

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
July 21, 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 9:31 AM on Friday, July 21, 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, Pamela Dubuc of Segal Marco Advisors and Philip Brown of Brown Counsel were present.

Interim-Chairperson James Evers presided. He welcomed Attorney Phil Brown and noted that he will be a great asset to the Fund.

On motion, duly made and seconded, it was unanimously

VOTED: pursuant to Article VI(1)(d) - *Administration of the Fund* - of the Pension Agreement, to elect Philip Brown, Esq. to serve as the Honorary Board Member for a term of three (3) years which may be renewed, without limit to the number of terms, by vote of the Board. The Board retains the authority to terminate the services of the Honorary Board Member at any time. Compensation for the services of the Honorary Board Member shall include per diem compensation for attendance at Board meetings (Article VI(7)) and compensation for reasonable time spent and expenses incurred to review minutes, prepare for meetings and otherwise discharge the role as described in Article VI(1)(d).

SWEARING – IN

Attorney Philip Brown, Esq. was sworn into office as Honorary 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. Philip Brown, Esq., and he made an oath, “You do solemnly swear that you will faithfully and impartially perform your fiduciary duties as the duly elected HONORARY MEMBER of the Retirement Board of the Massachusetts Bay Transportation Authority Retirement Fund and exercise your best efforts to act in good faith, in the best interests of the beneficiaries of the Fund, and in compliance with the Pension Agreement and the Standards of Fiduciary Responsibility.”

So, help me, God.

Notary Public

Chairman Ever and the Trustees congratulated Attorney Brown and welcomed him to the Fund.

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, June 16, 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 June 16, 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 June 2023. He reported that for the month of June, the Fund had a total of \$13,699,781 in deposits and \$20,103,042 in withdrawals for a net-outflow of \$6,403,261. He added that the market value at the end of June 2023 was \$1,675,685,439. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He noted that the total fund is slightly underperforming both the allocation and the policy mix for the year.

Mr. Barry informed the Trustees that in June, staff presented the changes to the Pension Agreement to the membership during four different sessions. He added that the PowerPoint presentation was distributed in the Board Package and is entitled “MBTA Retirement Fund Overview of Changes to the Pension Agreement.” He reported that the retiree raises have gone into effect for the July 2023 payroll, as well as all health insurance changes. These actions are largely due to the phenomenal efforts of Rob Big, who processed an unbelievable number of over 500,000 changes for this pay period. The new required contribution rate goes into effect as of July 1, for the active members: the employee rate is 10.3489% and the employer rate is 25.9511%.

One of our interns, Hannah Willy, has written a program that we have been beta testing internally to compare the differences between the old Plan A and the new Plan B retirement options. We are using it as a tool in the office and it has been successful thus far. Finally, DocuSign has been posted to the website for members to elect to move into Plan B. As of today, 50 members have elected to move to Plan B. When processing through DocuSign, the system time dates and stamps each election and our office will follow up with a confirmation letter to the member. Chairperson Evers thanked Mr. Barry for all of the work that has been accomplished.

On motion, duly made and seconded, it was unanimously

VOTED: TO approve the General Financial Report of the Executive Director for the Month of June 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 9:42 AM.

The regular meeting reconvened at 11:09 AM.

SECTION IV – REGULAR SESSION

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 11:10 AM.

A true record.

ATTEST:

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>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	3.72	16.86	11.36	13.75	11.16	11.21	314,753,150	18.4
S&P 500	3.21	20.65	13.02	13.72	12.20	12.66		
TOTAL SMALL CAP EQUITY	4.45	14.09	6.26	12.24	7.13	9.34	128,366,994	7.5
RUSSELL 2000 GROWTH	4.68	18.86	11.58	6.52	4.82	8.54		
RUSSELL 2000 VALUE	7.55	10.24	3.94	17.46	4.69	-		
GLOBAL EQUITY AND EMERGING MARKETS	4.20	21.70	13.14	0.67	7.30	10.65	118,935,137	6.9
MSCI ALL COUNTRY WORLD INDEX (NET)	3.66	18.11	12.91	10.41	8.24	8.64		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	3.24	15.28	16.79	9.25	4.55	5.20	198,640,167	11.7
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.36	3.12	-1.13	-1.90	1.36	2.14	382,707,239	22.5
BC AGGREGATE	-0.07	2.02	-3.37	-4.46	0.75	1.50		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.40	2.66	3.95	1.40	1.60	1.02		
MASTER ACCOUNT	0.44	2.86	4.22	1.49	1.59	1.03	53,048,869	3.5
CASH EQUITIZATION CUSTOM INDEX	3.82	18.13	12.98	12.58	9.02	10.00		
91 DAY T-BILL	0.40	2.66	3.95	1.40	1.60	1.02		
SSGM CASH EQUITIZATION	3.31	15.95	16.68	12.56	8.20	9.13	9,120,825	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*	1.25	3.55	4.39	5.99	2.29	2.66	68,604,764	4.0
91 T - BILL ONE MONTH LAG PLUS 300BP	0.70	4.40	6.69	4.31	4.59	4.01		
DIVERSIFIED BETA	2.87	5.33	-6.33	1.07	3.06	4.24	53,410,545	3.1
91 DAY T BILL PLUS 300 BPS	0.64	4.44	7.06	4.44	4.64	4.05		
60% MSCI WORLD EQUITY/40% BC AGG BOND	1.99	11.96	6.66	5.20	6.05	6.36		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.43	2.79	4.13	1.46	1.64	1.05		
OPPORTUNISTIC**	-	4.19	1.66	9.87	8.77	-	28,561,329	1.7
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	-	7.85	-3.56	5.84	3.06	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	-	5.42	4.02	14.56	-	-		
TOTAL PRIVATE CREDIT	-	1.99	-1.37	20.19	-	-	24,852,096	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	-	3.35	-2.86	22.64	14.93	13.43		
TOTAL PRIVATE EQUITY^^	-	-1.51	-4.98	20.53	13.94	9.61	153,235,353	9.0
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	-	-5.25	-1.63	7.15	6.71	8.34		
NCREIF ODCE	-	-5.77	-9.98	7.99	6.50	8.74		
TOTAL REAL ESTATE	-	-8.33	-5.56	5.55	6.01	9.25	165,427,944	9.7
TOTAL FUND								
MBTA ALLOCATION MIX	1.94	7.96	4.62	7.62	6.99	6.65		
MBTA POLICY MIX	1.94	8.34	5.96	7.70	6.80	7.21		
TOTAL FUND	1.81	6.94	3.32	7.70	6.76	7.12	1,699,664,412	100.0
PREVIOUS MKT VALUE							1,675,685,439	
MONTHLY CHANGE IN MARKET VALUE							23,978,974	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							77,115,434	

* YTD Returns lags by one month. Actual returns through June 30, 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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