



Board Meeting Agenda
Thursday, May 21, 2026, 9:30 a.m.*

I. Consent Agenda (Voting Item)

II. Executive Director/Chief Investment Officer Report

- A. Markets and PRIT Fund Performance
- B. Organizational Updates

III. Investment Report

- A. Public Markets
 - 1. Performance Summary
 - 2. Other Credit Opportunities: New Investment Recommendation: Affinius Credit Fund-of-One **(Voting Item)**
- B. Portfolio Completion Strategies
 - 1. Performance Summary
 - 2. Emerging Manager Direct Hedge Fund Program Recommendations **(Voting Item)**
 - 3. Managed Account Platform Services Request for Proposals (RFP) Recommendation **(Voting Item)**
- C. Private Equity
 - 1. Performance Summary and Cash Flows
 - 2. Commitment Summary
 - 3. Follow-on Investment Recommendation: Altor Equity Partners VII **(Voting Item)**
- D. Real Estate and Timberland Performance Summary

IV. Stewardship and Sustainability Engagement Update

V. Finance and Administration Report

- A. Draft Fiscal Year 2027 Operating Budget **(Voting Item)**
- B. Legislative / Legal Updates
 - 1. Legislative Matters
 - 2. Results of the PRIM Board Self-Evaluation
 - 3. PRIM Board Governance Manual Review and Amendments **(Voting Item)**
- C. Other Matters:
 - 1. March 2026 PRIM Operating Budget
 - 2. Travel Report
 - 3. Client Services

* "This meeting will be held in accordance with Massachusetts General Laws Chapter 30A, section 20, as amended by Chapter 2 of the Acts of 2025, and all members of the Board will participate remotely via audio/video conferencing, and public access to the deliberations of the Board will likewise be provided via telephone."

Appendices

- A. Minutes of the PRIM Board Meeting on February 26, 2026
- B. PRIT Fund Performance Presentation (March 31, 2026)
- C. PRIT Fund Performance Report (March 31, 2026)
- D. Emerging Manager Direct Hedge Fund Program Presentation
- E. Managed Account Platform Services RFP Evaluation Committee Report
- F. Real Estate and Timberland Performance Charts
- G. U.S. Securities and Exchange Commission’s Statement on Reforming Regulation S-K
- H. Treasurer Goldberg’s Letter to the U.S. Securities and Exchange Commission
- I. Draft Fiscal Year 2027 Operating Budget
- J. Foley Hoag – PRIM Board Self-Evaluation Results Presentation
- K. PRIM Board Governance Manual – Redline
- L. Foley Hoag – PRIM Board Governance Manual Review Presentation
- M. PRIM Operating Budget (March 31, 2026)
- N. Travel Report

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I. Consent Agenda (Voting Item)

In April 2014, the Board approved the implementation of a consent agenda to best utilize Board meeting time to focus on deliberation on the most substantive matters. A consent agenda is a meeting practice whereby routine and other non-controversial voting items that do not require discussion are presented and approved as a single agenda item in a single motion.

If one or more Board Members identify an item from the consent agenda that they wish to discuss, it will be removed as a single item and voted on separately. Certain items are not authorized to be included in a consent agenda, including asset allocation decisions, approval to hire investment managers, and significant changes to PRIM's organizational structure or policies.

The PRIM Board's May 21, 2026 meeting includes the following proposed consent agenda items:

1. Approval of the PRIM Board Minutes of its February 26, 2026, meeting;
2. Approval of the Issuance of an RFP for Audit and/or Tax Services;

Below is additional information regarding these consent agenda items:

1. Approval of the minutes of the PRIM Board meeting of February 26, 2026. The draft minutes are attached as **Appendix A**.
2. Approval of the Issuance of an RFP for Audit and/or Tax Services.

PRIM staff and the Administration and Audit Committee recommend (unanimously) to the PRIM Board that the Board approve the issuance of an RFP for Audit and/or Tax services. PRIM's contracts with KPMG and Deloitte expire after the 2026 audits and on December 31, 2026, respectively.

II. Executive Director/Chief Investment Officer Report

A. Markets and PRIT Fund Performance

The PRIT Fund ended with a balance of \$122.1 billion at the end of March during a period where global markets experienced one of the most geopolitically volatile quarters in recent memory. The Fund held up very well, proving its resilience through a series of truly historic market dislocations — including the Iran war, the unprecedented oil supply shock, and significant rotations across equity markets. Markets were up through the first two months of the quarter, but March was an especially challenging month. Global equities declined sharply in March, but the PRIT Fund's careful diversification again helped cushion the impact. In a reversal from recent quarters, Global Equities and Hedge Funds were among the weakest asset classes, while Private Equity, Real Estate, and Timberland were among the strongest. Since the April ceasefire in Iran, the selloff has completely reversed with the S&P 500 and the Nasdaq each achieving new record levels, more than overcoming the March quarter sell off. The S&P 500 was up 10.5% in April after declining 5% in March.

The longer-term results of the PRIT Fund remain strong. For the 12-month period ending in March the PRIT Fund gained 11.5% net, an investment gain of \$12.6B. And for the 12-month period, Global Equities, Private Equity, and Value-Added Fixed Income were the strongest asset classes, while interest sensitive asset classes like Core Fixed Income and Real Estate were the weakest.

At the end of last year, US equities were in a three-year "Super Streak" with a three-year annualized return of nearly 23%, meaning that the market had nearly doubled in just 3 years. This was primarily due to the AI surge where a small group of "Mega-cap" tech stocks posted unprecedented growth. Historically, similar three-year Super Streak markets most often exhibit a "Mean Reversion" the following year. That is when the market takes a breather, and in the first quarter of calendar 2026, markets took a breather.

The PRIT Fund is a carefully designed, diversified portfolio with components that will perform well in any investment environment, and we remain pleased and confident about the resiliency of the

PRIT Fund and its performance over all time periods and throughout several different market environments – in both up markets like the preceding three years and in down markets, like in the first quarter of 2026.

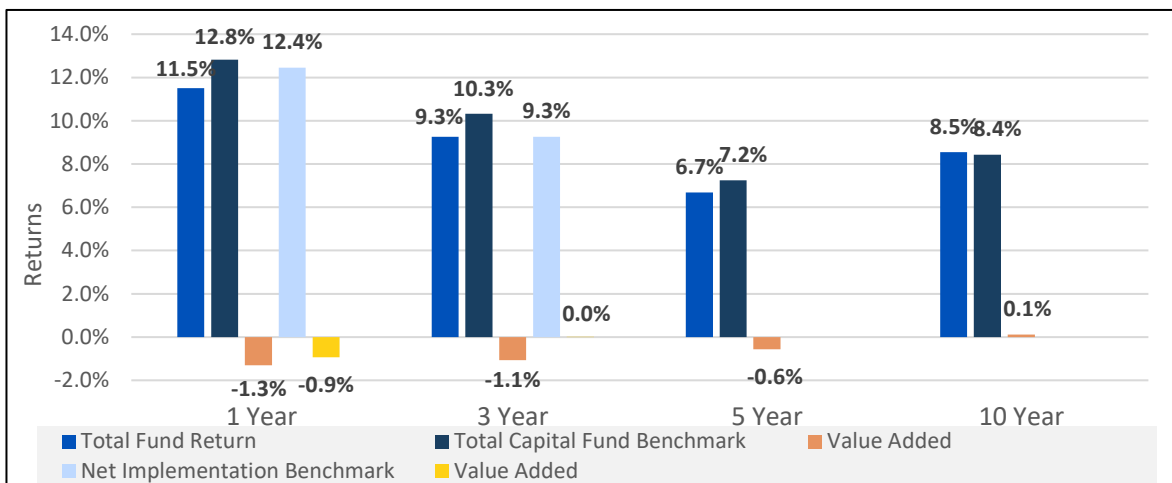
For the one-year as of March 31, 2026, the PRIT Fund was up 11.5%, net of fees, underperforming the total capital fund benchmark of 12.8% by 131 basis points.

- This performance equates to an investment gain of \$12.6 billion, net of fees.
- This underperformance equates to \$1.4 billion of value below the benchmark return.
- Net total outflows for the one-year ended March 31, 2026, were approximately \$475 million.

The following charts summarize the PRIT Fund performance for the one-year ended March 31, 2026. More detailed PRIT Fund performance reports are included in the Board package at **Appendix B** and **Appendix C**.

Total PRIT Fund Returns

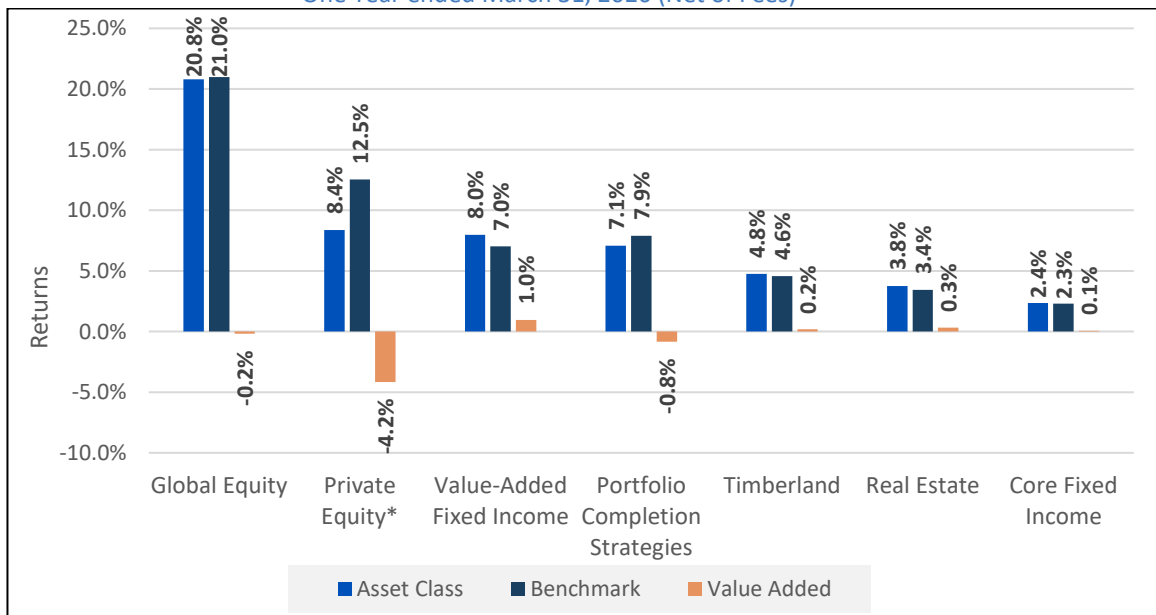
Annualized Returns as of March 31, 2026 (Net of Fees)



Source: BNY. Total Capital Fund Benchmark includes private equity benchmark. Net Implementation Benchmark includes short-term PE benchmark.

PRIT Asset Class Performance Summary

One Year ended March 31, 2026 (Net of Fees)



Source: BNY. Totals may not add due to rounding. *Benchmark is State Street Index.

PRIT Fund Annualized Returns by Asset Class

March 31, 2026 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 20.8%	GLOBAL EQUITY 16.1%	PRIVATE EQUITY 11.0%	PRIVATE EQUITY 15.7%
PRIVATE EQUITY 8.4%	VALUE-ADDED FIXED INCOME 9.2%	GLOBAL EQUITY 9.1%	GLOBAL EQUITY 11.3%
VALUE-ADDED FIXED INCOME 8.0%	PORTFOLIO COMPLETION STRATEGIES 8.5%	TIMBER 7.5%	VALUE-ADDED FIXED INCOME 6.2%
PORTFOLIO COMPLETION STRATEGIES 7.1%	PRIVATE EQUITY 7.6%	VALUE-ADDED FIXED INCOME 6.5%	TIMBER 5.7%
TIMBER 4.8%	TIMBER 6.3%	PORTFOLIO COMPLETION STRATEGIES 5.9%	REAL ESTATE 5.2%
REAL ESTATE 3.8%	CORE FIXED INCOME 1.6%	REAL ESTATE 1.8%	PORTFOLIO COMPLETION STRATEGIES 5.4%
CORE FIXED INCOME 2.4%	REAL ESTATE 1.3%	CORE FIXED INCOME (1.1%)	CORE FIXED INCOME 1.3%

Source: BNY.

B. Organizational Updates

Institutional Investor has honored **Helen Huang** with an Alpha Edge recognition as one of the “Most Influential Women in Private Markets.” The Alpha Edge program recognizes those “whose conviction, judgment, and impact set the standard for the industry.” Helen is a Senior Investment Officer and Director of Growth and Venture Capital on the Private Equity team.

Maria Garrahan, Senior Investment Officer and Director of Research, has informed PRIM that she will not be returning following her family leave after the arrival of her second baby daughter. We are deeply grateful for Maria’s many successful years at PRIM, during which she collaborated closely with our asset class teams, the Investment Committee, and the Board. PRIM Research will continue to report directly to Mike McElroy, who had been covering Maria’s responsibilities during her leave.

III. Investment Report

A. Public Markets

1. Performance Summary

Staff will provide a Public Markets performance summary.

2. Other Credit Opportunities: New Investment Recommendation: Affinius Credit Fund-of-One (Voting Item)

Manager Name: Affinius Capital (“Affinius”)
 Manager Size: \$31 billion AUM
 Fund Name: Affinius Credit Fund-of-One
 Fund Size: \$250 million
 Recommendation: Initial commitment of up to \$250 million

Recommendation

PRIM staff and the Investment Committee recommend (unanimously) to the PRIM Board that the Board approve an initial commitment of up to \$250 million to the Affinius Credit Fund-of-One (the "Fund") as part of the Other Credit Opportunities ("OCO") allocation. The Fund is expected to operate as a separately managed account structured as a fund with PRIM as the sole limited partner ("LP"). The Fund's primary strategy will be to originate senior loans collateralized primarily by residential and industrial assets that are recently constructed, in lease-up, undergoing repositioning, or under construction. The strategy will complement Affinius' existing fund series, Credit Partners ("CP") and Tactical Partners ("TAC"), but at higher attachment points, generating an incremental return for the additional leverage. Importantly, the Fund will leverage the same sourcing, infrastructure, team, and capital markets capabilities as the CP and TAC series.

PRIM staff is recommending this investment primarily for the following reasons:

- **Attractive Market Opportunity.** As banks continue to pull back from transitional and higher-leverage lending in favor of indirect lending to debt funds at lower leverage points, non-bank lenders with available capital and established platforms are well-positioned to capture market share at attractive terms and credit quality.
- **Integrated Equity and Credit Platform.** The Affinius credit team leverages deep market, asset class, and sponsor knowledge across the broader equity platform. Debt and equity specialists are fully integrated from sourcing through asset management, providing real-time perspective on relative value across property types and geographies.
- **Proprietary Regional Sourcing Network.** Affinius operates six US offices across primary and secondary markets, with cross-staffed debt and equity teams driving organic deal flow and geographic diversification.
- **Integrated Capital Markets Function.** Affinius' robust borrowing volume across a diverse mix of counterparties provides the credit platform with competitive access to senior funding at favorable terms, reducing execution risk.
- **Robust Asset Management and Workout Capabilities.** The firm's robust asset management and ownership experience across equity strategies enables it to pursue the full range of resolution strategies if borrowers are unable to execute their business plans.
- **Advantageous Structure.** The proposed fee structure is in line with market expectations for a custom, single-investor mandate, with fees that are more LP-friendly relative to commingled fund structures. In addition, PRIM will customize the mandate to limit exposure to certain sectors and geographies narrowing Affinius' discretion to areas where PRIM has the highest conviction.

Sponsor Summary

Affinius is an integrated institutional real estate investment management firm based in San Antonio, Texas and New York, New York, managing approximately \$31 billion net across equity and credit strategies, with 300+ employees across 10 global offices and 120+ institutional investor clients.

Affinius traces its roots to USAA Real Estate ("USAARE"), founded in 1982 as a wholly owned subsidiary of United Services Automobile Association ("USAA"). In 2012, USAARE made a strategic investment in Square Mile Capital, a New York-based private real estate credit and equity specialist founded by Craig Solomon, to expand into bridge financing, construction lending, and opportunistic investing. In 2020, USAARE spun off from USAA when Len O'Donnell and other senior partners acquired a controlling interest in USAARE. The following year, USAARE

acquired the remaining interest of Square Mile it did not already own, fully consolidating the two platforms under common ownership. The combined firm was formally rebranded as Affinius Capital in March 2023.

Affinius Credit Platform

Affinius established its credit lending platform in 2013 and has grown it to approximately \$10.7 billion in credit AUM supported by 40+ dedicated investment professionals. Since inception, the credit platform has completed 470+ transactions totaling \$53.9 billion in gross lending volume across construction, value-add bridge, high-grade, and preferred equity strategies. The founding senior leadership team has been in place since the launch of the credit platform, and the track record is cycle-tested across interest rate spikes and the COVID-19 pandemic.

The Affinius credit platform operates four primary strategies:

- Commercial Mortgage Lending (“CML”). Stabilized senior lending strategy, originated on behalf of insurance company clients as a core fixed income replacement.
- Credit Partners Fund Series (“CP”). Value-add bridge lending strategy, focused on newly constructed residential and industrial properties.
- Tactical Partners Fund Series (“TAC”). Construction lending strategy, targeting higher equity-like returns.
- Preferred Equity Partners Series (“PEP”). Focused on acquisition financing and recapitalizations of core-plus, value-add, and development projects.

Team Biographies

Michael Lavipour, Senior Managing Director, Co-Lead Credit Strategies

Michael Lavipour is responsible for overseeing Affinius Capital’s credit initiatives and capital markets relationships, as well as sourcing, negotiating, and structuring loan transactions across the firm’s investment strategies. Mr. Lavipour is also a member of the firm’s Investment Committee.

Prior to joining Affinius in 2013, Michael served as Vice President at Redwood Trust where he originated whole loan and mezzanine loans in the northeastern U.S. Prior to joining Redwood Trust, Michael was a Vice President in the Real Estate Finance group at Credit Suisse where he worked in loan origination, asset management, and capital markets. Michael received his Bachelor of Arts degree in Economics from the University of Pennsylvania.

Jeff Fastov, Senior Managing Director, Co-Lead Credit Strategies

Jeffrey (“Jeff”) F. Fastov serves as Senior Managing Director and is a member of the firm’s Investment Committee. Jeff is responsible for establishing, overseeing, and implementing Affinius Capital’s strategic direction with respect to credit initiatives.

Prior to joining Square Mile in 2013, Jeff was Co-head of Credit Suisse’s Real Estate Finance and Securitization Group. Prior to Credit Suisse, he founded Oasis Real Estate Partners, a capital markets advisor to foreign and domestic financial institutions, private equity funds and other significant real estate credit market participants. From 1992 to 2009, Jeff was with Goldman Sachs, where he ultimately served as Co-head of the commercial real estate lending business. Jeff started his career at Moody’s Investors Service where he established and led the commercial real estate ratings group from 1983 to 1992. Jeff received his Bachelor of Arts degree from the University of Rochester and his Master’s in Business Administration from Columbia Business School.

Affinius Fund-of-One Investment Strategy

The Fund is a U.S.-focused strategy designed to capitalize on the ongoing dislocation in the

commercial real estate lending market. The Fund will seek to exploit this opportunity by originating first mortgage loans backed by recently completed or under-construction properties, with a primary focus on multifamily and industrial assets in primary and select secondary markets with strong fundamentals. By intermediating senior financing on each whole loan and retaining the subordinate interest, the Fund is expected to generate equity-like returns while maintaining an asset-backed position in the capital stack. The strategy is explicitly designed to complement Affinius' existing Credit Partners and Tactical Partners fund series, while not overlapping, targeting similar institutional sponsor relationships, property types, and deal flow, but capturing loans that fall outside the CP and TAC mandates due to higher leverage, generating an incremental return for the additional attachment point risk.

Key Risks and Mitigating Factors

- Higher Leverage Profile.
 - While the Fund operates at higher attachment points, it remains within a fundamentally similar credit box to the Credit Partners series — the same property types, markets, sponsors, and sourcing channels — with the incremental leverage reflecting a deliberate and modest step up rather than a change in investment approach.
- Pipeline Risk - The market opportunity is predicated on the continued retrenchment of traditional bank lending to transitional properties.
 - The Fund will have a two-year investment period – a recent review of pipeline activity suggests near-term deployment capacity exists.
 - A high volume of loans originated between 2020 and 2022 when interest rates were significantly lower will be maturing near-term and will require refinancing, adding to the pipeline.
- Allocation Risk - Affinius has multiple real estate credit strategies which could create potential for allocation conflicts across similar mandates.
 - Affinius maintains a formal Allocation Committee and operates a documented rotation-based allocation system designed to ensure fair and consistent treatment across mandates.
- Business Plan Risk - Repayment is contingent on borrowers successfully executing their business plans.
 - The Fund will focus on high-quality, institutional sponsors in lease-up and light transition of residential and industrial — sectors with strong fundamentals.
 - Construction loans that have higher business plan risk will require additional scrutiny and guidelines prohibit meaningful allocation in construction.
 - The integrated equity platform and asset management capabilities provide the firm with the ability to pursue the full range of resolution strategies.

B. Portfolio Completion Strategies

1. Performance Summary

Staff will provide a Portfolio Completion Strategies performance summary.

2. Emerging Manager Direct Hedge Fund Program Recommendations (Voting Item)

PRIM staff and Investment Committee recommend (unanimously) to the PRIM Board that the Board approve the Emerging Manager Direct Hedge Fund Program (Program) recommendations, which include: increasing capacity of the Program to 10% of the PRIM Hedge Fund portfolio; refining Program underwriting criteria; and expanding sourcing to select both

Directional and Stable Value Hedge Fund strategies. PRIM’s presentation is attached as **Appendix D**.

3. Managed Account Platform Services Request for Proposals (RFP) Recommendation (Voting Item)

The Evaluation Committee and the Investment Committee recommend (unanimously) to the PRIM Board that the Board approve Innocap, the incumbent, to provide Managed Account Platform Services, subject to successful contract negotiations. A Managed Account Platform provider delivers structuring advice and operational support for hedge fund separately managed accounts (SMAs), a structure that gives PRIM direct ownership and control over underlying assets rather than investing through commingled funds. This translates to greater transparency into portfolio holdings, enhanced risk oversight, and the ability to customize investment terms and parameters to meet PRIM’s specific needs. The Evaluation Committee Report is attached as **Appendix E**.

C. Private Equity

1. Performance Summary and Cash Flows

2026 Cash flows ¹			
Quarter	Contributions ²	Distributions	Net Cash Flow
31-Mar-26	534,248,077	606,148,034	71,899,957
TOTAL	\$534,248,077	\$606,148,034	\$71,899,957
¹ Excludes Private Debt and Private Natural Resources partnerships.			
² Contributions include fees. (Source: BNY Mellon)			

2. Commitment Summary

PRIM Private Equity 2026 Investment Summary (in millions)	
*Denotes existing PRIM relationship	
Partnership	
Approved on January 5th as New Venture Capital Investment	
Thrive Capital Partners X, L.P.	\$7
Thrive Capital Partners X Growth	\$43
Thrive Capital Partners X Opportunity Fund, L.P.	\$15
Approved at the February 26th Board Meeting	
Quad-C Partners XI, L.P.*	\$200
Spark Capital IX, L.P.*	\$18
Spark Capital Growth VI, L.P.*	\$42
Approved on March 30th as Interim	
Nordic Capital Fund XII, L.P.*	\$173
Waterland Private Equity Fund X, L.P.*	\$161
Waterland Partnership Fund II, L.P.*	\$23
Approved Co-Investments & GP-Led Secondaries	\$35
Total	\$717
2026 Investment Plan	\$1,800 – \$2,200

All non-USD commitments converted to USD using December 31, 2025, exchange rate provided by BNY Mellon.

3. Follow-On Investment Recommendation: Altor Equity Partners VII (Voting Item)

Manager Name: Altor Equity Partners
 Manager Size: €10 billion
 Fund Name: Altor Equity Partners VII
 Fund Size: €3.25 billion
 Recommendation: Commitment of up to €150 million

Recommendation

PRIM staff and the Investment Committee recommend (unanimously) to the PRIM Board that the Board approve a commitment of up to €150 million to Altor Equity Partners VII (“Fund VII”). PRIM has invested in one prior Altor fund. Altor Equity Partners (“Altor”) is an established Northern European private equity firm with a strong track record and deep local presence in the Nordics. Altor invests in lower middle market companies in the Nordic and DACH regions operating across the industrial, business services, consumer, financial services, and technology sectors.

Executive Summary

Benefits

- Consistently strong performance within the middle market.
 - Aligned with PRIM’s goal to increase exposure to middle market buyouts.
- Provides access to an attractive region for growth and investment.
 - Altor targets established companies with attractive growth potential located in the Nordic and DACH regions.
- Disciplined investment approach that reduces risk.
- Highly talented organization with proven investment skill.
 - Investment team has significant experience working together.
 - Altor has a well-established and long-standing presence in their local markets.

Risks

As with all investments there are risks and concerns that need to be considered including illiquidity, exposure to an economic downturn, private equity market conditions, and firm specific risks.

Staff also reviewed the following risks and concerns associated with Altor Fund VII:

- Strategy Risk: Altor will engage in transactions that are contrarian in nature or are characterized by complexity. If Altor is unable to execute their value creation plans, investment performance would likely suffer.
- Fund Growth: Altor’s fund size has grown, which creates pressure on the organization to continue to generate outstanding investment performance while managing larger funds.
- Geography/Currency Exposure. Investment in the fund increases exposure to the economic, political, and regulatory environment in those European countries where the firm’s portfolio companies operate. Altor’s investments will be denominated in European currencies, and a sustained, material weakening in those currencies relative to the U.S. dollar would affect Fund VII’s dollar performance.

D. Real Estate and Timberland Performance Summary

Staff will provide a Real Estate and Timberland performance summary. Performance data for Real Estate and Timberland is attached as **Appendix F**.

IV. Stewardship and Sustainability Engagement Update

In January, the Chair of the U.S. Securities and Exchange Commission (SEC) issued a statement on Reforming Regulation S-K, attached as **Appendix G**. SEC Chair Atkins stated, “Today, the disclosure that companies provide in response to the myriad requirements of Regulation S-K does not always reflect information that a reasonable investor would consider important in making an investment or voting decision... I welcome and encourage members of the public to provide their views on how the Commission can amend Regulation S-K, with the goal of revising the requirements to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information. ... I welcome and encourage members of the public to provide their views on how the Commission can amend Regulation S-K, with the goal of revising the requirements to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information.” The deadline to submit comments is April 13, 2026.

The PRIM Board approved Engagement Policy states “MassPRIM may engage on regulatory and legislative policy on Board-approved stewardship priorities and other topics that affect long-term performance of the Fund or portfolio companies if determined that such engagement is necessary for impact on stewardship priorities.” One of the PRIM Board-approved Stewardship Priorities is Transparency, which encourages improved disclosure on stewardship priorities. As the Chair of the PRIM Board, Treasurer Goldberg submitted a comment letter to the SEC on this important priority. Treasurer Goldberg’s letter is attached as **Appendix H**.

V. Finance and Administration Report

A. Draft Fiscal Year 2027 Operating Budget (Voting Item)

PRIM staff and the Administration and Audit Committee recommend (unanimously) to the PRIM Board that the Board approve the Draft Fiscal Year 2027 PRIM Operating Budget attached as **Appendix I**.

PRIM staff will present the Draft Fiscal Year 2027 PRIM Operating Budget.

B. Legislative / Legal Updates

1. Legislative Matters

The Board will receive an update on legislative matters.

2. Results of the PRIM Board Self-Evaluation

The PRIM Board self-evaluation process was administered by the law firm, Foley Hoag, which received and tabulated the responses and presented an anonymous summary of results to the Administration and Audit Committee. The summary, conclusions, and recommendations will be discussed at the PRIM Board meeting. Foley Hoag’s presentation is attached as **Appendix J**.

3. PRIM Board Governance Manual Review and Amendments (Voting Item)

Foley Hoag, PRIM’s outside counsel, and the Administration and Audit Committee recommend (unanimously) to the PRIM Board that the Board approve amending the PRIM Board Governance Manual as redlined in **Appendix K**.

In accordance with the PRIM Board Governance Manual, it is required that the PRIM Board Governing Charters be reviewed every three years. The Governing Charters were last reviewed and amended in 2023. During the most recent PRIM Board self-evaluation, Foley Hoag solicited comments from PRIM Board members regarding the PRIM Board Governance Manual.

Foley Hoag will present the proposed changes to the PRIM Governance Manual to the PRIM Board. Foley Hoag’s presentation is attached as **Appendix L**.

C. Other Matters

1. March 2026 PRIM Operating Budget (Appendix M)

Global Equity

Fee Type	Actual	Budget	Variance	Percent
Base Fees	61,226,527	60,629,250	(597,277)	-1%
Performance Fees	8,599,870	-	(8,599,870)	N/A
Total:	69,826,397	60,629,250	(9,197,147)	-15%

Base fees variance is within expectations. Performance fees variance is due to one manager who is earning a fee. Note, no performance fees are budgeted.

Core Fixed Income

Fee Type	Actual	Budget	Variance	Percent
Base Fees	8,569,582	8,250,750	(318,832)	-4%
Performance Fees	2,745,761	-	(2,745,761)	N/A
Total:	11,315,343	8,250,750	(3,064,593)	-37%

Base fees variance is within expectations. Performance fees variance is due to one manager who is earning a fee. Note, no performance fees are budgeted.

Value Added Fixed Income

Fee Type	Actual	Budget	Variance	Percent
Base Fees	35,199,473	41,393,182	6,193,709	15%
Performance Fees	466,588	-	(466,588)	N/A
Total:	35,666,061	41,393,182	5,727,121	14%

Base fees variance is due to lower than projected assets. Performance fees variance is due to one manager who is earning a fee. Note, no performance fees are budgeted.

Real Estate

Fee Type	Actual	Budget	Variance	Percent
Base Fees	36,910,856	43,591,500	6,680,644	15%
Performance Fees	1,905,430	-	(1,905,430)	N/A
Total:	38,816,286	43,591,500	4,775,214	11%

Base fees variance is due to lower than projected assets. Performance fees variance is due to one manager who is earning a fee. Note, no performance fees are budgeted.

Timberland

Fee Type	Actual	Budget	Variance	Percent
Base Fees	6,860,314	8,325,000	1,464,686	18%

Base fees variance is due to lower than projected assets and timing of budgeted fee increases.

Private Equity

Fee Type	Actual	Budget	Variance	Percent
Base Fees	148,072,189	172,312,500	24,240,311	14%

Base fees variance is due to timing of activation of committed capital by managers.

Portfolio Completion Strategies

Fee Type	Actual	Budget	Variance	Percent
Base Fees	74,870,765	73,417,500	(1,453,265)	-2%

Base fees variance is within expectations.

Overlay & Foreign Currency

Fee Type	Actual	Budget	Variance	Percent
Transaction	882,811	915,000	32,189	4%

Base fees variance is within expectations.

Investment Service Providers

Fee Type	Actual	Budget	Variance	Percent
Operations and Contractual	17,192,040	20,293,750	3,101,710	15%

Variance is primarily due to lower than budgeted Public Markets, PCS and Risk Measurement service providers fees.

Non-Investment Service Providers and Operations

Fee Type	Actual	Budget	Variance	Percent
Operations and Contractual	20,072,618	23,897,500	3,824,882	16%

Variance is due primarily to lower compensation expense due to open positions.

2. Travel Report

A detailed report of expenses associated with travel (including travel for due diligence and fiduciary education/professional development) that have been reimbursed to employees since our prior report is attached as **Appendix N**.

3. Client Services

Currently 100 entities, including the State Retiree Benefits Trust Fund (SRBTF – the Commonwealth’s Other Post-Employment Benefits (OPEB) liability fund), invest in the PRIT Fund. PRIM serves as an investment manager for approximately 90% of all state and local retirement systems. PRIM clients are classified as “Participating Systems,” or “Purchasing Systems,” via our Segmentation Program. Segmentation allows systems to invest in individual asset classes, or “segments,” of the PRIT Fund as an alternative to investing in the aggregate Fund.

Client and Other Meetings

The Client Services team continues to meet virtually and in person with many of PRIM’s member retirement systems. The Client Services team also meets with professional organizations and government entities interested in learning more about the State Retiree Benefits Trust Fund (SRBTF). The following is a list of completed and upcoming meetings since we updated the Board on February 26, 2026.

Date	Name of Retirement System/Entity
2/19/2026	Town of Sharon OPEB
2/24/2026	Town of Wellesley OPEB
2/25/2026	Melrose Retirement Board
2/25/2026	Danvers Retirement Board
3/2/2026	Burlington Retirement Board
3/3/2026	Town of Wayland OPEB
3/4/2026	Town of Lincoln OPEB
3/6/2026	Town of Tewksbury OPEB
3/12/2026	Town of Acton OPEB
3/12/2026	SRBTF Board
3/24/2026	Hingham Retirement Board
3/24/2026	Stoneham Retirement Board
3/24/2026	Winchester Retirement Board
3/25/2026	Salem Retirement Board

3/25/2026	Chicopee Retirement Board
3/26/2026	Arlington Retirement Board
3/31/2026	Clinton Retirement Board
4/2/2026	Berkshire County Retirement Board
4/7/2026	Town of Franklin OPEB
4/15/2026	Dedham Retirement Board
4/16/2026	Town of Wilmington OPEB
4/21/2026	Brookline Retirement Board
4/23/2026	Town of Northbridge OPEB
4/23/2026	Northbridge Retirement Board
4/27/2026	Town of Harvard OPEB
4/28/2026	Swampscott Retirement Board
4/29/2026	Winchester Retirement Board
4/29/2026	Everett Retirement Board
4/29/2026	Norfolk County Retirement Board
4/30/2026	Southbridge Retirement Board
4/30/2026	Webster Retirement Board
5/13/2026	Middlesex Regional Retirement Board
5/20/2026	Bristol County Retirement Board
5/26/2026	Hull Retirement Board
5/26/2026	Newton Retirement Board
5/26/2026	Easthampton Retirement Board
5/27/2026	Fall River Retirement Board
6/1-3/2026	MACRS
6/11/2026	SRBTF Board
6/17/2026	Wakefield Retirement Board
6/24/2026	Berkshire County Retirement Board
6/30/2026	Newburyport Retirement Board
7/28/2026	Gardner Retirement Board

State Retiree Benefits Trust Fund (SRBTF) Update

As of March 31, 2026, the total market value of the SRBTF assets was \$4.4 billion. There are currently 85 governmental units, including MA Retirees, that invest in the SRBTF.



Appendix A

Minutes of the PRIM Board Meeting February 26, 2026

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

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Minutes of the Board Meeting
Thursday, February 26, 2026
commencing at 9:30 a.m.

(CONDUCTED REMOTELY)

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

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 Thursday, February 26, 2026. The
5 meeting was called to order and convened at
6 9:30 a.m. Treasurer and Receiver-General Deborah
7 Goldberg chaired the meeting.

8
9 TREASURER GOLDBERG: Good morning, and
10 welcome to the February 26, 2026 meeting of the
11 PRIM Board. It is now 9:30 a.m., and I call this
12 meeting to order.

13 This meeting is being held pursuant to
14 Massachusetts General Laws Chapter 30A,
15 Section 20, as amended by Chapter 2 of the Acts of
16 2025, which permits remote participation by all
17 Board members via the use of adequate alternative
18 means such as audio or videoconferencing to
19 ensure public access to the deliberations of the
20 Board.

21 All Board members will participate
22 remotely via Zoom webinar, and public access will
23 likewise be provided via telephone, with all
24 documents referenced at the meeting available to
be viewed on PRIM's website, www.mapension.com.

1 Pursuant to the Commonwealth's Open
2 Meeting Law, Mass. General Laws, Chapter 30A,
3 Section 20, as chair of the Board, I would like
4 to advise that any person may make an audio
5 recording of this meeting.

6 However, I am obligated to inform
7 attendees of any recording at the beginning of the
8 meeting. Accordingly, I am informing you that
9 stenographer Virginia Dodge of Lexitas is
10 transcribing and also recording this meeting.

11 Have any other attendees informed the
12 Board of their intention to record this meeting,
13 Tony?

14 MR. FALZONE: Yes, Treasurer. Thank
15 you.

16 Jesse Pound from *Pensions and*
17 *Investments* has indicated they will be recording
18 the meeting. And Sara Ramram has also indicated,
19 from the Mass. Teachers Association, that she
20 would be recording the meeting.

21 TREASURER GOLDBERG: Thank you.

22 If anyone else intends to record today's
23 meeting, please first notify Seth Gitell by email
24 at sgitell@mapension.com.

1 In accordance with the Massachusetts
2 Open Meeting Law, I will now announce the names
3 of all Board members who will be participating
4 remotely in all or a portion of today's meeting
5 and which will be recorded in the meeting minutes.

6 Myself, Treasurer Deborah Goldberg.

7 Is Catherine D'Amato on yet?

8 MR. FALZONE: I have not seen Catherine
9 yet.

10 TREASURER GOLDBERG: All right. Well,
11 I'll announce who's here and who may be pending.

12 First, Bob Brousseau may come. We will
13 announce it when he arrives. Catherine D'Amato is
14 expected.

15 Ruth Ellen Fitch is here. Theresa
16 McGoldrick is here. Mark Lapman is here. Dennis
17 Naughton, Carly Rose and again myself. I am here.

18 Board members, we are all participating
19 via Zoom webinar. Please let us know if you have
20 any sort of technical difficulty by using the
21 Raise Hand function.

22 As a friendly reminder, all Board
23 members may participate in any votes scheduled to
24 take place at today's meeting. All votes must be

1 taken by roll call. And unless there are
2 extenuating circumstances, everyone participating
3 in roll call votes should activate their video
4 camera before voting.

5 We will now proceed to the first item on
6 the agenda. The first item on the agenda would be
7 approval of the minutes.

8 MR. FALZONE: The minutes are part of a
9 consent agenda.

10 TREASURER GOLDBERG: I see that. Is
11 that new?

12 MR. FALZONE: We do it for Board
13 meetings when we are maybe pressed for time.

14 TREASURER GOLDBERG: I gotcha. Okay.

15 So we have consent agenda items. I seek
16 a motion that the PRIM Board approve the following
17 consent agenda items as described in the expanded
18 agenda.

19 First, approval of the PRIM Board
20 minutes of the December 4, 2025 meeting; second,
21 approval of the issuance of an RFP for proxy
22 voting services; and further to authorize the
23 executive director to take all actions necessary
24 to effectuate this vote.

1 Is there a motion?

2 MS. McGOLDRICK: So moved.

3 TREASURER GOLDBERG: Is there a second?

4 MR. LAPMAN: Second.

5 TREASURER GOLDBERG: We will proceed
6 with the roll call vote.

7 I notice that Catherine is here now.
8 Announce that she's arrived.

9 Catherine D'Amato?

10 MS. D'AMATO: Yes. Thank you. Just
11 dealing with power outages in Provincetown. My
12 apologies.

13 TREASURER GOLDBERG: Oh, no. We know.
14 No. We're asking you to vote.

15 MS. D'AMATO: I vote yes for the
16 minutes.

17 TREASURER GOLDBERG: Okay. Thank you.

18 MS. D'AMATO: You're welcome.

19 TREASURER GOLDBERG: Ruth Ellen Fitch?

20 MS. FITCH: Yes.

21 TREASURER GOLDBERG: Theresa McGoldrick?

22 MS. McGOLDRICK: Yes.

23 TREASURER GOLDBERG: Mark Lapman?

24 MR. LAPMAN: Yes.

1 TREASURER GOLDBERG: Dennis Naughton?

2 MR. NAUGHTON: Yes.

3 TREASURER GOLDBERG: Carly Rose?

4 MS. ROSE: Yes.

5 TREASURER GOLDBERG: Myself, yes.

6 The motion carries.

7 Next item on the agenda will be the
8 executive director/chief investment officer
9 report. Michael will go over markets and PRIT
10 Fund performance, followed by organizational
11 updates and then summary of the 2026 annual plans.

12 Please feel free if you need to ask
13 questions during that time frame because he's
14 going to go over a number of items. Or if you
15 choose, you can wait till the end. It's your
16 pleasure.

17 Thank you, Michael.

18 MR. TROTSKY: Thank you, Treasurer. And
19 good morning, everyone.

20 As you know by now, the markets remained
21 very strong through the end of the year last year
22 and into 2026. And the PRIT Fund ended with yet
23 another new record balance of \$123.3 billion,
24 surpassing the previous record balance set last

1 quarter.

2 And for the December quarter alone, the
3 PRIT Fund returned 2.1 percent net of all fees.

4 And for the trailing 12 months, the PRIT Fund
5 returned 12.6 percent net, which equates to an
6 investment gain of \$13.8 billion for the year.

7 We're very proud of the 12.6 percent
8 \$13.8 billion gain for the 12 months, which is, as
9 you know, nearly twice our target return of
10 7 percent, the state's actuarial rate of return
11 requirement.

12 Before I discuss markets and
13 performance, there is one small organizational
14 update. I'm humbled to announce that Markets
15 Group has named me on their 2026 list of elite
16 institutional chief investment officers.

17 The designation honor is to those who,
18 and I quote, "have excelled amid shifting
19 macroeconomic conditions, geopolitical complexity
20 and evolving risk frameworks. They continue to
21 strengthen long-term resilience, elevate portfolio
22 construction and governance standards, and steward
23 capital with purpose and accountability," end
24 quote.

1 Obviously this summary highlights our
2 collective achievements together. It's truly a
3 team award. And I thank everyone on this call for
4 your contributions and your support through what
5 was a challenging macroeconomic and geopolitical
6 environment. And last, I appreciate all your hard
7 work and dedication.

