

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

MINUTES OF OPEN SESSION MEETING

May 19, 2021

The Investment and Risk Committee met on May 19, 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 1:32 p.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; General Counsel and Corporate Secretary and Chief of Internal Affairs Margie Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; Staff Services Manager Candace Fong; and Executive Analyst Rachel McCollough.

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 February 24, 2021 Open Meeting Minutes

3b. Approval of Investment Transactions

- i. Bond Transactions
- ii. Compliance Report

3c. Annual Review and Approval of Investment and Risk Committee Charter

Senator Machado asked whether any Committee member had 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 presented.

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: REPORT ON BANK ACCOUNTS, CASH MANAGEMENT HOLDINGS, AND LONG-TERM INVESTMENT HOLDINGS

Senator Machado noted that this item is read only, unless there are questions, of which there were none.

AGENDA ITEM 5: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 8 THROUGH 13

Senator Machado requested public comment on the appropriateness of Closed Session Agenda Items 8 through 13, of which there was none.

AGENDA ITEM 6: 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 1:37 p.m.

AGENDA ITEM 14: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 4:30 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 and Chief of Internal Affairs Margie Lariviere; Chief Financial Officer Peter Guastamachio; and Board Liaison and Assistant Corporate Secretary Hilda B. Padua.

AGENDA ITEM 15: APPROVAL OF INVESTMENT POLICY STATEMENT AND GUIDELINES RESOLUTION

Senator Machado noted that during the Closed session, the Committee and staff had a robust strategic discussion on the recommended changes to the Investment Policy Statement and Guidelines Resolution.

Senator Machado reported that the Investment Policy Statement and Guidelines Resolution was being revised to remove the issuer and sector limitations in the green bond portfolio. The fixed income and sector limits will also be applied to the green bond investments. Also, added the subset equity portfolio's objective, limitations, and benchmark. Resolution No. 2341 will replace Investment Policy Statement and Guidelines Resolution No. 2303, which was created for the investment criteria and management of long-term investments.

Senator Machado noted that Resolution No. 2341 was displayed on the screen for public viewing.

Senator Machado requested a Motion and Second.

MOTION: Mr. Guggenhime

SECOND: Mr. Zachry

To approve Investment Policy Statement and Guidelines Resolution No. 2341 as presented.

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

YES: 4

NO: 0

Abstain: 0

Resolution carried.

The certified Resolution No. 2341 is attached hereto.

AGENDA ITEM 16: COMMITTEE MEMBER PRESENTATIONS

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

AGENDA ITEM 17: PROPOSALS AND SUGGESTIONS FOR AUGUST 2021 AGENDA

Senator Machado requested suggestions for agenda items for the August 2021 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 August 23-27, 2021, 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 4:32 p.m.

Respectfully submitted,



Hilda B. Padua
Board Liaison and Assistant Corporate Secretary