



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
**OFFICE OF PENSIONS**  
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**BOARD OF PENSION TRUSTEES**  
**PUBLIC MEETING MINUTES OF SEPTEMBER 27, 2024**

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant at 9:05 a.m.

**Trustees Present**

Suzanne Grant  
Cerron Cade  
Rick Geisenberger  
Nancy Shevock  
Harold Stafford

**Trustees Absent**

Art Agra  
Ken Simpler

**Others Present**

Joanna Adams, Pension Administrator  
Stephenie Tatman, Deputy Pension Administrator  
Tammy LeCates, Pension Office  
Arian Daniels, Pension Office  
Josh Hitchens, Pension Office  
Melanie Moore, Pension Office  
Kristal Diaz, Pension Office  
Kari Overington, Pension Office  
Mary Wood, Pension Office  
Jessica Frazier, Pension Office

Bert Scoglietti, Controller General's Office  
David Taylor, Pension Advisory Council  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Pat Paoli, Windmark Investment Partners  
Cyril Espanol, journalist, with *Intelligence*  
Kevin Dowdell, director, with Cerberus Capital  
Management  
Alfred Crooks, reporter, with *Buyouts Insider*  
Anson Gock, State Employee

**1. OPENING COMMENTS**

S. Grant welcomed everyone to the meeting and offered condolences to K. Simpler on the loss of his family member.

**2. PUBLIC COMMENT**

No public comment.

### **3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETING OF JULY 26, 2024**

The Public Minutes of the July 26, 2024, meeting were reviewed.

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to approve the Public Minutes of the July 26, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY.**

The Executive Minutes of the July 26, 2024, meeting were reviewed in Executive Session.

**MOTION** was made by R. Geisenberger and seconded by H. Stafford to approve the Executive Minutes of the July 26, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY**

### **4. AUDIT COMMITTEE REPORT**

Nothing to report. The next Audit Committee meeting is scheduled for November 8, 2024.

### **5. GOVERNANCE COMMITTEE REPORT**

The Governance Committee was created to study and recommend to the Board legislative and administrative changes consistent with the Governance review. The Governance Committee used the Board's self-assessment and AON's Best Practices Review to guide and direct the work of the committee. Some of the most recent accomplishments include:

1. Budgetary authority regarding positions and compensation to recruit and retain. As the State completes reclassifications it has resulted in increased compensation and improvement of career ladders.
2. The drafting and completion of four new Summary Plan documents as a valuable tool for members and employers, with more drafts in process.
3. Memorandums of Understanding with the Department of Information and Technology and the Department of Justice.

After discussion, the Board seeks to temporarily disband the Governance Committee and create a task force to reestablish the Governance Committee.

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to dissolve the Governance Committee.

**MOTION ADOPTED UNANIMOUSLY**

### **6. PENSION ADVISORY COUNCIL REPORT**

D. Taylor shared the following individuals represent the following organizations on the Pension Advisory Council:

Dr. Kevin Carson – Delaware Association of School Administrators  
Karen Crouse – Delaware State Education Association  
Marie Leppo – Delaware School Nutrition Association  
Joseph Malloy – International Association of Local 1590 City of Wilmington Firefighters

Mark Ryde – Delaware State Troopers Association  
David Taylor – Delaware Retired School Personnel Association  
Charlotte Lister – At Large

There is currently one vacancy that the council plans to fill before January. The next Pension Advisory Council meeting is scheduled for November 12, 2024.

## **7. STATE PENSION ADMINISTRATOR'S REPORT**

### EMPLOYEE RECOGNITION

J. Adams recognized M. Wood and thanked her for dedicating 39 years of service to the State, the majority with the Office of Pensions. A round of applause was given by all to recognize her dedication and loyalty.

### POSITIONS UPDATE

J. Adams introduced J. Frazier to the Board and welcomed her as the Investment Financial Manager. J. Adams shared two Limited Term HR Analyst positions were filled, four HR Analyst positions were posted, and five Limited Term HR Analyst positions remain vacant. These positions are either new or were vacated due to promotion, military activations, or movement out of state. The last hiring pool did not produce the number of candidates desired. The Deputy Attorney General position also remains posted.

### 2025 MEETING DATES

J. Adams presented the tentative 2025 Meeting Dates.

### ERP MODERNIZATION PROJECT

J. Adams shared the last three days were dedicated to one of the vendors that submitted a request for proposal for the new Pension Administration System. J. Adams recognized the excitement of those participating in the process and the commitment of staff. A second vendor will be on site next week for three days, then a third vendor will be on site for three days the following week. The goal is to advance the current system which will be accomplished by selecting a new pension administration system, then configuring it to meet our needs. An Independent Verification and Validation vendor with public pension experience is recommended to ensure a successful modernization project.

## **8. DEPUTY ATTORNEY GENERAL REPORT**

Nothing to report for public session.

