



**Minutes of the Real Estate and Timberland Committee Remote Meeting
Wednesday, November 19, 2025**

Committee members attending:

- Jill Hatton, CRE, Chair
- Treasurer Deborah Goldberg
- Lydia Chesnick, Esq.
- Robert Gifford
- Jack Lutz, Ph.D.
- William McCall, CRE
- Garlan Morse, Jr., CRE
- Carly Rose

Committee members not attending:

- Peter O’Connell

The PRIM Real Estate and Timberland Committee meeting was called to order at 9:31 a.m. Chair Jill Hatton announced that the meeting was being held in accordance with the provisions of Massachusetts Acts of 2022, Chapter 22, which was most recently amended on March 28, 2025, to include an extension of the 2020 Executive Order ‘Suspending Certain Provisions of the Open Meeting Law’ until June 30, 2027. All members of the Committee who participated did so remotely via audio/video conferencing, and public access to the Committee’s deliberations was provided via telephone. All documents referenced during the meeting were available for viewing on PRIM’s website (www.mapension.com). At the start of the meeting, the names of the participating members who were participating remotely were announced.

I. Approval of the Minutes (Voting Item)

The PRIM Real Estate and Timberland Committee approved, by unanimous roll-call vote, the minutes of its August 6, 2025, meeting.

II. Executive Director/Chief Investment Officer Report

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

Mr. Trotsky began by highlighting the recently released September 30, 2025, results – the first fiscal quarter of fiscal year 2026. He stated that financial markets continued to be strong in the quarter and announced that the PRIT Fund ended with yet another new record balance of \$121.1 billion, surpassing the previous record balance set last quarter and the first time the balance has ever been more than \$120 billion. For the September quarter alone, the PRIT Fund returned 4.4%, net of all fees, and for the trailing twelve months, the PRIT Fund returned 9.6% net, which equates to an investment gain of \$10.6 billion.

Mr. Trotsky then provided a preview of the agenda, mentioning the audits conducted this year. Auditors completed more than 30 separate audits, including one by the Office of the State Auditor, all of which resulted in unmodified (clean) opinions. He then took a moment to congratulate Qingmei Li, CPA, Director of Audits and Financial Reporting, Deborah Coulter, CPA, Chief Financial Officer and Chief Administrative Officer, David Gurtz, CFA, CPA, Deputy Chief Investment Officer, and Anthony Falzone, Deputy Executive Director and Chief Operating Officer, for the outstanding results with no findings.

Organizational Update

Helen Huang was promoted to Director of Growth and Venture Capital, Senior Investment Officer. Ms. Huang was hired in June of 2021 as a Senior Investment Officer on the Private Equity Team, reporting to

Michael McGirr, Director of Private Equity and Senior Investment Officer. Ms. Huang has a particular expertise in covering the PRIT Fund's Growth and Venture investments, and led a redesign of PRIM's venture capital investment process and strategy, leading the sourcing and evaluation of high-quality managers, which led to successful new partnerships. She has enhanced PRIM's long-term pipeline-building efforts and helped gain access to hard-to-access managers. She is an excellent communicator, and her commitment to continuous improvement is evident in her openness to feedback and her proactive efforts to strengthen team collaboration. This year, Ms. Huang was recognized as one of Private Equity International's "40 under 40: Future Leaders of Private Equity," a prestigious accolade that honors rising stars across the industry who demonstrate exceptional leadership, innovation, and impact. Ms. Huang's achievements reflect her commitment to innovation, excellence, and advancing both PRIM and the broader private equity industry.

Vivian Liang was promoted to Investment Officer. Ms. Liang first joined PRIM in June of 2021 as an Intern on the Research team and was hired in April 2022 as an Investment Analyst reporting to Maria Garrahan, Director of Research and Senior Investment Officer. Ms. Liang has become a valued contributor and collaborator, working on projects across all PRIM asset teams. With her outstanding technical skills and approachable demeanor, she has demonstrated the ability to drive complex research projects. She has become the point person on the PRIM asset allocation workstream where she applies quantitative techniques to optimize the PRIT Fund.

