



**State Investment Commission Monthly  
Meeting Minutes  
Wednesday, June 2<sup>nd</sup>, 2021  
9:00 a.m.  
Remote Meeting**

[dial-in: +1 312 626 6799, Webinar ID: 966 3327 8153; link: <https://bit.ly/34c6nYv>]

The Monthly Meeting of the State Investment Commission (“SIC”) was called to order at 9:04 AM, Wednesday, June 2<sup>nd</sup>, 2021. The SIC’s June 2<sup>nd</sup>, 2021, Meeting was held remotely using telephonic and electronic communications, in accordance with Executive Order 20-46 issued on June 12, 2020, as extended by Executive Order 21-59 issued on May 27, 2021, by Governor Daniel J. McKee. All votes were taken remotely by roll call vote.

## **I. Roll Call of Members**

The following members were present: Ms. Sylvia Maxfield, Ms. Karen Hammond, Mr. Michael Costello, Ms. Karen Hazard, Mr. Al Cumplido, Mr. Thomas Fay, Mr. Jim Thorsen<sup>1</sup>, and Treasurer Seth Magaziner.

Also in attendance: Mr. Joe Lynch, Mr. Pim Van Schie, and Mr. Chris Crevier, Neuberger Berman; Mr. Mark Okada, Mr. Trey Parker and Mr. Jack Yang, Sycamore Tree; Mr. Thomas Lynch, Cliffwater; Mr. Will Forde, Mr. Kevin Bliss, and Mr. Phil Nelson, NEPC; Mr. Matthew Waters, Adler Pollock & Sheehan, legal counsel; Mr. Andrew Junkin, Chief Investment Officer; Mr. Jon Popielarski, Director of Private Assets; Mr. Justin Maistrow, Senior Investment Strategist; Mr. Saul Ioffe, Senior Investment Analyst; and other members of the Treasurer’s Staff.

Treasurer Magaziner called the meeting to order at 9:04 AM.

## **II. Approval of Minutes**

On a motion by Ms. Sylvia Maxfield and seconded by Mr. Al Cumplido, it was **VOTED<sup>2</sup>: to approve the draft meeting minutes of the May 21<sup>st</sup>, 2021, meeting of the State Investment Commission.**

## **III. Collateralized Loan Obligations (“CLO”) Investment Recommendation, Neuberger**

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<sup>1</sup> Mr. Jim Thorsen was on mute during the roll call for attendance. His temporary inaudibility did not affect quorum.

<sup>2</sup> Mr. Jim Thorsen was on mute during the roll call vote for approval of minutes. His temporary inaudibility did not affect quorum.

## Berman

Mr. Justin Maistrow, Senior Investment Strategist, discussed the proposed recommendation of a \$125 million commitment to Sycamore Tree CLO Fund, L.P., and a \$125 million allocation to a separately managed account with Neuberger Berman Investment Advisers LLC (\$100 million to be deployed to invest in CLOs, \$25 million to be reserved as uncalled capital for opportunistic deployment). Mr. Maistrow described Neuberger Berman and Sycamore's fit, when paired, within the income bucket. Mr. Maistrow provided an overview of implementation strategy and fee terms and discussed how various risks are mitigated by account structure, management experience and business platform.

Mr. Chris Crevier, Neuberger Berman, provided an overview of the separately managed account proposal and discussed some of the advantages. Mr. Crevier described Neuberger Berman's investment platform, noting that CLOs are an important part of the firm's fixed income asset class, which is the largest asset class in Neuberger Berman's platform. Mr. Crevier noted the firm's ESG efforts and its culture of diversity and inclusion.

Mr. Phim Van Schie, Neuberger Berman, provided an overview of the mandate terms. Mr. Schie reviewed the allocation deployment plan which targets a split of 60% to Neuberger Berman CLO Equity and 40% to CLO Debt after a 2.5-year ramp-up period.

