

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND  
MINUTES OF REGULAR MEETING  
May 19, 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 at 9:30 AM on Friday, May 19, 2023, 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, Timothy Long, Mary Ann O’Hara and Paul Todisco; Alternate Members were Jose Cruz, Gerald Kelley, James Joyce, Patrick Landers and John Mersereau. Also present were John P. Barry - Interim-Executive Director, Jacquelyn Carey - Acting Recording Secretary and staff. In addition, Julian Regan of Segal Marco Advisors was also present.

Interim-Chairperson James Evers presided; he welcomed the new Trustees and thanked them for their service to the Fund.

SWEARING – IN

Mr. Timothy Long was sworn into office as Board Member by Jacquelyn Carey - Acting Recording Secretary in accordance with the following original record of his oath:

OATH OF OFFICE

Before me on this day came Mr. Timothy Long, and he made an oath that he would faithfully and impartially perform his fiduciary duties as a Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise his best efforts to act in good faith, in the best interests of the beneficiaries of the Fund and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

\_\_\_\_\_  
Notary Public

Mr. James Joyce, was sworn into office as Alternate Board Member, by Jacquelyn Carey - Acting Recording Secretary in accordance with the following original record of his oath:

OATH OF OFFICE

Before me on this day came Mr. James Joyce, and he made an oath that he would faithfully and impartially perform his fiduciary duties as an Alternate Member of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise his best efforts to act in good faith, in the best interests of the beneficiaries of the Fund and in compliance with the Standards of Fiduciary Responsibility.

So, help me, God.

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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, April 21, 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 April 21, 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 through 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 April 2023. He reported that for the month of April, the Fund had a total of \$13,783,381 in deposits and \$19,984,749 in withdrawals for a net-outflow of \$6,201,368. He added that the market value at the end of April 2023 was \$1,669,505,036. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. Opportunistic, private equity, private credit and real estate have a one quarter lag and are continuing to report fourth quarter 2022 valuations. The total fund is outperforming the allocation mix and slightly trailing the policy mix for the year.

Mr. Barry announced that three information sessions have been scheduled for the Fund staff to explain the new Agreement to the membership. The first meeting will be on June 20<sup>th</sup>, at both 10 AM and 8 PM during the Local 589 union meetings. On June 22<sup>nd</sup>, staff will present at 10AM at Local 103 hall. At 11 AM on June 23<sup>rd</sup>, staff will present in the Board Room at 10 Park Plaza.

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 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 9:36 AM.

The regular meeting reconvened at 11:40 AM.

#### SECTION IV – REGULAR SESSION

a. Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED: TO appoint Alternate Trustee, Mr. Patrick Landers, to the Actuarial and Audit Sub-Committee.

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, 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. 68 as of June 30, 2023.

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, 2022.

On motion, duly made and seconded, it was unanimously

VOTED: TO terminate diversified beta manager, PanAgora Asset Management.

