

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
July 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 9:31 AM on Friday, July 19, 2024, at One Washington Mall, 4th Floor, Boston, MA 02108.

The Members present, in person or by video conference, were; James Evers, James Bradley, Chanda Smart, Timothy Long, Mary Ann O’Hara, and Paul Todisco. Additionally, Alternate Members present were James Joyce, Jose Cruz, Gerald Kelley, and John Mersereau. Also present were John P. Barry - Interim-Executive Director, Sagine Gay – Temporary Acting Recording Secretary and Fund staff. In addition, Julian Regan and Pamela Dubuc of Segal Marco Advisors were also in attendance.

Sagine Gay was appointed as temporary Acting Recording Secretary.

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

VOTED: TO appoint Sagine Gay as Temporary Recording Secretary.

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, June 21, 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 June 21, 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 16 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 June 2024. He reported that for the month of June, the Fund had a total of \$16,785,420 in deposits and \$20,411,055 in withdrawals for a net-outflow of \$3,625,635. He also added that withdrawals have outpaced deposits year-to-date by \$15,304,166. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. He also remarked that the markets have changed in the past couple of weeks and that the anticipation of interest rates coming down has caused a

rotation from the large cap equities to small cap and value-based investing. Mr. Barry concluded that the current political debates and the spike in the unemployment rate make it very possible that the interest rates could fall this coming September.

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

VOTED: TO approve the General Financial Report of the Executive Director for the Month of June 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 9:37 AM.

The regular meeting reconvened at 10:11 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken.

On motion, duly made and seconded, it was unanimously

VOTED: To accept the memorandum of Philip Y. Brown, Esq. dated July 12, 2024; and Attorney Brown’s recommendation that the Board authorize the Interim Executive Director to execute the letter agreement between the Fund and the Massachusetts Pension Reserves Investment Management Board (“PRIM”) in the form attached hereto to (i) confirm PRIM’s fiduciary status when serving as an investment manager of the Fund’s assets; and (ii) to address changes in the Pension Agreement dated April 30, 2023 and the Second Amended and Restated Trust Agreement dated November 17, 2023 directing the Board of the Fund, “as soon as practicable” and subject to meeting its existing fiduciary duties and obligations, to effectuate the transfer of fifty percent (50%) of the market value of all Fund assets as of April 30, 2023 to the Pension Investment Reserves Trust (“PRIT Fund”) within five (5) years of March 31, 2023 (the “PRIT Directive”).

