

MONTANA

BOARD OF INVESTMENTS

REGULAR BOARD MEETING MINUTES

June 1-2, 2021

Meeting recordings are posted at: <https://leg.mt.gov/lspd/>

Call to Order

The Board of Investment's meeting was called to order by Chairman Karl Englund at 1:00 p.m. on Tuesday, June 1, 2021.

Attendance

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

Board Members Absent: None

Legislative Liaisons Present: Sen. Ryan Osmundson, Rep. Ken Walsh

Board Staff Present: Dan Villa, Dan Whyte, Dan Zarling, Doug Hill, Emily Kovarik, Eron Krpan, Ethan Hurley, Jason Brent, John Carpenter, John Romasko, Jon Putnam, Julie Feldman, Kelsey Gauthier, Kirsten Haswell, Lindsay Ford, Louise Welsh, Mark Lodman, Michael Nguyen, Peggy MacEwen, Peggy Saarela, Polly Boutin, Rande Muffick, Roberta Diaz, Savannah Morgan, Sheli Jacoby, Steve Strong, Teri Kolnik, Thomas Winkler, Tim House, Sam Holman, Daric Thompson, Oliver Moon

Interested Parties Present: Mark Higgins, Becky Gratsinger, Jim Voytko – RVK; Joseph Schulman, Lara Clarke, Deasee Phillips, Tom Klugherz – JP Morgan; Rebecca Power – Legislative Services Division

June 1, 2021

Tab 1 CALL TO ORDER (08:00:18)

A. Notice of Video Recording (08:00:20)

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

B. Roll Call (08:00:28)

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

C. Public Comment (08:01:17)

Chairman Englund asked for public comment. None was given.

D. Approval of Minutes (08:01:34)

April 20, 2021, Regular Board Meeting

Member Peterson moved to approve. Member Fladmo seconded the motion which passed unanimously.

E. Administrative Business

1. Audit Committee Report (08:02:26)

Chair Peterson briefed the Board.

- Chair Peterson moved to approve the Audit Committee Charter as amended. Member Barry seconded the motion which passed unanimously.
- Chair Peterson moved to approve the Governance Policy as submitted. Member Fladmo seconded the motion which passed unanimously.

2. Loan Committee Report (08:08:11)

Chair Prothero and MFFA Executive Director Adam Gill briefed the Board.

- Chair Prothero moved to approve the Marcus Daly Memorial Hospital Master Loan Agreement as presented by MFFA Executive Director Gill. Member Nelson seconded the motion which passed unanimously.
- Chair Prothero moved to approve the Community Hospital of Anaconda Master Loan Agreement as presented by MFFA Executive Director Gill. Member Cohea seconded the motion which passed unanimously. Chair Prothero noted Executive Director Dan Villa recused himself from the discussion.
- Chair Prothero moved to approve the Loan Policy revisions as submitted. Member Cohea seconded the motion which passed unanimously.

3. HR Committee Report (08:15:52)

Chair Cohea briefed the Board.

- Chair Cohea moved to approve the exempt staff salary adjustments as recommended by the HR Committee. Member Fladmo seconded the motion which passed unanimously.
- Chair Cohea moved to approve the exempt staff job descriptions as recommended by the HR Committee. Member Fladmo seconded the motion which passed unanimously.

F. Comments from TRS and PERS Board Members (08:18:14)

Member Greenfield and Member Peterson briefed the Board.

G. Comments from Board Legislative Liaisons (08:23:43)

Sen. Osmundson briefed the Board.

Tab 2 EXECUTIVE DIRECTOR REPORTS (08:25:35)

A. Member Requests or Follow up from Prior Meeting

Executive Director Villa briefed the Board.

B. Monthly Snapshot

Executive Director Villa briefed the Board.

C. Monthly Web Traffic

Executive Director Villa briefed the Board.

D. Budget Status YTD

Executive Director Villa briefed the Board.

E. LPAC Cost Reports

Executive Director Villa briefed the Board.

