MassPRIM

Minutes of the PRIM Investment Committee Remote Meeting
Tuesday, May 5, 2026

Committee members present:
- Treasurer Deborah Goldberg, Chair
- Joseph Bonfiglio
- C. LaRoy Brantley
- Michael Even
- Constance Everson, CFA
- Ruth Ellen Fitch, Esq.
- Mark Lapman
- Phillip Perelmuter
- Philip Rotner (arrived at 9:38 am)
- Glenn Strehle, CFA
- Timothy Vaill

Committee members not present:
- Catherine D'Amato
- Peter Monaco
- James Hearty

The PRIM Investment Committee meeting was called to order at 9:32 a.m. Chair Treasurer Goldberg announced that the meeting was being held pursuant to Massachusetts General Laws Chapter 30A, section 20, as amended by Chapter 2 of the Acts of 2025, which permits remote participation by all Committee members via the use of adequate alternative means, such as audio or video conferencing, to ensure public access to the deliberations of the Committee. 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 Investment Committee approved, by unanimous roll-call vote, the minutes of its February 10, 2026, meeting.

II. Executive Director/Chief Investment Officer Comments

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

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.

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.

Markets and PRIT Fund Performance

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.

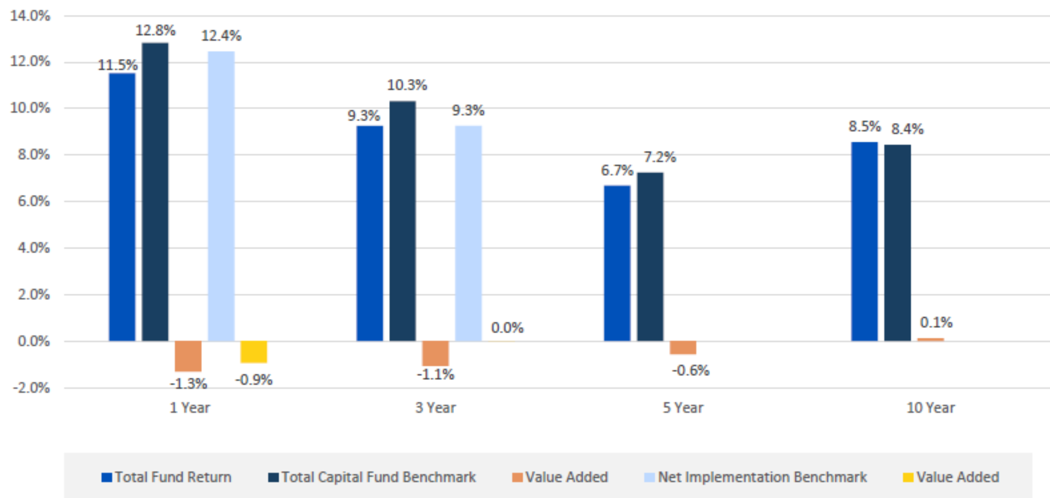
For the one-year as of March 31, 2026, the PRIT Fund was up 11.5%, net of fees, underperforming the total capital fund benchmark of 12.8% by 131 basis points.

- 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.

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

Total PRIT Fund Returns

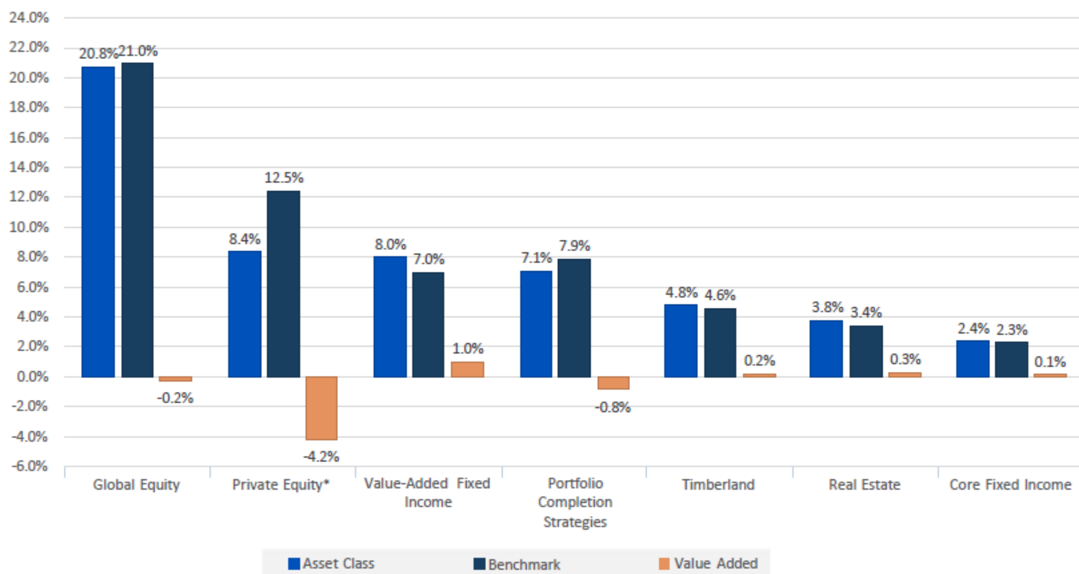
Annualized Returns as of March 31, 2026 (Net of Fees)