8 The 12.6 percent net gain for the
9 calendar year 2025 is the third consecutive year
10 of outstanding gains and follows gains of
11 9 percent in 2024 and 11 percent in 2023. This
12 represents a three-year annualized rate of return
13 of 11 percent and a total three-year gain of
14 \$34.6 billion. \$34.6.

15 Over the last three-year period, U.S.
16 equities remained unusually strong, up nearly
17 23 percent annualized. And international markets
18 were weaker, but still up more than 17 percent.

19 To put things in perspective, a three-
20 year streak with an annualized return of roughly
21 23 percent for U.S. equities is exceptionally
22 rare, and I've called it a super streak.

23 We also looked at calendar year-end
24 returns in the roughly 100-year history of the S&P

1 500, and I'll note that similar performance levels
2 have only occurred a handful of times, usually
3 during major technological shifts or recoveries
4 from deep bear markets.

5 And a 23 percent annualized return means
6 that the market has nearly doubled in just three
7 years. And finding a three-year period where the
8 average annual return is above 23 percent is very
9 difficult.

10 There are a few of them. Similar strong
11 periods include the dot-com bubble from 1995 to
12 1999, where the three-year annualized return was
13 28 percent. During World War II from 1942 to
14 1945, we had a 24 percent gain. And during the
15 postwar industrial boom of the 1950s, we had a
16 couple of periods where the return, three-year
17 annualized, was between 24 and 29 percent.

18 And last that I'll highlight is of
19 course the recovery from the 1929 crash, the Great
20 Depression, where from 1933 to 1935, there was a
21 35 percent gain in the markets.

22 So why is this super streak happening
23 now? Well, analysts generally point out three
24 factors for the current 23 percent run that we

1 just enjoyed. The first, well talked about, is
2 the AI, artificial intelligence, surge, where a
3 small group of megacap tech stocks like NVIDIA,
4 Google, Microsoft and others have seen
5 unprecedented growth.

6 This is the Magnificent Seven group of
7 stocks. That's the effect we've talked about
8 previously at past meetings.

9 Number 2, resilient earnings. Despite
10 the higher interest rates out there, corporate
11 profits have remained at record highs.

12 And number 3, the 2022 post pandemic
13 bounce. Because 2022 was really a bad year in the
14 markets, the 2023 recovery started from a lower
15 floor. And this of course makes the percentage
16 gains look more dramatic.

17 You may wonder what typically happens
18 next. And history shows that these super streaks
19 usually end in one of two ways: a mean reversion
20 or a soft landing. And the incidence of each has
21 not been a coin toss.

22 Most of the time in the year after a
23 super streak like we've just been through, we got
24 a mean reversion. That is when the market takes a

1 breather. And after a super streak, most of the
2 time, we got a double-digit decline in markets in
3 the following year.

4 Only once following these historical
5 super streaks did we see a soft landing, when the
6 market continued to rise after the super streak,
7 and it did so, but at a more moderate pace.

8 While these "what happens next"
9 scenarios are interesting, of course, you also
10 know that we at PRIM don't try to predict the
11 future because we believe that nobody is
12 consistently good at it. That sentiment is
13 actually one of our core investment beliefs.

14 Sure, we do all hope for a soft landing
15 or better, following the super streak we've just
16 enjoyed. But hope, as you know, is not a sound
17 investment strategy.

18 Many of you remember that I am fond,
19 very fond actually, of quoting the Nobel Prize-
20 winning physicist Niels Bohr. He's a scientist
21 who made his career discovering the laws of
22 physics. These are formulas that predict the
23 behavior, the future behavior, of our physical
24 world.

1 And he said, and I quote, "Prediction is
2 very difficult, especially about the future."
3 That wisdom is one of the very guideposts of
4 investing.

5 And PRIM's asset allocation
6 recommendations, which you'll hear about later
7 today, do not rely on future predictions of
8 returns. Instead, we have an internally developed
9 process that utilizes quantitative statistical
10 techniques to express the well-known, and Nobel
11 Prize-winning actually, economic science of
12 portfolio construction through diversification.

13 We don't try to anticipate market
14 returns or outcomes in the future. Instead, we
15 engineer a portfolio to be resilient through all
16 market environments. So more on that later, but
17 first, a quick market update.

18 Again, in the December quarter, U.S.
19 equities were up 2.7 percent. Developed
20 international equities were up 5.2 percent, and
21 emerging market equities were up 4.7 percent for
22 the quarter.

23 Bonds were up about a percent as yields
24 fell. The 10-year Treasury stood at 4.17 at the

1 end of December and has been relatively stable in
2 that range. Today, I believe it's slightly lower
3 than that.

4 For the calendar year through December,
5 the 12-month period, domestic equities were up
6 17.8 percent. Developed international equities
7 were up 31.7 percent, and emerging market equities
8 were up more than 33 percent.

9 And notable is the fact that
10 international equities outperformed U.S. equities
11 for the first time in many years, and they are
12 doing so by a wide margin. International returns
13 last year were nearly twice the returns for the
14 U.S.

15 For example, China was up 31 percent
16 last year. Germany was up 36.1 percent. The UK
17 was up 35 percent, and Japan up 25 percent, while
18 U.S. equities, still strong but lagging, were up,
19 again, 17.8 percent.

20 And as we sit here today, the U.S.
21 markets are flat to slightly up, but international
22 markets are up anywhere between 8 and 13 percent
23 so far in 2026.

24 Over the past three years, as you know,

1 public equities have delivered exceptional
2 returns, supported by resilient earnings growth,
3 falling inflation expectations. That resulted in
4 falling interest rates. Companies had strong
5 balance sheets. There was a generational shift in
6 technology driven by artificial intelligence.

7 And public equities have also benefited
8 from liquidity and rapid price discovery, allowing
9 them to be repriced more quickly as macroeconomics
10 improved after the pandemic slowdown earlier this
11 decade.

12 The last three years was really a
13 Goldilocks period for public markets. It was a
14 near perfect environment for strong performance of
15 equities.

16 And at any given time, however, PRIM
17 should expect to have strong-performing asset
18 classes and weaker ones. And even with
19 outstanding absolute returns over the past few
20 years, it has been a difficult period for active
21 management generally in both public and private
22 equities because the strong market returns have
23 been so narrowly focused on the Magnificent Seven
24 companies and companies linked to the AI

1 infrastructure build-outs.

2 This narrowness is unlikely to persist
3 forever. And more recently this year, we are
4 seeing some broadening of market participation.

5 In contrast to the recent super streak
6 in public equities markets, private equity
7 strength is best viewed through a robust 5- to 10-
8 year track record. That's a period in which entry
9 valuations were attractive, debt financing costs
10 were exceptionally low, and public equity markets
11 experienced a prolonged and modest expansion.

12 Private equity, which is a long-term
13 asset class, still remains the number one
14 performing asset class for PRIM over the longer
15 term.

16 PRIM closely monitors all managers
17 across all asset classes and manages our risk
18 exposures to maintain a well-diversified portfolio
19 that we believe will perform well under various
20 market conditions.

21 It should be noted that PRIM's asset
22 allocation framework that you'll hear about today
23 gradually adjusts strategic allocations over time,
24 promoting patient investing that is really

1 evidence-based. This approach ensures that PRIM
2 is not tied to any specific asset class or
3 strategy, and we acknowledge that the industry is
4 evolving in nature.

5 Tony, the performance slides. And I'll
6 go through them quickly. Let me know when they're
7 up.

8 MR. FALZONE: All set.

9 MR. TROTSKY: Okay. The first slide as
10 usual shows the market value, both at the end of
11 our fiscal years and at the end of the most
12 current period that we're reporting, which is the
13 end of the calendar year.

14 At the end of December, the PRIT Fund
15 stood at \$123.3 billion, a new record from
16 \$121 billion reported last quarter. The fund
17 was up 2.1 percent for the quarter, 12.6 percent
18 for the year. Again, a gain of \$13.8 billion.

19 Net outflows to pay benefits from this
20 pool of assets were approximately \$231 million
21 for the year.

22 Next slide, you can see the performance
23 by strategy for the fourth quarter of 2025.

24 Quarterly gain in the middle of 2.1 percent, with

1 all but one asset class posting positive returns.
2 That's on the right. Long bonds were down
3 slightly. Those are the U.S. STRIPS, as long
4 rates did edge higher.

5 On the left, you can see that
6 international equities on the far left led the way
7 with really double the returns of U.S. equities
8 during that time period.

9 Next slide. For the one-year period,
10 the PRIT Fund was up 12.6 percent. On the left,
11 you can see international equities led the way, up
12 more than 30 percent. U.S. large caps, small
13 caps, high yield and private equity also were very
14 strong.

15 And what I like about this slide is that
16 all asset classes posted positive returns for the
17 one-year period. And we are particularly pleased
18 to note a reversal in the real estate for the
19 year. Real estate was up 3.1 percent. And that
20 compared to down 3 percent last year as obviously
21 we rebound from the pandemic era slowdown.

22 And really in real estate, and you'll
23 hear more about this today, our focus on core real
24 estate, those are the best properties, the best

1 locations, highly leased, low leverage, that has
2 really served us well. That's where the majority
3 of our exposure is.

4 And we have always had an underweight to
5 non-core real estate. Those are the more
6 sensitive, higher risk, higher leveraged,
7 opportunistic type of real estate investments such
8 as development or other opportunistic real estate
9 investments, which have been much, much harder hit
10 and slower to rebound.

11 Next slide. Asset class performance for
12 the one-year period. Again, all major asset
13 classes had positive returns. Global equities,
14 more than two times the return of any other asset
15 class. All tracked closely to benchmarks.

16 Each asset class you'll hear today a
17 little bit more about performance. You can see
18 value-added fixed income, private equity were also
19 among the top-performing asset classes for the one-
20 year period.

21 Next slide is the fund contribution to
22 return by strategy. And this chart shows the
23 contribution to total return by strategy for the
24 one-year period. All these major asset classes

1 were positive contributors. No major detractors.

2 U.S. large cap, developed international
3 equities and private equity on the left were the
4 top contributors for the year.

5 Next slide. Again, 12.6 percent
6 performance for the one-year period. Very strong.
7 You'll note that all other time periods were above
8 the actuarial rate of return of 7 percent, which
9 is our goal.

10 The underperformance in the one- and
11 three-year period due to the benchmark, again, is
12 due to the private equity benchmark, which we've
13 talked about where we compare the actual one-year
14 performance of private equity to a seven-year
15 smoothed public benchmark, seven-year smoothed
16 public benchmark plus 3 percent.

17 And the one-year performance of private
18 equity was still really good, up 8.5 percent. But
19 when compared to a seven-year smoothed public
20 markets benchmark plus 3 percent, that benchmark
21 was up 15.9 percent. So a tough comparison.

22 If you do smooth the private equity
23 returns in the same way that the benchmark is
24 smoothed, it would be 16.1 percent, and we'd

1 outperform the benchmark.

2 Next slide. I'll end on the quilt
3 chart. Again, you can see global equities lead
4 the way for the one- and three-year period by a
5 large margin.

6 And on the right, you can see PE,
7 private equity, for the 5- and 10-year performance
8 numbers lead the way. We've had a very strong
9 three-year period for public equities, which I've
10 talked about at length today.

11 Also, I'd note that PCS, which is
12 primarily composed of hedge funds, very strong.
13 And of course real estate improving. And timber,
14 a very steady solid contributor through all time
15 periods.

16 You can take those down now, Tony.

17 MR. FALZONE: All set.

18 MR. TROTSKY: Just a few comments about
19 economics. As you know, the federal government
20 shutdowns last year and other factors have led to
21 the delay of some recent economic data. We're
22 catching up now.

23 The U.S. economy did expand at an
24 annualized rate of 1.4 percent in Q4 2025. That's

1 new since the last time we spoke. That's the
2 slowest pace of growth since Q1 last year. And
3 that followed a 4.4 percent growth rate in Q3.
4 That 1.4 percent report was well below market
5 expectations of 3 percent.

6 Consumer spending decelerated in the
7 quarter. Exports contracted, and government
8 spending in investment fell sharply. That's what
9 led to the slowdown.

10 The annual inflation rate slowed to
11 2.4 percent year-over-year in January. It's the
12 lowest level since May of last year. And it was
13 down from the 2.7 percent in each of the prior two
14 months' reports.

15 The unemployment rate edged down to
16 4.3 percent in January, 4.3 percent, as the
17 delayed employment report smashed expectations
18 really with 130,000 nonfarm payrolls added in
19 January.

20 But there still remains significant
21 uncertainty among economists and the Fed about the
22 health of the employment situation. And this of
23 course bears watching because employment directly
24 affects consumer spending, and consumer spending

1 really drives two thirds of the U.S. GDP.

2 Elsewhere, manufacturing unexpectedly
3 rose a little to 52.6 in January. And that was
4 well above forecasts of 48.5. The reading really
5 showed that economic activity in the manufacturing
6 sector expanded in January for the first time in
7 12 months and the most, the highest expansion
8 since 2022.

9 As you know, the Fed left rates
10 unchanged at its most recent meeting in January.
11 And that follows three consecutive rate cuts
12 during 2025.

13 In other large economies, China expanded
14 4.5 percent year-over-year in Q4. And that was
15 down a little from the prior quarter and marked
16 really the slowest pace of growth in three years
17 in China. The deceleration reflected continuous
18 weakness in domestic demand, consumer demand,
19 there.

20 The unemployment rate held steady and
21 inflation remained subdued in China. The People's
22 Bank left rates unchanged in January.

23 In the eurozone, the economy expanded by
24 1.3 percent in Q4, according to a preliminary

1 reading, and this marks the slowest pace in a
2 year, but is really just growing modestly.

3 The unemployment rate there held steady
4 at 6.2 percent. Inflation eased to 1.7 percent.
5 And the European Central Bank also left rates
6 unchanged.

7 And last, in Japan, the economy just
8 barely grew, 0.1 percent quarter over quarter in
9 Q4. That rebounded from a slight contraction last
10 quarter. But it did fall short of market
11 expectations. And that is a preliminary reading
12 as well.

13 The unemployment rate held at
14 2.6 percent, and the annual inflation rate eased
15 to 1.5 percent. And Japan left rates unchanged.

16 At the Investment Committee meeting
17 earlier in the month, it was noted that here in
18 the U.S., tighter market liquidity will likely
19 increase volatility in the markets going forward.
20 The Federal Reserve has made public its plan to
21 shrink bank reserves below the \$3 trillion level,
22 which seems to be the borderline level that
23 markets need to function properly.

24 This level, \$3 trillion, was tested in

1 December when bank reserves dipped below that
2 level. But after some abnormal market volatility,
3 the Fed quickly reversed course. They ended
4 quantitative tightening and launched purchases
5 quickly of shorter term T-bills that helped solve
6 the liquidity problem.

7 However, the incoming Fed chair has made
8 it clear that his preference is for bank reserves
9 to shrink well below the \$3 trillion level to
10 about \$1 trillion over time. And there are
11 concerns that he may be slow to intervene as the
12 Fed did this past December.

13 Our resident expert on the committee,
14 Connie Everson, said that conversations will need
15 to happen if markets respond poorly to any kind of
16 changing policy regime. So this bears watching.

17 I'll stop there with my comments on PRIM
18 and the markets. Take any questions.

19 TREASURER GOLDBERG: On this section of
20 Michael's presentation, are there any questions?

21 I think that almost everyone who's on
22 the call has actually heard this part of the
23 presentation on committee meetings.

24 MR. TROTSKY: Right.

1 TREASURER GOLDBERG: So unless you have
2 something that's occurred since then, and that was
3 I think a week and a half ago, I think we're all
4 set.

5 MR. TROTSKY: Okay.

6 TREASURER GOLDBERG: I think for me the
7 most concerning comment was what the incoming Fed
8 chair --

9 MR. TROTSKY: Right.

10 TREASURER GOLDBERG: -- anticipates.

11 And Catherine, as a former Boston Fed
12 member, probably finds that very disconcerting.

13 MS. D'AMATO: I do.

14 And I've just come back from a Fidelity
15 Charitable board meeting and seeing a lot of the --
16 how the investments are working there. It's a
17 similar amount of money as the pension fund so
18 about \$101 billion. But seeing what those
19 investments have been doing, and then a lot of
20 discussion also about the Fed and the new incoming
21 chair and what's the likelihood.

22 Kind of some feeling there among just
23 chatter was that they may not be so quick to move
24 the interest rates down in this next meeting.

1 But everything is speculative and
2 political in the environment right now.

3 But not seeing a lot of change in tax
4 bills just because of the sort of -- what would I
5 want to say? The clog of nobody -- no bills
6 moving. So that's another piece too, that there
7 are some things that could implicate or change
8 some of the actions by investments, but not seeing
9 anything moving, given an impending election. And
10 then waiting to see what happens after that.

11 But I heard a couple times the term
12 "pencils down," which means no bills, no movement,
13 no nothing over the next couple of years. If that
14 helps.

15 But the new Fed chair will be
16 fascinating and a little frightening, given his
17 change. I mean he flipped from one side to the
18 other in a matter -- I don't know, Michael. It's
19 been two years. When was he last considered for
20 the Fed? I don't remember.

21 MR. TROTSKY: Yes. It was I believe
22 when Powell was appointed. He was in the mix.

23 MS. D'AMATO: He was. He's been in the
24 mix for, like, always. And he's turned it down

1 and turned it down and turned it down. But he was
2 more on the side of not increas -- not decreasing --
3 sorry -- rates. And he has come to the other
4 side.

5 MR. TROTSKY: We'll see.

6 TREASURER GOLDBERG: Okay. Thank you,
7 Catherine.

8 If there are no further questions,
9 Michael, you can move on.

10 MR. TROTSKY: Okay. It's annual plan
11 season. And accordingly, as we do each year, we
12 share the plans for your review and input. I've
13 heard from a couple of you already.

14 These plans are very detailed, and I
15 invite you to review them and contact me with any
16 feedback you might have. Once we hear from you
17 and input any changes, the plans are then
18 finalized.

19 They're essentially a continuation of
20 the work we have been doing, but I will highlight
21 just a few initiatives. And for your reference,
22 they're located at Appendix D as in dog.

23 The focus of this year across all asset
24 classes is to identify new sources of alpha;

1 that's outperformance. But as always, you will
2 see a continuation of our efforts to improve every
3 aspect of our business. Continuous improvement.

4 In public markets, and you'll hear more
5 about this today, we announced an ambitious and
6 well-thought-out plan to identify new sources of
7 alpha in our public equities portfolio.

8 In private equity, the commitment pacing
9 does remain brisk, with a goal of identifying
10 more than \$2 billion in high-performing new
11 opportunities during 2026. The team will continue
12 to be, as they always are, incredibly selective.

13 In real estate, I mentioned earlier, we
14 saw a reversal of that performance from a
15 3 percent loss last year in the aftermath of the
16 pandemic to a positive 3 percent gain in 2025.
17 And while we like to see that, this level of
18 performance is still below our expectations and
19 below our needs.

20 So the real estate team will continue to
21 drive improvements in performance by seeking high
22 quality investments and any enhancements to
23 manager evaluation sourcing and selecting. We'll
24 exit and avoid underperforming real estate

1 strategies in general. And we'll closely monitor
2 our existing managers' asset level business plans.

3 We're particularly proud of Bill Li and
4 the PCS team's success in improving the
5 performance of hedge fund portfolio over the last
6 few years. It's been exceptional. And the team
7 continues to identify attractive new investments
8 in both stable value hedge funds and directional
9 hedge funds. And performance again has been
10 outstanding.

11 Risk, Jay Leu and Shannon continue to be
12 embedded in each asset class group, monitoring and
13 evaluating credit risk, liquidity and portfolio
14 construction, always with a keen eye towards
15 controlling risk and improving diversification
16 across all asset classes.

17 The research team continues to work on
18 methods to improve our sophisticated asset
19 allocation model, which you'll hear about today.

20 This year, we will study the long-term
21 historical effectiveness of our decisions with an
22 eye towards improving and identifying improvements
23 to our processes, all with an aim to finding
24 additive new investment strategies.

1 In finance and operations, the main goal
2 as always is to ensure that our reporting and
3 financial statements remain at the highest level
4 of transparency, accuracy and completeness.

5 The work this year continues with the
6 rollout of the new Solovis reporting platform.
7 With it comes exciting new analytical tools.

8 In legal and communications, Renee, Seth
9 and team prioritize transparency and documentation
10 to ensure that PRIM remains above reproach.

11 We're still responding to a large
12 increase in the number of Public Records Act
13 requests. That takes a lot of time and effort.

14 And legal is also continuing to support
15 the Attorney General's office in their suit
16 against ExxonMobil, which has resulted in an
17 increased legal expense and time commitment.

18 In stewardship, you'll hear from Veena
19 today, the team continues to execute its data-
20 driven and board-approved stewardship priorities,
21 while also pursuing purposeful engagement of
22 individual portfolio companies, all in line with
23 these priorities.

24 And last, I'll close, just across all

1 functional groups, we continue to explore the
2 applications of artificial intelligence. There
3 are several tools being currently evaluated that
4 actually show great promise.

5 And enthusiasm here at PRIM for AI tools
6 is very high across the entire organization, but
7 as usual, we plan to be very methodical when
8 rolling out this technology. We want to innovate,
9 adhere to best practices and continuously seek
10 efficiency, while working within PRIM's budget.

11 Cybersecurity is always paramount in
12 everything we do. We have created a policy and a
13 framework to guide staff in using AI, and it is
14 all very exciting to us.

15 I do believe that AI can level the
16 playing field by lowering the cost of expertise
17 for PRIM. And I do believe that the benefits of
18 AI, if properly implemented, if well-implemented,
19 will accrue most to those organizations like PRIM
20 with more limited resources.

21 Again, I hope you've had a chance to
22 review these plans. In the interest of time,
23 please feel free to reach out to me with any
24 comments or questions before I finalize them.

1 Any questions?

2 TREASURER GOLDBERG: Any questions for
3 Michael on the plans?

4 None that I can see, Michael.

5 MR. TROTSKY: Excellent.

6 TREASURER GOLDBERG: Okay. That does
7 wrap you up.

8 MR. TROTSKY: That's right. And Vivian
9 on asset allocation is next.

10 TREASURER GOLDBERG: All right then.
11 And that is a voting item.

12 So hi, Vivian. What I'm going to do is
13 I'll make a motion and a second. And then I'll
14 let you take over. How's that sound?

15 MS. LIANG: Yes.

16 TREASURER GOLDBERG: I seek a motion
17 that the PRIM Board approve the Investment
18 Committee's recommendation to adopt the 2026 asset
19 allocation recommendation as described in the
20 expanded agenda, and further to authorize the
21 executive director to take all actions necessary
22 to effectuate this vote.

23 Is there a motion?

24 MR. NAUGHTON: So move.

1 MS. D'AMATO: Second.

2 TREASURER GOLDBERG: Is there -- second.

3 Thank you, Catherine.

4 Thank you, Vivian. Go ahead.

5 MS. LIANG: Thank you.

6 Good morning, everyone. I'm Vivian

7 Liang, a member in the research team at PRIM.

8 Today, I'm going to be filling in for Maria to

9 present the asset allocation recommendation that

10 has been approved by the Investment Committee.

11 The 2026 asset allocation recommendation

12 represents no changes to the 2025 asset allocation

13 approved ranges.

14 Before I jump into the slides, I want to

15 take a moment to recognize the team. Asset

16 allocation is a collaborative effort. Pengtuan Wu

17 and Tianyi Shi have played significant roles.

18 Please refer to slide 2 within

19 Appendix E of the board expanded agenda for the

20 research team's presentation on asset allocation.

21 Thank you, Tony.

22 Once again, the 2026 asset allocation

23 makes no changes to the PRIM's strategic asset

24 allocation target ranges.

1 PRIM's research team leads a robust and
2 comprehensive strategic asset allocation program
3 which blends both quantitative and qualitative
4 insights into the analysis, while focusing on a
5 dual objective.

6 Our strategic asset allocation program
7 is designed with a long-term horizon in mind.
8 This approach reflects our core belief that we do
9 not attempt to predict the future. Instead, we
10 focus on building a resilient portfolio that can
11 withstand a wide range of market environments.

12 Strategic allocation decisions are
13 typically infrequent and deliberate with changes
14 only considered when there is a structural shift
15 in fundamentals.

16 Consistent with this philosophy, we're
17 making no changes this year, just as we did last
18 year.

19 Tony, if you can go to the next page.

20 Thank you.

21 On slide 3, you can see the dual
22 objective. The core framework uses this
23 probabilistic-based approach to maximize
24 likelihood of achieving our dual objective.

1 The left-hand side shows the probability
2 of achieving the actuarial rate of return of
3 7 percent over the next 10 years, whereas the
4 right-hand side focuses on a measure of downside
5 protection, which is defined as the probability of
6 achieving no cumulative drawdown greater than
7 20 percent over the next three years.

8 Moving on to slide 4.

9 Thanks.

10 As you can see on slide 4, a holistic
11 and comprehensive program is vital to effectively
12 addressing the complexity around strategic asset
13 allocation. There are multiple components within
14 the asset allocation research program.

15 First is the core framework. PRIM's
16 core framework serves as a foundation, and it is
17 data-driven and systematic. Our core framework
18 seeks to understand PRIM's actual performance net
19 of fees through principal component analysis.

20 This method decomposes original
21 correlated asset returns into a new set of
22 independent statistical factors called principal
23 components.

24 Next, we capture both time series

1 dynamics and distributional features of each
2 factor to calibrate a best-fit model, then
3 simulate 10,000 future return paths, using the
4 most appropriate model to evaluate the likelihood
5 of achieving our dual objective through systematic
6 experiment.

7 At the bottom, we include a couple of
8 additional considerations. First, feasibility.
9 After establishing the analytical foundation, we
10 worked closely across all asset classes and the
11 risk team regarding feasibility to deploy capital
12 and the current opportunity set.

13 Second, we collaborate with NEPC, our
14 asset allocation consultant, to incorporate
15 external perspectives as a validation and a
16 reasonableness check.

17 Overall, the core framework shows us
18 what directions improve the portfolio.
19 Feasibility determines what we can realistically
20 implement. And external views help us sanity-
21 check that the result remains reasonable.

22 Tony, if you can go to the next page.
23 Thank you.

24 A key output of our core framework is a

1 systematic experiment, which helps to identify
2 potential improvements to the dual objective.
3 Here's a snapshot of the systematic result.

4 On the left, the chart with green bars
5 shows how the original PRIT Fund compares to the
6 five most impactful scenarios where we add
7 2 percent to those asset classes' weights
8 individually. The numbers represent the
9 probability of achieving the dual objectives.

10 As you can see, PE, OCO, timberland,
11 stable value hedge fund and directional hedge fund
12 are the most additive subassets to the PRIT Fund
13 with respect to the dual objective.

14 On the right side, the gray bars show
15 which asset classes improve the dual objectives if
16 we reduce the asset class by 2 percent.

17 Please turn to slide 6.

18 The approved asset allocation 2025
19 target range is shown on the left column. All
20 asset classes are within their respective ranges.
21 PRIM employs a disciplined and methodical
22 rebalancing process designed to maintain alignment
23 with the fund's strategic asset allocation targets
24 and risk posture over time. Rebalancing decisions

1 are executed with careful attention to liquidity
2 conditions and implementation costs, ensuring the
3 fund can meet its objectives while prudently
4 managing market and cash flow constraints.

5 Although private equity, OCO and hedge
6 funds continue to look favorable through our
7 analysis, there's plenty of room within the
8 existing ranges. Therefore, we will stay the
9 course.

10 And finally, I would like to wrap my
11 presentation up with an Investment Committee-
12 approved 2026 recommendation, which is to make no
13 changes to the PRIM strategic asset allocation
14 target ranges.

15 Thank you.

16 TREASURER GOLDBERG: Are there questions
17 for Vivian?

18 Ruth Ellen, I see your lips moving, but
19 I don't hear your voice.

20 MS. FITCH: Unmute.

21 Just a really quick question about
22 changing this recommendation during the year or
23 staying the course for the year and doing it next
24 year. Is there consideration of that in the

1 allocation of funds?

2 MS. LIANG: Yes. We stayed the course
3 this year and the previous year. And in the
4 previous several years, we do make certain
5 changes. For example, on private equity, public,
6 global equity and also the value-added fixed
7 income.

8 MS. FITCH: But do you make those
9 changes during the year? Or do you wait to make
10 them for the next fiscal year?

11 MR. FALZONE: So we don't -- I think --

12 TREASURER GOLDBERG: I was going to jump
13 in on that.

14 MR. FALZONE: Go ahead. Go ahead,
15 Treasurer.

16 TREASURER GOLDBERG: One thing, Ruth
17 Ellen, I want to remind you is that obviously if
18 the team came together and said, gee, we need to
19 look at this, they would.

20 But however, I want to remind everyone
21 that we stay the course. And we don't let up and
22 down markets and variation throw us off our long-
23 term strategies. And so it would really have to
24 take --

1 We're built for up and down markets.

2 MS. FITCH: Right.

3 TREASURER GOLDBERG: And so it would
4 have to be really something extraordinary for us
5 to take a serious look at allocations and that
6 with intention, we have the asset allocation the
7 way we do now, and with the research we do
8 internally, we are taking volatility into
9 consideration.

10 And as you can see over the last
11 10 years, that strategy has essentially worked
12 very well in up and down markets.

13 MS. FITCH: Right.

14 TREASURER GOLDBERG: So I think that
15 would be your answer, right, Vivian? And
16 certainly it would be Michael's.

17 MR. TROTSKY: Right. That's definitely
18 correct. And thank you for saying that.

19 I'd also add that we are very
20 disciplined with our monthly rebalancing. So with
21 any large dislocation in the market, we're likely
22 to rebalance pretty aggressively to stay within
23 the ranges, always to stay within the ranges --

24 MS. FITCH: Okay.

1 MR. TROTSKY: -- if there's any
2 dislocation during the year. So maybe that's what
3 you're also referring to. We do --

4 MS. FITCH: Yes.

5 MR. TROTSKY: We do adhere to a strict
6 monthly rebalancing.

7 MS. FITCH: Okay. Thank you. It's good
8 to hear.

9 MR. LAPMAN: Can I just raise a
10 question?

11 TREASURER GOLDBERG: Yes, Mark.

12 MR. LAPMAN: I'm all for keeping within
13 our allocations.

14 I do note on this wonderful chart here
15 how close we are to the top of the range for
16 global equity, whereas the others seem to be
17 managed in the middle.

18 And given your monthly rebalancing,
19 Michael, what's your inclination in terms of that
20 rebalancing? Is it just small --

21 MR. TROTSKY: Well, we've already got it
22 set up to take a little out of global equities.
23 It's happening. We make fine adjustments --

24 MR. LAPMAN: Where do you think that's

1 going to end up?

2 MR. TROTSKY: We make fine adjustments
3 each month. And I just approved a small -- you
4 know, we're near the end of the month, so we're
5 thinking about that now.

6 Dave Gurtz is in charge of the monthly
7 rebalancing. He's very disciplined and thoughtful
8 about it. And because global equities are at the
9 very upper end of the range, we will sell a little
10 global equities and redeploy to other asset
11 classes.

12 TREASURER GOLDBERG: Any other questions
13 for Vivian?

14 So this is a reminder this is a voting
15 item.

16 I want to note that Bob Brousseau has
17 joined us on telephone. And he may be challenged
18 to vote, but we will try to give it a shot because
19 he is the first person on my list.

20 Bob, can you hear us, and are you able
21 to vote?

22 MR. BROUSSEAU: Yes. I vote yes.

23 TREASURER GOLDBERG: Thank you, Bob.

24 Catherine?

1 MS. D'AMATO: Yes.

2 TREASURER GOLDBERG: Ruth Ellen?

3 MS. FITCH: Yes.

4 TREASURER GOLDBERG: Theresa?

5 MS. MCGOLDRICK: Yes.

6 TREASURER GOLDBERG: Mark?

7 MR. LAPMAN: Yes.

8 TREASURER GOLDBERG: Dennis?

9 MR. NAUGHTON: Yes.

10 TREASURER GOLDBERG: Carly?

11 MS. ROSE: Yes.

12 TREASURER GOLDBERG: Myself, yes.

13 The motion carries.

14 All right then. Next item on the
15 agenda --

16 I'm hearing my own voice coming back at
17 me. Is that coming from Bob's phone?

18 Okay. All right. The next item on the
19 agenda is public markets. We will have two voting
20 items. And Michael -- not Michael Trotsky.
21 Michael number 2. Mike McGirr is number 3.

22 You're going to start off with a
23 performance summary, and then you will let me know
24 who's going to give us the presentation on the

1 global equity and other credit opportunities.

2 So take it away, Mike.

3 MR. McELROY: Great. Thank you.

4 Can everyone hear me?

5 TREASURER GOLDBERG: We can hear you.

6 MS. FITCH: Yes.

7 MR. McELROY: Perfect. Okay.

8 Good morning, everyone. I'm Michael
9 McElroy, director of public markets. I'll cover
10 the market environment and performance for the
11 fourth quarter and the one-year period ending in
12 December of 2025.

13 As you've heard already, equity markets
14 delivered another strong quarter, positive
15 absolute returns. This was the third quarter in a
16 row of positive returns. Global equity is up over
17 3 percent in the quarter. And across regions, it
18 was pretty well-balanced. Equities were up
19 between 2 to 5 percent, depending on the region.

20 For the one-year period, equities were
21 strong, up about 22 percent on a global basis and
22 between 13 to 32 percent regionally. And Michael
23 Trotsky mentioned just the strength of the non-
24 U.S. stocks, particularly last year, so they did

1 lead in 2025.

2 From a style perspective, value stocks
3 led in all geographies in the fourth quarter, but
4 yet over the full year, growth stocks were leaders
5 in the U.S. and emerging markets.

6 And this is really related to the
7 technology exposure within these two markets,
8 whereas value stocks, and this is primarily
9 financials and insurance-type stocks, were
10 strongest in the developed international markets.
11 This would be Europe and Japan. Large stocks
12 generally did better than small stocks across all
13 geographies over the year.

14 In terms of bonds, they continue to
15 deliver the consistency, diversification that we
16 expect to the public markets portfolio. The core
17 bond returns were flattish in the fourth quarter,
18 up almost 6 percent for the one-year period.

19 And our value-added bonds, these are the
20 more credit-exposed bonds in the portfolio, up
21 about 2 percent in the fourth quarter and up over
22 8 percent over the last year.

23 Rates did fall across most of the yield
24 curve in the fourth quarter and for the year, but

1 there was a little bit of steepening in the yield
2 curve as the long bond yields remained steady to
3 slightly higher, whereas the rest of the curve was
4 declining.

5 Credit spreads remain tight, generally
6 unchanged over the quarter.

7 In terms of relative performance, equity
8 returns for the fund were ahead of benchmark in
9 the fourth quarter by about 15 basis points,
10 though we did underperform over the one-year
11 period by about 38 basis points.

12 All regions contributed well to the
13 relative equity returns in the fourth quarter, and
14 this did help recoup some of the underperformance
15 that we've talked about over the previous quarters
16 related to some of the market concentration issues
17 that we've discussed previously.

18 While we're encouraged by the positive
19 relative equity performance in the fourth quarter,
20 it does continue to be a challenging market for
21 our active equity managers. Quality continues to
22 struggle. Higher risk, lower quality companies
23 are performing better than those with consistent
24 profitability and lower levels of debt.

1 On the other hand, value-oriented
2 managers, and these are managers who look for
3 attractively priced stocks, which often comes
4 along with some well-understood stock-specific
5 risks, they continue to do well in this
6 environment.

7 So across our active managers, about
8 half outperformed in the fourth quarter and one-
9 year periods. And this is at the low end of our
10 typical range for the percentage of outperforming
11 managers that we typically observe.

12 Our core and value-added bond
13 investments performed in line to slightly better
14 than their benchmarks. They outperformed in the
15 fourth quarter.

16 Our core fixed income outperformed by
17 about 5 basis points, and our value-added by about
18 27 basis points. And the one-year period, where
19 our core outperformed by about 10 and our value-
20 added by about 10 as well.

21 In our core bond portfolio, most
22 managers outperformed their benchmark. And within
23 value-added fixed income, our high yield and
24 emerging markets debt managers delivered strong

1 results.

2 In terms of fundamentals, they continued
3 to remain strong. Revenue and earnings growth is
4 coming through for companies. And profit margins
5 remain high. We heard few comments from our
6 managers on tariffs this past quarter, as levels
7 have stabilized since April.

8 Now, however, we will continue to probe
9 for insights on how managers are thinking about
10 these recent changes in tariff structures that
11 have been announced since the Investment
12 Committee.

13 Lower interest rates and tighter credit
14 spreads have given many companies the opportunity
15 to refinance their outstanding debt, and this
16 reduces worries of heightened debt service costs
17 impacting future earnings.

18 Our managers remain focused on
19 identifying attractive bottom-up opportunities,
20 while continuing to pay attention to the
21 constantly changing geopolitical and macro
22 environments these companies operate in.

23 And just finally an update on some
24 portfolio actions we took in the fourth quarter.

1 As part of our PRIM staff's continuous monitoring
2 of our managers, we did terminate three equity
3 mandates: Riverbridge, which is a U.S. small and
4 mid-cap growth manager; Baillie Gifford, which
5 managed international equities for us; and
6 Wasatch, which managed emerging market small cap
7 growth.

8 These terminations were due to long-
9 term risk-adjusted performance not meeting our
10 expectations. All of these were small allocations
11 within the global equity portfolio.

12 So in closing, public markets portfolio
13 delivered good results on a relative basis over
14 the last quarter, mixed results over the last
15 year. It remains well-diversified across
16 geographies, styles, sectors and asset classes,
17 and has weathered many different market stress
18 periods.

19 The aggregate risk of the overall equity
20 and fixed income portfolios remains low. And our
21 managers have delivered long-term value-added
22 relative to their benchmarks.

23 So with that, I'm happy to take any
24 questions on the performance commentary.

1 TREASURER GOLDBERG: Questions?

2 Looks like you're all set, Michael.

3 MR. McELROY: Okay.

4 TREASURER GOLDBERG: So we are moving
5 into -- I am going to read the motion.

6 I seek a motion that the PRIM Board
7 approve the Investment Committee's recommendation
8 to approve the global equity recommendations as
9 described in the expanded agenda, and further to
10 authorize the executive director to take all
11 actions necessary to effectuate this vote.

12 Is there a motion?

13 You have to unmute and actually verbally
14 say it. I saw a hand up.

15 MS. McGOLDRICK: Motion.

16 MR. LAPMAN: Move.

17 MS. McGOLDRICK: Motion, second.

18 TREASURER GOLDBERG: Okay. Great.

19 Thank you.

20 Catherine, what are you doing?

21 MS. D'AMATO: No. I thought we had
22 already moved that one, but I'm fine.

23 TREASURER GOLDBERG: No, no. We didn't.

24 Sorry.

1 Okay. We have a motion and a second.

2 Michael, are you presenting, or is
3 someone else going --

4 MR. McELROY: I am going to present
5 this.

6 TREASURER GOLDBERG: All right. Thank
7 you.

8 MR. McELROY: Great. Well, thank you,
9 Madam Treasurer.

10 So details on this voting item are
11 described on page 12 in the expanded agenda as
12 well.

13 Before going into the specific
14 recommendations, I just want to spend a moment on
15 the why behind these recommendations.

16 So as you know, we continuously monitor
17 the global equity portfolio. It's a core
18 allocation for the PRIT Fund. It receives regular
19 review from staff, from our risk team here, from
20 the Investment Committee and from you, the board,
21 as well.

22 Performance, the exposures, the
23 benchmarks we use and the implementation of this
24 portfolio are all actively overseen as part of our

1 normal governance process.

2 So that said, we felt it was appropriate
3 to take a step back and take a more holistic
4 forward-looking view of the portfolio. And rather
5 than evaluating individual components of the
6 global equity portfolio in isolation, we convened
7 a global equity working group to think more
8 broadly about the structure, the implementation
9 and the efficiency of the whole portfolio and how
10 it's positioned for both the current and the
11 evolving market environment that we operate in.

12 So this working group brought together
13 PRIM's staff. It brought together some Investment
14 Committee members, Mike Even, Mark Lapman and Phil
15 Perelmuter, and an external perspective as well,
16 Perry Traquina, who was the former CEO of
17 Wellington Management here in Boston.

18 The objective of the working group
19 really was to challenge assumptions, revisit
20 decisions that were appropriate at the time that
21 they were made and assess whether incremental
22 refinements could improve alignment, flexibility
23 and long-term outcomes for the global equity
24 portfolio.

1 Importantly, this wasn't driven by short-
2 term performance concerns, but by a desire to
3 ensure that the portfolio remains coherent,
4 scalable and well-aligned with our policy
5 benchmarks and our investment philosophy.

6 So the recommendations I'll present
7 today reflect that work. They're targeted,
8 pragmatic adjustments, but not a wholesale
9 redesign. And they're really intended to reduce
10 unintended noise, improve implementation
11 efficiency and create additional flexibility where
12 we believe it can add value over time, while
13 maintaining the overall risk profile and role of
14 global equity within the PRIT Fund.

15 The recommendations and rationales are
16 in Appendix G. I'll provide a bit of detail on
17 each of the four recommendations that make up the
18 voting item.

19 And, Tony, can you put up those --
20 perfect.

21 So yes. So page 2 here is the first
22 recommendation. And this is around eliminating
23 benchmark misalignment.

24 And what I'll do is kind of paraphrase

1 some of the rationale that we describe on each of
2 these pages.

3 The recommendation is to transition our
4 U.S. passive implementation, so this is currently
5 S&P 500 and Russell 2500 passive portfolios
6 against those benchmarks.

