

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

Joseph M. Petty, Executive Secretary
Antonio Torres, Elected Member

**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 9, 2023

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

Present via Zoom were:

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

Others present via Zoom were:

Joseph Petty, Executive Secretary
Michelle Shinnick, Senior Retirement Analyst
Patrick Hearne, Shawn Mahoney, SSgA
Dan Dynan, Meketa Investments

Michael Fitzmaurice called the meeting to order.

UPON MOTION DULY MADE (Paul Hynes) AND SECONDED (Antonio Torres), it was voted
To approve the minutes of the April 11, 2023 meeting. (roll call 4-0).

The bank reconciliations, budget and financial records were reviewed. Joseph Petty noted that there were no transactions out of the ordinary, however, we needed to amend it to include the membership payment, \$650.00, to MACRS. We did have two refunds.

UPON MOTION DULY MADE (Tom Flynn) 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 042023 (see warrant), and capital calls. (roll call 4-0).

Representatives of SSgA presented its annual fund review. The companies focused on updates on their company and personnel updates, relationship team and performance and strategies of the fund.

Dan Dynan reviewed the system performance and noted that our System returned 2.8% during the first quarter and -3.6% for the trailing year. As of December 31, 2022, the System's market value was \$224.1 million up from \$219.90 million at the end of the fourth quarter. The increase driven mainly by investment gains over the course of the quarter. Our Retirement System performed in the 96th percentile of its peer group during the first quarter but the 19th, 35th and 8th percentiles for the trailing year, 3-year and 5 periods, respectively. As of March 31st, all asset classes were within their respective target asset allocation ranges. With the exceptions of Private Equity and Real Estate performance was positive quarter-to-date across all asset classes through March 31st. For the first quarter, US equities gained 6.4%, international developed equities were up 7.4% and emerging market equities were up 3.6%. Fixed income returns were positive for the 1st quarter. Investment grade bonds were up 3.3%. TIPS were up 3.5% and High Yield bonds were up 3.1%. Real Estate was down 2.7% quarter to date and Infrastructure was up 2.6%. Private Equity performance was down for the quarter at -0.8%.

Dan Dynan reviewed 2023 capital markets expectations and proposed asset allocation policy options. Mr. Dynan presented three different options regarding asset allocation, focusing on diversification and reduced risk. After discussion, the Board determined that Option A would be the best option at this time. To begin the asset allocation process it was determined to redeem \$2 million dollars from both AEW and Intercontinental, which will take several months.

UPON MOTION DULY MADE (Tom Flynn) AND SECONDED (Paul Hynes, it was voted:
To select option A regarding our asset allocation and to redeem \$2 million from both AEW and Intercontinental. (roll call 4-0).

Joseph Petty and the Board members reviewed the January 1, 2023 Actuarial Valuation results. The FY2024 contribution is made up of normal cost, amortization and net 3(8)(c) payments. The total appropriation is \$4,727,032.00, which the Agency will pay on July 1st. The unfunded actuarial accrued liability increased from \$11,455,814 as of 12/31/2020 to \$15,906,504 as of 12/31/2022.

UPON MOTION DULY MADE (MIKE FITZMAURICE) AND SECONDED (PAUL HYNES), it was voted:
To approve the funding schedule as provided by Stone Consulting, and to submit Appropriation schedule to PERAC, (roll call 4-0).

UPON MOTION DULY MADE (Antonio Torres) AND SECONDED (Paul Hynes), it was voted:
To adjourn the meeting at 1:55 pm (roll call 4-0).

Michael Fitzmaurice – Chair/Elected Member

Tom Flynn, Appointed Member

Antonio Torres – Elected Member

Paul T. Hynes – Member Appointed by Other Members