

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

August 23, 2023



Presented for Review and Approval

December 5, 2023

TABLE OF CONTENTS

13. RECONVENE THE MEETING OF THE ERS BOARD OF TRUSTEES 3

14. CALL MEETING OF THE INVESTMENT ADVISORY COMMITTEE TO ORDER 3

15. CONSIDERATION OF TEXA\$AVER PRODUCT REVIEW COMMITTEE UPDATE 3

16. CONSIDERATION OF THE INCENTIVE COMPENSATION PLAN FOR PLAN YEAR 2024 4

**17. CONSIDERATION OF QUARTERLY REVIEW OF INVESTMENT PERFORMANCE AND MARKET ENVIRONMENT
..... ERROR! BOOKMARK NOT DEFINED.**

18. CONSIDERATION OF QUARTERLY REPORT FROM CHIEF INVESTMENT OFFICER 6

19. CONSIDERATION AND ANNUAL REVIEW OF THE ERS INVESTMENT POLICY STATEMENT 7

**20. CONSIDERATION AND ANNUAL REVIEW OF PROPOSED PRIVATE MARKETS CAPITAL PLANS FOR FISCAL YEAR
2024 8**

21. INVESTMENT ADVISORY COMMITTEE MEMBER RECOGNITION 9

22. BOARD MEMBER RECOGNITION 10

23. ELECTION OF BOARD CHAIR AND BOARD VICE CHAIR FOR FISCAL YEAR 2024 10

**24. DATES FOR FISCAL YEAR 2024 MEETINGS OF THE ERS BOARD OF TRUSTEES, INVESTMENT ADVISORY
COMMITTEE, AND AUDIT COMMITTEE 10**

**25. ADJOURNMENT OF THE JOINT MEETING OF THE BOARD OF TRUSTEES AND
INVESTMENT ADVISORY COMMITTEE 10**

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
May 17, 2023 – 8:30 a.m.**

TRUSTEES PRESENT

Dr. James Kee, Chair
Brian Barth, Vice-Chair
Neika Clark, Member
Craig Hester, Member
Catherine Melvin, Member
John Rutherford, Member

INVESTMENT ADVISORY COMMITTEE (IAC) MEMBERS PRESENT

Gene Needles, Chair
Laurie Dotter, Vice-Chair
Bob Alley, Member
Ryan Bailey, Member
Jim Hille, Member
Milton Hixson, Member
Ruby Muñoz Dang, Member

ERS DIRECTORS PRESENT

Porter Wilson, Executive Director
Cathy Terrell, Deputy Executive Director
Jennifer Chambers, Director of Government Relations & Special Projects
Tony Chavez, Director of Internal Audit
Blaise Duran, Acting Director of Group Benefits
Bernie Hajovsky, Director of Enterprise Planning Office
Cynthia Hamilton, General Counsel
Robin Hardaway, Director of Customer Benefits
Shack Nail, Special Projects & Policy Advisor
Machelle Pharr, Chief Financial Officer
Gabrielle Schreiber, Director 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

Amanda Burleigh, Office of General Council
Raquel Colón, Investments
Kurt Cressotti, Investment Compliance
Amy Cureton, Investments
Anthony Curtiss, Investments
Kelley Davenport, Executive Office
Peter Ehret, Investments
Marcia Gibbs, Benefits Communications
Angelica Harborth, Group Benefits
Trudy Hill, Operations
Mitch Holtz, Investments
Lauren Honza, Investments

Richard Inzunza, Investments
Tiffany Jenkins, Benefits Communications
Meagan Larson, Investments
Dani Levrie, Benefits Communications
Ricardo Lyra, Investments
Keith Lyons, Investments
John McCaffrey, Investments
Aris Oglesby, Investments
Jamey Pauley, Enterprise Planning Office
Pablo de la Sierra Perez
Samantha Ramirez, Investments
Evelín Ramos, Investments
Thomas Rashman, Investments
Cheryl Scott Ryan, Office of General Council
Benjamin Schuman, Investments
Robert Sessa, Investments
Leighton Shantz, Investments

VISITORS PRESENT

Sam Austin, NEPC
Tom Martin, Aksia
Thomas Nun, Empower Investments

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

13. Reconvene the Meeting of the Board of Trustees

Dr. James (Jim) Kee, Chair of the Board of Trustees (Board) for the Employees Retirement System of Texas (ERS), called the board 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 and Investment Advisory Committee meeting was filed with the Office of the Secretary of State at 2:47 p.m. on Tuesday, August 15, 2023 as required by Chapter 551, Texas Government Code, referred to as "The Open Meetings Act."

