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 on September 9, 2021, Council meeting. Public notice was posted on the Investment Council website on September 14th. The meeting agenda and other materials were posted on the Investment Council website on December 3rd. 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

COUNCIL BOARD MEMBER 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
Ms. Mya Bunker, Nebraska Investment Council
Mr. Christopher Heinrich, O’Neill Heinrich Damkroger Bergmeyer & Schultz
Mr. Max Kotary, Aon
Mr. Joe Grandis, Aon
Mr. Bruce Ingram, Aon
Ms. Mary Ellen Stanek, Baird
Mr. Warren Pierson, Baird
Ms. Heidi Schneider, Baird
Ms. Sonali Pier, PIMCO
Mr. Brian Leach, PIMCO
Mr. Michael Chandra, PIMCO
Mr. Scott Roth, Barings
Mr. Stephen Walker, Barings
Mr. Michael Ziobrowski, Barings
Mr. Sean Feeley, Barings

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 8:30 a.m. to 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 on the wall by the entrance.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 9, MEETING: 8:31 a.m. to 8:32 a.m. Dr. DeFusco moved that the September 14, 2021 draft of the minutes of the September 9, 2021 meeting be approved as written. Ms. Carter seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Dr. DeFusco
Mr. Dinkel
Ms. Werner-Robertson abstained from voting because she was absent from the September meeting.

The motion carried.

CHAIR’S COMMENT: 8:33 a.m. to 8:34 a.m. Ms. Werner-Robertson welcomed attendees, she officially introduced to the board the Nebraska Investment Council’s first intern Ms. Mya Bunker, a junior at the University of Nebraska at Lincoln.

FIXED INCOME REVIEW WRAP UP AND MANAGER PRESENTATIONS: 8:35 a.m. to 9:22 a.m. Mr. Kotary, Mr. Grandis, Ms. Winkler and Mr. Sanders reviewed the Fixed Income blank sheet review process. Mr. Kotary and Mr. Grandis’ presentation, which was included in the meeting materials, provides a comparison of the current Fixed Income structure to the proposed structure and manager recommendations made by Council staff and Aon. The new structure retains Core Plus and adds multi-asset class allocations to the portfolios. Recommendations were also made to update fixed income component benchmarking. Mr. Kotary and Mr. Grandis discussed formally separating the target allocations to fixed income into risk-reducing fixed income and return-seeking fixed income for better risk control and more accurate benchmarking. Mr. Walden-Newman explained that the new managers Baird, PIMCO, and Barings will present to the Council, and that they would stay through Council action. Discussion followed.

MANAGER PRESENTATIONS – BAIRD ADVISORS: 9:22 a.m. to 10:05 a.m. Mr. Walden-Newman introduced Ms. Mary Ellen Stanek, Mr. Warren Pierson, and Ms. Heidi Schneider of Baird. Their presentation discussed the firm, assets under management, its team, performance and strategy of their Core Plus Bond Fund. Discussion followed Baird’s presentation.

The Council board took a break at 10:05 a.m. and reconvened at 10:17 a.m.

MANAGER PRESENTATIONS - PIMCO: 10:17 a.m. to 10:52 a.m. Mr. Walden-Newman introduced Mr. Michael Chandra, Ms. Sonali Pier, and Mr. Brian Leach of PIMCO. Their presentation discussed the firm, assets under management, its team, performance and strategy of their multi-asset credit investing portfolio. Discussion followed PIMCO’s presentation.

MANAGER PRESENTATIONS – BARINGS: 10:52 a.m. to 11:31 a.m. Mr. Walden-Newman introduced Mr. Stephen Walker, Mr. Scott Roth, Mr. Michael Zioibrowski, and Mr. Sean Feeley of Barings. Their presentation discussed the firm, assets under management, its team, performance and strategy of their multi-asset credit portfolio. Discussion followed Barings presentation.

The Council board took a break at 11:31 a.m. and reconvened at 11:58 p.m.

