

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

January 21, 2026

Boston Retirement Board

Board Room 816, Boston City Hall

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Thomas V.J. Jackson, Fifth Member/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; Natacha Thomas, General Counsel; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Michael Manning, Kiley Murphy Michael Barth of NEPC; Joseph Marks, Michael Antonellis of Capital Dynamics; Garth Timoll, Eric Fitzgerald, Siddique Haq of Top Tier; Mark Andrew, Peter Grape of Lexington Partners; and, Tresca Liburd.

Convene

The Board voted unanimously via roll call (5-0) to enter the Administrative Session at approximately 9:03 a.m.

Member Jackson: Aye; Member Finn: Aye; Member Glora: Aye and, Member Kelly: Aye. **Motion accepted (4-0) (Member Cross presented later in the meeting).**

Administrative Session Minutes

Motion made, and seconded, to accept the Administrative Session of December 19, 2025, meeting as presented.

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

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

Mr. Smyth stated that the Board votes on travel expenses related to conferences for the upcoming year. Typically, MACRS and NCPERS are available

for Board members and senior staff. Mr. Smyth sought approval from the Board regarding the expenses to send staff to these two conferences.

Motion made, and seconded, to approve travel expenses for attendance at MACRS and NCPERS conferences for Board members and senior staff.

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

Mr. Smyth also sought Board approval for he and John Kelly to attend the TerraCap conference. TerraCap is a real estate fund, which will be changing its strategy in Fund VI.

Motion made, and seconded, to approve travel expenses for senior staff to attend the TerraCap conference.

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

IT Update

Mr. Smyth went on to state that Mr. Dwyer was not in attendance, but he provided some points for the Board as to IT related issues. The Board and staff discussed the electronic signature process, procedures and the advantages to the Retirement System.

As far as Vitech, we do have a contract. However, staff is working on a scope of work to reflect improvements we expect from Vitech. Vitech has asked for six weeks to do a deep dive into the identified issues. After that, Vitech will draft up a report addressing the issues.

We anticipate coming back to the board with this probably in March with a solid plan going forward with Vitech. Once the SOW is done, then we contract and talk about the extensions and pre-paid hours. Ms. McCarthy stated that she did start a contract with Vitech for pre-paid hours. They gave us favorable hourly rates. This purchase was budgeted in the CY26 operating budget.

The following PERAC Memos, Reports and/or Forms were provided for Board education:

- PERAC Memo 2-2026 re 2026 Anti-Spiking Calculation Pursuant to Section 106 for Union Members;

- PERAC Memo 3-2026 re 2026 Limits under Chapter 46 of the Acts of 2002;
- PERAC Memo 4-2026 re 2026 Limits under Section 23 of Chapter 131 of the Acts of 2010;
- PERAC Memo 5-2026 re COLA Notice; and,
- PERAC Memo 6-2026 re 840 CMR 10:10(3) & 10:15(1)(c) – Annual Review of Medical Testing Fee.

Documents Presented: 1. Administrative Session Agenda of 1.21.2026. 2. Administrative Session Minutes of 12.19.2025. 3. PERAC Memo 2-2026 re 2026 Anti-Spiking Calculation Pursuant to Section 106 for Union Members. 4. PERAC Memo 3-2026 re 2026 Limits under Chapter 46 of the Acts of 2002. 5. PERAC Memo 4-2026 re 2026 Limits under Section 23 of Chapter 131 of the Acts of 2010. 6. PERAC Memo 5-2026 re COLA Notice. 7. PERAC Memo 6-2026 re 840 CMR 10:10(3) & 10:15(1)(c) – Annual Review of Medical Testing Fee.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Pacing Plan

Ms. Murphy gave an update on the System's pacing plan that lays out the System's target amounts for Private Equity, Private debt and Real Estates programs. She stated if you look at 2026 it's expected to be \$40 million (ex HL) for this year and \$45m in 2027. In Private Debt, we're targeting \$115 million for 2026 and we'll be issuing that search in a few months. That'll be across direct lending, opportunistic and specialized strategies. For real estate search we are targeting \$100m in 2026 across Value Add (February) Opportunistic and Debt strategies.

