



OUTLOOK

April 2020



Focusing on Retirement Issues for Massport Employees Past and Present

From the Board

Dear Members:

As the coronavirus pandemic continues, we are thinking of you all and hoping for the best outcomes in these uncertain times.

It remains our priority and commitment that the Massport Employees' Retirement System remain fully operational while imposing measures to help prevent the spread of COVID-19. As is the case for so many organizations, the way we are conducting business has changed temporarily. At this point in time, we are operating almost 100% remotely and the following procedures continue to be in place:

■ Walk-ins and in person counseling sessions at our LOC offices are postponed until further notice. Phone or other non-face-to-face counseling can be arranged in the meantime by calling to make an appointment with the appropriate staff member;

■ Applications for new benefits are accepted by mail or inter-office mail delivery but not by in-hand drop-off at our LOC offices. Forms are available on our website;

■ MPAERS monthly board meetings will continue. However, we are utilizing on-line remote participation.

As we continue to deal with the effects of COVID-19, we are also honoring our fiduciary responsibility to you and taking the necessary steps to fulfill that obligation with respect to our investments. As you know stock market values have fallen dramatically. It remains to be seen what the long-term impacts will be and how the pandemic will affect the American economy. But please understand that your retirement fund is conservatively invested in a highly diversified portfolio and we are

long term investors. We weathered such upsets in 2008 at the start of the Great Recession and we will do so again.

In that regard, we continue to monitor our investments closely and consult with our investment advisor, Wilshire Associates on a regular basis. We are checking to see if our allocations are appropriate considering the current circumstances so as to act in the best interests of our members and maintain the security of the plan. Wilshire has recommended that the Board make no changes to our asset allocation policy at this time and continue our disciplined rebalancing program of buying into asset classes as they become underweight relative to policy and selling those that become overweight.

The Board remains unwavering in our commitment to maintaining the highest



level of member service possible under these trying circumstances as well as the financial integrity of the system so as to continue to provide our members and their beneficiaries with secure retirement, survivor and disability benefits. At this time of uncertainty, perhaps you will find some measure of comfort knowing that your pension is secure. If you have any questions or concerns, please don't hesitate to contact us at (617) 568-3951. We will continue to keep you all in our thoughts and prayers and ask you to do the same for us.

Sincerely,

Your Board,
Jamie, Michael, Mike,
John, and Betsy

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Find us online! Simply go to <http://retirement.massport.com>.

FOR YOUR BENEFIT

SMART Plan Conducting Virtual Meetings

While we are all doing our part to social distance as best we can, our Massachusetts SMART Plan Retirement Plan Advisor Sean Brennan is offering virtual meetings via Webex to our members. Sean will maintain our usual twice monthly office hours schedule. See schedule below for dates and times:



Wednesday	April 8, 2020	10:30 am – 1:30 pm
Wednesday	April 22, 2020	10 am – 1 pm
Wednesday	May 6, 2020	10:30 am – 1:30 pm
Wednesday	May 20, 2020	10 am – 1 pm
Wednesday	June 10, 2020	10:30 am – 1:30 pm
Wednesday	June 24, 2020	10 am – 1 pm
Wednesday	July 8, 2020	10:30 am – 1:30 pm
Wednesday	July 22, 2020	10 am – 1 pm
Wednesday	August 5, 2020	10:30 am – 1:30 pm
Wednesday	August 19, 2020	10 am – 1 pm

How it works

In your web browser, go to https://virtual_sean_brennan.empowermytime.com to schedule a timeslot with Sean for one of the above noted dates. Please note that the system only allows for scheduling three weeks in advance so you may have to check back in if you want to schedule a slot further in the future.

As always, you can contact Sean at (978) 960-9569 or Sean.Brennan@empower-retirement.com or you can access the SMART Plan online at www.mass-smart.com or by calling the SMART Plan service team at (877) 457-1900.

TRANSITIONS

We regret to inform you that the following retirees have passed away:

- Leopold Buono
- Walter McGah
- Robert Risicato

CONGRATULATIONS

The following people retired recently and we wish them all the best for a successful future:

- ★ Frances Accettullo
- ★ Steven Gravallese
- ★ Yuri Herwagen
- ★ Daisy Nagy

Beware of Coronavirus Scams

Phone scams related to the Coronavirus are on the rise. You may find you are getting an unusual number of calls from unfamiliar phone numbers. Perhaps you typically wouldn't answer these but do so in case it might be work or COVID-19 related. More likely than not these calls are probably from a robocaller or scammer.