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 10:12 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 | 2.25 | 14.63 | 20.46 | 8.29 | 13.89 | 11.70 | 390,883,399 | 22.1 |
| S&P 500 | 1.22 | 16.70 | 22.15 | 9.60 | 15.00 | 13.15 | | |
| TOTAL SMALL CAP EQUITY | 9.10 | 11.58 | 14.20 | 1.99 | 9.74 | 9.69 | 146,590,049 | 8.2 |
| RUSSELL 2000 GROWTH | 8.19 | 12.99 | 12.80 | -1.12 | 7.64 | 8.92 | | |
| RUSSELL 2000 VALUE | 12.19 | 11.23 | 15.68 | 4.62 | 9.53 | - | | |
| GLOBAL EQUITY AND EMERGING MARKETS* | 3.12 | 9.11 | 16.65 | -5.07 | 8.91 | 10.24 | 50,177,240 | 2.8 |
| MSCI EMERGING MARKETS INDEX | 0.37 | 8.08 | 6.68 | -2.34 | 3.80 | 3.01 | | |
| PRIM EMERGING MARKETS CUSTOM BENCHMARK* | 3.86 | 11.61 | 13.46 | -4.13 | - | - | | |
| TOTAL INTERNATIONAL EQUITY | 1.08 | 5.27 | 7.14 | 0.15 | 5.76 | 4.13 | 227,942,193 | 12.9 |
| MSCI EAFE | 2.93 | 8.43 | 11.21 | 3.63 | 7.36 | 4.84 | | |
| PRIM INTL EQUITY CUSTOM BENCHMARK* | -1.81 | 4.24 | - | - | - | - | | |
| <u>FIXED INCOME</u> | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | 1.92 | 2.69 | 6.50 | -0.63 | 1.49 | 2.18 | 438,207,216 | 24.7 |
| BC AGGREGATE | 2.34 | 1.61 | 5.10 | -2.63 | 0.19 | 1.61 | | |
| <u>SHORT TERM INVESTMENTS</u> | | | | | | | | |
| 91 DAY T-BILL | 0.45 | 3.09 | 5.45 | 3.18 | 2.21 | 1.56 | | |
| MASTER ACCOUNT | 0.45 | 3.14 | 5.48 | 3.31 | 2.22 | 1.56 | 24,613,858 | 1.4 |
| CASH EQUITIZATION CUSTOM INDEX | 3.56 | 13.72 | 17.91 | 6.72 | 12.05 | 10.28 | | |
| 91 DAY T-BILL | 0.45 | 3.09 | 5.45 | 3.18 | 2.21 | 1.56 | | |
| SSGM CASH EQUITIZATION | 2.90 | 12.16 | 16.04 | 9.34 | 11.22 | 9.31 | 10,978,117 | 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* | 0.49 | 5.57 | 12.59 | 4.81 | 5.59 | 2.84 | 77,243,915 | 4.4 |
| HFRI (Fund of Funds) | -0.01 | 4.82 | 7.51 | 2.34 | 4.77 | 3.53 | | |
| PRIM HEDGE FUND CUSTOM BENCHMARK* | 0.81 | 5.99 | 9.07 | 3.88 | - | - | | |
| DIVERSIFIED BETA | 0.87 | 5.67 | 6.97 | -3.11 | 2.83 | 3.98 | 54,899,047 | 3.1 |
| 91 DAY T BILL PLUS 300 BPS | 0.69 | 4.88 | 8.60 | 6.27 | 5.27 | 4.60 | | |
| BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR | 0.45 | 3.11 | 5.48 | 3.25 | 2.26 | 1.59 | | |
| <u>OPPORTUNISTIC**</u> | | | | | | | | |
| BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT | -1.00 | 7.59 | 8.88 | 1.50 | 3.53 | - | | |
| TOTAL OPPORTUNISTIC** | 0.00 | 3.34 | 9.15 | 5.63 | 8.41 | - | 29,944,884 | 1.7 |
| <u>PRIVATE CREDIT**</u> | | | | | | | | |
| STATE STREET PE CREDIT BENCHMARK | 0.00 | 5.19 | 9.92 | 9.53 | - | - | | |
| TOTAL PRIVATE CREDIT | 0.00 | -0.78 | -3.30 | 5.60 | - | - | 26,798,203 | 1.5 |
| <u>PRIVATE EQUITY **</u> | | | | | | | | |
| STATE STREET PE BENCHMARK | 0.00 | 4.37 | 6.31 | 8.59 | 13.97 | 12.20 | | |
| TOTAL PRIVATE EQUITY^^ | 0.00 | 1.95 | 5.39 | 6.79 | 14.45 | 10.41 | 160,009,633 | 9.0 |
| <u>REAL ESTATE **</u> | | | | | | | | |
| NCREIF PROPERTY INDEX QTR LAG | 0.00 | -3.98 | -7.16 | 3.63 | 3.76 | 6.41 | | |
| NCREIF ODCE | 0.00 | -2.80 | -9.25 | 1.90 | 3.16 | 6.41 | | |
| TOTAL REAL ESTATE | 0.00 | -9.02 | -16.84 | -1.16 | 0.51 | 5.75 | 135,090,768 | 7.6 |
| TOTAL FUND | | | | | | | | |
| MBTA ALLOCATION MIX | 2.10 | 6.79 | 9.67 | 3.66 | 7.47 | 6.71 | | |
| MBTA POLICY MIX | 1.94 | 6.53 | 9.37 | 4.21 | 7.56 | 7.05 | | |
| TOTAL FUND | 1.97 | 5.62 | 7.75 | 2.66 | 7.40 | 6.80 | 1,773,378,522 | 100.0 |
| PREVIOUS MKT VALUE | | | | | | | 1,741,387,053 | |
| MONTHLY CHANGE IN MARKET VALUE | | | | | | | 31,991,469 | |
| 12/31/2023 MKT VALUE | | | | | | | 1,694,401,260 | |
| YTD CHANGE IN MARKET VALUE | | | | | | | 78,977,262 | |

* MTD & YTD Returns lag by one month. Actual returns through June 30, 2024

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 03/31/2024 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

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| S&P 500 | 1.22 | 16.70 | 22.15 | 9.60 | 15.00 | 13.15 | | |
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