Minutes of the PRIM Investment Committee Remote Meeting
Tuesday, May 6, 2025

Committee members present:
- Treasurer Deborah Goldberg, Chair
- Catherine D'Amato
- Michael Even
- Constance Everson, CFA
- Ruth Ellen Fitch, Esq.
- James Hearty
- Peter Monaco (left at 10:03)
- Phillip Perelmuter
- Philip Rotner
- Glenn Strehle, CFA

Committee members not present:
- C. LaRoy Brantley
- Joseph Bonfiglio
- Timothy Vaill

The PRIM Investment Committee meeting was called to order at 9:30 a.m. Chair Treasurer Deborah Goldberg announced that the meeting was being held by internet and telephone in accordance with the provisions of Massachusetts Acts of 2022 which was most recently amended on March 28, 2025, to include an extension of the 2020 Executive Order 'Suspending Certain Provisions of the Open Meeting Law' until June 30, 2027. Accordingly, all members of the Committee participated remotely via telephone and/or internet enabled audio and video conferencing, and all votes were taken by roll call. Public access to the deliberations of the Committee was likewise provided via telephone, with presentation materials made available on PRIM's website (www.mapension.com). At the start of the meeting, the names of the members participating remotely were announced.

I. Approval of the Minutes (Voting Item)

The Investment Committee approved, by unanimous roll-call vote, the minutes of its February 11, 2025, meeting.

II. Executive Director/Chief Investment Officer Comments

Michael G. Trotsky, CFA, Executive Director, and Chief Investment Officer, made comments to the Committee, including:

Mr. Trotsky began by expressing condolences on behalf of PRIM for the losses of Carol Rabb Goldberg, mother of Treasurer Goldberg, and Mary Falzone, mother of PRIM's Deputy Executive Director, Anthony Falzone.

Organizational Updates

Matt Marshall joined PRIM's Private Equity team in late February as an Investment Officer. Matt has more than 10 years of portfolio management experience primarily allocating to private markets on behalf of endowments. For the past 7 years, Matt was an Investment Director at Beth Israel Lahey Health Investment Office, sourcing and leading due diligence efforts for venture capital and private equity. Prior to that, Matt was an Investment Analyst at Mass General Brigham Investment Office. Matt graduated from George Washington University with a bachelor's degree in business administration in Finance and International Business.

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 our 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.

Markets and PRIT Fund Performance

The PRIT Fund ended the March 31, 2025, quarter with a balance of $110 billion, remaining flat (up 0.14%) 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 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, "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.

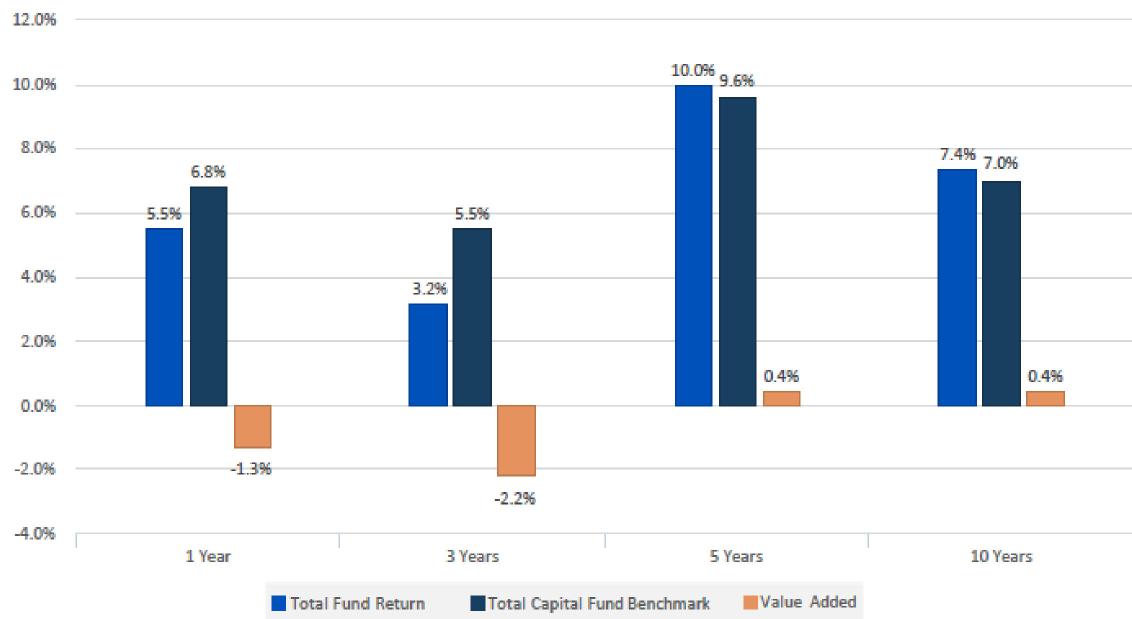
Mr. Trotsky noted for the one-year ended March 31, 2025, the PRIT Fund was up 5.5%, net of fees, underperforming the total capital fund benchmark of 6.8% by 129 basis points.

