

MONTANA

BOARD OF INVESTMENTS

REGULAR BOARD MEETING MINUTES

December 6-7, 2022

Meeting recordings are posted at: <https://leg.mt.gov/lsc/>
(timestamps may differ)

Call to Order

The Board of Investment's meeting was called to order by Board Chairman Karl Englund at 11:30 a.m. on Tuesday, December 6, 2022.

Attendance

Board Members Present: Karl Englund, Jack Prothero, Bruce Nelson, Diane Fladmo, Jeff Meredith, Maggie Peterson, Mark Barry, Terry Cohea, Daniel Trost

Board Members Absent: None

Legislative Liaisons Present: Rep. Ken Walsh

Legislative Liaisons Absent: Sen. Ryan Lynch

Board Staff Present: Brenda Thomas, Dan Villa, Dan Whyte, Dan Zarling, Doug Hill, Eron Krpan, Jason Brent, John Carpenter, John Romasko, Jon Putnam, Julie Feldman, Kelsey Poore, Kirsten Haswell, Louise Welsh, Mark Lodman, Peggy MacEwen, Peggy Saarela, Polly Boutin, Sam Holman, Savannah Morgan, Sheli Jacoby, Steve Strong, Tammy Lindgren, Teri Kolnik, Thomas Winkler, Tim House

Interested Parties Present: Shawn Graham – Teachers Retirement System; Dore Schwinden – Montana Public Employee Retirement Administration; Bill Holahan – Montana Public Employee Retirement Administration; Becky Gratsinger - RVK; Paige Blaser – RVK; Gregg Gethard - PEI Media; Kevin Balaod – With Intelligence

December 6, 2022

Tab 1 CALL TO ORDER (00:05)

A. Notice of Video Recording (00:11)

Chairman Englund advised of audio and video recording of the meeting.

B. Roll Call (00:22)

Roll was taken. Nine Board members were present, forming a quorum.

C. Public Comment (01:03)

Chairman Englund asked for public comment. None was given.

D. Approval of Minutes (01:22)

October 26-27, 2022, Regular Board Meeting Minutes

Member Prothero moved to approve. Member Nelson seconded the motion, which passed unanimously.

E. Administrative Business

1. Audit Committee Report (01:47)

Committee Chair Peterson briefed the Board.

Chair Peterson moved to approve the draft FY22 Financial Statements as presented. Member Barry seconded the motion, which passed unanimously.

Chair Peterson moved to approve the draft FY22 Annual Report as presented with minor changes requested by the Committee. Member Fladmo seconded the motion, which passed unanimously.

Chair Peterson moved to approve the Annual Statutory Compliance Checklist as presented. Member Trost seconded the motion, which passed unanimously.

Chair Peterson moved to approve the Committee's affirmation of the Annual Audit Charter Compliance both through fiscal year 2022 and the period up to this meeting. Member Barry seconded the motion, which passed unanimously.

F. Comments from Pension Board Members

Member Trost briefed the Board. (08:00)

G. Comments from Board Legislative Liaisons

Rep. Walsh briefed the Board. (09:28)

Tab 2 EXECUTIVE DIRECTOR REPORTS (12:43)

A. Member Requests from Prior Meeting

There were no Board member requests from the prior meeting.

B. Monthly Snapshot

Executive Director Villa briefed the Board.

C. 2023 Work Plan

Executive Director Villa briefed the Board.

D. 2023 Legislative Session

Executive Director Villa briefed the Board.

E. LPAC Reporting

Executive Director Villa briefed the Board.

F. Securities Litigation Annual Review

Executive Director Villa briefed the Board.

G. Policy 10.217 Authorization of Investment Vendors

Executive Director Villa briefed the Board.

Tab 3 TRS AND MPERA RELATIONSHIP (39:43)

Shawn Graham, Executive Director of the Teachers Retirement System, briefed the Board and answered questions.

Dore Schwinden, Executive Director of the Montana Public Employee Retirement Administration and Bill Holahan, Deputy Director of Montana Public Employee Retirement Administration, briefed the Board and answered questions.

Tab 4 INVESTMENTS – NEW COMMITMENTS (1:36:58)

A. Real Estate/Real Assets (1:37:00)

Jon Putnam briefed the Board.

B. Private Investments (1:57:06)

Thomas Winkler briefed the Board.

Tab 5 ASSET ALLOCATION RANGE APPROVAL – Decision (2:03:26)

Jon Putnam briefed the Board.

Member Prothero motioned to approve the Asset Allocation Range as reported. Member Cohea seconded the motion, which passed unanimously.

Tab 6 MONTANA LOAN PROGRAM (2:16:07)

A. Commercial and Residential Portfolios Report

Doug Hill briefed the Board and answered questions.

Tab 7 BOND PROGRAM (2:25:30)

A. INTERCAP

Louise Welsh briefed the Board and answered questions.

ADJOURN

December 7, 2022

CALL TO ORDER (00:05)

A. Roll Call (00:17)

Roll was taken. All nine Board members were present including Chairman Karl Englund, Jack Prothero, Terry Cohea, Bruce Nelson, Diane Fladmo, Maggie Peterson, Mark Barry, Dan Trost, and Jeff Meredith, forming a quorum.

B. Notice of Video Recording (01:12)

Chairman Englund advised of audio and video recording of the meeting.

C. Public Comment (01:17)

Chairman Englund asked for public comment. None was given.

Tab 8 RVK INVESTMENT UPDATE (02:50)

Paige Blaser and Becky Gratsinger with RVK briefed the Board and answered questions.

Tab 9 CIO INVESTMENT UPDATE (1:06:20)

CIO Update (1:06:38)

Jon Putnam briefed the Board.

Macro Attribution (1:32:13)

Eron Krpan briefed the Board.

Private Investments (1:35:15)

Thomas Winkler briefed the Board.

Real Estate (1:42:20)

Jon Putnam briefed the Board.

Real Assets (1:45:39)

Jon Putnam briefed the Board.

Core Fixed Income (1:49:05)

John Romasko briefed the Board.

Non-Core Fixed Income, Domestic Equity, and International Equity (1:53:00)

Jason Brent briefed the Board.

STIP (2:02:09)

Kirsten Haswell briefed the Board.

State Fund and Trust Fund Investment Pool (2:04:26)

John Romasko briefed the Board.

RECAP OF STAFF TO DO LIST AND ADJOURNMENT (02:24:56)

Chairman Englund adjourned the meeting at 11:55 a.m.

MONTANA BOARD OF INVESTMENTS

APPROVE: 
Jack Prothero, Chairman

ATTEST: 
Dan Villa, Executive Director

DATE: 2/24/2023