Minutes of the PRIM Investment Committee Remote Meeting
Tuesday, August 5, 2025

Committee members present:

- Treasurer Deborah Goldberg, Chair
- C. LaRoy Brantley
- Catherine D'Amato
- Michael Even
- Constance Everson, CFA
- Ruth Ellen Fitch, Esq.
- James Hearty
- Peter Monaco
- Phillip Perelmuter
- Philip Rotner
- Glenn Strehle, CFA

Committee members not present:

- Joseph Bonfiglio
- Timothy Vaill

The PRIM Investment Committee meeting was called to order at 9:30 a.m. Chair Deborah Goldberg 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 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 May 6, 2025, 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 record balance of $115.4 billion, surpassing previous records. The fund returned 9.6% (net), gaining $10.1 billion in the Fiscal Year (FY), with all seven major asset classes posting positive returns. The team drew inspiration from Warren Buffett and Winston Churchill during a period of high market volatility. Despite the tumultuous year, the team's calm focus led to exceptional investment productivity, with $5.0 billion deployed into new investments. PRIM faced no liquidity stress and met all its funding commitments, showcasing a well-designed and resilient portfolio.

Organizationally, the PRIM staff's depth and talent were stronger than ever, with low turnover. The staff received local and national recognition, including Mr. Trotsky receiving a Lifetime Achievement Award and being named to the Chief Investment Officer 2024 POWER 100 list. PRIM's Private Equity Portfolio

was ranked fourth by the American Investment Council's Public Pension Study. Helen Huang was named to Private Equity International's "40 Under 40: Future Leaders of Private Equity" list.

PRIM ranked fifth in the U.S. for assets managed by diverse managers, and two staff members received Commonwealth Citations for Outstanding Performance. PRIM's financial controls and reporting continued to be industry-leading, earning the Certificate of Achievement for Excellence in Financial Reporting for the 20th consecutive year and completing the CFA Institute's Global Investment Performance Standards for the seventh straight year. PRIM completed over 30 audits, all resulting in clean unmodified opinions.

Despite higher uncertainty, U.S. equities rose 15.1%, developed international equities increased by 18.6%, emerging market equities gained 15.2%, and diversified bonds gained 6.1%. The highest-performing PRIT Fund asset classes included Global Equities and Hedge Funds, while Value-Added Fixed Income and Private Equity posted strong returns. The PRIT Fund's trailing 1-, 3-, 5-, and 10-year returns consistently exceeded the required actuarial rate of return of 7%.

The FUTURE Initiative, established to meet the objectives of the 2021 Investment Equity legislation, aims to ensure that at least 20% of PRIM's investment managers be women, minorities, or persons with disabilities. The PRIT Fund currently allocates approximately $15.1 billion to diverse investment managers, more than doubling its commitment since 2021. In FY2025 alone, PRIM allocated $900 million to diverse managers.

PRIM's Stewardship and Sustainability team has adopted new Stewardship Priorities and an Engagement Policy, focusing on Climate Transition Planning, Fair Pay, Sustainable Forestry, and Transparency. PRIM joined two organizations to pursue engagement initiatives and voted on 12,181 proxy ballots aligned with PRIM’s custom proxy voting guidelines. PRIM updated the Proxy Voting Guidelines and developed a Proxy Voting Decision-Making Policy. PRIM concluded its five-year membership in MIT's Aggregate Confusion Project, confident that the knowledge gained will benefit future stewardship priorities and engagement activities.

The PRIM team responded well during the volatile environment of the last several years, delivering strong investment performance and innovative non-investment solutions. Mr. Trotsky thanked the PRIM Board, committees, and staff for their support and hard work.

Mr. Trotsky informed the Committee that his FY 2025 self-assessment was distributed in support of his annual performance evaluation, with the formal review scheduled for the Board meeting on August 14th.

