An Education Retreat of the Nebraska Investment Council convened at 8:35 a.m. at the LaVista Conference Center, Gatsby Room, in LaVista, Nebraska.

The Council board members were notified of this meeting at the September 10, 2020, Council meeting. Public notice was posted on the Nebraska Public Meeting Calendar on June 3, 2021, and published in the Lincoln Journal Star on June 27, 2021. Ms. Werner-Robertson chaired the meeting; Mr. Walden-Newman recorded the minutes.

COUNCIL BOARD MEMBERS PRESENT:
Ms. Gail Werner-Robertson
Mr. John Dinkel
Mr. John Conley
Dr. Keith Olson
Treasurer John Murante
Mr. Randy Gerke
Ms. Cecelia M. Carter

COUNCIL BOARD MEMBERS ABSENT:
Dr. Richard DeFusco

OTHERS IN ATTENDANCE:
Mr. Michael Walden-Newman, State Investment Officer
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. Aathi Rasiah, Nebraska Investment Council
Mr. Christopher Heinrich, O’Neill Heinrich Damkroger Bergmeyer & Shultz
Mr. Max Kotary, Aon
Mr. Mike Comstock, Aon
Mr. John Sullivan, Jr., Aon
Senator Robert Clements, Nebraska Legislature
Ms. Kate Allen, Retirement Systems Committee
Ms. Janis Elliott, Public Employees Retirement Board
Ms. Kelli Ackerman, Public Employees Retirement Board
Mr. John Robinson III, Kiewit
Mr. Howard Marks, Oaktree Capital Management
Mr. Michael Trefz, Oaktree Capital Management

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 8:34 a.m. to 8:35 a.m. Ms. Werner-Robertson called the meeting to order and advised that the Nebraska Open Meetings Act applies and stated that a copy of the Open Meetings Act is located on the side table. Roll call taken.

COUNCIL SELF-EVALUATION: 8:36 a.m. to 9:47 a.m. Mr. Dinkel moved that the Council board enter into closed session for the performance of the self-evaluation of the Nebraska Investment Council. The reason for the closed session is to protect the reputation of the Nebraska Investment Council board and staff. Mr. Conley seconded the motion. Chair Werner-Robertson called for a roll call vote.

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

The motion carried. Ms. Werner-Robertson asked Mr. Heinrich to stay for the closed session.

At 9:47 a.m. Mr. Dinkel moved to return to open session. Ms. Carter seconded the motion. Ms. Werner-Robertson called for a roll call vote.
VOTING AYE: Mr. Conley  
Dr. Olson  
Ms. Werner-Robertson  
Mr. Dinkel

2021 ASSET/ LIABILITY STUDY: 10:00 a.m. - 11:50 a.m. (with short break 11:17 a.m. to 11:25 a.m.) Mr. Kotary and Mr. Sullivan presented the 2021 Asset / Liability Study Results for the Nebraska Public Employees Retirement Systems (NPERS). They explained that the Asset-Liability Study provides tools to align a retirement plan's risk taking with its liabilities. The Council conducts an Asset-Liability Study for the Defined Benefit and cash Balance Benefit Plans every three to five years. The last Study was undertaken in 2016. Attendees were provided hard copies.

Mr. Sullivan's presentation included the following:
- An Overview of the Study
- Specifics on each Plan: School, Judges and Highway Patrol and State and County Cash Balance Plans
- Liquidity Analysis (School Retirement System)
- Portfolio Analysis & Impact of Additional Illiquid Assets
- Peer Comparisons

Appendices included:
- Actuarial Assumptions and Methods
- Capital Market Assumptions
- Horizon Survey of Capital Market Assumptions
- Liquidity Analysis further detail
- Impact of Public Pensions on Credit Ratings?

The Council board took a break at 11:57 a.m. Mr. Conley left the meeting. The Council board reconvened at 12:30 p.m.

A CONVERSATION WITH HOWARD MARKS: 12:30 p.m. - 2:06 p.m. Howard Marks, co-founder and co-chairman of Oaktree Capital Management presented "Advice for Investing Institutions," his observations on effective practices of successful institutional money managers. A companion hard copy packet was distributed to attendees. His comments fell into the broad categories of:
- Expectations and Goals - make sure they are realistic and reasonable
- Creed - understand market efficiency and your risk tolerance
- Process - the importance of asset allocation, proper benchmarks, and market cycles
- Organization and Environment - create a goal-achieving organization with a long-term focus
- "Inescapable Truths" - dare to be great.

PUBLIC COMMENT ON THE AGENDA: 2:06 p.m. Ms. Werner-Robertson asked if there was any public comment on the agenda. There was no public comment.

NEXT MEETING: Thursday, September 9, 8:30 a.m., LaVista Conference Center, LaVista, Nebraska.

At 2:08 p.m. Mr. Dinkel moved to adjourn. Ms. Carter seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

The motion carried.

Michael W. Walden-Newman