14. Call Meeting of the Investment Advisory Committee to Order

Mr. Gene Needles, Jr., Chair of the IAC for ERS, called the IAC to order.

A public notice of the ERS Board of Trustees and Investment Advisory Committee meeting was filed with the Office of the Secretary of State at 2:47 p.m. on Tuesday, August 15th, 2023 as required by Chapter 551, Texas Government Code, referred to as "The Open Meetings Act."

15. Consideration of Texa\$aver Product Review Committee Update

Mr. David T. Veal, Chief Investment Officer, and Ms. Angelica Harborth, Manager of Deferred Compensation Program, and Lauren Honza, Managing Director of Public Equities, presented on this item.

Mr. Veal began the presentation with a brief overview of the Texa\$aver Deferred Compensation Program and the structure of the fund lineup. He noted that the lineup includes target date funds, core funds, and a self-directed brokerage option.

Mr. Veal went on to explain the roll and structure of the Product Review Committee (PRC), which meets semiannually to review the investment lineup and recommend necessary action to the Board. Membership includes staff from ERS Investments and Executive Office, as well as IAC members.

ERS Executive Director Porter Wilson mentioned that the appointment of Mr. Veal as Chair of the PRC was a concerted effort to add investment expertise to the Texa\$aver program oversight.

Mr. Veal went on to review the recent PRC meeting held on July 27, 2023. The main item discussed at the meeting was an evaluation of the Wellington CIF II MidCap Opportunities S1 Fund (WMCOF). Mr. Veal noted that the fund was on the watch list for poor relative performance, despite positive absolute performance. Mr. Veal noted that a Subcommittee was tasked with evaluating WMCOF and issuing a recommendation to the broad PRC.

Mr. Wilson mentioned that the PRC charter is under review for an update, which is scheduled to be presented to the Board for Consideration in August.

Mr. Veal reviewed some numbers around ownership and performance of WMCOF, noting that its 5-year performance ranked in the 90th percentile among peers and that it has trailed its benchmark on a 1-, 3-, and 5-year basis.

Mr. Veal went on to note that 75% of the funds allocated to WMCOF are allocated through the automated Managed Account Program, with less than 25% directed from participants themselves. Mr. Veal also noted that the fund's managers failed to provide ERS a copy of its securities lending agreement and failed to timely disclose the departure of a key investment team member.

Mr. Veal reviewed the recommendation of the PRC, which is to remove WMCOF from the Texa\$aver core funds lineup and transfer assets to the existing passive domestic mid cap equity fund. He

noted that staff will work with the program's third party administrator, Empower, to communicate and implement the change, if approved.

The Board then took the following action:

Move that the Board remove the Wellington Midcap Growth Fund from the Texa\$aver lineup with program assets being transferred to the existing mid cap index fund.

Motion by Mr. John Rutherford, second by Dr. James Key.

Final Resolution: Motion carries.

Aye: Dr. James Kee, Brian Barth, Neika Clark, Craig Hester, Catherine Melvin, John Rutherford

16. Consideration of the Incentive Compensation Plan for Plan Year 2024

Ms. DeeDee Sterns, Director of Human Resources, and Mr. Jamey Pauley, ICP Program Specialist, presented on this agenda item.

Mr. Wilson noted that while this is a Board-Only Action Item, he chose to have this item presented at the Joint Meeting to gather input from the IAC.

Mr. Pauley began the presentation by reviewing the process for previewing ICP Plan changes in May, gathering feedback from the Board and IAC, and then presenting changes for approval in August.

Mr. Pauley noted that there are two significant changes being proposed for FY24. The first proposed change is to eliminate the provision for forfeiture of earned ICP awards after three consecutive years of non-positive performance. Mr. Pauley notes that this change would improve the ability of the Trust to hire and retain key talent as well as align it with peer incentive plans.

The second change that Mr. Pauley noted was the elimination of the forfeiture provision for eligible ERS employees who retire. He noted that this change came as a result of discussion in the May Joint Board-IAC meeting. Mr. Pauley noted that he was instructed to review peer plans, and he found that they do not require forfeiture upon retirement. Mr. Pauley noted that draft language removing the provision was reviewed by the Board with no objections.

