

Michael Fitzmaurice, Chairperson
Tom Flynn, Appointed Member
Paul T. Hynes, Appointed Member

Rachel Madden, Ex-Officio
Antonio Torres, Elected Member
Joseph M. Petty, Executive Secretary

**MASSACHUSETTS HOUSING FINANCE AGENCY
EMPLOYEES' RETIREMENT BOARD
ONE BEACON STREET
BOSTON, MA 02108
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Minutes of the Regular Meeting of Members
August 13, 2024

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held via Zoom at 12:00 pm.

Present via Zoom were:

Michael Fitzmaurice, Chairperson
Rachel Madden, Ex-Officio
Tom Flynn, Appointed Member
Antonio Torres, Elected Member
Paul T. Hynes, Appointed Member

Others present via Zoom were:

Michelle Shinnick, Senior Retirement Analyst
Paul Nasser & Matt Harrington-Intercontinental
Steve MacLellan, Meketa

Mike Fitzmaurice called the meeting to order.

UPON MOTION DULY MADE (Paul Hynes) AND SECONDED (Rachel Madden), it was voted:
To approve the minutes of the July 9, 2024, meeting. (roll call 5-0).

The bank reconciliations, budget and financial records were reviewed. Michelle Shinnick noted that there were no transactions out of the ordinary.

UPON MOTION DULY MADE (Rachel Madden) AND SECONDED (Antonio Torres), it was voted:
The retirements, refunds and transfers on the attached list were reviewed and approved as amended with the budget, retirement payroll, financial records, and Warrant Number 082024 (see warrant), and capital calls. (roll call 5-0).

Representatives of Intercontinental presented its annual fund review. Matt Harrington filled in for Kristen Phalen. The company mentioned they feel they have not done good enough for us. They said Real Estate has been and will continue to be flat till the beginning of the new year. They expect improvements in 2025. No key departures, one new hire. The firm members discussed their portfolio, and mentioned they had one bad investment in San Francisco, which they will take a loss on. They reviewed our redemption request and noted this was being held as to not sell at a loss. Intercontinental hopes that the Real Estate sector will bounce back significantly soon, with the exception of Office space. They always try to forecast 24 Months in advance. Chairman Fitzmaurice asked about the SF asset. They explained they bought for 83M had a loan for 31M and will sell for 27M.

Steve MacLellan from Meketa recommends we continue forward with the redemption as it was a rebalancing exercise for MassHousing retirement.

Steve MacLellan from Meketa presented an update on the portfolio. The presentation shows that Mid-way through 2024 US stocks have significantly outperformed other asset classes on a year-to-date basis. The asset class performance as of 6/30/24 was 4.8% YTD with a trailing year return of 10%. Domestic Equity returning a 12.6% return and International Emerging Markets Equity Assets at 15.8% as the high performers of the quarter. This puts MassHousing Retirement in the top quartile of public plans. Mr. Maclellan noted that we had good performance from our fund Managers.

Searches:

1. Emerging Markets review we had 24 responses. It was noted that some fund companies do not pair well with our current High Advantages GQG. Meketa stated that having 1 manager in this space is volatile. Upper tier Pzena and ABS (Portfolio manager centric). The goal is to reduce one manager holding 26M to 13M with 2 managers, with a fund manager that will compliment GQG, if we plan to keep our investment with GQG. This will keep the minimum investment threshold. They recommended keeping GQG (middle style) and interview other fund companies, Pzena and ABS. Pzena is rated as, an upper tier fund and ABS is manager centric. Neither ABS nor PZena are too small. It was noted that could also allocate \$6.5 to two additional fund companies. ABS we could tweak the risk control. Paul Hynes asked a question regarding allocation amount which the Chairman advised we could circle back to after the interviews.

UPON MOTION DULY MADE (Paul Hynes) AND SECONDED (Rachel Madden), it was voted:
A vote was taken to interview 3 fund managers, GQG, Pzena and ABS. (roll call 5-0).

2. Emerging Market Debt RFP- \$10M. There were 14 fund manager responses. After a discussion, it was recommended that we stay with our current fund managers, Aberdeen and MetLife and no interview would be needed.

UPON MOTION DULY MADE (Paul Hynes) AND SECONDED (Rachel Madden), it was voted:
To extend our investments with both Aberdeen and MetLife for up to seven years. (roll call 5-0).

3. Private Equity. \$10-20M to commit. We had 17 managers respond to the RFP.

The Board members reviewed the Meketa analysis and decided to interview 3 fund managers. Steve MacLellan noted that we are underweight in this area at just around 13%, we should be at 17%. The chairman would like to do interviews with the following 3 funds managers, Constitution, HarbourVest and Mesirow. It was also noted that HarbourVest and Mesirow are more diverse while Constitution is more concentrated.

UPON MOTION DULY MADE (Tom Flynn) AND SECONDED (Antonio Torres), it was voted:
To interview Constitution, HarbourVest and Mesirow for our Private Equity search (roll call 5-0).

Michelle Shinnick reviewed PERAC memos 19 and 20. Neither of these issues are in our roster at the present time.

UPON MOTION DULY MADE (Rachel Madden) AND SECONDED (Paul Hynes), it was voted:

Adjourn the meeting at 1:10 pm (roll call 5-0).

Michael Fitzmaurice – Chair/Elected Member

Rachel Madden, Ex-Officio

Tom Flynn, Appointed Member

Antonio Torres – Elected Member

Paul T. Hynes – Member Appointed by Other Members