

PRIM Board Quarterly Update

First Quarter 2025



PRIM Executive Director and Chief Investment Officer Michael G. Trotsky, CFA provided the following information to the PRIM Board at its May 22, 2025, meeting:

Executive Director and Chief Investment Officer Report

The PRIT Fund ended the March 31, 2025, quarter with a balance of \$110 billion, essentially flat, despite U.S. equity markets falling by more than 4% and heightened volatility in both equity and bond markets. U.S. equity markets were the hardest hit, but the PRIT Fund's international equity exposures fared better posting positive returns for the quarter. Additionally, bonds and alternative investments provided an additional buffer to weaker U.S. equity markets.

Legendary investor Warren Buffett wrote soon after the stock market crash of 1987 including "Black Monday," the largest single day drop in the market's history (DJIA down 508 points or 22.6%), "...an investor will succeed by coupling good business judgement with an ability to insulate his [or her] thoughts and behavior from the super-contagious emotions that swirl about the marketplace."

Buffett's quote is an excellent summary of what the entire PRIM team is doing at this important time. We are busy monitoring every aspect of the Fund, and we have been in close contact with the investment managers and industry experts who support PRIM to ensure that we are well-informed. As usual, we are analytical, disciplined, and unemotional about every investment decision we make. Importantly, we adhere to our fundamental investment philosophy that "we can't accurately predict the future, so we don't try, and we can't predict the future of the financial markets, so we don't try." Instead, the PRIT Fund is a carefully constructed, broadly diversified portfolio with components that will perform well in any environment. Critical to our beneficiaries and stakeholders is the fact that PRIM is not facing any liquidity stress due to recent volatility, and we can easily meet all commitments. In short, the Fund is performing well, is well-positioned, and resilient.

The market environment and government policy decisions are changing quickly. We were encouraged in early April to witness a quick reversal of policy decisions after the bond market flashed warning signs during a spike in volatility; equity markets rebounded strongly in the subsequent days. Some believe that

the bond market is the ultimate enforcer, that an orderly bond market which enables the Government to borrow and finance itself with consistency is a fundamental force of immense and independent power. At that critical moment, the bond market appeared to have extraordinary coercive power.

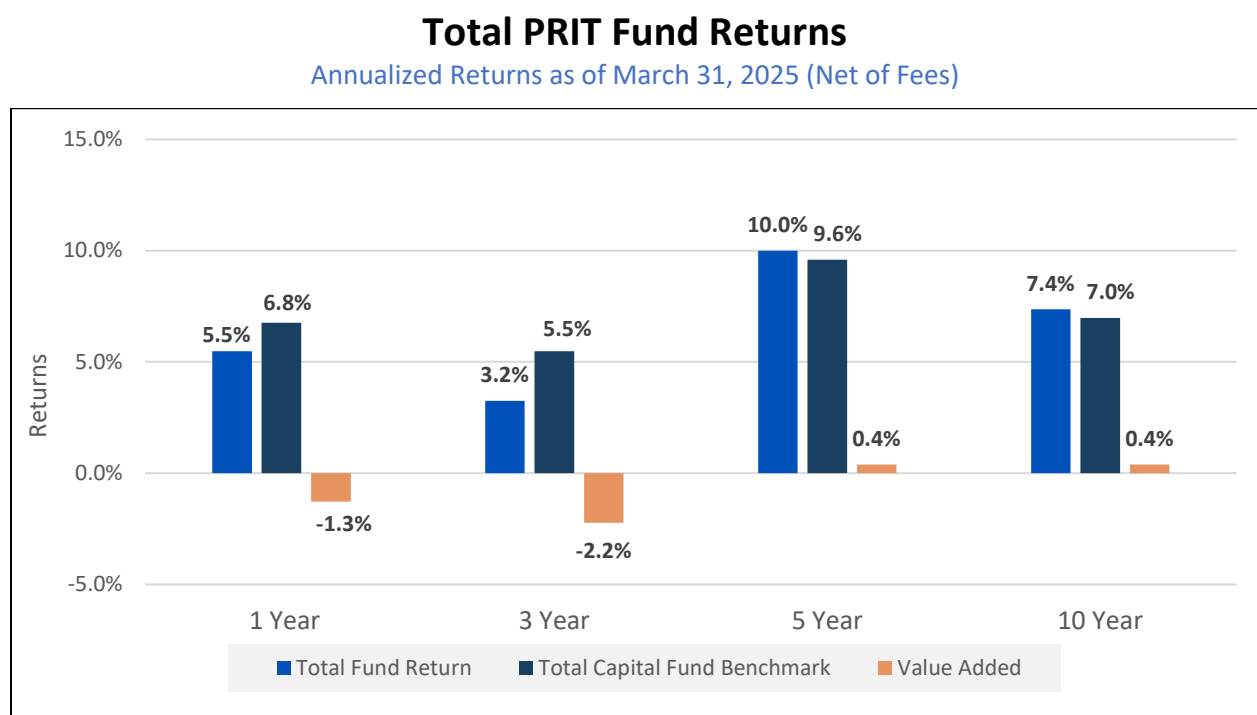
We don't know exactly how this Administration's tariff plan will play out and how policies will impact the economy. It is impossible to predict, but we saw some cooler heads prevail and the markets have responded positively in April and into May. There are many risks to the market and the economy right now, and there are so many unknowns. However, it is our job at PRIM in the words of a Winston Churchill-era slogan, to "Keep Calm and Carry On." That's what we are doing at PRIM. We are maintaining and carefully monitoring a broad diversified portfolio which contains strategies that will perform well no matter what the future holds.

