

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
May 20, 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, May 20, 2022, at 9:32 AM, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present by video conference were James Evers, James Bradley, Craig Hughes and Betsy Taylor; Alternate Members were, Gerald Kelley, 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, April 15, 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 April 15, 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.

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 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 April 2022. He reported that for the month of April, the Fund had a total of \$20,209,806 in deposits and \$19,167,006 in withdrawals for a net-inflow of \$1,042,800. He added that the market value at the end of April 2022 was \$1,727,426,942. Mr. Barry noted that there were three payrolls in April, reflected in the higher deposit amount for the month of April. The Executive Director reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He noted that the total fund is outperforming both the allocation and policy mix for the month and 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 April 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 12:44 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken

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, 2021.

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, 2022.

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, 2021.

On motion, duly made and seconded, it was unanimously

VOTED:- TO terminate international small-cap equity manager, Principal Global Investors.

On motion, duly made and seconded, it was unanimously

VOTED:- TO allocate approximately \$30 Million to Eaton Vance International Small-Cap Strategy; and authorize the Interim-Executive Director to obtain, negotiate and execute investment documents governing the MBTARF's investment, 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 12:45 PM.

A true record.

ATTEST:

Notary Public



Returns - Net of Fees

	<u>MONTH TO</u>		<u>ROLLING</u>	<u>ROLLING</u>	<u>ROLLING</u>	<u>ROLLING</u>		
	<u>DATE</u>	<u>YTD</u>	<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>	<u>10 YEARS</u>	<u>MKT VALUE</u>	<u>ALLOCATION</u>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	1.04	-10.93	-1.22	16.13	12.81	13.33	310,814,909	18.1
S&P 500	0.18	-12.76	-0.30	16.44	13.38	14.40		
TOTAL SMALL CAP EQUITY	0.38	-17.52	-13.45	12.12	10.51	12.12	129,732,341	7.6
RUSSELL 2000 GROWTH	-1.89	-24.79	-25.71	6.18	6.87	10.55		
RUSSELL 2000 VALUE	1.92	-8.25	-7.67	12.21	7.83	-		
GLOBAL EQUITY AND EMERGING MARKETS	-6.23	-30.86	-28.37	8.47	10.13	-	107,771,774	6.3
MSCI ALL COUNTRY WORLD INDEX (NET)	0.12	-12.83	-6.78	11.71	9.00	-		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	0.58	-14.42	-16.78	5.14	2.89	6.45	181,529,021	10.6
	0.75	-11.34	-10.38	6.43	4.17	7.15		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-0.12	-6.94	-5.82	1.03	1.67	2.86	395,533,733	23.0
BC AGGREGATE	0.64	-8.92	-8.22	0.00	1.18	1.71		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.07	0.12	0.14	0.69	1.12	0.64		
MASTER ACCOUNT	0.05	0.07	0.07	0.56	1.02	0.60	42,235,767	2.4
CASH EQUITIZATION CUSTOM INDEX	0.38	-12.79	-6.01	12.83	10.16	11.97		
91 DAY T-BILL	0.07	0.12	0.14	0.69	1.12	0.64		
SSGM CASH EQUITIZATION	0.53	-7.36	-2.95	10.05	7.82	10.39	7,478,886	0.4



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*	-1.02	0.45	1.53	5.14	3.22	3.34	71,334,939	4.2
91 T - BILL ONE MONTH LAG PLUS 300BP	0.26	1.30	3.08	3.77	4.15	3.65		
CSFB/TREMONT HEDGE FUND INDEX LAG	0.39	4.49	5.16	6.97	5.47	4.75		
DIVERSIFIED BETA	-0.92	-8.35	-4.91	6.85	5.65	-	103,457,176	6.0
91 DAY T BILL PLUS 300 BPS	0.32	1.36	3.15	3.71	4.15	-		
60% MSCI WORLD EQUITY/40% BC AGG BOND	0.30	-11.30	-6.03	7.79	6.54	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.07	0.13	0.14	0.70	1.13	-		
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	56.20	56.20	-	-	-	26,692,035	1.6
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	6.25	49.22	49.22	22.40	19.41	15.19		
TOTAL PRIVATE EQUITY^^	5.02	31.74	31.74	23.97	17.99	13.06	148,619,565	9.1
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	5.23	17.70	17.70	8.37	7.75	9.32		
NCREIF ODCE	7.37	28.47	28.47	11.30	9.88	10.93		
TOTAL REAL ESTATE	6.65	18.04	18.04	7.86	8.19	10.77	176,278,160	10.3
TOTAL FUND								
MBTA ALLOCATION MIX	0.19	-6.67	-0.90	9.27	7.84	7.83		
MBTA POLICY MIX	0.18	-6.25	-0.40	9.04	7.33	8.01		
TOTAL FUND	-0.21	-5.66	-0.22	10.16	8.42	8.59	1,716,599,082	100.0
PREVIOUS MKT VALUE							1,727,426,942	
MONTHLY CHANGE IN MARKET VALUE							-10,827,860	
12/31/2021 MKT VALUE							1,939,942,425	
YTD CHANGE IN MARKET VALUE							-223,343,343	

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



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>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	10.56	-10.86	-1.06	16.30	12.97	13.63	310,814,909	18.1
S&P 500	0.18	-12.76	-0.30	16.44	13.38	14.40		
TOTAL SMALL CAP EQUITY	0.39	-17.45	-13.22	12.51	11.04	12.76	129,732,341	7.6
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MSCI ALL COUNTRY WORLD INDEX (NET)	0.12	-12.83	-6.78	11.71	9.00	-		
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