

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
December 17, 2021

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, December 17, 2021, at 9:31 AM, at One Washington Mall, 4<sup>th</sup> Floor, Boston, MA 02108.

The Members present by video conference were James Evers, 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; Jacquelyn Carey, Acting Recording Secretary; and staff. Julian Regan and Pamela Dubuc of Segal Marco Advisors were also present.

Interim-Chairperson James Evers presided.

Trustee Taylor reported that the MBTA Board voted on Thursday to appoint Mary Ann O’Hara from alternate member to board member. Patrick Landers was voted as Trustee O’Hara’s alternate. Mr. Barry noted that swearing in can take place at the January meeting after the Trustee Handbook is distributed.

Chairperson Evers began by thanking Trustee Taylor in her capacity as Chairperson of the MBTA Board, noting that she did a great job with the contract completion. Trustee Taylor noted that they were particularly pleased to vote the labor contract and thanked the Carmen Union for their cooperation, she believes it is a good step forward for everyone. Chairperson Evers also thanked Mary Ann O’Hara and others on the board who voted the contract.

Chairperson Evers recognized and thanked John Clancy and Patrick Hogan for their tenure on the MBTA Retirement Fund Board. As they are seeking retirement, this will be their last meeting for the Fund. Mr. Evers and Mr. Bradley will be appointing new alternates at the January meeting. The trustees echoed Chairperson Evers sentiments and Mr. Hogan and Mr. Clancy thanked the Board for working well together over the years.

## 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, November 19, 2021. 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 November 19, 2021.

### 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 4-11 of the meeting packet.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item b. 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 21 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 November 2021. He reported that for the month of November, the Fund had a total of \$13,016,364 in deposits and \$19,060,918 in withdrawals for a net-negative of \$6,044,554. He added that the market value at the end of November 2021 was \$1,878,275,582. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark noting that the total fund is outperforming both the allocation and policy mix for the year.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of November 2021.

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 9:38 AM.

The regular meeting reconvened at 11:27 AM.

SECTION IV – REGULAR SESSION

Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED:- TO allocate the funds redeemed from Rock Creek to PRIM – Hedge Fund Portfolio Completion Strategy. The Executive Director is to obtain, negotiate and execute investment documents governing the MBTARF's

investment with PRIM, conditioned on satisfactory review and approval of the investment documents by Investment Counsel and Investment Consultant, all in accordance with the policies and procedures of the MBTARF.

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 11:28 AM.

A true record.

ATTEST:

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Notary Public



Returns - Net of Fees

	<u>MONTH TO</u> <u>DATE</u>	<u>YTD</u>	<u>ROLLING</u> <u>1 YEAR</u>	<u>ROLLING</u> <u>3 YEARS</u>	<u>ROLLING</u> <u>5 YEARS</u>	<u>ROLLING</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<b><u>EQUITY-USD</u></b>								
TOTAL LARGE CAP EQUITY	4.57	26.98	26.98	24.69	17.28	15.43	348,950,208	18.3
S&P 500	4.48	28.71	28.71	26.07	18.47	16.55		
TOTAL SMALL CAP EQUITY	3.13	22.16	22.16	24.42	15.64	14.98	157,282,352	8.3
RUSSELL 2000 GROWTH	0.44	2.83	2.83	21.17	14.53	14.14		
RUSSELL 2000 VALUE	4.08	28.27	28.27	17.99	9.07	-		
GLOBAL EQUITY AND EMERGING MARKETS	-2.91	7.94	7.94	28.45	23.49	-	155,894,470	8.2
MSCI ALL COUNTRY WORLD INDEX (NET)	4.00	18.54	18.54	20.38	14.40	-		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	4.95	8.06	8.06	13.42	9.58	8.04	213,059,344	11.1
MSCI EAFE	5.12	11.26	11.26	13.54	9.55	8.03		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	0.11	0.69	0.69	4.97	3.75	3.97	431,292,448	22.6
BC AGGREGATE	-0.26	-1.54	-1.54	4.79	3.57	2.90		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.01	0.05	0.05	0.99	1.14	0.63		
MASTER ACCOUNT	0.00	0.00	0.00	0.86	1.06	0.60	40,524,592	2.1
CASH EQUITIZATION CUSTOM INDEX	4.18	21.69	21.69	21.88	15.04	13.79		
91 DAY T-BILL	0.01	0.05	0.05	0.99	1.14	0.63		
SSGM CASH EQUITIZATION	2.45	14.48	14.48	16.12	11.20	11.42	8,727,946	0.5



