

**COMMONWEALTH OF MASSACHUSETTS
PENSION RESERVES INVESTMENT MANAGEMENT BOARD**

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Minutes of the Board Meeting

Thursday, August 14, 2025

commencing at 9:30a.m.

(CONDUCTED REMOTELY)

**PRIM Board Offices
53 State Street
Boston, Massachusetts**

ATTENDEES

(Via Zoom)

Board Members

- Treasurer Deborah B. Goldberg, Chair
- Robert L. Brousseau
- Catherine D'Amato
- Ruth Ellen Fitch
- Theresa F. McGoldrick, Esq.
- Mark Lapman
- Dennis J. Naughton
- Carly Rose

Other Attendees (partial list):

- Anthony Falzone
- David Griswold
- Helen Huang
- Minching Kao
- Katherine Kovach
- Emily Kowtoniuk
- Chuck LaPosta
- Renee LeFevre
- Bill Li
- Matt Marshall
- Michael McElroy
- Michael McGirr
- Veena Ramani
- Tim Schlitzer
- Ethan Spencer
- Michael Trotsky

1 P R O C E E D I N G S

2 A meeting of the Pension Reserves
3 Investment Management Board (PRIM Board) was
4 held remotely on Thursday, August 14, 2025.
5 The meeting was called to order and convened
6 at
7 9:30 a.m. Treasurer and Receiver-General
8 Deborah Goldberg chaired the meeting.

9 TREASURER GOLDBERG: Welcome,
10 everyone, to the PRIM Board meeting, Thursday,
11 August 14, at 9:30 a.m.

12 This meeting will be held in
13 accordance with the provisions of Massachusetts
14 Acts of 2022, Chapter 22, which was most
15 recently amended on March 28, 2025, to include
16 an extension of the 2020 Executive Order
17 Suspending Certain Provisions of the Open
18 Meeting Law until June 30, 2027.

19 All members of the Board will
20 participate remotely via audio/
21 videoconferencing, and public access to the
22 deliberations of the Board will likewise be
23 provided via telephone, with all documents
24 referenced at the meeting available to be
 viewed on PRIM's website, www.mapension.com.
 All persons speaking at today's meeting

1 are asked first to identify themselves. Also the
2 Open Meeting Law requires anyone wishing to record
3 a meeting to first notify the chair so the chair
4 can inform the other attendees.

5 Tony, will you please---

6 Well, first of all, I will notify
7 everyone that our stenographer, Virginia Dodge
8 from Lexitas, is transcribing and also recording
9 this meeting.

10 But, Tony, will you please share who is
11 recording the meeting today.

12 MR. FALZONE: Yes. Thank you.

13 Jesse Pound from *Pensions and*
14 *Investments*, and Matthew Scheffler, Framingham
15 Public Schools, will be recording the meeting.

16 (By Treasurer Goldberg) Okay then. If anyone
17 subsequently desires to record today's meeting, please
18 first notify Seth Gitell by email at sgitell@mapension.com
19 additionally the Attorney General's guidance on holding
20 remote meetings reads as follows: At the start of the
21 meeting, the chair must announce the name of the member or
22 members who are participating remotely.

23 I will now announce the names of all PRIM Board
24 members who are participating remotely in today's

1 meeting. Robert Brousseau, Catherine D'Amato,
2 Ruth Ellen Fitch, Theresa McGoldrick, Mark Lapman,
3 Dennis Naughton, Carly Rose and myself, Treasurer
4 Deborah Goldberg.

5 Do we have Ruth Ellen yet?

6 MR. FALZONE: I don't see her yet. I'll
7 keep an eye open for her.

8 TREASURER GOLDBERG: All right. Thank
9 you.

10 MR. FALZONE: Thank you.

11 TREASURER GOLDBERG: First item on the
12 agenda is I seek a motion that the PRIM Board
13 approve the minutes of its May 22, 2025 meeting
14 attached as Appendix A of the expanded agenda, and
15 further to authorize the executive director to
16 take all actions necessary to effectuate this
17 vote.

18 Is there a motion?

19 MR. BROUSSEAU: So moved.

20 TREASURER GOLDBERG: Is there a second?

21 MS. D'AMATO: Second.

22 TREASURER GOLDBERG: Any questions or
23 comments about the minutes?

24 Hearing none, I'll proceed with the

1 vote.

2 Bob?

3 MR. BROUSSEAU: Yes.

4 TREASURER GOLDBERG: Catherine?

5 MS. D'AMATO: Yes.

6 TREASURER GOLDBERG: Theresa?

7 MS. McGOLDRICK: Yes.

8 TREASURER GOLDBERG: Mark?

9 MR. LAPMAN: Yes.

10 TREASURER GOLDBERG: Dennis?

11 MR. NAUGHTON: Yes.

12 TREASURER GOLDBERG: Carly?

13 MS. ROSE: Yes.

14 TREASURER GOLDBERG: Okay. Myself, yes.

15 The motion carries.

16 Next item on the agenda is we have a

17 committee membership recommendation.

18 As everyone knows, recently we had a new
19 member join our Board, Mark Lapman, who has been
20 a wonderful addition and who we appreciate
21 greatly. And I am now going to be seeking a motion
22 recommending that Mark also be appointed to the
23 Investment Committee.

24 So I'm going to seek a motion and a

1 second. Anybody who wants to make a comment can,
2 and then we will take the vote.

3 MR. BROUSSEAU: So moved.

4 TREASURER GOLDBERG: Wait. I have to
5 read the whole motion.

6 MR. BROUSSEAU: Okay.

7 TREASURER GOLDBERG: I seek a motion
8 that the PRIM Board approve the chair's
9 recommendation to appoint Mark Lapman to the
10 Investment Committee, and further to authorize the
11 executive director to take all actions necessary
12 to effectuate this vote.

13 Is there a motion, Bob?

14 MR. BROUSSEAU: So moved.

15 TREASURER GOLDBERG: Is there a second?

16 MS. D'AMATO: Yes.

17 MS. MCGOLDRICK: Yes.

18 TREASURER GOLDBERG: A chorus of yeses.

19 Any questions or comments?

20 I would say a big welcome from everyone,
21 and with that, we will do a roll call vote.

22 Bob?

23 MR. BROUSSEAU: Yes.

24 TREASURER GOLDBERG: Catherine?

1 MS. D'AMATO: Yes.

2 TREASURER GOLDBERG: Ruth Ellen here

3 yet?

4 Okay. Theresa?

5 MS. McGOLDRICK: Yes.

6 TREASURER GOLDBERG: Mark?

7 MR. LAPMAN: Yes.

8 TREASURER GOLDBERG: Dennis?

9 MR. NAUGHTON: Yes.

10 TREASURER GOLDBERG: You are allowed to

11 vote for yourself, Mark, by the way.

12 And Carly?

13 MS. ROSE: Yes.

14 TREASURER GOLDBERG: And myself, yes.

15 Officially, welcome to the Investment

16 Committee.

17 MR. LAPMAN: Thank you. Thank you.

18 Yes.

19 TREASURER GOLDBERG: So next item on the

20 agenda is our executive director/chief investment

21 officer report. Take it away, Michael.

22 MR. TROTSKY: Thank you very much,

23 Treasurer, and welcome, everyone.

24 Congratulations, Mark. You'll be a

1 great addition on the Investment Committee.

2 We have a good attendance today. We
3 have 73 people, I think I see, and climbing. So
4 that's a lot of new people listening in today.
5 Appreciate your interest in PRIM.

6 I'll start with a personnel update.
7 Alyssa Acker, senior investment officer on the
8 private equity team, won't be with us today
9 because on June 16, she and her husband, Andrew,
10 welcomed their first baby, a girl named Sienna
11 Lynn. And we're glad to hear that everyone is
12 doing really well.

13 And we'd like to congratulate Alyssa and
14 Andrew on this new chapter in their lives
15 together, an exciting new chapter. We're thrilled
16 for all of them and look forward to Alyssa's
17 return later in the year.

18 Now, turning to the agenda, at the
19 committee meetings last week, as you know, we are
20 very pleased to report that the PRIT Fund ended
21 with an all-time record balance high of
22 \$115.4 billion. And that surpasses the previous
23 records of \$105.3 billion last year and
24 \$96.6 billion. So three consecutive fiscal year-

1 end records.

2 The PRIT Fund returned 9.6 percent net to
3 gain \$10.1 billion in the fiscal year. And for
4 the first time since fiscal year 2019, all seven
5 major asset classes posted positive returns,
6 reflecting the unanticipated strength and the
7 resilience of global financial markets during a
8 period that we all know was marked by intense
9 geopolitical strains and elevated economic and
10 policy uncertainty.

11 Earlier in the year, during a period of
12 unusually high market volatility, I invoked the
13 wisdom of Warren Buffett when following Black
14 Monday in October of 1987, which was the single
15 largest drop in the market's history, single day,
16 he said that the key to investing success is to,
17 quote, "insulate thoughts and behavior from the
18 super contagious emotions."

19 You might also remember that we also
20 drew inspiration from the iconic Winston Churchill
21 era slogan, which is "Keep calm and carry on."

22 And throughout the very turbulent year,
23 our team's calm focus proved invaluable. In
24 addition to strong performance that I just

1 mentioned, investment productivity was exceptional
2 with staff successfully researching and deploying
3 approximately \$5 billion into highly attractive
4 new investments during the year.

5 And most importantly and critical to our
6 beneficiaries and stakeholders is the fact that
7 PRIM did not have any liquidity stress whatsoever
8 during the turbulent year, and we easily met all
9 funding commitments. That's testimony to a well-
10 designed and very resilient portfolio. I remind
11 you that the PRIT Fund is carefully designed to
12 have components that will perform well in any
13 investment environment.

14 Organizationally, the depth and talent
15 of PRIM staff has never been stronger, and we
16 continue to benefit from extremely low turnover
17 with no senior staff members departing during the
18 year. We hired one new full-time employee,
19 welcomed six outstanding interns and were sad to
20 see them all go this week. Their internships,
21 most of them, are over.

22 And we also last year promoted three of
23 PRIM's exemplary high-performing employees.
24 63 percent of PRIM's workforce is diverse, and

1 52 percent of our workforce is female. Those are
2 numbers consistent with last year.

3 The work of our staff continues to
4 receive local and national recognition. The
5 Allocator from With Intelligence described PRIM
6 as, quote, "a beacon of public service and
7 investment prowess for the people of the
8 Commonwealth of Massachusetts."

9 This recognition of all of us, PRIM's
10 Board and staff, was highlighted when I did
11 receive the publication's Lifetime Achievement
12 Award. Separately, I was also named to the Chief
13 Investment Officer 2024 POWER 100 list.

14 And more recently, PRIM's private equity
15 portfolio was ranked fourth by the American
16 Investment Council's public pension study of 200
17 U.S. public pension funds based on the 10-year
18 performance of our private equity portfolio. And
19 PRIM is the only fund that has been in the top
20 five every single year the study has been
21 conducted, including number 1 rankings in 2019,
22 2018, 2015 and 2013.

23 Recently, Private Equity International,
24 PEI, named Helen Huang, senior investment officer

1 on the private equity team, a member of its annual
2 list called 40 Under 40: Future Leaders of
3 Private Equity. PEI credited Helen with helping
4 to, quote, "reinvigorate the pension plan's
5 venture capital program and contributing
6 significantly to PE investment process design."
7 And you'll hear from Helen later in today's
8 agenda.

9 Elsewhere, PRIM ranked fifth, number 5,
10 in the U.S. for assets managed by diverse
11 managers, and that's according to *Pensions and*
12 *Investments*. And here, we punch well above our
13 weight when compared to our assets under
14 management.

15 And two PRIM staff members, Veena Ramani
16 and George Tsipakis, were awarded Commonwealth
17 Citations for Outstanding Performance.

18 Thank you, Treasurer Goldberg, and to
19 your team for recognizing their outstanding
20 contributions. It's always nice to have that.

21 PRIM's financial controls and reporting
22 remain industry-leading and irreproachable. PRIM
23 earned the Certificate of Achievement for
24 Excellence in Financial Reporting from the

1 Government Finance Officers Association, the GFOA,
2 for the 20th consecutive year, and we successfully
3 completed the CFA Institute's Global Investment
4 Performance Standards of Integrity and
5 Transparency. That's called GIPS around the
6 world. And we earned that for the seventh
7 consecutive year. And that's a standard which
8 only a very small handful of other pensions
9 comply.

10 And just as we did last year, PRIM
11 completed more than 30 separate audits. And all
12 of them resulted in unmodified, clean opinions
13 with no findings. This is no small feat.

14 Congratulations to Tony, Deb, Qingmei
15 and the rest of the finance team for that
16 outstanding result. It takes a lot of time and
17 effort to support those audits.

18 These strong PRIM results across the
19 entire organization of course occurred during a
20 period in which the market and government policy
21 decisions are changing very, very quickly.
22 However, despite higher uncertainty, U.S.
23 equities were actually up 15.1 percent for the
24 trailing year ending in June, our fiscal year.
Developed

1 international equities were up 18.6 percent.
2 Emerging market equities were up 15.2 percent. And
3 even bonds were up. Diversified bonds were up 6.1
4 percent.

5 The highest-returning PRIT Fund asset
6 classes included global equities and hedge funds,
7 while value-added fixed income and private equity
8 posted strong high single-digit returns.

9 Overall, while the last four fiscal
10 years have provided an extraordinary test for
11 staff and the fund, we do remain very pleased and
12 confident about the resiliency of the PRIT Fund
13 and its performance over all time periods and
14 throughout several different market environments.

15 The PRIT Fund's trailing 1-, 3-, 5- and
16 10-year returns consistently exceed the required
17 actuarial rate of return, which is now 7 percent.
18 That's our goal.

19 The 5- and 10-year results exceed the
20 long-term primary benchmark, and the 1- and 3-year
21 results exceed the secondary implementation
22 benchmark, which is a peer comparison, better
23 suited for short-term comparisons of long-term
24 investments.

1 The FUTURE Initiative, established to
2 meet the objectives of the 2021 investment equity
3 legislation, includes a goal to ensure that at
4 least 20 percent of PRIM's investment managers are
5 women, minorities or persons with disabilities.
6 And currently, the PRIT Fund allocates
7 approximately \$15.1 billion, representing more
8 than 13 percent, to diverse investment managers
9 across all asset classes.

10 And since the inception of the
11 initiative, PRIM has more than doubled its
12 commitment to diverse managers. And we now
13 invest more than \$8.5 billion to these managers.
14 In 2025 alone, fiscal year 2025, PRIM allocated
15 \$900 million in capital to diverse managers.

16 During the fiscal year, our stewardship
17 and sustainability effort adopted new stewardship
18 priorities and an engagement policy focused on
19 climate transition planning, fair pay, sustainable
20 forestry and transparency.

21 PRIM joined two organizations to help
22 pursue engagement initiatives, and we voted 12,181
23 proxy ballots aligned with our custom proxy voting
24 guidelines on areas such as board diversity

1 requirements, overboarded directors, gender pay
2 gaps, labor and human rights, climate change, and
3 executive compensation.

4 PRIM also updated the proxy voting
5 guidelines this year with a focus on executive
6 compensation, and we developed and approved a
7 first-ever proxy voting decision-making policy
8 which guides us when casting proxy votes for
9 public market securities in cases where
10 resolutions may fall outside the scope of our
11 standard guidelines.

12 In research, we are concluding our five-
13 year membership in MIT's Aggregate Confusion
14 Project. That's the ACP. And we conclude this
15 next month on September 30. We've essentially
16 completed our work with the ACP, and we also
17 recognize that the ACP has successfully fulfilled
18 its original purpose and timeline. We're
19 confident that the knowledge and experience we
20 gained from the membership will continue to
21 benefit our organization as we pursue those
22 sustainability and stewardship priorities that I
23 just outlined.

24 We extend of course our gratitude to the

1 MIT Sloan Sustainability Initiative, our fellow
2 ACP members and all those who contributed to the
3 success of this project.

4 So in conclusion, end of the fiscal
5 year, I'm extremely proud of the entire PRIM team
6 and how we have responded during the difficult and
7 volatile environment not only of last year, but
8 the last several years.

9 This team is hardworking and dedicated,
10 as you all know, delivering not only strong
11 investment performance, but also extraordinary non-
12 investment innovation and responsiveness grounded
13 in both our adherence to fiduciary duty and a
14 steadfast pursuit of excellence.

