



**VERMONT PENSION INVESTMENT COMMITTEE  
FEBRUARY 23, 2021**

**DRAFT; NOT YET APPROVED BY COMMITTEE**

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

**VPIC Members Present:**

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

**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, Corry Walsh & Reed Harmon, RVK Inc.  
David Borsykowsky, Vermont Attorney General's Office  
David Walla, Keith Ashton & Sonya Lee, Ares Management, LLC  
Nate Bishop, Till Burges, Carolina Espinal, Natasha Buckley & Jennifer Shinpaugh, HarbourVest Partners, LLC  
Lindsay Saienni, FIN News  
Steff Chavez, Financial Times  
Maja Ben, Fundmap  
Teddy Grant, PE Hub  
Ryan Fisher, Man Group

**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, February 23<sup>rd</sup> meeting to order at 8:30 AM which was held via videoconference.

**ITEM 1:      **Agenda Approval and Announcements****

The Chair reviewed the agenda with the Committee.

**On a motion by Joe Mackey seconded by Mary Alice McKenzie, the Committee unanimously approved the agenda.**

**ITEM 2:      **Consent Agenda****

The Chair indicated the only items on the Consent Agenda were approval of the minutes from the January 26<sup>th</sup> VPIC meeting.

**On a motion by Kim Gleason seconded by Joe Mackey, the Committee approved the consent agenda unanimously.**

**ITEM 3:      **Public Comment****

None.

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

Treasurer Pearce indicated that the Treasurer's Office is working with the Legislature on changes to the structure of the VSERS and VSTRS pension systems, as well as the VSERS and VSTRS OPEB systems. She reiterated her position that changes to the systems need to be made this year, and cannot be put off for future years.

She next addressed concerns that have been raised by members of the systems regarding the time that will be allowed for employees to make decisions about their retirement, before any changes are implemented. She stated once changes to the systems are determined, employees will be given time to analyze their retirement options, and will not be required to make retirement decisions immediately upon the determination of those changes.

She responded to questions posed by members of the Committee.

**ITEM 5:      **Chief Investment Officer's Report****

Mr. Henry reminded the Committee of the upcoming private market fund presentations from Ares Management and HarbourVest. He referenced presentations made by Staff and RVK at the January VPIC meeting regarding these two managers; and how these manager searches have followed VPIC's Manager Search Process verbatim.

Mr. Henry next provided the Committee an update on recent market activity, specifically the extreme volatility seen in GameStop stock, and the subsequent significant negative returns it

caused for various hedge funds. He reminded the Committee of their decision to exit their hedge fund portfolio in 2019, and how that decision avoided this period of extreme volatility.

**ITEM 6: Investment Staff Report**

Ms. Green presented the Investment Staff Report. She along with Treasurer Pearce updated the Committee on progress related to the 2021 VPIC ESGE Engagement Plan. They both responded to questions posed by the Committee.

Mr. Cook as well as Mr. Harmon from RVK presented a brief education session for the Committee on currency. They responded to questions posed by the Committee.

**ITEM 7: Portfolio Investment Review FY2Q**

Ms. Cipriani presented the *Quarterly Investment Performance Analysis* for the period ended December 31, 2020. She responded to questions posed by the Committee.

**ITEM 8: Manager Presentation: Ares Pathfinder Fund**

David Walla, Keith Ashton and Sonya Lee from Ares Management, LLC presented on their firm and the Ares Pathfinder Fund. They detailed the investment team capabilities, investment philosophy, and fund structure. They then responded to questions posed by the Committee.

**ITEM 9: Manager Presentation: HarbourVest Partners HIPEP Fund IX**

Nate Bishop, Till Burges, Carolina Espinal, Natasha Buckley and Jennifer Shinpaug from HarbourVest Partners, LLC provided an updated on their firm, and prior investments made by VPIC with them. They next detailed the investment team capabilities, investment philosophy, and fund structure of the HIPEP Fund IX. They then responded to questions posed by the Committee.

**ITEM 10: Review of Manager Presentations**

Ms. Green and Mr. Johnson provided a summary of the Ares Pathfinder Fund, as well as a recommendation for investment. Then Mr. Cook and Mr. Johnson provided a summary of the HarbourVest Partners HIPEP Fund IX, as well as a recommendation for investment.

**On a motion by Mary Alice McKenzie seconded by Kim Gleason, the Committee unanimously approved an investment of up to \$75,000,000 in the Ares Pathfinder Fund, contingent upon acceptable contracting terms being reached.**

**On a motion by Jeff Briggs seconded by Kim Gleason, the Committee unanimously approved an investment of \$80,000,000 in the HarbourVest Partners HIPEP Fund IX, contingent upon acceptable contracting terms being reached.**

**ITEM 11: VPIC Preliminary January Performance**

Mr. Walsh presented the *Monthly Investment Performance Analysis* report for the period ended January 31, 2021. He responded to questions posed by the Committee.

**ITEM 12: 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.
- Ms. 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 13: Future Agenda Topics/New or Other Business**

No action.

**ITEM 14: Executive Session**

**At 12:28 PM, Treasurer Pearce moved, and Kim Gleason 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 an update to membership of the Committee which they specifically find that public knowledge be inappropriate and include:**

**Subsection (3) the appointment or employment or evaluation of a public officer or employee. The Committee unanimously approved this motion.**

At 12:37 PM Chair Golonka removed the Committee from Executive Session.

**ITEM 15: Adjournment:**

**Joe Mackey moved, and Kim Gleason seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 12:38 PM.**

Respectfully submitted,

**Investment Staff**