Jessica Murphy was promoted to Director of Performance Reporting. Ms. Murphy was hired in October of 2022 as a Manager of Performance Reporting, reporting to Matt Liposky, Chief Investment Operating Officer, and has been a tremendous asset for PRIM since her arrival. Specifically, over the past two years, she led the effort on new and enhanced Solovis-based performance reports, which are now in the committee and Board materials. This new process automates and improves the PRIT Fund's performance reporting, saving significant time and improving accuracy. In addition, she has worked closely with all asset class heads to configure specialty reporting for their respective asset classes. Her expertise, thoughtfulness, ability to collaborate, and affability is exemplary. Ms. Murphy was also awarded the Commonwealth's Performance Recognition award, given by the Treasurer and her team on October 6, 2025.

Colleen Nulty was promoted to Senior Corporate Accountant. Since joining PRIM in March of 2021 and reporting to Dan Eckman, Director of Finance and Administration, Ms. Nulty has become an indispensable member of both the Finance and Client Cash teams. Her contributions have been instrumental in modernizing PRIM's month-end closing procedures and transitioning them to a more streamlined, efficient electronic format. She has also played a key role in enhancing other payables processes. With outstanding attention to detail and process, Ms. Nulty has helped PRIM maintain exceptional service standards for PRIM's clients. Additionally, Ms. Nulty recently earned the CFA Investment Foundations certificate, a valuable learning program and credential.

Ethan Spencer was promoted to Director of Fundamental Hedge Funds, Senior Investment Officer. Mr. Spencer was hired in February of 2023 as a Senior Investment Officer on the PCS team, reporting to Bill Li, Director of PCS, Senior Investment Officer. Mr. Spencer has demonstrated exceptional investment expertise and is a remarkable team player. He leads fundamental hedge fund coverage and has independently sourced and structured impactful mandates. During Mr. Li's family leave, Mr. Trotsky worked with Mr. Spencer more directly and stated that he seamlessly stepped in to steer the entire PCS team, maintaining momentum and strong engagement. Mr. Spencer is a generous mentor and an active voice in cross-team investment debates. He never hesitates to share his deep hedge fund expertise. As a visible ambassador for PRIM at top industry conferences, he elevates the firm's profile. His energy, domain mastery, and collaborative leadership make it an absolute pleasure to promote him today.

Mr. Trotsky then invited others to join him in congratulating those being promoted. He stated that

promoting the company's high achievers is among the best and most rewarding things done at PRIM and is his favorite part of the job.

Mr. Trotsky concluded the organizational update by highlighting his most recent achievement: being named to the 2025 CIO Power 100 list for the third consecutive year. Mr. Trotsky went on to highlight some of the comments CIO magazine made when announcing the award. These comments reflected themes PRIM members speak to often during Committee meetings: The publication stated, "The last 12 months...have been volatile. Investors need patience, an open mind, and a willingness to make tough decisions. CIOs need to be strong leaders, with the skills and investment discipline to know that the trends that drove markets over the prior two years have subsided. The past year has required evaluating new global power structures, trading relationships, and the ever-growing importance of private markets." Mr. Trotsky then thanked CIO magazine for this recognition.

Market Update

Mr. Trotsky began his update by referencing the FY 2025 report from last quarter, noting that the strength continued into the September quarter with the PRIT Fund up another 4.4% net of fees. Mr. Trotsky stated, "With all the uncertainty and turbulence, financial markets have continued to climb the proverbial wall of worry." He then reported that U.S. Equities were up 8.1% in the September quarter alone, while Developed International equities were up 5.3% and Emerging market equities were up 10.6%. Bonds were up 2.0% as yields fell slightly. The benchmark 10-year Treasury yield stood at 4.15% at the end of September, slightly down from previous levels earlier in the year. For the calendar year through September 30, Domestic equities were up 14.8%, Developed International Equities were up 25.3%, and Emerging Markets Equities were up 27.5%. Mr. Trotsky mentioned that this is the first year in a long time that international equities have outperformed domestic equities, and they are doing so by a wide margin – international returns are twice the returns of the U.S. for the year. Mr. Trotsky noted the interesting fact that through the previous day, China was up 33.8 % for the year, while Germany was up 26.3%, the UK was up 26.9%, and Japan was up 20.2%, while the U.S. was up 13.8%. US markets are down less than two percent so far this quarter.

