



KATHY HOCHUL
GOVERNOR



GENERAL SESSION AGENDA
BOARD OF COMMISSIONERS' REGULAR MEETING
WEDNESDAY, NOVEMBER 20, 2024, 10:00 A.M.

1. STANDING REPORT(S)

- A. REPORT OF EXECUTIVE DIRECTOR & CEO GAURAV VASISHT
- B. REPORT OF ACTING GENERAL ATTORNEY DAVID WERTHEIM

2. REPORT OF BOARD STANDING COMMITTEE(S)

- A. BUDGET & AUDIT COMMITTEE: COMMISSIONER THOMAS
 - 1) 3RD QUARTER FINANCIAL REPORT
 - 2) RESOLUTION: 2025 WORKERS' COMPENSATION INSURANCE FUND BUDGET
 - 3) RESOLUTION: 2025 DISABILITY BENEFITS FUND BUDGET
- B. INVESTMENT COMMITTEE: COMMISSIONER OURLIGHT
 - 1) RESOLUTION: INVESTMENT POLICY STATEMENT
 - 2) RESOLUTION: INCREASE EQUITY CAP
 - 3) RESOLUTION: AUTHORITY TO TRADE
- C. PROPERTY & ADMINISTRATIVE SERVICES COMMITTEE: COMMISSIONER KESSLER

3. CONSENT AGENDA

- A. TO ACCEPT THE PROPOSED MINUTES OF THE OCTOBER 16, 2024 BOARD MEETING
- B. TO ACCEPT THE WRITTEN REPORTS AS SUBMITTED

4. EXECUTIVE SESSION (IF NECESSARY)

5. ADJOURN



Board of Commissioners

Q3 2024 Results

November 20, 2024

Workers' Compensation Fund

Q3 2024 Results

Preliminary & Unaudited



Workers' Compensation Fund

Q3 2024 Overview – Statutory Basis

- **Earned premium decreased \$41 million or 3.1% compared to 2023**
 - 2024 premium decrease is due to reduced loss costs and audit premium, offset by increased payrolls.
- **The combined ratio with dividends increased 1.5 points compared to 2023**
 - Losses and loss adjustment expenses incurred decreased \$46 million in 2024.
 - Dividends paid YTD were \$136.3 million in 2023 and \$119.9 million in 2024.
- **Net investment income ratio (before realized gains) increased 6.6 points compared to 2023**
 - The increase was mainly due to interest rates on new money.
- **Bad Debt Expense increased to \$57.1 million from \$37.8 million in 2023**
 - The bad debt expense increased due to premium levels and a review of uncollectible account estimates.
- **Realized Gains were \$169.6 million, up from \$55.2 million in 2023**
 - 2024 realized gains included gains on sales of common stock of \$202.6 million, offset by realized losses on bond sales of \$(33.0) million.
- **Net income was \$684.1 million, reflecting an increase of \$143.4 million compared to 2023**
 - The increase from 2023 is a result of increased investment income and higher net realized gains.

Workers' Compensation Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

3rd Quarter

	YTD <u>2023</u>	YTD <u>2024</u>	Percent/Point <u>Increase/</u> <u>(Decrease)</u>
Net Written Premium	\$1,291.4	\$1,262.8	(2.2%)
Net Earned Premium	\$1,304.5	\$1,263.4	(3.1%)
Combined Ratio	85.6%	85.3%	(0.2)
Dividend Ratio	11.0%	12.7%	1.8
Combined Ratio w/Dividends	96.6%	98.1%	1.5
Underwriting Margin (1-Combined Ratio w/Dividends)	3.4%	1.9%	(1.5)
Net Investment Income Ratio (1)	35.0%	41.6%	6.6
Current Year Operating Margin (2)	38.4%	43.5%	5.0
Bad Debt Expense	(37.8)	(57.1)	(19.4)
Realized Gains/(Losses)	55.2	169.6	114.3
Net Income	\$540.8	\$684.1	\$143.4
Dividends Paid	\$136.3	\$119.9	(\$16.4)

(1) Excluding realized gains/losses.

(2) Current year operating margin = combined ratio w/ dividends + net investment income ratio (per AM Best which excludes realized gains (losses) and other income (expenses)).

