

1 **COMMONWEALTH OF MASSACHUSETTS**
2 **PENSION RESERVES INVESTMENT MANAGEMENT BOARD**

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Minutes of the Board Meeting
Wednesday, February 24, 2021
commencing at 9:32 a.m.

(CONDUCTED REMOTELY)

PRIM Board Offices
84 State Street
Boston, Massachusetts

1 the meeting today will likewise be provided via
2 telephone, with all documents referenced at the
3 meeting available to be viewed on PRIM's website.
4 For those who don't have that, it's
5 www.mapension.com.

6 All persons speaking at today's meeting
7 are asked first to identify themselves. Also the
8 Open Meeting Law requires anyone wishing to record
9 a meeting to first notify the chair so the chair
10 can inform the other attendees. So accordingly, I
11 am informing you that the stenographer from
12 Lexitas is transcribing and also recording this
13 meeting.

14 If anyone else does intend to record
15 today's meeting, please notify Beth Herlihy by
16 email at eherlihy@mapension.com.

17 Tony, jump in there. Is anyone
18 recording or whatever?

19 MR. FALZONE: Yes, Treasurer. We're
20 notified of three different media members that
21 will be recording: Justin Mitchell from *Buyouts*
22 *Insider*, Emily Raby from *Fundmap* and Colin Young
23 from State House News Service will be recording
24 the meeting.

1 Thank you.

2 TREASURER GOLDBERG: Okay. All right.

3 Additionally, the Attorney General's
4 guidance on holding remote meetings during the
5 COVID-19 state of emergency reads as follows. At
6 the start of the meeting, the chair must announce
7 the name of the member or members who are
8 participating remotely.

9 I will now announce the names of all
10 PRIM Board members who are participating in
11 today's meeting. Me, Treasurer Deb Goldberg. Bob
12 Brousseau is not on yet.

13 Oh, you're on, Bob. Okay. Good.

14 MR. BROUSSEAU: Yes.

15 TREASURER GOLDBERG: Ruth Ellen Fitch,
16 Jim Hearty, Theresa McGoldrick.

17 Have we heard from Peter Monaco yet?

18 MR. FALZONE: He is on the line.

19 TREASURER GOLDBERG: Hi, Peter.

20 Welcome.

21 MR. MONACO: Thanks, Madam Treasurer.

22 TREASURER GOLDBERG: Dennis Naughton,
23 Carly Rose and Paul Shanley, who got rid of the
24 Zoom advertising off of his screen.

1 Okay then. Now, why does the board book
2 always close when I need it?

3 I'm assuming that the first item on the
4 agenda, that I would know by heart, is a motion on
5 the last meeting, correct?

6 MR. FALZONE: Correct. Minutes for the
7 last meeting.

8 TREASURER GOLDBERG: Sue, keep track of
9 things in case I -- I have two iPads, my laptop
10 and paper that was sent to me this time.

11 I would seek a motion to approve the
12 minutes of the last Board meeting. Is there a
13 motion?

14 MR. BROUSSEAU: So moved.

15 MR. NAUGHTON: Second.

16 TREASURER GOLDBERG: Any questions,
17 comments, revisions, differences of opinion?
18 Anything at all?

19 Hearing none, we're doing a roll call.

20 Bob?

21 MR. BROUSSEAU: Yes.

22 TREASURER GOLDBERG: Ruth Ellen?

23 MS. FITCH: Yes.

24 TREASURER GOLDBERG: Jim?

1 MR. HEARTY: Yes.

2 TREASURER GOLDBERG: Theresa?

3 MS. MCGOLDRICK: Yes.

4 TREASURER GOLDBERG: Peter?

5 MR. MONACO: Yes.

6 TREASURER GOLDBERG: Dennis?

7 MR. NAUGHTON: Yes.

8 TREASURER GOLDBERG: Carly?

9 MS. ROSE: Yes.

10 TREASURER GOLDBERG: Paul?

11 MR. SHANLEY: Yes.

12 TREASURER GOLDBERG: Myself, yes.

13 The motion carries.

14 Okay. Here we go. I am going to be

15 Michael Trotsky, and I'm going to do the next

16 35 minutes. Take it away.

17 MR. TROTSKY: I won't take that long.

18 Can everyone hear me okay?

19 TREASURER GOLDBERG: Want to bet?

20 MR. TROTSKY: Yes.

21 TREASURER GOLDBERG: We have a book

22 going.

23 MR. TROTSKY: How much you want to bet?

24 Since we met three weeks ago and we went

1 through everything, I'll try to be brief today.

2 Treasurer, despite your cough, your
3 voice sounds very strong, and we're very happy you
4 and Michael are recovering --

5 TREASURER GOLDBERG: Thank you, Michael.

6 MR. TROTSKY: -- it seems swiftly. You
7 seem energetic. I know you were on 15 minutes
8 early today so we're really happy to hear that.
9 Keep it up.

10 TREASURER GOLDBERG: 17. 17 minutes. I
11 mean I had a long commute. There was a lot of
12 traffic.

13 MR. TROTSKY: Yes. So thank you.

14 A reminder. Let's just everyone take a
15 minute to look at your screen, and please keep
16 your microphones on mute during the presentations,
17 and take your microphones off mute when we're
18 taking votes or if you have questions.

19 I have some organizational updates,
20 nothing new, but I do need to review them again
21 and enter them into the minutes. And I'll provide
22 a brief overview, briefer than the last time, of
23 markets and PRIT Fund performance. The most
24 recent performance is December 30, and we reviewed

1 that in great detail during the committee meetings
2 three weeks ago.

3 But to recap performance, the PRIT Fund
4 now stands at \$87 billion, and that was another
5 new all-time high. Markets have been up since
6 then as well. So we expect continued improvement
7 on that.

8 The six-month return ended December 2020
9 of 16.6 percent was the largest six-month return
10 in PRIM's entire 37-year history. And that
11 surpassed the previous high return of 15.7 percent
12 for the six-month period ending in June of 1986.
13 The relative return for the six-month period is
14 also the strongest in our history. The PRIT Fund
15 beat its benchmark by nearly 4 percent. 388 basis
16 points, to be precise.

17 I will not be referring to any slides.
18 We did that in the committee meetings, but
19 performance information is in the materials for
20 your reference, and asset class heads will be
21 reviewing performance of their asset classes in
22 more detail later in the agenda, but really the
23 summary is this.

24 For the calendar year 2020, the PRIT

1 Fund, this is for the full 12 months, the PRIT
2 Fund gained 12.1 percent, net of all fees, and
3 that outperformed its benchmark by 132 basis
4 points.

5 That return equates to an investment
6 gain of nearly \$10 billion on the year.
7 \$10 billion. And that was approximately
8 \$1 billion above our benchmark return, an
9 indication that our managers and our strategies
10 are outperforming, which is a good thing. Net
11 outflows to pay benefits were approximately
12 \$1.5 billion during the year.

13 All major asset classes had positive
14 returns for the year, led by private equity, which
15 led by a lot, with a 24 and a half percent net
16 return. 24 and a half percent net return for the
17 year.

18 Global equities were next with a
19 15.7 percent return, and core fixed income was
20 also very strong. That's unusual, to have both
21 equities and fixed income strong. Core fixed
22 income was up 12 percent for the 12 months.

23 The PRIT Fund continues to perform well
24 in both up and down markets. Down markets like we

1 saw in the March quarter during the onset of the
2 COVID -- I can't believe it. It's a year ago.
3 During the onset of COVID, we had admirable fund
4 performance, but also in up markets like in the
5 September and December quarters where we
6 participated strongly in the rebound in the
7 markets.

8 In recent months, market participants
9 frequently looked beyond any near-term bad news
10 such as increases in positive tests and COVID-
11 related deaths, logistical problems delivering the
12 vaccine, and emergent variants of the virus. And
13 they looked beyond those problem areas to bright
14 spots in economic data such as continuing growth
15 of GDP, a rebound of GDP growth, a rise in U.S.
16 industrial production and a very healthy housing
17 market, for example.

18 Market participants seem to be focused
19 at the moment on a few hopeful developments.
20 Number 1, the Biden administration is promoting a
21 new \$1.9 trillion stimulus package. And that is
22 viewed as good news for the economy, at least in
23 the near term.

24 Two, a new, more centralized federal

1 response to the virus is expected to finally
2 curtail it, and the near-term trends are very
3 encouraging as I'm sure everyone's read about.

4 And three, signals that the Federal
5 Reserve and the Department of Treasury will work
6 closely together and continue to be accommodative
7 under the new Treasury Secretary Janet Yellen.
8 And Jerome Powell actually spoke yesterday, both
9 of them have spoken in the last week, about the
10 need to remain accommodative and supportive until
11 a sustained rebound is realized.

12 There's still a lot of economic,
13 political, and public health uncertainty to
14 monitor. At the Investment Committee meeting, we
15 discussed many of the factors at play -- economic,
16 political, public health, behavioral and social --
17 and we concluded that these influences may result
18 in continuing market volatility.

19 And as a result, we completed the 2021
20 asset allocation analysis with a recommendation to
21 stay the course. No material changes. PRIM's
22 asset allocation model uses an internally
23 developed quantitative technique, which maximizes
24 the probability of achieving our dual objective.

1 And to remind you, our dual objective
2 is, one, to earn the actuarial rate-of-return
3 target, which currently is 7.15 percent, long
4 term. And the second objective is to achieve no
5 drawdowns of more than 20 percent over a three-
6 year period.

7 Now, we try to engineer a portfolio that
8 has the best odds of meeting the dual objective
9 every year. We believe our current asset
10 allocation policy will position the PRIT Fund well
11 to perform in a variety of market conditions and
12 outcomes. You will hear from Maria Garrahan later
13 this morning and vote on the recommendation that I
14 just outlined.

15 That's the end of my commentary about
16 markets and PRIT Fund performance. I do have some
17 important organizational updates.

18 First, the Treasurer is nominating Phil
19 Perelmuter. He is not on the line today. He was
20 at the committee meetings. First, the Treasurer
21 is nominating him to become an Investment
22 Committee member, and you will all vote on this
23 after my remarks.

24 Phil recently retired from Wellington

1 Management after 25 years. For 11 years, he
2 served as one of the firm's three managing
3 partners in addition to his roles as a portfolio
4 manager, the director of investment research and
5 the head of EMEA during a five-year assignment in
6 London.

7 Before joining Wellington, Phil worked
8 in institutional sales at CS First Boston and as a
9 financial advisor at Merrill Lynch. He graduated
10 *magna cum laude* from Princeton and has an MBA from
11 the Harvard Business School.

12 He has served as a member of the UK
13 Diversity Project's CEO Advisory Board and the
14 Advisory Committee of the Boston Latino Legacy
15 Fund. And he currently serves on the national
16 board of the Posse Foundation.

17 He is the son of Cuban immigrants and
18 was born and raised in the Little Havana section
19 of Miami, Florida. He and his wife currently live
20 in Needham -- my hometown, where I was born -- and
21 have three adult children.

22 We are extremely grateful that Phil has
23 agreed to join our Investment Committee. I've
24 already had several orientation meetings with him.

1 He's met or at least virtually met with many other
2 people. And I have no doubt that his experience
3 and his insights and his interest will be
4 invaluable to us.

5 Next, as you know, Mike Bailey recently
6 left PRIM to take a position at Fidelity
7 Investments. Mike Bailey was our director of
8 private equity. We wish Mike well in his new
9 position, and we are grateful to him for his
10 service to PRIM and the Commonwealth.

11 His contribution to PRIM was exceptional
12 during his eight-year tenure at PRIM. He cemented
13 PRIM's legacy as having the top private equity
14 portfolio in the country -- and I told you just a
15 moment ago how strong the performance is -- year
16 after year. He's a gentleman, an exemplary
17 employee and a role model for many at PRIM, and
18 he'll be sorely missed.

19 Michael McGirr has been promoted to the
20 new director of private equity after nearly seven
21 outstanding years on the team. We're really
22 fortunate to have such a strong member of the team
23 to take over to ensure continuity.

24 Michael has consistently been one of the

1 highest performing and most valued employees at
2 PRIM. He works very hard. He's very highly
3 respected by his colleagues and the entire private
4 equity industry, for that matter. He and the team
5 established and built a rigorous consistent
6 investment process to guide private equity
7 portfolio construction and manager selection.

8 In addition to his daily
9 responsibilities managing some of PRIM's most
10 important private equity relationships and
11 sourcing important new ideas, he's been leading
12 private equity's cutting-edge research, really
13 brought us into focus on the growth equity area
14 and also on the small-/medium-sized private equity
15 firms. He led that charge.