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

PRIT Asset Class Performance Summary

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



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

PRIT Fund Annualized Returns by Asset Class

As of March 31, 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

Jay Leu, Senior Investment Officer - Director of Risk, presented on PRIM's risk exposure. PRIM continues to focus on three major risks for the PRIT Fund: equity risk, interest rate risk, and credit risk. PRIM has developed an aggregated equity risk measure across the total PRIT Fund, using both weight and beta-adjusted weight to assess exposure. The aggregated equity exposure by weight is 67.5%, and the beta-adjusted equity risk is 64%, consistent with the PRIT Fund's growth orientation. Global Equity risk continues to be tightly managed to the index, with managers focused on security selection, sub-asset class weights within 0.5% of the index, and sector and country exposures within 2%. The portfolio remains neutral on growth versus value, slightly smaller in capitalization, and maintains a modest 53-basis-point tracking error.

Interest rate risk for Core Fixed Income and Value-Added Fixed Income remains tightly managed to the benchmark, with effective duration showing only slight differences. Credit risk, measured by high-yield equivalents, is modestly higher than the benchmark for Core and Public Value-Added Fixed Income, while Other Credit Opportunities and Private Debt exhibit much higher credit risk. Overall, beta-adjusted equity risk of about 64% aligns with the Fund's growth orientation, with Global Equity tightly managed, interest rate risk closely aligned to benchmarks, and credit risk varying appropriately across fixed income and private credit strategies.

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

III. Public Markets Performance Summary

Michael McElroy, CFA, Senior Investment Officer - Director of Public Markets, provided an update on the Public Market environment and performance for both the first quarter and the 1-year period ending in March 2026.

Global markets experienced mixed results, with global equities down about 3% in Q1 after three consecutive quarters of positive performance, though they rebounded strongly in April. Domestic equities were the weakest segment, declining almost 4%, while non-US stocks were only slightly negative. Over the 1-year period, Global Equities rose almost 21%, with domestic equities up about 18% and non-US equities gaining between 23% and 29%. Value stocks were the top performers across all regions in Q1, similar to Q4, though over the one-year, growth stocks led in the US and emerging markets, while value remained strongest in developed international markets. Smaller stocks outperformed larger ones in developed markets, whereas the largest stocks led in emerging markets. Bond returns were generally flat in Q1, with Core and Value-Added bonds each posting modest gains over the 1-year period, while credit spreads remained tight and largely unchanged.

For the PRIT Fund, Global Equity returns were slightly behind benchmark in Q1 and over the 1-year period. International equity managers, particularly quality growth managers, struggled in both time frames, while domestic equity and emerging markets managers performed well relative to their benchmarks. Systematic, model-driven quantitative equity managers delivered strong results, and several are expected to be included as work progresses on the enhanced equity search. Core and Value-Added Fixed Income investments performed in-line to slightly ahead of benchmarks, with most Core bond managers outperforming and Value-Added Fixed Income seeing strong contributions from high-yield, multi-asset credit, emerging market debt, and Other Credit Opportunities managers.