7 To transition those to MSCI USA with the
8 large cap and MSCI USA small cap for the Russell
9 2500.

10 So just for context, in 2023, PRIM
11 changed our domestic equity benchmark to the MSCI
12 USA IMI index. And previously, it had been a roll-
13 up of each manager's mandate benchmark. So we
14 just rolled up each manager's benchmark and put it
15 all together.

16 And our analysis at that time showed
17 minimal long-term expected impact from not
18 changing the underlying passive portfolio
19 benchmarks from the S&P 500 and the Russell 2500.

20 Now, however, since 2023, recent market
21 conditions, which we've certainly talked about
22 over many previous quarterly calls around market
23 concentration, how the index is constructed
24 differently by different vendors, has created a

1 little bit of tracking variance between the MSCI
2 and Russell and the S&P benchmarks.

3 So transition to MSCI benchmarks will
4 remove that unintended noise. These one-time
5 transition costs to do this are expected to be
6 very low. Execution could be completed very
7 quickly.

8 So that's the first recommendation.

9 So, Tony, the next page.

10 Okay. Perfect.

11 So on page 3 here, recommendation 2 is
12 for active global equities. And so our
13 recommendation is requesting permission to issue
14 an RFP for active global investment strategies.

15 So for context here, our current global
16 equity portfolio is managed against an aggregate
17 global benchmark, the MSCI All Country World IMI
18 Index.

19 But within our manager roster, we have
20 no managers with latitude to invest across all
21 these geographies. So therefore we maintain a
22 neutral position across the U.S., the non-U.S.
23 developed and the emerging markets.

24 A global mandate will allow skilled

1 managers to deploy capital to their highest
2 conviction ideas on a worldwide basis. Active
3 risk will be directed where expected alpha, or
4 outperformance, is greatest.

5 These strategies offer meaningful
6 capacity and will provide a practical way to scale
7 active exposure while maintaining cost discipline
8 and operational simplicity.

9 So that's the second recommendation.

10 The next page, Tony. Perfect.

11 Enhanced indexing. This
12 recommendation is to identify, evaluate and
13 recommend enhanced equity strategies.

14 So enhanced equity strategies are
15 benchmark-aware approaches designed to deliver
16 modest, repeatable excess returns. So our global
17 equity portfolio is almost two thirds passive,
18 63 percent passive. So we believe some of these
19 assets can be redeployed into enhanced strategies,
20 which we expect can add alpha above benchmark at a
21 moderate level of additional active risk.

22 The U.S. equity sleeve is a very natural
23 starting point, given its significant weight and
24 high passive concentration. Even small

1 improvements in return efficiency will be
2 meaningful at the total global portfolio level.

3 And then finally, recommendation 4,
4 which is other equity opportunities, what we call
5 OEO.

6 So the recommendation here will be to
7 establish a dedicated OEO sleeve within global
8 equities. We are requesting an authorization to
9 create this sleeve and then to allocate up to
10 \$1 billion to fund differentiated public equity
11 strategies that fall outside of PRIM's existing
12 global equity taxonomy. This will be subject to
13 explicit governance and risk guardrails.

14 So a little context here. We talk to a
15 lot of managers; we meet with a lot of managers that have
16 kind of different investment strategies.

17 And in some cases, these opportunities
18 just don't fit cleanly within our traditional
19 portfolio classifications that we have and really
20 therefore lack a natural implementation path
21 within the current structure.

22 So without this OEO allocation, we lack
23 a mechanism to act on these opportunities.

24

1 I think it's worth noting that we employ
2 the same structure within our value-added fixed
3 income. We call it other credit opportunities,
4 and we created this back in 2017 for these kind of
5 opportunities within the credit space.

6 So for this OEO bucket, capital will be
7 deployed very selectively and only when
8 opportunities meet our standards for return, risk
9 and cost as we evaluate any opportunity.

10 So just some examples of what could fall
11 into this other equity opportunities bucket would
12 be things like extension strategies where a
13 manager is 130 percent long, 30 percent short. It
14 could include target country or sector-focused
15 mandates like a technology strategy or a
16 healthcare or biotechnology strategy. Or any
17 other public equity strategies that offer
18 compelling risk-adjusted returns that don't
19 naturally fit into the rest of our global equity
20 structure.

21 I think very importantly robust
22 governance, working very closely with our risk
23 team, will ensure that any allocations that we
24 would make to this bucket improve the overall

1 portfolio efficiency on a risk-adjusted returns
2 basis.

3 So that's the last recommendation, the
4 fourth.

5 And then I would just -- maybe, Tony, if
6 you could just move to the next page, which is
7 kind of a nice summary of the next steps.

8 What page 6 shows on the left side is
9 the implementation roadmap in terms of how we
10 would envision staff at PRIM implementing this, in
11 terms of how we would take these steps in order -
12 the passive transition first, next the enhanced
13 indexing, then the global equities and lastly the OEO.

14 I think very importantly, the global
15 equity allocation remains unchanged. So we're
16 not asking for more allocation to global equities.
17 Really just how to configure it a little
18 differently. And that's shown on the right side
19 of the page, where the two dotted buckets, the
20 active global satellite and the other equity
21 opportunities, would be kind of what we're
22 proposing as part of this recommendation.

23

24

1 So there's a bit of detail, both in the
2 materials and what I've described, so I'm happy to
3 take any questions from the board on any of these
4 recommendations prior to the vote.

5 TREASURER GOLDBERG: So there was a lot
6 of detail, and so I am anticipating that there
7 might be some questions, although I think that the
8 majority of the people here were on or watched the
9 Investment Committee meeting.

10 MR. McELROY: Yes, I believe so.

11 MS. FITCH: Yes.

12 TREASURER GOLDBERG: Do we have
13 questions?

14 Well, either that implies, Mike, that
15 you did a very thorough job -- I have to say the
16 slides are extraordinarily helpful. So if --

17 I am assuming that everyone has gone
18 through them all, and between that and the
19 Investment Committee meeting, I think we're in
20 good shape.

21 Theresa?

22 MS. McGOLDRICK: I just have more of a
23 comment than a question.

24 I feel very comfortable with this, in

1 light of a lot of the predictions that I've been
2 hearing, reading and worrying about, that with a
3 new Federal Reserve chair coming on, with all the
4 changes with Trump, and what's going on in the
5 markets, that we need to have the ability --
6 although we are in it for the long term and we
7 don't make impulsive decisions, we need to have
8 the ability to move within the parameters of what
9 we set out in each asset class.

10 There's a range. And if equities seems
11 to be thing that's the most -- you know, we have
12 the most in it, and it's the thing that we think
13 could crash first or have some sort of effect, we
14 need to have that ability to be nimble. And this
15 spells out that.

16 And it's also the reasoning why we don't
17 have to wait a year to make that decision because
18 we set out a plan that has a range within each of
19 these asset classes to do just this.

20 So that's all I have to say. Thanks.

21 TREASURER GOLDBERG: Thank you.

22 MR. McELROY: Theresa, that's actually
23 very, very well said. I mean I think this is
24 really providing additional flexibility within the

1 construct of what global equities is intended to
2 do within the PRIT Fund. And so just it's really
3 allowing us to be a bit more nimble when
4 opportunities present themselves.

5 MS. FITCH: Yes. I just really wanted
6 to say I support this for the reasons that have
7 already been spoken, but I think it's a good move.

8 MR. McELROY: Thank you.

9 TREASURER GOLDBERG: Any other questions
10 or comments?

11 Hearing none, then we will proceed with
12 the vote.

13 Bob?

14 MR. BROUSSEAU: Yes.

15 TREASURER GOLDBERG: Catherine?

16 MS. D'AMATO: Yes.

17 TREASURER GOLDBERG: Ruth Ellen?

18 MS. FITCH: Yes.

19 TREASURER GOLDBERG: Theresa?

20 MS. McGOLDRICK: Yes.

21 TREASURER GOLDBERG: Mark?

22 MR. LAPMAN: Yes.

23 TREASURER GOLDBERG: Dennis?

24 MR. NAUGHTON: Yes.

1 TREASURER GOLDBERG: Carly?

2 MS. ROSE: Yes.

3 TREASURER GOLDBERG: Myself, yes.

4 The motion carries.

5 All right then.

6 MR. TROTSKY: Christina is next,

7 Christina Marcarelli.

8 TREASURER GOLDBERG: And that is also a
9 voting item, and it's a follow-on investment
10 recommendation. So I'm going to do a motion and a
11 second.

12 I seek approval of a commitment of up to
13 \$200 million to KKR Opportunistic Real Estate
14 Credit Fund III, LP. That the PRIM Board approve
15 the Investment Committee's recommendation to
16 approve a commitment of up to \$200 million to KKR
17 Opportunistic Real Estate Credit Fund III, LP, as
18 described in the expanded agenda, and further to
19 authorize the executive director to take all
20 actions necessary to effectuate this vote.

21 Is there a motion?

22 MS. FITCH: So move.

23 TREASURER GOLDBERG: Is there a second?

24 MR. BROUSSEAU: Second.

1 MR. LAPMAN: Second.

2 TREASURER GOLDBERG: Thank you.

3 Go ahead, Christina.

4 MS. MARCARELLI: Thank you, Madam
5 Treasurer.

6 Good morning, everyone. My name is
7 Christina Marcarelli. I'm a senior investment
8 officer on the real estate and timberland team
9 working closely with Chuck LaPosta and Richer
10 Leung on the fixed income team.

11 We're recommending a \$200 million follow-
12 on commitment to KKR's Real Estate Opportunistic
13 Credit Fund III, also referred to as ROX III, in
14 the other credit opportunities allocation.

15 This is the third fund in the series,
16 but only the second fund to raise third-party
17 capital. In 2022, PRIM committed \$150 million to
18 ROX II, a fund that is nearing full deployment and
19 is performing as expected.

20 KKR is a large global alternative
21 investment management firm founded in the
22 mid-1970s. Today, they have over \$700 billion in
23 AUM. KKR founded their real estate platform in 2011
24 and have grown that to 85 billion under management

1 across equity and debt.

2 The real estate platform is led globally
3 by Ralph Rosenberg and Raj Agrawal.

4 The ROX fund series is led by Matt
5 Salem, head of real estate credit, who has been
6 with KKR since they began investing in real estate
7 credit in 2015. He's backed by a team of over
8 110 credit investment and asset management
9 professionals.

10 ROX III's strategy will be a
11 continuation of the predecessor fund strategy,
12 which is to originate a diversified portfolio of
13 leveraged senior loans backed by high quality
14 transitional assets owned by institutional
15 sponsors in major markets.

16 In addition to senior lending, KKR will
17 opportunistically invest in mezzanine loans,
18 preferred equity and CMBS and single asset single
19 borrower securities.

20 The fund will focus on U.S. investing,
21 but has the ability to invest opportunistically in
22 western Europe. The flexible mandate allows KKR
23 to deploy capital into investments with the most
24 attractive risk-adjusted returns.

1 KKR differentiates itself in multiple
2 areas, including having a global integrated
3 investment platform, a dedicated in-house asset
4 management team called K-Star that allows for more
5 rigorous loan monitoring, and lastly, a
6 sophisticated capital markets platform that
7 sources and negotiates bespoke financing
8 arrangements with a diverse set of lending
9 relationships.

10 And I will open it up for any questions.

11 TREASURER GOLDBERG: Any questions?

12 MR. LAPMAN: Is this investment
13 connected generally to all the talk in the markets
14 now about private credit? And how would you
15 delineate what you're recommending from what we're
16 reading in the papers about private credit?

17 MS. MARCARELLI: This strategy is
18 specifically backed by real estate. Everything
19 here will have hard asset collateral backing it. It's
20 differentiated to the broad term "private credit"
21 that you mentioned. Real estate credit investment
22 opportunities are rising up because of

23

24

1 increased regulation with banking institutions.
2 And that really has opened up the opportunity
3 for alternative lenders like debt funds, like this
4 KKR fund, enter the market.

5 And we've been investing in this space
6 for the past handful of years, and we've liked
7 the exposure that it has given us.

8 But it's differentiated from the broad
9 private credit term that we've been hearing
10 about.

11 MR. LAPMAN: Okay.

12 TREASURER GOLDBERG: Any other
13 questions?

14 We have a motion. We have a second. I
15 will then proceed with the vote.

16 Bob?

17 Bob Brousseau?

18 MR. BROUSSEAU: Yes.

19 TREASURER GOLDBERG: Thank you.
20 Catherine?

21 MS. D'AMATO: Yes.

22 TREASURER GOLDBERG: Ruth Ellen?

23 MS. FITCH: Yes.

24 TREASURER GOLDBERG: Theresa?

1 MS. MCGOLDRICK: Yes.

2 TREASURER GOLDBERG: Mark?

3 MR. LAPMAN: Yes.

4 TREASURER GOLDBERG: Dennis?

5 MR. NAUGHTON: Yes.

6 TREASURER GOLDBERG: Carly?

7 MS. ROSE: Yes.

8 TREASURER GOLDBERG: Myself, yes.

9 The motion carries.

10 MS. MARCARELLI: Thank you.

11 TREASURER GOLDBERG: All right then.

12 Let's see what's next. Private equity. We will
13 have performance summary and cash flows --

14 MR. TROTSKY: No. We have --

15 TREASURER GOLDBERG: Oh, wait, wait,
16 wait, wait. I got it.

17 Request for proposals.

18 MR. TROTSKY: Bill Li first on --

19 TREASURER GOLDBERG: Oh, right. I'm
20 sorry.

21 MR. TROTSKY: -- portfolio complete
22 strategies.

23 TREASURER GOLDBERG: Fail.

24 You are correct. I jumped up a whole

1 section.

2 Bill Li will be doing a performance
3 summary. That will be followed by two voting
4 items, and Bill will introduce who will be doing
5 each of the voting items.

6 Thank you, Michael.

7 MR. LI: Hi. Good morning, everyone.

8 Can you hear me?

9 MS. FITCH: Yes.

10 MR. LI: Okay. That's great.

11 Hi. My name is Bill Li. I'm the
12 director of portfolio completion strategies or
13 PCS.

14 I will start with the performance
15 summary before moving on to two voting items. My
16 colleague Eleni Klempner will be presenting an
17 investment recommendation of JEN Partners Fund 9.

18 And after that, my other colleague
19 Ethan Spencer has a recommendation of RFP results
20 for consultants that we've spent a lot of time on.

21 But first things first, performance.
22 Hedge fund industry wrapped up 2025 with many
23 positives across many managers. Micro funds as a

24

1 group posted their strongest results since 2009,
2 while equity hedge funds delivered some of their
3 best numbers in the post GFC era.

4 Over half of hedge funds out there have
5 hit their high-water marks, and more than
6 80 percent are near all-time highs.

7 So what does that mean?

8 Simply put, hedge funds are back in
9 form. This sparks confidence and fresh inflows
10 from both existing and new allocators as well as
11 allocators lured back to this arena.

12 In the near term, we anticipate
13 competition for access to the top funds in 2026
14 will keep climbing, but that shouldn't be an issue
15 for PRIM, given our track record as a consistent
16 top performer in this arena.

17 That said, there's still a catch. The
18 performance gap between strategies as we are
19 observing is narrowing, which suggests that many
20 funds might be riding the same wagon, and that's
21 some crowding we are keeping an eye out on.

22 And we don't think crowding is great for
23 the long run. And that's why PRIM staff will stay
24 focused on managing a well-spread portfolio to

1 avoid clustering, which should help with the
2 strategic resilience.

3 And that's the overview of the hedge
4 fund industry.

5 Back to numbers of PRIT hedge fund, or
6 PCS, this is where hedge funds reside. PCS as a
7 total had a solid finish to calendar year 2025.

8 In Q4, PCS was up by 2.1 percent ahead
9 of benchmark's 1.7 percent. And the majority of
10 PCS are hedge funds. In Q4, hedge funds was up
11 by 2.6 percent, outpacing the benchmark by 80 basis
12 points.

13 Trailing one-year, hedge funds rose
14 8.8 percent. And that number was slightly ahead
15 of the benchmark. Trailing three-year, PRIT hedge
16 funds annualized a positive 11.4 percent,
17 outperforming by over 230 basis points yearly.

18 Our diversification benefit to the PRIT
19 mother ship remained exceptional. We achieved a
20 3.3 times return/risk ratio, which almost doubled
21 that of the 60/40 market portfolio.

22 And under the hood, we are still seeing
23 a healthy mix across our roster; some funds
24 zigging, while others zagging throughout the year.

1 That's what we've been seeing.

2 And as noted earlier, the industry is
3 undergoing a strong momentum, which is actually
4 prompting us to think ahead about a potential
5 reversal risk, which is why we believe maintaining
6 a well-dispersed portfolio is vital in this
7 environment.

8 And that's my performance summary,
9 together with the industry overview. Happy to
10 take any questions that you may have with regard
11 to either hedge fund industry, PCS and such.

12 TREASURER GOLDBERG: Any questions for
13 Bill?

14 I think we're good, Bill. We can move
15 on.

16 MR. LI: Great.

17 TREASURER GOLDBERG: So that will be the
18 follow-on investment recommendation, correct?

19 MR. TROTSKY: Right. First one is from
20 Eleni.

21 TREASURER GOLDBERG: Right, right. I am
22 aware.

23 Okay. So I'm going to do the motion.

24 And I seek a motion that the PRIM Board approve

1 the Investment Committee's recommendation to
2 approve a commitment of up to \$180 million to
3 JEN 9 LP as described in the expanded agenda, and
4 further to authorize the executive director to
5 take all actions necessary to effectuate this
6 vote.

7 Is there a motion?

8 MS. FITCH: So moved.

9 TREASURER GOLDBERG: Is there a second?

10 MR. BROUSSEAU: Second.

11 TREASURER GOLDBERG: Okay then. Eleni.

12 MS. KLEMPNER: Thank you, Madam
13 Treasurer.

14 Good morning. My name is Eleni
15 Klempler. I'm an investment officer in the PCS
16 team. We are asking for approval for a follow-on
17 commitment to JEN Funds 9.

18 JEN Partners is a New York-based
19 alternative investment manager. They primarily
20 provide off-balance-sheet financing related to
21 land development. The main strategies are lot
22 banking and land repositioning.

23 In lot banking, JEN provides short
24 duration, high yield financing to homebuilders for

1 the early stages of development. Typically, a
2 homebuilder agrees to purchase finished lots from
3 JEN on a fixed schedule at predetermined prices.
4 The homebuilder solicits JEN to acquire the land
5 and fund the costs of developing the land from
6 shovel-ready to finished lots.

7 The second main strategy is land
8 repositioning. Here, JEN focuses on mismanaged
9 partially entitled parcels and transforms them
10 into shovel-ready land. The main value-add comes
11 from securing and perfecting entitlements, often
12 by creating new plat maps or re-entitling part of
13 the property.

14 This is a very high-conviction manager.
15 PRIM has invested in four prior vintages. All are
16 exceeding their return expectations of 20 percent
17 plus gross IRR.

18 Another notable aspect is JEN's
19 liquidity profile. With its focus on short
20 duration strategies, JEN has demonstrated the
21 ability to distribute proceeds reasonably quickly.
22 JEN is also recognized for their discipline and
23 ability to navigate diverse market scenarios as
24 demonstrated by a strong track record dating back

1 to before 2008.

2 We are asking for up to \$180 million for
3 JEN Fund 9. That is an increase over our
4 \$125 million commitment in the previous fund.
5 The fund's size for JEN 9 is also up as \$850
6 million from JEN 8's \$650 million.

7 With that, I'll be happy to open up to
8 any questions or comments.

9 TREASURER GOLDBERG: Are there questions
10 for Eleni?

11 I am not hearing any.

12 MS. D'AMATO: What's the total
13 investment? What's the --

14 TREASURER GOLDBERG: I think she --
15 \$185 million.

16 MS. D'AMATO: \$185 million.

17 TREASURER GOLDBERG: And it is up from
18 our prior investment, but the size of the fund is
19 bigger.

20 MS. D'AMATO: Right. So that was the
21 change, Treasurer?

22 TREASURER GOLDBERG: No. This is a new
23 fund. So we're not increasing our investment in
24 the prior fund. This is a --

1 MS. D'AMATO: Oh, brand-new one. \$185.

2 Okay.

3 Thank you for the clarification.

4 TREASURER GOLDBERG: You're welcome.

5 Did I do a good job as being part of the
6 PCS team, Bill?

7 MR. LI: Oh, yes. That's very good. We
8 might even start considering recruiting you, Madam
9 Treasurer.

10 TREASURER GOLDBERG: Uh-oh.

11 MS. D'AMATO: Be careful, Treasurer.

12 TREASURER GOLDBERG: Anyway, okay. So
13 we have a motion. We have a second.

14 If there are no further questions, I'll
15 proceed with the vote.

16 Bob?

17 MR. BROUSSEAU: Yes.

18 TREASURER GOLDBERG: Catherine?

19 MS. D'AMATO: Yes.

20 TREASURER GOLDBERG: Ruth Ellen?

21 MS. FITCH: Yes.

22 TREASURER GOLDBERG: Theresa?

23 MS. MCGOLDRICK: Yes.

24 TREASURER GOLDBERG: Mark, if you are

1 here, you need to turn on your --

2 MR. LAPMAN: I'm here. I'm here. I'm
3 here.

4 Yes. Yes.

5 Just couldn't get it turned on.

6 TREASURER GOLDBERG: Dennis?

7 MR. NAUGHTON: Yes.

8 TREASURER GOLDBERG: Carly?

9 MS. ROSE: Yes.

10 TREASURER GOLDBERG: Myself, yes.

11 The motion carries.

12 All right. We will have Ethan on our
13 next item, which is also a voting item. And so I
14 am going to do the motion, and then Ethan will
15 take over.

16 I seek a motion that the PRIM Board
17 approve the Investment Committee's recommendation
18 to approve Aberdeen Investments to provide PCS
19 advisory services, and Aksia LLC to provide OCO
20 advisory services, subject to successful contract
21 negotiations; additionally, to approve adding
22 Aberdeen Investments, Albourne America LLC, Meketa
23 Investment Group, Inc. and New Alpha Management to
24 a bench of project-based PCS and OCO advisors, as

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

4 Is there a motion?

5 MS. FITCH: So move.

6 TREASURER GOLDBERG: Is there a second?

7 MR. NAUGHTON: Second.

8 TREASURER GOLDBERG: All right, Ethan.
9 Your turn. You're up.

10 MR. SPENCER: Great. Thank you, Madam
11 Treasurer.

12 This is Ethan Spencer. I'm a director
13 in the portfolio completion strategies group and
14 also was the procurement officer for the
15 alternative investment strategies RFP that we
16 issued on October 13 last year for both the
17 portfolio completion strategies team as well as
18 the other credit opportunities portfolio.

19 I would note that we had a great review
20 committee of 10 people from a variety of areas at
21 PRIM, including PCS, OCO, risk, operations, public
22 equity, real estate, our deputy CIO, as well as
23 Connie Everson from the Investment Committee. So
24 it was truly a team effort.

1 And for background, we received eight
2 responses by the November 21 deadline, but if you
3 recall, we allowed respondents the flexibility to
4 bid on providing advisory services to both PCS and
5 OCO combined, just PCS, just OCO or project-based
6 work with either or both.

7 So responses differed in what they --
8 MR. SPENCER: -- offered us. Following
9 some preliminary reviews, we
10
11 decided to bring back six for final round
12 interviews, which we conducted in December and
13 early January. And given the respondents'
14 strengths and weaknesses, as well as the needs of
15 the PCS and OCO teams, we are recommending
16 different advisors for each group, as well as
17 adding project-based model to go along with the
18 general advisory approach.

19 For PCS, our recommendation is to retain
20 Aberdeen for general advisory services. And as
21 you likely recall, Aberdeen has been PRIM's PCS
22 advisor for the past 10-plus years. And they've
23 been a good partner and provide us with a
24 customized and very high-touch bespoke engagement

1 model that is difficult to replicate.

2 And Aberdeen's fees are in line with
3 what we have been paying them for the past eight
4 years.

5 For OCO, we're recommending Aksia for
6 general advisory services. Aksia has over
7 100 billion in private credit assets under
8 advisement and 27 dedicated private credit
9 investment professionals providing broad coverage
10 across the private credit universe.

11 And in terms of fees, Aksia is in line
12 and at the median of the finalists who submitted
13 bids for the OCO mandate.

14 And lastly, as mentioned, in addition to
15 the two main advisors, we're recommending the
16 addition of Aberdeen, Albourne, Meketa and New
17 Alpha to a bench of project-based providers to
18 allow for greater flexibility to receive
19 supporting analysis for research projects,
20 alternative strategy types or other portfolio
21 needs that may present themselves in the future.

22 And as a point of reference, our real
23 estate team uses a similar project-based
24 consultant model, and we think a similar model for

1 PCS and OCO will provide PRIM with increased
2 flexibility, should the need arise.

3 And as always, as the Treasurer
4 mentioned, hiring these firms will depend on
5 negotiating satisfactory contracts.

6 So that is the formal recommendation.

7 And with that, happy to take any questions.

8 TREASURER GOLDBERG: Are there questions
9 for Ethan? Any at all?

10 Hearing none, we have a motion. We have
11 a second. We will proceed with the vote.

12 Bob?

13 Do we still have Bob? Oh, it's not
14 green anymore. He may be gone.

15 MR. BROUSSEAU: Yes.

16 TREASURER GOLDBERG: Oh, you were there.
17 Okay.

18 MR. BROUSSEAU: Yes.

19 TREASURER GOLDBERG: Thank you.
20 Catherine?

21 MS. D'AMATO: Yes.

22 TREASURER GOLDBERG: Ruth Ellen?

23 MS. FITCH: Yes.

24 TREASURER GOLDBERG: Theresa?

1 MS. MCGOLDRICK: Yes.

2 TREASURER GOLDBERG: Mark?

3 MR. LAPMAN: Yes.

4 TREASURER GOLDBERG: Dennis?

5 MR. NAUGHTON: Yes.

6 TREASURER GOLDBERG: Carly?

7 MS. ROSE: Yes.

8 TREASURER GOLDBERG: Myself, yes.

9 The motion carries. Okay. Thank you.

10 Now we can have private equity. Now we
11 can have Michael McGirr.

12 And Michael will start with performance
13 summary and cash flows, then a commitment summary.
14 And then we will have a voting item, which is a
15 follow-on investment recommendation.

16 Michael, take it away.

17 MR. MCGIRR: Thank you, Madam Treasurer.

18 Private equity performance for the
19 quarter was at 1.5 percent, as Michael had
20 mentioned.

21 And as a reminder, with our quarter lag,
22 this is the July through September time period, so
23 quite a while in the rears at this point.

24 We did post our 12th straight positive

1 quarter of performance. And we saw gains across
2 all major strategy types: large and small
3 buyouts, growth, and venture.

4 For the trailing one-year, private
5 equity's performance was 8.5 percent net. Also
6 seeing positive performance across all major
7 strategy types, with growth equity and smaller
8 buyouts being the strongest asset classes or
9 subasset classes.

10 PRIM's long-term private equity returns
11 remain strong, our 10-year net at 16 percent and
12 our five-year at 13.85 percent.

13 Looking across the calendar year for
14 2025, cash flows were a bright spot. We were cash-
15 flow-positive in Q4 and for the entire year. In
16 fact, we saw \$2.5 billion of total distributions
17 back to PRIM in 2025, which is our second highest
18 year of distributions in PRIM's history. And Q4
19 was particularly strong, as I mentioned.

20 With our positive performance, PE assets
21 grew to \$19.5 billion or 15.8 percent of PRIT, a
22 new high-water mark in terms of dollars and
23 towards the middle of our range in terms of
24 percent.

1 I'm going to pause my comments there.

2 We do have a couple voting items, both with high-
3 conviction existing managers or re-ups.

4 But happy to take any questions on the
5 market or the portfolio before we move to the
6 voting items.

7 TREASURER GOLDBERG: So questions on the
8 market or the portfolio. At this time, any?

9 All right. Hearing none, I will read
10 the motion so that we can then hear from -- Eliza?
11 Or no. Is it Helen? Who's going to do it?

12 MR. MCGIRR: Eliza will present the
13 recommendation.

14 TREASURER GOLDBERG: All right. That's
15 what I thought.

16 Okay. I seek a motion that the PRIM
17 Board approve the Investment Committee's
18 recommendation to approve commitments of up to
19 \$200 million to Quad-C Partners XI, LP; up to
20 \$18 million to Spark Capital IX, LP; and up to
21 \$42 million to Spark Capital Growth VI, LP, as
22 described in the expanded agenda, and further to
23 authorize the executive director to take all
24 actions necessary to effectuate this vote.

1 Is there a motion?

2 MR. BROUSSEAU: So moved.

3 MS. FITCH: So moved.

4 TREASURER GOLDBERG: Is there a second?

5 MR. LAPMAN: Second.

6 MS. MCGOLDRICK: Second.

7 MR. BROUSSEAU: Second.

8 TREASURER GOLDBERG: Okay. Eliza.

9 MS. HAYNES: Thank you.

10 And good morning, everyone. My name is
11 Eliza Haynes, and I'm an investment officer on the
12 private equity team.

13 We have follow-on investment
14 recommendations with two managers today. Our
15 first recommendation is Quad-C Fund XI. Quad-C is
16 a longstanding partnership for PRIM in the buyout
17 portfolio, targeting small North American
18 businesses in the services and industrial sectors.

19 Quad-C has been a stable partnership and
20 has generated strong risk-adjusted returns by
21 focusing on companies with sustainable competitive
22 advantages, strong margins and reasonable
23 valuations.

24 Fund XI is raising \$2 billion to

1 continue Quad-C's focus on investing in niche
2 industries benefiting from long-term growth
3 tailwinds. We are recommending a \$200 million
4 commitment to Quad-C Fund XI.

5 Our next recommendation is a follow-on
6 investment with Spark Capital. Spark is a
7 longstanding capital relationship for PRIM,
8 spanning 13 fund investments since the PRIM's
9 inception in 2005.

10 Spark is a top venture capital firm with
11 a bicoastal presence in Boston, New York and San
12 Francisco, and a generalist focus on early-stage
13 venture and early growth opportunities.

14 The core partnership has remained stable
15 throughout the firm's history, and Spark is now
16 raising \$850 million for their early-stage Fund IX
17 and \$1.59 billion for Growth Fund VI, which are
18 offered as a stapled commitment.

19 Spark invests across sectors and has
20 successfully stayed ahead of the curve by making
21 early and bold investments in transformative
22 companies.

23 We're recommending a \$60 million total
24 commitment with anticipated allocations of

1 \$18 million to Fund IX and \$42 million to Growth
2 Fund VI.

3 Happy to take any questions on Quad-C
4 and Spark.

5 TREASURER GOLDBERG: Questions?

6 No questions today, Eliza.

7 Again, I want to repeat that these were
8 all vetted in Investment Committee, and as I said,
9 everyone who is on here today was listening to the
10 Investment Committee meeting.

11 Okay then. We'll proceed with the vote.

12 Bob?

13 MR. BROUSSEAU: Yes.

14 TREASURER GOLDBERG: Catherine?

15 MS. D'AMATO: Yes.

16 TREASURER GOLDBERG: Ruth Ellen?

17 MS. FITCH: Yes.

18 TREASURER GOLDBERG: Theresa?

19 MS. MCGOLDRICK: Yes.

20 TREASURER GOLDBERG: Mark Lapman? Oh,
21 sorry.

22 MR. LAPMAN: Yes.

23 TREASURER GOLDBERG: Why did I say your
24 last name? I have no idea.

1 Dennis?

2 MR. NAUGHTON: Yes.

3 TREASURER GOLDBERG: Carly?

4 MS. ROSE: Yes.

5 TREASURER GOLDBERG: Myself, yes.

6 The motion carries.

7 All right. Moving on to real estate and

8 timberland. And this is just a performance

9 summary by Tim.

10 So please join us, Tim.

11 MR. SCHLITZER: Good morning.

12 TREASURER GOLDBERG: Good morning.

13 MR. SCHLITZER: Good to see everyone.

14 I'm just going to provide a few comments

15 on performance, and I will move on. And of course

16 happy to take any questions.

17 And Michael introduced the asset class a

18 bit in his comments, but as he said, total real

19 estate returned 3.1 percent in calendar year 2025

20 compared to a negative 3.1 percent return in 2024.

21 So we do continue to see market

22 recovery, and we're very pleased to be returning

23 to at the very least sort of a solid income-

24 generating portfolio at this point.

1 But more recovery to happen here, I
2 think, going forward.

3 The total portfolio was in line with the
4 benchmark, under by just 5 basis points and
5 slightly ahead using the unlagged December
6 benchmark, which was a little bit lower.

7 Total real estate outperformed the
8 benchmark by approximately 300 basis points on
9 both the three- and the five-year measures. So
10 very strong relative longer term performance.

11 Private sector returns were fairly
12 consistent at about 4 to 6 percent for the year.
13 So a much more normal level of dispersion across
14 the various sectors or segments of the market.

15 PRIM's REIT managers, the public side,
16 returned 2.7 percent, 40 basis points above the
17 market index, driven primarily by stock selection.

18 And I will note that the REIT market is
19 off to a very strong start this year, up about
20 10 percent and ahead of the S&P 500.

21 The private portfolio was in line with
22 the ODCE benchmark for the year. PRIM's core
23 managers, and Michael alluded to this, which make
24 up 94 percent of the private portfolio,

1 outperformed by about 80 basis points. That's
2 after fees.

3 And that also incorporates a little bit
4 of detraction from a negative mark to market on
5 our interest rate swaps as rates decreased during
6 the year. So overall good performance in the core
7 portfolio.

8 Just a little on attribution. The core
9 managers continued to see strong results from
10 Southern market overweights, particularly Miami,
11 Atlanta and Dallas. And particularly as well in
12 the industrial sector, which drove portfolio
13 returns.

14 We also saw some positive contribution
15 from New York residential assets.

16 The inland empire, so that's really
17 eastern LA, that industrial market, was more
18 challenged, but there do seem to be some signs of
19 recovery as tenants begin to make leasing
20 decisions despite some of the trade uncertainty
21 that they have been dealing with.

22 The primary return detraction did come
23 from the non-core portfolio. This was also
24 mentioned, which does contain more challenged

1 sector exposure such as office and life science,
2 higher leverage and typically more complex
3 renovation development and leasing strategies.

4 Again, non-core does represent only
5 about 6 percent of that portfolio, but it did
6 generate a negative 10 percent return, bringing
7 the portfolio return more back in line with the
8 benchmark for the year.

9 So those are my comments on real estate.
10 Happy to take any questions. I'll just make a few
11 comments on timberland as well.

12 So total timberland did return
13 4.4 percent net of fees, just 6 basis points below
14 benchmark for the year.

15 The Southern region, where we are
16 underweight, led in terms of regional performance.
17 The South does continue to benefit from population
18 growth and some associated development, as well as
19 additional production capacity coming online.

20 That underweight was offset by PRIM's
21 Australia and New Zealand position, which actually
22 outperformed the benchmark this year, a little bit
23 of a change there. Primarily driven by currency
24 effect and positive operating results in Australia

1 versus some detraction from New Zealand, which does
2 continue to be more challenged due to a weaker
3 China housing market. We've discussed this theme
4 previously.

5 And you can see that underperformance in
6 the three- and the five-year numbers.

7 And then lastly, the Pacific Northwest
8 region, where we are right about at market weight,
9 does continue to be weaker as well, primarily
10 given weaker export markets. That is primarily
11 the same China story.

12 So those are my comments on performance
13 in the portfolio. And again, happy to take any
14 questions, or we can move on.

15 Thank you very much, everybody.

16 TREASURER GOLDBERG: All right. I guess
17 that there are no further questions on that.

18 So there are no voting items then. We
19 are going to move on to stewardship and
20 sustainability. It is a voting item.

21 So, Veena, I will be doing the motion
22 first.

23 And then Veena will present on the proxy
24 voting guidelines and then do the stewardship

1 report.

2 So the motion is I seek a motion that
3 the PRIM Board approve the Stewardship and
4 Sustainability Committee's recommendation to
5 approve the updated draft proxy voting guidelines
6 attached as Appendix J, and further to authorize
7 the executive director to take all actions
8 necessary to effectuate this vote.

9 Is there a motion?

10 MS. FITCH: So moved.

11 TREASURER GOLDBERG: Is there a second?

12 MS. MCGOLDRICK: Second.

13 MR. LAPMAN: Second.

14 TREASURER GOLDBERG: Veena.

15 MS. RAMANI: Thank you very much, Madam
16 Treasurer.

17 And good morning, everyone. My name is
18 Veena Ramani, and I'm the director of stewardship.

19 As we shared at our last board meeting,
20 we are proposing that the board adopt new
21 principles-based proxy voting guidelines, which
22 are available --

23 MR. BROUSSEAU: -- leave the meeting.

24 I'll let them know --

1 MS. RAMANI: -- in your materials as
2 Appendix J.

3 We call these guidelines new, but in
4 reality, they just reflect new language that acts
5 as an executive summary of our current proxy
6 voting guidelines, which the board reviewed and
7 approved at this time last year.

8 The underlying expectations of how
9 companies should position themselves for long-term
10 value remain the same. And given this, we
11 anticipate that our voting patterns will remain
12 the same as well.

13 We're proposing to make this shift for
14 the following reasons. One, the new proposed
15 guidelines are more plainspoken and succinct than
16 our existing guidelines and therefore a better
17 communications document. This is particularly
18 important as we've started to engage companies on
19 aspects of our guidelines.

20 And two, in a very fast-evolving proxy
21 landscape, we think that having a more forward-
22 looking principles-based document combined with
23 our proxy voting decision-making policy will allow
24 us to be more dextrous and nimble.

1 So again, we shared this draft with you
2 in the December board meeting. We've made no
3 changes to the guidelines since then.

4 So, Madam Treasurer, I'm happy to stop
5 here and open it up for questions.

6 TREASURER GOLDBERG: I just want to add
7 that it is incredible the kind of national
8 attention that this work is getting, both in terms
9 of specifically our proxy voting guideline updates
10 and the work of the committee. It's actually --

11 Tony, can you mute Bob, please?

12 MR. BROUSSEAU: -- for the rest of the
13 meeting.

14 TREASURER GOLDBERG: Thank you.

15 I hope everyone could hear what I said,
16 but that the work that we are doing is other
17 people are looking at it, and in particular now,
18 because it is very timely in terms of its
19 foundation in fiduciary duty.

20 And it gives greater weight to real data
21 and real strategies as opposed to some things that
22 people utilized in the past.

23 So I wanted to add that and thank Veena
24 again for her work and the team's work because

1 she's doing an extraordinary job.

2 Theresa?

3 MS. MCGOLDRICK: Can I just pretty much
4 echo what you said? I really am proud to be part
5 of this team, and we're so lucky to have Veena.
6 Her focus on this and the Treasurer's emphasis has
7 always been on being cutting edge in this area.

8 And I really feel like we've moved to
9 the next level. I'm proud of this work.

10 So thank you, Treasurer and Veena and
11 the whole stewardship team.

12 TREASURER GOLDBERG: So are there
13 questions for Veena?

14 Hearing none, we can proceed with the
15 vote.

16 I don't know, Tony, if you want to
17 unmute Bob so he can vote.

18 MR. FALZONE: We can try. It's going to
19 be a little bit more challenging on the phone, but
20 we'll try it.

21 TREASURER GOLDBERG: All right. I'll do
22 the rest of the vote and come back and see if
23 you're able to do that.

24 Catherine?

1 MS. D'AMATO: Yes.

2 TREASURER GOLDBERG: Ruth Ellen?

3 MS. FITCH: Yes.

4 TREASURER GOLDBERG: Theresa?

5 MS. MCGOLDRICK: Yes.

6 TREASURER GOLDBERG: Mark?

7 MR. LAPMAN: Yes.

8 TREASURER GOLDBERG: Dennis?

9 MR. NAUGHTON: Enthusiastically yes.

10 TREASURER GOLDBERG: Carly?

11 MS. ROSE: Yes.

12 TREASURER GOLDBERG: Looks like we
13 cannot unmute him.

14 MR. FALZONE: He would have to allow us
15 to unmute, and we're not doing that.

16 TREASURER GOLDBERG: Myself, yes.

17 The motion carries.

18 Bob, if you can hear us, I'm sorry I had
19 to mute you, but we literally could not hear the --
20 He unmuted himself.

21 Do you want to --
22 Bob? Bob?

23 MR. BROUSSEAU: Yes.

24 TREASURER GOLDBERG: Renee got that.

1 MR. FALZONE: Thank you.

2 TREASURER GOLDBERG: All right then.

3 Next item --

4 Thank you again, Veena. And now Veena's
5 going to go over the 2026 stewardship report.

6 MR. BROUSSEAU: Madam Chair, could I
7 just -- just apologize?

8 I'm going to have to be leaving the
9 meeting because I have a physical therapist that
10 had just arrived --

11 TREASURER GOLDBERG: Okay.

12 MR. BROUSSEAU: -- for an 11:30 session.

13 So not that I'm not interested, but I
14 have a medical appointment here right now.

15 TREASURER GOLDBERG: I understand, Bob.
16 We're happy that we had you for what we had you
17 for today.

18 MR. BROUSSEAU: Okay. Thank you.

19 MR. FALZONE: Thank you, Bob.

20 MR. BROUSSEAU: Yes. Bye-bye.

21 MS. RAMANI: Should I proceed, ma'am?

22 TREASURER GOLDBERG: Yes, please.

23 MS. RAMANI: Lovely. So I'm really
24 pleased to announce that last month on the day of

1 the Stewardship and Sustainability Committee
2 meeting, we released MassPRIM's first-ever
3 stewardship report, which is available in your
4 materials as Appendix K. The report is also
5 available on the MassPRIM website.

6 The report reflects our commitment to
7 the Stewardship and Sustainability Committee and
8 the board that we not only intend to make progress
9 in our stewardship efforts, we also intend to be
10 transparent about what we're doing and the impact
11 that we're having. Transparency is one of our
12 stewardship priorities so our effort here is to
13 walk the talk.

