



# TEXAS PENSION REVIEW BOARD

INVESTMENT COMMITTEE MEETING

NOVEMBER 21, 2023

TEXAS PENSION REVIEW BOARD

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**TEXAS PENSION REVIEW BOARD  
INVESTMENT COMMITTEE MEETING AGENDA**

**Tuesday, November 21, 2023 – 2:00 PM**

*(Or upon adjournment of the Board meeting, whichever occurs later)*

**William P. Clements Building, Fourth Floor, Room 402  
300 W. 15<sup>th</sup> Street, Austin, TX, 78701**

*Committee members may attend this meeting by videoconference pursuant to Texas Government Code §551.127. One or more committee members, including the presiding officer, will be physically present at the physical location of the meeting listed above. The meeting will be accessible to the public at the physical location listed above. The public may access the meeting virtually by joining via the Zoom link: <https://us02web.zoom.us/j/82719962566>. A livestream of this meeting, agenda materials of the meeting, and a recording of the meeting will be made available at [www.prb.texas.gov](http://www.prb.texas.gov).*

***The Committee may discuss or take action regarding any of the items on this agenda.***

1. Meeting called to order
2. Roll call of committee members
3. Administrative matters
  - a. Consideration and possible action to approve July 14, 2022, meeting minutes
4. Public comment
5. Investment data report draft
6. Investment Policy Statements
  - a. Guidelines
  - b. Guidance
  - c. Tools and Templates
7. Future meetings: agenda items, dates, locations, and other arrangements
8. Adjournment

NOTE: The committee may go into closed session concerning any item on this agenda as authorized under the Texas Open Meetings Act, Government Code, Chapter 551. Persons with disabilities who plan to attend this meeting and who may need special assistance are requested to contact Lindsay Seymour at (800) 213-9425/ (512) 463-1736 as far in advance as possible, but no less than three business days prior to the meeting date so that appropriate arrangements can be made.

How to provide public comment: Members of the public who wish to provide public comment to the committee may attend the meeting in person at the address above or register for the meeting using the Zoom link provided above. If you wish to provide comment remotely by Zoom, you must contact Lindsay Seymour ([lindsay.seymour@prb.texas.gov](mailto:lindsay.seymour@prb.texas.gov)) no later than Monday, November 20, 2023. Note that public comments will be limited to no more than three minutes.



**Investment Committee Meeting Minutes  
July 14, 2022**

**1. Meeting called to order (0:09)**

The first meeting of 2022 of the Investment Committee was called to order Thursday, July 14, 2022, at 3:15 p.m. in the Reagan building, room 120, 1400 Congress Avenue, Austin, Texas, 78701.

**2. Roll call (0:20)**

Committee members present:

Chair Christopher Zook  
Christopher "Chris" Gonzales, via videoconference  
Rob Ries

A quorum being present, the meeting was called to order by Chair Zook.

**3. Committee administrative matters (0:40)**

**a. September 29, 2020, meeting minutes**

Chair Zook entertained a motion to suspend reading the minutes of the September 29, 2020, committee meeting and approve them as circulated.

The motion was made by Mr. Gonzales and seconded by Mr. Ries.

**The motion passed unanimously.**

**4. Overview and update on investment-related statutory requirements, including: (1:26)**

**a. Investment expense reporting under Section 802.103(a), Texas Government Code**

Mr. Munter provided the background of investment practices and performance evaluations (IPPE) and investment expense reporting. He stated that additional information that must be in system's annual financial report (AFR) after 2019 included:

- A listing of the names of investment managers engaged by the retirement system.
- A listing, by asset class, of all direct and indirect commissions and fees paid by the retirement system during the fiscal year.
- A listing, by service provided, of investment services.

Mr. Munter discussed an updated investment expense reporting timeline for submission to the PRB. The committee discussed the intended outcome for requiring an investment expense report from systems and how the data will be presented to stakeholders.

**b. Investment practices and performance evaluations (IPPE) under Section 802.109, Texas Government Code**

Mr. Munter explained that systems with assets at or greater than \$30 million are required to select a substantially experienced independent firm to:

- Evaluate the appropriateness, adequacy, and effectiveness of the system's investment practices and performance.
- Make recommendations for improving the system's investment policies, procedures, and practices.

Mr. Munter provided an overview of the IPPE timeline and the items each IPPE must have. He discussed the PRB's 2020 recommendations to the Legislature, and subsequent IPPE statute updates. He noted that the IPPE data from systems was used to improve the PRB's intensive review process. Chair Zook stated his belief that it would be considered best practice to employ an independent firm to compile a system's IPPE.

**5. Updated guidance for conducting IPPEs (21:58)**

Mr. Munter presented a proposed draft of updated IPPE guidance, including timelines and deadlines for systems to submit their evaluations. The committee discussed the positives of conducting annual IPPEs, even when not required by statute. Mr. Munter also discussed the new required disclosures and how sponsors can pay for all or part of the IPPE process. He noted that the PRB would be accepting feedback from stakeholders on the updated guidance.

Chair Zook entertained a motion to direct staff to finalize the Guidance for conducting Investment Practices and Performance Evaluations, incorporating changes agreed upon by the committee and any technical changes, for recommendation to the full board for final review at its October 6th meeting.

The motion was made by Mr. Ries and seconded by Mr. Zook.

**The motion passed unanimously.**

**6. Future Investment Committee activities (39:05)**

Mr. Munter stated that the PRB planned to finalize updated IPPE guidance based on committee and stakeholder feedback, and then would further develop investment expense reporting and analysis. The PRB also planned to draft investment-related guidelines and best practices based on IPPE statute.

The committee requested staff also work to provide information on reporting guidelines. Chair Zook discussed the positives of providing investment-related guidelines and best practices to systems, coupled with the availability of all data collected being posted on a public website in a simplified way for any non-investment professional to understand. Mr. Gonzales discussed having liquidity reports being submitted to the PRB in the future. He stated that the liquidity of a system and its investments directly affect a system's ability to pay member benefits.

**7. Future meetings: agenda items, dates, locations, and other arrangements (47:43)**

Chair Zook stated the next Investment Committee meeting was TBD.

**8. Invitation for public comment (48:05)**

There were no public comments.

**9. Adjournment (48:25)**

The meeting was adjourned at 4:03 p.m.

**PRB staff in attendance:**

Matthew Featherston	David Fee	Mariah Miller	
Amy Cardona	Robert Munter	Wes Allen	
Bryan Burnham	Ashley Rendon	Lindsay Seymour	Madilyn Jarman

**Members of the public in attendance:**

James Marts- Odessa Fire	Jill Contreras- Odessa Fire	Linda Mill- CAPTRUST
Erik Brown- Odessa Fire		

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**Chair Christopher Zook**