

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
June 16, 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, June 16, 2023, at One Washington Mall, 4th 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 and Pamela Dubuc of Segal Marco Advisors were present.

Interim-Chairperson James Evers presided.

SECTION II – REGULAR SESSION

a. Minutes

Chairperson Evers stated that the first item on the Agenda was the Consideration of Minutes of Prior Meeting of the Board, May 19, 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 May 19, 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 Item c. as indicated on Pages 10 through 15 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 May 2023. He reported that for the month of May, the Fund had a total of \$13,654,763 in deposits and \$19,942,327 in withdrawals for a net-outflow of \$6,287,564. He added that the market value at the end of May 2023 was \$1,647,491,901. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He noted that opportunistic, private equity, private credit and real estate will be priced for the 1st quarter 2023 next month. Mr. Barry reported that the Fund received approximately \$40 million in the PanAgora redemption. PanAgora still has a 10%

holdback which will be released following their next audit. Mr. Barry thanked the Board for their quick action last month which enabled the funds to be received quickly.

Mr. Barry announced that the Milestones Newsletter was mailed to the membership and includes details on the information sessions that have been scheduled for the Fund staff to explain the changes to the Pension Agreement. Members will need to make individual decisions on which Plan to elect in by December 31, 2023. A member's election will be determined based on their personal individual circumstances. There is not a one-size-fits-all option and due to this, the Fund is working to get as much information to the membership as possible.

On motion, duly made and seconded, it was unanimously

VOTED: TO approve the General Financial Report of the Executive Director for the Month of May 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 12:08 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED: TO Authorize extension of an offer to Philip Brown, Esq. to serve in the honorary member role pursuant to Article VI(1)(d) of the Pension Agreement, subject to Chairman Brown's review and consideration of the engagement including, without limitation, evaluation of any M.G.L.c. 268A issues pertaining to Attorney Brown's current role as Chairman of PERAC.

On motion, duly made and seconded, it was unanimously

VOTED: TO Approve the 2022 Audit Report, Financial Statements and Required Supplementary Information.

On motion, duly made and seconded, it was unanimously

VOTED: TO Approve the 2022 Annual Comprehensive Financial Report (ACFR).

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 Constitution Capital – Ironsides Opportunities Fund II in the sum of \$5 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.

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 Western Technology Investment Fund XI (WTI XI) in the sum of \$5 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 was no further business to come before the Board.

On motion, duly made and seconded, it was unanimously

VOTED: TO adjourn.

Adjourned accordingly at 12:09 PM.

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	6.89	12.67	16.58	14.38	11.15	11.37	303,455,045	18.1
S&P 500	6.61	16.89	19.59	14.60	12.31	12.86		
TOTAL SMALL CAP EQUITY	8.61	9.23	11.54	11.99	6.51	9.64	122,898,410	7.3
RUSSELL 2000 GROWTH	8.29	13.55	18.53	6.10	4.22	8.83		
RUSSELL 2000 VALUE	7.94	2.50	6.01	15.43	3.54	-		
GLOBAL EQUITY AND EMERGING MARKETS	2.35	16.80	15.78	0.73	6.77	10.87	114,142,610	6.8
MSCI ALL COUNTRY WORLD INDEX (NET)	5.81	13.93	16.53	10.99	8.10	8.75		
TOTAL INTERNATIONAL EQUITY	3.95	12.20	17.66	7.14	2.75	4.79	194,273,945	11.6
MSCI EAFE	4.55	11.67	18.77	8.93	4.39	5.41		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.09	2.75	0.87	-1.40	1.42	2.14	381,676,163	22.7
BC AGGREGATE	-0.36	2.09	-0.94	-3.96	0.77	1.52		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.46	2.25	3.59	1.27	1.55	0.98		
MASTER ACCOUNT	0.42	2.41	3.91	1.34	1.53	0.98	59,791,981	3.7
CASH EQUITIZATION CUSTOM INDEX	6.44	13.78	17.91	12.74	8.85	10.19		
91 DAY T-BILL	0.46	2.25	3.59	1.27	1.55	0.98		
SSGM CASH EQUITIZATION	5.51	12.23	19.95	12.53	8.11	9.34	8,673,008	0.5



Returns - Net of Fees

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TOTAL HEDGE FUND*	0.26	2.27	1.03	5.92	2.10	2.47	67,755,437	4.0
91 T - BILL ONE MONTH LAG PLUS 300BP	0.64	3.67	6.23	4.15	4.53	3.97		
DIVERSIFIED BETA	1.52	2.38	-3.20	1.21	2.39	4.24	51,918,432	3.1
91 DAY T BILL PLUS 300 BPS	0.70	3.77	6.69	4.31	4.59	4.01		
60% MSCI WORLD EQUITY/40% BC AGG BOND	3.49	9.77	10.58	5.70	6.03	6.49		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.46	2.35	3.74	1.32	1.59	1.01		
OPPORTUNISTIC**	3.25	4.19	1.66	9.87	8.77	-	29,047,549	1.8
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTI	1.13	7.85	-3.56	5.84	3.06	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	2.28	5.42	4.02	14.56	-	-		
TOTAL PRIVATE CREDIT	2.13	1.99	-1.37	20.19	-	-	24,852,096	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	2.10	3.35	-2.86	22.64	14.93	13.43		
TOTAL PRIVATE EQUITY^^	-0.82	-1.51	-4.98	20.53	13.94	9.61	151,637,734	9.0
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	-1.81	-5.25	-1.63	7.15	6.71	8.34		
NCREIF ODCE	-2.68	-5.77	-9.98	7.99	6.50	8.74		
TOTAL REAL ESTATE	-3.83	-8.33	-5.56	5.60	5.98	9.25	165,563,029	9.9
TOTAL FUND								
MBTA ALLOCATION MIX	2.66	5.91	6.58	7.80	6.75	6.71		
MBTA POLICY MIX	2.71	6.15	7.76	7.84	6.64	7.25		
TOTAL FUND	2.09	5.05	5.48	8.03	6.65	7.23	1,675,685,439	100.0
PREVIOUS MKT VALUE							1,647,491,901	
MONTHLY CHANGE IN MARKET VALUE							28,193,538	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							53,136,461	

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

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 3/31/2023 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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TOTAL LARGE CAP EQUITY	6.89	12.77	16.80	14.56	11.32	11.64	303,455,045	18.1
S&P 500	6.61	16.89	19.59	14.60	12.31	12.86		
TOTAL SMALL CAP EQUITY	8.62	9.52	11.98	12.45	6.99	10.25	122,898,410	7.3
RUSSELL 2000 GROWTH	8.29	13.55	18.53	6.10	4.22	8.83		
RUSSELL 2000 VALUE	7.94	2.50	6.01	15.43	3.54	-		
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