

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
MEETING MINUTES OF DECEMBER 6, 2019

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 12:00 p.m. Greenville Country Club.

Trustees Present

Suzanne Grant
Nancy Shevock
Mike Jackson
Art Agra
Tom Shaw
Rick Geisenberger
Harold Stafford

Trustees Absent

Others Present

Dave Craik, Pension Office
Joanna Adams, Pension Office
Terri Timmons, Pension Office
Jamie Mayan, Pension Office
Ann Marie Johnson, Deputy Attorney General
Khairat Makanjuola, Pension Office
Stephenie Tatman, Pension Office
Rob Gooderham, Windmark
Garry Musto, Windmark
George Saxon, Chair, Investment Committee
Mark Stalnecker, Investment Committee
Dale Stratton, Investment Committee
Pam Tikellis, Investment Committee

1. **OPENING COMMENTS**

S. Grant welcomed everyone to the meeting. Ms. Grant stated that the interview process for the Pension Administrator's upcoming vacancy had been completed and an offer made. Ms. Grant then announced that the Board was pleased to announce that Joanna Adams has accepted the position of the Pension Administrator, effective January 1, 2020. Ms. Grant then read the Resolution of the Board of Pension Trustees Appointment of the new Executive Secretary.

2. **APPROVAL OF THE MINUTES**

The Trustees reviewed the Public Minutes of the November 22, 2019 meeting.

MOTION made by T. Shaw and seconded by N. Shevock to approve the Public Minutes of the November 22, 2019 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

The Trustees reviewed the Executive Minutes of the November 22, 2019 meeting.

MOTION made by T. Shaw and seconded by N. Shevock to approve the Executive Minutes, as amended, of the November 22, 2019 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

3. **GOVERNANCE COMMITTEE**

There was nothing to report.

4. **AUDIT COMMITTEE**

S. Tatman reported that the RFP's for the External Audit engagement are due today and the scoring of those received will be held on December 19th.

5. **PENSION ADVISORY COUNCIL REPORT**

Nothing to report.

6. PENSION ADMINISTRATOR REPORT

Positions

D. Craik reported on the following:

- H.R. Specialist I - Request to Fill submitted
- Sr. H.R. Technician – is being re-classed to an H.R. Specialist I

Reporting Schedule

D. Craik stated that the Board Self-Assessment List and the Best Practices List that are being combined is being worked on.

7. DEPUTY ATTORNEY GENERAL REPORT

Board Education

Ms. Johnson introduced Jim Van Horn, who is a partner at Hirschler and the co-lead of the Investment Management Practice Group. Mr. Van Horn focuses his practice on representing institutional investors and various financial market professionals in connection with a variety of investment transactions, as well as compliance with the federal and state securities laws and regulations. He is a frequent speaker at various investor trade conferences and seminars on securities regulation matters and the alternative investment markets.

Mr. Van Horn spoke on the following areas:

- Legal Foundations of Investment Regulation
- Principles vs. Rules
- Evolving Markets, Products and Intermediaries
 - The rise of Private Investment Funds
 - Information Fluidity and Insider Trading
- Applications to DPERS

At this point during the meeting the Investment Committee Members left.

8. INVESTMENT COMMITTEE REPORT

Mr. Gooderham reported that the global equity markets moved higher in November and added to already strong gains for the calendar year. Prospects of a “phase one” trade deal between the US and China and better than expected corporate earnings contributed to the positive sentiment. US stocks led the way as the Russell 3000 index gained 3.8%. Developed international markets outperformed emerging markets as the MSCI EAFE index was up 1.1%, while the MSCI Emerging Markets index fell 0.1%. In fixed income markets, yields moved modestly higher (prices lower) and credit spread narrowed. For the month, the Bloomberg Barclays Universal index was flat, while the riskier Bloomberg Barclays High Yield index was up 0.3%.

DPERS Fund assets are estimated to be \$10,909.60 million at November 30, 2019, representing a net increase of \$104.6 million during the month. Estimated returns through November 30, 2019 are as follows:

<u>Fund</u>	<u>Nov-19</u>	<u>Fiscal Year To Date</u>	<u>12-Month</u>
Total Fund	1.3%	3.6%	8.3%
S & P 500 Index	3.6%	7.7%	16.1%
Delaware Benchmark**	1.6%	4.2%	12.8%

*Benchmark mix of 60% S&P500 Index, 35% Barclays Government and Credit Bond Index, 5% T-bills.

**Benchmark mix of 38% Russell 3000 Index, 20% MSCI ACWI exUS, 38.5% Barclays Universal Bond Index, 1.5% Barclays TIPS Index, 2% T-bills

At the December 6th Investment Committee meeting, Mr. Gooderham stated the following items were reviewed and discussed:

- A Hedge Fund Review and Strategy
- A recommendation on Angelo Gordon
- A Private Investment Outlook
- A preview of Public Market Research

The next meeting of the Investment Committee is scheduled for Tuesday, January 14, 2020.

MOTION made by T. Shaw and seconded by A. Agra to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

The Board then moved into Executive Session to discuss pending personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by H. Stafford to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

9. PENDING ITEMS

There were no pending items.

10. **NEW BUSINESS**

There was no new business.

11. **ADJOURNMENT**

At 1:32 p.m., there being no further business, **MOTION** was made by H. Stafford and seconded by T. Shaw to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

David C. Craik
Pension Administrator