

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY RETIREMENT FUND
MINUTES OF REGULAR MEETING
September 20, 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 9:30 AM on Friday, September 20, 2024, at One Washington Mall, 4th Floor, Boston, MA 02108.

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

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, August 16, 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 August 16, 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 August 2024. He reported that for the month of August, the Fund had a total of \$25,908,096 in deposits and \$20,212,813 in withdrawals for a net-inflow of \$5,695,283. He noted that there were three payroll periods in August which resulted in a positive cash flow for the month. Mr. Barry reviewed the overall performance of each of the Fund's asset classes in comparison to their respective benchmark. Mr. Barry noted that private credit, private equity and real estate are stale for the month and will be priced next month for the second quarter 2024. The Fund sits slightly over \$1.8 billion at the end of August.

Mr. Barry announced that the RFP for Actuarial Services' interviews are scheduled for today, and the Fund received four proposals. He reminds the Trustees that the actuarial report is the keystone to the reporting for the Fund. The report has to be very timely to ensure all other reporting is on time. It builds right into the audited financials, ACFR, GASB 67 as well as the GASB 68 audit that is sent to the MBTA and directly affects their audit. The ability to work hand in hand with staff is very important to ensure that all deliverables are met. Needless to say, this is a very important decision.

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

VOTED: TO approve the General Financial Report of the Executive Director for the Month of August 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 9:36 AM.

The regular meeting reconvened at 12:08 PM.

SECTION IV – REGULAR SESSION

a. Votes Taken.

On motion, duly made and seconded, it was

VOTED: TO Approve Gallagher (fka Buck) as the actuarial service provider for the MBTA Retirement Fund conditioned on the satisfactory review and approval of the Engagement Letter by Fund Counsel, 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 redeem approximately half or \$130 million from SSGA Russell 1000 Index NL Fund and approximately half or \$45 million from the SSGA MSCI EAFE Index Fund.

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 allocations to PRIM Domestic Equity Segmentation in the sum of \$105 million, PRIM International Equity Segmentation in the sum of \$40 million, and PRIM Real Estate Segmentation in the sum of \$30 million.

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 12:09 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	1.65	18.92	32.88	10.32	14.70	11.93	275,059,866	15.1
S&P 500	2.14	22.08	36.35	11.91	15.98	13.38		
TOTAL SMALL CAP EQUITY	0.95	11.94	25.84	2.02	10.66	9.82	147,062,377	8.1
RUSSELL 2000 GROWTH	1.33	13.22	27.66	-0.35	8.82	8.95		
RUSSELL 2000 VALUE	0.06	9.22	25.88	3.77	9.29	-		
GLOBAL EQUITY AND EMERGING MARKETS*	1.92	10.28	29.84	-4.66	10.32	10.36	50,714,560	2.8
MSCI EMERGING MARKETS INDEX	6.72	17.24	26.54	0.82	6.15	4.41		
PRIM EMERGING MARKETS CUSTOM BENCHMARK*	1.60	13.64	15.06	-2.26	-	-		
TOTAL INTERNATIONAL EQUITY	1.83	10.78	23.18	2.80	6.81	4.96	195,542,770	10.8
MSCI EAFE	0.92	12.99	24.77	5.48	8.20	5.71		
PRIM INTL EQUITY CUSTOM BENCHMARK*	3.16	11.21	-	-	-	-		
<u>FIXED INCOME</u>								
TOTAL DOMESTIC FIXED INCOME	1.36	5.41	11.78	0.38	1.92	2.44	449,098,005	24.7
BC AGGREGATE	1.34	4.45	11.57	-1.39	0.33	1.84		
<u>SHORT TERM INVESTMENTS</u>								
91 DAY T-BILL	0.43	4.03	5.46	3.49	2.32	1.65		
MASTER ACCOUNT	0.42	4.03	5.45	3.60	2.33	1.65	202,815,546	11.2
CASH EQUITIZATION CUSTOM INDEX	1.58	17.68	31.72	8.45	12.90	10.66		
91 DAY T-BILL	0.43	4.03	5.46	3.49	2.32	1.65		
SSGM CASH EQUITIZATION	2.29	17.29	31.20	11.36	12.30	9.80	11,403,041	0.6

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TOTAL HEDGE FUND*	0.82	7.92	13.09	5.49	6.21	3.05	78,965,333	4.3
HFRI (Fund of Funds)	0.23	5.98	9.32	2.25	5.26	3.58		
PRIM HEDGE FUND CUSTOM BENCHMARK*	0.91	7.79	9.70	4.42	5.57	-		
DIVERSIFIED BETA	2.00	8.68	13.40	-1.59	3.07	4.55	56,460,200	3.1
91 DAY T BILL PLUS 300 BPS	0.68	6.36	8.61	6.59	5.38	4.69		
BBG BARCLAYS U.S. TSY BELLWETHERS 3M PR	0.44	4.06	5.51	3.57	2.37	1.68		
<u>OPPORTUNISTIC**</u>								
BANK OF AMERICA/MERRILL LYNCH HIGH YIELD QT	0.97	9.86	10.45	1.65	3.73	-		
TOTAL OPPORTUNISTIC**	1.81	5.25	7.64	5.29	7.96	-	31,955,120	1.8
<u>PRIVATE CREDIT**</u>								
STATE STREET PE CREDIT BENCHMARK	2.17	7.49	9.45	8.21	-	-		
TOTAL PRIVATE CREDIT	1.37	0.28	-1.12	2.03	-	-	25,397,222	1.4
<u>PRIVATE EQUITY **</u>								
STATE STREET PE BENCHMARK	1.46	5.69	5.75	5.29	13.46	11.84		
TOTAL PRIVATE EQUITY^^	2.40	3.29	6.80	3.77	14.03	10.40	163,359,110	9.0
<u>REAL ESTATE **</u>								
NCREIF PROPERTY INDEX QTR LAG	-0.26	-4.22	-5.53	2.33	3.39	6.07		
NCREIF ODCE	0.25	-2.80	-7.26	-0.18	2.94	6.10		
TOTAL REAL ESTATE	-3.51	-12.21	-15.28	-3.44	-0.40	4.53	129,848,437	7.1
TOTAL FUND								
MBTA ALLOCATION MIX	1.33	9.56	16.83	4.41	7.87	7.00		
MBTA POLICY MIX	1.34	9.30	16.47	4.88	7.95	7.28		
TOTAL FUND	1.11	8.10	15.46	3.36	7.92	6.99	1,817,681,587	100.0
PREVIOUS MKT VALUE							1,800,382,240	
MONTHLY CHANGE IN MARKET VALUE							17,299,348	
12/31/2023 MKT VALUE							1,694,401,260	
YTD CHANGE IN MARKET VALUE							123,280,327	

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

** YTD Return for PE, RE, Opportunistic HF lags by one quarter. YTD return is through 06/30/2024 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

	<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>
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