

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
January 20, 2023

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 20, 2023, at 9:33 AM, at One Washington Mall, 4<sup>th</sup> Floor, Boston, MA 02108.

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

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 and Trustee O’Hara informed the Board that Mr. Landers wife passed away this week and the board voiced their sympathy. Mr. Evers expressed thanks for the sympathies regarding his father’s recent passing. Noting his father was well liked at the MBTA, he was a union guy, barn captain, delegate, and vice-president of Local 589.

SECTION II – REGULAR SESSION

a. Minutes

Chairperson Evers stated that the next item on the Agenda was the Consideration of Minutes of Prior Meeting of the Board, December 16, 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 December 16, 2022.

b. Approvals

Chairperson Evers stated that the second item on the Agenda was Approvals. Chairperson Evers 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

Chairperson Evers stated that Section II covering Items c. as indicated on Pages 11 through 17 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 2022. He reported that for the month of December, the Fund had a total of \$14,405,024 in deposits and \$19,525,671 in withdrawals for a net-outflow of \$5,180,647. He added that the market value at the end of December 2022 was \$1,627,136,772. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark noting that private equity, private credit and real estate have been

marked for 3rd quarter 2022 valuations. The Fund still has managers to report for December in the alternative space but this report gives a good idea of where the fund will fall for year-end 2022. Mr. Barry added that December was a difficult month for a number of reasons, one being tax-loss selling. Investors tend to sell at the end of a bad year for tax loss purposes, hopefully they will buy back into the market in January. The total fund is slightly trailing the policy mix but ahead of the allocation mix for the year.

Mr. Barry distributes to the Board a letter dated January 30, 2023 that will go out to the Retirement Fund Members. The highlight of the letter is to inform the membership of the change to the IRS Form W-4P. If there are any changes to withholding the member should consult their tax professional as the Fund does not give out tax advice. The new form only needs to be filled out by new retirees or if a current retiree is requesting a change to their federal tax withholding.

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 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 9:42 AM.

