

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

Minutes of the Board Meeting

Tuesday, August 17, 2021

commencing at 9:30 a.m.

(CONDUCTED REMOTELY)

**PRIM Board Offices  
84 State Street  
Boston, Massachusetts**

## A T T E N D E E S

(Via Zoom)

### **Board Members**

- Treasurer Deborah B. Goldberg, Chair
- Robert L. Brousseau
- Ruth Ellen Fitch
- James B.G. Hearty
- Theresa F. McGoldrick, Esq.
- Peter Monaco
- Dennis J. Naughton
- Paul E. Shanley, Esq.

### Other Attendees:

- Anthony Falzone
- Alyssa Fiore
- Maria Garrahan
- David Gurtz
- Eleni Klempner
- Joseph Kamotho
- Mini Kouame
- Emily Kowtoniuk
- Chuck LaPosta
- Jay Leu
- Bill Li
- Christina Marcarelli
- Michael McGirr
- Eric Nierenberg
- Tim Schlitzer
- Michael Trotsky

1                                    P R O C E E D I N G S

2                                    A meeting of the Pension Reserves  
3                                    Investment Management Board (PRIM Board) was held  
4                                    remotely on August 17, 2021. The meeting was  
5                                    called to order and convened at 9:30 a.m.  
6                                    Treasurer and Receiver-General Deborah Goldberg  
7                                    chaired the meeting.

8                                    TREASURER GOLDBERG: Good morning,  
9                                    everyone. This meeting will be held by Internet  
10                                    and telephone in accordance with the provisions of  
11                                    an act extending certain COVID-19 measures adopted  
12                                    during the state of emergency, which was signed  
13                                    into law on June 16, 2021.

14                                    This act includes an extension until  
15                                    April 1, 2022 of the remote meeting provisions of  
16                                    the March 12, 2020 Executive Order that allows  
17                                    remote participation by all members of a public  
18                                    body and suspends the requirement that a quorum  
19                                    and the chair be physically present, provided that  
20                                    the public has access to the meeting through  
21                                    technology that enables the public to clearly  
22                                    follow the proceedings while they are occurring.

23                                    Accordingly, all members of this board  
24                                    will participate today remotely via telephone and/

1 or Internet-enabled audio and videoconferencing,  
2 and all votes in today's meeting will be taken by  
3 roll call. Public access to the deliberations of  
4 the meeting today will likewise be provided via  
5 telephone with all documents referenced at the  
6 meeting available to be viewed on PRIM's website,  
7 [www.mapension.com](http://www.mapension.com).

8 All persons speaking at today's meeting  
9 are asked first to identify themselves. And the  
10 Open Meeting Law requires anyone wishing to record  
11 a meeting to first notify the chair so that the  
12 chair can inform the other attendees.

13 So accordingly, I am informing you all  
14 that the stenographer, Virginia Dodge from  
15 Lexitas, is transcribing and also recording this  
16 meeting.

17 If anyone else does intend to record  
18 today's meeting, please first notify Steffanny  
19 Rosario by email at [srosario@mapension.com](mailto:srosario@mapension.com).

20 Tony, have you heard from anyone else  
21 about recording the meeting today?

22 MR. FALZONE: I have not. Thank you.

23 TREASURER GOLDBERG: Additionally, the  
24 Attorney General's guidance on holding remote

1 meetings reads as follows: At the start of the  
2 meeting, the chair must announce the name of the  
3 member or members who are participating remotely.

4 I will now announce the names of all  
5 PRIM Board members who are participating in  
6 today's meeting.

7 Bob Brousseau, Ruth Ellen Fitch, Jim  
8 Hearty, Theresa McGoldrick, Dennis Naughton,  
9 Carly --

10 Is Carly here?

11 MR. FALZONE: Carly is unable to make  
12 it.

13 TREASURER GOLDBERG: Ah, okay.

14 And Paul Shanley.

15 And you will notify me when Peter Monaco  
16 arrives.

17 And oh, by the way, I'm Deb Goldberg.  
18 Forgot to announce myself.

19 So with that, we will have the first  
20 motion, which is I would seek approval of the PRIM  
21 Board meeting minutes, that the Prim Board  
22 approves the minutes of the May 26, 2021 meeting  
23 attached as Appendix A of the expanded agenda, and  
24 further to authorize the executive director to

1 take all actions necessary to effectuate this  
2 vote.

3 Is there a motion?

4 MR. SHANLEY: So moved.

5 TREASURER GOLDBERG: Is there a second?

6 MS. McGOLDRICK: Second.

7 TREASURER GOLDBERG: By the way, I saw a  
8 phone pop in.

9 Peter Monaco, is that you?

10 MR. MONACO: It is. Good morning, Madam  
11 Treasurer.

12 TREASURER GOLDBERG: Perfect. Your  
13 timing is exquisite. You're bright, ready and  
14 willing and able for a vote. So we have a motion,  
15 and we have a second. I'm going to take you out  
16 of order and have you vote first.

17 MR. MONACO: Yes.

18 TREASURER GOLDBERG: Bob?

19 Did we lose Bob Brousseau?

20 MR. FALZONE: He's on mute.

21 TREASURER GOLDBERG: All right. We'll  
22 come back to you, Bob.

23 Jim?

24 MR. HEARTY: Yes.

1                   TREASURER GOLDBERG: Ruth Ellen?

2                   Ruth Ellen?

3                   MR. FALZONE: You're on mute too.

4                   MS. FITCH: There it is. Yes. Sorry.

5                   TREASURER GOLDBERG: Okay. Maybe I

6                   should start the whole thing all over again.

7                   All right. We've got Ruth Ellen, and

8                   we've got Jim.

9                   Theresa?

10                  MS. McGOLDRICK: Yes.

11                  TREASURER GOLDBERG: We already had

12                  Peter.

13                  Dennis?

14                  MR. NAUGHTON: Yes.

15                  TREASURER GOLDBERG: Paul?

16                  MR. SHANLEY: Yes.

17                  TREASURER GOLDBERG: Bob, we're coming

18                  back to you. Are you there?

19                  MR. BROUSSEAU: Yes.

20                  TREASURER GOLDBERG: Thank you.

21                  And myself, yes. The motion carries.

22                  Okay then. Next item on the agenda.

23                  Let me see. That may be the executive director/

24                  chief investment officer report.

1                   Take it away, Michael.

2                   MR. TROTSKY: Good morning, everyone.

3                   Good morning, Treasurer. Thank you.

4                   It's great to see everybody, and I hope  
5                   you're having a great summer so far and staying  
6                   safe.

7                   We do have several guests on the line  
8                   today with us, including several clients, so we  
9                   want to welcome you all to the meeting. We also  
10                  want to remind all those speaking today that it is  
11                  now very typical in this remote environment that  
12                  the press records the proceedings. Sometimes they  
13                  show up late too. So they may be coming on. And  
14                  that of course allows verbatim quotes to be  
15                  included in their reporting.

16                  So please keep that in mind as you  
17                  speak. Thank you very much.

18                  Well, you've all heard this, but for the  
19                  benefit of our other guests who may not have  
20                  heard, the big news of this cycle is really that  
21                  the PRIT Fund recorded its best fiscal year in  
22                  PRIM's entire history with a return of 30 percent.  
23                  That's 29.5 percent, net of all fees. And also  
24                  its largest outperformance ever of 8.9 percent,



1 net, above benchmark. Almost 9 percent, we beat  
2 the benchmark by.

3 The total return surpassed the previous  
4 high in 1986, the year that the fund was first  
5 established, the PRIT Fund, when the fund returned  
6 25.6 percent. So a big outperformance over that  
7 year a long, long time ago.

8 The outperformance of 9 percent above  
9 benchmark surpassed the previous high in the year  
10 2000, when the fund outperformed by 5.9 percent.  
11 And of course this return equates to a net  
12 investment gain of an incredible \$22.1 billion for  
13 one year, for the fiscal year, and that's  
14 \$6.7 billion above a benchmark return.

15 Assets under management were also a  
16 record at \$95.7 billion, while outflows to pay  
17 pension benefits were approximately \$1.2 billion,  
18 which is fairly typical.

19 We're very pleased with the strong one-  
20 year performance, but even more pleased that over  
21 longer periods of time, through strong markets  
22 like we've just had and enjoyed and through market  
23 corrections, the PRIT Fund has proven to be very  
24 high-performing, it's resilient, and it's very,

1 very cost-effective.

2           The PRIT Fund's trailing 3-, 5- and  
3 10-year returns remain strong and consistently  
4 above benchmarks and also above the required  
5 actuarial rate of return, which is now 7 percent  
6 for the state and for the teachers.

7           Much of the success can be attributed to  
8 our individual asset class teams, who are very  
9 disciplined and focused on identifying the most  
10 profitable sectors and the most skillful managers.  
11 We also believe our innovative and acclaimed work  
12 over the last 10 years to develop our own  
13 proprietary and statistically driven tools for  
14 asset allocation and also manager selection, those  
15 tools, those techniques, are paying off. We've  
16 successfully engineered a portfolio that performs  
17 well in really a variety of market conditions, and  
18 we're proud of that.

19           Remember, one of PRIM's principal  
20 investment beliefs, probably our core belief, is  
21 that all investment programs must -- must -- be  
22 evaluated on three equal important parameters, and  
23 those parameters are return, risk and cost. And  
24 while we are delighted with the record return of

1       fiscal 2021, we're equally pleased that risk was  
2       well-controlled and our costs remain very, very  
3       low. This was in a period when by design we  
4       invested more of the fund in higher performing,  
5       but higher cost private investments.

6               Now, in strong markets, investors often  
7       become more focused on return and less focused on  
8       risk and cost. But I can assure you that we are  
9       all still as focused as ever on risk and cost here  
10      at PRIM. In fact, for fiscal year 2021, the risk-  
11      adjusted returns were at a multi-year high, while  
12      costs were at a multi-year low.

13             And we measure this. Remember, there's  
14      an old saying: What gets measured gets managed.  
15      And last year, the PRIT Fund's Sharpe ratio was an  
16      astounding 4.05, and total costs, all-in costs,  
17      including everything, were 51 basis points, a half  
18      a percent.

19             As a reminder, a Sharpe ratio of over  
20      one is generally considered acceptable to most  
21      investors, and larger is better. 4.05 is  
22      astounding really. And 51 basis points cost,  
23      all-in, is very low for any portfolio, let alone  
24      for a portfolio that is approximately 35 percent --

1 35 percent -- high-performing private assets like  
2 private equity, private debt, real estate and  
3 timberland.

4 Project SAVE initiatives now total  
5 \$250 million annually. And importantly, we  
6 learned last week that our returns are at the very  
7 top of our peer group, even while we believe that  
8 the risk of the PRIT Fund is near the bottom. And  
9 costs remain low and well-controlled.

10 So in short, the PRIT Fund is high  
11 return, lower risk than most, less volatile and  
12 very, very low cost. And we believe this is an  
13 indication that our manager selection, our asset  
14 allocation and diversification techniques and  
15 tools have been working as expected since they  
16 were designed and implemented several years ago.  
17 It also indicates the success of our maniacal  
18 focus on controlling costs.

19 Operationally, we had a very productive  
20 year. We researched and deployed more than  
21 \$4.4 billion in new investments. In one year,  
22 \$4.4 billion. We hired and on-boarded seven new  
23 full-time employees -- seven new full-time  
24 employees -- even while we struggled with the

1 COVID pandemic. We promoted five of our highest-  
2 performing rising stars. We hired 13 interns last  
3 year.

4 And we launched several new initiatives,  
5 including a groundbreaking agreement with the MIT  
6 Sloan School designed to improve ESG investing,  
7 and of course the program called the FUTURE  
8 Initiative, which is designed to implement the  
9 newly created Investment Equity Law, the law  
10 created and championed by the Treasurer and her  
11 staff, which was signed into law only in January  
12 of this year.

13 The new law will help PRIM create an  
14 enhanced pathway for diverse investment managers  
15 and vendors to compete successfully for our  
16 contracts, with the ultimate goal of achieving at  
17 least 20 percent diversity in PRIM's vendor base.

18 But to recap our progress on this front,  
19 let me first say that while there is always room  
20 to improve, we're very, very proud of our  
21 diversity and inclusion results to date, both in  
22 regard to internal staff and external contracts  
23 too. Last fiscal year, PRIM placed 1.2 billion  
24 with diverse investment management firms and now

1 has more than \$6 billion in assets deployed.

2 With an affirmative board vote later  
3 today, we'll add another billion dollar mandate to  
4 this program. And prior to that, PRIM ranked  
5 sixth in the nation in funds invested with diverse  
6 managers -- sixth -- according to a recent *Pension*  
7 *and Investments* survey. And that compares us to  
8 plans that are far larger than us too.

9 Internally, 64 percent of PRIM's  
10 workforce is diverse in regard to gender, race or  
11 both. 49 percent of PRIM's workforce is female.  
12 38 percent of PRIM's senior management is diverse  
13 in regard to gender, race or both. And 33 percent  
14 of PRIM's senior management is female.

15 Importantly, we continue to enhance our  
16 proxy voting guidelines to require the boards of  
17 our publicly traded companies to be diverse in  
18 terms of both gender and race. The Treasurer and  
19 this board have taken a leadership position there.

20 But clearly, in all of these areas,  
21 there is room to improve, but we are consistently  
22 and materially making progress each and every  
23 year.

24 So great performance, low risk, low

1 costs. High productivity, new hires, new  
2 promotions, diversity progress, research  
3 leadership. These are results that we should all  
4 be very, very proud of.

5 But I believe last year's achievements  
6 are particularly remarkable because of the COVID  
7 pandemic. It was a major distraction, if not a  
8 major headwind, to our efforts. It was an  
9 extremely difficult year, as we all know.

10 I couldn't be prouder of this team --  
11 they're rock stars -- and how we responded during  
12 the crisis and how we overcame the challenges to  
13 deliver these incredibly strong results.

14 And I'm thankful to the board, to the  
15 staff, to our committee members for your support,  
16 your dedication and hard work over the past year.  
17 It's really a year we will not soon forget. And I  
18 hope it's in our rear view mirror soon.

19 Now, a quick operational update,  
20 beginning with four new hires. I announced three  
21 during the committee cycle. We have one new  
22 announcement since the committee meetings. Let me  
23 start with him. And I think he's on.

24 Yesterday, we welcomed Joseph Kamotho.

1                   Are you on? Yes, there you are.

2                   Joseph is joining us as a business  
3           system analyst on the IT team. He will be working  
4           to help IT support PRIM's systems and on-board new  
5           technologies. Joseph previously worked at Man  
6           Numeric as a database administrator, where he was  
7           responsible for database design, management and  
8           administration.

9                   Previous to that, Joseph was a systems  
10          administrator at Numeric Investors. Joseph holds  
11          a bachelor of science in management information  
12          systems from Northeastern University.

13                  Welcome. Great to have you.

14                  Next please join me in welcoming Helen  
15          Huang, senior investment officer, private equity,  
16          who began on June 1 and is reporting to Michael  
17          McGirr.

18                  Helen has more than 12 years of  
19          investment management experience and will be  
20          responsible for portfolio construction, manager  
21          selection and contributing to PRIM's cutting-edge  
22          private equity research.

23                  She joined PRIM from China Growth  
24          Capital, where she was a senior advisor. And



1 prior to that, she worked for the Harvard  
2 Management Company, the Harvard endowment, and  
3 also at Summit Partners, a local venture capital  
4 firm, in investment roles.

5 She started her career at Merrill Lynch/  
6 Bank of America. She has a bachelor of science  
7 degree in finance from the University of Virginia  
8 and an MBA from the Harvard Business School.