14 The report does three things. One, it
15 articulates what stewardship means in practice at
16 MassPRIM. It does this by laying out what
17 stewardship means to MassPRIM, the tools we will
18 use, and policies that you, the board, have
19 approved to ensure that our decision-making aligns
20 with our fiduciary duty to position the PRIT Fund
21 for long-term value.

22 Two, it highlights our stewardship
23 priorities and underscores the research-based and
24 analytical process that we use to identify them.

1 And finally, it details the work we're
2 doing to operationalize the priorities, including
3 through manager engagement, company engagement,
4 proxy voting, and working with like-minded
5 investor groups that share our stewardship focus
6 and goals.

7 This is our first report. So as such,
8 this is our first attempt to tell our stewardship
9 story. We plan to issue such reports regularly
10 and anticipate continuously evolving future
11 reports, as we receive your and broader
12 stakeholder feedback on what is most useful and
13 relevant.

14 So happy to stop there, ma'am, and take
15 any questions.

16 TREASURER GOLDBERG: Are there questions
17 for Veena on the report?

18 MS. FITCH: Just a thought. How broadly
19 has this been -- I don't know what -- sent out or
20 have a basis for beyond Massachusetts in a sense?

21 MS. RAMANI: I don't believe that we've
22 actually sent it out to people sort of beyond the
23 folks that we've been engaging with, Ruth Ellen.
24 I think that's something that we're thinking

1 about --

2 I mean we've written the report. I
3 think now our work is to figure out that the story
4 and the message that we have in the report
5 actually gets communicated to the folks that we
6 want to.

7 MS. FITCH: Okay.

8 MS. RAMANI: That, I think is going to
9 be a little bit of a work in progress.

10 But hope to have more to report on that
11 maybe at the next Stewardship and Sustainability
12 Committee meeting.

13 MS. FITCH: That's good. I think that's
14 important. So thanks.

15 TREASURER GOLDBERG: I will tell you one
16 of our members, Mary Cerulli, is like a walking
17 talking campaign on directing people to reading
18 our report.

19 MS. FITCH: Good. Good, good.

20 MR. TROTSKY: And it is on the website,
21 right?

22 TREASURER GOLDBERG: Yes.

23 And she thinks I should be having
24 presentations for people all over the country.

1 And I felt like, well, as long as they want to do
2 it on Zoom because I'm a little busy right now,
3 but I'd be happy to do these presentations.

4 And in fact, Veena and I had an
5 interesting conversation with someone who's
6 involved in a very big foundation because of their
7 concern about how they were going to handle having
8 fact-based, fiduciary duty-based voting positions
9 under a far more challenging environment.

10 And they were really delighted with some
11 of the things we shared with them. So people are
12 approaching me.

13 But yes. We wanted to get the report
14 done. We wanted to share it with the committee
15 and the board. And as Veena said, it's a work in
16 progress.

17 MS. FITCH: Good. That's very positive.

18 TREASURER GOLDBERG: So that, by the
19 way, is not a voting item. It was just an update.

20 MS. FITCH: Mm-hmm.

21 TREASURER GOLDBERG: And so unless there
22 are further questions for Veena, we will move on
23 to the finance and administration report.

24 And Emma Staff from my office is taking

1 Emily's place today to do the legislative and
2 legal update.

3 Emma.

4 MS. STAFF: Good morning, everyone. I'm
5 Emma. I'm the Treasurer's deputy director of
6 policy and legislative affairs, here to give the
7 legislative update.

8 So we are now in the second year of the
9 legislative session. We're still waiting on
10 several bills to be released from committee,
11 despite new reporting deadlines that moved the
12 reporting deadline up to November.

13 We are also in the start of the FY '27
14 budget season. There are a couple notable
15 elements to that budget that we wanted to
16 highlight for you, one being the new triennial
17 funding schedule.

18 So full funding has been pushed from
19 2036 to 2038. And commitments that had previously
20 been increasing between 9 and 10 percent year over
21 fiscal year are now going to increase 4 percent
22 year over fiscal year.

23 This is being framed as a more
24 sustainable rate and a way for the state to

1 balance long-term pension liability with current
2 budgetary concerns.

3 So this was proposed in the governor's
4 budget. It has not been signed into law yet, but
5 we expect it to move forward through the process.
6 And we'll keep you posted.

7 Another notable item was that the COLA
8 commission released its report. The COLA
9 commission recommends an enhanced COLA for those
10 who have been retired longest and those who are
11 below a certain threshold.

12 The increases would be phased in
13 gradually. And they recommend a new dedicated
14 revenue source, which is 10 percent of excess PRIM
15 earnings above and beyond the actuarial rate of
16 return. Those earnings would still be managed by
17 PRIM.

18 The recommendation was not included in
19 the governor's FY '27 budget, but it is something
20 that we expect to come up as a amendment in the
21 house and senate and to be brought into the
22 conversation as the budget continues to move.

23 And I think that's all we have for the
24 moment. I'm happy to answer any questions, if you

1 have any.

2 TREASURER GOLDBERG: Well, it is a lot.
3 Questions for Emma?

4 MR. NAUGHTON: Madam Treasurer, if I
5 may, I have a couple of comments based on the
6 things that Emma reported upon.

7 TREASURER GOLDBERG: Right.

8 MR. NAUGHTON: Just reminding everyone
9 that I sit on this board because I've been placed
10 here by my membership on the Mass. Teachers
11 Retirement Board.

12 And my first comment regarding that is
13 that I'm very distressed. I expressed this at
14 Administration and Audit. I'm very distressed at
15 the direction that the governor has gone in her
16 budget.

17 I think it's wrong to once again
18 essentially raid the teachers' retirement fund and
19 the state retirement fund as a whole in order to
20 ameliorate some of the shortcomings of money to
21 the state.

22 I understand, recognize, appreciate what
23 Washington has done has created a situation that's
24 very difficult for the governor and the

1 legislature to deal with, for all of us to deal
2 with who are involved with any aspect of state
3 government.

4 But the fact of the matter is if you go
5 back and look at the history of the funding by the
6 legislature and by the state of the retirement
7 fund, the retirement fund has been used as a piggy
8 bank too many times. Once is too many as far as
9 I'm concerned.

10 But if you go back and look year by
11 year, and I have the data that Erika Glaster put
12 together when she was the executive director of
13 the teachers retirement board. We're going to be
14 discussing that at our meeting tomorrow. This is
15 a twofer week for me. I get to do this today, and
16 I get to do the retirement board tomorrow for an
17 equal amount of time. So we'll be discussing that
18 tomorrow.

19 And I am looking toward having the
20 retirement board write a letter very directly with
21 the data, laying it out and saying that we object
22 as a retirement board to the plan that the
23 governor has put forward regarding this.

24 So I just wanted to share those thoughts

1 with the board.

2 As far as the COLA recommendation is
3 concerned, let me say this. It's nice that the
4 legislature is looking at a COLA. And it's nice
5 that everybody seems to be feeling so good about
6 that over there on the Hill and elsewhere, even
7 among retirees.

8 But the fact is if you look at the
9 mechanism that's being suggested, once again,
10 state employees are paying for their own COLA,
11 according to this plan. Think about it. Okay.

12 You're going to take some excess funds --
13 "excess" in serious quotation marks, given the
14 unfunded liability -- excess funds and use those
15 funds to create an account from which a COLA will
16 be paid.

17 Huh? This is money that the
18 investments, teachers and others who have put
19 their money in out of their paychecks have
20 created, okay. The PRIT Fund is the PRIT Fund.
21 The PRIT Fund is one of the three legs of the
22 stool that supports our system.

23 So essentially when you look at it,
24 retirees will be paying and active employees will

1 be paying for their own COLAs, according to this
2 formula.

3 I don't like it. I think it's wrong. I
4 think it's another version of what I just said
5 about not funding the retirement fund over the
6 years by the legislature.

7 So those are my thoughts. Sorry to be
8 getting close to the end of the day with things
9 that sound gloom and doom, but they're also real.

10 Thank you.

11 TREASURER GOLDBERG: Dennis did
12 articulate actually what is happening here. And
13 when these conversations come up, I always need to
14 remind people that state employees and teachers do
15 not get Social Security. They pay into their own
16 retire --

17 The general public does not know that
18 state employees and teachers do not get Social
19 Security, that it is only their retirement. And
20 in fact, if they end up in the private sector with
21 another job, although that has had some fixes put
22 to it, it reduces their pension fund payments.

23 I mean it's a very interesting fact for
24 people. People are astonished when they hear

1 that.

2 And the average retiree isn't getting
3 what you see on the front page of newspapers. It
4 is -- I think it has moved. It was 28 or 29,000,
5 and it may now be like around 30 or 31 annually to
6 live on.

7 Correct, Dennis?

8 You're on mute. You're on mute. You're
9 on mute.

10 I see lips. I'm not a lip reader.

11 MR. NAUGHTON: Yes.

12 TREASURER GOLDBERG: You're back on
13 mute.

14 MR. NAUGHTON: I think I've got it now.

15 TREASURER GOLDBERG: Yes, you do.

16 MR. NAUGHTON: Could you repeat the last
17 part of what you said?

18 TREASURER GOLDBERG: I was saying the
19 average -- it's not what you see on the front page
20 of newspapers. It's about \$30,000 a year. It was
21 for --

22 MR. NAUGHTON: Are you talking about
23 what people can earn in Social Security?

24 MS. MCGOLDRICK: No. The average

1 pension.

2 TREASURER GOLDBERG: Average pension.

3 MR. NAUGHTON: Oh, the average pension.

4 Yes. I'm not sure either. It might be a little
5 bit more than that --

6 TREASURER GOLDBERG: Theresa, it was
7 like 27, 28.

8 MS. MCGOLDRICK: I think you're right.

9 I think you're right, Treasurer.

10 And you've got to think also about the
11 people that lived long and retired with even less
12 than that, of which they are tons. And it's sad.

13 TREASURER GOLDBERG: Yes. The problem
14 with both proposals -- we all want COLAs for
15 people. It's not even that much money. It just --
16 it will, like, pay grocery bills for a couple
17 months, maybe.

18 I mean it's really -- I've been a
19 fighter for COLAs for a long time, even within my
20 own local community.

21 It's just that what I've said to Michael
22 Trotsky and others is people are turning to PRIM
23 and seeing it as an ATM machine. And I know
24 that's a dramatic statement, but I think it

1 exhibits --

2 And I can understand why. You see
3 \$120 billion sitting there. You don't think about
4 what that means. And for some average people,
5 it's inconceivable to them.

6 And I'm going to tell you what the other
7 issue I share is the rainy day fund, and people
8 looking at that in the same way.

9 So this is what happens during tough
10 times. And today, I heard the latest of what the
11 federal government is withholding from Minnesota
12 and that the vice president is touting that. And
13 I thought --

14 And I did note that in the speech the
15 other night, after Minnesota, the state that was
16 at the tip of the president's tongue was
17 Massachusetts.

18 And he's already doing so many things to
19 Massachusetts that people aren't aware of,
20 attacking -- and I'm not being political. I am
21 being literal.

22 NIH funding. Funding for the colleges
23 and universities and hospitals. This is --
24 funding for research. Allowing Ph.D. candidates

1 to come in from overseas that work in our labs and
2 our research laboratories.

3 This is the ecosystem of the
4 Massachusetts economy. And these are deliberate
5 actions against our economy.

6 So I get it. I get why people are
7 looking at -- like, when we had the SNAP crisis,
8 and Catherine and I were very involved in that,
9 why the rainy day fund looks like the right place
10 to go and why the pension fund looks like the
11 right place to go.

12 But I want you all to know that I am a
13 voice, the voice of reason in the room. And as
14 you can well hear, as I articulate it, I am very
15 emphatic about it.

16 So we're in very tough times. And it is
17 a political situation, even though we need to keep
18 politics out of this room.

19 So with that, Dennis, do what you need
20 to do. And we will continue.

21 And in terms of PRIM, PRIM will continue
22 to do their job and manage in the ups and downs in
23 volatility of this environment.

24 So with that --

1 MR. FALZONE: We have a legal portion of
2 that update, as well, Treasurer, if that's okay
3 for Renee to make a few comments.

4 TREASURER GOLDBERG: Yes. Yes.

5 And then after that, we will be done
6 because we're not going to do the travel report
7 or --

8 MR. FALZONE: It's all informational
9 after that.

10 TREASURER GOLDBERG: Right, right.
11 Thank you.

12 MS. LeFEVRE: All right. Thank you.
13 Good morning, everyone, Madam Treasurer and Board
14 members.

15 For the record, Renee LeFevre, chief
16 legal officer at PRIM. I have a brief update.

17 Last Board meeting, I spoke to the
18 Board about doing the year-end self-evaluation.
19 And many Board members indicated that the end of
20 December was not a good time for Board members to
21 do the survey.

22 So at the meeting, we decided to do it
23 at a different time. I've been working with our
24 outside counsel, Foley Hoag, and they will be

1 sending out the Board self-evaluation survey in
2 early March. Foley Hoag will present the
3 evaluation results at the next Board cycle for
4 the May 21 Board meeting.

5 In addition, since we're conducting the
6 survey, Foley Hoag will include some questions
7 and speak to Board members about updates and best
8 practices for the Board governance manual. Foley
9 Hoag will review the Board governance manual and
10 make recommendations on updates and best
11 practices.

12 The survey will come from them, and all
13 answers will go directly back to Foley Hoag. And
14 in addition, they will be available to speak to
15 Board members, if they so wish.

16 So please look for the survey from
17 Foley Hoag, and I ask that every Board member
18 participate in filling it out. And I'm sure the
19 Treasurer will --

20 TREASURER GOLDBERG: I was just waiting
21 for that one.

22 Those with long memories -- Mark, you're
23 new to this -- is if it doesn't come in, I nudge
24 people. Nicely. With a big smile.

1 MS. FITCH: Yes.

2 TREASURER GOLDBERG: Others can --

3 MS. LeFEVRE: -- success in the past
4 over this.

5 TREASURER GOLDBERG: Just as an FYI,
6 when I came along and I heard only three people
7 were doing these surveys, I went you've got to be
8 kidding me.

9 So we've had 100 percent.

10 MR. FALZONE: Ever since then, that's
11 correct.

12 TREASURER GOLDBERG: And I don't want to
13 break my record.

14 So with that, no other updates, correct,
15 Tony?

16 MR. FALZONE: Correct. Everything else
17 is informational.

18 TREASURER GOLDBERG: Do you know -- by
19 the way, Renee, you said Foley Hoag. But it will
20 be somebody's name at Foley Hoag?

21 MS. LeFEVRE: Yes. It won't be Kevin,
22 just so you know.

23 I can't remember.

24 TREASURER GOLDBERG: Do me a favor.

1 MS. LeFEVRE: Yes.

2 TREASURER GOLDBERG: When you know
3 it's been sent, send out an email to all the
4 Board members, telling them who it's coming from
5 and that if they haven't received it, to check
6 their junk and/or let you know.

7 MS. LeFEVRE: Okay. I will do that.

8 TREASURER GOLDBERG: All right. So
9 that --

10 MS. LeFEVRE: Coming soon. It's --

11 TREASURER GOLDBERG: So that my nudging
12 won't say, "Oh, I didn't get it."

13 MS. LeFEVRE: Well, I'll send out the
14 email to all the Board members. And then that
15 way, if we need to do reminders, Treasurer, you
16 will have that email to work off of so --

17 TREASURER GOLDBERG: Thank you so much.

18 All right then. Anything else anybody
19 has to say except to thank everyone for continuing
20 to work so hard in a very tough environment with a
21 lot of uncertainty and staying the course.

22 And then I will seek a motion to
23 adjourn.

24 MS. D'AMATO: So moved.

1 MR. LAPMAN: Motion.
2 MS. FITCH: So move.
3 TREASURER GOLDBERG: Second?
4 MS. FITCH: Second.
5 TREASURER GOLDBERG: Catherine?
6 MS. D'AMATO: Yes.
7 TREASURER GOLDBERG: Ruth Ellen?
8 MS. FITCH: Yes.
9 TREASURER GOLDBERG: Theresa?
10 MS. McGOLDRICK: Yes.
11 TREASURER GOLDBERG: Mark?
12 MR. LAPMAN: Yes.
13 TREASURER GOLDBERG: Dennis?
14 MR. NAUGHTON: Yes.
15 TREASURER GOLDBERG: Carly?
16 MS. ROSE: Yes.
17 TREASURER GOLDBERG: Where did you --
18 thank you.
19 Myself, yes.
20 The motion carries. Stay warm.
21 (Meeting adjourned at 11:41 a.m.)
22
23
24

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Appendix B

PRIT Fund Performance Presentation (March 31, 2026)

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PRIT FUND REVIEW

Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

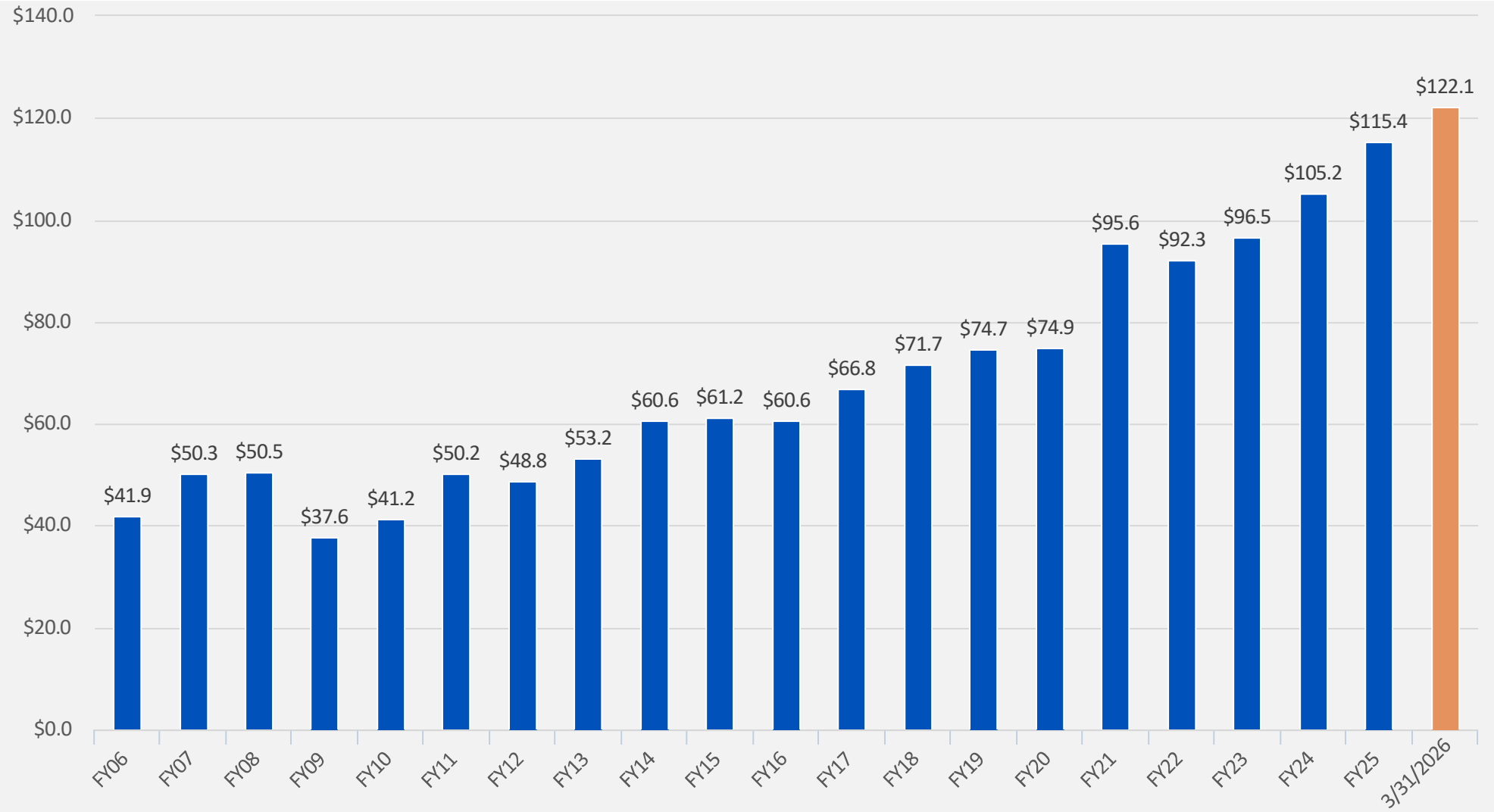
May 21, 2026

Deborah B. Goldberg, Treasurer and Receiver General, Chair
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

All figures as of March 31, 2026 unless otherwise noted

Total PRIT Fund Market Values Over Time

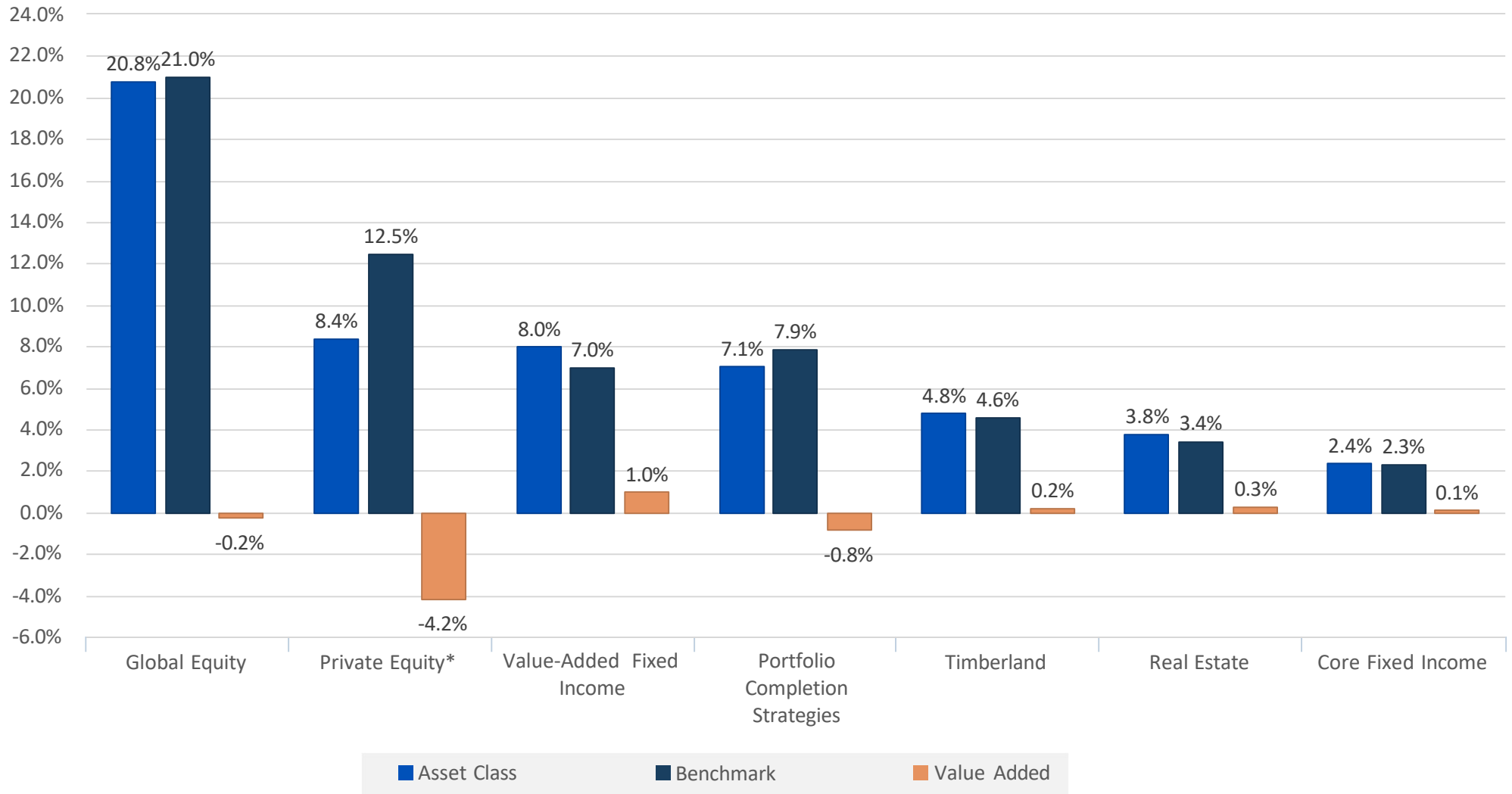
Value (\$Billions)



Source: BNY. As of March 31, 2026

PRIT Asset Class Performance Summary

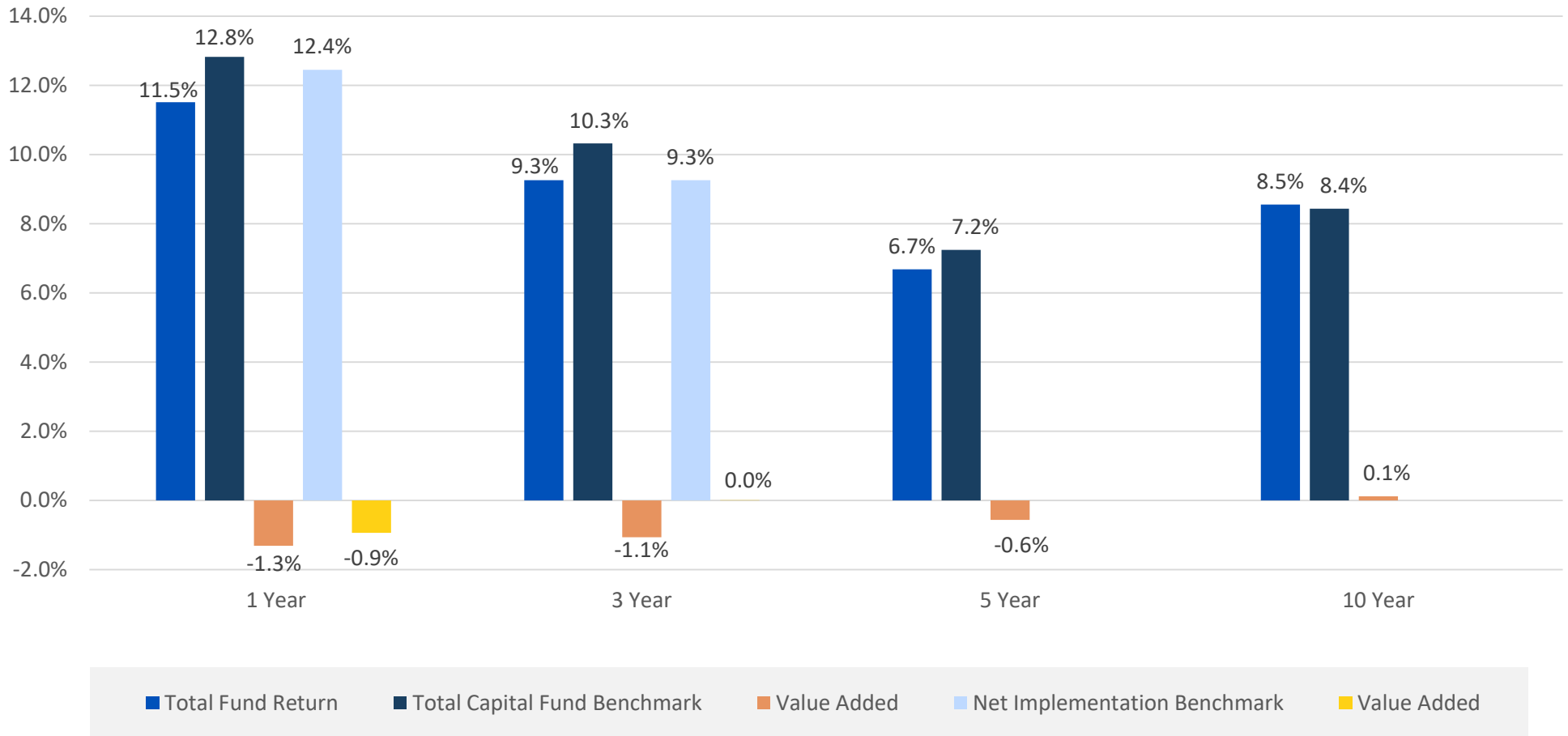
One-Year Ended March 31, 2026 (Net of Fees)



Source: BNY. Totals may not add due to rounding. *Benchmark is State Street PE Index.

PRIT Fund Total Returns

Annualized Returns as of March 31, 2026 (Net of Fees)



Source: BNY. Totals may not add due to rounding. Total Capital Fund Benchmark includes private equity benchmark.

PRIT Fund Annualized Returns by Asset Class

As of March 31, 2026 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 20.8%	GLOBAL EQUITY 16.1%	PRIVATE EQUITY 11.0%	PRIVATE EQUITY 15.7%
PRIVATE EQUITY 8.4%	VALUE-ADDED FIXED INCOME 9.2%	GLOBAL EQUITY 9.1%	GLOBAL EQUITY 11.3%
VALUE-ADDED FIXED INCOME 8.0%	PORTFOLIO COMPLETION STRATEGIES 8.9%	TIMBER 7.5%	VALUE-ADDED FIXED INCOME 6.2%
PORTFOLIO COMPLETION STRATEGIES 7.1%	PRIVATE EQUITY 7.6%	VALUE-ADDED FIXED INCOME 6.5%	TIMBER 5.7%
TIMBER 4.8%	TIMBER 6.3%	PORTFOLIO COMPLETION STRATEGIES 5.9%	REAL ESTATE 5.5%
REAL ESTATE 3.8%	CORE FIXED INCOME 1.6%	REAL ESTATE 4.5%	PORTFOLIO COMPLETION STRATEGIES 5.4%
CORE FIXED INCOME 2.4%	REAL ESTATE (1.2%)	CORE FIXED INCOME (1.1%)	CORE FIXED INCOME 1.3%

Source: BNY.



RISK REVIEW

Mass
PRIM

AS OF MARCH 31, 2026

EQUITY RISK

Equity Risk Exposure

Beta (risk) Adjusted Weights – Total Fund

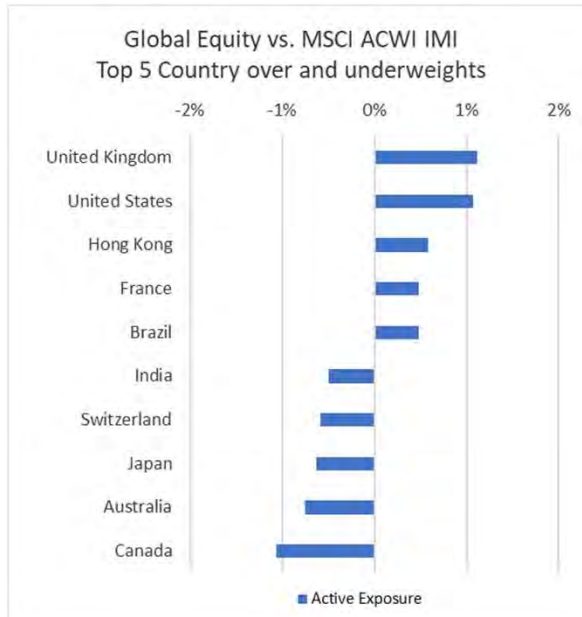
Equity Exposure – Beta (risk) adjusted weight

Asset Class Name	Equity exposure		
	3/31/26 Actual Weight (%)	Beta (risk) estimate*	Beta adjusted (%)
GLOBAL EQUITY	38.5%	1.00	38.5%
PRIVATE EQUITY	16.0%	1.10	17.4%
PRIVATE REAL ESTATE	7.6%	0.67	5.1%
REITS	1.2%	0.67	0.8%
DIRECTIONAL HEDGE FUNDS	3.0%	0.50	1.5%
PRIVATE DEBT (Equity Portion)	0.3%	1.00	0.3%
OVERLAY	0.6%	0.45	0.3%
TOTAL CAPITAL FUND	67.5%		64.4%

* Beta (risk) is an estimated risk measure. It is different from a returns-based beta or experience beta.

Summary Exposures

Global Equity vs. MSCI ACWI IMI as of 3/31/26



FactSet Risk Statistics

Portfolio	Active Risk (Predicted Tracking Error)	Factset (Predicted Beta)	Size Active Exposure	Value (bp,dp,ep) Active Exposure	Growth Active Exposure	Benchmark
GLOBAL EQUITY	0.53%	0.99	-0.09	0.03	-0.02	ACWI IMI

Source: FactSet

Market Values and Weights by Asset Class

Sub-Asset Class	Total Market Value (\$000)	% of Global Equity	% ACWI IMI
DOMESTIC EQUITY	\$29,362,113	62.30%	61.98%
INTERNATIONAL EQUITY	\$12,172,646	25.83%	26.38%
EMERGING MARKETS	\$5,596,670	11.87%	11.64%
Global Equity	\$47,131,429	100.0%	100.0%

Source: BNY for Market Values, MSCI for ACWI weights

- Modest tracking error (53 bp)
- Tight risk exposures (beta and style); smaller capitalization
- Modest Country and Sector Bets (+/- 2.0%)
- Region weights managed to be in line with ACWI IMI
- Managers focus on security selection

INTEREST RATE AND CREDIT RISK

Interest Rate Risk

Core and Value-Added Fixed Income as of 3/31/26

	PRIT Fund Exposure		Asset Class Weights		Interest Rate Risk		
	Market Value (\$'000)	Weight in PRIT Fund	Weight in Asset Class	Benchmark Weight	Portfolio Effective Duration	Benchmark Effective Duration	Relative Effective Duration
Core Fixed Income							
Total Investment Grade	\$8,966,166	7.35%	46.4%	46.7%	6.10	5.82	0.27
STRIPS	\$3,819,623	3.13%	19.8%	20.0%	24.38	24.38	-0.01
1-3 Yr	\$1,292,789	1.06%	6.7%	6.7%	1.88	1.88	0.00
ILBs	\$1,312,066	1.07%	6.8%	6.7%	8.48	8.31	0.17
TIPS	\$3,942,254	3.23%	20.4%	20.0%	6.41	6.41	0.00
Total Core FI	\$19,332,898	15.84%	100.0%	100.0%	9.65	9.51	0.14
Public Value added FI							
Total High Yield	\$1,368,568	1.12%	21.6%	40.0%	3.04	3.09	-0.05
Total Bank Loans	\$1,353,675	1.11%	21.3%	40.0%	0.36	0.26	0.10
Total MAC (Multi-Asset Credit)	\$2,369,682	1.94%	37.3%	0.0%	1.62	1.89	-0.27
Total EM Debt	\$1,257,378	1.03%	19.8%	20.0%	6.43	6.17	0.25
Total Public Value added FI	\$6,349,303	5.20%	100.0%	100.0%	2.61	2.65	-0.04
Total Other Credit Opps	\$3,085,915	2.53%	100.0%	100.0%	0.52	1.89	-1.37
Total Private Debt	\$546,101	0.45%	100.0%	100.0%	2.62	2.62	0.00

- Sub-asset class weights are managed to be in line with the benchmark in terms of asset allocation
- Interest rate risk is slightly higher than the benchmark in Core Fixed Income
- Interest rate risk is slightly less than the benchmark in Public Value-Added Fixed Income

Note: Source BNY for MVs. Total Public Value Added Benchmark is 40% High Yield, 40% Bank Loans and 20% EM Debt. MAC and OCO benchmarks are 50% High Yield/50% Bank Loans. Analysis excludes the Core FI FUTURE Initiative and liquidating portfolios. OCO is one quarter lagged (as of 12/31/25). OCO target return is 9-12%. OCO Yield to Worst is the triangulation of Current Yield, Gross Expected IRR, YTM or Weighted Avg Spread + SOFR depending on data availability. One of the Investment grade managers has a different methodology for spread duration and treats off-the-run Treasuries as "spread" product. Private Debt and its benchmark are proxied using a multiple of the ICE CCC or Lower HY Index

Credit Risk

Core and Value-Added Fixed Income as of 3/31/26

Credit Risk

	PRIT Fund Exposure		Asset Class Weights		Portfolio				Benchmark				Relative High Yield Equivalents
	Market Value (\$000)	Weight in PRIT Fund	Weight in Asset Class	Weight in Benchmark	Yield to Worst	Option adjusted Spread	Spread Duration	High Yield Equivalents	Yield to Worst	Option adjusted Spread	Spread Duration	High Yield Equivalents	
Core Fixed Income													
Total Investment Grade	\$8,966,166	7.35%	46.4%	46.7%	4.96%	59	4.48	0.27	4.57%	34	3.93	0.13	0.13
STRIPS	\$3,819,623	3.13%	19.8%	20.0%	5.10%	-3	0.00	0.00	5.10%	-3	0.00	0.00	0.00
1-3 Yr	\$1,292,789	1.06%	6.7%	6.7%	3.82%	-1	0.00	0.00	3.82%	-1	0.00	0.00	0.00
ILBs	\$1,312,066	1.07%	6.8%	6.7%	4.18%	13	1.71	0.02	4.10%	6	1.40	0.00	0.02
TIPS	\$3,942,254	3.23%	20.4%	20.0%	4.09%	-4	0.00	0.00	4.09%	-4	0.00	0.00	0.00
Total Core FI	\$19,332,898	15.84%	100.0%	100.0%	4.68%	27	2.19	0.12	4.50%	15	1.92	0.06	0.06
Public Value added FI													
Total High Yield	\$1,368,568	1.12%	21.6%	40.0%	6.43%	220	3.68	0.81	7.44%	327	3.02	0.99	-0.18
Total Bank Loans	\$1,353,675	1.11%	21.3%	40.0%	8.07%	452	2.84	1.30	8.55%	537	2.36	1.27	0.02
Total MAC (Multi-Asset Credit)	\$2,369,682	1.94%	37.3%	0.0%	8.56%	508	3.41	1.74	7.91%	393	3.21	1.26	0.48
Total EM Debt	\$1,257,378	1.03%	19.8%	20.0%	8.23%	263	6.11	1.61	6.80%	206	6.19	1.28	0.33
Total Public Value added FI	\$6,349,303	5.20%	100.0%	100.0%	7.93%	386	3.88	1.42	7.72%	372	3.58	1.21	0.21
Total Other Credit Opps	\$3,085,915	2.53%	100.0%	100.0%	11.29%	853	3.37	3.68	7.91%	393	3.21	1.26	2.41
Total Private Debt	\$546,101	0.45%	100.0%	100.0%	18.80%	1491	2.62	3.93	18.80%	1491	2.62	3.93	0.00

- Credit risk is modestly higher than the benchmark for Core and Public Value-Added Fixed Income
- Other Credit Opportunities and Private Debt are more opportunistic and have much higher credit risk.

Note: Source BNY for MVs. Total Public Value-Added Benchmark is 40% High Yield, 40% Bank Loans and 20% EM Debt. MAC and OCO benchmarks are 50% High Yield/50% Bank Loans. Analysis excludes the Core FI FUTURE Initiative and liquidating portfolios. OCO is one quarter lagged (as of 12/31/25). OCO target return is 9-12%. OCO Yield to Worst is the triangulation of Current Yield, Gross Expected IRR, YTM or Weighted Avg Spread + SOFR depending on data availability. One of the Investment grade managers has a different methodology for spread duration and treats off-the-run Treasuries as "spread" product. Private Debt and its benchmark are proxied using a multiple of the ICE CCC or Lower HY Index

Fixed Income

Glossary of Terms

Interest rate risk

- Effective duration is a measure of interest rate risk
- Effective duration * change in interest rates = percentage change in price
- If interest rates rise 1% and the effective duration is 5 years, the percentage changes in price will be -5%

Credit risk

- "High Yield Equivalents" is a measure of credit risk that incorporates duration and credit spread. It is normalized relative to the high yield benchmark.

$$\text{High yield equivalents} = \frac{\text{Duration}_{\text{portfolio}} * \text{Spread}_{\text{portfolio}}}{\text{Duration}_{\text{HY Index}} * \text{Spread}_{\text{HY Index}}}$$

- If high yield spreads widen by 100bps (1%) and you assume a HY benchmark duration of 3 yrs, the percentage price change of 1 High yield equivalent will be -3%

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Appendix D

Emerging Manager Direct Hedge Fund Program Presentation

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Emerging Manager Direct HF Program (EMP) Phase II Recommendations

May 21, 2026

Deborah B. Goldberg, Treasurer and Receiver General, Chair
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

Phase II Recommendations

- Increase capacity of the Emerging Manager Direct HF Program (EMP) to 10% of PRIT HF.
 - vs. current fixed ceiling.
 - Existing reserved capacity remains underutilized.
- Refine program underwriting criteria:
 - Expand initial allocation range to support larger commitments.
 - Raise strategy AUM cap to reflect current market conditions.
 - Refine fee terms to remain competitive and ensure alignment of interest.
- Expand sourcing to select Directional HF strategies while maintaining existing underwriting discipline.

EMP has evolved from a pilot program into a *scalable sourcing platform* of emerging managers.

A photograph of a city skyline at dusk, with buildings illuminated and reflected in the water. The scene is overlaid with a blue gradient.

EMP EVOLUTION: 2018 – 2026



Program Evolution: 2018–2026

2018

Launch

Deployed initial capital across three managers and secured institutional-friendly terms, including fee discounts, SMA structures, and reserved capacity.

2018–2022

Ramp-up Challenges

High manager turnover, operational friction, and a rigid economic framework that disincentivized some top-tier talents.

2022

Review -> Identified Areas for Improvement

A formal review led to tighter underwriting standards.

2023–2025

Reset -> Improved Results

Quality over quantity. The portfolio was concentrated into fewer high-conviction managers, improving returns.

2026

Ready for Phase II

With performance stabilized and sourcing momentum improving, EMP is now positioned to scale thoughtfully.

