

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

March 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: Michael Manning, Kiley Murphy of NEPC; Kathleen Riley, Andrew Luongo of Segal; Robert Koenigsberger, Philip Meier, Darren Fournier of Gramercy; Michael O'Brien, Unoma Okolo, Jack Powers of Artisan; Edwin Gutierrez, Paul Mohr of Aberdeen; Elissa Cadillac of BTU/RTC; Phillip Baratta of LBM Capital.

Convene

The Board voted unanimously via roll call (4-0) to enter the Administrative Session at approximately 9:04 a.m.

Member Cross: Aye; Member Glora: Aye; Member Kelly: Aye; and, Chairman Jackson: Aye. Motion accepted (4-0).

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

IT Update

An IT update was provided by way of a memorandum from Michael Dwyer, which was part of the Board package. The current state of play was discussed.

PERAC Memos

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

- PERAC Memo 11-2026 re Disability Presumptions and Pre-Employment Physicals; and,

- PERAC Memo 12-2026 re Violent Act Injury Disability – Updated Forms.

*Member Finn arrived at 9:10 a.m.

Funding Schedule and “glide approach” to funding

Mr. Smyth stated that for at least a year Board staff has been talking internally about what the System would look like when it attains fully funded status. It was noted that actuaries have opined that a retirement system should strive to be 105% - 110% funded before scaling back funding to only normal costs. By doing so, this would allow for weak investment performance years. It was also noted that even when we are fully funded, the Employer Units remain responsible for normal costs. In other words, funding does not cease entirely. The System intends to continue with the annual valuations going forward

Ms. Riley produced the current funding schedule, as well as a funding schedule utilizing the glide approach. If adopted, the City would pay an extra approximately \$600 million versus what is currently scheduled. At the conclusion of this schedule, the System would be approximately 105% funded. Ms. Riley stated that the funding schedule adopted with the January 1, 2025 Actuarial Valuation fully funds the liabilities of the BRS excluding Teachers as of fiscal 2028 assuming there are no material experience gains or losses or changes in assumptions or the plan of benefits.

Ms. Riley reported that the preliminary December 31, 2025, financial experience, reflects market return of +12.7% and the \$32 million contribution in excess of the fiscal 2025 appropriation that was made to the BRS during 2025. The resulting preliminary return on the actuarial value of assets (which gradually recognizes market fluctuations) is 7.3%, resulting in an investment gain of \$30 million. The preliminary actuarial value of assets is 98.6% of the market value of assets, resulting in a total unrecognized investment gain as of December 31, 2025, of \$130 million. It is important to note that the assets used for these updated schedules are not final as of December 31, 2025, because some asset classes and other adjustments are not yet available. The estimates contained in this letter will change when the additional financial information is available.

Ms. Riley further reported that relative to the non-investment experience, there was an estimated loss of \$35 million due to vacation buyback adjustments made in 2025, with some to follow in 2026. Ms. Riley stated that the System is not far enough along with the January 1, 2026, valuation to identify any other material

sources of gains or losses. We note that over the past five valuations, non-investment experience gains or losses for the BRS excluding Teachers have ranged from a gain of \$64 million to a loss of \$38 million. With the January 1, 2025, valuation, significant sources of non-investment experience included salary experience (a loss of \$58 million) and transfers between the Boston Teachers and the BRS excluding Teachers (a gain of \$53 million). The estimates contained in this letter will change when the additional non-investment experience is measured with the January 1, 2026, valuation.

A 5% reduction is the maximum allowed under Section 22D of Massachusetts General Law Chapter 32. The fiscal 2028 appropriation is set at \$400,000,000, enough to continue to fully fund the BRS liabilities excluding Teachers by June 30, 2028 and begin to provide a cushion for future adverse experience or other changes. Future appropriations decrease by \$50,000,000 per year. The rate of decline in the appropriation can be revised with future valuations as experience emerges. Please note that the projected funded percentages do not capture the portion of the deferred investment gains that will be recognized in future years, to the extent they are not offset by the recognition of investment losses derived from future experience. The contributions and projected funded percentages under the “cliff funding” and “glide path” approaches. The Board, Segal and staff discussed valuation, glide approach, employer unit allocation and funding schedule timelines.