9 We're very happy to have her join the  
10 team. She can't be with us today, but she has  
11 already been an active participant in many of our  
12 internal discussions.

13 And I'm particularly interested in the  
14 venture capital research she is leading. She has  
15 a lot of experience in venture capital. And that  
16 research looks very interesting. Hopefully, we  
17 will all hear more about that at the next board  
18 cycle.

19 Also, I see you on, Mini Kouame started  
20 on July 26 as an investment analyst on the  
21 research team, reporting to Maria Garrahan, PRIM's  
22 director of research. Mini comes to us from  
23 Potomac Group, a sovereign advisory firm, as a  
24 senior associate. He has prior experience as a

1 consultant for the World Bank and was a project  
2 manager at KPMG Advisory.

3 Mini recently received his master's in  
4 public administration and in international  
5 development with a major in financial economics  
6 from Harvard University. Congratulations on that  
7 degree.

8 Mini also has his master's in management  
9 with a major in finance from ESCP Europe Business  
10 School in Paris, France, and a bachelor of science  
11 in statistics from ENSEA in Ivory Coast. A lot of  
12 great degrees. Can't wait for you to get going.

13 We're very happy to have you join the  
14 team as well. Welcome to PRIM.

15 And last, but certainly not least, later  
16 this month, Seth Gitell will be joining our  
17 leadership team as our new chief external affairs  
18 officer. And he'll report directly to me.

19 Seth is a seasoned public strategist,  
20 experienced in strategic communications and media  
21 relationships, as well as being a trusted counsel  
22 to senior leaders. Most recently, Seth was chief  
23 of staff for the office of the Massachusetts House  
24 Speaker Bob DeLeo, the former House Speaker Bob

1 DeLeo.

2 His responsibilities included directing  
3 and coordinating the daily and long-term  
4 operations of the speaker's office and for  
5 overseeing the office's communications efforts.

6 Prior to this role, Seth served as  
7 Speaker DeLeo's director of communications. And  
8 before that, in what was the top communications  
9 role in the City of Boston, Seth was Mayor  
10 Menino's press secretary.

11 Seth is a very talented writer, having  
12 begun his career in political journalism, a former  
13 reporter with the *Boston Phoenix* and *Forward*. He  
14 has been published in *The Atlantic Monthly*, the  
15 *Wall Street Journal*, *The Boston Globe* and the *Los*  
16 *Angeles Times*. Seth is very well-known for his  
17 sound judgment and his professionalism.

18 He has a bachelor of arts degree, magna  
19 cum laude, in American history from Harvard and a  
20 law degree from NYU School of Law.

21 We're very excited to have Seth join our  
22 team later in the month.

23 So welcome to PRIM, everyone. We're  
24 extremely happy to have you.

1                   Now, before moving on to markets and  
2     PRIT Fund performance, I'm pleased to report that  
3     last month, the American Investment Council  
4     announced that PRIM Private Equity ranked number 4  
5     in private equity returns among nearly 200 U.S.  
6     public pension funds. And that's based on 10-year  
7     performance.

8                   PRIM is the only fund that has been in  
9     the top 5 of all private equity portfolios in  
10    every single year the American Investment Council  
11    has performed that study, including number 1  
12    rankings in 2019, 2018, 2015 and 2013. We're  
13    extremely proud of this accomplishment yet again.

14                  Congratulations to the private equity  
15    team for this outstanding accomplishment. Mike  
16    McGirr will have more to say about that and the  
17    performance later in today's agenda.

18                  And I do think it's safe to say with a  
19    return of more than 70 percent, seven, zero,  
20    70 percent in fiscal year 2021, we're very  
21    optimistic about next year's ranking.

22                  Also, we are pleased to announce that  
23    the PCS team, portfolio completion strategies  
24    team, under Bill Li is one of four finalists for

1 partnership of the year at the 2021 *Institutional*  
2 *Investor* Allocators' Choice Awards to be held in  
3 New York next month.

4 This is the sixth time PRIM has been  
5 recognized for outstanding innovation by  
6 *Institutional Investor* as nominated by our  
7 industry peers and colleagues. You may recall  
8 that we were winner of Plan of the Year in 2016  
9 and nominated for Plan of the Year in 2017, 2018,  
10 2019. And of course my own Lifetime Achievement  
11 Award, which is very gratifying to me, which was  
12 awarded in 2019, which a few of you attended.

13 This year, we are being recognized for  
14 our PCS partnership with Fir Tree Partners because  
15 as *Institutional Investor* said, and I quote, "PRIM  
16 kicked off a SPAC investment mandate before SPAC  
17 became a buzzword." That deal made MassPRIM money  
18 while invigorating Fir Tree's business as well.

19 We were really very early on the whole  
20 SPAC theme, and congratulations to Bill, Eric, for  
21 spotting that opportunity, and the entire PCS  
22 team. Good luck in September.

23 Now turning to PRIT Fund performance and  
24 markets, as you know, the financial markets

1 continued to rebound through the June quarter. At  
2 the investment committee meeting two weeks ago, we  
3 discussed the outlook.

4 And member Connie Everson, who is our  
5 resident economist and strategist, she discussed  
6 the possibility that the next 10 years in the  
7 markets are likely to be very different from the  
8 last 10 years. Namely, the forces that dominated  
9 for the last 10 years, which are persistently low  
10 interest rates, low inflation and an economy that  
11 really tried and failed repeatedly to resume  
12 sustained growth. This economy may finally break  
13 out and show some sustained growth and inflation.

14 We noted that demand in the economy is  
15 surging. And it is currently being held back by  
16 supply issues, low inventory and labor shortages.  
17 There are nearly 10 million workers still  
18 unemployed. And their return to the workforce  
19 could help keep demand surging.

20 We spoke about how it probably won't  
21 take two years until the Fed tapers and/or  
22 tightens. In fact, we discussed that if it does  
23 take that long, this recovery might also be  
24 considered another failure.

1                   Now, this was a very rosy outlook  
2       indeed, but I want to assure you that we at PRIM  
3       remain steadfast in our core investment  
4       philosophies that, number 1, nobody can predict  
5       the future, so we don't try. And nobody can  
6       predict the financial markets, so we don't try.

7                   Instead, we have designed a long-term  
8       portfolio with components that will perform well,  
9       whatever the future brings, and we don't  
10      believe -- do not believe -- in short-term  
11      tactical asset allocation. We like how this  
12      portfolio is positioned for the long term, and  
13      we're very confident.

14                  Let me just end with some performance  
15      slides before turning it over to the next --

16                  And Tony, do you want to pull up  
17      slide 6?

18                  First of all, in Q4, the June quarter,  
19      the markets were strong. The S&P was up 8 and a  
20      half percent. Developed international markets and  
21      emerging markets were up 5 percent. Bonds were  
22      even up almost 2 percent. This is for the June  
23      quarter. And long-duration bonds were up  
24      9.6 percent.

1                   For the year, for the year ended 2021,  
2     the S&P was up 40.6 percent. Developed  
3     international markets were up 32 percent.  
4     Emerging markets were up more than 40 percent, and  
5     bonds -- as you would expect in rising interest  
6     rate environment, bonds were down, diversified  
7     bonds were down a percent and a half. And long-  
8     duration bonds that are more sensitive to interest  
9     rate moves, they were down more than 10 percent.

10                  Overall, a 60/40 mix of stocks and bonds  
11     was up 23.3 percent. And the PRIT Fund fared  
12     better than a 60/40 mix. It was up 30 percent.

13                  Turning to that slide that Tony has put  
14     in front of you, you can see the staggering  
15     increase in assets under management. Despite  
16     paying out 1.2 billion in benefits, we reached a  
17     new all-time high of \$95.7 billion.

18                  Next slide. For the one-year period,  
19     the PRIT Fund was up 30 percent, and that equates  
20     to 29.5 percent net. That's an outperformance of  
21     9.4 percent gross or 8.9 percent net. And this  
22     equates of course to an investment gain of  
23     22.1 billion, \$6.7 billion above benchmark.

24                  You can see on this slide longer term,



1 three-, five-year periods up 12 percent or more  
2 and well above our benchmark. And even the  
3 10-year number up 9.5 percent also, above the  
4 benchmark.

5 Next slide. You can see on the left  
6 private equity led the way at 72.7 percent gross.  
7 That equates to 70.5 percent net. For the one-  
8 year period, we compare this to itself.

9 Private equity is a long-term asset  
10 class so we don't have a one-year benchmark that  
11 we show to you. Over a longer period of time, we  
12 compare private equity to a public markets return,  
13 plus an illiquidity premium of 3 percent. The  
14 public markets benchmark is the Russell 3000, and  
15 of course the 70 percent is far above that.

16 You can see global equities up  
17 42.4 percent gross, 42.1 percent net. That's  
18 1.7 percent net above a benchmark. And I think  
19 that's particularly impressive, considering that  
20 this total portfolio is 61 percent passive. It's  
21 61 percent indexed, which means that 61 percent of  
22 the portfolio has no chance of beating the  
23 benchmark. So it's the other 40 percent that is  
24 active that is doing a very good job.

1                   Next, you can see value-added, fixed  
2                   income, real estate, PCS. All posted strong  
3                   absolute returns.

4                   PCS was a little below benchmark, mainly  
5                   due to the fact that our managers were somewhat  
6                   defensive during the year, as you might expect in  
7                   a year like we just had. And they were defensive.  
8                   It was indicated by a realized beta of only 0.1.  
9                   So really not very much market exposure, net.

10                  And then on the right, as I mentioned,  
11                  core fixed income was weaker, as you would expect  
12                  with rising interest rates.

13                  And I'll end on the next slide, which  
14                  shows again on the left that private equity led  
15                  the way. Global equities were also very strong,  
16                  and fixed income on the right was weaker,  
17                  especially long-duration bonds, as I mentioned.

18                  And importantly, the PRIT Fund was up  
19                  30 percent, 29.5 percent net, and that equates or  
20                  compares in the middle to a 60/40 mix, which is a  
21                  common benchmark that people like to use, which  
22                  was up 23 percent.

23                  I'll stop there with my comments and  
24                  take any questions you might have before turning

1       it over to the next agenda item.

2               TREASURER GOLDBERG: Any questions for  
3       Michael?

4               Hearing none, we're actually coming up  
5       on Michael's favorite moment, next-to-favorite  
6       moment of the year. Correct, Michael?

7               MR. TROTSKY: That's correct. But this  
8       year, I guess I can keep you from seeing me blush  
9       if I shut my video down.

10              TREASURER GOLDBERG: No, no, no, no, no.

11              MR. TROTSKY: I do have a couple of  
12       comments to make.

13              MS. MCGOLDRICK: You know what we're  
14       going to do? We're going to make it more  
15       uncomfortable. We're all going to shut our  
16       cameras down and have you be --

17              Tony, we're going to put it on speaker  
18       view, even if he's not speaking, and have him fill  
19       up the whole screen.

20              MR. TROTSKY: I do have a couple of  
21       comments before you get started on that.

22              TREASURER GOLDBERG: Okay. So why don't  
23       you go ahead?

24              MR. TROTSKY: As the Treasurer

1 mentioned, the next agenda item is my fiscal 2021  
2 performance evaluation, and you'll be responsible  
3 for approving my fiscal year '22 goals and  
4 objectives, which were presented at each and every  
5 committee meeting, and I've received some feedback  
6 on them.

7 Just to start, the accomplishments of  
8 the fiscal year were highlighted in my opening  
9 remarks. And these accomplishments can also be  
10 found in more detail in your expanded agenda. I'm  
11 not going to go through them. Hopefully, you've  
12 had a chance to review that.

13 Also my annual self-assessment was sent  
14 two weeks ago. And many of you have also reached  
15 out to me with your thoughts and feedback. I  
16 appreciate that.

17 I'm excited to put fiscal year 2021 in  
18 the record books, and also to build on that  
19 success for fiscal '22.

20 You'll see that fiscal 2022 sets forth  
21 an ambitious set of goals and objectives that are  
22 outlined in Appendix D. And as a courtesy, the  
23 document also includes highlights of the board-  
24 approved annual plans of each functional area.

1                   Those goals and objectives are  
2     consistent with past years, but I will highlight  
3     just two new objectives.

4                   Number 6 on that, successfully implement  
5     the FUTURE Initiative to comply with the 2021  
6     investment equity legislation. I mentioned that  
7     in my opening remarks. That should look very  
8     familiar to you all.

9                   What might be new is number 7. And  
10    that's a new one, to collaborate with the  
11    Treasurer's Office, together with the board and  
12    committee. I know several members are interested  
13    in this. The MIT Sloan School also wants to  
14    participate and also other members of the  
15    Aggregate Confusion Project. MIT Sloan School's  
16    ESG consortium is called the Aggregate Confusion  
17    Project.

18                  And number 7 really is a plan to develop  
19    and execute a comprehensive ESG initiative that  
20    we've already started on. You've heard from Maria  
21    Garrahan in the past.

22                  This will require that we work  
23    cooperatively with the Treasurer's Office. We're  
24    very much looking forward to this. Several board

1 and committee members have expressed an interest  
2 in this. And we may have to work with the  
3 legislature to come up with an agreeable ESG law.  
4 That's a new goal of PRIM for fiscal year 2022.

5 I appreciate any of your direct  
6 feedback. Many of you have already offered  
7 helpful comments to me this year and also in past  
8 years. So I very much look forward to speaking  
9 with you soon.

10 You know how to reach me. Please  
11 contact me directly or through Marliese if you  
12 would like to set up a time to speak, and I'd look  
13 forward to that very much.

14 TREASURER GOLDBERG: All set, Michael?

15 MR. TROTSKY: All set.

16 TREASURER GOLDBERG: So all in all, I  
17 think we can agree that lots of fabulous news and  
18 positive information. I think not only do we have  
19 results, but we also have a forward-thinking  
20 organization, which I think, you know, it's often  
21 said that organizations that are innovative are  
22 the most successful. Organizations that are the  
23 most inclusive are more successful. And I feel  
24 that that's exactly what I've been seeing occur

1 year after year.

2 And so with that, we move into the  
3 performance evaluation, and then we have a voting  
4 item that will be the fiscal year 2022 goals and  
5 objectives.

6 So I think at this point, it's probably  
7 appropriate to turn this over to you, Bob.  
8 Wouldn't you agree?

9 MR. BROUSSEAU: I think so, Madam  
10 Treasurer.

11 First of all, a few comments, probably  
12 five or six minutes, that I would like to make.  
13 But I want to say good morning and welcome to all  
14 of you to this annual summer ritual that we go  
15 through in August. It is the performance  
16 evaluation of the executive director and, as  
17 Michael said, the approval of his goals for the  
18 next fiscal year.

19 I want to remind you that state law  
20 requires an open public evaluation of the  
21 executive director, and we do this every year.

22 After 11 years of course, we are  
23 accustomed to the process. However, as the  
24 Treasurer noted, this has never been one of

1 Michael's favorite days. I think over the last  
2 few years, I think he's been able to relax and  
3 accept the fact that, yes, this is one of his  
4 happiest days, and he should bask in the sunshine,  
5 of course, of the evaluation by his peers here on  
6 the board, of the trustees.

7 To review the process, I think you all  
8 know that the executive director forwards his self-  
9 evaluation and his goals and objectives for the  
10 coming year. Today, we evaluate this performance  
11 for the fiscal year that ended on June 30 of this  
12 year.

13 There were two documents that were sent  
14 to you, of course. You received the performance  
15 as well as the goals. These two documents were  
16 provided to the board and to the three advisory  
17 committees for any comments they choose to make.

