

PRIM Board Quarterly Update

Second Quarter 2025



PRIM Executive Director and Chief Investment Officer Michael G. Trotsky, CFA provided the following information to the PRIM Board at its August 14, 2025, meeting:

Executive Director and Chief Investment Officer Report

The PRIT Fund ended with an all-time record balance of \$115.4 billion for the fiscal year ended June 30, 2025, surpassing the previous records of \$105.3 billion last year and \$96.6 billion two years ago. The PRIT Fund returned 9.6% (net) to gain \$10.1 billion in the fiscal year with all seven major asset classes posting positive returns for the first time in six years, and four of them outperformed their benchmarks. PRIM met all liquidity commitments with no difficulty during the year despite heightened volatility in both equity and bond markets. Investment productivity was exceptional, with staff successfully researching and deploying \$5.0 billion into highly attractive new investments throughout the year.

Organizationally, the depth and talent of PRIM staff has never been stronger, and we continue to benefit from extremely low turnover with no senior staff members departing during the year. We hired one new full-time employee, welcomed six interns, and promoted three of PRIM's outstanding contributors. 63% of PRIM's workforce is diverse and 52% of our workforce is female, consistent with last year.

The work of our staff continues to receive local and national recognition. The Allocator from With Intelligence, described PRIM as "a beacon of public service and investment prowess for the people of the Commonwealth of Massachusetts." This recognition of PRIM's Board and staff was highlighted when Michael Trotsky received the publication's Lifetime Achievement Award. (Michael Trotsky was also named to the Chief Investment Officer 2024 POWER 100 list.) More recently, PRIM's Private Equity Portfolio was ranked fourth by the American Investment Council's Public Pension Study of 200 U.S. public pension funds based on 10-year performance. PRIM is the only fund that has been in the top five every year the study has been conducted, including #1 rankings in 2019, 2018, 2015, and 2013. In addition, Private Equity International (PEI) named Helen Huang, Senior Investment Officer, a member of its annual list, "40 Under 40: Future Leaders of Private Equity." PEI credited Helen with helping to "reinvigorate the pension plan's venture capital program [and contributing] significantly to PE investment process design." PRIM ranked

fifth in the U.S. for assets managed by diverse managers according to Pensions & Investments, and two PRIM staff members were awarded Commonwealth Citations for Outstanding Performance.

PRIM's financial controls and reporting remain industry-leading and irreproachable. PRIM earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 20th consecutive year and successfully completed the CFA Institute's Global Investment Performance Standards of Integrity and Transparency (GIPS®) verification* for the eight consecutive year, a standard with which only a small handful of other pension funds comply. PRIM completed more than 30 separate audits, and all of them resulted in unmodified (clean) opinions.

The strong PRIM results occurred during a period in which the market and government policy decisions are changing very quickly. However, despite heightened uncertainty, U.S. equities were up 15.1%, developed international equities were up 17.8%, emerging markets equities were up 15.2%, and diversified bonds were up 6.1% for the fiscal year. The highest returning PRIT Fund asset classes included Global Equities and Hedge funds, while Value-Added Fixed Income and Private Equity posted high single digit returns.

While the last four fiscal years have provided an extraordinary test for staff and the Fund, we remain pleased and confident in the resiliency of the PRIT Fund and its performance over all time periods and throughout several different market environments. The PRIT Fund's trailing 1-, 3-, 5- and 10-year returns consistently exceed the required actuarial rate of return of 7%. The 5- and 10-year results exceed the long-term primary benchmark, and the 1- and 3-year results exceed the short-term secondary (implementation) benchmark.

The FUTURE Initiative, established to meet the objectives of the 2021 Investment Equity legislation, aims to ensure that at least 20% of PRIM's investment managers are women, minorities, or persons with disabilities. Currently, the PRIT Fund allocates approximately \$15.1 billion, representing more than 13%, to diverse investment managers across all asset classes. Since the Initiative's inception in 2021, PRIM has more than doubled its commitment to diverse managers and now invests more than \$8.5 billion with these managers. In FY2025 alone, PRIM allocated approximately \$900 million to diverse managers.

The PRIM Stewardship and Sustainability team adopted new Stewardship Priorities, and an Engagement Policy focused on Climate Transition Planning, Fair Pay, Sustainable Forestry, and Transparency. PRIM joined two organizations to help pursue engagement initiatives and voted 12,181 proxy ballots aligned with PRIM's custom proxy voting guidelines on areas such as board diversity requirements, over-boarded directors, gender pay gaps, labor and human rights, climate change, and executive compensation. PRIM also updated the Proxy Voting Guidelines with a focus on executive compensation and developed and obtained Board approval on a Proxy Voting Decision-Making Policy.

