80	3.20	6.83	7.07	9.13	8.50		
NCREIF ODCE	0.99	2.43	6.40	7.57	9.76	8.43		
TOTAL REAL ESTATE	0.01	1.82	9.94	8.93	12.17	6.83	137,866,310	8.8
<b>TOTAL FUND</b>								
MBTA ALLOCATION MIX	3.54	9.68	6.63	7.42	5.15	8.03		
MBTA POLICY MIX	3.49	9.33	5.41	7.61	5.73	8.25		
TOTAL FUND	4.16	11.41	6.02	9.52	6.28	9.20	1,561,779,487	100.0
<b>PREVIOUS MKT VALUE</b>							1,508,793,146	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							52,986,341	
<b>12/31/2018 MKT VALUE</b>							1,449,695,100	
<b>YTD CHANGE IN MARKET VALUE</b>							112,084,387	

\* YTD Returns lags by one month. Actual returns through May 31, 2019

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 3/31/19 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 - 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</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<b><u>EQUITY-USD</u></b>								
<b>TOTAL LARGE CAP EQUITY</b>	<b>6.94</b>	<b>17.91</b>	<b>8.93</b>	<b>12.88</b>	<b>8.77</b>	<b>14.84</b>	<b>293,853,955</b>	<b>18.8</b>
<b>S&amp;P 500</b>	<b>7.05</b>	<b>18.54</b>	<b>10.42</b>	<b>14.19</b>	<b>10.71</b>	<b>14.70</b>		
<b>TOTAL SMALL CAP EQUITY</b>	<b>7.28</b>	<b>20.91</b>	<b>1.78</b>	<b>14.65</b>	<b>8.18</b>	<b>14.39</b>	<b>118,705,815</b>	<b>7.6</b>
<b>RUSSELL 2000 GROWTH</b>	<b>7.70</b>	<b>20.36</b>	<b>-0.49</b>	<b>14.69</b>	<b>8.63</b>	<b>14.41</b>		
<b>RUSSELL 2000 VALUE</b>	<b>6.37</b>	<b>13.47</b>	<b>-6.24</b>	<b>9.81</b>	<b>-</b>	<b>-</b>		
<b>GLOBAL EQUITY AND EMERGING MARKETS</b>	<b>6.88</b>	<b>22.70</b>	<b>9.65</b>	<b>19.80</b>	<b>11.57</b>	<b>-</b>	<b>121,910,777</b>	<b>7.8</b>
<b>MSCI ALL COUNTRY WORLD INDEX (NET)</b>	<b>6.55</b>	<b>16.23</b>	<b>5.74</b>	<b>11.62</b>	<b>6.16</b>	<b>-</b>		
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>6.51</b>	<b>14.42</b>	<b>-3.12</b>	<b>8.56</b>	<b>2.44</b>	<b>7.37</b>	<b>170,974,007</b>	<b>11.0</b>
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TOTAL REAL ESTATE	1.72	3.26	8.54	8.19	11.29	8.43	137,866,310	8.8
<b>TOTAL FUND</b>								
MBTA ALLOCATION MIX	3.54	9.68	6.63	7.42	5.15	8.03		
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