

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

February 25, 2016

Boston Retirement Board, Room 716

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Michael W. McLaughlin, Elected Member; Michael D. O'Reilly, Elected Member; Thomas V.J. Jackson, Board Member (via conference call); Sally D. Glora, *Ex Officio* Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Padraic P. Lydon, General Counsel; Jonathan D. Lucas, Director of Finance & Investments; John Kelly, Investment Analyst; Christine M. Weir, Operations Officer.

ALSO IN ATTENDANCE: Michael Manning, William Forde and Sean Rhumann of NEPC.

Convene

The meeting convened and entered Administrative Session at approximately 10:06 a.m. All in attendance were identified for the record and introductions were made.

Previous Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of January 20, 2016 as presented.

Motion accepted (3-0)

Ms. Glora presented at 10:25 a.m.; Mr. McLaughlin presented at 10:29 a.m.

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

PERAC Educational Report Q4 2015

Mr. Smyth asked the Board Members to review their respective portion of the abovementioned report for accuracy.

Sub-committee for RFP Search for Investment Consultant(s)

Mr. Smyth is looking for Board/Executive staff members to volunteer a substantial amount of time as part of a subcommittee in conjunction with the Board's investment consultant RFP.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

2016 Asset Allocation Update

At the January 2016 Board meeting, NEPC recommended that the Board consider eliminating its global bond target of 2% in lieu of other attractive opportunities. NEPC provided three potential asset allocation mixes for the Board's consideration. Each of the three mixes under consideration and being discussed are geared towards return-seeking assets.

It was noted that as the markets have fallen off in 2015, and again during the first seven weeks of 2016, some opportunities have been created, particularly in opportunistic credit and global asset allocation (GAA).

The Board agreed it would be helpful to hear from a couple of our current managers about the status of our current investments with them, and seek an insight into opportunities they are seeing out in the markets now. Mr. Kelly will follow up with NEPC to facilitate having a couple of the Board's current managers in at the March Board meeting.

Private Equity Search Respondents

NEPC provided a preliminary list of respondents to the System's Private Equity search. The scope of this search is to identify a buyout, growth and/or special situation fund(s) to deploy the System's \$60 million 2016 commitment amount. NEPC will provide a more detailed summary of the respondents at the March meeting and encouraged the Board to let NEPC know if there are respondents the Board is particularly interested in.

Updated December 2015 & January 2016 Flash Report

After receiving the 4th quarter RE and PE data the final 2015 return for the total Plan was a negative -0.5%. In January of 2016 the total Plan was down -3.7%. Small Cap equities were hit the hardest in January down -9.0%.

Q3 Real Estate & Private Equity Reports

NEPC presented the Q3 Real Estate and Private Equity Reports. Real Estate and Private Equity were up 2.9% and 1.8% respectively for the quarter.

Outstanding/Ongoing Financial Issues: Jonathan D. Lucas, Director of Finance

PERAC Audit Report 2011-2013

Motion made and seconded to accept the PERAC Audit Report for the years 2011-2013 as presented.

Motion accepted (4-0)

PERAC Memo 9-2016 re Buyback and Make-up Repayment Worksheets.

Adjourn

Board voted (3-0) to exit Executive Session and adjourn from Administrative Session at approximately 12:25 pm.

Respectfully submitted,
BOSTON RETIREMENT BOARD



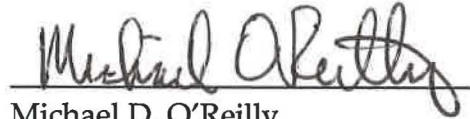
Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman



Sally D. Glora
Ex Officio Member



Michael W. McLaughlin
Elected Member



Michael D. O'Reilly
Elected Member



Thomas V.J. Jackson
Fifth Member