PRIT Performance

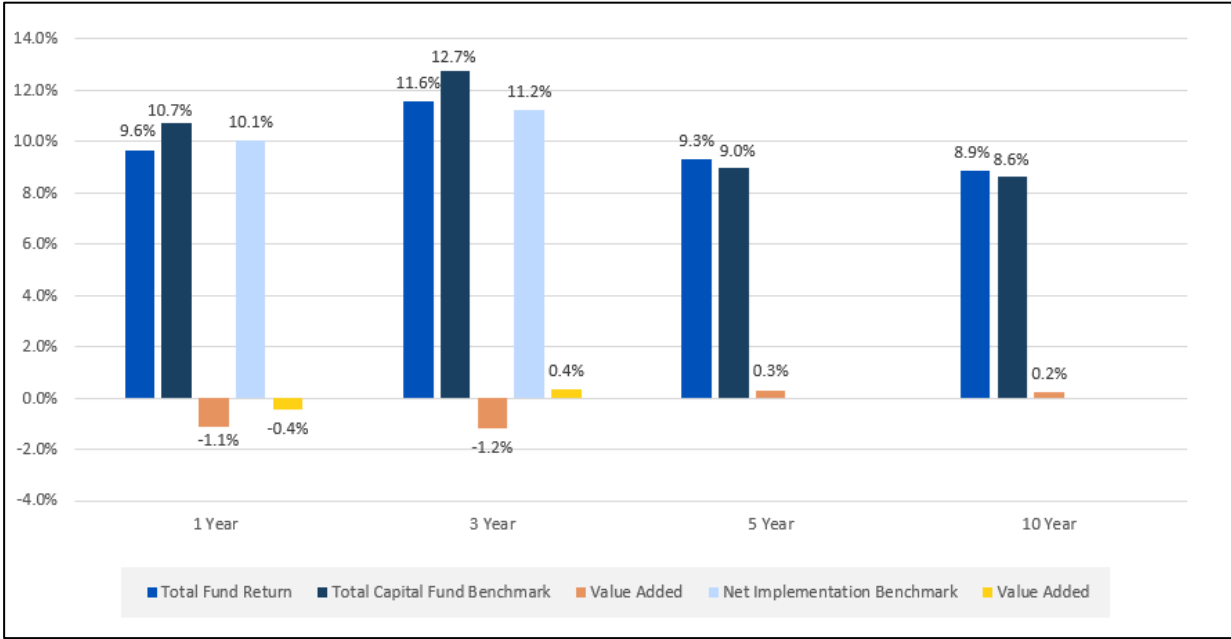
Mr. Trotsky began discussing the PRIT Fund Performance by highlighting a couple of recent challenges and successes. The PRIT Fund is a carefully designed and diversified portfolio with components that will perform well in any investment environment. PRIM remains pleased and confident about the resiliency of the PRIT Fund and its performance over all time periods and throughout several different market environments – in both up markets and in down markets. "At any given time, (PRIM) should expect to have strong performing asset classes and weaker ones", Mr. Trotsky remarked. Recently, even though absolute return of the total Global Equity portfolio has been astoundingly strong with one-year performance of 16.3% and three-year performance of 22.6%, compounded, the relative performance of Global Equities to its benchmark has lagged slightly – less than 1%. The past few years have been a difficult period for active management generally in global equities because the strong market returns have been so narrowly focused on the Magnificent 7 companies and companies linked to AI infrastructure buildouts. While this small underperformance is not typical for PRIM, it is easy to understand, and the underperformance is both short-term and its magnitude is within PRIM's expected range of outcomes. PRIM is keeping a very close eye on all its managers and tightly managing its risk exposures.

