State Investment Commission

Meeting Minutes

Wednesday, March 2nd, 2022
3:00 p.m.
Hybrid Meeting
Executive Conference Room, Department of Administration
[dial-in: +1 312 626 6799, Webinar ID: 861 4360 4960; link: https://bit.ly/3C12FBd]

A Meeting of the State Investment Commission ("SIC") was called to order at 3:00 PM, Wednesday, March 2nd, 2022. The SIC's March 2nd Meeting was held in hybrid format, in accordance with Executive Order 22-20 issued on February 18, 2022 by Governor Daniel J. McKee, with some members physically attending in-person in the Executive Conference Room, Department of Administration, and some members attending remotely via Zoom Webinar. All votes were taken by roll-call vote.

I. Roll Call of Members

The following members were present, Mr. Frank Karpinski, Ms. Sylvia Maxfield[1], Mr. Michael Costello, Ms. Karen Hazard[2], Mr. Erik Carleton, Mr. Al Cumplido, Mr. Thomas Fay, Mr. Jim Thorsen[3], and Treasurer Seth Magaziner.

Also in attendance: Mr. Thomas Lynch, Cliffwater; Mr. William Forde, NEPC; Mr. Matthew Waters, Adler Pollock & Sheehan, legal counsel; Mr. Andrew Junkin, Chief Investment Officer; and other members of the Treasurer's Staff.

Treasurer Magaziner called the meeting to order at 3:00 PM.

II. Consideration of Investment Policy on Russia

Treasurer Magaziner discussed Russia's recent invasion of Ukraine, the actions of the Russian government are contradictory to Rhode Island's values, and that the economic fallout of the invasion has introduced an unacceptable level of investment risk in Russian securities. Treasurer Magaziner noted that other institutional investors have begun signaling intentions to divest from Russia. Treasurer Magaziner introduced the recommendation that ERSRI exit its exposures to Russian securities in a responsible and orderly manner.

Mr. Andrew Junkin, Chief Investment Officer, pointed out that ERSRI's main two exposures to Russia are the emerging market debt and emerging markets indexed equity allocations. Mr. Junkin noted that lack of liquidity in Russian markets make these positions difficult to accurately price, but prior to the invasion they represented only approximately 0.3% of the total system portfolio.

[1] Ms. Sylvia Maxfield joined the meeting at 3:03 pm and did not participate in the roll call of members. His temporary absence did not affect quorum.
[2] Ms. Karen Hazard was muted during the roll call of members. Her temporary inaudibility did not affect quorum.
[3] Mr. Jim Thorsen joined the meeting at 3:07 pm and did not participate in the roll call of members. His temporary absence did not affect quorum.

He also explained that the investments are structured as commingled funds, giving Staff limited capacity to direct how they are managed, but that both the emerging markets debt and indexed equity fund managers have been engaging in conversations with the Staff to identify potential paths forward. Mr. Junkin and Treasurer Magaziner highlighted that the situation is complex and evolving and that Staff would work with ERSRI's investment managers to determine the best next steps.

The Board asked questions.

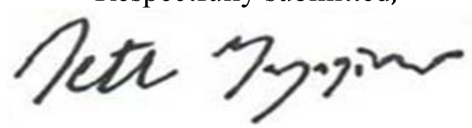
On a motion by Mr. Jim Thorsen and seconded by Ms. Sylvia Maxfield, it was unanimously **VOTED: (i) to prohibit any additional investments in Russian assets, (ii) to remove Russia as a permissible country for investments, and (iii) to liquidate any existing Russian investments when possible.**

III. 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 Mr. Thomas Fay and seconded by Ms. Sylvia Maxfield, it was unanimously **VOTED: to adjourn the meeting at 3:15 PM.**

Respectfully submitted,



Seth Magaziner,
General Treasurer