The regular meeting reconvened at 11:26 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 11:27 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	6.12	6.12	-6.55	10.15	9.02	11.53	301,178,324	17.8
S&P 500	6.28	6.28	-8.22	9.88	9.54	12.68		
TOTAL SMALL CAP EQUITY	10.03	10.03	-4.96	9.45	7.97	10.70	128,877,016	7.6
RUSSELL 2000 GROWTH	9.95	9.95	-6.50	4.26	4.68	9.54		
RUSSELL 2000 VALUE	9.54	9.54	-0.52	9.94	5.78	8.84		
GLOBAL EQUITY AND EMERGING MARKETS	9.15	9.15	-23.25	3.34	5.29	9.90	106,694,339	6.3
MSCI ALL COUNTRY WORLD INDEX (NET)	7.17	7.17	-7.99	6.83	5.53	8.24		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	8.70	8.70	-5.85	3.48	0.90	4.53	188,186,986	11.2
MSCI EAFE	8.10	8.10	-2.83	4.25	2.13	4.95		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	3.06	3.06	-6.17	-0.52	1.29	1.97	384,192,329	22.7
BC AGGREGATE	3.08	3.08	-8.36	-2.35	0.86	1.43		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.31	0.31	1.78	0.78	1.30	0.80		
MASTER ACCOUNT	0.35	0.35	1.99	0.76	1.26	0.78	23,670,859	1.4
CASH EQUITIZATION CUSTOM INDEX	7.51	7.51	-5.60	8.32	7.11	10.18		
91 DAY T-BILL	0.31	0.31	1.78	0.78	1.30	0.80		
SSGM CASH EQUITIZATION	7.70	7.70	4.77	8.53	6.54	9.47	8,111,968	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>	<b>1.31</b>	<b>-1.35</b>	<b>-1.35</b>	<b>3.59</b>	<b>2.20</b>	<b>2.84</b>	<b>66,252,755</b>	<b>3.9</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>5.20</b>	<b>5.20</b>	<b>-12.51</b>	<b>1.26</b>	<b>2.77</b>	<b>-</b>	<b>95,333,389</b>	<b>5.6</b>
<b>91 DAY T BILL PLUS 300 BPS</b>	<b>0.56</b>	<b>0.56</b>	<b>4.83</b>	<b>3.80</b>	<b>4.34</b>	<b>3.82</b>		
<b>60% MSCI WORLD EQUITY/40% BC AGG BOND</b>	<b>5.48</b>	<b>5.48</b>	<b>-7.51</b>	<b>3.92</b>	<b>4.56</b>	<b>-</b>		
<b>BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR</b>	<b>0.34</b>	<b>0.34</b>	<b>1.86</b>	<b>0.81</b>	<b>1.32</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>22,341,978</b>	<b>1.4</b>
<b>BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT</b>	<b>2.85</b>	<b>2.85</b>	<b>-11.45</b>	<b>0.18</b>	<b>1.90</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>20.72</b>	<b>15.69</b>	<b>10.14</b>	<b>158,289,301</b>	<b>9.4</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>8.81</b>	<b>11.02</b>	<b>181,536,102</b>	<b>10.7</b>
<b>TOTAL FUND</b>								
<b>MBTA ALLOCATION MIX</b>	<b>3.95</b>	<b>3.95</b>	<b>-3.14</b>	<b>6.15</b>	<b>6.36</b>	<b>6.78</b>		
<b>MBTA POLICY MIX</b>	<b>3.98</b>	<b>3.98</b>	<b>-2.12</b>	<b>6.36</b>	<b>5.86</b>	<b>7.10</b>		
<b>TOTAL FUND</b>	<b>4.30</b>	<b>4.30</b>	<b>-1.11</b>	<b>7.29</b>	<b>6.41</b>	<b>7.45</b>	<b>1,689,805,805</b>	<b>100.0</b>
<b>PREVIOUS MKT VALUE</b>							<b>1,626,972,186</b>	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							<b>62,833,619</b>	
<b>12/31/2022 MKT VALUE</b>							<b>1,626,972,186</b>	
<b>YTD CHANGE IN MARKET VALUE</b>							<b>62,833,619</b>	

\* YTD Returns lags by one month. Actual returns through December 31, 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	6.14	6.14	-6.39	10.32	9.18	11.81	301,178,324	17.8
S&P 500	6.28	6.28	-8.22	9.88	9.54	12.68		
TOTAL SMALL CAP EQUITY	10.20	10.20	-4.47	9.89	8.47	11.32	128,877,016	7.6
RUSSELL 2000 GROWTH	9.95	9.95	-6.50	4.26	4.68	9.54		
RUSSELL 2000 VALUE	9.54	9.54	-0.52	9.94	5.78	8.84		
GLOBAL EQUITY AND EMERGING MARKETS	9.37	9.37	-22.83	3.88	5.88	10.56	106,694,339	6.3
MSCI ALL COUNTRY WORLD INDEX (NET)	7.17	7.17	-7.99	6.83	5.53	8.24		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	8.73	8.73	-5.42	4.10	1.54	5.21	188,186,986	11.2
MSCI EAFE	8.10	8.10	-2.83	4.25	2.13	5.76		
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	3.11	3.11	-5.96	0.34	1.48	2.16	384,192,329	22.7
BC AGGREGATE	3.08	3.08	-8.36	-2.35	0.86	1.43		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.31	0.31	1.78	0.78	1.30	0.80		
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<b>DIVERSIFIED BETA</b>	<b>5.21</b>	<b>5.21</b>	<b>-12.34</b>	<b>1.47</b>	<b>2.98</b>	<b>4.34</b>	<b>95,333,389</b>	<b>5.6</b>
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<b>TOTAL FUND</b>	<b>4.34</b>	<b>4.34</b>	<b>-0.88</b>	<b>7.57</b>	<b>6.71</b>	<b>7.79</b>	<b>1,689,805,805</b>	<b>100.0</b>
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