- 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 outflows for the one-year ended March 31, 2025, were approximately $2 million.

Mr. Trotsky referred to the following charts:

Total PRIT Fund Returns

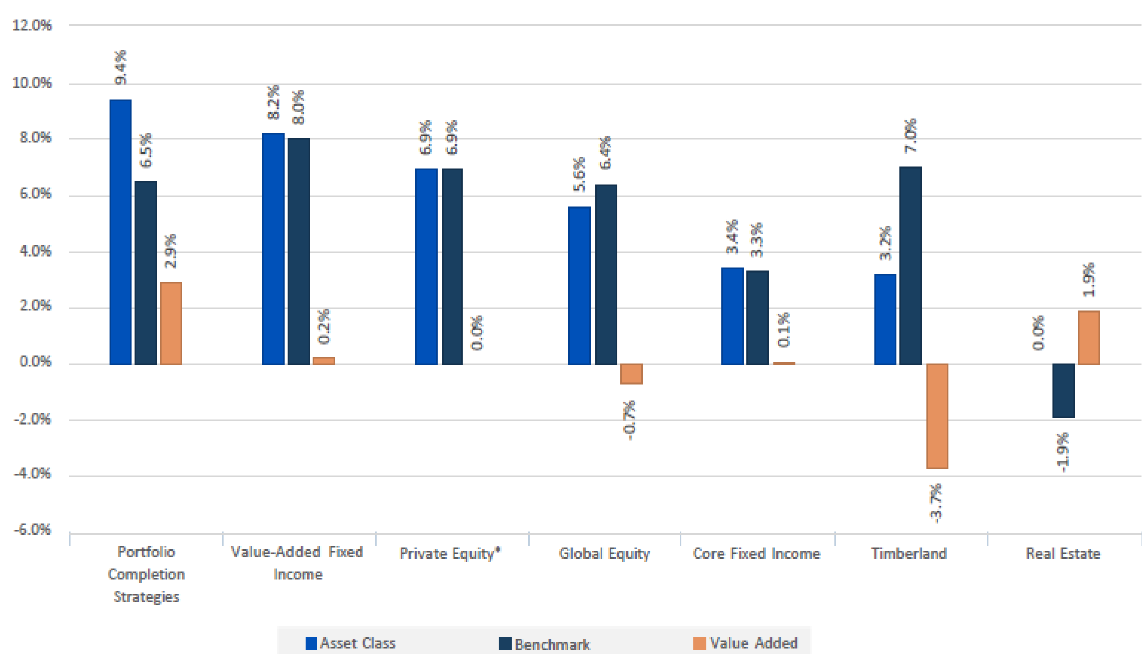
Annualized Returns as of March 31, 2025 (Net of Fees)



Source: BNY. Totals may not add due to rounding. 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

As of 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

Investment Committee member Constance Everson, CFA, provided her comments on the economy and the markets.