Returns - Net of Fees

	<u>MONTH TO</u> <u>DATE</u>	<u>YTD</u>	<u>ROLLING</u> <u>1 YEAR</u>	<u>ROLLING</u> <u>3 YEARS</u>	<u>ROLLING</u> <u>5 YEARS</u>	<u>ROLLING</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<b>TOTAL HEDGE FUND*</b>	-0.65	6.87	7.99	6.03	3.90	3.67	80,437,315	4.2
91 T - BILL ONE MONTH LAG PLUS 300BP	0.25	2.79	3.05	4.08	4.18	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	-2.21	6.20	10.21	6.85	5.27	4.68		
<b>DIVERSIFIED BETA</b>	1.33	9.60	9.60	13.32	8.66	-	123,788,181	6.5
91 DAY T BILL PLUS 300 BPS	0.25	3.05	3.05	4.02	4.17	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	2.46	12.04	12.04	15.07	10.62	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.00	0.04	0.04	1.00	1.15	-		
<b>OPPORTUNISTIC**</b>	0.70	14.87	14.87	11.58	-	-	13,019,797	0.7
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.03	10.43	11.46	6.62	-	-		
<b>PRIVATE CREDIT**</b>								
STATE STREET PE CREDIT BENCHMARK^^^	-	20.58	26.02	-	-	-		
TOTAL PRIVATE CREDIT	5.53	55.15	55.15	-	-	-	24,180,912	1.3
<b>PRIVATE EQUITY **</b>								
STATE STREET PE BENCHMARK^^^	-	40.44	55.27	21.15	18.85	13.08		
TOTAL PRIVATE EQUITY^^	0.42	42.45	42.45	21.43	17.06	12.81	140,218,690	7.8
<b>REAL ESTATE **</b>								
NCREIF PROPERTY INDEX QTR LAG	5.23	12.15	12.15	6.72	6.84	8.99		
NCREIF ODCE	-	13.15	14.63	7.06	7.51	9.92		
TOTAL REAL ESTATE	5.37	11.68	11.68	6.11	7.12	10.43	168,560,003	8.8
<b>TOTAL FUND</b>								
MBTA ALLOCATION MIX	2.28	13.38	13.38	13.74	10.25	8.79		
MBTA POLICY MIX	2.21	12.51	12.51	13.22	9.73	8.93		
TOTAL FUND	1.87	13.20	13.20	14.81	11.12	9.63	1,905,936,258	100.0
<b>PREVIOUS MKT VALUE</b>							1,878,275,582	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							27,660,676	
<b>12/31/2020 MKT VALUE</b>							1,769,941,276	
<b>YTD CHANGE IN MARKET VALUE</b>							135,994,982	

\* YTD Returns lags by one month. Actual returns through November 30, 2021

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2021 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

