

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 10, 2020

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held via Zoom at 12:45 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
Pat Kendall, Tricia Noble, Katie Milleville and Rob Toomey, Ascentris
Emily Margolis and Anthony Crooks, AEW
Bryan Thornton and K.C. Kriegel, PCCP

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 October 13, 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 and had one withdrawal, David Showalter.

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 2020083-2020092, and capital calls (5-0 roll call).

Andris Silins reviewed that we will be interviewing finalists for the non-core real estate investment search. The three finalists are Ascentris, AEW, and PCCP.

Pat Kendall from Ascentris gave an overview of the company noting that the Real Estate Investment Manager was formed in 2003; has a value-add diversified strategy; partner-oriented sourcing network; and its investment approach has developed and refined through multiple market cycles. It is managing over \$3.7B in 78 investments across the U.S and has a realized a 20% gross IRR. The management team has 23 years of real estate experience and have been operating together for ten years. Rob Toomey reviewed the investment philosophy and strategy of the company. Tricia Noble noted that they use a cradle-to-grave approach that ensures each team member is responsible for their investments from sourcing through disposition and reviewed their network footprint. Mr. Toomey stated that client service, transparency and communication are at the center of how Ascentris operates. Pat Kendal reviewed the AVA Fund III broad value-add mandate and investment restrictions. Katie Milleville closed it out with a review of their track record which has been consistence and cycle-tested.

Emily Margolis from AEW gave an overview of the company noting that it has over 35 years of real estate investment experience and exclusively focused on real estate; among the largest real estate investment managers in the world with over 750 employees in 15 offices; their mission is to ensure its clients' see them as their most trusted and effective advisor; and has broad experience of all property types and geographic regions. Anthony Crooks noted that AEW has extensive experience across all property types and regions with #34.3 B of property investments in major metropolitan cities across all primary property types in North America and then reviewed the AEW Partners Real Estate Fund IX, LP.

Bryan Thornton and K.C. Kriegel presented for PCCP. They began with an executive summary noting the PCCP Equity IX is a \$1.25 billion closed-end real estate fund with a 18-20 percent gross and a 14016 percent net levered IRR target with a first close in early 2021. They use a cycle-tested strategy with a cycle-tested team. They have national coverage with offices in New York, Los Angeles, San Francisco and Atlanta. The opportunistic equity platform track record was reviewed. Finally, PCCP's strategy was reviewed noting that it creates value at acquisition, adds value to the real estate, prioritizes quality and liquidity and then identifies distress and recap opportunities.

After discussion between the members of the Board and the staff from Meketa it was determined that they would select AEW.

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

To select AEW as the Non-Core real estate fund manager for up to seven years with an investment of \$5 million and to authorize the Executive Secretary to execute all appropriate contracts and documents to implement this selection, (5-0 roll call).

Meketa submitted 3rd quarter performance for review.

Joseph Petty reviewed the request from Ascent to extend the fund term of Fund V. The initial term of the Fund is scheduled to end on December 31, 2020. The Fund continues to hold and actively manage the securities of 6 portfolio companies with a combined carrying value of \$72M (as of June 30, 2020). To avoid the premature disposition of any of the Fund's holdings and to maximize the potential returns for the Limited Partners, the General Partner believes it is in the best interests of the Fund and the Partners to extend the Fund's term pursuant to the extension provision provided by Section 9.1 of Fund's Limited Partnership Agreement (the "LPA"), by a one-year period (the "Extension Period"). The management fees charged to the Fund during the Extension Period shall be reduced. Joseph Petty noted that he reviewed the proposal with both outside counsel and Meketa neither had any issues with the proposal.

In regard to Ironside Fund III, Constitution has the option to reinvest planned distributions at an amount up to 20% of the capital you committed and want to up that to 25%. The Fund is a 2015 vintage year fund and is marked at a 18% net IRR/1.8x net multiple as of 6/30. The fund is no longer making any new investments but is looking to use the extra recyclable capital to support current portfolio companies including pursuing add-on acquisitions at more attractive valuations given the current market environment caused by Covid-19.

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

To extend the fund term of Ascent Venture Partners V by a period of one year and to allow Constitution Fund III to up the reinvest planned distributions from 20% to 25%, (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 1:50 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