Private Equity Search

Mr. Manning stated that the private equity search was conducted in alignment with the annual pacing plan, we'll be talking about four secondary strategies today. We are targeting approximately \$35 million in commitments to secondaries strategies. As a reminder, this is in addition to the \$80 million allocation to Hamilton Lane. At the September meeting, NEPC provided an overview of all respondents, and three finalists were selected to present at today's meeting.

Capital Dynamics

Mr. Antonellis opened by providing a snapshot of their organization. The firm has \$15 billion in AUM. They have 13 offices around the world which they think differentiates them both in client coverage and also purview across the globe

in terms of investment opportunities for their 850 Institutional and 650 Private clients. They have a dedicated commitment to what they call first responders, fire, police, EMS, healthcare. and this is something that they've taken a specific focus on. He mentioned they have a deep intentional commitment to Massachusetts and Boston specifically.

Mr. Marks went on to share that they have a consistent investment strategy focused on the smaller end of the market, leveraging 25+ year information advantage. They have low blind pool risk because diversified portfolio construction reduces concentration and timing risk. Their full market coverage enables them to execute across the entire spectrum of secondaries transactions as a function of market condition.

Mr. Marks shared that their efficient and strategic use of cash allows them to Recycle Capital. They use realized proceeds from earlier investments and reinvest them to maximize capital deployment without requiring additional investor commitments. Their Credit Facility enables short-term financing to delay capital calls and allow the fund to act quickly on opportunities, reduce idle cash drag and enhance returns. Because commitments to investments can exceed initial fund capital, they optimize capital utilization and improve return potential through their Credit Facility.

Capital Dynamics has a strong secondary deal flow, a well established strength in the middle market, an information advantage and a proprietary in-house system. The management fee for \$5m in commitments is 125 bps with 5 bps discount for any U.S. public pension plan. The target Net IRR: 15% – 20%.

Top Tier

Mr. Fitzgerald started by stating that from a high-level perspective they've been at this for 25 years. They have over \$7 billion in assets under management. There are 17 investment professionals dedicated to this strategy. They focus 100% on Global Venture Capital. They have a core of funds dedicated to Europe and they also have their velocity strategy which specifically pertains to secondaries and co-investment accounts. The firm has made investments on behalf of many pension funds and foundations as you would expect with our strategy.

In showing you the broader global footprint of how we are positioned. The bulk of their footprint and firms are made in the San Francisco/silicon valley area. They've got a significant presence on the east coast here in Boston and they've also

got a footprint in London. They address all the major hubs and they're constantly on the road trying to stay current in the venture world. The strategy focuses on buying LP positions primarily that are 8 to 12 years old.

Mr. Timoll stated that this will be their 5th Venture Velocity Fund. They leverage a fund-of-funds platform information advantage through the Mine. They have a 2.0x Underwriting Target and multi-decades of relationships. They seek the right sized opportunistic transactions that impact investments and generally drive fund performance without competing with the larger platforms.

Mr. Haq continued by stating that Fund V will have a \$500m target and secondaries will comprise 60-70% of the fund with the remaining 30-40% in co-investments. He noted venture is a risky asset class and that is why they target positions 8 to 12 years in their lifeline. The management fee is 1% on LP's committed capital paid quarterly (0.25%) for the first five years of the fund. The target net return is high teens.

Lexington Partners

Mr. Andrew opened by stating that The System have been investors in seven of their last 10 funds. They greatly appreciate and thank you for that. You've invested about \$80 million with them. They've given the System back \$117 million and you still have a remaining value of \$17m.

The secondary market continues to be a great opportunity. They provide liquidity to allocators to private equity and liquidity is a premium. Lexington is that liquidity provider. Number one take away is that it continues to be a really great market opportunity. Number two is their platform, they think we're really well positioned. They are the largest secondary specialist in the business. They're the most experienced team in the business.