Disability Benefits Fund

Q3 2024 Results

Preliminary & Unaudited



Disability Benefits Fund

Q3 2024 Overview – Statutory Basis

- **Earned premium decreased slightly by \$1.6 million or 1.8% compared to 2023**
- **The combined ratio increased by 20.5 points compared to 2023**
 - Loss and loss adjustment expenses increased by \$16 million in 2024 vs. 2023 due to a lower than expected PFL risk pool payment in 2023.
 - The PFL risk pool payment of \$15.9 million was paid in July 2024.
- **Net income was \$33.1 million, reflecting a decrease of \$14.1 million or 29.8% compared to 2023**
 - Net income was reduced by the decrease in PFL rates and the increase in the PFL risk adjustment pool liability noted above, offset by increased investment income.

Disability Benefits Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

3rd Quarter

	YTD 2023	YTD 2024	Percent/Point Increase/ (Decrease)
Net Written Premium	\$102.6	\$93.0	(9.3%)
Net Earned Premium	\$90.8	\$89.2	(1.8%)
Loss and Loss Adjustment Expense Ratio	53.6%	72.5%	18.9
Underwriting Expense Ratio	5.1%	6.7%	1.6
Combined Ratio	58.7%	79.2%	20.5
Underwriting Margin (1-Combined Ratio)	41.3%	20.8%	(20.5)
Net Investment Income Ratio	11.8%	15.2%	3.4
Current Year Operating Margin (1)	53.1%	36.0%	(17.1)
Net Income	\$47.2	\$33.1	(\$14.1)

(1) Current year operating margin = combined ratio w/ dividends + net investment income ratio (per AM Best which excludes realized gains (losses) and other income (expenses)).

(2) Amounts may not foot due to rounding.



KATHY HOCHUL
GOVERNOR



RESOLUTION

The following is a resolution considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

RESOLVED, that the Board of Commissioners, under Section 82 of the Workers' Compensation Law, approves the 2025 Workers' Compensation Fund Administrative Budget as submitted.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary



2025 Proposed Budget Workers' Compensation Fund

Board of Commissioners
November 20, 2024

2025 NYSIF Proposed Administrative Budget

Executive Summary

- Total Plan includes 2025 HELPS additions of 69 FTEs, 30 of which are attributal to the Administrative Budget, subject to Board resolution.
- 2025 Earned Premium, at \$1.5B, reflects the CIRB loss cost reductions of 9.0% that took effect October 1, 2024.
- NYSIF's Controllable Administrative Expenses, subject to Board resolution, exclude the direct and indirect costs of claims handling and investment management (internal and external), which are treated as separate categories for Statutory reporting purposes.
- NYSIF's proposed 2025 Controllable Administrative Budget, at \$166M, or 10.8% of earned premium, is well below NYSIF's legally mandated 25% administrative expense cap.
- The 2024 forecast of \$145M is below the 2024 approved budget of \$153.3M by \$8.3M, or 5.4%. This positive variance is primarily driven by OPEB as well as IT expenses under budget.
- Salaries and Fringe Benefits represent 79.3% of the Controllable Administrative Expense Budget for 2025, and 78.1% of the 2024 forecast.

2025 NYSIF Proposed Administrative Budget

Non-Compensation Expenses

- IT software continues to move from purchased licenses to Cloud services in addition to new investments in Artificial Intelligence.
- IT consulting includes additional Project Based expert resources to assist in new initiatives.
- Collection agency fees are budgeted to increase in 2025 because of increased accounts placed with outside collection agencies versus in-house legal staff. The dollar amount of collections has increased proportionally.

Notable Projects / Initiatives for 2025

- New Albany building will be constructed in 2025.
- Replacement of the Investigations Unit's Polonius system.
- New analytics, business intelligence and data science solutions.
- Policy mobile application.
- New legal management system.