15 So I'm thankful to the entire PRIM team
16 and to you, our board and committee members, for
17 your support, your dedication and your hard work.
18 It was simply a great year in a very trying time.

19 Now, turning to markets and PRIT Fund
20 performance.

21 As we all know, worldwide financial
22 markets were very strong in the fiscal year, and
23 what we like to say is that these markets climbed
24 the proverbial wall of worry that was so pervasive

1 during the entire year.

2 One of our economics providers,
3 Evercore ISI, characterized -- and I love this.
4 They characterized the 12-month bull market as a,
5 quote, "a bucking bull market." And I think that
6 characterized the direction and the volatility of
7 the year perfectly. It was quite a ride.

8 And as you all know, thankfully we've
9 maintained our exposure to some high-performing
10 asset classes, for example, international
11 equities. For the first time in many years,
12 international equities outperformed U.S. equities.

13 Diversified bonds are also up as rates,
14 while they are volatile, did remain range-bound
15 throughout the year.

16 The 10-year Treasury yield of about
17 4.2~percent today is very near to where it was
18 last year at this time. U.S. equities were very
19 strong for the trailing 12 months, up
20 15.1 percent. But perhaps more noteworthy and
21 surprising was the strength of some of the largest
22 international markets.

23 For example, in the fiscal year, German
24 equities were up more than 40 percent. China was

1 up 33.6 percent. The UK was up 20 percent. And
2 Japan was up 13.8 percent. Again, that compares
3 to 15 percent for U.S. markets. And this
4 strength, as I'll outline in a second, has
5 continued into this quarter.

6 Again, fiscal year, S&P up 15.1 percent.
7 Developed international markets up 18.6 percent.
8 Emerging markets up 15.2 percent. Diversified
9 bonds up 6.1 percent.

10 And that puts the calendar year through
11 yesterday really very strong. The S&P up
12 10.8 percent, but international markets have more
13 than doubled that performance. Developed
14 international markets are up 22.4 percent, again
15 compared to 10.8 percent in the S&P 500.

16 Emerging markets up 20.8 percent for the
17 calendar year so far. And diversified bonds up
18 almost 5 percent.

19 Tony, the performance slides, please.
20 Let me know when they're up.

21 MR. FALZONE: All set.

22 MR. TROTSKY: Thank you.

23 I'll start as usual with the market
24 value slide. And you can see at June 30, the end

1 of our fiscal year, the PRIT Fund stood at
2 115.4 billion, a new all-time high.

3 The fund was up 5.4 percent in the June
4 quarter alone and, again, 9.6 percent net for the
5 year, an investment gain of \$10.1 billion.

6 Net outflows to pay benefits were well
7 below historical averages, only \$36 million. This
8 is way below the average of about a billion
9 dollars a year, primarily because clients are
10 electing to invest more of their assets with PRIM,
11 and we view that as a sign of confidence.

12 Next slide. Performance by strategy for
13 the second quarter of 2025, the June quarter.
14 Again, a gain, 5.4 percent. Quite healthy as
15 equities of all types on the left -- you can see
16 that. Equities of all types led the way.

17 And on the right, you can see that long
18 bonds were down because long duration interest
19 rates were up very slightly.

20 Noteworthy was, again, that
21 international equities were the strongest, and
22 they continue to be into this quarter.

23 Next slide. For the one-year by
24 strategy, you can see the PRIT Fund in the middle,

1 the gold bar, up 9.6 percent net. On the left,
2 you can see developed international. U.S.
3 equities and other credit opportunities led the
4 way.

5 PCS, which is primarily hedge funds,
6 also a very strong contributor. And I should
7 note that hedge funds and other credit
8 opportunities have the highest risk-adjusted
9 return in the portfolio for the fiscal year, given
10 their high absolute return and their low
11 volatility.

12 And I've said, and I can't say it
13 enough, that Bill Li has been extremely
14 successful upgrading the hedge fund portfolio over
15 the last several years, while Chuck LaPosta and
16 Christina Marcarelli from the real estate team
17 together have really introduced us to the other
18 credit opportunities bucket, and that's been a
19 really great addition over the last several years.

20 On the right, again, long bonds and
21 interest rate-sensitive asset classes were the
22 most challenged. And that rounds out the view of
23 the year. Next slide.

24 For the year, all major asset classes

1 had positive absolute returns. And again, that
2 was the first time since 2019.

3 On the left, global equities led the way
4 followed by PCS, again, hedge funds, and value-
5 added fixed income, which includes other credit
6 opportunities.

7 Private equity up 7.3 percent for the
8 year and 2.4 percent for the June quarter. That's
9 its 10th straight quarter of positive performance.

10 And you can see a little bit the
11 underperformance in global equities. That's due
12 to a larger allocation to small cap. And we've
13 talked in the earlier quarters about the strength
14 of the Magnificent Seven stocks in the S&P 500,
15 the large growth stocks. We have a slightly
16 larger allocation to small cap in our portfolio.

17 And in international markets, I talked
18 about the strength of China. Our managers have a
19 small underweight to China, and that challenged us
20 a little bit.

21 Real estate up slightly for the year.
22 Underperforming slightly for the year primarily
23 due to non-core assets in some office and life
24 sciences areas, which are weaker. And I should

1 note that the non-core area is quite small. It's
2 only 5 percent of the total real estate portfolio.
3 95 percent, which is core properties, did
4 outperform the benchmark.

5 And timberland up, but it also lagged
6 its benchmark, primarily because of exposures we
7 have in the Pacific Northwest and also off-
8 benchmark exposures, international exposures,
9 primarily in Australia and New Zealand. The
10 benchmark is a pure domestic benchmark. And the
11 Pacific Northwest, Australia, New Zealand have a
12 high exposure to Chinese markets, and those are
13 slightly softer for the year.

14 Next slide.

15 This is the fund contribution to return
16 by strategy. This basically shows the
17 contribution to total return by strategy. Really
18 it's performance times its size in the portfolio.
19 And you can see that U.S. large caps, developed
20 international equities, hedge funds and private
21 equity led the way. And together, they
22 represented 7.3 percent of our 9.6 percent total
23 return.

24 And there was only one very minor

1 detractor from performance. It's the long-
2 duration Treasuries that I talked about on the far
3 right.

4 Next slide.

5 9.6 percent one-year return, a very
6 strong return in a very turbulent market. All
7 periods well above our goal, which is the
8 actuarial rate of return, which is currently 7
9 percent.

10 The one- and three-year underperformance
11 is due to that benchmark mismatch that we talk
12 about nearly every quarter, where we compare the
13 actual one-year private equity return to a seven-
14 year smoothed public benchmark plus a liquidity
15 premium of 3 percent. That's its primary
16 benchmark.

17 That benchmark, public markets plus
18 3 percent, was up 15.3 percent during the year, a
19 very difficult comparison, especially since
20 private equity returned 7.3 percent for the one-
21 year period alone. This reflects the fact that
22 over the last seven years, the markets have been
23 very strong.

24 The seven-year smoothed performance for

1 private equity, however, if we were to take an
2 apples-to-apples comparison, is actually
3 17 percent. So apples to apples, private equity
4 is still outperforming its primary benchmark.

5 The 5- and 10-year numbers, strong. As
6 you can see, well above the actuarial rate of
7 return and above benchmark.

8 Next slide.

9 We've added this slide because we've
10 been talking about this private equity benchmark
11 mismatch for a couple of years now. It adds the
12 secondary benchmark that I remind you the board
13 approved way back in 2021. And it uses the State
14 Street Private Equity Peer Index, also called the
15 implementation benchmark. It is a more
16 appropriate benchmark for long-term asset class to
17 measure against its short-term performance. It
18 shows that we outperform our peers, which we feel
19 great about.

20 And you can see on this slide, we did
21 leave both the primary and the secondary benchmark
22 on there.

23 And I'll end with the quilt chart, next
24 slide. It shows, number one, that global equity

1 has led the way for the one- and three-year time
2 period. We've talked at great length about that,
3 and you'll hear more about it today.

4 Private equity for 5 and 10 years, it's a
5 long-term strategy, and it's still outperforming
6 over the long term, doing what we think it should.

7 Hedge funds, value-added fixed income,
8 very strong and steady. Again, credit to Bill,
9 Chuck and Christina's outstanding work in those
10 areas.

11 And real estate continues to improve
12 with a positive one-year result in several
13 quarters now of at least a bottoming in real
14 estate trends. Tim will talk more about that
15 today.

16 Timberland very steady.

17 You can take those down now.

18 MR. FALZONE: All set.

19 MR. TROTSKY: Thanks.

20 So as usual, a brief summary of recent
21 economic news, and the news is flowing at a very
22 rapid pace. But the U.S. GDP did increase
23 3 percent in June, rebounding from a contraction
24 of 0.5 percent in Q1. And that exceeded consensus

1 expectations.

2 However, the rebound occurred mainly
3 because imports fell 30 percent following a
4 38 percent surge in the prior quarter.

5 The positive GDP report was more a
6 mathematical feature than really a sign that the
7 U.S. economy is improving. Imports are subtracted
8 from the GDP calculation to ensure that the GDP
9 only captures domestically produced goods. In
10 other words, when imports fall, GDP increases, all
11 things being equal.

12 And of course an explanation for a sharp
13 quarterly decline in imports could be that
14 increased purchases earlier in the year were being
15 made to avoid the anticipated tariff-related price
16 increases later.

17 Nonetheless, the reported GDP number
18 was 3 percent growth, even though there are also
19 some softer components. For example, core GDP
20 slowed to 1.2 percent as consumer spending and
21 business investment fell.

22 Annual inflation rate. CPI held at 2.7
23 percent in July. That was unchanged from June and
24 actually below the consensus forecast of

1 2.8 percent. Price pressures strengthened for
2 cars and trucks and transportation services in
3 general, while food inflation was steady at
4 2.9 percent. Shelter inflation eased, and energy
5 prices fell further.

6 On a monthly basis, the headline CPI
7 rose 0.2 percent, just below June's 0.3 percent
8 gain. And that was in line with expectations.

9 Again, core inflation, which excludes
10 food and energy, accelerated to 3.1 percent year-
11 over-year. That's the highest since February
12 compared with 2.9 percent in June and above the 3
13 percent forecast.

14 Core CPI on a month-over-month basis
15 rose 0.3 percent. That matched expectations and
16 marked the largest monthly increase in six months
17 to core inflation.

18 Recently, the ISM Manufacturing
19 Purchasing Managers Index declined slightly for
20 the fifth consecutive month. And U.S.
21 unemployment edged up slightly to 4.2 percent.

22 The relatively tame inflation report and
23 the recent softer employment data increases the
24 chances of a Federal Reserve Bank interest rate

1 cut in September. And that sparked really a two-
2 day market rally this week.

3 In other large economies, China. In
4 China, the GDP growth slowed. Inflation remained
5 steady, and the People's Bank left rates unchanged
6 there.

7 In Europe, GDP increased only
8 0.1 percent quarter over quarter in June. That's
9 the lowest reading since 2023. Inflation in
10 Europe held steady, and the European Central Bank
11 also left rates unchanged in July.

12 In Japan, the economy slowed to flat.
13 No growth in the first quarter. Inflation eased
14 at 3.3 percent. And its Central Bank also left
15 rates unchanged.

16 As you know, the U.S. Federal Reserve
17 maintained interest rates at their current level
18 for the fifth consecutive meeting in July, which,
19 as you've just heard, was consistent with other
20 large economies. The Fed's actions not to cut
21 rates continued to draw a lot of dissatisfaction
22 from the administration. And notably, for the
23 first time in more than 30 years, two Federal
24 Reserve Bank governors dissented in the July

1 meeting.

2 Earlier this month, the July employment
3 report was released, revealing that non-farm
4 payrolls increased by only 73,000. That was
5 significantly below expectations.

6 And additionally, there were very large
7 downward revisions to both May and June's gains,
8 bringing them to just 19,000 and 14,000,
9 respectively.

10 The report, as you know, prompted a
11 swift political response. President Trump
12 announced the dismissal of the head of the Bureau
13 of Labor Statistics, the BLS. And that's the
14 agency responsible for the employment data. He
15 alleged, without providing evidence, that the job
16 numbers were politically manipulated. And since
17 then, he appointed a new agency head just last
18 week, and rumors are swirling that the new head
19 may be willing to pause the release of any further
20 data from the BLS. We'll see.

21 So with that as a summary of recent news
22 and recent conditions, as you can imagine, we had
23 a very healthy discussion of current economics and
24 markets at the Investment Committee. And I would

1 say that there are three main points that emerged
2 that are worth reviewing.

3 First, the BLS. The non-farm payroll
4 data and the CPI data, the inflation data, for
5 that matter, rely on survey results from
6 participating employers around the country. Over
7 time, the participation rates and the timeliness
8 of those responses have declined, making the
9 revisions to these numbers more common, more
10 volatile, and the revisions have been larger.

11 This is not a new phenomenon. It's been
12 happening for years. And as a result, economists
13 have always relied on third-party independent
14 second opinions for data. For example, the
15 Federal Reserve even relies partly on Indeed.com
16 job posting data.

17 Investment Committee member Connie
18 Everson, who's an economist in her day job,
19 speculated that second opinions from independent
20 data providers will become even more important in
21 the future.

22 Second, at the Investment Committee, I
23 thought this was really differentiated and
24 interesting, we also discussed a historical

1 parallel to Brexit as a recent example of a large
2 economy decoupling from its largest trading
3 partner. It is now the consensus that Brexit has
4 had a notable negative impact on the UK economy.
5 The reintroduction of trade barriers between the
6 UK and EU has led to a significant decline in
7 trade intensity, and estimates suggest that Brexit
8 has reduced the UK's GDP by about 2 to
9 3 percent.

10 This reduction is attributed to a
11 decrease in trade, investment and also migration.
12 And furthermore, uncertainty around Brexit has led
13 to a decline in business investment.

14 Third and last, we did discuss the
15 impact of recent policy decisions on global
16 markets and how hard it is to predict what will
17 happen in the future.

18 It is unclear whether the large selloff
19 that we saw in April after the Liberation Day
20 tariffs were enough to reset market expectations
21 for good. They might be enough. They might not
22 be enough. Only time will tell.

23 In the meantime, we do expect this
24 bucking bull market to continue, volatility to

1 continue. And our investment approach of course
2 is to stay the course, to maintain PRIM's
3 carefully constructed portfolio, which really has
4 served us well in both up and down markets
5 throughout a long period of time.

6 So thank you for your attention. And
7 I'll take any questions, but please be aware that
8 the asset class heads will also be reviewing
9 performance in more detail.

10 TREASURER GOLDBERG: Michael, I do want
11 to raise one thing that I only caught the tail end
12 of this morning and wondering if you heard about
13 it also, which were that there was a surprising
14 increase in prices that I began to hear this
15 morning on the news. And I did not --

16 MR. TROTSKY: I did see that. I think
17 it was Producer Price Index was up. I haven't
18 looked at it. Again, we're going to get
19 conflicting data reports. It's really a mosaic
20 that we're trying to interpret. We'll look at
21 that today, but conflicting reports.

22 I did mention core inflation was up. So
23 it's not inconsistent with other measures.

24 TREASURER GOLDBERG: So I just pulled it

1 up from Bloomberg. U.S. producer prices rise
2 by most in three years on --

3 MR. TROTSKY: Right.

4 TREASURER GOLDBERG: And it was
5 wholesale prices rose .9 percent when it was
6 expected to be .2 percent.

7 MR. TROTSKY: Right. So we'll take a
8 look at that.

9 TREASURER GOLDBERG: All right.
10 Appreciate it.

11 MR. TROTSKY: Sure.

12 TREASURER GOLDBERG: Thank you.

13 But I'm not the least bit surprised.

14 MR. TROTSKY: Right.

15 TREASURER GOLDBERG: Because all the
16 things that we know that are going on in the
17 geopolitical environment logically lead to that.

18 MR. TROTSKY: Right. I agree.

19 TREASURER GOLDBERG: Are there other
20 questions for Michael?

21 MR. BROUSSEAU: Just a comment, Madam
22 Treasurer.

23 Michael, and Madam Treasurer, because
24 you were quoted, it was very gratifying to me to

1 see those two very positive articles in *The Boston*
2 *Globe* this week about PRIM and our returns and
3 what PRIM has been accomplishing.

