

Joint Meeting of  
The Board of Trustees  
And  
Investment Advisory Committee Minutes

March 9, 2022



Presented for Review and Approval

May 11, 2022

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JOINT MEETING OF THE  
BOARD OF TRUSTEES AND  
INVESTMENT ADVISORY COMMITTEE  
EMPLOYEES RETIREMENT SYSTEM OF TEXAS

**ERS Building – 9th Floor Conference Center – Rio Grande Conference Room  
1836 San Jacinto Blvd, Austin, Texas 78701  
March 9, 2022 – 8:30 a.m.**

**TRUSTEES PRESENT**

Catherine Melvin, Chair  
James Kee, Vice-Chair  
Brian Barth, Member  
Neika Clark, Member  
Craig Hester, Member

**INVESTMENT ADVISORY COMMITTEE (IAC) PRESENT**

Gene Needles, Chair  
Laurie Dotter, Vice-Chair  
Bob Alley, Member  
Caroline Cooley, Member  
James Hille, Member  
Milton Hixson, Member  
Ken Mindell, Member  
Ryan Bailey, Incoming IAC Member  
Ruby Munoz Dang, Incoming IAC Member

**ERS DIRECTORS PRESENT**

Porter Wilson, Executive Director  
Cathy Terrell, Deputy Executive Director  
Jennifer Chambers, Director of Governmental Affairs  
Tony Chavez, Director of Internal Audit  
Bernie Hajovsky, Director of Enterprise Planning Office  
Cynthia Hamilton, General Counsel  
Robin Hardaway, Director of Customer Benefits  
Diana Kongevick, Director of Group Benefits  
Shack Nail, Special Projects and Policy Advisor  
Machelle Pharr, Chief Financial Officer  
Gabrielle Schreiber, Director of Office of Procurement & Contract Oversight  
DeeDee Sterns, Director of Human Resources  
Kathryn Tesar, Director of Benefits Communications  
David T. Veal, Chief Investment Officer

**ERS STAFF PRESENT**

Jason Avants, Information Systems  
Georgina Bouton, Group Benefits  
Carlos Chujoy, Investments  
Raquel Colon, Investments  
Kurt Cressotti, Internal Audit  
Anthony Curtiss, Investments  
Kelley Davenport, Executive Office  
Christi Davis, Customer Benefits  
Blaise Duran, Group Benefits  
Peter Ehret, Investments  
Dan Herron, Benefits Communications

Trudy Hill, Operations Support  
Tiffani Jenkins, Benefits Communications  
Lanesia Jones, Investments  
Tressie Landry, Internal Audit  
Ricky Lyra, Investments  
John McCaffrey, Investments  
Tanna Ridgway, Investments  
Bob Sessa, Investments  
Pablo De La Sierra, Investments  
Leighton Shantz, Investments  
John Streun, Investments  
Ariana Whaley, Executive Office

**VISITORS PRESENT**

Sam Austin, NEPC  
Ann Bishop, TPEA  
Ryan Falls, Gabriel, Roeder, Smith  
Diana Head, Blue Cross Blue Shield of Texas  
Colleen McGlamry, UnitedHealthcare  
Thomas Nun, Great-West Investments  
Jason Ostroski, CliftonLarsenAllen LLP  
Jim Ritchie, Bolton Retirement  
Casey Sharp, Blue Cross Blue Shield of Texas  
Brittany Smith, CliftonLarsonAllen LLP  
David Tolliver, Optum RX

## **Call to Order the Joint Meeting of the ERS Board of Trustees and Investment Advisory Committee**

### **7. Call Meeting of the Board of Trustees to Order**

Ms. Catherine Melvin, Chair, called the Board of Trustees to order to convene with the Investment Advisory Committee (IAC) to take up the following Joint Meeting of the Board of Trustees and Investment Advisory Committee agenda items.

A public notice of the ERS Board of Trustees containing all items on the proposed agenda was filed with the Office of the Secretary of State at 8:42 a.m. on Tuesday, March 1, 2022 as required by Chapter 551, Texas Government Code, referred to as "The Open Meetings Law."

### **8. Call Meeting of the Investment Advisory Committee to Order**

Mr. Gene Needles, Chair of the IAC, called the meeting to order and read the following statement:

A public notice of the ERS Investment Advisory Committee containing all items on the proposed agenda was filed with the Office of the Secretary of State at 8:42 a.m. on Tuesday, March 01, 2022 as required by Chapter 551, Texas Government Code, referred to as "The Open Meetings Law."