Mr. Trotsky then moved on to highlighting one of PRIM's strengths: having a diversified portfolio. Private Equity posted its 11th straight positive quarter of performance, Real Estate has turned the corner and posted a positive return for the trailing 1-yr period after a long downturn, and the fixed income strategies including Other Credit Opportunities have been outstanding contributors. It is PRIM's hedge fund portfolio which has had the most outstanding recent period of success. The strong 11.5% one-year

return of hedge funds is 3.5% above its benchmark, and the three-year performance is similarly strong. Mr. Trotsky then recognized Mr. Li and his team for their excellent work over a long period of time. They have transformed this portfolio. Around 2010, this portion of PRIM’s portfolio was implemented using 5 Hedge-Fund-Of-Fund managers and more than 500 individual investment managers and it was underperforming. Now, the entire portfolio is comprised of a couple of dozen talented and focused managers, most of which are in separate account structures. Mr. Li and his team literally pioneered separate accounts in hedge funds, and now most of the world has emulated PRIM and followed suit. Separate Accounts provide more control, better customization, lower fees, and higher returns. Additionally, Mr. Li and team have developed sophisticated quantitative screens – what PRIM calls the Alternative Beta Framework- which helps identify managers with differentiated skill. More recently, Mr. Li and team reorganized the portfolio into two distinct strategies with their own appropriate benchmarks; the portfolio is now organized into directional hedge funds and stable value hedge funds – directional funds generally follow equity or bond returns with a measurably superior risk return profile, while stable value funds seek low correlation to equity and bond returns providing stable returns in times of market volatility. Together, these transformations have been a huge success, providing the superior returns described.

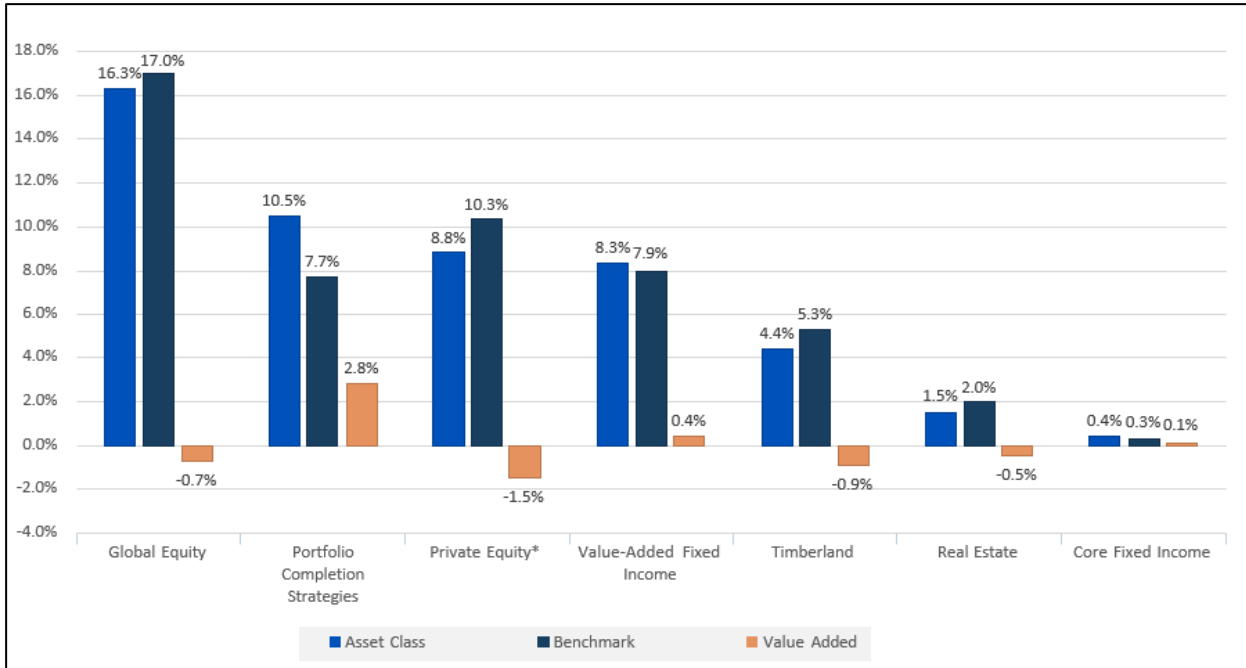
Mr. Trotsky discussed the September 2025 PRIT Fund performance in more detail, referencing the following performance charts:

