



**VERMONT PENSION INVESTMENT COMMITTEE  
AUGUST 2, 2018**

**VPIC Members Present:**

TOM GOLONKA, CHAIR  
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer  
ROBERT HOOPER (phone), VSERS, term expiring June 30, 2020  
PETER AMONS (phone), VMERS Representative, term expiring June 30, 2018  
KAREN PAUL (phone), Governor's Delegate, term expiring June 30, 2018  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2019  
VAUGHN ALTEMUS (phone), Governor's Delegate, term expiring June 30, 2018

**VPIC Members Absent:**

**VPIC Alternate Members Present:**

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2019  
JEFF BRIGGS, (phone) VSERS *Alternate*, term expiring June 30, 2020  
KIMBERLY GLEASON, (phone) VMERS *Alternate*, term expiring June 30, 2018

**VPIC Alternate Members Absent:**

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

**Also attending:**

Katie Green, Investments Manager  
Andy Cook, Investments Analyst  
David Borsykowsky, Attorney General's Office  
Margaret Belmondo, (phone) DeAnna Jones (phone), NEPC, LLC

**CALL TO ORDER:**

The Chair called the Thursday August 2<sup>nd</sup> meeting to order at 3:00 p.m., which was held via conference call.

**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 Treasurer Pearce, seconded by Joseph Mackey, the Committee unanimously approved the agenda as written.**

**ITEM 2:      Discussion Items and Updates**

- **VPIC Manager Discussion**

**At 3:01 p.m., Treasurer Pearce moved and Joseph Mackey seconded for a finding that the Committee should enter executive session under Title 1 V.S.A. § 313(a) subsection (1) because the Committee wished to discuss matters on which they specifically find that premature public knowledge would clearly place VPIC and the investment portfolio at a substantial disadvantage; and (2) such matters relate to outside investment management and include:**

- **Subsection (1)(A) – Pending and prospective contract issues, and**
- **Subsection (1)(F) – Confidential attorney-client communications made for the purpose of providing professional legal services to the Committee.**

**The Committee unanimously approved this motion.**

At 3:40 p.m. the Chair Thomas Golonka removed the Committee from executive session.

**On a motion by Joseph Mackey, seconded by Karen Paul, the Committee unanimously approved affirming the action taken by the Chair, Tom Golonka, and Vice-Chair, Treasurer Pearce in the letter dated 8/2/2018 (which is attached in Attachment A) regarding VPIC's investment in the GAM Unconstrained Bond Fund USD2 Z Shares.**

**On a motion by Treasurer Pearce, seconded by Joseph Mackey, the Committee unanimously approved a reversal of their decision of April 24, 2018 which was to terminate VPIC's allocation in the PIMCO Unconstrained Bond Fund. On a further motion by Treasurer Pearce, seconded by Joseph Mackey, the Committee unanimously approved utilizing funds from the GAM Unconstrained Bond Fund USD2 Z Shares, as well as the SSGA U.S. Aggregate Bond Fund as necessary to fund a new allocation to Manulife Strategic Fixed Income Strategy.**

**ITEM 3:      Public Comment**

None.

**ITEM 4:      Adjournment**

**Treasurer Pearce moved and Joseph Mackey seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 3:45 p.m.**

Respectfully submitted,  
**Investments Staff**

# ATTACHMENT A

**ELIZABETH A. PEARCE**  
STATE TREASURER

RETIREMENT DIVISION  
TEL: (802) 828-2305  
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

ACCOUNTING DIVISION  
TEL: (802) 828-2301  
FAX: (802) 828-2884

**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

August 2, 2018

(via email [Melissa.sanabria@gam.com](mailto:Melissa.sanabria@gam.com)) Melissa Sanabria

GAM USA Inc.  
One Rockefeller Plaza, 21<sup>st</sup> Floor  
New York, NY 10020

Re: Notice of LIQUIDATION of VPIC's assets in the GAM Unconstrained Bond Fund USD2 Z Shares

Vermont Pension Investment Committee/State Contract No. 28765

Dear Melissa,

This letter serves as written notice on behalf of the Vermont Pension Investment Committee ("VPIC") that we are fully liquidating our position of GAM Unconstrained Bond Fund USD2 Z shares. To that end, please take appropriate action to transfer the VPIC's investment in the portfolio and transfer cash to our custodian as soon as possible.

We appreciate your cooperation and investment on our behalf, and remind you that, pursuant to applicable standards, laws, and rules, and as specifically set forth in Section 3 of Attachment A of our contract, GAM is required to act and continue to perform as a fiduciary to the State and funds of our retirees. Please immediately follow-up with Katie Green ([Katie.Green@vermont.gov](mailto:Katie.Green@vermont.gov) / 802-828-3708) or Andy Cook ([Andy.Cook@vermont.gov](mailto:Andy.Cook@vermont.gov) / 802-828-1492) if additional notification or documentation is necessary to complete this full withdrawal.

Sincerely,

  
Elizabeth A. Pearce  
State of Vermont Treasurer/ VPIC Vice-Chair

cc: David Borsykowsky / Attorney General's Office  
Thomas Golonka / VPIC Chair

109 STATE STREET • MONTPELIER, VERMONT 05609-6200  
TREASURER: (802) 828-1452. TOLL-FREE (in VT only): 1-800-642-3191  
[www.vermonttreasurer.gov](http://www.vermonttreasurer.gov)