### **9. Consideration of the Minutes to the December 08, 2021 Joint Meeting of the Board of Trustees and Investment Advisory Committee – (Action)**

Mr. Gene Needles, IAC Chair, opened the floor for a motion on the approval of the minutes from the December 08, 2021 Joint Meeting of the Board of Trustees and Investment Advisory Committee.

The IAC then took the following action:

**Move** that the Investment Advisory Committee of the Employees Retirement System of Texas approve the minutes of the Joint Meeting of the Board and IAC held on December 8, 2021.

**Motion** by Ken Mindell, Second by Caroline Cooley

Final Resolution: Motion Carries

Aye: Robert G. Alley, Gene Needles, James Hille, Milton Hixson, Ken Mindell, Caroline Cooley, Laurie Dotter

The Board of Trustees then took the following action:

**Move** that the Board of Trustees of the Employees Retirement System of Texas approve the minutes of the Joint Meeting of the Board and IAC held on December 8, 2021.

The Board acknowledged a small correction to the minutes and the minutes were updated.

**Motion** by Craig Hester, Second by Brian Barth

Final Resolution: Motion Carries

Aye: Neika Clark, Craig Hester, Brian Barth, Catherine Melvin

### **10. Consideration of New Appointments to the Investment Advisory Committee – (ACTION-Board Only)**

Mr. David Veal, Chief Investment Officer, presented the consideration of new appointments to the Investment Advisory Committee.

He gave the Board an overview of the Investment Advisory Committee. IAC members serve the Board for staggered three-year terms. The IAC consists of at least five members and not more than nine, and currently has seven members. All members are subject to compliance with ERS investment Policy and Texas Law.

Mr. Veal recommended the Board appoint Ryan Bailey, managing partner and CIO of Carbanado Partners, and Ruby Muñoz Dang, Partner and Director of Marketing and Client Services of Garcia Hamilton & Associates, to the Investment Advisory Committee.

**Move** that the Board of Trustees appoint Mr. Ryan Bailey and Ms. Ruby Muñoz Dang for a three-year term beginning March 9, 2022 and ending March 31, 2025.

**Motion** by James Kee, Second by Craig Hester

Final Resolution: Motion Carries

Aye: Craig Hester, Brian Barth, Neika Clark, James Kee, Catherine Melvin

## **11. Consideration of Texa\$aver<sup>SM</sup> Investment Performance Review for Calendar Year 2021**

Diana Kongevick, Director of Group Benefits, Georgina Bouton, Assistant Director of Group Benefits and Thomas Nun with Great-West Investments (GWI) presented Consideration of Texa\$aver Investment Performance Review for Calendar Year 2021.

Ms. Kongevick stated that Texa\$aver is a defined contribution program designed to help state and higher education employees with personal retirement savings. As of December 31, 2021, assets in both plans totaled over \$5 billion. Ms. Bouton reported 64% of 401(k) plan participants and 62% of 457 plan participants are on track for Retirement Readiness, based on savings rate and income replacement goal.

Mr. Nun explained that inflation would likely drive the economic background through the first half of 2022. Similarly, rising interest rates will be the driver for the markets. He explained that the S&P was up 27% in 2021 even with the ongoing pandemic conditions. Growth managers did well under these conditions, but value managers did not.

Referencing the small cap fund change in the program, Mr. Nun explained that when considering a passive strategy the selection of the fund's index is critical. Two indices were considered during the small cap fund due diligence: Small Cap (S&P) 600 and the Russell 2000. The historical outperformance and lower volatility of the S&P 600 index were the primary reasons for selecting this index over the Russell 2000. Other considerations included that other passively managed equity products in the program are managed against the S&P 500 and S&P Mid Cap 400. With the small cap fund benchmarked against the S&P 600, participants can select from the program's passively managed core funds without fear of fund overlap.

Mr. Nun provided a performance analysis for each of the funds relative to the fund's benchmark, and the fund's peer group. The following funds tracked well to their respective benchmark:

- US money market fund (BlackRock Short Term Investment),
- short term bond fund (BlackRock 1-3 Yr. Gov't Bond Index F),
- intermediate bond index (BlackRock Bond Index),
- large cap blend fund (Vanguard Institutional Index (VIIX)),
- mid cap blend fund (BlackRock Mid-Cap Equity Index Fund F) and
- international passively managed mutual fund (Fidelity International Index (FSPSX)).

