



Commonwealth of Massachusetts State Retiree Benefits Trust Fund

Board of Trustees

Henry Clay, Chair

Deborah B. Goldberg · Matthew Gorzkowicz · William McNamara
William T. Keefe · Jennifer K. Hewitt · Theresa Flynn · Michael C. Tow

State Retiree Benefits Trust Board of Trustees Minutes of the Meeting of December 11, 2025.

As approved by the Board at the 03/12/2026 meeting

I. Call to Order:

A meeting of the State Retiree Benefits Trust Fund Board (SRBTF Board or Board) was held on Thursday, December 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, Thomas Smith-Vaughan (William McNamara's Designee), William Keefe, Jennifer Hewitt 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; and Ingrid Goretti Rica of the SRBTF.

II. Approval of September 11, 2025 Meeting Minutes

The Chair reviewed the minutes of the September 11, 2025 board meeting and asked the Board to consider them.

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

VOTED: To approve the minutes of September 11, 2025 board meeting.

Mr. Keefe – Yes.

Ms. Flynn – Yes.

Ms. Hewitt – Yes.

Mr. Smith-Vaughan – Yes.
Mr. Clay – Yes.

III. GIC Transfer Discussion

The Chair moved to the agenda item on the GIC transfer, referencing prior discussion in September. Ms. Hewitt reported improved clarity on the source of the \$100M alternative funding and noted she had circulated a memo outlining relevant GAA sections and year-end closeout items, including a \$25M estimate expected to be resolved soon.

Ms. Hewitt raised concerns about timing under the FY26 GAA language calling for periodic determinations of excess capital gains and related transfers. Because GIC must pay vendors, she emphasized funds must arrive early enough in the fiscal year; she anticipated the first two quarters may help, the third could be tight, and the fourth may not be available until FY27, affecting budgeting and communications with A&F.

Mr. Smith-Vaughan agreed the concern was reasonable and said he would confirm the transfer timing with DOR and the statewide accounting team. He noted the process is typically done in four periods (four payments) and not necessarily on a true quarterly schedule; he also suspected Period 3 is often the largest because it captures April tax deposits, and he committed to verify and report back promptly.

Ms. Hewitt then asked whether the Board needed additional approval beyond the prior \$450M vote to move any additional amounts (including the \$100M) as they are received. Henry explained there are two steps—accounting and cash movement—and asked for views. Counsel Matthew Feeney preferred a formal vote on any supplemental amount to keep the process clean, though it was not strictly essential.

Ms. Hewitt noted voting could tighten timing for payments before June 30 and suggested voting at the next meeting on amounts received to date, with a final vote in June if needed. Ms. Goretti Rica proposed an emergency meeting, if necessary, once a firm supplemental number is available. Mr. Keefe asked if a vote was needed immediately; Mr. Feeney and Mr. Clay indicated it was sufficient to state intent now and take formal action later.

The Chair concluded the item would return in March, with the option of a short interim meeting if warranted, and then moved to the next agenda item.

IV. Investment Report

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

Mr. Daniele welcomed Ms. Hewitt to the group and offered support from himself, Ms. Green, and PRIM staff to help her get acclimated, including the option of scheduling a separate deep-dive session. He also greeted Mr. Smith-Vaughan and noted that PRIM typically holds four to five public meetings per quarter, providing ample opportunity to follow discussions and materials in real time.

Before turning to the slides, Mr. Daniele shared an operational update: the Linfield Water District made its initial SRBTF contribution on the first business day of December and was pleased with the overall process, including coordination during pre-onboarding/onboarding and custodian setup. He added that PRIM conducts at least annual outreach with SRBTF clients to keep them informed.

Mr. Daniele then reviewed PRIM's core investment philosophy, emphasizing three equal priorities: generating returns, managing risk, and keeping expenses low. He noted that PRIM would generally prefer a basis-point reduction in costs over a marginal basis-point increase in return because cost savings are reliable and compound over time. He also highlighted a strong emphasis on transparency through public-facing materials and reporting, and described PRIM's diversified portfolio approach as intentionally designed to avoid reliance on consistently predicting markets.