Tab 3 MONTANA LOAN PROGRAM (08:29:57)

A. Commercial and Residential Portfolios Report

Doug Hill briefed the Board and answered questions.

Tab 4 BOND PROGRAM (09:11:52)

A. INTERCAP

Louise Welsh briefed the Board and answered questions.

1. Activity Summary
2. Staff Approved Loans Report
3. Overview and Program Highlights

Tab 5 INVESTMENTS – NEW COMMITMENTS

A. Real Estate/Real Assets (09:23:52)

Ethan Hurley and Jon Putnam briefed the Board and answered questions.

B. Private Investments (09:42:56)

Thomas Winkler and Jon Putnam briefed the Board and answered questions.

Tab 6 WORK PLAN (09:58:49)

A. Policy Statement Review

John Romasko and Jon Putnam briefed the Board and answered questions.

1. STIP IPS
Member Prothero moved to approve the investment policy statement as presented. Member Cohea seconded the motion which passed unanimously.
2. Public Retirement Plans IPS
Member Prothero moved to approve the investment policy statement as presented. Member Fladmo seconded the motion which passed unanimously.
3. State Fund IPS
Member Barry moved to approve the investment policy statement as presented. Member Greenfield seconded the motion which passed unanimously.

4. Permanent Coal Trust IPS

Member Prothero moved to approve the investment policy statement as presented. Member Peterson seconded the motion which passed unanimously.

Tab 7 CORE FIXED INCOME ASSET CLASS REVIEW. (10:13:39)

John Romasko, Jon Putnam, and members of the Fixed Income Team briefed the Board and answered questions.

June 2, 2021

CALL TO ORDER

A. Notice of Video Recording (08:00:15)

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

B. Roll Call (08:00:19)

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

C. Public Comment (08:09:22)

Tab 8 REAL ESTATE ASSET CLASS REVIEW (08:09:40)

Ethan Hurley and Jon Putnam briefed the Board and answered questions.

Tab 9 RVK (09:30:10)

Jim Voytko, Mark Higgins, Becky Gratsinger, and Jon Putnam briefed the Board and answered questions.

Tab 10 INVESTMENT UPDATE

A. CIO Update – Jon Putnam, CFA, FRM, CAIA (10:26:45)

Jon Putnam briefed the Board and answered questions.

B. Macro Attribution – Eron Krpan, CFA, CIPM (10:50:32)

Eron Krpan briefed the Board and answered questions.

C. Private Equity – Michael Nguyen (11:03:41)

Michael Nguyen briefed the Board and answered questions.

D. Real Estate – Ethan Hurley, CAIA (11:13:16)

Ethan Hurley briefed the Board and answered questions.

E. Real Assets – Ethan Hurley, CAIA (11:18:21)

Ethan Hurley briefed the Board and answered questions.

F. Core Fixed Income – John Romasko, CFA (11:23:50)

John Romasko briefed the Board.

G. Non-Core Fixed Income – Jason Brent, CFA, CAIA (11:26:58)

Jason Brent briefed the Board and answered questions.

H. Domestic Equity – Rande Muffick, CFA (11:33:19)

Rande Muffick briefed the Board and answered questions.

- I. **International Equity** – Rande Muffick, CFA (11:45:40)
Rande Muffick briefed the Board and answered questions.
- J. **STIP** – Kirsten Haswell (11:54:37)
Kirsten Haswell briefed the Board.
- K. **State Fund** – John Romasko, CFA (11:55:52)
John Romasko briefed the Board and answered questions.
- L. **Trust Funds Investment Pool** – John Romasko, CFA (11:57:49)
John Romasko briefed the Board and answered questions.

RECAP OF STAFF TO DO LIST AND ADJOURNMENT

Chairman Englund and Executive Director Villa listed items to recap.
Chairman Englund adjourned the meeting at 2:55 pm.

MONTANA BOARD OF INVESTMENTS

APPROVE: _____


Karl J. Englund, Chairman

ATTEST: _____


Dan Villa, Executive Director

DATE: August 11, 2021

