

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
November 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 at 9:33 AM on Friday, November 17, 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 Gerald Kelley, James Joyce, John Mersereau and Thomas McGee. Also present were John P. Barry - Interim-Executive Director, Jacquelyn Carey - Acting Recording Secretary and staff. In addition, Pamela Dubuc and Julian Regan 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, October 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 October 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 through 8 of the meeting packet.

On motion, duly made and seconded, it was unanimously:

VOTED: TO approve Item b. as indicated
on Pages 4 through 8 of the meeting packet.

c. Informational Items

Chairperson Evers stated that Section II covering Item c. as indicated on Pages 9 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 October 2023. He reported that for the month of October, the Fund had a total of \$14,648,377 in deposits and \$20,123,034 in withdrawals for a net-outflow of \$5,474,656. He added that the market value at the end of October 2023 was \$1,565,930,719. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark, noting that October was a tough month compared to September. He also added that November to date has been a completely different market, which will hopefully be reflected next 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 October 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 9:37 AM.

The regular meeting reconvened at 11:47 AM.

SECTION IV – REGULAR SESSION

a. Votes Taken

On motion, duly made and seconded, it was unanimously:

VOTED: TO terminate global growth equity manager, Sands Capital, and allocate approximately 15% of the funds to PRIM Emerging Markets Equity, 60% to SSGA Russell 1000 Index Fund and 25% to SSGA MSCI EAFE Index.

On motion, duly made and seconded, it was unanimously:

VOTED: TO approve and authorize the Interim Chairperson of the Massachusetts Bay Transportation Authority Retirement Fund, James Evers, to execute on behalf of the Board of Directors pursuant to Paragraph 15 of the Amended and Restated Trust Agreement dated July 19, 2019, the Second Amended and Restated Trust Agreement of the Massachusetts Bay Transportation Authority Retirement Fund executed by Local 589, Amalgamated Transit Union, AFL-CIO, CLC (“Union”) and the Massachusetts Bay Transportation Authority (“MBTA”), a copy of which are attached hereto and incorporated herein by reference.

On Motion, duly made and seconded, it was unanimously:

VOTED: TO adopt the amendment and restatement of the Massachusetts Bay Transportation Authority Retirement Fund Staff Retirement Plan, effective January 1, 2023, (the

“Plan”) by vote of the Board. The amendment and restatement of the Plan seeks to align the Plan, to the extent possible, to the Pension Agreement, and to make other changes as set forth in the Plan and adopting resolutions. The Plan and adopting resolutions shall be executed by the Board.

On Motion, duly made and seconded, it was unanimously:

VOTED: TO adopt the Third Amendment to the Massachusetts Bay Transportation Authority Retirement Fund Executive Staff Defined Contribution Plan, effective January 1, 2023 unless otherwise set forth therein, (the “DC Plan”) by vote of the Board. The Third Amendment to the DC Plan clarifies eligibility provisions, adds a lump sum distribution option, and makes other changes as set forth in the DC Plan and adopting resolutions. The Third Amendment to the DC Plan and adopting resolutions shall be executed by the Board.

On Motion, duly made and seconded, it was unanimously:

VOTED: TO approve the 2023 Supplemental Budget.

On Motion, duly made and seconded, it was unanimously:

VOTED: TO approve the 2024 Proposed Budget.