18 I would say that included in this  
19 document was a discussion guide. The discussion  
20 guide is there for your use. It is not to be  
21 returned to me. You're to use it as a jumping-off  
22 point so that you can evaluate the goals and also  
23 not only the goals from last year, but the  
24 performance of these goals by the executive



1 director.

2 I think as board members, we encourage  
3 you to use this performance guide, as Michael said  
4 earlier, if you want to sit down with him and have  
5 a conversation or talk to him. I know he welcomes  
6 that, and he does welcome the feedback.

7 Now, as chair of the Administration and  
8 Audit Committee, I don't evaluate his  
9 performance. All I do is coordinate the process as  
10 it states in our governance documents, that the chair  
11 of the Administration and Audit Committee  
12 coordinates the process. And of course that's  
13 what I will do today.

14 Board members are not required to  
15 forward their evaluation to me. They may do so,  
16 as many of you have done today.

17 Today's proceedings become -- I want to  
18 remind you -- become a public record of the ED's  
19 evaluation. The results, I received  
20 10 evaluations from board and committee members;  
21 five from board members and five from committee  
22 members.

23 And beforehand, I just want to thank all  
24 of you for participating in this process. It

1       certainly makes my life a lot easier when it comes  
2       to getting a narrative together.

3               This year's evaluation is no different  
4       than the ones we have heard for the last 10 years.  
5       In fact, they get better each year. And of  
6       course, this year is no exception.

7               Michael is highly respected and received  
8       outstanding reviews by all of the evaluations that  
9       I received. There was no criticism, not one  
10      criticism, in any of the evaluations that I  
11      received.

12              Words like -- last year, the word  
13      "outstanding" appeared on several of the  
14      evaluations. After a while last year, I guess  
15      some people felt we have out-used this word. And  
16      now the word that I found a lot in this year was  
17      "creativity" and especially the term "innovation."  
18      This is the quality that Mike uses in running that  
19      organization, and we see the results.

20              Another one, "team building." Staff  
21      working in teams for the common goals.

22              And another thing that came through,  
23      that in this pandemic year with all of its  
24      volatility, the results speak for themselves.

1 Here we see a 95-plus billion dollar fund gained  
2 over \$22.2 billion over the last fiscal year,  
3 which is phenomenal.

4 What was mentioned in these evaluations,  
5 the ESG initiative or MIT Sloan program that we  
6 are working with. The diversity and inclusion  
7 program. The FUTURE, the FUTURE Project, being  
8 handled by David Gurtz at this point. The real  
9 estate leverage project that we are going to be  
10 voting on today. And finally, all of the PRIM and  
11 PRIM staff, recognition for our staff and for what  
12 we have done here.

13 So these are the things I'm sure that  
14 you would expect to have seen in these  
15 evaluations, and they were here. However, I think  
16 you have to get a flavor for all of this so what  
17 I've tried to do is at least take some quotes from  
18 the evaluations that I received so you're  
19 realizing it's not Bob Brousseau saying these  
20 things. These are the exact words of the  
21 evaluators who evaluated Michael's performance.

22 I'll start with one. "This year capped  
23 a very long-term era of over 10 years, I believe,  
24 of spectacular PRIM performance. I was a bit

1 disappointed that we did not celebrate it more  
2 because I think the whole team and especially Mike  
3 deserve real kudos and a very hearty thank you.  
4 The performance was consistent through various  
5 market conditions, challenges and even political  
6 and health issues. It was a collaborative effort  
7 by a team that Mike has so carefully forged and  
8 guided."

9               Stated here: "He guided PRIM through  
10 the COVID environment with barely an issue. He  
11 continued to drive the team to excel and innovate.  
12 And he continued to hire and develop exceptional  
13 people.

14               "Thanks to a large degree to Mike, PRIM  
15 remains a thought leader, a highly respected  
16 organization and a huge contributor to the well-  
17 being of the state and the state's retirees."

18               Another comment stated, "This has been  
19 another extraordinary, challenging year for PRIM.  
20 Michael again had to face the combined challenges  
21 of COVID and a volatile market, and I believe that  
22 he has once again met these challenges superbly."

23               Some of the things that were mentioned  
24 in this evaluation. "He has shepherded a huge

1 growth of the PRIT Fund in 2021 to \$95 billion,  
2 fostering a true sense of team at PRIM, especially  
3 by going out of his way to recognize individual  
4 contributions to group success, continuing in a  
5 very collaborative relationship with Treasurer  
6 Goldberg, entering a groundbreaking research  
7 relationship with MIT Sloan School on ESG  
8 investing, significantly further expanding  
9 diversity of our staff, continued success of  
10 Phase II of Project SAVE, and continued close  
11 attention to client services and smooth transition  
12 in client services leadership from Paul Todisco to  
13 Francesco Daniele.

14 "If past performance is a predictor of  
15 future success, we are most fortunate to have  
16 Michael at the helm at PRIM. Quite simply, this  
17 has proven to be true beyond our fondest dreams."

18 And another evaluation stated, "We all  
19 have to stand in great respect for the investment  
20 management results of the just-closed fiscal year.  
21 Even the highly vaunted and largest public fund in  
22 America, CalPERS, came in significantly behind  
23 PRIM in overall performance. At the end of the  
24 day, this is the most important thing we do."

1                   Quoted, "This is not just a one-shot  
2                   pony with a streak of luck. Indeed, the results  
3                   demonstrate investment integrity and stellar  
4                   performance across the board, executed by a superb  
5                   team of investors. This is about the leadership  
6                   that Michael exhibits."

7                   "The continued advancement in Project  
8                   SAVE has borne impressive results as PRIM's  
9                   adoption of progressive proxy voting guidelines to  
10                  help influence corporate behavior. These  
11                  dimensions of Michael's performance help to shape  
12                  the future of our business, and he does an  
13                  exemplary job of leadership therein."

14                  And another comment made here.  
15                  "Michael's performance is outstanding. He  
16                  consistently displays excellent leadership and  
17                  management of the PRIM team, and the extraordinary  
18                  investment results as well as the strength of the  
19                  team are evident of this assessment.

20                  "Michael is an excellent communicator  
21                  and consistently articulates clear principles,  
22                  expectations, information that keeps staff,  
23                  committee and board members informed of the team's  
24                  investment activity and results.

1                   "The quality of staff he has assembled  
2           and his management style encouraging  
3           collaboration, innovation and professional growth  
4           are consistently on display in one of our  
5           interactions with staff as well as in committees  
6           and board meetings. His professionalism and  
7           consistent, thoughtful investment approach  
8           inspires confidence in what was an exceptionally  
9           challenging year.

10                   "The ongoing emphasis on learned teaming  
11           and innovation are part of the culture of PRIM,  
12           and it is exciting to observe new investment  
13           recommendations and initiatives that result from  
14           these efforts throughout the organization.

15                   "Michael is a leader in embracing D&I,  
16           diversity and inclusion, both in the organization  
17           and throughout the manager line-up."

18                   These, I think, are some of the goals,  
19           some of the thoughts that appear on many of these  
20           also so I'm not going to repeat.

21                   But here is another evaluation from  
22           another person. "I continue to be very impressed  
23           with Michael's leadership of the PRIM team, his  
24           investment skills and discipline and his openness

1 to new ideas to improve the fund. One recent  
2 example is cross-team collaboration to address the  
3 challenge of optimizing the debt facilities in the  
4 real estate area. By utilizing the best ideas in  
5 the real estate team, the fixed income team, the  
6 portfolio completion team and the accounting  
7 finance team, significant interest, cost savings  
8 and operational flexibility were achieved."

9 And another evaluation, the person  
10 stated, "Michael has continued to provide great  
11 leadership and guidance to the board, trustees,  
12 committee members and the entire staff, whose work  
13 has been recognized by our peers and many  
14 distinguished organizations across the country.

15 "Michael has continued to put together a  
16 team that I would put up against any of their  
17 peers in the public sector. I again think this is  
18 the best team we have had at PRIM, but as I said  
19 last year, this says a lot, as we have had some  
20 very talented people pass through the doors of  
21 PRIM.

22 "Again, a team with extremely talented  
23 individuals and not only provide outstanding  
24 leadership for their particular discipline, but



1 just as importantly, the generosity they share  
2 working with the other teams is something Michael  
3 can be greatly proud of."

4 And I think just a few more here. "The  
5 work he and the PRIM staff have done under his  
6 guidance is magnificent for the fiscal year and  
7 almost unbelievable. I agree Michael deserves the  
8 very highest marks and congrats for the 2021  
9 results. I am in awe of his and the staff's  
10 sensitive and excellent work and proud to be a  
11 board member."

12 Another one here. "A comment I would  
13 share about Michael's performance is the  
14 following. In addition to the trailing investment  
15 results being outstanding over the short, medium  
16 and long term, what has impressed me about  
17 Michael's leadership is the culture of  
18 collaboration and continuous improvement that he  
19 seems to have engrained in the staff, as I think  
20 that increases the likelihood of continued success  
21 of the fund."

22 And I believe -- the other one stated  
23 here said, "I've said it before, and I repeat it  
24 again. Michael is perhaps PRIM's greatest asset

1       and clearly its most valuable employee. While I  
2       hope and expect that Michael remain with PRIM for  
3       a long time to come, given his importance to the  
4       organization and, to me, the absence today of an  
5       obvious in-house successor, should the board  
6       devote some time to contingency succession  
7       planning? As it stands, I think the only plan is  
8       that in the event of a void in the ED role, a  
9       search committee would be formed to identify a  
10      successor."

11               Now we all know -- finally, I'd like to  
12      summarize by saying as I went through my  
13      evaluation, there were all of the same things and  
14      the same goals that were mentioned. The  
15      inclusivity of the organization, Michael's culture  
16      of openness, the way he runs the organization,  
17      especially the way he has built a staff and treats  
18      the staff.

19               And also the respect. I believe he  
20      holds everybody he comes in contact with in such  
21      high regard.

22               I know, Michael, that you've been with  
23      us now for 11 years, longer than any other  
24      executive director in the history of PRIM.

1           I've worked with all of them since the  
2   inception of PRIM back in 1984, and it's certainly  
3   been my pleasure -- even though I enjoyed very  
4   much working with Jim Hearty. He was with us for  
5   about two years as the executive director in the  
6   early part of the century and then moved on to  
7   probably better things. I don't know.

8           But, Michael, your 11 years have been an  
9   absolute joy, I know, for me to experience. And I  
10   wish you well and wish well to your family and  
11   hope that you are with us for many years to come.

12           And please wait until after I retire  
13   because I do not want to have to go through  
14   another search before I retire.

15           Thank you very much, Madam Treasurer. I  
16   will turn the meeting to you, and I think the next  
17   item is the voting item.

18           And I would say overly that board  
19   members at this point should feel free to offer  
20   their own evaluations, if they have not already  
21   done so. Remember, this is a public document, and  
22   it becomes part of the public record when we  
23   evaluate the executive director.

24           And then we'll be voting on Michael's

1 goals and objectives.

2 Thank you.

3 TREASURER GOLDBERG: Thank you, Bob.

4 And I'd like to open it up to members of  
5 the board. Is there anyone who would like to  
6 comment?

7 Theresa.

8 MS. MCGOLDRICK: Yes. I'm sorry, Madam  
9 Treasurer, but I did not make it in time to do the  
10 evaluation until today, so I just wanted to give  
11 my comments now.

12 Michael continues to amaze me with his  
13 inspiring leadership, expertise, professionalism,  
14 work ethic and his success in leading our fund to  
15 the highest return in its history during a time of  
16 tragedy, turmoil, inconsistency in the markets and  
17 especially in the world. It is so comforting to  
18 know that he is at the helm of our fund,  
19 protecting our assets while growing them to new  
20 heights.

21 And I just want to say that it's almost  
22 repetitive every year what we say because every  
23 year, I am more comforted by the fact that we have  
24 him in charge of our beneficiaries' fund. And I

1       feel that we're really blessed with it.

2               And this year just -- I mean in a time  
3       when you could count on nothing else really going  
4       consistently, you could count on this, and that  
5       just brings me a lot of peace, representing the  
6       people that I represent, who completely depend on  
7       their pension being there when they go to retire.

8               So thank you for all you do.

9               TREASURER GOLDBERG: Thank you, Theresa.

10              Is there anyone else?

11              Well, then it's my turn.

12              So I did speak with Bob yesterday. And  
13       I listened very carefully to all of the comments  
14       and accolades of your summary, Bob, and I thank  
15       you for your hard work on that.

16              I have to say it's probably getting  
17       easier because very often people use the same  
18       adjectives over and over.

19              I think for this past year, the most  
20       remarkable feature was the cohesiveness of the  
21       team during an adjustment to remote and to the  
22       pandemic, and Michael's true expression of concern  
23       for his team and for what was happening out there  
24       in the world.

1                   Michael, you often started our meetings,  
2     if you did come downtown, commenting on how  
3     disturbing it was for you to see the restaurants  
4     closed, the shops closed, the streets abandoned.  
5     Which takes you above and beyond your perception  
6     of what was going on.

7                   And truly, the team, because of you and  
8     your support of them and your engagement with my  
9     office, helped, as I used consistently with not  
10    just our offices, but also with the national group  
11    of treasurers I work with, we kept on getting the  
12    job done. And we kept on getting it done on  
13    behalf of the people. And in PRIM's case, it's  
14    the beneficiaries, Theresa, and it's also the  
15    taxpayers.

16                  And so we understand our double goals.  
17    And this past year rose very much above what -- I  
18    mean so many things could have been considered  
19    acceptable, but not in Michael Trotsky's world.  
20    Performance and adjustment to whatever the  
21    circumstances may be, this year proved that the  
22    strategy of return, risk and cost is the strategy  
23    to live by. And this year, it paid off  
24    enormously.

1                   So when you use the word "innovative," I  
2     think that's what has really been a key driver of  
3     this organization, willing to take risks in being  
4     innovative, which is different than taking risks  
5     in investments, and that's what was one of the key  
6     facets, Michael, that you really drive the bus  
7     with.

8                   And so I think that overall -- by the  
9     way, I just wanted to let you know, no one gets to  
10    retire unless I do. And so I have a new idea this  
11    year that I'm going to beat Bob Crane's record of  
12    number of years served as Treasurer. So we're all  
13    going to be really old by the time we retire. So  
14    don't have any thoughts of sitting on a beach and  
15    enjoying yourself because at that point, we'll all  
16    be going over to Hebrew SeniorLife.

17                  But all kidding aside, this is great  
18    teamwork between my team and yours. And I think  
19    that members of the board who are looking forward  
20    to getting engaged in how we evaluate and how we  
21    move forward in ESG this --

22                  With everything with the pandemic going  
23    on, the only other major issue that you see  
24    consistently talked about and concern about is

1 just what is happening with climate and climate  
2 risk. And the collaborations that you are working  
3 on putting together to address how do we as  
4 investors impact that?

5 I think a major thing that happened this  
6 year is that Engine 1, a group of investors,  
7 gained two board seats on Exxon, the Exxon board.  
8 And if we can get a group like Exxon engaged in  
9 helping support how we save our planet, that would  
10 be a really good thing.

11 So we have lots more to do together.  
12 And at the same time, make sure that we have the  
13 kind of returns together that are so important for  
14 our beneficiaries and the taxpayer.

15 And I look forward to this conversation  
16 again in a year. Bob, I just think you should  
17 make copies of that because we're going to say it  
18 again. Please, God.

19 So with that, Michael, do you have any  
20 response to all of this? I do see a little bit of  
21 red in your face.

22 Otherwise, would you like me to move on  
23 to the voting item, or would anyone else care to  
24 comment?



1                   MR. NAUGHTON: Madam Treasurer, I would  
2 just make a quick comment. I apologize to Bob for  
3 the multifarious accolades that I sent to him  
4 regarding Michael.

