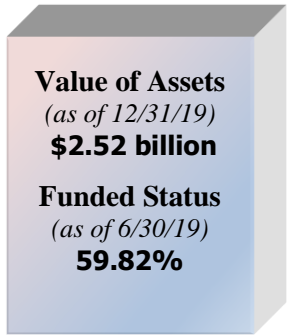




Board Meeting Summary 9:00 a.m. on February 28, 2020



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

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

Michael Pace
Highways & Transportation
Commissioner

Gregg Smith
Highways & Transportation
Commissioner

Rep. Sara Walsh
Appointed by the
Speaker of the House

Approval of November 21, 2019 Meeting Minutes

The Board approved the [minutes of the November 21, 2019](#) meeting. The results of the meeting and prior meetings can be found on MPERS' website. Minutes from the current meeting are posted after they are adopted at the Board's next regular meeting.

Board Held Elections for Chair and Vice Chair

The Board held elections for Chair and Vice Chair. Both Mr. Bill Seibert and Mr. Todd Tyler were reelected to serve as Chair and Vice Chair, respectively.

Investment Performance

Presenters: Larry Krummen, Chief Investment Officer (MPERS) & Kevin Leonard (NEPC)

As of December 31, 2019, MPERS' calendar year investment performance was 12.56%. These double-digit returns, however, underperformed the policy index return of 15.88%. Part of this underperformance is attributed to the 2019 change to the asset allocation – specifically an increase in public equities from 30% to 40%. Until the portfolio has time to transition to the new policy targets, significant differences are expected between actual fund performance and the performance of the total policy benchmark.

Investment Outlook and Asset-Liability Study

Presenter: Kevin Leonard & Robert Goldthorpe (NEPC)

Mr. Leonard (NEPC) presented the 2020 Investment Outlook and Asset Class Assumptions, an annual overview of the economic and investment themes, actions, and opportunities for the coming year. The consultant concluded that based on NEPC's market outlook for the coming year, the likelihood of investors meeting return objectives moving forward will be more challenging.

At least every five years, NEPC performs an asset-liability study for MPERS. This study focuses more heavily on the "liability" side of the pension equation, whereas the aforementioned investment outlook/asset class assumption spends more time on the "asset" side. The outcomes of this study reinforce: 1) the success of the board's aggressive funding policies and 2) the significance of the asset allocation to the long-term funding of the plan.

Chief Investment Officer Contract

The Board voted to approve the continuation of the Chief Investment Officer's (CIO) contract through June of 2025, which covers the period through the CIO's first retirement eligibility date. Larry Krummen has been MPERS' CIO since 2004. Factors considered by the Board included but were not limited to, positive investment fund performance over the past 15 years and contemplation of the System's succession planning needs for this important staff position in the coming years.

Legislative Update

Presenter: Scott Simon, Executive Director

Regarding current legislation, Mr. Simon highlighted a number of bills currently under consideration by Missouri's General Assembly:

- HB 1999/SB 901 is the MPERS/MOSERS cleanup bill, intended to improve unclear, incorrect or obsolete provisions.
- HB 2165/SB 955 decreases the number of Highway Commissioners on MPERS board from three to one, decreasing the total number of trustees from 11 to 9.
- HB 2476 proposes to add all public employee retirement systems employee salaries to the state of Missouri accountability portal.
- SB 1000 requires all legal contracts governing investments of public pension plans in Missouri to be open records. It would also change the policy of MPERS' board delegating investment decisions to staff and return the responsibility to the Board.
- SB 1024 proposes to create a "pop-up" for those who divorce after retirement, but had elected a spousal payment option at retirement.

The Board did not take a position on any of these bills. For additional information regarding the status of current legislation, please visit the Joint Committee on Public Employee Retirement (JCPER) website at www.jcper.org.

2019 Board Meeting Dates

Friday, April 24, 2020 (tentative)

Thursday, September 24, 2020

Thursday, June 18, 2020

Thursday, November 19, 2020