16 He was also responsible for managing
17 Sarah Zatoonian and Eliza Haynes, private equity's
18 two investment analysts, and he has mentored
19 several PRIM summer internships on the private
20 equity team.

21 He joined in April of 2014 from Bain
22 Capital in Boston, where he was an investment
23 manager. Prior to Bain, Michael worked at the
24 Minnesota State Board of Investment, where he was

1 a portfolio manager of an alternative investments
2 portfolio with \$9 billion in assets.

3 He graduated with a Bachelor of Science
4 in Finance from the University of Richmond. And
5 interestingly enough, he began his career after
6 the University of Richmond as a professional
7 baseball player, where he was a pitcher in the
8 Oakland Athletics system.

9 He later earned an MBA from the Johnson
10 Graduate School of Management at Cornell
11 University. He is a CFA, a Chartered Financial
12 Analyst, a member of the CFA Society of Boston.
13 And he's also a member of the Institutional
14 Limited Partners Association, the ILPA, Content
15 Committee.

16 In addition, in 2018, Treasurer Deb
17 Goldberg awarded Michael the Commonwealth Citation
18 for Outstanding Performance. He lives with his
19 wife and three young daughters in Winchester.

20 Please join me in congratulating Michael
21 McGirr. We have a ton of confidence in you.

22 And also in thanking Mike Bailey and
23 wishing him well.

24 TREASURER GOLDBERG: I'm applauding,

1 Michael.

2 MR. TROTSKY: Next -- and I think I saw
3 Shannon on -- I'm pleased to announce that Shannon
4 Ericson joined the risk team last month,
5 reporting to Jay Leu. Shannon is joining the risk
6 team as a senior investment officer.

7 She brings over 20 years of investment
8 industry experience, including 15 years with LMC
9 Investments as a quantitative portfolio manager
10 and developed international and emerging markets
11 equities. That was her focus.

12 Prior to that, Shannon served as a
13 quantitative analyst in international equities at
14 Evergreen Investments and at Independence
15 International Associates.

16 More recently, Shannon was an asset
17 allocation portfolio manager at Brighthouse
18 Financial. She earned a Bachelor of Science in
19 Finance from Bentley College and an MBA also from
20 Bentley College. She is also a CFA, a Chartered
21 Financial Analyst.

22 And we're very excited to have you,
23 Shannon. We're excited to have you join the team.
24 I know you're off to a great start. Welcome.

1 MS. ERICSON: Thank you.

2 MR. TROTSKY: And last, but certainly
3 not least, it is with very sad and happy mixed
4 emotions that I had to announce earlier in the
5 month that Paul Todisco, PRIM's very legendary
6 head of client services, is retiring at the end of
7 March.

8 And, you know, I didn't say this during
9 the committee meetings, but the truth of the
10 matter is that Paul and I have had this ongoing
11 discussion about his retirement for several years
12 now. And I feel very fortunate that I was able to
13 convince him to stay as long as he has, for at
14 least another three years. He's been great.
15 Every time he threatened to retire, I wouldn't
16 have it. But anyhow, the time is finally here.

17 Paul is a very special individual, and
18 he's dedicated to PRIM and to serving the public.
19 He's dedicated his career to that for almost
20 40 years, including 31 years with PRIM.

21 He created our modern client services
22 program, including his work on legislation that
23 created the highly successful segmentation
24 program. That's the program that allows local

1 retirement systems to invest in the PRIT Fund's
2 individual asset sleeves à la carte, if you will.
3 They can buy individual asset class sleeves as an
4 alternative to investing in the total PRIT Fund.
5 And that's been a very, very popular and
6 successful program.

7 We'll sorely miss Paul's historical
8 knowledge of PRIM. There is simply nobody who has
9 Paul's total and actually unbelievable recall of
10 all facts and matters related to PRIM. He has an
11 uncanny memory for the people, the laws, the
12 events and the dates that have shaped PRIM. He is
13 our resident historian with a steel trap memory
14 for a lot of these things.

15 TREASURER GOLDBERG: Michael, have you
16 tried to convince him he can't leave? Or that he
17 has to be on call?

18 MR. TROTSKY: We're talking about ways
19 that he may be able to remain on call for us.
20 Yes. Not able to announce anything yet.

21 TREASURER GOLDBERG: All right. A good
22 idea on my part.

23 MR. TROTSKY: He also set the standard
24 for superior client service, and he can often be

1 heard saying, "If it's worth doing, it's worth
2 doing well."

3 In addition to being the asset he is to
4 PRIM, he's an extraordinary person. He's always
5 gracious. Everyone on this call knows that. He
6 never loses his temper or his sense of humor.
7 He's warm, generous. He has a great spirit that
8 makes everyone feel welcome and not only welcome
9 but feel important at PRIM. His knowledge, his
10 hard work, his character, his charm -- yes, you
11 are charming, Paul -- and his integrity have
12 helped guide us all and especially me through
13 thick and thin.

14 He's a very trusted advisor to me. So
15 we hope to have him stay on in some form or
16 fashion.

17 You may also know that he's a gifted and
18 talented musician, playing guitar in a rock band.
19 He's an aficionado of music trivia and of music.
20 He especially loves the Beatles. His first rock
21 concert was seeing the Beatles play at Suffolk
22 Downs.

23 And I think we learned that Jim Hearty
24 was also at that show in the early '60s or maybe

1 another one in town later.

2 MR. HEARTY: No. I was at both shows
3 that the Beatles gave in Boston.

4 MR. TROTSKY: Two. Lucky you. You two
5 are lucky.

6 Paul has played music at several MACRS
7 conferences in recent years. He's a devoted
8 husband and father. And I guess now your family
9 will get to have more of you.

10 So I want to congratulate you, Paul, on
11 a brilliant career. Thank you for your years of
12 service, your friendship, your total dedication
13 to PRIM's success.

14 We announced that we will be renaming a
15 conference room in your honor, and we hope that
16 conference room will remind all those who enter
17 to aspire to the same level of excellence that you
18 did.

19 While I am sad to say goodbye, I'm very
20 happy for you, Paul, because I know the best is
21 yet to come, and you absolutely deserve a
22 wonderful retirement. You've absolutely earned
23 it. So best wishes for you in the next phase.
24 It has been our pleasure, my pleasure, my honor

1 really, to know and to work with you. And we'll
2 all miss you very, very much.

3 And I did promise during the committee
4 meetings and I'll reiterate today that I promise
5 you a retirement party in person once it is safe
6 to do so. And I know most of us here will be
7 there for that.

8 So thank you, Paul.

9 MR. TODISCO: Thank you so much,
10 Michael, and to the board, Treasurer Goldberg.
11 There are way too many people to thank so I won't
12 do it here. I'll save that for the retirement
13 party, but I am truly humbled by all that you
14 said, Michael.

15 And I want to thank the client service
16 team. I want to thank our participants in the
17 fund for all their support over the years
18 personally.

19 And I'm at a loss for the words, but
20 thank you all again so much. Appreciate
21 everything. Thank you.

22 MR. TROTSKY: And Treasurer, that is the
23 end of my comments. I think I made it in less
24 than a half an hour.

1 TREASURER GOLDBERG: But let's not get --
2 okay. I'm unmuted. I pay attention to the rules.
3 I had muted myself.

4 You did. But I'll tell you exactly. It
5 was 20 minutes. Congratulations.

6 But before we move on, I too just want
7 to chip in on these.

8 I look forward, Paul, to the party
9 because it's going to be quite a bash. The
10 escalation of how much fun it will be is based
11 upon the number of years of service, so you can
12 imagine what this is going to be like.

13 Paul is actually very young. He only
14 did the beard and the gray hair because it looks
15 good and it shows how experienced a rock band
16 musician he is.

17 And, Paul, my question for you, though,
18 is did you see Jimi Hendrix at Boston Garden?

19 MR. TODISCO: No, I didn't.

20 TREASURER GOLDBERG: I did, so we can
21 talk about that later. Definitely smashed the
22 guitar during *The Star-Spangled Banner* -- I think
23 he used several guitars -- into his speakers.

24 But all kidding aside, you will be very,

1 very missed. And I know for a fact from talking
2 to my friends out there in the city and town how
3 much they think of you and how much they will all
4 miss you, as will we.

5 But you're entitled to go put on your
6 leather pants and leather vest with no T-shirt
7 underneath, get a few tattoos on your arms and
8 start prancing around a stage. And we can't wait
9 to come and watch.

10 MR. TODISCO: Thank you so much. I'll
11 get on that right away. Thank you, Treasurer. I
12 appreciate it.

13 TREASURER GOLDBERG: And high-heeled
14 boots. We'll get you a pair of Kiss's boots.

15 MR. TODISCO: I definitely need that,
16 the height.

17 TREASURER GOLDBERG: We'll get you the
18 Kiss boots.

19 And getting completely off-topic, my son
20 and I -- there are some of you who may know that
21 Aerosmith is from Boston. And so Tom and Terri
22 Hamilton -- they're, like, completely normal
23 people, by the way -- and they were friends of
24 ours. And we went to a concert, and we were

1 backstage with them.

2 And my son was about 12. My son's a
3 musician. He's a gifted jazz musician, but he
4 does love hard rock.

5 And I'm sitting there with him. And he
6 goes, "Kiss is in the house." And he kept on
7 telling me Kiss was in the house.

8 I had no idea what he was talking about.
9 I was like, "What does he mean, Kiss is in the
10 house? Is he kissing me in the house?"

11 And I turn, and I look, and these guys
12 walk in with the big black hair, the makeup. The
13 boots were like 6 feet high. It was the funny --
14 they were the opening act for Aerosmith down at
15 the Tweeter Center or whatever. Great Woods.

16 And we were guests of Aerosmith. So it
17 was pretty cool.

18 But I can get you a job with Kiss or
19 Aerosmith, whichever you want.

20 MR. TODISCO: I think Aerosmith would be
21 my preference.

22 TREASURER GOLDBERG: They haven't been
23 getting along with Steven so maybe you can be the
24 lead singer.

1 MR. TODISCO: I don't know if I could
2 hit those notes, but thank you.

3 TREASURER GOLDBERG: Anyhow, with that,
4 now we have arrived at the 30-minute mark, Michael
5 Trotsky. I wouldn't want to break our record.

6 And so let's see. Do you --

7 MR. TROTSKY: I just need to say a few
8 words on annual plans. That's the next thing.

9 TREASURER GOLDBERG: Right. That was
10 what I was going to --

11 MR. TROTSKY: But I have to kind of
12 regroup my thoughts because the visual of Paul
13 dressed like that is very disturbing. It's very
14 disturbing to me.

15 TREASURER GOLDBERG: Have no fear. I
16 would never suggest that you might be in that kind
17 of outfit. Now that would be really funny.

18 MR. TROTSKY: Why do you think that
19 would be so funny?

20 TREASURER GOLDBERG: We'll discuss it
21 offline.

22 MR. TROTSKY: Anyhow the next -- I'll go
23 quickly through this because we also went through
24 this, but each year, senior staff members prepare

1 annual plans for the calendar year. And this
2 year, obviously we're in 2021. Those annual plans
3 are attached at Appendix D and also are summarized
4 in the expanded agenda.

5 The plans are largely a continuation of
6 the work we've done in the past, with a few new
7 additions that I'd like to highlight. I've
8 received some feedback on the annual plans. We
9 modify them a little bit. And I'll take any
10 feedback that the board has after the meeting.

11 And once that feedback is incorporated
12 in and the annual plans are updated, they become
13 our marching orders.

14 But this year, as you know, the new
15 investment equity legislation that passed is a
16 major focus of our team, and that is a new
17 objective for this year. David Gurtz, director of
18 public markets, will lead the effort there, and
19 we've talked about that.

20 And Eric Nirenberg's strategy area under
21 Bill Li will be continuing to carve out
22 directional components of hedge funds, directional
23 as opposed to stable value. That's a new
24 direction for us.

1 In risk, Jay and Shannon will be
2 conducting a comprehensive benchmark review as
3 part of our normal benchmark review process that
4 we do periodically over time.

5 And Jay -- really, it's a great asset.
6 Jay's experience in fixed income has been a great
7 asset. And he's helped us identify and
8 potentially implement lower borrowing costs for
9 our real estate program. We'll be investigating
10 that this year. That's a new focus.

11 In public markets, under Dave Gurtz
12 also, we'll be conducting a routine review of our
13 investment policy statement to see if any updates
14 are needed.

15 Private equity. Mike McGirr, you've got
16 your work cut out for us. You're getting a lot of
17 cash returned to you, and we're expecting more of
18 you. The asset allocation proposal that the board
19 will be voting on momentarily just slightly raises
20 the target of private equity. So it means that
21 your commitment goal will go up to somewhere
22 between \$2.1 billion to \$2.7 billion in the year.