PRIT Performance

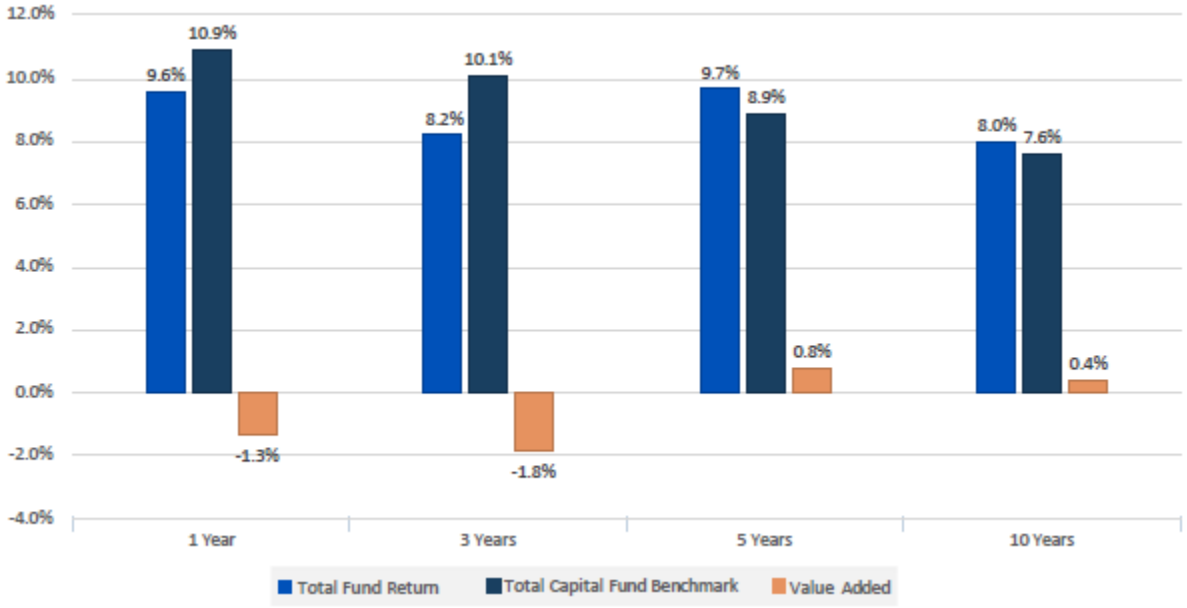
Mr. Trotsky mentioned that worldwide financial markets were very strong this past fiscal year, adding that one of PRIM’s economics providers, Evercore ISI, characterized the 12-month bull market as “a bucking bull” market, which he thought perfectly characterized the direction and volatility of the year.

PRIM maintained its exposure to International Equities, and for the first time in many years, international equities outperformed US equities. Diversified bonds were also up, as rates, although volatile, remained within their expected ranges throughout the year. The 10-year Treasury yield of 4.2% today is very near where it was last year at this time. U.S. Equities were very strong over the trailing 12 months, up 15.1%. Perhaps more noteworthy was the strength of some of the largest international markets. For example, German equities were up 40.1%, China was up 33.6%, the UK was up 19.9%, and Japan was up 13.8%.

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

Total PRIT Fund Returns

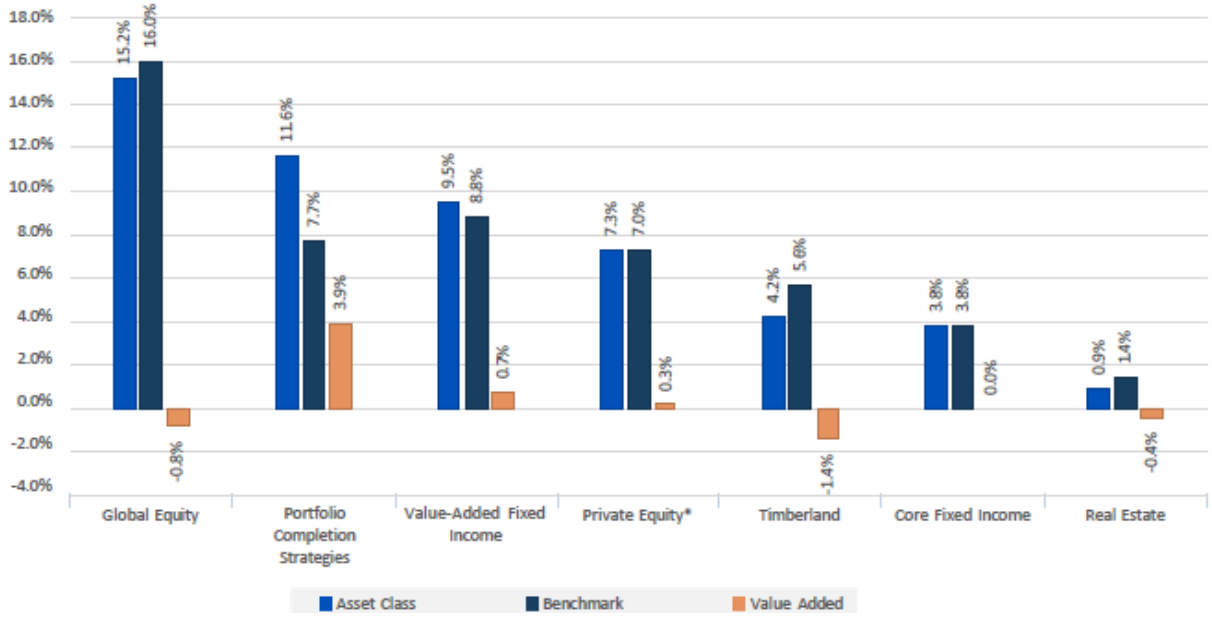
Annualized Returns as of June 30, 2025 (Net of Fees)



