
TO: Nebraska Investment Council

FROM: Joe Jurich
Chris Sanders
Jeremiah Garber, CFA

DATE: December 8, 2022

SUBJ: Global Equity Manager Structure Recommendation - Blank Sheet Equity Review

Action: The Nebraska Investment Council approve the recommended global equity manager structure for the Defined Benefit, Cash Balance Benefit, Omaha School Employees Retirement System, General Endowments, Health Care Endowment, and Investor Select Fund as outlined on pages 3-10 of the December 2022 Blank Sheet Equity Review presentation from Council Staff and Aon, subject to completion of a legal review and satisfactory agreement of terms.

Overview and Summary

Council Staff and Aon completed a presentation that includes a review and recommendation of the Plans' global equity portfolio structure within the blank sheet equity review. The global equity presentation includes recommendations for manager allocations, investment managers, strategy reviews and manager benchmarks. A timeline of the review process is in the appendix of the presentation.

A summary of the Global Equity Allocation, Manager and Manager Benchmark recommendation is as follows:

DB/CBB/OSERS* Allocation, Manager, & Manager Benchmark – page 4

40% Arrowstreet, MSCI ACWI IMI
27% Dodge & Cox, MSCI ACWI IMI
23% GQG, MSCI ACWI IMI
10% Wellington, MSCI ACWI IMI

*The OSERS portfolio will be invested per the interim plan but will move towards the long-term target allocation.

Health Care – page 8

Attempt to replicate DB/CBB Plans to the extent possible.

General Endowments (50/50 Endowment) – page 9

Attempt to replicate DB/CBB Plans to the extent possible.

Investor Select Fund – page 10

Attempt to replicate DB/CBB Plans to the extent possible.

Switch the non-US Equity index from MSCI ACWI ex-US Index to MSCI ACW ex-US IMI Index.

The next step will be a legal review and satisfactory agreement of terms. Staff is targeting implementation to commence in 1Q 2023.