

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
May 15, 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, May 15, 2020, at 9:34 AM, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present by video conference 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. Phil Brown of Brown Counsel and Julian Regan and Pamela Dubuc of Segal Marco entered the meeting by video conference.

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, April 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 April 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 4-8 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.

c. Informational Items

The Chairperson stated that Section II covering Items c. as indicated on Pages 9 through 17 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 April 2020. He reported that for the month of April, the Fund had a total of \$11,157,552 in deposits and \$18,854,025 in withdrawals for a net-negative of \$7,696,473. He added that the market value at the end of April 2020 was \$1,467,525,484. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark.

Mr. Barry noted that the Fund is experiencing an increase in reported deaths. He added that in April 2020 there were a total of 30 deaths of Retirees and Optionees. The Executive Director further stated that as of the prior day, May 14th, 2020, a total of 40 deceased Retirees and Optionees have been reported compared to a total of 22 reported deaths in the entire month of May 2019.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of April 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 9:40 AM.

The regular meeting reconvened at 11:34 AM.

SECTION IV – REGULAR SESSION

Chairperson Evers stated that the next item on the Agenda was a review of the 2019 Valuation, GASB 67 and GASB 68 Reports.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve The Massachusetts Bay Transportation Authority Retirement Fund, Actuarial Valuation Report, Prepared as of December 31, 2019.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve The Massachusetts Bay Transportation Authority Retirement Fund, Information Required Under Governmental Accounting Standards Board Statement No. 68 as of June 30, 2020.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve The Massachusetts Bay Transportation Authority Retirement Fund, Information Required Under Governmental Accounting Standards Board Statement No. 67 as of December 31, 2019.

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 11:36 AM

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</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	5.00	-7.65	9.21	8.40	7.78	12.25	281,019,395	18.6
S&P 500	4.76	-4.97	12.84	10.23	9.86	13.15		
TOTAL SMALL CAP EQUITY	6.84	-12.98	-0.76	5.09	5.78	10.63	107,448,847	7.1
RUSSELL 2000 GROWTH	9.45	-6.65	7.32	7.72	6.34	11.72		
RUSSELL 2000 VALUE	2.87	-25.65	-14.69	-4.16	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	10.40	9.59	25.18	16.69	13.82	-	133,368,653	8.8
MSCI ALL COUNTRY WORLD INDEX (NET)	4.35	-9.16	5.43	5.19	5.29	-		
TOTAL INTERNATIONAL EQUITY	4.82	-13.68	-1.87	-0.88	0.59	5.22	157,504,016	10.4
MSCI EAFE	4.35	-14.26	-2.81	-0.37	0.79	5.27		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	1.25	2.52	5.00	3.43	3.17	4.21	352,194,249	23.3
BC AGGREGATE	0.47	5.47	9.42	5.07	3.94	3.92		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.00	0.58	1.84	1.79	1.19	0.64		
MASTER ACCOUNT	0.03	0.42	1.59	1.67	1.15	0.62	54,485,506	3.6
CASH EQUITIZATION CUSTOM INDEX	5.00	-9.68	5.26	5.93	6.38	10.39		
91 DAY T-BILL	0.00	0.58	1.84	1.79	1.19	0.64		
SSGM CASH EQUITIZATION	4.55	-9.84	3.99	4.37	5.20	9.59	4,260,675	0.3



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*	2.59	-7.05	-3.85	-1.04	-1.30	2.09	50,219,663	3.3
91 T - BILL ONE MONTH LAG PLUS 300BP	0.25	1.58	5.13	4.86	4.22	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	2.43	-6.77	-3.31	1.02	0.72	3.08		
DIVERSIFIED BETA	2.83	-4.98	2.96	3.56	4.26	-	95,758,620	6.4
91 DAY T BILL PLUS 300 BPS	0.25	1.83	4.89	4.84	4.22	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	3.08	-2.49	8.45	5.93	5.36	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.01	0.59	2.09	1.82	1.21	-		
OPPORTUNISTIC**	-	12.78	12.78	-	-	-	8,362,961	0.6
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	-	2.61	9.39	-	-	-		
PRIVATE EQUITY **								
STATE STREET CUSTOMIZED BENCHMARK***	-	4.35	13.82	13.31	11.16	11.95		
TOTAL PRIVATE EQUITY^^	-	3.86	11.60	10.24	8.32	9.46	129,056,227	8.5
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	-	1.55	6.42	6.70	8.25	10.18		
NCREIF ODCE	-	0.98	4.88	6.81	8.46	11.45		
TOTAL REAL ESTATE	-	1.47	5.61	7.64	8.79	11.08	140,504,828	9.3
TOTAL FUND								
MBTA ALLOCATION MIX	2.50	-3.77	5.04	4.82	4.77	6.99		
MBTA POLICY MIX	2.25	-2.68	6.28	5.38	5.60	7.56		
TOTAL FUND	3.31	-3.37	6.01	5.91	5.43	7.81	1,514,183,640	100.0
PREVIOUS MKT VALUE							1,467,525,484	
MONTHLY CHANGE IN MARKET VALUE							46,658,156	
12/31/2019 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-88,094,575	

