

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
March 10, 2022
Draft dated 3/11/2022

A regular meeting of the Nebraska Investment Council convened at 8:30 a.m. at the First Nebraska Administrative Building, Lancaster Hearing Room, in Lincoln, Nebraska.

The Council board members were notified of this meeting at the September 9, 2021, Council meeting. Public notice was posted on the Investment Council website on September 14. The meeting agenda and other materials were posted on the Investment Council website on March 4. Ms. Werner-Robertson chaired the meeting, Mr. Walkowiak prepared the minutes.

COUNCIL BOARD MEMBERS PRESENT:

Ms. Werner-Robertson
Dr. Richard DeFusco
Mr. John Dinkel
Mr. John Conley
Dr. Keith Olson
Mr. Randy Gerke
Ms. Cecelia Carter
Ms. Char Scott, Treasurers Office

COUNCIL MEMBERS ABSENT

Treasurer John Murante

OTHERS IN ATTENDANCE:

Mr. Michael Walden-Newman, State Investment Officer
Mr. Justin Walkowiak, Council Secretary
Ms. JoLynn Winkler, Nebraska Investment Council
Mr. Joe Jurich, Nebraska Investment Council
Mr. Joe Spitznagel, Nebraska Investment Council
Mr. Chris Sanders, Nebraska Investment Council
Mr. Jeremiah Garber, Nebraska Investment Council
Ms. Joyce Schlautman, Nebraska Investment Council
Ms. Aathi Rasiah, Nebraska Investment Council
Mr. Christopher Heinrich, O'Neill Heinrich Damkroger Bergmeyer & Schultz
Mr. Max Kotary, Aon
Mr. Mike Comstock, Aon
Mr. Bruce Ingram, Aon
Mr. Chae Hong, Aon
Mr. Jamie Sunday, Landmark
Mr. Matt Kaplan, Almanac
Mr. Josh Overbay, Almanac

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 8:31 a.m. Ms. Werner-Robertson advised that the Nebraska Open Meetings Act applies and stated that a copy of the Open Meetings Act is located at the entrance with a public copy of the meeting materials.

APPROVAL OF THE MINUTES OF THE FEBRUARY 10, MEETING: 8:32 a.m. Mr. John Conley moved that the February 11, 2022, draft of the minutes of the February 10, 2022, meeting be approved as written. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Dr. DeFusco
 Mr. Dinkel
 Mr. Conley
 Dr. Olson
 Ms. Werner-Robertson

The motion carried.

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CHAIR'S COMMENT: 8:33 a.m. to 8:35 a.m. Ms. Werner-Robertson welcomed attendees. She commented on 4th Quarter performance, and the state of markets during the Russia/Ukraine Crisis. She said it is important to maintain a long-term view.

INVESTMENT PERFORMANCE REPORT: 8:34 a.m. to 9:30 a.m. Mr. Kotary, and Mr. Comstock reviewed the 4th Quarter 2021 Performance report commenting on current market conditions, asset allocation, performance, and fund monitoring. Total assets under management were \$39.7 billion. The 4th Quarter 2021 performance review and the 3rd Quarter 2021 Alternatives performance report were included in the meeting materials. Mr. Kotary and Mr. Comstock also commented on the state of markets in response to the crisis in Ukraine. Discussion followed the presentation. Mr. Kotary also responded to a prior Council request by reporting that Council agendas and meeting content is compared favorably to peers.

PRIVATE EQUITY: 9:30 a.m. to 10:20 a.m. Mr. Ingram reviewed 3rd Quarter Performance for the Private Equity Portfolio. Mr. Ingram commented on current market conditions, asset allocation, performance, and fund monitoring. The 3rd Quarter 2021 Private Equity performance report was included in the meeting materials. Discussion Followed the presentation.

Following the discussion Mr. Ingram, and Mr. Jurich recommended the Council make a commitment to Francisco Partners VII, L.P. reviewing the people, process, and performance of the Council's previous commitments to Francisco Partners which were included in the meeting materials. Dr. DeFusco moved that the Nebraska Investment Council Defined Benefit Plans and Cash Balance Benefit Plans make a \$50 million commitment to Francisco Partners VII, L.P. subject to completion of a legal review and satisfactory agreement of terms. Mr. Conley seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:	Mr. Dinkel Mr. Conley Dr. Olson Ms. Werner-Robertson Dr. DeFusco
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The motion carried

The Council board took a break at 10:20 a.m. and reconvened at 10:38 a.m.

