

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
January 19, 2024

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, January 19, 2024, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present, in person or by video conference, were James Bradley, Timothy Long, Chanda Smart and Paul Todisco; Alternate Members were Jose Cruz, James Joyce, Gerald Kelley and John Mersereau. Also present were John P. Barry - Interim-Executive Director, Jacquelyn Carey - Acting Recording Secretary and staff. In addition, Honorary Member, Philip Brown as well as Pamela Dubuc and Julian Regan of Segal Marco Advisors were present.

Trustee Bradley was appointed as Temporary Chairperson.

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

VOTED: TO appoint James Bradley as Temporary Chairperson.

Temporary Chairperson James Bradley presided.

SECTION II – REGULAR SESSION

a. Minutes

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

b. Approvals

Chairperson Bradley stated that the second item on the Agenda was Approvals. Chairperson Bradley asked the Board to review the items listed for approval on pages 4 through 10 of the meeting packet.

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

VOTED: TO approve Item b. as indicated
on Pages 4 through 10 of the meeting packet.

c. Informational Items

Chairperson Bradley stated that Section II covering Item c. as indicated on Pages 11 through 16 of the meeting packet are INFORMATIONAL ITEMS to be reviewed at the Board's leisure.

d. Report of Executive Director

Chairperson Bradley 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 December 2023. He reported that for the month of December, the Fund had a total of \$17,091,386 in deposits and \$20,265,646 in withdrawals for a net-outflow of \$3,174,260. He added that the preliminary market value at the end of December 2023 was \$1,693,946,769. He added that these figures are preliminary as a few managers' report late, and it does not include fourth quarter alternatives. However, the reporting does give a good idea where the Fund is headed for final year-end 2023 returns. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark, noting that December outperformed both the allocation and policy mix. The

total fund one-year return is well above the 7.25% assumed rate of return, which seemed impossible in as recently as October. This year-end re-bounce helped the fund outperform its assumed rate of the return.

Mr. Barry notified the Trustees that the Fund received its 7th consecutive GFOA Certificate of Achievement for Excellence in Financial Reporting. He thanked the staff and Board.

As of last month, Mr. Barry reported to the Board that there were 350 members that submitted Plan B applications. At the end of the year, 739 applications were received, with well over 300 of those submitted in the last two weeks of the year alone. Mr. Barry thanked his staff for handling the extra work and phone calls the application process required. Mr. Barry informed the Board that some members have indicated they believe they have made a mistake with their election. He is currently in talks with both the Union and Authority to potentially come up with a window to re-open the application process; to date nothing has been determined.

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

VOTED: TO approve the General Financial Report of the Executive Director for the Month of December 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 11:24 AM.

SECTION IV – REGULAR SESSION

a. Votes Taken

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

VOTED: TO permit, consistent with the express and/or implied terms of the Pension Agreement (i) the named beneficiaries of Duc Nguyen to assign their rights under the Pension Agreement (including in and to the contributions of Mr. Nguyen) to Mr. Nguyen's surviving spouse, and (ii) the named beneficiary of Patrick O'Connor to assign such beneficiary's rights under the Pension Agreement (including in and to the contributions of Mr. O'Connor) to Mr. O'Connor's surviving spouse.

