

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

February 18, 2026

Boston Retirement Board
Board Room 816, Boston City Hall
Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Thomas V.J. Jackson (Chairman); Karen T. Cross, Elected Member; Sally D. Glora, Mayoral Appointed Member; Scott M. Finn, Ex Officio Member; Sean F. Kelly, Elected Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Christine M. Weir, Deputy Executive Officer; John F. Kelly, Investment Analyst; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Kiley Murphy, Matthew Ritter, Rosann Halleran of NEPC; Gary Rozier, Chris Gates of Blue Owl; Chris Reilly, Cara Vaughn of Brookfield; David Olney, Steve Gullo, Kristina McGowan of Berkshire; Jack Powers of Artisan Partners; Brian Decker of Decker & Rubin, PC; Michael Olszak, Member.

Convene

The Board voted unanimously via roll call (3-0) to enter the Administrative Session at approximately 9:00 a.m.

Member Cross: Aye; Member Glora: Aye and, Member Kelly: Aye.

Motion accepted (3-0)

Member Kelly chaired the meeting until Chairman Jackson arrived at meeting. Member Kelly tabled the administrative minutes approval until all Board members were present.

Outstanding/Ongoing Administrative Issues: Timothy J. Smyth, Executive Officer

Administrative Update

Mr. Smyth opened by requesting that the Board approve the expense of \$1,3000 for CTO to attend the PRISM conference in San Diego California as presented.

Motion made, and seconded, to approve travel expenses for CTO attendance at the PRISM conference.

Member Cross: Aye; Member Glora: Aye and, Member Kelly: Aye.

Motion accepted (3-0)

2026 Member Affidavit issue

Mr. Smyth noted that every two years the System sends the entire retiree/beneficiary population

had a high volume of pension benefits suspended pending receipt of biannual affidavit. Every two years the System sends the entire retiree beneficiary population, approximately 16,000 individuals a biannual affidavit which is required by regulations. Essentially, the purpose is to make sure that the benefit recipients are still alive.

On average, the System suspends approximately 700 benefits each time. The pension checks are converted into paper drafts and stored at Treasure's vault until the recipient comes into compliance.

This year the number was higher at around 1000. Leading up to the suspension date, staff would routinely visit the Post Office Box where the affidavits were being mailed. On 1/21/2026, staff discovered that there were roughly 300 affidavits sitting in the P.O. Box. Many of the return envelopes had postmark dates in November and December by the Post Office, at least implying that the recipients timely mailed their affidavits.

Mr. Smyth filed a complaint with the U.S. Postmaster in Washington, D.C. The administration put us in contact with Congressman Lynch's office who is reaching out as well. We have requested that the USPS conduct an investigation to determine what happened as this created hardship for many people.

IT Update

An IT update was provided in a memorandum from Mike Dwyer with the Board package. The current state of play was discussed

Member Finn arrived at 9:10 a.m.

Mr. Smyth provided the following PERAC issued documents for Board education:

- PERAC Memo 7-2026 re required distributions
- PERAC Memo 8-2026 re fraud alert
- PERAC Memo 9-2026 re buyback and make-up repayment worksheets
- PERAC Memo 10-2026 re actuarial data
- Special Commission on COLA for Members of the State Employees' and Teachers' Retirement Systems
- PERAC Pension News 70

Documents Presented: 1. Administrative Session Agenda of 2.18.2026. 2. Administrative Session Minutes of 2.18.2026. 3. Vitech Agreement Update with Creditable Service Focus. 4. PERAC Memo 7-2026 re required distributions. 5. PERAC Memo 8-2026 re fraud alert 6. PERAC Memo 9-2026 re buyback and make-up repayment worksheets. 7. PERAC Memo 10-2026 re actuarial data. 8. Special Commission on COLA for Members of the State Employees' and Teachers' Retirement Systems. 9. PERAC Pension News 70.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Real Estate Search

Ms. Murphy opened by stating that the three value-add real estate finalists will present at today's meeting. As a reminder, the recommended commitment amount is approximately \$30-60 million for value-add real estate in 2026. Additional real estate searches will be issued later in the year to fulfill the real estate allocation for 2026.

Mr. Ritter gave a brief overview of the strengths, similarities and expertise of the managers presenting today at the Board meeting.

