

## Minutes of Investment Committee Meeting

July 23, 2024 – 9:30 A.M. – Livestream

**Called to Order: 9:30 a.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
  - Seamus Dubbs, Designee for Secretary Spicher
  - Eric Pistilli, Designee for Secretary Spicher
  - Jeffrey Soderstedt, Designee for Secretary Spicher
- Senator John DiSanto
  - Charles Erdman, Designee for Senator DiSanto
- Donald Enders
- W. Russell Faber
- Representative Dan Frankel
  - Anne Baloga, Designee for Representative Frankel
  - Jordan Laslett, Designee for Representative Frankel
  - Matt McCarry, Designee for Representative Frankel
  - Daniel Ocko, Designee for Representative Frankel
- Treasurer Stacy Garrity
  - Christopher Craig, Designee for Treasurer Garrity
  - Lloyd Ebright, Designee for Treasurer Garrity
  - Thomas Waters, Designee for Treasurer Garrity
- J. David Henderson
- Senator Vincent Hughes
  - Matthew Lindsay, Designee for Senator Hughes
  - Antoinette Marchowsky, Designee for Senator Hughes
- Representative Brett Miller
  - Michael Heckmann, Designee for Representative Miller
  - Jill Vecchio, Designee for Representative Miller

#### Other Board Members and Designees

- Gregory Thall, SERS Board Chair

#### SERS Senior Leadership

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Elizabeth Christian<br><i>Deputy Executive Director for Administration</i>              | <input checked="" type="checkbox"/> Thomas Derr<br><i>Director of Communications &amp; Policy</i> |
| <input checked="" type="checkbox"/> Cynthia Collins<br><i>Director of Governance &amp; Strategic Initiatives</i>            | <input checked="" type="checkbox"/> Pamela Hile<br><i>Press Secretary</i>                         |
| <input checked="" type="checkbox"/> Jo Ann Collins<br><i>Chief Compliance Officer</i>                                       | <input checked="" type="checkbox"/> Daniel Krautheim<br><i>Chief Information Officer</i>          |
| <input checked="" type="checkbox"/> Brenda Cunard<br><i>Deputy Executive Director for Member &amp; Participant Services</i> | <input checked="" type="checkbox"/> N. Joseph Marcucci<br><i>Chief Counsel</i>                    |

Katie Mathews  
*HR Director*  
 Ryan McCoy  
*Internal Audit Director*  
 Michael McGeoy  
*Assistant Chief Financial Officer*  
 Sara McSurdy  
*Chief Financial Officer*

Catherine Nolan  
*Deputy Chief Counsel*  
 **James Nolan (Cmte. Staff)**  
*Chief Investment Officer*  
 **Steven Skoff (Cmte. Counsel)**  
*Deputy Chief Counsel*  
 Joseph Torta  
*Executive Director*  
 **William Truong (Cmte. Staff)**  
*Deputy Chief Investment Officer*

#### **Other SERS Staff**

- Rob Borski, Investment Office
- Meredith Jones, Investment Office
- Destiny Julo, Investment Office
- Jeffrey McCormick, Investment Office
- Ryan Morse, Investment Office
- Kyle Reinfeld, Investment Office

#### **Narrative/Issues:**

##### 1. CALL TO ORDER

Committee Chair, Uri Monson, called the meeting to order at 9:37 a.m.

##### 2. WELCOME AND ROLL CALL

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

##### 3. APPROVAL OF MINUTES OF JUNE 11, 2024, INVESTMENT COMMITTEE MEETING

By motion, the Committee agreed to approve the minutes of the June 11, 2024, Investment Committee meeting.

##### 4. OLD BUSINESS (None)

##### 5. NEW BUSINESS

###### **PRIVATE EQUITY CO-INVESTMENT OPPORTUNITY: HARBOURVEST PARTNERS, LLC**

Jim Nolan, Chief Investment Officer of SERS, provided the Investment Committee with background information on SERS' co-investment program structure, including the creation of and initial commitment to the PA Co-investment Fund managed by HarbourVest Partners, LLC as of 2020, and highlighted the benefits of such opportunities. He then provided an introduction to HarbourVest that included prior manager performance and transparency reporting status. Matt Roche of StepStone summarized how the HarbourVest co-investment fund represents a positive fit into SERS' co-investment program and Private Equity portfolio. Ryan Morse and Destiny Julo of SERS provided further support for the opportunity. Peter Lipson, Jackie Peradotto, Maryellen Doyle, and Matthew Cheng of HarbourVest Partners then presented. 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 \$200 million to HarbourVest PA Co-investment Fund Tranche II L.P. (name TBD), capped at \$50 million for calendar year 2024 and \$80 million per calendar year thereafter, plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as a follow on investment within the Private Equity 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 (Designee Charles Erdman)	Y
Donald Enders	Y
W. Russell Faber	Absent
Dan Frankel (Designee Matt McCarry)	Y
Stacy Garrity	Y
J. David Henderson	Y
Vincent Hughes (Designee Matt Lindsay)	Y
Brett Miller (Designee Jill Vecchio)	Y
Uri Monson	Y
Wendy Spicher (Designee 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. May 2024 Asset Allocation Report

#### 7. SPECIAL PRESENTATIONS (None)

#### 8. EXECUTIVE SESSION

The Investment Committee entered Executive Session at 10:01 a.m. to discuss agenda items as listed below:

- a. Proxy Voting Consultant Search
- b. General Investment Consultant Search
- c. Private Equity/Private Credit Secondaries Discussion
- d. CIO Mid-Year Performance Report

#### 9. PUBLIC SESSION RESUMES

At 11:23 a.m., the Investment Committee resumed Public Session. As a result of discussions during Executive Session, a motion by the Investment Committee was made as follows:

MOTION: Do I have a motion to recommend that the State Employees' Retirement Board hire Institutional Shareholder Services, Inc. to act as its proxy voting consultant in connection with the SERS Defined Benefit Plan's investment portfolio for a five-year term commencing at the conclusion of the current contract for proxy voting consulting services (currently scheduled to expire as of February 13, 2025), 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 (Designee Charles Erdman)	Y
Donald Enders	Y
W. Russell Faber	Absent
Dan Frankel (Designee Matt McCarry)	Y
Stacy Garrity	Y
J. David Henderson	Y
Vincent Hughes (Designee Matt Lindsay)	Y
Brett Miller (Designee Jill Vecchio)	Y
Uri Monson	Y
Wendy Spicher (Designee Seamus Dubbs)	Y

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

10. COMMENTS/CONCERNS/QUESTIONS (None)

11. 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 11:27 a.m.

Respectfully Submitted,

s/James Nolan  
James Nolan, Chief Investment Officer