Mr. Joe Lynch, Neuberger Berman, discussed the advantages of Neuberger Berman's CLO platform. Mr. Lynch reviewed the performance of the outstanding and redeemed CLOs. Mr. Lynch compared the firm's CLOs to CLOs issued by peers, noting that Neuberger Berman CLOs are distinguished by high-liquidity, larger issuers, and generally lower credit risk.

Mr. Will Forde and Kevin Bliss, NEPC, reiterated the recommendation, highlighting Neuberger Berman's well-established platform and history of performance. Mr. Forde emphasized the customization and flexibility of the account.

The Board asked questions.

On a motion by Mr. Thomas Fay and seconded by Ms. Sylvia Maxfield, it was unanimously **VOTED<sup>3</sup>: that the Rhode Island Employees Retirement Systems Pooled Trust make an investment of \$100 million, with an additional \$25 million reserved as uncalled capital for opportunistic deployment, in a separately managed account with Neuberger Berman Investment Advisers LLC for investments in Neuberger Berman CLO Equity and 3rd Party CLO Debt.**

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<sup>3</sup> Mr. Jim Thorsen was on mute during the roll call vote. His temporary inaudibility did not affect quorum.

#### **IV. CLO Investment Recommendation, Sycamore Tree CLO Fund, LP**

Mr. Mark Okada, Sycamore Tree, provided an overview of the management team and the firm. Mr. Okada discussed the targeted objectives, strategy, and structure of the fund. Mr. Okada noted the firm's ESG efforts and its culture of diversity and inclusion. Mr. Okada discussed Sycamore Tree's operating infrastructure and advisory board. Mr. Okada reviewed the management team's performance within the CLO asset class prior to the formation of Sycamore Tree and noted Sycamore Tree's depth of experience.

Mr. Jack Yang, Sycamore Tree, discussed the fund's structure and the potential sources of return. Mr. Yang provided an overview of the fund's terms.

Mr. Trey Parker, Sycamore Tree, discussed the fund's investment philosophy and the loan investment process. Mr. Parker noted the risk management practices integrated into the credit and CLO investment processes.

Mr. Will Forde and Kevin Bliss, NEPC, reiterated the recommendation, highlighting Sycamore Tree's fit together with Neuberger Berman.

The Board asked questions.

On a motion by Mr. Michael Costello and seconded by Ms. Karen Hammond, it was unanimously **VOTED: that the Rhode Island Employees Retirement Systems Pooled Trust make a commitment of up to \$125 million to Sycamore Tree CLO Fund, LP.**

#### **V. Defined Benefit Investment Policy Statement ("IPS") Update**

Mr. Saul Ioffe, Senior Investment Analyst, discussed the proposed updates to the Defined Benefit IPS. The updated IPS adds new language to the Crisis Protection Class ("CPC") asset class description to clarify ERSRI's expectations for the CPC program over the short and long term, and during non-crisis periods.

The Board asked questions.

On a motion by Ms. Karen Hammond and seconded by Mr. Al Cumplido, it was unanimously **VOTED<sup>4</sup>: that the**

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<sup>4</sup> Mr. Jim Thorsen was on mute during the roll call vote for the IPS update. His temporary inaudibility did not affect quorum.

**Rhode Island Employees Retirement Systems Pooled Trust adopt the proposed Defined Benefit Investment Policy Statement, effective July 1, 2021.**

**VI. Legal Counsel Report**

There was no legal counsel report.

**VII. Chief Investment Officer Report**

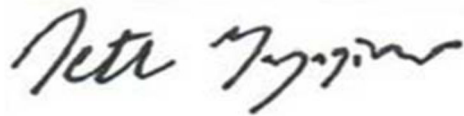
There was no Chief Investment Officer report.

**VIII. Treasurer's General Comments**

Treasurer Magaziner asked if there were any further comments or questions and thanked the Board and Staff.

On a motion by Ms. Sylvia Maxfield and seconded by Mr. Michael Costello, it was unanimously **VOTED: to adjourn the meeting at 11:00 AM.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Seth Magaziner", is centered on the page.

**Seth Magaziner, General  
Treasurer**