Blue Owl

Mr. Gates opened with for those of you unfamiliar with Blue Owl, they are a publicly traded firm with approximately 1,300 employees globally. They manage over approximately \$300 billion private market assets across three primary businesses, private credit GP strategic capital and real assets. Within real assets, \$45 billion of that is dedicated to net lease business which we're here to discuss today.

Mr. Rozier continued by stating that what they do is net lease real estate. Basically, their tenant operates the asset and pays off the operating expenses. They acquire real estate usually off the balance sheet of the company and lease it right back to them. They continue to operate the asset and pay the operating expenses. So, real estate, like anything else, you've got your expenses with your taxes, maintenance, insurance, capital expenditure, utilities, where their tenants are contractually obligated to pay all those expenses and then pay Blue Owl their rent or cash flow net of all those expenses.

So, companies like Oracle, Intel, Amazon, Starbucks, McDonald's, 7-Eleven, CVS, great businesses that you would expect to be around, pay their expenses, and then pay all the cash flows associated with the real estate. That's who's inside their buildings. Fund VII will purchase single-tenant office, industrial, retail, and data center assets in the U.S. and Canada, leased to investment grade tenants. The Fund will focus on sale leasebacks into triple-net lease, and build-to-suit developments for stable cash yields.

Brookfield

Ms. Vaughn opened by introducing herself and her colleague Mr. Reilly. He then wanted to acknowledge that Brookfield is a big investor both in and around Boston as well as the state of Massachusetts. They have over \$9 billion in assets in the state and employ over 2600 people as well. He describes their strategy as a value-add real estate equity fund that targets GPE or general partner led recapitalizations at the asset level. They do joint venture equity where they're keeping the existing manager in place and Brookfield is typically 90 plus % of the equity. Because of that they will have majority control, which he thinks is critical. You want to be able to control your own destiny. They have a number of rights including the ability to decide exit timing, financing decisions, major business plan items along with the ability to remove the GP and that's also unusual.

BRES II continues our strategy of investing in catalyst-driven, GP-led recapitalizations to generate value-add returns with core-plus risk. Significant Stress is creating opportunities. Over \$480 billion of real estate assets are approaching maturity, creating near-term capital and liquidity needs. De-Risked Real Estate Exposure enables BRES to target assets that are midway through proven business plans via a majority equity position with our strong governance rights. The BRES Platform Utilizes a Data Advantage. Our platform utilizes real-time data from Brookfield's \$1.2 trillion total and \$272 billion real estate. We have a proven track record and strong realizations. BRES I is first quartile across Net IRR and DP.

The Fund terms are 1.25% for investor commitments up to \$50 million (on committed capital during the investment period, on invested capital thereafter). The target net IRR of the fund is 12-14%.

Berkshire

Ms. McGowan opened by stating that they are targeting up to \$1.1 billion of capital commitments and have Closed **\$659.5** million in capital commitments to date. They have compelling risk-adjusted target returns of 16% (14% net) and have invested **\$143.5** million in Fund equity into four seed assets and have two pipeline opportunities under control requiring **\$93.0 million** of equity and expected to close in Q1 26.

Mr. Olney stated that Berkshire is a Boston based privately held multifamily sector specialist. They're a large vertical team spread across the country. They have over a thousand employees. About 150 of those are based here in Boston. They have a large global client base of almost 160 clients, and they are vertical across equity and debt. They have been headquartered here in Boston for 60 years.

Mr. Gullo stated that new supply is expected to drop materially after 2026.

The U.S. will still require over 200K additional units annually. They have weathered significant operational headwinds of a 50-year record level of new supply. Their investment strategy is to construct a portfolio of high-quality, well-located multifamily investments, targeting U.S. markets with favorable revenue growth prospects and attractive relative pricing. They will implement tailored investment-level business plans and leverage Berkshire's in-house Asset Management & Property Management teams. Finally, they will provide liquidity solutions for stressed capital structures that are emerging.

Given their relationship as an existing client of Berkshire, Boston Retirement System, would receive a discounted management fee of 1.20% on committed capital and 1.45% on invested equity. There is no promote catchup. They really appreciate the opportunity to be with you today and hope to see you again shortly.

