



STATE OF VERMONT  
VERMONT PENSION INVESTMENT COMMISSION  
JANUARY 25, 2022

**DRAFT; NOT YET APPROVED BY COMMISSION**

**VPIC Members Present:**

TOM GOLONKA, CHAIR  
KIMBERLY GLEASON, VICE-CHAIR, VMERS Representative, term expiring June 30, 2021  
BETH PEARCE, Vermont State Treasurer  
MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2021  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2022  
LAUREN WOBBY, Governor's Delegate, term expiring June 30, 2024  
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2023  
JIM SALSGIVER, VSBA Representative, term expiring June 30, 2023

**VPIC Members Absent:**

SETH ABBENE, VLCT Representative, term expiring June 30, 2022

**VPIC Alternate Members Present:**

JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2023  
PERRY LESSING, VSTRS *Alternate*, term expiring June 30, 2022  
CHRIS DUBE, VMERS *Alternate*, term expiring June 30, 2025

**VPIC Alternate Members Absent:**

RON PLANTE, 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  
Dan Raddock, VSTRS Board Member  
Jim Voytko, Tony Johnson, Jordan Cipriani, Steve Hahn, Kyle Hogmeier, Marcia Beard & Samia Khan, RVK Inc.  
David Borsykowsky, Vermont Attorney General's Office  
Patrick Hammes, Hammes Partners  
David Walla & Keith Ashton, Ares Management  
Nate Bishop, Amanda Outerbridge & Scott Voss, HarbourVest Partners  
Billy Kaycem, JP Morgan  
Mike Antonellis, Cambridge Associates  
Adam Rees, Pageant Media  
Margarida Correia, Pension & Investments

**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, past meeting materials may be requested by emailing [VPIC@vermont.gov](mailto:VPIC@vermont.gov).

**Call to Order:**

Chair Golonka called the Tuesday, January 25<sup>th</sup> meeting to order at 8:32 AM. The meeting was held via Zoom videoconference.

**Item 1: Agenda Approval and Announcements**

Chair Golonka reviewed the agenda with the Commission and asked for any edits or additions. R. Hooper requested that Item 6 be moved forward in the agenda to be discussed after Item 3.

**On a motion by R. Hooper seconded by J. Salsgiver, the Commission unanimously approved the agenda as amended.**

**Item 2: Consent Agenda**

Chair Golonka indicated that the items on the Consent Agenda were approval of the minutes from the December 14<sup>th</sup> VPIC meeting as well as an amendment to extend the Segal Marco proxy voting and engagement consulting services contract to February 28, 2023.

**On a motion by J. Mackey seconded by J. Salsgiver, the Commission unanimously approved the Consent Agenda.**

**Item 3: Public Comment**

None.

**Item 6: RVK Governance Study Report**

J. Voytko from RVK presented the findings of the *Vermont Pension Investment Commission Governance and Investment Program Review Report* dated January 6, 2022. [A copy of the report may be found at this link](#) J. Voytko responded to questions posed by the Commission.

**Item 8: Ares Pathfinder Core Fund Presentation**

D. Walla and K. Ashton from Ares Management presented on their Ares Pathfinder Core Fund strategy and structure and provided an update on VPIC's investment in the Ares Pathfinder Fund and the Ares Pathfinder Core Fund. They responded to questions from the Commission.

**Item 9: Hammes Partners Fund IV, L.P.**

P. Hammes from Hammes Partners presented on the Hammes Partners Fund IV, L.P. strategy, as well as the firm's structure, and responded to questions from the Commission.

**Item 10: HarbourVest Partners Fund XII Venture**

N. Bishop, A. Outerbridge, and S. Voss from HarbourVest Partners presented on their HarbourVest Partners XII Venture Fund strategy as well as the firm's structure, and additionally provided an update on existing VPIC investments with HarbourVest. They responded to questions from the Commission.

E. Henry summarized the presentations given in Items 8, 9, and 10 and gave Staff's recommendations for commitments to each of the 3 funds presented.

**On a motion by K. Gleason seconded by J. Mackey, the Commission unanimously approved an investment of \$70,000,000 in the Ares Pathfinder Core Fund, pending successful contracting negotiations.**

**On a motion by M. McKenzie seconded by Treasurer Pearce, the Commission unanimously approved an investment of up to \$20,000,000 in the Hammes Partners Fund IV, L.P., pending successful contracting negotiations.**

**On a motion by J. Briggs seconded by J. Mackey, the Commission unanimously approved an investment of \$20,000,000 in the HarbourVest Partners XII Venture Fund, pending successful contracting negotiations.**

**Item 7: Private Credit Pacing Plan Review**

Discussion of this item was delayed until the February 22, 2022 VPIC Meeting.