Other funds reflect periods of dispersions from their benchmark. The balanced fund (Vanguard Wellington Admiral (VWNEX)) is an actively managed mutual fund with an allocation of 60% equities, 40% bonds. The allocation remains fixed, but the assets underneath the equity and bond sleeves are actively managed, which creates some periods of performance dispersion.

The benchmark for the large cap growth fund, Vanguard Growth Index (VIGIX), has changed several times across its history, which accounts for the tracking variances to benchmark.

The mid cap growth fund, Wellington Mid Cap Opportunities II, is managed on the border of growth and core. Morningstar selects a growth peer group for the fund; however, the fund's benchmark is

a core benchmark. The result is that the fund outperforms the core benchmark, but it struggles against a growth peer group.

The actively managed international growth fund, Fidelity Diversified International (FDIVX), had a period of underperformance in 2017 and 2018; however, the fund recovered in 2021.

The AB All Market Real Return Portfolio Fund (AMTIX), the program's inflation risk product for participants, has a difficult benchmark and peer group. The fund gains exposure through commodities equities, real estate equities, as well as other inflation-sensitive equities.

To conclude, Mr. Nun provided an overview on the target date fund series, BlackRock LifePath® Index Target Date funds. Target date funds continue to be a highly utilized investment fund within the program, as they are the default choice for all new participants. The target date funds offer solid performance. The fund series has been somewhat aggressive as compared to peers early in the glide path.

There were no further questions and no action was required on this agenda item.

## **12.\*Consideration of the Investment Compliance Annual Report**

Mr. Kurt Cressotti, Investment Compliance Officer, presented an overview of ERS' Investment Compliance department and a summary of its Annual Compliance Report.

Mr. Cressotti highlighted the compliance role within ERS' organizational structure, which led to a brief discussion regarding the importance that independence and objectivity played in fulfilling his duties as a compliance officer.

Mr. Cressotti stated that ERS' Code of Ethics applied to 126 covered persons in 2021. Of those covered persons, 114 employees were responsible for both quarterly and annual affirmations of compliance. Seven IAC members and five Board members were responsible for annual affirmations of compliance. In regards to Investment Compliance's personal trade monitoring program, 93 of 114 employees reported brokerage accounts in 2021. Forty of these 93 employees engaged in personal trade activity during the year, totaling 1,351 personal trade requests.

Committee members asked questions about the personal trading program, including how it compared to other employers. Mr. Cressotti said that the program worked well, but ERS could consider some changes, such as only allowing trades with brokers that can report electronically to the monitoring software.

Investment Compliance participated in 35 Asset Class Investment Committee (ACIC) meetings with another 28 ACIC items conducted via email in the calendar year. Since the last compliance report, improvements were made to Investment Compliance's Code of Ethics monitoring program. New testing procedures and documentation processes have been implemented for ACIC recommendations. Compliance monitoring was added for the Chinese Military Companies Sanctions and Japan's FEFTA restrictions. All scrutinized investment activities were reported successfully, and a solicitation process was conducted for investment compliance software, resulting in the selection and the renewal of ERS' existing investment compliance software contract through the year 2025.

Staff also updated ERS' Code of Ethics, including the section on personal transactions.

Mr. Cressotti commented that ERS' compliance policies and procedures were reasonably designed to prevent, detect and correct violations of applicable laws, regulations and policies during the previous calendar year.

Mr. Cressotti concluded with Investment Compliance's action plan for the upcoming year, which include implementing its upgraded investment compliance software, updating its scrutinized investments standard operating procedures, updating the Investment Policy Statement, auditing its portfolio compliance-monitoring program and adding new automated tests as needed.

There were no further questions and no action was required on this agenda item.

### **13. Annual Consideration of Eligibility and Compliance of the Investment Advisory Committee**

Mr. Kurt Cressotti, Investment Compliance Officer, presented a review and discussion of Eligibility and Compliance for Calendar Year 2022 of the Investment Advisory Committee.

Mr. Cressotti began with a reminder that the Board was required to review the eligibility status of all IAC members on an annual basis pursuant to state law.