Chairman Jackson arrived at the meeting at 10:40 a.m.

The Board, staff and NEPC staff discussed the respondents and their respective strengths and past performance. It was also noted that the System's long-standing relationship with current manager, fees, NEPC's ratings of managers, and commitment amount.

Motion made, and seconded, to allocate \$30 million to Brookfield Real Estate Solutions II (BRES II) and \$20 million to Berkshire Value Fund VI, L.P., as presented.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye.

Motion accepted (4-0) Chairman Jackson: Abstained

International Equity Search

Ms. Halleran gave a review of the international equity search. The search was issued in accordance with the seven-year search requirement. The search received over 50 responses and each respondent has been categorized across three equity styles: core, value, and growth. The discussion focused on the growth candidates as the first step in the review process. NEPC has included an analysis on a shortlist of growth candidates and the System's current manager, Walter Scott. The goal of today's discussion is to identify two or three finalists to present in April. NEPC will provide additional analysis on the core and value candidates at an upcoming meeting.

Motion made, and seconded, to request Walter Scott, Fidelity, and MFS to present at the April 2026 Retirement Board meeting, as discussed.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Q4 2025 Performance Summary

Ms. Murphy gave a review of the fourth quarter 2025 investment performance, your return is 2.8% and you ranked in the fifth percentile which means compared to all other public defined benefit plans your return is higher than 95% of the other plans. For the one year the Plan was up 15.5%, which put you in the 19th percentile, so better than 81% of your peers. 2025 was a very strong performance year. The Plan's exposure to non-U.S. Equity and Debt was a real tailwind.

Rebalancing Portfolio

Based on the returns we just discussed, your international equity portfolio is now overweight roughly 3%. Core fixed income is underweight 1.5%. So, we're recommending taking \$160 million from non- U.S. equity and moving it into core fixed income to rebalance closer to target weights.

Motion made, and seconded, to approve the rebalancing recommendations from NEPC to be administered by John Kelly, as discussed.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Motion made, and seconded, to request Walter Scott, Fidelity, and MFS to present at the April 2026 Retirement Board meeting, as discussed.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Q4 2025 Performance Summary

Ms. Murphy gave a review of the fourth quarter 2025 investment performance, which provides a high-level review of the program's performance through December 31, 2025. The three months for the fourth quarter, your return is 2.8% and you ranked in the fifth percentile which means compared to all other public

defined benefit plans your return is higher than 95% of the other plans. for the one year up 15.5% for both three month and one year you have to perform the policy index and allocation index which means that your asset allocation is working and so is your selection and you in the 19th percentile for the one-year period. Sometimes other funds are doing really well, and your return might be in middle of the pack, but your standard deviation is always better so you're getting more return and taking less risk in this situation, your asset allocation played a bigger part. The Systems total equity composite is your policy is 48%. And it's almost an equal split between US and non-US. You'll see other public pension funds are almost entirely US smaller allocation on US PM. So, when your non-US composite was up 32.5% for the one-year period that played a really big role. The System developed non-US equity we are at 16.8% of your portfolio and the median allocation to non- US equity for a public pension fund in the universe that you're in is 8%. If they also return 32% but only have an 8% allocation, your fund's going much better because you're at 16.8%. And same with BM the public pension fund is 3% allocation, and you are at 8.5%. Total equity went up 23% for the year. You can see that the large cap managers outperform the small cap. Non-US outperformed US, up 32.5%. It's pretty impressive. Every manager in your non-US equity portfolio returned over 30% for the one-year period with the exception of Walter Scott, which lagged and was up 10% and 21% under the benchmark. Then looking at your emerging markets, you do have a dedicated small cap allocation to Lizard, which has performed really well for you, up 35% for the one-year period. Fixed income went up to 8.2% for the year. Black Rock did really well for you, up 9.3% and has top performing benchmark for all trailing periods. Then looking down within value odd fixed income, which is up 11% for the year, you'll see Golden Tree has also done a really good job for you with a 7.8% return for the one-year period. Emerging market debt, which is kind of your source of diversification and a return source within fixed income, Aberdine is up 16% for the one-year period expense chart. And just to touch on that, they will be coming in next month for that private search.