Examples include offers for fake coronavirus tests, free test kits, a means to purchase sanitation supplies that are in high demand, home refinancing, and student loan debt forgiveness. These calls are all in an attempt to get your personal and financial information. Scammers will also claim that your social security benefits are being suspended due to coronavirus related office closures. A brand new scam has the caller claiming to be with the IRS and asking for your bank account information for depositing your stimulus check.

The most effective way to keep these criminals at bay is to just hang up. Do not press any numbers and do not engage in conversation if it's a live person. **Remember, no legitimate company or organization will call you unprompted and ask you to provide personal or financial information over the phone.** So be vigilant and just hang up!

What is market volatility?



Market volatility is a term used to describe the daily fluctuations, large and small, of the stock market. Volatility also describes the condition of a security, which is a general term used to describe an investment like a stock, bond or mutual fund. A security has high volatility if its value fluctuates frequently over a period of time, and low volatility if its value remains relatively steady over a period of time. Normally, a security with higher volatility indicates a riskier investment.

There are a wide range of factors that may affect market volatility such as world events, performance of certain sectors of the market, political factors and natural disasters. Most of these factors are beyond anyone's control and happen unexpectedly.

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Should I be worried about my savings during a volatile period?

When a drop in the stock market occurs, it's easy to become discouraged or even nervous about your retirement savings funds. But don't overreact.

Market volatility is a normal and inevitable part of the stock market cycle and should be factored into your longterm investment strategy. It's like experiencing a cramp while running a marathon; you may feel uncomfortable in the moment and begin to lose sight of the end goal, but staying the course is the best way to cross the finish line.



Similarly, understanding your investment strategy and maintaining that focus through a volatile period may help you reach your retirement goals.

Familiarizing yourself with the history of the stock market may give you peace of mind if you are concerned about market volatility. Historically, stock market drops have been followed by an eventual bounce and market growth. The graph on the below shows that recovery periods have historically lasted longer than downturn periods.

Market downturns and recoveries 1926-2017¹

Downturn	% Loss	Recovery
34 months	-83.4%	151 months
6 months	-21.8%	35 months
7 months	-10.2%	5 months
5 months	-15.0%	7 months
6 months	-22.3%	10 months
8 months	-15.6%	6 months
19 months	-29.3%	9 months
21 months	-42.6%	21 months
14 months	-14.3%	5 months
20 months	-16.5%	3 months
3 months	-29.6%	18 months
5 months	-14.7%	4 months
2 months	-15.4%	3 months
25 months	-44.7%	49 months
16 months	-50.9%	37 months

Source: Morningstar DirectSM 2018. Past performance is not a guarantee or prediction of future results.

 Length of downturn  Length of recovery

How can I minimize risk?

Understand your risk tolerance

When determining an investment strategy that will help you meet your retirement goals, you may want to consider factors such as your current age, desired retirement age and current savings to determine the amount of risk or volatility you are comfortable with in your portfolio. If you have plenty of time before your planned retirement age, you may feel comfortable creating a more aggressive portfolio that, while typically characterized by high growth potential, could be subject to greater short-term fluctuations.

However, if you are nearing retirement, you may want to consider a more conservative portfolio. You may need access to your money sooner and therefore won't want to be exposed to potential market drops in the short term.

Diversify your portfolio

One step you can take to reduce the impact of market volatility on your investment portfolio is to allocate your assets across different asset classes in more than one