He then discussed the criteria for IAC eligibility, which included a review of potential conflicts of interest between the members and ERS, a review of the members' ability to fully discharge their duties, and a review of the members' record of attendance at scheduled Board meetings.

Mr. Cressotti then stated that an examination of IAC members' potential conflicts of interest with ERS was conducted over the preceding two months. It was ultimately determined that no disclosed outside business activities presented a conflict of interest between any IAC member and ERS. Mr. Cressotti then shared a two-slide skills matrix highlighting all individual IAC members' professional titles, term expiration dates, years of professional experience and various areas of investment expertise. Mr. Cressotti stated that all IAC members' had perfect attendance for all scheduled Board meetings in 2021.

Mr. Cressotti affirmed that all IAC members have met the annual requirement and all members eligible for continued service.

There were no further questions and no action was required on this agenda item.

### **14. Consideration of Quarterly Report from Chief Investment Officer**

Mr. David T. Veal, Chief Investment Officer, presented the investment performance for the third calendar quarter of 2021.

Mr. Veal discussed that the objective of the Trust is to invest prudently in a diversified portfolio at a reasonable cost to maximize the probability that promised benefits are provided.

He noted that the investment strategy used to accomplish these goals includes:

- Allocating thoughtfully to available assets
- Carefully selecting managers that add value
- Diversifying well to control risk as markets change

Mr. Veal discussed Trust performance showing the rate of return has been above the policy benchmark across 1, 3, 5, and 10-year horizons, including an outperformance of 160 basis points of annualized out performance, net of expenses over the trailing five-year period. He noted that this level of outperformance translates into approximately \$3 billion of value added to the Trust over the last five years, including more than \$2 billion over the last year.

He stated that the volatility of the Trust remains flat at 7% and remains below the benchmark's long-term average of 8%. Further, that relative risk, as measured by realized tracking error, continues to rise, resulting in the private market allocation being higher than the allocation benchmark.

Mr. Veal stated that all asset classes, with the exception of Private Equity, remain within their policy ranges. He noted that the Private Equity allocation is slightly above the 18% benchmark at 0.1% (ten basis points). Private Equity is up 34% year over year. The Private Equity team is monitoring this issue closely and plans to make changes to bring Private Equity back within the range.



The Board acknowledged that they are aware Private Equity is above the allocation benchmark and that the investment team is working on a plan. The board also acknowledged that other institutional peers are having the same issue due to the growth in the Private Equity market.

Mr. Veal explained that majority of the Trust is now 53% externally managed due to the significant gains within private markets. He further explained that the shift toward private markets has led to an increase in expense levels. He added that during Calendar Year 2022 the expenses of the Trust are expected to decrease and come down to 80 to 85 basis point range.

Mr. Veal state that priorities for 2022 include updating key policies and procedures, addressing consultant & audit recommendations, revisiting the organizational structure, and completing an asset liability study. He discussed the key steps of the asset allocation study process and timeline, adding that the final report will be delivered to the Board in August.

Mr. Veal concluded by stating that the investment performance for the Trust continues to achieve its stated objectives well.

There were no further questions and no action was required on this agenda item.

#### **15. \*Consideration of Quarterly Review of Investment Performance and Risk Update**

Mr. David T. Veal, Chief Investment Officer, Mr. Carlos Chujoy, Director of Risk Management, Mr. Sam Austin, NEPC, presented the investment performance for the fourth calendar quarter of 2021.

Mr. Austin begin with an economic and market environment update for 2021. The takeaway from 2021 was the Federal Reserve's underestimation of how the impact of monetary and fiscal stimulus would supercharge the economy causing dislocation between demand and supply, drastically increasing inflation.

Compared to its peers, defined by NEPC as public pension funds with assets greater than \$1 billion, the ERS Trust ranked in the fifth quartile, calendar year to date, with 20.7% return.

The largest contributors of the quarter were Private Equity (+0.3%), and Total Global Credit (+0.2%. Global Equity (-0.2%) and Private Real estate (-0.1%) detracted.

The Trust's assets increased from \$30.87 billion to \$36.20 billion in the calendar year, which included a \$6.29 billion investment gain in the calendar year and a \$1.65 billion investment gain in the fourth calendar quarter of 2021.

For the year ended December 31, 2021, the Trust outperformed the policy benchmark by 6.1%. For the three-year period ended December 31, 2021, the return of 15.0% outperformed the benchmark by 1.6%.