Rebalancing Portfolio

Based on the returns we just discussed, your international equity portfolio is now overweight. I don't know, I think 3%. which we've done in the past are just recommending a rebalance. So, taking money out of non-US fixed income. This is because international overweight but also, we have an underweight to real estate which

is going to take time to go back up. So that two and a half% underweight is making this look like it's more overweight. Core fixed income is underweight 1.5%. So, we're recommending taking \$160 million from non-equity and adding it into core fixed income just to rebalance closer to target.

January 2026 Flash Report

Ms. Murphy reported that the plan performance through January 2026 +2.6%, year to date, +15.7% and in a 3-year period the plan is up 10.6%.

Motion made, and seconded, to approve the rebalancing recommendations from NEPC to be administered by John Kelly, as discussed.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Work Plan

	JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
TOTAL PLAN												
Asset Allocation		AA Review Approved New Targets										
Other/Education		NEPC Market Outlook		Approved Updated IPS			Asset Liability Study					
TRADITIONAL												
Traditional Commitments		Terminated Crescent										
Traditional Review									Issued EMD Search			
HEDGE FUNDS												
HF Review		<i>Presentations</i> Blackstone, Evanston, GCM, Magnitude										
HF Commitments		Retained Blackstone & Grosvenor										
PRIVATE MARKETS												
PE/PD Program Planning	<i>Infra Finals</i> Blackstone, ICG, Macquarie	Pacing Plan		Issued PD Search	PD Search Review	<i>PD Finals</i> JFL, ICG, Sixth Street	Issued PE Search <i>PD Finals</i> MC Credit & PennantPark	Niche Lending Review	<i>FD Finals</i> Galvanize, Mesirow, Pathlight			
PE/PD Commitments	<i>Infrastructure</i> Blackstone - 20 Macquarie - 20					<i>Credit Opps</i> JFL - 20 ICG - 20	<i>Direct Lending</i> PennantPark - 25		<i>Niche Lending</i> Mesirow - 25 Pathlight - 15			
REAL ESTATE												
RE Program Planning		Pacing Plan			Issued Search			Search Review		<i>Finals</i> Basis, Tristan, Oaktree		
RE Commitments										<i>Debt</i> Tristan - 20		



A work plan for CY26 was provided in the Board materials by NEPC and discussed.

CapVest Equity Partners VI. - Hamilton Lane Separately Managed Account recommendations.

Mr. Burns stated that this morning we just have one private equity investment recommendation for you all, which is Capfest Equity Partners 6 for €8.5 million euros. That is the rough equivalent of \$10 million in line with our standard sizing what we've been recommending to bit of a background before we get into the details. This is the first Europe focus manager that we've recommended in some time. That isn't a reflection of our interest in the European market. It just more so has to do with some challenges we've had, accessing the opportunity set as we discussed last year in our strategic land meeting when we came and visited you. Boston's portfolio requires each manager to be registered with the SEC which many European managers don't do since it isn't necessary for them to conduct their business. This manager Capvest is registered with the SEC and it's a very strong manager that we're excited about investing in. It's a great fit for the portfolio in order to sort of continue accessing Europe and getting that exposure for the portfolio which we think is valuable. On the manager itself this is a mid-market investor based in London. They're taking a truly pan European approach. They're going to be looking across the various European sub geographies. Their headquarters are in London. They also have offices in Dublin and New York as well. They're targeting middle market companies in the fastmoving consumer goods sector, health care and essential services generating between \$25 million and €250 million euros of IBIDA. and finally on their track record, their historical performance here has been very strong. Their three most recent funds, three, four, and five have all generated top cortile IRR performance and multiple performance generating an aggregate net IRR of very strong performance there.

Motion made, and seconded, to approve Hamilton Lane's recommendation to invest in Capfest Equity Partners 6 in the amount of €8.5 million euros, as discussed.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Mr. Kelly informed the Board that he wanted to also add that the System is going to execute a one-year extension to Zevenbergen for the rest of the year. It's just the seventh year of the agreement. We can obviously still terminate them at any time. It's just so that they're still under contract and we're doing the search this year in that space.

Motion made, and seconded, to extend the current terms of the Zevenbergen contract on a one-year basis.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and Chairman Jackson: Aye.