There was some discussion about the retirement provision as it relates to retiring specifically on August 31 or September 1. It was decided that the language could be modified to allow an employee who retires on August 31 to qualify for the ICP under the retirement provision. Ms. Cynthia Hamilton agreed to modify the language of the proposal accordingly for the retirement provision, as well as the death and disability provision in Section 6.8.

Ms. Hamilton was able to amend the language of the proposal to include eligible employees who terminate their employment on August 31 of the current plan year.

Mr. Rutherford then raised a question about the forfeiture of earned ICP after three negative years of absolute performance. He noted that the elimination of the provision aligns the Plan with solely relative returns. Several IAC members noted that a forfeiture of earned ICP could have a material impact on the ability to retain and attract talent.

Mr. Pauley went on to review a number of non-material changes that were related to language.

The Board then took the following action:

Move to approve the changes to the ICP plan sections 6.8 and 6.8.1

Motion by Craig Hester, second by Brian Barth.

Final Resolution: Motion carries.

Aye: Dr. James Kee, Brian Barth, Neika Clark, Craig Hester, Catherine Melvin, John Rutherford

17. Consideration of Quarterly Review of Investment Performance and Market Environment

Mr. John McCaffrey, Managing Director of Portfolio Management, Mr. David T. Veal, Chief Investment Officer, and Mr. Sam Austin of NEPC presented on this agenda item.

Mr. Austin began his presentation with an overview and discussion of economic metrics.

He noted that despite higher interest rates, GDP growth has remained positive and that a recession appears unlikely in 2023. Mr. Austin went on to note that core CPI remains elevated at 4.8%, and is still a long way from the Federal Reserve target of 2% to 2.5%. He believes that elevated inflation will continue to cause the Federal Reserve to keep rates above 5%.

Mr. Austin went on to note that cooling inflation has brought the value of the U.S. Dollar down, but that he expects that decline to stabilize and the Dollar to remain strong.

Mr. Austin then went on to discuss markets and performance.

Mr. Austin noted that in the second quarter, growth and U.S. stocks outpaced the overall market with a continued high concentration of performance in a small number of large U.S. stocks.

Mr. Austin noted that the ERS Trust typically lags peers in times of rapid upward movement of markets, and that is reflected in lower peer rankings over short time periods, with calendar- and fiscal-year-to-date results shown. Most of this ranking is explained by allocation within the Policy Benchmark, as implementation has resulted in positive excess return over the same time periods.

Mr. Austin went on to note that 5-year returns remain strong, with risk-adjusted returns in the top decile versus the peer group. He noted that Global Public Equity and Private Real Estate were the biggest contributors to second quarter performance.

Mr. Austin went into more detail on returns, showing three- and five-year returns that have exceeded the assumed rate of return, the Policy Benchmark return, the Passive Index return, and a majority of peer funds.

Mr. Veal noted that much of the ERS Trust growth came from payments from the Legislature, which do not contribute to the measurement of investment performance.

There was some discussion about when the Trust would turn cash flow positive. Mr. Veal notes that the turn to cash flow positivity will likely come post-2030. He further noted that the cash flow dynamics will continue to drive the target allocation to Private Markets, which have lower liquidity.

Mr. Austin went on to show slides demonstrating that ERS has earned a higher return, with less assumed risk on a 3- and 5-year basis compared to its peers.

Dr. Kee noted that he would like to see risk-adjusted returns broken out between private and public investments.

Mr. Veal noted that such an analysis would need to note that much of the Public Markets portfolio is classified as risk-reducing rather than return-seeking, which would impact the interpretation of the analysis.

Mr. Austin showed some attribution slides, with the main focus being the positive contribution of Public Equities after several years of detracting from overall relative performance.

There was some discussion about asset allocation trends among peers. Mr. Austin noted that each top fund is managed differently, but that all of the top performing funds are pursuing diversified

strategies. Mr. Austin noted that cash allocations and secondary private equity markets have been heavily discussed.

Mr. Veal asked Mr. Austin if the denominator effect is still limiting allocations to private markets among peers. Mr. Austin noted that it is, and that he has seen peers both increase maximum allocation thresholds and slow allocations as a result.

There was some discussion about NEPC market reports and if those can be shared with the ERS board. Mr. Austin mentioned that such reports are produced and can be shared.

Mr. McCaffrey then began his report on market conditions.