4 And I think you and also our excellent
5 staff up there should be extremely gratified also
6 to see these positive articles appear in the
7 press.

8 TREASURER GOLDBERG: Thank you, Bob.

9 MR. TROTSKY: Thank you.

10 TREASURER GOLDBERG: Any questions for
11 Michael?

12 MS. D'AMATO: Yes. Madam Treasurer, a
13 couple.

14 The Feds likely, you think, 25 basis
15 points, if they move at all, Michael, in
16 September?

17 MR. TROTSKY: I never like to
18 predict what the Fed --

19 MS. D'AMATO: Oh, come on.

20 MR. TROTSKY: You aren't going to get me
21 to do it.

22 TREASURER GOLDBERG: Catherine, you
23 sat on the Federal --

24 MS. D'AMATO: I did. I did. Well, I

1 don't --

2 TREASURER GOLDBERG: You're the one
3 we're going to ask the question of. Not Michael.

4 MS. D'AMATO: Good point. I do think
5 that it's --

6 TREASURER GOLDBERG: I'd ask my mother,
7 but it would take a long time for me to get the
8 answer.

9 MS. D'AMATO: Exactly.

10 I think it's just so unfortunate what's
11 occurring, and I think your points are well-taken
12 about control of data or not releasing data and
13 the importance on having other sources that we
14 might be thinking about to rely on.

15 So I think that's just a question for
16 you at some point to come back. Like, what would
17 those other sources be that the PRIM would be
18 leaning on, if in fact federal data gets locked
19 down for some reason, which is likely, given these
20 appointments.

21 And I just read -- and you may have seen
22 it, Treasurer -- the executive order on the change
23 of the way federal grants are going to come and
24 then the requirements that it -- it's all going to

1 be at essentially the pleasure of the
2 administration, with political appointees to make
3 the determination. And so it's just getting
4 tighter and tighter and tighter.

5 So I think it will be 25 basis points,
6 Treasurer, if in fact, it's anything. Or we'll
7 just keep spatting and spitting around in some of
8 these until he has control of the Fed with
9 appointments. And that's coming soon.

10 The private data was the other one.
11 The GDP, any concern about that? With the 3
12 percent? Growth of the --

13 The way that you stated it, if I said it
14 right, the difference in what it was, even the
15 month before.

16 MR. TROTSKY: Yes. I think the
17 inflation numbers and the GDP are likely to be
18 somewhat volatile for the next few months or
19 longer.

20 And on your original question about the
21 Fed moves, I've always been of the opinion that
22 the direction of travel is more important than the
23 near-term timing and degree of change. So we
24 think it's pretty clear by now the direction of

1 travel is to lower rates. And that's good.

2 Remember, we're long-term investors, and
3 whether it happens in July or September and
4 whether it's 25 or 50 basis points really doesn't
5 impact what we do. We're long term, and the
6 direction of travel is more important than the
7 near-term changes, in my opinion.

8 On the ultimate sources of data, I can't
9 remember off the top of my head, but I'll find out
10 for you and get back to you. But Connie Everson,
11 for example, did mention a few that you'll
12 recognize that have been around for a long time,
13 third-party independent suppliers of data that
14 economists have been relying on for a very long
15 time already.

16 So I felt good hearing that. I think
17 those sources will become more important. And
18 hopefully, they can remain independent and third
19 party.

20 MS. D'AMATO: I don't have any more
21 questions, but I do think that -- I know those
22 data sources just seem other ways in which this
23 administration is moving to control data will
24 become -- independent sources will become

1 important, yet they will probably be spoken to or
2 deemed wrong. Use whatever -- I have to find a
3 nice political word there. That they will not be
4 seen as legitimate or credible.

5 And the trust of just the voice of this
6 administration that all things are good and fine.
7 This is all just towards greater control.

8 My last question is just the investment
9 and that you stated early on in your notes that
10 more of the pension holders, they're investing
11 more dollars, and that's part of why we're seeing
12 the growth.

13 And have you seen that before? Have you
14 seen it a different time in the history of the
15 PRIM? Is this unusual? Is it an outlier? Or
16 it's common?

17 MR. TROTSKY: It's been unusual during
18 my tenure, and it's been happening for a couple of
19 years now. It started when several clients issued
20 pension obligation bonds and sent the proceeds to
21 PRIM. They did that in their own local
22 jurisdictions. That was when it first got
23 started.

24 And it's continued to be the case that

1 we gain clients. And they send us more of their
2 funds, which is great.

3 MS. D'AMATO: And can you remind me what
4 percentage of the fund is funded?

5 MR. TROTSKY: It varies from teachers.
6 Teachers are lower funded than state employees.
7 But I believe --

8 Well, I'm not going to answer. It's in
9 the 60s for teachers --

10 MS. D'AMATO: Yes. You can get it to
11 me --

12 MR. TROTSKY: It's in the 60s for
13 teachers and in the 70s for state employees.

14 Remember, we don't do the benefits here.

15 MS. D'AMATO: Correct.

16 MR. TROTSKY: We're not responsible for
17 that side of it, but there are reasons why one is
18 more unfunded than the other.

19 MS. D'AMATO: Thank you.

20 TREASURER GOLDBERG: Any other questions
21 from anyone?

22 Hearing none, we can move on to another
23 one of Michael's favorite things. Next item on
24 the agenda is the executive director fiscal year

1 2025 performance evaluation and fiscal year 2026
2 goals and objectives.

3 And I read the whole thing, Michael.

4 Bob, you were the coordinator of all of
5 this. Do you want to make introductory comments?
6 I'm sure all board members did read it. And I'd
7 be happy at the end to sum it up.

8 Bob?

9 MR. BROUSSEAU: Okay. Certainly. Thank
10 you, Treasurer.

11 Once every year by our bylaws, the chair
12 of the Administration and Audit Committee has a
13 responsibility of coordinating the annual
14 evaluation of the executive director. And that is
15 done of course following Michael's forwarding to
16 us of his self-assessment, which came to us I
17 believe about the first week of August.

18 So we had a very small amount of time to
19 work on this. And during this period, of course,
20 the board members -- it goes to board members and
21 committee members also.

22 So I always look forward. They can of
23 course send it to me by email, which the majority
24 of them choose to. They may phone me, if they

1 want to. Or they may fill out the form that is
2 there which is the discussion guide. And it is
3 there really for our use for doing our own
4 evaluation. Or you may use it as your evaluation
5 and forward it to me.

6 But I think very importantly, it is used
7 for you to contact Michael and to discuss the
8 evaluation in that order. So he enjoys speaking
9 with the board members if there are any specific
10 questions regarding his achievement.

11 I would say first of all, I would like
12 to start by again congratulating Michael again.
13 My opening comments of this that Michael of
14 course was hired by PRIM on August the 10th, I
15 believe, 2010. So as of last week, Michael was
16 observing his 15th year as the chief executive
17 officer and two years after that, the chief
18 investment officer of this fund. That's 15 years,
19 and they have been 15 amazing years.

20 The first two years presented their
21 problems as Michael saw what had to be done, and
22 we worked quite hard. I know I was on the
23 subcommittee with Michael and other people as we
24 worked to improve staff functions, improve

1 compensation and do the things that were necessary
2 to move into the modern era as far as public
3 pensions were concerned.

4 So congratulations, Michael. And I say
5 thank you for your leadership.

6 We saw continued growth, as you heard in
7 Michael's reports today, so I'm not going to be
8 redundant and do that over again.

9 Every year when we get this, the number
10 that I receive -- and I think it's good for you to
11 hear this. I did receive 14 evaluations from
12 board members, committee members. And of that, I
13 believe four of you forwarded the discussion
14 guides, your evaluations on them.

15 And I had two telephone calls. One
16 telephone call was probably a little bit of
17 gratification, as well as personal frustration.
18 He says, "Bob, in all the years I've been doing
19 this, I have now run out of superlatives in
20 describing Michael and what he has accomplished
21 here at PRIM. I don't know what to say other than
22 what we have used the last few years, which is of
23 course outstanding."

24 And I would say again that term appeared

1 throughout all the evaluations that I received.

2 But in doing this, a little bit of
3 nostalgia here. When these evaluations took
4 place, every single year that I did these,
5 Michael's evaluation appeared on one day. By that
6 afternoon, the first evaluation that I had in my
7 computer was that of our former colleague Paul
8 Shanley.

9 And I know we lost Paul this February,
10 but he was always the first. And he was so
11 lauding of staff, of Michael, especially the
12 staff. He described our staff on several
13 occasions in different years that we had a staff
14 that was second to none in the public pension
15 industry in this country. And he said it was due
16 to strong leadership that Michael was carrying
17 out.

18 So I just wanted to mention that because
19 Paul was a very close friend of ours also.

20 Going on, of course a lot of the things
21 that Michael mentioned of course, he's already
22 said. I'm not going to repeat them. You can read
23 them in his self-assessment.

24 But there's one thing I do want to read.

1 We all know that earlier, of course, that Michael,
2 The Allocator, With Intelligence last October
3 granted Michael a Lifetime Achievement Award for
4 his work at PRIM and in the industry over the last
5 14~years that he had been here.

6 I just wanted to read one thing, an
7 excerpt from Michael's acceptance speech. And I
8 think it puts into context what his evaluation
9 looks like this year. And I just want to read
10 this. It's not a long paragraph at all, but I
11 think it's applicable.

12 Michael said at this event in October of
13 2024, "I took the helm of PRIM in the aftermath of
14 the global financial crisis, and it was
15 terrifying. It was also after Bernie Madoff, yes,
16 Bernie Madoff, and that the trust in the
17 investment management industry was at an all-time
18 low. PRIM's performance had faltered, and there
19 was a lot of staff turnover. I had never worked
20 in government. That was also terrifying.

21 "But from day one, I always had a very
22 clear vision of what I wanted to accomplish at
23 PRIM. I knew that if I could do these four
24 things, PRIM would thrive. And number 1, I wanted

1 to surround myself with experts, and I wanted to
2 keep them for a long time.

3 "Number 2, I wanted PRIM staff to do
4 their own thinking. Number 3, I wanted to
5 encourage risk-taking and establish a culture
6 where it was okay to fail. Four, I wanted to
7 ensure that PRIM maintained its own investment
8 authority and was independent and autonomous."

9 And I think that summarizes quite well
10 what Michael has done in the last 15 years he has
11 been here.

12 And the evaluations that came from
13 members of the board and committee members, they
14 take a great deal of time to do these evaluations,
15 and I thought you might like to hear some of them.
16 And I jotted at least a comment from each person.

17 This comment stated, "The steady
18 increase of the PRIT Fund in fiscal '25 adding
19 over \$10~billion despite a bucking bull market" --
20 a term that Michael used today -- "the 2025 second
21 quarter all-time high fund balance of
22 \$115 billion, negligible PRIM staff turnover
23 indicating insightful leadership from the top, the
24 continued diversification of the PRIM staff and

1 continuing national recognition of PRIM and of
2 PRIM staff for excellence, including Michael
3 himself."

4 Going on, in another one here -- and you
5 can excuse my arthritic hands in moving some of
6 these things that I have here. I'll get to them.

7 Another statement stated that "I
8 continue to be amazed at the quality of people
9 that we have at PRIM and the high esteem and
10 respect they all have for Mike. I am also
11 consistently impressed by the loyalty and care
12 Mike displays for our employees. Mike's ability to
13 create this culture and environment is superb and a
14 huge asset to all of us at PRIM."

15 Also in the same person's evaluation
16 stated, "Since I like to be evenhanded in my
17 analysis, let me point out that our large
18 commitment to private markets dragged us down a
19 bit this year. It is important to recognize this
20 since for many years, it was a boost for our
21 performance. Nevertheless, our portfolio was well-
22 balanced, and we did not suffer from the
23 illiquidity problems that hit many other players
24 in this area."

1 Another comment that I saw here says,
2 "The indefatigable work ethic and objective
3 unconflicted approach sets the tone for his whole
4 team to strive for excellence. For these reasons,
5 I would rank him a four, outstanding, on all the
6 seven metrics mentioned in the discussion guide
7 that you sent to us."

8 Another comment stated, "First and
9 foremost, I would like to highlight the
10 discussionguide number 3 prompt, the executive
11 director inspires confidence and trust. Michael
12 scores anoutstanding on this from me and should
13 for all thebeneficiaries of the fund, the board
14 and thestaff. The times we currently face are
15 the mostdifficult times, causing the most
16 volatility inthe markets, yet our fund compared
17 to our peers scored almost 2 percent higher with a
18 final of 10.9 percent for overachieving
19 expectations."

20 It says, "His prudent and consistent
21 plan for asset allocation during these times has
22 insured us against risk by staying the course,
23 managing risk and keeping the staff diversified."

24 These go on. There's a comment from
 each. "I'd like to say also Michael has

continued

1 to exhibit strong leadership for the organization,
2 combined with a focus on the longer term. I
3 particularly note the importance of selective
4 additions to the private equity team in recent
5 years that I recognize has been understaffed
6 relative to some other similar organizations."

7 I have a comment. "I believe Michael
8 continues to demonstrate exceptional leadership.
9 He's played a central role in fostering a high-
10 performing and values-driven culture at PRIM."

11 Going on. "Michael has built a very
12 strong, lean and notably he has retained his full
13 staff over the past year, which is a testament to
14 his leadership and the culture he's created."

15 "He is energetic, enthusiastic and does
16 demonstrate a strong commitment to the mission of
17 PRIM. Michael has been able to achieve good
18 organizational stability. That is a basic
19 requirement for anyone in his shoes, and he should
20 be commended for that."

21 And I see another one here that "Michael
22 is an excellent leader and manager of the PRIM
23 team and provides innovative and sound strategic
24 management of the PRIT Fund. He has assembled and

1 maintains an investment team that is strong and
2 the best in the country and consistently
3 demonstrates excellent investment judgment."

4 And on the same evaluation stated -- and
5 this one here, I know would mirror some of what
6 Paul Shanley would say. "In summary, Michael
7 continues his performance as an outstanding ED/
8 CIO, and as I have said in the past, PRIM staff,
9 committees, the Board, beneficiaries and
10 especially the taxpayers of the Commonwealth are
11 very fortunate to have such a dedicated,
12 intelligent and thoughtful leader."

13 I think that probably concludes some of
14 the comments that people gave. And I know part
15 of this process -- and I could go through all, but
16 Michael mentioned all of them. The awards, like
17 the GFOA award this year for financial reporting.
18 This is the 20th year that PRIM has received this
19 award for our financial reporting. It is our
20 annual report to the stakeholders. That, I think,
21 is noteworthy of seeing.

22 The fact that private equity was on a
23 rebound these last 10 quarters, as Michael
24 mentioned. The diverse managers, the FUTURE

1 Initiative. The continued diversification of
2 assets, which is a big reason for our successes
3 here at PRIM. And the retention of staff. All of
4 these are indeed very, very important.

5 Finally, I would like to add a few --
6 these are my comments, the last ones that I made.
7 But in conclusion, results speak for themselves.

8 And, Michael, I would like to let you
9 know that I believe that this is your legacy, and
10 legacy is very important in this business and
11 everything we do in life. And your legacy here at
12 PRIM I think will long outlive you.

13 Other than being referred to as the
14 miracle on State Street, you have done a superb
15 job in leading this organization and putting us, I
16 would say, at the top of the public pension
17 industry in the Commonwealth of Massachusetts.

18 So I guess my only final comment would
19 be in the words of the indomitable Winston
20 Churchill during the depths of World War II, 1940,
21 as Britain stood alone against the Nazi attacks,
22 his comment was "Keep calm and carry on." And,
23 Michael, I urge you to keep calm and carry on.

24 And, Madam Chair, that concludes my

1 comments. And I don't know if any other members
2 of the Board would like to make comments on
3 their own, or I know you would want to probably
4 summarize with your comments also. And we look
5 forward to hearing what you're saying and any
6 comments from Michael.

7 Thank you.

8 TREASURER GOLDBERG: Bob, you really
9 didn't leave room for very many more comments.
10 And Dennis is nodding and chuckling, as are
11 others, along with me.

12 At this point, Michael has turned beet
13 red. Right, Michael?

14 And so I think what I would like to just
15 conclude with--- I would like to let other
16 members of the Board comment if they so choose. I
17 certainly don't want to cut off anyone. However,
18 we do need to also discuss the fiscal year '26
19 goals and objectives to be included in that
20 conversation.

