



KATHY HOCHUL
GOVERNOR



GENERAL SESSION AGENDA
BOARD OF COMMISSIONERS' REGULAR MEETING
WEDNESDAY, APRIL 20, 2022, 10:00 A.M.

1. STANDING REPORT(S)
 - A. REPORT OF EXECUTIVE DIRECTOR & CEO GAURAV VASISHT
 - B. REPORT OF ACTING GENERAL ATTORNEY JAMES FIEDLER

2. REPORT OF BOARD STANDING COMMITTEE(S)
 - A. INVESTMENT COMMITTEE: CHAIRMAN KENNETH THEOBALDS
 - 1) RESOLUTION: EXTERNAL MANAGER GUIDELINES

3. CONSENT AGENDA
 - A. TO ACCEPT THE PROPOSED MINUTES OF THE MARCH 16, 2022 BOARD MEETING
 - B. TO ACCEPT THE WRITTEN REPORTS AS SUBMITTED

4. EXECUTIVE SESSION (IF NECESSARY)

5. ADJOURN



KATHY HOCHUL
GOVERNOR



PROPOSED RESOLUTION*

The following is a proposed resolution considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, April 20, 2022. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby approves and adopts the "Private Markets and Real Estate External Investment Manger and Portfolio Guidelines," as submitted, as an addendum to the Investment Policy Statement.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti			
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

*This proposed resolution has not been acted upon. The proposed motion is being made available pursuant to the Open Meetings Law §103(e)



Private Markets and Real Estate External Investment Manager and Portfolio Guidelines

Revision date: April __, 2022

New York State Insurance Fund

Investment Department
199 Church Street, 15th Floor
New York, NY 10007

Private Markets and Real Estate External Investment Manager and Portfolio Guidelines

These guidelines outline NYSIF's approach to investment programs relating to private equity, private credit and real estate. The three asset classes discussed below are a subset of "alternative investments" within the broader concept of "Risk Assets" as those terms are used in NYSIF's Investment Policy Statement.

A. Private Markets Portfolio Investment Guidelines

The purpose of the Private Markets Program ("PM Program") is to earn risk-adjusted returns in excess of typical risk-adjusted returns on public-market assets, as has been the case historically. The PM Program is also expected to decrease the volatility of NYSIF's assets because private-market asset classes often have lower correlations with public-market asset classes. For the purpose of this section, "private markets" refers to private equity and private credit.

The private markets generally consist of investment vehicles structured as commingled, blind-pool, investment partnerships in which NYSIF would have a passive role as a limited partner investor. Investment commitments under the PM Program will be governed by long-term contracts that provide the general partner or sponsor a reasonable time horizon to invest capital, add value through intensive operational management, and realize the proceeds of each investment. Contractual terms are proposed by the general partner and are critical to the economic incentives and ultimate net performance of the partnerships.

To strengthen the diversification benefits of the PM Program, the following guidelines will be utilized in Staff's and the investment consultant's formulation of an annual investment strategy and pacing plan for the PM Program

- Investment Structure: Staff may utilize the following investment vehicles within the PM Program: private limited partnerships, group trusts, limited liability companies, separate accounts, funds-of-one, secondary investments, and co-investments alongside general partners. Co-investments entail providing additional funding to specific investments being made by limited partnerships, typically at better economic terms for participating co-investors than the regular general/limited partner relationship.
- Investment Timing Risks: Building private-equity and private-credit portfolios that are broadly diversified across multiple "vintage" years should allow the PM Program to participate in the best investments at different stages of a typical business cycle. Staff may also consider purchasing partnership interests

in the secondary market to shorten the effective life and to optimize the current and long-term net return of the PM Program.

