

Minutes of Investment Committee Meeting

June 11, 2024 – 1:15 PM – Livestream

Called to Order: 1:15 p.m. by Committee Chair, Secretary Uri Monson

Attendance at Committee Meeting:

Investment Committee Board Members and Designees

Secretary Uri Monson, Committee Chair

Secretary Wendy Spicher, Assistant Committee Chair (with Designees Seamus Dubbs, Eric Pistilli, and Jeffrey Soderstedt)

Senator John DiSanto (with Designee Charles Erdman)

W. Russell Faber

Treasurer Stacy Garrity (with Designees Christopher Craig, Lloyd Ebright, and Thomas Waters)

J. David Henderson

Representative Brett Miller (with Designees Michael Heckmann and Jill Vecchio)

Jordan Laslett – Designee for Representative Dan Frankel

Matt McCarry – Designee for Representative Dan Frankel

Matt Lindsay – Designee for Senator Vincent Hughes

Senior Staff

N. Joseph Marcucci

Sara McSurdy

James Nolan

Joseph Torta

SERS Staff

Steve Balucha

Rob Borski

Jonathan Ferrar

Meredith Jones

Ryan Morse

Kyle Reinfeld

William Truong

Committee Counsel

Steven Skoff

1. CALL TO ORDER

Committee Chair, Uri Monson Spicher, called the meeting to order at 1:15 p.m.

2. WELCOME AND ROLL CALL

Bill Truong, Deputy Chief Investment Officer of SERS, conducted roll call.

3. APPROVAL OF MINUTES OF APRIL 30, 2024, INVESTMENT COMMITTEE MEETING

By motion, the Committee agreed to approve the minutes of the April 30, 2024, Investment Committee meeting.

4. OLD BUSINESS (None)

5. NEW BUSINESS

➤ CIO UPDATES

Jim Nolan, of SERS, provided the Investment Committee with the CIO updates.

➤ PUBLIC EQUITY MANAGER STRUCTURE STUDY

Mr. Nolan introduced Tom Shingler, Britt Murdoch, Jay Kloepfer, and Kevin Machiz of Callan. Mr. Shingler provided the Investment Committee with an education session on public equity. Michael Heckmann voiced Representative Miller's desire to eliminate the Emerging Markets asset class from the asset allocation. As a result of this update, a motion by the Investment Committee was made as follows:

- MOTION: Do I have a motion to recommend that the State Employees' Retirement Board:
- (i) adopt the proposal to decrease the target allocation to the Emerging Markets Equity asset class by 3%, increase the U.S. Equity asset class by 3%, and approve the corresponding updates to the SERS Defined Benefit Plan's Investment Policy Statement; and
 - (ii) delegate authority to the Chief Investment Officer to liquidate Emerging Markets Equity portfolios that do not fit in the new structure?

Notification of all implementation actions pursuant hereto shall be provided at the next regularly scheduled Investment Committee or Board meeting.

Board/Investment Committee Member	Vote
John DiSanto (Charles Erdman)	Y
Donald Enders	Absent
W. Russell Faber	Y
Dan Frankel (Matt McCarry)	Y
Stacy Garrity	Y
J. David Henderson	Y
Vincent Hughes (Matt Lindsay)	Y
Brett Miller (Michael Heckmann)	Y
Uri Monson	Y
Wendy Spicher	Y

As a result, the Motion passed, and the recommendation was brought to the Board.

- **CORE/CORE PLUS FIXED INCOME UPDATE**
Mr. Shingler provided the Investment Committee with an update on Core and Core Plus Fixed Income. The Investment Committee advised Callan and the SERS Investment Office to complete their active manager searches and report back at a future meeting with more information for its consideration.
- **QUARTERLY INVESTMENT PERFORMANCE ANALYSES AS OF MARCH 31, 2024**
Mr. Murdoch provided the Investment Committee with a review of the Quarterly Investment Performance Analyses, as of March 31, 2024, for the Defined Benefit, Deferred Compensation, and Defined Contribution Plans.
- **PRIVATE EQUITY QUARTERLY PERFORMANCE UPDATE AS OF DECEMBER 31, 2023**
Matt Roche of Stepstone Group, LP, and Ryan Morse, of SERS, provided the Investment Committee with a review of the Quarterly Private Equity Performance Update, ending December 31, 2023.
- **REAL ESTATE QUARTERLY PERFORMANCE UPDATE AS OF DECEMBER 31, 2023**
Matt Ritter of NEPC, LLC, and Steve Balucha, of SERS, provided the Investment Committee with a review of the Quarterly Real Estate Performance Update, ending December 31, 2023.
- **REAL ESTATE OPPORTUNITY: IPI PARTNERS III-A, L.P.**
Mr. Nolan provided the Investment Committee with data on SERS' annual Real Estate portfolio investment pacing, and highlighted the prior investment performance, diversity initiatives, and reporting transparency status for IPI Partners. Mr. Nolan introduced Rob Borski of SERS, who joined Mr. Balucha, and Mr. Ritter in summarizing how IPI Partners would represent a positive fit into the SERS Real Estate portfolio. Matthew A'Hearn and Alexa Singer of IPI Partners then presented IPI Partners III-A, L.P. After the presentation, a motion by the Investment Committee was made as follows:

MOTION: Do I have a motion to recommend that the State Employees' Retirement Board commit up to \$100 million to IPI Partners III-A, L.P., plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as an investment within the Real Estate asset class, subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals, within 12 months?

Board/Investment Committee Member	Vote
John DiSanto (Charles Erdman)	Y
Donald Enders	Absent
W. Russell Faber	Y
Dan Frankel (Matt McCarry)	Y
Stacy Garrity (Thomas Waters)	Y
J. David Henderson	Y
Vincent Hughes (Matt Lindsay)	N
Brett Miller	Y
Uri Monson	Y
Wendy Spicher (Seamus Dubbs)	Y

As a result, the Motion passed, and the recommendation was brought to the Board.

6. INFORMATIONAL ITEMS

Informational items as listed below were made available to the Investment Committee for review:

- a. March 2024 Asset Allocation Report

7. SPECIAL PRESENTATIONS (None)

8. EXECUTIVE SESSION

The materials for Executive Session, as listed below, did not require the Investment Committee to break for Executive Session as they were considered informational only:

- a. Investment Manager Evaluation Quarterly Updates (Watchlists)(Informational Item Only)

9. COMMENTS/CONCERNS/QUESTIONS (None)

10. MOTION TO ADJOURN

By motion that was moved by Committee Chair, Secretary Uri Monson and approved unanimously by Investment Committee members, it was:

RESOLVED: That this meeting was adjourned at 3:22 p.m.

Respectfully Submitted,

s/James Nolan
James Nolan, Chief Investment Officer