



**VERMONT PENSION INVESTMENT COMMITTEE
JULY 25, 2017**

VPIC Members Present:

TOM GOLONKA, CHAIR
ROBERT HOOPER, VSERS, term expiring June 30, 2020
KAREN PAUL, Governor's Delegate, term expiring June 30, 2018
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2019
VAUGHN ALTEMUS, Governor's Delegate, term expiring June 30, 2018
PETER AMONS, VMERS Representative, term expiring June 30, 2018

VPIC Members Absent:

BETH PEARCE, VICE-CHAIR, Vermont State Treasurer

VPIC Alternate Members Present:

STEVE JEFFREY, VMERS *Alternate*, term expiring June 30, 2018
JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2020
LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2019

VPIC Alternate Members Absent:

DAVID STARR, Governor's Delegate *Alternate*, term expiring June 30, 2020

Also attending:

Matt Considine, Director of Investments
Katie Green, Investments Manager
Andy Cook, Investments Analyst
Jesse Moorman, David Borsykowsky, Hannah Clarisse Attorney General's Office
Chris Levell, Margaret Belmondo, NEPC LLC
Jeremey Hosking, Hosking Partners, LLP
Jason White, Floyd Dukes, Artisan Partners Limited Partnership
Nick Mavro, Nadim Rizk, Fiera Capital Corporation
Chris Hart, Martin Coughlin, Boston Partners Global Investors, Inc.

CALL TO ORDER:

The Chair, called the Tuesday, July 25th meeting to order at 8:30 am, which was held in the Governor's Conference Room, 109 State Street, Montpelier, VT. Mr. Considine indicated that he would be the Treasurer's delegate for the duration of the meeting.

ITEM 1: Agenda Approval and Announcements

The Chair reviewed the agenda with the Committee and asked if any members of the Committee would like to add or amend any agenda items.

On a motion by Joseph Mackey, seconded by Vaughn Altemus, the Committee unanimously approved the agenda as written.

ITEM 2: Consent Agenda

The Chair indicated the items in the Consent Agenda today were the minutes and routine contract amendments and renewals.

On a motion by Vaughn Altemus, seconded by Joseph Mackey, the Committee unanimously approved the consent agenda as written.

ITEM 3: Discussion Items and Updates

- **Vermont State Treasurer's Update**

Mr. Considine acting as Treasurer Pearce's designee for the purposes of this meeting stated that there were no legislative updates for the Committee at this time.

- **NEPC's Update**

Ms. Belmondo presented the *June 2017 Preliminary Investment Summary* to the Committee. Ms. Belmondo and Mr. Levell responded to questions posed by the Committee.

ITEM 4: Director of Investments Report

Mr. Considine reviewed the Director of Investments Report with the Committee, and responded to questions posed.

Mr. Considine brought up a change to the data retention policy for VPIC's proxy voting administrator, Institutional Shareholder Services (ISS). ISS will limit retention of proxy voting records to 5 years of data in the coming month, but offer full retention going forward for a fee of \$5,000. It was the sense of the Committee that the \$5,000 additional expenditure was not required and should not be spent.

Mr. Golonka turned the Committee over to Mr. Considine, acting Vice-Chair on behalf of Treasurer Pearce, for the period the Committee needed to review the salary of the Chair.

On a motion by Joseph Mackey, seconded by Vaughn Altemus, the Committee unanimously approved an increase in the Chair's salary to be in line with the statutory limit.

ITEM 5: **Manager Presentations on Global Equity Search**

The following managers each made separate presentations to the Committee and responded to questions posed by members of the Committee:

Jeremey Hosking from Hosking Partners, LLP
Jason White and Floyd Dukes from Artisan Partners Limited Partnership
Nick Mavro and Nadim Rizk from Fiera Capital Corporation
Chris Hart and Martin Coughlin from Boston Partners Global Investors, Inc.

ITEM 6: **Global Equity Discussion**

The Committee discussed the four (4) Global Equity Manager presentations.

On a motion by Robert Hooper, seconded by Vaughn Altemus, the Committee discussed the recommendation of NEPC to enter into contracting discussions with Hosking Partners, LLP and Artisan Partners Limited Partnership. Following additional discussion the Chair split the question. The Committee voted unanimously to enter into contracting discussions with Artisan Partners Limited Partnership. The Committee then voted to approve entering into contract discussions with Hosking Partners, LLP, with one abstention (*Vaughn Altemus*).

ITEM 7: **Private Debt**

Ms. Belmondo presented the *NEPC Private Debt Review* book to the Committee. She discussed the strengths and weaknesses of each of three (3) managers which NEPC chose to highlight. Ms. Belmondo and Mr. Levell responded to questions posed by the Committee. After discussion, it was the sense of the Committee to bring the following three (3) managers in for presentations at the August 22nd, 2017 meeting: Comvest Capital Advisors, LLC, Benefit Street Partners, LLC, and BlueBay Asset Management.

ITEM 8: **NEPC/Staff Deliverables for Upcoming Meetings**

- The Committee requested that Staff work with NEPC to develop a review of various fixed income allocation options that would best fit the three sub-plans' asset/liability profiles. The Committee requested that the review include a joint recommendation by Staff and NEPC for an allocation to fixed income specific to each sub-plan, which could possibly take the form of a long term glide path.

- NEPC will initiate a search for an International Real Estate manager for an anticipated investment of up to \$100,000,000.
- Staff, NEPC, and the Attorney General's Office will review the registered investment advisor distinction required by VPIC Policy at the August meeting.

ITEM 7: Future Agenda Topics/New or Other Business

ITEM 8: Public Comment

ITEM 9: Adjournment

Mr. Considine acting as designee for Treasurer Pearce moved, and Joseph Mackey seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 1:56 PM.

Respectfully submitted,

Investments Staff