

**VERMONT PENSION INVESTMENT COMMITTEE**  
**June 29, 2009**

**VPIC Members Present:**

STEPHEN RAUH, CHAIR, VMERS Governor's Delegate, term expiring June 30, 2010  
JEB SPAULDING, VICE-CHAIR, VT State Treasurer  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2011  
DICK JOHANNESSEN, Governor's Delegate, term expiring June 30, 2010  
WARREN WHITNEY, VSERS Representative, term expiring June 30, 2012

**VPIC Member(s) Absent:**

MICHAEL K. SMITH, Governor's Delegate, term expiring June 30, 2012

**VPIC Alternate Members Present:**

VAUGHN ALTEMUS, *Alternate* Governor's Delegate, term expiring June 30, 2010  
ROBERT HOOPER, VSERS *Alternate*, term expiring June 30, 2012  
JON HARRIS, VSTRS *Alternate*, term expiring June 30, 2011

**VPIC Alternate Member(s) Absent:**

STEVEN JEFFREY, VMERS *Alternate*, term expiring June 30, 2010

**Also attending:**

Donna Holden, Clerk  
David Minot, Director of Finance and Investments  
Kevin Kondry and Chris Levell, NEPC  
Bill Griffin, Chief Assistant Attorney General  
Jaye Pershing-Johnson, Assistant Attorney General  
Don Robisky, VSERS, VSEA Alternate Member  
Thomas Middleton, City of Burlington Retirement Board Vice-Chairman

**CALL TO ORDER:**

The Chair, Steve Rauh, called the Monday, June 29, 2009, meeting to order at 8:30 a.m., which was held in Room #10, Vermont Statehouse, State Street, Montpelier, VT.

The Committee briefly discussed general business items including: the Chair's role with respect to communicating with the press after matters are discussed in a public meeting, agreement to hold a conference call meeting in July to discuss and select finalists from the commodities, emerging markets, and TIPS manager search results, and that development of RFI language for portfolio risk management services was being drafted and would be distributed to the Committee for comments soon.

**ITEM 1:      **NEPC Manager Introductory Comments****

Mr. Kondry briefly reviewed the managers, mandates, attributes, etc. of each of the firms that were scheduled to appear before the Committee.

Mr. Spaulding, Mr. Rauh, and Mr. Johannesen disclosed their familiarity with individuals from some of the Vermont Manager firms scheduled to provide presentations.

**ITEM 2:      **VT Manager Presentation****

**KDP Asset Management, LLC:** Kingman Penniman, President & CIO, and Marshall Stover, Marketing & Client Services, appeared before the Committee to discuss his firm's high yield and credit strategy fixed income products.

**ITEM 3: VT Manager Presentation**

**Champlain Investment Partners, LLC**, Judith O’Connell, COO and Managing Partner, and Scott Brayman CIO and Managing Partner, appeared before the Committee to discuss the firm’s domestic mid-cap equity mid cap product.

**ITEM 4: Discussion/Action**

**On a motion by Mr. Mackey seconded by Mr. Spaulding, the Committee unanimously voted to invest \$20 to \$25 million in the KDP credit strategy, contingent upon successful contract and fee negotiations and an NEPC on-site due diligence interview at KDP, and for funds to come from Post Advisory, the current high yield strategy.**

**The Committee agreed** an option for the funds transition from Post to KDP could be to slice a prorata share of the Post Advisory portfolio. Mr. Minot and NEPC agreed to investigate the option vs. a traditional liquidation and/transition.

**On a motion by Mr. Spaulding seconded by Mr. Altemus, the Committee unanimously voted to invest \$20 million in the Champlain Investment Partners mid-cap domestic equity strategy, contingent upon successful contract negotiations, and for the funds to come from the SSgA Russell 2500 Index account.**

**ITEM 5: Core Plus Fixed Income Manager Presentation**

**PIMCO:** Scott Millimet, Executive Vice President and Account Manager, Dan Ivascyn, Managing Director and Portfolio Manager, and Libby Cantrill, Vice President and Account Manager appeared before the Committee.

**ITEM 6: Core Plus Fixed Income Manager Presentation**

**IRM:** Jack Sommers, Managing Principal and Senior Portfolio Manager, and Brian Houle, Senior Vice President, appeared before the Committee to discuss the Income Research & Management’s fixed income products.

**ITEM 7: Vermont Manager Presentation**

**Dwight Asset Management:** Fred Meltz, Vice President and Client Portfolio Manager, Sean Seia, Vice President and Client Portfolio Manager, and David Thompson, President & CEO, appeared before the Committee.

**ITEM 8: Discussion/Action**

**On a motion by Mr. Spaulding seconded by Mr. Mackey, the Committee unanimously voted to select PIMCO Asset Management to replace Logan Circle, the current core plus fixed income manager, contingent upon successful contract negotiations.**

**The Committee agreed** the transition of the portfolio would be in-kind and initiated immediately upon receipt of a successful contract.

**On a motion by Mr. Johannesen seconded by Mr. Altemus, the Committee unanimously voted not to invest with Dwight Asset Management at this time.**

**ITEM 9: Any Other Business to Come Before the Committee**

Mr. Spaulding thanked Mr. Minot for his service to the VPIC, and along with the Committee wished him the best of luck in his new endeavors. Mr. Spaulding also provided a brief biography of Mr. Wisloski.

**Adjournment**

**Hearing no objection, Mr. Rauh declared the meeting adjourned at 3:58 p.m.**

Respectfully submitted,

Donna Holden, Clerk