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 June 30, 2025 (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 June 30, 2025 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 15.2%	GLOBAL EQUITY 16.8%	PRIVATE EQUITY 18.8%	PRIVATE EQUITY 16.2%
PORTFOLIO COMPLETION STRATEGIES 11.6%	VALUE-ADDED FIXED INCOME 9.1%	GLOBAL EQUITY 13.6%	GLOBAL EQUITY 9.8%
VALUE-ADDED FIXED INCOME 9.5%	PORTFOLIO COMPLETION STRATEGIES 8.4%	VALUE-ADDED FIXED INCOME 8.1%	REAL ESTATE 6.1%
PRIVATE EQUITY 7.3%	TIMBER 6.8%	PORTFOLIO COMPLETION STRATEGIES 7.8%	VALUE-ADDED FIXED INCOME 5.4%
TIMBER 4.2%	PRIVATE EQUITY 3.3%	TIMBER 7.7%	TIMBER 5.3%
CORE FIXED INCOME 3.8%	CORE FIXED INCOME 0.2%	REAL ESTATE 5.7%	PORTFOLIO COMPLETION STRATEGIES 4.4%
REAL ESTATE 0.9%	REAL ESTATE (3.0%)	CORE FIXED INCOME (2.4%)	CORE FIXED INCOME 1.9%

Source: BNY

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

III. Public Markets

A. Performance Summary

Michael McElroy, CFA, Senior Investment Officer - Director of Public Markets, provided an update on the Public Markets environment and performance for both the quarter and the fiscal year period ending June.

Just as in Q1, non-US markets finished stronger than US markets in Q2, with returns in a range of 11%-12% across the major regions. For the fiscal year period, Global Equity returns were a healthy 15.2%, with Developed non-US stocks leading the way, returning approximately 19% and US/Emerging Markets returns in the 14%-15% range.

Core Fixed Income returns were flat in Q2, and Value-Added Fixed Income returned slightly more than 2%. For the full fiscal year, Core Fixed Income returned approximately 4%, and Value-Added Fixed Income returned almost 9%. For the fiscal year period, rates fell at the shorter end and rose slightly at the longer end of the yield curve, and credit spreads narrowed.

The "Magnificent 7" continue to deliver a meaningful portion of the US equity market return - approximately 33% of the fiscal year S&P 500 return came from these stocks. These stocks also account for almost half of research & development spending within the S&P 500.

Equity results for the PRIT Fund in Q2 slightly lagged benchmarks, while Fixed Income investments performed in-line to slightly better than their benchmarks. Just as with last quarter, Global Equity underperformance was impacted by PRIM's Domestic Equity portfolio allocations (smaller stocks lagging the largest stocks, along with smaller-cap managers' weaker relative performance) and

manager underperformance in the Emerging Markets portfolios. These same exposures contributed to underperformance in Global Equities for the one-year period. For Fixed Income investments in the 12-month period, both Core and Value-Added Fixed Income outperformed benchmarks.

Companies continue to deliver both revenue and earnings growth, and profit margins continue to remain high. Though tariff uncertainly has not been eliminated, market expectations at this point seem to indicate that proposed tariff levels are manageable for companies - though this could impact margins going forward. PRIM hears from its managers that fundamentals are not being rewarded - lower-quality, higher-risk companies have been the best performers in many markets.

Overall, the Public Markets portfolio remains well-diversified across geographies, styles, sectors, and asset classes, and has weathered many different market stress periods. The aggregate risk of the overall equity and fixed income portfolios remains low, and managers continue to deliver long-term benchmark-relative value-added.

IV. Portfolio Completion Strategies Performance Summary

A. Performance Summary

Bill Li, CFA, CAIA, Senior Investment Officer - Director of Portfolio Completion Strategies, (PCS) presented an update on the PCS portfolio. PCS concluded FY25 with a positive 11.6%, 400 basis points ahead of the benchmark. PRIT Hedge Funds returned 12.7%. Against peer hedge funds, performance was similarly strong, with the Hedge Fund program outpacing both market and peer fund benchmarks by over 450 basis points.

PRIM's Hedge Fund program composites maintained a positive skew, as most underlying accounts were in the black. For the trailing one-year period, PCS returned 9.4% and Hedge Funds returned 10.5%, outperforming its benchmark by 360 basis points.

