

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
February 16, 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 9:35 AM on Friday, February 16, 2024, 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, Chanda Smart and Paul Todisco. Additionally, Alternate Members present 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 Fund staff. In addition, Pamela Dubuc and Julian Regan of Segal Marco Advisors were also in attendance.

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, January 19, 2024. 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 January 19, 2024.

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 January 2024. He reported that for the month of January, the Fund had a total of \$15,634,807 in deposits and \$20,135,502 in withdrawals for a net-outflow of \$4,500,695. He added that the market value at the end of January 2024 was \$1,691,847,261. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark.

Mr. Barry notified the Trustees that the Union and the Authority came to an agreement to extend the enrollment period for employees who would like to elect Plan B. There were a few instances where members requested to revoke their Plan B election.

Since the election period was extended 30 additional individuals have elected Plan B and 5 have withdrawn their original election. Chairperson Evers thanked Mr. Barry for his assistance with this extension.

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

VOTED: TO approve the General Financial Report of the Executive Director for the Month of January 2024.

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 9:39 AM.

The regular meeting reconvened at 11:57 AM.

SECTION IV – REGULAR SESSION

a. Votes Taken

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

VOTED: TO adopt Scenario 2A as the new asset allocation policy mix.

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

VOTED: TO terminate Morgan Stanley International Equity.

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 PRIT International Equity Segmentation, using the proceeds from the Morgan Stanley termination, 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 reallocate 2% of the existing equity portfolio and obtain, negotiate and execute investment documents governing the MBTARF's investment with PRIT Fixed Income Segmentation accounts, 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 | 4.84 | 6.14 | 26.06 | 10.38 | 13.73 | 11.23 | 361,905,643 | 21.2 |
| S&P 500 | 5.34 | 7.11 | 30.45 | 11.91 | 14.76 | 12.70 | | |
| TOTAL SMALL CAP EQUITY | 6.21 | 2.06 | 10.05 | 0.58 | 8.53 | 8.11 | 134,088,958 | 7.8 |
| RUSSELL 2000 GROWTH | 8.12 | 4.66 | 14.18 | -4.59 | 6.50 | 7.33 | | |
| RUSSELL 2000 VALUE | 3.27 | -1.42 | 5.61 | 2.49 | 6.62 | - | | |
| GLOBAL EQUITY AND EMERGING MARKETS* | -2.35 | -2.35 | 15.98 | -5.62 | 8.32 | 9.01 | 44,904,640 | 2.6 |
| MSCI EMERGING MARKETS INDEX* | -4.63 | -4.63 | 6.08 | 9.18 | -5.93 | 7.04 | | |
| TOTAL INTERNATIONAL EQUITY | 1.59 | 0.48 | 10.98 | 1.59 | 5.11 | 3.58 | 117,552,539 | 6.9 |
| MSCI EAFE | 1.83 | 2.42 | 14.41 | 4.45 | 6.77 | 4.39 | | |
| <u>FIXED INCOME</u> | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | -0.87 | -0.71 | 4.58 | -0.98 | 1.55 | 2.11 | 391,454,115 | 22.8 |
| BC AGGREGATE | -1.41 | -1.68 | 3.33 | -3.16 | 0.56 | 1.43 | | |
| <u>SHORT TERM INVESTMENTS</u> | | | | | | | | |
| 91 DAY T-BILL | 0.41 | 0.84 | 5.22 | 2.43 | 1.97 | 1.33 | | |
| MASTER ACCOUNT | 0.42 | 0.88 | 5.34 | 2.55 | 1.97 | 1.34 | 161,729,491 | 9.4 |
| CASH EQUITIZATION CUSTOM INDEX | 4.45 | 4.67 | 21.99 | 7.55 | 11.32 | 9.60 | | |
| 91 DAY T-BILL | 0.41 | 0.84 | 5.22 | 2.43 | 1.97 | 1.33 | | |
| SSGM CASH EQUITIZATION | 4.60 | 4.41 | 19.28 | 9.49 | 10.55 | 8.76 | 9,985,933 | 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* | 0.18 | 0.18 | 7.25 | 5.09 | 6.29 | 2.66 | 73,303,375 | 4.3 |
| HFRI (Fund of Funds)* | 0.72 | 0.72 | 7.22 | 2.30 | 4.86 | 3.36 | | |
| DIVERSIFIED BETA | 0.87 | 1.68 | 7.33 | -1.36 | 3.53 | 4.01 | 54,972,760 | 3.2 |
| 91 DAY T BILL PLUS 300 BPS | 0.66 | 1.33 | 8.36 | 5.50 | 5.03 | 4.37 | | |
| 60% MSCI WORLD EQUITY/40% BC AGG BOND | 1.98 | 2.60 | 15.97 | 3.97 | 7.41 | 6.19 | | |
| BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR | 0.42 | 0.85 | 5.33 | 2.50 | 2.01 | 1.36 | | |
| OPPORTUNISTIC** | - | 1.05 | 10.07 | 8.17 | 8.88 | - | 30,786,610 | 1.8 |
| BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTI | - | -1.24 | 5.82 | 1.24 | 2.88 | - | | |
| PRIVATE CREDIT** | | | | | | | | |
| STATE STREET PE CREDIT BENCHMARK | - | 10.15 | 10.15 | 12.44 | - | - | | |
| TOTAL PRIVATE CREDIT | - | -0.58 | -0.60 | 15.91 | - | - | 25,644,653 | 1.5 |
| PRIVATE EQUITY ** | | | | | | | | |
| STATE STREET PE BENCHMARK | - | 5.27 | 5.27 | 15.76 | 13.77 | 12.75 | | |
| TOTAL PRIVATE EQUITY^^ | - | 1.47 | 1.47 | 15.32 | 14.03 | 11.21 | 157,712,515 | 9.2 |
| REAL ESTATE ** | | | | | | | | |
| NCREIF PROPERTY INDEX QTR LAG | - | -8.39 | -8.39 | 6.04 | 5.26 | 7.40 | | |
| NCREIF ODCE | - | -12.02 | -12.02 | 4.92 | 4.25 | 7.29 | | |
| TOTAL REAL ESTATE | - | -16.21 | -16.21 | 2.82 | 3.09 | 7.59 | 149,438,944 | 8.7 |
| TOTAL FUND | | | | | | | | |
| MBTA ALLOCATION MIX | 1.80 | 1.73 | 10.18 | 4.54 | 7.32 | 6.39 | | |
| MBTA POLICY MIX | 1.70 | 1.58 | 10.39 | 5.00 | 7.46 | 6.88 | | |
| TOTAL FUND | 1.52 | 1.44 | 7.51 | 4.10 | 7.50 | 6.63 | 1,713,480,176 | 100.0 |
| PREVIOUS MKT VALUE | | | | | | | 1,691,847,261 | |
| MONTHLY CHANGE IN MARKET VALUE | | | | | | | 21,632,915 | |
| 12/31/2023 MKT VALUE | | | | | | | 1,697,928,043 | |
| YTD CHANGE IN MARKET VALUE | | | | | | | 15,552,133 | |