21 And so other Board members, do you have
22 anything to add to what Bob said? Or should I
23 just summarize up?

24 I guess you all agree.

1 MR. BROUSSEAU: I hope I didn't take
2 away anybody else's thunder.

3 TREASURER GOLDBERG: Well, you could
4 have divided it up a little, some of the comments,
5 to other people.

6 MR. BROUSSEAU: I just had to coordinate
7 what was said so I tried to pick something from
8 everybody in fairness to all the Board people who
9 put this amount of time, that it took me a couple
10 of hours to read his self-assessment.

11 TREASURER GOLDBERG: Mark, did you want
12 to add something? Because you popped up.

13 MR. LAPMAN: No. I just said Bob did
14 very well in summarizing all of it, and I
15 certainly agree with what I've heard.

16 TREASURER GOLDBERG: Okay. So I think I
17 want to repeat a little of what I said last week
18 at -- I believe it was at the Admin and Audit
19 Committee meeting in that in these times, we are
20 challenged a great deal more by those who
21 potentially really don't understand how we operate
22 and have at times a myopic view of the fund and
23 don't understand it in the context of the greater
24 pension world and in the greater world.

1 And so I shared that two weeks ago, I
2 was with a bipartisan group of people, maybe three
3 weeks ago now, where I was the chair of the
4 National Institute of Public Finance.

5 And in this group and from a wide range
6 of perspectives, and this was a scholarly
7 certificate program, so this was not any kind of
8 political event, it was stated publicly that Mass.
9 PRIM is the gold standard and that the way in
10 which we operate and the way in which Michael
11 leads -- and I could quote some of the things they
12 said about me. I won't. This isn't about me.

13 However, the overall blend of
14 understanding fiduciary duty, for staying the
15 course, for developing strategies and for
16 implementing them while being able to be forward-
17 thinking and executing that kind of forward-
18 thinking while incorporating it into understanding
19 that at the end of the day, we have a fiduciary
20 duty to our beneficiaries is unique.

21 The word that was used is -- I was asked
22 how do we do it and how do we coordinate those
23 kind of strategies.

24 And so I just wanted to share that today

1 because we are unique. The word "unicorn" was
2 used. And I feel that people should recognize and
3 understand, and in particular many of our
4 beneficiaries, that we have continuously through
5 ups and downs and volatility been able to continue
6 to fill the bucket with water, losing a lot less
7 from the bottom, and that we are on track with
8 very well-understood in terms of risk versus gain,
9 with fabulous researchers, with extraordinary--
10 we're able to negotiate tremendously well with our
11 managers. Project SAVE from the beginning has
12 done exactly what it was meant to do.

13 And that the only thing that we will
14 continue to do, and I think this is what Bob said
15 at the end, is what Winston Churchill said. We
16 are in that kind of environment. And there is no
17 one else I'd like to see leading it than Michael
18 Trotsky.

19 And as I read through the 2026 goals and
20 objectives, which is a voting item that we will
21 vote on shortly, it is exactly that. Take a deep
22 breath. Stay the course. And staying the course
23 means that we are constantly evaluating what's
24 going on around us, but not overreacting. And

1 that's one of the key moves. The market
2 overreacts all the time. We don't.

3 So with that, I'm done with my comments.

4 I don't know if anyone else wants to add to it.

5 Michael, you've been very quiet.

6 MR. BROUSSEAU: Treasurer, just one
7 thing. I look back, Michael's first fiscal year
8 here was fiscal year '11, and our fund just
9 reached \$50 billion. Here we are, just 14 years
10 later, and we are at \$115.4 billion. So obviously
11 something is working.

12 TREASURER GOLDBERG: Well, I actually
13 used that -- I didn't use Michael's first year. I
14 used my first year when I said this to someone
15 the other day. I said it was \$57 billion when I
16 arrived, and it's \$115 billion.

17 So thank you, Bob.

18 And, Michael, unless you want to say
19 anything, I can move on to the voting item.

20 MR. TROTSKY: I'll just be very quick.

21 Thank you, Treasurer, for your kind
22 words and your support over the years. And all of
23 this happens with you as our chair, and you know
24 you and I have a great working relationship. Your

1 team and our team also have a great working
2 relationship. That is in no small part reason for
3 our success. So thank you for that partnership.

4 Bob, as always, fantastic job. I really
5 appreciate everything you do. And I was very,
6 very touched by the Paul Shanley mention, which is
7 a terrific touch.

8 And really owe thanks to the staff, who
9 perform at a very high level year after year.
10 We're a team that enjoys being successful, enjoys
11 working together in person, and enjoys uncovering
12 new exciting investments that all support the very
13 crucial mission that we all think about every day.
14 That's to fill the bucket, to solve the unfunded
15 liability, Catherine.

16 That's what we're all here to do so that
17 300,000 or so beneficiaries can enjoy the
18 retirement benefits that they've earned. So
19 that's our mission that we never lose sight of.

20 And I thank you for this opportunity to
21 lead this organization and this mission. It's
22 been a real joy.

23 And in terms of lifetime achievements,
24 I've had two awards now, but I think I have plenty

1 in front of me. I'm not done yet and love being
2 here.

3 So thank you very much for the
4 opportunity, the confidence and the review. Thank
5 you very much for that review. It's heartfelt,
6 and I appreciate it.

7 TREASURER GOLDBERG: Thank you, Michael.

8 So with that, I would seek a motion that
9 the PRIM Board approve the Administration and
10 Audit Committee's recommendation to approve the
11 executive director's fiscal year 2026 goals and
12 objectives attached as Appendix E of the expanded
13 agenda, and further to authorize the executive
14 director to take all actions necessary to
15 effectuate this vote.

16 Is there a motion?

17 MR. NAUGHTON: So moved.

18 MR. BROUSSEAU: So moved.

19 TREASURER GOLDBERG: Second?

20 MR. LAPMAN: Second.

21 MR. BROUSSEAU: Second.

22 TREASURER GOLDBERG: Thank you.

23 Questions or comments?

24 Okay then.

1 MR. BROUSSEAU: Does Michael have any
2 comments to make? I don't know.

3 TREASURER GOLDBERG: Bob, we have all
4 our comments.

5 MR. BROUSSEAU: I know.

6 TREASURER GOLDBERG: We're going to
7 vote.

8 MR. TROTSKY: I usually do give a
9 synopsis --

10 TREASURER GOLDBERG: Oh, you do.

11 MR. TROTSKY: -- of this.

12 TREASURER GOLDBERG: Oh, oh, oh, okay.
13 All right.

14 MR. BROUSSEAU: He has been before the
15 Admin Committee, but has not gone before the
16 Board for his comments.

17 TREASURER GOLDBERG: All right. Okay.

18 MR. TROTSKY: Yes. So, Treasurer,
19 you'll like this. I mean this falls in the
20 category of putting what we just talked about
21 behind us---

22 TREASURER GOLDBERG: And moving on.

23 MR. TROTSKY: Yes. In the words of Bill
24 Belichick, "On to Cincinnati." What are we going

1 to do next year? Right?

2 So approval of my 2026 goals and
3 objectives. This is what we're going to do next
4 year. And those goals and objectives are in
5 Appendix E. They're very consistent with last
6 year and include completion of our annual plans,
7 which were reviewed with each committee and board
8 earlier in the year.

9 Again, they're really a continuation of
10 the work we are already doing. But as always,
11 every year, I do provide a few updates, and I'll
12 try to be brief.

13 First, one of the most important
14 perennial goals on those goals and objectives I
15 have really is number 2 on goals and objectives.
16 And it's to ensure that staffing levels,
17 organizational structure and core competencies
18 are appropriate. That's number 2.

19 And for the past several years, we've
20 been adding staff quickly. Four to six employees,
21 new employees, per year on average has been our
22 pace.

23 But you may have noticed that we only
24 hired one new full-time employee in fiscal year

1 2025. This was by design because we believe for
2 now, we are approximately appropriately sized. We
3 have 61 full-time employees and between two and 10
4 seasonal interns on staff throughout the year.

5 We really don't anticipate growing our
6 numbers materially in 2026.

7 And moreover, really, this is another
8 fun fact. We are proud to be the leanest pension
9 fund in the country in terms of employees per
10 assets under management with approximately 61 full-
11 time employees on both the investment team and the
12 finance and operation teams together.

13 So in the interest of time, I'll only
14 highlight a few of the newer initiatives.

15 In public markets, the team seeks to
16 identify some complementary active U.S. equity
17 managers. And in other credit opportunities, we
18 want to continue to grow that by adding additional
19 managers. In other credit opportunities, we'll
20 also be open to some co-investments there that
21 come with a better fee structure and give us a
22 little concentration of exposures.

23 In private equity, the team will enhance
24 our venture capital portfolio by developing

1 structures targeting smaller and more difficult-to-
2 access managers. Helen and team have done a great
3 job in identifying managers that we previously
4 didn't have access to.

5 Private equity will also continue to
6 evaluate the ever-growing secondary markets
7 opportunity that we haven't really fully utilized
8 extensively in the past.

9 In real estate, the job is to further
10 refine the sector and geography ranking model,
11 which helps the team. And that was developed
12 together with the research team last year. The
13 real estate team is also focused on exploring
14 enhancements to their investment manager
15 evaluation and sourcing processes.

16 In PCS, which again includes hedge
17 funds, they'll continue their multi-year effort to
18 source new high quality partners and investment
19 opportunities in both stable value and directional
20 hedge funds and while they're also of course
21 executing an orderly exit from select legacy
22 investments in those areas.

23 The risk team will continue to enhance
24 analytics and performance attribution for private

1 equity to incorporate different views, lenses and
2 exposures. The team will also complete the
3 transition to a new risk management platform,
4 which you'll learn later in the year is likely to
5 save a lot of money, and incorporate the liquidity
6 study results into our asset allocation and asset
7 class decision-making processes.

8 The main goal of research this year will
9 be to refresh the currency hedging study. That's
10 a study we do periodically and that we last
11 completed several years ago.

12 In operations, we're continually
13 striving to strengthen our cybersecurity
14 protocols. There have been some clients that have
15 been breached in the last two years. Not us. Not
16 PRIM. Some of our clients have been breached.

17 And in 2026, we plan to expand the
18 capabilities and functionality of PRIM's secured
19 client portal, to include cash instructions. That
20 should help our clients.

21 And in investment operations, the team
22 will look to enhance the PRIT Fund's tax reclaim
23 services. This falls in the category of
24 maximizing every asset we have, and every monetary

1 claim is an asset. It's our duty to maximize each
2 claim. And this new tax reclaim services approach
3 will enhance the amount and the speed at which our
4 dividend reclaims are recovered, especially from
5 foreign markets.

6 And last, topical these days, a goal in
7 all areas of our organization last year was to
8 explore applications of artificial intelligence.
9 And we have spent a lot of time learning about
10 artificial intelligence.

11 In fiscal year 2026, we will move the
12 adoption of AI further into our organization. And
13 we are very excited about the opportunities that
14 AI provides, but we're mindful of its risks.

15 I'll remind you that in fiscal year
16 2025, we focused on establishing governance,
17 providing PRIM staff with tools and policies to
18 promote the ethical and responsible use of
19 artificial intelligence within PRIM.

20 We just recently successfully rolled out
21 Microsoft's AI tool, Copilot, integrated with our
22 office and Microsoft IT structure. And we rolled
23 out Copilot to a small pilot group within PRIM.
24 I'm one of those pilot users. And we are busy

1 identifying and discussing several use cases.

2 The next step is a firm-wide rollout of
3 Copilot, with a focus on training and workshops to
4 foster collaborations and develop a pipeline for
5 innovative use cases. Each team will evaluate AI
6 tools or products that can enhance their business
7 processes. We'll talk about them. We'll review
8 every use case before they're employed. But we
9 are moving quickly and carefully.

10 And I hope we can soon provide a webinar
11 to each of you, to the board and committees, which
12 gives you a glimpse into our exciting new use
13 cases for artificial intelligence.

14 I'm extremely impressed by the
15 capabilities of AI for our purposes and its
16 potential to significantly improve our
17 productivity. And the opportunities, I believe,
18 are nearly boundless. So exciting new work in AI
19 is happening here.

20 So with that, that's a summary of my
21 2026 goals and objectives. I'd take any
22 questions. And of course I've heard from many of
23 you on these already throughout the year, but
24 happy to move on with the agenda, Treasurer.

1 Are there any questions?

2 MR. BROUSSEAU: Thank you, Michael.

3 Just a comment.

4 TREASURER GOLDBERG: Oh, I'm so sorry.

5 I didn't realize--- I was talking, but I was

6 talking to myself.

7 Any questions or comments before we take

8 the vote?

9 MR. BROUSSEAU: I just noticed that on

10 my computer for the last several months, they have

11 put Copilot on. And it completely befuddles me.

12 I'll need Tony's knowledge, get me to get into

13 this, but it is new and difficult.

14 MR. FALZONE: Anytime, Bob. Anytime.

15 TREASURER GOLDBERG: If there are no

16 other comments besides Copilot, I think that we

17 will move to the vote.

18 Bob?

19 MR. BROUSSEAU: Yes.

20 TREASURER GOLDBERG: Catherine?

21 MS. D'AMATO: Yes.

22 TREASURER GOLDBERG: Ruth Ellen?

23 MR. FALZONE: You're on mute, Ruth

24 Ellen.

1 MS. FITCH: Yes.

2 TREASURER GOLDBERG: Theresa?

3 MS. MCGOLDRICK: Yes.

4 TREASURER GOLDBERG: Mark?

5 MR. LAPMAN: Yes.

6 TREASURER GOLDBERG: Dennis?

7 MR. NAUGHTON: Yes, with enthusiasm.

8 TREASURER GOLDBERG: Carly?

9 MS. ROSE: Also an enthusiastic yes.

10 TREASURER GOLDBERG: Myself, yes.

11 The motion carries.

12 Okay, Michael. You're off the hook now.

13 Not off the hook for performance, goals or

14 accomplishments.

15 MR. TROTSKY: On to Cincinnati.

16 TREASURER GOLDBERG: On to -- well, no.

17 Belichick is not my favorite. I like the other

18 quotes.

19 MR. TROTSKY: All right. I'll stop

20 using him.

21 TREASURER GOLDBERG: He's not my

22 favorite. He's a disappointment. So we'll find

23 somebody better.

24 MR. TROTSKY: All right. My apologies.

1 TREASURER GOLDBERG: No. It's not --

2 MR. TROTSKY: Living in the past on
3 that.

4 TREASURER GOLDBERG: Yes. I get that.
5 And I'm sure what brought it back was seeing the
6 Brady statue.

7 MS. FITCH: Oh, gosh.

8 TREASURER GOLDBERG: Anyway. All right
9 then.

10 Moving right along, the next item on our
11 agenda are our investment reports. We're
12 starting with public markets. And that will be
13 Mike -- the next Michael.

14 And we will do a performance summary,
15 and then we have a voting item with other credit
16 opportunities.

17 So take it away, Michael.

18 MR. McELROY: Thank you, Madam
19 Treasurer, and good morning, everyone.

20 I'm Michael McElroy, director of public
21 markets.

22 We've talked a little bit about the
23 environment. I'll just cover the environment and
24 performance in the second quarter of this year and

1 then the full fiscal year ending June.

2 As we've commented on, there were
3 certainly wide equity swings in the second
4 quarter with the markets falling between 8 and 11
5 percent in those first few days of April, kind of
6 right after the initial announcement of the tariff
7 rates.

8 The postponement of the implementation
9 led markets to really roar back with enthusiasm.
10 Non-U.S. markets finished stronger than the U.S.
11 market in the second quarter with returns, as we
12 noted before, in a range of 11 to 12 percent
13 across the different regions. And so from the
14 early part of the quarter to the end, just quite
15 a wide swing.

16 For the fiscal year period, the global
17 equity returns, 15.2 percent developed non-U.S.
18 stocks led the way, about 19 percent returns for
19 those stocks. And the U.S. and emerging markets
20 were in the 14 to 15 percent range. So very good
21 absolute returns for global equities in the year
22 and the quarter.

23 Growth-type stocks tended to be the
24 strongest across both periods compared to value or

1 the more kind of inexpensive stocks. So the
2 growth tended to dominate.

