

Minutes of Investment Committee Meeting

April 25, 2023 – 9:50 AM – Livestream

Called to Order: 9:51 a.m. by Committee Chair Glenn Becker

Attendance at Committee Meeting:

Investment Committee Board Members and Designees

Glenn Becker, Committee Chair

David Fillman, Assistant Chair

Senator John DiSanto (with Designee Charles Erdman)

Treasurer Stacy Garrity (with Designees Christopher Craig and Lloyd Ebright)

Acting Secretary Sarah Hammer (with Designees James Bloom and Eric Pistilli)

Gregory Jordan

Representative Brett Miller (with Designees Susan Boyle and Jill Vecchio)

Mary Soderberg

Gregory Thall

Matt Lindsay – Designee for Senator Vincent Hughes

Toni Marchowsky – Designee for Senator Vincent Hughes

Dan Ocko – Designee for Representative Dan Frankel

Senior Staff

Don Bell

Cindy Collins

Jo Ann Collins

Brenda Cunard

Thomas Derr

Daniel Krautheim

Karen Lynn

N. Joseph Marcucci

Katie Mathews

Sara McSurdy

James Nolan

Joseph Torta

Bill Truong

Committee Counsel

Steven Skoff

1. CALL TO ORDER

Committee Chair, Glenn Becker, called the meeting to order at 9:51 a.m.

2. WELCOME AND ROLL CALL

Jared Snyder, Portfolio Manager of SERS, conducted roll call.

3. APPROVAL OF MINUTES OF FEBRUARY 21, 2023, INVESTMENT COMMITTEE AND FEBRUARY 28, 2023, SPECIAL INVESTMENT COMMITTEE MEETINGS

By motion, the Committee agreed to approve the minutes of the February 21, 2023, Investment Committee and February 28, 2023, Special Investment Committee meetings. Representative Brett Miller abstained from voting on the motion.

4. OLD BUSINESS (None)

5. NEW BUSINESS

➤ CIO UPDATES

Jim Nolan, Chief Investment Officer of SERS, introduced Tom Shingler of Callan LLC and David Eichhorn, Stephen Douglass, and Greg Johnson of NISA Investment Advisors, who provided the Investment Committee with separate presentations on banking.

➤ INVESTMENT POLICY STATEMENT UPDATES

Jim Nolan introduced Jared Snyder, who provided the Investment Committee with a recommendation to update the SERS Defined Benefit Plan's Investment Policy Statement. After this recommendation, a motion by the Committee was made as follows:

MOTION: That the Investment Committee recommend to the State Employees' Retirement Board to adopt the proposed updates to the SERS Defined Benefit Plan's Investment Policy Statement.

The roll call vote tabulation for the motion was as follows:

Board/Investment Committee Member	Vote
Glenn Becker	Yes
John DiSanto	Yes
David Fillman	Yes
Dan Frankel (Dan Ocko)	Yes
Stacy Garrity	Yes
Sarah Hammer (Eric Pistilli)	Yes
Vincent Hughes (Toni Marchowsky)	Yes
Greg Jordan	Yes
Brett Miller	Yes
Mary Soderberg	Yes
Greg Thall	Yes

As a result, the Motion passed, and the recommendation was brought to the Board.

➤ INVESTMENT COMMITTEE CHARTER REVIEW/AMENDMENT

Jim Nolan provided the Investment Committee with a review of the updated Investment Committee Charter. Committee members offered various suggestions to enhance the Charter further, which were noted and will be implemented by the SERS Investment Office.

➤ **PROXY VOTING POLICY OVERVIEW AND UPDATES**

Jim Nolan introduced Jeff Meyer, Managing Director of Investment Operations at SERS, and Meredith Jones, Portfolio Manager of SERS, and Jacob Farris, Tara Kosinda, Valerie Sullivan, Meghan Orifici, Ross Britt, and Andrew Linberg of Institutional Shareholder Services (ISS), who provided the Investment Committee with an overview of ISS' engagement with SERS for proxy voting services, the ISS process, and proposed updates to the SERS proxy voting policy. After their presentation, a motion by the Committee was made as follows:

MOTION: That the Investment Committee recommend to the State Employees' Retirement Board to adopt the proposed revisions to the SERS U.S. and International Proxy Voting Policy, as set forth in the Attachment.

The roll call vote tabulation for the motion was as follows:

Board/Investment Committee Member	Vote
Glenn Becker	Yes
John DiSanto	Yes
David Fillman	Yes
Dan Frankel (Dan Ocko)	Yes
Stacy Garrity	Yes
Sarah Hammer	Yes
Vincent Hughes (Toni Marchowsky)	Yes
Greg Jordan	Yes
Brett Miller	Yes
Mary Soderberg	Yes
Greg Thall	Yes

As a result, the Motion passed, and the recommendation was brought to the Board.

6. INFORMATIONAL ITEMS

Informational items as listed below were made available to the Committee for review:

- a. February 2023 Asset Allocation Report
- b. SERS Real Estate Consultant Update
- c. SERS Annual Report of Public Market Manager Contract Amendments

7. SPECIAL PRESENTATIONS (None)

8. EXECUTIVE SESSION

The Investment Committee entered Executive Session at 11:37 a.m. to discuss agenda items as listed below:

- a. Real Estate Portfolio Discussion
- b. Rebalancing Update

9. PUBLIC SESSION RESUMES

At 12:27 p.m., the Investment Committee resumed Public Session and a motion was made as follows:

MOTION: That the Investment Committee recommend to the State Employees' Retirement Board to approve a temporary expanded delegation of authority to the Chief Investment Officer until December 31, 2027 (or such earlier date that the Board may direct) to allow the Chief Investment Officer to partially redeem and/or reallocate (a) publicly traded real estate securities, and (b) partnership interests in core or core plus open-ended commingled

vehicles, to comply with the target Real Estate allocation structure in the Investment Policy Statement approved by the Board on May 5, 2022.

The Board's Real Estate Consultant and the SERS Investment Office will review the progress of the restructuring annually with the Investment Committee as part of the SERS strategic pacing plan for Real Estate. In addition to the Board's Real Estate Consultant, the Chief Investment Officer shall consult with the SERS Investment Committee Chair and Board Chair prior to executing the above expanded authority investment actions. In the event such action is taken, the Board will be apprised as soon as practicable, but no later than the next regularly scheduled Board meeting.

The roll call vote tabulation for the motion was as follows:

Board/Investment Committee Member	Vote
Glenn Becker	Yes
John DiSanto	Yes
David Fillman	Yes
Dan Frankel (Dan Ocko)	Yes
Stacy Garrity	Yes
Sarah Hammer (Eric Pistilli)	Yes
Vincent Hughes (Toni Marchowsky)	Yes
Greg Jordan	Yes
Brett Miller	Yes
Mary Soderberg	Yes
Greg Thall	Absent

As a result, the Motion passed, and the recommendation was brought to the Board.

10. MOTION TO ADJOURN

By motion that was moved by Committee Chair Glenn Becker and approved unanimously by Investment Committee members, it was:

RESOLVED: That this meeting was adjourned at 12:31 p.m.

Respectfully Submitted,

s/James Nolan
James Nolan, Chief Investment Officer