23 And I think in order to do that, you'll
24 be raising your co-investment capacity also. So

1 that's a lot of hard work and a lot of funds to
2 research and become familiar or comfortable with.
3 I know you're also planning new private equity
4 research in private equity replication, and that
5 will be interesting.

6 In operations, again, the finance and
7 administration team under Tony and Deb will need
8 to improve access to diverse vendors and develop
9 our tracking of those managers and track our
10 progress on diversity hiring as well.

11 Under Michelle in human resources, we've
12 embarked upon a firm-wide talent assessment to
13 support succession planning, number 1, and also to
14 make sure that we have no gaps in talent on our
15 team.

16 The board has consistently over the
17 years told me that we are lean, and in fact, we
18 are by most measures one of the leanest, if not
19 the leanest, public pension plan in the country in
20 terms of investment professionals and the dollars
21 we manage.

22 And that's a strategic risk. We're
23 going to build out the team. We think it's a good
24 time to do that. It's been a multi-year project,

1 and we're going to continue to hire people to
2 build out the team.

3 In client services, we are discussing
4 holding a virtual PRIM investor conference. We're
5 due for one of those. We'll probably do it in the
6 spring or early summer.

7 And to replace Paul, we are actively
8 looking to hire a senior client services officer.
9 No one can replace you, Paul. But we're going to
10 try to hire a senior level person to fill out that
11 team.

12 So again, if you have any feedback after
13 reviewing the annual plans, please get back to me,
14 and we'll incorporate that feedback, and then
15 those plans become our marching orders. So thank
16 you very much.

17 That's the end of my comments.

18 TREASURER GOLDBERG: Are there any
19 questions for Michael before I move on to the
20 first voting item? Any questions at all?

21 Okay. Then our first voting item goes
22 back to Michael letting you know about Phil
23 Perelmuter, who I feel very fortunate that we are
24 able to have him join our group. A truly talented

1 person, who is available to us because of the fact
2 that he made the decision to retire and move back
3 from London to Boston. And I think he will make a
4 tremendous committee member and will make great
5 contributions to the fund.

6 So with that, I would seek to approve
7 the chair's recommendation to appoint Phillip H.
8 Perelmuter to the Investment Committee, and
9 further to authorize the executive director to
10 take all actions necessary to effectuate this
11 vote.

12 Is there a motion?

13 MS. FITCH: So moved.

14 TREASURER GOLDBERG: Is there a second?

15 MR. SHANLEY: Second.

16 TREASURER GOLDBERG: This is a roll call
17 vote.

18 Bob?

19 You're on mute, Bob. I'll come back to
20 you.

21 TREASURER GOLDBERG: Ruth Ellen?

22 MS. FITCH: Yes.

23 TREASURER GOLDBERG: Jim?

24 MR. HEARTY: Yes.

1 TREASURER GOLDBERG: Theresa?

2 Theresa? I know she was here.

3 MS. MCGOLDRICK: Yes. Sorry.

4 TREASURER GOLDBERG: Thank you.

5 Peter?

6 MR. MONACO: Yes.

7 TREASURER GOLDBERG: Dennis?

8 MR. NAUGHTON: Yes.

9 TREASURER GOLDBERG: Carly?

10 MS. ROSE: Yes.

11 TREASURER GOLDBERG: Paul Shanley?

12 MR. SHANLEY: Yes.

13 TREASURER GOLDBERG: And Bob, are you

14 off mute?

15 MR. BROUSSEAU: Yes. I vote yes.

16 TREASURER GOLDBERG: Okay. And myself,

17 yes. The motion carries.

18 Okay. That was the first vote.

19 Now investment report. We will begin

20 with strategy group.

21 And now please remind me. Should I do

22 the motion and -- shall we start off with just a

23 report and then do the vote? Should I ask for a

24 motion and a second and then Eric have us talk

1 about the vote? Or how do you want to do this?

2 MR. NIERENBERG: Treasurer, thank you
3 very much. I would suggest that we just start
4 with the report and Maria present her asset
5 allocation research and then take a vote after
6 that.

7 TREASURER GOLDBERG: Okay. So then that
8 is what we will do. So take it away, strategy
9 team.

10 MR. NIERENBERG: Well, thanks very much,
11 everyone. It's great to see everyone virtually
12 again. Hopefully we'll be in person soon.

13 I have the pleasure of introducing our
14 annual asset allocation research, which Maria
15 Garrahan spearheads as our director of research.

16 And as Michael alluded to before,
17 there's not a lot of major changes that we're
18 making here, and that's by design. We are
19 strategic investors with a very long-term view.
20 And as such, we really try to be very careful
21 about the changes we make.

22 It's important to stress the relevance
23 of the framework we use, which is both
24 quantitatively rigorous but also quite flexible in

1 that it can easily incorporate lots of different
2 asset classes, strategies and some of the
3 initiatives that Michael mentioned, like the
4 expansion of hedge funds into stable value and
5 directional hedge funds, those two avenues were a
6 product, at least in part, out of asset allocation
7 research. So it really is a glue that ties a lot
8 of the different units and investments at PRIM
9 together.

10 So the plan for the strategy group
11 today, I'm going to have Maria present asset
12 allocation work, which then we'll ask for your
13 vote to approve the asset allocation
14 recommendations for this year.

15 And then I will come back with Bill Li
16 and give a summary of portfolio completion
17 strategies performance for the quarter.

18 With that, I will turn it over to
19 Maria.

20 MS. GARRAHAN: Thank you, Eric.

21 Good morning, everyone. So the 2021
22 asset allocation recommendation represents no
23 major changes to our prior year recommendation.
24 Our recommendation includes a 1 percent increase

1 in the private equity target range, formerly 10 to
2 16 percent, now 11 to 17 percent, and a 1 percent
3 decrease in the portfolio completion strategies
4 target range; 8 to 14 percent now, to 7 to
5 13 percent.

6 The recommendation is really an
7 acknowledgement of the practical limitations on
8 the pace of sourcing within portfolio completion
9 strategies. We have been running at the low end
10 of the range for some time now within PCS.
11 Similarly, we have moved up the target range for
12 private equity to continue to reflect our multi-
13 year effort to slowly grow our private equity
14 allocation.

15 Please turn to Appendix F as I will
16 present some highlights within the PRIM's asset
17 allocation research. Additionally, capital market
18 assumptions from NEPC, our asset allocation
19 consultant, can be found in Appendix G.

20 If you could please turn to slide 2,
21 that would be perfect. Thank you.

22 Great. So as you can see on slide 2, we
23 have PRIM's current asset allocation approved
24 ranges for 2020 on the left-hand side. The middle

1 column shows an exposure as of the end of
2 December 2020. And even now, we are within our
3 ranges.

4 Once again, our asset allocation 2021
5 recommendation includes only two minor changes in
6 target ranges, which will help us continue the
7 same trajectory as past years. Using our same
8 asset allocation methodology, our research
9 continues to find private equity as an attractive
10 asset class.

11 On slide 3, you can see the dual
12 objective that Michael described in his
13 presentation earlier. Our goal is to focus on
14 maximizing the probability of achieving our dual
15 objective here.

16 And on slide 4, at PRIM, our asset
17 allocation methodology uses principal component
18 analysis to view the underlying characteristics
19 across the asset class to better identify areas of
20 diversification.

21 On slide 5, you can see, not
22 surprisingly, the first principal component
23 explains roughly 59 percent of the total PRIT Fund
24 portfolio risk. Our goal is to make the

1 contribution to risk across the principal
2 components more balanced, while maximizing the
3 probability of achieving our dual objective.

4 And we can turn to the final slide, 8,
5 which is our asset allocation 2021 recommendation,
6 which once again focuses on slightly moving the
7 private equity target range up and moving the
8 portfolio completion strategies range down.

9 I'll take any further questions at this
10 time.

11 TREASURER GOLDBERG: Any questions for
12 Maria thus far?

13 Hearing none, is there anything else,
14 Maria, you want to add?

15 MS. GARRAHAN: I'm all set. I'm ready
16 to start the vote.

17 TREASURER GOLDBERG: Okay. Then here we
18 go. I would seek a motion that the PRIM Board
19 approve the Investment Committee's recommendation
20 to adopt the 2021 asset allocation as described in
21 Appendices F and G of the expanded agenda, and
22 further to authorize the executive director to
23 take all actions necessary to effectuate this
24 vote.

1 Is there a motion?

2 MR. SHANLEY: So moved.

3 MR. BROUSSEAU: Second.

4 TREASURER GOLDBERG: Okay. Ready for
5 the roll call?

6 Everybody unmute, please. And here we
7 go.

8 Bob Brousseau?

9 MR. BROUSSEAU: Yes.

10 TREASURER GOLDBERG: Ruth Ellen Fitch?

11 MS. FITCH: Yes.

12 TREASURER GOLDBERG: Jim Hearty?

13 MR. HEARTY: Yes.

14 TREASURER GOLDBERG: Theresa McGoldrick?

15 MS. MCGOLDRICK: Yes. Sorry.

16 TREASURER GOLDBERG: Peter Monaco?

17 MR. MONACO: Yes.

18 TREASURER GOLDBERG: Dennis Naughton?

19 MR. NAUGHTON: Yes.

20 TREASURER GOLDBERG: Carly Rose?

21 MS. ROSE: Yes.

22 TREASURER GOLDBERG: Paul Shanley?

23 MR. SHANLEY: Yes.

24 TREASURER GOLDBERG: Myself, yes. The

1 motion carries.

2 Thank you, Maria.

3 Now, PCS.

4 MR. NIERENBERG: Great. Thank you,
5 Treasurer. Thank you, Board, for your confidence
6 in our continued asset allocation work.

7 Before I turn it over to Bill, who will
8 take you through the hedge fund component, it was
9 a bounce-back quarter for portfolio completion
10 strategies. The absolute returns were quite good.

11 And I'll just report for you real
12 quickly on the real assets piece of it. It was a
13 good quarter for real assets. We had a
14 1.4 percent return, which was above the benchmark.
15 That was led by our agricultural portfolio, which
16 outperformed its benchmark by approximately
17 130 basis points for the quarter. We are happy
18 to see green shoots in that part of the portfolio.

19 With that, I will turn it over to my
20 colleague, Bill.

21 MR. LI: Good morning, everybody.
22 Hedge fund accounts were roughly 80 percent of
23 PRIM PCS. And the hedge fund sleeve for the fourth
24 quarter

1 returned 6 percent versus benchmark's 7 percent.

2 The year 2020 started with an
3 unprecedented shock scenario that sent the book
4 into the red. But the portfolio made up for all
5 the temporary losses and ended up with a positive
6 1.4 percent for the entire calendar year.

7 One observation we want to share with
8 you about the hedge fund industry. Individual
9 funds' performance in 2020 were highly dispersed,
10 largely due to a wide spectrum of risks assumed by
11 managers after the March sell-off. The more
12 cautious funds were more likely to be still stuck
13 in the trough, while the more aggressive ones
14 likely returned better.

15 Therefore, we would look at the 2020
16 figures, especially those high performers, with a
17 grain of salt. We think it's a mix of skill and
18 luck and, in some cases, even unwarranted risks.

19 And the PRIM hedge fund will continue to
20 take a strategic and prudent approach. Part of
21 that initiative is expanding the portfolio into
22 stable value versus directional components so that
23 it will be more explicit going forward what types
24 of risks we're taking here.

1 And that is the update about PRIM hedge
2 fund. Happy to take any questions.

3 TREASURER GOLDBERG: Any questions for
4 Bill?

5 Hearing none, this is not a voting item,
6 unless I'm missing something. No, it's not.

7 Eric?

8 MR. NIERENBERG: Treasurer, thank you.
9 That's it for the strategy group today.

10 TREASURER GOLDBERG: Okay. That's what
11 I thought. I just wanted to make sure.

12 Okay. Then moving on to public markets.
13 Thank you, by the way, strategy group. I
14 appreciate it.

15 Public markets. And we do have a voting
16 item, but that will be after the performance
17 summary.

18 MR. GURTZ: Hi. Good morning. David
19 Gurtz here, updating on performance of the public
20 markets portfolio, but before I get into that, I
21 do want to highlight the new legislation that
22 Michael touched on. And I just want to say we
23 believe the new legislation is a continuation of
24 the important diversity inclusion work at PRIM

1 that we've been doing for a long time now. And we
2 believe that it's going to further increase access
3 to minorities, women and peoples with
4 disabilities.

