

# MONTANA

## BOARD OF INVESTMENTS

### REGULAR BOARD MEETING MINUTES

August 10-11, 2021

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

#### Call to Order

The Board of Investment's meeting was called to order by Chairman Karl Englund at 11:00 a.m. on Tuesday, August 10, 2021.

#### Attendance

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

Board Members Absent: Terry Cohea

Legislative Liaisons Present: Rep. Ken Walsh

Board Staff Present: April Madden, Dan Villa, Dan Whyte, Dan Zarling, Daric Thompson, Doug Hill, 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, Oliver Moon, Peggy MacEwen, Peggy Saarela, Rande Muffick, Roberta Diaz, Sam Holman, Savannah Morgan, Sheli Jacoby, Steve Strong, Teri Kolnik, Thomas Winkler, Tim House

Interested Parties Present: Mark Higgins, Becky Gratsinger, Jim Voytko – RVK; Joseph Schulman, Deasee Phillips – JP Morgan; Cyril Espanol – Pageant Media; Cliff Sheets – Member of the Public

#### **August 10, 2021**

##### **Tab 1 CALL TO ORDER (08:00:07)**

##### **A. Notice of Video Recording (08:00:17)**

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

##### **B. Roll Call (08:00:25)**

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

##### **C. Public Comment (08:01:09)**

Chairman Englund asked for public comment. None was given.

##### **D. Approval of Minutes (08:01:30)**

June 1-2, 2021, Regular Board Meeting

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

**E. Administrative Business**

**1. Audit Committee Report (08:01:53)**

Chair Peterson briefed the Board.

**2. Loan Committee Report (08:04:09)**

Chair Prothero briefed the Board.

Chair Prothero moved to approve the authorization of staff to work with the Board's bond counsel, Dorsey & Whitney, to prepare the necessary documents for Board adoption at the October meeting for the INTERCAP modernization. Member Greenfield seconded the motion which passed unanimously.

**F. Comments from TRS and PERS Board Members (08:06:53)**

Member Greenfield and Member Peterson briefed the Board.

**G. Comments from Board Legislative Liaisons (08:12:54)**

Rep. Walsh briefed the Board.

**Tab 2 EXECUTIVE DIRECTOR REPORTS (08:14:17)**

**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. Benchmarks Used by the Board**

Executive Director Villa and Chief Investment Officer, Jon Putnam, briefed the Board and answered questions.

**E. Budget Status Prior Fiscal Year**

Executive Director Villa briefed the Board.

**F. Resolution 217 Annual Affirmation**

Executive Director Villa briefed the Board.

**G. FY22 Budget**

Executive Director Villa briefed the Board and answered questions.

Member Barry moved to approve the FY22 Budget as submitted. Member Peterson seconded the motion which passed unanimously.

**H. Custodial Bank RFP Results**

Executive Director Villa briefed the Board and answered questions.

Member Prothero moved to proceed with State Street Bank. Member Peterson seconded the motion which passed unanimously.

Executive Director Villa briefed the Board on the potential of the MPERA Board requesting BOI assistance in managing the investment menu of the Defined Contribution and Deferred Compensation Funds.

**Tab 3 MONTANA LOAN PROGRAM (09:19:30)**

**A. Commercial and Residential Portfolios Report**

Doug Hill briefed the Board and answered questions.

**Tab 4 BOND PROGRAM (09:23:48)**

**A. INTERCAP**

Executive Director Villa briefed the Board and answered questions.

1. Activity Summary
2. Staff Approved Loans Report
3. Annual Detail Report

**Tab 5 STIP Investment Policy Statement Revision (09:28:12)**

John Romasko and Executive Director Villa briefed the Board and answered questions. Member Barry moved to approve the revisions as submitted. Member Prothero seconded the motion which passed unanimously.

**Tab 6 WORK PLAN (09:36:35)**

**A. Coal Severance Tax Trust Review**

John Romasko, Executive Director Villa, and Jon Putnam briefed the Board and answered questions.

**Tab 7 WORK PLAN (10:23:10)**

**A. Real Asset Class Review**

Ethan Hurley briefed the Board and answered questions.

**Tab 8 RVK (10:56:55)**

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

**Tab 9 INVESTMENTS – NEW COMMITMENTS**

**A. Real Estate/Real Assets (09:55:20)**

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

**B. Private Investments (10:09:08)**

Thomas Winkler briefed the Board and answered questions.



August 11, 2021

**CALL TO ORDER (08:00:01)**

- A. Notice of Video Recording (08:00:15)**  
Chairman Englund advised of audio and video recording of the meeting.
- B. Roll Call (08:00:24)**  
Roll was taken: seven Board members were present, forming a quorum.
- C. Public Comment (08:01:17)**  
Chairman Englund welcomed former Board CIO Cliff Sheets to the meeting.

**Tab 10 INVESTMENT UPDATE**

- A. CIO Update – Jon Putnam, CFA, FRM, CAIA (08:03:12)**  
Jon Putnam and Executive Director Villa briefed the Board and answered questions.
- B. Macro Attribution – Eron Krpan, CFA, CIPM (08:36:52)**  
Eron Krpan briefed the Board and answered questions.
- C. Private Equity – Michael Nguyen (08:41:19)**  
Michael Nguyen briefed the Board and answered questions.
- D. Real Estate – Ethan Hurley, CAIA (08:46:52)**  
Ethan Hurley briefed the Board and answered questions.
- E. Real Assets – Ethan Hurley, CAIA (08:55:30)**  
Ethan Hurley briefed the Board and answered questions.
- F. Core Fixed Income – John Romasko, CFA (09:00:25)**  
John Romasko briefed the Board.
- G. Non-Core Fixed Income – Jason Brent, CFA, CAIA (09:03:10)**  
Jason Brent briefed the Board and answered questions.
- H. Domestic Equity – Rande Muffick, CFA (09:09:24)**  
Rande Muffick briefed the Board and answered questions.
- I. International Equity – Rande Muffick, CFA (09:13:35)**  
Rande Muffick briefed the Board and answered questions.
- J. STIP – Kirsten Haswell (09:17:00)**  
Kirsten Haswell briefed the Board.
- K. State Fund – John Romasko, CFA (09:22:14)**  
John Romasko briefed the Board and answered questions.
- L. Trust Funds Investment Pool – John Romasko, CFA (09:23:58)**  
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: 10/20/21