For the five-year period ended December 31, 2021, the Trust returned 11.6% and outperformed the policy benchmark by 1.6% ranking ERS in the top quartile.

Mr. Austin concluded saying that the Sharpe and Sortino Ratios of the Trust also outperformed those of the policy benchmark, indicating that active management has benefited the plan.

Mr. Chujoy discussed the outlook for the Trust, highlighting major headwinds (obstacles) during the quarter including the Omicron variant, which became a major source of uncertainty, higher inflation expectations and lower economic projections, reduced market breadth, seasonally weak liquidity and volume flow, and increasing geopolitical tensions. Tailwinds include Omicron becoming less severe, inflation surprises (a sudden brief inflation) rolling over, early signs of supply chain improvements, and fundamentals still supportive of continued growth above trend, but at a slower pace.

The Heat Map of Global Stress Indicators chart showed an increase of financial stress levels, including several risk indicators such as fund flow and volume flow that increased during the end of the quarter with a deceleration of the number of share volume traded. There was higher implied volatility in Treasury bills and higher stress levels of consumer staples during the quarter affecting consumer spending.

Mr. Chujoy explained the many risk drivers of the quarter such as higher yields, the changing shape of the yield curve resulting in lower economic growth and inflation, and leading indicators signaling a recession is ahead, with a small number of assets driving the market.

Mr. Chujoy explained the results of the Liquid Proxy Analysis for the ERS Trust addressing the effect of lagging portfolio return numbers on the total portfolio and how active risk would be affected if illiquid returns were more punctual in the reporting of their numbers. The Management and Applied Research team found that returns of a proxy portfolio are similar to the ERS Trust, but more volatile. This showed that the Long Term Public benchmark currently in place is a great benchmark to address the high-risk profile in the illiquid assets.

There were no further questions and no action was required on this agenda item.

## **16.\*Consideration of Annual Review of Capital Market Assumptions**

Mr. McCaffrey explained that capital markets assumptions are forward-looking expectations from a risk/return standpoint, and are used internally for the asset allocation and portfolio construction process.

Mr. McCaffrey stated that general return expectations going forward are lower relative to both historical expectations and realized market returns over the last five years. He noted that within public equities, emerging markets should perform better than their developed international and domestic US counterparts, which would mark a reversal over actual results from recent history. He also noted that private equity is expected to have the highest returns among all ERS asset classes, even though projected gains are less than half of the actual returns realized over the last five years. Finally, he mentioned that expectations for fixed income and real estate securities will be challenged going forward, due to the threat of an expected higher interest rate environment.

Mr. McCaffrey went on to explain how, despite generally lower expectations, the ERS trust is able to provide additional performance over a traditional stock/bond portfolio by implementing the ERS strategic diversified mix. He showed that applying capital market assumptions to the Long Term Public Index results in a 5.4% expected return, while the strategic ERS current policy mix expects returns of 6.0% to 6.3%. He further explained that implementation decisions by staff have resulted in an additional 80 basis points of annual excess returns over the last 10 years and that these implementation gains bring the expected return for the trust to 6.8% to 7.1%.

Mr. McCaffrey then moved on to discuss five investment themes that could drive markets in the cycle ahead:

- Higher levels of inflation and a less supportive policy environment signal a new economic regime where investors should revisit their treasury holdings and consider adding commodity exposure for diversification.
- As supply chains falter, the multi-decade trend toward globalization has now reversed and companies are moving more towards policies of nationalization.
- Wage growth and worker shortages are driving capital expenditures toward productivity improvement over new production.
- Record consumer savings could be a significant driver of capital markets, depending on what pace the capital is redeployed into the economy.
- The outlook on China varies as the country moves from a policy of “growth at all costs” to a more targeted “common prosperity,” but most agree on the relative importance of the market going forward.

Mr. McCaffrey explained that continued technological advances, such as artificial intelligence and the internet of things, as well as further adoption of such technological advances could drive further productivity growth.

Mr. Veal noted the example of fast food restaurants investing in automated touch-screen ordering kiosks as it becomes increasingly difficult to find employees. In response to a Board question regarding whether immigration and outsourcing could potentially curb further wage inflation, he added that most countries around the world, for various reasons, have a declining working population and that the challenge is not unique to US companies.

There were no further questions and no action was required on this agenda item.

