

Lisa Serafin, Chairwoman
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
May 11, 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:

Lisa Serafin, Board Chairwoman
Ping Yin Chai, Appointed Member
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member
Paul T. Hynes, Appointed Member

Others present via Zoom:

Michelle Shinnick, Sr. Retirement Analyst
Dan Dynan, Meketa Investments
Stephen MacLellan, Meketa Investments
Thomas Dunleavy, Meketa Investments

Lisa Serafin called the meeting to order.

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

To approve the minutes of the April 13, 2021 meeting. (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 (PAUL HYNES) AND SECONDED (MIKE FITZMAURICE), 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 Warrant Number 202105 (see warrant), and capital calls. We had 1 retirement (see voucher list). (5-0 roll call).

Steve MacLellan reviewed the system performance and noted that our System returned 3.5% for first quarter and 31.5% for the trailing year. As of March 31, 2021, the System's market value was \$211,212,312.00 up from \$206,956,292.00 at the end of quarter 4. The increase was due to investment gains primarily in public and private equities. As of March 31, 2021, 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 March 31st. It was noted that US equities were up 6.3% for the year while international developed equities were up 3.5% and emerging market equities were up 2.3%. Fixed income returns were mostly negative. Investment grade bonds were down 3.4%. TIPS was down 1.5%, while High Yield bonds were up 1.3% and Emerging Market debt were down 5.6%. Real Estate performance was slightly positive at 1.9% for the year. Lisa Serafin inquired what the make-up of the infrastructure fund was. Steve MacLellan said a good portion investment was in toll roads and energy.

Dan Dynan reviewed the Asset Allocation Policy Options at the current target and with a return of 7%, 7.25% and a 7.5% along with a risk analysis of each. The board members discussed the advantages of investing more in TIPS, etc. Dan Dynan stated that this is not the time to be more aggressive and reviewed the difference risks associated with 7% and 7.25%. The Board members agreed that using the policy option targeting a 7% return was good at this time.

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

To set the asset allocation policy using the 7% target return. (5-0 roll call).

Steve MacLellan reviewed the respondents for the RFP involving the Private Equity Fund of Funds. It was noted that the system must continue to commit to new private equity investments to maintain its allocation and vintage diversification over time. We should commit an average of \$5-\$10 million per year, targeting approximately 1-2 new commitments annually. Meketa issued an RFP for middle market buyout PE investments with responses due March 26, 2021. Meketa Investment Group received 11 responses which were reviewed at the Board meeting. After a discussion, the Board voted to interview two respondents, who were rated Highly Advantageous: Constitution Capital Partners Ironsides Partnership Fund VI/Co-Investment Fund VI and HarbourVest Partners Fund XII Combined Program. Both were considered High Advantageous. Antonio Torres inquired whether we should be more diversified and consider Fort Washington for the August meeting when the interviews are conducted. Meketa and Joe Petty would consider this proposal.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To interview two fund managers, Constitution Capital Partners Ironsides and HarbourVest Partners for our investment in Private Equity Fund of Funds for \$5-\$10m and determine later whether Fort Washington should be considered for an interview. (5-0).

Michelle Shinnick informed the Board that CliftonLarsonAllen is in the process of conducting its annual audit and that we will hold the actuarial valuation to the next meeting as it is not completed.

Also reviewed the Conflict-of-Interest training, Board member training and Vendor Disclosures. PERAC memo 15 was reviewed.

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

Lisa Serafin - Board Chairwoman

Michael Fitzmaurice – Elected Member

Antonio Torres – Elected Member

Ping Yin Chai, Appointed Member

Paul T. Hynes – Member Appointed by Other Members