Turning to the quarterly update, Mr. Daniele explained that the discussion reflects information presented publicly at PRIM board meetings. He reported strong market results for September, including a new record balance of roughly \$121 billion and a quarterly PRIT Fund return of 4.4% net of fees. Over the trailing 12 months, PRIT returned 9.6% net, with an investment gain of approximately \$10.6 billion. He also reported that PRIM and PRIT audits were completed, noting that the organization undergoes frequent audits due to multiple separately managed accounts; auditors completed 30 audits and issued clean, unmodified opinions.

Mr. Daniele described PRIM's approach to volatility as disciplined and non-reactive, stating that remaining calm amid uncertainty has been valuable in managing a large fund. He noted strong investment activity, with close to \$5 billion deployed into new investments for the period ending June 30, emphasizing that turbulent markets can create attractive opportunities and that PRIM's long-term structure allows it to take advantage when appropriate. He added that liquidity had not been a concern: despite volatility earlier in the year, PRIM was able to meet funding and cash-flow needs without stress, which he attributed to portfolio design and an "all-weather" approach.

He also provided staffing and organizational updates, reporting strong retention, minimal turnover, one new hire, and five promotions. He shared workforce metrics indicating a diverse and majority-female staff, and noted there were no senior departures over the prior 12 months.

Mr. Daniele highlighted a set of third-party recognitions and reporting standards, including continued achievement awards for financial reporting and ongoing GIPS compliance. He briefly revisited the strategic asset allocation approved earlier in the year, noting no changes were made, and explained that PRIM rebalances monthly as needed to stay within approved ranges rather than managing to exact point targets.

In reviewing performance drivers, he pointed to strong large-cap equity results and noted market concentration effects associated with the “Mag Seven.” He also referenced meaningful international and emerging markets exposure as part of PRIM’s diversification strategy. He then turned the presentation over to Emily Green for an update on private equity.

Ms. Green provided a brief overview of the private equity environment, noting that global M&A remained resilient, sentiment improved during the third quarter, and venture capital showed encouraging signs with IPO activity increasing year over year. She also noted that fundraising remained slow and was projected to come in well below the prior year. She reported that the private equity portfolio delivered another positive quarter, extending a multi-quarter streak of gains, with performance gains across all major strategy types. Over the trailing year, private equity posted solid results, though it lagged large-cap public equities, while outperforming U.S. small caps. She noted that private equity assets reached a new high watermark and remained within the target allocation range, and she reported that the team was seeing a robust pipeline heading into next year. Ms. Green paused for questions before returning the floor to Mr. Daniele.

Mr. Daniele closed with additional context on a “color chart” that illustrates how market conditions and return drivers have shifted over one- and three-year horizons compared with earlier, more stable periods. He noted that PRIM has additional appendix materials available for deeper dives into asset classes such as hedge funds, timber, and credit strategies, and described the chart as a practical tool for connecting market news to how different exposures are positioned within the portfolio.

The Chair invited questions and commented that the upcoming fiscal year would likely be shaped by ongoing uncertainty, including interest rate decisions and global equity dynamics. He expressed that PRIM appeared well positioned and noted that performance benefits stakeholders invested in PRIT.

V. Administrative Issues

A. SRBTF Calendar - CY26 Proposed Meeting Schedule

The Chair transitioned the group to the next agenda item on administrative matters, specifically the proposed meeting schedule for FY2026, and invited any comments or concerns. Ms. Hewitt indicated she had no issues with the proposed schedule.

Ms. Goretti Rica summarized the plan for the coming year: there will be four meetings, all on Thursdays, held remotely at 9:30 a.m. She noted she would circulate calendar invitations for all meetings. No vote was required to approve the schedule.

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. Keefe to adjourn the meeting at 9:55 a.m.

Ms. Hewitt – Yes.

Mr. Keefe – Yes.

Ms. Flynn – Yes.

Mr. Smith-Vaughan – Yes.

Mr. Clay – Yes.