**Item 11: Break****Item 4: Vermont State Treasurer's Update**

Due to time constraints this item was addressed after Items 8, 9, and 10.

Treasurer Pearce noted that VPIC should expect to see a deposit of funds for both the VSERS and VSTRS systems in the coming months due to a recent budget surplus.

Treasurer Pearce spoke to Senate bill S. 251 which was recently introduced and calls for VPIC to divest State pension funds from the 200 publicly traded coal, oil and gas companies that hold reported fossil fuel reserves with the largest potential carbon emissions, as ranked by FFI Solutions.

Treasurer Pearce reviewed recommendations brought forth by the Pension Benefits, Design, and Funding Task Force, which may be found at this link:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/PensionTaskForce/Documents%20and%20Testimony/W~Rebecca%20Wasserman~Pension%20Task%20Force:%20Final%20Report%20and%20Recommendations;%20January%202022~1-10-2022.pdf>

K. Gleason asked for information on VPIC's exposure to fossil fuels, which E. Henry and Chair Golonka indicated Staff would compile.

Treasurer Pearce responded to questions posed by the Commission.

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

E. Henry reviewed the VPIC Annual Legislative Report which may be found at this link:

<https://vermonttreasurer.exavault.com/share/view/2t05v-frnq2exp>

Specifically E. Henry reminded the Commission that they are not designing a portfolio to hit the assumed rate of return currently set at 7%, rather they are designing a portfolio to maximize return within acceptable levels of risk and liquidity. Additionally, E. Henry noted that both Maine and New Hampshire have lowered their assumed rates of return to 6.75%.

E. Henry previewed that upcoming projects from Staff, RVK and Segal Marco include an asset allocation study, an experience study based on 6/30/2022 valuations, and an asset liability study. E. Henry responded to questions posed by the Commission.

**Item 12: Investment Staff Report**

K. Green reviewed the Investment Staff Report with the Commission.

K. Green presented the following Name Change Resolution for the VPIC to memorialize the change in name from Vermont Pension Investment Committee to Vermont Pension Investment Commission, as amended in title nine of Vermont Statutes, Section 521 per Act 75 of 2021:

***Vermont Pension Investment Commission******It is RESOLVED that:***

*The name Vermont Pension Investment Commission is acknowledged as of June 8, 2021, the effective date of Act 75, and all acts, resolves and contracts properly taken by or behalf of this body under the prior name, under the new name, or to reflect the change to the new name, whether taken before or since this resolution, are approved and ratified.*

**On a motion by J. Briggs seconded by J. Mackey, the Commission unanimously approved the above name change resolution.**

**a. Service Provider Review**

K. Green presented the *Service Provider Review* and responded to questions posed by the Commission.

**b. Custodial Contract Recommendation**

K. Green presented the *Custodial Contract Recommendation* and responded to questions posed by the Commission.

**On a motion by K. Gleason seconded by M. McKenzie, the Commission unanimously approved an extension of the custodial services contract with JP Morgan for 5 years, to terminate June 30, 2027, pending successful contracting negotiations.**

**Item 13: Preliminary VPIC Performance Update**

J. Cipriani from RVK reviewed the *Monthly Investment Performance Analysis for period ending December 31, 2021* with the Commission and responded to questions posed.

**Item 14: Commission Asset Allocation Training**

J. Cipriani and T. Johnson from RVK presented the *Asset Allocation Education Report* with the Commission and responded to questions posed.

**Item 15: Deliverables for Upcoming Meetings**

- Staff will investigate the possibility of getting closed captioning added to Zoom meeting video recordings
- A private equity education session will be scheduled for a future VPIC meeting
- Commissioners are asked to provide a short bio to be presented on the new VPIC website. Please send these to staff at [VPIC@vermont.gov](mailto:VPIC@vermont.gov)
- J. Mackey requested an education session at a future VPIC meeting focused on non-core real estate
- K. Gleason requested either an agenda item or a Commission Retreat for the Commission to discuss ESG topics as they relate to the Commission, such as matters of gender equality and diversity

**Item 16: Future Agenda Topics/New or Other Business**

Chair Golonka led a discussion of VPIC committee membership. K. Gleason was appointed the VPIC ESG Committee.

**Item 17: Executive Session**

No action.

**Adjournment:**

**J. Mackey moved and K. Gleason seconded, that the meeting be adjourned. The Commission unanimously approved the motion to adjourn the meeting at 4:15 PM.**

Respectfully submitted,

**Investment Staff**