

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
February 21, 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, February 21, 2020, at 9:31 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, Craig Hughes 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.

The Chairperson's Alternate, Mr. Patrick Hogan reported that Interim-Chairperson Evers would not be in attendance as he was attending deceased member, Sanyi Harris' funeral. Ms. Harris was killed in an accident while on duty. He added that the MBTA would be observing a moment of silence in honor of Ms. Harris at 11:00 A.M. today and requested the Board do the same. The Board Members agreed. A discussion ensued as to who would act as Temporary-Chairperson.

On motion, duly made and seconded, it was unanimously

VOTED:- TO appoint Patrick Hogan as Temporary Chairperson.

Temporary-Chairperson Patrick Hogan presided.

Temporary-Chairperson Hogan reported that former Board Member Jonathan Davis had passed away from Pancreatic Cancer on Friday, February 14, 2020.

.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, January 17, 2020. 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 17, 2020.

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 11 of the meeting packet.

c. Informational Items

The Chairperson stated that Section II covering Items c. as indicated on Pages 12 through 18 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 January 2020. He reported that for the month of January, the Fund had a total of \$11,552,740 in deposits and \$19,010,163 in withdrawals for a net-negative of \$7,457,424. 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 January 2020.

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.

The regular meeting reconvened at 11:25 AM.

On motion, duly made and seconded, it was unanimously

VOTED:- TO adopt Scenario 4 as outlined in the Asset Allocation Review.

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 11:25 AM

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	-8.49	-9.16	6.07	8.53	7.50	12.10	276,409,614	18.1
S&P 500	-8.23	-8.27	8.19	9.87	9.23	12.65		
TOTAL SMALL CAP EQUITY	-7.55	-10.01	-1.98	6.63	6.77	11.50	111,117,753	7.3
RUSSELL 2000 GROWTH	-7.22	-8.24	-0.72	7.85	6.48	12.07		
RUSSELL 2000 VALUE	-9.72	-14.59	-9.29	-0.83	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	-5.00	-4.76	10.24	15.73	10.65	-	116,078,812	7.6
MSCI ALL COUNTRY WORLD INDEX (NET)	-8.08	-9.09	3.89	6.96	5.55	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
TOTAL INTERNATIONAL EQUITY	-8.02	-10.90	-1.36	3.91	1.96	4.97	162,571,645	10.7
MSCI EAFE	-9.04	-10.94	-0.57	3.92	1.96	4.83		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.89	2.37	7.40	3.89	3.19	4.32	403,070,786	26.4
BC AGGREGATE	1.80	3.76	11.68	5.01	3.58	3.93		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.15	0.28	2.18	1.73	1.13	0.61		
MASTER ACCOUNT	0.13	0.26	2.03	1.68	1.12	0.60	26,887,430	1.8
CASH EQUITIZATION CUSTOM INDEX	-8.44	-9.52	3.28	7.18	6.67	10.29		
91 DAY T-BILL	0.15	0.28	2.18	1.73	1.13	0.61		
SSGM CASH EQUITIZATION	-8.24	-9.41	1.92	5.66	5.49	9.48	5,788,668	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*	0.36	0.36	11.49	2.15	0.79	3.19	54,222,132	3.6
91 T - BILL ONE MONTH LAG PLUS 300BP	0.38	0.38	5.28	4.75	4.13	3.61		
CSFB/TREMONT HEDGE FUND INDEX LAG	0.16	0.16	7.59	4.08	2.52	-		
DIVERSIFIED BETA	-2.73	-2.81	8.15	5.08	4.67	-	97,939,679	6.4
91 DAY T BILL PLUS 300 BPS	0.39	0.78	5.24	4.78	4.16	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-4.35	-3.96	7.75	6.58	5.17	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.15	0.28	2.19	1.75	1.15	-		
OPPORTUNISTIC**	0.00	10.64	10.64	-	-	-	8,040,136	0.5
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.27	0.51	9.61	-	-	-		
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	124,346,822	8.2
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	138,178,010	9.1
TOTAL FUND								
MBTA ALLOCATION MIX	-3.73	-3.98	4.89	5.62	4.93	7.02		
MBTA POLICY MIX	-3.38	-3.55	4.94	5.69	5.41	7.35		
TOTAL FUND	-3.58	-3.90	5.64	6.87	5.52	7.77	1,524,651,487	100.0
PREVIOUS MKT VALUE							1,589,462,410	
MONTHLY CHANGE IN MARKET VALUE							-64,810,923	
12/31/2018 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-77,626,728	

* YTD Returns lags by one month. Actual returns through January 31, 2020

** 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	-8.47	-9.13	6.21	8.70	7.77	12.45	276,409,614	18.1
S&P 500	-8.23	-8.27	8.19	9.87	9.23	12.65		
TOTAL SMALL CAP EQUITY	-7.55	-9.92	-1.55	7.22	7.40	12.22	111,117,753	7.3
RUSSELL 2000 GROWTH	-7.22	-8.24	-0.72	7.85	6.48	12.07		
RUSSELL 2000 VALUE	-9.72	-14.59	-9.29	-0.83	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	-5.00	-4.61	10.94	16.47	11.36	-	116,078,812	7.6
MSCI ALL COUNTRY WORLD INDEX (NET)	-8.08	-9.09	3.89	6.96	5.55	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-8.00	-10.77	-0.69	4.60	2.65	5.69	162,571,645	10.7
	-9.04	-10.94	-0.57	3.92	1.96	5.76		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.89	2.41	7.60	4.08	3.38	4.53	403,070,786	26.4
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