

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
January 17, 2020

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, January 17, 2020, at 9:34 AM, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present in the boardroom or by conference call were Michael Abramo, James Bradley, James M. Evers, and Betsy Taylor; Alternate Members were John Clancy, Patrick Hogan, Gerald Kelley, Timothy Long and Mary-Ann O'Hara.

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

Interim-Chairperson James Evers presided.

SWEARING-IN

James Bradley, was sworn into office by Pamela Holloman, Recording Secretary to the Board, as Board Member, in accordance with the following original record of his oath:-

OATH OF OFFICE

Before me this day came James Bradley and he made oath that he would faithfully and impartially perform the duties of Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund.

So help me God.

Notary Public

John Clancy, was sworn into office by Pamela Holloman, Recording Secretary to the Board, as Alternate Board Member, in accordance with the following original record of his oath:-

OATH OF OFFICE

Before me this day came John Clancy and he made oath that he would faithfully and impartially perform the duties of Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund.

So help me God.

Notary Public

RESIGNATION

The Chairperson stated that Board Secretary Pamela Holloman received a resignation letter from Steve Grossman. Mr. Evers read Mr. Grossman's letter to the Board.

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, December 20, 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 December 20, 2019.

b. Approvals

Interim-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 4-9 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 10 of the meeting packet.

c. Informational Items

The Chairperson stated that Section II covering Items c. as indicated on Pages 11 through 20 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

d. 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

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 December 2019. He reported that for the month of December, the Fund had a total of \$11,432,488 in deposits and \$18,864,712 in withdrawals for a net-negative of \$7,432,224. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmarks.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of December 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 9:41 AM.

The regular meeting reconvened at 12:32 PM.

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 12:32 PM

A true record.

ATTEST:

Notary Public



Returns - Net of Fees

	<u>MONTH TO</u>		<u>ROLLING 1</u>	<u>ROLLING 3</u>	<u>ROLLING 5</u>	<u>ROLLING</u>		
	<u>DATE</u>	<u>YTD</u>	<u>YEAR</u>	<u>YEARS</u>	<u>YEARS</u>	<u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	-0.74	-0.74	19.59	13.16	10.80	13.44	302,039,445	19.0
S&P 500	-0.04	-0.04	21.68	14.54	12.37	13.97		
TOTAL SMALL CAP EQUITY	-2.66	-2.66	12.16	10.02	9.99	12.85	120,194,463	7.6
RUSSELL 2000 GROWTH	-1.10	-1.10	13.91	11.48	9.60	13.40		
RUSSELL 2000 VALUE	-5.39	-5.39	4.38	3.10	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	0.26	0.26	19.82	19.05	12.84	-	122,193,473	7.7
MSCI ALL COUNTRY WORLD INDEX (NET)	-1.10	-1.10	16.04	11.03	8.51	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
TOTAL INTERNATIONAL EQUITY	-3.13	-3.13	10.66	7.43	4.77	5.82	176,754,722	11.1
MSCI EAFE	-2.09	-2.09	12.10	7.76	5.12	5.76		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	1.46	1.46	6.82	3.92	3.06	4.17	399,644,341	25.1
BC AGGREGATE	1.92	1.92	9.64	4.62	3.01	3.79		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.13	0.13	2.22	1.70	1.10	0.59		
MASTER ACCOUNT	0.14	0.14	2.09	1.65	1.09	0.59	33,825,388	2.1
CASH EQUITIZATION CUSTOM INDEX	-1.19	-1.19	16.70	11.40	9.81	11.54		
91 DAY T-BILL	0.13	0.13	2.22	1.70	1.10	0.59		
SSGM CASH EQUITIZATION	-1.28	-1.28	14.59	9.73	8.47	10.67	6,951,779	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</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
TOTAL HEDGE FUND*	0.74	15.04	15.04	2.47	0.55	3.19	54,026,246	3.4
91 T - BILL ONE MONTH LAG PLUS 300BP	0.74	15.04	15.04	2.47	0.55	3.19		
CSFB/TREMONT HEDGE FUND INDEX LAG	1.61	9.31	9.31	4.27	2.65	3.60		
DIVERSIFIED BETA	-0.09	-0.09	12.88	6.85	5.48	-	100,684,652	6.4
91 DAY T BILL PLUS 300 BPS	0.38	0.38	5.28	4.75	4.13	3.61		
60% MSCI WORLD EQUITY/40% BC AGG BOND	0.40	0.40	14.65	8.87	6.76	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.13	0.13	2.22	5.79	4.95	-		
OPPORTUNISTIC**	0.00	10.64	10.64	-	-	-	8,625,983	0.5
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.00	6.30	6.30	-	-	-		
PRIVATE EQUITY **								
STATE STREET CUSTOMIZED BENCHMARK	0.00	6.21	8.94	12.69	10.12	12.44		
TOTAL PRIVATE EQUITY^^	1.94	5.29	5.65	9.17	6.89	9.68	125,039,681	7.9
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	1.41	6.24	6.24	6.76	8.57	9.77		
NCREIF ODCE	1.52	5.35	5.35	7.10	8.97	11.42		
TOTAL REAL ESTATE	1.57	5.65	5.65	7.64	9.44	10.31	139,482,235	8.8
TOTAL FUND								
MBTA ALLOCATION MIX	-0.26	-0.26	10.67	7.39	6.25	7.55		
MBTA POLICY MIX	-0.17	-0.17	10.18	7.40	6.64	7.84		
TOTAL FUND	-0.34	-0.34	11.72	8.79	6.91	8.27	1,589,462,410	100.0
PREVIOUS MKT VALUE							1,602,278,215	
MONTHLY CHANGE IN MARKET VALUE							-12,815,805	
12/31/2018 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-12,815,805	

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

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/19 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 - 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	-0.72	-0.72	19.75	13.33	11.08	13.79	302,039,445	19.0
S&P 500	-0.04	-0.04	21.68	14.54	12.37	13.97		
TOTAL SMALL CAP EQUITY	-2.56	-2.56	12.76	10.70	10.66	13.59	120,194,463	7.6
RUSSELL 2000 GROWTH	-1.10	-1.10	13.91	11.48	9.60	13.40		
RUSSELL 2000 VALUE	-5.39	-5.39	4.38	3.10	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	0.42	0.42	20.58	19.81	13.55	-	122,193,473	7.7
MSCI ALL COUNTRY WORLD INDEX (NET)	-1.10	-1.10	16.04	11.03	8.51	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-3.02	-3.02	11.44	8.15	5.48	6.55	176,754,722	11.1
	-2.09	-2.09	12.10	7.76	5.12	5.76		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	1.50	1.50	7.04	4.11	3.25	4.37	399,644,341	25.1
BC AGGREGATE	1.92	1.92	9.64	4.62	3.01	3.79		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.13	0.13	2.22	1.70	1.10	0.59		
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*** State Street Customized Benchmark not available yet for 3rd quarter 2019