

Minutes of Investment Committee Meeting

July 29, 2020 – 11:15 AM – Teleconference

Called to Order: 11:21 a.m. by Committee Chair, Glenn E. Becker

Attendance at Committee Meeting(s):

Glenn E. Becker, Committee Chair
James Bloom – Designee for Secretary Richard Vague
Susan Boyle – Designee for Representative Michael G. Tobash
Lloyd Ebright – Designee for Treasurer Joseph M. Torsella
David R. Fillman, Assistant Chair
Alan Flannigan – Designee for Secretary Richard Vague
Toni Marchowsky – Designee for Senator Vincent J. Hughes
Dan Ocko – Designee for Representative Dan B. Frankel
Patrick Shaughnessy – Designee for Representative Dan B. Frankel
Representative Michael G. Tobash
Secretary Richard Vague

Other Board Members and Designees

Senator John M. DiSanto
Gregory K. Jordan
Gregory C. Thall

Senior Staff

N. Joseph Marcucci
Sara McSurdy
James Nolan
Terrill Sanchez

Committee Counsel

Jeffrey McCormick

Consultants

Mike Elio
Britt Murdoch
Bud Pellicchia
Matt Ritter
Matt Roche
Tom Shingler
Meg von Schroeter

Presenters

Phil Cothorn, HPS Investment Partners, LLC
David Felix, SERS

Scot French, HPS Investment Partners, LLC
Sarah Kornhaber, LLR Capital Partners
Seth Lehr, LLR Capital Partners
Howard Ross, LLR Capital Partners
Carla Storey, HPS Investment Partners, LLC

1. CALL TO ORDER

Committee Chair, Glenn Becker, called the meeting to order at 11:21 a.m.

2. APPROVAL OF MINUTES OF JUNE 9, 2020 INVESTMENT COMMITTEE MEETING

By motion, the Committee unanimously agreed to approve the minutes of the June 9, 2020 Investment Committee meeting.

3. WELCOME AND INTRODUCTIONS

Jim Nolan welcomed meeting attendees and provided the Investment Committee with a market update.

4. OLD BUSINESS (None)

5. NEW BUSINESS

➤ PRIVATE EQUITY: LLR EQUITY PARTNERS VI, L.P.

Howard Ross, Seth Lehr, and Sarah Kornhaber of LLR Capital Partners presented. After their presentation of LLR Equity Partners VI, L.P., a motion by the Investment Committee, cast by David R. Fillman and seconded by Representative Michael G. Tobash, was made as follows:

RESOLVED: That the Investment Committee recommend that the State Employees' Retirement Board commit up to \$50 million to LLR Equity Partners VI, L.P., 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.

The roll call vote tabulation for the motion was as follows:

Board/Investment Committee Member	Vote
David Fillman	Yes
Dan Frankel (Dan Ocko)	Yes
Vincent Hughes (Toni Marchowsky)	Yes
Michael Tobash	Yes
Joseph Torsella (Lloyd Ebright)	Recuse
Richard Vague (Alan Flannigan)	Recuse
Glenn Becker	Yes

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

➤ **PRIVATE CREDIT: HPS MEZZANINE PARTNERS 2019, L.P.**

Phil Cothorn, Scot French, and Carla Storey of HPS Investment Partners, LLC presented. After their presentation of HPS Mezzanine Partners 2019, L.P., a motion by the Investment Committee to recommend that the State Employees' Retirement Board commit up to \$75 million to HPS Mezzanine Partners 2019, L.P. was cast by Glenn Becker, but was not seconded.

6. SPECIAL PRESENTATION (None)

7. EXECUTIVE SESSION (None)

It was deemed that the materials prepared for Executive Session did not require the Investment Committee to break for an official Executive Session. Therefore, Jim Nolan provided a high-level overview of the CIO Mid-Year Report in Public Session.

The following Executive Session agenda items were made available:

- a. CIO Mid-Year Report
- b. SERS Cash Flow Forecast
- c. 2020 SERS Private Markets Pacing
- d. Liquidity Schedule as of May 31, 2020
- e. Private Markets Unfunded Commitments Update

8. PUBLIC SESSION RESUMES

➤ PRIVATE CREDIT: HPS MEZZANINE PARTNERS 2019, L.P.

Alan Flannigan, Designee for Secretary Richard Vague, requested the opportunity to second the earlier motion for HPS Mezzanine Partners 2019, L.P. As such, the Investment Committee moved forward with a vote on the motion to recommend that the State Employees' Retirement Board commit up to \$75 million to HPS Mezzanine Partners 2019, L.P.

The roll call vote tabulation for the motion was as follows:

Board/Investment Committee Member	Vote
David Fillman	Absent
Dan Frankel (Dan Ocko)	No
Vincent Hughes (Toni Marchowsky)	No
Michael Tobash	No
Joseph Torsella (Lloyd Ebright)	Abstain
Richard Vague (Alan Flannigan)	Yes
Glenn Becker	Yes

As a result, the motion did not pass.

9. COMMITTEE COMMENTS/CONCERNS/QUESTIONS

It was noted that the Interim Market Update, currently provided to the Investment Committee by SERS Investment Office staff on a bi-weekly basis, be moved to a monthly report going forward.

10. MOTION TO ADJOURN

By motion that was moved by Committee Chair Glenn Becker and approved unanimously by Investment Committee members, it was:

RESOLVED:

That this meeting is adjourned at 12:57 p.m.

Respectfully Submitted,

s/James Nolan

James Nolan, Acting Chief Investment Officer