- Industry Diversification: Given the blind-pool nature of most private-market investments, it is generally not feasible to target specific industry exposures. Nevertheless, Staff should generally seek to diversify the PM Program across industries by investing in multi-sector funds, sector-specific funds where warranted, and targeted co-investments as appropriate. For venture capital (and, at times, other sub-strategies), it is recognized that the best opportunities may involve a relatively small number of industries.
- Geographic and Economic Location Diversification: The PM program should seek to diversify investments across locations with different economic exposures. The PM Program will be monitored regularly to maintain prudent levels of diversification, as determined by the Staff and the investment consultant.
- General Partner Diversification: Staff will seek to work with a variety of general partners due to their specialized expertise in particular segments of the private markets and deal-flow sources. No more than 15% of the PM Program's commitments shall be invested with any individual sponsor organization without Board approval. The PM Program is permitted to own up to 100% of any particular separate account, fund-of-one, co-investment fund, co-investment vehicle, or parallel partnership, subject to the sponsor limitation above. Meanwhile, unless Board approval has been obtained, the following constraints shall apply. First, the PM Program's combined commitment to any partnership and any parallel partnership shall not represent more than 25% of the total combined target capital commitments to the partnership and any parallel partnership. In addition, at any applicable closing, the PM Program's combined commitment to any partnership and any parallel partnership shall not represent more than 50% of the total combined cumulative capital commitments to the partnership and any parallel partnership. Finally, in the event that a partnership and parallel partnership raise more capital than the target amount, NYSIF's combined commitment to the partnership and parallel partnership shall not represent more than 25% of the total combined cumulative capital commitments to the partnership and parallel partnership.
- Alignment of Interests: Staff shall actively negotiate partnership agreements on behalf of NYSIF with a prime directive to ensure that interests of the general partner are aligned with NYSIF's and supported by all other similarly positioned limited partners. This should include a competitive fee structure and a participating interest in the investment commensurate with the risk being taken.

- Responsible Lending Principles: Staff shall establish safeguards to ensure that investments under the PM Program are made in accordance with NYSIF's responsible lending principles.
- Special Services: Staff or the investment consultant may also be required from time to time to engage specialized firms to conduct due diligence with respect to general partners or sponsors, and to manage non-cash distributions from affected investments under the PM Program.
- Legal Confirmation: For each commitment under the PM Program, Staff may retain outside legal counsel or otherwise procure expert legal advice. No commitment under the PM Program shall close without written confirmation from appropriate counsel that any documentation negotiated specifically by or on behalf of NYSIF has been satisfactorily completed.

B. Private Real Estate Portfolio Investment Guidelines

The purpose of the Real Estate Program ("RE Program") is to earn attractive risk-adjusted returns by providing stable current income and preserving investment capital. The RE Program is also expected to provide protection against unanticipated inflation and decrease the volatility of NYSIF's assets, because private real-estate investments have historically demonstrated lower correlations with other asset classes. Real estate includes property consisting of land, buildings, and property rights.

The private real-estate market generally consists of investment vehicles structured as commingled, blind-pool, investment partnerships in which NYSIF would have a passive role as a limited partner investor. Investment commitments under the RE Program will be governed by long-term contracts that provide the general partner or sponsor a reasonable time horizon to invest capital, add value through intensive operational management, and realize the proceeds of each investment. Contractual terms are proposed by the general partner and are critical to the economic incentives and ultimate net performance of the partnerships.

To strengthen the diversification benefits of the RE Program, the following guidelines will be utilized in Staff's and the investment consultant's formulation of an annual investment strategy and pacing plan for the RE Program:

- Investment Structure: Staff may utilize the following investment vehicles within the RE program: private limited partnerships, group trusts, limited liability companies, direct and joint ventures, and co-investments alongside general partners. Co-investments entail providing additional funding to specific investments being made by limited partnerships, typically at better economic terms for participating co-investors than the regular general/limited partner relationships.

- Investment Timing Risks: Building a real-estate portfolio that is broadly diversified across multiple “vintage” years should allow the RE Program to participate in the best investments at different stages of a typical business cycle. Staff may also consider purchasing partnership interests in the secondary market to shorten the effective life and to optimize the current and long-term net return of the RE Program.
- Sector and Property Type Diversification: The RE Program shall seek diversification through investments in core, value-added, opportunistic and debt sectors. The RE portfolio may also seek diversification by property type, not limited to investments in office, retail, multi-family, industrial and non-traditional categories such as hotels, self-storage, senior housing, and land.
- Geographic and Economic Location Diversification: The RE Program shall seek to diversify investments across locations with different economic exposures. The RE Program will be monitored regularly to maintain prudent levels of diversification, as determined by the Staff and the investment consultant.
- General Partner Diversification: Staff will seek to work with a variety of general partners due to their specialized expertise in particular segments of the real-estate markets and deal-flow sources. No more than 15% of the RE Program’s commitments shall be invested with any individual sponsor organization without Board approval. The RE Program is permitted to own up to 100% of any particular separate account, fund-of-one, co-investment fund, co-investment vehicle, or parallel partnership, subject to the sponsor limitation above. Meanwhile, unless Board approval has been obtained, the following constraints shall apply. First, the RE Program’s combined commitment to any partnership and any parallel partnership shall not represent more than 25% of the total combined target capital commitments to the partnership and any parallel partnership. In addition, at any applicable closing, the RE Program’s combined commitment to any partnership and any parallel partnership shall not represent more than 50% of the total combined cumulative capital commitments to the partnership and any parallel partnership. Finally, in the event that a partnership and parallel partnership raise more capital than the target amount, NYSIF’s combined commitment to the partnership and parallel partnership shall not represent more than 25% of the total combined cumulative capital commitments to the partnership and parallel partnership.
- Alignment of Interests: Staff shall actively negotiate partnership agreements on behalf of NYSIF with a prime directive to ensure that interests of the general partners are aligned with NYSIF’s and supported by all other similarly positioned limited partners. This should include a competitive fee structure and a participating interest in the investment commensurate with the risk being taken.