III. Risk Management Update

Jay Leu, Director of Risk, and Shannon Ericson, Senior Investment Officer**,** presented a risk update on the PRIT Fund's public markets portfolio. Ms. Ericson noted, for the Global Equity portfolio, PRIM performs a holdings-based risk analysis using a risk measurement system called Barra. At a high level, points of interest include any style differences vs the MSCI ACWI IMI benchmark – such as market cap, value or growth. PRIM also looks at industry, country and region concentrations and how they differ from the benchmark.

The current tracking error of the Global Equity portfolio is low at 0.48. Any tracking difference is driven by PRIM's active managers which make up 40% of the public equity portfolio. The remainder is invested in passive strategies which are designed to perform in line with the benchmark. Predicted beta is another important statistic. The Global Equity portfolio's beta is 0.98, and therefore, it is expected that the volatility of the Global Equity portfolio will be like that of the benchmark.

In terms of style exposures, size is the biggest exposure at -0.09. This means the portfolio is modestly smaller in terms of market cap versus the benchmark. This exposure makes sense since there is a small allocation to U.S. microcap equities which is not part of the benchmark and some of the active large cap managers are smaller than their benchmarks. The team is aware of this deviation. The portfolio is balanced to value and growth with active exposures of 0.02 to value and 0.01 to growth. This balanced approach helps insulate the portfolio to wild swings in value and growth performance. While the Global Equity portfolio has a mix of managers with different styles and benchmarks, when you pool all of the holdings together into one global portfolio and measure it against the broad asset class benchmark, there aren't any meaningful tilts.

Mr. Leu presented the risks of the Fixed Income portfolio, specifically interest rate risk and credit risk. The interest rate risk of the fixed income portfolio is not meaningfully different from the benchmark. The relative effective duration of the Core Fixed Income portfolio is zero while the relative duration of the Public Value-Added Fixed Income is negative 0.18 years.

The credit risk of the Fixed Income portfolio is slightly higher than the benchmark for both Core and Public Value-Added Fixed Income asset classes. In the relative high yield equivalents column, the Core Fixed Income portfolio has 0.06 more high yield equivalents than the benchmark. If high yield spreads widen 100 basis points, the Core Fixed Income portfolio will lag by about 18 basis points, all else equal. The relative high yield duration of the Public Value-Added Fixed Income portfolio is 0.10.

The portfolio is managed to be in line with the benchmark in terms of asset allocation. Interest rate risk is not meaningfully different and credit risk is slightly higher than the benchmark for both Core and Public Value-Added Fixed Income. Managers focus on issue selection. Mr. Leu noted at a very high level, markets have been wrestling with tariffs and uncertainty.

IV. Public Markets

A. Performance Summary

Michael McElroy, CFA, Senior Investment Officer - Director of Public Markets, provided an update on the Public Markets environment and performance for both Q1 and the one-year period ending March 31, 2025. Global equity markets staged a reversal in the first quarter, with US markets declining and non-US markets rising - the opposite of Q4. Domestic equities were down between 5% and 11%, while non-US stocks rose between 2% (emerging markets) to 6% (developed non-US). This reversal helped equalize the disparities between US and non-US stock returns - for the one-year period US and non-US stock returns were all in a range of 5% to 7%, though there were some individual countries that were well outside this tight range.

Bond returns were positive in the first quarter for both the Core and Value-Added allocations. Core Fixed Income was up a bit over 3%, while the more credit-sensitive portfolios increased by just over 1%. Yields fell and credit spreads widened in the first quarter and in the one-year period as well. Over the past year, Core bonds were up about 3%, while the Value-Added bonds had an 8% return.

The strong run for the Magnificent 7 also reversed in the first quarter, with these stocks as a group declining by almost 15%, and the "Other 493" stocks in S&P 500 up almost 1%. Though the overall returns to the US market were negative, these largest stocks correcting as they did without causing broad market selling pressure is encouraging for the overall breadth and health of the markets. Even with the declines in the US equity market and positive returns in non-US markets, the long-term discounts of non-US stocks compared to US stocks continues to remain wide.

Equity results for the PRIT Fund in Q1 slightly lagged benchmarks, while bond investments performed in line with their benchmarks. Global Equity underperformance was impacted by the Domestic Equity portfolio allocations (smaller stocks lagging the largest stocks) and positioning in the Emerging Markets portfolios (particularly China, India and Mexico). These same factors contributed to underperformance in Global Equities for the one-year period. For bond investments in the 12-month period, both Core and Value-Added Fixed Income outperformed benchmarks. Within Value-Added, Emerging Market Debt and credit managers performed well.