**Total PRIT Fund Returns
(Net of Fees) Annualized Returns as of September 30, 2025**



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

**PRIT Performance by Asset Class
(Net of Fees) Annualized Returns as of September 30, 2025**



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

**PRIT Fund Periodic Table of Returns
(Net of Fees) as of September 30, 2025**

GLOBAL EQUITY 16.3%	GLOBAL EQUITY 22.5%	PRIVATE EQUITY 15.9%	PRIVATE EQUITY 15.9%
PORTFOLIO COMPLETION STRATEGIES 10.5%	VALUE-ADDED FIXED INCOME 10.4%	GLOBAL EQUITY 13.6%	GLOBAL EQUITY 11.8%
PRIVATE EQUITY 8.8%	PORTFOLIO COMPLETION STRATEGIES 9.5%	PORTFOLIO COMPLETION STRATEGIES 7.9%	VALUE-ADDED FIXED INCOME 6.1%
VALUE-ADDED FIXED INCOME 8.3%	TIMBER 7.1%	TIMBER 7.8%	REAL ESTATE 5.9%
TIMBER 4.4%	PRIVATE EQUITY 6.5%	VALUE-ADDED FIXED INCOME 7.6%	TIMBER 5.4%
REAL ESTATE 1.5%	CORE FIXED INCOME 3.1%	REAL ESTATE 5.6%	PORTFOLIO COMPLETION STRATEGIES 5.1%
CORE FIXED INCOME 0.4%	REAL ESTATE (2.7%)	CORE FIXED INCOME (2.3%)	CORE FIXED INCOME 1.8%

Source: BNY.

Economic Update

Mr. Trotsky mentioned the delay and cancellation of some recent economic data due to the Federal government shutdown and other factors. The Bureau of Economic Analysis, Bureau of Labor Statistics,

and Census Bureau have missed or delayed reporting the Consumer Price Index, GDP, Unemployment, Payroll growth, Producer Price Index, and retail figures. This has made assessing the health of the economy more difficult, forcing participants, including presumably the Fed, to rely more heavily on private economic data collectors.

Mr. Trotsky went on to highlight the most recent data and new signals that PRIM had observed. The U.S. economy (GDP) grew at an annualized 3.8% in Q2 2025, the June quarter, up from the 3.0% he reported at the last Board cycle, and above the 3.3% reported in the second estimate. That was the strongest quarterly pace since the third quarter of 2023. The upside surprise was driven largely by a substantial upward revision to consumer spending. Fixed investment was also revised higher. Offsetting some of these gains, net trade contributed less. Exports declined more sharply (-1.8%), and imports were revised slightly higher, but remained in the context of a steep overall drop (-29.3%).

The annual inflation rate (CPI) rose to 3.0% in September, the highest since January. The October CPI report has been canceled, and the October jobs report will not be released separately; the data will be combined with the November report and released in mid-December. However, the delayed September jobs report, released last Thursday, showed that the unemployment rate rose to 4.4% from 4.3% in August, marking the highest jobless rate since October 2021, even though 119,000 jobs were added, above expectations. The Institute for Supply Management (ISM) Manufacturing PMI declined to 48.7 in October from 49.1 in September, below expectations and signaling the eighth consecutive month of contraction.