## **9. INVESTMENT COMMITTEE REPORT**

R. Gooderham reported that despite a steep early August sell-off, global equity markets moved higher over each of the first two months of the fiscal year. Equity markets have generally been supported by favorable economic data, indicating subsiding inflation and resilient economic growth, which bolsters the 'soft-landing' narrative. However, disappointing economic data in early August, including weaker-than-expected labor market data, sparked investor concerns of a possible recession. The weakness was short-lived as markets shifted focus to more favorable data and expectations that the Federal Reserve will cut rates in September. The anticipation of monetary easing helped boost investor sentiment and drove equities higher. The broad US equity market, as measured by the Russell 3000 index, moved

higher by 4.1% for July and August. Unlike most recent periods, small and value-oriented stocks outpaced larger and growth-oriented stocks. Boosted by foreign currency strength, international equity markets outperformed US equities as the MSCI All-Country World ex-U.S. stock index advanced 5.2%. Fixed income performance benefitted from falling yields on receding inflation concerns. Over the period, the Bloomberg Universal bond index was up 3.8%, while the more credit-sensitive Bloomberg High Yield index gained 3.6%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$14,808.2 million at August 31, 2024, representing a net increase of \$372.1 million since June 30<sup>th</sup>. Estimated gross returns through August 31<sup>st</sup>, 2024, are as follows:

	Month Ended 07-31-24	Month Ended 08-31-24	Fiscal YTD 08-31-24	Calendar YTD 08-31-24	1 Year Ended 08-31-24
<b>Total Fund</b>	<b>1.3</b>	<b>1.7</b>	<b>3.0</b>	<b>10.3</b>	<b>14.0</b>
DPERS Policy Benchmark**	2.1	2.1	4.2	11.9	18.5
S&P 500 Index	1.2	2.4	3.7	19.5	27.1

\*\* Benchmark mix: 46% Russell 3000 Index, 24% MSCI ACWI ex US IMI (Net), 27.0% BB Universal Bond Index, 3% T-bills

R. Gooderham reported that the Committee had met twice since the July Board meeting, on Tuesday August 20<sup>th</sup> and Tuesday September 17<sup>th</sup>. He reported that, at the August meeting, in addition to the approved items below, the Committee had reviewed and discussed:

- The Second Quarter 2024 Investment Review
- An Asset Allocation Recommendation
- A manager presentation by Oaktree
- The Annual DPERS Investment Policy Statement Review
- Other Business:
  - Private Investment Items – VGO, Peppertree, Accel IX, IDG-Accel China

R. Gooderham further reported that, at the September Meeting, the Committee reviewed and discussed:

- A manager presentation by Cantillon
- A manager presentation by Viking
- An Asset Allocation Recommendation
- A Discussion on the Securities Litigation Policy
- Other Business:
  - Carlyle Asia Partners VI – Amendment Request
  - Annual Commission Report Review
  - Annual Proxy Voting Review
  - Proposed 2025 Investment Committee Meeting Dates
  - Windmark Investment Partners Services Review

R. Gooderham reported that the following items had been approved under the Committee’s authority at the August 20<sup>th</sup> meeting:

- An amendment to the Limited Partnership Agreement for Peppertree Capital Fund X QP, LP, subject to legal review.
- A consent regarding publicly traded investments held by Viking Global Opportunities LP., subject to legal review.
- The following portfolio shifts:
  - Terminate the Baillie Gifford Health Innovations Account (~\$140 million.)

- Invest \$50 million in the BlackRock S&P 500 Index fund until the October 1<sup>st</sup> funding of \$50 million in Viking Global Opportunities, LP.
- Invest the balance of the proceeds (approximately \$90 million) in the Baillie Gifford Long Term Global Growth Account.
- A commitment of up to \$50 million to Oaktree Power Opportunities Fund VII, L.P., subject to legal review.

R. Gooderham reported that the following items had been approved under the Committee's authority at the September 17<sup>th</sup> meeting:

- An amendment to the Limited Partnership Agreement for Carlyle Asia Partners VI LP, subject to legal review.
- The following portfolio shifts:
  - Invest \$350 million in new manager Cantillon Global Equity.
  - Invest \$150 million in new strategy Viking Long Fund.
  - Redeem \$230 million from the BlackRock S&P 500 Index fund in place of the \$50 million redemption agreed upon in August.
  - Redeem \$120 million from the BlackRock MSCI ACWI ex-US Index fund.
  - Balance from the Cash Account including pending contributions.
- To recommend, after thorough review, that the Board approve amendments to the Statement of Investment Policies and Objectives.

The next meeting of the Committee is scheduled for Tuesday, October 15, 2024.

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to approve the Resolution recognizing Mark Stalnecker's outstanding service to the Investment Committee and the Delaware Public Employees' Retirement System.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** was made by N. Shevock and seconded by H. Stafford to approve the recommended edits to the Statement of Investment Policies and Objectives.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets, and confidential financial information.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** was made at 10:25 a.m. by N. Shevock and seconded by H. Stafford to return to Public Session.

**MOTION ADOPTED UNANIMOUSLY**

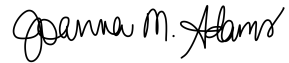
## 10. ADJOURNMENT

At 10:28 a.m., there being no further business.

**MOTION** was made by R. Geisenberger and seconded by N. Shevock to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,



Joanna M. Adams  
Pension Administrator

Suzanne B. Grant  
Suzanne B. Grant (Oct 30, 2024 22:14 EDT)  
Suzanne B. Grant, Chair  
Board of Pension Trustees