

**MINUTES OF THE MEETING  
OF THE  
MASSACHUSETTS CONVENTION CENTER AUTHORITY  
RETIREMENT LIABILITY TRUSTEES MEETING  
October 4, 2023**

A meeting of the Retirement, Liability, Trustees Meeting of the Massachusetts Convention Center Authority was convened on October 4, 2023 at 1:00pm. The meeting was held at the MCCA's Boston Convention & Exhibition Center (BCEC) in Conference Room C and via Microsoft Teams.

Trustee Members in attendance were: Chairman David Gibbons, Michael Esmond, Christopher Donato, Devin Taylor and Michael Rodino. Also attending was Stephen MacClellan, Managing Principal at Meketa Investment Group.

**I. ROLL CALL**

The meeting was called to order at 1:08 p.m., and a quorum was established by a call of the roll.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Following their review of the minutes of their last meeting on July 10, 2023, the trustees unanimously adopted the minutes.

**III. TRUSTS INVESTMENTS PERFORMANCE**

Mr. MacLellan provided a market update, as well as an overview of the trusts' performance. According to his presentation, nearly all assets classes have seen increased values in calendar year 2023 when compared to 2022. He noted that market sentiment and consensus reflects expectations for interest rates to remain higher for a longer period of time. Growth stocks have been seen more favorably again (vs. value stocks), helping to fuel growth in the equities market. Meanwhile, the fixed income asset classes have continued to see growth simultaneously.

Mr. MacLellan noted that macroeconomic conditions of the US economy, notably labor employment levels and inflation, haven't worsened, helping to keep investors in the market and fueling optimism that the Fed's rate tightening cycle has ended.

**IV. REBALANCING MEMORANDUM**

Mr. MacLellan summarized quickly the memorandum / recommendation that was prepared by Meketa, dated October 4, 2023. The memo lays out the implementation of the re-balanced asset allocation adopted by the Trustees in February 2023. Specifically, Meketa recommends a "staggered" re-balancing for both the Pension and OPEB trusts, given the substantial amount (roughly 30 percent) of each portfolio that will be required to be re-balanced. Furthermore, Meketa has contacted Rhumline, the trusts' existing investment manager, to initiate investments

by each trust in a TIPS pooled fund vehicle. Meketa recommends utilizing a longer duration TIPS vehicle in lieu of current rate environment and believes Rhumbline offers a very reasonable fee level. Mr. Esmond noted that he would work with Meketa and Rhumbline to initiate paperwork to move forward with setting up a TIPS funding vehicle.

Finally, Mr. MacLellan noted that in lieu of timing the Pension Trust's investment in a new Infrastructure investment class, there may be time period where the trust is underweight to its infrastructure asset allocation. To address this, Meketa recommends an interim step may be necessary to split the corresponding overweight exposure between US equity and TIPS as a way to balance inflation and growth sensitivity.

#### **V. INFRASTRUCTURE INVESTMENT MANAGER**

Mr. MacLellan then turned to the search process Meketa just concluded in order to provide a short list of infrastructure investment managers for the Trustees to consider. Mr. Esmond noted that the trustees voted last meeting to clarify that Meketa may conduct such a search on behalf of the trustees, provided that ultimate selection of the investment manager remains with the trustees. Mr. MacLellan identified three managers for the trustees consideration: J.P. Morgan Infrastructure Investment Fund; KKR Diversified Core Infrastructure Fund; and, Ullico Infrastructure Fund. A summary of each manager was prepared and provided by Meketa to the trustees, including an overview of each manager, a summary of the investment team, the investment strategy of the fund, key investment terms and historical performance. Additionally, Meketa listed key strengths and considerations of each fund.

The trustees discussed each Fund following Mr. MacLellan's presentation. While each firm was recognized as having a successful track record the trustees viewed the \$31 billion of net assets currently under management by J.P. Morgan as a favorable factor in lieu of the ability of the fund to diversify and expand the funds investments. Given the fact that the infrastructure allocation would be the first actively managed investment of the pension trust, the trustees agreed that they would give greater weight to well-established investment vehicles. It was additionally noted that J.P. Morgan compared favorably with respect to preferred return and investment fees.

After discussion, Mr. Esmond asked for the trustees to consider for adoption the following:

#### **Trustees Vote – Selection of J.P. Morgan Infrastructure Investment Fund**

**VOTE: The Trustees of the Massachusetts Convention Center Authority Retiree Pension Liabilities and OPEB Benefits Trusts select the J.P. Morgan Infrastructure Investment Fund as the investment manager, in order for the Trustees to implement the allocation target adopted by the Trustees for the Infrastructure asset class.**

Upon a motion duly made and seconded the vote was adopted unanimously.

#### **VI. OLD BUSINESS**

There was no old business.

**VII. NEW BUSINESS**

There was no new business.

**VIII. ADJOURNMENT**

Upon a motion duly made and seconded the meeting was adjourned at 2:23 p.m.

Attest:

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Mike Esmond  
Chief Financial Officer

Dated: \_\_\_\_\_