

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
March 20, 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, March 20, 2020, at 9:30 AM, at One Washington Mall, 4<sup>th</sup> Floor, Boston, MA 02108.

The Members present by conference call were James Evers, 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. Julian Regan and Pamela Dubuc both of Segal Marco entered the meeting by teleconference.

Chairperson James Evers presided.

Chairperson Evers opened with his hope that all are well including the family members of the Board and staff. He thanked all in attendance given the severe health event that is impacting the entire world.

.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, February 21, 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 February 21, 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 9 of the meeting packet.

c. Informational Items

The Chairperson stated that Section II covering Items c. as indicated on Pages 10 through 16 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

d. Report of Executive Director

Chairperson Evers 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 February 2020. He reported that for the month of February, the Fund had a total of \$11,621,061 in deposits and \$18,983,527 in withdrawals for a net-negative of \$7,362,467. He added that the market value at the end of February 2020 was \$1,524,651,487. 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 February 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 10:44 AM.

.SECTION IV – REGULAR SESSION

Interim-Chairperson Evers stated that the next item on the Agenda was the taking of vote(s).

On motion, duly made and seconded, it was unanimously

VOTED:- TO lower the assumed rate of return to 7.25%.

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 10:44 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>
<b><u>EQUITY-USD</u></b>								
TOTAL LARGE CAP EQUITY	-14.30	-22.15	-10.18	3.10	4.56	9.71	236,889,268	17.0
S&P 500	-12.35	-19.60	-6.98	5.10	6.73	10.53		
TOTAL SMALL CAP EQUITY	-20.33	-28.30	-20.24	-1.27	1.77	8.25	88,523,260	6.4
RUSSELL 2000 GROWTH	-19.10	-25.76	-18.58	0.10	1.70	8.89		
RUSSELL 2000 VALUE	-24.67	-35.66	-29.64	-9.51	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	-10.11	-14.39	-3.35	10.54	8.49	-	104,340,491	7.5
MSCI ALL COUNTRY WORLD INDEX (NET)	-13.50	-21.37	-11.26	1.50	2.85	-		
TOTAL INTERNATIONAL EQUITY	-15.18	-24.42	-17.36	-2.50	-1.11	2.65	137,894,911	9.9
MSCI EAFE	-13.35	-22.83	-14.38	-1.82	-0.62	2.72		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	-3.50	-1.21	2.59	2.50	2.47	3.88	388,872,687	27.9
BC AGGREGATE	-0.59	3.15	8.93	4.82	3.36	3.88		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.29	0.57	2.25	1.83	1.19	0.64		
MASTER ACCOUNT	0.09	0.35	1.92	1.69	1.14	0.61	15,026,253	1.1
CASH EQUITIZATION CUSTOM INDEX	-14.72	-22.84	-12.58	1.38	3.51	7.85		
91 DAY T-BILL	0.29	0.57	2.25	1.83	1.19	0.64		
SSGM CASH EQUITIZATION	-13.71	-21.83	-12.59	0.34	2.63	7.21	2,654,686	0.2



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>TOTAL HEDGE FUND*</b>	-1.37	-1.01	4.68	1.26	0.06	3.02	53,479,127	3.8
91 T - BILL ONE MONTH LAG PLUS 300BP	0.39	0.78	5.24	4.78	4.16	3.62		
CSFB/TREMONT HEDGE FUND INDEX LAG	-1.99	-1.83	4.32	3.05	1.89	-		
<b>DIVERSIFIED BETA</b>	-8.15	-10.73	-3.61	2.22	2.90	-	89,958,157	6.4
91 DAY T BILL PLUS 300 BPS	0.54	1.32	5.32	4.88	4.22	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-8.18	-11.82	-2.58	3.38	3.54	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.30	0.58	2.28	1.85	1.21	-		
<b>OPPORTUNISTIC**</b>	5.34	12.78	12.78	-	-	-	8,469,872	0.5
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	2.09	2.61	14.41	-	-	-		
<b>PRIVATE EQUITY **</b>								
STATE STREET CUSTOMIZED BENCHMARK***	-	-	8.94	12.69	10.12	12.44		
TOTAL PRIVATE EQUITY^^	3.18	6.04	11.60	10.24	8.32	9.46	128,318,282	9.2
<b>REAL ESTATE **</b>								
NCREIF PROPERTY INDEX QTR LAG	1.60	6.40	6.42	6.70	8.25	10.18		
NCREIF ODCE	1.50	5.30	5.35	7.10	8.97	11.42		
TOTAL REAL ESTATE	1.88	6.50	5.58	7.63	8.82	11.09	140,556,620	10.1
<b>TOTAL FUND</b>								
MBTA ALLOCATION MIX	-7.28	-10.97	-3.61	2.70	3.37	5.86		
MBTA POLICY MIX	-6.71	-10.02	-2.96	2.96	3.96	6.34		
TOTAL FUND	-7.95	-11.55	-3.74	3.68	3.83	6.59	1,394,983,614	100.0
PREVIOUS MKT VALUE							1,524,651,487	
MONTHLY CHANGE IN MARKET VALUE							-129,667,873	
12/31/2018 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-207,294,601	