5                   And directly to Michael, thank you for  
6 being you.

7                   MR. TROTSKY: Well, thank you, Dennis,  
8 Treasurer, Theresa, Bob.

9                   It's hard for me. These comments mean  
10 the world to me because -- and thank you to  
11 everyone else who participated. You know, we work  
12 very hard to gain your confidence and your support  
13 and to produce good results for the more than  
14 300,000 beneficiaries of the fund.

15                   We're very proud of the work we do and  
16 the results we deliver, but I was very, very happy  
17 to hear that most of the comments also attributed  
18 my own success to that of the staff.

19                   And really, I do believe that my job is  
20 made easy because of this excellent staff we've  
21 assembled and supported. And it's because of  
22 their commitment to the fund and to each other  
23 that we're able to celebrate this success.

24                   This team is phenomenal. And really I

1 do believe that they deserve all the credit  
2 because they really do all the work. And more  
3 importantly, it's heartwarming to me because they  
4 deserve the recognition more than me for producing  
5 these strong results.

6 And they also deserve my gratitude for  
7 being able to sit here and get your accolades.  
8 Thank you. Thank you for all the work you do.

9 Someone said it, and I'll say it again,  
10 that this staff is the best in the country, if not  
11 the world. And again, I'm so happy that they  
12 received as much recognition as I do really, and  
13 they deserve it. And so congratulations to  
14 everybody.

15 TREASURER GOLDBERG: Thank you, Michael.

16 Any other comments before we move on to  
17 the vote for goals and objectives for '22?

18 MS. FITCH: Just a quick well-said by  
19 Michael because it's really important for the  
20 staff support. But this has been an incredible  
21 year. Thank you.

22 TREASURER GOLDBERG: Okay. Thank you,  
23 Ruth Ellen.

24 With that -- that's right, Michael.

1 Have a sip of water. You can breathe again.

2 We will turn to the fiscal year 2022  
3 goals and objectives vote. Let me get the actual  
4 wording.

5 I seek a motion that the PRIM Board  
6 approve the Administration and Audit Committee's  
7 recommendation to approve the executive director's  
8 fiscal year 2022 goals and objectives as contained  
9 in Appendix D of the expanded agenda and further  
10 to authorize the executive director to take all  
11 actions necessary to effectuate this vote.

12 Is there a motion?

13 MR. BROUSSEAU: I move that we adopt the  
14 goals and objectives.

15 TREASURER GOLDBERG: So we had a lot of  
16 chorus line people.

17 So let's see. Bob, we'll let you do the  
18 motion, and I didn't quite hear everyone else's  
19 voice.

20 Jim, was that you who had a motion?

21 MR. HEARTY: It was not. I'll be happy  
22 to do so, but it wasn't I.

23 TREASURER GOLDBERG: All right. Who  
24 else made noise?

1 MR. SHANLEY: It was me.

2 TREASURER GOLDBERG: All right. Then  
3 let me have a second from somebody.

4 MR. NAUGHTON: Second.

5 MS. MCGOLDRICK: I'll second it.

6 TREASURER GOLDBERG: All right. Thank  
7 you.

8 Discussion?

9 So I'm assuming everyone has read them.  
10 And we had a thorough conversation, went over them  
11 at Admin and Audit. And so since there's no  
12 further discussion or comment, I will do a roll  
13 call vote.

14 Robert Brousseau?

15 MR. BROUSSEAU: Yes.

16 TREASURER GOLDBERG: Ruth Ellen Fitch?

17 MS. FITCH: Yes.

18 TREASURER GOLDBERG: James Hearty?

19 MR. HEARTY: Yes.

20 TREASURER GOLDBERG: Theresa McGoldrick?

21 MS. MCGOLDRICK: Yes.

22 TREASURER GOLDBERG: Peter Monaco?

23 MR. MONACO: Yes.

24 TREASURER GOLDBERG: Dennis Naughton?

1 MR. NAUGHTON: Yes.

2 TREASURER GOLDBERG: Paul Shanley?

3 MR. SHANLEY: Yes.

4 TREASURER GOLDBERG: Myself, yes. The  
5 motion carries.

6 Thank you very much.

7 Now we will turn to our investment  
8 report and begin with public markets.

9 Dave, you're up.

10 MR. GURTZ: Good morning, everybody.  
11 I'm David Gurtz, deputy CIO, director of public  
12 markets.

13 And let me just jump right into  
14 performance. I'll go through that very briefly  
15 before we turn to our two voting items.

16 So Tony, would you mind opening up  
17 page 15, and we're going to start with global  
18 equities.

19 So global equities returned, as Michael  
20 said, a terrific 42 percent for the fiscal year,  
21 outperforming its benchmark by 2 percent gross or  
22 165 basis points net of fees.

23 It's a very impressive relative return  
24 when you consider that approximately 60 percent of

1 the global equities portfolio is passively  
2 managed. Importantly, the relative outperformance  
3 was also broad, with each subasset class  
4 contributing to this outperformance.

5 I think there was three key reasons I  
6 believe why this year was special and why every  
7 asset class outperformed. One, good manager  
8 selection; two, good portfolio construction; and  
9 three, methodical rebalancing.

10 First, good manager selection. We have  
11 selected strong managers in each subasset class,  
12 resulting in relative outperformance across the  
13 board. For example, two years ago, we added four  
14 new U.S. microcap managers to our U.S. small/SMID  
15 cap portfolio. And these four managers  
16 collectively produced an absolute return of nearly  
17 93 percent this past fiscal year, helping to make  
18 U.S. small/SMID the highest-performing global  
19 equity asset subasset class.

20 Additionally, these four microcap  
21 managers outperformed their benchmarks by over  
22 16 percent, net of fees, providing significant  
23 relative outperformance.

24 Second, good portfolio construction. We

1 have constructed the global equity portfolio to  
2 use active strategies in inefficient markets and  
3 passive management in more efficient markets. For  
4 example, a couple of years ago, we moved our  
5 emerging markets portfolio to 100 percent actively  
6 managed.

7 In this past fiscal year, our \$5 billion  
8 emerging markets portfolio produced the best  
9 relative performance. EM returned 48 percent,  
10 outperforming its benchmark by over 5 percent or  
11 44 and a half percent, net of fees.

12 On the other end of the spectrum, our  
13 U.S. large cap portfolio is 100 percent passively  
14 managed to the S&P 500 because that market is so  
15 efficient.

16 And lastly, methodical rebalancing. As  
17 Michael says, we do not predict the future, and so  
18 we methodologically rebalanced the portfolio  
19 between the U.S., developed international and  
20 emerging markets, as well as between large cap and  
21 small cap within each of these. And additionally,  
22 we track and rebalance within our portfolios  
23 between growth and value managers.

24 So collectively, a great year. Global

1 equities produced very strong absolute and  
2 relative returns for those reasons.

3 Turning to page 16 and a review of our  
4 fixed income portfolio, looking at the top left  
5 graph, U.S. rates as of June 30, the yellow line  
6 is higher compared to a year ago, the reddish  
7 orange line there.

8 And when rates rise, bond prices fall,  
9 all else equal. And while the rates have risen  
10 this past year from their all-time lows of last  
11 summer, the rates as of June 30 are still very  
12 historically low.

13 The bottom right graph shows the U.S.  
14 credit spreads. These credits continue to tighten  
15 to levels last seen since 2004.

16 So what has happened this year is our  
17 valued-added managers or our value-added fixed  
18 income portfolio, which has mostly credit  
19 exposure, has done very well, while our more  
20 interest rate-sensitive assets in core fixed  
21 income has suffered due to the rise in the yields.

22 So turning to the next page, on the  
23 right-hand graph, you can see OCO, or other credit  
24 opportunities, high yield, emerging market debt



1       and bank loans, all within our value-added fixed  
2       income, all produced double-digit returns this  
3       past fiscal year, thanks to credit spreads  
4       tightening.

5               The OCO portfolio, which has grown to  
6       approximately \$900 million, was the best fixed  
7       income performer, returning over 20 percent, but  
8       more impressively outperforming its benchmark by  
9       nearly 16 percent, net of fees, as our managers  
10      took advantage of dislocations in credit markets  
11      to deliver these outsized returns.

12             Our high yield portfolio returned  
13      17.3 percent, net of fees, on the back of credit  
14      spreads tightening over 300 basis points during  
15      this fiscal year. And again, they outperformed  
16      the benchmark by over 2 percent, 171 basis points,  
17      on a net-of-fees basis.

18             And emerging market debt returned nearly  
19      16 percent, beating its benchmark by 9 percent,  
20      while bank loans returned 10.1 percent, lagging  
21      the benchmark by nearly 2 percent.

22             On the other end of the spectrum, core  
23      fixed income strategies fared worse, given the  
24      rise in interest rates this fiscal year. The TIPS

1 portfolio returned 5.8 percent, largely due to the  
2 4.2 percent adjustment from realized inflation in  
3 the U.S., which flows directly into the returns  
4 for TIPS.

5 Our agg portfolio returned a modest  
6 1 percent but outperformed the benchmark by over  
7 1 percent. And finally, our STRIPS portfolio  
8 returned a negative 13.9 percent on the back of  
9 long rates rising 65 basis points over this  
10 period.

11 And despite the low overall level of  
12 interest rates, STRIPS continue to be negatively  
13 correlated with equities, which served to dampen  
14 overall portfolio volatility.

15 So I'll pause there and see if there's  
16 any questions before we jump right into the voting  
17 items.

18 TREASURER GOLDBERG: Any questions at  
19 all, or are we ready to vote on items?

20 Okay then. I'll seek a motion and a  
21 second, and then we can kick that off.

22 So I seek a motion that the PRIM Board  
23 approve the Investment Committee's recommendation  
24 to approve an initial allocation of up to

1       \$1 billion to Rhumblin Passive S&P 500 Index as  
2       described in Appendix E of the expanded agenda,  
3       and further to authorize the executive director to  
4       take all actions necessary to effectuate this  
5       vote.

6                   Is there a motion?

7                   MR. SHANLEY:   So moved.

8                   MR. BROUSSEAU:   Second.

9                   MS. FITCH:    Second.

10                  TREASURER GOLDBERG:   Go ahead.

11                  MR. GURTZ:   Thank you.

12                  So at the last meeting, we proudly  
13       launched our FUTURE Initiative. It's our firm-  
14       wide effort to increase the diversity of our  
15       investment managers and vendors. And since the  
16       last meeting in May, we continue to make  
17       significant progress.

18                  So in July, we held a Diverse Manager  
19       Roadshow with the NAIC, that's the National  
20       Association of Investment Companies. That's the  
21       largest network of diverse private equity and  
22       hedge fund managers. We had 20 PRIM investment  
23       staff members meet with 24 diverse private equity,  
24       hedge fund and real estate firms. And this event

1 was a great success and helped us continue to  
2 build a deeper pipeline of diverse managers.

3 We continue to meet with and vet  
4 advisors to help build our emerging diverse  
5 manager program for each asset class.

6 And as part of the FUTURE Initiative, we  
7 are working to ensure all diverse managers have a  
8 clear path to success at PRIM, whether it's  
9 diverse emerging managers, diverse active managers  
10 or even diverse passive managers, which is what  
11 we're talking about today.

12 So I am very pleased to recommend  
13 Rhumblin, a diverse manager, to passively manage  
14 an initial allocation of \$1 billion of our S&P 500  
15 portfolio.

16 Now, the addition of Rhumblin will  
17 benefit PRIM in three immediate ways. The first  
18 is it reduces a manager concentration risk for the  
19 PRIT Fund. Per PRIM's investment policy  
20 statement, no passive managers should manage more  
21 than 25 percent of the PRIT Fund assets.

22 State Street Global Advisors, or SSGA,  
23 currently manages approximately 26 percent of the  
24 PRIT Fund assets. We continue to view State

1 Street as a key partner, managing a significant  
2 portion of the PRIT Fund, but this initial billion  
3 dollar allocation to Rhumblin will bring State  
4 Street in compliance by reducing their exposure to  
5 below 25 percent.

6 Second, it reduces the investment  
7 management fees in our largest asset class.  
8 Rhumblin's fees are competitive with peers and  
9 were lower than our existing SSGA mandate.

10 Leveraging this recommendation and the  
11 fee quote, we successfully renegotiated fees with  
12 State Street, who reduced their fees by over  
13 50 percent. And so collectively, between the  
14 lower Rhumblin fees and the reduced State Street  
15 fees, we will be saving approximately \$1 million  
16 annually, certainly a clear indication that  
17 Project SAVE is part of our DNA here.

18 And third, hiring Rhumblin will  
19 increase PRIM's allocation to diverse investment  
20 managers as part of PRIM's FUTURE Initiative.  
21 Rhumblin has been a diverse firm since its  
22 founding in 1990.

23 And so this truly is in my mind a win-  
24 win-win recommendation.

1                   So Rhumblin was founded in 1990.  
2                   They're a Boston-based diverse investment manager  
3                   that specializes in index-based products.

4                   As of June 30, Rhumblin's assets  
5                   totaled \$92 billion invested in 60 unique index  
6                   strategies for nearly 300 clients. Approximately  
7                   two thirds of Rhumblin's assets are from public  
8                   funds like us. And the majority of these assets  
9                   are managed in domestic equity and index  
10                  strategies.

11                  Rhumblin will use a full replication  
12                  approach to closely track the S&P 500 index and  
13                  customized to exclude PRIM's restricted  
14                  securities. Their track record of performance is  
15                  competitive with peers and certainly within  
16                  expectations.

17                  Funding for this investment will be  
18                  sourced from our existing SSGA Passive S&P 500  
19                  Index portfolio, which is currently over  
20                  \$18 billion. Therefore, and importantly, this  
21                  allocation will not change our exposure to  
22                  equities. It does not increase it.

23                  Overall, Rhumblin is well-positioned to  
24                  manage PRIM's passive S&P 500 index portfolio.

1       The firm offers a competitive 30-year track record  
2       with substantial AUM and a diversified client  
3       base. And this recommendation helps us remain in  
4       compliance with our investment policy statement.  
5       It helps us lower our fees, and it increases the  
6       use of diverse investment managers.

7               So with that, I will stop and take your  
8       questions.

9               TREASURER GOLDBERG: Any questions at  
10      all for Dave?

11              I like you're using my expression, Dave.

12              MR. GURTZ: That's what I did.

13              TREASURER GOLDBERG: Win-win, win-win-  
14      win-win.

15              MR. GURTZ: Yes. I stole it from you.

16              TREASURER GOLDBERG: This was a win-win-  
17      win-win. So with that, win-win-win-win, are there  
18      any other questions?

19              MS. FITCH: Not a question. A comment.  
20      Smart move.

21              TREASURER GOLDBERG: And Bob, I see your  
22      hand.

23              MR. BROUSSEAU: Just a very positive  
24      comment. I guess I'm old enough to remember that

1 we were invested with Rhumbline. Right after they  
2 organized in the 1990s and became a firm, it was  
3 in the mid-'90s. I know that Jim Hearty was on  
4 the board and recalls that.

5 And I recall when Wayne Owen was the  
6 contact, was actually the person who represented  
7 Rhumbline with PRIM. And I don't know how many  
8 years we were with them at the time. It was I  
9 think several years when there was a change. And  
10 my aged memory forgets why that occurred.

11 But we were one of the first firms I  
12 think to invest with Rhumbline when they were,  
13 even at that point, a diverse organization.