In other large economies, China's economy (GDP) grew 4.8% year-over-year in the third quarter of 2025, down from 5.2% in the second quarter and the slowest pace since 2024. The report signaled a loss of momentum following a strong start to the year. The unemployment rate in China fell to 5.2% in September, inflation remained subdued, and the People's Bank left rates unchanged.

The Eurozone economy (GDP) grew 1.3% year over year in the third quarter of 2025, easing from the second quarter. The unemployment rate held steady at 6.3% in September, unchanged from August and July, and the inflation rate eased to 2.1% year-over-year in October. The European Central Bank also left rates unchanged at its recent meeting.

Japan's economy (GDP) grew 0.5% quarter-over-quarter in the second quarter of 2025. This marked the fifth consecutive quarter of expansion. The unemployment rate held at 2.6% in September, and the annual inflation rate rose slightly to 2.9%. Japan's Central Bank also left rates unchanged.

Against this global backdrop, the U.S. Federal Reserve lowered the federal funds rate by 25 basis points at its October meeting, in line with market expectations. The cut followed a similar move in September and brought policy rates to their lowest level since 2022. However, policymakers at the Fed cited rising downside risks to employment in recent months, while inflation has firmed since early 2025 and remains somewhat elevated. The lack of timely data and the tension between slowing employment and higher inflation have led to some historic dissension among Fed governors as they approach the December meeting, and the futures market now is predicting a 42% chance of a rate cut in December; only 3 weeks ago, the futures predicted a 100% chance of a December cut.

Mr. Trotsky summarized the conversation with Connie Everson, PRIM's resident economist and strategist, that took place during yesterday's Investment Committee meeting. Ms. Everson pointed out two new risk factors that could create conditions for a bear market, which usually means an economic slowdown and an equity downturn. The delay and cancellation of official economic data is making the evaluation of the economy more difficult, but the two new emerging risk factors are: 1) the softening of the employment situation, and 2) tightening liquidity. Regarding employment, household, and consumer spending play a critical role in preventing any hard landing (or recession) in the economy. More than two-thirds of the US economy is driven by consumer spending. Any further softening in the

employment situation could reduce consumer spending and put economic growth at risk. Market liquidity is simply the cash available to market participants without delay that enables a well-functioning financial market. Ms. Everson identified at least five warning signs to continue to watch: bank deposits are down; repo rates are up; the spread between SOFR and the Fed Funds rate has widened and experienced more frequent spikes – that means the cost of very short term borrowing is increasing, which may indicate scarcity of liquidity; and bitcoin and gold prices are down -bitcoin and gold prices surging are often a sign of overabundant market liquidity, and perhaps their recent sell off means liquidity is less abundant.

Mr. Trotsky concluded his comments on the government shutdown by acknowledging that there are many other factors in the economy, such as the AI capital expenditure boom, which could support continued growth, and that the Fed has tools to address some of these risk factors, but the Fed’s toolbox efficacy is of utmost importance. For example, the most important tool of the Fed is to lower rates. The Fed lowers rates and hopes that both the short and long end of the yield curve responds, but that doesn’t always happen. If the bond market views any rate cuts as inflationary, the long yields may not go down. Higher long-term interest rates are restrictive to investment and growth. In Connie’s words, “The bond market must believe” for the Fed’s toolkit to work. In other words, all interest rates must go down on a Fed rate cut for maximum stimulus, not just short rates. What was new and different in the economic discussion really was the emergence of these risk factors – employment and liquidity – which bears watching.