In Research, we are concluding our five-year membership in MIT's Aggregate Confusion Project (ACP) on September 30, 2025. We have completed our work with the ACP, and we recognize that the ACP has successfully fulfilled its original purpose and timeline. We are confident that the knowledge and experience gained from the ACP membership will continue to benefit our organization as we pursue our Stewardship Priorities and engagement activities. We extend our gratitude to the MIT Sloan Sustainability Initiative, our fellow ACP members, and all those who contributed to the success of this project.

In conclusion, I am extremely proud of the entire PRIM team and how we have responded during the difficult and volatile environment of the last several years. The team is hard-working and dedicated, delivering not only strong investment performance, but also extraordinary non-investment innovation and responsiveness grounded in both our adherence to fiduciary duty and a steadfast pursuit of excellence.

I thank the PRIM staff, Board, committee members, and partners for their support and dedication.

PRIT Fund Performance

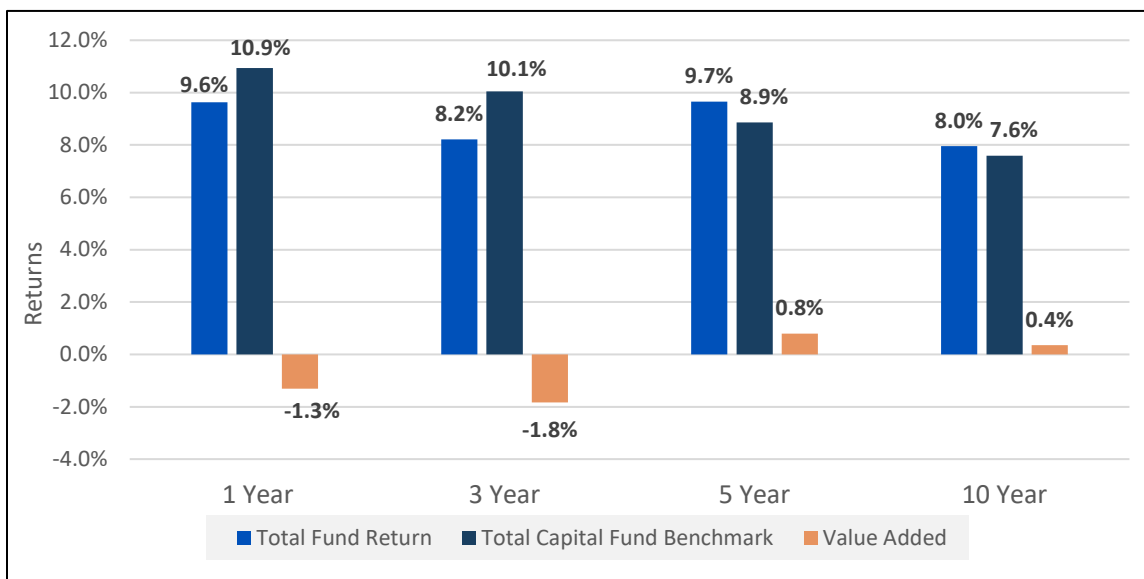
For the one-year as of June 30, 2025, the PRIT Fund was up 9.6%, net of fees, underperforming the total capital fund benchmark of 10.9% by 131 basis points.

- This performance equates to an investment gain of \$10.1 billion, net of fees.
- This underperformance equates to \$1.4 billion of value below the benchmark return.
- Net total inflows to pay benefits for the one-year ended June 30, 2025 were approximately \$36 million.

The following charts summarize the PRIT Fund performance for the one-year ended June 30, 2025.

Total PRIT Fund Returns

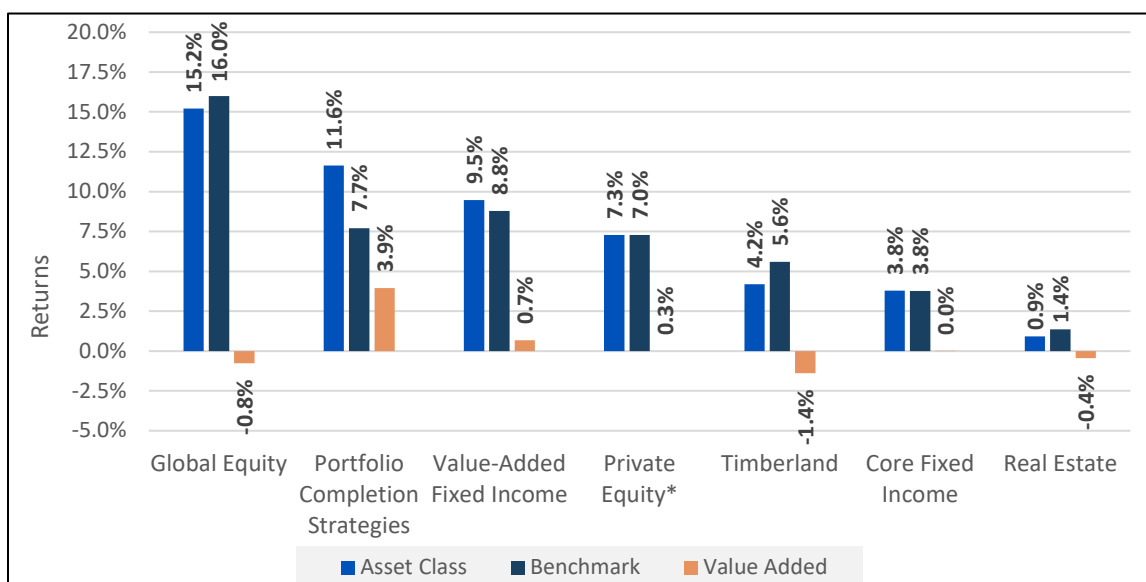
Annualized Returns as of June 30, 2025 (Net of Fees)