- Special Services: The Staff or the investment consultant may be required from time to time to engage specialized firms to conduct due diligence with respect to general partners or sponsors, and to manage non-cash distributions from affected investments under the RE Program.
- Legal Confirmation: For each commitment under the RE Program, Staff may retain outside legal counsel or otherwise procure expert legal advice. No commitment under the RE Program shall close without written confirmation from appropriate counsel that any documentation negotiated specifically by or on behalf of NYSIF has been satisfactorily completed.

C. Considerations, Criteria and Process for Selection of Private Markets Program

For alternative investments made under the PM Program, the Chief Investment Officer shall consider the strategic objectives of the Board as set forth in the Investment Policy Statement (including objectives relating to diversity and inclusion, ESG and responsible contracting), NYSIF's Board-approved strategic asset allocation, and the legal and economic terms of such investments.

In addition, for each prospective investment to be made under the PM Program, NYSIF Staff, in consultation with its Investment Consultant, will manage an operational and investment due-diligence review that includes, but is not limited to, the following considerations:

- the sufficiency of the legal and economic terms and of the fiduciary duty governing the investment;
- the overall portfolio needs, including the diversification benefits to the overall portfolio of the investment;
- the organization and organizational stability of the entity sponsoring, managing and/or otherwise affiliated with the investment;
- the timing and structure of potential capital calls and distributions, fees and total costs of the investment.

The Chief Investment Officer will advise and apprise the Investment Committee on the results of the review and on funding commitments. NYSIF Legal will review investment materials and information and advise the Chief Investment Officer about the favorability, legal risks, and sufficiency of the terms and provisions of an investment in accordance with the Investment Policy Statement, applicable law, and generally accepted legal standards for alternative investments.

PROPOSED MINUTES OF THE REGULAR MEETING
OF THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, MARCH 16, 2022 AT 10:00 A.M.
AT 199 CHURCH STREET, 12 FLOOR BOARDROOM, NEW YORK, NY 10007

PRESENT

Board

Kenneth Theobalds, Chairman
Sean Graham
Alexis Thomas ¹
Bhakti Mirchandani
Louis Roberti ¹
Dennis Kessler
Charles MacLeod
Navneet Kathuria
Ryan Delgado
Scott Melvin, *ex officio*

¹ *absent from the March Board meeting*

Executive Staff

Gaurav Vasisht, Executive Director & CEO
Joseph Mullen, Deputy Executive Director
James Fiedler, Acting General Attorney
Gregory Francis, Chief Investment Officer
Melissa Jensen, Director, Policy Management
Chad Loshbaugh, Director of Administration
William Gratrix, Chief Financial Officer

Additional Staff & Guest(s)

Michael Totaro, Assistant Secretary to the
Board of Commissioners
Tanisha Edwards, Deputy Chief of Staff & CFO, New York City
Council Speaker's Office

Chairman Theobalds presided. A quorum was announced and present throughout the meeting. The Chairman began the meeting by honor Tanisha Edward, NYSIF's former General Attorney, who departed to work the New York City Council's Speaker's Office. The Chair, echoed by the Board, thanked Ms. Edwards for her energy, enthusiasm, professionalism and sound advice. Ms. Edwards thanked the Board for honor.

1. Standing Report(s)

Report of Executive Director & CEO Gaurav Vasisht

Executive Director & CEO Vasisht began the meeting by providing the Board a presentation concerning the policy lifecycle project. He turned it over to Direct of Policy Management Melissa Jensen to walk the Board through the presentation.

Report of Acting General Attorney James Fiedler

Acting General Attorney James Fielder reserved his remarks for Executive Session, pending a motion to enter into executive session.

2. Report(s) of Standing Committees

Investment Committee

Commissioner Delgado reported that the Investment Committee met on March 15, 2022. The committee heard reports from NYSIF's staff about profit and loss analysis, along with presentations on allocation and

inflation risks. There were no compliance issues to report. He stated he had two other items to discuss in executive session, subject to a motion to enter executive session.

