

Andris Silins, Chairman
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member

Ping Yin Chai, Appointed Member
Paul T. Hynes, Appointed Member
Joseph M. Petty, Executive Secretary

**MASSACHUSETTS HOUSING FINANCE AGENCY
EMPLOYEES' RETIREMENT BOARD
ONE BEACON STREET
BOSTON, MA 02108
(617) 854-1871, 1123**

Minutes of the Regular Meeting of Members
December 10, 2019.

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held at the offices of the Massachusetts Housing Finance Agency, One Beacon Street, Boston, Massachusetts at Noon.

Present were:

Andris Silins, Board Chairman (via phone at 1:35 pm)
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member
Paul T. Hynes, Appointed Member

Absent were:

Ping Yin Chai, Appointed Member

Others present:

Joseph M. Petty, Executive Secretary
Michelle Shinnick, Retirement Analyst
Emily Margolis, AEW
Mike Bryne, AEW
Kristin Phalen, Intercontinental (via phone)
Matt Murdoch, Aberdeen Standard (via phone)
Roberto Bosch, Aberdeen Standard (via phone)
Susan Gorman, IFM (via phone)
David Greenberg, IFM (via phone)
Peter Melanson, Constitution (via phone)
Fran Peters, HarbourVest, (via phone)
Tom Scanlon, Ascent (via phone)
Geoff Oblak, Ascent (via phone)

Michael Fitzmaurice called the meeting to order.

Ms. Margolis and Mr. Bryne reviewed the AEW portfolio. They reviewed the diversification by property



type and location. It was noted that the Board committed \$3 million to the fund and committed another \$3.1 million for a total of \$6.1 million. The entire commitment has been called by the fund. Since the inception of the fund in 2014, The System has received dividends of \$1.2 million, equating to a dividend yield of 3.9%. The annualized total return is 8.21%. Except for the 5-year return, the fund has outperformed the benchmark.

Kristan Phelan of Intercontinental reviewed the structure of the fund being a limited liability company and open-ended commingled investment vehicle with an annual income return in excess of 5% and a total return in excess of 10%. The fund has tripled in value at \$9 billion. They invest in all property types in the United States and Canada. They have a 90% occupancy rate in their properties with a focus on industrial.

Roberto Bosch reviewed the Aberdeen portfolio. He reviewed the investment and office locations and noted the emerging market debt remains attractive despite the year's yield rally. The year to date performance is 12.99%, which underperformed the benchmark by .24%. The bright spots in the EMD is Russia and Mexico, however, there is risk in Argentina. In Argentina, the fund reduced its hard currency holdings and closed out their local currency position in August due to election concerns. Mr. Bosch then reviewed the top/bottom changes by country and noted he has an optimistic outlook for the fund.

Susan Gorman and David Greenberg reviewed the IFM portfolio. They reviewed the 9 strategic global locations for investment and strategy. In the US, IFM invests \$103 Billion across 4 asset classes. It was noted that since the inception of the fund they have a return of 13.8%. Since the Board's inception date we have a return of 11.02%.

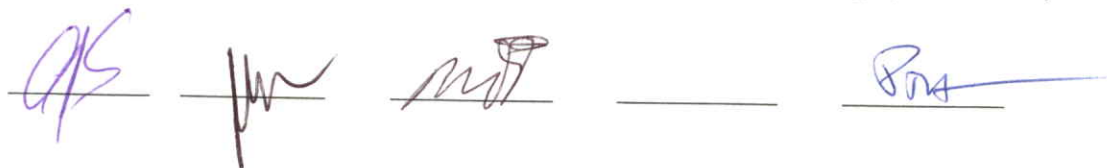
Peter Melanson of Constitution Capital Partners reviewed the staff/company and our investments in the Ironside funds. He noted that Fund III had a 18.3% IRR and a 1.4x Gross MOIC. Fund IV has a 24.9% IRR and 1.3x Gross MOIC; Direct Investment Fund IV has a 14.2% Gross IRR and a 1.3x Gross MOIC. Fund V is going as planned, deploying capital into high conviction investments within core sectors and is performing well at this point in time.

Fran Peters of HarbourVest gave an overview of the company and our investments. The company has over \$63 billion in AUM with 500 employees. Fund VIII is 1.7x with a Net IRR of 10.5% since inception; Fund IX has a 1.6x with a Net IRR of 18.7% since inception; Fund X has a 1.3x with a 23.7% Net IRR since inception; Fund XI is new and going well.

