

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  
September 12, 2017

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 (via phone)  
Paul T. Hynes, Appointed Member  
Antonio Torres, Elected Member

Others present:

Joseph M. Petty, Executive Secretary  
Michelle Shinnick, Retirement Analyst  
Craig Merry, MassHousing  
Paul Hagerty, MassHousing Auditor

The Board Chair determined that Michael Fitzmaurice could not make the meeting because of geographic distance, which at the time prevented him from being present in person at the meeting.

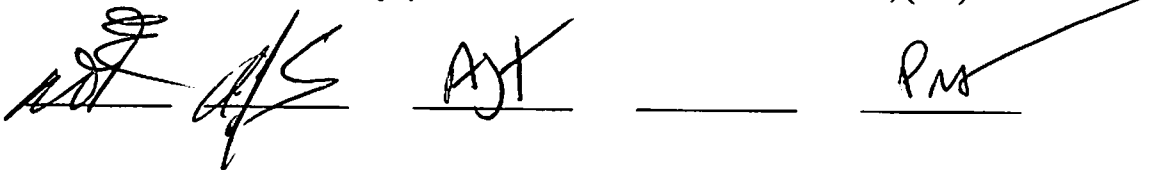
UPON MOTION DULY MADE AND SECONDED, it was voted:

To approve the minutes of the August 8, 2017 meetings (roll call, 5-0).

The bank reconciliations and trial balance were reviewed. Mr. Silins inquired whether there were any transactions out of the ordinary. Joseph Petty noted that there were no transactions out of the ordinary. However, we did have one refund, to the estate of Craig Wojciehowski.

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 2017077-2017085, (5-0).

  
\_\_\_\_\_

Joseph Petty reviewed the Asset Allocation Recommendation. These policies include differing levels of expected return, ranging from 7.5% to 8.0%. As a result, the level of risk associated with each policy will vary, as well. The Conservative Policy, with an expected return of 7.5%, meets the expected assumed rate of return. This policy provides the greatest downside protection in the short-term, however long-term the Fund would be giving up potential growth of assets. The Moderate Policy, targeting a 7.7% expected return, has a slightly higher return-risk profile as the Current Policy, with modest changes. This policy lies on the efficient frontier. Lastly, the Aggressive Policy has an expected return of 8.0%. This policy provides the greatest probability of achieving the assume rate of return, however it will generate more volatility in the short-term. Over the long-term, as a result of compounding, the additional expected return associated with the Aggressive Policy is expected to result in significantly more asset growth relative to the Conservative Policy. The Aggressive Policy would produce approximately \$27.1 million more than the Moderate Policy over 20 years. The Moderate Policy would produce approximately \$33.0 million more than the Conservative Policy over 20 years. See Meketa Asset Allocation Review.

Based on the analysis above and discussions with Dan Dynan of Meketa, the Investment Committee recommends that we change our Asset Allocation to a moderate target. The Committee discussed that this is not the time to have an aggressive target because of the high value of the market, however, would be willing to change to this target if the market drops in the future. The Committee also thought to continue to stay the course or to adopt a conservative target would prevent us from reaching our expected return in the long term.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To approve a moderate target Asset Allocation Policy as set forth in the Meketa Asset Allocation Review. (roll call 5-0).

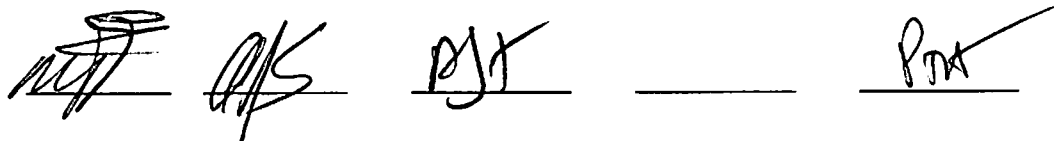
Joseph Petty reviewed the impact of the hurricane on our real estate investments in Florida and Texas. TA REALTY is in the process of reviewing their properties in Florida but stated preparations were made over the course of the previous week and emergency protocols were initiated by their property managers. Intercontinental reported that they were fortunate that their properties in Houston stayed protected with minimal damage. AEW reported that two of its investments in apartment buildings were seriously impacted, they represent 22% of their Houston NAV and 1.4% of the total fund NAV. They had serious water infiltration and the properties were determined to be uninhabitable. AEW noted that it maintains a master insurance program for its assets. Flood losses and wind losses are covered under their property policy, which also include business interruption insurance, which will cover any lost rents.

Joseph Petty reviewed PERAC memo's regarding the selection of the 5<sup>th</sup> member. The Board was concerned with the memo and with the timing of the memo because the appointment of the 5<sup>th</sup> member expires at the end of the year. The Board asked that the appointment to be discussed at the next meeting.

Joseph Petty informed the Board that the MACRS conference will be held in Springfield, MA on October 1 thru October 5, 2017. Cost will include hotel, mileage plus \$300 registration fee.

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. (roll call 5-0).



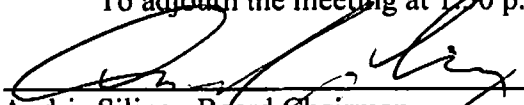
Joseph Petty informed the Board that the retiree meeting this year will be held on October 13<sup>th</sup> at noon.

Joseph Petty inform the Board that the merger with Standard Life and Aberdeen Asset Management was completed and that our investment with TA RALTY Fund IX has entered its liquidation stage.

Joseph Petty reviewed Board Member training and PERAC memos 27, 28, and 29.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To adjourn the meeting at 1:50 p.m, (roll call 5-0)

  
\_\_\_\_\_  
Andris Silins - Board Chairman

  
\_\_\_\_\_  
Michael Fitzmaurice - Elected Member

  
\_\_\_\_\_  
Antonio Torres - Elected Member

\_\_\_\_\_  
Ping Yin Char, 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  
Paul T. Hynes, Appointed Member  
Antonio Torres, Elected Member**

**Michael Fitzmaurice, Elected Member  
Ping Yin Chai, Appointed Member  
Joseph M. Petty, Executive Secretary**

**Listing of Check and Vouchers for the meeting October 10, 2017**

<u>Name</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Comment</u>
Paul T. Hynes	2017086	\$ 250.00	Stipend
Andris Silins	2017087	\$ 250.00	Stipend
Michael Fitzmaurice	2017088	\$ 250.00	Stipend
Antonio Torres	2017089	\$ 250.00	Stipend
Ping Yin Chai	2017090	\$ 250.00	Stipend
Law Offices of M. Sacco	2017091	\$ 144.00	Legal Services
CliftonLarsonAllen	2017092	\$ 3,000.00	2016 Audit-Final
Old Colony Group	2017093	\$ 450.00	Website Maintenance
<b>Fees paid via Non managed account</b>		<b>Amount</b>	<b>Comment</b>
Meketa Investments		\$ 6,666.66	September 17 Consulting Fee
State Street Bank		\$ 4,802.96	July 17 Custodial Fee
<b>Retirements</b>		<b>Monthly Amount</b>	<b>Date of Retirement</b>
September Pension Payroll		\$ 561,618.10	
PAI Services		\$ 683.15	
Transfer to Payroll Account		\$ 490,000.00	
<b>Refund</b>		<b>Amount</b>	<b>Date Paid</b>

**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**