

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
February 17, 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, February 17, 2023, at 9:35 AM, at One Washington Mall, 4th 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, 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 of Segal Marco Advisors was also present.

Interim-Chairperson James Evers presided.

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, January 20, 2023. 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 January 20, 2023.

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 4-9 of the meeting packet.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve Item b. as indicated
on Pages 4 through 9 of the meeting packet.

c. Informational Items

Chairperson Evers stated that Section II covering Items c. as indicated on Pages 10 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 January 2023. He reported that for the month of January, the Fund had a total of \$13,570,526 in deposits and \$19,784,785 in withdrawals for a net-outflow of \$6,214,259. He added that the market value at the end of January 2023 was \$1,689,805,805. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark noting that both PRIM emerging markets equity and hedge funds are reporting with a one-month lag and the returns are as of December 2022. Opportunistic, private equity, private credit and real estate have a one quarter lag and are reporting 3rd

quarter 2022 valuations plus cash flows. The total fund is outperforming both the policy mix and the allocation mix for the month.

On motion, duly made and seconded, it was unanimously

VOTED:- TO approve the General Financial Report of the Executive Director for the Month of January 2023.

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 9:39 AM.

The regular meeting reconvened at 11:50 AM.

SECTION IV – REGULAR SESSION

Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED:- TO accept the Interim Executive Director’s 2022 Annual Report to the Board of the MBTA Retirement Fund presented by John P. Barry., a copy of which is attached hereto and incorporated herein by reference.

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 VIII LP in the sum of \$15 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.

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 11:51 AM.

A true record.

ATTEST:

Notary Public



Returns - Net 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	-2.57	3.39	-6.62	12.47	9.33	11.14	278,474,013	16.8
S&P 500	-2.44	3.69	-7.69	12.15	9.82	12.25		
TOTAL SMALL CAP EQUITY	-1.58	8.29	-6.65	11.76	8.36	10.41	121,840,295	7.3
RUSSELL 2000 GROWTH	-1.08	8.76	-7.92	6.51	5.06	9.31		
RUSSELL 2000 VALUE	-2.31	7.02	-4.40	12.87	6.38	-		
GLOBAL EQUITY AND EMERGING MARKETS	0.37	9.55	-20.62	5.26	5.80	10.05	107,079,572	6.4
MSCI ALL COUNTRY WORLD INDEX (NET)	-2.87	4.10	-8.26	8.81	5.82	7.93		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-2.09	5.84	-3.14	6.84	2.64	4.83	183,042,637	11.0
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-1.48	1.54	-6.84	-1.30	1.13	1.78	378,155,400	22.8
BC AGGREGATE	-2.59	0.41	-9.72	-3.77	0.53	1.12		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.33	0.64	2.10	0.84	1.35	0.83		
MASTER ACCOUNT	0.38	0.74	2.37	0.84	1.32	0.82	36,481,293	2.2
<u>CASH EQUITIZATION CUSTOM INDEX</u>								
91 DAY T-BILL	-2.25	5.08	-6.05	10.70	7.49	9.85		
SSGM CASH EQUITIZATION	-2.50	5.01	3.32	10.74	6.95	9.12	7,798,639	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*	3.16	3.16	0.64	4.29	2.38	2.86	68,347,363	4.1
91 T - BILL ONE MONTH LAG PLUS 300BP	0.56	1.17	4.83	3.80	4.34	3.82		
DIVERSIFIED BETA	-3.99	1.00	-16.12	0.82	2.41	-	91,531,778	5.5
91 DAY T BILL PLUS 300 BPS	0.57	1.14	5.15	3.87	4.39	3.85		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-2.48	2.86	-7.99	4.60	4.64	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.34	0.68	2.19	0.87	1.37	-		
OPPORTUNISTIC**	-1.12	0.10	0.10	7.92	8.45	-	22,144,135	1.3
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	1.87	4.77	-8.86	0.71	2.33	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	0.68	3.00	3.00	-	-	-		
TOTAL PRIVATE CREDIT	-0.59	0.96	0.96	-	-	-	26,028,752	1.6
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	-1.36	-1.25	-1.25	18.79	15.80	13.82		
TOTAL PRIVATE EQUITY^^	-0.64	6.35	6.35	20.40	15.68	10.14	159,242,381	9.6
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	0.57	16.08	16.08	9.91	8.62	9.48		
NCREIF ODCE	-4.96	7.47	7.47	9.93	8.68	10.10		
TOTAL REAL ESTATE	-0.74	16.17	16.17	9.62	8.81	11.02	181,320,901	10.9
TOTAL FUND								
MBTA ALLOCATION MIX	-1.50	2.39	-3.64	7.00	6.38	6.58		
MBTA POLICY MIX	-1.56	2.36	-2.71	7.02	5.93	6.90		
TOTAL FUND	-1.31	2.94	-1.27	8.12	6.60	7.28	1,661,487,159	100.0
PREVIOUS MKT VALUE							1,689,805,805	
MONTHLY CHANGE IN MARKET VALUE							-28,318,646	
12/31/2022 MKT VALUE							1,626,972,186	
YTD CHANGE IN MARKET VALUE							34,514,973	

* YTD Returns lags by one month. Actual returns through January 31, 2023

** 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>
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