



Commonwealth of Massachusetts

State Retiree Benefits Trust Fund

Board of Trustees

Henry Clay, Chair

*Deborah B. Goldberg · Matthew Gorzkowicz · William McNamara
William T. Keefe · Catherine Moore · Theresa Flynn · Michael C. Tow*

State Retiree Benefits Trust Board of Trustees

Minutes of the Board Meeting of

September 11, 2025.

As approved by The Board at the 12/11/2025 meeting

I. Call to Order:

A meeting of the State Retiree Benefits Trust Fund Board (SRBTF Board or Board) was held on Thursday, September 11, 2025, 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, were Henry Clay, William McNamara, William Keefe, Catherine Moore and Theresa Flynn. All participants were notified that this meeting would be video recorded. All votes were taken via roll call.

Also present for all or part of the meeting were: Francesco Daniele and Emily Green of the Pension Reserves Investment Management Board (PRIM); Matthew Feeney of Feeney and Feeney Law, LLP; Carolyn Umbach of Lynnfield Water District; and Ingrid Goretti Rica of the SRBTF.

II. Approval of June 12, 2025 Meeting Minutes

The Chair reviewed the minutes of the June 12, 2025 board meeting and asked the Board to consider them.

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

VOTED: To approve the minutes of June 12, 2025 board meeting.

Mr. McNamara – Yes.

Mr. Keefe – Yes.

Ms. Moore – Yes.
Ms. Flynn – Yes.
Mr. Clay – Yes.

III. GIC Transfer – FY26 Proposed Schedule (voting item).

The Chair turned to the next agenda item – the proposed schedule of transfers to GIC. He noted the spreadsheet appeared straightforward and invited any questions or background before proceeding.

Ms. Moore explained that the schedule follows the familiar format used in prior years, with one notable difference: \$100 million of funding this year is coming from an alternate outside source. As a result, monthly totals appear “a little bit lumpy” – elevated in several months, with reductions applied at the start of each quarter (October, January, and April). She emphasized that this pattern reflects the timing associated with the alternate funding source.

Mr. McNamara asked her to briefly describe the alternate funding source and how it fits into the plan. Ms. Moore stated that it involves capital gains funding being accessed this year, which has prompted the adjusted pattern. Mr. Keefe added that PERAC is encountering similar funding structure this year for the same reason.

The Chair asked whether this represents a permanent change. Ms. Moore said she had not heard either way. McNamara offered that his understanding is that it is a one-time change rather than a permanent statutory shift, even if it could recur in the future. Mr. Clay observed that capital gains can be volatile, though, given current conditions, they may be favorable this year.

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

VOTED: To approve the annual schedule of transfers to GIC.

Mr. McNamara – Yes.
Mr. Keefe – Yes.
Ms. Moore – Yes.
Ms. Flynn – Yes.
Mr. Clay – Yes.

IV. Investment Report

The Chair turned to Mr. Daniele to present the investment report.

Mr. Daniele opened his report by greeting attendees and noting that he had circulated the slide materials in advance; he offered to display them if needed. He explained that he would deliver a condensed update, since much of his usual commentary is covered in depth at the PRIM Board Committee meetings. He thanked Mr. Feeney for extensive work with the Lynnfield Water District and welcomed Ms. Umbach, expressing appreciation for her enthusiasm and participation.

To keep the meeting moving, Mr. Daniele said the team would skip Ms. Green's private equity review this session and return to the regular schedule next time. He proceeded with the June quarter review, emphasizing that PRIM closed the fiscal year with an all-time record balance of approximately \$115 billion—surpassing the prior high—and delivered a 9.6% net return, translating to roughly \$10.6 billion of fiscal-year gains, the first such result since 2019. All seven major asset classes posted positive returns despite significant geopolitical tensions and persistent economic and policy uncertainty. He highlighted the team's steady execution: more than \$5 billion was researched and deployed into attractive opportunities during the year, and PRIM experienced no liquidity stress, meeting all funding requirements and capital calls. He attributed this resilience to a well-designed, diversified portfolio intended to include components that can perform across different market environments. He paused for questions on liquidity; none were raised.

On organizational depth, Mr. Daniele reported that PRIM's staff "has never been deeper or stronger." Responding to the Board's prior direction to build the bench, PRIM had no senior staff turnover during the fiscal year, made one external hire, and promoted three internal team members. He briefly reviewed recent recognitions, noting that PRIM's private equity program was ranked 4th by AIC on a 10-year performance basis. He also cited continued adherence to GIPS compliance and the consistent receipt of the GFOA Certificate of Achievement for Excellence in Financial Reporting.

Turning to asset allocation, Mr. Daniele confirmed there were no allocation changes for the fiscal year—PRIM "bakes the cake" annually in the fourth quarter and announces any adjustments at the first Investment Committee meeting. While private markets cannot be rebalanced monthly, the public-market segments are rebalanced as needed to keep the ship in balance. He noted the typical annual "hole in the bucket"—around a 1% drag from required distributions and capital requests—was managed without issue, reiterating that there were no capital-provision challenges this year.

Reviewing one-year performance by strategy, Mr. Daniele reported that Developed International Equity returned close to 20%, U.S. Large Cap Equity returned roughly 15.1%, and the overall PRIT Fund posted a 9.6% net return for the June period (after expenses; he reminded attendees that PRIM's total cost structure is about 53 basis points). Hedge funds—

captured within Portfolio Completion Strategies and overlapping in parts with other credit opportunities—were strong contributors on both an absolute and risk-adjusted basis, with helpful diversification versus public markets. Value-add fixed income and private equity also produced solid results.

On real estate, Mr. Daniele acknowledged ongoing headwinds from higher interest rates. PRIM's portfolio skews toward multifamily, with commercial/office exposure weighted more to medical office than traditional office, which has helped defensively. Given market conditions, valuations, and rate uncertainty, he characterized results as acceptable: roughly flat—about 0.7% for the quarter and 0.9% for the one-year period.

He closed with a brief discussion of diversification, noting that while rank orders of asset-class performance can look similar over certain stretches, outcomes still vary by profile and environment, underscoring the value of broad diversification. With no questions about performance, Mr. Daniele concluded his remarks.

The Chair thanked Mr. Daniele and the team, praising PRIM as a well-rounded, highly competent organization that benefits Commonwealth employees and residents, especially notable in comparison to peers in other states. He again expressed appreciation for the work, and the item concluded.

V. Administrative Issues

A. Consideration of Lynnfield Water District Application

The Chair invited Mr. Feeney to introduce the item.

Mr. Feeney reported that, after several months of work with Attorney David Lucas on behalf of the Lynnfield Water District, all submitted materials had been reviewed and were in good order.

The Chair asked for questions and concerns regarding the documentation. None were raised.

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

VOTED: To approve the Lynnfield Water District application.

Mr. McNamara – Yes.

Mr. Keefe – Yes.

Ms. Moore – Yes.

Ms. Flynn – Yes.
Mr. Clay – Yes.

VI. Adjournment

There being no further business, the Chair initiated the adjournment of the meeting and asked for a motion to adjourn. A motion was made by Mr. Clay, and duly seconded by Mr. McNamara to adjourn the meeting at 9:55 a.m.

Mr. McNamara – Yes.
Mr. Keefe – Yes.
Ms. Moore – Yes.
Ms. Flynn – Yes.
Mr. Clay – Yes.