

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

September 16, 2026

Boston Retirement Board

Board Room 816, Boston City Hall

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Sean F. Kelly, Chair/Elected Member; Karen T. Cross, Elected Member; Scott M. Finn, Ex Officio Member; Dennis C. Callahan, Fifth Member; and, Sally D. Glora, Mayoral Appointed Member.

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

ALSO IN ATTENDANCE: Michael Manning, Kiley Murphy of NEPC; Sonu Kalra, Tom Rollins Art Greenwood of Fidelity; Nancy Zevenbergen, Anthony Zachery, Joseph Dennison, Tom Dickson of Zevenbergen; Josh Dupont, Puneet Mansharamani of LSV; Aristotle Greg Padilla, Will Averill, Keri Hepburn of Aristotle; Janey Frank, Denise Berkley of BTU/RTC.

Convene

The Board voted unanimously via roll call (5-0) to enter the Administrative Session at approximately 9:07 a.m.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Chair Kelly led the Board, staff and attendees in the Pledge of Allegiance.

Administrative Session Minutes

Motion made, and seconded, to accept the Administrative Session minutes of August 19, 2026, meeting as presented.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and Chair Kelly: Aye

Motion accepted (5-0)

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

IT update

Mr. Smyth stated that the Board received comments from Ice Miller on the contract with Majesco yesterday. Mr. Smyth is going to pull the team together to take one last look with the goal of being executed by the next board meeting.

PERAC Memos, Reports and/or Correspondence

Mr. Smyth provided several PERAC memos, as well as the Commonwealth's FY27 appropriation for Boston schoolteachers. He made note of PERAC Memo 23/2026, which pertains to recently enacted COLA Reserve Fund and Enhanced COLA legislation.

Documents Presented: Administrative Session Agenda for September 16, 2026 Board Meeting; Administrative Session Minutes of August 19, 2026, Board Meeting; IT update memo; PERAC Memo 24-2026 re Tobacco Company List; Revised Allocation of Commonwealth FY27 appropriation; and, PERAC Memo 23-2026 re COLA Reserve Fund and Enhanced COLA with attachments.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

U.S. Large Cap Equity Search

Ms. Murphy opened by stating that at the July meeting, NEPC presented an analysis on the shortlisted growth and value managers relative to the incumbents. Following the review, the Board selected Fidelity and incumbent Zevenbergen as growth finalists, and LSV and incumbent Aristotle as value finalists. The Board also voted to retain Columbia Threadneedle as a value manager. The selected finalists are presenting today as outlined below. NEPC will also review the core search analysis, which evaluates the shortlisted respondents alongside incumbent D.E. Shaw. The objective of this discussion is to assist the Board in determining whether to retain D.E. Shaw. The Board retained Rhumblin in the core space at the June 2026 meeting.

Fidelity – Fidelity Blue Chip Growth Fund

Mr. Greenwood opened by introducing Fidelity staff and outlining the fund that they will be presenting today. Mr. Rollins went on to state that he'll review Fidelity's competitive advantage. They have 127 research analysts. There is also a deep team of 68 portfolio managers including Sonu Kalra who is here today.

Only 17 of the 148 actively managed large cap growth funds have outperformed the Russell 1000 growth over the last 10 years. Six out of those 17 are Fidelity funds, so all six of our growth benchmark funds have outperformed over that 10-year period. Turning to Blue Chip Growth specifically, the fund has generated annualized returns net of fees of 19.7% versus 17.3% for the index, so outperformance of roughly 2.4% per year net of fees, which is ahead of 97% of the large cap growth peer group.

Mr. Kalra introduced himself and stated that for him, it really starts at the top where he's trying to identify companies that are participating in large, underpenetrated, addressable markets. Where investors are not only mispriced by the absolute rate of growth, but more importantly, the durability or sustainability of the growth. Again, just looking for growth that can sustain itself over time. The firm is always looking for opportunities for adjacent markets.

Fidelity tries to focus on companies that can grow their earnings double digits sustainably, over 10%. The reason they focus on that number is if you look at historically, the market has returned 7% to 8% a year over the last 100 years. In order to do better than the market, you need to find companies that can grow faster than the market. That 10% hurdle becomes a nice bonus.

Zevenbergen – Large Cap Growth

Mr. Dickson opened by introducing the presenters and founder and CIO, Ms. Zevenbergen. Ms. Zevenbergen went on to state that thirty-three years ago, the BRS hired Zevenbergen Capital to manage a growth mandate for you, and I want to say thank you very much. They are deeply grateful for your partnership and long-term investment horizon that allowed our investment style to be successful despite having seasons of underperformance and volatility around the benchmark.