5 The new law sets goals and formalizes
6 procedures and reporting requirements. PRIM is
7 currently putting in place an implementation plan,
8 and we expect to update you on the plan specifics
9 and our progress at the next meeting. We've got
10 lots of work to do and more to come.

11 And I do want to throw out an invitation
12 to any board member that's very interested in this
13 project to please reach out and let me know
14 because the more help I can get, the better the
15 success of this program will be.

16 So with that, I'm going to just
17 highlight very briefly our public markets
18 portfolio performance, and I'll start with global
19 equities.

20 At the end of 2020, global equities
21 comprised 43.3 percent of the PRIT Fund, slightly
22 below the upper target range of 44 percent. As
23 the equity markets have continued to reach new
24 highs, PRIM has been diligent about consistently

1 and methodically rebalancing the portfolio to
2 remain within our target bands.

3 Since September, PRIM has sold over
4 \$2 billion in global equities to stay below the
5 44 percent upper end of the target range.

6 After all the extreme market moves in
7 2020, global equities returned a terrific
8 15.9 percent gross return or 15.7 net,
9 outperforming the benchmark by 64 basis points or
10 38 basis points, net of fees.

11 U.S. developed international and
12 emerging market equities all produced double-digit
13 returns and added significant relative value.
14 Generally most of this relative return was driven
15 by our growth managers posting great returns as
16 common themes such as a shift towards online
17 commerce and a focus on medical device and
18 equipment makers paid off in 2020 as COVID really
19 accelerated these themes.

20 Just a couple standout performers were
21 our U.S. small cap and our developed international
22 portfolios.

23 The PRIT Fund's best asset class in 2020
24 was our \$4 billion U.S. SMID, small and microcap

1 portfolio, which returned an impressive
2 27.5 percent, outperforming its benchmark by over
3 400 basis points, a truly spectacular return when
4 you considered approximately 45 percent of this
5 portfolio is passively managed.

6 The \$12.5 billion developed
7 international portfolio also posted double-digit
8 returns in 2020, returning 11.7 percent, really
9 thanks in part to our managers outperforming the
10 benchmark by over 300 basis points. Again,
11 impressive numbers when you consider 40 percent of
12 this portfolio is passively managed.

13 Turning briefly to our fixed income
14 portfolio, similar to our equities portfolio, all
15 of the strategies returned positive absolute
16 returns, and nearly all strategies posted positive
17 relative returns.

18 The STRIPS portfolio was the best-
19 returning fixed income strategy, returning
20 24 percent in 2020, thanks to long rates falling
21 77 basis points, providing much of that return in
22 Q1 as equities crashed, playing its role as a
23 diversifier to the PRIT Fund.

24 PRIM's AGG managers returned

1 8.5 percent, outperforming the benchmark by
2 1 percent, while high yield returned a similar
3 8.2 percent return, outperforming its benchmark by
4 an impressive 2.2 percent.

5 And lastly, other credit opportunities
6 has been building up its AUM over the last few
7 years and now is approximately 1 percent of the
8 PRIT Fund. OCO returned 7.7 percent for the year,
9 outperforming its benchmark by an impressive
10 400 basis points.

11 While it's early days for most of these
12 strategies, they have shown to be resilient during
13 the recent market volatility, and this portfolio
14 has also been a great source of collaboration
15 across all asset classes here at PRIM, and that
16 will be evident as Christina Marcarelli will be
17 highlighting the newest OCO recommendation just
18 now.

19 But I'll pause there if there's any
20 questions before turning it over to Christina for
21 the voting item.

22 TREASURER GOLDBERG: Any questions for
23 David?

24 Okay, Christina. Why don't you go

1 ahead?

2 MS. MARCARELLI: Great. Thanks, Madam
3 Treasurer. Thanks, Dave. Good morning to all of
4 you.

5 I'm joined by Chuck LaPosta. I don't
6 know that he's on camera right now, but I do want
7 to acknowledge that this was a collaborative
8 effort, as Dave mentioned.

9 We're recommending a follow-on
10 investment of up to \$150 million in the Berkshire
11 Multifamily Debt Fund III to be held in the Other
12 Credit Opportunities allocation.

13 This would be our second investment with
14 the sponsor, the Berkshire Group, a Boston-based
15 firm with extensive experience owning and
16 operating multifamily properties across the
17 country.

18 This is the second fund of the same
19 strategy, which will be to invest in subordinate
20 bonds of Freddie Mac loan securitizations, known
21 as B-piece bonds, which refers to the first-loss
22 position in the debt stack.

23 The underlying loans in the pool are
24 collateralized by stabilized workforce properties

1 that are diversified across geography and
2 sponsors.

3 The previous fund is tracking according
4 to expectations. Berkshire has been able to
5 consistently maintain their position in the
6 rotation in what is a relatively limited group of
7 B-piece buyers that Freddie Mac will sell to.

8 A couple things to point out. The size
9 of the fund has increased. The target for this
10 fund is 1.5 billion with a hard cap of 1.85 billion
11 versus the previous fund of 1.25 billion. PRIM's
12 commitment has increased from about 54 million in
13 the previous fund to a recommended 150 million in
14 this fund. 54 million was all we were able to get
15 with the previous fund. We actually wanted more
16 exposure. So between the two funds, approximately
17 200 million of total exposure is something we're
18 comfortable with.

19 The things that we like about this
20 strategy are the strong risk-adjusted returns.
21 While the B-piece bonds represent the first-loss
22 position of the debt stack, we feel we're getting
23 paid for this due to the historically low Freddie
24 Mac multifamily default rates.

1 And the loan-to-values of the underlying
2 loans are between 65 and 70 percent generally.
3 And that adds about 30 to 35 percent of cushion to
4 the first-loss position.

5 We like the underlying collateral.
6 Again, all loans are backed by multifamily assets,
7 namely suburban workforce housing, which has held
8 up relatively well over the past year and remains
9 defensive. And all the collateral is stabilized.
10 There are no transitional or development
11 properties.

12 Lastly, I'll just note Berkshire's
13 experience in this strategy. There are very few
14 investors that Freddie Mac will sell these B-piece
15 bonds to. It's a rotation process usually, and
16 Berkshire has been a part of that since inception
17 of the program in 2009.

18 In the event Freddie Mac does open up
19 the buyer pool, we could see deal flow and
20 potentially returns decrease, but Freddie Mac
21 wants the B-piece buyers to be very experienced
22 multifamily owners and operators so that reduces
23 the potential buyer pool.

24 So with that, I'll open it up for any
 questions.

1 TREASURER GOLDBERG: Are there any
2 questions at all?

3 Then I will seek a motion. I seek
4 approval of Other Credit Opportunities, this
5 follow-on investment recommendation for Berkshire
6 Multifamily, that the PRIM Board approve the
7 Investment Committee's recommendation to approve a
8 commitment of up to \$150 million to the Berkshire
9 Multifamily Debt Fund III as described in the
10 expanded agenda, and further to authorize the
11 executive director to take all actions necessary
12 to effectuate this vote.

13 Is there a motion?

14 MR. SHANLEY: So moved.

15 MR. BROUSSEAU: Second.

16 TREASURER GOLDBERG: Okay. Roll call.

17 Bob?

18 MR. BROUSSEAU: Yes.

19 TREASURER GOLDBERG: Ruth Ellen?

20 MS. FITCH: Yes.

21 TREASURER GOLDBERG: Jim?

22 MR. HEARTY: Yes.

23 TREASURER GOLDBERG: Theresa, unmute.

24 MS. MCGOLDRICK: Yes.

1 TREASURER GOLDBERG: Peter Monaco?

2 MR. MONACO: Yes.

3 TREASURER GOLDBERG: Dennis Naughton?

4 MR. NAUGHTON: Yes.

5 TREASURER GOLDBERG: Carly?

6 MS. ROSE: Yes.

7 TREASURER GOLDBERG: Paul? I know you --

8 MR. SHANLEY: Yes.

9 TREASURER GOLDBERG: Myself, yes. The
10 motion carries. Thank you.

11 All right. Moving right along today.

12 Okay. I think that's it for public
13 markets.

14 MR. GURTZ: Yes. Thanks, everybody.

15 TREASURER GOLDBERG: Thank you very
16 much, and we are moving on to private equity.

17 Michael McGirr, take it away.

18 MR. MCGIRR: Thank you, Madam Treasurer,
19 and thank you to all the board and committee
20 members who were able to reach out and offer their
21 encouragement as I take over Mike Bailey's role as
22 the director of private equity.

23 As Michael Trotsky had mentioned, we're
24 sad to lose Mike Bailey. He's a talented

1 investor. He's extraordinarily smart, thoughtful
2 and all-around great person. I'm excited for him
3 in his new opportunity, and I'm expecting to
4 remain close to him. He is a mentor and a good
5 friend.

6 The good news is he's leaving behind a
7 great team and a great portfolio. I've been at
8 PRIM for seven years. And as Michael Trotsky
9 mentioned, I helped build our team, our strategy,
10 our investment process and our portfolio. Mike
11 Bailey treated me as a partner, and I've been
12 intimately involved in managing every aspect of
13 this program.

14 And the program's performing well.
15 Private equity had a strong quarter for the fourth
16 quarter, up 11 and a half percent, which brought
17 our one-year return to 26.4 percent, 24.5 percent
18 net, as Michael Trotsky had mentioned. And those
19 numbers compare favorably to public equity indices
20 over the same period of time.

21 Our asset value also increased to
22 10.9 billion. That's the biggest it's ever been
23 in PRIM's history for private equity. And our
24 strong calendar year performance for 2020 also

1 brought up our long-term performance number,
2 increased that 10-year rate of return.

3 2020 was also a highly productive year
4 for private equity. We committed \$2.2 billion in
5 new investments. That's the most ever for private
6 equity, 17 funds. And we closed 16 co-
7 investments.

8 And prior to Mike's news, we also had
9 the largest private equity team we've ever had in
10 PRIM's history. Alyssa Fiore, Maria Clements,
11 Sara Zatoonian and I welcomed Eliza Haynes to the
12 private equity team this past year, and she's off
13 to a great start.

14 Now looking ahead, we plan to add to
15 that team in 2021. We've got a big portfolio, a
16 full pipeline and a very busy year ahead. We also
17 plan to keep the momentum going.

18 As you heard earlier and voted on, Maria
19 Garrahan mentioned and your vote brings our target
20 allocation range up to 11 to 17 percent. And that
21 translates roughly to 2.1 to \$2.7 billion in fund
22 commitments and co-investments. And towards that
23 goal, with your approvals later, we'll start out
24 the year with 300 million in new commitments.

1 And looking at our pipeline, it's also
2 highly likely that we'll have a larger-than-usual
3 May IC and board agenda.

4 Now I'll stop my comments there, open up
5 to any questions before we move to our two
6 investment recommendations and our two voting
7 items.

8 TREASURER GOLDBERG: Any questions?

9 MR. MONACO: Yes, Madam Treasurer.
10 Peter Monaco.

11 TREASURER GOLDBERG: Go ahead, Peter.

12 MR. MONACO: Hey, Michael. How are you?

13 MR. MCGIRR: Good, Peter. How are you?

14 MR. MONACO: Congratulations again.

15 A quick one for you. I think it's
16 correct to say that private equity's so-called dry
17 powder is as large as it has ever been, both in
18 absolute and relative terms. In addition, this is
19 arguably supplemented by the ongoing explosion in
20 SPAC-related capital.

21 What are the prevailing valuations in
22 private equity transactions? What is the
23 prevailing norm with respect to the debt employed
24 in the equation, debt to EBITDA? And setting

1 aside the NEPC projection just for the moment and
2 the sake of this little discussion, how do you
3 think about private equity returns, go-forward?

4 MR. McGIRR: Thanks, Peter. That's a
5 great question.

6 2020 really has been a tale of twocities
7 in terms of the valuation ascribed to different
8 types of businesses where all the technology
9 companies in particular not only grew, but also
10 were rewarded by investors via an increase to their
11 valuation multiples.

12 I think the headline numbers that I've
13 seen for 2020 for purchase price, multiple EBITDA
14 is about 11 and a half times EV to EBITDA. And
15 that's pretty similar actually to 2019, but that
16 average doesn't tell the whole story because
17 there's been a huge ramp-up in tech and healthcare
18 valuations. And I think valuations have gone down
19 in other businesses that have struggled and
20 especially whose business models are uncertain.

21 Debt also -- the numbers I've seen have
22 been around 5.7 times debt, debt to cash flow. So
23 percent of LTV, pretty similar to where we were in
24 2019. And certainly the go-forward expectations

1 are difficult to estimate. But I think we've got
2 conviction in our portfolio.

