

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
December 8, 2022
Draft dated 12/9/22

A regular meeting of the Nebraska Investment Council convened at 8:30 a.m. at the Nebraska State Office Building, Lancaster room, in Lincoln, Nebraska.

The Council Board members were notified of this meeting at the September 8, 2022, Council meeting. Public notice was posted on the Investment Council website on January 3, 2022. The meeting agenda and other materials were posted on the Investment Council website on December 2, 2022. Ms. Werner-Robertson chaired the meeting, Mr. Walkowiak prepared the minutes.

COUNCIL BOARD MEMBERS PRESENT:

Ms. Werner-Robertson
Dr. Richard DeFusco
Mr. John Dinkel
Dr. Keith Olson
Mr. Randy Gerke
Treasurer John Murante
Mr. Shane Rhian

COUNCIL BOARD MEMBERS ABSENT

Mr. John Conley

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. Chris Sanders, Nebraska Investment Council
Mr. Jeremiah Garber, Nebraska Investment Council
Ms. Joyce Schlautman, Nebraska Investment Council
Ms. Aathi Rasiah, Nebraska Investment Council
Mr. Kam Veney, Nebraska Investment Council
Mr. Christopher Heinrich, O'Neill Heinrich Damkroger Bergmeyer & Schultz
Mr. Spencer Hartman, O'Neill Heinrich Damkroger Bergmeyer & Schultz
Mr. Mike Comstock, Aon

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 SEPTEMBER 8, MEETING: 8:32 a.m. Dr. DeFusco moved that the September 9, 2022, draft of the minutes of the September 8, 2022, meeting be approved as amended. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried.

CHAIR'S COMMENT: 8:32 a.m. to 8:35 a.m. Ms. Werner-Robertson welcomed attendees. She thanked John Conley for his 10 years of service to the Nebraska Investment Council and all the contributions he made during his two terms with the Council. Ms. Werner-Robertson also wanted to thank Mr. Conley for helping recommend a potential new board member.

CLOSED SESSION: 8:35 a.m. to 9:15 a.m. Dr. DeFusco moved to enter closed session per Neb. Rev. Stat. 84-1410(1)(a) and (b). The subject matter of the closed session is to discuss investment contracts. The reason for the

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
December 8, 2022
Draft dated 12/9/22

closed session is to receive related legal advice. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried

8:40 a.m. Dr. Olson arrived at the meeting

MOTION TO RETURN TO OPEN SESSION: 9:29 a.m. Dr. DeFusco moved to return to open session. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried

INTERNSHIP PRESENTATION: 9:30 a.m. to 9:40 a.m. Mr. Veney presented to the Council on his Internship program with the Nebraska Investment Council. He discussed his time with the Council Staff and projects he undertook during his time here. Mr. Veney also thanked the Council Board and Staff for the opportunity to learn and grow from this experience.

INVESTMENT PERFORMANCE REPORT: 9:40 a.m. to 10:07 a.m. Mr. Comstock reviewed the 3rd Quarter 2022 Performance report commenting on current market conditions, asset allocation, performance, and fund monitoring. Total assets under management were \$34.5 billion. The 3rd Quarter 2022 performance review and the 2nd Quarter 2022 Alternatives performance report were included in the meeting materials. Discussion followed the presentation

The Council Board took a break at 10:07 a.m. and reconvened at 10:28 a.m.

EQUITY BLANK SHEET REVIEW: 10:28 a.m. to 10:52 a.m. Mr. Comstock was joined by Mr. Jurich, Mr. Sanders, and Mr. Garber to discuss the Equity Blank Sheet Review proposed structure, portfolio, and managers. Presentation materials were included with the meeting materials. Discussion followed the presentation.

GQG PARTNERS: 10:53a.m. to 11:36 a.m. Mr. Rajiv Jain and Ms. Meredith Richardson presented to the Council on GQG's people, process, and performance. Presentation materials were included with the meeting materials. Discussion followed the presentation

DISCUSSION AND MANAGER SELECTION: 11:37 a.m. to 11:49 a.m. The Council discussed the Equity Blank Sheet Review and manager selection. Following the discussion motions were presented to the Council for approval.

Dr. DeFusco moved that the Nebraska Investment Council Defined Benefit Plans, Cash Balance Benefit Plans, OSERS Plan, General Endowments and Health Care dismiss MFS and hire GQG to be a manager in the global equity portfolio and for the Investor Select DC Option, dismiss MFS and replace with BlackRock MSCI ACWI IMI fund, subject to completion of a legal review and satisfactory agreement of terms. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
December 8, 2022
Draft dated 12/9/22

Dr. Olson

The motion carried

Dr. DeFusco moved that 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. Dr. Olson seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried

The Council Board took a break at 11:49 a.m. and reconvened at 12:20 p.m.

Mr. Shane Rhian left the meeting at 11:50 a.m.

AUDIT COMMITTEE REPORT: 12:20 p.m. to 12:25 p.m. Dr. DeFusco presented the Audit Committee quarterly report, joined by Ms. Schlautman. The Council was updated on all the Audits issued, in progress, and set to begin. There were no other outstanding issues to report.

ENABLE INVESTMENT AMENDMENT: 12:26 p.m. to 12:30 p.m. Ms. Stacy Pfeifer made a proposal to the Council for an alternative option for the Bank Savings Option of the Enable Savings Plan. The proposed change could produce greater returns for their beneficiaries, while keeping it an FDIC insured option. Presentation materials were included in the meeting materials. Discussion followed the presentation.

Following the discussion, Dr. DeFusco moved that the Nebraska Investment Council (the Council) approve NexBank as the new provider of the Bank Savings Option in the Enable Savings Plan. Dr. Olson seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried

ADMINISTRATIVE REPORT: 12:30 p.m. to 12:49 p.m. Mr. Walden-Newman presented the Administrative Report. In the report he presented the Action Plan, Quarterly Securities Lending report, and budget report. He discussed several topics for the February meeting including asset allocation, and the annual College Savings Plan report with action to follow in the March meeting.

MCCARTHY CAPITAL: 12:49 p.m. to 1:23 p.m. Mr. Patrick Duffy and Ms. Teri Mercer presented to the Council on their people, process, and performance. Presentation materials were included with the meeting materials. Discussion followed the presentation.

Mr. Shane Rhian returned to the meeting at 1:15 p.m.

NEXT MEETING: 1:23 p.m. Thursday, February 9th, 2023, 8:30 a.m. Cornhusker Marriott Hotel, Room. TBD, Lincoln, Nebraska

NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
December 8, 2022
Draft dated 12/9/22

PUBLIC COMMENT ON THE AGENDA: 1:23 p.m. Ms. Werner-Robertson asked if there were any public comments on the agenda. There were no comments on the agenda.

At 1:23 p.m. Dr. DeFusco moved to adjourn the meeting. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:

Dr. Olson
Ms. Werner-Robertson
Dr. DeFusco
Mr. Dinkel

The motion carried.

DRAFT date December 9, 2022

Justin M. Walkowiak

