

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
December 16, 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, December 16, 2022, at 9:32 AM, at One Washington Mall, 4<sup>th</sup> Floor, Boston, MA 02108.

The Members present in – person or by video conference were James Bradley, Craig Hughes, Betsy Taylor, Mary Ann O’Hara and Paul Todisco; Alternate Members were, Gerald Kelley, Patrick Landers, Timothy Long, and John Mersereau.

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.

Trustee Bradley reported that Interim-Chairperson James Evers will not be in attendance today.

On motion, duly made and seconded, it was unanimously

VOTED:- TO appoint James Bradley as Temporary Chairperson.

Temporary Chairperson James Bradley presided.

SECTION II – REGULAR SESSION

a. Minutes

Temporary Chairperson Bradley stated that the next item on the Agenda was the Consideration of Minutes of Prior Meeting of the Board, November 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 November 18, 2022.

b. Approvals

Temporary Chairperson Bradley stated that the second item on the Agenda was Approvals. Temporary Chairperson Bradley 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

Temporary Chairperson Bradley stated that Section II covering Items c. as indicated on Pages 11 through 19 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

d. Report of Executive Director

Temporary Chairperson Bradley 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 2022. He reported that for the month of November, the Fund had a total of \$13,567,191 in deposits and \$19,714,207 in withdrawals for a net-outflow of \$6,147,016. He added that the market value at the end of November 2022 was \$1,668,194,162. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He noted that private equity, private credit and real estate were stale dated until more information is available, and the year-to-date figures are through

June 30, 2022. The total fund is outperforming both the allocation and policy mix for the year-to-date 2022.

Mr. Barry noted to the Board, that on the November approvals is Mr. Thomas Connolly, a 78-year-old bus driver, who retired with over 49 years of service. Mr. Barry noted that we do not see this tenure very often and congratulated Mr. Connolly on his service to the MBTA. The trustees all extended their appreciation and congratulations to Mr. Connolly.

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 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 9:40 AM.

The regular meeting reconvened at 11:44 AM.