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 11:48 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	8.89	16.58	10.29	9.07	11.51	10.37	314,204,653	21.6
S&P 500	9.13	20.80	13.84	9.76	12.51	11.82		
TOTAL SMALL CAP EQUITY	8.64	5.04	-2.09	2.33	6.64	7.29	118,183,078	6.9
RUSSELL 2000 GROWTH	9.10	5.97	-0.83	-4.26	4.16	6.17		
RUSSELL 2000 VALUE	9.00	1.96	-4.73	6.47	4.72	-		
GLOBAL EQUITY AND EMERGING MARKETS	10.17	17.17	16.25	-5.06	7.99	8.84	114,622,556	7.0
MSCI ALL COUNTRY WORLD INDEX (NET)	9.23	16.60	12.01	5.69	9.07	7.60		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	9.45	10.68	9.54	1.35	4.58	3.18	191,609,151	11.7
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	3.20	2.81	2.37	-2.29	1.36	1.94	380,090,476	23.2
BC AGGREGATE	4.53	1.64	1.18	-4.47	0.71	1.37		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.45	4.53	4.91	2.00	1.82	1.21		
MASTER ACCOUNT	0.44	4.71	5.08	2.09	1.81	1.21	16,497,619	1.0
CASH EQUITIZATION CUSTOM INDEX	9.19	15.15	9.96	6.74	9.51	8.79		
91 DAY T-BILL	0.45	4.53	4.91	2.00	1.82	1.21		
SSGM CASH EQUITIZATION	8.97	12.85	7.07	7.92	8.72	7.93	8,686,560	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*	-0.20	4.87	6.24	5.32	4.28	2.28	69,477,585	4.2
HFRI (Fund of Funds)*	1.84	3.61	3.97	2.61	4.25	3.12		
DIVERSIFIED BETA	3.98	4.05	-0.37	-1.74	3.73	3.76	52,762,822	3.2
91 DAY T BILL PLUS 300 BPS	0.70	7.39	8.04	5.05	4.87	4.24		
60% MSCI WORLD EQUITY/40% BC AGG BOND	7.44	11.28	8.25	2.49	6.53	5.73		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.45	4.66	5.06	2.06	1.87	1.23		
OPPORTUNISTIC**	0.00	7.57	6.36	8.92	9.00	-	30,782,836	1.9
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.29	11.49	7.01	1.86	3.16	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	0.00	8.17	8.91	13.42	-	-		
TOTAL PRIVATE CREDIT	0.00	0.81	0.21	20.77	-	-	26,892,540	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	18.26	13.78	11.25	157,780,925	9.6
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	4.28	8.25	155,648,256	9.5
TOTAL FUND								
MBTA ALLOCATION MIX	4.93	7.11	4.98	4.57	7.17	6.06		
MBTA POLICY MIX	4.92	7.60	5.96	4.93	6.98	6.63		
TOTAL FUND	4.91	4.99	2.76	4.24	6.94	6.37	1,637,239,057	100.0
PREVIOUS MKT VALUE							1,565,930,719	
MONTHLY CHANGE IN MARKET VALUE							71,308,338	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							14,690,079	

* YTD Returns lags by one month. Actual returns through October 31, 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	8.91	16.78	10.48	9.25	11.68	10.63	314,204,653	21.6
S&P 500	9.13	20.80	13.84	9.76	12.51	11.82		
TOTAL SMALL CAP EQUITY	8.64	5.55	-1.61	2.76	7.10	7.88	118,183,078	6.9
RUSSELL 2000 GROWTH	9.10	5.97	-0.83	-4.26	4.16	6.17		
RUSSELL 2000 VALUE	9.00	1.96	-4.73	6.47	4.72	-		
GLOBAL EQUITY AND EMERGING MARKETS	10.17	17.71	16.78	-4.58	8.54	9.48	114,622,556	7.0
MSCI ALL COUNTRY WORLD INDEX (NET)	9.23	16.60	12.01	5.69	9.07	7.60		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	9.48	11.04	9.93	1.87	5.19	3.85	191,609,151	11.7
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	3.25	2.99	2.54	-2.12	1.54	2.13	380,090,476	23.2
BC AGGREGATE	4.53	1.64	1.18	-4.47	0.71	1.37		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.45	4.53	4.91	2.00	1.82	1.21		
MASTER ACCOUNT	0.44	4.71	5.08	2.09	1.81	1.21	16,497,619	1.0
CASH EQUITIZATION CUSTOM INDEX	9.19	15.15	9.96	6.74	9.51	8.79		
91 DAY T-BILL	0.45	4.53	4.91	2.00	1.82	1.21		
SSGM CASH EQUITIZATION	8.97	12.85	7.07	7.92	8.72	7.93	8,686,560	0.5



Returns - Gross 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*	-0.20	4.87	6.25	5.32	4.28	2.28	69,477,585	4.2
HFRI (Fund of Funds)*	1.84	3.61	3.97	2.61	4.25	3.12		
DIVERSIFIED BETA	4.01	4.31	-0.09	-1.51	3.95	4.07	52,762,822	3.2
91 DAY T BILL PLUS 300 BPS	0.70	7.39	8.04	5.05	4.87	4.24		
60% MSCI WORLD EQUITY/40% BC AGG BOND	7.44	11.28	8.25	2.49	6.53	-		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.45	4.66	5.06	2.06	1.87	-		
OPPORTUNISTIC**	0.00	7.71	6.50	9.10	9.10	-	30,782,836	1.9
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.29	11.49	7.01	1.86	3.16	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	0.00	8.17	8.91	13.42	-	-		
TOTAL PRIVATE CREDIT	0.00	0.81	0.21	20.77	-	-	26,892,540	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	18.26	13.78	11.25	157,780,925	9.6
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	4.28	8.25	155,648,256	9.5
TOTAL FUND								
MBTA ALLOCATION MIX	4.93	7.11	4.98	4.57	7.17	6.06		
MBTA POLICY MIX	4.92	7.60	5.96	4.93	6.98	6.63		
TOTAL FUND	4.93	5.20	2.97	4.49	7.22	6.70	1,637,239,057	100.0
PREVIOUS MKT VALUE							1,565,930,719	
MONTHLY CHANGE IN MARKET VALUE							71,308,338	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							14,690,079	

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