3 And as you know, with a mature portfolio
4 like we have, a lot of the opportunities that we
5 bring to the board and committee are re-up
6 opportunities, opportunities to continue investing
7 with groups who have been performing for us for a
8 long period of time.

9 So I hope that answers or addresses some
10 of your questions.

11 MR. MONACO: Thank you.

12 TREASURER GOLDBERG: Are there any other
13 questions before we move on to -- we have two
14 votes under private equity, a follow-on and -- two
15 follow-ons, actually.

16 Any general questions at all? Or we
17 could move on to the votes.

18 All right then. Mike, who's going to
19 present on the first vote?

20 MR. MCGIRR: Great. Yes. The first
21 investment recommendation is going to be presented
22 by Sarah Zatoonian with JMI.

23 TREASURER GOLDBERG: Okay. Go ahead.

24 MS. ZATOONIAN: Thank you and good

1 morning, everyone.

2 JMI Equity is a technology-focused
3 growth equity firm that was established in 1992.
4 JMI is a high-conviction manager and a re-up for
5 PRIM and also fits into our current strategy focus
6 as we're seeking to invest more in growth equity
7 opportunities.

8 PRIM invested in JMI's prior fund,
9 Fund IX, in 2018. JMI is currently raising their
10 10th fund. JMI X will continue to target high
11 growth software and technology-enabled service
12 companies in North America that have proven
13 business models, defensive market positions and
14 are profitable or have a clear path to
15 profitability. JMI seeks to invest in founder-
16 owned companies with over \$10 million in revenue.

17 JMI generates the majority of their deal
18 flow from their thematic research program that
19 helps to identify market-leading companies. The
20 firm's reputation, having worked with so many
21 software CEOs and entrepreneurs, also helps them
22 gain access to highly quality deals.

23 During their ownership, JMI works with
24 in-house operating partners and external

1 functional consultants to drive value creation
2 through, for example, management team
3 enhancements, improvement to sales and marketing,
4 and M&A.

5 JMI's team is evenly distributed across
6 their two offices in Baltimore and San Diego. The
7 firm has exhibited no senior investment team
8 turnover from their prior fund. However, JMI will
9 execute a transition with Fund X, with Paul Barber
10 stepping back to a chairman role from co-managing
11 general partner. Peter Arrowsmith, who has been
12 at the firm for 24 years, will be elevated to
13 co-managing general partner along with Harry
14 Gruner. This transition was expected and well-
15 planned.

16 JMI is currently raising \$1.7 billion
17 for their 10th fund, and we are recommending a
18 commitment of \$100 million to Fund X.

19 At this point, I'm happy to take any
20 questions or comments on JMI.

21 TREASURER GOLDBERG: I am going to move
22 the vote, and then we can follow it up with any
23 questions.

24 So I would seek a motion that the PRIM

1 Board approve the Investment Committee's
2 recommendations to approve a commitment of up to
3 \$100 million to JMI Equity Fund X, L.P., as
4 described in the expanded agenda, and further to
5 authorize the executive director to take all
6 actions necessary to effectuate this vote.

7 Is there a motion?

8 MR. SHANLEY: So moved.

9 MR. BROUSSEAU: Second.

10 TREASURER GOLDBERG: Okay then. Any
11 questions or comments for Sarah?

12 MR. BROUSSEAU: One question, Madam
13 Treasurer.

14 Sarah, how likely is it that we're going
15 to get the full hundred million dollars?

16 MS. ZATOUNIAN: Yes. So right now,
17 we're penciled in for an \$80 million commitment.
18 JMI is a heavily oversubscribed firm, and that's a
19 \$10 million increase from our \$70 million
20 commitment to Fund IX, which we're very happy
21 about.

22 MR. BROUSSEAU: Thank you.

23 TREASURER GOLDBERG: Any other
24 questions, Bob? Or anyone else?

1 MR. BROUSSEAU: No.

2 TREASURER GOLDBERG: Okay. Then we have
3 a motion. We have a second. I'm going to do a
4 roll call.

5 Bob?

6 MR. BROUSSEAU: Yes.

7 TREASURER GOLDBERG: Ruth Ellen?

8 MS. FITCH: Yes.

9 TREASURER GOLDBERG: Jim?

10 MR. HEARTY: Yes.

11 TREASURER GOLDBERG: Theresa?

12 MS. MCGOLDRICK: Yes.

13 TREASURER GOLDBERG: Peter?

14 MR. MONACO: Yes.

15 TREASURER GOLDBERG: Dennis?

16 MR. NAUGHTON: Yes.

17 TREASURER GOLDBERG: Carly?

18 MS. ROSE: Yes.

19 TREASURER GOLDBERG: Paul?

20 MR. SHANLEY: Yes.

21 TREASURER GOLDBERG: Myself, yes. The
22 motion carries.

23 Okay. Now who is going to do the
24 Thomas H. Lee presentation?

1 MR. MCGIRR: Thank you. Alyssa Fiore
2 will be presenting the next recommendation.

3 TREASURER GOLDBERG: Okay. Thanks,
4 Mike.

5 Go ahead, Alyssa.

6 MS. FIORE: Good morning, everyone. I'm
7 Alyssa Fiore, investment officer on the private
8 equity team.

9 Thomas H. Lee Partners is one of our
10 existing managers that's located here in Boston.
11 And PRIM has a longstanding history going back to
12 1989, and we have made seven prior fund
13 investments with the firm.

14 Fund IX will invest in middle market
15 companies located in North America across Thomas
16 Lee's three core sectors of technology and
17 business solutions, healthcare, and financial
18 services. The firm has a research-driven approach
19 to sourcing and targets high quality companies in
20 sectors with strong secular growth.

21 Thomas H. Lee seeks to execute an
22 operationally intensive value creation strategy to
23 accelerate growth and works with their in-house
24 operating team to identify and implement

1 organization operational improvements, including
2 executing on add-on acquisitions.

3 The firm has a deep bench of senior
4 professionals that have been working together for
5 over 20 years. The investment team is organized
6 around the three core industry groups to drive
7 targeted thematic sourcing, focused market
8 knowledge and sector-specific value creation
9 capabilities.

10 Thomas H. Lee is targeting 4.25 billion
11 for Fund IX, and we are recommending a commitment
12 of up to 200 million.

13 I'm happy to take any questions.

14 TREASURER GOLDBERG: Any questions for
15 Alyssa at all?

16 Okay then. I am going to seek a motion
17 that the PRIM Board approve the Investment
18 Committee's recommendation to approve a commitment
19 of up to \$200 million to Thomas H. Lee Equity
20 Fund IX, L.P., as described in the expanded
21 agenda, and further to authorize the executive
22 director to take all actions necessary to
23 effectuate this vote.

24 Is there a motion?

1 MR. NAUGHTON: So moved.

2 MR. BROUSSEAU: Second.

3 TREASURER GOLDBERG: Okay. Ready? Roll

4 call vote.

5 Bob?

6 MR. BROUSSEAU: Yes.

7 TREASURER GOLDBERG: Ruth Ellen?

8 MS. FITCH: Yes.

9 TREASURER GOLDBERG: Jim?

10 MR. HEARTY: Yes.

11 TREASURER GOLDBERG: Theresa?

12 MS. MCGOLDRICK: Yes.

13 TREASURER GOLDBERG: Peter?

14 MR. MONACO: Yes.

15 TREASURER GOLDBERG: Dennis?

16 MR. NAUGHTON: Yes.

17 TREASURER GOLDBERG: Carly?

18 MS. ROSE: Yes.

19 TREASURER GOLDBERG: Paul?

20 MR. SHANLEY: Yes.

21 TREASURER GOLDBERG: Myself, yes. The

22 motion carries.

23 Okay then. That is all for private

24 equity. So we will move on to Tim and real estate

1 and timberland, which also has one voting item.

2 Thank you.

3 MR. SCHLITZER: Thanks, Treasurer.

4 Good morning, everybody. I'm just going
5 to start with a couple of comments on capital
6 allocation. I'll speak to returns for a moment
7 and then get into the voting item.

8 So we ended the year underweight in our
9 policy midpoints in both real estate and
10 timberland at 8.3 percent and 3.3 percent,
11 respectively, well within the policy range.

12 The NAVs really didn't change. Really
13 it's a function of real estate returning
14 1.1 percent, timberland returning 3.5 percent
15 versus the fund at 12.6 percent. So leading
16 primarily to denominator-driven underweights.

17 Just in terms of net acquisitions in
18 real estate, we were approximately net flat for
19 the year. We made three investments for
20 approximately \$290 million and also sold three
21 investments for \$270 million and took on a little
22 bit of extra debt in the real estate portfolio,
23 25 million through a portfolio refinancing in
24 February, which you may recall.

1 So again, roughly net flat in real
2 estate for the year. There were no timberland
3 transactions in 2020.

4 Just speaking to performance, I just
5 mentioned real estate returned 1.1 percent for the
6 year. That's outperformance of the combined
7 benchmark of 50 basis points. I'd estimate that
8 outperformance increases by about 30 basis points
9 when incorporating the actual December 31
10 benchmark result. So decent relative performance
11 there.

12 Private valuations were up about
13 1 percent in the fourth quarter. Despite some of
14 the headwinds in office and retail, PRIM's
15 industrial and suburban apartment assets actually
16 continued to perform pretty well, a fair amount of
17 strength in those areas.

18 As you probably know, the REIT portfolio
19 and the REIT market had a more difficult year.
20 PRIM's REIT portfolio was down 4.3 percent. I'll
21 note that outperformance was 408 basis points. So
22 one of our managers in particular added a lot of
23 relative value in a very difficult market.

24 Just touching on timberland, the

1 portfolio returned 3.5 percent for the year.
2 That's 340 basis points above benchmark. Same
3 exercise. If I apply the December benchmark, it
4 brings that outperformance down to 273 basis
5 points but still strong outperformance there.

6 A couple points on the regional returns.
7 We had strong outperformance in the Pacific
8 Northwest. Timber prices adjusted upward to
9 reflect what ended up being a pretty resilient
10 market in 2020. And growing demand from
11 homebuilders and exports to Asia as well.

12 The Australian timberland business had a
13 very strong year, benefiting from a recovery in
14 Chinese demand for both timber and commodities
15 more broadly, which also increased the value of
16 the Australian dollar, which increased the
17 carrying value of PRIM's investment.

18 So I will leave it at that on
19 performance and capital allocation, but happy to
20 answer any questions, or I can move into the
21 voting item.

22 TREASURER GOLDBERG: Are there questions
23 for Tim?

24 MR. MONACO: It's Peter, Madam

1 Treasurer. I've got a quick one for Tim.

2 TREASURER GOLDBERG: Go ahead.

3 MR. MONACO: Hi, Tim.

4 MR. SCHLITZER: Hey, Peter. Good
5 morning.

6 MR. MONACO: Good morning.

7 I guess a couple quick ones. You know,
8 to your credit, PRIM's real estate portfolio has
9 long been underweight in office and retail, and
10 overweight in apartment, multifamily and
11 industrial, while also being underweight certain
12 key large geographies or business centers like
13 Greater New York City, LA and San Francisco.

14 \$64,000 question: One year into COVID,
15 what views are you developing about the future of
16 work and its implications for Class A office space
17 in large U.S. cities?

18 And then secondly, and maybe slightly
19 related, it feels to me like a majority of new
20 real estate investment dollars from investors of
21 all stripes are flowing to apartment and
22 multifamily. What are prevailing valuations in
23 the core there? And what are the implications for
24 prospective returns and your acquisition and

1 divestiture activity and portfolio exposures going
2 forward?

3 MR. MONACO: Thanks, Peter.

4 So regarding the future of work, we will
5 certainly not claim to have a crystal ball there.
6 I think there's enough uncertainty that we're
7 probably going to steer away from office assets
8 for the most part in the near term.

9 What we think is going to happen is that
10 people are going to return to work. We actually
11 think there's probably a fair amount of pent-up
12 demand to return to work.

13 We think that as larger tenants renew
14 leases over the next year or two, three years, you
15 will probably see more downsizing from the larger
16 tenants. And that may be 10 to 20 percent. A lot
17 of this is based on surveys that we read. But we
18 think that there probably will be some downsizing;
19 less so with smaller tenants.

20 I think we do believe that social
21 distancing will play sort of an offsetting role in
22 that downsizing. We were actually talking about
23 this yesterday. In the old days, if you looked at
24 the size of our boardroom table, for example, at

1 PRIM, in a New York office building, you might see
2 15 people benched out and working at that
3 boardroom table.

4 We think that all of that is going away.
5 So there will be more social distancing, more
6 amenity space. There will be people in the
7 office, but there will be a lot more working from
8 home as well.

