

Andris Silins, Chairman
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member

Ping Yin Chai, Appointed Member
Paul T. Hynes, Appointed Member
Joseph M. Petty, Executive Secretary

**MASSACHUSETTS HOUSING FINANCE AGENCY
EMPLOYEES' RETIREMENT BOARD
ONE BEACON STREET
BOSTON, MA 02108
(617) 854-1871, 1123**

Minutes of the Regular Meeting of Members
May 8, 2018.

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held at the offices of the Massachusetts Housing Finance Agency, One Beacon Street, Boston, Massachusetts at 1:30 pm.

Present were:

Andris Silins, Board Chairman
Ping Yin Chai, Appointed Member
Michael Fitzmaurice, Elected Member
Paul T. Hynes, Appointed Member
Antonio Torres, Elected Member

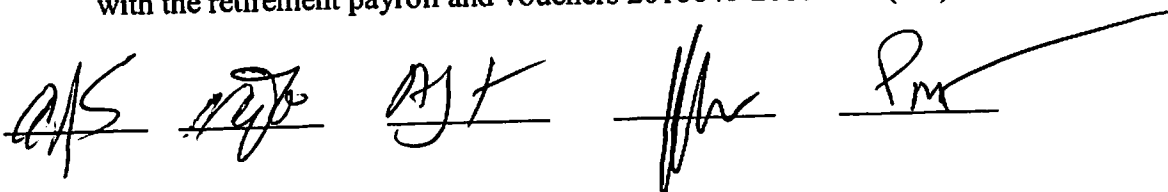
Others present:

Joseph M. Petty, Executive Secretary
Michelle Shinnick, Retirement Analyst
Paul Hagerty, MassHousing Auditor
Dan Dynan, Meketa Investments
Stephen MacLellan, Meketa Investments

UPON MOTION DULY MADE AND SECONDED, it was voted:
To approve the minutes of the April 10, 2018 meeting. (5-0).

The bank reconciliations and trial balance were reviewed. Andris Silins inquired whether there were any transactions out of the ordinary. Joseph Petty noted that there were no transactions out of the ordinary, however, he did review three transfers of our members.

UPON MOTION DULY MADE AND SECONDED, it was voted:
The retirements, refunds and transfer on the attached list were reviewed and approved along with the retirement payroll and vouchers 2018041-20180451 (5-0).



Dan Dynan reviewed the system performance and noted that our System returned a 0.0% for the 1st quarter and a 9.5% for the trailing year. As of March 31st, the System's market value was \$147.6 million, a decrease of \$1.5 million from the previous quarter. The decrease was due to net cash outflows and the 0.0% return. Mr. Dynan noted that performance was negative for most asset classes during the quarter with the exceptions of private equity at 3.2%, emerging market equities at 1.3% and real estate 2.1%. All asset classes were within their respective target asset allocation range.

Our investment with Kleinwort Benson Investors was reviewed and it was recommended to terminate the KBI strategy and transition the assets to LMCG. The System emerging market equity managers include KBI along with LMCG and Dimensional. KBI manages \$6.2 million on behalf of the Retirement System. Since inception of the investment, KBI has returned 14.5% versus 19.9% for its benchmark. The strategy has lagged over the trailing twelve months, 15.6% versus 24.9% for the benchmark. Dan Dynan also noted that rising interest rates can lead to high dividend yield portfolios.

Mike Fitzmaurice and Antonio Torres noted that it was fine to transfer the funds to LMCG in the short term but would like to issue an RFP to replace KBI. Mr. Dynan noted that if an RFP is issued we should do for the entire asset class, including LMCG.

UPON MOTION DULY MADE AND SECONDED, it was voted:

That the agreement with Kleinwort Benson Investors be terminated, the assets be transferred to LMCG and a RFP be issued for an emerging market equity manager(s). (5-0).

Joseph Petty informed the Board that both ASCENT and Intercontinental will hold their annual meeting on June 20, 2018 and July 16, 2018, respectively.

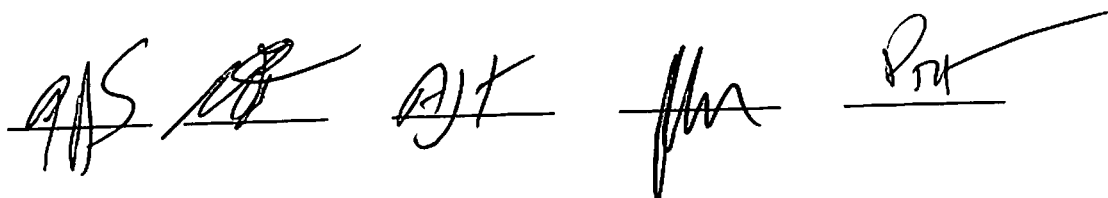
Joseph Petty informed the Board that the MACRS conference will be held June 3rd – June 6th in Hyannis, MA. The cost will include the registration fee, hotel and transportation.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To allow any Board and staff members to attend the MACRS conference, subject to the travel regulations. (5-0).