2025 NYSIF Proposed Administrative Budget

STATE INSURANCE FUND WORKERS' COMPENSATION FUND OTHER UNDERWRITING EXPENSES (CONTROLLABLE ADMINISTRATIVE EXPENSES)	2024 Budget Other Underwriting	2024 Forecast Other Underwriting	2025 Proposed Budget Other Underwriting	2025 Proposed Budget Other Underwriting HELPS	2025 Proposed Budget Other Underwriting with HELPS	2025 Proposed Budget with HELPS less 2024 Forecast	2025 Proposed Budget with HELPS less 2024 Forecast
A Salaries	\$72,518,237	\$74,768,865	\$81,819,954	\$1,179,506	\$82,999,460	\$8,230,595	11%
B OPEB (Other Post Employment Benefits - Health)	13,524,651	6,204,309	8,674,177	125,858	8,800,035	2,595,726	42%
C Payroll taxes and other employee benefits	32,117,652	32,440,627	39,276,850	566,859	39,843,709	7,403,082	23%
Sub-total Salaries and benefits	118,160,539	113,413,801	129,770,980	1,872,223	131,643,203	18,229,402	16%
D IT expenses software and hardware	15,313,050	14,550,247	15,493,390	-	15,493,390	943,142	6%
E IT consultants	4,536,410	4,053,103	4,159,210	-	4,159,210	106,107	3%
Security, mail and scanning services	3,221,580	3,028,167	3,050,304	-	3,050,304	22,137	1%
F Underwriting payment and processing fees	4,927,270	3,854,167	4,114,792	-	4,114,792	260,625	7%
G Printing	1,161,236	1,076,157	1,111,878	-	1,111,878	35,721	3%
H All other including furniture and equipment	3,602,672	3,597,704	4,329,327	-	4,329,327	731,623	20%
I Collection agency fees	2,387,244	1,750,000	2,000,000	-	2,000,000	250,000	14%
(1) Administrative Expenses (subject to Board resolution)	\$153,310,002	\$145,323,346	\$164,029,881	\$1,872,223	\$165,902,104	\$20,578,759	14%
* FTE Attributed to Administrative Budget	849	899	899	30	929	30	
(2) Earned Premium	\$1,593,762,000	\$1,568,572,434	\$1,529,312,272		\$1,529,312,272	(\$39,260,162)	
Administrative Expense Ratio (1) / (2)	9.6%	9.3%	10.7%		10.8%	1.6%	
* Salaries exclude Investment and Claims department employees.							



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RESOLUTION

The following is a resolution considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

RESOLVED, that the Board of Commissioners, under Section 82 of the Workers' Compensation Law, approves the 2025 Disability Benefits Fund Administrative Budget as submitted.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary



2025 Proposed Budget Disability Benefits Fund

Board of Commissioners
November 20, 2024

2025 NYSIF Proposed Budget

Executive Summary

- As a ratio to earned premium, the **Administrative Expense Ratio** increases from 6.4% to 6.6%, driven by a decrease in earned premium
- 2024 OPEB reflects impact of market interest rate increases.
- DB expenses are partially dependent on allocations from the Workers' Compensation Fund.

2025 NYSIF Proposed Budget

STATE INSURANCE FUND DISABILITY BENEFITS FUND OTHER UNDERWRITING EXPENSES (CONTROLLABLE ADMINISTRATIVE EXPENSES)	2024 Budget Other Underwriting	2024 Forecast Other Underwriting	2025 Proposed Budget Other Underwriting	2025 Proposed Budget less 2024 Forecast	2025 Proposed Budget less 2024 Forecast
Salaries	\$3,198,909	\$2,949,048	\$3,256,681	\$307,633	10%
Payroll taxes and employee benefits	2,010,681	1,521,714	1,917,639	395,925	26%
Sub-total Salaries and benefits	5,209,590	4,470,762	5,174,320	703,558	16%
IT Expenses and Consultants	757,338	652,438	774,491	122,053	19%
Security, mail and scanning services	701,827	663,588	672,932	9,345	1%
Underwriting payment and processing fees	231,643	214,432	232,278	17,846	8%
Printing	61,214	41,259	53,343	12,084	29%
All other including collections	351,911	339,596	427,551	87,955	26%
(1) Administrative Expenses (subject to Board resolution)	\$7,313,523	\$6,382,075	\$7,334,916	\$952,841	15%
FTE	52	54	55	1	2%
(2) Earned Premium	\$115,124,018	\$117,700,000	\$111,700,000	(\$6,000,000)	-5%
Administrative Expense Ratio (1) / (2)	6.4%	5.4%	6.6%	1%	



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RESOLUTION

The following is a resolution considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby approves and adopts the New York State Insurance Fund's "Investment Policy Statement" ("IPS") as submitted to the Board and as recommended by the NYSIF Investment Committee, staff and NYSIF's Investment Advisor. This resolution supersedes and replaces the resolution of the New York State Insurance Fund Board of Commissioners concerning the IPS dated November 15, 2023.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary



Investment Policy Statement

As Amended by the NYSIF Board of Commissioners on November 15, 2023

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About NYSIF

The New York State Insurance Fund (“NYSIF”) was established in 1914 as part of the original enactment of the New York State Workers’ Compensation Law. NYSIF’s mission is to guarantee the availability of workers’ compensation insurance at the lowest possible cost to New York employers and to provide timely, appropriate indemnity and medical payments to injured workers, while maintaining a solvent fund.