Mr. McCaffrey began his presentation by showing the historical relationship between growth and inflation, how the COVID-19 pandemic disrupted that relationship, and how the relationship has recently normalized.

Mr. McCaffrey went on to broadly discuss the dynamics driving GDP growth, labor markets, consumer behavior, and lending behavior.

There was further discussion about the impact to small business of tightening loan standards, which is likely higher than the impact to large corporations.

Mr. McCaffrey discussed inflation, which has remained elevated, especially the core metrics which are the main driver of Federal Reserve policy.

Mr. McCaffrey presented a slide projecting interest rates above 4% into 2025, which reflect recent market expectations shifting to higher rates for a longer period of time.

Mr. McCaffrey went on to show that economic growth will likely remain resilient, which could contribute to inflation and reduce the likelihood of interest rate cuts.

Mr. McCaffrey noted that equity volatility has returned to normal levels, but that Treasury volatility remains high. Mr. Veal noted that the bond market is much larger than the equity market, despite apparent market attention on equity markets.

Mr. McCaffrey went on to show that equity-bond correlations remain high, which translates to Trust-level volatility.

18. Consideration of Quarterly Report from Chief Investment Officer

Mr. David T. Veal, Chief Investment Officer, presented on this agenda item.

Mr. Veal presented a brief overview of the role of Investments at ERS, which is to prudently maintain a high-performing, well-diversified, and cost-effective portfolio to support the provision of earned benefits.

Mr. Veal reviewed asset class positioning, and the impact of \$1 billion in recent funds received from the State of Texas. He noted that these funds were allocated to Cash and Rates, which had been depleted to pay benefits. Mr. Veal noted that the Trust is scheduled to receive an additional \$1.4 billion from the State in September.

Mr. Veal went on to discuss 1-, 3-, 5-, and 10-year returns, which have exceeded the assumed rate of return over a long-term time horizon, and outperformed the Passive Index over the 3-, 5-, and 10-year periods.

Mr. Veal next discussed ERS Trust performance versus the Policy Benchmark. He noted that 5-year returns are the primary objective of staff, and that the 5-year excess return of 142 basis points reflects strong performance relative to that objective.

Mr. Veal then discussed quarterly performance versus the ERS peer ranking. He noted that quarterly volatility increased in recent years.

Mr. Veal moved on to peer rankings, which returned to above-average after two quarters of lagging peers. The peer ranking remains very strong on a 3-, 5-, and 10-year basis. Mr. Veal went on to show that the rolling 5-year peer ranking has steadily improved over five years.

Mr. Veal then reviewed 5-year Fund attribution, which demonstrates value, has primarily been added by security selection. He went on to say that ERS is adding resources to improve strategic allocation with the goal of making allocation a significant driver of excess returns, along with security selection.

Mr. Veal went on to discuss attribution by asset class, which continues to be driven by strong selection in Private Equity and Private Real Estate. He noted that Public Equity remains a detractor on a 5-year basis, but that as of the end of June, the asset class has exceeded its benchmark by 140 basis points in FY23, showing significant improvement post the September restructuring.

Mr. Veal then discussed Trust volatility, which can serve as a tool to measure the possible downside in a market drawdown.

Mr. Veal showed unrealized gain by asset class, which shows that unrealized gains for the Trust stand at 9%, with the largest concentrations in Hedge Funds, Private Equity, Private Real Estate, and Public Equity.

Mr. Veal then reviewed developments and initiatives. He mentioned that talent development is a priority, including the transition of key individuals to the Strategy team. The pending move to the 5th floor, consulting RFQ, and Investment Practices Review are also key initiatives.

There was further discussion about the ability of the Investments division to hire new talent. Mr. Veal noted that the talent pool does still appear to be reduced relative to historical levels. He notes some process improvements in Human Resources and the recent compensation survey should help.

There was further discussion about deployment of incoming funds. Mr. Veal noted that staff is seeing pockets of opportunity in Real Estate and Private Equity over a one- to two-year timeframe.

There was no further discussion on this item.

19. Consideration and Annual Review of the ERS Investment Policy Statement

Mr. David T. Veal, Chief Investment Officer, presented on this agenda item.

Mr. Veal began the presentation noting that this year's IPS update follows a much more comprehensive update in 2022, resulting in fewer changes this time around.

Mr. Veal notes that the most significant changes are adoption of an IAC charter, updated allocation parameters for Cash, creating two classes of Restricted Persons, adding language around the statutory duty of diversification, and adding detail regarding the role of investment consultants.

