

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
December 12, 2024

A regular meeting of the Nebraska Investment Council convened at 8:30 a.m. at the Cornhusker Marriott Hotel in Lincoln, Nebraska.

The Council Board members were notified of this meeting at the September 7, 2023, Council meeting. Public notice was posted on the Investment Council website on December 26, 2023. The meeting agenda and other materials were posted on the Investment Council website on December 6th, 2024. Ms. Werner-Robertson chaired the meeting. Mr. Liu prepared the minutes.

COUNCIL BOARD MEMBERS PRESENT:

Ms. Gail Werner-Robertson, Chair
Dr. Richard DeFusco
Mr. John Dinkel
Dr. Keith Olson
Mr. Tom Henning

COUNCIL BOARD MEMBERS ABSENT:

Mr. John Murante, Director — NPERS
Treasurer Tom Briese

OTHERS IN ATTENDANCE:

Ms. Ellen Hung, State Investment Officer
Ms. JoLynn Winkler, Nebraska Investment Council
Mr. Jeremiah Garber, Nebraska Investment Council
Mr. Joe Spitznagel, Nebraska Investment Council
Mr. Chris Sanders, Nebraska Investment Council
Mr. Arthur Liu, Nebraska Investment Council
Mr. Anthony Jakimowicz, Nebraska Investment Council
Ms. Aathi Rasiah, Nebraska Investment Council
Ms. Maryam Sultani, Nebraska Investment Council
Mr. Chris Heinrich, Baylor Evnen Wolfe & Tannehill, LLP
Mr. Max Kotary, Aon
Mr. Bruce Ingram, Aon
Mr. Tyler Cummings, NPERS
Mr. Edward Boone, Nebraska State Treasurer's Office
Mr. Tony Lee, OneRock Capital Partners
Ms. Deepa Patil Madhani, OneRock Capital Partners
Mr. Conner Searcy, Trive Capital
Mr. Henry Pendergast, Campbell Lutyens

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 8:29 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.

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APPROVAL OF THE MINUTES OF THE SEPTEMBER 11TH, 2024 MEETING: 8:32 a.m. Mr. Henning moved to approve the minutes of the September 11th, 2024, meeting. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried.

CHAIR'S COMMENT: 8:33 a.m. Ms. Werner-Robertson welcomed attendees and thanked Council staff for their work. She mentioned the uncertainty we face in the current economy, with expensive US equity valuations and falling interest rates.

INVESTMENT ANALYST INTRODUCTIONS: 8:34 a.m. Ms. Hung invited Mr. Liu and Mr. Jakimowicz, the Council's new investment analysts, to deliver a short introduction about themselves to the Council.

CONSULTING SERVICES RFP UPDATE: 8:35 a.m. to 8:38 a.m. Ms. Hung gave an update on the status of the RFP for specialty and general consulting services. The RFP Committee had specialty consulting semifinalist presentation meetings in October 2024. This was followed by on-site and virtual due diligence visits by staff in December 2024. The RFP Committee will host semifinalist presentations for general consulting services at its office in January 2025. Finally, Ms. Hung expressed her gratitude towards Mr. Henning and Dr. DeFusco for being on the RFP Committee.

PROPOSED LEGISLATIVE BILL: 8:38 a.m. to 8:42 a.m. Ms. Hung presented on a proposed legislative bill, LB Req 00053, which includes several amendments to the State Procurement Act that was significantly amended in 2024. The changes in 2024 have several requirements and restrictions that are problematic to the Council's operations. Proposed legislation is needed to address these requirements and restrictions to ensure the prudent management of state assets. Senator Mike Jacobson has agreed to sponsor the bill. LB Req 00053 was included in the meeting materials.

ENDOWMENT INCOME DISTRIBUTION: 8:42 a.m. to 8:51 a.m. Ms. Hung and Mr. Garber gave an update on the endowment income distribution. During the custodial bank transition, staff discovered that income from two manager accounts had not been included in some prior quarterly endowment income distribution due to the structure of the account. Staff has corrected the issue and will be distributing the income.

PRIVATE EQUITY PROGRAM REVIEW AND OUTLOOK: 8:52 a.m. to 9:44 a.m. Mr. Ingram presented an overview of the private equity investment landscape and the current standing of the Council's private equity portfolio. Discussion followed the presentation.

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ONEROCK CAPITAL PARTNERS FUND IV: 10:00 a.m. to 11:25 a.m. Mr. Sanders and Mr. Ingram discussed OneRock and their people, processes, and performance. Presentation materials were included in the meeting materials. Discussion followed the presentation.

Following the discussion, Mr. Dinkel moved that the Council make a \$56 million commitment to OneRock Capital Fund IV, which is to be allocated to the following plans: \$50 million to the Defined Benefit and Cash Balance Benefit Plans and \$6 million to the Omaha School Employees' Retirement System. Approval is subject to the completion of a legal review and satisfactory agreement of terms. Dr. DeFusco seconded the motion.

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

The motion carried.

TRIVE CAPITAL FUND V: 12:03 p.m. to 1:09 p.m. Mr. Sanders and Mr. Ingram discussed Trive Capital and their people, processes, and performance. Presentation materials were included in the meeting materials. Discussion followed the presentation.

Following the discussion, Dr. DeFusco moved that the Council make a \$56 million commitment Trive Capital Fund V, which is to be allocated to the following plans: \$50 million to the Defined Benefit and Cash Balance Benefit Plans and \$6 million to the Omaha School Employees' Retirement System. Approval is subject to the completion of a legal review and satisfactory agreement of terms. Mr. Henning seconded the motion.

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

The motion carried.

INVESTMENT PERFORMANCE REPORT: 1:09 p.m. to 1:42 p.m. Mr. Kotary reviewed the 3rd Quarter 2024 performance report, commenting on the implications of the 2024 U.S. Presidential election, current market conditions, asset allocation, performance, and fund monitoring.

AUDIT COMMITTEE REPORT: 1:42 p.m. to 1:53 p.m. Dr. DeFusco presented the Audit Committee quarterly report, joined by Mr. Henning. Topics discussed included the status of the custodian bank transition, the status of the ACFR audit, and other on-going internal control activities. Discussion followed the report.

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ADMINISTRATIVE REPORT: 1:53 p.m. to 2:05 p.m. Ms. Hung presented the Administrative Report. This included the Securities Lending Report, Budget Status Report, Status of Approved Motions, and the Code of Ethics and Conflict of Interest Policy Annual Attestation Form. She also reminded Council members of the upcoming Statement of Financial Interest C-1 Form for 2024, which must be submitted to the Nebraska Accountability and Disclosure Commission (NADC) by March 3, 2025. Finally, Ms. Hung stated that the Council will welcome an intern, Mr. Braden Starck, for the first half of 2025. Mr. Starck is a senior at the University of Nebraska–Lincoln, majoring in Finance.

NEXT MEETING: 2:06 p.m. Thursday, February 27, 2025, 8:30 a.m. Venue to-be-determined.

PUBLIC COMMENT ON THE AGENDA: 2:07 p.m. Ms. Werner-Robertson asked if there were any public comments on the agenda. There were no comments on the agenda.

THANKING MR. DINKEL FOR HIS SERVICE: 2:07 p.m. to 2:11 p.m. Mr. Dinkel will be retiring from the Council this year, having served as a member since 2006. Ms. Werner-Robertson thanked Mr. Dinkel for his 18 years of service on behalf of the Council and Council staff.

At 2:12 p.m., Mr. Dinkel moved to adjourn the meeting. Dr. DeFusco seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried.