



**VERMONT PENSION INVESTMENT COMMITTEE  
NOVEMBER 10, 2020**

*Note all attendees present were connected via video or teleconference*

**VPIC Members Present:**

TOM GOLONKA, CHAIR  
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2023  
MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2022  
KIMBERLY GLEASON, VMERS Representative, term expiring June 30, 2022  
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2024  
JOHN-HENRY HUBERT, Governor's Delegate, term expiring June 30, 2022

**VPIC Members Absent:**

**VPIC Alternate Members Present:**

JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2024  
RON PLANTE, Governor's Delegate *Alternate*, term expiring June 30, 2020  
PETER AMONS, VMERS *Alternate*, term expiring June 30, 2022

**VPIC Alternate Members Absent:**

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2023

**Also Attending:**

Eric Henry, Chief Investment Officer  
Katie Green, Deputy Chief Investment Officer  
Andy Cook, Investment Analyst  
Tony Johnson, Jordan Cipriani, Jim Voytko, Corry Walsh, RVK Inc.  
David Borsykowsky & Jesse Moorman, Vermont Attorney General's Office  
Lindsay Saienni, FIN News  
Steff Chavez

**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](mailto:treasurers.office@vermont.gov).

**CALL TO ORDER:**

The Chair called the Tuesday, November 10<sup>th</sup> meeting to order at 12:00 PM, which was held via videoconference.

**ITEM 1: Agenda Approval and Announcements**

The Chair reviewed the agenda with the Committee.

**On a motion by Robert Hooper seconded by Ron Plante, the Committee unanimously approved the agenda.**

**ITEM 2:      Consent Agenda**

The Chair indicated the only item on the Consent Agenda was approval of the minutes from the September 24<sup>th</sup> VPIC meeting.

**On a motion by Robert Hooper seconded by Mary Alice McKenzie, the Committee approved the consent agenda unanimously.**

**ITEM 3:      Public Comment**

None.

**ITEM 4:      Vermont State Treasurer's Update**

Treasurer Pearce reminded the Committee that the Actuarially Determined Employer Contribution (ADEC) for both the VSERS and VSERS plans was fully funded by the Legislature for FY2022. She also noted that each retirement board accepted the actuarial reports that were prepared by Segal Consulting.

Treasurer Pearce next presented a *Memorandum of Agreement Between the Vermont State Treasurer and the Vermont Pension Investment Committee Regarding Investment of Retired Teachers' Health and Medical Benefits Funds*. She explained that the intent of this agreement is to allow her office to invest VSERS and VSTRS OPEB funds alongside the VPIC pension funds, utilizing some or all of the same investment managers as VPIC. She noted this would broaden the number of investments available to those OPEB funds. Treasurer Pearce and David Borsykowsky responded to questions posed by members of the Committee. A final draft of this memo will be brought before the Committee for voting action at a future meeting.

**ITEM 5:      Chief Investment Officer Report**

Mr. Henry welcomed the representatives from RVK, Inc., the new Investment Consultant team for the VPIC. Next, he reminded the Committee of strategic decisions made over the last two years which helped protect the portfolio during the market downturn seen earlier in 2020, while still providing adequate liquidity to satisfy private market capital calls during the same time period. He noted that Staff and RVK will be kicking off an asset allocation study covering all three thematic buckets of the VPIC portfolio (growth, downturn hedging and inflation hedging). Of particular focus will be the Downturn Hedging bucket, given the extended low rate environment and its impact on core bonds. The study will analyze the sizing of the downturn hedging assets, the composition of those downturn hedging assets, and finally the treatment of uncalled capital, which currently sits 60% in the BlackRock ACWI IMI Index Fund and 40% in the BlackRock Aggregate Index Fund. He responded to questions posed by the Committee.

**ITEM 6:      Investment Staff Report**

Mr. Cook and Ms. Green reviewed the *Staff Report* with the Committee and responded to questions posed. The following 2021 VPIC Meeting dates were proposed:

January 25, 2021  
February 23, 2021  
March 23, 2021  
April 27, 2021  
June 22, 2021  
July 27, 2021  
September 28, 2021  
November 2, 2021  
December 14, 2021

**On a motion by Joseph Mackey seconded by Mary Alice McKenzie, the Committee unanimously approved the above noted 2021 VPIC meeting dates.**

**ITEM 7: Fee Review**

Ms. Green reviewed the *FY 2020 VPIC Management Fees* report with the Committee, and responded to questions posed.

**ITEM 8: Review RVK Startup Work Plan**

Ms. Cipriani reviewed a memo titled *Transition Timeline & Near-Intermediate Term Work Plan*. She outlined various projects proposed for RVK and Staff to undertake on behalf of the VPIC for the next 12 months. She responded to questions posed.

**ITEM 9: VPIC Performance Update**

Mr. Johnson reviewed the *September 2020 VPIC performance report* and the with the Committee, and responded to questions posed.

**ITEM 10: Service Provider Review**

Ms. Green reviewed the *2020 Annual Service Provider Review* with the Committee, and responded to questions posed.

**ITEM 11: CY 2021 Meeting Dates & Agenda Cycle Approval**

This agenda item was addressed during Item 6.

**ITEM 12: Update on December Fiduciary Education Program**

Chair Golonka led a discussion preparing the Committee for the upcoming Fiduciary Duty Education session to be held with AON during the next VPIC meet, on December 8<sup>th</sup>. He thanked Bob Hooper and Kim Gleason for their efforts in assisting with planning the session.

**ITEM 13: 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 Mondrian to present at a future VPIC meeting.

**ITEM 14: Future Agenda Topics/New or Other Business**

No action.

**ITEM 15: Executive Session**

No action.

**ITEM 15: Adjournment:**

**Robert Hooper moved, and Kim Gleason seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 1:55 PM.**

Respectfully submitted,

**Investment Staff**