

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
March 18, 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, March 18, 2022, at 9:30 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.

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 18, 2022. 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 18, 2022.

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.

Trustee Taylor commented that some of the dollar value of the refunds are substantial and asked Mr. Barry to review how the refunds are calculated. Mr. Barry noted that per the Pension Agreement for the time a member is in the Fund they earn a 3% interest rate. Once the member is no longer an employee and are moved to the escrow account interest is no longer accrued. Mr. Barry went on to note that unclaimed property claims are also included in the refunds listed. Many former employees thought that leaving their money in the fund may result in a pension down the line. Unless the member was rehired by the Authority, they are much better off rolling their contributions into an IRA. Trustee Taylor had no further questions and thanked Mr. Barry for the review.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item b. 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 15 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 2022. He reported that for the month of February, the Fund had a total of \$12,937,432 in deposits and \$19,200,055 in withdrawals for a net-negative of \$6,262,623. He added that the market value at the end of February 2022 was \$1,801,701,145. 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 was down in February which was anticipated due to the activity going on in the Ukraine.

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 2022.

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 9:37 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 Neuberger Berman Private Debt Fund IV in the sum of \$7,500,000, 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 11:52 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	2.59	-4.52	12.24	17.89	14.85	13.22	333,173,729	18.0
S&P 500	3.71	-4.60	15.65	18.92	15.99	14.64		
TOTAL SMALL CAP EQUITY	0.30	-9.92	-1.90	14.51	12.62	12.21	141,675,449	7.8
RUSSELL 2000 GROWTH	0.46	-12.63	-14.33	9.88	10.33	11.21		
RUSSELL 2000 VALUE	1.96	-2.40	3.32	12.73	8.57	-		
GLOBAL EQUITY AND EMERGING MARKETS	-2.03	-15.18	-8.84	15.67	16.68	-	132,226,686	7.4
MSCI ALL COUNTRY WORLD INDEX (NET)	2.17	-5.36	7.28	13.75	11.64	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-1.64	-8.73	-4.07	6.04	5.99	5.78	194,463,314	10.8
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-2.00	-4.31	-1.87	2.45	2.45	3.14	412,222,296	22.8
BC AGGREGATE	-2.78	-5.93	-4.15	1.69	2.14	2.24		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.03	0.04	0.06	0.81	1.13	0.63		
MASTER ACCOUNT	0.00	0.00	0.00	0.66	1.03	0.59	49,707,402	2.7
CASH EQUITIZATION CUSTOM INDEX	2.56	-5.19	7.84	14.93	12.59	11.91		
91 DAY T-BILL	0.03	0.04	0.06	0.81	1.13	0.63		
SSGM CASH EQUITIZATION	1.74	-2.86	5.31	10.65	9.38	9.91	8,254,478	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>
TOTAL HEDGE FUND*	-0.71	0.41	4.36	5.91	3.34	3.46	50,201,550	2.8
91 T - BILL ONE MONTH LAG PLUS 300BP	0.26	0.76	3.04	3.90	4.16	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	0.37	1.62	5.69	6.84	5.06	4.46		
DIVERSIFIED BETA	-0.15	-3.47	5.95	8.59	7.24	-	119,486,884	3.6
91 DAY T BILL PLUS 300 BPS	0.28	0.78	3.06	3.83	4.16	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	0.54	-5.42	4.34	9.88	8.51	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.03	0.04	0.06	0.81	1.14	-		
OPPORTUNISTIC**	0.70	14.87	7.81	11.31			15,120,775	0.9
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.03	11.64	5.36	8.57	-	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK^^^	3.91	25.30	25.30	-	-	-		
TOTAL PRIVATE CREDIT	7.90	51.55	51.55	-	-	-	27,133,309	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK^^^	6.25	49.22	49.22	22.40	19.41	15.62		
TOTAL PRIVATE EQUITY^^	5.02	35.97	35.97	23.97	17.99	13.06	148,604,105	8.7
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	6.65	17.65	17.65	7.81	8.15	10.77	178,566,001	9.9
TOTAL FUND								
MBTA ALLOCATION MIX	0.96	-3.15	6.00	10.33	9.00	7.87		
MBTA POLICY MIX	0.85	-2.86	6.02	10.06	8.49	8.06		
TOTAL FUND	0.85	-3.93	5.13	10.53	9.35	8.34	1,810,835,978	100.0
PREVIOUS MKT VALUE							1,801,701,145	
MONTHLY CHANGE IN MARKET VALUE							9,134,833	
12/31/2021 MKT VALUE							1,905,936,258	
YTD CHANGE IN MARKET VALUE							-95,100,280	