III. Performance Review and Market Summary

Timothy Schlitzer, CFA, CRE, Director of Real Estate and Timberland, began by noting that the team is closing out existing 2025 business while planning for next year. In December and January, staff will conduct multiple long-form discussions with each of PRIM’s investment manager relationships to review market views, proposed capital allocation strategies, and 2025 operating results—culminating in a broad strategy for next year and a presentation of PRIM’s operating plan at the next Committee meeting. Mr. Schlitzer stated that PRIM’s managers are in the market with several proposed dispositions across both the real estate and timberland separate accounts as managers continue to position for the next cycle. In parallel, the team continues to monitor the debt markets for opportunities to borrow accretively and are actively engaging with portfolio investments—recently touring timberland assets in South Carolina and traveling to the Southern U.S. to evaluate a real estate acquisition opportunity. Most importantly, there is continued stability and improvement in market and PRIM’s returns. Mr. Schlitzer thanked the team for their hard work during the year.

Real Estate

Mr. Schlitzer discussed the operating environment, which continues to improve, even as PRIM navigates pockets of uncertainty. Borrowing base rates and spreads now underwrite at more comfortable levels, and market debt capacity has risen substantially. There is strong debate around a potential December rate cut, but overall, the cost of borrowing has come down meaningfully. CMBS issuance is at record levels alongside robust REIT and private market issuance, with hedging costs that have materially declined. Market transaction activity has increased, with recent statistics indicating a 17% year-over-year rise through September 30. Even so, market reports indicate annual transaction volumes will end the year at approximately \$150 billion—well below the \$400 billion peak during the rate-easing period of 2021–2022—so liquidity, while improved, remains comparatively lower. At year-end, the team is observing some slowing in the pipeline, largely due to rate volatility and broader economic uncertainty. As Connie Everson discussed at the Investment Committee meeting, the employment picture is particularly uncertain, which will have implications in the space markets, particularly the office sector, where growth should be driven more by economic productivity than post-pandemic normalization. On the supply side, the picture remains favorable: replacement costs generally sit

comfortably above acquisition prices, with a dearth of new retail and office supply consistent across the U.S. The market also appears to be nearing the end of substantial apartment and industrial deliveries.

Mr. Schlitzer went on to discuss portfolio construction and performance. PRIM ended the quarter with Real Estate at 8.9% of PRIM (\$10.8 billion NAV) and Timberland at 2.6% (\$3.2 billion NAV). Both ended below their respective targets of 10% and 4% but well within range. The lower weights reflect asset class returns of roughly 2–3% versus the fund at 10% year-to-date.

There were no substantial changes to PRIM’s Real Estate allocation segments during the quarter. PRIM’s managers have completed several private acquisitions, dispositions, and financings at the start of the fiscal year, totaling approximately \$420 million in allocated capital. Staff is exploring the debt markets for a potential borrowing with the goal of incrementally and prudently increasing the leverage in the private real estate capital structure. The non-core sleeve represents 5% of assets (about \$521 million), and REITs—where PRIM allocated additional capital earlier in the year—remain at 10% of the portfolio.

Timberland

Mr. Schlitzer then turned to Timberland, providing several statistics on recent market activity. Housing starts remain at 1.3 million (annualized), down 4% year-over-year, with single-family starts declining 7%. Permits fell 8%, a reversal from the optimism observed earlier in the year. Canadian mill capacity continues to expand, and tariffs on Canadian lumber were announced in September. China’s halt on U.S. log imports has impacted the Northwest and Australia/New Zealand.

Mr. Schlitzer then shifted to performance. Total Timberland returned 4.4% net of fees, 89 basis points below PRIM’s benchmark. The Southern portfolio led performance, while the Pacific Northwest and Australia were negatively impacted by export exposure. Western exports decreased 41% year-over-year. He concluded that despite these challenges, staff was pleased to see additive absolute returns and continued portfolio contributions from the asset class. He also noted that the fourth quarter would provide additional performance insight given the year-end appraisal cycle in process.

The PRIM Real Estate and Timberland Committee meeting adjourned at 10:30 a.m.

List of documents and exhibits used during the meeting:

- *Minutes of the PRIM Real Estate Committee Meeting of August 6, 2025*
- *PRIT Fund Performance Presentation (September 30, 2025)*
- *PRIT Fund Performance Report (September 30, 2025)*
- *Real Estate and Timberland Performance Charts*