REAL ESTATE: 10:38 a.m. to 12:12 p.m. Mr. Chae Hong updated the Council on 3rd Quarter performance and pacing of the Real Estate portfolio, commenting on current market conditions, asset allocation, performance, and fund monitoring. The 3rd Quarter 2021 Real Estate performance and pacing reports were included in the meeting materials. Discussion followed the presentation.

Following the discussion Mr. Chae Hong, and Ms. JoLynn Winkler recommended the Council make commitments to Landmark Real Estate Partners IX, L.P. and to Almanac Realty Securities IX, L.P. Mr. Jamie Sunday was introduced to discuss the people, process, and performance of Landmark Real Estate Partners. Presentation materials were included with the meeting materials. Discussion followed Mr. Jamie Sunday's presentation. Mr. Matt Kaplan, and Mr. Josh Overbay were then introduced to the Council to discuss Almanac Realty Securities and their people, process, and performance. Presentation materials were included with the meeting materials. Discussion followed the Almanac presentation.

Following the discussion Dr. DeFusco moved that the Nebraska Investment Council make a \$63 million commitment to Landmark Real Estate Partners IX, L.P. which is to be allocated to the following plans: \$50 million to the Defined Benefit and Cash Balance Benefit Plans, \$2 million to the General Endowments, \$1 million to the Health Care Endowment, and \$10 million to the Omaha School Employees' Retirement System. Approval is subject to completion of a legal review and satisfactory agreement of terms. Mr. Conley seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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VOTING AYE: Mr. Conley
Dr. Olson
Ms. Werner-Robertson
Dr. DeFusco
Mr. Dinkel

The motion carried

Dr. DeFusco moved that the Nebraska Investment Council make a \$57 million commitment to Almanac Realty Securities IX, L.P. which is to be allocated to the following plans: \$50 million to the Defined Benefit and Cash Balance Benefit Plans, \$1 million to the General Endowments, \$1 million to the Health Care Endowment, and \$5 million to the Omaha School Employees' Retirement System. Approval is subject to completion of a legal review and satisfactory agreement of terms. Mr. Conley seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Dr. Olson
Ms. Werner-Robertson
Dr. DeFusco
Mr. Dinkel
Mr. Conley

The motion carried

MASS MUTUAL TERMINATION: 12:20 p.m. to 12:42 p.m. Mr. Heinrich gave a review of the legal proceedings for the Mass Mutual contract termination; discussion followed.

Following the discussion Dr. DeFusco moved to approve the SIO's recommendation and action to terminate the Mass Mutual investments options offered to participants of the legacy Deferred Compensation Plan, and to offer legacy plan participants the investment options that are offered to participants of the current Deferred Compensation Plan. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Ms. Werner-Robertson
Dr. DeFusco
Mr. Dinkel
Mr. Conley
Dr. Olson

The motion carried.

AUDIT COMMITTEE REPORT: 12:42 p.m. to 12:54 p.m. Dr. DeFusco and Mr. Conley presented the Audit Committee quarterly report, joined by Ms. Schlautman. The Audit Committee continues to monitor the APA's finding on political subdivisions. The SIO has requested an opinion from the Attorney General and this issue will be further discussed by the full Council. Ms. Schlautman reported that there are no other outstanding issues.

INTERNAL AUDITOR REPORT 12:54 p.m. to 1:09 p.m. Ms. Schlautman presented the internal auditor report to the Council. Ms. Werner-Robertson reinforced how important it is the internal auditor has no agency operation concerns.

ADMINISTRATIVE REPORT: 1:09 p.m. to 1:28 pm. Mr. Walden-Newman presented the Administrative Report. In the report he discussed the Action Plan, the Budget Status report, and updated the Council on the Legislative session.

NEXT MEETING: 1:28 p.m. Thursday, June 9th, 2022, 8:30 a.m. First Nebraska Administrative Building Lancaster Hearing Room.

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PUBLIC COMMENT ON THE AGENDA: 1:28 p.m. Ms. Werner-Robertson asked if there were any public comments on the agenda. There were no comments on the agenda.

At 1:28 p.m. Dr. DeFusco moved to adjourn the meeting. Mr. Conley seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:	Dr. DeFusco
	Mr. Dinkel
	Mr. Conley
	Dr. Olson
	Ms. Werner-Robertson

The motion carried.

DRAFT date March 11, 2022

Justin M. Walkowiak