PRIT Fund Performance

For the one-year ended March 31, 2025, the PRIT Fund was up 5.5%, net of fees, underperforming the total capital fund benchmark of 6.8% by 129 basis points.

- This performance equates to an investment gain of \$5.7 billion, net of fees.
- This underperformance equates to \$1.3 billion of value below the benchmark return.
- Net total inflows for the one-year ended March 31, 2025, were approximately \$2 million.

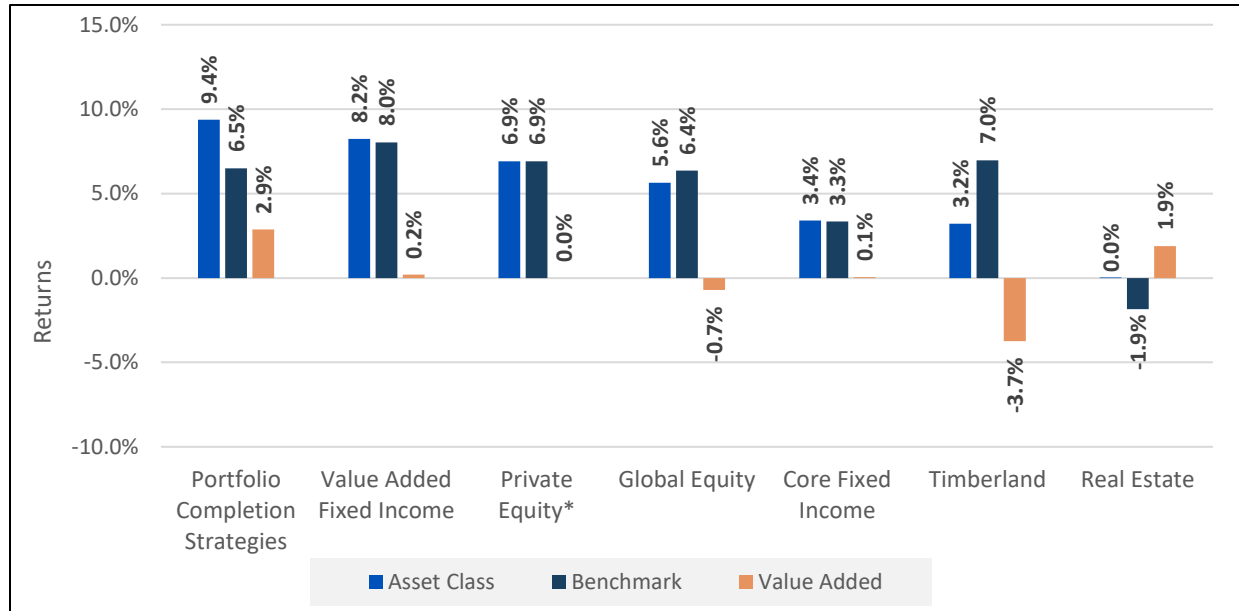
The following charts summarize the PRIT Fund performance for the one-year ended March 31, 2025.