9 The expectation, this is more consensus,
10 is that office values will probably come down
11 maybe 10 percent over the next year or so, based
12 on those assumptions for rent growth and smaller
13 spaces being used.

14 So hopefully that's helpful. That's
15 sort of our view, but again, we don't know for
16 sure.

17 Speaking to multifamily, I'd say my
18 comments there would be probably more anecdotal.
19 I completely agree that there is a lot of capital
20 moving toward suburban multifamily housing.

21 We are actually taking advantage of
22 that, to a certain extent, through dispositions,
23 but also looking at acquisition opportunities.

24 Very recent and very anecdotal, we

1 looked at a large, fairly high quality multifamily
2 opportunity yesterday in a high growth market in
3 Texas, which had a three in front of the cap rate
4 number and a five in front of the IRR. And I
5 believe that we were told that it would be a four-
6 stage bidding process on the asset.

7 These are frothy conditions, I think, in
8 many ways. So again, that is more anecdotal, but
9 we're continuing to be careful, not so much
10 because of distress, but more because of strong
11 capital flows in some of these areas.

12 So I'll leave it at that, but hopefully
13 that was somewhat helpful.

14 MR. MONACO: Yes, sir.

15 TREASURER GOLDBERG: Okay. Let's see.
16 Any other questions right now for Tim?

17 I just want to make one comment that's
18 rather interesting. Governor Baker recently was
19 saying publicly that he thought that there would
20 be a huge change in workforces being in offices.

21 And then yesterday, a memo came out from
22 the executive offices saying straight-up that they
23 will be looking at different kinds of flex
24 schedules moving forward and many people working

1 remotely.

2 So I've been talking about that publicly
3 for a while with statistics on how those changes
4 can actually impact the Massachusetts state
5 lottery, which relies on a lot of commuter traffic
6 from New Hampshire and Rhode Island in terms of
7 sales, but also general commuting where people
8 stop at gas stations and convenience stores and
9 pick up their cup of coffee in the morning.

10 So I think we're going to see a very
11 interesting paradigm change overall in the future
12 on the use of office space. So I think, Tim, your
13 observations are huge. And there's more to be
14 continued.

15 A lot of comments about how normal is
16 not going to be the normal of the past normals.
17 So it will be interesting to see how this evolves.

18 MR. SCHLITZER: Yes. That's a great
19 comment. Completely agree, Treasurer.

20 TREASURER GOLDBERG: Obviously I have a
21 personal concern about what happens with the
22 lottery, particularly when I read how the senator
23 who filed the bill on sports betting wants online
24 sports betting and doesn't see the relationship to

1 investments that are on this platform now,
2 representing \$350 million worth of NAV or
3 700 million in gross investment value. This is
4 6.1 percent of private real estate, so it's small,
5 but certainly not immaterial at this point.

6 Since-inception returns, that's a four-
7 year track record. As of the end of the year, the
8 return is 7.6 percent or 173 basis points above
9 the benchmark return. So we do feel like it's
10 working so far.

11 We've taken what we call a barbell
12 approach to risk. So we've got a ground lease,
13 which is very low risk with some prudent leverage
14 on it, which performed very, very well this year.
15 The rent marks to inflation, and we actually took
16 a five-year mark to CPI this year and had a very
17 large valuation boost based on that.

18 But we do feel like it's a low-risk
19 investment. That's offset, as you know, by a
20 couple of more complex office joint ventures,
21 which we're obviously monitoring very closely
22 right now.

23 I will note that as it relates to those
24 two Boston Class A office buildings that we have,

1 they are both at least 97 percent leased, and
2 collections on both of those assets are 99 percent
3 right now.

4 There is one high-profile tenant that is
5 leaving one of those buildings, which was in the
6 press I think maybe a few weeks ago that you may
7 have seen, so we'll be monitoring that very
8 closely. But overall, these are very good
9 buildings, very well-located in a great city, and
10 we think that they will continue to be good long-
11 term investments.

12 So let me just speak to this page a
13 little bit. I'm not going to go through it all.
14 I mean I think really the punchline here is that
15 there is no change to our approach. We didn't
16 make any acquisitions in 2020. We continue to
17 like this sort of barbell approach. We continue
18 to like ground leases.

19 But we also continue to like to be a
20 little bit more opportunistic. We've spent the
21 last year sort of developing and nurturing our
22 relationships with the hope of sourcing new
23 investments when the capital markets open up a
24 little bit more across both of those strategies.

1 No change to leverage. No change really
2 to sizing. I think if we can do one to two
3 investments this year, we would feel great about
4 that, but we're going to let the capital markets
5 and the opportunity set dictate.

6 I would probably leave it at that. I
7 think the only other thing that I would say is
8 just as a reminder, the way the process works here
9 is any investments that we make on this platform
10 are reviewed by the Real Estate Committee and the
11 board before any capital goes at risk in terms of
12 any deposit and certainly closing. So this is
13 really a strategic description, but we come back
14 to you with anything that we're actually
15 considering.

16 So I would leave it at that. Happy to
17 answer any question.

18 TREASURER GOLDBERG: Any questions for
19 Tim?

20 This is a voting item, the internal
21 management plan. So if there are no further
22 questions, I'm going to seek a motion that the
23 PRIM Board approve the Real Estate and
24 Timberland's recommendation to approve the 2021

1 real estate internal management plan as described
2 in Appendix I of the expanded agenda, and further
3 to authorize the executive director to take all
4 actions necessary to effectuate this vote.

5 Is there a motion?

6 MR. SHANLEY: So moved.

7 MR. BROUSSEAU: Second.

8 TREASURER GOLDBERG: Okay. Any further
9 questions or comments on this?

10 Hearing none, I want to remind people
11 that Carly has left the house, and so I will begin
12 with Bob.

13 MR. BROUSSEAU: Yes.

14 TREASURER GOLDBERG: Ruth Ellen?

15 MS. FITCH: Yes.

16 TREASURER GOLDBERG: Jim?

17 MR. HEARTY: Yes.

18 TREASURER GOLDBERG: Theresa?

19 MS. MCGOLDRICK: Yes.

20 TREASURER GOLDBERG: Peter?

21 MR. MONACO: Yes.

22 TREASURER GOLDBERG: Dennis?

23 MR. NAUGHTON: Yes.

24 TREASURER GOLDBERG: Paul?

1 MR. SHANLEY: Yes.

2 TREASURER GOLDBERG: Myself, yes. The
3 motion carries.

4 Thank you, Tim.

5 MR. SCHLITZER: Thanks, everyone.

6 TREASURER GOLDBERG: Okay. Next on the
7 agenda, I think, Tony, is this going to be you?

8 Hello?

9 MR. FALZONE: Yes, it is me.

10 TREASURER GOLDBERG: All right. I could
11 not hear you.

12 MR. FALZONE: I had to unmute. Sorry
13 about that.

14 TREASURER GOLDBERG: All right. The
15 finance and administration report beginning with
16 the 2021 proxy vote and guidelines.

17 MR. FALZONE: Hello, everyone. It's
18 good to see you all today.

19 I'm going to provide you with a quick
20 overview of this agenda item. There are two
21 appendices in your packet that relate to proxy
22 voting. The first, Appendix J, is not a voting
23 item. This is provided as an FYI. It includes
24 the 2021 ISS benchmark policy updates.

1 Because ISS is our proxy voting
2 provider, we automatically adopt these benchmark
3 policy updates. Just to give you some
4 understanding of what that means, ISS is our
5 vendor. They perform an internal review of
6 emerging issues, regulatory changes, notable
7 trends. And then they also look at some academic
8 research and studies, and they come up with what
9 their benchmark policy is. And that's part of
10 being our vendor.

11 The second item, which is Appendix K, is
12 the voting item. And that includes the change to
13 PRIM's custom proxy voting policy proposed by
14 Treasurer Goldberg and recommended for your
15 approval by the Administration and Audit
16 Committee.

17 I didn't plan on doing a review of the
18 appendices. We included the proposed changes
19 directly in the expanded agenda on page 18 so
20 they'd be easy to review when you received the
21 package.

22 ISS is here to answer any questions, if
23 there are any. We had some robust discussion at
24 the Administration and Audit Committee. And I

1 thought I'd leave it there and see if there are
2 any comments or questions.

3 TREASURER GOLDBERG: Well, let me see.
4 I cannot get to page 18, but I am aware of what
5 the proposed changes are so we will have no
6 presentation from ISS?

7 MR. FALZONE: ISS is here to answer
8 questions. If the board would like, I can go
9 through the custom changes, if you'd like, just to
10 read through them. I mean they're not that
11 lengthy. But I wasn't sure what the board would
12 like me to do here. So I'm happy to do whatever
13 you guys propose.

14 TREASURER GOLDBERG: I mean I'm fully
15 aware of them. Other board members sit on Admin
16 and Audit so consequently --

17 Bob, you're the chair. Do you feel the
18 need for Tony to go through all the proxy voting
19 guideline changes?

20 MR. BROUSSEAU: I think probably just
21 the major changes that we're going to vote on
22 today, I think would be the important --

23 MR. FALZONE: Okay. No problem. I have
24 them. So I'm going to read right from page 18 in

1 the expanded agenda.

2 So I'll let you guys get there. And
3 I'll break it up into the sections.

4 So the first section is the director
5 composition/diversity, board diversity item.

6 So our current policy states that we
7 would vote against/withhold all board members if
8 less than 35 percent of the board is diverse in
9 terms of gender and race. So that's what it
10 currently states.

11 The change would be to vote against/
12 withhold from all board nominees if less than
13 35 percent of the board is diverse in terms of
14 race and vote against/withhold from all board
15 nominees if less than 35 percent of the board is
16 diverse in terms of gender.

17 So again, the current policy states
18 35 percent diverse in terms of gender and race.
19 The change would break that out where you were
20 looking at 35 percent of the board diverse in
21 terms of race and 35 percent of the board diverse
22 in terms of gender. That's the first change.

23 Moving on to the equal employment
24 opportunity section, we are going to add vote for

1 shareholder proposals requiring that not less than
2 20 percent of individual employed by the company
3 be diverse in terms of race. We're adding a vote
4 for shareholder proposals requiring that not less
5 than 20 percent of individuals employed by a
6 company be diverse in terms of gender.

7 We're going to add vote for shareholder
8 proposals requiring not less than 20 percent of
9 suppliers, contractors and vendors used by a
10 company are minority-owned businesses. And we're
11 going to add vote for shareholder proposals
12 requiring that not less than 20 percent of
13 suppliers, contractors and vendors used by a
14 company are women-owned businesses.

15 So that is under the equal employment
16 opportunity section of our current proxy voting
17 guidelines.

18 And then we have under the general
19 corporate issues. We're changing the subsection
20 from health pandemics to healthcare and health
21 pandemics. And we are adding that we would vote
22 for shareholder proposals, requiring companies to
23 guarantee health insurance coverage that meets the
24 requirements of the Affordable Care Act as

1 enacted, regardless of change in law or Supreme
2 Court ruling.

3 And then we would also add that we would
4 vote for shareholder proposals in which companies
5 offer hazard and/or overtime pay for essential
6 workers during a pandemic.

7 And those are the changes you would be
8 approving today.

9 TREASURER GOLDBERG: Okay then.

10 MR. FALZONE: Thank you.

11 TREASURER GOLDBERG: Any other
12 questions?

13 And I did find page 18. I just like to
14 stay on the agenda so I don't skip anything or not
15 read it correctly. Right?

16 MR. FALZONE: That was my thought, it would
17 be easier if it was in the agenda.

18 TREASURER GOLDBERG: Hang on. Where did
19 my votes go?

20 So I'm going to seek a vote for adoption
21 of the 2021 proxy voting guidelines, that the PRIM
22 Board approve the Administration and Audit
23 Committee's recommendation to adopt the
24 enhancements to PRIM's Custom Proxy Voting

1 Guidelines as described in Appendix K of the
2 expanded agenda, and further to authorize the
3 executive director to take all actions necessary
4 to effectuate this vote.

5 Is there a motion?

6 MS. MCGOLDRICK: So moved.

7 MR. BROUSSEAU: Second.

8 TREASURER GOLDBERG: Was there a second?

9 MS. FITCH: Second.

10 TREASURER GOLDBERG: We had like four
11 seconds.

12 Okay. All right then. Discussion or
13 questions?

14 MR. NAUGHTON: Madam Treasurer, two
15 things, if I may. One, I'd like to say good
16 morning to Valerie Sullivan.

17 And secondly, I would like to say that I
18 think this is the right direction for us to be
19 going clearly, and I appreciate your leadership on
20 this and Michael's and other members of our
21 organization.

22 And I'm pleased to be voting yes on this
23 when my turn comes this morning because this is
24 the right thing to do, and I think it will promote

1 better financial returns in the long run.