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 11:25 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	1.24	1.24	17.16	10.14	13.36	11.21	377,733,205	22.3
S&P 500	1.68	1.68	20.82	10.99	14.30	12.62		
TOTAL SMALL CAP EQUITY	-3.90	-3.90	1.98	0.85	8.44	7.93	126,247,544	7.5
RUSSELL 2000 GROWTH	-3.21	-3.21	4.46	-6.03	6.17	7.00		
RUSSELL 2000 VALUE	-4.54	-4.54	-0.09	4.48	6.74	-		
GLOBAL EQUITY AND EMERGING MARKETS	11.04	30.11	30.11	-4.13	11.58	9.68	45,984,120	2.7
MSCI EMERGING MARKETS INDEX*	3.95	10.27	10.27	-4.71	4.07	3.05		
<u>TOTAL INTERNATIONAL EQUITY</u>								
MSCI EAFE	-1.09	-1.09	6.26	1.58	5.43	3.95	217,179,229	12.8
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.17	0.17	3.94	-1.04	1.80	2.30	395,281,165	23.4
BC AGGREGATE	-0.27	-0.27	2.10	-3.17	0.83	1.63		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.43	0.43	5.13	2.29	1.93	1.29		
MASTER ACCOUNT	0.46	0.46	5.30	2.40	1.92	1.30	29,961,891	1.8
CASH EQUITIZATION CUSTOM INDEX	0.21	0.21	14.17	7.19	11.11	9.64		
91 DAY T-BILL	0.43	0.43	5.13	2.29	1.93	1.29		
SSGM CASH EQUITIZATION	-0.18	-0.18	11.18	8.75	10.24	8.75	9,416,594	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*	5.32	10.44	10.44	5.57	5.37	2.78	73,171,290	4.3
HFRI (Fund of Funds)	2.50	6.59	6.59	2.33	-	-		
DIVERSIFIED BETA	0.80	0.80	2.16	-1.86	3.67	4.16	54,499,261	3.2
91 DAY T BILL PLUS 300 BPS	0.67	0.67	8.28	5.36	4.98	4.33		
60% MSCI WORLD EQUITY/40% BC AGG BOND	0.61	0.61	10.90	3.62	7.37	6.32		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.43	0.43	5.25	2.36	1.97	1.32		
OPPORTUNISTIC**	0.00	1.05	11.20	8.54	9.11	-	29,949,798	1.8
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.00	-1.24	5.82	1.24	2.88	-		
PRIVATE CREDIT**								
STATE STREET PE CREDIT BENCHMARK	0.00	10.15	10.15	12.44	-	-		
TOTAL PRIVATE CREDIT	0.00	-0.60	-0.60	15.90	-	-	25,644,653	1.5
PRIVATE EQUITY **								
STATE STREET PE BENCHMARK	0.00	5.27	5.27	15.76	13.77	12.75		
TOTAL PRIVATE EQUITY^^	0.00	1.25	1.25	15.32	14.03	11.28	157,192,236	9.3
REAL ESTATE **								
NCREIF PROPERTY INDEX QTR LAG	0.00	-8.39	-8.39	6.04	5.26	7.40		
NCREIF ODCE	0.00	-12.02	-12.02	4.92	4.25	7.29		
TOTAL REAL ESTATE	0.00	-16.21	-16.21	2.82	3.06	7.59	149,586,275	8.8
TOTAL FUND								
MBTA ALLOCATION MIX	-0.07	-0.07	6.61	4.41	7.27	6.46		
MBTA POLICY MIX	-0.12	-0.12	6.85	4.79	7.41	6.94		
TOTAL FUND	-0.08	-0.08	4.52	4.10	7.60	6.73	1,691,847,261	100.0
PREVIOUS MKT VALUE							1,697,928,043	
MONTHLY CHANGE IN MARKET VALUE							-6,080,782	
12/31/2022 MKT VALUE							1,697,928,043	
YTD CHANGE IN MARKET VALUE							-6,080,782	

* MTD & YTD Returns lag by one month. Actual returns through December 31, 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	1.26	1.26	17.36	10.32	13.54	11.47	377,733,205	22.3
S&P 500	1.68	1.68	20.82	10.99	14.30	12.62		
TOTAL SMALL CAP EQUITY	-3.81	-3.81	2.46	1.26	8.92	8.53	126,247,544	7.5
RUSSELL 2000 GROWTH	-3.21	-3.21	4.46	-6.03	6.17	7.00		
RUSSELL 2000 VALUE	-4.54	-4.54	-0.09	4.48	6.74	-		
GLOBAL EQUITY AND EMERGING MARKETS*	11.04	30.70	30.70	-3.68	12.16	10.32	45,984,120	2.7
MSCI EMERGING MARKETS INDEX*	3.95	10.27	10.27	-4.71	4.07	3.05		
TOTAL INTERNATIONAL EQUITY	-1.07	-1.07	6.63	2.08	6.04	4.60	217,179,229	12.8
MSCI EAFE	0.58	0.58	10.01	4.59	6.92	4.77		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	0.19	0.19	4.10	-0.87	1.98	2.49	395,281,165	23.4
BC AGGREGATE	-0.27	-0.27	2.10	-3.17	0.83	1.63		
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