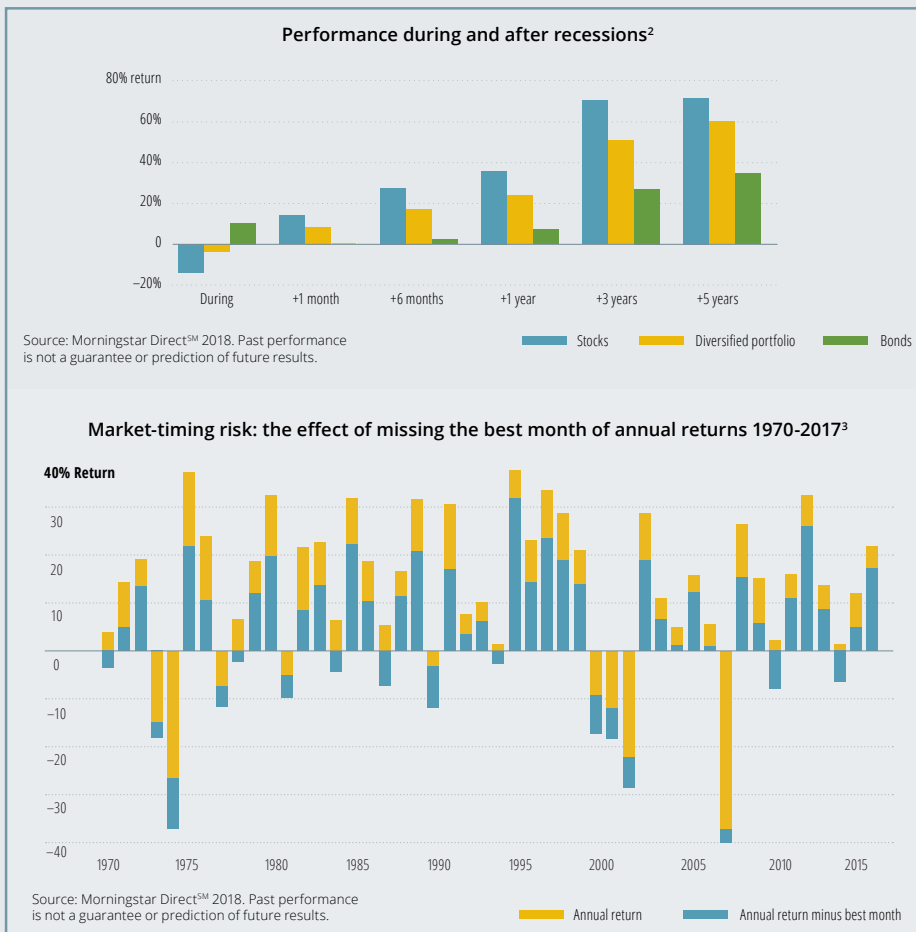
market segment. This is called diversification. For example, you may purchase a variety of stocks and bonds representing various industries. While one segment may be experiencing a downturn, another could be growing.

Therefore, you may be able to offset losses in one segment with gains or smaller losses in another segment. The data in the top chart below show how different investments have performed both during and after past recessions.

Don't try timing the market

Taking your money out of the market in order to avoid the worst days may end up setting you back. While avoiding the worst market days may help your overall growth, the market's unpredictable nature can result in market spikes on any given day. Missing out on the best days of the market may result in significant losses compared to riding out the volatility.

The data in the lower chart below show the cost of missing out on the best market days.



As with any financial decision, we encourage you to discuss your options with a financial advisor and consider costs, risks, investment options, and limitations prior to investing. You should choose the option that is right for you and your specific situation. Diversification and asset allocation do not ensure a profit and do not protect against loss in declining markets.

1 Source: Morningstar DirectSM 2018. Large stocks are represented by the Ibbotson[®] Large Company Stock Index. Downturns in this example are defined by a time period when the stock market value declined by 10% or more from its peak, while the recovery period indicates the number of months from the trough of the downturn to the market's previous peak. An investment cannot be made directly in an index. The information assumes reinvestment of all income and does not account for taxes or transaction costs.

2 Source: Morningstar DirectSM 2018. Recession data is from National Bureau of Economic Research (NBER). The average cumulative returns are calculated from the end of each of the 10 recessions in U.S. history since 1953. The National Bureau of Economic Research (NBER) does not define a recession in terms of two consecutive quarters of decline in real GDP. Rather, a recession is a recurring period of decline in total output, income, employment, and trade usually lasting from six months to a year and marked by widespread contractions in many sectors of the economy. The data assumes reinvestment of income and does not account for taxes or transaction costs.

3 Source: Morningstar DirectSM 2018. Stocks are represented by the Ibbotson[®] Large Company Stock Index. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs.

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Important Member Self-Service Login Change

Our retirement software vendor has recently implemented two-factor authentication to the member self-service module. What this means is that every time you log in to your account on our self-service portal you will be required to enter a four-digit verification code. Adding two-factor authentication provides an additional layer of security when accessing your personal retirement account information.

Here's what to do:

1. Access retirement self-service at:

<http://retirement.massport.com>

- Select “Massport’s Pension Plan” from the menu bar on the left side.
- Then click on the “Member Self-Service” link.