The Emerging Manager Market Has Become More Competitive

Capital is scaling rapidly into emerging managers

- Multi-PM platforms have scaled dramatically since the EMP was launched – both in terms of AUM and in the share they allocate to external managers.
- Platforms are writing larger checks and offering more aggressive economics.

Two dominant models of launch

- *Platform-driven*: managers plug into to Multi-PM platforms.
 - Prioritize efficiency via financial engineering.
 - Often structured via SMA.
- *Brand-name launches*: managers build independent franchises around established reputations.
 - Scale quickly based on reputation.
 - Often prefer commingled vehicles.

Implication for PRIM:

Move faster on top opportunities while maintaining underwriting discipline.

- Access windows have shortened materially.
- PRIM remains differentiated through patient capital and long-term partnership orientation.

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Appendix E

Managed Account Platform Services RFP Evaluation Committee Report

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<p style="text-align: center;">PENSION RESERVES INVESTMENT MANAGEMENT BOARD Managed Account Platform Services RFP</p>

Responses to RFP

PRIM issued a Request for Proposals for managed account platform services on January 12, 2026. The RFP was advertised in *Pension & Investments* and was posted on PRIM’s website.

By the deadline of 3:00 p.m. on February 20, 2026, PRIM received 2 proposals. New Hyde Park Alt LLC and Innocap (Incumbent).

Evaluation Committee

The Evaluation Committee consisted of Jay Leu; Shannon Ericson, Riya Shah, Bill Li, Ethan Spencer, Chuck Laposta, David Gurtz and Matthew Liposky.

Evaluation Process

All the responses were thoroughly reviewed and finalists were selected based on criteria detailed in the RFP, including stability of the firm, experience of the team, risk management, operational infrastructure, client references, and fee proposal.

Both firms were selected as finalists and invited to PRIM’s office for interviews. Interviews were held at PRIM’s offices on April 7, 2026.

Recommendations

The Evaluation Committee recommends to the Investment Committee the selection of the incumbent, Innocap, to provide managed account platform services.

Fees

Innocap will continue with the fee models currently in place with PRIM which is a favorable tiered fee model based on assets under management.

Firm Descriptions

About Innocap

Innocap is the industry’s leading Dedicated Managed Account Platform (“Dedicated MAP”) provider. Innocap specializes in developing, operating and overseeing Dedicated MAP’s for many of the most seasoned and sophisticated asset owners and asset allocators in the world. Innocap has a long history and culture of innovation including their dynamic proprietary technology which supports their managed account service delivery and sophisticated client reporting.

Innocap has more than \$127 billion in platform assets and over 530 employees and offices in five countries (U.S., Canada, Ireland, Poland and India). Innocap also has employees based in the U.K and Abu Dhabi. Innocap expects to open an Abu Dhabi office during the course of 2026.

Innocap has been providing platform services for almost 30 years. Their business is entirely focused on managed account platform services. Innocap has an experienced team of more than 530 staff with expertise across multiple platform services disciplines including legal structuring, onboarding, compliance, due diligence, investment oversight, operations, treasury, accounting, risk, data and technology.

On August 1, 2022, Innocap acquired and merged its business with HedgeMark. HedgeMark was formed in 2009 to offer institutional investors customized hedge fund Dedicated MAP solutions and position-level risk analytics to provide daily risk and performance reporting. HedgeMark's initial years were focused exclusively on the development of its proprietary risk and performance reporting systems. BNY Mellon acquired an initial stake in the business in 2011 and HedgeMark's first Dedicated MAP client launched in the fall of 2012. BNY Mellon fully acquired HedgeMark in 2014. HedgeMark's Dedicated MAP and risk reporting businesses grew to include an institutional client base of public and private pensions, banks, funds of funds, alternative asset managers, wealth managers, consultants and family office clients. Over the years, HedgeMark invested significantly in developing and enhancing its technology. For eleven consecutive years, Innocap/HedgeMark has been named Best Managed Account Platform by HedgeWeek®.

Innocap has extensive experience working with large pension plans like PRIM to provide managed account and risk reporting solutions. Innocap is the managed account platform provider for several pension plans and is deeply experienced in the complex legal, regulatory and organizational issues associated with servicing this client base. Innocap has launched more than 900 DMAs since inception. Innocap's management team has significant experience in the platform services space and many members of the team have worked together for lengthy periods of time (10 years or more).

Innocap's DMA solution is a tried and tested model which has been successful for PRIM for 10+ years. Since 2015, Innocap has launched 34 DMA funds for PRIM. As of April 2026, there are 24 funds live on Innocap's platform with total assets of approximately \$7.7 billion. PRIM would continue to be supported by the senior Innocap service team that currently supports the PRIM's DMA Platform. Please see below for detailed biographies for each of these individuals.

Josh Kestler, President

Josh is responsible for Dedicated Managed Account platform operations and onboarding, product development, business development, marketing, client coverage and ESG and impact solutions. Josh focuses on continuing to evolve and enhance their industry-leading offering and to deliver an exceptional client experience enabling Innocap to transform the industry.

Josh was previously Head of HedgeMark and was responsible for overall management of the HedgeMark business. He was responsible for strategically developing the HedgeMark DMA platform and helped build it from an idea into the largest DMA platform in the industry. Josh has more than 25 years of experience in the hedge fund industry and 20 years of managed account experience.

Josh received a J.D., cum laude, from the University of Pennsylvania Law School and a BA, summa cum laude, from Rutgers College.

Catherine Porter, Principal, Platform Management

Catherine is responsible for the onboarding of new clients and funds to the Innocap platform as well as ongoing platform management services and support. She ensures that clients and funds are onboarded effectively and efficiently and that an outstanding implementation experience is delivered to their clients, managers and service providers.

Catherine was previously Vice President of DMA Platform Management and has 20 years of experience in the financial industry. Prior to joining HedgeMark in 2016, she worked in various roles at BNY Mellon in their Asset Servicing division servicing endowments, pensions, and hedge fund clients in her time there from 2006-2016.

Catherine received a B.S. in Criminal Justice and Business from Endicott College

Amanda Zarillo, Global Head of Treasury and Fund Operations

Amanda is responsible for overseeing operations of their Dedicated Managed Account platform. Amanda's mandate is to uphold best practices for hedge fund operations, while increasing efficiencies and expanding client reporting through HM Operations, a proprietary application developed to enhance and automate onboarding, operations and accounting processes for DMAs.

Amanda was previously Chief Operating Officer of HedgeMark. She has 26 years of experience in the hedge fund industry. Prior to joining HedgeMark, Amanda spent 11 years as a trader for an emerging markets hedge fund as well as a credit and equity volatility fund within Deutsche Asset Management.

Amanda received a BS from the University of Notre Dame and is a CFA Charterholder.

Neil Novembre, Global Head of DMA Accounting

Neil is responsible for overseeing the daily accounting functions of their Dedicated Managed Account platform, including the NAV review process, financial reporting, audit engagements and tax reporting. Neil is also responsible for managing relationships with multiple vendors including fund administrators and external accounting firms as well as overseeing the implementation of operational policies and procedures.

Neil was previously HedgeMark's Head of DMA Accounting and Operations. He has more than 30 years of experience in the hedge fund industry and 23 years of managed account experience.

Prior to joining HedgeMark, Neil was Chief Financial Officer of DB Advisors Hedge Fund Group responsible for all aspects of accounting, taxation and client reporting for Deutsche Bank's fiduciary business of domestic and offshore hedge funds, hedge fund of funds and managed accounts with different trading strategies.

Neil received a BS in Business Administration with a concentration in Accounting from Montclair State University. He is a Certified Public Accountant (CPA) in New York State.

Aseem Jaluria, Head of Structuring

Aseem is responsible for structuring the hedge fund managed account platforms and all other products offered to their clients. In this role, he oversees all matters related to the design of investment funds for institutional asset manager and asset owner clients, including the negotiation of agreements with investment managers and trading counterparties and the ongoing documentation and regulatory support for these platforms.

Prior to joining HedgeMark, Aseem served as Senior Legal Counsel for BNP Paribas Asset Management, where he advised on a full range of U.S. legal and regulatory issues reporting

directly to the Chief Legal Officer. Aseem was the lead attorney for all product structuring matters with respect to the formation and maintenance of BNP Paribas Asset Management's private funds, public funds, managed accounts and structured products, and for various compliance related matters including the development of procedures, completing regulatory filings and preparing internal compliance reports.

Aseem received his B.S. in Industrial Engineering from Rutgers, The State University of New Jersey and his J.D. from New York Law School.

Evaluation Committee Conclusion

Following the criteria detailed in the RFP, the Evaluation Committee recommends the selection of Innocap to provide managed account platform services for the following reasons:

1. Stability of Firm

Innocap has extensive experience working with large pension plans like PRIM to provide managed account and risk reporting solutions. Innocap is the managed account platform provider for several pension plans and is deeply experienced in the complex legal, regulatory and organizational issues associated with servicing this client base. Innocap also has deep experience launching and operating DMA platforms for large asset managers and global financial institutions. Innocap has set-up more than 900 DMA funds for clients since inception. Since 2012, Innocap has launched more DMAs and has more DMA clients than any other platform provider.

2. Experience of the Team

The team that Innocap has service the PRIM relationship is Innocap's "A Team". Acting as an extension of PRIM's staff, the Innocap team is comprised of industry experts with various backgrounds in Hedge Fund operations. Innocap has a deep in-house legal team comprised of four employees with specialized experience in the structuring of investment vehicles, IMA negotiations and negotiations of trading documentation.

3. Operational Infrastructure

Innocap is one of the few platform providers that solely offer a complete platform service offering. By instituting this model, PRIM removes core operating controls from various third parties and most specifically, removes operating controls from the Investment Managers. Innocap administers and oversees PRIM's third-party engagements such as audit, fund administration, tax consultants and outside counsel.

4. Risk & performance technology & data process

Innocap's technology platform continues to be a key differentiator. Innocap provides a system designed to allow clients and their advisors full access to high quality, daily risk and performance data. Innocap has demonstrated over the years the ability to quickly, accurately and intelligently customize reporting specifically for PRIM's needs.

5. Fee proposal

Innocap will continue to offer PRIM the current fee arrangement which has been in place for the past several years with no increase.

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Appendix G

U. S. Securities and Exchange Commission's Statement on Reforming Regulation S-K

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U.S. Securities and Exchange Commission

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STATEMENT

Statement on Reforming Regulation S-K

Paul S. Atkins, Chairman (</about/sec-commissioners/paul-s-atkins>)

Jan. 13, 2026

Since 1982, Regulation S-K has been the Commission's central repository for filer disclosure requirements outside of the financial statements. Over the past forty-plus years, that repository has grown from the size of a gym locker to the size of an artificial-intelligence data center. Today, the disclosure that companies provide in response to the myriad requirements of Regulation S-K does not always reflect information that a reasonable investor would consider important in making an investment or voting decision. In other words, Regulation S-K currently elicits both material and a plethora of undisputably immaterial information. As Justice Thurgood Marshall suggested in his *TSC Industries v. Northway* opinion, burying shareholders in an avalanche of immaterial information is a result that neither protects investors nor facilitates capital formation.^[1] The Commission's disclosure regime should enable a reasonable investor to separate the wheat from the chaff when reviewing periodic reports and proxy statements.

With this goal in mind, I have instructed the Division of Corporation Finance to engage in a comprehensive review of Regulation S-K. The first step in this process took place last May, when the SEC solicited public comments and held a roundtable on the executive compensation disclosure requirements contained in Item 402 of Regulation S-K.^[2] We have received over 70 unique comment letters,^[3] and the staff is in the process of

evaluating these letters and preparing recommendations to the Commission for revisions to Item 402.

As a next step, the staff will focus on the other requirements of Regulation S-K. I welcome and encourage members of the public to provide their views on how the Commission can amend Regulation S-K, with the goal of revising the requirements to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information. Please submit your comments as soon as possible and by no later than April 13, 2026.

Members of the public who wish to provide their views may submit comments electronically or on paper. Please submit comments using one method only. Information that we receive will be posted on the SEC's website without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make publicly available. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number CLL-15, and the file number should be included on the subject line if email is used.

Electronic Comments:

Use the SEC's [Internet submission form \(https://www.sec.gov/comments/cll-15/regulation-s-k#no-back\)](https://www.sec.gov/comments/cll-15/regulation-s-k#no-back) or send an email to rule-comments@sec.gov with "CLL-15" included in the subject line.

Paper Comments:

Send paper comments to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549-1090.

Comment letters *received* are available at [https://www.sec.gov/rules-regulations/public-comments/cll-15 \(/rules-regulations/public-comments/cll-15\)](https://www.sec.gov/rules-regulations/public-comments/cll-15 (/rules-regulations/public-comments/cll-15)).

[1] TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 448-449 (1976).

[2] SEC Roundtable on Executive Compensation Disclosure Requirements, available at <https://www.sec.gov/newsroom/meetings-events/sec-roundtable-executive-compensation-disclosure-requirements> (<https://www.sec.gov/newsroom/meetings-events/sec-roundtable-executive-compensation-disclosure-requirements>).

[3] Comment letters are available at <https://www.sec.gov/comments/4-855/4-855.htm> (<https://www.sec.gov/comments/4-855/4-855.htm>).

Last Reviewed or Updated: Jan. 20, 2026

RESOURCES

- **[View Received Comments](https://www.sec.gov/rules-regulations/public-comments/cll-15)** (<https://www.sec.gov/rules-regulations/public-comments/cll-15>).
- **[Submit a Comment on CLL-15](https://www.sec.gov/comments/cll-15/regulation-s-k#no-back)** (<https://www.sec.gov/comments/cll-15/regulation-s-k#no-back>).

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Appendix H

Treasurer Goldberg's Letter to the U.S. Securities and Exchange Commission

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DEBORAH B. GOLDBERG
TREASURER AND RECEIVER GENERAL
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The Commonwealth of Massachusetts
OFFICE OF THE STATE TREASURER
STATE HOUSE, ROOM 227
BOSTON, MASSACHUSETTS 02133

Via Online Submission Form

April 8, 2026

To:

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington DC 20549

**Subject: SEC Solicitation of Public Comment on Statement on Reforming Regulation S-K
(File No. CLL – 15)**

Dear Secretary Countryman:

I am writing to you as the Board Chairperson and a Trustee of the Massachusetts Public Retirement Investment Management Board (MassPRIM). MassPRIM manages the Pension Reserves Investment Trust (PRIT) Fund on behalf of Massachusetts public employees, teachers, and participating local municipalities. MassPRIM's mission is to secure their retirement security through prudent oversight of risks and opportunities that affect the long-term value of the PRIT Fund. We serve the investment and retirement interests of over three hundred thousand plan participants, managing approximately \$120 billion in assets globally. As of March 31, 2026, approximately 39% of our portfolio was invested in public equities.

As a long-term universal owner investing across all asset classes and geographies, MassPRIM cannot selectively avoid portfolio risk through security selection alone. Along with diversification, manager oversight and other risk management tools, our stewardship efforts, including portfolio analyses, company engagement and proxy voting, are an important component of our ongoing efforts to assess and mitigate material risks. High quality corporate disclosure is critical to our ability to meaningfully engage in each of these activities. However, we have found significant gaps, inefficiencies and inconsistencies in how companies disclose information that we consider to be relevant to long-term financial performance. These inadequacies impair our ability to assess risk and fulfill our fiduciary duties to the workers who depend on us. As a result, the MassPRIM Board has identified Transparency as a stewardship priority.

I therefore welcome the SEC's efforts to reform and modernize the public company disclosure regime under Regulation S-K, as announced by Chair Paul Atkins in January 2026, and agree with the Chair's assessment that "the disclosure that companies provide in response to the myriad requirements of Regulation S-K does

not always reflect information that a reasonable investor would consider important in making an investment or voting decision”.¹

We have found public company disclosures fail to meet our needs as long-term investors in the following ways.

Boilerplate risk factor disclosure hampers our ability to extract material insights: To better understand portfolio risk exposure, we closely review Item 105 Risk Factor disclosures in corporate annual reports. However, we have observed that while corporate risk disclosure has grown significantly, much of what is provided is generic, undifferentiated boilerplate that is repeated year after year. In other words, many companies appear to be satisfying the letter of the rule to provide material risk disclosures, while avoiding disclosing the company-specific and differentiated details that would be relevant to investors like us. As a result, we are hampered in our ability to extract relevant insights from corporate disclosures that we can apply to risk analyses and proxy voting.

Lack of standardization impairs our ability to compare companies at scale: As a global allocator overseeing over ten thousand companies globally (including over six thousand US issuers), we need comparable disclosures at scale. However, as we have reviewed corporate disclosures on areas where demonstrated investor concern and academic research support a link to financially material impacts (such as human capital management strategies² and climate transition risks³), we have found that companies disclose these issues in widely disparate ways. Approaches vary from no disclosure, to using a range of different frameworks and metrics to providing inconsistent disclosures across a range of forums. As a result, we are impaired in our ability to efficiently benchmark companies against their peers, systematically assess portfolio risks and vote proxies at scale.

Forum fragmentation has undermined our confidence in corporate disclosures and increased our costs: We have observed that companies frequently disclose detailed information on material risks in unregulated forums—such as company websites—rather than in SEC filings. This has created two problems. First, when information is scattered across multiple forums, it is operationally difficult to assemble a complete picture of a company’s risk profile. Second, when the information falls outside the regulatory framework applicable to SEC filings, we cannot confidently identify information that has been

¹ SEC Chairman Paul Atkins, Statement on Reforming Regulation S-K (Jan. 13, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326>

² SEC Investor Advisory Committee, Investor-as-Owner Subcommittee, *Recommendation Regarding Human Capital Management Disclosure* (approved Sept. 21, 2023), <https://www.sec.gov/files/spotlight/iac/20230921-recommendation-regarding-hcm.pdf>; Robert M. Jennings, Lisa LaViers, Ethan Rouen & Jason Sandvik, *The Effects of Human Capital Disclosures on Professional Investors' Assessments of Firm Risk* (Working Paper, May 1, 2025), https://sc.edu/study/colleges_schools/moore/study/accounting/abstracts_symposium/effects_human_capital.pdf; George S. Georgiev, *Human Capital Disclosure & Corporate Governance: The New Evidence*, 46 *Cardozo L. Rev.* 485 (2024), <https://ssrn.com/abstract=5135805>

³ Cynthia A. Williams, Robert G. Eccles, Nathan Chael, Christy O'Neil & Alex Cooper, *Review of Comments on SEC Climate Rulemaking*, Harvard Law Sch. Forum on Corp. Governance (Nov. 23, 2022), <https://corpgov.law.harvard.edu/2022/11/23/review-of-comments-on-sec-climate-rulemaking/>; Ella Mae Matsumura, Rachna Prakash & Sandra C. Vera-Muñoz, *Climate-Risk Materiality and Firm Risk*, 29 *Rev. Acct. Stud.* 33 (2024), <https://doi.org/10.1007/s11142-022-09718-9>; Nora M.C. Pankratz, Rob Bauer & Jeroen Derwall, *Climate Change, Firm Performance, and Investor Surprises*, 69 *Mgmt. Sci.* 7352 (2023), <https://doi.org/10.1287/mnsc.2023.4685>

rigorously vetted for investor use. This undermines our ability to reliably assess material risk across our portfolio. Both problems have meaningfully expanded the scope of our reliance on third party data services to support the consolidation and vetting we require, resulting in increased costs.

To give effect to the Commission's vision to help "a reasonable investor to separate the wheat from the chaff when reviewing periodic reports and proxy statements"⁴, we offer the following thoughts for the Commission's consideration.

- A. Focus material risk disclosure on decision making needs of long-term institutional allocators:** In order to make prudent investment decisions and engage in informed proxy voting, MassPRIM requires prioritized, company specific and differentiated material risk disclosure that would be relevant to such decision making. While standardized and ideally quantitative metrics allow large institutional allocators like MassPRIM to efficiently make decisions at scale (more on that below), we recognize the importance of qualitative narrative disclosures for a nuanced understanding how risks apply to specific business models. We recommend the development of an approach that would encourage companies to appropriately reach out to their long-term investors to better understand the risk areas they are focused on and how corporate disclosures are used in investor decision making. This would support the generation of disclosures that are more specifically oriented towards investor needs.

- B. Adopt a hybrid approach to generate specific, yet comparable information:** While we recognize that one of the goals of the SEC is to streamline corporate disclosures, large institutional investors like MassPRIM need both standardized line-item disclosures as well as relevant company specific context to obtain a nuanced view of risks in our portfolios. Where companies report on risk areas where broad investor concern exists regarding the financial materiality to investor portfolios, rules based on what investors have called for would help ensure that the information provided is consistent, comparable, and useful for our needs. Where appropriate, such rules should be based on internationally recognized frameworks to reduce disclosure burdens on global companies and provide large allocators like MassPRIM with the comparability needed to oversee global allocations. However, to supplement this and as noted above, principles-based requirements should accompany these rules to allow company-specific narrative explanation of how and whether these material risks apply to their business model and strategy. This kind of hybrid approach would allow for company specific disclosure while introducing much needed efficiencies in the disclosure regime and reducing irrelevant boilerplate.

- C. Require that companies consolidate material disclosure in SEC filings:** MassPRIM would benefit from a disclosure regime that ensures that all material risk disclosure is incorporated in SEC filings. Such consolidation would provide a single authoritative source for all material information and ensure that all material information is subject to robust internal scrutiny and external controls. We encourage the SEC to enhance their review of corporate filings to ensure that issuers provide the needed consolidation. This would increase our confidence in the disclosures provided, reduce forum arbitrage and allow us to be even more cost-effective in our efforts to assemble a complete risk picture of our portfolio companies.

⁴ SEC Chairman Paul Atkins, Statement on Reforming Regulation S-K (Jan. 13, 2026), *supra*

In a time of unprecedented volatility in our capital markets, common sense investing requires long-term investors like MassPRIM to methodically oversee risks and opportunities that affect the long-term value of our Fund, and therefore the retirement security of our beneficiaries in the years to come. Consistent, comparable, reliable and investor relevant disclosure is critical to this. Thank you for your consideration of our comments and I stand ready to answer your questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah Goldberg", is positioned above the typed name.

Deborah Goldberg
Massachusetts State Treasurer



Appendix I

Draft Fiscal Year 2027 Operating Budget

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Pension Reserves Investment Management Board

DRAFT FISCAL YEAR 2027 OPERATING BUDGET

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BUDGET DISCUSSION

The Pension Reserves Investment Management (PRIM) Board's Fiscal Year 2027 (FY2027) Operating Budget reflects the investment management, advisory, and operational costs necessary to implement, measure, and monitor the projected \$129 billion in investments of the Pension Reserves Investment Trust (PRIT) Fund.

PRIM believes that any investment must be evaluated on three equally important parameters: return, risk and cost. One of PRIM's core beliefs is that a basis point of cost reduction is more valuable than a basis point of return, as PRIM can count on yearly cost savings, but no one knows what the markets will deliver. In 2013 PRIM launched Project SAVE, a firm-wide effort to continually reduce costs while enhancing value. More than a decade later, Project SAVE and the continuous focus on lowering costs and improving organizational efficiencies remain firmly a part of PRIM's DNA.

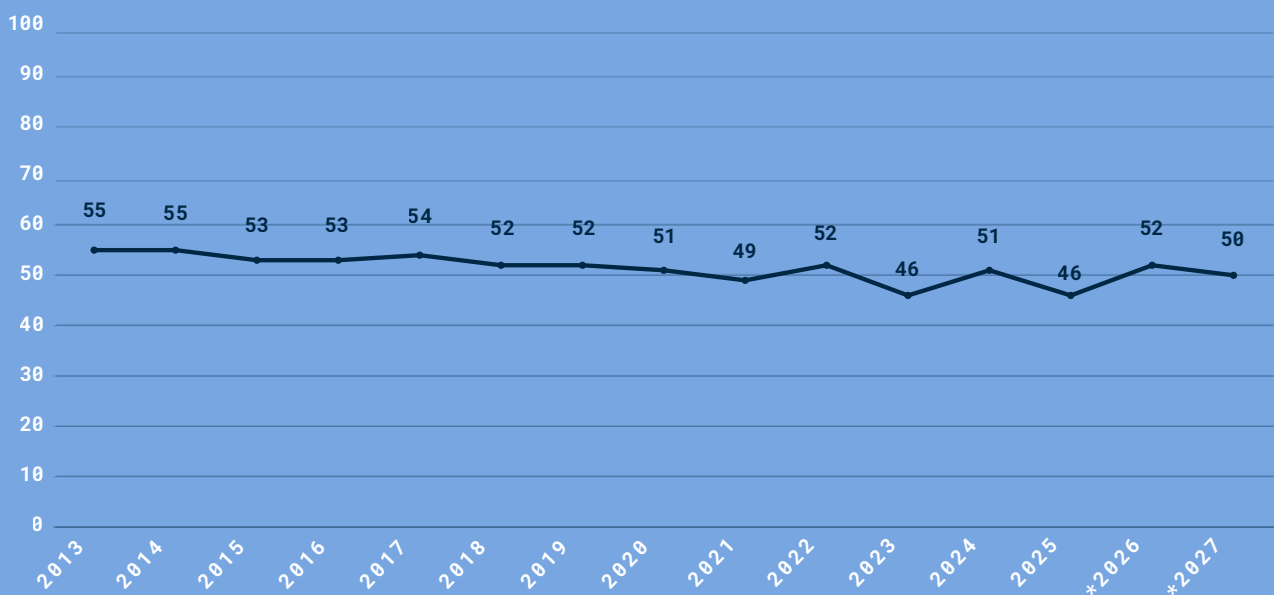
Budget Highlights

The projected FY2027 budget of \$645.9 million is 50.0 basis points (bps) of projected average PRIT Fund assets (\$129 billion). The expense ratio has remained steady, even while consistently growing the investment program and PRIM's internal resources to pursue several innovative, industry-leading key initiatives (Chart 1).

The FY2027 budget includes an increase of \$42.3 million, or 7.0%, from the prior year due primarily to a projected growth in assets (\$129 billion compared to \$116 billion of budgeted assets). As is our custom, budgeted expenses for FY2027 are conservative and foresee continued asset growth. Actual expenses incurred may vary because most expenses are a function of asset levels and investment performance is not predictable.

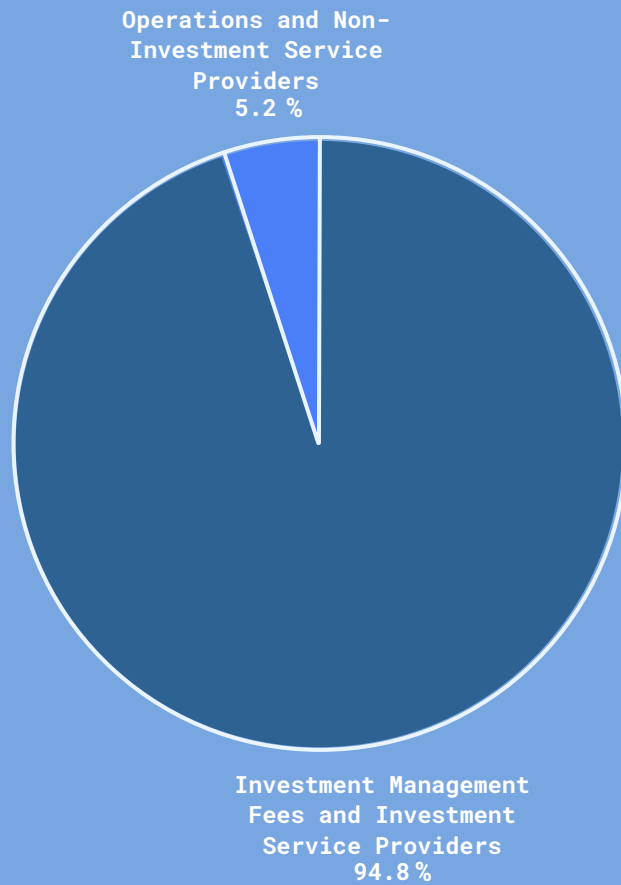
CHART 1

Total PRIT Fund - Ratio of Expenses in Basis Points



*Estimate based on preliminary/budgeted data.

Fiscal Year 2027 Investment and Operations Budget



Investment Management Fees and Investment Service Providers Fees comprise \$612.3 million, or 94.8%, of the projected total budget. Operations and Non-Investment Service Providers Fees comprise \$33.6 million, or 5.2%, of the total budget (Chart 2).

Investment Management Fees increased by \$39.7 million, or 7.3%, based on the projected growth in assets (\$129 billion vs \$116 billion in fiscal year 2026).

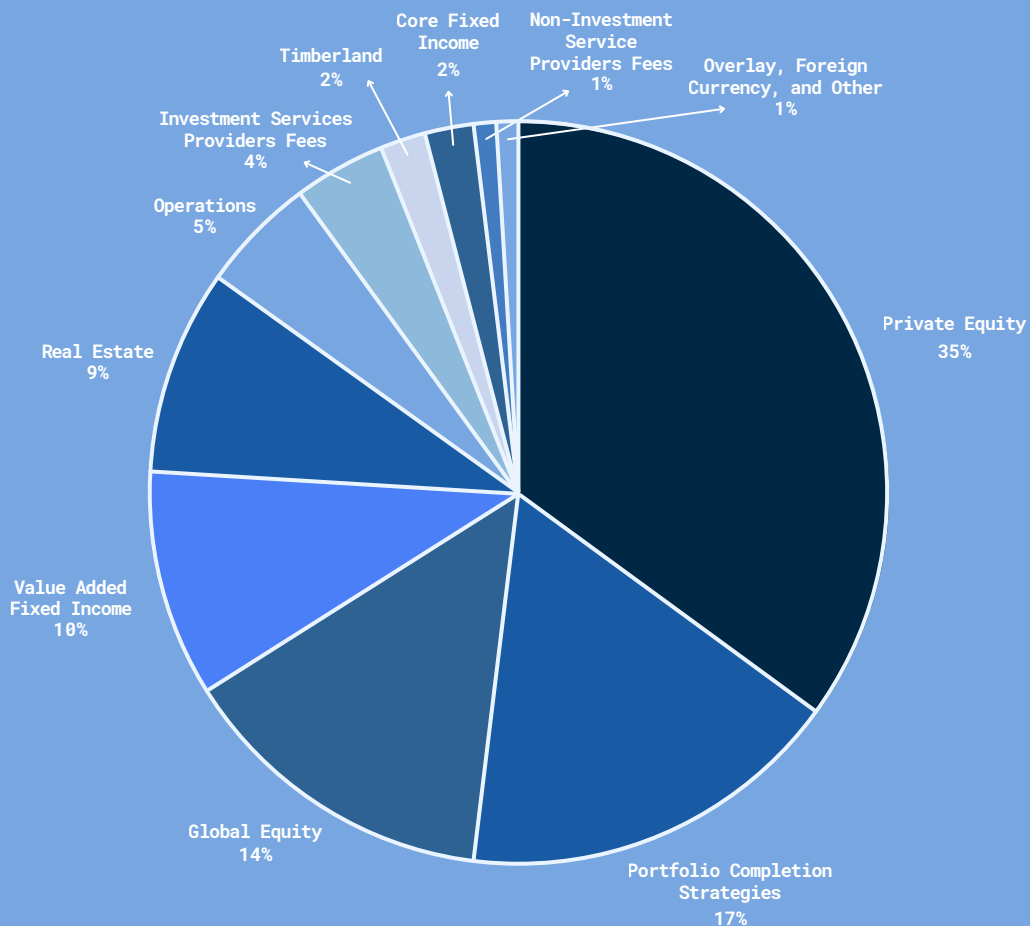
Projected costs for Investment Service Providers Fees increased by \$0.8 million, or 2.9%, mainly due to higher budgeted assets within managed account platforms, which provide for better control and transparency. Operations and Non-Investment Service Providers Fees increase by \$1.9 million, or 5.8%, due primarily to projected organizational growth.

The PRIT Fund's current target asset allocation ranges, approved in February 2026, are depicted in the table below. There were no changes for FY2027. The allocation of fees in Chart 3 reflect these asset allocation ranges.

Asset Class	Range
Global Equity	31 - 41%
Core Fixed Income	12 - 18%
Value Added Fixed Income	6 - 12%
Private Equity	13 - 19%
Real Estate	7 - 13%
Timberland	1 - 7%
Portfolio Completion Strategies	7 - 13%

CHART 3

Fiscal Year 2027 Operating Budget Allocation



PENSION RESERVES INVESTMENT MANAGEMENT BOARD

(AMOUNTS IN THOUSANDS)

Investment Expenses	FY27 (BPS)#	FY26 (BPS)#	FY2027	FY2026
Investment Management Fees ^				
Global Equities	18.2	17.8	95,896	80,839
Core Fixed Income	7.1	6.2	13,740	11,001
Value Added Fixed Income	63.4	62.9	65,660	55,070
Real Estate	53.2	56.0	58,355	58,122
Timberland	31.3	34.4	10,200	11,100
Private Equity	114.2	120.1	228,350	229,750
Portfolio Completion Strategies (PCS)	97.7	98.5	111,050	97,890
Overlay, Foreign Currency, and Other	12.5	12.0	1,465	1,220
Total Investment Management Fees	45.2	47.1	584,716	544,992
Investment Service Providers Fees				
Custody	0.1	0.1	935	935
General	0.2	0.2	3,031	2,731
Real Estate & Timberland	2.0	1.9	2,800	2,650
Public Markets	0.4	0.4	3,400	3,200
Private Equity	1.3	1.4	2,600	2,600
Portfolio Completion Strategies	9.6	10.5	10,950	10,450
Research	0.0	0.1	500	600
Audit & Tax	0.0	0.0	477	459
Risk Measurement and Analytics	0.2	0.3	2,900	3,200
Total Investment Service Providers Fees	2.1	2.3	27,593	26,825
Total Investment Expenses	47.4	49.4	612,309	571,817

Non-Investment Expenses

	FY27 (BPS)#	FY26 (BPS)#	FY2027	FY2026
Operations Expenses				
Compensation & Employee Benefits	2.0	2.1	26,150	24,500
Occupancy	0.2	0.2	2,350	2,275
Insurance	0.0	0.0	540	490
General Office Expenses	0.0	0.0	510	460
Technology Expenses	0.1	0.1	1,230	1,230
Travel, Prof. Develop, Dues & Subscriptions	0.0	0.1	640	590
Client Service	0.0	0.0	55	55
PRIM Board Elections	0.0	0.0	-	250
Total Operations Expenses	2.4	2.6	31,475	29,850
Non-Investment Service Providers Fees				
General	0.1	0.1	1,370	1,145
Audit & Tax-PRIM	0.0	0.0	120	115
Legal	0.0	0.1	600	600
Governance	0.0	0.0	70	70
Total Non-Investment Service Providers Fees	0.2	0.2	2,160	1,930
Total Non-Investment Expenses	2.6	2.7	33,635	31,780

	FY27 (BPS)#	FY26 (BPS)#	FY2027	FY2026
Total Operating Budget	50.0	52.2	645,944	603,597

Basis points (bps) for Investment Management Fees are calculated by dividing the budgeted fees by the estimated assets under management (AUM) for each asset class. Basis points for Service Providers for Real Estate & Timberland, Public Markets, Private Equity, and PCS are also calculated based upon each asset classes estimated AUM. For all other expenses, the bps are calculated based upon the total PRIT Fund AUM, which is estimated to be \$129 billion and \$116 billion for FY27 and FY26 respectively.

^ No investment performance, incentive, or carried interest fees are budgeted.

INVESTMENT MANAGEMENT FEES

GLOBAL EQUITIES

(AMOUNTS IN THOUSANDS)

Domestic Equity

	FY 2027	FY 2026
State Street (MSCI USA Index)	950	915
Rhumblin (MSCI USA Index)	250	213
State Street (MSCI USA Small Cap Index)	100	146
Frontier	3,200	3,218
Riverbridge	-	1,716
Summit Creek	2,700	4,111
Acadian	800	677
Lord Abbett	2,000	2,223
Driehaus	3,500	2,722
Rhumblin (EIA Index)	800	871
Enhanced Domestic Equity-Potential New Managers	2,500	-
Total	16,800	16,812

International Equity

	FY 2027	FY 2026
SSGA (World Ex-US Index)	280	213
SSGA (Small Cap World Ex – US Index)	56	57
Marathon	10,100	9,212
Baillie Gifford	-	1,320
Mondrian Investment	3,000	2,396
Xponance	1,800	2,136
ARGA	3,600	2,966
Acadian	2,600	2,120

International Equity (continued)

	FY 2027	FY 2026
AQR	2,650	2,082
Driehaus	1,850	1,399
Artisan	1,500	1,923
Causeway	3,750	2,648
Columbia	2,200	1,828
Pzena	2,500	2,069
C WorldWide	1,800	1,525
Pinestone	2,200	2,068
Walter Scott	2,400	2,284
Total	42,286	38,246

Emerging Markets Equity

	FY 2027	FY 2026
Baillie Gifford	7,500	5,092
Driehaus	6,500	4,563
Pzena	10,000	7,353
AQR (Performance Fees Only)^	-	-
Acadian	7,000	5,570
Wasatch	-	1,700
Total	31,000	24,278

Integrated Global Equity Mandate

	FY 2027	FY 2026
Potential New Managers	4,000	-
Total	4,000	-

FUTURE Initiative

	FY 2027	FY 2026
Xponance	965	797
Various Managers	845	706
Total	1,810	1,503

Total Global Equities	95,896	80,839
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^ No investment performance, incentive, or carried interest fees are budgeted.

CORE FIXED INCOME

(AMOUNTS IN THOUSANDS)

	FY 2027	FY 2026
Blackrock (Agg Index)	120	124
Blackrock (TIPS Index)	340	307
Blackrock (ILB)	1,700	1,337
Blackrock (STRIPS Index)	325	286
Blackrock (Short Term FI Index)	115	103
Potential New Managers (Active Core)	700	-
PIMCO	2,700	2,097
Loomis Sayles	3,300	2,871
AFL-CIO*	190	174
Longfellow	1,200	1,022
New Century	1,200	1,016
Pugh	1,300	1,159
FUTURE Initiative – Core Bivium Fixed Income	250	236
FUTURE Initiative – Various Managers	300	269
Total Core Fixed Income	13,740	11,001

VALUE-ADDED FIXED INCOME

(AMOUNTS IN THOUSANDS)

	FY 2027	FY 2026
Fidelity	2,300	2,061
Loomis Sayles	1,200	1,036
Shenkman	1,500	1,320
Eaton Vance*	-	251
Voya*	-	170
PIMCO	2,200	1,921
Ashmore*	-	1,000
Beach Point	1,500	1,303
Ares Management	2,200	1,945
RBC Global Asset Management	2,100	1,862
Private Debt – Various Managers*	8,000	8,000
Other Credit Opportunities – Various Managers*	35,700	26,500
Anchorage Capital	2,300	1,737
Shenkman-MAC	2,200	2,030
KKR-KMAC	1,800	1,505
KKR-GCOF	1,900	1,764
FUTURE Initiative – Bivium Value-Added Fixed Income	260	231
FUTURE Initiative – Various Managers	500	434
Total Value-Added Fixed Income	65,660	55,070

* Investments are in investment structures (commingled funds, partnerships, etc.) where management fees are not directly paid to the investment managers by PRIM, but rather fees are indirectly paid via a reduction of PRIM's investment.

REAL ESTATE

(AMOUNTS IN THOUSANDS)

REITs	FY 2027	FY 2026
CenterSquare	3,200	2,525
PGIM	970	776
DWS	940	826
Total	5,110	4,127

Core Strategy	FY 2027	FY 2026
AEW*	7,800	8,000
INVESCO*	10,800	11,300
LaSalle*	10,100	10,300
CBRE Global Investors*	3,900	3,800
Stockbridge Advisors*	5,400	4,500
DivcoWest Core*	1,000	1,000
Total	39,000	38,900

Non - Core and Direct Strategies	FY 2027	FY 2026
Various Managers*	9,850	11,800
Total	9,850	11,800

FUTURE Initiative	FY 2027	FY 2026
Cambridge Associates	600	500
Various Managers*	3,795	2,795
Total	4,395	3,295
Total Real Estate	58,355	58,122

*Investments are in investment structures (commingled funds, partnerships, etc.) where management fees are not directly paid to the investment managers by PRIM, but rather fees are indirectly paid via a reduction of PRIM's investment.

TIMBERLAND

(AMOUNTS IN THOUSANDS)

	FY 2027	FY 2026
Forest Investment Associates*	4,400	4,700
Campbell Group*	5,800	6,400
Total Timberland	10,200	11,100

PRIVATE EQUITY

(AMOUNTS IN THOUSANDS)

Private Equity Managers	FY 2027	FY 2026
Various Managers*	224,000	225,400
FUTURE Initiative - Various Managers*	4,350	4,350
Total Private Equity	228,350	229,750

* Investments are in investment structures (commingled funds, partnerships, etc.) where management fees are not directly paid to the investment managers by PRIM, but rather fees are indirectly paid via a reduction of PRIM's investment.

PORTFOLIO COMPLETION STRATEGIES (PCS)

(AMOUNTS IN THOUSANDS)

	FY 2027	FY 2026
Replication Strategies	200	190
PAAMCO – Hedge Fund-of-Funds* [^]	6,850	6,450
Hedge Funds Various Managers*	90,000	78,000
Emerging Manager Program Various Managers*	7,000	7,000
Real Assets Various Managers*	7,000	6,250
Total PCS	111,050	97,890

OVERLAY, FOREIGN CURRENCY, AND OTHER

(AMOUNTS IN THOUSANDS)

	FY 2027	FY 2026
Parametric (Overlay)	565	470
Russell (Foreign Currency)	900	750
Total Overlay, Foreign Currency, and Other	1,465	1,220

Total Investment Management Fees

584,716

544,992

* Investments are in investment structures (commingled funds, partnerships, etc.) where management fees are not directly paid to the investment managers by PRIM, but rather fees are indirectly paid via a reduction of PRIM's investment.