Mr. Dennison continued by stating that their process is an unapologetic blend of art and science. They want to own leading companies in large, fast-growing markets that are run by exceptional people. Revenue growth is our north star, and they believe the purest read on a company's product adoption, market size, and competitive positioning. They look for companies growing at least 15% annually, which is an intentionally high bar that translates into roughly a doubling of the business over a five-year period. On the qualitative side, they also have the increasingly novel opinion that people do still matter, and they look to partner with founders and management teams who have the vision and ability to drive their companies for the next decade. The firm are long-term investors, and look to align themselves with managers who share that same long-time horizon.

LSV – Large Cap Value Equity

Mr. DuPont opened by introducing himself and his colleague Mr. Mansharamani. LSV was founded 32 years ago by three professors. They wrote a paper, had an idea, and that paper they were ultimately asked to implement in real life. It was an investment idea, and the firm started with \$10 million in this U.S. large cap value strategy. And fast forward 32 years, now they manage \$125 billion across 25 different

investment strategies. The U.S. large cap strategy is still our largest by overall AUM, about \$24 billion, with 80 institutional accounts. So going from \$10 million to \$125 billion, there's three pillars that have allowed us to be successful. Number one is our stability. It's because our culture is rooted in employee ownership, broad-based employee ownership. The firm has 45 people, 27 are owners of the firm.

Number two is they have an incredible client base. The firm has almost 300 institutional clients throughout the globe. About half of those are public pension plans. They have 25 strategies now. They all use the same team, the same philosophy, and the same process. Every single one of our strategies has outperformed its benchmark since inception. It gives us a lot of confidence that what they're doing is quite good, and that they've been able to evolve the model over time to be able to outperform across different value, growth and macroeconomic cycles. Now, why U.S. large cap? It's our flagship product.

Mr. Mansharamani continued by stating, to give you a quick overview of just our investment philosophy. They are value managers. The firm traded at discounted valuations against the index and consistently discounted valuations against the index, and the firm has done that throughout their history. The firm is buying quality companies.

Aristotle – Value Equity

Mr. Averill opened by introducing himself and the other presenters. So, the firm was hired and incepted this account on October 17th of 2019. Since that time through July, Aristotle returned roughly 11%, and the benchmark is up roughly 13%. Aristotle has trailed, and they want to discuss why and address that head on. Mr. Averill thinks when the firm was hired, if they said the firm would return to the retirement system 11% a year, maybe the firm would have all been okay with that.

Mr. Padilla continued the presentation by stating for us, it's about the process which starts with quality and then moves on to valuation, and they require some sort of compelling catalyst present. The firm has been hurt by what they didn't own. Traditional quality companies have fallen out of favor and AI has been a great disruptor.

Mr. Averill continued that they're trading at a historic discount relative to the benchmark and are a strong compliment to Columbia in your portfolio. Given the importance of our relationship with the City of Boston, they would be willing to work with NEPC and the staff to implement a performance-based fee schedule where they reduce the system's fee and they earn their fee based on outperformance of the

benchmark. You're at a very low fee today, but just to tell you that the firm has conviction in who they are and what they do, they want to align that incentive with the Board if that's of interest.

The Board, staff and NEPC discussed the firm's strategies, risks and returns, and prior management firm relationships, presentations and fees.

Motion made, and seconded, to terminate Zevenbergen, hire Fidelity and reallocate the Large Cap Growth funds from Zevenbergen to Fidelity.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Motion made, and seconded, to retain Aristotle in the Large Cap Value investment space.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Motion made, and seconded, to retain D.E. Shaw in the Large Cap Core Equity space.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Private Equity Search

The private equity search was issued in alignment with the pacing plan, targeting approximately \$85 million in total commitments for 2026 and 2027, across infrastructure and diverse manager of fund of funds. Today, NEPC will present the list of respondents and discuss next steps in the search process. NEPC will come back with more details on the infrastructure preferred managers. They will refresh the diverse manager fund of funds search in Q1 27 to capture additional quality responses.

August 2026 Flash Report

Mr. Manning reported that the plan performance in the month of August 2026 was +1.7%, the 1 year was +13.6, year to date the fund was +7.9%, and the 3-year returns were +11.8%.

Work Plan

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

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

August 2026 Financial Snapshot

Ms. McCarthy presented the following information to the Board relative to the August 2026 pension payroll as follows: Contributory payroll: \$ 68,612,175; Contributory Payees: 16,052; Non-contributory payroll: \$379,728; Total Non-contributory payees: 36; Regular Retirees: 62; Survivor/Beneficiary Retirees: 4; Disability Retirees: 9; Option C/Disb Surv: 10; Members Refunds: 63 for \$1,038,124; Members Transfers: 17 for \$1,095,131; Option B Refunds: 2 for \$68,719 and, Operational Warrants: \$527,307.

Appropriations from autonomous agencies

Ms. McCarthy stated that she wanted to note that in July the system did receive most of the appropriations from all the autonomous agencies in the city of Boston. Except for BHA, which pays monthly on their appropriation. This has been consistent historically. Ms. McCarthy believes it is because they receive federal funding so they don't have their budget all at once to be able to pay the appropriation up front. She wanted to make note of that and the public health they paid theirs in August so that's all paid.