* YTD Returns lags by one month. Actual returns through February 28, 2022

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 12/31/2021 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 not available yet



Returns - Gross of Fees

	<u>MONTH TO DATE</u>	<u>YTD</u>	<u>ROLLING 1 YEAR</u>	<u>ROLLING 3 YEARS</u>	<u>ROLLING 5 YEARS</u>	<u>ROLLING 10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	2.59	-4.48	12.41	18.05	15.02	13.53	333,173,729	18.0
S&P 500	3.71	-4.60	15.65	18.92	15.99	14.64		
TOTAL SMALL CAP EQUITY	0.30	-9.88	-1.58	14.96	13.16	12.86	141,675,449	7.8
RUSSELL 2000 GROWTH	0.46	-12.63	-14.33	9.88	10.33	11.21		
RUSSELL 2000 VALUE	1.96	-2.40	3.32	12.73	8.57	-		
GLOBAL EQUITY AND EMERGING MARKETS	-2.03	-15.07	-8.39	16.30	17.36	-	132,226,686	7.4
MSCI ALL COUNTRY WORLD INDEX (NET)	2.17	-5.36	7.28	13.75	11.64	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-1.61	-8.57	-3.43	6.75	6.69	6.50	194,463,314	10.8
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-2.00	-4.27	-1.70	2.63	2.64	3.34	412,222,296	22.8
BC AGGREGATE	-2.78	-5.93	-4.15	1.69	2.14	2.24		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.03	0.04	0.06	0.81	1.13	0.63		
MASTER ACCOUNT	0.00	0.00	0.00	0.66	1.03	0.59	49,707,402	2.7
CASH EQUITIZATION CUSTOM INDEX	2.56	-5.19	7.84	14.93	12.59	11.91		
91 DAY T-BILL	0.03	0.04	0.06	0.81	1.13	0.63		
SSGM CASH EQUITIZATION	1.74	-2.86	5.31	10.65	9.38	9.91	8,254,478	0.5



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>
TOTAL HEDGE FUND*	-0.71	0.41	4.36	5.91	3.34	3.46	50,201,550	2.8
91 T - BILL ONE MONTH LAG PLUS 300BP	0.26	0.76	3.04	3.90	4.16	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	0.37	1.62	5.69	6.84	5.06	4.46		
DIVERSIFIED BETA	-0.15	-3.46	6.13	8.79	7.48	-	119,486,884	3.6
91 DAY T BILL PLUS 300 BPS	0.28	0.78	3.06	3.83	4.16	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	0.54	-5.42	4.34	9.88	8.51	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.03	0.04	0.06	0.81	1.14	-		
OPPORTUNISTIC**	0.70	14.87	7.81	11.31			15,120,775	0.9
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.03	11.64	5.36	8.57	-	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK^^^	3.91	25.30	25.30	-	-	-		
TOTAL PRIVATE CREDIT	7.90	51.55	51.55	-	-	-	27,133,309	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK^^^	6.25	49.22	49.22	22.40	19.41	15.62		
TOTAL PRIVATE EQUITY^^	5.02	35.97	35.97	23.97	17.99	13.06	148,604,105	8.7
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	6.65	17.65	17.65	7.81	8.15	10.77	178,566,001	9.9
TOTAL FUND								
MBTA ALLOCATION MIX	0.96	-3.15	6.00	10.33	9.00	7.87		
MBTA POLICY MIX	0.85	-2.86	6.02	10.06	8.49	8.06		
TOTAL FUND	0.86	-3.88	5.40	10.85	9.68	8.70	1,810,835,978	100.0
PREVIOUS MKT VALUE							1,801,701,145	
MONTHLY CHANGE IN MARKET VALUE							9,134,833	
12/31/2020 MKT VALUE							1,905,936,258	
YTD CHANGE IN MARKET VALUE							-95,100,280	

* YTD Returns lags by one month. Actual returns through February 28, 2022

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 12/31/2021 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 yet