Mr. McElroy noted the Public Markets portfolio delivered mixed relative results over the last quarter and one-year periods, with equities lagging and fixed income outperforming. It remains well-diversified across geographies, styles, sectors, and asset classes, and has weathered many different markets stress periods. The aggregate risk of the overall equity and fixed income portfolios remains low, and PRIM's managers continue to deliver long-term benchmark-relative value-added.

B. New Investment Recommendation: RBC Emerging Markets Debt – Hard Currency Strategy (Voting Item)

Chuck LaPosta, CFA, Senior Investment Officer – Director of Fixed Income, presented on Emerging Markets Debt (EMD), and its fit within the Value-Added Fixed Income portfolio. EMD, as measured by the JPM EMBI Global index, consists of US dollar denominated debt issued by around 80 sovereign or quasi-sovereign entities within emerging markets countries. Unlike Emerging Markets Equity (EME) which includes only 24 countries and attributes 79% of its market cap to the top 5 countries (China, India, Taiwan, South Korea and Brazil), EMD is more diversified with the top 5 (Saudi Arabia, Mexico, Indonesia, UAE and Turkey) accounting for 41% of the market value. In EME, China is the largest exposure and accounts for nearly 29% of the index weight whereas in EMD China represents less than 5%.

EMD offers a similar yield and spread to HY bonds coupled with duration (or interest rate sensitivity) that is currently more like investment grade bonds. Throughout history, the average credit quality of EMD has toggled between BBB- and BB which is to say on either side of investment grade or high yield. This helps to explain the yield/spread consistent with HY bonds but interest rate risk which is more like investment grade bonds. Consistent with PRIM's recently approved asset allocation recommendation which prescribed no changes to the 2025 allocation ranges, PRIM currently holds a 1% allocation to EMD.

Richer Leung, Investment Officer – Public Markets, presented the recommendation that the Investment Committee recommend to the Board an initial allocation of up to $500 million to RBC Global Asset Management UK. The source of the funds will be from the existing EMD Hard Currency allocations in the PRIT Fund, resulting in the overall allocation to EMD fixed income to remain relatively unchanged.

This strategy is led by Co-PMs Polina Kurdyavko and Jana Harvey and supported by 24 other dedicated investment professionals with 20 years average investment experience. Ms. Kurdyavko has been with the firm since 2005 and is now the Head of Emerging Markets at RBC with oversight across all EMD strategies, which cover multiple strategy lines, ranging from the EMD Hard currency strategy to strategies more focused on EM Corporate exposure and Local Currency exposure, and illiquid and private EM exposure. In total, the firm's Emerging market debt AUM is over $12 Billion, with the strategy at roughly $5.5 Billion. Importantly, most of the team across the strategy lines are based in London as a shared resource and as a central hub for travel across the spectrum of EM countries.

Regarding returns, RBC ranked in the top quartile in the EMD universe over the last three-, five-, and seven-year time horizons. In addition, their alpha was mainly attributable to country selection, rather than the use of off-benchmark allocations compared to some other managers screened in the EMD universe. One of the biggest differentiators in their ability to generate returns is the depth and breadth of their research approach. The team spends most of their time in EM countries, meeting with politicians, central bankers, policy makers, and other stakeholders to gain an informational edge compared to competitors, leading to a stronger and more durable alpha advantage.

On the risk front, RBC has demonstrated the ability to navigate volatile market environments, especially in periods where they see an asymmetric risk/return profile. A few examples of this being: they were well positioned in advance of the Russia/Ukraine war, they avoided the uptick in EM defaults in 2023 and 2024 but were ready to get involved in the recoveries, and leading up to the most recent bout of volatility in April, they had gone underweight, had hedges in place, and awaited a better opportunity to arise. They demonstrated their Alpha Decision Tools and Portfolio monitoring tools, which supports everything from Research to Portfolio Construction to scenario analysis and include risk and return attribution. This quantitative approach to risk monitoring paired with the qualitatively driven research approach for RBC has reduced volatility and helped them stay within the risk budget for the mandate.