3 On the bond market side, certainly not
4 the same excitement as equities, but they continue
5 to do their job as really a great diversifier
6 within the public markets portfolio. Core bond
7 returns were about flat in the second quarter.
8 Our value-added bonds delivered slightly better
9 than a 2 percent return in the quarter.

10 For the full fiscal year, core bonds up
11 about 4 percent. Value-added bonds about
12 9 percent.

13 Bond yields didn't move much in the
14 second quarter, and credit spreads did narrow
15 slightly. For the full year period, rates fell at
16 the shorter end and rose slightly at the longer
17 end of the yield curve. And the credit spreads
18 did narrow for the full year as well.

19 Mike Trotsky mentioned the Magnificent
20 Seven stocks, and we've discussed these stocks
21 over the past year, really kind of noting their
22 size and the strong performance relative to other
23 U.S. stocks. And they've really been a key driver
24 of the U.S. market returns over the last few

1 years.

2 You know, really these seven stocks that
3 make up the Magnificent Seven are really in a
4 class by themselves across many different
5 dimensions.

6 They continue to deliver a very
7 meaningful portion of the U.S. equity market
8 return. Just these seven stocks alone delivered
9 about a third of the fiscal year return of the S&P
10 500 with the other 493 stocks delivering the other
11 two thirds. So really concentrated at the top.

12 As these stocks have continued upward,
13 their prices have risen obviously, and they've
14 risen relative to the earnings that they deliver.
15 So this ratio is now over about 30~times next
16 year's expected earnings. And just to put it in
17 context, just for these stocks, that's really
18 higher than the valuation ratios were for the
19 largest tech telecom bubble in the very late
20 1990s.

21 With that being said, these stocks also
22 account for about half of the research and
23 development spending within the S&P 500. So these
24 companies are investing to maintain their

1 competitive edge and really to kind of keep
2 themselves in the position that they're in.

3 And I think interestingly, just from a
4 size perspective, two of these stocks, Microsoft
5 and NVIDIA, each of the stocks are now larger in
6 capitalization than most countries' entire
7 capitalizations in our global benchmark with the
8 exception of Japan. And these two stocks are
9 actually getting close to the size of the overall
10 Japanese market. So quite large, just in terms of
11 the amount of capital that is flowed into them.

12 So as noted earlier, not having a full
13 exposure to these stocks and their market
14 influence has impacted our recent global equity
15 results.

16 So kind of with that background, the
17 equity results for the PRIT Fund in the second
18 quarter slightly lagged our benchmarks, whereas
19 our bond investments performed in line to slightly
20 better than benchmarks.

21 Just as we discussed last quarter,
22 global equity underperformance was really impacted
23 by a couple of things. The domestic equity
24 portfolio allocations, so this is the smaller

1 stocks, not performing as well as these large
2 stocks, these Magnificent Seven stocks, along with
3 the smaller cap managers just having difficulty
4 outperforming their own benchmarks in the second
5 quarter.

6 And then manager underperformance in our
7 emerging markets portfolios. Michael Trotsky
8 mentioned the China positioning. China was a very
9 strong market, and our managers generally have
10 been slightly underweight China for different
11 reasons.

12 So these same influences contributed to
13 underperformance in global equities for the one-
14 year period, whereas for the bond investments
15 over the 12 months, both core and value-added
16 fixed income outperformed our benchmark.

17 And within value-added emerging markets
18 debt and our credit managers, the other credit
19 opportunities that we talked about earlier
20 performed very well for us.

21 Just from a fundamentals perspective,
22 companies continue to deliver both strong revenue,
23 so kind of top-line as well as bottom-line
24 earnings growth. Profit margins continue to

1 remain high.

2 I would say, though, tariff
3 uncertainties not eliminated. I think market
4 expectations at this point seem to indicate that
5 proposed tariff levels that are known right now
6 are manageable for companies, but this could
7 impact margins going forward, if companies need to
8 kind of take some of this impact in pricing, which
9 could impact their overall earnings.

10 We hear from our managers that
11 fundamentals aren't being rewarded as they would
12 expect. Lower quality, higher risk companies have
13 been the best performers in many markets that we
14 invest in.

15 We continue to monitor this closely,
16 along with our risk team, as risk management
17 really is a top priority for us in terms of how we
18 think about this portfolio as well as how our
19 managers manage the individual mandates that we've
20 given them.

21 So just in closing, public markets
22 portfolio delivered mixed results over the last
23 quarter and the last 12 months. Equities lagged
24 our benchmark slightly. Fixed income

1 outperformed. We remain very well-diversified
2 across geographies, styles, sectors, asset
3 classes.

4 And as noted, this has weathered many
5 different market stress periods just over the last
6 year. The aggregate risk of the overall equity
7 and fixed income portfolios is low. And our
8 managers have really continued to deliver a good
9 long-term benchmark relative value-added.

10 So with that, I'm happy to take any
11 questions on the public markets portfolio.

12 TREASURER GOLDBERG: Questions for
13 Michael?

14 Not hearing any.

15 Okay then. We can go on to the next
16 item, which is a voting item. So I'm going to
17 begin that with a motion and a second.

18 And then who will be presenting?

19 MR. McELROY: That will be Chuck
20 LaPosta.

21 TREASURER GOLDBERG: That's what I
22 thought. Just always double-checking.

23 I seek a motion that the PRIM Board
24 approve the Investment Committee's recommendation

1 to approve a commitment of up to \$250 million to
2 Blue Owl Custom Asset-Based Finance Fund as
3 described in the expanded agenda, and further to
4 authorize the executive director to take all
5 actions necessary to effectuate this vote.

6 Is there a motion?

7 MS. McGOLDRICK: So moved.

8 TREASURER GOLDBERG: Second?

9 MS. D'AMATO: Second.

10 TREASURER GOLDBERG: Thank you.

11 Chuck.

12 MR. LaPOSTA: Great. Thanks. Good
13 morning, everybody.

14 Chuck LaPosta, director of fixed income.
15 And I'd like to start with a summary of our OCO
16 portfolio. We've certainly spoken about it a few
17 times already. It's been a high-performing
18 portfolio allocation for us.

19 Currently, OCO represents about
20 2 percent of the PRIT Fund. OCO's targeted returns
21 of 8 to 12 percent with limited volatility would
22 generally plot in the upper right quadrant of an
23 efficient frontier chart of credit investments,
24 above liquid credit options like high-

1 yield, bank loans and emerging markets debt.

2 OCO is largely comprised of privately
3 originated or bilaterally negotiated credit, with
4 about 20 percent in corporate credit, 40 percent is
5 in real estate-backed strategies across
6 commercial and residential properties, and the
7 final 40 percent is in structured credit, which
8 includes an alphabet soup of investment acronyms,
9 including ABF or asset-based finance strategies,
10 like the one being recommended today.

11 We use the term "structured credit" to
12 describe the category of investments that takes a
13 collection of loans and creates new structures or
14 tranches which carve up different slices of risk
15 and return for various investors.

16 Asset-based finance can cover a wide
17 swath of collateral types. For our purposes, it
18 is limited to investments backed by loans against
19 hard assets like cars, planes, solar panels or
20 business equipment, or financial assets like
21 consumer receivables or business installment
22 loans.

23 Blue Owl is a significant player in the
24 asset-based finance base, having recently acquired

1 Atalaya Capital Management, which has been solely
2 focused on asset-based finance for nearly
3 20 years. All of the leading investors from
4 Atalaya have joined the Blue Owl team and continue
5 to invest and build their business along the
6 broader Blue Owl platform.

7 PRIM has an existing relationship with
8 Blue Owl, and this customized asset-based finance
9 recommendation will be added to our existing
10 fund-of-one structure. 200 million will be
11 invested into their asset income fund complex,
12 which lends to specialty finance platforms and is
13 secured by diversified pools of short duration,
14 self-amortizing assets.

15 Blue Owl often takes a mezzanine
16 position within the structure with originator
17 equity below them to absorb credit losses and a
18 senior lender above them to provide a lower cost
19 form of financing.

20 The remaining 50 million of our
21 commitment will be invested alongside certain
22 asset-based finance-like investments from Blue
23 Owl's opportunistic asset strategy.

24 These investments will have similar

1 collateral to that in the asset income fund but
2 will likely be in the form of asset purchases,
3 which may carry more credit loss exposure or a
4 higher degree of complexity, which leads to higher
5 expected returns.

6 Blue Owl has a variety of sourcing
7 options, but most of its deals are sourced
8 directly by their investment team, and many
9 transactions are with repeat borrowers. Blue Owl
10 uses deal structuring, asset management and data
11 science to not only support and protect their
12 investment, but also to build a moat around their
13 lending relationships, which creates a cost-
14 effective way to recycle capital with their
15 preferred partners with less threat from
16 competition.

17 Blue Owl has made over 240 loans since
18 its inception and has generated returns that land
19 well within our targeted range for OCO, with
20 minimal losses due to credit events. Importantly,
21 Blue Owl underwrites transactions to a combination
22 of the worst experience of each originator, as
23 well as within the experience of the global
24 financial crisis to provide a measure of

1 protection against future deterioration in
2 consumer credit.

3 We are excited to expand our
4 relationship with Blue Owl. And with that, I will
5 open it to any questions.

6 TREASURER GOLDBERG: Are there questions
7 for Chuck?

8 MR. NAUGHTON: I have a question, Madam
9 Treasurer.

10 Good morning, Chuck.

11 And this is a naive layperson kind of
12 question, but given the characterization of the
13 bucking bull economy that we're going to be
14 looking at for the foreseeable future, on this
15 particular investment, how would you characterize
16 risk under the circumstance of what we're looking
17 at going forward with the bucking bull?

18 MR. LaPOSTA: So there are a few risks
19 to consider, and some of them may counteract each
20 other.

21 So this is a fairly broad opportunity
22 set, mostly in consumer and corporate exposure,
23 but it has assets supporting the investments and
24 structural elements that will protect it. So it

1 will certainly experience volatility with any
2 bucking bull economy or markets.

3 But I think the way that these
4 investments are structured provides certainly
5 protections or volatility limiters to make that
6 buck a little bit of a smoother ride perhaps in
7 this environment.

8 They're also fairly short in their
9 exposure, so they kind of self-liquidate, self-
10 amortize so there is very little kind of time
11 horizon that you need to concern yourself with
12 when investing. And by little time horizon, it's
13 relative. Everything is in relative terms.
14 It's a couple years, possibly six months to two
15 years generally.

16 MR. NAUGHTON: Thank you.

17 MR. LaPOSTA: You're welcome.

18 MR. LAPMAN: May I ask?

19 TREASURER GOLDBERG: Yes.

20 MR. LAPMAN: How do you think this
21 investment would perform in a kind of average
22 recession period that lasted a year or two?

23 MR. LaPOSTA: So I think that there
24 would be payment delays, delinquencies and things

1 like that in a recession, as one would typically
2 expect, that may limit the IRR of this investment,
3 given that the timing of it would be elongated.

4 But it would unlikely lead to any
5 material credit impairment because of that
6 because, again, the way the structures are created
7 and the way they are stress-tested, typically
8 there is originator equity behind that. So losses
9 get absorbed by the originators and not by the
10 lender, which would be Blue Owl and PRIM in this
11 case.

12 TREASURER GOLDBERG: Any other
13 questions?

14 Okay. Then we have a motion. We have a
15 second. We'll proceed with the vote.

16 Bob?

17 MR. BROUSSEAU: Yes.

18 TREASURER GOLDBERG: Catherine?

19 MS. D'AMATO: Yes.

20 TREASURER GOLDBERG: Ruth Ellen?

21 I'll come back to you, Ruth Ellen.

22 Theresa?

23 MS. McGOLDRICK: Yes.

24 TREASURER GOLDBERG: Mark?

1 MR. LAPMAN: Yes.

2 TREASURER GOLDBERG: Dennis?

3 MR. NAUGHTON: Yes.

4 TREASURER GOLDBERG: Carly?

5 MS. ROSE: Yes.

6 TREASURER GOLDBERG: Ruth Ellen?

7 MS. FITCH: Yes.

8 TREASURER GOLDBERG: Myself, yes.

9 The motion carries.

10 MR. LaPOSTA: Thank you, everyone.

11 TREASURER GOLDBERG: Thank you.

12 Okay. Moving on, we are at portfolio

13 completion strategies. Bill Li will give us a

14 performance summary, and then we will have one

15 voting item, which will be other credit

16 opportunity -- no. Sorry. Issuance of a request

17 for proposals for portfolio completion strategies

18 and other credit opportunity advisory services.

19 Bill?

20 MR. LI: Thank you, Madam Treasurer.

21 And good morning, everyone. This is Bill Li,

22 director of portfolio completion strategies, or

23 PCS.

24 Before going into performance, which

1 were excellent numbers, I want to first give a
2 shout out to my team: Ethan Spencer, Liu Liu,
3 Eleni Klempner and Joy Seth. Thanks to everyone's
4 hard work and the range of perspectives we brought
5 to the table, I really think we've delivered one
6 of the strongest outcomes among our peers.

7 And back to performance. I'm happy to
8 report PCS concluded the fiscal year with a
9 strong 11.6 percent, about 400 basis points ahead
10 of benchmark. And PCS is predominantly hedge
11 funds. PRIT hedge funds rose 12.7 percent.
12 Against the peer funds, performance was similarly
13 strong, with our program outpacing both strategic
14 benchmark and peer fund benchmark by over 450
15 basis points.

16 And to pull back the curtain, we are
17 seeing decent dispersion across the portfolio.
18 Stable value funds generated high single digits,
19 while directional funds returned in the high
20 teens. These results barbell to a low teens
21 return at the hedge fund program level. We
22 continue to favor this barbell approach with a
23 prudent tilt towards stable value.

24 And in terms of risk-adjusted return,
 the ratio climbed to 2.6 times, meaning for every

1 unit of volatility risk, we are generating
2 2.6 units of return. Equally important, the total
3 hedge fund program's equity beta remained below
4 0.2, which speaks volumes about its uniqueness.

5 It's also worth noting that we've been
6 proactively pulling weeds and reinforcing the
7 garden fence. We've worked very closely with the
8 ops team to improve cash efficiency, and we
9 partnered with risk and legal to guard against
10 potential pitfalls.

11 I feel I cannot stress this enough: A
12 lot of work is happening behind the scenes,
13 efforts that don't show up in the numbers but are
14 integral to our long-term success.

15 All in all, we believe we are running
16 one of the most effective and well-oiled hedge
17 fund programs in the country, delivering strong
18 outcomes while remaining operationally robust.
19 And as always, our goal is to fulfill the team's
20 dual mandate of return and diversification with a
21 constant focus on getting better every day.

22 And with that, I'm happy to address any
23 questions you may have.

24 TREASURER GOLDBERG: Are there questions

1 for Bill?

2 I just want to congratulate you because
3 I can flash back five or six years ago when this
4 strategy was not even close to as effective as
5 what you've been able to work our way out of and
6 work our way back into over these years.

7 So congratulations to you and your
8 entire team.

9 MR. LI: Thank you, Madam Treasurer.
10 Your and the board's support means a lot to us.

11 TREASURER GOLDBERG: Well, you've got
12 it.

13 So the next item, if there are no
14 questions, is a voting item. And I'm going to
15 seek a motion and a second.

16 And then, Bill, remind me please who
17 will be presenting.

18 MR. LI: My colleague Ethan Spencer will
19 be presenting.

20 TREASURER GOLDBERG: Right.

21 And every time you say Ethan's name,
22 it's so close to Evan, my son's name, and people
23 call him Ethan by accident so I always should
24 remember that.

1 Okay. I seek a motion that the PRIM
2 Board approve the Investment Committee's
3 recommendation to approve the issuance of a
4 request for proposals for portfolio completion
5 strategies and other credit opportunities advisory
6 services, as described in the expanded agenda, and
7 further to authorize the executive director to
8 take all actions necessary to effectuate this
9 vote.

10 Is there a motion?

11 MR. BROUSSEAU: So moved.

12 MS. FITCH: So moved.

13 TREASURER GOLDBERG: Is there a second?

14 MS. D'AMATO: Second.

15 MS. MCGOLDRICK: Second.

16 Okay then. Ethan.

17 MR. SPENCER: Thank you, Madam
18 Treasurer.

19 And yes. Again, this is Ethan or Evan
20 Spencer, whichever you prefer.

21 TREASURER GOLDBERG: No, no, no.

22 By the way, he's the one who only gets
23 called the wrong name. For some reason, people
24 like Ethan.

1 Don't give up your name so fast.

2 MR. SPENCER: No, not yet. I'm not
3 ready to yet.

4 And I am a senior investment officer in
5 the PCS group.

6 And we're asking today for the approval
7 to issue an RFP for advisory services on both the
8 portfolio completion strategies and other credit
9 opportunities portfolios.