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 11:41 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	-0.57	5.41	-0.53	12.58	9.74	10.47	283,899,661	17.3
S&P 500	0.43	9.65	2.92	12.92	11.01	11.99		
TOTAL SMALL CAP EQUITY	-1.94	0.57	-5.61	10.27	5.02	8.77	113,153,955	6.8
RUSSELL 2000 GROWTH	0.02	4.86	2.68	4.62	2.74	7.90		
RUSSELL 2000 VALUE	-1.97	-5.04	-11.50	13.60	2.09	-		
GLOBAL EQUITY AND EMERGING MARKETS	2.39	14.12	3.55	1.82	6.24	10.07	111,525,191	6.7
MSCI ALL COUNTRY WORLD INDEX (NET)	-1.07	7.68	0.85	10.07	6.77	7.82		
<b><u>TOTAL INTERNATIONAL EQUITY</u></b>								
MSCI EAFE	-3.89	7.94	4.25	7.28	1.76	4.14	186,913,243	11.3
<b><u>FIXED INCOME</u></b>								
TOTAL DOMESTIC FIXED INCOME	-0.96	2.65	-1.18	-0.99	1.35	1.89	381,675,831	23.2
BC AGGREGATE	-1.09	2.46	-2.14	-3.65	0.81	1.39		
<b><u>SHORT TERM INVESTMENTS</u></b>								
91 DAY T-BILL	0.39	1.79	3.14	1.12	1.49	0.94		
MASTER ACCOUNT	0.43	1.98	3.56	1.21	1.48	0.94	26,372,160	1.6
CASH EQUITIZATION CUSTOM INDEX	-1.08	6.90	1.31	11.40	7.54	9.30		
91 DAY T-BILL	0.39	1.79	3.14	1.12	1.49	0.94		
SSGM CASH EQUITIZATION	-1.06	6.37	7.87	11.40	6.96	8.54	7,954,446	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>0.33</b>	<b>2.00</b>	<b>0.18</b>	<b>6.59</b>	<b>2.22</b>	<b>2.56</b>	<b>67,579,312</b>	<b>4.1</b>
<b>91 T - BILL ONE MONTH LAG PLUS 300BP</b>	<b>0.56</b>	<b>3.02</b>	<b>5.89</b>	<b>4.02</b>	<b>4.48</b>	<b>3.93</b>		
<b>DIVERSIFIED BETA</b>	<b>-3.01</b>	<b>0.85</b>	<b>-11.66</b>	<b>1.53</b>	<b>1.75</b>	<b>-</b>	<b>91,392,893</b>	<b>5.6</b>
<b>91 DAY T BILL PLUS 300 BPS</b>	<b>0.64</b>	<b>3.05</b>	<b>6.23</b>	<b>4.15</b>	<b>4.53</b>	<b>3.97</b>		
<b>60% MSCI WORLD EQUITY/40% BC AGG BOND</b>	<b>-1.03</b>	<b>6.08</b>	<b>0.63</b>	<b>5.14</b>	<b>5.29</b>	<b>-</b>		
<b>BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR</b>	<b>0.42</b>	<b>1.89</b>	<b>3.29</b>	<b>1.17</b>	<b>1.53</b>	<b>-</b>		
<b>OPPORTUNISTIC**</b>	<b>0.00</b>	<b>0.91</b>	<b>-1.54</b>	<b>6.38</b>	<b>8.37</b>		<b>26,134,456</b>	<b>1.6</b>
<b>BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT</b>	<b>-1.29</b>	<b>6.65</b>	<b>-5.52</b>	<b>1.14</b>	<b>2.70</b>			
<b>PRIVATE CREDIT**</b>								
<b>STATE STREET PE CREDIT BENCHMARK</b>	<b>0.00</b>	<b>3.07</b>	<b>2.94</b>	<b>9.32</b>	<b>-</b>	<b>-</b>		
<b>TOTAL PRIVATE CREDIT</b>	<b>0.00</b>	<b>0.00</b>	<b>-6.56</b>	<b>17.14</b>	<b>-</b>	<b>-</b>	<b>24,720,553</b>	<b>1.5</b>
<b>PRIVATE EQUITY **</b>								
<b>STATE STREET PE BENCHMARK</b>	<b>0.00</b>	<b>1.22</b>	<b>-5.47</b>	<b>17.59</b>	<b>15.01</b>	<b>13.57</b>		
<b>TOTAL PRIVATE EQUITY^^</b>	<b>0.01</b>	<b>0.00</b>	<b>-0.75</b>	<b>18.97</b>	<b>15.18</b>	<b>9.90</b>	<b>153,945,842</b>	<b>9.3</b>
<b>REAL ESTATE **</b>								
<b>NCREIF PROPERTY INDEX QTR LAG</b>	<b>0.00</b>	<b>-3.50</b>	<b>5.53</b>	<b>8.06</b>	<b>7.46</b>	<b>8.82</b>		
<b>NCREIF ODCE</b>	<b>0.00</b>	<b>-3.17</b>	<b>-3.09</b>	<b>8.40</b>	<b>7.51</b>	<b>9.45</b>		
<b>TOTAL REAL ESTATE</b>	<b>0.00</b>	<b>0.00</b>	<b>3.83</b>	<b>7.26</b>	<b>7.32</b>	<b>10.00</b>	<b>172,224,358</b>	<b>10.5</b>
<b>TOTAL FUND</b>								
<b>MBTA ALLOCATION MIX</b>	<b>-0.68</b>	<b>3.16</b>	<b>-0.21</b>	<b>7.12</b>	<b>6.25</b>	<b>6.32</b>		
<b>MBTA POLICY MIX</b>	<b>-0.74</b>	<b>3.47</b>	<b>1.05</b>	<b>7.09</b>	<b>6.01</b>	<b>6.69</b>		
<b>TOTAL FUND</b>	<b>-0.90</b>	<b>2.89</b>	<b>-0.36</b>	<b>7.91</b>	<b>6.31</b>	<b>6.90</b>	<b>1,647,491,901</b>	<b>100.0</b>
<b>PREVIOUS MKT VALUE</b>							<b>1,669,505,036</b>	
<b>MONTHLY CHANGE IN MARKET VALUE</b>							<b>-22,013,135</b>	
<b>12/31/2022 MKT VALUE</b>							<b>1,626,972,186</b>	
<b>YTD CHANGE IN MARKET VALUE</b>							<b>20,519,715</b>	

\* YTD Returns lags by one month. Actual returns through April 30, 2023

\*\* YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 12/31/2022 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	-0.55	5.50	-0.35	12.75	9.91	10.74	283,899,661	17.3
S&P 500	0.43	9.65	2.92	12.92	11.01	11.99		
TOTAL SMALL CAP EQUITY	-1.87	0.83	-5.10	10.71	5.49	9.37	113,153,955	6.8
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<b>DIVERSIFIED BETA</b>	<b>-2.99</b>	<b>0.93</b>	<b>-11.48</b>	<b>1.74</b>	<b>1.96</b>	<b>3.91</b>	<b>91,392,893</b>	<b>5.6</b>
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