14 I'm pleased to see that we're coming  
15 back to work with Rhumbline. I think they are a  
16 quality firm.

17 TREASURER GOLDBERG: Great.

18 Any other comments?

19 MR. NAUGHTON: If I may, Madam  
20 Treasurer. Thank you.

21 I just want to mention, I know that we  
22 have like 85-plus people who are listening to our  
23 meeting. And I just want to emphasize that the  
24 reason you don't hear more questions is because



1 the board members regularly attend the  
2 subcommittee meetings, including the investment  
3 committee meetings. And so we have had our  
4 opportunity to hear these things through  
5 thoroughly in those venues.

6 I just wanted to mention that as an  
7 informational.

8 TREASURER GOLDBERG: Yes. That is  
9 absolutely true. A good point to be made, Dennis.

10 We have an extensive subcommittee  
11 process. And what I always think is terrific is  
12 how even if members of the board are not members  
13 of the subcommittees, many people attend. And  
14 then we have people on the subcommittees who are  
15 not members of the board who equally do attend our  
16 board meeting. So there's a lot of integration.  
17 And it's a good point to be made.

18 With that, we have a motion. We have a  
19 second. And I think I will proceed to a vote if  
20 there are no further questions.

21 Hearing none, all those in favor.

22 Bob Brousseau?

23 MR. BROUSSEAU: Yes.

24 TREASURER GOLDBERG: Ruth Ellen?

1 MS. FITCH: Yes.

2 TREASURER GOLDBERG: Jim?

3 MR. HEARTY: Yes.

4 TREASURER GOLDBERG: Theresa?

5 MS. McGOLDRICK: Yes.

6 TREASURER GOLDBERG: Peter?

7 MR. MONACO: Yes.

8 TREASURER GOLDBERG: Dennis?

9 MR. NAUGHTON: Yes.

10 TREASURER GOLDBERG: Paul?

11 MR. SHANLEY: Yes.

12 TREASURER GOLDBERG: Myself, yes. The

13 motion carries. Okay.

14 MR. SHANLEY: Thank you, Dave.

15 MR. GURTZ: Thank you.

16 TREASURER GOLDBERG: Now, next item.

17 Just flip through my papers here.

18 It looks like we have another voting

19 item.

20 MR. GURTZ: We do. And Chuck and Eleni

21 are going to go through Newmarket.

22 TREASURER GOLDBERG: Great.

23 What I'll do is I'll seek a motion and a

24 second, and then we'll go through Newmarket.

1                   I seek a motion that the PRIM Board  
2   approve the Investment Committee's recommendation  
3   to approve an initial allocation of up to  
4   \$150 million to Newmarket IIFC III Fund-of-One,  
5   LLC, as described in the expanded agenda, and  
6   further to authorize the executive director to  
7   take all actions necessary to effectuate this  
8   vote.

9                   Is there a motion?

10                  MR. BROUSSEAU: So moved.

11                  TREASURER GOLDBERG: Second?

12                  MS. FITCH: Second.

13                  TREASURER GOLDBERG: Got it. Go ahead,  
14   Chuck.

15                  MR. LaPOSTA: All right. Thank you very  
16   much, and good morning, everybody.

17                  The proposed strategy will be a new  
18   credit investment for our OCO portfolio which  
19   focus on loans to global infrastructure products  
20   as collateral.

21                  I'd like to thank my colleague Eleni  
22   Klempner, who contributed her expertise of  
23   infrastructure assets, among other things, to the  
24   diligence process, as well as to Jay Leu for

1 providing his assessment of the relative risks of  
2 the strategy.

3 The fund of one investment will invest  
4 in Newmarket Capital's International  
5 Infrastructure Finance Company Fund III, as well  
6 as other direct transactions in the regulatory  
7 capital relief, or RegCap, space, in which  
8 Newmarket has expertise underwriting and investing  
9 within this niche segment of the market.

10 Newmarket is Philadelphia-based and is  
11 led by cofounders, which include Andrew Hohns, the  
12 CEO, and Molly Whitehouse, the primary portfolio  
13 manager.

14 Newmarket consists of 17 full-time  
15 professionals, supported by an external investment  
16 committee of four, which includes Dr. Hohns, the  
17 CEO, and a board of advisors comprised of five  
18 individuals.

19 The firm is focused on the niche of  
20 underwriting regulatory capital relief instruments  
21 on bank-held infrastructure lending books. This  
22 will be their third fund dedicated to this  
23 strategy.

24 The group has been doing this for

1       10 years as part of a prior organization, Mariner.  
2       In 2013, they raised Fund I, which was a  
3       \$500 million fund. In 2017, they raised Fund II,  
4       which was 630 million. Both Fund I and II are  
5       fully invested and have generated strong returns,  
6       as expected.

7               Based on the opportunity set in front of  
8       them, in 2018, the team elected to exercise a  
9       buyout option that was in the initial sponsorship  
10      agreement with Mariner. In early 2020, they spun  
11      out of Mariner and became Newmarket, bringing over  
12      their entire team.

13             They are now raising Fund III, which has  
14      a target of \$1 billion, and is also targeting a  
15      net return of 8 percent, which is consistent with  
16      prior funds.

17             Newmarket focuses on RegCap trades  
18      within the infrastructure space with banks who  
19      have a deep history in infrastructure lending.  
20      RegCap transactions are designed to ease the  
21      burden of retained capital requirements resulting  
22      from certain risk-weighting categories that banks  
23      must hold against their loan portfolios.

24             By entering into a RegCap transaction

1 with Newmarket, banks can reduce their capital  
2 requirements to as little as 15 percent, which  
3 frees up capital to make additional loans and  
4 allows the bank to maintain connections with their  
5 borrowers.

6 For their part, Newmarket is paid a  
7 coupon of 9 to 12 percent above LIBOR for a period  
8 of five to seven years and retains exposure to the  
9 credit risk of an 8 percent slice of the total  
10 loan portfolio.

11 Credit risk is defined by three distinct  
12 events: bankruptcy, failure to pay principal and  
13 interest, or a distressed restructuring. These  
14 are the only events that will impair or impact the  
15 investment that Newmarket makes.

16 The fund strategy focuses on  
17 infrastructure as an asset class, due to its  
18 historical track record of low defaults, high  
19 recoveries and low correlation with other major  
20 markets.

21 The strategy typically targets  
22 transactions with the core infrastructure lending  
23 portfolios of banks which have an established  
24 footprint in the local jurisdiction. Importantly,

1 the strategy focuses on established infrastructure  
2 projects with steady cash flows and limits  
3 development exposure to projects which are near  
4 the end of construction phase.

5 The team conducts due diligence on both  
6 the bank counterpart as well as the individual  
7 loans in the proposed reference pool in order to  
8 gain comfort around the fundamental risks.

9 Newmarket brings an experienced and  
10 cohesive team with expertise in transaction  
11 structuring as well as credit underwriting and  
12 project finance, which helped establish their  
13 competitive position by specializing in this more  
14 labor-intensive segment of the RegCap market and  
15 solidified them as an incumbent partner for  
16 leading global infrastructure lenders.

17 With that, I will open it up to any  
18 questions.

19 TREASURER GOLDBERG: Questions for  
20 Chuck? Any whatsoever? Any additional comments  
21 or questions?

22 Hearing none, I will go through a roll  
23 call vote.

24 Bob?

1 MR. BROUSSEAU: Yes.

2 TREASURER GOLDBERG: Ruth Ellen?

3 MS. FITCH: Yes.

4 TREASURER GOLDBERG: Jim?

5 MR. HEARTY: Yes.

6 TREASURER GOLDBERG: Theresa?

7 MS. McGOLDRICK: Yes.

8 TREASURER GOLDBERG: Peter?

9 MR. MONACO: Yes.

10 TREASURER GOLDBERG: Dennis?

11 MR. NAUGHTON: Yes.

12 TREASURER GOLDBERG: Paul?

13 MR. SHANLEY: Yes.

14 TREASURER GOLDBERG: Myself, yes. The

15 motion carries. Thank you very much.

16 MR. LaPOSTA: Thank you.

17 TREASURER GOLDBERG: Now let's see. We

18 have strategy group coming up. Hi, Eric.

19 MR. NIERENBERG: Hi. Thank you, Madam

20 Treasurer.

21 TREASURER GOLDBERG: So first, Eric will

22 do a performance summary, and then we will have a

23 voting item on an RFP. Go ahead, Eric.

24 MR. NIERENBERG: Thank you very much.



1 Eric Nierenberg, chief strategy officer. Great to  
2 see all of you this morning.

3 I first want to welcome Mini to our  
4 group. He's the 11th member of our Strategy  
5 Group. We now have enough people to field our  
6 own soccer or football team so we're looking  
7 forward to that.

8 I also want to mention we have five  
9 interns with us right now. Tiana Xiong from  
10 Brandeis. And we have four interns from the  
11 University of Washington master's program in  
12 computational finance: Vivian Liang, Navid  
13 Bahadoran, Yang Wong and Peng Fei. And they've  
14 been doing great work across our group.

15 As a reminder, we have three teams  
16 within strategy: research, risk and portfolio  
17 completion strategies. And those teams work  
18 collaboratively with each other and then also with  
19 their counterparts throughout PRIM on both the  
20 investments and operations side.

21 At the Investment Committee meeting a  
22 couple weeks ago, we talked about a number of the  
23 research, risk and investment initiatives that we  
24 have been working on within the group.

1                   Today you'll be hearing from all three  
2                   of our directors: Bill Li, director of portfolio  
3                   completion strategies; Maria Garrahan, director of  
4                   research and Jay Leu, director of risk.

5                   With that, I'm going to turn it over to  
6                   Bill, who will take you through PCS performance  
7                   summary.

8                   MR. LI: Thank you, Eric. Good morning,  
9                   everybody.

10                  This is Bill Li, director of portfolio  
11                  completion strategies.

12                  Jump right into performance. For  
13                  trailing one year, PCS delivered 15.6 percent  
14                  versus the benchmark's 17.1 percent. Hedge funds  
15                  account for over 80 percent of PCS. Last fiscal  
16                  year, PRIT hedge fund returned 17.4 percent,  
17                  lagging the benchmark by 150 bps. In a 10-year  
18                  time frame, PRIT hedge fund annualized  
19                  4.8 percent, outpacing the benchmark by 100 bps.

20                  As mentioned by Michael earlier, post  
21                  the March 2020 selloff, our overall hedge fund  
22                  portfolio had turned defensive, as indicated in a  
23                  realized beta of merely 0.1, lower than the hedge  
24                  fund industry's 0.4 beta. Missing out significant

1 market rally explained part of the relative  
2 performance.

3 That said, we're comfortable with the  
4 lower beta profile, which was expressed bottom-up  
5 from our investment partners, who collectively  
6 took a cautious stance.

7 Despite a lower-risk profile, the  
8 absolute return of 17.4 percent greatly exceeded  
9 expectation.

10 More specifically, the stable value  
11 bucket, which is of minimal beta and currently  
12 accounts for two thirds of PRIT hedge fund,  
13 returned 13.9 percent trailing one year. Bonds  
14 relative values were the major contributor  
15 strategy type, while systematic macros detracted.

16 The remainder one third are directional  
17 hedge funds, which are of moderate beta. It had  
18 seen exceptional performance across the board.  
19 All together, the directional bucket delivered  
20 28 percent. And we remain constructive that  
21 today's rapidly evolving environment is conducive  
22 to the security selection alpha, and that's also  
23 our sourcing focus the next three years.

24 Zoom out of last year, since a decade

1       ago, PRIT hedge fund has come a long way.

2       Firstly, governance has been vastly enhanced, with  
3       most investments in separate accounts that enable  
4       control and fee savings.

5               Secondly, we successfully instilled a  
6       diverse mindset sourcing and assessing talents.  
7       Now, 54 percent of PRIT hedge fund are managed by  
8       emerging managers and roughly a quarter by  
9       minority managers.

10              Thirdly, through custom mandates,  
11       co-investments and intelligence sharing, we have  
12       built a roster of partners that's part of the  
13       cornerstone for PRIM's ongoing success. The  
14       innovative partnership approach is also what got  
15       us the *Institutional Investors* recognition,  
16       nominated by peers and asset managers.

17              Now, turning from hedge funds to put  
18       spread collar enhanced equity program, which is  
19       slightly over 1 percent of total PRIT and now  
20       resides within domestic equity. The program  
21       delivered 35.9 percent, outpacing benchmark by  
22       about 790 bps. The superb performance was partly  
23       due to rich volatility premium caused by  
24       imbalanced supply and demand. And that's the

1 market environment we've been seeing and want to  
2 share with you as well.

3 And with that, I'm happy to take any  
4 questions regarding the performance as such.

5 TREASURER GOLDBERG: Any questions for  
6 Bill at all?

7 Okay then.

8 MR. NIERENBERG: Next we have a voting  
9 item, Treasurer, from Maria Garrahan.

10 TREASURER GOLDBERG: I'm going to -- all  
11 right. Here we go.

12 I seek a motion that the PRIM Board  
13 approve the Investment Committee's recommendation  
14 to select NEPC to provide asset allocation  
15 advisory services as described in Appendix G of  
16 the expanded agenda, and further to authorize the  
17 executive director to take all actions necessary  
18 to effectuate this vote.

19 Is there a motion?

20 MR. SHANLEY: So moved.

21 TREASURER GOLDBERG: Is there a second?

22 MS. FITCH: Second.

23 TREASURER GOLDBERG: All right then.

24 Maria.

1 MS. GARRAHAN: Good morning, everyone.

2 Before we dive into the asset allocation  
3 advisory recommendation, I would like to share a  
4 quick update on the ESG initiative.

5 First, I'm excited to share that we have  
6 a new addition to the research team. As Eric  
7 described a few minutes before, Mini Kouame joined  
8 a few weeks ago as an investment analyst. His  
9 initial research focus will be on ESG as we  
10 continue to build upon PRIM's existing ESG  
11 research.

12 As a reminder, MassPRIM has taken a  
13 leadership role as the founding member of MIT's  
14 Aggregate Confusion Project, which is an ESG  
15 research consortium aimed at addressing issues  
16 around the lack of quality and consistency of ESG  
17 data. In regard to the membership, MFS and AQR  
18 have officially signed on as the second and third  
19 members of the consortium.

20 MIT researchers have been focusing on,  
21 one, attribute preferences and, two, noise  
22 reduction techniques. These two work streams are  
23 the vital foundation required in order to make  
24 progress towards consistent and reliable ESG data.

1 Jason Jay and Roberto Rigobon plan to give a more  
2 detailed update regarding these ongoing research  
3 initiatives at the upcoming cycle.

4 And now we can jump into the asset  
5 advisory services.

6 PRIM issued RFP for asset allocation  
7 advisory services on August 24, 2020. PRIM  
8 received four responses by the deadline of  
9 September 25, 2020. Respondents are as follows:  
10 Meketa, Verus, RVK and NEPC.

11 The evaluation committee consisted of  
12 the investment committee member, Glenn Strehle,  
13 and the following PRIM staff: Michael Trotsky,  
14 Eric Nierenberg, myself, Maria Garrahan; David  
15 Gurtz; Jay Leu and Matt Liposky.

16 The virtual finalist interviews were  
17 held on October 13, 2020 for all four respondents.  
18 All responses were thoroughly reviewed, and  
19 finalists were selected based on criteria detailed  
20 in the RFP: relative experience, stability and  
21 depth of the proposed team dedicated to PRIM,  
22 quality and suitability of the firm, client  
23 references and fee proposal.

24 The evaluation committee would like to

1 bring forward to the PRIM Board our recommendation  
2 to select NEPC for the asset allocation advisory  
3 services as a result of this RFP process.