Mr. Veal further explained the need for an IAC charter, using the Asset Class Investment Committee (ACIC) charter as a model. He noted that this item clarifies the role and function of the IAC.

Mr. Veal then explained that he is asking the Board to approve a maximum allocation to Cash of 5% versus the current 3%. He noted that interest rates on Cash now exceed 5%, giving it strategic value. Mr. Veal then explained that staff is also asking the Board to approve the target allocation to Cash within the Group Benefits Program to 50%, offset by a reduction to Rates and Public Credit of 10% each.

There was discussion about increasing the maximum above 5% to take advantage of higher yields and prepare for potential market dislocation. The discussion resulted in an agreement that 10% would be an appropriate maximum allocation to cash.

Mr. Veal went on to discuss the creation of a Restricted Persons II class of Restricted Persons. This change creates a class of Restricted Persons who do not have routine access to confidential investment information. Mr. Veal noted that this includes Investments attorneys, the Deputy Executive Director, and IAC members. He went on to say that these people would not be subject to pre-clearing trade requirements but will need to complete quarterly affirmations and are subject to gift restrictions.

Mr. Veal then discussed new IPS language that reflects longstanding language from Texas statutes requiring Trustees to make decisions at the Trust level as part of an overall investment strategy. The language clarifies that diversified investments better serve the risk and return objectives of the Trust, barring special circumstances.

Mr. Veal next discussed language to clarify the role of consultants, with clear distinction between asset class consultants and a general consultant. The language will also support the upcoming consultant RFQ process.

There was further discussion about the consultant vesting and selection process. Ms. Gabrielle Schreiber, Director of Procurement and Contract Oversight, joined the discussion to explain the evaluation process at ERS. Mr. Wilson added that he will look to add Board and/or IAC member input to the evaluation process.

There was further discussion about the reduction in investment fees. Mr. Veal noted that this was partially driven by the consolidation of the Public Equity portfolios.

There was further discussion about formally including the IAC members in regular review of the IPS.

The IAC then took the following action:

Move to make the aforementioned changes to the Investment Policy Statement, clarifying a new maximum cash target of 10%.

Motion by Robert Alley, second by Milton Hixon

Final Resolution: Motion carries.

Aye: Gene Needles, Laurie Dotter, Bob Alley, Ryan Bailey, Jim Hille, Milton Hixson, Ruby Muñoz Dang

There was further discussion about peer fund maximum cash allocations. Mr. Sam Austin said the maximum allocation varies widely among peers. He said he is unaware of funds with a firm maximum cash allocation. Ms. Cynthia Hamilton, ERS General Counsel, noted that the Teacher Retirement System of Texas has a maximum cash allocation of 7%.

There was further discussion about the fact that the maximum allocation to Cash should reflect current market conditions and can be reviewed annually.

The Board then took the following action:

Move to make the aforementioned changes to the Investment Policy Statement, clarifying a new maximum cash target of 10%.

Motion by Craig Hester, second by Catherine Melvin

Final Resolution: Motion carries.

Aye: Dr. James Kee, Brian Barth, Neika Clark, Craig Hester, Catherine Melvin, John Rutherford

20. Consideration and Annual Review of Proposed Private Markets Capital Plans for Fiscal Year 2024

Mr. Anthony Curtiss, Deputy Chief Investment Officer, and Mr. David T. Veal, Chief Investment Officer, presented on this agenda item.

Mr. Veal introduced the item noting that the combined review of all Private Markets Capital Plans is a new item meant to optimize timing and provide a comprehensive view of Trust-level commitments.

Mr. Curtiss began his comments with an overview of the capital planning process, which encompasses allocation guidelines, the Asset Class Investment Committee approval process, and liquidity management.

Mr. Curtiss presented a slide demonstrating that the 2024 proposed capital plans result in allocations that trend towards strategic targets over a five-year time horizon. He went on to say that the plan is projected to keep the total Private Markets allocation below 40%, trending to 33.5% by 2028.

Mr. Curtiss showed actual and projected capital commitments. The slide showed the impact of a mature program, primarily a persistently lower level of capital commitments going forward. He went on to show that the maturity of the program should also result in a neutral to positive net cash flow profile.