* MTD & YTD Returns lag by one month. Actual returns through January 31, 2024

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2023 adjusted for cash flows. MTD return is QTD.

^ 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 | 4.86 | 6.17 | 26.27 | 10.56 | 13.90 | 11.49 | 361,905,643 | 21.2 |
| S&P 500 | 5.34 | 7.11 | 30.45 | 11.91 | 14.76 | 12.70 | | |
| TOTAL SMALL CAP EQUITY | 6.21 | 2.17 | 10.54 | 1.00 | 8.98 | 8.69 | 134,088,958 | 7.8 |
| RUSSELL 2000 GROWTH | 8.12 | 4.66 | 14.18 | -4.59 | 6.50 | 7.33 | | |
| RUSSELL 2000 VALUE | 3.27 | -1.42 | 5.61 | 2.49 | 6.62 | - | | |
| GLOBAL EQUITY AND EMERGING MARKETS | -2.35 | -2.35 | 16.38 | -5.21 | 8.84 | 9.65 | 44,904,640 | 2.6 |
| MSCI EMERGING MARKETS INDEX* | -4.63 | -4.63 | 6.08 | 9.18 | -5.93 | 7.04 | | |
| TOTAL INTERNATIONAL EQUITY | 1.64 | 0.56 | 11.40 | 2.09 | 5.70 | 4.23 | 117,552,539 | 6.9 |
| MSCI EAFE | 1.83 | 2.42 | 14.41 | 4.45 | 6.77 | 4.39 | | |
| <u>FIXED INCOME</u> | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | -0.86 | -0.67 | 4.76 | -0.81 | 1.73 | 2.29 | 391,454,115 | 22.8 |
| BC AGGREGATE | -1.41 | -1.68 | 3.33 | -3.16 | 0.56 | 1.43 | | |
| <u>SHORT TERM INVESTMENTS</u> | | | | | | | | |
| 91 DAY T-BILL | 0.41 | 0.84 | 5.22 | 2.43 | 1.97 | 1.33 | | |
| MASTER ACCOUNT | 0.42 | 0.88 | 5.34 | 2.55 | 1.97 | 1.34 | 161,729,491 | 9.4 |
| CASH EQUITIZATION CUSTOM INDEX | 4.45 | 4.67 | 21.99 | 7.55 | 11.32 | 9.60 | | |
| 91 DAY T-BILL | 0.41 | 0.84 | 5.22 | 2.43 | 1.97 | 1.33 | | |
| SSGM CASH EQUITIZATION | 4.60 | 4.41 | 19.28 | 9.49 | 10.55 | 8.76 | 9,985,933 | 0.6 |