The system should take away that you're backing one of the most experienced and consistent teams out there because we have little to no turnover. The System invested with them back in 2002 originally. Many of those same folks are still on our investment committee today minus a few retirements. Just think at the end of the day, what you all really care about is returns. Their portfolio construction has been highly consistent going all the way back to 2002 generating really attractive risk adjusted returns.

Mr. Grape continued by stating that the LCP XI strategy is their main flagship fund. That fund has a \$20 billion target. It invests in everything from venture capital all the way up to mega buyout. But the vast majority of that exposure is coming through secondary transactions across the globe. The management fee is 0.95% on committed capital.

Lexington Middle Markets Investors V (LMMI V) is a smaller strategy with a target size of \$2.5 billion. The Fund will build a diversified portfolio of small and middle market buyout and growth capital interests in the U.S. and Europe, primarily through traditional LP-led transactions. LMMI V will maintain an opportunistic allocation to GP-led transactions, including single and multi-asset continuation vehicles. The Fund will selectively pursue high-quality small and middle market interests that the Firm believes offer the most attractive risk-adjusted returns.

Mr. Grape continued by stating LMMI III-IV have utilized fund-level revolving credit facilities that allow these funds to benefit from redeployment of proceeds at the fund level which should help enhance returns. LMMI V is at the end of its fundraising period and has already invested in 11 deals. The management fee is 1% on committed capital during the investment period. Then 0.85% of reported value plus the lesser of aggregate unpaid commitments and reported unfunded obligations to portfolio investments.

The Board, staff and NEPC staff discussed the responders and the strength of their proposal's performance and track record. Also discussed were the system's long standing relationship with current managers, fees, NEPC's ratings of managers, and commitment amount.

Motion made, and seconded, to allocate \$20 million to Lexington Middle Market Investors Fund V.

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 allocate \$15 million to Capital Dynamics Global Secondary Fund VII.

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

December 2025 Flash Report

Mr. Manning reported that the plan performance through December 2025 was +1.4%; 3-month period was +2.8%; and, one year for 2025 was +15.2%.

Work Plan

A CY26 work plan was included in the NEPC slides for board review.

Hamilton Lane Recommendation

Mr. Burns recommended that BRS commit \$12.5 million to Francisco Partners. This commitment will actually be split between two funds, \$10 million to Francisco Partners Fund VIII and \$2.5 million to Francisco Partners Agility Fund IV. The Board and staff discussed Hamilton Lane's recommendations and commitment amount.

Motion made, and seconded, to allocate \$10 million Francisco Partners Fund VIII and \$2.5 million to Francisco Partners Agility Fund IV as recommended by Hamilton Lane.

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 2025 01 Meeting Materials. 2. NEPC Market Pacing Plan document 3. Capital Dynamics GSEC VII Presentation 4. Top Tier Venture Velocity Presentation. 5. Lexington LCP XI & LMMI V presentation. 6. Francisco Partners VIII, L.P. - Hamilton Lane recommendation. 7. Francisco Partners Agility IV, L.P. - Hamilton Lane recommendation.

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

December 2025 Financial Snapshot

Ms. McCarthy reported the December 2025 pension payroll as follows: Contributory payroll: \$67,187,702; Contributory Payees: 15,971; Non-contributory payroll: \$348,371; Total Non-contributory payees: 36; Regular Retirees: 22; Survivor/Beneficiary Retirees: 1; Disability Retirees: 3; Option C/Disb Surv: 5; Members Refunds: 54 for \$902,067; Members Transfers: 13 for \$575,918; Option B Refunds: 0 for \$0; and, Operational Warrants: \$752,084.