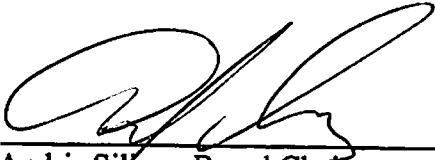
Joseph Petty informed the Board that we received two responses to the RFP for an Attorney, Law Offices of Michael Sacco and Murphy Hesse Toomey and Lehane.

Joseph Petty informed the Board that he is in the process of transitioning our two Bank of America bank accounts to State Street and will keep the board apprised. It was also noted that there will be an election for a board member as we received nomination papers from two members, the incumbent, Antonio Torres and Frank Creedon.

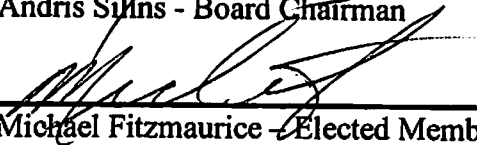


Five handwritten signatures are present on a horizontal line. From left to right, they appear to be: 1. A signature starting with 'AS'. 2. A signature starting with 'AT'. 3. A signature starting with 'AJ'. 4. A signature starting with 'J'. 5. A signature starting with 'P'.

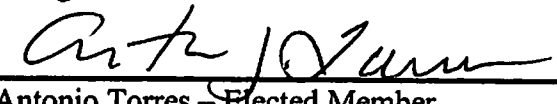
UPON MOTION DULY MADE AND SECONDED, it was voted:
To adjourn the meeting at 1:55 p.m, (5-0)



Andris Silins - Board Chairman



Michael Fitzmaurice - Elected Member



Antonio Torres - Elected Member



Ping Yin Chai, Appointed Member



Paul T. Hynes - Member Appointed by Other Members

**Massachusetts Housing Finance Agency
Employees' Retirement Board
One Beacon Street Boston, MA 02108**

**Andris Silins, Chairman
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Listing of Check and Vouchers for the meeting June 12, 2018

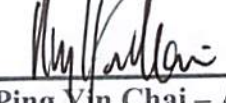
<u>Name</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Comment</u>
Paul T. Hynes	2018052	\$ 250.00	Stipend
Andris Silins	2018053	\$ 250.00	Stipend
Michael Fitzmaurice	2018054	\$ 250.00	Stipend
Antonio Torres	2018055	\$ 250.00	Stipend
Ping Yin Chai	2018056	\$ 250.00	Stipend
Law office of Michael Sacco	2018057	\$ 250.00	Legal Services
Flagship	2018058	\$ 756.23	Envelopes for board election
NCPERS <i>Antonio Torres</i>	2018059	\$ 2,530.41	Travel Reimbursement-Torres

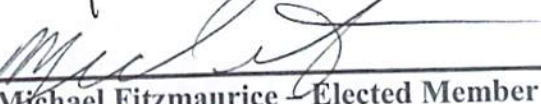
<u>Fees paid via Non-managed account</u>	<u>Amount</u>	<u>Comment</u>
Meketa Investments	\$ 6,875.00	April 18 Consulting Fee
State Street Bank	\$ 4,831.68	February 18 Custodial Fee
State Street Bank	\$ 4,508.57	March 18 Custodial Fee


<u>Retirements</u>	<u>Monthly Amount</u>	<u>Date of Retirement</u>
May Pension Payroll	\$ 630,883.10	
PAI Services	\$ 737.40	
Transfer to Payroll Account	\$ 600,000.00	
Michael Fenlon	\$ 6,401.61	May 19, 2018
Susan Olsen	\$ 2,998.38	May 31, 2018
James McCaughey	\$ 8,849.03	June 5, 2018
Kay Olm	\$ 3,520.98	June 30, 2018


<u>Refund</u>	<u>Amount</u>	<u>Date Paid</u>
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Andris Silins - Board Chairman


Ping Yin Chai - Appointed Member


Michael Fitzmaurice - Elected Member


Antonio Torres - Elected Member


Paul T. Hynes - Member Appointed by Other Members


Joseph Petty - Executive Secretary