4 Headquartered in Boston, NEPC has been  
5 solely focused on investment consulting, offering  
6 these advisory services since inception in 1986.  
7 The key persons dedicated to the PRIM relationship  
8 are Michael Manning, Phil Nelson and Jennifer  
9 Appel.

10 NEPC tailored their presentation to meet  
11 the needs of MassPRIM's proprietary asset  
12 allocation framework. In addition to the standard  
13 scope of services, NEPC has extended this with the  
14 inclusion of quarterly deliverables comprised of  
15 the following: quarterly capital market  
16 assumptions and macroeconomic landscape, an update  
17 on peer asset allocation challenges and peer  
18 capital market assumptions.

19 Finally, the proposed fee by NEPC of  
20 230,000 annually for a five-year period with two  
21 one-year extensions is a competitive bid as it is  
22 a flat fee.

23 I would like to ask if anyone has any  
24 questions or comments at this point.



1                   TREASURER GOLDBERG: Any questions or  
2    comments?

3                   I think you were very thorough, Maria.

4                   MS. GARRAHAN: Thank you.

5                   TREASURER GOLDBERG: If there are none,  
6    I will proceed with the roll call vote. Everybody  
7    ready?

8                   Bob?

9                   MR. BROUSSEAU: Yes.

10                  TREASURER GOLDBERG: Ruth Ellen?

11                  MS. FITCH: Yes.

12                  TREASURER GOLDBERG: Jim?

13                  MR. HEARTY: Yes.

14                  TREASURER GOLDBERG: Theresa?

15                  MS. McGOLDRICK: Yes.

16                  TREASURER GOLDBERG: Peter?

17                  MR. MONACO: Yes.

18                  TREASURER GOLDBERG: Dennis?

19                  MR. NAUGHTON: Yes.

20                  TREASURER GOLDBERG: Paul?

21                  MR. SHANLEY: Yes.

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

24                  MR. TROTSKY: Thank you.

1                   Before we move on, I just want to  
2     acknowledge that Maria has a very important date  
3     coming up on Saturday. She'll be getting married.

4                   And on behalf of staff and the board, we  
5     want to say congratulations and best wishes.  
6     Enjoy your honeymoon.

7                   MS. GARRAHAN: Thank you. I made sure  
8     to plan the wedding around the board meeting  
9     because I felt like that would be the best, you  
10    know, kickstart to the wedding festivities.

11                  I'm actually not kidding.

12                  TREASURER GOLDBERG: I'm sure you're  
13    not. Good for you.

14                  MS. GARRAHAN: Thank you, everyone.

15                  TREASURER GOLDBERG: You too. You're  
16    officially off the hook now.

17                  Okay. Next on the agenda is real  
18    estate, and we have a voting item. Real estate  
19    leverage. It's not real estate.

20                  MR. LEU: That's right.

21                  TREASURER GOLDBERG: That's right. It's  
22    misleading, real estate.

23                  Go ahead, Jay.

24                  MR. LEU: Okay. And this is a voting

1 item so --

2 TREASURER GOLDBERG: So I'm going to do  
3 the motion and the second, and then you'll go  
4 ahead.

5 MR. LEU: Okay. Great.

6 TREASURER GOLDBERG: All right. I seek  
7 a motion that the PRIM Board approve the  
8 Investment Committee's recommendation to approve --  
9 now, this is multifaceted so hang in there.

10 One, eSecLending, PRIM's current  
11 securities lending manager, to manage a general  
12 collateral, primarily U.S. Treasury, securities  
13 lending program and repurchase agreement as  
14 needed; and Parametric, PRIM's current overlay  
15 manager, to manage futures, total return swaps and  
16 repos as needed, as described in Appendix H; and  
17 further to authorize the executive director to  
18 take all actions necessary to effectuate this  
19 vote.

20 Now, I will tell you this had a lot of  
21 discussion. So let's have the motion.

22 MR. SHANLEY: So moved.

23 MR. BROUSSEAU: Second.

24 TREASURER GOLDBERG: Okay. Great.

1 And now, Jay, go ahead.

2 MR. LEU: Thank you.

3 Hi. I'm Jay Leu, director of risk. And  
4 as the Treasurer mentioned, please refer to  
5 Appendix H in your materials.

6 And Tony, can you pull up and turn to  
7 slide 2.

8 Okay. Thanks.

9 While I'm presenting the real estate  
10 leverage recommendation today, I'd like to point  
11 out that this has been a team effort with  
12 collaboration across asset classes, public  
13 markets, real estate and risk.

14 David Gurtz, Chuck LaPosta, John La  
15 Cara, Matt Liposky, Tim Schlitzer, Shannon Ericson  
16 and myself have worked together on this quite  
17 closely and for quite a period of time on this.  
18 And we've been exploring the financing options  
19 from various different perspectives and various  
20 different vendors.

21 And as was mentioned before, we've  
22 received a lot of feedback and comments from  
23 individual committee and board members, both from  
24 the education seminar and the real estate

1 investment committee meetings and the material  
2 that were sent out. So we very much appreciate  
3 that collaboration as well.

4 David Gurtz and Chuck LaPosta were  
5 co-presenters at the educational seminar last  
6 month. And Chuck and David and Tim are on the  
7 call and are each available for questions.

8 Today, we are looking to add tools or  
9 financing options to PRIM's existing real estate  
10 leverage program. And note: The PRIM real estate  
11 asset class has a board-approved real estate  
12 leverage policy.

13 And the real estate group manages the  
14 leverage program within the constraints of that  
15 policy. Among other things, the real estate group  
16 decides on the size or amount of borrowing; two,  
17 whether the borrowing is fixed or floating  
18 interest rate; and then the term or average  
19 maturity of the borrowing.

20 Today, we are not talking about those  
21 decisions. We are talking about adding financing  
22 options to the program.

23 So today, we are looking to add tools or  
24 financing options to PRIM's existing real estate

1 leverage program. Currently, the real estate  
2 program utilizes direct financing through, one,  
3 property mortgages; two, bank loans; and three,  
4 private placement notes.

5 The real estate leverage program also  
6 utilizes internal financing through PRIM's  
7 securities lending program, where we lend out  
8 largely equity securities.

9 Today, we're looking to add the  
10 following tools or financing options: general  
11 collateral, primarily U.S. Treasury lending in  
12 PRIM's securities lending program. So we've been  
13 lending out stocks. Now we're looking to add U.S.  
14 Treasuries, but specifically general collateral  
15 U.S. Treasuries.

16 Two, repurchase agreements or repos,  
17 very similar in spirit to the U.S. Treasury  
18 securities lending; three, futures on equities and  
19 U.S. Treasuries; and four, total return swaps on  
20 equities and U.S. Treasuries.

21 Now, why are we looking to add these  
22 tools or expand these financing options? The  
23 reasons are really threefold. We're looking to  
24 add these tools, number 1 and primarily, to lower

1     our financing cost; number 2, diversify our  
2     financing options and increase our flexibility as  
3     markets change; and three, potentially add  
4     leverage capacity if we seek it.

5             Now, on the cost front, these internal  
6     financing options will have a lower interest rate  
7     cost of over 100 basis points per year versus bank  
8     loans or private placement notes.

9             Bank loans and private notes are  
10    expensive, carrying a spread currently of 120 to  
11    140 basis points for PRIM real estate. And PRIM  
12    real estate borrows at roughly a BBB level.

13            Internal financing, either securities  
14    lending, Treasury repo, futures or total return  
15    swaps, in contrast, is a cheap financing source at  
16    roughly flat or zero spread to LIBOR.

17            Furthermore, general collateral Treasury  
18    securities lending is and will be the lowest cost  
19    of financing because it represents a  
20    collateralized loan, with the highest quality  
21    collateral being U.S. Treasuries.

22            So again, these internal financing  
23    options -- repo, futures, total return swaps --  
24    will have a lower interest rate cost of over

1       100 basis points per year versus bank loans or  
2       private placement notes.

3               And note, all of these additional  
4       tools -- this is just an aside -- repo, futures,  
5       total return swaps, are short-term financing.  
6       These tools can be coupled with interest rate  
7       swaps to achieve fixed-rate financing for a term.  
8       And we have been and are currently using interest  
9       rate swaps for this purpose in the real estate  
10      leverage program.

11             In 2017, we combined a LIBOR-based bank  
12      loan with an interest rate swap to get four-year  
13      fixed-rate debt. So we have also used interest  
14      rate swaps in conjunction with securities lending.

15             So while we are adding the short-term  
16      financing tools, this does not mean we are turning  
17      to short-term borrowing. Those tools can, as I  
18      mentioned, be coupled with interest rate swaps, as  
19      we have done in the past.

20             Now, in order to expand PRIM's financing  
21      options, we are recommending utilizing two of our  
22      existing managers. We're not looking to add new  
23      managers in this recommendation, but rather expand  
24      the tools or financing options of two of our



1 existing managers.

2 ESecLending has managed PRIM's  
3 securities lending program since December 2014 and  
4 is the largest independent securities lending  
5 agent in the market. ESecLending's fee will be  
6 approximately 10 basis points.

7 And Parametric has managed PRIM's cash  
8 overlay program since October 2013, using futures  
9 to equitize PRIM cash. Parametric manages over  
10 \$137 billion in notional synthetic exposure for  
11 235 institutional investors. Parametric's fee is  
12 an extension of their current fee structure, and  
13 that would be approximately two to three basis  
14 points.

15 So the recommendation, in summary, at  
16 the bottom is PRIM staff recommends, number 1,  
17 approving eSecLending, which is PRIM's current  
18 securities lending manager, to manage general  
19 collateral, primarily U.S. Treasury, securities  
20 lending program; and two, repo agreements. So  
21 expanding their existing mandate for those two  
22 options and to do that as needed.

23 And then the second recommendation is  
24 PRIM staff also recommends approving Parametric,

1 PRIM's current overlay manager, to manage futures,  
2 total return swaps and repo as needed.

3 So with that, I will ask if anyone has  
4 any questions.

5 TREASURER GOLDBERG: Are there any  
6 additional questions for Jay?

7 Boy, Jay. It had a lot more discussion  
8 when we were at the investment committee level,  
9 didn't it?

10 MR. LEU: Yes.

11 TREASURER GOLDBERG: I think probably,  
12 for people here on the board, though, the  
13 questions that we raised were all answered.

14 If there are no more questions, I will  
15 move this to a roll call vote.

16 MR. BROUSSEAU: Madam Treasurer, just  
17 could I just offer a comment?

18 TREASURER GOLDBERG: Sure.

19 MR. BROUSSEAU: I'm very much in support  
20 of this article, but from a personal vantage  
21 point, I want to give kudos to the entire group,  
22 to Michael especially, for using this as a board  
23 educational opportunity on July 13, when we had  
24 that special Zoom meeting.

1                   I don't know how many -- we all  
2       participated in it, but there were a lot of the  
3       concepts here that a nonprofessional investor --  
4       I'm a board trustee. A lot of these terms that  
5       we're using, like repos and swaps and all that,  
6       kind of foggy in your mind, but this put it all in  
7       very clear perspective.

8                   I'm hoping that in the future because of  
9       this pandemic we've been in, when we have issues  
10      like this, that Michael and the staff could put  
11      together some more training sessions, which again,  
12      is good board education, which we've been trying  
13      to do. The retreats of course have been something  
14      probably we have to cut down on because of the  
15      pandemic.

16                  But kudos to all of them. And I like  
17      this kind of a format when we have an issue like  
18      this.

19                  TREASURER GOLDBERG: Agree.

20                  MR. LEU: Thanks.

21                  TREASURER GOLDBERG: So any other  
22      comments before I do the vote?

23                  Okay then. Bob?

24                  MR. BROUSSEAU: Yes.

1                   TREASURER GOLDBERG: Ruth Ellen?  
2                   MS. FITCH: Yes.  
3                   TREASURER GOLDBERG: Jim?  
4                   MR. HEARTY: Yes.  
5                   TREASURER GOLDBERG: Theresa?  
6                   MS. McGOLDRICK: Yes.  
7                   TREASURER GOLDBERG: Peter?  
8                   Peter?  
9                   MR. MONACO: Yes.  
10                  TREASURER GOLDBERG: Dennis?  
11                  MR. NAUGHTON: Yes.  
12                  TREASURER GOLDBERG: Paul?  
13                  MR. SHANLEY: Yes.  
14                  TREASURER GOLDBERG: Myself, yes. The  
15                  motion carries.  
16                  Okay. Moving right along, we're going  
17                  to private equity, and we'll do a quick  
18                  performance summary, commitment summary, and then  
19                  we have one, two, three voting items.  
20                  MR. McGIRR: Thank you, Madam Treasurer.  
21                  This is Michael McGirr, director of private  
22                  equity.  
23                  First off, I'd like to welcome Helen  
24                  Huang to the private equity team. We're thrilled

1 to have her join. She's hit the ground running.

2 I'll just have a few comments on the  
3 private equity market before moving to performance  
4 and opening up for questions and comments before  
5 moving into our voting items today.

6 In short, the private equity market is  
7 on fire. Private equity industry is on pace to  
8 set records in 2021, across deal activity, exits,  
9 fundraising. And this is all driven by government  
10 stimulus, rebounding economy and the strong public  
11 equity markets.

12 Global M&A in the first of 2021 half  
13 topped \$2.8 trillion, which is an all-time record.  
14 Buyout deal volume is on pace to pass records set  
15 from the boom years of 2006 and 2007.

16 There's been a resurgence in IPO  
17 activity, and that continued throughout Q2. For  
18 example, there are 410 companies that went public  
19 on the Nasdaq in the first half of 2021, which is  
20 an all-time record.

21 Venture capital has certainly been a  
22 beneficiary of the strong IPO activity, hitting  
23 all-time records in the first half for capital  
24 invested, exits and IPOs. Very strong

1 performance in that asset class.

2 Private equity valuations remain  
3 elevated. U.S., median, EV to EBITDA multiples  
4 for 2020 and into 2021 are topping 14 times. And  
5 those high valuations continue to be supported by  
6 accommodating debt markets.

7 Fundraising activity in our markets  
8 continues at a robust pace. Currently there are  
9 over 5,000 private equity and venture capital  
10 funds in the market which are raising new equity,  
11 which is an all-time record.

12 So with that as a market backdrop, some  
13 quick comments on performance. Private equity had  
14 a very strong quarter. We're up 14.8 percent  
15 gross, 14.5 percent net. And that brought our one-  
16 year number up to 72.7 percent gross or the  
17 70 percent net that Michael had mentioned earlier  
18 in the meeting.

19 And that 70 percent compares very  
20 favorably to the public market over comparable  
21 periods of time. The Russell 3000, up 63 percent.  
22 MSCI Europe up 48 percent for similar time  
23 periods.

24 So that very strong one-year number, it

1       helped drag up our 3-, our 5- and our 10-year  
2       numbers to 29, 26 and 21 percent, respectively,  
3       all gross numbers.

4               Venture capital had an extremely strong  
5       quarter, up 35 percent for the quarter. And a  
6       very strong year, up 96 percent. So that  
7       performance essentially doubled the size of PRIM's  
8       venture capital program. Don't get to say that  
9       very often.

10              Our entire PE program's assets have  
11       increased to 13.8 billion. That's the biggest  
12       it's ever been. As a percent of PRIT, we're  
13       14.5 percent, also a new high watermark for  
14       private equity.

15              Now, the increase in value has been  
16       driven by valuations, but it's also been driven in  
17       large part by realizations. Year to date 2021,  
18       the PE program has received back \$1.7 billion in  
19       distributions. So the portfolio continues to  
20       grow, but we're getting cash back on that  
21       treadmill that we've described before.