Since inception, NYSIF has fulfilled the dual roles for which it was created: to compete with other carriers to ensure a fair marketplace, and to be a guaranteed source of coverage for employers who cannot secure coverage elsewhere. In fulfilling its dual roles, NYSIF is charged with:

- Achieving the best health outcomes for injured workers by paying indemnity and medical benefits in a timely manner, and facilitating appropriate medical care
- Ensuring that all New York businesses have a market for workers’ compensation and disability benefits insurance available to them at a fair price
- Maintaining a solvent state insurance fund that is always available to New York businesses
- Being a competitive force in the marketplace and an industry leader in price, quality, and service

NYSIF consists of two separate “Funds”: the Workers’ Compensation Fund (“WCF”), insuring employers against occupational injury and disease suffered by their employees; and the Disability Benefits Fund (“DBF”), established in 1949, which insures against disabling off-the-job sickness or injury sustained by employees.

New York voters approved the Workers’ Compensation Act of 1914 by referendum. The law was spurred by two significant events in American history: the 1909 Wainwright Commission that reported on the woeful labor conditions and treatment of injured workers, and the Triangle Shirtwaist factory fire of 1911, among the deadliest in New York City history.

NYSIF is a self-supporting insurance carrier that competes with private insurers in the workers’ compensation and disability benefits markets. Operating income is derived solely from insurance premiums and investments. NYSIF is the largest provider of workers’ compensation insurance in New York State.

Pursuant to the laws of the State of New York, NYSIF has the authority and responsibility to provide workers’ compensation insurance to New York employers at the lowest possible cost consistent with maintaining a solvent fund and a reasonable net asset position, as well as to provide appropriate indemnity and medical payments to injured workers of its insureds, as well as to provide disability insurance.

Pursuant to § 87 of the Workers’ Compensation Law, NYSIF has the authority to invest any of its reserve and surplus funds. NYSIF’s portfolios of investments are the WCF and the DBF. Pursuant to § 27(6) of the Workers’ Compensation Law, NYSIF is also responsible for the investment of the assets of the Aggregate Trust Fund (“ATE”).

NYSIF's Board of Commissioners (the "Board") is responsible for establishing NYSIF's investment policy and objectives, as well as exercising oversight of the investment management for both Funds and for the ATF.

Statement of Purpose

NYSIF's Investment Policy Statement (the "IPS") defines the framework by which NYSIF manages the assets of NYSIF in order to fulfill its mission. The document provides the primary guidance for NYSIF's investment activities by outlining the philosophy and structure of NYSIF's investment program, describing the general process by which assets are managed, and defining the key roles and responsibilities in NYSIF's investment program.

In formulating this policy, the Board has sought to allow sufficient flexibility to capture investment opportunities as they occur, while establishing reasonable parameters to ensure that prudence and care are exercised in the execution of NYSIF's investment program. The intent is for the IPS to be a dynamic document, which will be reviewed regularly and at a minimum annually. The investment policy may be modified periodically to reflect any material changes to NYSIF's assets and liabilities, NYSIF's investment program and/or economic conditions.

Legal Authority

The State of New York Workers Compensation Law (the "WCL"), directives and other compulsory measures from the executive and legislative branches of the New York State government, and NYSIF's governing statutes create a legal framework within which this IPS must be interpreted and implemented by the Board in approaching its decisions. The Board is independent and has sole and exclusive legal responsibility over investment of the Funds' assets.

A. Fiduciary Duty

The Board and its members are public officers and fiduciaries, making decisions for the sole benefit of the Funds as a whole without other concerns or outside influence. Specifically, § 82 of the WCL obligates NYSIF Commissioners to "consider at all times the condition of the fund and examine into its reserves, investments and all other matters related to its administration." The Board's obligation to NYSIF, as a state agency, is to ensure that the Workers' Compensation Fund and the Disability Benefits Fund are properly administered and remain solvent.

The Workers' Compensation Law and NYSIF's role as a state agency provide a structure for NYSIF and the Board to establish a decision-making process to allow the Board to execute its oversight and its fiduciary obligations over investments of the Funds' assets.

All Board members have the same fiduciary duty. This fiduciary duty has two components:

- **Duty of Loyalty.** Under the Duty of Loyalty, Board members are required to discharge their duties with respect to the Funds' investments solely in the interest and for the exclusive purpose of providing benefits and meeting obligations to policyholders, claimants, and other stakeholders, and defraying

reasonable expenses of the Funds' plan(s).