^^^ Benchmark is not available



Returns - Gross of Fees

	<u>MONTH TO</u> <u>DATE</u>	<u>YTD</u>	<u>ROLLING</u> <u>1 YEAR</u>	<u>ROLLING</u> <u>3 YEARS</u>	<u>ROLLING</u> <u>5 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>4.57</b>	<b>27.17</b>	<b>27.17</b>	<b>24.87</b>	<b>17.47</b>	<b>15.74</b>	<b>348,950,208</b>	<b>18.3</b>
<b>S&amp;P 500</b>	<b>4.48</b>	<b>28.71</b>	<b>28.71</b>	<b>26.07</b>	<b>18.47</b>	<b>16.55</b>		
<b>TOTAL SMALL CAP EQUITY</b>	<b>3.13</b>	<b>22.63</b>	<b>22.63</b>	<b>24.95</b>	<b>16.24</b>	<b>15.67</b>	<b>157,282,352</b>	<b>8.3</b>
<b>RUSSELL 2000 GROWTH</b>	<b>0.44</b>	<b>2.83</b>	<b>2.83</b>	<b>21.17</b>	<b>14.53</b>	<b>14.14</b>		
<b>RUSSELL 2000 VALUE</b>	<b>4.08</b>	<b>28.27</b>	<b>28.27</b>	<b>17.99</b>	<b>9.07</b>	<b>-</b>		
<b>GLOBAL EQUITY AND EMERGING MARKETS</b>	<b>-2.91</b>	<b>8.47</b>	<b>8.47</b>	<b>29.16</b>	<b>24.21</b>	<b>-</b>	<b>155,894,470</b>	<b>8.2</b>
<b>MSCI ALL COUNTRY WORLD INDEX (NET)</b>	<b>4.00</b>	<b>18.54</b>	<b>18.54</b>	<b>20.38</b>	<b>14.40</b>	<b>-</b>		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
<b>MSCI EAFE</b>	<b>4.97</b>	<b>8.77</b>	<b>8.77</b>	<b>14.18</b>	<b>10.32</b>	<b>8.77</b>	<b>213,059,344</b>	<b>11.1</b>
<b>MSCI EAFE</b>	<b>5.12</b>	<b>11.26</b>	<b>11.26</b>	<b>13.54</b>	<b>9.55</b>	<b>5.76</b>		
<b><u>FIXED INCOME</u></b>								
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>-0.11</b>	<b>0.86</b>	<b>0.86</b>	<b>5.15</b>	<b>3.93</b>	<b>4.17</b>	<b>431,292,448</b>	<b>22.6</b>
<b>BC AGGREGATE</b>	<b>-0.26</b>	<b>-1.54</b>	<b>-1.54</b>	<b>4.79</b>	<b>3.57</b>	<b>2.90</b>		
<b><u>SHORT TERM INVESTMENTS</u></b>								
<b>91 DAY T-BILL</b>	<b>0.01</b>	<b>0.05</b>	<b>0.05</b>	<b>0.99</b>	<b>1.14</b>	<b>0.63</b>		
<b>MASTER ACCOUNT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.86</b>	<b>1.06</b>	<b>0.60</b>	<b>40,524,592</b>	<b>2.1</b>
<b>CASH EQUITIZATION CUSTOM INDEX</b>	<b>4.18</b>	<b>21.69</b>	<b>21.69</b>	<b>21.88</b>	<b>15.04</b>	<b>13.79</b>		
<b>91 DAY T-BILL</b>	<b>0.01</b>	<b>0.05</b>	<b>0.05</b>	<b>0.99</b>	<b>1.14</b>	<b>0.63</b>		
<b>SSGM CASH EQUITIZATION</b>	<b>2.45</b>	<b>14.48</b>	<b>14.48</b>	<b>16.12</b>	<b>11.20</b>	<b>11.42</b>	<b>8,727,946</b>	<b>0.5</b>