* YTD Returns lags by one month. Actual returns through April 30, 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



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	5.02	-7.58	9.36	8.56	8.03	12.59	281,019,395	18.6
S&P 500	4.76	-4.97	12.84	10.23	9.86	13.15		
TOTAL SMALL CAP EQUITY	6.84	-12.81	-0.37	5.67	6.41	11.34	107,448,847	7.1
RUSSELL 2000 GROWTH	9.45	-6.65	7.32	7.72	6.34	11.72		
RUSSELL 2000 VALUE	2.87	-25.65	-14.69	-4.16	-	-		
GLOBAL EQUITY AND EMERGING MARKETS	10.40	9.77	25.78	17.38	14.51	-	133,368,653	8.8
MSCI ALL COUNTRY WORLD INDEX (NET)	4.35	-9.16	5.43	5.19	5.29	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	4.85	-13.40	-1.21	-0.22	1.28	5.94	157,504,016	10.4
MSCI EAFE	4.35	-14.26	-2.81	-0.37	0.79	5.76		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	1.28	2.61	5.19	3.62	3.36	4.41	352,194,249	23.3
BC AGGREGATE	0.47	5.47	9.42	5.07	3.94	3.92		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.00	0.58	1.84	1.79	1.19	0.64		
MASTER ACCOUNT	0.03	0.42	1.59	1.67	1.15	0.62	54,485,506	3.6
CASH EQUITIZATION CUSTOM INDEX	5.00	-9.68	5.26	5.93	6.38	10.39		
91 DAY T-BILL	0.00	0.58	1.84	1.79	1.19	0.64		
SSGM CASH EQUITIZATION	4.55	-9.84	3.99	4.37	5.20	9.59	4,260,675	0.3



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*	2.59	-7.05	-3.85	-1.04	-1.30	2.09	50,219,663	3.3
91 T - BILL ONE MONTH LAG PLUS 300BP	0.25	1.58	5.13	4.86	4.22	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	2.43	-6.77	-3.31	1.02	0.72	3.08		
DIVERSIFIED BETA	2.85	-4.90	3.17	3.80	4.58	-	95,758,620	6.4
91 DAY T BILL PLUS 300 BPS	0.25	1.83	4.89	4.84	4.22	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	3.08	-2.49	8.45	5.93	5.36	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.01	0.59	2.09	1.82	1.21	-		
OPPORTUNISTIC**	-	12.78	12.78	-	-	-	8,362,961	0.6
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTF	-	2.61	9.39	-	-	-		
PRIVATE EQUITY **								
STATE STREET CUSTOMIZED BENCHMARK***	-	4.35	13.82	13.31	11.16	11.95		
TOTAL PRIVATE EQUITY^^^	-	3.86	11.60	10.24	8.32	9.46	129,056,227	8.5
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG^^^	-	1.55	6.42	6.70	8.25	10.18		
NCREIF ODCE^^^	-	0.98	4.88	6.81	8.46	11.45		
TOTAL REAL ESTATE	-	1.47	5.61	7.64	8.79	11.08	140,504,828	9.3
TOTAL FUND								
MBTA ALLOCATION MIX	2.50	-3.77	5.04	4.82	4.77	6.99		
MBTA POLICY MIX	2.25	-2.68	6.28	5.38	5.60	7.56		
TOTAL FUND	3.33	-3.24	6.31	6.24	5.78	8.17	1,514,183,640	100.0
PREVIOUS MKT VALUE							1,467,525,484	
MONTHLY CHANGE IN MARKET VALUE							46,658,156	
12/31/2019 MKT VALUE							1,602,278,215	
YTD CHANGE IN MARKET VALUE							-88,094,575	

* YTD Returns lags by one month. Actual returns through April 30, 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