22              However, we're on pace to meet the goals  
23       that we set in our February meeting in terms of  
24       commitments. To date, we've committed roughly

1      \$2.3 billion to new funds and new co-investments.

2 And importantly, I'd like to join  
3 Michael in congratulating the board and the entire  
4 PRIM team on our strong 10-year performance,  
5 recognized by the American Investment Council.  
6 PRIM's private equity portfolio landed in the 98th  
7 percentile for the 10-year net performance number  
8 as of 6/30/2020.

9 So as a reminder, this is 6/30/2020.

10 It's about a year lag. So it doesn't include our

11 70 percent rate of return that I just mentioned.

12 So, excited to see how we land next year.

13 I'm going to stop my comments on  
14 performance there, open up to comments, questions  
15 on the portfolio or the market in general before  
16 moving to our voting items today.

17 TREASURER GOLDBERG: Any questions on  
18 all of this?

19

20                    Okay. Mike, why don't you move along?

21 MS. FITCH: Just a comment. Fabulous  
22 work.

23 MR. McGIRR: Thank you.

24 TREASURER GOLDBERG: Ruth Ellen, I think



1       actually you should make some signs.

2               MS. FITCH:   Okay.

3               TREASURER GOLDBERG:   "Fabulous work.

4       Innovation.   Great team.   Right on."

5               MS. FITCH:   And don't forget, "Rah-rah."

6               TREASURER GOLDBERG:   I'll get the  
7       pompoms.   I'll send them out to everyone.   We need  
8       team colors here.   Any votes?

9               Just a little lightheartedness two hours  
10      into our meeting.

11              Okay then.   We should move on to the  
12      voting items.   So let me pull that up.   Give me  
13      one second.   I like to check off everything we've  
14      completed.

15              MR. McGIRR:   Sure.   And our first voting  
16      item is going to be presented by Alyssa Fiore with  
17      regards to Stone Point.

18              TREASURER GOLDBERG:   I will do the  
19      motion and the second.   And then, Alyssa, you can  
20      take over.

21              I seek a motion that the PRIM Board  
22      approve the Investment Committee's recommendation  
23      to approve the commitment of up to \$150 million to  
24      Stone Point Trident IX LP, as described in the

1 expanded agenda, and further to authorize the  
2 executive director to take all actions necessary  
3 to effectuate this vote.

4 Is there a motion?

5 MR. BROUSSEAU: So moved.

6 TREASURER GOLDBERG: Second?

7 MR. SHANLEY: Second.

8 MS. FITCH: Second.

9 TREASURER GOLDBERG: Okay. Go ahead,  
10 Alyssa.

11 MS. FIORE: Thank you, Madam Treasurer.

12 So just to remind everyone, at the last  
13 board meeting, we tried a new format to spend less  
14 time on our high conviction re-ups to free up time  
15 to focus on new managers as well as initiatives on  
16 the private equity team.

17 We received positive feedback from you  
18 all, so we're going to try that format again  
19 today. But please let us know of any questions or  
20 additional feedback.

21 So turning to Stone Point. Stone Point  
22 is an existing manager, and PRIM has made two fund  
23 investments since 2017, as well as completed four  
24 co-investments. All these investments are

1 performing well, and this is a great example of  
2 how we've been able to scale a relatively new  
3 relationship over a short period of time.

4 Stone Point is a leading private equity  
5 firm that has been investing in financial services  
6 for over 20 years. Trident IX will make  
7 investments in large and middle market companies  
8 in North America and seeks to partner with best-in-  
9 class management teams.

10 Stone Point is raising seven and a half  
11 billion for Trident IX, but we are recommending a  
12 commitment of up to 150 million.

13 I'll now open the floor for any Q&A.

14 TREASURER GOLDBERG: Any Q&A?

15 We have none. So with that, we will do  
16 the vote.

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?

24 MS. MCGOLDRICK: Yes.

1           TREASURER GOLDBERG: Peter?

2           I think we lost Peter.

3           I'll try Dennis.

4           MR. NAUGHTON: Yes.

5           TREASURER GOLDBERG: Paul?

6           MR. SHANLEY: Yes.

7           TREASURER GOLDBERG: Myself, yes. The  
8 motion carries.

9           Okay. Next item.

10          MR. McGIRR: The next item is Tidemark.

11          TREASURER GOLDBERG: Right.

12          MR. McGIRR: And we have a fund  
13 recommendation as well as a voting item to add  
14 Tidemark --

15          TREASURER GOLDBERG: The co-investment  
16 bench. Right.

17                 So I'm going to take each one by itself.  
18 So I'm going to seek a motion that the PRIM Board  
19 approve the Investment Committee's recommendation  
20 to approve the commitment of up to \$75 million to  
21 Tidemark Fund I LP as described in the expanded  
22 agenda, and to further to authorize the executive  
23 director to take all actions necessary to  
24 effectuate this vote.

1                   Is there a motion?

2                   MR. NAUGHTON: So moved.

3                   MR. BROUSSEAU: Second.

4                   TREASURER GOLDBERG: Okay. Go ahead.

5                   MR. MCGIRR: Thank you, Madam Treasurer.

6                   I'm going to be presenting this  
7           investment recommendation for Tidemark, which is a  
8           first-time fund that we're recommending  
9           \$75 million.

10                  Tidemark is led by Dave Yuan, who is a  
11           former general partner at Technology Crossover  
12           Ventures, TCV, with whom PRIM has invested with  
13           since 2006.

14                  We first learned of Dave leaving TCV in  
15           the fall of 2020. And in January of this year,  
16           2021, Dave founded Tidemark Capital, a San  
17           Francisco-based private equity firm. Tidemark is  
18           a diverse and emerging manager.

19                  Dave spent the last 15 years at TCV.  
20           I've gotten to know Dave over that period of time,  
21           covering our positions with Technology Crossover  
22           Ventures.

23                  And because we've been invested with TCV  
24           and we've known Dave, we're able to diligence his

1 body of work fairly easily. And what we found is  
2 he's an incredibly hard worker. He's built up an  
3 exceptional network, has the skills to source  
4 attractive, hard-to-access investment  
5 opportunities and has extremely sound investment  
6 judgment.

7 Dave will employ the same investment  
8 strategy at Tidemark that he's refined throughout  
9 his career. He and his team will focus on  
10 investing in small, growing, category-leading tech  
11 businesses located primarily in New York.

12 Tidemark will target SaaS companies,  
13 software as a service, dedicated to specific  
14 industry verticals that provide small businesses  
15 with a system of record. Tidemark likes these  
16 businesses because they have the opportunity to  
17 combine enterprise software, data, consumer  
18 marketplaces and fin tech together to create  
19 strategically important and fundamentally sound  
20 businesses.

21 An example of this type of business  
22 model is the company Toast. And many of you all  
23 will recognize that company, either through the  
24 point of sale at restaurants or through the app on

1       your phone.

2               Tidemark Fund I will make between 10 and  
3       20 minority growth equity investments in companies  
4       with revenues greater than \$10 million.

5               We're recommending a \$75 million  
6       commitment to Tidemark Fund I. And we'd also like  
7       to add them to the co-investment bench.

8               I'll stop my comments there. Happy to  
9       take any questions or comments.

10              TREASURER GOLDBERG: Any questions?  
11       Comments?

12              Hearing none, we will proceed to a vote.

13              Bob?

14              MR. BROUSSEAU: Yes.

15              TREASURER GOLDBERG: Ruth Ellen?

16              MS. FITCH: Yes.

17              TREASURER GOLDBERG: Jim?

18              MR. HEARTY: Yes.

19              TREASURER GOLDBERG: Theresa?

20              MS. McGOLDRICK: Yes.

21              TREASURER GOLDBERG: Did we get Peter  
22       back? It's not lit up. I wonder if something  
23       happened with his phone?

24              Okay. Dennis?

1 MR. NAUGHTON: Yes.

2 TREASURER GOLDBERG: Paul?

3 MR. SHANLEY: Yes.

4 TREASURER GOLDBERG: Myself, yes. The  
5 motion carries.

6 Next motion, I seek a motion that the  
7 PRIM Board approve the Investment Committee's  
8 recommendation to add Tidemark Capital to the  
9 board-approved co-investment manager bench as  
10 described in the expanded agenda, and further to  
11 authorize the executive director to take all  
12 actions necessary to effectuate this vote.

13 Is there a motion?

14 MR. BROUSSEAU: So moved.

15 TREASURER GOLDBERG: Second?

16 MS. FITCH: Second.

17 MS. MCGOLDRICK: Second.

18 TREASURER GOLDBERG: Okay. Mike, quick.

19 MR. MCGIRR: We're adding Tidemark to  
20 the bench. We're hopeful to work on co-investment  
21 opportunities with them.

22 The overall co-investment program  
23 continues to perform. We're excited about it.

24 And we're excited to share more details in



1       upcoming IC and board meetings on the  
2       co-investment program in general.

3               TREASURER GOLDBERG: Great. Thank you.

4               So any further questions on that? If  
5       not, I'll proceed to a vote.

6               All right. Ready?

7               Bob?

8               MR. BROUSSEAU: Yes.

9               TREASURER GOLDBERG: Ruth Ellen?

10              MS. FITCH: Yes.

11              TREASURER GOLDBERG: Jim?

12              MR. HEARTY: Yes.

13              TREASURER GOLDBERG: Theresa?

14              MS. McGOLDRICK: Yes.

15              TREASURER GOLDBERG: Yes, I know. I'm  
16       just trying -- but Peter --

17              MS. McGOLDRICK: I didn't think you  
18       heard me.

19              TREASURER GOLDBERG: Yes.

20              Dennis?

21              MR. NAUGHTON: Yes.

22              TREASURER GOLDBERG: Paul?

23              MR. SHANLEY: Yes.

24              TREASURER GOLDBERG: Myself, yes. The

1 motion carries.

2 I think that's all for private equity.

3 MR. MCGIRR: Thank you.

4 TREASURER GOLDBERG: It is. We're  
5 moving on. Moving along, everyone, to real estate  
6 and timberland. Tim.

7 MR. SCHLITZER: Good morning, everybody.  
8 We've got a couple of items today --

9 TREASURER GOLDBERG: Hang on. You're  
10 going to do performance, and then we've got one  
11 voting item.

12 MR. SCHLITZER: That's right.

13 TREASURER GOLDBERG: Okay.

14 MR. SCHLITZER: So just for the record,  
15 I'm Tim Schlitzer. I'm director of real estate  
16 and timberland. I'm not going to be referring to  
17 any written materials today.

18 I just want to start off by thanking the  
19 team. In the office, five days a week for the  
20 entire fiscal year, really working hard. Have  
21 been traveling a lot during 2021. Multiple trips  
22 to the West Coast, the South, the mid-Atlantic  
23 during this year to tour acquisition opportunities  
24 and current holdings.

1                   It's a really hands-on asset class, and  
2                   you know, we've been encouraged by the Real Estate  
3                   Committee and very much agree with them that we  
4                   should be out there seeing the assets. So we've  
5                   been doing that.

6                   You just heard about the great work  
7                   being done to improve an already strong balance  
8                   sheet within the real estate LLC. John La Cara  
9                   leading that effort from our team. But as Bob and  
10                  others have said, a really collaborative effort  
11                  and a great effort. And you'll be hearing from  
12                  Christina in a moment on an opportunity that she  
13                  is leading that we have very strong conviction in.

14                  So just a few words on the markets. The  
15                  capital markets in commercial real estate are  
16                  robust with significant capital-seeking  
17                  opportunities these days. I'm somewhat echoing I  
18                  think what Mike McGirr said as well.

19                  At 250 billion in year-to-date volume in  
20                  the U.S., the equity capital markets are tracking  
21                  toward what would be a top-five year within the  
22                  last 20 in terms of transaction volume.

23                  Commercial real estate continues to be  
24                  inexpensive compared to traditional fixed income

1 metrics. And this is important in a world with  
2 potentially increasing inflation. I think we're  
3 seeing that now. Less certain in terms of how  
4 consistent that will be in the future.

5 But as demand recovers to varying  
6 degrees in real estate, this is providing a lot of  
7 comfort to investors, whether that inflation  
8 continues or not.

9 So at this point in the calendar year,  
10 we're closed or pending closed on 10 new  
11 investments for approximately \$750 million in  
12 total. And that's not including the  
13 recommendation today from Christina.

14 That said, we think that we could  
15 receive at least that much back in proceeds from  
16 dispositions, so we continue to look for high  
17 quality investments with scale. We do think that  
18 the Berkshire investment fits the bill there.  
19 You'll hear more on that.

20 Market fundamentals are strong.  
21 Although still differentiated by property type,  
22 PRIM did collect 96 percent of rents in the second  
23 quarter, with no segment below 89 percent. And  
24 that being retail, where we do remain underweight

1       and primarily holding grocery-anchored centers,  
2       which have held up fairly well.

3               I'll just make a few points on  
4       performance. So total real estate for the year  
5       returned 17 percent. That's 847 basis points  
6       above benchmark. Both the private and the public  
7       strategies had strong performance. All managers  
8       outperformed their benchmarks for the year, which  
9       we were very glad to see.

10              On the private side, we did 12.5 percent  
11       return. That's 511 basis points over the unlagged  
12       benchmark. So that's the actual June benchmark.  
13       The lagged performance was quite a bit in excess  
14       of that, but I think this is the appropriate  
15       apples-to-apples comparison. So good  
16       outperformance, really driven by our overweights  
17       to apartment and industrial use assets.

18              Portfolio leverage worked this year,  
19       adding 204 basis points to the core return.

20              And then on the public side, the REIT  
21       portfolio had a 38 percent return, more in line  
22       with public markets. And our managers did  
23       outperform in aggregate by 339 basis points. All  
24       sectors in global regions had strong performance

1 during the year.

2 And then I'll just echo what Michael  
3 said earlier, which is particularly in real  
4 estate, although across all asset classes, our  
5 gross-to-net spread for the year was 60 basis  
6 points. So that's our cost. And that includes  
7 all of the corporate costs. So extremely  
8 efficient for a private market portfolio.

9 Just moving to timberland, U.S. housing  
10 starts do remain strong at 1.6 million units.  
11 That's annualized. That was the June number. Up  
12 6 percent month over month and up 29 percent for  
13 the year.

14 Permits have been off a little bit.  
15 They were off in June, but lumber prices have  
16 fallen back to levels that are really much more  
17 within a normal historical range, which I think  
18 should support construction going forward.

19 You know, no doubt that you've read  
20 about the forest fire activity in British  
21 Columbia, in Oregon. Significant activity there.  
22 I did want to point out that PRIM has no exposure  
23 to these fires.

24 Containment has improved substantially

1 across the board. And I just saw that the big one  
2 in Oregon, which was over 400,000 acres, was  
3 actually 100 percent contained as of today, so  
4 good news there, relatively speaking.

5 And while we'd obviously never wish for  
6 it, these fires will take timber offline longer  
7 term, which will likely increase timber prices  
8 across certain segments going forward.

9 The capital markets in timberland have  
10 picked up recently as housing strengthens, as I  
11 mentioned, and investors do focus more on  
12 inflation. We're also seeing real evidence of  
13 timberland demand driven by ESG considerations.  
14 And that's expectations for an increased need for  
15 carbon offsets by investors, corporations,  
16 governments.

17 I'll mention -- this is public  
18 information -- that one of PRIM's managers is  
19 being acquired by a large New York-based asset  
20 manager for this exact reason. So it's  
21 interesting to see this playing out.