2 MS. MCGOLDRICK: I'd like to just echo
3 Dennis's comments and say that I am very proud to
4 vote for this. I think the last time that we
5 updated this policy, we were cutting edge amongst
6 our peers, and we are now pushing the envelope
7 even further.

8 It's promoting good returns. As a
9 fiduciary, I'm proud of that. But it's also the
10 right thing to do in holding these investors
11 accountable and improving diversity.

12 Thank you.

13 TREASURER GOLDBERG: Anyone else want to
14 make a comment?

15 MS. FITCH: Yes. I really will go on
16 the record in support of this vote and the
17 comments that have been made in support of it.

18 Thanks.

19 TREASURER GOLDBERG: One of the things
20 that I want to point out is that we do have an
21 enormous amount of research that supports the
22 movement in this direction. And so it's not just
23 a valiant thing to do in terms of addressing so
24 many of the inequities that we've seen, which in

1 particular have been highlighted in areas of
2 financial services, but it also does not prevent
3 us from supporting -- this is merely with respect
4 to mainly board makeup and obviously caring for
5 your employees. And we still can vote on the full
6 range of other issues, operating issues that come
7 before the board, and does not impact our
8 interaction with all the different corporations
9 that we're involved with.

10 It's also the trend. We may be cutting
11 edge, but that's okay because that's how we
12 started off six years ago when we first
13 implemented the new proxy voting guideline that
14 began at 25 percent. And very quickly, funds all
15 over the country joined in. And it has made a
16 difference.

17 And today what we are finding is every
18 major corporation in America is seeking advice on
19 how to actually implement real diversity
20 initiatives, including their suppliers, including
21 the other companies that they work with. So we
22 are on a trend and leading, as we should be, from
23 Massachusetts. So I'm very happy to have your
24 support on this.

1 And with that, should we move to a vote?

2 We have a motion. We have a second.

3 Bob?

4 MR. BROUSSEAU: Yes.

5 TREASURER GOLDBERG: Ruth Ellen?

6 MS. FITCH: Yes.

7 TREASURER GOLDBERG: Jim?

8 MR. HEARTY: I am going to abstain.

9 TREASURER GOLDBERG: Okay. Theresa?

10 MS. McGOLDRICK: Yes.

11 TREASURER GOLDBERG: Peter?

12 MR. MONACO: Madam Treasurer, I am
13 supportive of the proposal, so that is a yes
14 because it is consistent with PRIM's view, one
15 which I of course strongly share and support, that
16 there should be greater diversity on corporate
17 boards.

18 I would like to suggest, however, that
19 in the future, particularly in any area in which
20 PRIM is adopting what is clearly a leadership, get-
21 out-ahead-of-the-pack position, that we just spend
22 a little more time as a full PRIM Board discussing
23 it, whatever it is, be it proxy voting, anything
24 else really.

1 So again, I do support this measure.

2 TREASURER GOLDBERG: Peter, I'm sorry if
3 I forget because I attend all the committee
4 meetings. You're not on Admin and Audit?

5 MR. BROUSSEAU: No.

6 MR. MONACO: No, I am not.

7 TREASURER GOLDBERG: So I think then
8 what we should do, Michael, is as we look at these
9 things, we should share information with board
10 members who are not on Admin and Audit so that we
11 can have a full discussion on it prior to that.

12 We did talk about this at Admin and
13 Audit. And I was aware of Jim Hearty's discomfort
14 with it, and so I respect his decision to abstain.

15 But my feeling is that this is clearly,
16 from my point of view and many members of the
17 board, not a violation of fiduciary duty. In
18 fact, I think it actually enhances our fiduciary
19 duty, and I feel that it does not prevent us from
20 voting on any operational votes that a board would
21 propose in their annual proxies.

22 But I have to respect people's
23 individual choices. And I thank you for
24 articulating it and supporting the vote since it

1 is the way we have been operating for six years.

2 But duly noted, Mike and Tony, that as
3 these come up, we can share it with the board,
4 people who are not on Admin and Audit.

5 MR. FALZONE: Will do. Thank you.

6 TREASURER GOLDBERG: Okay. We just did

7 Peter.

8 Dennis?

9 MR. NAUGHTON: Yes.

10 TREASURER GOLDBERG: I know that Carly
11 was a yes, but we didn't get to it before 11 so
12 that's a non-vote.

13 And Paul?

14 MR. SHANLEY: Yes.

15 TREASURER GOLDBERG: And myself, yes.

16 The motion carries.

17 Thank you, everybody.

18 Believe it or not, I must have scared
19 Michael when I told him I was going to time his
20 report. So with that, we move on to the results
21 of the PRIM Board self-evaluation and then
22 anything legal or legislative.

23 Emily Kowtoniuk is on the line, but she
24 is not elevated to participant. So we could

1 either elevate her now, Tony, if we want to ask
2 her any questions because the governor's budget
3 did come out, if we need anything from her.

4 And so let's move on to the board self-
5 evaluation, and then we can see if Emily needs to
6 add anything. And otherwise, other matters are
7 other matters.

8 I booked us till 12:30, so we could
9 begin Paul Todisco's party when the meeting's
10 over, at the end; we may have a full hour.

11 Bob. Want to take it away?

12 MR. BROUSSEAU: Okay. Thank you, Madam
13 Treasurer.

14 The report of the Administration and
15 Audit Committee regarding the board's annual self-
16 evaluation is found in Appendix L in your expanded
17 agenda. And I'm not going to go through the
18 entire report, but make a few general comments.

19 Number 1, if you looked at the 2019
20 evaluation and you looked at the one we did in the
21 third quarter of last year, they are just about
22 identical in terms of the board's support for what
23 we do as a board. And there were a few -- not say
24 exceptions, but a few comments by one or two board

1 members that might cause -- leave room, I think,
2 for some thought and discussion.

3 But I'm on page 1 of the report. And
4 basically the areas -- we have an executive
5 summary, the first three or four pages, and
6 there's a page of comments by individual board
7 members that Cortex did list for us, as well as
8 those areas of board education that the board
9 members felt were very important.

10 And to just tell you, of course they're
11 no different than they were last year. They have
12 the same topic areas that were listed by the board
13 as being important for education.

14 Of course the downside of all this is
15 with this pandemic, we have not had time last year
16 to have our annual board retreat, which would
17 probably have allowed many of these issues or some
18 of them to be the subject of discussion.

19 But anyway, on page 1, if you look at
20 the summary of the results, it's very similar, as
21 I said, to 2019. All the trustees provide a very
22 highly positive assessment of the performance of
23 the board, the management and staff. And there
24 were 489 survey questions. 91 percent were

1 positive, which means either a 4 or a 5 on that
2 five-point scale, which is excellent.

3 Survey questions received particularly
4 high scores listed below. The board meetings, 4.9
5 out of 5. The board ensured its decisions are
6 supported by analysis and research, again 4.9 out
7 of 5.

8 Board seeks staff analysis, 5 out of 5.
9 The board instills trust and confidence among
10 stakeholders, 4.9 out of the 5. And supportive
11 environment for management and staff, it's 4.9 out
12 of 5. And the board effectively evaluates the ED,
13 5 out 5.

14 So as you can see, there's very, very
15 little change from the year before. I believe
16 last year those same scores were there, 4.9 out of
17 5.

18 On page 2, regarding board committees,
19 all the trustees agreed or strongly agreed that
20 each of the standing committees are effective in
21 carrying out their mandates. And all board
22 members agree or strongly agree that the board has
23 established suitable goals, strategies and plans
24 for key areas of the organization and effectively

1 monitors them. That included the organization as
2 a whole, the investment program, client services --
3 thank you, Paul -- the board's own governance and
4 stakeholder communications.

5 And 5, the board's strong satisfaction
6 with board meeting location and facilities and the
7 length and frequency of the meetings.

8 Of the nine trustees, seven indicated
9 that the number of board meetings were optimum.
10 Now here's where there is -- the same as last
11 year -- while two indicated that there were too
12 few board meetings, eight indicated that the
13 duration of board meetings was optimal. One, only
14 one, indicated they were too long.

15 And number 6, with respect to the time
16 the board allocates to various topics, you can see
17 the chart below. The board was unanimous or close
18 to unanimous between 2019 and 2020, the last two
19 columns, in terms of the amount of time we spend
20 on important topics.

21 I'm not going to go through page 3
22 because there were a lot of comments by trustees.
23 But basically two trustees felt the number of
24 board meetings were not appropriate; there should

1 be more.

2 And possibly if we had time to do a
3 board retreat, a workshop, as we have in the past,
4 a lot of the topics that concerned us could be
5 covered in that time. But that's just my comment.

6 The majority of the board members
7 expressed satisfaction with current succession
8 planning efforts because one trustee suggested the
9 board should consider expanding the scope of its
10 succession planning. And of course I know Michael
11 has been working on that and after the last couple
12 of years.

13 One trustee suggested the board should
14 work to ensure it always remains up to date on
15 trends and issues, especially a lot of the things
16 coming out of Washington by the Securities and
17 Exchange Commission or the Department of Labor and
18 other government entities that impact public
19 pensions. In fact, this suggestion also stated
20 that the Administration and Audit Committee needs
21 to be forward-thinking and assertive in this area
22 and potentially create a subcommittee, probably
23 create a subcommittee, to work with the ED and CIO
24 and the general counsel. That was just a

1 suggestion.

2 If you turn to the page 5, I'm going to
3 go to page 5, you see here top education topics of
4 interest, the exact same as 2019. No comments
5 there.

6 Page 6, comments by board members.

7 Those, you can sit and read. Some of them
8 referred to the pandemic and how well we
9 performed, but in the areas of governance,
10 trustees noted that all committees performed in an
11 exemplary manner and adapted well to the COVID
12 pandemic.

13 Page 7 shows you the importance that the
14 board members placed on topics. And the
15 highlighted ones were the same as last year:
16 governance, fiduciary duty, asset allocation and
17 asset mix, investment performance measurement and
18 portfolio risk management, value at risk, and risk
19 budget. Those were the ones that received the
20 most votes for a board retreat or board education.

21 Hopefully maybe this year, we may have a
22 board retreat in the fall if this pandemic is
23 getting behind us.

24 And the last page is really key

1 potential actions for 2020, and you can see what
2 they are there. There were three bullet points.
3 To expand current succession planning efforts, to
4 include identifying individuals who would step in
5 to fill sudden, unexpected vacancies in key
6 positions.

7 And second one, seek to create more time
8 for the board to engage in long-term planning by
9 streamlining the board meeting agenda and/or
10 adding additional meetings. This one has appeared
11 for the last several years, especially in terms of
12 long-term planning.

13 And the third bullet point, discuss how
14 the board can best stay up to date on trends and
15 issues that are developing externally. These
16 avenues I just mentioned with the SEC, the DOL.
17 We've seen another of course with infrastructure
18 investing, ESG investing, and among large pension
19 fund peers, and consider making one individual
20 responsible for this task.

21 Those are the ones that would probably
22 require action. As in the past, the staff looks
23 at the things for potential actions and will come
24 back to the committee and will present to the

1 board any actions that follow from this
2 evaluation.

3 Again, I want to thank the board
4 members. I think everybody responded to Cortex's
5 form that was sent out where we did the
6 evaluation. And also, I think seven of you, I
7 believe, participated in a phone conversation with
8 Tom Iannucci at Cortex to further elaborate on
9 your suggestions.

10 Other than that, Madam Treasurer, I
11 believe that's the report. And I look forward to
12 any comments from the board at this point and how
13 they think we could proceed with this. You can
14 make some comments today, and the A&A committee
15 will consider it.

16 Thank you.

17 TREASURER GOLDBERG: Thank you, Bob.

18 I do want to mention because the issue
19 of having additional board meetings has come up
20 before, and I do think that the solution was the
21 board retreat, which, by the way, not every board
22 member was able to attend either.

23 I think there are a couple -- I think
24 one of the things we need to continue to remember

1 is that we are a small staff running a very big
2 fund, and the preparation for these meetings is
3 actually pretty good lift for everyone.

4 Wouldn't you agree, Michael Trotsky?

5 And the data needed isn't necessarily
6 available to be updated to have a full-fledged
7 board meeting. Committee meetings prior to that --
8 let's not forget that we typically have the
9 committee meetings to feed into the board
10 meetings.

11 But I do think that the pandemic has
12 impacted and that if we could return to having the
13 annual board retreat, it would be very helpful.

14 And the other comment, I just have to do
15 a little mention that when I arrived, people were
16 not responding to the board evaluation, if you
17 recall, Bob. And I warned everyone that they
18 would hear from me if they did not respond. And
19 that seemed to be something, people did not want
20 to get a call from me.