10 As a bit of background, our original
11 advisory contract was initiated on July 1, 2019.
12 That contract had an initial five-year term with
13 two one-year extensions. And so we are currently
14 operating on the second one-year extension, which
15 expires on June 30, 2026. And as such, we need to
16 issue a new RFP to begin on July 1, 2026.

17 I would note that the RFP will be
18 written so as to allow vendors to bid on advising
19 just the PCS portfolio, just the OCO portfolio or
20 both portfolios, to allow for maximum flexibility,
21 synergies and potential cost savings.

22 And also intuitively, it makes sense to
23 include both under one RFP because in all
24 likelihood, the vast majority of advisors that bid

1 on one of these mandates would also likely bid on
2 the other, given the similarities and overlaps
3 between the types of managers and approaches that
4 are hired within each mandate.

5 So that's really it on the background
6 and what I have. And happy to answer any
7 questions, if there are any.

8 TREASURER GOLDBERG: Any questions for
9 Ethan?

10 Hearing none, we will move to the vote.
11 Bob?

12 MR. BROUSSEAU: Yes.

13 TREASURER GOLDBERG: Catherine?

14 MS. D'AMATO: Yes.

15 TREASURER GOLDBERG: Ruth Ellen?

16 MS. FITCH: Yes.

17 TREASURER GOLDBERG: Theresa?

18 MS. McGOLDRICK: Yes.

19 TREASURER GOLDBERG: Mark?

20 Did we lose Mark? Oh, he may have had
21 to step away.

22 Dennis?

23 MR. NAUGHTON: Yes.

24 TREASURER GOLDBERG: Carly?

1 MS. ROSE: Yes.

2 TREASURER GOLDBERG: Myself, yes.

3 The motion carries.

4 All right then. Next item on the agenda
5 is private equity. We will have a performance
6 summary from Mike McGirr and a commitment summary,
7 and then we will have a new investment
8 recommendation, follow-on investment
9 recommendations, private equity advisory service
10 RFP recommendation.

11 Mike.

12 MR. MCGIRR: Thank you, Madam Treasurer.

13 This is Michael McGirr, director of
14 private equity. And we do have three voting items
15 so I'll keep my performance commentary relatively
16 short.

17 For the quarter, PRIM private equity
18 was up 2.24 percent. And as a reminder, this is
19 the January 2025 through March 2025 time period.
20 So we're always operating with that quarter lag.

21 Compared to lagged public market
22 performance, we outperformed the Russell 3 and the
23 Russell 2. But as a reminder, MSCI Europe,
24 European stocks, were quite strong in Q1, up over

1 10 percent. So underperformed that European
2 market.

3 As Michael mentioned, we also
4 outperformed our secondary benchmark, the State
5 Street Index, for the quarter and the one-year.

6 Turning to the one-year, private
7 equity's performance was up 7.28 percent net,
8 outperforming the Russell 3 and the Russell 2, and
9 outperforming the State Street Private Equity
10 Index, as we mentioned.

11 Looking across our performance for that
12 one-year period, buyouts, growth and venture all
13 posted positive performance, which was great,
14 especially as venture capital continues its
15 recovery from the deep downturn in 2022 and 2023.

16 We were very pleased to report that the
17 AIC recognized PRIM as number 4 in the country for
18 our 10-year performance figure.

19 And with our positive performance, our
20 assets grew to \$19.1 billion, a new high
21 watermark, or 16.6 percent of PRIT.

22 Given timing, I'm going to cut my
23 comments there. Happy to take any questions on
24 the markets or performance before we move into our

1 three voting items.

2 TREASURER GOLDBERG: Questions for
3 Michael?

4 Not hearing any, I will seek a motion
5 and a second on WindRose.

6 And I seek a motion that the PRIM Board
7 approve the Investment Committee's
8 recommendation to approve a commitment of up to
9 \$100 million to WindRose Health Investors VII,
10 L.P., as described in the expanded agenda, and
11 further to authorize the executive director to
12 take all actions necessary to effectuate this
13 vote. Is there a motion?

14 MR. BROUSSEAU: So moved.

15 TREASURER GOLDBERG: Is there a second?

16 MS. D'AMATO: Second.

17 MS. FITCH: Second.

18 TREASURER GOLDBERG: Okay then, Michael.
19 Who is presenting?

20 MR. McGIRR: Madam Treasurer, Helen
21 Huang is going to present this new investment
22 recommendation.

23 TREASURER GOLDBERG: Thank you.

24 Helen.

1 MS. HUANG: Thank you, Madam Treasurer.

2 Good morning. It's great to see
3 everyone. I'm Helen Huang, senior investment
4 officer on the PE team.

5 We're recommending a new buyout manager
6 specialized in healthcare. WindRose is a New York-
7 based PE firm investing in tech-enabled healthcare
8 service businesses in the U.S. They focus on
9 companies whose mission is to expand access,
10 improve the quality of care and making the
11 delivery of care less expensive. WindRose is
12 raising Fund VII, targeting 1.8 billion with a final
13 close in 2025.

14 Healthcare, as you know, is a large and
15 important sector, accounting for almost 20 percent
16 of U.S. GDP spend, according to the CMS. It's an
17 active sector for PE investing and exits, an area
18 that's largely perceived as cycle-resilient.

19 Healthcare in fact is the second largest component
20 of PRIM's PE portfolio by sector. However, we're
21 still underweight to healthcare compared to
22 private benchmarks.

23 So what does WindRose invest in? A
24 large part of the manager's investments have been

1 healthcare IT solutions and outsource services to
2 payors and providers delivering innovations to
3 large and diversified end markets.

4 For example, HealthMap is a portfolio
5 company that provides tech-enabled specialty
6 health management solutions for people with
7 chronic kidney disease, CKD. CKD patients are
8 considered high-risk and high-cost patient group.
9 And HealthMap helps identify patients early
10 through predictive analytics, optimized care
11 programs and coordinate care.

12 So it's not the provider of care, but it
13 quarterback the care to meaningfully improve
14 patient quality of life by early identification
15 and intervention, as well as optimizing patient
16 care.

17 We understand there are sensitivities
18 regarding PE's role in healthcare and hospitals
19 specifically. We share these sensitivities and
20 spend lots of time understanding managers' focus
21 areas and underwriting approach.

22 During our due diligence, WindRose did
23 disclose that in 2021, they were brought in as a
24 strategic coinvestor alongside a PE sponsor in a

1 hospital transaction. We dug deep into this
2 investment. It was a small investment, and
3 WindRose plays a non-meaningful role.

4 We believe this was a one-off deal that
5 is not aligned with the manager's target areas,
6 and we don't expect them to make similar
7 investments going forward. In fact, managing
8 partner and the leader at WindRose Oliver Moses
9 said, and I quote, "Can't imagine us doing
10 anything like it ever again." We appreciate the
11 manager's candor and transparency.

12 We expect WindRose to be good long-term
13 partners of PRIM and believe this team has strong
14 integrity and high ethical standards for making
15 healthcare investments.

16 We know Oliver and his team think a lot
17 about PE's perception. And in our discussion, he
18 said the line is not about being right versus
19 wrong. It's the perception of being wrong.

20 We have many dedicated sector
21 specialists across the PE portfolio, notably in
22 software, industrials and financial services.
23 Finding a healthcare specialist has been a multi-
24 year research effort. We consider WindRose as one

1 of the best with an excellent track record, a
2 narrow focus in tech-enabled service businesses
3 and a highly cohesive homegrown team.

4 We also believe that they're well-
5 aligned with our focus on finding PE firms and
6 companies that make positive impact to the
7 industry, which means they need to do three
8 things really well: again, it's increasing access
9 to care, improving the quality of care and making
10 care delivery less expensive.

11 We're recommending a \$100 million
12 commitment to WindRose Fund~VII, and I'm available
13 for any questions.

14 TREASURER GOLDBERG: Questions for
15 Helen?

16 MR. NAUGHTON: If I may, Madam
17 Treasurer. Thank you.

18 I have both a comment and a question.
19 Good morning, Helen.

20 MS. HUANG: Good morning, Dennis.

21 MR. NAUGHTON: I just can't say how
22 pleased I was to read the summary and to listen to
23 the presentation at the Investment Committee.

24 As a member myself of the Stewardship

1 Committee and as a member of the PRIM Board, I am
2 proud to see that the direction that we are taking
3 -- and I'm sure have always taken, but here we are
4 now talking about what we do, doing things that
5 not only bring good results for the PRIT Fund, but
6 also do some good in the world.

7 And so thank you, members of the team,
8 for this proposal.

9 Secondly, I'm always concerned -- and
10 this is my question. Just to take as an example,
11 RFK, Jr. recently cut \$500 million from mRNA
12 research. Who would have thought that that kind
13 of thing could just come out of the blue, except
14 me?

15 So I'm assuming that the kinds of -- I'm
16 characterizing it personally, just as me --
17 whimsical and rather thoughtless choices made by
18 this current leader of Department of Health and
19 Human Services, are there any potential negatives
20 for our investment there that you guys have taken
21 a look at?

22 MS. HUANG: Sure. Thank you, Dennis.

23 First of all, really appreciate your
24 words of encouragement. This means a lot to us.

1 And then to address your question, maybe
2 let me think about it in the following two ways.
3 One, obviously 2025 has been a year with lots of
4 policy changes on a federal level. You talked
5 about funding cuts, and there's been tremendous
6 scrutiny around drug pricing.

7 So for us, obviously we're paying close
8 attention to all of these. And I think along with
9 these policy changes, there's also lots of noises.
10 So it's important to sort out what's in play
11 versus what's not in play.

12 And specifically when it comes to
13 WindRose, I think the impact is very small. They
14 are not investing in the drugs and devices space
15 that tend to have higher regulatory risk,
16 thinking about FDA, thinking about reimbursement,
17 and funding cuts.

18 And then the second viewpoint that I
19 want to offer is as long-term investors with a
20 broad horizon, in times of change, I think a lot
21 of us think more on what will remain unchanged,
22 what will remain constant, regardless of what the
23 policy direction becomes.

24 And to me, I think there's tremendous

1 tailwinds in the healthcare industry as it comes
2 to the aging demographics, the quest for better
3 quality of life. I think about these trends, and
4 I don't think they're going to reverse. And as a
5 result, I think the demand for quality healthcare
6 services won't change. And I certainly think
7 technology's enabling role will not reverse.

8 So those would be my comments. Hopefully
9 --

10 MR. MCGIRR: And one other thing to add
11 to Helen's comments, which I completely agree
12 with. Healthcare is very large, and it's very
13 complex. That's part of the reason why we've been
14 searching for a healthcare specialist. And we
15 think we've found a really good long-term partner
16 for PRIM with WindRose.

17 MR. NAUGHTON: Just a comment on your
18 comments, Helen. One would think that you had my
19 question in advance, you gave such an astute
20 answer. You did not have it in advance, and I
21 appreciate the thought you put into your answer.

22 Thank you too, Michael.

23 MS. HUANG: Thank you, Dennis.

24 MR. LAPMAN: I had a question, if I

1 could.

2 TREASURER GOLDBERG: Yes, Mark.

3 MR. LAPMAN: Given the importance of
4 this investment and it's kind of a new area of
5 interest, how does that affect the amount of the
6 commitment, which it looks like it's a little over
7 5~percent of the overall fund size. How do you
8 arrive at what the right commitment is and
9 exposure to a fund, especially a fund like this,
10 which is kind of very interesting.

11 MS. HUANG: Yes. Thank you for that
12 question, Mark. Maybe I'll kick off and, Michael,
13 please feel free to chime in.

14 I think when it comes to the sizing
15 exercise, which is incredibly important, we lead
16 with our conviction level on the manager and the
17 strategy, first and foremost.

18 And as Michael pointed out, finding a
19 healthcare specialist has been a multi-year
20 research effort. So we've done a lot of deep work
21 around finding the best partner, and we certainly
22 view this as a very attractive long-term
23 partnership. So that's kind of the starting
24 point.

1 And I think an important consideration
2 is also around our pacing because, as we all know,
3 pacing in the private markets is incredibly
4 important. We don't want to be over- or
5 underexposed to certain vintage years.

6 So we look a lot at our annual budget
7 and thinking very ahead of the pipeline that's to
8 come. And again, all of these takes years in
9 calibration.

10 Yes. I think those are my two key
11 points. I'm not sure, Michael, if you have
12 additional points to add.

13 MR. MCGIRR: Yes. I would just add I
14 think Helen and Katherine did a great job here,
15 positioning PRIM as an attractive LP to get such a
16 substantial amount for a successful group that has
17 lots of other options.

18 TREASURER GOLDBERG: Other questions for
19 Helen or Michael?

20 MR. BROUSSEAU: One question, Madam
21 Chair, to Helen.

22 I know you mentioned a situation
23 earlier, and the director told you that this event
24 would not happen again.

1 How often is the team -- and I'm so glad
2 we've been expanding the private equity team over
3 the years where we have to be to do this work.

4 How often are you able to monitor these
5 individual investments and whether or not they
6 meet standards, our standards, in terms of
7 healthcare and also in terms of the investment?

8 MS. HUANG: Thank you, Bob, for the
9 question.

10 Yes. This is an important one. We pay
11 close attention to what the managers put in our
12 portfolio. And we hold them highly accountable
13 for all the promises they make before we make the
14 commitments.

15 To answer your question specifically,
16 we monitor the portfolio on a daily, weekly and
17 certainly quarterly basis. As you know, private
18 equity provides reporting on a quarterly basis so
19 we're always keeping a keen eye on that.

20 But in addition to just reading
21 thoroughly on the reporting, we're spending a lot
22 of time interfacing with our managers, talking
23 through their latest investment, talking through
24 their pipeline development, and some

1 of the market risks and dynamics. And those are
2 very real-time discussions, as they should be.

3 And then as we all know, private equity
4 is a high-touch industry. It's built primarily on
5 relationship and trust. So that's why it's
6 important to have these frequent dialogues.

7 MR. BROUSSEAU: Thank you, Helen. And
8 again, congratulations on your recognition this
9 year.

10 MS. HUANG: Thank you, Bob.

11 TREASURER GOLDBERG: Any more questions?

12 Okay then. We will proceed with the vote.

13 Bob?

14 MR. BROUSSEAU: Yes.

15 TREASURER GOLDBERG: Catherine?

16 MS. D'AMATO: Yes.

17 TREASURER GOLDBERG: Ruth Ellen?

18 MS. FITCH: Yes.

19 TREASURER GOLDBERG: Theresa?

20 MS. McGOLDRICK: Yes.

21 TREASURER GOLDBERG: Mark?

22 MR. LAPMAN: Yes.

23 TREASURER GOLDBERG: Dennis?

24 MR. NAUGHTON: Yes.

1 TREASURER GOLDBERG: Carly?

2 MS. ROSE: Sorry. Yes. I was muted.

3 TREASURER GOLDBERG: Myself, yes.

4 The motion carries. Okay.

5 MR. McGIRR: Next up, Madam Treasurer,

6 we have Matt Marshall, who's going to be

7 presenting two re-up opportunities for us.

8 TREASURER GOLDBERG: Okay. Great.

9 Thank you, Michael.

10 I will do the --

11 Okay. Is this where we just -- this is

12 a voting item.

13 MR. McGIRR: This is a voting item.

14 TREASURER GOLDBERG: This isn't just

15 letting me know.

16 MR. McGIRR: This is a voting item. And

17 our prior practice has been to batch re-up

18 opportunities.

19 TREASURER GOLDBERG: Okay. You know why

20 I'm asking you this question, because there are

21 times where something's not a voting item, and

22 it's just letting me know.

23 MR. McGIRR: Trying to keep you on your

24 toes.

1 TREASURER GOLDBERG: I totally get that.
2 That's why I just went and got another cup of
3 coffee.

4 Okay then. I seek a motion that the
5 PRIM Board approve the Investment Committee's
6 recommendation to approve commitments of up to
7 \$50 million to Polaris Growth Fund III, L.P. and up
8 to \$50 million Euro to Medicxi V, L.P., as
9 described in the expanded agenda, and further to
10 authorize the executive director to take all
11 actions necessary to effectuate this vote.