Mr. Curtiss then showed uncalled capital commitments. Mr. Veal noted that this is an important metric to follow with regards to liquidity and risk management. He noted that declining uncalled commitments could help the Trust manage liquidity. The next slide showed that as a percentage of the Trust, uncalled commitments is projected to fall from 17.4% in 2022 to 11% in 2028.

Mr. Curtiss then presented Private Equity Capital Commitments. He explained the three scenarios and the projected trend back to strategic target for the base case scenario. Mr. Veal stressed the fact that there are several underlying assumptions that could affect the outcome of this analysis.

Mr. Curtiss went on to note that the Private Equity Commitments are likely to include a mix of primary fund and co-investments with additional consideration to energy and similar pacing across the 2024 to 2028 time period.

Mr. Curtiss then showed the Private Real Estate Capital Plan. He noted that the current plan could be adjusted to prevent falling below the strategic allocation. Mr. Curtiss noted that the plan targets primary fund and co-investments and that current and upcoming vintage years could be attractive.

Mr. Curtiss then showed the Private Infrastructure Capital Plan, which is trending near the bottom of its strategic target. He went on to note that the team has reported stable transaction multiples. Mr. Veal noted that Infrastructure has performed well in an inflationary environment, which aligns with its role in the Trust.

Mr. Curtiss went on to present the Private Credit Capital Plan. He noted that this asset class is opportunistic in nature, with only 1 to 2 primary fund commitments per year. Mr. Veal noted that the fund life is typically shorter in Private Credit.

Mr. Curtiss then presented a summary slide, proposing total commitments of \$1.2 billion, with a range of \$900 million to \$1.5 billion.

The IAC then took the following action:

Move to approve the Private Capital Plan as presented.

Motion by Laurie Dotter, second by Bob Alley

Final Resolution: Motion Carries

Aye: Gene Needles, Laurie Dotter, Bob Alley, Ryan Bailey, Jim Hille, Milton Hixson,
Ruby Muñoz Dang

The Board then took the following action:

Move to approve the Private Capital Plan as presented.

Motion by Brian Barth, second by Neika Clark

Final Resolution: Motion Carries

Aye: Dr. James Kee, Brian Barth, Neika Clark, Craig Hester, Catherine Melvin, John Rutherford

21. Investment Advisory Committee Member Recognition

Mr. David T. Veal, Chief Investment Officer, presented on this agenda item.

Mr. Veal presented an overview of the outstanding contributions of Jim Hille to the ERS Trust as a member of the IAC. He then presented a resolution in honor of Mr. Hille.

Mr. Hille made comments expressing his appreciation for his work at ERS in various capacities since 1992, and his admiration for the ERS Trust as a model for governance.

Several Board members then expressed appreciation for Mr. Hille.

Mr. Veal closed the item with an overview of the IAC with its remaining members.

22. Board Member Recognition

Mr. Porter Wilson presented on this item.

Mr. Wilson began the presentation by expressing appreciation for Catherine Melvin and her service to ERS since 2017. He then presented a formal resolution in honor of Ms. Melvin.

Ms. Melvin made comments expressing her pride to be a state employee and serve state employees. She expressed excitement that a retiree is joining the board. She went on to express thanks and admiration to the IAC and ERS staff, including Mr. Wilson.

23. Election of Board Chair and Board Vice Chair for Fiscal Year 2024

The Board took the following action:

Move that the Board to nominate Mr. Brian Barth as the next ERS Board Chair and Mr. Craig Hester as the next vice chair.

Motion by Catherine Melvin, second by John Rutherford

Final Resolution: Motion carries.

Aye: Dr. James Kee, Brian Barth, Neika Clark, Craig Hester, Catherine Melvin, John Rutherford

There was further discussion as several Board members expressed thanks to Ms. Melvin for her service on the ERS Board.

24. Dates for Fiscal Year 2024 Meeting of the ERS Board of Trustees, Investment Advisory Committee, and Audit Committee

A slide was presented showing the dates of future meetings of the ERS Board of Trustees.

Mr. Wilson took time to discuss a recent development at ERS. He discussed an ERS employee in need of a kidney transplant, Armando Villarreal. Ms. Amy Chamberlain, another ERS employee, donated a kidney on Mr. Villarreal's behalf and moved him up the list for a kidney transplant. Mr. Villarreal has

recently received a transplant, and both he and Ms. Chamberlain are doing well. Mr. Wilson highlighted this story as an example of ERS culture.

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

The meeting was adjourned at 3:47 PM.