

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
February 9, 2021

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held via Zoom at 1:00 pm.

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
Dan Dynan, Meketa Investments
Stephen MacLellan, Meketa Investments
Thomas Dunleavy, Meketa Investments

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 January 12, 2021 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, however we did have to pay a management fee for SSgA Global Natural Resources Index which was never sent to us in 2020.

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 3272-3303 (see warrant), and capital calls (5-0 roll call).

Dan Dynan, Tom Dunleavy and Steve MacLellan reviewed the system performance and noted that our System returned 10% for fourth quarter and a 14.4% for 2020. As of December 30, 2020, the System's market value was \$206,956,292.00, an increase of \$17 million from the end of the third quarter. The increase was due to investment gains primarily in public and private equities. As of December 31, 2020, all asset classes were within their respective target asset allocation ranges (excluding natural resources which had been eliminated from the overall portfolio) with private equity notably at the top of its range. Performance was strong for the year-to-date period across all risky asset classes through December. It was noted that US equities were up 20.9% for the year while international developed equities were up 7.8% and emerging market equities were up 18.3%. Fixed income returns were positive. Investment grade bonds was up 7.5%. TIPS was up 11.0%, while High Yield bonds and Emerging Market debt were down 5.5% and 4.0% respectively. Real Estate performance was slightly positive at 0.3% for the year.

Steve MacLellan noted that our System outperformed PRIT which had a return gross of fees of 12.6%. Our overweight to US and emerging markets equities significantly contributed to relative performance, as equity performance was very strong by year end. Our investments in private emerging markets and private equity managers had a banner year in 2020. PRITs allocation to hedge funds and portfolio completion strategies were a significant detractor, returning 0.8% at 8.8% of their portfolio. Our System benefited by having no allocation to these strategies.

Dan Dynan reviewed asset allocation policy options and the associated risk. After a detailed discussion, it was voted to re balance our portfolio by moving \$3.7 million from SSgA Russell 1000 growth to SSgA Russell 1000 value and to also issue an RFP from managers of fund to fund private equity strategies.

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

To rebalance our portfolio by transferring \$3.7 million from SSGA Russel 1000 growth to SSgA Russell 1000 value (5-0 roll call).

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

To issue an RFP for managers of fund to fund private equity strategies. (5-0 roll call).

Joseph Petty reviewed a 3(8)(c) issue from the Town of Belmont that is questioning the calculation for one of our retirees. Specifically, PERAC calculated the original 3(8)(c) due to us from the Belmont Retirement Board at \$51,080.32 which was adjusted to \$25,540.16. The Belmont appealed the calculation again and PERAC adjusted the amount to \$3,614.76.

However, for the year 2019, Belmont did not meet the 90-day appeal deadline which resulted in larger 3(8)(c) due to us than what was actually due. Joseph Petty recommended that we accept the proposal by Belmont Retirement and accept the payment for the correct amount. The Board members discussed the proposal and agreed that the mistake by Belmont would result in a windfall to us.

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

To accept the 3(8)(c) payment made by the Belmont Retirement System for 2019 for the amount due if they had met the appeal deadline. (5-0 roll call).

Joseph Petty reviewed the COLA for this year and PERAC's requirement. He noted that he will send the Agency a notification of the proposed COLA increase and will place this item on the agenda in March.

Joseph Petty reviewed the Statement of Financial Interest and its due date, the conflict of interest on-line training and acknowledgement of receiving the conflict of interest. He also reviewed the annual vendor disclosures, available training and PERAC memos 5-9.

To adjourn the meeting at 1:50 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