Amended CY26 Operating Budget

Ms. McCarthy stated that we had amended the budget from the one she presented in November. She spoke with Mr. Smyth and due to the change in the pension software, we removed that implementation cost from the operating budget. Removing PTG, as well as project manager ASC, reduced the budget by almost \$6 million with those two items. However, we are increasing the budget

approximately \$150,000 related to postage mailing of our retirees EFTs, which had previously been paid by the City.

Motion made, and seconded, to accept the amended CY26 operating budget 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).**

2025 1099R's

Today the file is being sent to printing and once it's printed, they'll be moved to the mail room and go out in the mail. I'm hoping that all happens in the next couple of days and that they're out in the mail at least by Monday of next week. Just so the board's aware, because you'll probably get calls from members. I put February 17th for reissues because it takes quite a bit of time for the mail to really be processed lately and the Treasury Division has said at least 10 to 14 days, they're seeing mail leaving the building and actually getting to a member. We're hoping that these will get out by Monday of next week.

For our affidavits, We did a second mailing in November requesting that everybody have their affidavits in by December 12th. I think it was about 1,800 letters that went out and emails to retirees who had an email and requested it be back by December 12th. As of today, we still have just over a thousand who have not complied with the affidavit. In the second notification that we sent to them in November, we told them if we hadn't received it by the 12th of December, we would hold their January check. We've got the payroll running today. There's still a thousand people that have not responded. So, the plan is to hold their check for January until they respond to make sure that they are alive and I'm sure some of the names I see are repeated year after year.

We also have completed and have in the mail room our Group 4 letter which goes out to about 3,000 members related to health insurance. They can deduct up to \$3,000 on their health insurance for any payments they make towards their health insurance, and those letters have been generated and brought to the mail room as well. We're in the process of reviewing the actuarial export and once the review is completed we will upload that to Segal's portal so that they can start reviewing and working on our 1/1/2026 valuation. We're also preparing for our 2025 audit which we've already provided some data to Ernst & Young to get a jump start on it.

Documents Presented: 1. December 2025 Financial Snapshot 2. Cash Projections 3. MMDT Reconciliation 4. Cash Receipts Summary 5. Cash Disbursements Summary 6. Adjusting Entries Summary 7. MMDT Statement 8. General Ledger 9. Warrants 10. Trial Balance 11. Operating Retirement Payments 12. Direct Deposit 13. BRS Cash Projections. 14. Amended CY26 Operating Budget.

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

Backlog Processes update

Ms. Weir stated that the staff continue to work on the military buybacks, and they're making great progress. The current status of the cases are 59 cases in QA and 290 cases completed and 35 cases not vested that are still outstanding.

The vacation buyback and CBA recalculate project. Completed cases Police were at 90%, Fire at 83%, BHA were at 27% and SENA were at 92%. We continue to work on the project. The majority of the cases left are DROs and anti-spiking cases that will all have to be reanalyzed, which takes much longer.

Currently working on new contracts that are Teachers and Librarians. We have not received any other contracts as of yet to recalculate. We have a good process with the CBA's. The complexity we had with this project was the added vacation buyback. The other projects we're working on is member self-service, FAS, anti-spiking, this is all under Member Services team.

December 2025 payroll

Ms. Weir went on to provide an update on the payroll figures for the month of December 2025:

- 28 Total cases
- 24 Superannuation's
- 3 Disability cases
- 1 Death of an active
- 8 did not make payroll for various reasons

Documents Presented: 1. November 2025 Pension Payroll update 2. Backlog Processes update.

Outstanding/Ongoing Legal Issues: Natacha Thomas, General Counsel

Attorney Thomas discussed issues pertaining to electronic signatures.

Adjourn from Administrative Session

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



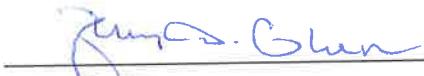
Thomas V.J. Jackson
Chairman



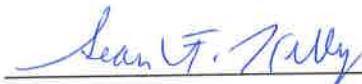
Scott M. Finn
Ex Officio Member



Karen T. Cross
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Sally D. Glora
Mayoral Appointed Member



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