

## Minutes of Investment Committee Meeting

June 8, 2021 – 10:30 AM – Livestream

**Called to Order: 10:34 a.m. by Committee Chair, Glenn E. Becker**

### **Attendance at Committee Meeting:**

#### **Investment Committee Board Members and Designees**

Glenn Becker, Committee Chair

James Bloom – Designee for Secretary Richard Vague

Christopher Craig – Designee for Treasurer Stacy Garrity

Charles Duncan – Designee for Senator Vincent Hughes

Lloyd Ebright – Designee for Treasurer Stacy Garrity

Charles Erdman – Designee for Senator John DiSanto

David Fillman, Assistant Chair

Alan Flannigan – Designee for Secretary Richard Vague

Treasurer Stacy Garrity

Greg Jordan

Matt Lindsay – Designee for Senator Vincent Hughes

Toni Marchowsky – Designee for Senator Vincent Hughes

Dan Ocko – Designee for Representative Dan Frankel

Patrick Shaughnessy – Designee for Representative Dan Frankel

Gregory Thall

#### **Other Board Members and Designees**

Susan Boyle – Designee for Representative Paul Schemel

Representative Paul Schemel

Mary Soderberg

Jill Vecchio – Designee for Representative Paul Schemel

#### **Senior Staff**

Don Bell

Thomas Derr

Pam Hile

Christopher Houston

Seth Kelly

Daniel Krautheim

Karen Lynn

N. Joseph Marcucci

Katie Mathews

Sara McSurdy

James Nolan

Terrill Sanchez

Joseph Torta

**Committee Counsel**

Jeff McCormick

**1. CALL TO ORDER**

Committee Chair, Glenn Becker, called the meeting to order at 10:34 a.m.

**2. WELCOME AND ROLL CALL****3. APPROVAL OF MINUTES OF APRIL 28, 2021 INVESTMENT COMMITTEE MEETING**

By motion, the Committee unanimously agreed to approve the minutes of the April 28, 2021 Investment Committee meeting.

**4. OLD BUSINESS (None)****5. NEW BUSINESS****➤ CIO UPDATES**

Seth Kelly of SERS provided the Investment Committee with an introduction of Bill Truong of SERS, who provided an update on the Fixed Income transition. After his update, Jim Nolan of SERS provided an update on rebalancing.

**➤ SERS DEFERRED COMPENSATION PROGRAM QUARTERLY INVESTMENT PERFORMANCE ANALYSIS (AS OF MARCH 31, 2021) & SERS DEFINED CONTRIBUTION PROGRAM QUARTERLY INVESTMENT PERFORMANCE ANALYSIS (AS OF MARCH 31, 2021)**

Seth Kelly introduced Bud Pellicchia of Callan, who provided both the Deferred Compensation Program and Defined Contribution Program Quarterly Performance Analyses as of March 31, 2021.

**➤ SERS DEFINED BENEFIT PROGRAM QUARTERLY INVESTMENT PERFORMANCE ANALYSIS (AS OF MARCH 31, 2021)**

Tom Shingler of Callan provided the Defined Benefit Program Quarterly Performance Analysis as of March 31, 2021.

**➤ PRIVATE EQUITY OPPORTUNITY: INSIGHT PARTNERS XII, L.P.**

Seth Kelly began the discussion by disclosing that Insight Partners XII, L.P. would likely be 2021's last private equity opportunity brought to the Committee. David Felix of SERS provided an introduction of Insight Venture Management, LLC. Mike Elio of StepStone provided additional support by summarizing how the proposed fund being presented positively fits into SERS' Private Equity portfolio. Anika Agarwal and Conrad Gorospe of Insight Venture Management, LLC, then presented. After their presentation, a motion by the Investment Committee was considered. The below motion was made as follows:

MOTION: That the Investment Committee recommend that the State Employees' Retirement Board commit up to \$50 million to Insight Partners XII, 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	Y
Dan Frankel (Dan Ocko)	Y
Vincent Hughes (Toni Marchowsky)	Y
Stacy Garrity	N
John DiSanto (Charles Erdman)	Y
Greg Jordan	Y
Greg Thall	Y
Richard Vague (Alan Flannigan)	Y
Glenn Becker	Y

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

- SERS PRIVATE EQUITY ANNUAL BOARD UPDATE (AS OF DECEMBER 31, 2020)  
This report was provided as an informational item only.
- SERS REAL ESTATE ANNUAL BOARD UPDATE (AS OF DECEMBER 31, 2020)  
This report was provided as an informational item only.
- MARCH 2021 ASSET ALLOCATON REPORT  
This report was provided as an informational item only.

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. However, the Committee did enter Executive Session to discuss a personnel matter.

The following Executive Session agenda items were made available to the Committee:

- a. Investment Manager Evaluation Updates
- b. SERS Cash Flow Forecast
- c. Liquidity Schedule as of March 31, 2021
- d. Private Markets Unfunded Commitments Update
- e. Personnel Matter

## 8. PUBLIC SESSION CONTINUATION

As a result of Executive Session, an announcement was made that CIO Seth Kelly has resigned his position effective June 10, 2021, and as such, a motion by the Investment Committee was made as follows:

**MOTION:** That the Investment Committee recommend that the State Employees' Retirement Board appoint Deputy Chief Investment Officer James G. Nolan as Acting Chief Investment Officer with the powers and duties of the Chief Investment Officer, such appointment to be effective June 11, 2021, and continue until the Board determines otherwise, and; that the Board approve and grant James G. Nolan a temporary 5% hourly pay increase, effective June 11, 2021, and to continue until the Board determines otherwise.

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

Board/Investment Committee Member	Vote
David Fillman	Y
Dan Frankel (Dan Ocko)	Y
Vincent Hughes (Toni Marchowsky)	Y
Stacy Garrity	Y
John DiSanto (Charles Erdman)	Y
Greg Jordan	Y
Greg Thall	Y
Richard Vague (Alan Flannigan)	Y
Glenn Becker	Y

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

## 9. COMMITTEE COMMENTS/CONCERNS/QUESTIONS (None)

## 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 12:34 p.m.

Respectfully Submitted,

s/Jim Nolan

Jim Nolan, Acting Chief Investment Officer