



**VERMONT PENSION INVESTMENT COMMITTEE
JANUARY 28, 2020**

VPIC Members Present:

TOM GOLONKA, CHAIR
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2023
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2020
KIMBERLY GLEASON, VMERS Representative, term expiring June 30, 2022

VPIC Members Absent:

MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2022
JOHN-HENRY HUBERT, Governor's Delegate, term expiring June 30, 2022

VPIC Alternate Members Present:

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2023
JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2020
PETER AMONS, VMERS *Alternate*, term expiring June 30, 2022

VPIC Alternate Members Absent:

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

Also Attending:

Eric Henry, Chief Investment Officer
Katie Green, Deputy Chief Investment Officer
Andy Cook, Investment Analyst
David Borsykowsky & Jesse Moorman, Vermont Attorney General's Office
Margaret Belmondo, NEPC
Michael Middleman, (phone) Budget Analyst Department of Finance and Management

Meeting Materials:

[Materials for this meeting can be found at this link](#), which will be supported for at least one year following the meeting date. After that time you can request public information from the Treasurer's office by sending requests to treasurers.office@vermont.gov.

CALL TO ORDER:

The Chair called the Tuesday, January 28th meeting to order at 8:30 am, which was held in the Board Room, on the 4th Floor of 133 State Street, Montpelier VT.

ITEM 1: Agenda Approval and Announcements

The Chair reviewed the agenda with the Committee.

On a motion by Treasurer Pearce seconded by Joseph Mackey, the Committee unanimously approved the agenda as amended by the Chair.

Joseph Mackey made an announcement that he will not be attending the Opal in New Orleans conference for which he had previously received approval from VPIC to attend.

ITEM 2: Consent Agenda

The Chair indicated the only item on the Consent Agenda was approval of the minutes from the December 10, 2020 VPIC meeting.

On a motion by Treasurer Pearce, seconded by Kim Gleason, the Committee unanimously approved the consent agenda.

ITEM 3: Public Comment

None.

ITEM 4: Vermont State Treasurer's Update

Treasurer Pearce noted that the Governor has presented his proposed FY2021 budget. She stated that she has already, and will continue to, testify in support of fully funding the Actuarially Determined Employer Contribution for VSTRS.

ITEM 5: Chief Investment Officer Report

Mr. Henry reviewed his CIO report with the Committee, which outlined recent asset valuation levels. He previewed work that Staff and NEPC will be undertaking in the coming months related to private manager searches, VPIC's 5% short quality credit unfunded allocation, and the annual asset allocation study. He then responded to questions posed by the Committee.

ITEM 6: Investment Staff Report

Ms. Green and Mr. Cook reviewed the *Staff Report* with the Committee. Ms. Green summarized the asset allocation as of December 31, 2020, recent ESG activities, and upcoming contracting needs with the VPIC.

On a motion by Treasurer Pearce, seconded by Kim Gleason, the Committee unanimously approved moving the December 2020 VPIC meeting from the 1st to the 8th.

On a motion by Joseph Mackey, seconded by Robert Hooper, the Committee unanimously approved extending the Mondrian contract for 5 years to June 30, 2025.

On a motion by Treasurer Pearce, seconded by Kim Gleason, the Committee unanimously requested a search book for an All Cap International Quantitative manager.

Mr. Cook reviewed VPIC manager updates and the VPIC Watch List. He referred the Committee to the *Investment Staff Recommendation* memo regarding Strategic Global Advisors (SGA) who is presently on the VPIC Watch List. Mr. Cook responded to questions from the Committee. The Committee instructed Staff to perform additional due diligence on SGA, specifically related to the options for reducing the size of VPIC's holding while minimizing anti-dilution fees.

ITEM 7: NEPC Capital Markets Update

Ms. Belmondo reviewed the December VPIC performance report with the Committee and responded to questions. Ms. Belmondo then reviewed the *NEPC Capital Markets Update* with the Committee and responded to questions.

ITEM 8: VPIC Private Equity Capital Call Pacing Update

Ms. Belmondo reviewed the *NEPC Private Equity Capital Call Pacing Update* with the Committee. She then responded to questions posed by the Committee.

ITEM 9: Deliverables for Upcoming Meetings

- Staff will work with the Custodian to create a detailed tax reclaim report for the Committee's review for an upcoming meeting.
- Mrs. Gleason requested either an agenda item or a Committee Retreat for the Committee to discuss ESG topics as they relate to the Committee, such as matters of gender equality and diversity.

ITEM 10: Future Agenda Topics/New or Other Business

There was no discussion regarding this agenda item.

ITEM 11: Executive Session

At 11:38 a.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 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 12:37 p.m. Chair Golonka removed the Committee from executive session.

Adjournment:

Treasurer Pearce moved, and Joseph Mackey seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 12:38 p.m.

Respectfully submitted,

Investment Staff