Motion accepted (5-0)

Documents Presented: 1. NEPC February 2026 meeting materials. 2. NEPC BRS Rebalancing Recommendation. 3. Blue Owl Real Estate Fund VII. 4. Brookfield BRES II - February 2026. 5. Berkshire Value-Add RE - Feb 2026. 6. CapVest Equity Partners VI - Hamilton Lane recommendation.

Outstanding/Ongoing Financial Issues: Ellen M. McCarthy, Comptroller

January 2026 Financial Snapshot

Ms. McCarthy reported the December 2025 pension payroll as follows: Contributory payroll: \$66,704,329; Contributory Payees: 15,942; Non-contributory payroll: \$348,371; Total Non-contributory payees: 36; Regular Retirees: 25; Survivor/Beneficiary Retirees: 1; Disability Retirees: 2; Option C/Disb Surv: 12; Members Refunds: 64 for \$1,146,960; Members Transfers: 46 for \$1,315,969; Option B Refunds: 1 for \$69,105; and, Operational Warrants: \$716,097.

Ms. McCarthy stated that, that's December preliminary activity because we haven't closed our December books yet. It'll be a couple months before that as we prepare our year end information getting together as we start our audit. We have already started responding to some of EY's questions regarding our audit. we're moving forward on that. We've supplied Seagull with some of the data that they need for the valuations as well. We're a little behind from where I like to be at this point in time, but that's because we've been all hands-on deck with the affidavits in getting checks out from finance team to assist payroll and just making sure the affidavit check releases are done. So, we're a little bit behind to catch up to be at this point in time. We started issuing 1099s to any members that didn't receive them in the mail. We asked them to wait a couple of weeks up through Monday and then we would start issuing. At this point we will have about 19 people reach out that seems not too bad for just a couple of days.

Documents Presented: 1. January 2026 Financial Snapshot 2. 12.2025 Direct Deposit Bank Statement 3. Cash Disbursements Summary_(preliminary) 4. 12.25_Adjusting Entries Summary_(preliminary) 5. 12.2025 MMDT Bank Account Reconciliation 6. 12.2025 Operating Bank Statement 7. 12.2025 Retirement Bank Statement 8. 12.25_Cash Receipts Summary_(preliminary) 9. 12.2025 MMDT Bank Statement 10. General Ledger_12.2025_(preliminary) 11. Warrants Paid_12.2025 12. Trial Balance_12.2025_(preliminary) 13. New Retirement Account Listing 14. 12.2025 BRS Cash Projections. 15. Checks Held in Treasury for Recipient Pickup Jan. 2026.

Outstanding/Ongoing Operations Issues: Christine M. Weir, Deputy Executive Director

Backlog Processes update

Ms. Weir stated that the staff continue to work on closing out the military buyback. We have about 43 cases currently in our main QA. We have 296 cases completed and about 32 not vested that needs to be completed. For the vacation buyback and CBA project. We're at 92% completed for police, 86% for Fire, 27% for BHA, and 92% for SENA. We do have the two contracts that were received and we're working on those templates currently.

January 2026 payroll, military buyback update

Ms. Weir went on to provide an update on the payroll figures for the month of January 2026.

- 24 Total cases made it to payroll
- 21 Superannuation's cases
- 2 Disability cases
- 1 Death of an active
- 1 Did not make payroll

Documents Presented: 1. January 2026 retiree payroll 2. Feb 2026 backlog 3. Vacation Buyback and CBA Completed as of 01.31.2026.

Outstanding/Ongoing Legal Issues: Natacha Thomas, General Counsel

Attorney Thomas stated to the Board that there were no legal issues to discuss at this time.

Administrative Session Minutes

Motion made, and seconded, to **accept** the Administrative Session of January 21, 2026, meeting as presented.

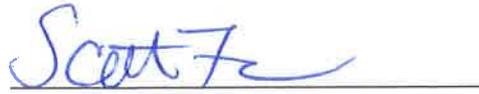
Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye.

Motion accepted (5-0)

Respectfully submitted,
BOSTON RETIREMENT BOARD



Thomas V.J. Jackson
Chairman



Scott M. Finn
Ex Officio Member



Karen T. Cross
Elected Member



Sally D. Glora
Mayoral Appointed Member



Sean F. Kelly
Elected Member