

**STATE COMPENSATION INSURANCE FUND
INVESTMENT AND RISK COMMITTEE**

MINUTES OF OPEN SESSION MEETING

November 17, 2021

The Investment and Risk Committee met on November 17, 2021 via telephone/video conference using Zoom webinar.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

Board Liaison Hilda Padua welcomed everyone who joined the meeting via telephone/video conference. Ms. Padua went over the Housekeeping rules for the meeting, including how to submit Public Comments by sending an email to CommitteeMeetings@scif.com. Ms. Padua noted that the information was also posted on the State Fund website and provided in the Notice.

The meeting was called to order at 9:03 a.m.

Committee Chair Senator Michael Machado welcomed everyone joining the meeting via telephone/video conference.

Senator Machado asked Ms. Padua to call roll. The following Members were present: Chair Senator Michael J. Machado (Ret.); Richard J. Guggenhime; David M. Lanier; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; Chief Financial Officer Peter Guastamachio; General Counsel and Corporate Secretary Margie Lariviere; and Board Liaison and Assistant Corporate Secretary Hilda B. Padua.

AGENDA ITEM 2: ANTITRUST ADMONITION

Senator Machado called attention to, and requested acknowledgment that the Investment and Risk Committee members read, State Fund's Antitrust Admonition included in each Committee member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

3a. Approval of August 24, 2021 Open Meeting Minutes

3b. Approval of Investment Transactions

- i. Bond Transactions
- ii. Compliance Report

3c. Review and Approval of 2022 Board and Committee Meeting Schedule

3d. Review and Approval of 2022 Investment and Risk Committee Agenda Items

3e. Review and Approval of Investment Policy Statement and Guidelines Resolution

Senator Machado requested to pull out from Consent Calendar item 3e “Review and Approval of Investment Policy Statement and Guidelines Resolution”. Senator Machado recommended the following changes highlighted in red:

Under Section Q: Alternative Portfolio Characteristics and Limitations, sub item #2b “For all unrated securities, the investment manager must provide an assessment of issuer credit worthiness *and must obtain written approval from the Chief Investment Officer* prior to investment”.

Under same section, sub item #11, “If any of the above mentioned rules are breached, the investment manager need not dispose of all or part of the investment immediately. The investment manager will, however, inform the Chief Investment Officer immediately and make a proposal on the best way to bring the portfolio back into compliance with the limits. *Implementation of the proposal shall be approved by the Chief Investment Officer*”.

Senator Machado requested discussion of which there was none.

Senator Machado asked whether any Committee member had other comments on the items on the Consent Calendar of which there were none. Senator Machado called for a Motion.

MOTION: Mr. Zachry

SECOND: Mr. Guggenhime

To approve the Consent Calendar as amended, with changes to the Investment Policy Statement and Guidelines Resolution.

Senator Machado requested public comment of which there was none. Senator Machado called for the vote.

YES: 4

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 7 THROUGH 13

Senator Machado requested public comment on the appropriateness of Closed Session Agenda Items 7 through 13, of which there was none.

AGENDA ITEM 5: PUBLIC COMMENT

Senator Machado requested other public comment, of which there was none.

Senator Machado noted that the Committee would now go into Closed Session. The Investment and Risk Committee immediately convened into Closed Session at 9:09 a.m.

AGENDA ITEM 14: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:23 p.m. and the following Members were present: Chair Senator Michael J. Machado (Ret.); Richard J. Guggenhime; David M. Lanier; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie Lariviere; Chief Financial Officer Peter Guastamachio; and Board Liaison and Assistant Corporate Secretary Hilda B. Padua.

AGENDA ITEM 15: COMMITTEE MEMBER PRESENTATIONS

Senator Machado requested presentations from the Committee members, of which there were none.

AGENDA ITEM 16: PROPOSALS AND SUGGESTIONS FOR FEBRUARY 22-25, 2022 AGENDA

Senator Machado requested suggestions for agenda items for the February 22-25, 2022 Investment and Risk Committee meeting other than the standing agenda items, of which there were none.

Senator Machado requested public comment, of which there was none. He noted that the next Investment and Risk Committee meeting is scheduled sometime the week of February 22-25, 2022, location to be determined, unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Investment and Risk Committee, Senator Machado adjourned the meeting at 12:24 p.m.

Respectfully submitted,

Hilda B. Padua
Board Liaison and Assistant Corporate Secretary