



**VERMONT PENSION INVESTMENT COMMITTEE
FEBRUARY 25, 2020**

VPIC Members Present:

TOM GOLONKA, CHAIR
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer
JOHN-HENRY HUBERT, Governor's Delegate, term expiring June 30, 2022
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2023 (phone)
MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2022
KIMBERLY GLEASON, VMERS Representative, term expiring June 30, 2022

VPIC Members Absent:

ROBERT HOOPER, VSERS Representative, term expiring June 30, 2020

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
Margaret Belmondo & Will Forde, NEPC, LLC
David Borsykowsky & Jesse Moorman, Vermont Attorney General's Office
Michael Middleman, Budget Analyst Department of Finance and Management (phone)

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, February 25th meeting to order at 8:30 am, which was held in the Governor's Conference Room, on the 4th Floor of 109 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 Mary Alice McKenzie, the Committee unanimously approved the agenda as amended by the Chair.

ITEM 2: Consent Agenda

The Chair indicated the only item on the Consent Agenda was approval of the minutes from the January 28, 2020 VPIC meeting.

On a motion by Linda Deliduka, seconded by Jeff Briggs, the Committee approved the consent agenda, with one abstention by Mary Alice McKenzie.

ITEM 3: Public Comment

None.

ITEM 4: Vermont State Treasurer's Update

Treasurer Pearce stated that the Miscellaneous Pension Bill is moving through the legislative process. She noted that this year's bill includes a provision to allow the Treasurer to invest both the VSERS and VSTRS Other Post Employment Benefit (OPEB) Funds alongside the VPIC assets. This relationship would be structured similar to the way that the City of Burlington retirement assets were invested alongside VPIC. Additionally, she noted that her office has proposed an OPEB pre-funding mechanism for the VSTRS plan for the legislature's consideration.

ITEM 5: Chief Investment Officer Report

Mr. Henry reviewed his CIO report with the Committee, which outlined proposed adjustments to the asset allocation. He noted that the proposed changes for the Committee's consideration are minor in comparison to those approved over the last year. He then responded to questions posed by the Committee and indicated that additional analysis will be presented at the March 2020 VPIC meeting.

ITEM 6: Investment Staff Report

Ms. Green and Mr. Cook reviewed the *Staff Report* with the Committee. Ms. Green reviewed VPIC manager updates and summarized recent ESG activity. Mr. Cook reviewed recent cash movements with the VPIC. Ms. Green and Mr. Cook responded to questions.

ITEM 7: NEPC Performance Review

Mr. Forde reviewed the January VPIC performance report with the Committee and responded to questions. Ms. Belmondo reviewed the *Second Quarter FY 2020 Investment Performance Analysis* with the Committee. She responded to questions posed by the VPIC.

Ms. Green and Ms. Belmondo next reviewed the *Acadian International Equity Evaluation* search book. The Committee instructed Staff and NEPC to invite Acadian and Mondrian to a future VPIC meeting to present on their respective, complimenting international equity strategies.

ITEM 11: Executive Session

At 10:54 a.m., Treasurer Pearce moved, and Jeff Briggs 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 vendors and includes:
- Subsection (1)(A) – Pending and prospective contract issues. The Committee unanimously approved this motion.

Treasurer Pearce moved, and Jeff Briggs seconded that the Committee enter into executive session pursuant to Title 1 § 313(a)(1)(A). The Committee unanimously voted to enter into executive session.

At 11:21 a.m. the Chair removed the Committee from executive session.

On a motion by Jeff Briggs seconded by Linda Deliduka, the Committee unanimously approved issuing an RFP for VPIC's consulting services.

ITEM 8: Asset Allocation Review

Ms. Belmondo presented the *NEPC Asset Allocation Review* and responded to questions from 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.
- Staff will invite Acadian and Mondrian to present at the April VPIC meeting.

ITEM 10: Future Agenda Topics/New or Other Business

There was no discussion regarding this agenda item.

Adjournment:

Jeff Briggs moved, and Mary Alice McKenzie seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 11:34 a.m.

Respectfully submitted,

Investment Staff