*Motion made, and seconded, to **adopt** this funding schedule to the glide appropriation dollar presented in the Segal memorandum subject to possible adjustments with the upcoming preliminary valuations.*

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. **Motion accepted (5-0).**

Administrative Session Minutes

*Motion made, and seconded, to **accept** the Administrative Session of February 18, 2026, meeting as presented.*

Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. **Motion accepted (5-0).**

Documents Presented: 1. Administrative Session Agenda of 2.18.2026. 2. Administrative Session Minutes of 2.18.2026. 3. Updated January 1, 2025 Funding Schedule with glide approach. 4. 2025 Emerging Issues Actuarial Roundtable Handout. 5. Letter from PERAC re assumed rate of returns for Boston Schoolteachers. 6. IT Board update. 7. PERAC Memo 11-2026 re Disability

Presumptions and Pre-Employment Physicals.. 8. PERAC Memo 12-2026 re Violent Act Injury Disability - Updated Forms.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Emerging Market Debt Search

Mr. Manning opened by stating, as a reminder, the emerging market debt (EMD) search was issued in compliance with the seven-year search requirement. The System has a 3% allocation to EMD which is managed by Aberdeen. At the November meeting NEPC provided a review of the respondents, and the Board chose three finalists to present at today's meeting.

Gramercy

Mr. Koenigsberger opened by stating that Gramercy is a \$7.4B global alternative asset management firm focused on emerging markets and special situations for 25+ years. They have 72 employees including 31 investment professionals with offices in Greenwich, Buenos Aires, West Palm Beach, London, Mexico City and Miami.

Mr. Meier stated that Emerging Markets has become an unloved asset class. Despite strong returns over the long run, the EM investor experience is one of frustration, borne of obvious mistakes, such as buying the wrong asset at the wrong time, holding too long and capitulating at the wrong time. Gramercy proposes a better approach to Emerging Markets. They do this by capturing the alpha embedded within Emerging Markets' "EM" risk premia while minimizing the volatility/drawdowns that unnerve investors and trigger classic investment mistakes.

Mr. Fournier stated that Gramercy employs a "bottom-up" analysis, which drives individual security selection across asset classes in the highest conviction positions only. The Fund terms are an open ended structure with monthly redemptions. The management fee is 1%. There is a 15% performance fee and a 6% hurdle.

Artisan

Mr. Powers started by stating that in EM Debt the access to markets is structurally inefficient because there is less coverage. Artisan puts an emphasis where capital and density are lowest. They leverage over two decades of experience and relationships to source differentiated alpha in under covered, less competitive markets. Their strategy manages around the Seven Deadly Sins. Which are: Excluded Countries, Excluded Opportunities; Market Capitalization

Weighting; Diversification Illusion; More Coverage, More Efficient; Non-EM Risk is an ever present danger; Low Spread Securities and Defaulted Countries remain in the benchmark.

Mr. O'Brien stated their strategy is an actively managed blended EMD strategy that invests in a broad range of emerging market fixed income securities and currencies including sovereign and corporate hard currency and local debt. They are benchmark agnostic. They manage downside risk and limit unintended risks. Their goal is to outperform its benchmark over an investment cycle of 2-3 years. Ms. Okolo shared that idea generation is really at the core of what Artisan does. It seeks opportunities anywhere in the world.

Aberdeen

Mr. Gutierrez opened by introducing himself and giving a short bio on himself and his team. Aberdeen has one of the largest dedicated EMD Teams Globally. It includes 40+ EMD Specialists across 6 locations including Edinburgh, London, Shanghai, Hong Kong, Bangkok and Singapore. These provide invaluable local insights. When investing they employ a disciplined, repeatable process. They employ research-led investing, not market-chasing. First-hand research really is Aberdeen's core differentiator.