\* YTD Returns lags by one month. Actual returns through February 29, 2020

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 12/31/19 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

\*\*\*State Street Customized Benchmark is not available yet. The return reported is 9/30/2019



Returns - Gross 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>
<b><u>EQUITY-USD</u></b>								
TOTAL LARGE CAP EQUITY	-14.30	-22.12	-10.05	3.24	4.82	10.05	236,889,268	17.0
S&P 500	-12.35	-19.60	-6.98	5.10	6.73	10.53		
TOTAL SMALL CAP EQUITY	-20.33	-28.24	-19.89	-0.73	2.38	8.95	88,523,260	6.4
RUSSELL 2000 GROWTH	-19.10	-25.76	-18.58	0.10	1.70	8.89		
RUSSELL 2000 VALUE	-24.67	-35.66	-29.64	-9.51	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	-10.11	-14.25	-2.74	-11.25	9.18	-	104,340,491	7.5
MSCI ALL COUNTRY WORLD INDEX (NET)	-13.50	-21.37	-11.26	1.50	2.85	-		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	-15.15	-24.29	-16.80	-1.86	-0.44	3.35	137,894,911	9.9
	-13.35	-22.83	-14.38	-1.82	-0.62	5.76		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	-1.89	0.66	4.08	2.68	2.47	3.42	388,872,687	27.9
BC AGGREGATE	-0.59	3.15	8.93	4.82	3.36	3.88		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.29	0.57	2.25	1.83	1.19	0.64		
MASTER ACCOUNT	0.09	0.35	1.92	1.69	1.14	0.61	15,026,253	1.1
CASH EQUITIZATION CUSTOM INDEX	-14.72	-22.84	-12.58	1.38	3.51	7.85		
91 DAY T-BILL	0.29	0.57	2.25	1.83	1.19	0.64		
SSGM CASH EQUITIZATION	-13.71	-21.83	-12.59	0.34	2.63	7.21	2,654,686	0.2



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>	-1.37	-1.01	4.68	1.26	0.06	3.02	53,479,127	3.8
91 T - BILL ONE MONTH LAG PLUS 300BP	0.39	0.78	5.24	4.78	4.16	3.62		
CSFB/TREMONT HEDGE FUND INDEX LAG	-1.99	-1.83	4.32	3.05	1.89	-		
<b>DIVERSIFIED BETA</b>	-8.13	-10.69	-3.41	2.46	3.22	-	89,958,157	6.4
91 DAY T BILL PLUS 300 BPS	0.54	1.32	5.32	4.88	4.22	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-8.18	-11.82	-2.58	3.38	3.54	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.30	0.58	2.28	1.85	1.21	-		
<b>OPPORTUNISTIC**</b>	5.34	12.78	12.78	-	-	-	8,469,872	0.5
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTF	2.09	2.61	14.41	-	-	-		
<b>PRIVATE EQUITY **</b>								
STATE STREET CUSTOMIZED BENCHMARK***	-	-	8.94	12.69	10.12	12.44		
TOTAL PRIVATE EQUITY^^^	3.18	6.04	11.60	10.24	8.32	9.46	128,318,282	9.2
<b>REAL ESTATE **</b>								
NCREIF PROPERTY INDEX QTR LAG^^^	1.60	6.40	6.42	6.70	8.25	10.18		
NCREIF ODCE^^^	1.50	5.30	5.35	7.10	8.97	11.42		
TOTAL REAL ESTATE	1.88	6.50	5.58	7.63	8.82	11.09	140,556,620	10.1
<b>TOTAL FUND</b>								
MBTA ALLOCATION MIX	-7.28	-10.97	-3.61	2.70	3.37	5.86		
MBTA POLICY MIX	-6.71	-10.02	-2.96	2.96	3.96	6.34		
TOTAL FUND	-7.95	-11.48	-3.45	4.01	4.17	6.94	1,394,983,614	100.0
PREVIOUS MKT VALUE							1,524,651,487	
MONTHLY CHANGE IN MARKET VALUE							-129,667,873	
12/31/2018 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-207,294,601	

\* YTD Returns lags by one month. Actual returns through February 29, 2020

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 12/31/19 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

\*\*\* State Street Customized Benchmark is not available yet. The benchmark reported is 9/30/19