

**State Retiree Benefits Trust Board of Trustees**  
**Minutes of the Meeting of**  
**September 7, 2023**

Call to Order:

A meeting of the State Retiree Benefits Trust Fund Board (“SRBTF Board” or “Board”) was held on Thursday, September 7, 2023 via remote participation pursuant to the Open Meeting Law, G.L. c.30A, §20, as amended.

A quorum being present at the meeting was called to order at 9:35 a.m. The SRBTF Board members or designees present for all or part of the meeting and participating remotely were: Kathleen Bramlage, Theresa Flynn, James Rust, John Parsons, Michael Tow and Bill McNamara. All participants were notified that this meeting would be audio recorded. All votes were taken via roll call.

Also present for all or part of the meeting were: Francesco Daniele and Emily Greene of the Pension Reserves Investment Management Board (“PRIM”), Katherine Hesse of Murphy, Hesse, Toomey & Lehane, LLP, Jeff Moyer of the State Auditor’s Office and Courtney Reeves.

**I. Approval of the May 11, 2023 Meeting Minutes**

The Chair asked the Board to consider the minutes of the May 11, 2023 meeting.

On a motion made by Mr. McNamara and duly seconded by Ms. Flynn, the Board took the following action.

VOTED: To approve the minutes of the May 11, 2023 Board Meeting.

Mr. Rust -	Yes
Mr. McNamara-	Yes
Ms. Flynn -	Yes
Mr. Parsons-	Yes
Mr. Tow-	Yes
Ms. Bramlage-	Yes

**II. GIC Transfer**

The Chair turned to Mr. Rust to discuss the GIC Transfer Process. Mr. Rust explained that the GIC transfer is used to fund benefits for healthcare for retirees. The transfer of \$550 million was budgeted and approved for fiscal year 2024. The transfer occurs on a monthly basis in order to pay for those benefits.

On a motion made by Mr. McNamara and duly seconded by Ms. Flynn, the Board took the following action.

VOTED: To approve the GIC transfer for fiscal year 2024 of \$550,000,000.

Ms. Flynn -	Yes
Mr. McNamara-	Yes
Mr. Parsons -	Yes
Mr. Rust-	Yes
Mr. Tow-	Yes
Ms. Bramlage -	Yes

### III. Investment Report

The Chair invited Mr. Daniele to give the market update.

Mr. Daniele reviewed the performance for the fiscal year ended June of 2023. He stated that this fiscal year experienced positive returns. The PRIM fund returned 6% in the fiscal year, which included strong positive gains in each of the last three quarters of the year. US equities were up 19.7%, developed international equities were up 17.5%, emerging market equities were up 9.1% and the diversified basket of bonds were down roughly 1%. In the previous quarter ending March, the fund recorded a 3.6% increase, which was preceded by a positive quarter of 1% in December 2022. Mr. Daniele expressed that this development is encouraging as it signifies two consecutive quarters of gains after the prolonged market sell-off in 2022.

Mr. Daniele stated that the highest performing asset classes for PRIT were global equities which were up 17.4%, value-added fixed income was up 7.7%, timberland was up 5.9% and core fixed income was down 2.7%. In addition, the real estate portfolio was down 2.8% and private equity was down 3.5%. As a comparison in fiscal year 2022, US equities were down 10.6%, international equities were down 17.7%, emerging market equities were down 25.2% and diversified bonds were down 10.3%. Fiscal year 2022 experienced a significant global sell off, however, the PRIT returned a negative 3.0% return which is a strong result in a very weak market.

Mr. Daniele moved to the topic of PRIT's portfolio. He stated that the focus remains on constructing a portfolio that balances risk, return, and cost, which are considered the primary pillars of the organization's philosophy. The strong performance of the portfolio in both strong and weak markets is seen as an indication of its robust construction. He then addressed market downturns stating they are seen as an opportunity to identify and acquire favorable investments. The PRIT fund's private equity component ranks third out of 176 public pension plans, which is based on 10-year returns. The private equity team is ranked eighth in the US for funds managed by diverse managers according to Pension & Investments.

Mr. Daniele turned to other news regarding municipal outreach. Cape Cod Light and Arlington appear to be close to making a final decision on their investment options. He thanked Katherine Hesse for help in discussions with both municipalities and hoped to have more information at the next meeting of the SRBTF.

Mr. Daniele asked if there were any questions.

The Chair thanked Mr. Francesco for his presentation.

#### **IV. Adjournment**

There being no further business, a motion was made by Mr. McNamara and duly seconded by Ms. Flynn, to adjourn the meeting at 10:10 a.m.

Mr. Parsons -	Yes
Mr. Rust -	Yes
Mr. McNamara-	Yes
Ms. Flynn -	Yes
Mr. Tow -	Yes
Ms. Bramlage -	Yes