The operating environment remained challenging for active equity managers, as market participants continued to reward risk-taking rather than quality. Companies delivered strong revenue and earnings growth, though these characteristics were not consistently rewarded. Despite some headline concerns about potential AI-driven software obsolescence, managers reported continued strong bookings and stable debt service. Private credit received negative attention in the news, but the OCO portfolio had only modest exposure and experienced no meaningful credit events, with investment structures helping to mitigate liquidity concerns. The team continues to monitor risks closely, regularly engaging with managers and prudently redeploying equity market gains to remain within asset allocation ranges. Overall, the Public Markets portfolio continues to demonstrate expected resilience, with performance falling within anticipated risk bands and maintaining broad diversification and a low aggregate risk profile across equity and fixed income.

IV. Portfolio Completion Strategies (PCS)

A. Performance Summary

Bill Li, CFA, CAIA, Senior Investment Officer - Director of Portfolio Completion Strategies, (PCS) presented an update on the PCS portfolio. Mr. Li discussed performance through the three-lens framework of absolute return, relative return, and risk-adjusted return. In Q1, PCS returned -1.6%, with Hedge Funds returning -1.7%. Over one year, Hedge Funds returned 7.7%, slightly trailing the benchmark by approximately 50bps, while the three-year figure of 10.1% meaningfully outperformed the benchmark. Stable Value and Directional strategies posted strong three-year annualized results of 9.0% and 13.2% respectively, both ahead of benchmarks. The barbell framework—two-thirds Stable Value and one-third Directional—generated a return/risk ratio of 2.9x (10% annualized return on 3.5% volatility), more than double that of a traditional 60/40 portfolio.

The portfolio maintained the intended moderate equity beta, reinforcing that the barbell design works. After adjusting for the small amount of market and style beta, idiosyncratic drivers dominated, underscoring that the Absolute Return program is delivering true alpha and differentiated return streams for PRIT. The Emerging Manager Program also remained a strong contributor, with high single-digit annualized returns and minimal beta exposure. Now seven years into that sourcing channel, the team has refined the model and is confident in scaling it further.

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

Matthew Liposky, Chief Investment Operating Officer, presented the results PRIM's Managed Account Platform Services RFP. Following a competitive RFP process, the Evaluation Committee recommended Innocap, the incumbent provider, to continue 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.

The PRIM Investment Committee voted, by unanimous roll-call vote, to approve a recommendation to the PRIM Board to approve Innocap to provide Managed Account Platform Services, as described in the Expanded Agenda, and further to authorize the Executive Director to take all actions necessary to effectuate this vote.

V. Private Equity Performance Summary

Michael McGirr, CFA, Senior Investment Officer – Director of Private Equity, provided an update on Private Equity market performance. For the quarter, PRIM's Private Equity portfolio returned 1.4% net, reflecting the October–December 2025 reporting period. Middle/Large Cap returned 0.9%, SMID 1.9%, Global Equity 2.4%, Venture Capital 3.3%, Co-investments 0.6%, and Secondaries declined 4.2%. For the trailing one year, Private Equity was up 8.4% net, lagging the U.S. and developed public markets as well as State Street Private Equity benchmark. Within that one-year period, PRIM's buyout portfolio modestly outperformed State Street Buyouts, returning 8.7% versus 8.3%. Growth and venture lagged primarily due to the venture portfolio's relative performance. PRIM's Venture Capital underperformance is largely a story of what it does not own—or does not own enough of—relative to the State Street Index, which has become increasingly concentrated in a handful of AI-dominated names such as OpenAI, SpaceX, Anthropic, Cursor, Databricks, Scale AI, Anduril, Perplexity, and xAI. Despite this, PRIM's long-term private equity returns remain strong, with a 10-year net return of 15.75%.

Cash flows were positive in Q1, with distributions exceeding contributions. Private Equity assets remained at $19.5 billion, a slight uptick to 16.0% of the PRIT Fund and comfortably within the target allocation range. At the midpoint of the year, the team reported solid progress toward the annual commitment goal, targeting $1.8–2.8 billion.

The PRIM Investment Committee meeting adjourned at 10:58 a.m.

List of documents and exhibits used during the meeting:

A. *Minutes of the February 10, 2026, PRIM Investment Committee Meeting*
B. *PRIT Fund Performance Presentation (March 31, 2026)*
C. *PRIT Fund Performance Report (March 31, 2026)*
D. *Managed Account Platform Services RFP Evaluation Committee Report*