

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
December 15, 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, December 15, 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, James Joyce, Gerald Kelley, Thomas McGee and John Mersereau. 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, November 17, 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 November 17, 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 November 2023. He reported that for the month of November, the Fund had a total of \$15,197,219 in deposits and \$20,296,830 in withdrawals for a net-outflow of \$5,099,611. He added that the market value at the end of November 2023 was \$1,637,239,057. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark, noting that November had quite the rebound.

Mr. Barry notified the Trustees that the Fund sent out postcards at the beginning of December informing active members that they had until December 31, 2023 to elect Plan B if desired. To date, 350 members have signed up for Plan B, by the end of

the month, the Fund will have the total population of Plan B participants. One final letter will be distributed to confirm the members election. The Retirement Fund informed the membership of the option to move to Plan B via multiple Information Sessions, the MBTA Retirement Fund Newsletter and a final postcard. One final letter will be sent to members who elected Plan B.

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

VOTED: TO approve the General Financial Report of the Executive Director for the Month of November 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 12:07 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken

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 PRIM Private Equity Vintage Year 2024 (PEVY 2024) in the sum of \$12,500,000, 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 New Mountain Partners Fund VII in the sum of \$7,500,000, 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 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	5.34	22.80	22.80	9.44	14.88	10.66	373,114,016	22.0
S&P 500	4.54	26.29	26.29	10.00	15.69	12.03		
TOTAL SMALL CAP EQUITY	11.17	16.77	16.77	3.36	11.73	8.15	131,377,615	7.7
RUSSELL 2000 GROWTH	11.97	18.66	18.66	-3.50	9.22	7.16		
RUSSELL 2000 VALUE	12.45	14.65	14.65	7.94	10.00	-		
GLOBAL EQUITY AND EMERGING MARKETS	6.27	24.52	24.52	-5.53	10.61	9.20	44,002,920	2.6
MSCI EMERGING MARKETS INDEX*	3.95	10.27	10.27	-4.71	4.07	3.05		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	5.50	16.77	16.77	1.41	7.08	3.56	219,570,879	13.0
	5.31	18.24	18.24	4.02	8.16	4.28		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	4.02	6.95	6.95	-1.19	2.07	2.34	394,996,106	23.3
BC AGGREGATE	3.83	5.53	5.53	-3.31	1.10	1.81		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.47	5.01	5.01	2.15	1.88	1.25		
MASTER ACCOUNT	0.46	5.19	5.19	2.25	1.87	1.25	33,372,410	2.0
CASH EQUITIZATION CUSTOM INDEX	6.37	22.48	22.48	7.20	12.88	9.23		
91 DAY T-BILL	0.47	5.01	5.01	2.15	1.88	1.25		
SSGM CASH EQUITIZATION	6.30	19.96	19.96	8.86	12.03	8.36	9,454,750	0.6



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*	2.44	7.42	7.42	4.60	4.79	2.50	71,171,216	4.2
HFRI (Fund of Funds)*	2.30	6.35	6.35	2.25	5.14	3.25		
DIVERSIFIED BETA	2.47	6.61	6.61	-2.11	4.49	4.09	54,064,056	3.2
91 DAY T BILL PLUS 300 BPS	0.71	8.15	8.15	5.21	4.93	4.29		
60% MSCI WORLD EQUITY/40% BC AGG BOND	4.48	16.27	16.27	3.11	8.31	6.08		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.47	5.15	5.15	2.21	1.92	1.28		
OPPORTUNISTIC**	2.31	10.05	10.05	8.16	8.88	-	29,638,698	1.7
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	-1.16	10.19	10.19	1.82	2.80	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	1.83	10.15	10.15	12.44	-	-		
TOTAL PRIVATE CREDIT	-1.40	-0.60	-0.60	15.90	-	-	25,648,776	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	0.06	5.27	5.27	15.76	13.77	12.75		
TOTAL PRIVATE EQUITY^^	-0.48	-2.54	-2.54	13.87	13.16	10.78	157,546,162	9.3
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	-1.37	-8.39	-8.39	6.04	5.26	7.40		
NCREIF ODCE	-4.83	-12.02	-12.02	4.92	4.25	7.29		
TOTAL REAL ESTATE	-3.50	-16.21	-16.21	2.82	3.06	7.59	149,989,165	8.9
TOTAL FUND								
MBTA ALLOCATION MIX	3.53	10.89	10.89	4.51	8.18	6.31		
MBTA POLICY MIX	3.38	11.23	11.23	4.89	8.28	6.82		
TOTAL FUND	3.68	8.84	8.84	4.02	8.52	6.59	1,693,946,769	100.0
PREVIOUS MKT VALUE							1,637,239,057	
MONTHLY CHANGE IN MARKET VALUE							56,707,712	
12/31/2022 MKT VALUE							1,622,548,978	
YTD CHANGE IN MARKET VALUE							71,397,791	

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

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2023 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	5.34	23.02	23.02	9.62	15.06	10.92	373,114,016	22.0
S&P 500	4.54	26.29	26.29	10.00	15.69	12.03		
TOTAL SMALL CAP EQUITY	11.17	17.34	17.34	3.79	12.20	8.74	131,377,615	7.7
RUSSELL 2000 GROWTH	11.97	18.66	18.66	-3.50	9.22	7.16		
RUSSELL 2000 VALUE	12.45	14.65	14.65	7.94	10.00	-		
GLOBAL EQUITY AND EMERGING MARKETS	6.28	25.09	25.09	-5.08	11.18	9.84	44,002,920	2.6
MSCI EMERGING MARKETS INDEX*	3.95	10.27	10.27	-4.71	4.07	3.05		
TOTAL INTERNATIONAL EQUITY	5.53	17.18	17.18	1.94	7.71	4.23	219,570,879	13.0
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