Commissioner Delgado presented a resolution concerning NYSIF's Investment Policy Statement ("IPS"). Gregory Francis, Chief Investment Officer, provided an overview of the IPS, which sets long term priorities and goals for investments. The main goals are to invest assets to safeguard the preservation of capital, generate income and growth, and ensure adequate liquidity to meet liabilities, risk tolerances, and other limits on investment activities as described in the IPS.

Upon motion by Commissioner Kathuria, duly seconded by Commissioner Graham, the Board unanimously approved the following:

RESOLVED, that the Board of Commissioners hereby approves and adopts the amended New York State Insurance Investment Policy Statement (IPS) as submitted to the Board and as recommended by NYSIF's Investment Committee, staff, and NYSIF's Investment Advisor. The resolution supersedes the resolution of the New York State Insurance Fund Board of Commissioners concerning the IPS dated February 16, 2022.

The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

3. Motion to Accept Consent Agenda

Upon motion by Commissioner MacLeod, duly seconded by Commissioner Kathuria, the Board unanimously voted to accept the minutes of the February 16, 2022 Board meeting and have them filed as the official minutes of the Board, as well as to accept the written reports as submitted. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

4. Executive Session

Upon motion by Commissioner MacLeod, duly seconded by Commissioner Kathuria, the Board unanimously voted to enter Executive Session for a discussion regarding the medial, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal, or removal of a particular person or corporation—specifically this applies to investment procurements; for a discussion leading to the acquisition, sale, or lease of real property; and for a discussion regarding current litigation and legal advice. The vote:

Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

5. Report of Executive Session

Assistant Secretary Michael Totaro announced the following actions were taken by the Board in Executive Session:

Upon motion by Commissioner Kathuria, duly seconded by Commissioner MacLeod, the Board unanimously approved the following:

RESOLVED, that the Board of Commissioners hereby approves and authorizes the staff to enter into a seven-year contract with BlackRock Financial Management, Inc for investment analytics and a risk system, inclusive of net zero services, subject to: (i) legal review and execution by staff, and (ii) approval by the Superintendent of Financial Services.

The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

Upon motion by Commissioner Graham, duly seconded by Commissioner Melvin, the Board unanimously approved the following:

RESOLVED, that the Board of Commissioners hereby approves and authorizes the continuation of services on a month-to-month basis for no more than an additional six months (through October 21, 2022), with the following two emerging manager-of-managers: a) Attucks Asset Management; and b) Legato Capital Management, LLC, subject to: (i) legal review and execution by staff, and (ii) approval by the Superintendent of Financial Services.

The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

The Assistant Secretary also announced that the next regular meeting of the New York State Insurance Fund Board of Commissioners will be held on Wednesday, April 20, 2022, at 10:00 a.m.

6. Adjournment of Meeting

Upon motion by Commissioner Kathuria, duly seconded by Commissioner Kessler, the Board unanimously voted to the adjourn the March 16th regular meeting of the Board of Commissioners. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Mirchandani – yes; Commissioner Graham – yes; and Chairman Theobalds – yes.

Respectfully submitted,

Michael Totaro, Assistant Secretary

Proposed



2022 BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING SCHEDULE

JANUARY 19

FEBRUARY 16

MARCH 16

APRIL 20

MAY 18

JUNE 15

JULY 20

SEPTEMBER 21

OCTOBER 19

NOVEMBER 16

DECEMBER 21

NYSIF Board of Commissioners generally meet at 10:00 a.m. on the third Wednesday of every month, unless otherwise noted.

The Board does not convene during the month of August.

199 Church Street, New York, NY 10007 | nysif.com

December 2021



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, April 20, 2022. A quorum was present throughout:

A motion was made that the minutes of the March 16, 2022 meeting be accepted and filed as the official minutes of the Board of Commissioners.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

*This proposed motion has not been acted upon. The proposed motion is being made available pursuant to the Open Meetings Law §103(e)



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, April 20, 2022. A quorum was present throughout:

Motion to accept the written reports as submitted.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, April 20, 2022. A quorum was present throughout:

A motion was made to proceed into Executive Session for a discussion regarding a particular policyholder(s); for a discussion regarding the proposed acquisition, sale or lease of real property; for a discussion regarding the proposed acquisition of securities or sales or exchange of securities when publicity would substantially affect the value thereof; and for a discussion regarding current litigation and legal advice.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, April 20, 2022. A quorum was present throughout:

A motion was made to adjourn the Board of Commissioners of the State Insurance Fund regular monthly meeting.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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