Tom Scanlon and Geoff Oblak of Ascent Venture Partners reviewed the company, the team and our investments. It was noted that Fund II has a 2.6x with a Net IRR of 29.5% and the last distribution will be in the next month. Fund III had a 1.7x with a Gross IRR of 8.7% and it was noted they have not charged a fee for 8 years. Fund IV was a disappointing fund with a 0.8x and a Gross IRR of 0.7% and they are managing towards exits and liquidity. Fund V has a 2.8x multiple with a Gross IRR of 15.7% and will have a meaningful exit activity in the next 24 months. Fund VI should be a very successful fund, the portfolio is complete and now is in the growth/scale mode.

UPON MOTION DULY MADE (ANTONIO TORRES) AND SECONDED (PAUL HYNES), it was voted:

To approve the minutes of the November 12, 2019 meeting. (roll call 4-0).



The bank reconciliations, budget and financials records were reviewed. Andris Silins inquired whether there were any transactions out of the ordinary. Joseph Petty noted that there were no transactions out of the ordinary, however, he reviewed the retirement of Karen Robertson.

UPON MOTION DULY MADE (PAUL HYNES) AND SECONDED (ANDY SILINS), it was voted:
The retirements, refunds and transfer on the attached list were reviewed and approved along with the retirement payroll and vouchers 2019109-2019116 (roll call 4-0).

Joseph Petty presented the 2020 budget to the Board members. It was reviewed and approved by the Board.

UPON MOTION DULY MADE (PAUL HYNES) AND SECONDED (ANDY SILINS), it was voted:
To approve the 2020 Budget. (roll call 4-0).

Joseph Petty informed the Board that they will need to acknowledge that they received the Summary of the Conflict of Interest.

Joseph Petty reviewed the law regarding retirement board member compensation and the compensation of other retirement boards. He noted that the retirement board is not included in the acceptance process but can bring it to the attention of the MassHousing Board.


UPON MOTION DULY MADE (ANTONIO TORRES) AND SECONDED (PAUL HYNES), it was voted:

To inform the MassHousing Board of the opportunity to increase the board compensation and, if acceptable, to establish such compensation at an amount not to exceed \$4,500. (roll call 4-0).

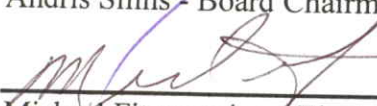
He also reviewed Board training.

UPON MOTION DULY MADE (PAUL HYNES) AND SECONDED (ANTONIO TORRES), it was voted:

To adjourn the meeting at 1:55 pm (roll call 4-0).



Andris Silins - Board Chairman



Michael Fitzmaurice - Elected Member

Antonio Torres - Elected Member



Ping Yih Chai, Appointed Member



Paul T. Hynes - Member Appointed by Other Members

**Massachusetts Housing Finance Agency
Employees' Retirement Board
One Beacon Street Boston, MA 02108**

**Andris Silins, Chairman
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Listing of Check and Vouchers for the meeting January 14, 2020

<u>Name</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Comment</u>
Paul T. Hynes	2020001	\$ 250.00	Stipend
Andris Silins	2020002	\$ 250.00	Stipend
Michael Fitzmaurice	2020003	\$ 250.00	Stipend
Antonio Torres	2020004	\$ 250.00	Stipend
Ping Yin Chai	2020005	\$ 250.00	Stipend
Law Office of Michael Sacco	2020006	\$ 50.00	December Legal
Old Colony	2020007	\$ 450.00	1st Q Maintenance
MACRS	2020008	\$ 600.00	Annual Dues
Cibele Goncalves	2020009 <i>VOID</i>	\$ 336.00	Operations Admin <i>No payment</i>
Middlesex County Retirement	2020010	\$ 279.20	38c PHubbard
Plymouth County Retirement	2020011	\$ 24,788.94	38c WFarmer

<u>Fees paid via Non-managed account</u>	<u>Amount</u>	<u>Comment</u>
Meketa Investments	\$ 6,875.00	December 19 Consulting Fee
Peoples United	\$ 3,546.63	Custodian November Fee
Longfellow Investment Management Co.	\$ 16,832.00	4Q 19 Fee

<u>Retirements</u>	<u>Monthly Amount</u>	<u>Date of Retirement</u>
December Pension Payroll	\$ 720,500.44	
PAI Services	\$ 822.90	
Transfer to Payroll Account	\$ 700,000.00	

<u>Refund</u>	<u>Amount</u>	<u>Date Paid</u>
Joseph Spadea	\$32,718.78	

[Signature]
Andris Silins - Board Chairman

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Ping Yin Chai - Appointed Member

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Paul T. Hynes - Member Appointed by Other Members

Joseph Petty - Executive Secretary