Mr. Gutierrez went on to share that Risk Management is embedded in every decision and that protecting capital is central to our process. Aberdeen performs risk reporting at the security and total portfolio level and incorporates independent oversight by investment and operational risk teams. The strong performance results in the BRS portfolio were achieved by a focus on rigorous bottom-up country selection to pick winners and avoid losers.

Mr. Mohr went on to share that they capture the EM information gap by adding value from idiosyncratic opportunities and that over half of its outperformance has come from smaller countries since inception. Aberdeen claims to have one of the deepest and well-resourced EMD teams globally seasoned with experience in navigating both up and down markets. They employ a distinct, intensive sovereign research process and have a proven record of delivering for this BRS mandate.

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 retain Aberdeen Investments as the Boston Retirement System's Emerging Market Debt Manager, as presented. The latest dollar amount as of February 28, 2026 was \$313,261,811.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. **Motion accepted (5-0).**

Private Debt Review

The pacing plan calls for \$115 million in commitments to private debt. We can issue a search that will encompass the strategies of direct lending, credit opportunity, and distress. We got some good managers that we know are coming back in the market already this year. We just want to get approval for that search and we'll go ahead and issue it.

Motion made, and seconded, to issue a private debt search for \$115 million approximately in commitments.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. **Motion accepted (5-0).**

2026 Asset Allocation Review

Ms. Murphy stated that NEPC Research recently published its asset class assumptions and market outlook for 2026. At today's meeting we will review the System's asset allocation and provide a potential change for the Board's consideration. The System's expected return assumption decreased from last year as asset class assumptions have broadly declined. The System's current asset allocation is well positioned and diversified and while no major changes are needed, NEPC suggests making minor adjustments to the allocation targets.

We are recommending an increase to Core Bonds: + 1% by rebalance into core bonds using funds redeemed from Non-US Developed and Emerging Markets Equity. We are also recommending an increase to TIPS: +1% by adjusting the IR+M targets to 50% Core and 50% TIPS. By implementing an 8% target to IR+M to obtain a 4% TIPS target (50% of IR+M). In addition to decreasing Non-US Developed Equity : -1% to rebalance towards the 14% target, and reallocate to Fixed Income we are recommending decreasing Emerging Markets Equity: -1% by redeeming funds to rebalance towards the 7% target, and reallocate to Fixed Income.

Motion made, and seconded, to agree with the NEPC recommended asset allocation mix. Increase Core Bonds: +1%, TIPS: +1%. Decrease Non-US Developed Equity: -1% and Emerging Markets Equity: -1% as presented.

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 accept the rebalancing recommendations from NEPC to be executed in conjunction with John Kelly to take an additional \$200 million out of the non U.S. equity side and rebalance that \$200 million into Core fixed income.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. **Motion accepted (5-0).**

February 2026 Flash Report

Ms. Murphy reported that the plan performance in February 2026 is up +1.6%, year to date, up +4.3% and in the 1-year period the plan is up +17.8%.

Work Plan

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

Hamilton Lane Separately Managed Account recommendations.

RedBird Capital Partners Financial Services Fund I (\$10 million)

Mr. Burns stated that we are here to discuss two investment recommendations. That's Redbird Capital Partners Financial Services Fund 1 and New View Capital Fund 4. Redbird Capital is a small cap buyout fund which would represent a new relationship for the portfolio. Redbird has been around since 2014 and traditionally they've invested in both the financial services industry and SME which stands for sports media and entertainment through one large fund based on some feedback from the investors that they're now splitting out the financial services strategy into a separate fund line so that their investors can pick and choose their exposure to the respective sectors by investing in the separate vehicles that they're choosing. The BRS portfolio is a little underweight financials. We are making a \$10 million recommendation here.