Source: BNY. Total Capital Fund Benchmark includes private equity benchmark.

PRIT Asset Class Performance Summary

One Year ended June 30, 2025 (Net of Fees)



Source: BNY. Totals may not add due to rounding. *Benchmark is State Street PE Index

PRIT Fund Annualized Returns by Asset Class

June 30, 2025 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 15.2%	GLOBAL EQUITY 16.8%	PRIVATE EQUITY 18.8%	PRIVATE EQUITY 16.2%
PORTFOLIO COMPLETION STRATEGIES 11.6%	VALUE-ADDED FIXED INCOME 9.1%	GLOBAL EQUITY 13.6%	GLOBAL EQUITY 9.8%
VALUE-ADDED FIXED INCOME 9.5%	PORTFOLIO COMPLETION STRATEGIES 8.4%	VALUE-ADDED FIXED INCOME 8.1%	REAL ESTATE 6.1%
PRIVATE EQUITY 7.3%	TIMBER 6.8%	PORTFOLIO COMPLETION STRATEGIES 7.8%	VALUE-ADDED FIXED INCOME 5.4%
TIMBER 4.2%	PRIVATE EQUITY 3.3%	TIMBER 7.7%	TIMBER 5.3%
CORE FIXED INCOME 3.8%	CORE FIXED INCOME 0.2%	REAL ESTATE 5.7%	PORTFOLIO COMPLETION STRATEGIES 4.4%
REAL ESTATE 0.9%	REAL ESTATE (3.0%)	CORE FIXED INCOME (2.4%)	CORE FIXED INCOME 1.9%

Source: BNY. Returns as of June 30, 2025

PRIM Board Actions

Public Markets

Investment Recommendation: Blue Owl Custom Asset Based Finance Fund

The PRIM Board approved an initial allocation of up to \$250 million to Blue Owl Custom Asset Based Finance Fund as part of the Other Credit Opportunities allocation.

PCS

Issuance of a Request for Proposals (RFP) for Portfolio Completion Strategies and Other Credit Opportunities Advisory Services

The PRIM Board approved an issuance of an RFP for Portfolio Completion Strategies and Other Credit Opportunities Advisory Services.

Private Equity

Investment Recommendation: WindRose Health Investors VII, L.P

The PRIM Board approved a commitment of up to \$100 million to WindRose Health Investors VII, L.P

Follow-On Investment Recommendation: Polaris Growth Fund III, L.P.

The PRIM Board approved a commitment of up to \$50 million to Polaris Growth Fund III, L.P.

Follow-On Investment Recommendation: Medicxi V, L.P.

The PRIM Board approved a commitment of up to €50 million to Medicxi V, L.P.

Private Equity Advisory Services RFP Recommendation

The PRIM Board approved the selection of Stepstone Group LP to provide Private Equity Advisory Services.

Real Estate

Real Estate Appraisal Request for Proposals (RFP) Recommendation

The PRIM Board approved the selection of Altus Group U.S. Inc. for Private Real Estate Appraisal Services.

Real Estate and Timberland Consulting Request for Proposals (RFP) Recommendation

The PRIM Board approved the selection of International Woodland Company A/S together with IWC Investment Partners A/S for General Timberland Advisory Services. Additionally, the PRIM Board approved eight firms to be placed on PRIM's list of project-based advisors.

Stewardship and Sustainability

Partnership Recommendations: CDP and Human Capital Management Coalition

The PRIM Board approved partnerships with CDP and the Human Capital Management Coalition.

The Client Services team will continue to meet with the retirement boards of PRIM's member retirement systems throughout the year. To schedule an investment review, please contact Francesco at fdaniele@mapension.com, Laura at lstrickland@mapension.com, Emily at egreen@mapension.com, or call 617-946-8401. We look forward to seeing you soon.

Please remember to notify the Client Services Team of any staffing changes within your organization.

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