2. Enter your username and password*

The Email Address Verification screen will pop up

*If you have not registered, click on the Self Registration button to get started.

3. Click on the Send Verification Email button

You will receive a pop up confirmation that an email has been sent to the email address we have on file

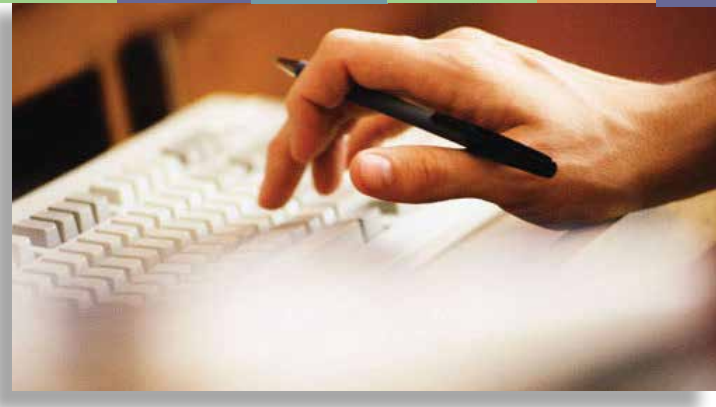
4. Access your email.

You should see an email from Retirement’s general email box – retirement@massport.com. Check your spam or junk email folders if you do not see the email.

5. The email will contain a 4-digit code.

Enter this code into the Verification Code box on the Email Verification screen and click the Submit Verification Code button

6. Finally, a box pops up confirming the code entered matches the code in the email and you have access to the portal.

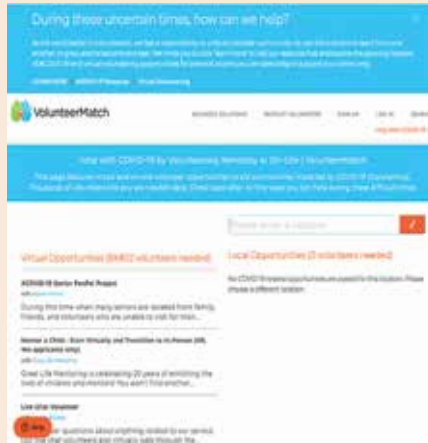


WEB WATCH

For those of you who have access to the Internet, there is a wealth of information to be found there. In this section we highlight web sites and SmartPhone apps that we have found helpful, informative, interesting or just plain fun.

VolunteerMatch – Help with COVID-19

During these uncertain times you might find yourself thinking what can I do to help? At <https://www.volunteermatch.org/covid19> you'll find an extensive database of volunteer opportunities – virtual and on-site – to aid communities impacted by COVID-19. While a quick search of the Boston area did not result in many on-site volunteer opportunities, there are thousands of virtual volunteers needed. Virtual volunteer opportunities from various organizations include sewing masks, virtual pen pals for seniors, and virtual schedulers for blood drives. VolunteerMatch provides all the details about each opportunity. If you find something that interests you simply click on “I want to help!” to send a message directly to the organization.



Voter Info is just One Click Away!

VOTE411 is a one-stop shop that provides voting information by state or topic for the upcoming election. Brought to you by the League of Women Voters Education Fund, at www.vote411.org you'll find non-partisan information on various election related topics. These topics include basic information about candidates, registration deadlines, ID requirements, voter qualifications, and the dates for upcoming elections. You can also type in your home address to check on your voter registration, what's on your ballot, where your polling place is located, and when upcoming debates will be held in your area. Election Day is November 3rd so be sure to get out to vote!



RETIREMENT BOARD & STAFF

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CALENDAR

May 10

Happy Mother's Day!

25

Memorial Day:
Massport offices closed

29

Retirement Board Meeting *
Logan Office Center
David W. Davis Board Room,
9:00 am

June 20

First day of Summer

21

Happy Father's Day!

25

Retirement Board Meeting*
Logan Office Center
David W. Davis Board Room,
9:00 am

July 3

Independence Day observed:
Massport offices closed

4

Independence Day

10

Quarterly Employer Match to
457 Plan

15

Tax Filing Day

30

Retirement Board Meeting
Logan Office Center
David W. Davis Board Room,
9:00 am

August 27

Retirement Board Meeting
Logan Office Center
David W. Davis Board Room,
9:00 am

**Please note that this meeting may be held remotely due to the ongoing coronavirus pandemic.*

View past issues of *Outlook* at
<http://retirement.massport.com>