

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
January 21, 2022

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 21, 2022, at 9:37 AM, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present by video conference were James Evers, James Bradley, Craig Hughes, Betsy Taylor and Mary Ann O’Hara; Alternate Members were, Gerald Kelley, Timothy Long, Jose Cruz, John Mersereau and Patrick Landers.

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.

SWEARING – IN

Mary Ann O’Hara, was sworn into office by Jacquelyn Carey, Acting Recording Secretary, as Board Member, in accordance with the following original record of her oath: -

OATH OF OFFICE

Before me on this day came Mary Ann O’Hara and she made an oath that she would faithfully and impartially perform her fiduciary duties as a Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise her best efforts to act in good faith, in the best interests of the beneficiaries of the Fund, and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

Notary Public

Patrick Landers, was sworn into office by Jacquelyn Carey, Acting Recording Secretary, as Alternate Board Member, in accordance with the following original record of his oath: -

OATH OF OFFICE

Before me on this day came Patrick Landers and he made an oath that he would faithfully and impartially perform his fiduciary duties as an Alternate Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise his best efforts to act in good faith, in the best interests of the beneficiaries of the Fund, and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

Notary Public

Jose Cruz, was sworn into office by Jacquelyn Carey, Acting Recording Secretary, as Alternate Board Member, in accordance with the following original record of his oath: -

OATH OF OFFICE

Before me on this day came Jose Cruz and he made an oath that he would faithfully and impartially perform his fiduciary duties as an Alternate Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise his best efforts to act in good faith, in the best interests of the beneficiaries of the Fund, and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

Notary Public

John Mersereau, was sworn into office by Jacquelyn Carey, Acting Recording Secretary, as Alternate Board Member, in accordance with the following original record of his oath: -

OATH OF OFFICE

Before me on this day came John Mesereau and he made an oath that he would faithfully and impartially perform his fiduciary duties as an Alternate Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise his best efforts to act in good faith, in the best interests of the beneficiaries of the Fund, and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

Notary Public

Mr. Barry noted that there is an updated Trustee Handbook that will be distributed to all members and alternates.

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 17, 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 December 17, 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 4-10 of the meeting packet.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item b. 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 18 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 December 2021. He reported that for the month of December, the Fund had a total of \$12,422,128 in deposits and \$19,136,082 in withdrawals for a net-negative of \$6,713,954. He added that the market value at the end of December 2021 was \$1,905,936,258. 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. He noted that the total fund is outperforming the policy mix for the year and slightly trailing the allocation mix. However, in the 5 and 10 year figures the fund is beating both the policy and allocation mix.

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 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 9:43 AM.

The regular meeting reconvened at 11:51 AM.

SECTION IV – REGULAR SESSION

Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED:- TO authorize the Executive Director to obtain, negotiate and execute investment documents governing the MBTARF’s investment with Hamilton Lane Strategic Opportunities Fund VII LP in the sum of \$20 million, 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.

On motion, duly made and seconded, it was unanimously

VOTED:- TO place real estate manager, AFL-CIO Building Investment Trust on the Watch List.

On motion, duly made and seconded, it was unanimously

VOTED:- TO redeem \$7 million dollars from real estate manager, AFL-CIO Building Investment Trust.

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 11:52 AM.

A true record.

ATTEST:

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>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	-4.55	-4.55	22.03	19.58	15.69	14.23	333,057,553	18.2
S&P 500	-5.17	-5.17	23.29	20.71	16.78	15.43		
TOTAL SMALL CAP EQUITY	-10.37	-10.37	5.82	15.67	12.94	12.87	140,969,754	7.7
RUSSELL 2000 GROWTH	-13.40	-13.40	-15.04	11.36	10.93	11.70		
RUSSELL 2000 VALUE	-5.83	-5.83	14.75	11.72	7.92	-		
GLOBAL EQUITY AND EMERGING MARKETS	-10.78	-10.78	-3.46	19.89	19.40	-	139,086,549	7.6
MSCI ALL COUNTRY WORLD INDEX (NET)	-4.91	-4.91	13.23	15.42	12.64	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-4.58	-4.58	4.77	9.20	7.85	6.92	203,303,345	11.1
	-4.83	-4.83	7.03	9.34	7.85	6.94		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-1.60	-1.60	-0.64	3.88	3.32	3.53	424,225,090	23.2
BC AGGREGATE	-2.15	-2.15	-2.97	3.67	3.08	2.59		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.00	0.00	0.04	0.93	1.13	0.63		
MASTER ACCOUNT	0.00	0.00	0.00	0.79	1.05	0.60	64,158,053	3.5
CASH EQUITIZATION CUSTOM INDEX	-5.88	-5.88	14.28	16.25	13.23	12.52		
91 DAY T-BILL	0.00	0.00	0.04	0.93	1.13	0.63		
SSGM CASH EQUITIZATION	-3.43	-3.43	10.40	11.82	10.02	10.49	8,161,795	0.4



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TOTAL HEDGE FUND*	- .65	6.87	7.99	6.03	3.90	3.67	50,573,928	2.7
91 T - BILL ONE MONTH LAG PLUS 300BP	0.25	0.25	3.05	4.02	4.17	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	-2.21	6.20	10.21	6.85	5.27	4.68		
DIVERSIFIED BETA	-3.47	-3.47	5.77	10.24	7.68	-	119,498,069	6.5
91 DAY T BILL PLUS 300 BPS	0.24	0.24	3.04	3.95	4.16	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-4.04	-4.04	8.48	11.63	9.38	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.00	0.00	0.03	0.93	1.14	-		
OPPORTUNISTIC**	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	-	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	3.91	25.30	25.30	-	-	-		
TOTAL PRIVATE CREDIT	5.53	55.15	55.15	-	-	-	24,680,912	1.3
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	6.25	49.22	49.22	22.40	19.41	15.62		
TOTAL PRIVATE EQUITY^^	0.42	42.45	42.45	21.43	17.06	12.81	140,894,906	8.2
REAL ESTATE **								
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	168,025,756	9.2
TOTAL FUND								
MBTA ALLOCATION MIX	-3.10	-3.10	10.24	11.22	9.45	8.23		
MBTA POLICY MIX	-2.73	-2.73	9.88	10.93	9.01	8.41		
TOTAL FUND	-3.64	-3.64	9.16	11.74	9.97	8.85	1,829,655,508	100.0
PREVIOUS MKT VALUE							1,905,936,258	
MONTHLY CHANGE IN MARKET VALUE							-76,280,750	
12/31/2021 MKT VALUE							1,905,936,258	
YTD CHANGE IN MARKET VALUE							-76,280,750	

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



Returns - Gross of Fees

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