[^] Excludes costs of underlying hedge funds. These costs are embedded in net hedge fund performance and grow in proportion to the assets under management.

INVESTMENT SERVICE PROVIDERS FEES

(AMOUNTS IN THOUSANDS)

Custody	FY 2027	FY 2026
Master Custody Services	935	935
Total	935	935

General	FY 2027	FY 2026
Asset Allocation Advisor	230	230
Benchmarking Advisory Services	126	126
Operational Due Diligence Advisor	750	750
Legislative Restrictions & Benchmarking Services	225	225
Compliance Advisors	100	100
Stewardship & Sustainability Initiatives	700	550
Miscellaneous Service Providers and Other Initiatives	900	750
Total	3,031	2,731

Real Estate and Timberland	FY 2027	FY 2026
Real Estate and Timberland Advisors	800	800
Debt Compliance and Reporting	1,200	1,050
Direct Investment Advisory & Other Advisory Projects	800	800
Total	2,800	2,650

Public Markets	FY 2027	FY 2026
Public Markets Advisors	900	700
Managed Account Platform Providers-OCO	1,900	1,900
Other Advisory Services	600	600
Total	3,400	3,200

Private Equity

	FY 2027	FY 2026
Private Equity Advisor	1,350	1,800
Other Advisory Services	1,250	800
Total	2,600	2,600

Portfolio Completion Strategies

	FY 2027	FY 2026
Portfolio Completion Strategies Advisors	1,300	1,500
Managed Account Platform Provider	9,200	8,500
Other Advisory Services	450	450
Total	10,950	10,450

Research

	FY 2027	FY 2026
Research Software, Systems, and Tools	500	600
Total	500	600

Audit and Tax

	FY 2027	FY 2026
Annual Financial Statement Audits [^]	290	275
Agreed-Upon Procedures	72	69
Tax Services & Other	115	115
Total	477	459

Risk Measurement and Analytics

	FY 2027	FY 2026
Risk Measurement Systems	400	1,000
Investment Tools and Analytics	2,500	2,200
Total	2,900	3,200

Total Investment Service Providers Fees

	27,593	26,825
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Total Investment Expenses

	FY 2027	FY 2026
	612,309	571,817

[^] Additional audit fees are incurred and are charged directly to the investments.

OPERATIONS EXPENSES

NON-INVESTMENT EXPENSES

(AMOUNTS IN THOUSANDS)

Compensation & Employee Benefits

	FY 2027	FY 2026
Full-Time Staff (including vacant positions)	25,500	23,900
Benefits, Taxes, and Other	650	600
Total	26,150	24,500

Occupancy

	FY 2027	FY 2026
Lease	2,300	2,200
Leasehold Improvements and Other	50	75
Total	2,350	2,275

Insurance

	FY 2027	FY 2026
Fiduciary	350	300
Business Insurance Policies	65	65
Workers Compensation	25	25
Cyber	50	50
Other	50	50
Total	540	490

General Office Expenses

	FY 2027	FY 2026
Printing, Postage, and Courier	70	65
Payroll / Employee HRIS	85	75
Stenographer and other meeting expenses	30	30
Records Storage	125	90
Office Supplies, Equipment, and Other	130	130
Temporary Labor	70	70
Total	510	460

Technology Expenses

	FY 2027	FY 2026
Hardware & Software	800	800
Support and Development	285	285
MIS Other / ISP & Remote Access	145	145
Total	1,230	1,230

Travel, Prof. Development & Dues and Subscriptions

	FY 2027	FY 2026
Due Diligence Travel	250	240
Professional Development	170	160
Professional Dues and Subscriptions	220	190
Total	640	590

Client Service

	FY 2027	FY 2026
Client Meetings and Conferences	55	55
Total	55	55

Board Elections

	FY 2027	FY 2026
PRIM Board Member Elections	-	250
Total	-	250

	FY 2027	FY 2026
Total Operations Expenses	31,475	29,850

NON-INVESTMENT SERVICE PROVIDERS FEES

(AMOUNTS IN THOUSANDS)

General	FY 2027	FY 2026
Information Technology Advisors	950	800
Communications Advisors	150	125
Compensation and Human Resources Advisors	120	120
Miscellaneous Service Providers and Other Initiatives	150	100
Total	1,370	1,145

Audit and Tax	FY 2027	FY 2026
Annual Financial Statements Audits	50	46
Tax Services & Other	70	69
Total	120	115

Legal	FY 2027	FY 2026
Outside Counsel	600	600
Total	600	600

Governance	FY 2027	FY 2026
Board Education	20	20
Advisory Services and Other	50	50
Total	70	70

Total Non-Investment Service Providers Fees	2,160	1,930
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	FY 2027	FY 2026
Total Non-Investment Expenses	33,635	31,780

	FY 2027	FY 2026
Total Operating Budget	645,944	603,597

OPERATING BUDGET NARRATIVE

The FY2027 Operating Budget is presented in four broad expense categories:

- Investment Management Fees
- Investment Service Providers Fees
- Operations Expenses
- Non-Investment Service Providers Fees

Investment Management Fees

PRIM employs professional investment managers and gives them discretion, consistent with specified objectives and guidelines, to manage the PRIT Fund's assets. Investment management fees are the fees paid to these investment managers for their services. Each investment manager operates under a contract (generally an investment management agreement or a partnership agreement) that delineates its responsibilities and appropriate performance expectations. Budget projections for investment management fees are based on the following factors and year-to-year budget fluctuations reflect changes to one or more of these factors:

- The PRIT Fund asset allocation
- Assets under management (AUM)
- Contractual fee schedules
- Capital commitments

No performance fees, incentive fees, or carried interest are included in this budget due to the difficulty in estimating these fees in advance.

Investment Service Providers Fees

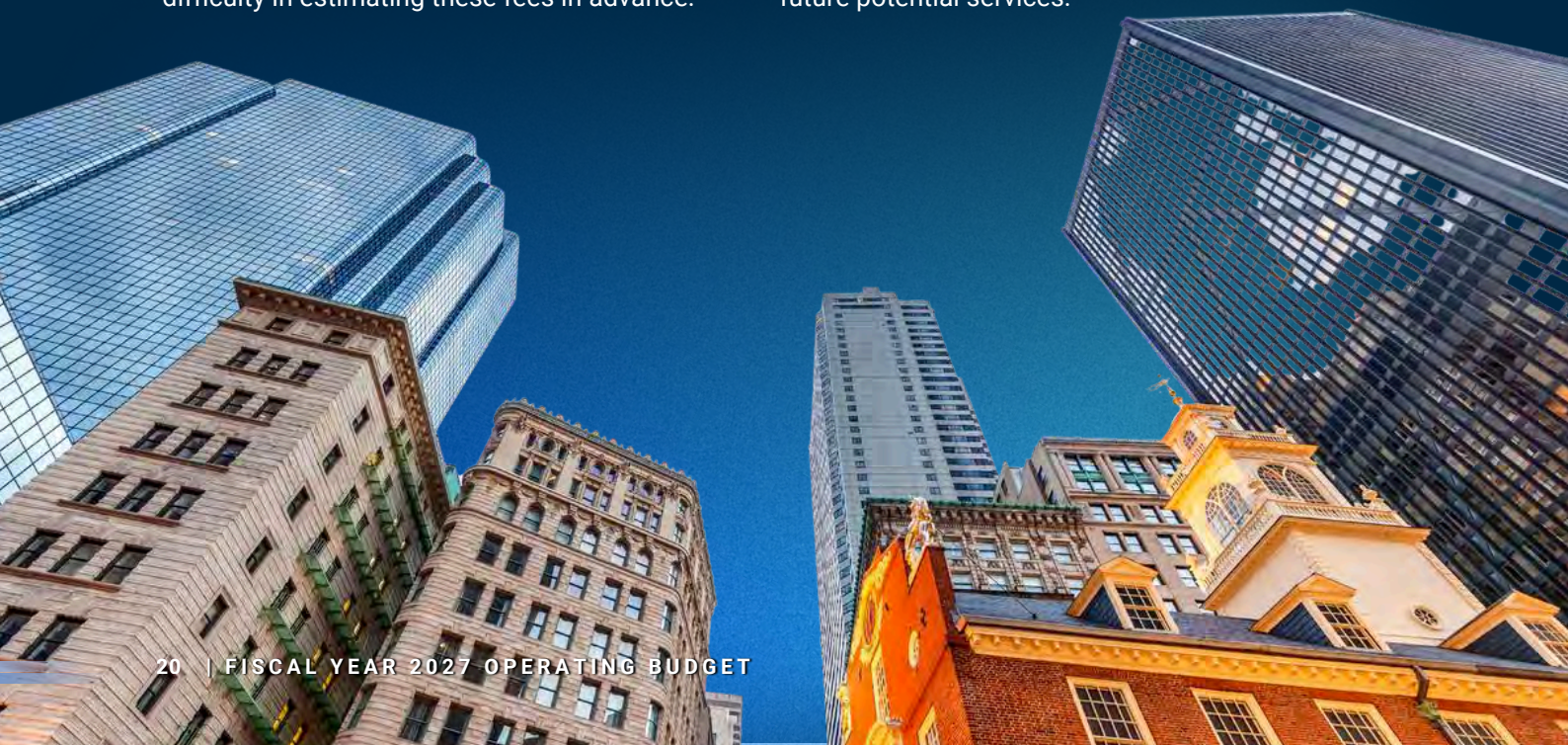
PRIM employs investment service providers to support the PRIM Board, committees, and staff in managing the PRIT Fund. Budget projections for Investment service providers are generally estimated based upon current service contracts and estimated future potential services.

Operations

Operations expenses are projected based on current expenses and strategic initiatives that are deemed to be both probable and estimable.

Non-Investment Service Providers Fees

PRIM employs non-investment service providers to support the PRIM Board, committees, and staff in managing the operations of the PRIM Board. Budget projections for non-investment service providers are generally estimated based upon current service contracts and estimated future potential services.



INVESTMENT MANAGEMENT FEES

Global Equities

Global Equities is comprised of Domestic Equity, International Equity, Emerging Markets Equity and Integrated Global Equity Mandate.

➤ Domestic Equity

The total Domestic Equity fee budget of \$16.8 million stays relatively flat in FY2027, due in part to our disciplined rebalancing process.

Manager	Mandate*	Active/Passive	Fee Type
State Street	MSCI USA Index	Passive	Net Asset Value (NAV)
Rhumblin	MSCI USA Index	Passive	NAV
State Street	MSCI USA Small Cap Index	Passive	NAV
Frontier	Russell 2000 Value	Active	NAV
Summit Creek	Russell 2000 Growth	Active	NAV
Acadian	Russell Microcap	Active	NAV and Performance
Lord Abbett	Russell Microcap – Growth	Active	NAV
Driehaus	Russell Microcap - Growth	Active	NAV
Rhumblin	EIA IFED – LG Index	Passive	NAV
Enhanced Domestic Equity- Potential New Managers	MSCI USA	Active	NAV

*All mandates are customized to exclude legislatively mandated restricted securities.

➤ International Equity

The total International Equity fee budget of \$42.3 million, increases \$4.0 million, or 10.6%, in FY2027. This is mainly due to an increase in budgeted assets in FY2027 compared to FY2026, which reflects the strength of non-US equity markets.

Manager	Mandate*	Active/Passive	Fee Type
State Street	World Ex-US	Passive	NAV
State Street	World Ex-US Small Cap	Passive	NAV
Marathon	MSCI World Ex-US	Active	NAV
Mondrian	MSCI World Ex-US	Active	NAV
Xponance	MSCI World Ex-US	Active	NAV
ARGA	MSCI World Ex-US	Active	NAV
Acadian	MSCI World Ex-US Small Cap	Active	NAV
AQR	MSCI World Ex-US Small Cap	Active	NAV
Driehaus	MSCI World Ex-US Small Cap	Active	NAV
Artisan	MSCI World Ex-US Small Cap	Active	NAV
Causeway	MSCI World Ex-US	Active	NAV
Columbia	MSCI World Ex-US	Active	NAV
Pzena	MSCI World Ex-US	Active	NAV
C WorldWide	MSCI World Ex-US	Active	NAV
Pinestone	MSCI World Ex-US	Active	NAV
Walter Scott	MSCI World Ex-US	Active	NAV

*All mandates are customized to exclude legislatively mandated restricted securities.

➤ Emerging Markets Equity

The total Emerging Markets Equity fee budget of \$31.0 million, increases \$6.7 million, or 27.7%, in FY2027. This is mainly due to an increase in budgeted assets in FY2027 compared to FY2026, reflecting the strength of non-US equity markets.

Manager	Mandate*	Active/Passive	Fee Type
Baillie Gifford	MSCI Emerging Markets	Active	NAV
Driehaus	MSCI Emerging Markets	Active	NAV
Pzena	MSCI Emerging Markets	Active	NAV
AQR	MSCI Emerging Markets	Active	Performance
Acadian	MSCI EM Small Cap	Active	NAV

*All mandates are customized to exclude legislatively mandated restricted securities.

➤ Integrated Global Equity Mandate

The initial budget for Integrated Global Equity Mandate is \$4.0 million.

Manager	Mandate	Active/Passive	Fee Type
Potential New Managers	MSCI ACWI	Active	NAV

➤ FUTURE Initiative

PRIM's FUTURE Initiative is the strategic plan to achieve the goals set forth by the legislation to increase the use of diverse (women, minority, or persons with disabilities) investment managers and to remove barriers to the full participation of diverse managers and investment opportunities. A component of the FUTURE Initiative program utilizes manager-of-managers to invest in emerging and diverse managers. The FUTURE Initiative Program for Global Equities fee budget of \$1.8 million increases \$0.3 million, or 20.4%, in FY2027. This is mainly due to an increase in budgeted assets in FY2027.

Manager	Mandate	Active/Passive	Fee Type
Xponance	Various	Active	NAV
Various Managers	Various	Active	NAV

Core Fixed Income

The total Core Fixed Income fee budget of \$13.7 million increases \$2.7 million, or 24.9%, in FY2027. This is mainly due to an increase in budgeted assets in FY2027 compared to FY2026 due in part to our disciplined rebalancing process and a potential new active core strategy.

Manager	Mandate*	Active/Passive	Fee Type
BlackRock	US Aggregate Index	Passive	NAV
BlackRock	TIPS Index	Passive	NAV
BlackRock	ILB	Active	NAV
BlackRock	STRIPS 20+Year Index	Passive	NAV
BlackRock	Treasury 1-3 Year	Passive	NAV
Potential New Managers	US Aggregate FI	Active	NAV
PIMCO	US Aggregate FI	Active	Funded and Performance
Loomis Sayles	US Aggregate FI	Active	NAV
AFL-CIO	US Aggregate FI-ETI	Active	Commingled Fund – NAV
Longfellow	US Aggregate FI	Active	NAV
New Century	US Aggregate FI	Active	NAV
Pugh	US Aggregate FI	Active	NAV
FUTURE Initiative- Bivium	Various	Active	NAV
FUTURE Initiative Various Managers	Various	Active	NAV

*All mandates are customized to exclude legislatively mandated restricted securities.

Value-Added Fixed Income

The total Value-Added Fixed Income fee budget of \$65.7 million, increases by \$10.6 million, or 19.2%, in FY2027. This is due to an increase in budgeted assets in FY2027 compared to FY2026 with continued growth of OCO allocation.

Manager	Mandate*	Active/Passive	Fee Type
Fidelity	High Yield Bonds	Active	NAV
Loomis Sayles	High Yield Bonds	Active	NAV
Shenkman	High Yield Bonds	Active	NAV
PIMCO	EM Debt Hard Currency	Active	NAV
Beach Point	Bank Loans	Active	NAV
Ares Management	Bank Loans	Active	NAV
RBC Global Asset Mangt.	EM Debt Hard Currency	Active	NAV
Various Managers	Private Debt	Active	Commingled Funds – Committed Capital
Various Managers	Other Credit Opportunities	Active	Commingled Funds - Committed Capital and Performance
Anchorage Capital	Multi-Asset Credit	Active	NAV
Shenkman-MAC	Multi-Asset Credit	Active	NAV
KKR-KMAC	Multi-Asset Credit	Active	NAV
KKR-Global Credit - GCOF	Multi-Asset Credit	Active	NAV
FUTURE Initiative – Bivium	Various	Active	NAV
FUTURE Initiative Various Managers	Various	Active	NAV

*All mandates are customized to exclude legislatively mandated restricted securities.

Real Estate

➤ Real Estate Investment Trusts (REITs)

The total REITs fee budget of \$5.1 million, increases by \$1.0 million, or 23.8%, in FY2027. This change is mainly due to an increase in budgeted assets in FY2027 compared to FY2026. PRIM increased its REIT exposure in January 2026.

Manager	Mandate	Active/Passive	Fee Type
CenterSquare	US REITs	Active	NAV
PGIM	US REITs	Active	NAV
DWS	US REITs	Active	NAV

➤ Core Strategy

The total Core Strategy fee budget of \$39.0 million, stays relatively flat in FY2027.

Manager	Mandate	Active/Passive	Fee Type
AEW	Core Real Estate	Active	Funded and Performance
INVESCO	Core Real Estate	Active	Funded and Performance
LaSalle	Core Real Estate	Active	Funded and Performance
CBRE Global Investors	Core Real Estate	Active	NAV and Performance
Stockbridge Advisors	Core Real Estate	Active	NAV and Performance
DivcoWest Core	Core Real Estate	Active	NAV and Performance

➤ Non – Core and Direct Strategy

The total Non - Core and Direct Strategy fee budget of \$9.9 million, decreases by \$(2.0) million, or (16.5%), in FY2027, as existing fund positions will continue to mature and distribute capital back to PRIM.

Manager	Mandate	Active/Passive	Fee Type
Various Managers	Non-Core & Direct Strategies	Active	Generally– Funded and Performance

➤ FUTURE Initiative Program

The total FUTURE Initiative Program for Real Estate fee budget of \$4.4 million, increases by \$1.1 million, or 33.4% in FY2027. PRIM expects to add additional commitments to high conviction managers.

Manager	Mandate	Active/Passive	Fee Type
FUTURE Initiative Cambridge Associates	Various	Active	Various
FUTURE Initiative Various Managers	Various	Active	Various

Timberland

The total Timberland fee budget of \$10.2 million, decreases by \$(0.9) million, or (8.1)% in FY2027. This change is mainly due to lower negotiated fees in FY2027 than budgeted for in FY2026.

Manager	Mandate	Active/Passive	Fee Type
Forest Invest Associates	Timberland	Active	Funded and Performance
Campbell Global	Timberland	Active	Funded and Performance

Private Equity

The total Private Equity fee budget of \$228.4 million decreases by \$(1.4) million, or (0.6)%, in FY2027, as the target commitment range has decreased this year compared to last. Private Equity management fees are typically a percentage of committed capital during the active investment period and become a percentage of cost of remaining investments later in the life of the partnership.

Manager	Mandate	Active/Passive	Fee Type
Various Managers	Private Equity	Active	Generally Committed Capital
FUTURE Initiative - Various Managers	Private Equity	Active	Generally Committed Capital

Portfolio Completion Strategies (PCS)

The total Portfolio Completion Strategies fee budget of \$111.1 million, increases by \$13.2 million, or 13.4%, in FY2027. This change is mainly due to an increase in budgeted Hedge Fund assets in FY2027 compared to FY2026 with additional mandates added at the margin as opportunities arise.

Manager	Mandate	Active/Passive	Fee Type
Various Managers	PCS and Hedge Funds	Active	Generally NAV and Performance

Overlay, Foreign Currency, and Other

The total Overlay, Foreign Currency and Other fee budget of \$1.5 million, increases by \$0.3 million or 20.1% in FY2027. This change is mainly due to an increase in budgeted foreign currency transactions.

Manager	Mandate	Active/Passive	Fee Type
Parametric	Overlay	Active	NAV
Russell	Foreign Currency Trading	Active	NAV

INVESTMENT SERVICE PROVIDER FEES

The FY2027 budget for Investment Service Provider Fees (including Custody and Advisors as well as Research, Audit & Tax, and Risk Measurement & Investment Analytics) of \$27.6 million increases by \$0.8 million, or 2.9%. The increase is driven primarily by an increase in budgeted assets in the Managed Account Platforms. Costs in this category are generally the result of competitively bid contracts and estimates for future potential services.

› Custody

BNY Mellon currently provides the PRIT Fund with global custody, accounting and performance measurement services. BNY Mellon provides custody for PRIT assets, records all investment transactions for the PRIT Fund, and provides recordkeeping for all participant activity for member retirement systems, including participant performance analysis.

› General

PRIM employs several professional advisors to provide comprehensive advisory services to staff and the Board including recommendations on asset allocation, benchmarking and operational due diligence.

› Real Estate & Timberland

The FY2027 budget reflects the advisory fees for a bench of professional real estate advisors and PRIM's timberland advisor, International Woodland Company, financial reporting costs associated with the real estate leverage program, expenses related to potential direct investments, data tools, legal and other consulting costs.

› Public Markets

The FY2027 budget reflects contractual fees for PRIM's Public Market advisors: Meketa, Aberdeen and Innocap. It also includes fees related to operational due diligence, legal and other consulting costs.

› Private Equity

The FY2027 budget reflects contractual fees for PRIM's Private Equity advisor Stepstone. In addition, it includes fees for monthly accounting, and detailed performance reporting for the PRIT Fund's Private Equity program. The budget also includes projected fees for data tools, legal and other consulting costs.

› Portfolio Completion Strategies

The FY2027 budget reflects the contractual fees for PRIM's PCS advisors: Aberdeen, New Alpha, and Innocap. The budget also includes projected fees for data tools, legal and other consulting costs.

➤ Audit & Tax

KPMG currently provides the annual financial statement audits for the PRIT Fund. KPMG also performs an annual examination of the internal controls surrounding PRIM's procurement of investment managers and other service providers and reviews the PRIT Fund's benchmark calculations in accordance with the guidance contained in the AICPA Statement on Standards for Attestation Engagements.

KPMG also provides audit services for PRIT's Real Estate, Timberland, and certain PCS investments. The audit fees for this work are charged to the underlying investments and are not included in the PRIM budget.

Deloitte provides PRIT with tax advisory services. Real Estate and Timberland property level tax return preparation fees and tax advisory fees are charged to the underlying properties and, as such, are not a part of the PRIM budget. However, the general tax advisory work is paid directly by PRIM.

➤ Research

The FY2027 budget reflects projected fees for data infrastructure, research tools, and other research initiatives.

➤ Risk Measurement and Investment Analytics

Risk measurement and Other investment analytical tools include FactSet, eVestment, Bloomberg, and others.

OPERATIONS

The FY2027 Operations budget of \$31.5 million increases \$1.6 million or, 5.4%, reflecting primarily an increase in Compensation and Employee Benefits due to projected organizational growth.

➤ Compensation & Employee Benefits

The FY2027 Compensation budget includes allocations for new positions and additional resources to support the PRIT Fund's growth and PRIM's many new initiatives, as well as potential increases for existing staff based on the Board approved salary bands.

Per PRIM's Compensation Philosophy, to ensure PRIM remains competitive with market trends, a comprehensive compensation level analysis is conducted by PRIM's compensation consultant, McLagan. To continue to make incremental progress within these Board approved salary bands we have included amounts in the FY2027 budget for potential base salary increases and for potential promotions. The budget for employee benefits consists primarily of dental, vision, and disability costs for employees as well as a contingency to cover potential unemployment claims since PRIM does not participate in the state's unemployment insurance pool. The budget also includes estimated Medicare taxes and Massachusetts Paid Family Medical Leave for all employees.

➤ Occupancy

The occupancy budget includes expenses associated with office space, including rent, maintenance charges, and utilities.

➤ General Office Expenses

This budget category includes expenses relating to the general administration of PRIM's office operations.

➤ Technology Expenses

This category includes telecom, internet service providers, hardware, software and support agreements, offsite data storage, and equipment for the expected growth of staff.

➤ Client Service

Currently, 100 entities, including the State Retiree Benefits Trust Fund, invest in the PRIT Fund. The client service budget allows for PRIM-sponsored client conferences and on-site client meetings. This budget includes the cost of traveling to client meetings, conferences, and related activities.

➤ Insurance

The budget includes insurance premium costs for various business and liability policies. PRIM's current insurance policies are summarized in the following table:

Policy Type	Coverage	Deductible
Fiduciary Liability	\$15,000,000	\$250,000
Commercial Crime	\$10,000,000	\$100,000
Employment Practices Liability	\$1,000,000	\$100,000
Workers Compensation	\$1,000,000	N/A
Cyber Insurance	\$3,000,000	\$25,000
Commercial General Liability	\$1,000,000	N/A
Commercial Property	\$1,060,000	\$250
Umbrella Liability	\$4,000,000	\$10,000
Hired Auto	\$1,000,000	N/A

➤ Travel, Professional Development & Dues and Subscriptions

This budget category represents costs associated with due diligence travel, ongoing professional education of PRIM Board and committee members and staff, including related travel expenses and dues & subscriptions, which includes membership dues in professional associations and subscription costs for professional journals, investment industry publications, and newspaper subscriptions. The budget includes tuition reimbursement charges (e.g., for approved CFA and higher education courses), required continuing education costs for maintaining professional licenses (e.g., CPA license), and attendance at professional conferences and seminars. PRIM is committed to supporting its Board members and staff in their pursuit of professional development.

NON-INVESTMENT SERVICE PROVIDER FEES

The FY2027 budget for Non-Investment Service Provider Fees (Including Audit & Tax, Legal and Governance) of \$2.2 million increases by \$0.2 million, or 11.9%. The increase is primarily due to projected additional Information Technology cost associated with AI research. Costs in this category are generally the result of competitively bid contracts.

➤ General

PRIM employs several professional advisors to provide comprehensive advisory services to staff and the Board related to communications, information technology, human resources, compensation and other policies.

➤ Audit & Tax

Currently, KPMG provides annual financial statement audits for PRIM and Deloitte provides PRIM with tax advisory services.

➤ Legal

PRIM retains outside counsel as necessary to provide legal services to PRIM. Outside legal expenditures can be difficult to predict and have historically fluctuated significantly based on the nature of activities of PRIM.

➤ Governance

The governance budget includes fees for administration of the Board self-evaluation, potential governance manual updates, and anticipated costs for PRIM Board Education sessions.

KEY ASSUMPTIONS

Estimated Assets Under Management and Asset Allocation in FY2027

Many of the budgeted expenses for FY2027 are based upon the estimated average assets under management. The estimated average assets under management for FY2027 is \$129 billion. To estimate PRIM's FY2027 average assets under management, the beginning AUM of FY2027 (July 1, 2026) was estimated to equal the PRIT Fund assets under management as of January 31, 2026. The ending AUM of FY2027 (June 30, 2027) was estimated to increase by NEPC's expected 10-year return forecast of 6.3%. The estimated average AUM of FY2027 is the average of the estimated beginning and ending AUM, which is approximately \$129 billion. Please note that future investment performance is not predictable and actual performance will vary.

Performance, Incentive, or Carried Interest Fees

No investment performance, incentive, or carried interest fees are budgeted in FY2027. These fees can vary dramatically from year to year and are not predictable.



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Appendix J

Foley-Hoag – PRIM Board Self-Evaluation Results Presentation

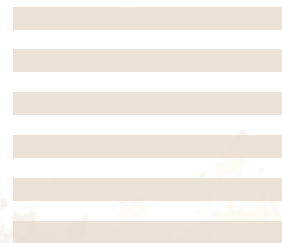
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Report of Findings on 2026 PRIM Board Self-Evaluation Survey

Kevin Conroy, Dan Carlston



Process

- Board members used an online platform, Survey Monkey, to complete the survey
- The substance of the survey mirrored surveys from 2024, 2020, and 2019
- Seven Board members completed the survey
- Foley Hoag then analyzed the responses and data and prepared the Report

Overview of Responses to Open-Ended Questions

- Survey asked Board members to answer open-ended questions about Board's strengths and areas for improvement
- In general, very positive responses
 - The Board is high functioning
 - The Board is effective and aligned with management
 - PRIM's leadership and staff are strong
 - The Board has maintained its strategy during volatile market conditions
 - Satisfaction with expanded work in shareholder actions and proxy voting
 - Board members think their fellow Board members are smart, thoughtful, and respectful

Findings

- Board member interactions and decision making:
 - The Board is collaborative; decision-making is effective
 - The Board adheres to its own policies and takes timely action to address issues
- Board's interactions with management:
 - The Board works well together and creates a supportive environment for management and staff
 - The Board provides alternative points of view to management
- Communication and goal setting:
 - The Board communicates and sets goals effectively

Findings

- Board meetings and time distribution:
 - The number of Board meetings is optimal; some members indicated that Board meetings are too long
 - Board members suggest streamlining meetings by reducing time spent on operational details and keeping focus at higher, more strategic level
- In-house Board education:
 - Top priorities: Portfolio risk management, asset allocation/asset mix, investments, governance and fiduciary duty, and characteristics of alternative investments
 - Different education tracks for newer vs. more experienced Board members
- Other:
 - Board members suggest a review of Board governance documents and an enhancement of the Board code of conduct

Conclusions

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-
-
- The views expressed by the Board members and the data support several broad conclusions

1. Board member interactions are viewed positively and the Board's decision-making functions at a high level.
2. The Board's interactions with management are viewed favorably by the Board.
3. The Board adequately accomplishes its communication and goal-setting functions.
4. Board meeting frequency is ideal, but meetings should be streamlined and less focused on operational issues.
5. Newer Board members may have different needs and preferences for Board education efforts compared to more experienced Board members.

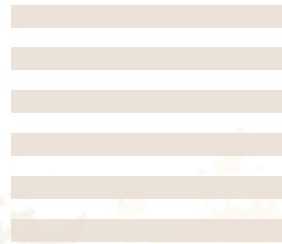
Suggestions for Improvement

1. Full Board meetings should be shorter and more strategically focused. Operational details—particularly individual manager hire discussions—should shift to committees, with condensed, higher-level briefings to the full Board. Presentations should not repeat Board book materials word-for-word.
2. The Board should prioritize a review of its governance documents and consider enhancing its code of conduct with formal enforcement procedures.
3. For Board education, portfolio risk management, asset allocation/asset mix, investments, governance and fiduciary duty, and alternative investments received the strongest interest. The Board should also consider different education tracks for newer vs. more experienced Board members.
4. For future self-evaluation surveys, consider whether certain questions should be split between newer and more experienced Board members.



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Questions?





Appendix K

PRIM Board Governance Manual - Redline

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BOARD GOVERNANCE MANUAL

THE PENSION RESERVES INVESTMENT MANAGEMENT BOARD

Adopted October 5, 2004

Reviewed and Reconfirmed August 9, 2007

Amended December 4, 2012

Amended August 14, 2018

Amended August 17, 2022

~~Last~~ Amended November 30, 2023

Last Amended [], 2026

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1. INTRODUCTION

This Board Governance Manual (“Manual”) was established to support the effective governance and management of the Massachusetts Pension Reserves Investment Management Board (the “PRIM Board” or the “Board”). It sets forth the roles and responsibilities of the Board ~~of PRIM (“the Board”)~~, the Chair of the Board (“Chair”), ~~standing~~ committees of the Board, and PRIM staff (“Staff”), and describes the manner in which various Board functions will be carried out. The Manual is intended to serve as a resource for both new and experienced Board members, Staff, and other interested parties. Its ultimate purpose is to help ensure that all parties work effectively together to serve the best interests of ~~PRIM members and~~PRIM’s beneficiaries and achieve the investment goals and objectives of PRIM.

THE PRIM BOARD

The ~~nine members~~nine members of the Board act as Trustees for each retirement system that invests in the Massachusetts Pension Reserves Investment Trust Fund (the “PRIT Fund” or the “Fund”) and is responsible for the control and management of the Fund. The Treasurer and Receiver-General of the Commonwealth is a member ex officio and serves as the Chair. The Treasurer appoints one additional member who is a private citizen with an investment/business background. The Governor, or the Governor’s designee, is also an ex officio member and appoints two additional members ~~of the Board~~: one is a non-state official or employee and one is a representative of a public safety union. The State Teachers’ Retirement System has two representatives on the Board: the members of that Retirement System elect one, and one is an Elected Member of the Massachusetts Teachers’ Retirement Board. The State Employees’ Retirement System also has two representatives on the Board: the members of that Retirement System elect one, and one is an Elected Member of the State Employees’ Retirement Board.

GOVERNANCE FRAMEWORK

PRIM operates in accordance with the various requirements and guidelines described below:

Governing Statute

Massachusetts General Laws (“MGL”), Chapter 32, Section 23, ~~–~~ provides that the Board shall be responsible for general supervision of the investment and reinvestment of the PRIT Fund, created by Chapter 32, Section 22(8) of such Laws, which Fund is responsible for receiving, investing, and ~~dispensing~~disbursing amounts set aside to meet future liabilities of ~~the various~~ public retirement systems of Massachusetts. Chapter 32 is generally referred to herein as the “Statute.”

Operating Trust

The Board is authorized and required by MGL, ~~–~~ Chapter 32, Section 23 (2A)(e)(i) to act as Trustee for each retirement system that participates in the Fund and to adopt a declaration of trust setting forth the duties and obligations of PRIM. Accordingly, the Board adopted an Operating Trust Agreement in September 1998, and is required to act in accordance with said Agreement. The Board may, however, amend the Operating Trust Agreement, subject to the approval of the joint committee on public service.

By-Laws, Governance Charters, ~~and Governance Board~~ Policies, and Code of Conduct

The Board has established by-laws and governance policies ~~setting forth how the Board.~~ Charters for the Board, the Chair, the Executive Director and Board committees are set forth below in items 2-9. Board policies are set forth below in items 10-14. Finally, a Code of Conduct for Board members and committee members, whether or not they are also members of the Board (collectively “Board and Committee Members”) is set forth below in item 15. Together, the by-laws, charters, policies and Code of Conduct establish how the Board and Committee members, and the Executive Director shall operate with respect to meetings and the transaction of business, ~~Board education, Board communications,~~ and other related matters. ~~The Board has also established governance charters describing the roles of the Board, its committees, the Chair, and the Executive Director. While the by-laws, governance charters, and governance policies do not have the force of law, the Board and Staff believe they reflect good business practice and shall strive to act in accordance with them.~~

~~The~~Periodically, the Board shall review the by-laws, governance charters, board policies, and ~~governance charters may be amended by~~Code of Conduct and may amend any such documents by a majority vote of the Board at any regular or special meeting of the Board, provided that the notice of such meeting shall specify the subject matter of the proposed amendments.

Other Law

PRIM is subject to a myriad of other state and federal laws dealing with such issues as taxation, open meetings, and ethics. Board and Committee Members shall familiarize themselves with these laws with the assistance of Staff and external legal counsel ~~shall keep the Board apprised of these and other and shall conduct themselves in accordance with such~~ laws ~~and requirements.~~

2. BOARD CHARTER OF
THE PENSION RESERVES INVESTMENT MANAGEMENT BOARD

BACKGROUND

- 1) In accordance with the M.G.L. Statute, the Board is responsible for the general supervision of the investment and reinvestment of the Fund.
- 2) The Board consists of nine members and is required to discharge its duties for the exclusive purpose of providing benefits to members and their beneficiaries with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.
- 3) The general ~~roles~~ roles and responsibilities of the Board are set out in M.G.L., MGL Chapter 32, section 23, ~~and in~~ the Operating Trust Agreement adopted by the Board, the by-laws and the Code of Conduct. In order to provide further guidance concerning ~~the Board's~~ Board and Committee Members' duties, the Board ~~has~~ also has established this charter.

DUTIES AND RESPONSIBILITIES

Governance

- 4) The Board shall adopt and amend as necessary the Operating Trust Agreement.
- 5) The Board shall adopt, amend, or repeal by-laws governing the conduct and management of PRIM's business and affairs.
- 6) The Board shall establish charters describing, at a minimum, the roles of:
 - a) The Board;
 - b) The Chair;
 - c) Each committee of the Board; and
 - d) The Executive Director.
- 7) The Board shall establish any other policies necessary to ensure appropriate and effective governance practices on the part of the Board.
- 8) ~~The Board shall establish and amend as necessary a Code of Conduct to govern the conduct of Board and Committee Members.~~
- 9) ~~8) The Committees of the Board shall:~~
 - a) ~~Establish any committees or sub-committees that it considers necessary; and~~
 - a) ~~The by-laws establish the following standing committees of the Board: Administration and Audit, Investment and Real Estate and Timber (the Real Estate and Timber Committee is also known as the "Real Estate and Timberland Committee"). The Board has established two additional committees: Compensation and Stewardship and Sustainability and the Board may establish any additional committees or sub-committees that it considers necessary for the conduct of its business.~~
 - b) ~~Appoint Board~~The chairpersons and other members ~~to of standing and other~~ committees ~~or sub-committees of the Board and appoint a chair for each committee or sub-committee. All such~~

~~appointments shall be upon the recommendation of the Chair of the Board shall be appointed by the Chair after consultation with other members of the Board and shall be ratified by a vote of the Board. Such committees may include members who are not members of the Board.~~

~~10) 9) The Board shall appoint and may remove Outside Committee Members to Board committees may remove any member of a committee of the Board who is not also a member of the Board by a majority vote.~~

~~11) 10) The Board shall maintain a record of its proceedings.~~

Investments

~~12) 11) The Board shall approve the Investment Policy Statement and all other investment policies that may be necessary to provide Staff and investment managers sufficient guidance to effectively invest the assets of the Fund.~~

~~13) 12) The Board shall approve the major strategies for implementing the asset allocation policy of the Board, including broad portfolio structures, active/passive management strategies, and internal/external investment management strategies.~~

~~14) 13) The Board shall ensure that an investment risk management process is in place for the Fund.~~

~~15) The Board has delegated to the Investment Committee and the Real Estate and Timber Committee the responsibility for approving the engagement of investment managers and investment partners; subject to the requirement that the Investment Committee or the Real Estate and Timber Committee, as the case may be, shall act at all times in a manner that is consistent with the Investment Policy or other policies of the Board, and provided, further, that any investment decision that is outside of the Investment Policy or other Board policies shall be reserved for the Board.~~

Finance, Accounting, and Audit

~~16) 14) The Board shall keep full records and books of account and shall require that appropriate accounting policies and internal controls are in place to account for and safeguard the assets of PRIM, including but not limited to:~~

- a) A formula to measure the value of the shares in the Fund purchased by or held by participating retirement systems and other purchasing retirement systems; (MGL, ~~Ch32, S22~~ Chapter 32, Section 22) and
- b) Policies to determine and allocate annually to participating and other purchasing retirement systems earnings on shares owned by said systems. (MGL, ~~Ch32, S22~~ Chapter 32, Section 22)

~~17) 15) The Board shall require that an effective system of enterprise risk management is in place to protect the operations of PRIM. Such system shall include internal or external audits designed to help ensure that:~~

- a) ~~PRIM's~~ The Fund's assets are safeguarded;
- b) PRIM operates in accordance with applicable laws and policies; and
- c) PRIM's financial, human, and physical resources are managed economically and efficiently, and that PRIM operates effectively.

~~18) 16) The Board shall, at least once each year, cause an independent certified public accountant ("Financial Auditor") to audit the Fund, and shall ensure that a copy of the report of such audit is furnished to each participating or purchasing system.~~

~~19) 17) The Board shall:~~

- a) Cause statements of assets and transactions to be prepared and distributed to each participating and purchasing system; and
- b) Annually furnish a written account of the operations of the Fund for the preceding year to the board of each participating or purchasing system, ~~and do so within 90 days after the close of the Fund's fiscal year.~~

~~20) 18)~~ In addition to the filing required in Section ~~1619~~ above, the Board shall annually file with the Clerks of the House of Representatives and the Senate and with the secretary of the board of each participating system, a sworn statement of the financial condition of the Fund as of December 31 of the previous year.

Operations and Planning

~~21) 19)~~ The Board shall approve the organizational structure of PRIM.

~~22) 20)~~ The Board shall establish ~~a planning policy~~ an annual plan to guide the strategic or business planning process of PRIM. ~~[Note: This policy does not yet exist]~~

~~23) 21)~~ The Board shall approve the annual operating budget.

Human Resources

~~24) 22)~~ The Board shall appoint, direct, and terminate the Executive Director.

~~25) 23)~~ The Board shall establish a process for evaluating the performance of the Executive Director relative to pre-established goals or criteria, ~~and shall annually carry out such evaluation.~~

~~26) 24)~~ The Board shall approve human resource and compensation policies designed to provide guidance in managing the organization's human resources. Examples of issues that may be addressed by such policies include:

- a) Compensation philosophy and guidelines;
- b) Goals and objectives concerning the attraction and retention of Staff;
- c) Commitment to Staff training and development; and
- d) Discrimination and harassment.

~~27) 25)~~ In developing the above human resources policies, the Board shall focus on establishing broad objectives, principles, and parameters; and shall delegate to the Administration and Audit Committee, the Compensation Committee or the Staff the responsibility to establish appropriate procedures to support and fulfill the Board's policies and comply with applicable legislation.

~~28) 26)~~ The Board shall ensure that succession provisions exist to facilitate continuity in key Staff positions.

Legal Affairs

~~29) 27)~~ As appropriate, the Board ~~shall~~ may establish positions regarding proposed state and federal legislation and shall initiate, support, or oppose legislative proposals affecting PRIM or the Fund.

- a) The Board shall approve actions concerning settlements or other legal actions affecting the investments or operations of PRIM or the Fund.