DISCUSSION AND DECISION: 11:58 a.m. to 12:52 p.m. The Council board discussed manager presentations, and Council Staff and Aon Blank Sheet Review conclusions and recommendations. Followed by final recommendations by Council Staff and Aon Dr. DeFusco moved that Nebraska Investment Council approve the new fixed income allocations and benchmarks for the Defined Benefit, Cash Balance Benefit, Omaha School Employees Retirement System, General Endowments, Excess Liability, and Investor Select Fund as outlined on pages 5-7 of the Fixed Income Review presentation. To implement the new allocations, approval also includes the dismissal of managers Neuberger Berman, Wellington, Franklin Templeton and Loomis Sayles’ bank loan portfolio. The State Investment Officer has the authority to enter into necessary legal agreements, subject to completion of legal review and satisfactory agreement of terms. Dr. Olson seconded the motion. Ms. Werner-Robertson called for a roll call vote.

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

**INVESTMENT PERFORMANCE REPORT: 12:53 p.m. to 1:11 p.m.** Mr. Kotary reviewed the 3rd Quarter 2021 Performance Review report commenting on current market conditions, asset allocation, performance and fund monitoring. Total assets under management were $38.1 billion. The 3rd Quarter 2021 Performance Review and the 2nd Quarter 2021 Alternatives Performance Report were included in the meeting materials. Notably except for Agricultural Development and Aeronautics, each of the portfolios outperformed or performed in-line with their respective benchmarks over the quarter. Long term relative performance across the portfolios has also generally been positive.

**PRIVATE EQUITY INVESTMENT: 1:12 p.m. to 1:25 p.m.** Mr. Jurich and Mr. Ingram presented a new fund being offered by New Enterprise Associates, a current Council investment manager. Mr. Ingram discussed the investment merits and concerns associated with the Firm and the Fund, New Enterprise Associates 18, LP (NEA 18). Mr. Ingram discussed how this fund will be split in two separate funds. NEA 18 (venture fund) will focus on seed/incubation and traditional VC, while NEA 18 VGE (venture/growth equity fund) will focus on conviction capital and growth equity. Aon supports the Council staff’s recommendation to make a $50 million commitment to New Enterprise Associates 18, LP, subject to completion of a legal review and satisfactory agreement of terms. This recommendation is based on Aon’s due diligence of this fund and is supported by its due diligence report. A copy of their presentation was included in the meeting materials.

Following discussion by the Council, Dr. DeFusco moved that the Nebraska Investment Council Defined Benefit Plans and Cash Balance Benefit Plans make a $50 million commitment to New Enterprise Associates 18 LP, 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.

**AUDIT COMMITTEE REPORT: 1:26 p.m. to 1:35 p.m.** Dr. DeFusco and Mr. Conley presented the Audit Committee quarterly report, joined by Ms. Schlautman.

**ADMINISTRATIVE REPORT: 1:36 p.m. to 1:45 p.m.** Mr. Walden-Newman presented the Administrative Report. In the report he discussed the Action Plan, the Budget Status report, the Securities Lending quarterly report and the Equity and OIP blank sheet reviews underway.

**CLOSED SESSION: 1:45 p.m. to 2:29 p.m.** Dr. DeFusco moved to enter closed session. The subject matter of the closed session is to discuss legal matters. The reason for the closed session is to protect the public interest and to prevent the needless injury to the reputation of an individual. Mr. Conley seconded the motion. Ms. Werner-Robertson called for a roll call vote.

The motion carried.
MOTION TO RETURN TO OPEN SESSION: 2:29 p.m. Mr. Conley moved to return to open session. 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.

PUBLIC COMMENT ON THE AGENDA: 2:29 p.m. Ms. Werner-Robertson asked if there were any public comments on the agenda. There were no comments on the agenda.

NEXT MEETING: 2:30 p.m. Thursday, February 10, 2022, 8:30 a.m. First Nebraska Administrative Building Lancaster Hearing Room 4D

At 2:30 p.m. Mr. Conley moved to adjourn the meeting. 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.

DRAFT date December 10, 2021

Justin M. Walkowiak