



Public School Fund Investment Board Meeting
Meeting Minutes May 15, 2023
Held Via Zoom

Board Members in Attendance:

Dave Young
Peter Calamari - Excused
Wendy Dominguez
Christine Scanlan
Jerome DeHerrera

12:01 – 12:03 PM Welcome, Roll Call

12:03 – 12:05 PM Meeting minutes from the February 27 2023 Board Meeting

Mr. DeHerrera made a motion to approve the February 27, 2023 meeting minutes.
Ms. Scanlan seconded the motion. The motion passed at 12:05 pm.

- Dave Young – Yes
- Peter Calamari – Excused
- Jerome DeHerrera – Yes
- Wendy Dominguez – Yes
- Christine Scanlan – Yes

12:05 – 12:18 PM Short Duration and Core Bond Portfolio RFP Update

Ms. Sarah Zimbelman (Portfolio Administrator) presented proposed schedules for the upcoming Short Duration Portfolio Manager and Core Bond Portfolio Manager RFPs. The Board's current contract with Janus, the current short duration bond portfolio manager expires in October 2023. Mr. Deherrera volunteered to be the board representative on the short duration RFP evaluation team.

Ms. Zimbelman provided information regarding a question raised at the February board meeting as to whether external managers of the Public School Fund are subject to the same restrictions on investments that govern the Treasury's investment of state moneys. The short answer is no, investment managers of the PSF, both external and within Treasury, are subject to fewer restrictions than Treasury when it invests state money more generally. The legislature has given more latitude, for investments made at the direction of the Public School Fund Investment Board. In addition to authorizing the same types of investment-grade securities that Treasury pursues for state money generally, the Board is also allowed to invest in other financial assets as specified in the Board's investment policy. The Board, at its discretion, can change its guidelines for each manager within the Board's investment policy statement (IPS), as long as they do not violate state statute. Ms. Janet Becker-Wold, from Callan Investment Advisors, noted that while the Fund as a whole has more latitude, each portfolio and

therefore portfolio manager has a specific role within the larger Fund and therefore each should have different guidelines for their respective role.

Ms. Dominguez asked Ms. Becker-Wold and Mr. Browning (Callan) if they had any recommendations on changing guidelines for the Treasury Bond Portfolio. Ms. Becker-Wold stated that at this point the guidelines for the Treasury Bond Portfolio are well suited for that portfolio's role within the Fund, but that when the Board hires another Core Bond Portfolio Manager they could consider giving that manager more latitude in the investment guidelines to invest in some more below investment-grade bonds for example, based upon their specific expertise and role within the Fund. Ms. Dominguez volunteered to be the board representative on the short duration RFP evaluation team.

12:18 – 12:22 PM Vote on 1 year extension: MacKay Shields

Ms. Becker-Wold presented a summary of Mackay Shields's performance for the Board's consideration. Callan's recommended that the Board extend MacKay Shields's contract for another year. Ms. Dominguez made a motion to extend the MacKay Shields contract for one year. Mr. DeHerrera seconded the motion.

- Dave Young – Yes
- Peter Calamari – Excused
- Jerome DeHerrera – Yes
- Wendy Dominguez – Yes
- Christine Scanlan – Yes

The motion passed at 12:22.

12:22 – 12:30 PM Annual IPS Review

Mr. Browning (Callan) went through IPS updates and recommended that each portfolio manager review their guidelines to ensure they remain in alignment and no modifications need to be considered. Next steps are to review the IPS with each portfolio manager along with Grant Sullivan from the Attorney General's office and provide a final revised copy for the Board's approval.

12:30 – 12:40 PM Market Update (Quarter 1 – Ending Mar. 31, 2023)

Presentation by Ms. Janet Becker-Wold (Callan)

12:40 – 12:45 PM Performance Report (FY Qtr. 3 – Ending March 31, 2022)

Presentation by Mr. Alex Browning (Callan)

12:45 – 12:50 PM Asset Allocation Update & Rebalancing Recommendation

Presentation by Mr. Alex Browning (Callan)

12:50 – 1:02 PM Review of Unrealized Gains/Losses

Presentation by Ms. Sarah Zimbelman (Portfolio Administrator)

1:02 – 1:18 PM OML Education and Review of Communication and Open Records Act

Presentation and training on Colorado Open Meetings Law and Open Records Act by Ms. Kerry Colburn, Assistant Attorney General

1:18 – 1:40 PM Fund Manager Presentation: Janus Henderson

Presentation Greg Wilensky - Head of U.S. Fixed Income and Michael Keough – Portfolio Manager

1:40 – 2:02 PM Other Business

- Mr. Eric Rothaus (Deputy Treasurer) reported to the Board that Senate Bill 220 re-allocated \$10M of funds that would have come to the PSPF as part of the 4th quarter Land Board distribution to BEST school construction projects.
- Mr. Eric Rothaus also reported that the HB 1146 report was completed and distributed to the Board after the May Board meeting. Unfortunately, the legislature was not able to address the issues identified in the report in the last session due to the overwhelming number of issues with which it was dealing. The legislature will have the opportunity to address the report in the next session.

1:18 – 1:59 PM Public comments

- Written Comments
 - There were no written comments.
- Verbal Comments
 - Ms. Mary Wickersham, from Social Impact Solutions, Mr. Tony Lewis from Donnell-Kay Foundation, Mr. Santhosh Ramdoss and Ms. Jill Hawley from Gary Community Ventures addressed the Board regarding the HB 1146 Working Group, of which Ms. Wickersham was a participant, specifically regarding the discussions from the working group around ways for the PSPF to increase its impact, using the corpus of the fund to benefit Colorado kids directly. Ms. Wickersham discussed a project group that has started out of these discussions: the project has two-key funders, the Donnell-Kay Foundation and Gary Community Ventures. The group has begun to address some of the needs identified by the working group's recommendation to consider impact investment opportunities including: importance of a mission statement related to impact in addition to return, the development of an impact related investment strategy, the identification of measurable impact goals, the consideration of risk balance, etc. Ms. Wickersham and the rest of the project group would like to return at the Board's August meeting to present more concrete details around options and ideas as the Board considers the working group's recommendations.

The meeting was adjourned at 2:00 pm.

Next Meeting

- August 14, 2023 at Noon