21 And so consequently, I am quite
22 delighted that we now have such great
23 participation in the board evaluation.

24 I remember being extremely disappointed

1 when I arrived to hear that only three or four
2 people were responding. And so I'm very proud of
3 our board. So thank you for your involvement.

4 MR. BROUSSEAU: And nobody has cracked
5 knees either.

6 TREASURER GOLDBERG: Bob, don't even
7 infer such a thing.

8 MR. BROUSSEAU: I was wondering somewhat
9 if -- I know the Zoom, we're getting somewhat
10 probably tired of Zoom and not in-person meetings,
11 but on individual education topics, what if once
12 in a while, maybe once or twice during the year,
13 if there was a topic that the staff wanted to hear
14 from or the board wanted to, that we could hold a
15 Zoom meeting, let's say for an hour on a
16 particular topic and be good education. No
17 motions of course. No business to be carried out,
18 but just board education.

19 That might help solve some of the
20 problems with issues, I think, and the issue of
21 board education, at least until we can get back to
22 normalcy.

23 MR. TROTSKY: Yes, Bob. We can do that.

24 And in fact, we did launch a Webinar series that

1 was highly advertised but not many buyers.

2 So we'll keep trying. Maybe the topic
3 or the format wasn't quite right, but we didn't
4 get very much turnout. And I was a little
5 disappointed by that. Maybe it was our fault.

6 But we'll keep trying to do Webinars on
7 various topics that might be of interest,
8 number 1, and we'll think of other ways to reach
9 out and make that available, for sure.

10 Treasurer, thank you for making those
11 comments. The current board meeting structure is
12 really centered around the availability of
13 quarterly results. Quarterly results are what we
14 focus on because our alternatives don't price
15 monthly. And so as a result, the meetings are
16 held as soon as possible after quarterly results
17 are available. And that's why we have the four
18 meetings we have, plus one board retreat. And I
19 do hope we'll have a board retreat.

20 And I guess I'll say that it's not my
21 perception that it's consensus that the board
22 wants more meetings than the five we already have,
23 that I think it's a minority view, but we'll check
24 into that again.

1 MR. BROUSSEAU: Also I have found,
2 Michael, that if -- I know the last couple of
3 years with this Zoom issue, we've been able to
4 follow meetings.

5 Attending the Investment Committee or
6 the Real Estate Committee or even committee
7 meetings prepares the full board to come. So when
8 people hear, "Well, there isn't a lot of
9 discussion back and forth," because we've heard it
10 all. And board members serve on these committees.
11 And so we know what the investments are, the pros
12 and cons, the issues, and so we're prepared to
13 vote when we come here.

14 It's not that we're not asking the
15 questions, but the questions have already been
16 asked. And I think that's a positive in terms of
17 I think of board performance.

18 MR. NAUGHTON: Madam Treasurer, may I
19 make a comment?

20 TREASURER GOLDBERG: Absolutely.

21 MR. NAUGHTON: So I am hopeful that when
22 everything is back to normal, whatever that may
23 happen to be, that we will always have an option
24 of attending subcommittee meetings via Zoom. It's

1 almost impossible for me to drive in three days in
2 a row for a meeting, but it's not at all
3 impossible for me to attend via Zoom. And I would
4 surmise that may be true of other people.

5 It's been very helpful particularly to
6 be able to try to set aside time for the
7 Investment Committee.

8 Thank you.

9 TREASURER GOLDBERG: The only dynamic
10 that would seem difficult with that is how we
11 would -- would we move one laptop around the table
12 as people spoke? Or would we elevate one to gaze
13 down on the table like an overlord, Dennis?

14 MR. NAUGHTON: I'm guessing that Tony
15 would probably be able to solve that problem in
16 the drop of a hat.

17 MR. BROUSSEAU: But he doesn't wear a
18 hat.

19 TREASURER GOLDBERG: Everybody always
20 picks on Tony for the tough stuff.

21 MR. NAUGHTON: That was a compliment,
22 not a pick.

23 TREASURER GOLDBERG: I know.

24 MR. BROUSSEAU: He's been here almost

1 20 years, Madam Treasurer, and he knows. He's
2 always been picked on, I know. Over lunch,
3 especially. Right, Tony?

4 MR. FALZONE: That's right. That's
5 right.

6 MR. TROTSKY: By the way, this is Tony's
7 whipping hour so we'd better move the agenda
8 along.

9 TREASURER GOLDBERG: So we are done with
10 the board self-evaluation.

11 As I mentioned, while all this was going
12 on, Tony, did we need to elevate Emily for any
13 reason? Did we elevate her? Did we give her a
14 voice.

15 MR. FALZONE: Yes, she has been
16 promoted, slash, elevated. And she should be able
17 to speak -- I see her -- if she unmutes herself.

18 TREASURER GOLDBERG: Okay. Before you
19 go, Emily, I don't believe that, Chris, you have
20 any legal updates from what I understand. Is that
21 correct?

22 MR. SUPPLE: That's correct, Madam
23 Chair. Thank you.

24 TREASURER GOLDBERG: All right. Emily,

1 why don't you give us a quick lowdown on the
2 legislature and where we are in the cycle.

3 MS. KOWTONIUK: Sure. So we have seen
4 the governor file his FY '22 budget proposal, and
5 we are preparing for the joint ways and means
6 committee hearing next week.

7 We've also seen leadership and committee
8 assignments been made. We have a new chair for
9 the public service committee in the house in Chair
10 Gordon.

11 And we have seen a number of PRIM-
12 related bills refiled this year. So we're
13 currently working through the almost 10,000 bills
14 that have been filed to prepare a summary for PRIM
15 staff. And we can dig in deeper with them on the
16 details at that time.

17 TREASURER GOLDBERG: Very good. So the
18 chair of the senate is remaining the same. And
19 who is that again?

20 MS. KOWTONIUK: Yes. So the senate
21 chair is Senator Brady. We had a longstanding
22 chair on the house side in Chair Parisella, but he
23 has actually been moved to chair economic
24 development.

1 TREASURER GOLDBERG: Which I gather he's
2 very excited about.

3 MS. KOWTONIUK: Yes. Yes.

4 TREASURER GOLDBERG: Okay. All right
5 then. To be continued is basically our stance
6 right now.

7 MS. KOWTONIUK: Yes. Just getting up
8 and running.

9 TREASURER GOLDBERG: Exactly. Okay
10 then. That would be it for the legislative
11 update.

12 Does anyone have any other matters?

13 MR. TROTSKY: The December 2020 PRIM
14 budget is in there. It's informational. We, as
15 the last agenda item, are going to turn the floor
16 over to our beloved senior client service officer,
17 Paul Todisco.

18 You have the final say at your final
19 board meeting.

20 MR. TODISCO: Thank you, Michael, and
21 thank you, Madam Chair. Thank you to the board.

22 I guess in keeping with the musical
23 theme, this is my swan song, the last board
24 meeting that I'm attending as a PRIM staff member.

1 This is quite an emotional and very difficult spot
2 for me to be in.

3 To get the business out of the way, I'll
4 refer you to pages 20 and 21 of your expanded
5 agenda. Our report is in there. You can see
6 we're still scheduling meetings and continue to
7 schedule meetings with our participating and
8 purchasing systems and the SRBTF board, the OPEB
9 Fund board.

10 And also speaking of the OPEB board, the
11 SRBTF, I just want to update what's in your
12 report, that we did have two new applicants for
13 investment in that fund, City of Worcester
14 investing 17.4 million and East Bridgewater, the
15 Town of East Bridgewater, investing 123,000. And
16 that brings the total of governmental units,
17 including the state's portion of that, which of
18 course is the largest portion of the fund, to
19 77 governmental units. So that's a success story.

20 That board is chaired, Madam Treasurer,
21 as you know, by Nick Favorito, who is also the
22 executive director of the State Retirement Board.
23 He does a great job there, as does the rest of the
24 board.

1 And just with that, I just want to say
2 that I've served with many of you for many years,
3 going way back, both board members, past executive
4 directors. Jim Hearty also was my boss at one
5 point.

6 And of course, Bob, you and I go back to
7 1987. I was a mere teenager, and I think you were
8 just out of graduate school at that point, so we
9 were both very young. Our hair was a lot darker,
10 and we had more of it.

11 And of course with Michael and all the
12 past executive directors, I want to thank
13 everyone, board members, past and present, as well
14 as staff, past and present, the entire PRIM staff.
15 It's been an honor and a pleasure serving with all
16 of you. And I can say this without hesitation and
17 from the bottom of heart, I love you all. And I
18 will miss all of you.

19 And hope it's au revoir, not goodbye.
20 And just all the best of health.

21 And Madam Chair, I just hope you
22 continue on the speedy road to recovery, and wish
23 you all good health in the future.

24 MR. TROTSKY: I would like to propose

1 that we all stand and give Paul a standing
2 ovation.

3 MR. TODISCO: You don't have to do that.

4 MR. TROTSKY: Those of us who can stand,
5 please stand.

6 (Standing ovation)

7 MR. TODISCO: Thank you so much.

8 MR. BROUSSEAU: Madam Treasurer, I would
9 just like to -- I know this of course is very,
10 very sad for all of us, especially myself.

11 Paul mentioned we go back to 1987 when I
12 came on the board. And probably it was Paul who
13 was the first person who led me through the maze
14 of PRIM, which at the time, as I look back, when I
15 came on the board, we had \$1.7 billion in
16 management. PRIM had just started in 1985.

17 Paul came over from the legislature to
18 work at PRIM. And I can't believe, Paul, these
19 34 years have gone by so quickly, and here we are
20 at \$87 billion.

21 But the things that Paul has done in
22 building the core of this organization in the
23 Commonwealth is unbelievable. There have also
24 been many light and humorous moments, and I

1 certainly would not try to repeat any of them
2 because they would not be probably appropriate at
3 this meeting, things that Paul had encountered
4 that we all did, but we look back on and they were
5 humorous.

6 Paul's sense of humor, his ability to
7 interact with legislators -- people don't realize
8 how important that is, the interaction that we've
9 had with the legislature. And it's been Paul
10 Todisco. And also our executive directors.

11 But Paul is a national treasure as far
12 as I'm concerned, and the board of directors of
13 PRIM.

14 And Paul, I wish you many, many years of
15 retirement to enjoy the things that you do, your
16 family, travel and the happiness that you're
17 entitled to. God bless, my friend.

18 MR. TODISCO: Thank you, Bob. Thank you
19 so much. Thank you.

20 TREASURER GOLDBERG: Nothing better
21 could be said, Bob.

22 So I've been fortunate enough to be able
23 to tease Paul for all of the committee meetings.
24 You know how I feel. And I'm just grateful that I

1 have had the last six years with you.

2 And like I said to Michael, you better
3 have him on speed dial. I'll just let it go at
4 that.

5 MR. TODISCO: Thank you, Treasurer.
6 Feeling much likewise.

7 TREASURER GOLDBERG: And the leather
8 vest and leather pants are in the mail.

9 MR. TODISCO: Dust those out of the
10 closet there. Bring them out.

11 TREASURER GOLDBERG: Anyway, thank you
12 so much, Paul. And I would now -- and it is a
13 roll call vote -- seek a motion to adjourn.

14 Is there a motion?

15 MR. BROUSSEAU: So moved.

16 MR. NAUGHTON: So moved.

17 MR. SHANLEY: So moved.

18 TREASURER GOLDBERG: Sounds like Dennis
19 was -- we'll take Bob Brousseau as the first and
20 Dennis as the second.

21 Bob?

22 MR. BROUSSEAU: Yes.

23 TREASURER GOLDBERG: Ruth Ellen?

24 MS. FITCH: Yes.

1 TREASURER GOLDBERG: Jim?

2 MR. HEARTY: Yes.

3 TREASURER GOLDBERG: Theresa?

4 MS. McGOLDRICK: Yes.

5 TREASURER GOLDBERG: Is Peter still on?

6 I think we lost him.

7 Dennis?

8 MR. NAUGHTON: Yes.

9 TREASURER GOLDBERG: Paul Shanley?

10 MR. SHANLEY: Yes.

11 MR. MONACO: Madam Treasurer, Peter.

12 I'm here.

13 TREASURER GOLDBERG: Oh, you are here.

14 Okay. Good.

15 MR. MONACO: Yes.

16 TREASURER GOLDBERG: And so we got you.

17 We have Paul Shanley. We have myself.

18 The meeting is now adjourned.

19 Congratulations on a great meeting. Thank you,
20 everyone.

21 (Meeting adjourned at 11:43 a.m.)

22

23

24