22 Just a few points on performance in  
23 timberland. Total timberland for the year  
24 returned 8 percent. That's 489 basis points above

1 the, again, unlagged benchmark. So that's the  
2 actual June number. Positive performance was  
3 driven by our Pacific Northwest and our  
4 Australasian portfolios, which returned  
5 14.6 percent.

6 These regions have benefited from strong  
7 Asian export markets as well as domestic markets  
8 in Australia and New Zealand and a lower supply  
9 overhang than the southern U.S.

10 And then lastly, I'll just mention  
11 similar real estate. Very low gross-to-net spread  
12 so our costs for the year just below 50 basis  
13 points so also extremely efficient for a private  
14 international portfolio.

15 So that is my report. I'm happy to take  
16 any questions. Otherwise, I will hand it over to  
17 Christina.

18 TREASURER GOLDBERG: Any questions for  
19 Tim?

20 Is Christina going to be -- should I do  
21 the motion? Is this on the vote?

22 MR. SCHLITZER: Yes. I think that would  
23 be appropriate at this time for Berkshire.

24 TREASURER GOLDBERG: Okay. So I am



1 going to seek a motion that the PRIM Board approve  
2 the Real Estate and Timberland Committee's  
3 recommendation to approve the following: One,  
4 commitment of up to \$25 million to Berkshire  
5 Multifamily Value Fund V; two, investment of up to  
6 \$75 million in the Multifamily Co-Investment  
7 Opportunity, and three, up to \$100 million to be  
8 invested in potential future co-investment  
9 opportunities to be deployed at staff discretion,  
10 subject to criteria as described in the expanded  
11 agenda, and further to authorize the executive  
12 director to take all actions necessary to  
13 effectuate this vote.

14 Is there a motion?

15 MR. BROUSSEAU: So moved.

16 TREASURER GOLDBERG: Is there a second?

17 MR. SHANLEY: Second.

18 TREASURER GOLDBERG: Okay then.

19 Christina.

20 MS. MARCARELLI: Thank you, everyone.

21 Good morning.

22 We're recommending an investment of up  
23 to \$200 million to the Berkshire Group, and it  
24 will be held in PRIM's non-core real estate

1 portfolio.

2 As many of you may recall, Berkshire is  
3 an existing manager for PRIM. We're invested in  
4 two of Berkshire's real estate debt funds through  
5 our other credit opportunities fixed income  
6 portfolio. This would be our first investment  
7 with Berkshire focused entirely on the equity  
8 side.

9 They are a vertically integrated  
10 Boston-based firm. They've been around since  
11 1966 and have focused almost exclusively on owning  
12 and operating multifamily properties across the  
13 U.S.

14 We've gotten to know them through their  
15 debt platform. And while they've really grown  
16 that side of their business, they started as a  
17 multifamily equity investor, which continues to  
18 be their primary line of business. We think this  
19 is an interesting opportunity to grow a  
20 relationship with an existing manager in one of  
21 their primary strategies.

22 Berkshire is raising Multifamily Value  
23 Fund V. This is the fifth fund in Berkshire's  
24 value-added fund series. It's a closed-end fund.  
The target size is 500 million of equity. PRIM

1 staff is recommending a \$25 million commitment.

2 The fund's strategy will be to acquire  
3 Class A and B multifamily assets in strong  
4 submarkets, targeting middle income renters,  
5 implementing a light value-add strategy, which may  
6 include improving operations at under-managed  
7 properties, making capital improvements and  
8 increasing rents and cash flow.

9 Berkshire is raising co-investment  
10 capital for a current opportunity alongside the  
11 fund, for which PRIM staff is recommending up to  
12 \$75 million commitment. This is a multi-property  
13 portfolio, diversified across markets and is a  
14 pending transaction.

15 Minching and I actually traveled to see  
16 some of these properties in the portfolio and were  
17 impressed with the assets, the quality of  
18 construction and the site selection of all of  
19 them.

20 PRIM staff is also recommending approval  
21 for an additional \$100 million of co-investment  
22 capital to be invested at staff discretion in  
23 potential future opportunities. Any co-investment  
24 would be recommended to PRIM's chief investment

1 officer with notification to the Real Estate and  
2 Timberland Committee. Each investment would be  
3 required to meet certain criteria, including  
4 proper alignment and control and a strategic fit  
5 within Berkshire's skill set.

6           These opportunities are attractive for  
7 several reasons, including Berkshire is a  
8 multifamily specialist. They self-manage all  
9 their properties through their property management  
10 arm. We would be expanding a relationship with an  
11 existing manager into a strategy that they have  
12 been successfully executing for many years.

13           We're able to immediately deploy  
14 significant co-investment dollars alongside the  
15 fund investment. And lastly, PRIM recently closed  
16 on the sale of an existing multifamily asset that  
17 was very large, it was a single-property  
18 investment, and highly concentrated.

19           So we're able to redeploy some of that  
20 capital into a more diversified portfolio in  
21 markets where PRIM currently has little exposure.

22           So with that, I will open it up to any  
23 questions or comments.

24           TREASURER GOLDBERG: Any questions or

1       comments for Christina?

2               Hearing none, we're ready for the vote

3       then.

4               Bob?

5               MR. BROUSSEAU: Yes. I had to unmute

6       myself.

7               TREASURER GOLDBERG: Okay. 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: Paul?

18              MR. SHANLEY: Yes.

19              TREASURER GOLDBERG: Myself, yes. The

20       motion carries.

21              Thank you.

22              Okay. I think that might be it for real

23       estate and timberland. It is.

24              And we go to finance and administration.

1 And we have one, two voting items.

2 We're getting close, everybody. I just  
3 wanted to give you a heads-up.

4 And I'll bet anything that Tony's going  
5 to jump in.

6 MR. FALZONE: That's correct. Would you  
7 feel comfortable doing the motion first and then  
8 having me go ahead or --

9 TREASURER GOLDBERG: Yes. I'm going to  
10 do the motion.

11 MR. FALZONE: Okay.

12 TREASURER GOLDBERG: All right. I would  
13 seek a motion that the PRIM Board approve the  
14 Admin and Audit's recommendation to approve the  
15 issuance of a request for proposals for board  
16 governance, consulting and fiduciary education  
17 services as described in the expanded agenda, and  
18 further to authorize the executive director to  
19 take all actions necessary to effectuate this  
20 vote.

21 Is there a motion?

22 MR. NAUGHTON: So moved.

23 MR. SHANLEY: So moved.

24 TREASURER GOLDBERG: And is there a

1 second?

2 MS. McGOLDRICK: Second.

3 MS. FITCH: Second.

4 MR. FALZONE: Great. Thank you, Madam  
5 Treasurer.

6 Good morning, everyone. I can sneak this  
7 in while it is still "morning". We're still not at  
8 lunchtime quite yet.

9 I'm Tony Falzone, deputy executive  
10 director and chief operating officer.

11 We're on page 26 of the expanded agenda.  
12 These two voting items shouldn't require much  
13 discussion so I just wanted to take a quick moment  
14 and acknowledge my team if I could. Welcome Joe  
15 Kamotho to my team. Very excited to have him on  
16 board.

17 And I won't talk as long as I did at the  
18 Admin and Audit Committee meeting about my team  
19 and their contribution to our success.

20 You all know the operations team  
21 leaders, Deb Coulter, our CFO; Matt Liposky, our  
22 chief investment operating officer; and Michelle  
23 Witkes, our director of human resources; David  
24 Griswold, our IT director; and then Francesco  
Daniele, who is

1       our director of client service. You know about  
2       them. You know the great work they do. They  
3       present often at some of these meetings.

4               But there are also many team members  
5       behind the scenes that work very hard and still  
6       play a critical role in PRIM's success. Most of  
7       them are listening in today. And these folks  
8       ensure that the PRIM Board and the PRIT Fund's  
9       reporting is timely, is accurate, and remains award-  
10      winning. They make sure our clients are well-  
11      served. They make sure our complex investment  
12      program is implemented and executed correctly.

13              I guess I just wanted to spend a minute  
14      and thank those folks. I'm not going to call  
15      any of them out because they get embarrassed so I  
16      won't do that. But I do want to thank them for  
17      the incredible job they do every year, and  
18      especially this year in what was a very  
19      difficult time.

20              So I just wanted to say that before we  
21              got into the voting item. So thank you for  
22    that.

23              So as you know, this item, routine RFP.  
24      PRIM's current governance consultant, Cortex



1 Applied Research, they're in the process of  
2 winding down their governance practice. They  
3 expect to have it wound down by the end of the  
4 year. So we're going to be issuing an RFP, and  
5 our RFP process is pretty standard.

6 So I have nothing else to add unless  
7 there are any questions.

8 TREASURER GOLDBERG: Are there any  
9 questions?

10 Hearing none, I'm going to proceed to  
11 the vote then.

12 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 Okay. Seek a motion that the PRIM Board  
5 approve the Administration and Audit Committee's  
6 recommendation to approve the issuance of a  
7 request for proposals for information technology  
8 consulting and support services as described in  
9 the expanded agenda, and further to authorize the  
10 executive director to take all actions necessary  
11 to effectuate this vote.

12 Is there a motion?

13 MR. BROUSSEAU: So moved.

14 TREASURER GOLDBERG: Is there a second?

15 MR. NAUGHTON: Second.

16 TREASURER GOLDBERG: Okay.

17 MR. FALZONE: Great. Thank you.

18 So this is another routine item. The  
19 contract extension for our current information  
20 technology consultant, Edge-Tech, expires on  
21 December 31, 2021. So we'll be issuing an RFP, as  
22 well as looking at the current approved vendor  
23 list for any options we may have there.

24 TREASURER GOLDBERG: Any questions for

1 Tony on that?

2 Hearing none, drumroll. This is our  
3 lost roll call of the day.

4 MR. BROUSSEAU: Yes.

5 TREASURER GOLDBERG: Ruth Ellen?

6 MS. FITCH: Yes.

7 TREASURER GOLDBERG: Jim?

8 MR. HEARTY: Yes.

9 TREASURER GOLDBERG: Theresa?

10 MS. McGOLDRICK: Yes.

11 TREASURER GOLDBERG: Peter?

12 MR. MONACO: Yes.

13 TREASURER GOLDBERG: Dennis?

14 MR. NAUGHTON: Yes.

15 TREASURER GOLDBERG: Paul?

16 MR. SHANLEY: Yes.

17 TREASURER GOLDBERG: Myself, yes. The  
18 motion carries.

19 Okay then. Proposed 2022 PRIM Board and  
20 committee meeting schedule. Has everyone received  
21 it?

22 MR. FALZONE: This is a meeting early.

23 I just like to get out in front of it. Just let  
24 me know if there are any conflicts, and I'll do

1       what I can to accommodate as many people as I can.

2       Thank you.

3               No vote. Just easy stuff.

4               TREASURER GOLDBERG: So legislative  
5       update. I don't believe that Emily Kowtoniuk is  
6       on. She's on vacation this week.

7               Is anyone else going to step in? Sarah  
8       Kim, are you?

9               MS. KOWTONIUK: I'm here.

10              MR. FALZONE: Emily is on the phone.

11              MS. KOWTONIUK: I'm back.

12              TREASURER GOLDBERG: Oh, I thought you  
13       were away. The picture you sent last night was at  
14       a beach.

15              MS. KOWTONIUK: I was reminiscing. That  
16       was last week.

17              TREASURER GOLDBERG: Sorry about that,  
18       Emily.

19              MR. FALZONE: Thank you, Emily, for  
20       joining us.

21              MS. KOWTONIUK: Yes. Thank you. And I  
22       will be very brief.

23              So the legislature is on their August  
24       recess, and prior to recess, they did wrap up the

1 FY '22 budget process.

2 Of note to PRIM, the final budget did  
3 not include language altering the PRIM Board's  
4 composition, but it did include an extra infusion  
5 of cash into the PRIT Fund of \$250 million. So  
6 the comptroller's currently working on a schedule  
7 for that transfer, and we could see additional  
8 transfers in either the FY '21 closeout stuff or  
9 in an ARPA budget this fall. So we expect an  
10 active fall and will continue to monitor as  
11 needed.

12 TREASURER GOLDBERG: And the only thing  
13 that I would like to add to that, and we've been  
14 sharing this with Tony and with Michael and others  
15 internally, that we have quite a number of  
16 activist legislators who are filing lots of bills,  
17 many of which can impact PRIM. So we are  
18 following a lot of them very carefully and keeping  
19 Michael and Tony and others in the loop on what we  
20 hear and see.

21 Would you say that's a fair assessment,  
22 Emily?

23 MS. KOWTONIUK: Yes. Absolutely.

24 TREASURER GOLDBERG: Lots of interesting

1 things. And Michael noted that too, that you have  
2 never seen quite as many things going on in the  
3 legislature.

4 For those who aren't familiar with Seth  
5 Gitell, beyond being an incredible professional,  
6 he will be really terrific eyes and ears for --  
7 and the timing of his arrival is really ideal.  
8 He's highly experienced. He really knows the  
9 building. And yet he is a very quiet, low key  
10 kind of guy. Perfect for this role.

11 So are there any other matters?

12 Yes, Bob?

13 MR. BROUSSEAU: Madam Treasurer, I  
14 mentioned it at the admin meeting. I just, once  
15 again, for the entire board's knowledge, I'd like  
16 to congratulate Tony. As you look at the  
17 financials for the end of the year for the 325-  
18 plus million dollar budget, they came and that  
19 budget was 0.6 percent of hitting the expenses,  
20 with the appropriation right on target.

21 Tony, you'd better be a genius to figure  
22 this out.

23 MR. FALZONE: Deb Coulter is the genius,  
24 not me, for sure. A lot of that is her work. So

1 I'll pass that on. She's on vacation this week,  
2 but I'll pass that on to her. Thank you.

3 TREASURER GOLDBERG: A well-deserved  
4 vacation, I might add.

5 MR. FALZONE: Oh, for sure. For sure.

6 TREASURER GOLDBERG: Anyway. Of course  
7 a woman achieved that.

8 MR. TROTSKY: I think that ends our  
9 agenda. I just want to thank everybody again for  
10 your confidence in me and the entire PRIM team.  
11 It was a great year, but we're looking forward to  
12 continued success next year.

13 And again, your encouragement, your  
14 support, your recognition means the world to me  
15 and the entire PRIM team. So thank you.

16 TREASURER GOLDBERG: Well, it's a  
17 pleasure, Michael.

18 MS. FITCH: Thank you.

19 TREASURER GOLDBERG: And for your next  
20 act, we expect you to break this year's record.  
21 Just saying.

22 Anyway, all right, everybody. If  
23 there's no further discussion, I would seek a  
24 motion to adjourn.

1 MR. BROUSSEAU: So moved.

2 MR. NAUGHTON: So moved.

3 TREASURER GOLDBERG: A second?

4 MS. FITCH: Second.

5 MS. McGOLDRICK: Second.

6 TREASURER GOLDBERG: All right then.

7 It's still a roll call.

8 So Bob?

9 MR. BROUSSEAU: Yes.

10 TREASURER GOLDBERG: Ruth Ellen?

11 MS. FITCH: Yes.

12 TREASURER GOLDBERG: Jim?

13 MR. HEARTY: Yes.

14 TREASURER GOLDBERG: Theresa?

15 MS. McGOLDRICK: Yes.

16 TREASURER GOLDBERG: Peter?

17 MR. MONACO: Yes.

18 TREASURER GOLDBERG: Dennis?

19 MR. NAUGHTON: Yes.

20 TREASURER GOLDBERG: Paul?

21 MR. SHANLEY: Yes.

22 TREASURER GOLDBERG: Myself, yes. The

23 motion carries. Thank you, everyone.

24 (Meeting adjourned at 11:58 a.m.)