Lastly, on cost, the proposed allocation would take the form of a separately managed account and result in about $1 million annually in management fee savings compared to the current EMD allocation. In summary, RBC has a strong team and toolkit with good and distinct alpha drivers and risk controls, and the new allocation would net PRIM savings over the current EMD allocation.

The Investment Committee voted, by unanimous roll-call vote, to make a recommendation to the PRIM Board to approve an initial allocation of up to $500 million to RBC Global Asset Management UK to provide active investment management services in an Emerging Markets Debt – Hard Currency mandate, as described in the Expanded Agenda, and further to authorize the Executive Director to take all actions necessary to effectuate this vote.

V. Portfolio Completion Strategies Performance Summary

Bill Li, CFA, CAIA, Senior Investment Officer - Director of Portfolio Completion Strategies, (PCS) presented an update on the PCS portfolio. In Q1, PCS showed resilience when US equities retracted, and PCS ended the quarter with only a very mild decline of -0.7%. PRIM's Hedge Fund program composites maintained a positive skew, as most underlying accounts were in the black. For the trailing one-year, returns are more than solid, with PCS returning 9.4% and Hedge Funds up 10.5%, outperforming its benchmark by 360 basis points.

Mr. Li noted that despite the overall volatility of the market, PRIM has created a collection of strategies that can perform consistently over the long run. PRIM uses a barbell approach for sizing and balancing Directional and Stable Value funds. On one end of the barbell, Directional Hedge Funds can show some sensitivity to the market. On the other end of the barbell, Stable Value mandates make up about 65% of the Hedge Fund book, giving the barbell a prudent tilt.

Over the past year, Directional managers have driven a disproportionate share of performance due to thoughtful picking of stocks and credits. Meanwhile, during the recent turbulence, the larger portion of the book in Stable Value funds has been offering more peace of mind. This tilted Barbell approach will deliver both durable return and diversification benefit to the PRIT Fund.

VI. Private Equity

Michael McGirr, CFA, Senior Investment Officer - Director of Private Equity, presented PRIM's Private Equity market performance. PRIM's long-term Private Equity performance remains strong. This is the 9th straight positive quarter of performance, up 1.5% net for the October 2024-December 2024 period. In the trialing one-year, Private Equity was up 6.9%, net of fees. PRIM's long-term Private Equity returns remain strong with a five- and ten-year net return of 16.1% and 16.5%, respectively. Private Equity remains within the targeted allocation range, currently 17% of PRIT Fund.

Mr. McGirr noted that in the first quarter, distributions increased to $686 million outpacing contributions resulting in a cash inflow for the quarter. Over the course of 2024, PRIM received over $2.1 billion of distributions resulting in a net cash inflow of $261 million. Currency was a headwind for European positions as the dollar has strengthened, resulting in a -135basis points headwind, detracting from performance.

PRIM's Private Equity portfolio has exposure to smaller businesses, primarily in the US and Western Europe. It also has large exposures to sectors, such as software, business & financial services, and healthcare IT, that are likely to be more resilient in a high tariff environment.

During the last Stewardship and Sustainability Committee meeting the Committee voted in favor of recommending to the Board to approve PRIM joining the following organizations (1) Ownership Works and (2) EDCI (a Data Convergence Initiative) to advance PRIM's Stewardship Priorities with its partners in the private markets.

The PRIM Investment Committee meeting adjourned at 11:25 a.m.

List of documents and exhibits used during the meeting:

A. Minutes of the February 11, 2025, PRIM Investment Committee Meeting
B. PRIT Fund Performance Presentation (March 31, 2025)
C. PRIT Fund Performance Report (March 31, 2025)
D. Emerging Markets Debt-Hard Currency Strategy Recommendation Presentation
E. Meketa's Emerging Markets Debt Manager Search Report
F. Albourne's RBC Emerging Markets Debt-Hard Currency Strategy Operational Due Diligence Memorandum