Majesco prepaid hours

Ms. McCarthy updated the Board on the Majesco software vendor and purchasing prepaid hours. The System purchased 10,000 hours back in February 2026. The hours were purchased at a reduced rate. Purchased hours usually last a limited time of two or three years. The System does get the reduced rates normally at this point in time. When the vendor sent in the last invoice last week for us to deduct our hours, The System is burning an estimated 900 hours a month from February through August.

Ms. McCarthy noted that the system is down to about 3,900 hours, which should last through the fourth quarter of 2026. However, given the number of upgrades planned for the end of 2026 and calendar year 2027, additional hours will be needed. Ms. McCarthy requested Board approval for the purchase of 10,000 pre-paid hours, which she estimated to be about \$200 an hour.

Motion made, and seconded, to Authorize BRS Comptroller Ms. McCarthy to purchase 10,000 hours from Majesco not to exceed \$2.1 million.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Documents Presented: 5. July snapshot for calendar year 2026.pdf; 5A. 07.2026_Cash Receipts Summary 5B. 07.2026_Adjusting Entries Summary 5C. 07.2026 BRS Cash Projections; 5D 07.2026_Cash Disbursements Summary; 5E. 07.2026 Direct Deposit Bank Account Statement; 5F. 07.2026 MMDT Bank Statement; 5G. 07.2026 Operating Bank Account Reconciliation; 5H. 07.2026 Operating Bank Account Statement; 5I. Trial Balance_07.2026; 5J. 07.2026 Retirement Payments Bank Account Statement; 5K. Warrants Paid_07.xlsx; 5L. General Ledger_07.2026; 5M. Majesco prepaid hours.

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

Backlog Processes update

Ms. Weir stated that work vacation buybacks and CBA's project totals are in the Board package. The cases that are left are all DRO's, anti-spiking and several death cases that need additional work.

August 2026 Pension Payroll update

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

- 67 Possible Cases
- 59 Superannuation's
 - 1 Pre-Retirement Death
 - 6 Accidental Disability
 - 1 Ordinary Disability
- 59 Cases Completed * *Actual number of cases 61.*
- 53 Superannuation's
 - 1 Pre-Retirement Death
 - 6 Accidental Disability
 - 1 Ordinary Disability
- 8 Did not make payroll (7 Superannuation's cases, 2 Disability case.

IT update

Ms. Weir wanted to add to Mr. Smyth's IT update. Ms. Weir will take this role from Mr. Dwyer. She further noted that the Board is converting its phone system. Ms. Weir discussed the benefits that the Board can expect from the new telephone system.

Documents Presented: August 2026 memo.

Outstanding/Ongoing Legal Issues: Natacha Thomas, General Counsel

Attorney Thomas stated that Member electronic signatures regulation was submitted to PERAC for approval.

New Business

Mr. Smyth informed the Board that six members of Board staff presented to PERAC to discuss calculation issues pertaining to anti-spiking. Mr. Smyth noted that the anti-spiking statute requires Board staff to average the two prior years and then you multiply by 110% and that is the maximum regular compensation that may be used in a retirement calculation for that particular year.

Mr. Smyth went on to note that PERAC issued a memorandum in 2014, which addressed the anti-spiking statute, its exceptions a methodology to apply to calculations for bona fide job changes referred to as "promotional rate." However, during the meeting, PERAC opined that vacation buybacks, which comport with Section 106, should not be included in the promotional rate. Mr. Smyth recommended that the system seek an advisory opinion from PERAC and consider an appeal depending upon the response.

The Board and staff discussed the issues pertaining to this advisory opinion letter, the anti-spiking and vacation buyback. The Board authorized Mr. Smyth to draft and submit the advisory opinion letter for PERAC.

Documents Presented: 6A. PERAC case Review Memo 2026_0824; 6B. Colm Lydon 2019_0729 Promotion Redo 2026_0824; 6C. Eddy Chrispin AntiSpiking 2026_0824.

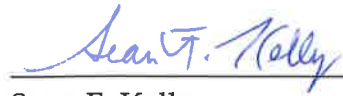
Adjourn from Administrative Session

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter Executive Session at approximately 11:53 a.m.

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Callahan: Aye; Member Glora: Aye; and, Chair Kelly: Aye.

Motion accepted (5-0)

Respectfully submitted,
BOSTON RETIREMENT BOARD



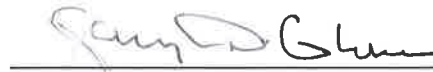
Sean F. Kelly
Chairman/Elected Member



Karen T. Cross
Elected Member



Scott M. Finn
Ex Officio Member



Sally D. Glora
Mayoral Appointed Member

Dennis C. Callahan
Fifth Member