

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  
November 12, 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:

Ping Yin Chai, Appointed Member  
Michael Fitzmaurice, Elected Member  
Antonio Torres, Elected Member  
Paul T. Hynes, Appointed Member

Absent were:

Andris Silins, Board Chairman

Others present:

Joseph M. Petty, Executive Secretary  
Michelle Shinnick, Retirement Analyst  
Dan Dynan, Meketa Investments  
Thomas Dunleavy, Meketa Investments  
Stephen MacLellan, Meketa Investment  
Chris Roger, CliftonLarsonAllen  
Alli Morse, LongfellowIM  
Akshay Anand, LongfellowIM  
Arman Palian, SSgA  
Patrick Hearne, SSgA  
Gordon Johnson, LMCG Investments, LLC  
Jenna Oliver, LMCG Investments, LLC  
Matt Kieras, Travelers Insurance  
Paul Shanley, Amity Insurance

Michael Fitzmaurice called the meeting to order.

Arman Palian and Patrick Hearne reviewed both the company and performance of SSgA. Specifically,

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they reviewed the market value and contributions, withdrawals and appreciation/depreciation of each of the funds. The year to date performance numbers were generally positive.

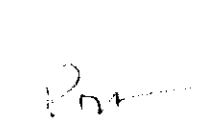
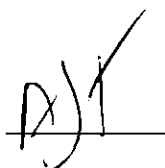
Jenna Oliver and Gordon Johnson of LMCG reviewed the quantitative approach of investing where they believe they can capture market inefficiencies and focus on less efficient asset classes. Their goal is to create portfolio that can perform well in a variety of different market environments. They also noted they actively manage risk factor exposures. They did note that their Core with a Value Bias approach has been out of favor; the growth style has dominated for the past seven years. They did note that Europe is heading into a recession and there is talk the US market will start cooling. They did review their sector and country weights. Mr. Torres asked why they don't invest in Africa. Mr. Johnson noted that Africa is a frontier market. Mr. Fitzmaurice asked when is a country considered not emerging. Mr. Johnson stated that a determination is made by reviewing the country's economy and their stock market and capital markets.

Alli Morse and Akshay Anand of Longfellow Investment Management noted that the company has over \$11 Billion in assets, majority owned by women and has a 14% growth year over year. Reviewed performance and noted that excess returns were mostly positive across all domestic fixed income sectors; corporate spreads narrowed, and excess returns were positive. Mr. Chai asked why the muni's were negative and Mr. Anand responded that that these numbers do not consider tax adjustments.

Matt Kieras, Travelers Insurance and Paul Shanley, Amity Insurance presented an overview of cyber security and why its important to have coverage to reduce exposure. The primary reason for coverage is to prevent your data from being compromised and to also protect from 3<sup>rd</sup> party exposure. They reviewed how many government agencies have had their data compromised needed to pay a ransom. Mr. Torres noted if a fund manager or bank's data is compromised, he wanted to be covered. Mr. Hynes noted that if you are compromised, your reputation can be ruined. Mr. Fitzmaurice asked that I review the cyber security with the MassHousing Agency.

Tom Dunleavy reviewed the system performance and noted that our System returned a 1.1% for the 3<sup>rd</sup> quarter and a 11.5.% for the year to date. As of September 30<sup>th</sup>, the System's market value was \$169.4 million, an increase of \$23 million from the end of 2018. The increase was due to investment gains, mostly from strong equity performance; as well as a \$10 million-dollar contribution from the Agency. Mr. Dynan noted that equities were up 20.1% while international developed equities were up 12.8% and emerging market equities were up 5.9%. Fixed income returns were positive, investment grade bonds were, up 8.5%. TIPS was up 7.6%, while High Yield bonds and Emerging Market debt were up 11.1% and 10.4%, respectively. Real Estate performance was moderately positive, up 3.1% year to date while natural resources grew by 7.3%. As of September 30<sup>th</sup>, all asset classes were within their respective target asset allocation ranges.

Stephen MacLellan noted that there was a 2% growth in the U.S. in the 3rd qtr. Dan Dynan noted that active managers are doing well and adding value this year as compared to last year. Recent Fund transfers were also reviewed. Mr. Fitzmaurice asked whether we would receive our investment back from Ascent IV. Mr. Dynan noted that it was unlikely.



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

To approve the minutes of the October 8, meeting. (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 retirements of Patricia Weems and Kathleen Lynch.

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

The retirements, refunds and transfer on the attached list were reviewed and approved along with the retirement payroll and vouchers 2019102-2019108 (4-0).

Joseph Petty informed the Board that Michael Fitzmaurice was the only applicant for the elected member for the Board. As such, Michael Fitzmaurice was elected by declaration.

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

To approve the election of Michael Fitzmaurice by Declaration, (3-0) with Mr. Fitzmaurice abstaining.

Joseph Petty informed the Board of the NCPERS 2020 Legislative Conference on January 26 – 28, 2020 with a registration fee of \$515/person and hotel of \$285/night plus plane fare.

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

To allow any Board Member or Administrators to attend this conference consistent with our Travel Policy, (4-0).

He also reviewed Board training and PERAC memos 24.

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

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

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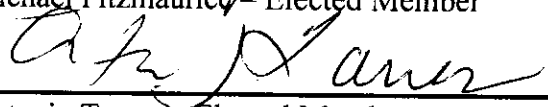
Andris Silins - Board Chairman

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Michael Fitzmaurice - Elected Member

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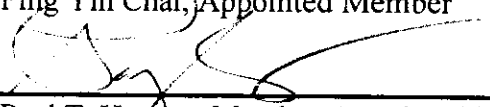


Antonio Torres - Elected Member

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Ping Yin Chai, Appointed Member

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Paul T. Hynes - Member Appointed by Other Members

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

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Listing of Check and Vouchers for the meeting December 10, 2019

<u>Name</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Comment</u>
Paul T. Hynes	2019109	\$ 250.00	Stipend
Andris Silins	2019110	\$ 250.00	Stipend
Michael Fitzmaurice	2019111	\$ 250.00	Stipend
Antonio Torres	2019112	\$ 250.00	Stipend
Ping Yin Chai	2019113	\$ 250.00	Stipend
Sam LaGrassa's	2019115	\$ 123.05	Review of fund companies
NCPERS	2019116	\$ 1,030.00	Petty/Fitzmaurice Jan 20 Conf.
Cibele Goncalves	2019117	\$ 336.00	Operations Admin

<u>Fees paid via Non-managed account</u>	<u>Amount</u>	<u>Comment</u>
Meketa Investments	\$ 6,875.00	November 19 Consulting Fee
Peoples United	\$ 3,366.84	Custodian October Fee

<u>Retirements</u>	<u>Monthly Amount</u>	<u>Date of Retirement</u>
November Pension Payroll	\$ 700,833.74	
PAI Services	\$ 822.95	
Transfer to Payroll Account	\$ 690,000.00	
Karen Robertson	\$ 2,608.50	12/07/2019

<u>Refund</u>	<u>Amount</u>	<u>Date Paid</u>
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Andris Silins - Board Chairman

Ping Yin Chai - Appointed Member

Michael Fitzmaurice - Elected Member

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Paul T. Hynes - Member Appointed by Other Members

Joseph Petty - Executive Secretary