12 Is there a motion?

13 MR. BROUSSEAU: So moved.

14 TREASURER GOLDBERG: Is there a second?

15 MS. FITCH: Second.

16 TREASURER GOLDBERG: Okay then.

17 MR. MARSHALL: Great. Thank you,
18 Treasurer.

19 My name is Matt Marshall, and I'm an
20 investment officer in the private equity team.
21 Today I'll be presenting two follow-on
22 recommendations with high conviction existing
23 managers, Polaris Growth and Medicxi.

24 First up, we have Polaris. Founded in

1 2018, Polaris Growth is a small buyout firm that
2 invests in founder-owned software and technology
3 businesses.

4 The team has built a strong track record
5 of investing in niche market leaders and growing
6 their markets through product, vertical and
7 geographic expansion.

8 Polaris is raising \$375 million for Fund
9 III, which will continue their strategy of
10 professionalizing and scaling small businesses.

11 We are recommending a commitment of up
12 to \$50 million to Fund III.

13 Second up, we have Medicxi. Medicxi is
14 an early-stage life sciences manager based in
15 western Europe and one of our core venture
16 relationships. PRIM has partnered with this team
17 since 2012 and invested across five prior funds.

18 The team's comprised of seasoned
19 scientists who help develop preclinical and
20 clinical stage drugs. Medicxi's built a strong
21 brand through its relationships with leading
22 academic institutions and pharmaceutical
23 companies.

24 We are recommending a commitment of up

1 to 50 million Euros to Fund V's 400 million Euro
2 target.

3 With that, we're happy to take any
4 question on these high conviction re-ups.

5 TREASURER GOLDBERG: Are there questions
6 for Matt?

7 Hearing none, we will proceed with the
8 vote.

9 Bob?

10 Bob? Bob, you're on mute.

11 MR. FALZONE: You're muted.

12 TREASURER GOLDBERG: I'll come back to
13 you, Bob.

14 Catherine?

15 MS. D'AMATO: Yes.

16 TREASURER GOLDBERG: Ruth Ellen?

17 MS. FITCH: Yes.

18 TREASURER GOLDBERG: Theresa?

19 MS. McGOLDRICK: Yes.

20 TREASURER GOLDBERG: Mark?

21 MR. LAPMAN: Yes.

22 TREASURER GOLDBERG: Dennis?

23 MR. NAUGHTON: Yes.

24 TREASURER GOLDBERG: Carly?

1 MS. ROSE: Yes.

2 TREASURER GOLDBERG: Bob?

3 I think he's having trouble unmuting all
4 of a sudden.

5 Bob, you're muted.

6 Yes. We --

7 MR. FALZONE: He's giving a thumbs-up,
8 but we need to hear him.

9 TREASURER GOLDBERG: It needs to be
10 audible.

11 Give you one more second, and then I can
12 complete the vote, and you can work on that for
13 the next one.

14 All right then. Myself, yes.

15 The motion carries.

16 Tony, is there any way for us to unmute
17 him?

18 MR. FALZONE: That's what we're working
19 on.

20 Here we go.

21 MR. BROUSSEAU: I vote yes.

22 MR. FALZONE: There it is.

23 TREASURER GOLDBERG: And the motion --

24 MR. BROUSSEAU: My arthritic right hand

1 does not always function too well on this --

2 TREASURER GOLDBERG: I understand.

3 The next voting item is private equity
4 advisory services RFP.

5 And I will seek a motion that the PRIM
6 board approve the Investment Committee's
7 recommendation to approve the selection of
8 StepStone Group LP for private equity advisory
9 services, as described in the expanded agenda, and
10 further to authorize the executive director to
11 take all actions necessary to effectuate this
12 vote.

13 Is there a motion?

14 MS. FITCH: So moved.

15 MR. BROUSSEAU: Second.

16 TREASURER GOLDBERG: Is there a second?
17 Okay.

18 Who will lead?

19 MR. MCGIRR: Madam Treasurer, Katherine
20 is going to present this recommendation.

21 TREASURER GOLDBERG: Thank you.

22 MS. KOVACH: Hi, everyone. My name is
23 Katherine Kovach, and I'll be presenting our
24 recommendation of StepStone as the advisor for the

1 private equity portfolio and the provider of the
2 private equity market database.

3 The RFP for private equity advisory
4 services and an optional private equity market
5 database was issued on March 17 with responses due
6 on April 18.

7 We received seven responses for advisory
8 services and seven responses for the database.
9 And we do want to note that our current private
10 equity advisor, Hamilton Lane, did not apply for
11 the advisory portion of the RFP.

12 The respondents for the advisory portion
13 were Aksia, Albourne, Callan, Cambridge
14 Associates, Meketa, NEPC and StepStone.

15 The respondents for the database were
16 Aksia, Albourne, Callan, Cambridge Associates,
17 Hamilton Lane, Meketa and StepStone.

18 These responses were thoroughly reviewed
19 by the evaluation committee, which consisted of
20 myself, Michael McGirr, Helen Huang, Maria
21 Garrahan, Shannon Ericson, Jessica Murphy and
22 Investment Committee member Connie Everson, whom
23 we'd like to give special thanks.

24 The evaluation committee reviewed the

1 submissions and selected four finalists for
2 advisory and four finalists for the database,
3 based on criteria detailed in the RFP.

4 The advisory finalists were Aksia,
5 Albourne, Cambridge Associates and StepStone. And
6 the database finalists were Albourne, Cambridge
7 Associates, Hamilton Lane and StepStone.

8 The finalists were interviewed the week
9 of June 9. After interviews, the evaluation
10 committee convened and unanimously voted to
11 recommend the selection of StepStone as advisor
12 for the private equity portfolio and provider of
13 the private equity market database.

14 StepStone was formed in 2007 and is a
15 private markets investment firm with established
16 advisory and data analytics businesses. StepStone
17 distinguished themselves versus other respondents
18 in the following areas.

19 The firm is a global private market
20 specialist and offers a global platform with a
21 localized approach with over 1,000 employees and
22 26 offices globally. StepStone has also been
23 advising pension clients on private equity since
24 its founding.

1 The firm's best-in-class database and
2 technology infrastructure is another
3 differentiator. Its database, StepStone Private
4 Markets Intelligence, known as SPI, is its
5 proprietary research library used by clients and
6 StepStone professionals. SPI allows clients to
7 exponentially expand their market coverage and
8 provides transparency into StepStone's research
9 process.

10 The firm also distinguished itself with
11 the experience, stability and depth of the firm
12 and proposed team. StepStone's 175 private equity
13 investment professionals are organized into
14 specialized sector teams that span the entire
15 asset class. The PRIM team will benefit from the
16 depth of StepStone's private equity team and
17 access to the broader StepStone platform.

18 StepStone also offers customized client
19 service and will tailor services to complement
20 PRIM's internal capabilities with its disciplined
21 research-focused approach. StepStone will work
22 with the PRIM private equity team to provide
23 seamless integration with a highly interactive
24 engagement model.

1 The evaluation committee also identified
2 synergies with the engagement model that would
3 arise from engaging StepStone as both an advisor
4 and database provider.

5 Additionally, the evaluation committee
6 believes StepStone's proposed annual fee of
7 \$1.35 million with 3 percent annual step-ups
8 represents the best overall value for service to
9 PRIM for private equity advisory services and the
10 private equity market database.

11 And with that, we're happy to answer any
12 questions.

13 TREASURER GOLDBERG: Any questions?

14 I think it was very thorough, Katherine.

15 MS. FITCH: Yes, it was.

16 MS. KOVACH: Thank you.

17 TREASURER GOLDBERG: So with that, I'll
18 move to the vote.

19 Bob?

20 MR. BROUSSEAU: Yes.

21 TREASURER GOLDBERG: Thank you.

22 Catherine?

23 MS. D'AMATO: Yes.

24 TREASURER GOLDBERG: Ruth Ellen?

1 MS. FITCH: Yes.

2 TREASURER GOLDBERG: Theresa?

3 MS. MCGOLDRICK: Yes.

4 TREASURER GOLDBERG: Mark?

5 MR. LAPMAN: Yes.

6 TREASURER GOLDBERG: Dennis?

7 MR. NAUGHTON: Yes.

8 TREASURER GOLDBERG: Carly?

9 MS. ROSE: Yes.

10 TREASURER GOLDBERG: Myself, yes.

11 The motion carries.

12 That is all we have for private equity,
13 and we are moving on to real estate and
14 timberland. Tim will give us the performance
15 summary, and we have two voting items after that.

16 MR. SCHLITZER: Good morning, everyone.
17 Good to see you.

18 So as you said, Treasurer, we've got a
19 couple of voting items today. And I'm going to
20 hand it over to Minching for that.

21 So let me just make a few comments on
22 performance. And I am not going to speak to any
23 materials specifically.

24 TREASURER GOLDBERG: Okay.

1 MR. SCHLITZER: First, just touching on
2 asset allocation. We've had no meaningful change.
3 We're at 9.2 percent in real estate. We're at
4 \$10.6 billion of NAV, and 2.8 percent in timber.
5 That's \$3.2 billion of NAV.

6 The team had a very active year on the
7 capital allocation side, executing decisions
8 equating to approximately \$1.5 billion. So that's
9 \$300 million in REIT mandates, \$650 million in
10 transaction activity. That's on the buy and the
11 sell side.

12 I'll note that the team evaluated 300
13 investment opportunities totaling over
14 \$30 billion. So that's only about a 1~percent
15 close rate. So we continue to be very selective.
16 But seeing a fair amount of volume, which is good.

17 \$150 million in real estate debt
18 refinancing. So that's more on the borrowerside.

19 And then \$450 million in new commitments
20 across PRIM's non-core future and credit
21 allocations.

22 So a busy year, a productive year, and I
23 very much want to thank the team for that, not
24 just on the investment side, the folks that I
 have

1 the pleasure of working with really day in and day
2 out, but also on the operations side as well. We
3 have really, really good support and great
4 relationships with, I'll say that side of the
5 house, so I want to thank those guys as well.

6 Just moving to real estate performance
7 and focusing on the fiscal year, total real
8 estate returned just below 1 percent or .93 percent
9 for the year. That's slightly ahead of PRIM's
10 benchmark on a gross basis and about 40 basis
11 points below benchmark after investment
12 management fees.

13 The portfolio did outperform the
14 benchmark by 155 basis points after fees over the
15 three-year period. And that's a period that
16 really roughly aligns with the rise in interest
17 rates, which began sort of midway through 2022 and
18 really ended the last real estate cycle. And as
19 I've said, we think of ourselves as really
20 beginning to enter a new real estate cycle at this
21 point.

22 And PRIM's results have been good. So
23 we're pleased to say that.

24 I'll add that on a five-year basis, the

1 return is 5.7 percent, outperformance of 336 basis
2 points net of fees. So also a good result.

3 Speaking to drivers of performance for
4 the fiscal year, REITs led on an absolute and
5 relative basis, returning 7 percent and
6 outperforming the benchmark by 263 basis points.

7 The core private portfolio, which -- and
8 Michael alluded to this -- represents 84 percent of
9 total real estate, returned 1.6 percent or
10 2 percent before leverage, 46 basis points above
11 benchmark. That's net of fees.

12 While leverage unsurprisingly detracted
13 from absolute performance, PRIM's leverage
14 contribution outperformed the index through a
15 lower loan-to-value ratio. We're cognizant of the
16 fact that this could turn as returns improve. And
17 the team is monitoring currently the market very
18 closely for opportunities to borrow accretively
19 with the goal of lowering our overall cost of
20 capital going forward.

21 Just a couple of comments on sector and
22 geographic return drivers. We remain consistent,
23 I think, with the messaging here and the way that
24 the results have been derived. Industrial

1 properties and apartments are overweights and
2 over 70 percent of the portfolio, have held up
3 well throughout the cycle.

4 PRIM's underweights to major West Coast
5 markets and overweights to select Southern markets
6 have been accretive. Our medical office exposure,
7 also accretive. And I'll note those are not
8 hospitals, but really truly medical office
9 buildings that PRIM owns.

10 And an overall underweight to the
11 overall office sector added to return. So sort of
12 a bias to medical office and then an underweight
13 to the traditional sector as a whole for office.

14 The slight underperformance -- and
15 Michael also alluded to this. The slight
16 underperformance that we experienced was
17 concentrated in the non-core portfolio, which
18 equates to just about 5 percent of real estate,
19 but returned negative 15.8 percent for the year.

20 So that was kind of the small
21 detraction that we saw, again, about 40 basis
22 points. That has some office, life science and
23 apartment investments in it. These are out-of-
24 benchmark exposures with some higher leverage and
also some

1 liquidity constraints as well.

2 So that's real estate performance.

3 Happy to take any questions as we go along.

4 Let me just make a few comments on
5 timber, and I'll wrap up. Total timberland
6 returned 4.2 percent for the year. That's
7 140-basis points below benchmark.

8 It's worth noting that we value the U.S.
9 portfolio once per year. So the current
10 appraisals that the returns are being calculated
11 on are about six months old at this point. We tend
12 to put a lot more weight on the calendar year-end
13 valuations in terms of interpreting performance.
14 So just pointing that out.

15 The underperformance overall is
16 generally concentrated in a few segments,
17 consistent with my report at the last meeting,
18 although with some improvement in relative
19 returns.

20 Our overweight to non-U.S. markets, the
21 benchmark is U.S.-centric, as I've said before.
22 So the overweight to non-U.S. markets representing
23 about 22 percent as an active benchmark weight did
24 detract, particularly our exposure to New Zealand

1 where we saw underperformance due to moderating
2 export log price assumptions in that region of the
3 world.

4 As you know, we also experienced some FX
5 volatility relative to benchmark this year. I
6 mentioned this at the last meeting.

7 The negative contribution from FX has
8 shrunk, though, as the Australian dollar has
9 rebounded by about 10 percent since bottoming in
10 April. It's now down about 3 percent for the year.

11 And then lastly, PRIM has two assets in
12 the Pacific Northwest that have significant export
13 exposure, primarily because they grow Hemlock,
14 which is the preferred species in Asia. This did
15 flow through to the discount rate and log price
16 assumptions during the year in the valuation,
17 which also contributed to the underperformance
18 that we experienced.

19 So those are my comments. Again, I'm
20 happy to answer any questions, if you have any.

21

22 TREASURER GOLDBERG: Questions for Tim?

23 Or we can move on to the voting items

24 Minching will be doing that.

1 So if there are no questions, we'll
2 start with the first item, approval of real estate
3 appraisal RFP recommendations. I seek a motion
4 that the PRIM Board approve the Real Estate and
5 Timberland Committee's recommendation to approve
6 the selection of Altus Group U.S., Inc. for
7 private real estate appraisal services, as
8 described in the expanded agenda, and further to
9 authorize the executive director to take all
10 actions necessary to effectuate this vote.

11 Is there a motion?

12 MR. BROUSSEAU: So moved.

13 TREASURER GOLDBERG: Is there a second?

14 MS. FITCH: Second.

15 TREASURER GOLDBERG: Okay, Minching.

16 Thank you.

17 MS. KAO: Thank you, Madam Treasurer.

18 And good morning, everyone.

19 My name is Minching Kao, investment
20 officer on the real estate and timberland team.

21 PRIM issued a real estate appraisal
22 services RFP on April 9, with a response deadline
23 of May 9. This is a standard process PRIM runs
24 every three years. This year, we received six

1 responses, and three finalists were selected.

2 As part of the evaluation process, we
3 formed an evaluation committee, which consisted of
4 the real estate and timberland team. The
5 evaluation committee interviewed these three
6 finalists and thoroughly reviewed their
7 qualifications.

8 After the review, the evaluation
9 committee has determined Altus to be the most
10 qualified. Altus has significant experience
11 serving institutional investors and investment
12 managers. They are one of the largest appraisal
13 service providers in the U.S.

14 As PRIM's incumbent appraiser, Altus has
15 demonstrated a robust knowledge of valuation and
16 provided high quality appraisal reports.

17 Additionally, Altus is further
18 distinguished by their continued investments in
19 technology. Their technology capabilities allowed
20 PRIM to analyze appraisal metrics across the
21 portfolio and use the data to explain property-
22 level drivers of our portfolio performance.

