

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 8, 2020

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held via Zoom at 11:00 am.

Present via Zoom were:

Andris Silins, Board Chairman
Ping Yin Chai, Appointed Member
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member
Paul T. Hynes, Appointed Member

Others present via Zoom:

Joseph M. Petty, Executive Secretary
Michelle Shinnick, Retirement Analyst
Kristin Phalen and Paul Nasser, Intercontinental
Matt Murdoch and Karen Bater, Aberdeen Standard Investments
David Greenberg and Campbell Hollman, IFM
Dan Perullo, MetLife
Peter Melanson and Ashley Gleavy, Constitution Capital Partners
Allie Morse and Barbara McKenna, Longfellow Investment Management
Emily Margolis and Steve Reissfelder, AEW Capital Management
Tom Scanlon, Ascent.

Andris Silins called the meeting to order.

UPON MOTION DULY MADE (PAUL HYNES) AND SECONDED (MICHAEL FITZMAURICE), it was voted:

To approve the minutes of the November 10, 2020 meeting. (5-0 roll call).

The bank reconciliations, budget and financial 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.

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

The retirements, refunds and transfer on the attached list were reviewed and approved along with the budget, retirement payroll, financial records and vouchers 2020093-2020098, and capital calls (5-0 roll call).

The Board reviewed the portfolio investments with several fund managers. Paul Nasser and Kristen Phalen of Intercontinental Real Estate Corporation reviewed the U.S. REIF investment beginning with fund level information. It was noted that redemption is available on a quarterly basis; no lock-out periods for redemptions once fully invested; the portfolio leverages not expected to exceed 40%. The strategy is to invest in a pool of institutional quality real estate assets which would be diversified geographically mainly in primary markets. They reviewed our commitments; capital calls to date; net asset value; performance and management fee. It was also noted that both industrial and multifamily properties are doing well.

Matt Murdoch and Karen Bater of Aberdeen Standard Investments reviewed the Markets Bond Fund. They began with a company and market review along with the outflows of the company. The index returns for Q3 were reviewed along with the top/bottom ten performers by country. The top 5 over/under weights were reviewed by percentage along with increased currency risk while modestly increasing frontier exposure during Q3; reviewed interest exposure and the historic asset allocation. Closed with outlook of merging markets noting that China continues to be a bright light.

David Greenberg and Campbell Hollman of IFM reviewed our investment in the Global Infrastructure Fund. They began with the firm overview noting that it is owned by 27 pension funds and have investments of \$106 billion over four asset classes and have 9 global locations. Their net target return is 8 – 12 percent over the long term. They have met that goal in the previous years prior to Covid.

Dan Perullo of MetLife reviewed our investment in Emerging Markets Debt. He began with a 3Q 2020 market and portfolio review. The strategy outperformed the index during the third quarter. Due to the more conservative financial behavior of management teams during Covid-19, corporates were able to outperform similarly rated sovereigns, especially in the month of September when volatility increased. Brazilian and Mexican corporate overweight positively contributed to returns. They also reviewed exposure, attribution regarding the top 5 and bottom 5 countries; and top 5 issuers along with the positioning of the bonds regionally.

Peter Melanson and Ashley Gleavy of Constitution Capital Partners gave a portfolio update on Ironsides Partnership Fund III, Fund IV and Fund V and Direct Investment Funds IV and V. They gave a snap shot at the fund level of each fund, then discussed the investment activity of each of the funds. They also reviewed the IRR/performance of each fund.

Allie Morse and Barbara McKenna of Longfellow Investment Management reviewed our fixed income portfolio. They began with an update of the firm noting the average annual growth of the company and assets under management were \$13.5 billion. They also noted that it is 100% employee owned, has a proactive approach to asset management and received several industry recognitions. Regarding performance it was noted that we had a 1-year return of 8.85%. They ended with explaining the portfolio positioning.

Emily Margolis and Steve Reissfelder of AEW Capital Management began with an overview. They have gross property value of \$9.5b with a net asset value over \$7B. They highlighted the high quality of the resilient rent collections, also noted that their durable income profile continues to drive income return outperformance and that their risk awareness has resulted in a solid balance sheet with limited debt maturities. The impacts to income were reviewed along with the major leases that were executed along with recent transaction activity. They ended with a discussion on cash position and capital flows. Tom Scanlon of Ascent reviewed each of the funds, along with the activity and the IRRs/performance

Joseph Petty presented the 2021 budget to the Board members. It was reviewed and approved by the Board.

UPON MOTION DULY MADE AND SECONDED, it was voted:
To approve the 2021 Budget. (roll call 5-0).

Joseph Petty informed the Board that he will be sending the Summary of the Conflict of Interest and they will need to acknowledge it.

Joseph Petty reviewed the time line for the Retirement Board election that is to expire on June 30, 2021. He also noted that an election officer would need to be appointed.

UPON MOTION DULY MADE AND SECONDED, it was voted:
To allow Joseph Petty to become the election officer for the Retirement Board position that expires on June 30, 2021, (roll call 5-0).

Joseph Petty reviewed the Ascent III request to have the Board consent to the extension of the fund term. For the purposes of closing out the fund, they have asked us to extend the term of the partnership an additional two years. The Partnership will continue to be managed by Ascent without any management fee during the extension period. Joseph Petty noted he reviewed the proposal with both Meketa and the Law office of Michael Sacco.

UPON MOTION DULY MADE AND SECONDED, it was voted:

The Retirement System adopt the amendment for Ascent Venture Partners III, (roll call 5-0).

Joseph Petty reviewed board training, conflict of interest training and PERAC memos.

UPON MOTION DULY MADE (ANTONIO TORRES) AND SECONDED (MICHAEL FITZMAURICE), it was voted:

To adjourn the meeting at 1:55 pm (roll call 5-0).

Andris Silins - Board Chairman

Michael Fitzmaurice – Elected Member

Antonio Torres – Elected Member

Ping Yin Chai, Appointed Member

Paul T. Hynes – Member Appointed by Other Members