Source: BNY. Total Capital Fund Benchmark includes private equity benchmark.

PRIT Asset Class Performance Summary

One Year ended March 31, 2025 (Net of Fees)



Source: BNY. Totals may not add due to rounding. *Benchmark is actual performance.

PRIT Fund Annualized Returns by Asset Class

March 31, 2025 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
PORTFOLIO COMPLETION STRATEGIES 9.4%	TIMBER 7.0%	PRIVATE EQUITY 16.1%	PRIVATE EQUITY 16.5%
VALUE-ADDED FIXED INCOME 8.2%	GLOBAL EQUITY 6.5%	GLOBAL EQUITY 15.2%	GLOBAL EQUITY 8.7%
PRIVATE EQUITY 6.9%	VALUE-ADDED FIXED INCOME 6.0%	VALUE-ADDED FIXED INCOME 8.2%	REAL ESTATE 6.2%
GLOBAL EQUITY 5.6%	PORTFOLIO COMPLETION STRATEGIES 5.9%	TIMBER 7.6%	TIMBER 5.3%
CORE FIXED INCOME 3.4%	PRIVATE EQUITY 1.6%	PORTFOLIO COMPLETION STRATEGIES 7.2%	VALUE-ADDED FIXED INCOME 5.2%
TIMBER 3.2%	CORE FIXED INCOME (2.4%)	REAL ESTATE 5.6%	PORTFOLIO COMPLETION STRATEGIES 3.9%
REAL ESTATE 0.0%	REAL ESTATE (3.1%)	CORE FIXED INCOME (1.9%)	CORE FIXED INCOME 1.1%

Source: BNY. Returns as of March 31, 2025

Organizational Update

Private Equity International has named Helen Huang, Senior Investment Officer on the Private Equity team, a member of its annual “40 under 40: Future Leaders of Private Equity” list. The publication credits Helen with helping to “reinvigorate the pension plan’s venture capital program [and contributing] significantly to PE investment process design.” The publication lauded PRIM PE team's proactive approach to sourcing new ideas and status as one of the top-performing public pension funds for 10-year private equity returns.

PRIM Board Actions

Public Markets

Investment Recommendation: RBC Emerging Markets Debt – Hard Currency Strategy

The PRIM Board approved an initial allocation of up to \$500 million to RBC Global Asset Management UK Emerging Market Debt – Hard Currency mandate.

Follow-On Investment Recommendation: BGO US Value-Add Lending Fund II, L.P.

The PRIM Board approved a commitment of up to \$100 million to BGO US Value-Add Lending Fund II, L.P. as part of the Other Credit Opportunities allocation.

Private Equity

Follow-On Investment Recommendation: JMI Equity Fund XII, L.P.

The PRIM Board approved a commitment of up to \$150 million to JMI Equity Fund XII, L.P.

Follow-On Investment Recommendation: Charlesbank Equity Fund XI, L.P.

The PRIM Board approved a commitment of up to \$200 million to Charlesbank Equity Fund XI, L.P.

Real Estate

Follow-On Investment Recommendation: DivCore Fund VII U.S., L.P.

The PRIM Board approved commitments of up to \$75 million to DivCore Fund VII U.S., L.P. and up to \$75 million of co-investment capital.

Timberland Appraisal: Request for Qualifications (RFQ) Search Committee Recommendation

The PRIM Board approved eight firms to be placed on the list of approved timberland appraisers.

Stewardship and Sustainability

Stewardship Partnership Recommendations: Ownership Works and EDCI

The PRIM Board approved partnerships with Ownership Works and the ESG Data Convergence Initiative in alignment with the PRIM Board-approved Stewardship Priorities of Fair Pay and Transparency, respectively.

Finance and Administration

PRIM Board Fiscal Year 2026 Operating Budget

The PRIM Board approved the Fiscal Year 2026 Operating Budget. The budget reflects the investment management, advisory, and operational costs necessary to implement, measure, and monitor the investments of the Pension Reserves Investment Trust Fund.

The Client Services team will continue to meet with the retirement boards of PRIM’s member retirement systems throughout the year. To schedule an investment review, please contact Francesco at fdaniele@mapension.com, Laura at lstickland@mapension.com, Emily at egreen@mapension.com, or call 617-946-8401. We look forward to seeing you soon.

Please remember to notify the Client Services Team of any staffing changes within your organization.