#### SECTION IV – REGULAR SESSION

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 11:45 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	-5.39	-15.95	-15.95	7.72	8.91	11.42	283,818,204	17.4
S&P 500	-5.76	-18.11	-18.11	7.66	9.42	12.56		
TOTAL SMALL CAP EQUITY	-6.79	-22.58	-22.58	5.07	6.55	10.23	117,102,667	7.2
RUSSELL 2000 GROWTH	-6.42	-26.36	-26.36	0.65	3.51	9.20		
RUSSELL 2000 VALUE	-6.56	-14.48	-14.48	4.70	4.13	-		
GLOBAL EQUITY AND EMERGING MARKETS	-0.29	-36.95	-36.95	0.63	5.43	9.59	98,252,595	6.0
MSCI ALL COUNTRY WORLD INDEX (NET)	-3.94	-18.36	-18.36	4.00	5.23	7.98		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	-1.03	-17.35	-17.35	-0.42	0.08	4.08	173,086,651	10.6
	0.08	-14.45	-14.45	0.87	1.54	4.67		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	-0.44	-10.41	-10.41	-1.03	0.64	1.71	373,409,159	22.9
BC AGGREGATE	-0.45	-13.01	-13.01	-2.71	0.02	1.06		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.36	1.46	1.46	0.72	1.26	0.76		
MASTER ACCOUNT	0.35	1.63	1.63	0.69	1.21	0.75	32,972,521	2.1
CASH EQUITIZATION CUSTOM INDEX	-4.50	-17.35	-17.35	5.32	6.56	9.96		
91 DAY T-BILL	0.36	1.46	1.46	0.72	1.26	0.76		
SSGM CASH EQUITIZATION	-5.12	-6.06	-6.06	5.42	5.87	9.20	7,259,492	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>
<b>TOTAL HEDGE FUND*</b>	<b>0.91</b>	<b>-1.74</b>	<b>-1.74</b>	<b>3.46</b>	<b>2.12</b>	<b>2.80</b>	<b>65,989,321</b>	<b>4.1</b>
<b>91 T - BILL ONE MONTH LAG PLUS 300BP</b>	<b>0.57</b>	<b>4.13</b>	<b>4.13</b>	<b>3.67</b>	<b>4.24</b>	<b>3.75</b>		
<b>DIVERSIFIED BETA</b>	<b>-4.31</b>	<b>-19.77</b>	<b>-19.77</b>	<b>-0.49</b>	<b>1.77</b>	<b>-</b>	<b>90,562,241</b>	<b>5.6</b>
<b>91 DAY T BILL PLUS 300 BPS</b>	<b>0.61</b>	<b>4.50</b>	<b>4.50</b>	<b>3.74</b>	<b>4.30</b>	<b>3.78</b>		
<b>60% MSCI WORLD EQUITY/40% BC AGG BOND</b>	<b>-2.73</b>	<b>-15.85</b>	<b>-15.85</b>	<b>2.23</b>	<b>4.01</b>	<b>-</b>		
<b>BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR</b>	<b>0.38</b>	<b>1.51</b>	<b>1.51</b>	<b>0.74</b>	<b>1.28</b>	<b>-</b>		
<b>OPPORTUNISTIC**</b>	<b>-1.12</b>	<b>0.10</b>	<b>0.10</b>	<b>7.92</b>	<b>8.45</b>	<b>-</b>	<b>21,502,900</b>	<b>1.4</b>
<b>BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT</b>	<b>-4.02</b>	<b>-14.06</b>	<b>-14.06</b>	<b>-0.67</b>	<b>1.41</b>	<b>-</b>		
<b>PRIVATE CREDIT**</b>								
<b>STATE STREET PE CREDIT BENCHMARK</b>	<b>0.68</b>	<b>3.00</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>TOTAL PRIVATE CREDIT</b>	<b>-0.59</b>	<b>0.96</b>	<b>0.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,140,459</b>	<b>1.5</b>
<b>PRIVATE EQUITY **</b>								
<b>STATE STREET PE BENCHMARK</b>	<b>-1.36</b>	<b>-1.25</b>	<b>-1.25</b>	<b>18.79</b>	<b>15.80</b>	<b>13.82</b>		
<b>TOTAL PRIVATE EQUITY^^</b>	<b>-0.64</b>	<b>6.35</b>	<b>6.35</b>	<b>20.73</b>	<b>15.69</b>	<b>10.14</b>	<b>156,043,697</b>	<b>9.6</b>
<b>REAL ESTATE **</b>								
<b>NCREIF PROPERTY INDEX QTR LAG</b>	<b>0.57</b>	<b>16.08</b>	<b>16.08</b>	<b>9.91</b>	<b>8.62</b>	<b>9.48</b>		
<b>NCREIF ODCE</b>	<b>-4.96</b>	<b>7.47</b>	<b>7.47</b>	<b>9.93</b>	<b>8.68</b>	<b>10.10</b>		
<b>TOTAL REAL ESTATE</b>	<b>-0.74</b>	<b>16.17</b>	<b>16.17</b>	<b>9.52</b>	<b>8.78</b>	<b>11.02</b>	<b>181,996,865</b>	<b>11.2</b>
<b>TOTAL FUND</b>								
<b>MBTA ALLOCATION MIX</b>	<b>-1.84</b>	<b>-9.57</b>	<b>-9.57</b>	<b>4.74</b>	<b>5.84</b>	<b>6.61</b>		
<b>MBTA POLICY MIX</b>	<b>-1.51</b>	<b>-8.32</b>	<b>-8.32</b>	<b>4.97</b>	<b>5.51</b>	<b>6.92</b>		
<b>TOTAL FUND</b>	<b>-2.12</b>	<b>-8.63</b>	<b>-8.63</b>	<b>5.68</b>	<b>6.07</b>	<b>7.26</b>	<b>1,627,136,772</b>	<b>100.0</b>
<b>PREVIOUS MKT VALUE</b>							<b>1,668,194,162</b>	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							<b>-41,057,389</b>	
<b>12/31/2021 MKT VALUE</b>							<b>1,939,942,425</b>	
<b>YTD CHANGE IN MARKET VALUE</b>							<b>-312,805,653</b>	

\* YTD Returns lags by one month. Actual returns through November 30, 2022

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 09/30/2022 adjusted for cash flows.

^ 36% Buyout, 9% Venture, 37% Debt and 18% Fund of Funds

^^ Active portfolio - post 2005



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>
<b><u>EQUITY-USD</u></b>								
TOTAL LARGE CAP EQUITY	-5.40	-15.80	-15.80	7.88	9.07	11.71	283,818,204	17.4
S&P 500	-5.76	-18.11	-18.11	7.66	9.42	12.56		
TOTAL SMALL CAP EQUITY	-6.79	-22.31	-22.31	5.48	7.03	10.85	117,102,667	7.2
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TOTAL DOMESTIC FIXED INCOME	-0.44	-10.26	-10.26	-0.86	0.81	1.91	373,409,159	22.9
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<b>TOTAL FUND</b>	<b>-2.11</b>	<b>-8.43</b>	<b>-8.43</b>	<b>5.96</b>	<b>6.38</b>	<b>7.60</b>	<b>1,627,136,772</b>	<b>100.0</b>
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