Motion made, and seconded, to allocate \$10 million to Redbird Capital Partners Financial Services Fund 1 (One) as recommended by Hamilton Lane, 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).**

NewView Capital Fund IV (\$10 million)

Mr. Burns stated their second recommendation NewView is also for \$10 million. NewView is a growth equity manager investing in the software space. This firm was founded in 2018 as a spinout from New Enterprise Associates, which

is a very large and well-known venture capital firm. The strategy will be a combination of secondary transactions and primary investments into tech companies. In the secondary transactions they are buying existing stakes in companies as opposed to providing new primary capital. This has been a really attractive area of the market because the founders and early investors in a lot of these tech companies have not been able to get liquidity through the traditional route such as IPOs in recent years just given some public market volatility. There's been a really big opportunity set in the secondary space for tech companies. The BRS portfolio is currently underweight tech exposure.

*Motion made, and seconded, to **allocate** \$10 million to NewView Capital Fund IV.*

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 March 2026 meeting materials. 2. NEPC BRS Rebalancing Recommendation. 3. Gramercy presentation. 4. Artisan Opportunities 5. Aberdeen 6. Hamilton Lane recommendation re RedBird Capital Partners Financial Services I, L.P. 7. Hamilton Lane recommendation re NewView Capital Fund IV.

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

February 2026 Financial Snapshot

Ms. McCarthy reported the February 2026 pension payroll as follows: Contributory payroll: \$67,321,566 Contributory Payees: 15,955; 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: 54 for \$1,569,957; Members Transfers: 26 for \$1,134,474; Option B Refunds: 2 for \$15,757; and, Operational Warrants: \$495,669.

Ms. McCarthy stated that the other cash documents for January are in the Board package. The documents are preliminary because we have not closed December.

Ms. McCarthy gave an update on the affidavits. In January, the System had held 980 checks. Between January and February payroll, we released 452 checks. At this point in time; we released another 55. We are just under 400 checks that are still held at this point in time.

Documents Presented: 1. February 2026 Financial Snapshot 2. 01.2026 Operating Account Reconciliation 3. 01.2026 Cash Receipts_Summary_(preliminary) 4.

01.2026 Adjusting Entries_Summary_(preliminary) 5. 01.2026 BRS Cash Projections 6. 01.2026 Cash Disbursements_Summary_(preliminary) 7. 01.2026 MMDT Bank Account Reconciliation. 8. 01.2026 Direct Deposit Bank Statement. 9. 01.2026 MMDT Bank Statement 10. 01.2026 Retirement Payments Bank Statement 11. 01.2026 Operating Bank Statement. 12. General Ledger_01.2026. 13 Warrants Paid_01.2026. 14. Trial Balance_01.2026_(preliminary). 15. New Retirement Account Listing_20260218200803. 16. Checks Held in Treasury due to lack of affidavit as of 02.28.2026.

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

February 2026 Pension Payroll update

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

53 _____ Total cases made it to payroll
42 _____ Superannuation
7 _____ Disability
4 _____ Death of an active
9 _____ Did not make payroll

Backlog Processes update

Ms. Weir stated that work continues on the military buyback project. The cases that are left are the folks that are nonvested, so they still have an opportunity to purchase a year after they're vested. When Flor comes back, we will be able to provide a more accurate report of the folks that took advantage of the military buyback.

Ms. Weir also reported that staff is finalizing the vacation buyback and CBA recalculation project. Currently, staff has completed 92% of the police cases, 87% of the fire cases, 27% of the BHA cases, 92% of SENA and the other category 37%. The cases that are left to complete that are police and fire need additional work such as anti-spiking and DRO's. The BHA cases are challenging because we have to recoup all the money that has already been refunded, in addition the earnings are listed as regular compensation.

Documents Presented: 1. February 2026 retiree payroll 2. Feb 2026 backlog 3. Vacation Buyback and CBA Completed as of 02/28/2026.

Outstanding/Ongoing Legal Issues: Natacha Thomas, General Counsel

Attorney Thomas stated to the Board that there were no legal issues to discuss during administrative session.


Adjourn from Administrative Session

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter Executive Session at approximately 11:33 a.m.

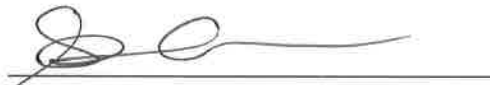
Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora: Aye; and, Chairman Jackson: Aye. Motion accepted (5-0).

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