

Public Agenda Item #7

Consideration of Annual Review of the Investment Advisory Committee Member Eligibility and Compliance

March 20, 2024

David T. Veal, Chief Investment Officer

IAC Eligibility and Compliance

Statutory Requirements



The Investment Advisory Committee (IAC) assists the Board in carrying out its fiduciary duty with regard to the investment of the Trust and related responsibilities.

Pursuant to Texas Government Code §§ 815.5092 and 815.5093, the Board shall review the eligibility status of IAC members at least annually.

Criteria for the review of eligibility status include:

- Potential conflicts of interest between the IAC members and ERS
- Ability of IAC Members to discharge their duties fully
- Record of regular attendance at scheduled Board/IAC Meetings

IAC Eligibility and Compliance

Conflicts of Interest for CY2023



On January 4, 2024, Investment Compliance delivered its 2023 Annual IAC Attestation to all IAC members requiring them to:

- Certify receipt and compliance with ERS Investment Policy Statement
 - includes the Insider Trading and Confidentiality Policy
- Disclose outside business activities

Annually IAC members acknowledge receipt of ERS Ethics policies and affirm compliance

- IAC members must disclose outside relationships/business activities
- This process allows for internal review of any potential conflicts
- CIO determined that none of the disclosures indicated a material conflict of interest

IAC Eligibility and Compliance

Skills Assessment for CY2023



	Term Expiration	Investment Experience	Public Equity	Private Equity	Credit	Hedge Funds	Rates & Cash	Real Estate	Infra-structure	Special Situations
IAC Chair, Gene L. Needles, Jr. Former Chairman, President and CEO, Resolute Investment Managers	5/31/26	42 years	✓	✓	✓	✓		✓		✓
IAC Vice-Chair, Laurie Dotter Retired from Transwestern Corporate Properties as President	5/31/25	38 years						✓	✓	✓
Bob Alley, CFA Retired from AIM Advisors, Inc. as Chief Fixed Income Officer	8/31/24	46 years	✓	✓	✓		✓			✓
Ryan Bailey, CFA, FRM, CAIA, CMT CIO, Paradigm Institutional Investments, LLC	3/31/25	23 years	✓	✓	✓	✓	✓	✓	✓	✓
Milton Hixson, CPA, CFP Founder & President, FMP Wealth Advisers	3/31/26	49 years	✓	✓	✓	✓		✓	✓	✓
Ken Mindell Retired SVP, Treasurer & Dir. Investments for Rosewood Management Corporation	5/31/25	41 years	✓	✓	✓	✓		✓		✓
Ruby Muñoz Dang Partner and Director of Marketing & Client Services, Garcia Hamilton & Associates, L.P.	3/31/25	26 years	✓		✓		✓			✓

IAC Eligibility and Compliance

Meeting Attendance for CY23



Attendance by IAC Members for Calendar Year 2023					
IAC Member	ERS Board/IAC meeting dates				Quarterly IAC meetings
	1-Mar	17-May	23-Aug	5-Dec	14-Nov
Gene Needles (Chair)	✓	✓	✓	✓	✓
Laurie Dotter (Vice Chair)	✓	✓	✓	✓	✓
Robert Alley	✓	✓	✓	✓	✓
Ryan Bailey	✓	✓	✓	✓	✓
Milton Hixson	✓	✓	✓	✓	✓
Ken Mindell	✓	✓		✓	✓
Ruby Muñoz Dang	✓	✓	✓	✓	✓

Other Meetings	
Asset Class Investment Committee	TexaSaver Product Review Committee
Number of Meetings	Number of Meetings
	4
8	2
24	
6	
1	2

Notes
✓ Denotes a meeting attended
Pursuant to Texas Government Code §§ 815.5092 and 815.5093, grounds for removal of an IAC member includes absence for more than half of the scheduled meetings of the IAC. All IAC members were in compliance with this requirement for CY 2023.
The requirement for Quarterly IAC meetings became effective on September 1, 2023 with the incorporation of the IAC Charter into the ERS Investment Policy Statement by the Board. Prior to that date, quarterly briefings of the IAC were held by staff.

One or more IAC members will contribute their expertise to the Investment Consultant procurement process under way during 2024

IAC Eligibility and Compliance



Conclusion

Staff summary assessment:

- IAC is equipped to discharge its duties fully
- Attendance at Board/IAC meetings is consistent with Policy
- Conflicts of interest are properly disclosed and not significant
- IAC members contribute meaningfully to ACICs and Texa\$aver PRC

Discussion