- **Duty of Prudence.** As a matter of policy, in analyzing investments, NYSIF primarily looks for guidance, and may draw upon common-law principles or trust and similar language describing fiduciary-duty standards, in § 404(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA"), as well as current best practice in institutional fund management. Under the Duty of Prudence, NYSIF Board members shall make such investments with the care, skill, prudence, and diligence that a prudent fiduciary acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Board must diversify the Funds' investments so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Board may invest or delegate the authority to invest the Funds' assets through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction to the extent permitted by law and when prudent in the informed opinion of the Board.

B. Code of Ethics

NYSIF Officers and Employees, including those involved with NYSIF's investments, must refrain from having any interest, or engaging in any business or transaction, which conflicts, or has the appearance to conflict, with their NYSIF duties. All Officers and Employees are subject to, and shall comply with, New York's ethics laws (including, without limitation, Public Officers Law Article 4) and NYSIF's Employee Vendor Policy, Code of Ethics and Commissioners Code of Ethics, as applicable.

Investment Policy

I. Investment Philosophy and Strategy

A. Investment Objectives

NYSIF's primary investment objective is to manage assets to maintain a sound net asset position so that the Funds can meet their liabilities to policyholders and to others, as they come due. This level of net assets will be achieved using a diversified investment strategy that assumes a prudent level of risk to generate returns sufficient to maintain or improve the amount of net assets over time, while keeping premium payments reasonable and predictable for the benefit of the injured workers and their employers in the State of New York.

To support this objective, NYSIF will:

- Invest assets to safeguard the preservation of capital in the overall portfolio
- Generate income and growth within the parameters of prudent risk management and approved benchmarks
- Ensure adequate liquidity to meet all operating requirements that may be reasonably anticipated

B. Investment Tenets

The Board has adopted the following investment tenets ("Investment Tenets") to describe its core values and underlying assumptions about how capital markets operate. Collectively, the Investment Tenets provide a framework to guide investment decisions in a manner consistent with NYSIF's nature as an institutional investor with a long-term investment perspective in order to achieve the investment objectives defined above.

i. **Capital Preservation**

NYSIF seeks to contain the aggregate volatility of the portfolio and guard against the long-term erosion of each Fund's net asset position by preserving capital.

ii. **Strategic Asset Allocation**

Strategic asset allocation is a significant factor influencing long-term investment performance and asset volatility. NYSIF's asset-allocation process uses quantitative modeling to consider the long-term asset volatility, correlation of returns between asset classes and liability cash flows.

iii. **Diversification**

Diversification results in a more efficient portfolio by adding various sources of risk and return, since various asset classes may behave differently under different economic regimes and market environments. A well-diversified asset mix is instrumental in meeting the Funds' long-term objectives.

iv. **Long-term Perspective**

Adopting a long-term, strategic perspective in formulating investment policy can be advantageous to overall portfolio returns, because individual components of an investment plan may not always appear to add value over

shorter time frames.

v. Asset-Liability Management

By matching assets against liabilities dynamically, the Funds can minimize overall portfolio volatility and preserve claims-paying ability.

vi. In-House Investing

Maintaining an internal team of investment professionals is an appropriate strategy to control costs and retain optimal control of the assets. Managing NYSIF's largest asset exposures internally allows the Funds to maintain agility in responding to shifts in markets or the Funds' liabilities.

vii. Risk

Risk management and performance benchmarking are integral to the entire investment process. Since no single metric adequately conveys risk, NYSIF will evaluate risk holistically, incorporating quantitative and qualitative assessments into management of the portfolio.

viii. Governance

A well-articulated governance structure allows decision-makers to work together effectively, ensures long-term success, and encourages constructive dialogue. Sound investment policies, controls, accountability, oversight and reporting are critical to NYSIF's long-term investment performance.

ix. Process

A robust, well-documented, consistent process overseen by a team of well-resourced, diverse investment professionals is required to realize NYSIF's investment objectives. Diversity of thought at all levels of the decision-making process is critical.

x. Costs and Fees

Costs and fees impact investment returns, and are optimized through internal management, external-manager fee negotiations, and a focus on net performance.

C. Asset Allocation

NYSIF fundamentally believes that long-term, strategic asset allocation will be the primary determinant of risk/return outcomes, and therefore establishes a strategic asset allocation to meet its mission and investment objectives.

NYSIF's strategic asset allocation categorizes capital outlays into two primary groups, defined by the function each allocation is intended to serve in the portfolio: (1) Core Assets and (2) Risk Assets, each of which includes additional functional categories with asset classes having their own risk/return characteristics.