Mr. Li noted the dispersion across the PCS portfolio. Stable Value Funds generated high single digits, while Directional Funds returned in the high teens. These results barbell to a low-teens return at the Hedge Fund program level. Risk-adjusted return climbed to 2.6x, continuing to compare favorably vs. 60/40 market portfolio. The total Hedge Fund program's equity beta remains below 0.2x. Macro and systematic managers returned around 7% as a subgroup.

B. Issuance of a Request for Proposals (RFP) for Portfolio Completion Strategies and Other Credit Opportunities Advisory Services (Voting Item)

Ethan Spencer, Senior Investment Officer – PCS, presented the recommendation that PRIM issue an RFP for Portfolio Completion Strategies and Other Credit Opportunities Advisory Services.

Mr. Spencer noted that it would be most efficient to include both PCS and OCO advisory services under one RFP because the vast majority of advisors that bid on one of these mandates would also likely bid on the other given the overlaps between the types of managers and approaches that are hired within each mandate.

The PRIM Investment Committee voted, by unanimous roll-call vote, to make a recommendation to the PRIM Board to approve the issuance of a Request for Proposals for Portfolio Completion Strategies and Other Credit Opportunities Advisory Services, and further to authorize the Executive Director to take all actions necessary to effectuate the vote.

V. Private Equity

A. Performance Summary

Michael McGirr, CFA, Senior Investment Officer - Director of Private Equity, presented PRIM's Private Equity market performance. PRIM's long-term Private Equity performance remains strong. For the quarter, PRIM Private Equity was up 2.2%, net of fees for the quarter ending March 31, 2025. In the trialing one-year, Private Equity returned 7.3%, net of fees. Private Equity outperformed compared to the Russell 3000 & Russell 2000 and the State Street Private Equity Index. It underperformed vs. MSCI Europe over the same time period.

PRIM finished #4 in the American Investment Council's (AIC's) annual ranking of US pension private equity portfolios. PRIM's private equity portfolio landed in the 98th percentile (4 out of 200 pension plans) ranked by the AIC based on 10-year net performance as of June 30, 2024.

B. Private Equity Advisory Services RFP Recommendation (Voting Item)

Katherine Kovach, Investment Officer, presented the recommendation to select StepStone Group LP (StepStone) as the advisor for the Private Equity portfolio and the provider of the Private Equity market database. PRIM received seven responses for advisory services and seven responses for the database. These responses were thoroughly reviewed by the evaluation committee, which consisted of Ms. Kovach, Mr. McGirr, Helen Huang, Maria Garrahan, Shannon Ericson, Jessica Murphy, and Investment Committee member Connie Everson.

After completing the interview process, the evaluation committee convened and unanimously voted to recommend the selection of StepStone as both advisor for the Private Equity portfolio and provider of the Private Equity market database. StepStone distinguished themselves versus other respondents in the following areas:

- The firm is a global private markets specialist and offers a global platform with a localized approach with over 1,000 employees and 26 offices globally. StepStone has also been advising pension clients on private equity since its founding.
- The firm's best-in-class database and technology infrastructure is another differentiator. Its database, Stepstone Private Markets Intelligence, known as SPI, is its proprietary research library used by clients and StepStone professionals. SPI allows clients to exponentially expand their market coverage and provides transparency into StepStone's research process.
- The firm also distinguishes itself with the experience, stability, and depth of the firm and proposed team. StepStone's 175 private equity investment professionals are organized into specialized sector teams that span the entire asset class. The PRIM team will benefit from the depth of StepStone's private equity team and access to the broader StepStone platform.
- StepStone also offers customized client service and will tailor services to complement PRIM's internal capabilities with its disciplined, research-focused approach. StepStone will work with the PRIM private equity team to provide seamless integration with a highly interactive engagement model. The Evaluation Committee also identified synergies for the engagement model that would arise from engaging StepStone as both an advisor and database provider.
- Additionally, StepStone's proposed annual fee of $1.35M with 3% annual step ups represents the best overall value for service to PRIM for private equity advisory services and the private equity market database.

The PRIM Investment Committee voted, by unanimous roll-call vote, to approve a recommendation to the PRIM Board to approve StepStone Group LP to provide Private Equity advisory services, as described in the Expanded Agenda, and further to authorize the Executive Director to take all actions necessary to effectuate the vote.

The PRIM Investment Committee meeting adjourned at 11:21 a.m.

List of documents and exhibits used during the meeting:

A. *Minutes of the May 6, 2025, PRIM Investment Committee Meeting*
B. *PRIT Fund Performance Presentation (June 30, 2025)*
C. *PRIT Fund Performance Report (June 30, 2025)*
D. *Private Equity Advisory Services RFP Evaluation Committee Report*