### **17.\*Consideration of Annual Review of Fixed Income Program**

Mr. Leighton Shantz, Director of Fixed Income, presented the Annual Review of Fixed Income and the Securities Lending Program.

He explained that the Fixed Income Portfolio is comprised of the risk-reducing Rates Portfolio (11% of the Trust) and the return-seeking Credit Portfolio (13% of the Trust). The investment objective for the Rates Portfolio is to maintain liquidity. Both portfolios have a goal to outperform their respective benchmarks over rolling 5-year periods while remaining within risk parameters.

Mr. Shantz explained that the intention of the two different asset allocations is that both mandates have positive expected returns, but tend to have negative correlations in crises. When one portfolio is doing well, the other is not, to ensure that the total returns of the trust are appropriate to meet the objectives.

The benchmark for the Rates portfolio is the Bloomberg Barclays Intermediate Treasury Index comprised of 1-10 year maturities. The Rates portfolio has a policy tracking error maximum of 100 basis points.

Mr. Shantz stated that on a one-year period the Rates portfolio underperformed the benchmark by four basis points (-175 basis points vs. -172 basis points). Over the three and five year periods, the portfolio has annualized returns about ten basis points higher than the benchmark. Mr. Shantz stated that the primary objective for the Rates portfolio is to remain liquid in order to raise funds when needed for the Trust.

The Rates portfolio consists of 85% Treasuries, 14% mortgage-backed securities and 1% commercial mortgage-backed securities in 2021.

Credit's benchmark is the Bloomberg Barclays 2% Issuer Capped, Cash Pay, and U.S. High Yield Index. The Credit portfolio has a policy tracking error maximum of 300 basis points. It consists of high yield bonds, which are primarily managed internally.

The return for the 1-year period was 13.9%, versus the benchmark of 5.3%. The 3-year and 5-year returns outperformed their benchmarks by 70-80 basis points annually as well.

The Credit portfolio value was about \$3.5 billion dollars at the end of the year. It is internally managed for control purposes. The portfolio has a 200 basis points tracking error target with a maximum tracking limit of 300 basis points.

Mr. Shantz stated the Credit portfolio is comprised of U.S. high yield bonds, structured credit, middle market direct origination, and distressed credit.

The initiatives for the Fixed Income team is to continue to manage both portfolios opportunistically, consider the changing liquidity needs of the Trust, and to evaluate potential updates to the risk budgeting methodology.

Mr. Shantz next covered the securities lending program, reminding the Board that the ERS Investment Policy Statement authorizes the program and requires an annual summary. The objective of the program is to lend in such a way as to maximize risk-adjusted returns, primarily from minimizing collateral risk.

He explained that ERS' securities lending agent (Deutsche Bank) indemnifies the Trust against a borrower's failure to return assets and collateral losses, as long as it is invested in repurchase agreements or "repos." Staff monitors the market's perception of its agent's credit closely to further manage risk. He added that the Trust retains 90% of all the revenue generated and Deutsche Bank retains 10%.

The program earns less revenue than it has previously, a reflection of the risk mitigation steps ERS has taken. In 2015, ERS restricted borrowing to "tier one collateral" to be only overnight government repo, and established a higher lending hurdle. In the current fiscal year to date, the program's balance had increased to an average of \$328 million versus \$156 million for Fiscal Year 2021. Fiscal Year 2022 is projected to be slightly higher. Fiscal year to date 2022, the program has made \$449,000 in net rebate revenue and \$324,000 in net collateral revenue.

The Board inquired if the lending program was worth pursuing since that revenue has decreased. Mr. Shantz responded that he thought it is worth continuing the program since he thought revenue would increase due to increased demand, higher short-term rates, and valuable insights on holdings provided by the program. He further added that it had reached the point where only limited resources were required to run the program.

There were no further questions and no action was required on this agenda item.

**18. Reminder Regarding Future Meetings of the Board of Trustees, Investment Advisory Committee, and Audit Committee**

The next meeting dates are (Wednesday) May 11, 2022 and (Wednesday) August 24, 2022.

There were no questions or further discussion, and no action was required on this item.

**19. Adjournment of the Joint Meeting of the Board of Trustees and Investment Advisory Committee**

The Joint meeting of the Board of Trustees and Investment Advisory Committee adjourned at 2:45 p.m.

There were no questions or further discussion, and no action was required on this item.