Service Providers

~~30) 28)~~ The Board shall appoint and may terminate the following key service providers in accordance with any applicable Board policy; provided that the Board also may from time-to-time delegate the responsibility for the appointment or termination of any such service providers to the Investment Committee, to the Real Estate and Timber Committee or to another Standing Committee of the Board:

- a) Custodians;
- b) Legal counsel;
- c) Investment consultants;
- ~~d) Investment managers and investment partners;~~
- ~~d) e)~~ Securities lending managers;
- ~~e) f)~~ Proxy voting service providers; and
- ~~f) g)~~ Other advisors who serve the Board directly.

~~31) 29)~~ The Board shall ~~approve a policy~~ establish a process for setting out minimum general standards and criteria for the selection of key service providers.

Stakeholder Communications

~~32) 30)~~ The Board ~~shall approve a communications plan~~ has established a Communications Policy, set forth below, designed to help ensure effective communications with all constituents of PRIM.⁴

~~31) The Board shall establish a primary spokesperson(s) for PRIM.~~

~~33) In accordance with the Communications Policy, the Chair has been designated as the primary spokesperson for the Board.~~

Reporting and Monitoring

~~34) 32)~~ The Board shall ensure that necessary reporting and monitoring practices are established to provide the Board with the information it requires to effectively oversee the operations of PRIM and meet all requirements set out in law.

~~35) 33)~~ The Board shall, among other things:

- a) Regularly review all policies of the Board, and amend said policies as appropriate;
- b) Monitor compliance with all Board policies;
- c) Regularly review the investment performance of the Fund, and each asset class within the Fund, ~~and each investment manager and partner of the Fund;~~
- d) Monitor the cost-effectiveness of the investment program, including trading and execution costs, and the cost-effectiveness of the organization as a whole; ~~and~~
- e) Regularly review the performance of the Board-; and
- ~~f) Monitor the compliance of members of the Board and members of committees of the Board with the Code of Conduct.~~

CHARTER REVIEW

~~34) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

~~36) 35)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

⁴ ~~May be incorporated into the PRIM Business Plan or Strategic Plan.~~

3. CHARTER OF THE CHAIR OF THE BOARD

BACKGROUND

- 1) The Chair of the Board shall be the Treasurer and Receiver-General of the Commonwealth or his or her designee.

DUTIES AND RESPONSIBILITIES

- 2) The Chair shall exercise the powers and shall perform the duties and functions specified below:
 - a) Recommend to the Board the Board members and chairs to serve on each Board committee;
 - b) Recommend to the Board the Outside Committee Members to serve on each Board committee;
 - c) Serve as ex-officio member of each Board committee;
 - d) Preside at meetings of the Board, ensuring that such meetings are conducted in an efficient manner and in accordance with state open meeting laws ~~and~~, agreed-upon rules of order and the Code of Conduct;
 - e) Ensure coordination of Board meetings, agendas, schedules, and presentations, in consultation with the Executive Director;
 - f) Serve as spokesperson for the Board;
 - g) Serve as spokesperson for PRIM in situations where the Board deems it would be inappropriate for the Executive Director to serve in such capacity; ~~and~~
 - h) Enforce the Code of Conduct; and
 - i) ~~h)~~ Carry out other functions and duties as prescribed by the Board.

~~CHARTER REVIEW~~

- ~~3) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

- ~~3)~~ ~~4)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

4. ADMINISTRATION AND AUDIT COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established an Administration and Audit Committee to assist the Board in overseeing all issues related to the governance, administration, and audit functions of PRIM, and to provide recommendations for the Board's consideration.
- 2) The Administration and Audit Committee shall meet independently of Staff at least once per calendar year, as per Section 41 of Chapter 68 of the Acts of 2011.²¹

DUTIES AND RESPONSIBILITIES

Governance

- 3) The Administration and Audit Committee shall review from time to time the following and, as necessary, recommend changes to the Board with respect to:
 - a) The Operating Trust Agreement;
 - b) The by-laws;
 - c) Charters for the Chair, Executive Director, each standing committee of the Board, and the Board itself;
 - d) Other governance policies of the Board; ~~and~~
 - e) The Code of Conduct; and
 - f) ~~e)~~ The Board committee structure;
- 4) The Administration and Audit Committee shall:
 - a) Coordinate the Board self-evaluation process in accordance with the Board Self-Evaluation Policy, and report to the Board on the results.
 - b) Retain any advisors necessary to assist in the administration of the Board self-evaluation process.
- 5) The Administration and Audit Committee shall develop a ~~multi-year~~ Board education plan ~~for approval by the Board~~.

Operations, Finance and Legal

- 6) The Administration and Audit Committee shall provide the Board with recommendations on the following matters:
 - a) Organizational structure;
 - b) Operating budget;
 - c) Positions on proposed state and federal legislation;
 - d) Settlements and other legal actions involving PRIM; and
 - e) Suitability of office location and premises.

Human Resources

- 7) The Administration and Audit Committee shall:
 - a) Coordinate the annual review of the Executive Director's performance.
 - b) Recommend to the Board any necessary human resource policies requiring Board approval, excluding policies pertaining to compensation and benefits.

²¹ This requirement of Law pertains specifically to the Committee's audit-related mandate.

- c) Meet ~~annually~~ with the Executive Director to discuss succession planning for key Staff positions within PRIM.

The Audit Function

General Investigatory Powers

- 8) The Administration and Audit Committee may:
 - a) Recommend to the Board that the Committee investigate any matter relating to the integrity of PRIM's financial statements, internal financial and operational controls, and system of operational risk management.
 - b) Seek any relevant information it requires from PRIM employees, all of whom shall be required to cooperate with the Administration and Audit Committee and any external parties working on its behalf.

Financial and Operational Risk Management

- 9) The Administration and Audit Committee shall:
 - a) Review the scope of Staff's review of operational risk management and obtain risk assessment reports.
 - b) Review the scope of any consultant's review of operational risk management.

Internal Controls

- 10) The Administration and Audit Committee shall:
 - a) Require that the organization have an effective system of internal controls, and mechanisms for periodically assessing them.
 - b) Review the effectiveness of the organization's internal control system, including information technology security and control.
 - c) Review the scope of the Financial Auditor's review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with Staff's responses.
 - d) Approve internal audit plans.

External Audits

- 11) The Administration and Audit Committee shall:
 - a) Review the Financial Auditor's proposed audit procedures, scope, and approach; as well as the scope of services to be provided by other external auditors.
 - b) Review and meet at least annually with the Financial Auditor regarding the financial audit.
 - c) Oversee the work of other external auditors retained by PRIM.
 - d) Review the independence of the external auditors by obtaining statements from the auditors on relationships between these auditors and PRIM, including any non-audit or non-attest services, and by discussing the relationships with the auditors. Obtain from Staff a listing of all services provided by these external audit firms. Obtain information from other sources as necessary.
 - e) Review and approve the reports of external auditors.
 - f) Provide a forum for follow-up of findings from the audit reports.
 - g) Provide an open avenue of communication between the external auditors, Staff, and the Board.

Compliance

- 12) The Administration and Audit Committee shall:

- a) Ensure that the organization has a policy and framework for compliance with laws and regulations, and mechanisms for periodic assessment of compliance.
- b) Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of Staff's investigation and follow-up of any instances of non-compliance.
- c) Obtain updates from Staff and legal counsel regarding compliance matters, as they arise.
- d) Monitor changes and proposed changes in laws, regulations, and rules affecting the audit function.

Appointment of Service Providers

- 13) The Administration and Audit Committee shall provide recommendations to the Board in connection with the appointment of the following key service providers:
 - a) ~~Custodian~~Custodians;
 - b) Legal counsel; and
 - c) Other service providers relevant to the Committee's charter, as may be directed by the Board.
- 14) The Administration and Audit Committee shall retain an independent Financial Auditor to conduct an annual financial audit of PRIM.
- 15) The Administration and Audit Committee may retain other accountants or specialists to advise or assist it in the conduct of an investigation, consistent with the Committee's general investigatory powers.
 - a) The Administration and Audit Committee may retain advisors to assist it with the performance evaluation of the Executive Director and with other human resource or board governance matters.

Monitoring and Reporting

- 16) The Administration and Audit Committee shall assist the Board with its oversight responsibilities by:
 - a) Monitoring compliance with the operating budget;
 - b) Monitoring compliance with, and the continued appropriateness of, the Board's governance and human resource policies (excluding compensation and benefit policies);
 - c) Monitoring litigation involving PRIM;
 - d) Monitoring Staff and Board member travel expenditures;
 - e) Reviewing any reports PRIM may issue relating to the responsibilities of the Administration and Audit Committee; and
 - f) Reviewing the performance of the Financial Auditor.

Other Duties

- 17) The Administration and Audit Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Report regularly to the Board on its activities; and
 - c) Perform any other duties assigned to it by the Board.

~~CHARTER REVIEW~~

~~18) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

~~18) 19)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018, Amended August 17, 2022. Amended [], 2026.

5. INVESTMENT COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established an Investment Committee to advise the Board with respect to the asset allocation policy of PRIM and related investment policies, and to assist the Board in overseeing the investment program. The mandate of the Investment Committee does not include real estate and timber, apart from advising the Board on the investment allocations to be made to these asset classes. The Real Estate and Timber Committee of the Board shall advise the Board on policy and strategy within the real estate and timber asset classes.

DUTIES AND RESPONSIBILITIES

- 2) The Investment Committee shall advise the Board regarding the policies, structures, and strategies of the overall Fund – including the allocations to the real estate and timber asset classes. As noted above, the Real Estate and Timber Committee shall advise the Board regarding policies, structures, and strategies that are specific to the real estate and timber asset classes.
- 3) The Investment Committee shall require Staff to develop a system of investment risk management and shall recommend investment risk management policies to the Board for approval.
 - a) The Investment Committee shall: Recommend amendments to the Board’s investment due diligence and selection policies pertaining to:
 - i) Investment managers, investment partners, transition managers, and securities lending managers in connection with all portfolios except real estate and timber; and
 - ii) Investment consultants retained in connection with investment portfolios, except the real estate and timber portfolios.
 - b) Provide recommendations to the Board concerning the appointment of investment consultants other than those retained in connection with the real estate and timber portfolios.
- ~~4) e) Recommend the appointment of~~The Investment Committee may appoint and may terminate investment managers and investment partners ~~to the Board, except those pertaining to other than those retained in connection with~~ the real estate and timber portfolios in accordance with any applicable Board policy.
- ~~5) 4)~~The Investment Committee shall review periodically the investment performance and risk characteristics of the Fund and report its findings to the Board.
- ~~6) 5)~~The Investment Committee shall periodically review the performance of investment consultants retained by the Board, except for those pertaining to the real estate and timber portfolios.
- ~~7) 6)~~The Investment Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

CHARTER REVIEW

- ~~7) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

8) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

6. REAL ESTATE AND TIMBER COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established a Real Estate and Timber Committee to advise the Board in setting investment policy within the real estate and timber portfolios and to assist the Board in overseeing these portfolios.

DUTIES AND RESPONSIBILITIES

- 2) The Real Estate and Timber Committee shall:
 - a) Review the policies, structure, and strategies of the real estate and timber portfolios and provide recommendations to the Board.
 - b) Recommend amendments to the Board's investment due diligence and selection policies pertaining to:
 - i) Real estate and timber investment managers and partners;
 - ii) Real estate and timber investment consultants; and
 - iii) Other consultants or advisors retained exclusively in connection with the real estate and timber portfolios.
 - c) Provide recommendations to the Board concerning the appointment of real estate and timber investment consultants.

~~d) Recommend to the Board any investments or investment partners for the real estate and timber portfolios.~~

- 3) The Real Estate and Timber Committee may appoint and may terminate investment managers and investment partners other than those retained in connection with the Investment Committee in accordance with any applicable Board policy.

- 4) ~~3)~~The Real Estate and Timber Committee shall regularly review the investment performance and risk characteristics of the real estate and timber portfolios of the Fund, and report its findings to the Board.

- 5) ~~4)~~The Real Estate and Timber Committee shall periodically review the performance of the real estate and timber investment consultants retained by the Board.

- 6) ~~5)~~The Real Estate and Timber Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

~~CHARTER REVIEW~~

~~6) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

- 7) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

7. COMPENSATION COMMITTEE CHARTER

BACKGROUND

- 1) Consistent with state law, the Board has established a Compensation Committee to assist the Board in overseeing Staff compensation and benefit policies.
- 2) The role of the Compensation Committee is focused on matters directly relating to Staff compensation and benefits. The Administration and Audit Committee is responsible for assisting the Board with other human resource matters such as Executive Director performance evaluation.
- 3) To ensure effective and efficient oversight of the human resources function, the Chair of the Compensation Committee shall coordinate, as appropriate, with the Chair of the Administration and Audit Committee.

DUTIES AND RESPONSIBILITIES

- 4) In accordance with Section 41 of Chapter 68 of the Acts of 2011, the Compensation Committee shall be responsible for:
 - a) Meeting independently of management at least once per calendar year.
 - b) Evaluating and recommending to the Board total compensation for all Staff including but not limited to:
 - i) Base salaries;
 - ii) Bonuses;
 - iii) Severance;
 - iv) Retirement or deferred compensation benefit packages; and
 - v) Other benefits including but not limited to tuition re-imbusement, and accrual and payment of sick and vacation time.
 - c) Analyzing and assessing compensation and benefit levels for similar positions in public and private sector entities both within and outside the stateCommonwealth of Massachusetts.
- 5) The Compensation Committee shall select and appoint compensation consultants or other compensation experts required to advise or support the Compensation Committee.
- 6) The Compensation Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

CHARTER REVIEW

~~8) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

~~7) 9)~~ Adopted by the Board on December 4, 2012; Amended August 14, 2018. Amended [], 2026.

8. STEWARDSHIP AND SUSTAINABILITY COMMITTEE CHARTER

INTRODUCTION

- 1) ~~1-~~The Board has established a Stewardship and Sustainability Committee to assist the Board in overseeing all issues related to the development and ongoing implementation of ~~an ESG~~ stewardship, sustainability and engagement framework and related engagement activities, and to provide recommendations for the Board's approval. The Stewardship and Sustainability Committee charter should be a model of good governance.
- 2) ~~2-~~The Stewardship and Sustainability Committee will not make specific investment recommendations but will work collaboratively with the Investment and Real Estate & ~~Timberland and Timber~~ Committees on suggesting ~~ESG investment~~ stewardship, sustainability and engagement investment strategies, concepts, and themes. The Investment and Real Estate & ~~Timberland and Timber~~ Committees remain responsible for making all investment recommendations to the Board. The Stewardship and Sustainability Committee will be responsible for proxy voting recommendations to the Board.
- 3) ~~3-~~The ~~PRIM~~ Executive Director and Chief Investment Officer will identify appropriate staff to support the Stewardship and Sustainability committee. Staff will conduct and provide research, participate with external organizations and partners in ESG stewardship, sustainability and engagement initiatives, source and provide ESG stewardship, sustainability and engagement education for the Stewardship and Sustainability Committee and the Board, assist in selecting external ESG stewardship, sustainability and engagement advisors, and work with PRIM ~~investment staff~~ Staff to help ensure approved ESG stewardship, sustainability and engagement initiatives are integrated into overall investment strategies.

DUTIES AND RESPONSIBILITIES

- 4) ~~4-~~The Stewardship and Sustainability Committee shall:
 - a) Recommend to the Board a statement of investment beliefs relating to ESG stewardship, sustainability and engagement, and a related ESG stewardship, sustainability and engagement policy statement.
 - b) Plan regular Board education on general and emerging ESG stewardship, sustainability and engagement topics, as well as periodically consult with outside experts, including the Board's investment consultant(s), regarding relevant research and diligence, legal and regulatory issues, and peer ESG stewardship, sustainability and engagement practices.
 - c) Recommend to the Board a system or process for prioritizing ESG stewardship, sustainability and engagement initiatives and issues.
 - d) Recommend to the Board the objectives, policies, structure, and strategies governing shareholder engagement related to ESG stewardship, sustainability and engagement.
 - e) Seek to collaborate with other like-minded investors, advocacy groups, and other capital market participants to maximize the impact of the Board's ESG stewardship, sustainability and engagement initiatives.
 - f) Receive briefings on ESG stewardship, sustainability and engagement initiatives from staff and external partners annually and review the impact of ESG stewardship, sustainability and engagement related policies on business operations and provide recommendations to the Board.
 - g) Recommend and review any annual performance goals related to ESG stewardship, sustainability and engagement.

- h) Review and recommend proxy voting policies and engagement or stewardship practices to the Board.
- i) Collaborate with other standing committees that advise the **PRIM** Board.

APPOINTMENT OF SERVICE PROVIDERS

- 5)** ~~5-~~The Stewardship and Sustainability Committee shall provide recommendations to the Board in connection with the appointment of the following key service providers:
- a) Proxy voting providers;
 - b) ESG Stewardship, sustainability and engagement consultants; and
 - c) Other service providers relevant to the Committee’s charter, as may be approved by the Board.

COMMITTEE COMPOSITION

- 6)** ~~6-~~The Stewardship and Sustainability Committee members shall include:
- a) Four trustees, Board members including at least one from each standing committee, of the following committees: Administration and Audit, Investment, and Real Estate and Timber, each appointed by the Board Chair in consultation with each trustee~~the members of the Board~~ and ratified by the Board.
 - b) ~~Independent~~Additional Committee members who are not members of the Board and independent advisors selected in either case as recommended by the Chair in consultation with members of the Board, and ratified by the Board ~~that must have~~having qualifications and experience relevant to ESG stewardship, sustainability and engagement policy making, engagement, and/or education, including advocacy, finance, investment management, corporate governance, and business management.

MEETING FREQUENCY

- 7)** ~~7-~~The Stewardship and Sustainability Committee will generally meet quarterly, or at the call of the Committee Chair.

OTHER DUTIES

- 8)** ~~8-~~The Stewardship and Sustainability Committee shall:
- a) Maintain minutes of its meetings;
 - b) Report regularly to the Board on its activities; and
 - c) Perform any other duties assigned to it by the Board.

Charter Review

~~9. The Board shall review this charter at least every three years.~~

CHARTER HISTORY

- 9)** ~~10-~~Adopted by the Board on August 17, 2022; Amended on November 30, 2023. Amended [], 2026.

9. EXECUTIVE DIRECTOR CHARTER

BACKGROUND

- 1) The Executive Director is appointed by the Board and serves at the pleasure of the Board.
- 2) The Executive Director is the senior executive in charge of PRIMthe Staff and is responsible for planning, directing, coordinating, and executing the administrative and investment functions of PRIMthe Staff in accordance with the policies and directives of the Board.

DUTIES AND RESPONSIBILITIES

Leadership

- 3) The Executive Director shall provide executive leadership to PRIM in setting and achieving its mission, goals, and objectives. In doing so, the Executive Director shall delegate responsibilities to other Staff-- in such manner as to maximize the efficiency and effectiveness of the operations of PRIM.

Policy and Procedures

- 4) The Executive Director shall provide support to the Board in establishing all Board policies. This shall involve working with the Board to continually identify issues requiring Board policy, ensuring the necessary analysis is performed, and providing clear and well-supported recommendations for Board consideration.
- 5) The Executive Director shall approvedevelop and implement operating procedures necessary to ensure effective operations and guidance for Staff, provided the issues addressed by such procedures would not reasonably be considered matters of Board policy, and thus would require Board approval.

Investments

- 6) The Executive Director shall develop and recommend to the Board or its committees the investment philosophy and policies that will guide the management of the Fund; as well as the major strategies and structures for achieving the investment goals and objectives of the Fund. These may include, but are not limited to:
 - a) Portfolio structures and asset allocation plans;
 - b) Active/passive strategies;
 - c) Internal/external management strategies; and
 - d) Hedging strategies.
- 7) The Executive Director shall execute all investment policies and strategies, including but not limited to, asset allocation plans, portfolio rebalancing, and transitions.
- 8) The Executive Director shall be responsible for performing, or causing to be performed, all necessary investment due diligence and manager search-related activities.

Operations

- 9) The Executive Director shall:

- a) Be responsible for managing the day-to-day operations of PRIM, delegating to Staff as the Executive Director deems appropriate, provided such delegation is consistent with the organizational structure and policies approved by the Board.
- b) Develop and recommend for Board approval the organizational structure of PRIM.
- c) Have the authority to make all necessary operational expenditures, subject to operating budgets, policies, and internal controls.
- d) Have the authority to execute and deliver contracts and formal documents on behalf of the Board, subject to applicable internal controls and procedures.
- e) Develop and recommend to the Board an annual operating budget.
- f) Approve divisional business plans, as appropriate.

Finance and Accounting

10) The Executive Director shall:

- a) Establish appropriate financial and internal controls to protect the assets of the Fund;
- b) Maintain books of account for the Fund;
- c) Maintain records of the investments held by the Fund; and
- d) Ensure that external audits of PRIM are performed.

Human Resources

11) The Executive Director shall:

- a) Recommend to the Administration and Audit Committee any necessary human resource policies, excluding those concerning compensation.
- b) Approve all human resource procedures necessary to implement the human resource policies of the Board.
- c) Ensure all Staff are provided, or have access to, the human resource policies and procedures of PRIM.
- d) Recruit, hire, direct, and supervise all Staff and develop any necessary training programs to support them.
- e) Determine appropriate levels of compensation for Staff, subject to the compensation and benefit policies of the Board.
- f) When recruiting the General Counsel, Chief Financial Officer, and Chief Investment Officer, the Executive Director will generally consult with the Chair and the chair of the appropriate Board committee, and invite them to meet the final candidate and offer any comments to the Executive Director, provided such meetings can be held expeditiously and without impacting the time-sensitive and confidential nature of the recruitment process. The authority and responsibility for selecting and hiring senior executives and staff, however, shall continue to rest exclusively with the Executive Director.

Appointment of Key Service Providers

12) The Executive Director shall:

- a) Establish search committees, where appropriate, to coordinate searches, perform due diligence, and develop recommendations.

- b) Recommend key service providers for Board or Board committee approval (see Board ~~Charter, Investment Committee, and Real Estate and Timber Committee Charters~~), and negotiate and execute their contracts, in accordance with Board policies.
- c) Select, hire and terminate those service providers for which the Board has not specifically retained hiring authority, subject to the operating budget, applicable Board policies, and internal controls and procedures.

Stakeholder Communications

13) The Executive Director shall serve as the spokesperson for PRIM, unless the Board determines that, in certain situations, it would be inappropriate for the Executive Director to do so; in which case, the Chair shall serve as spokesperson for PRIM.³²

~~14) The Executive Director shall recommend a stakeholder communications plan to the Board for approval at least every three years.⁴~~

Monitoring and Reporting

~~14) 15)~~ The Executive Director shall ensure that the Board is provided relevant, appropriate, and timely information to enable it to carry out its monitoring and oversight responsibilities.

~~15) 16)~~ The Executive Director shall, on a regular and periodic basis:

- a) Review the investment performance of the Fund, each asset class within the Fund, and each investment manager;
- b) Monitor and evaluate the activities and performance of Staff and service providers;
- c) Monitor the cost-effectiveness of the investment program and the organization as a whole;
- d) Review the investment policies and all other policies of PRIM; and
- e) Monitor that PRIM operates within applicable laws, policies, and procedures;

~~16) 17)~~ The Executive Director shall prepare and recommend for Board approval an annual report on the operations of PRIM.

~~CHARTER REVIEW~~

~~18) The Board shall review this charter at least every three years.~~

CHARTER HISTORY

~~17) 19)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

³² The Chair shall serve as spokesperson for the Board.

⁴ ~~May be incorporated into the PRIM Business Plan or Strategic Plan.~~

CODE OF CONDUCT

INTRODUCTION

~~1) Board members are subject to the governing statutes of PRIM and numerous other laws. In particular, members of the Board are fiduciaries and are required to act solely in the interest of the participating retirement systems' participants and beneficiaries, for the exclusive purpose of providing benefits and defraying reasonable costs of managing the systems' pension assets. This Code of Conduct ("Code") is intended to establish additional guidance as to how the Board expects individual Board members to conduct themselves and sets out various enforcement mechanisms available to the Board.~~

GENERAL PROVISIONS

~~2) Board members shall:~~

- ~~a) Conduct themselves with decorum, integrity, and professionalism in all aspects of their Board duties and in their relations with fellow Board members, Staff, vendors, and other constituents;~~
- ~~b) Attend all regular and special meetings of the Board and of any committees on which they serve, unless unable to do so for reasons beyond their control;~~
- ~~c) Actively prepare for each meeting by thoroughly reading all meeting materials in advance;~~
- ~~d) Be familiar with and abide by all charters and policies of the Board including but not limited to the education policy, communications policy, Executive Director evaluation policy, and Board self-evaluation policy; and~~
- ~~e) Enforce this Code when it is apparent that a Board member may have committed a breach of its provisions.~~

ENFORCEMENT PROVISIONS

- ~~3) The Chair, in presiding over meetings of the Board, shall enforce and attempt to rectify any breaches of this Code that may occur during meetings of the Board. Committee chairs shall do the same during committee meetings.~~
- ~~4) Board members shall inform the Chair and the Executive Director in confidence of the nature of any perceived misconduct, and provide them with any supporting material, documentation, or other evidence.~~
- ~~5) In the event the conduct of the Chair is of concern to a Board member, the Board member shall inform the Chair of the Administration and Audit Committee and the Executive Director of such concern in confidence, and provide them with supporting materials, if available. In such cases, the Chair of the Administration and Audit Committee shall assume the role of the Chair for purposes of enforcing this Code.~~
- ~~6) Once informed of a concern by a Board member, the Executive Director and the Chair shall meet with the Board member who is alleged to have breached the Code to discuss the matter.~~
- ~~7) If it is deemed that there is substance to the concern, the Chair shall determine an appropriate course of action, which may include, but is not limited to, any of the following:
 - ~~a) Referring the matter to legal counsel or the appropriate authorities, if the issue appears to involve a breach of the law;~~~~

- ~~b) Requesting that the Board member in question rectify past actions or refrain from similar actions in future;~~
- ~~c) Recommending education or counseling that may be of assistance to the Board member in the matter; and~~
- ~~d) Providing a report to the Board with a recommendation for action, which may include:
 - ~~i) Removal of the Board member from the position of committee chair, or from any Board committee assignment the Board member may hold;~~
 - ~~ii) Barring the Board member from serving as a committee chair or from serving on a Board committee, for a specified period of time;~~
 - ~~iii) Suspension of education-related travel privileges, if the matter involves an abuse of such privileges; or~~
 - ~~iv) Censure.~~~~

POLICY REVIEW

~~8) The Board shall review this policy at least every three years.~~

POLICY HISTORY

~~9) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018.~~

10. BOARD EDUCATION POLICY

INTRODUCTION

- 1) The Board believes that each Board member has an obligation to be well informed on matters pertaining to pension and trust fund management. ~~In order to help~~To assist Board members ~~fulfillin~~fulfilling this obligation, the Board has established this Board Education Policy.

GUIDELINES

Standards and Expectations

- 2) Board members are encouraged to participate in at least one PRIM-paid education event per year. ~~The event(s) should contain at least eight hours of educational content relevant to the control and management of the Fund.~~ This expectation may be satisfied by similar training events required by other entities to which one may belong (e.g., college- and alumni-sponsored events, union-sponsored events; etc.). PRIM however shall not reimburse for such training events if they are not generally available to all Board members.
- 3) Board members are also expected to attend and participate in any in-house Board education events that may be organized.
- ~~4) The Board shall approve a Board education plan on the recommendation of the Administration and Audit Committee, and which is intended to guide the Board's education efforts over 1-2 year periods. The education plan shall target specific education topics for the period, but may be adjusted at any time to reflect the changing needs and circumstances of the Board.~~

Orientation Program

- ~~4)~~ 5) The Executive Director shall design and administer a formal orientation program for the benefit of new Board members. The aim of the orientation program shall be to ensure that new Board members are in a position to contribute fully to Board and committee deliberations, and to effectively carry out their fiduciary duties as soon as possible after joining the Board. The orientation program shall provide new Board members with a broad introduction to PRIM and their responsibilities as Board members including but not limited to:
 - a) Fiduciary duties;
 - b) PRIM mandate and history;
 - c) Organizational and Board structure;
 - d) Board governance policies and charters;
 - e) Code of Conduct;
 - f) e) Investment fundamentals;
 - g) f) Key PRIM service providers; ~~and~~
 - h) Confidentiality obligations and the handling of confidential materials;
 - i) g) Open meeting laws and other relevant legislation.

Continuing Education: In-house

- ~~5)~~ 6) ~~At least once each year~~Periodically, the Executive Director shall organize an educational session for the benefit of all Board members at a special meeting of the Board ~~of at least 5-6 hours in duration~~. The Executive Director shall consult the Board annually to identify topics of interest. Efforts shall be made to ensure the session is held at a time and location that will maximize the likelihood of strong attendance by Board members. Such sessions may provide an opportunity to:

- a) Meet and be informed by PRIM’s advisors or other external experts;
 - b) Gain education on investment topics and other topics relevant to the Board;
 - c) Facilitate interaction and discussion among Board members, Staff, and advisors; and
 - d) Engage in long-term planning.
- ~~6)~~ 7) In addition to the special meeting noted above, Staff shall incorporate shorter education sessions into regularly scheduled Board or committee meetings. If incorporated into a committee meeting, all Board members shall be invited to attend.
- ~~7)~~ 8) The continuing education program shall include a refresher on fiduciary duties and related legal requirements (e.g. open meeting laws and confidentiality obligations) at least every 18 months.

Continuing Education: Conferences

- ~~8)~~ 9) All Board members are encouraged to attend appropriate conferences subject to the Board Travel Policy.
- ~~9)~~ 10) The Executive Director shall regularly provide the Board with information on any conferences the Executive Director believes may benefit Board members.
- ~~10)~~ 11) Attendance by Board members at any conference shall require prior approval by the ~~Executive Director~~ Chief Operating Officer or the Chief Financial Officer.

Outside Committee Members

~~11)~~ 12) Outside Committee Members are typically invited to serve on a committee of the Board because they have specialized expertise and experience. Notwithstanding such expertise and experience, Outside Committee Members are fiduciaries and may benefit from additional education that will allow them to better serve the Board and carry out their fiduciary duties. Accordingly, the Board supports the education of its Outside Committee Members, if such education will benefit PRIM. In particular:

- a) Outside Committee Members shall be provided an orientation session with Staff and consultants, and possibly Board members, to introduce them to PRIM, the investment program, and the expectations and requirements of Outside Committee Members.
- b) Outside Committee Members shall be invited to attend all in-house education sessions. The Board recognizes that Outside Committee Members may face significant time constraints; therefore, Outside Committee Members may attend such sessions at their discretion. Outside Committee Members are however strongly encouraged to attend all education sessions specifically organized for any committee on which they serve.
- c) Outside Committee Members may request to attend a conference or seminar at PRIM’s expense, and the ~~Board~~ Chief Operating Officer or the Chief Financial Officer may approve such attendance, ~~if the Board is satisfied that~~ the associated expenses will provide sufficient benefit to PRIM.

Reporting

- ~~12)~~ 13) On an annual basis, the Executive Director shall submit a report to the Board on the educational activities of the Board. ~~At a minimum, the~~ The report ~~shall~~ may summarize:
- a) Attendance by Board members at conferences during the year;
 - b) Attendance at in-house educational sessions held during the year; and

c) Other Board education activities that took place during the year.

POLICY REVIEW

~~14) The Board shall review this policy at least every three years.~~

POLICY HISTORY

~~13) 15)~~ The Board adopted this policy on October 5, 2004, Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

11. BOARD COMMUNICATIONS POLICY

POLICY GUIDELINES

Communication among Board ~~and Committee~~ Members

- 1) The Board and committees shall carry out ~~its~~their communications in the spirit of open governance and in accordance with open meeting laws and other applicable law. The Board and committees may conduct certain business in executive (closed) session as provided for in MGL Chapter 30A, Section 11A 1/2 ~~of the MGL~~.
- 2) Board ~~members~~and Committee Members shall communicate in an open and constructive manner during meetings of the Board and committees ~~and robust debate of issues is encouraged~~
- 3) To help ensure Board ~~members~~and Committee Members have a broad awareness of the entire workings of the Board and its committees ~~minutes of all committee meetings shall be made available to all Board and Committee members~~.
 - a) ~~Board members are encouraged to attend meetings of all committees; and~~
 - b) ~~Minutes of all committee meetings shall be made available to all members of the Board.~~

Communication with PRIM Staff

- 4) Any Board ~~member~~or Committee Member information requests that may require ~~a~~ significant expenditure of Staff time or ~~the~~any use of external resources shall:
 - a) Be directed initially to the Executive Director, Chief Investment Officer, Chief Operating Officer, or General Counsel;
 - b) Be consistent with the role of the Board or a committee of the Board; and
 - c) Be formally requested at a Board or committee meeting. If the information request is not tied to an agenda item before the Board or a committee of the Board, it may only be approved if it can be addressed without material disruption to PRIM's operations and resources.
- 5) In the spirit of open communication, individual Board ~~members~~or Committee Members shall share any information they may obtain that is material to PRIM with the Executive Director in a timely manner. ~~The Executive Director shall similarly share any material information with the Board in a timely manner.~~
- 6) The Executive Director shall ensure that information that has been requested by the Board or by individual Board or committee members is made available to all Board and ~~committee members~~Committee Members, as appropriate.

Spokesperson

- 7) The Chair shall serve as spokesperson for the Board. The Executive Director shall serve as spokesperson for PRIM, unless the Board determines that, in certain situations, it would be inappropriate for the Executive Director to do so, in which case the Chair shall serve as spokesperson for PRIM.
- 8) The Executive Director and the Chair shall confer as necessary to determine or confirm the appropriate spokesperson in specific situations.
- 9) The following guidelines shall apply with respect to spokespersons:

- a) If time permits, the spokesperson shall address sensitive, high-profile issues with the Board or committee prior to engaging in external communications.
 - b) In situations where Board policy concerning an issue has not been established, the Board or an appropriate committee shall, if possible, meet to discuss the issue prior to the spokesperson engaging in external communications.
 - c) The spokesperson shall limit statements to official Board policy and directives.
- 10) When communicating with external parties on matters pertaining to PRIM:
- a) Unless authorized by the Board to do so, Board ~~members~~ and Committee Members shall not communicate on behalf of the Board ~~or PRIM, a committee of the Board or Staff~~, nor shall they make any remarks that a person might reasonably assume or infer represent the official position of the Board ~~or PRIM, any Committee of the Board or Staff~~.
 - b) Board and Committee Members shall at all times be mindful of the confidential nature of certain information including information provided in executive sessions of the Board or a committee, information that PRIM receives which consists of trade secrets or commercial or financial information that relates to the investment of public trust or retirement funds and shall refrain from disclosing any such information.
 - c) ~~b)~~ Board ~~members~~ and Committee Members shall not make any unilateral commitments on behalf of the Board or committee or PRIM, nor give the impression of making any commitment on behalf of the Board or committee or PRIM.
- 11) When Board ~~members~~ and Committee Members find themselves in situations where they are communicating in their own personal capacity or in a capacity other than as a member of the Board or committee, and there is a reasonable likelihood that their audience may assume or perceive that they are speaking on behalf of the Board or committee, Board ~~members~~ and Committee Members shall preface their written or verbal communications with the following disclaimer (modified as appropriate under the circumstances and to reflect verbal versus written communications).
- I am speaking today [or writing] in my personal capacity [or in my capacity as X] and not on behalf of the PRIM Board [or committee of the PRIM Board]. All opinions expressed [herein or in my presentation] are strictly my own and do not necessarily reflect the official positions or views of PRIM or the PRIM Board.*
- 12) Board and Committee members may disagree publicly with a policy or decision of the Board or committee, but shall do so respectfully and shall nevertheless abide by the policy or decision ~~to the extent they believe it is consistent with their fiduciary duties~~.
 - 13) Communications by Board and ~~committee members~~ Committee Members, when acting in their capacity as Board ~~members~~ or Committee Members, shall be limited to communicating official Board policy, positions, actions, or directives and shall be consistent with their fiduciary duty to represent the interests of all PRIM ~~members~~ member retirement boards and beneficiaries ~~of the Fund~~.
 - 14) Press releases concerning PRIM shall be the responsibility of the Executive Director and shall be limited to communicating official Board policy, positions, actions, or directives.
 - 15) To ensure the accuracy of materials prepared by Board ~~members~~ or Committee Members for publication or general distribution that are related to PRIM, Board ~~members agree to~~ and Committee

Members shall provide such material to the Executive Director or General Counsel for review at least one week prior to distribution or publication.

Service Providers

- 16) PRIM shall institute black-out periods in the following situations, during which time communications between Board and ~~committee members~~Committee Members and specified services providers or classes of service providers shall be restricted:
 - a) When PRIM issues requests for proposals (“RFP”);
 - b) When a current service provider is placed on official “watch status” signifying that the service provider’s performance has fallen below expectations or other issues have arisen that warrant closer scrutiny of the service provider; or
 - c) When the Board deems it is in the best interest of PRIM to require that, for a limited period of time, communications between Board ~~members~~and Committee Members and specified service providers be restricted.
- 17) During black-out periods, Board ~~members~~and Committee Members and specified service providers shall not knowingly communicate with each other on matters pertaining to PRIM, except during Board and committee meetings. Furthermore, during black-out periods, Board and ~~committee members~~Committee Members, and specified service providers shall not meet for business or social purposes. Exceptions may be made in the case of industry conferences where PRIM Board members may socialize with specified service providers during open social events that are also attended by board members or staff of other systems, provided Board members do not discuss matters pertaining to PRIM business.
- 18) Board ~~members~~or Committee Members who need to communicate with specified service providers during a black-out period for reasons unrelated to PRIM business agree to disclose such need in writing to the Executive Director and the Board prior to undertaking such communications. Disclosure to the Board shall be made in writing, or in person at a meeting of the Board. If time does not permit timely disclosure to the Board, the Board member shall provide disclosure of the intended communication to the Chair and Executive Director.
- 19) For the purposes of the black-out provisions herein, prohibited communications include telephone, in-person, written, and electronic communications.
- 20) Staff shall provide Board ~~members~~and Committee Members with timely written notification of all black-out periods and of the service providers, or classes of service providers, to which the blackout periods apply.
- 21) Black-out periods shall cease when:
 - a) The RFP/search process has ended and the Board authorizes Staff to negotiate a contractual arrangement with a successful bidder, or the search process is otherwise ended by the Board;
 - b) When the service provider is removed from watch-status; or
 - c) When the black-out period is otherwise ended by the Board.
- 22) All RFPs and contracts shall include the blackout provisions of this policy and require that service providers and prospective service providers comply with such provisions.

POLICY REVIEW

~~23) The Board shall review this policy at least every three years.~~

POLICY HISTORY

~~23) 24)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

12. EXECUTIVE DIRECTOR EVALUATION POLICY

BACKGROUND

- 1) One of the most important functions of the Board is the oversight and supervision of the Executive Director. To ensure that this function is carried out effectively, the Board believes that formal evaluation practices are required. The Board has adopted this policy to set out such practices.
- 2) The primary objectives of this policy are to:
 - a) Assist the Board in developing and communicating clear and meaningful goals and performance targets for the Executive Director; and
 - b) Ensure that the Executive Director receives useful and objective performance feedback from the Board on a periodic basis.
- 3) This policy provides only the broad criteria and the general process to be followed each year in evaluating the performance of the Executive Director. More specific criteria shall be established each year.

GUIDELINES

Roles and Responsibilities

- 4) The Board shall be responsible for evaluating the performance of the Executive Director.
- 5) The Chair of the Administration and Audit Committee shall coordinate the evaluation process.
- 6) The Administration and Audit Committee may retain a third-party to provide support in coordinating the evaluation process.

Evaluation Criteria

- 7) There shall be two phases to the Executive Director performance evaluation, as described below.

Phase I – Evaluation Relative to Objective Criteria

- 8) The Board shall evaluate the Executive Director's performance relative to objective criteria established or confirmed each year in advance of the time period being evaluated. Objective criteria may include:
 - a) Achievement of appropriate performance targets for PRIM (for example investment performance objectives).
 - b) Implementation of specified operational goals (for example, initiatives contained in the business plan).
 - c) Implementation of Board policies and reporting requirements.
 - d) Compliance with the Executive Director's charter.
 - e) Successful financial and internal audits.
 - f) Other objective criteria established by the Board.

Timing

- 9) In the fourth quarter of the fiscal year, the Executive Director shall review the objective evaluation criteria for the upcoming fiscal year with the Administration and Audit Committee.

- 10) After agreeing upon the objective evaluation criteria with the Executive Director, the Administration and Audit Committee shall recommend the criteria to the Board for approval.
- 11) At the end of each fiscal year, the Executive Director shall present to the Administration and Audit Committee an assessment of the extent to which the agreed-upon performance criteria were met in the preceding year. Where available, the Executive Director shall provide independent third-party verification of performance (e.g. third-party investment performance reports and independent financial audit reports). The Administration and Audit Committee may request additional supporting data as it deems appropriate.
- ~~12) The Administration and Audit Committee shall review the assessment and supporting information provided by the Executive Director and prepare a report summarizing the Committee's evaluation of the Executive Director. The Chair of the Administration and Audit Committee shall present the summary report to the Compensation Committee.~~
- ~~12) 13)~~ The Compensation Committee shall consider the above summary report when determining any recommended changes to the Executive Director's compensation and any incentive payments to be awarded to the Executive Director.
- ~~13) 14)~~ The Chair of the Administration and Audit Committee and the Chair of the Compensation Committee shall jointly present the recommendations of their committees to the Board.
- ~~14) 15)~~ The Chair of the Administration and Audit Committee shall cause a copy of the Executive Director's evaluation to be placed in the Executive Director's personnel file.