Returns - Gross of Fees

	<u>MONTH TO</u> <u>DATE</u>	<u>YTD</u>	<u>ROLLING</u> <u>1 YEAR</u>	<u>ROLLING</u> <u>3 YEARS</u>	<u>ROLLING</u> <u>5 YEARS</u>	<u>ROLLING</u> <u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<b>TOTAL HEDGE FUND*</b>	<b>-0.65</b>	<b>6.87</b>	<b>7.99</b>	<b>6.03</b>	<b>3.90</b>	<b>3.67</b>	<b>80,437,315</b>	<b>4.2</b>
<b>91 T - BILL ONE MONTH LAG PLUS 300BP</b>	<b>0.25</b>	<b>2.79</b>	<b>3.05</b>	<b>4.08</b>	<b>4.18</b>	<b>3.65</b>		
<b>CSFB/TREMONT HEDGE FUND INDEX LAG</b>	<b>-2.21</b>	<b>6.20</b>	<b>10.21</b>	<b>6.85</b>	<b>5.27</b>	<b>4.68</b>		
<b>DIVERSIFIED BETA</b>	<b>1.37</b>	<b>9.82</b>	<b>9.82</b>	<b>13.56</b>	<b>8.91</b>	<b>-</b>	<b>123,788,181</b>	<b>6.5</b>
<b>91 DAY T BILL PLUS 300 BPS</b>	<b>0.25</b>	<b>3.05</b>	<b>3.05</b>	<b>4.02</b>	<b>4.17</b>	<b>-</b>		
<b>60% MSCI WORLD EQUITY/40% BC AGG BOND</b>	<b>2.46</b>	<b>12.04</b>	<b>12.04</b>	<b>15.07</b>	<b>10.62</b>	<b>-</b>		
<b>BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR</b>	<b>0.00</b>	<b>0.04</b>	<b>0.04</b>	<b>1.00</b>	<b>1.15</b>	<b>-</b>		
<b>OPPORTUNISTIC**</b>	<b>0.70</b>	<b>14.87</b>	<b>14.87</b>	<b>11.58</b>	<b>-</b>	<b>-</b>	<b>13,019,797</b>	<b>0.7</b>
<b>BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT</b>	<b>0.03</b>	<b>10.43</b>	<b>11.46</b>	<b>6.62</b>	<b>-</b>	<b>-</b>		
<b>PRIVATE CREDIT**</b>								
<b>STATE STREET PE CREDIT BENCHMARK^^^</b>	<b>-</b>	<b>20.58</b>	<b>26.02</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>TOTAL PRIVATE CREDIT</b>	<b>5.53</b>	<b>55.15</b>	<b>55.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,180,912</b>	<b>1.3</b>
<b>PRIVATE EQUITY **</b>								
<b>STATE STREET PE BENCHMARK^^^</b>	<b>-</b>	<b>40.44</b>	<b>55.27</b>	<b>21.15</b>	<b>18.85</b>	<b>13.08</b>		
<b>TOTAL PRIVATE EQUITY^^</b>	<b>0.42</b>	<b>42.45</b>	<b>42.45</b>	<b>21.43</b>	<b>17.06</b>	<b>12.81</b>	<b>140,218,690</b>	<b>7.8</b>
<b>REAL ESTATE **</b>								
<b>NCREIF PROPERTY INDEX QTR LAG</b>	<b>5.23</b>	<b>12.15</b>	<b>12.15</b>	<b>6.72</b>	<b>6.84</b>	<b>8.99</b>		
<b>NCREIF ODCE***</b>	<b>-</b>	<b>13.15</b>	<b>14.63</b>	<b>7.06</b>	<b>7.51</b>	<b>9.92</b>		
<b>TOTAL REAL ESTATE</b>	<b>5.37</b>	<b>11.68</b>	<b>11.68</b>	<b>6.11</b>	<b>7.12</b>	<b>10.43</b>	<b>168,560,003</b>	<b>8.8</b>
<b>TOTAL FUND</b>								
<b>MBTA ALLOCATION MIX</b>	<b>2.28</b>	<b>13.38</b>	<b>13.38</b>	<b>13.74</b>	<b>10.25</b>	<b>8.79</b>		
<b>MBTA POLICY MIX</b>	<b>2.21</b>	<b>12.51</b>	<b>12.51</b>	<b>13.22</b>	<b>9.73</b>	<b>8.93</b>		
<b>TOTAL FUND</b>	<b>1.87</b>	<b>13.52</b>	<b>13.52</b>	<b>15.15</b>	<b>11.47</b>	<b>9.99</b>	<b>1,905,936,258</b>	<b>100.0</b>
<b>PREVIOUS MKT VALUE</b>							<b>1,878,275,582</b>	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							<b>27,660,676</b>	
<b>12/31/2020 MKT VALUE</b>							<b>1,769,941,276</b>	
<b>YTD CHANGE IN MARKET VALUE</b>							<b>135,994,982</b>	

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\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2021 adjusted for cash flows.

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^^ Active portfolio - post 2005

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