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> |
|-----------------------------------------------------|----------------------|---------------|-----------------------|------------------------|------------------------|-------------------------|----------------------|-------------------|
| TOTAL HEDGE FUND* | 0.18 | 0.18 | 7.25 | 5.09 | 6.29 | 2.66 | 73,303,375 | 4.3 |
| HFRI (Fund of Funds)* | 0.72 | 0.72 | 7.22 | 2.30 | 4.86 | 3.36 | | |
| DIVERSIFIED BETA | 0.90 | 1.74 | 7.67 | -1.12 | 3.77 | 4.32 | 54,972,760 | 3.2 |
| 91 DAY T BILL PLUS 300 BPS | 0.66 | 1.33 | 8.36 | 5.50 | 5.03 | 4.37 | | |
| 60% MSCI WORLD EQUITY/40% BC AGG BOND | 1.98 | 2.60 | 15.97 | 3.97 | 7.41 | 6.19 | | |
| BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR | 0.42 | 0.85 | 5.33 | 2.50 | 2.01 | 1.36 | | |
| OPPORTUNISTIC** | - | 0.02 | 10.22 | 8.35 | 8.99 | - | 30,786,610 | 1.8 |
| BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QTI | - | -1.24 | 5.82 | 1.24 | 2.88 | - | | |
| PRIVATE CREDIT** | | | | | | | | |
| STATE STREET PE CREDIT BENCHMARK | - | 10.15 | 10.15 | 12.44 | - | - | | |
| TOTAL PRIVATE CREDIT | - | -0.58 | -0.60 | 15.91 | - | - | 25,644,653 | 1.5 |
| PRIVATE EQUITY ** | | | | | | | | |
| STATE STREET PE BENCHMARK | - | 5.27 | 5.27 | 15.76 | 13.77 | 12.75 | | |
| TOTAL PRIVATE EQUITY^^ | - | 1.47 | 1.47 | 15.32 | 14.03 | 11.21 | 157,712,515 | 9.2 |
| REAL ESTATE ** | | | | | | | | |
| NCREIF PROPERTY INDEX QTR LAG | - | -8.39 | -8.39 | 6.04 | 5.26 | 7.40 | | |
| NCREIF ODCE | - | -12.02 | -12.02 | 4.92 | 4.25 | 7.29 | | |
| TOTAL REAL ESTATE | - | -16.21 | -16.21 | 2.82 | 3.09 | 7.59 | 149,438,944 | 8.7 |
| TOTAL FUND | | | | | | | | |
| MBTA ALLOCATION MIX | 1.80 | 1.73 | 10.18 | 4.54 | 7.32 | 6.39 | | |
| MBTA POLICY MIX | 1.70 | 1.58 | 10.39 | 5.00 | 7.46 | 6.88 | | |
| TOTAL FUND | 1.54 | 1.48 | 7.72 | 4.34 | 7.78 | 6.96 | 1,713,480,176 | 100.0 |
| PREVIOUS MKT VALUE | | | | | | | 1,691,847,261 | |
| MONTHLY CHANGE IN MARKET VALUE | | | | | | | 21,632,915 | |
| 12/31/2022 MKT VALUE | | | | | | | 1,697,928,043 | |
| YTD CHANGE IN MARKET VALUE | | | | | | | 15,552,133 | |

* MTD & YTD Returns lag by one month. Actual returns through January 31, 2024

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 9/30/2023 adjusted for cash flows. MTD return is QTD.

^ 36% Buyout, 9% Venture, 37% Debt and 18% Fund of Funds

^^ Active portfolio - post 2005