Phase II – Subjective Criteria

- ~~15) 16)~~ At the end of each fiscal year, the Chair of the Administration and Audit Committee shall distribute to each Board member a Discussion Guide developed by the Administration and Audit Committee to address subjective aspects of the Executive Director's performance and invite them to meet individually with the Executive Director to informally discuss the Executive Director's performance using the Discussion Guide as a reference if desired. The Discussion Guide is for the use of individual Board members only and is not to be submitted to any party for tabulation or analysis.

POLICY REVIEW

- ~~17) The Board shall review this policy at least every three years.~~

POLICY HISTORY

- ~~16) 18)~~ Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

13. BOARD SELF-EVALUATION POLICY

INTRODUCTION

- 1) The Board believes that periodically reviewing the performance of the Board is an important step in continually improving the Board's effectiveness. To facilitate such a review, the Board has established this Board Self-Evaluation Policy.

GUIDELINES

- 2) The Administration and Audit Committee shall be responsible for overseeing the implementation of this policy, including approving the Board Performance Evaluation Questionnaire (the "Questionnaire") and making recommendations to the Board for addressing issues arising out of the evaluation.
- 3) The Administration and Audit Committee shall retain a third-party advisor to assist it in overseeing the implementation of this policy.

Annual Board Evaluation Process

- 4) The Board performance evaluation shall be initiated by the Administration and Audit Committee in the ~~fourth~~first quarter of ~~the calendar~~every third year.
- 5) The Administration and Audit Committee shall review the Questionnaire and make modifications, as appropriate. The purpose of the Questionnaire shall be to provide Board members with a framework for evaluating the performance of the Board and for confidentially raising any concerns or suggestions Board members may have. The Questionnaire must allow Board members to provide written comments or suggestions.
- 6) The Questionnaire shall be administered to each Board member using on-line survey technology. Board members are expected to complete the Questionnaire within a timeframe to be specified in the Questionnaire. An independent third-party shall tabulate the results and provide them to the Chair of the Administration and Audit Committee, who shall in turn present the results to the Administration and Audit Committee and facilitate discussion by the Committee.
- 7) Following the presentation of the results to the Administration and Audit Committee, the Chair of the Administration and Audit Committee and the Chair shall report to the Board on the conclusions and recommendations of the Administration and Audit Committee.
- 8) A summary of the Board discussions and resulting Board actions shall be recorded in the minutes of the Board meeting.
- 9) To assist Board members in completing the Questionnaire, Staff shall provide Board members with the following:
 - a) A summary of Board member meeting attendance during the prior year.
 - b) A summary of Board member education efforts during the prior year (i.e. conferences and in-house education sessions attended).
 - c) Other information Staff or the Administration and Audit Committee deem useful.

POLICY REVIEW

- ~~10) The Board shall review this policy at least every three years.~~

POLICY HISTORY

10) ~~11)~~ The Board adopted this policy on October 5, 2004, Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.

14. EXECUTIVE DIRECTOR SUCCESSION POLICY

BACKGROUND

- 1) According to MGL, Chapter 32, Section 21(f), the Board shall select an Executive Director who shall serve at the pleasure of the Board.
- 2) This policy has been prepared to provide additional details to guide the Executive Director search process.

GUIDELINES

- 3) When the Board becomes aware of the retirement, departure, or impending retirement or departure, of the Executive Director:
 - a) The Chair shall appoint an Ad Hoc Succession Committee and recommend the members of said Committee to the Board for approval.
 - b) The Ad Hoc Succession Committee shall consist of not less than six members including:
 - i) The Treasurer, or the Board member appointed by the Treasurer to the PRIM Board;
 - ii) The Governor, the Governor's designee to the PRIM Board, or one of the two Board members appointed by the Governor to the PRIM Board;
 - iii) A Board member who is a representative of the State Teachers' Retirement System;
 - iv) A Board member who is a representative of the State Employees' Retirement System; and
 - v) Up to three Outside Committee Members, though the Board may elect to have no Outside Committee Members on the Ad Hoc Succession Committee.
 - c) The Ad Hoc Succession Committee shall recommend to the Board a preliminary search plan for filling the position of Executive Director and addressing such issues as minimum and desired skill sets and experience, evaluation criteria, interview process, time frames, whether a search consultant is to be used, and any other relevant issues. The Ad Hoc Succession Committee need not recommend that a formal search be undertaken, but may instead recommend that the Board consider an internal candidate for the position.
 - d) If a search consultant is to be used in the search process, the Ad Hoc Succession Committee shall:
 - i) Be responsible for reviewing proposals from candidate firms, and selecting and appointing the winning candidate.
 - ii) Meet with the selected search consultant as soon as practical to review the preliminary search plan and modify it as necessary. The Ad Hoc Succession Committee shall report any material changes to the search plan to the Board at the Board's next regularly scheduled meeting.
 - e) No member of Staff shall serve on the Ad Hoc Succession Committee, participate in deliberations of the Ad Hoc Succession Committee or in interviews with candidates for the position of Executive Director, or otherwise be asked to provide input into the selection of the Executive Director. Notwithstanding the above, Staff may provide administrative support and coordination services to the Ad Hoc Succession Committee.
 - f) The Ad Hoc Succession Committee may meet in closed session to the extent permitted by law.

POLICY REVIEW

- ~~4) The Board shall review this policy at least every three years.~~

POLICY HISTORY

4) Adopted by the Board on December 4, 2012. Amended August 14, 2018. Amended [], 2026.

15. CODE OF CONDUCT

INTRODUCTION

- 1) ~~Board members are subject to the governing statutes of PRIM and numerous other laws. In particular, members of the Board and Committee Members~~ are fiduciaries and are required to act solely in the interest of the participating retirement systems' participants and beneficiaries, for the exclusive purpose of providing benefits and defraying reasonable costs of managing the systems' pension assets. They are subject requirements of the Statute and numerous other state and federal laws, to the Operating Trust, the by-laws, the Board charter, the charters of Board Committees of which they are a member, and the Policies described in this Manual. Board and Committee Members are expected to carry out their duties with professionalism and integrity and without the appearance of conflict, being mindful of the public trust that has been placed in them, both individually and collectively.
- 2) This Code of Conduct ("Code") is intended to establish additional guidance as to how the Board expects individual Board ~~members and Committee Members~~ to conduct themselves and sets out various enforcement mechanisms available to the ~~Board Chair or to the Board in the event a Board or Committee Member fails to meet these standards of conduct.~~

GENERAL PROVISIONS

- 3) ~~2)~~ Board ~~members and Committee Members~~ shall:
 - a) Abide by the Operating Trust, the by-laws, the Board charter, the charters of Board Committees of which they are a member, and the Policies described in this Manual;
 - b) ~~a)~~ Conduct themselves with decorum, integrity, and professionalism in all aspects of their Board or committee duties and in their relations with fellow Board ~~members and Committee Members~~, Staff, vendors, ~~and~~ other constituents and the public at large;
 - c) ~~b)~~ Attend all regular and special meetings of the Board and of any committees on which they serve, unless unable to do so for reasons beyond their control;
 - d) ~~c)~~ Actively prepare for each meeting by thoroughly reading all meeting materials in advance;
 - e) Refrain from disclosing to the public information that PRIM receives which consists of trade secrets or commercial or financial information that relates to the investment of public trust or retirement funds if disclosure is likely to impair the government's ability to obtain such information in the future or is likely to cause substantial harm to the competitive position of the person or entity from which information was obtained or is protected by attorney client privilege;
 - f) Abide by PRIM's Fiduciary Standards as described in MGL Chapter 32, section 23(3), including the statutory requirement to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so;

- ~~g)~~ ~~e)~~ Be familiar with and abide by all charters and policies of the Board including but not limited to the education policy, communications policy, Executive Director evaluation policy, and Board self-evaluation policy; and
- ~~h)~~ ~~e)~~ Enforce this Code or support the Chair in enforcing this Code when it is apparent that a Board ~~member~~ Committee Member may have committed a breach of its provisions.

ENFORCEMENT PROVISIONS

- ~~4)~~ ~~3)~~ The Chair, in presiding over meetings of the Board, and Committee Chairs, in presiding over meetings of committees, shall enforce and attempt to rectify any breaches of this Code that may occur during ~~meetings of the Board. Committee chairs shall do the same during committee meetings, such meetings using customary procedures for the governance of meetings including ruling a member's statement out of order, expunging an inappropriate statement from the record, refusing to call on a member, silencing the microphone or virtual connection of a disruptive member or, in egregious cases removing a disruptive member from the meeting.~~
- ~~5)~~ ~~4) Board members~~ The Chair also shall enforce and attempt to rectify any breaches of the Code that may occur outside of meetings whether such breaches are observed directly or brought to their attention by a Board or Committee Member or by the Executive Director, who shall inform the Chair and the Executive Director (if applicable) in confidence of the nature of any perceived misconduct, and provide them with any supporting material, documentation, or other evidence.
- ~~6)~~ ~~5)~~ In the event the conduct of the Chair is of concern to a Board ~~member~~ Committee Member, the Board member shall inform the Chair of the Administration and Audit Committee and the Executive Director of such concern in confidence, and provide them with supporting materials, if available. In such cases, the Chair of the Administration and Audit Committee shall assume the role of the Chair for purposes of enforcing this Code.
- ~~7)~~ ~~6)~~ Once informed of a concern by a Board ~~member~~ Committee Member or the Executive Director, the Executive Director and the Chair shall meet with the Board member who is alleged to have breached the Code to discuss the matter.
- ~~8)~~ ~~7)~~ If it is deemed that there is substance to the concern, the Chair shall determine an appropriate course of action, which may include, but is not limited to, any of the following:
 - a) Referring the matter to legal counsel or the appropriate authorities, if the issue appears to involve a breach of the law;
 - b) Requesting that the Board ~~member~~ Committee Member in question rectify past actions or refrain from similar actions in the future;
 - c) Recommending education or counseling that may be of assistance to the Board ~~member~~ Committee Member in the matter; and
 - d) Providing a report to the Board with a recommendation for action by a majority vote, which may include:
 - ~~i)~~ ~~i)~~ Suspension of the Board or Committee Member from one or more meetings or portions of meetings until the breaches of conduct have been resolved;
 - ~~ii)~~ ~~i)~~ Removal of the Board ~~member~~ Committee Member from the position of committee chair, or from any Board committee assignment the Board member may hold;
 - ~~iii)~~ ~~ii)~~ Barring the Board ~~member~~ Committee Member from serving as a committee chair or from serving on a Board committee, for a specified period of time;

~~iv) ~~iii)~~-Suspension of education-related travel privileges, if the matter involves an abuse of such privileges; ~~or~~~~

~~v) ~~iv)~~-Censure; ~~or~~~~

~~vi) In the case of a Board or Committee Member who is not the Governor or the Treasurer or their designees and is not an appointee of the Governor or Treasurer, and upon a vote of the majority of members of the Board then in office, removal of such Board or Committee Member from the Board or any committee of the Board for cause~~³

POLICY REVIEW

~~8) The Board shall review this policy at least every three years.~~

POLICY HISTORY

~~9) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018. Amended [], 2026.~~

³ The Statute and by-laws provide that only the Governor or Treasurer have the right to remove their appointees to the Board for cause.

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Appendix L

Foley-Hoag – PRIM Board Governance Manual Review Presentation

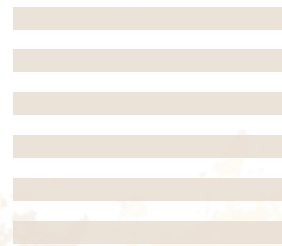
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FOLEY
HOAG

2026 PRIM Board Governance Manual Review

Kevin Conroy, Dan Carlston



Governance Manual Review Process

- The Governance Manual was last amended in 2023 and in its current form provides that the Manual shall be reviewed every three years.
- In response to the 2026 Board Survey, Board members suggested that:
 - a review of the Board's governance manual should take place;
 - the Board should consider enhancing its code of conduct with formal enforcement procedures; and
 - full Board meetings should be shorter and more strategically focused.
- PRIM's General Counsel, other staff members and Foley Hoag have reviewed the governance manual and proposed certain amendments.

Recommendation #1: Alter the frequency of Board Governance Manual review



- The current version of the Board Governance Manual provides that it shall be reviewed at least every three years.
- A review every three years is arbitrary and Foley Hoag recommends that the Governance Manual be reviewed as needed at the discretion of the Board without specifying a certain time period.

Recommendation #2: Enhance the Board Code of Conduct



- Foley Hoag recommends that the Code of Conduct be enhanced with the following changes:
 - Extending the Code to members of Board Committees, whether or not committee members are also members of the Board;
 - Incorporating the Fiduciary Duties as described in the Enabling Act into the Code;
 - Incorporating the obligation to protect confidential material into the Code;
 - Ensuring the Chair has sufficient tools to run Board meetings efficiently;
 - Enhancing the Enforcement Provisions in the Code including obligating the Board to enforce the Code of Conduct and to support the Chair in enforcing the Code; and
 - Clarifying the process for suspension and removal of non-designee Board members.

Recommendation #3: Delegation to Committees

- Industry best practice is for public pension boards to delegate approval authority for investment manager hiring to staff and/or investment committees, rather than requiring full Board approval for each recommendation for the following reasons:
 - Better use of Board time
 - Frees the Board to focus on strategy, risk, and fiduciary oversight
 - Reduces the repetitive nature of PRIM Board meetings that the Board noted was a concern in the survey
 - Stronger governance structure
 - Clarifies roles: Board (oversight) vs. Committee/Staff (execution).
 - Better aligns decision-making with expertise at Committee and staff level.
 - More efficient and timely decision-making
 - Enables participation in competitive opportunities, particularly in private markets.
 - Foley Hoag recommends delegation of authority to the Investment and the Real Estate and Timber Committees to select investment managers and partners.

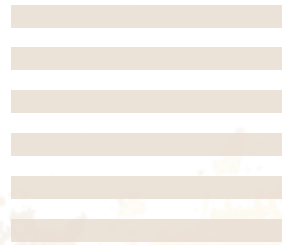
Recommendation #4: Administrative and Cosmetic Changes

- Clarifying the appointment process to Board Committees to reflect the current process.
- Clarifying the process for Board and committee member interaction with PRIM staff members.
- Clarifying the communication responsibilities of Board and committee members.
- Providing that the Board self-evaluation process should take place every three years and not annually.



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Questions?



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Appendix M

PRIM Operating Budget (March 31, 2026)

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PENSION RESERVES INVESTMENT MANAGEMENT BOARD

Budget as of March 31, 2026

<u>FY 2026</u>	<u>Investment Management Fees</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance Under (Over)</u>	<u>%</u>
80,839,000	Global Equity	61,226,527	60,629,250	(597,277)	-1.0%
0	Global Equity Performance Fee	8,599,870	-	(8,599,870)	N/A
11,001,000	Core Fixed Income	8,569,582	8,250,750	(318,832)	-3.9%
0	Core Fixed Income Performance Fee	2,745,761	-	(2,745,761)	N/A
55,070,000	Value Added Fixed Income	35,199,473	41,393,182	6,193,709	15.0%
0	Value Added Fixed Income Performance Fee	466,588	-	(466,588)	N/A
58,122,000	Real Estate	36,910,856	43,591,500	6,680,644	15.3%
0	Real Estate Performance Fee	1,905,430	-	(1,905,430)	N/A
11,100,000	Timberland	6,860,314	8,325,000	1,464,686	17.6%
229,750,000	Private Equity	148,072,189	172,312,500	24,240,311	14.1%
97,890,000	Portfolio Completion Strategy (PCS)	74,870,765	73,417,500	(1,453,265)	-2.0%
1,220,000	Overlay, Foreign Currency and Other	882,811	915,000	32,189	3.5%
544,992,000	Total Investment Management Fees	386,310,166	408,834,682	22,524,516	5.5%
<u>Investment Service Providers Fees</u>					
935,000	Custodian	701,250	701,250	-	0.0%
2,731,000	General	1,597,594	2,048,250	450,656	22.0%
2,650,000	Real Estate & Timberland	1,819,889	1,987,500	167,611	8.4%
3,200,000	Public Markets	1,840,194	2,400,000	559,806	23.3%
2,600,000	Private Equity	1,553,074	1,950,000	396,926	20.4%
10,450,000	Portfolio Completion Strategies	7,020,367	7,837,500	817,133	10.4%
600,000	Research	337,284	450,000	112,716	25.0%
459,000	Audit & Tax-PRIT	299,864	344,250	44,386	12.9%
3,200,000	Risk Measurement & Analytics	2,022,524	2,575,000	552,476	21.5%
26,825,000	Total Investment Service Providers Fees	17,192,040	20,293,750	3,101,710	15.3%
571,817,000	Total Investment Expenses	403,502,206	429,128,432	25,626,226	6.0%

PENSION RESERVES INVESTMENT MANAGEMENT BOARD

Budget as of March 31, 2026

<u>FY 2026</u>	<u>Non-Investment Expenses</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance Under (Over)</u>	<u>%</u>
	<u>Operations Expenses</u>				
24,500,000	Compensation & Employee Benefits	15,912,549	18,375,000	2,462,451	13.4%
2,275,000	Occupancy	1,617,221	1,706,250	89,029	5.2%
490,000	Insurance	277,916	367,500	89,584	24.4%
460,000	General Office Expenses	318,652	345,000	26,348	7.6%
1,230,000	Technology Expenses	487,895	922,500	434,605	47.1%
590,000	Travel, Prof. Develop, Dues & Subscriptions	327,193	442,500	115,307	26.1%
55,000	Client Service	12,144	41,250	29,106	70.6%
250,000	PRIM Board Elections	203,784	250,000	46,216	18.5%
29,850,000	Total Operations	19,157,354	22,450,000	3,292,646	14.7%
	<u>Non-Investment Service Providers Fee</u>				
1,145,000	General	633,213	858,750	225,537	26.3%
115,000	Audit & Tax-PRIM	34,425	86,250	51,825	60.1%
600,000	Legal	237,394	450,000	212,606	47.2%
70,000	Governance	10,232	52,500	42,268	80.5%
1,930,000	Total Third-Party Service Providers	915,264	1,447,500	532,236	36.8%
31,780,000	Total Non-Investment Expenses	20,072,618	23,897,500	3,824,882	16.0%
603,597,000	Total Operating Budget	423,574,824	453,025,932	29,451,108	6.5%

**PRIM Board
Budget Detail
March 31, 2026**

Global Equities

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Domestic Equity</u>				
915,000	SSgA (S&P 500 Index)	664,078	686,250	22,172
213,000	Rhumblin (S&P 500 Index)	174,899	159,750	(15,149)
146,000	SSgA (Russell 2500 Index)	109,956	109,500	(456)
3,218,000	Frontier	2,270,744	2,413,500	142,756
1,716,000	Riverbridge	237,703	1,287,000	1,049,297
4,111,000	Summit Creek	2,154,773	3,083,250	928,477
677,000	Acadian Micro Cap	539,968	507,750	(32,218)
2,223,000	Lord Abbett Micro Cap	1,434,545	1,667,250	232,705
2,722,000	Driehaus Micro Cap	2,340,582	2,041,500	(299,082)
871,000	Rhumblin EIA	475,863	653,250	177,387
16,812,000	Total Domestic Equity	10,403,111	12,609,000	2,205,889
<u>International Equity</u>				
213,000	SSgA (World Ex-US Index)	180,750	159,750	(21,000)
57,000	SSgA (Small Cap World Ex - US Index)	28,025	42,750	14,725
9,212,000	Marathon	7,129,310	6,909,000	(220,310)
1,320,000	Baillie Gifford	417,315	990,000	572,685
2,396,000	Mondrian Investment	1,981,988	1,797,000	(184,988)
2,136,000	Xponance	1,248,583	1,602,000	353,417
2,966,000	ARGA	2,450,118	2,224,500	(225,618)
2,120,000	Acadian	1,771,680	1,590,000	(181,680)
2,082,000	AQR	1,798,243	1,561,500	(236,743)
1,399,000	Driehaus	1,196,303	1,049,250	(147,053)
1,923,000	Artisan	1,293,003	1,442,250	149,247
2,648,000	Causeway	2,351,272	1,986,000	(365,272)
1,828,000	Columbia	1,526,668	1,371,000	(155,668)
2,069,000	Pzena	1,698,864	1,551,750	(147,114)
1,525,000	C WorldWide	1,159,252	1,143,750	(15,502)
2,068,000	Pinestone	1,456,335	1,551,000	94,665
2,284,000	Walter Scott	1,583,092	1,713,000	129,908
38,246,000	Total International Equity	29,270,801	28,684,500	(586,301)
<u>Emerging Markets Equity</u>				
5,092,000	Baillie Gifford	4,651,768	3,819,000	(832,768)
4,563,000	Driehaus	4,122,158	3,422,250	(699,908)
7,353,000	Pzena	6,336,148	5,514,750	(821,398)
0	AQR (Performance Fee)	8,599,870	0	(8,599,870)
5,570,000	Acadian	4,530,279	4,177,500	(352,779)
1,700,000	Wasatch	707,569	1,275,000	567,431
24,278,000	Total Emerging Markets	28,947,792	18,208,500	(10,739,292)
<u>FUTURE Initiative - Emerging Diverse Managers Program</u>				
797,000	Xponance	658,469	597,750	(60,719)
706,000	Various Emerging - Diverse Managers	546,224	529,500	(16,724)
1,503,000	Total Diverse Managers	1,204,693	1,127,250	(77,443)
80,839,000	Total Global Equities	69,826,397	60,629,250	(9,197,147)

**PRIM Board
Budget Detail
March 31, 2026**

Fixed Income

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Core Fixed Income</u>				
124,000	Blackrock (Agg Index)	86,822	93,000	6,178
307,000	Blackrock (TIPS Index)	237,612	230,250	(7,362)
1,337,000	Blackrock (ILB)	1,091,192	1,002,750	(88,442)
286,000	Blackrock (STRIPS Index)	231,365	214,500	(16,865)
103,000	Blackrock Short Term FI	79,728	77,250	(2,478)
2,097,000	PIMCO	1,700,693	1,572,750	(127,943)
0	PIMCO Performance Fee	2,745,761	0	(2,745,761)
2,871,000	Loomis Sayles	2,110,618	2,153,250	42,632
174,000	AFL-CIO	119,470	130,500	11,030
1,022,000	Longfellow	818,347	766,500	(51,847)
1,016,000	New Century	789,529	762,000	(27,529)
1,159,000	Pugh	918,348	869,250	(49,098)
236,000	FUTURE Initiative - Bivium Core FI	180,393	177,000	(3,393)
269,000	FUTURE Initiative - Various Emerging-Diverse Managers	205,465	201,750	(3,715)
<u>11,001,000</u>	Total Core Fixed Income	<u>11,315,343</u>	<u>8,250,750</u>	<u>(3,064,593)</u>
<u>Value Added Fixed Income</u>				
2,061,000	Fidelity	1,636,408	1,545,750	(90,658)
1,036,000	Loomis Sayles	744,759	777,000	32,241
1,320,000	Shenkman	1,016,968	990,000	(26,968)
251,000	Eaton Vance*	(321,357)	188,250	509,607
170,000	Voya*	476,467	170,000	(306,467)
1,921,000	PIMCO	1,531,954	1,440,750	(91,204)
1,000,000	Ashmore*	276,491	798,182	521,691
1,303,000	Beach Point	968,739	977,250	8,511
1,945,000	Ares Management	1,416,589	1,458,750	42,161
1,862,000	RBC Global Asset Management	1,280,573	1,396,500	115,927
8,000,000	Private Debt*	4,455,974	6,000,000	1,544,026
24,800,000	Other Credit Strategies	14,754,480	18,600,000	3,845,520
1,700,000	Morgan Properties	838,963	1,275,000	436,037
0	Morgan Properties Performance	466,588	0	(466,588)
1,737,000	Anchorage Capital	1,504,977	1,302,750	(202,227)
2,030,000	Shenkman-MAC	1,559,808	1,522,500	(37,308)
1,505,000	KKR-KMAC	1,195,802	1,128,750	(67,052)
1,764,000	KKR-GCOF	1,352,387	1,323,000	(29,387)
231,000	FUTURE Initiative - Bivium Value Added FI	181,793	173,250	(8,543)
434,000	FUTURE Initiative - Various Emerging-Diverse Managers	327,698	325,500	(2,198)
<u>55,070,000</u>	Total Value Added Fixed Income	<u>35,666,061</u>	<u>41,393,182</u>	<u>5,727,121</u>

*Investments are in structures (commingled funds, partnerships, etc.) in which management fees are not directly paid to the investment managers by PRIM, but rather are indirectly paid via a reduction of PRIM's investment.

**PRIM Board
Budget Detail
March 31, 2026**

Real Estate and Timberland

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>REITs</u>				
2,525,000	CenterSquare US REIT	1,975,364	1,893,750	(81,614)
776,000	PGIM	416,981	582,000	165,019
826,000	DWS	450,585	619,500	168,915
<u>4,127,000</u>	Total REIT	<u>2,842,930</u>	<u>3,095,250</u>	<u>252,320</u>
<u>Core Strategy</u>				
8,000,000	AEW*	5,381,644	6,000,000	618,356
11,300,000	Invesco*	7,752,684	8,475,000	722,316
10,300,000	LaSalle*	6,839,706	7,725,000	885,294
3,800,000	CBRE Global Investors	2,626,604	2,850,000	223,396
4,500,000	Stockbridge Advisors	3,357,818	3,375,000	17,182
1,000,000	DivcoWest Core	474,285	750,000	275,715
<u>38,900,000</u>	Total Core Strategy	<u>26,432,741</u>	<u>29,175,000</u>	<u>2,742,259</u>
<u>Non-core and Direct Strategies</u>				
<u>11,800,000</u>	Various Managers	<u>5,506,743</u>	<u>8,850,000</u>	<u>3,343,257</u>
<u>11,800,000</u>	Total Non-Core Strategy	<u>5,506,743</u>	<u>8,850,000</u>	<u>3,343,257</u>
<u>FUTURE Initiative - Emerging Diverse Managers Program</u>				
500,000	Cambridge Associates	337,188	375,000	37,812
2,795,000	Various Emerging - Diverse Managers	1,791,254	2,096,250	304,996
<u>3,295,000</u>	Total Diverse Managers	<u>2,128,442</u>	<u>2,471,250</u>	<u>342,808</u>
<u>Performance Fee</u>				
0	Core Performance Fee	1,905,430	0	(1,905,430)
0	Total Performance Fee	1,905,430	0	(1,905,430)
<u>58,122,000</u>	Total Real Estate	<u>38,816,286</u>	<u>43,591,500</u>	<u>4,775,214</u>
<u>Timberland</u>				
4,700,000	Forest Investment Associates*	2,910,145	3,525,000	614,855
6,400,000	Campbell Group*	3,950,169	4,800,000	849,831
<u>11,100,000</u>	Total Timberland	<u>6,860,314</u>	<u>8,325,000</u>	<u>1,464,686</u>

*Investments are in structures (commingled funds, partnerships, etc.) in which management fees are not directly paid to the investment managers by PRIM, but rather are indirectly paid via a reduction of PRIM's investment.

**PRIM Board
Budget Detail
March 31, 2026**

Private Equity

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Private Equity Managers</u>				
225,400,000	Various Managers*	145,979,219	169,050,000	23,070,781
<u>4,350,000</u>	FUTURE Initiative - Various Managers*	<u>2,092,970</u>	<u>3,262,500</u>	<u>1,169,530</u>
<u>229,750,000</u>	Total Private Equity	<u>148,072,189</u>	<u>172,312,500</u>	<u>24,240,311</u>

*Investments are in structures (commingled funds, partnerships, etc.) in which management fees are not directly paid to the investment managers by PRIM, but rather are indirectly paid via a reduction of PRIM's investment.

**PRIM Board
Budget Detail
March 31, 2026**

Portfolio Completion Strategies

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Portfolio Completion Strategies</u>				
190,000	Replication Strategies	142,907	142,500	(407)
6,450,000	PAAMCO-Hedge Fund of Funds*<	4,627,461	4,837,500	210,039
78,000,000	Direct Hedge Funds*	61,637,812	58,500,000	(3,137,812)
7,000,000	Emerging Manager Program	3,688,544	5,250,000	1,561,456
6,250,000	Real Assets*	4,774,041	4,687,500	(86,541)
<u>97,890,000</u>	Total Portfolio Completion Strategies	<u>74,870,765</u>	<u>73,417,500</u>	<u>(1,453,265)</u>

*Investments are in structures (commingled funds, partnerships, etc.) in which management fees are not directly paid to the investment managers by PRIM, but rather are indirectly paid via a reduction of PRIM's investment.

<Fees listed here exclude costs of underlying hedge funds, which typically charge fees ranging from 1% to 2% of net assets values, plus performance fees of up to 20% of excess returns. These costs are embedded in net hedge fund performance.

PRIM Board
Budget Detail
March 31, 2026

Overlay/Foreign Currency/Other

<u>FY 2026 Budget</u>	<u>Manager</u>	<u>Year to Date</u> <u>Actual</u>	<u>Year to Date</u> <u>Budget</u>	<u>Variance</u> <u>Under (Over)</u>
<u>Overlay/Foreign Currency & Other</u>				
470,000	Parametric (Overlay)	289,725	352,500	62,775
<u>750,000</u>	Russell (Foreign Currency)	<u>593,086</u>	<u>562,500</u>	<u>(30,586)</u>
<u>1,220,000</u>	Total	<u>882,811</u>	<u>915,000</u>	<u>32,189</u>
<u>544,992,000</u>	Total Investment Management Fees	<u>386,310,166</u>	<u>408,834,682</u>	<u>22,524,516</u>

**PRIM Board
Budget Detail
March 31, 2026**

Investment Service Providers Fees

<u>FY 2026 Budget</u>		<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Custody</u>				
935,000	Master Custody Services	701,250	701,250	0
<u>935,000</u>	Total Custody	<u>701,250</u>	<u>701,250</u>	<u>0</u>
<u>General</u>				
230,000	Asset Allocation	172,500	172,500	0
126,000	Benchmarking Advisory Services	91,875	94,500	2,625
750,000	Operational Due Diligence	475,272	562,500	87,228
225,000	Legislative Restrictions & Benchmark	148,387	168,750	20,363
100,000	Compliance	8,366	75,000	66,634
550,000	Stewardship & Sustainability Initiatives	451,095	412,500	(38,595)
750,000	Misc. Service Providers & Other Initiatives	250,099	562,500	312,401
<u>2,731,000</u>	Total Advisory Services-General	<u>1,597,594</u>	<u>2,048,250</u>	<u>450,656</u>
<u>RE and Timberlands</u>				
800,000	Real Estate and Timberland Advisors	437,192	600,000	162,808
1,050,000	Debt Compliance and Reporting	843,614	787,500	(56,114)
800,000	Direct Invest. Advisory & Other	539,083	600,000	60,917
<u>2,650,000</u>	Total Real Estate & Timber Advisory	<u>1,819,889</u>	<u>1,987,500</u>	<u>167,611</u>
<u>Public Markets</u>				
700,000	Public Markets Advisors	471,555	525,000	53,445
1,900,000	Managed Acct Platform Providers-OCO	1,152,576	1,425,000	272,424
600,000	Public Markets - Other	216,063	450,000	233,937
<u>3,200,000</u>	Total Public Markets Advisory	<u>1,840,194</u>	<u>2,400,000</u>	<u>559,806</u>
<u>Private Equity</u>				
1,800,000	Private Equity Advisor	1,034,178	1,350,000	315,822
800,000	Private Equity - Other	518,896	600,000	81,104
<u>2,600,000</u>	Total Private Equity Advisory	<u>1,553,074</u>	<u>1,950,000</u>	<u>396,926</u>

**PRIM Board
Budget Detail
March 31, 2026**

Investment Service Providers Fees (continued)

<u>FY 2026 Budget</u>		<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Portfolio Completion Strategies</u>				
1,500,000	Advisor-Portfolio Completion Strategies	862,051	1,125,000	262,949
8,500,000	Managed Acct Platform Provider	6,032,472	6,375,000	342,528
450,000	PCS Advisor - Other	125,844	337,500	211,656
<u>10,450,000</u>	Total Portfolio Completion Strategies Advisory	<u>7,020,367</u>	<u>7,837,500</u>	<u>817,133</u>
<u>Research</u>				
600,000	Research Tools	337,284	450,000	112,716
<u>600,000</u>	Total Research	<u>337,284</u>	<u>450,000</u>	<u>112,716</u>
<u>Audit & Tax-PRIT</u>				
275,000	Annual Finan. Statement Audits	205,950	206,250	300
69,000	Agreed-Upon Procedures	51,375	51,750	375
115,000	Tax Services & Other	42,539	86,250	43,711
<u>459,000</u>	Total Audit & Tax-PRIT	<u>299,864</u>	<u>344,250</u>	<u>44,386</u>
<u>Risk Measurement & Analytics</u>				
1,000,000	Risk Measurement Systems	249,312	750,000	500,688
2,200,000	Investment Tools and Analytics	1,773,212	1,825,000	51,788
<u>3,200,000</u>	Total Risk Measurement	<u>2,022,524</u>	<u>2,575,000</u>	<u>552,476</u>
<u>26,825,000</u>	Total Investment Service Providers Fees	<u>17,192,040</u>	<u>20,293,750</u>	<u>3,101,710</u>

**PRIM Board
Budget Detail
March 31, 2026**

Operations Expenses

<u>FY 2026 Budget</u>	<u>Operations Expenses</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Compensation & Benefits</u>				
23,900,000	Full-Time Staff	15,524,908	17,925,000	2,400,092
600,000	Benefits, Taxes, and Miscellan	387,641	450,000	62,359
24,500,000	Total Compensation & Benefits	15,912,549	18,375,000	2,462,451
<u>Occupancy</u>				
2,200,000	Lease	1,611,773	1,650,000	38,227
75,000	Leasehold Improvements, Other	5,448	56,250	50,802
2,275,000	Total Occupancy	1,617,221	1,706,250	89,029
<u>Insurance</u>				
300,000	Fiduciary	198,074	225,000	26,926
65,000	Business Insurance Policies	37,240	48,750	11,510
25,000	Workers Compensation	11,935	18,750	6,815
50,000	Cyber	30,667	37,500	6,833
50,000	Other	0	37,500	37,500
490,000	Total Insurance	277,916	367,500	89,584
<u>General Office Expenses</u>				
65,000	Printing, Postage, and Courier	37,307	48,750	11,443
75,000	Payroll / Employee HRIS	39,377	56,250	16,873
30,000	Stenographer & other meeting expenses	5,441	22,500	17,059
90,000	Records Storage	83,023	67,500	(15,523)
130,000	Off. Supplies, Equip and Other	78,186	97,500	19,314
70,000	Temporary Labor	75,318	52,500	(22,818)
	Cap Assets-Office Equipment	0	0	0
	Cap Assets-Leasehold	0	0	0
460,000	Total General Office Expense	318,652	345,000	26,348
<u>Technology Expenses</u>				
800,000	Hardware & Software	303,999	600,000	296,001
285,000	Support and Development	56,698	213,750	157,052
145,000	MIS Other/ISP& Remote Access	86,183	108,750	22,567
	Cap Assets-Computer Equipment	41,015	0	(41,015)
	Cap Assets-Software Development	0	0	0
1,230,000	Total Computer & MIS Expenses	487,895	922,500	434,605

**PRIM Board
Budget Detail
March 31, 2026**

Operations Expenses (continued)

<u>FY 2026 Budget</u>		<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>Travel, Development, Dues & Subscriptions</u>				
240,000	Due Diligence Travel	107,460	180,000	72,540
160,000	Professional Development	69,120	120,000	50,880
190,000	Professional Dues and Subscriptions	150,613	142,500	(8,113)
<u>590,000</u>	Total Travel, Development & Dues	<u>327,193</u>	<u>442,500</u>	<u>115,307</u>
<u>Client Services</u>				
55,000	Client Meetings and Conference	12,144	41,250	29,106
<u>55,000</u>	Total Client Services	<u>12,144</u>	<u>41,250</u>	<u>29,106</u>
<u>Board Elections</u>				
250,000	PRIM Board Member Elections	203,784	250,000	46,216
<u>250,000</u>	Total Board Elections	<u>203,784</u>	<u>250,000</u>	<u>46,216</u>
<u>29,850,000</u>	Total Operations Expenses	<u>19,157,354</u>	<u>22,450,000</u>	<u>3,292,646</u>

**PRIM Board
Budget Detail
March 31, 2026**

Non-Investment Service Providers Fees

<u>FY 2026 Budget</u>	<u>Non-Investment Service Providers Fees</u>	<u>Year to Date Actual</u>	<u>Year to Date Budget</u>	<u>Variance Under (Over)</u>
<u>General</u>				
800,000	Information Technology Advisors	505,026	600,000	94,974
125,000	Communications Advisors	92,050	93,750	1,700
120,000	Compensation and Human Resources Advisors	16,224	90,000	73,776
100,000	Misc. Service Providers & Other Initiatives	19,913	75,000	55,087
<u>1,145,000</u>	Total Advisory Services-General	<u>633,213</u>	<u>858,750</u>	<u>225,537</u>
<u>Audit & Tax-PRIM</u>				
46,000	Annual Finan. Statement Audits	34,425	34,500	75
69,000	Tax Services & Other	0	51,750	51,750
<u>115,000</u>	Total Audit & Tax-PRIM	<u>34,425</u>	<u>86,250</u>	<u>51,825</u>
<u>Legal</u>				
600,000	Outside Counsel	237,394	450,000	212,606
<u>600,000</u>	Total Legal	<u>237,394</u>	<u>450,000</u>	<u>212,606</u>
<u>Governance</u>				
20,000	Board Education	7,500	15,000	7,500
50,000	Advisory Services and Other	2,732	37,500	34,768
<u>70,000</u>	Total Governance	<u>10,232</u>	<u>52,500</u>	<u>42,268</u>
<u>1,930,000</u>	Total Non-Investment Service Providers Fees	<u>915,264</u>	<u>1,447,500</u>	<u>532,236</u>

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Appendix N

Travel Report

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PRIM BOARD

Travel Report

FY 2026 - Reimbursement since 1/1/26

Dates	Name	Organization	Location	Due Diligence	Fiduciary Education/Professional Development
2/18-2/20/26	John Fitzpatrick	NAPPA Winter Seminar 2026	Nashville, TN		1,917.45
	Total John Fitzpatrick			-	1,917.45
3/8-3/11/26	Eliza Haynes	Women's Private Equity Summit	Phoenix, AZ		446.30
	Total Eliza Haynes			-	446.30
12/2-12/4/25	Helen Huang	Elysian and BlackFin	London, UK & Paris, France	1,910.18	
2/4-2/5/26	Helen Huang	Spark Annual Meeting	New York, NY	1,246.96	
2/19-2/20/26	Helen Huang	StepStone	Boca Raton, FL	2,678.03	
3/4/2026	Helen Huang	Potential New Managers	New York, NY	566.00	
3/25-3/27/26	Helen Huang	GTCR Annual Meeting and Advisory Board Meeting	Chicago, IL	370.30	
	Total Helen Huang			6,771.47	-
11/19-11/21/25	Minching Kao	AEW Property Tour	Dallas, TX	1,264.27	
2/23-2/24/26	Minching Kao	AEW Property Tour	Phoenix, AZ	661.09	
	Total Minching Kao			1,925.36	-
12/8-12/9/25	Eleni Klempner	JEN Annual Meeting	New York, NY	1,623.28	
	Total Eleni Klempner			1,623.28	-
2/5/2026	John LaCara	Stockbridge Property Tour	Austin, TX	951.29	
	Total John LaCara			951.29	-
1/20/2026	Chuck LaPosta	KKR	New York, NY	409.80	
	Total Chuck LaPosta			409.80	-
1/20/2026	Richer Leung	KKR	New York, NY	386.50	
	Total Richer Leung			386.50	-
12/7-12/9/26	Bill Li	Potential New Managers	New York, NY	1,326.66	
	Total Bill Li			1,326.66	-
1/20/2026	Christina Marcarelli	KKR	New York, NY	324.00	
2/23-2/24/26	Christina Marcarelli	AEW Property Tour	Phoenix, AZ	661.09	
3/25-3/27/26	Christina Marcarelli	PREA Conference	Nashville, TN		406.30
	Total Christina Marcarelli			985.09	406.30
12/8-12/10/25	Matthew Marshall	Tidemark Annual Meeting	San Francisco, CA	1,994.52	
2/19-2/20/26	Matthew Marshall	StepStone	Boca Raton, FL	2,496.98	
	Total Matthew Marshall			4,491.50	-
12/9-12/10/25	Michael McGirr	Hellman & Friedman and StepStone	New York, NY	348.69	
3/26-3/27/26	Michael McGirr	Alternative Investment Conference	Raleigh, NC		473.60
	Total Michael McGirr			348.69	473.60

2/25-2/26/26	Jessica Murphy	Performance Measurement and Client Reporting Conference	New York, NY		1,814.84
	Total Jessica Murphy			-	1,814.84
1/28/2026	Tim Schlitzer	Urban Land Institute conference	Nashville, TN		635.00
3/25-3/27/26	Tim Schlitzer	PREA Conference	Nashville, TN		406.30
	Total Tim Schlitzer			-	1,041.30
10/14-10/16/25	Joy Seth	Goldman Sachs Asia HF Symposium & Potential New Manager	Tokyo, Japan	4,093.19	4,093.19
11/3-11/5/25	Joy Seth	Capula Global Investor Summit	London, UK		2,855.96
	Total Joy Seth			4,093.19	6,949.15
1/21-1/23/26	Ethan Spencer	Mudrick & Manager meetings	New York, NY	1,287.40	
	Total Ethan Spencer			1,287.40	-
12/8-12/9/25	Michael Trotsky	KKR CIO Symposium	San Francisco, CA		1,794.54
	Total Michael Trotsky			-	1,794.54
3/14/2026	Raluca Zelinski	LaSalle Property Tour	Austin, TX	441.29	
	Total Raluca Zelinski			441.29	-