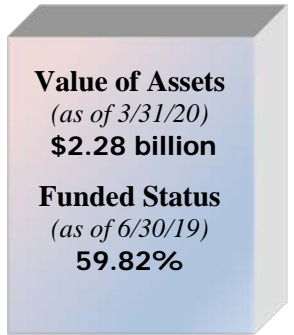




## Board Meeting Summary 10:00 a.m. on April 24, 2020



### Board of Trustees

**Bill Seibert**  
Board Chair  
MSHP Retiree  
Representative

**Todd Tyler**  
Board Vice Chair  
MoDOT Active  
Representative

**Senator Mike Bernskoetter**  
Appointed by the President  
Pro Tem of the Senate

**Robert Brinkmann**  
Highways & Transportation  
Commissioner

**John Briscoe**  
Highways & Transportation  
Commissioner

**Sgt. Matt Broniec**  
MSHP Active  
Representative

**Sue Cox**  
MoDOT Retiree  
Representative

**Patrick McKenna**  
Director of MoDOT  
Ex-Officio Member

**Col. Eric Olson**  
Superintendent  
of MSHP  
Ex-Officio Member

**Gregg Smith**  
Highways & Transportation  
Commissioner

**Rep. Sara Walsh**  
Appointed by the  
Speaker of the House

### Introduction of New Trustee

The Board welcomed Robert Brinkmann to the Board. Mr. Brinkmann was appointed to the Board by the Highways & Transportation Commission where he has served as a commissioner for the last two years. Mr. Brinkmann replaces Michael Pace who previously served on the Board as a commissioner appointee.

### Governance Committee Report

*Presenter: Sue Cox, Governance Committee Chair*

The Governance Committee reviewed two recently revised policies and determined that a few points should be restored to the prior version. The committee was presented with a governance policy checklist, which provided a detailed summary of all the compliance requirements resulting from a review of the policies. The committee will consider how best to utilize the checklist going forward. Lastly, Committee Chair Cox suggested and the committee supported the consideration of a governance consultant and directed staff to seek cost estimates and credentials for board consideration at the June meeting. The consultant would review the policies created over 10 years ago to assess best practices, improvements, etc., as well as provide a number of other services to the Board such as review board activities and processes and verify compliance with policies and procedures.

### Investment Committee Report

*Presenter: Sgt. Matt Broniec, Investment Committee Chair*

Committee Chair Broniec provided a brief update on the topics covered at the recent meeting. Those same topics are covered in detail below under the investment performance and capital market assumption updates.

### Investment Performance

*Presenter: Larry Krummen, Chief Investment Officer (MPERS)*

Mr. Krummen provided an update of how the COVID-19 pandemic was influencing the investment portfolio, including performance estimates for the first quarter of 2020 and fiscal year-to-date 2020. The estimated first quarter of 2020 investment performance is -8.9%, which brings the Fiscal Year 2020 performance down to -4.3% (July 1, 2019 through March 31, 2020). This compares favorably to the global equity markets, which are down over 21% and 14% over the same periods, respectively. The results also look favorable relative to the peer universe; NEPC stated the average public fund return was -14% based on the preliminary universe statistics. Mr. Krummen also provided a summary of key movements made throughout the downturn to rebalance the portfolio and remain in compliance with investment policy guidelines.

### Capital Market Assumptions and Asset-Liability Study

*Presenter: Kevin Leonard, Will Forde & Phil Nelson (NEPC)*

Mr. Leonard (NEPC) informed the Board that due to the significant market movements related to the COVID-19 pandemic, NEPC updated its Capital Market Assumptions to reflect the changing investment climate. NEPC presented the updated 2020 Asset Class Assumptions, along with how the market changes impacted the various asset allocation scenarios under consideration by the Board (as part of the ongoing Asset-Liability Study). In general, the decline in equity markets provides a more attractive entry point for long-term investors, which increased the expected returns of the various allocation mixes relative to the initial assumptions presented to the Board at the February 2020 board meeting.

## Director's Comments

*Presenter: Scott Simon, Executive Director (MPERS)*

Mr. Simon provided the Board with an update on MPERS' administrative operations in light of the COVID-19 pandemic. MPERS' office closed to the public on March 16. MPERS' staff began working remotely on March 20. Since mid-March, all seminars have been conducted via various internet platforms with good success. Members have been kept apprised of operational changes via direct email and the MPERS' website.

## 2020 Board Meeting Dates

Thursday, June 18, 2020

Thursday, September 24, 2020

Thursday, November 19, 2020