

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
October 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 at 9:36 AM on Friday, October 20, 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, MaryAnn O’Hara, Chanda Smart and Paul Todisco; Alternate Members were Jose Cruz, Gerald Kelley, James Joyce, John Mersereau and Thomas McGee. Also present were John P. Barry - Interim-Executive Director, as well as Jacquelyn Carey - Acting Recording Secretary and staff. In addition, Pamela Dubuc and Julian Regan of Segal Marco Advisors were present.

Due to his remote status, Interim - Chairperson Evers requested that Trustee Long to be appointed as Temporary Chairperson.

On motion, duly made and seconded, it was unanimously

VOTED: TO appoint Timothy Long as Temporary Chairperson.

Temporary Chairperson Timothy Long presided.

SECTION II – REGULAR SESSION

a. Minutes

Chairperson Long stated that the first item on the Agenda was the Consideration of Minutes of Prior Meeting of the Board, September 15, 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 September 15, 2023.

b. Approvals

Chairperson Long stated that the second item on the Agenda was Approvals. Chairperson Long 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 Long 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 Long 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 September 2023. He reported that for the month of September, the Fund had a total of \$21,107,079 in deposits and \$33,133,147 in withdrawals for a net-outflow of \$12,026,067. He noted that the withdrawals were much higher than normal due to the retiree retro payments that were processed in September. He added that the market value at the end of September 2023 was \$1,604,375,364. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark, noting the total fund

return was lagging both the allocation and policy mixes for the year. He added that private credit, private equity and real estate were priced for 2nd quarter 2023 market values and overall, September was a difficult month in the market.

On motion, duly made and seconded, it was unanimously

VOTED: TO approve the General Financial Report of the Executive Director for the Month of September 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 9:41 AM.

The regular meeting reconvened at 12:07 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken

On motion, duly made and seconded, it was unanimously

VOTED:- TO accept the Interim Director’s Mid-Year Status 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.

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 12:08 PM.

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	-2.59	7.06	6.80	10.11	10.13	9.77	288,342,823	18.4
S&P 500	-2.10	10.69	10.14	10.36	11.01	11.18		
TOTAL SMALL CAP EQUITY	-6.92	-3.32	-6.90	4.85	5.15	6.79	108,784,022	6.9
RUSSELL 2000 GROWTH	-7.71	-2.87	-7.63	-1.83	2.68	5.67		
RUSSELL 2000 VALUE	-5.97	-6.46	-9.93	9.73	3.26	-		
GLOBAL EQUITY AND EMERGING MARKETS	-3.76	6.35	9.11	-5.46	7.11	7.86	103,936,090	6.6
MSCI ALL COUNTRY WORLD INDEX (NET)	-3.01	6.75	10.50	6.68	7.47	6.81		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-3.70	1.13	12.94	3.00	2.74	2.39	175,041,500	11.2
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-1.22	-0.38	2.06	-2.77	0.78	1.61	368,652,249	23.6
BC AGGREGATE	-1.58	-2.77	0.36	-5.57	-0.06	0.88		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.45	4.06	4.77	1.85	1.77	1.16		
MASTER ACCOUNT	0.46	4.25	4.94	1.94	1.76	1.16	24,913,267	1.7
<u>CASH EQUITIZATION CUSTOM INDEX</u>								
91 DAY T-BILL	-3.63	5.45	7.02	8.18	7.90	8.12		
SSGM CASH EQUITIZATION	0.45	4.06	4.77	1.85	1.77	1.16		
	-3.43	3.56	4.40	8.15	7.14	7.29	7,669,730	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*	-0.30	5.08	6.64	5.30	3.69	2.53	69,617,731	4.4
HFRI (Fund of Funds)*	-1.04	1.76	3.07	3.31	3.78	3.04		
DIVERSIFIED BETA	-2.07	0.07	0.85	-0.55	3.10	3.31	50,744,789	3.2
91 DAY T BILL PLUS 300 BPS	0.69	6.65	7.90	4.90	4.82	4.19		
60% MSCI WORLD EQUITY/40% BC AGG BOND	-2.37	3.58	6.44	2.69	5.21	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.46	4.20	4.94	1.91	1.81	1.19		
OPPORTUNISTIC**	0.00	7.57	6.36	8.92	9.00	-	30,895,314	2.0
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	1.42	11.17	4.15	2.10	3.25	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	0.00	8.17	8.91	13.42	-	-		
TOTAL PRIVATE CREDIT	0.00	0.81	0.21	17.52	-	-	25,692,536	1.6
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	0.00	5.21	3.78	19.68	14.44	13.33		
TOTAL PRIVATE EQUITY^^	0.00	-2.07	-2.71	17.62	13.78	11.25	155,835,050	10.0
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	0.00	-7.12	-6.60	6.79	5.90	7.82		
NCREIF ODCE	0.00	-7.55	-12.14	7.13	5.65	8.16		
TOTAL REAL ESTATE	0.00	-13.18	-13.82	4.28	4.27	8.25	155,805,618	9.9
TOTAL FUND								
MBTA ALLOCATION MIX	-1.83	2.08	3.67	5.22	6.24	5.66		
MBTA POLICY MIX	-1.76	2.55	5.10	5.29	6.11	6.22		
TOTAL FUND	-2.03	0.07	1.55	4.87	6.15	5.92	1,565,930,719	100.0
PREVIOUS MKT VALUE							1,604,375,364	
MONTHLY CHANGE IN MARKET VALUE							-38,444,645	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							-56,618,259	

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

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 6/30/2023 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>
<u>EQUITY-USD</u>								
TOTAL LARGE CAP EQUITY	-2.57	7.22	6.99	10.28	10.30	10.03	288,342,823	18.4
S&P 500	-2.10	10.69	10.14	10.36	11.01	11.18		
TOTAL SMALL CAP EQUITY	-6.81	-2.84	-6.44	5.28	5.62	7.39	108,784,022	6.9
RUSSELL 2000 GROWTH	-7.71	-2.87	-7.63	-1.83	2.68	5.67		
RUSSELL 2000 VALUE	-5.97	-6.46	-9.93	9.73	3.26	-		
GLOBAL EQUITY AND EMERGING MARKETS	-3.65	6.84	9.61	-4.98	7.66	8.48	103,936,090	6.6
MSCI ALL COUNTRY WORLD INDEX (NET)	-3.01	6.75	10.50	6.68	7.47	6.81		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-3.68	1.43	13.34	3.54	3.34	3.05	175,041,500	11.2
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	-1.22	-0.25	2.22	-2.62	0.95	1.80	368,652,249	23.6
BC AGGREGATE	-1.58	-2.77	0.36	-5.57	-0.06	0.88		
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