23 Therefore, the evaluation committee is
24 recommending renewing Altus for a three-year term,

1 from calendar year 2026 to 2028.

2 And with that, I'm happy to take any
3 questions.

4 TREASURER GOLDBERG: Are there questions
5 for Minching?

6 Hearing none, we have a motion. We have
7 a second. We'll proceed with the vote.

8 Bob?

9 MR. BROUSSEAU: Yes.

10 TREASURER GOLDBERG: Catherine?

11 MS. D'AMATO: Yes.

12 TREASURER GOLDBERG: Ruth Ellen?

13 MS. FITCH: Yes.

14 TREASURER GOLDBERG: Theresa?

15 MS. McGOLDRICK: Yes.

16 TREASURER GOLDBERG: Mark?

17 MR. LAPMAN: Yes.

18 TREASURER GOLDBERG: Dennis?

19 MR. NAUGHTON: Yes.

20 TREASURER GOLDBERG: Carly?

21 MS. ROSE: Yes.

22 TREASURER GOLDBERG: Myself, yes.

23 The motion carries.

24 Okay. Thank you.

1 Next item. I seek a motion that the
2 PRIM Board approve the Real Estate and Timberland
3 Committee's recommendation to approve the renewal
4 of International Woodland Company A/S and IWC
5 Investment Partners A/S to provide general
6 timberland advisory services, and to approve the
7 following firms to be eligible to provide project
8 investment advisory service, as described in the
9 expanded agenda: Bard Consulting LLC, Callan LLC,
10 Chatham Financial Corp., Harvest Capital Partners
11 LLC, Legacy Appraisal Services, LLC; Meketa
12 Investment Group, Inc.; RCLCO Fund Advisors, LLC;
13 Real Estate Fiduciary Services, LLC, and further
14 to authorize the executive director to take all
15 actions necessary to effectuate this vote.

16 Is there a motion?

17 MR. BROUSSEAU: So moved.

18 MS. FITCH: So moved.

19 TREASURER GOLDBERG: Is there a second?

20 MR. NAUGHTON: Second.

21 MS. MCGOLDRICK: Second.

22 TREASURER GOLDBERG: And Minching will
23 be presenting again.

24 MS. KAO: Yes. Thank you.

1 The real estate and timberland advisory
2 services RFP was also issued on April 9, with a
3 response deadline of May 9. In total, we received
4 four responses for general real estate advisory,
5 three responses for general timberland advisory
6 and 10~responses for project-based advisory.

7 An evaluation committee consisting of
8 the real estate and timberland team was formed to
9 assess the proposals.

10 After reviewing the general real estate
11 advisory proposals, the evaluation committee has
12 determined to continue the project-based approach.
13 PRIM has adopted this approach for approximately
14 five years. This approach has allowed us to work
15 with different firms as needed based on their
16 expertise.

17 And to implement this approach, the
18 evaluation committee is recommending retaining
19 eight consulting firms, including Bard Consulting,
20 Callan, Chatham Financial, Harvest Capital
21 Partners, Legacy Appraisal Services, Meketa
22 Investment Group, RCLCO Fund Advisors and Real
23 Estate Fiduciary Services. These eight
24 consultants possess diverse skill sets and

1 experience.

2 As for general timberland advisory, the
3 evaluation committee interviewed two finalists,
4 including our incumbent, IWC. During the
5 evaluation process, IWC demonstrated their depth
6 of knowledge in timberland investing. As an
7 incumbent, IWC remains dedicated and continues to
8 provide high quality deliverables.

9 Therefore, the evaluation committee is
10 recommending renewing IWC for the next three
11 calendar years, from 2026 to 2028.

12 And with that, I'm happy to take any
13 questions that you might have.

14 TREASURER GOLDBERG: Any further
15 questions?

16 Hearing none, again we will proceed with
17 the vote.

18 Bob?

19 MR. BROUSSEAU: Yes.

20 TREASURER GOLDBERG: Catherine?

21 MS. D'AMATO: Yes.

22 TREASURER GOLDBERG: Ruth Ellen?

23 MS. FITCH: Yes.

24 TREASURER GOLDBERG: Theresa?

1 MS. MCGOLDRICK: Yes.

2 TREASURER GOLDBERG: Mark?

3 MR. LAPMAN: Yes.

4 TREASURER GOLDBERG: Dennis?

5 MR. NAUGHTON: Yes.

6 TREASURER GOLDBERG: Carly?

7 MS. ROSE: Yes.

8 TREASURER GOLDBERG: Myself, yes.

9 The motion carries.

10 Okay. Here we go. On to stewardship
11 and sustainability. Veena?

12 MR. GRISWOLD: Just taking a second for
13 the promotion process to complete.

14 TREASURER GOLDBERG: Okay. We'll have
15 an update, and then we do have one voting item on
16 this.

17 MR. FALZONE: Correct.

18 TREASURER GOLDBERG: Hi.

19 MR. FALZONE: Welcome, Veena.

20 MS. RAMANI: -- for me to get promoted.

21 So good morning, Treasurer. Good
22 morning to the committee.

23 I'm Veena Ramani. I'm the director of
24 stewardship. So I'll keep the update relatively

1 brief because I know we are running short on time.

2 So in July, we had a robust Stewardship
3 and Sustainability Committee meeting where we went
4 into detail on how we're working with our public
5 markets team to drive progress on our stewardship
6 priorities.

7 In particular, we highlighted the work
8 that we're doing to engage our managers on the
9 issues of climate transition planning and
10 sustainable forestry, two of the stewardship
11 priorities that Michael had mentioned as a part of
12 his overview.

13 We showcased projects that we're
14 working on with Goldman Sachs and Climate &
15 Company. And these projects are intended to get
16 us in a position to engage with our managers in an
17 informed and in-depth manner.

18 And we sort of followed this up with a
19 really interesting and granular discussion with
20 the committee on the specifics of the approach
21 that we're looking to take.

22 So happy to stop there and take any
23 questions.

24

1 TREASURER GOLDBERG: Any questions for
2 Veena?

3 I guess not. So what I'll do is I will
4 seek a motion on the voting item.

5 MS. D'AMATO: So move.

6 TREASURER GOLDBERG: Sorry, Catherine.
7 Go ahead.

8 MS. D'AMATO: Do you need-- I'm sorry--
9 reread it? I'm happy to move, but I'll wait.

10 TREASURER GOLDBERG: Okay. Thank you.
11 I thought maybe you had another question.

12 All right. I seek a motion that the
13 PRIM Board approve the Stewardship and
14 Sustainability Committee's recommendation to
15 approve partnerships with CDP and the Human
16 Capital Management Coalition, as described in the
17 expanded agenda, and further to authorize the
18 executive director to take all actions necessary
19 to effectuate this vote.

20 Is there a motion, Catherine?

21 MS. D'AMATO: Yes. So moved.

22 TREASURER GOLDBERG: Is there a second?

23 MR. BROUSSEAU: Second.

24 MS. FITCH: Second.

1 TREASURER GOLDBERG: All right, Veena.

2 MS. RAMANI: Thank you, ma'am.

3 So in July, the Stewardship and
4 Sustainability Committee discussed staff's
5 recommendation on investor groups that we would
6 like to join in pursuit of our stewardship
7 priorities.

8 The first of these is CDP, which is a
9 well-established and well-regarded global
10 nonprofit which provides a platform for companies
11 to report their environmental performance. And
12 the data being collected is data that has been
13 requested by the investor community.

14 CDP was previously known as the Carbon
15 Disclosure Project, but they've expanded their
16 scope, covering not only climate-related
17 information, but also water, supply chains and
18 forestry.

19 We want to join CDP for a couple of
20 reasons. It allows us to join a whole cohort of
21 global investors who believe, as we do, that
22 transparency in environmental performance is
23 important for us to do our jobs. It also allows
24 us to access the data that CDP has collected over

1 the past decades from companies, and this data
2 will help us with our engagement and proxy voting
3 decisions.

4 The next group that we're looking to
5 join is the Human Capital Management Coalition.
6 The Human Capital Management Coalition is not a
7 formal nonprofit, but rather is a coalition of
8 like-minded U.S. investors, primarily asset
9 owners, who are focused on the issue of human
10 capital management from the perspective of long-
11 term shareholder value protection.

12 The organization has historically
13 focused on calling for more corporate disclosure
14 on four key metrics that provide insight into how
15 companies deal with this important asset, their
16 workforce. And these are number of employees,
17 workforce costs, workforce turnover and
18 demographics.

19 We want to join the Human Capital
20 Management Coalition as we believe that this would
21 allow us to learn from as well as support a
22 broader investor community that is focused, as we
23 are, on the transparency of human capital-related
24 metrics.

1 Maybe sort of one more quick word before
2 I open it up to questions. Dennis had a really
3 great question during the meeting, which was about
4 how we intended to partner with other investors to
5 further our stewardship priorities.

6 We see joining groups like the Human
7 Capital Management Coalition and CDP as being a
8 really important step towards that end. By
9 joining these groups, we are in effect adding our
10 voice to those of other investors who share goals
11 with us that are aligned with us on our
12 stewardship priorities.

13 And speaking collectively and louder
14 particularly on issues like transparency where we
15 have a lot of conviction in what we're asking for,
16 we think is particularly important in the current
17 context when companies are getting quieter on what
18 they are doing on environmental and social issues.

19 So let me stop there. Happy to take
20 questions.

21 TREASURER GOLDBERG: Questions?

22 Dennis, is that the answer that you were
23 hoping for?

24 MR. NAUGHTON: Yes. And as time goes

1 on, it will be clear what that looks like, with
2 examples. So I'm looking forward to that.

3 TREASURER GOLDBERG: Okay. Great.

4 Any other questions or comments for
5 Veena?

6 All right then. Thank you.

7 The next items are we have a-- we've
8 already gone--

9 Haven't we gone over, Tony, the Board--

10 MR. BROUSSEAU: Are these voting items?

11 TREASURER GOLDBERG: No.

12 MR. BROUSSEAU: Are these voting items?

13 MR. FALZONE: No. We don't have any
14 voting items.

15 MR. BROUSSEAU: I mean on the two
16 previous motions of the Sustainability Committee?

17 TREASURER GOLDBERG: There was one
18 motion, and we voted on it.

19 MR. BROUSSEAU: Okay.

20 TREASURER GOLDBERG: Veena was just
21 responding to something that Dennis had said
22 earlier.

23 Okay. Back to finance and admin, we
24 don't vote on the board and committee meeting

1 schedule.

2 MR. FALZONE: No. That's just a sneak
3 preview. We'll be voting on it next cycle. I
4 just like to give everyone a sneak preview of it.
5 Eliminate any conflicts or try to eliminate
6 conflicts.

7 TREASURER GOLDBERG: And have we
8 promoted Emily so she can speak to the legislative
9 update?

10 MR. FALZONE: She is--

11 TREASURER GOLDBERG: Because I haven't
12 seen her today.

13 MR. FALZONE: There she is.

14 MS. KOWTONIUK: Hello.

15 TREASURER GOLDBERG: Hello, Emily.

16 MS. KOWTONIUK: I will be quick.

17 So we have an FY'26 budget in place,
18 which was completed and signed close to on time
19 this year.

20 It fully funds the pension liability,
21 but draws a little bit from excess gains, excess
22 capital gains, which is a different strategy than
23 we've seen in prior years, rather than pulling
24 directly from the general fund.

1 We also have new joint rules in place
2 that will govern the way that the house and senate
3 operate this legislative session.

4 So the bill reporting deadline had
5 formerly been in the beginning of February in the
6 second year of the legislative session. It has
7 now been pushed up to the first Wednesday in
8 December of the first year of the legislative
9 session.

10 And so we're seeing a lot of committees
11 sort of more actively having hearings and
12 reporting bills a little bit more quickly. We
13 also have advance notice for hearings, which is
14 greatly appreciated by our staff.

15 And joint committees are operating on
16 sort of a bifurcated process. So house members on
17 joint committees will be voting on house-numbered
18 bills, and senate members on joint committees will
19 be voting on senate-numbered bills.

20 So bills that are identical in terms of
21 language are sort of moving separately through the
22 process this session, which is a new and fun
23 twist.

24 They also can continue in formal session

1 after July 31 of the second year of the
2 legislative session for certain circumstances
3 without sort of exempting themselves from their
4 rules.

5 So there is a handy chart that I
6 provided to Tony that members who are interested
7 can have access to, that summarizes the different
8 process changes.

9 But again, the thing that we're seeing
10 right now is a lot more committee hearings taking
11 place and bills moving a little bit more quickly.

12 And on that point, we did see the joint
13 committee on public service host its hearing
14 relative to divestment last month with a lot of
15 different bills considered. And we'll continue
16 to watch those and report back.

17 So that's it for me.

18 TREASURER GOLDBERG: Thank you, Emily.

19 MS. KOWTONIUK: Mm-hmm.

20 MR. FALZONE: And I'll send that out
21 this afternoon, Treasurer, that matrix. I
22 know that it was requested, so--

23 MS. KOWTONIUK: -- got it to you. So
24 sorry about that.

1 MR. FALZONE: No. That's all right.

2 TREASURER GOLDBERG: Are there any
3 questions for Emily?

4 MR. NAUGHTON: I just have a comment,
5 Madam Treasurer.

6 I want to thank Emily for putting
7 together that little item on the rule changes
8 because I think that will be helpful to lots of us
9 who serve on various committees. And thanks
10 again.

11 MS. KOWTONIUK: Yes. Absolutely.

12 TREASURER GOLDBERG: Keeps us on our
13 toes, doesn't it?

14 MS. KOWTONIUK: Uh-huh.

15 TREASURER GOLDBERG: Okay then. Let's
16 see. Are there --

17 MR. FALZONE: Treasurer, the other items
18 are just informational.

19 TREASURER GOLDBERG: Right.

20 MR. FALZONE: But just looking back --
21 and I had Renee check. I don't think we have a
22 roll call vote for the stewardship item for the
23 record.

24 TREASURER GOLDBERG: Maybe that's what

1 Bob was referring to.

2 MR. BROUSSEAU: That's exactly what I
3 was referring to.

4 TREASURER GOLDBERG: So we have a
5 motion, and we have a second. I will proceed with
6 the vote.

7 Bob?

8 TREASURER GOLDBERG: Yes.

9 Catherine?

10 MS. D'AMATO: Yes.

11 TREASURER GOLDBERG: Ruth Ellen?

12 MS. FITCH: Yes.

13 TREASURER GOLDBERG: Theresa?

14 MS. McGOLDRICK: Yes.

15 Mark?

16 MR. LAPMAN: Yes.

17 TREASURER GOLDBERG: Dennis?

18 MR. NAUGHTON: Yes.

19 TREASURER GOLDBERG: Carly?

20 MS. ROSE: Yes.

21 TREASURER GOLDBERG: Myself, yes.

22 The motion carries.

23 Good one, guys.

24 MS. LeFEVRE: Thank you.

1 TREASURER GOLDBERG: Okay then. The
2 rest is informational.

3 MR. FALZONE: Happy to take questions,
4 if there are any.

5 TREASURER GOLDBERG: Right. I was just
6 going to say if there are any comments or
7 questions, Tony is here.

8 If not, forever hold your peace.

9 But otherwise, I would seek a motion to
10 adjourn.

11 MR. BROUSSEAU: So moved.

12 TREASURER GOLDBERG: Is there a second?

13 MS. FITCH: Second.

14 MR. LAPMAN: Second.

15 TREASURER GOLDBERG: I won't forgot to
16 do this roll call.

17 Bob?

18 MR. BROUSSEAU: Yes.

19 TREASURER GOLDBERG: Catherine?

20 MS. D'AMATO: Yes.

21 TREASURER GOLDBERG: Ruth Ellen?

22 MS. FITCH: Yes.

23 TREASURER GOLDBERG: Theresa?

24 MS. MCGOLDRICK: Yes.

1 TREASURER GOLDBERG: Mark?

2 MR. LAPMAN: Yes.

3 TREASURER GOLDBERG: Dennis?

4 MR. NAUGHTON: Yes.

5 TREASURER GOLDBERG: Carly?

6 MS. ROSE: Yes.

7 TREASURER GOLDBERG: Myself, yes.

8 The motion carries.

9 Thank you, everyone. A lot of excellent
10 information in this meeting.

11 (Meeting adjourned at 12:12 p.m.)

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