

Minutes of Investment Committee Meeting

February 21, 2023 – 9:45 AM – Livestream

Called to Order: 9:47 a.m. by Committee Chair Glenn Becker

Attendance at Committee Meeting:

Investment Committee Board Members and Designees

Glenn Becker, Committee Chair

David Fillman, Assistant Chair

Senator John DiSanto (with Designee Charles Erdman)

Representative Dan Frankel (with Designee Dan Ocko)

Treasurer Stacy Garrity (with Designee Lloyd Ebright)

Acting Secretary Sarah Hammer (with Designees James Bloom, Alan Flannigan, and Eric Pistilli)

Gregory Jordan

Mary Soderberg

Gregory Thall

Matt Lindsay – Designee for Senator Vincent Hughes

Senior Staff

Don Bell

Cindy Collins

Jo Ann Collins

Brenda Cunard

Thomas Derr

Daniel Krautheim

Karen Lynn

N. Joseph Marcucci

Katie Mathews

Sara McSurdy

James Nolan

Joseph Torta

Bill Truong

Committee Counsel

Kara O'Donnell on behalf of Steven Skoff

1. CALL TO ORDER

Committee Chair, Glenn Becker, called the meeting to order at 9:47 a.m.

2. WELCOME AND ROLL CALL

Jared Snyder, Portfolio Manager of SERS, conducted roll call.

3. APPROVAL OF MINUTES OF DECEMBER 5, 2022, INVESTMENT COMMITTEE MEETING

By motion, the Committee unanimously agreed to approve the minutes of the December 5, 2022, Investment Committee meeting.

4. OLD BUSINESS (None)

5. NEW BUSINESS

➤ CIO UPDATES

James Nolan, Chief Investment Officer of SERS, provided the Investment Committee with a brief rebalancing update. He then provided highlights of SERS' 2022 accomplishments and 2023 goals.

➤ CALLAN DB, DCP, AND DC CONTRACT EXTENSIONS

William Truong, Deputy CIO of SERS, provided the Investment Committee with a recommendation to amend and extend the current SERS/Callan LLC General Consulting Service Agreements for the defined benefit, 457(b) and 401(a) plans. The reason for the requested extension is for Callan to assist with the Third-Party Administrator (TPA) search for SERS Defined Contribution and Deferred Compensation plans. After this recommendation, a motion by the Committee was made as follows:

MOTION: That the Investment Committee recommend to the State Employees' Retirement Board to authorize an extension of the Agreement between SERS and Callan LLC for general consulting services for the defined benefit, 457(b) and 401(a) plans for 12 months (until February 25, 2025) subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals, prior to its expiration.

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

Board/Investment Committee Member	Vote
Glenn Becker	Yes
John DiSanto	Yes
David Fillman	Yes
Dan Frankel	Yes
Stacy Garrity	Yes
Sarah Hammer (Alan Flannigan)	Yes
Vincent Hughes (Matt Lindsay)	Yes
Greg Jordan	Yes
Mary Soderberg	Yes
Greg Thall	Yes

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

➤ REVIEW OF 2023 INVESTMENT COMMITTEE WORK PLAN

Mr. Truong provided a review of the 2023 Investment Committee Work Plan. After this review, a motion by the Committee was made as follows:

MOTION: That the Investment Committee recommend to the State Employees' Retirement Board to approve the Investment Committee Work Plan, as set forth in the attachment.

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

Board/Investment Committee Member	Vote
Glenn Becker	Yes
John DiSanto	Yes
David Fillman	Yes
Dan Frankel	Yes
Stacy Garrity	Yes
Sarah Hammer (Alan Flannigan)	Yes
Vincent Hughes (Matt Lindsay)	Yes
Greg Jordan	Yes
Mary Soderberg	Yes
Greg Thall	Yes

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

- **CALLAN 2022 RECAP AND 2023 INITIATIVES**
Tom Shingler of Callan LLC provided the Investment Committee with a 2022 recap of SERS' Defined Benefit, Defined Contribution, and Deferred Compensation Plans. Britt Murdoch of Callan LLC provided 2023 initiatives for the Plans.
- **FIXED INCOME/INFLATION PROTECTION UPDATE**
Mr. Shingler provided the Investment Committee with notification of plans for Callan and the SERS Investment Office to conduct an investment manager search for passively managed Treasury Inflation-Protected Securities (TIPS) manager products.
- **QUARTERLY INVESTMENT PERFORMANCE ANALYSES AS OF SEPTEMBER 30, 2022**
Mr. Shingler provided the Investment Committee with the Quarterly Investment Performance Analysis, as of December 31, 2022, for the Defined Benefit Plan. Mr. Murdoch provided a review of the Quarterly Investment Performance Analyses, as of December 31, 2022, for the Deferred Compensation and Defined Contribution Plans.
- **PRIVATE EQUITY QUARTERLY PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2022**
Matt Roche of StepStone Group, LP provided the Investment Committee with a review of the Quarterly Private Equity Performance Update, ending September 30, 2022.
- **REAL ESTATE QUARTERLY PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2022**
Matt Ritter of NEPC, LLC provided the Investment Committee with a review of the Quarterly Real Estate Performance Update, ending September 30, 2022.
- **PRIVATE EQUITY OPPORTUNITY: PSG VI L.P.**
Mr. Nolan provided the Investment Committee with data on SERS' Private Equity portfolio pacing, and highlighted the prior investment performance, diversity initiatives, and reporting transparency status for PSG Equity L.L.C. Tom Reardon and Marco Ferrari of PSG Equity L.L.C. then presented. After the presentation, the Investment Committee entered Executive Session to discuss confidential matters regarding the opportunity further. Upon return to Public Session, the Investment Committee announced that this opportunity would be tabled for now and reconsidered at the February 28, 2023, Board meeting.

6. INFORMATIONAL ITEMS

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

- a. 2022 Performance Review of SERS' Consultants/Third Parties Overseen by IC/Board
- b. December 2022 Asset Allocation Report

7. SPECIAL PRESENTATIONS (None)

8. EXECUTIVE SESSION (None)

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

- a. 2022 Annual Placement Agent Disclosure Report
- b. Investment Manager Evaluation Quarterly Updates (Watchlists)

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 was adjourned at 12:35 p.m.

Respectfully Submitted,

s/James Nolan

James Nolan, Chief Investment Officer