NYSIF expects the various asset- class categories to diversify the Funds, mitigate downside risk and optimize growth. The asset allocation determines what proportion of each Fund is allocated to each functional category and underlying asset class, including target weights and allowable ranges as a percentage of the Funds.

In order to determine its strategic asset allocation, NYSIF conducts a comprehensive asset allocation study every three to five years, or at the Board's request.

NYSIF's approved asset-allocation and benchmark tables are detailed in the Appendix.

D. Overview of Strategic Asset Allocation

NYSIF groups asset classes into the following functional categories:

i. Core Assets

NYSIF's exposure to "Core" assets is primarily to investment-grade fixed-income instruments. The objective of NYSIF's core-asset portfolio is to provide diversification, capital preservation, liquidity, competitive relative returns and deflation protection. The portfolio will primarily be managed by members of the Investment Department ("**Staff**").

ii. Risk Assets

Risk assets are sub-divided into below-investment-grade fixed-income instruments, public equity, inflation-sensitive assets and alternative investments.

The objective of NYSIF's below-investment-grade fixed-income portfolio is to gain exposure to higher-yielding investments that generate greater income for the portfolio and produce a higher expected rate of return than that of the investment-grade fixed-income portfolio. Compared to the investment-grade fixed-income portfolio, this portfolio is expected to have a higher level of risk/volatility. The below-investment-grade fixed-income portfolio is also expected to produce, over time, total risk-adjusted returns greater than a below-investment-grade fixed-income benchmark.

The objective of NYSIF's public equity portfolio is to provide exposure to economic growth and to capture the equity risk premium. The public equity portfolio consists of mostly domestic large-, medium- and small-capitalization stocks that will be invested in both actively and passively managed investment strategies with the goal of exceeding the return of an appropriate public-equity benchmark on a risk-adjusted and net-of-fees basis, with medium to low tracking error (*i.e.*, the standard deviation of the difference between the returns of an investment portfolio and the underlying benchmark). The objective of NYSIF's inflation-sensitive asset portfolio is to improve the portfolio's overall resilience to above-trend inflation. Inflation-sensitive assets may include funds or other investment vehicles with exposure to infrastructure that benefits from scarcity or from long-term arrangements either to fix costs or to adjust permitted/contracted revenues upward in line with inflation.

Depending on then-prevailing market conditions, inflation-sensitive assets may also include Treasury Inflation-Protected Securities and funds with exposure to commodities.

Alternative investments consist of investments in relatively illiquid assets (*i.e.*, equity, credit, real estate), which, by virtue of their illiquidity, command a premium return over comparable publicly traded securities.

- *The objective of the Private Equity* portion of the alternative portfolio is to provide superior risk-adjusted returns and/or to exhibit low correlation relative to the traditional assets portion of the investment portfolio. The Private Equity portfolio will be diversified and consist of investments in a variety of private-equity funds and strategies (*e.g.*, buyouts, growth equity, venture capital, special situations, and co-investments). It shall be invested in actively managed investment strategies with the goal of exceeding an appropriate benchmark to be chosen closer to the time that this portion of the portfolio is

actually funded. Because the Private Equity portfolio will take time to get invested, its early performance may differ materially from that of a mature private-equity benchmark. For this reason, the Private Equity benchmark will be used primarily as a long-term performance-measurement tool.

- *The objective of the Private Credit* portion of the alternative portfolio is to provide superior risk-adjusted returns, income, and/or to exhibit low correlation relative to the traditional assets portion of the investment portfolio. The Private Credit portfolio will be diversified and consist of investments in a variety of private-credit funds and strategies. It shall be invested in actively managed investment strategies with the goal of exceeding an appropriate benchmark to be chosen closer to the time that this portion of the portfolio is actually funded. Because the Private Credit portfolio will take time to get invested, its early performance may differ materially from that of a mature private-credit benchmark. For this reason, the Private Credit benchmark will be used primarily as a long-term performance-measurement tool.
- *The objective of the Real Estate* portion of the alternative portfolio is to provide superior risk-adjusted returns, income, and/or to exhibit low correlation relative to the traditional assets portion of the investment portfolio. The Real Estate portfolio will be diversified and consist of investments in a variety of debt and equity real-estate funds and strategies. It shall be invested in actively managed investment strategies with the goal of exceeding an appropriate benchmark to be chosen closer to the time that this portion of the portfolio is actually funded. Because the Real Estate portfolio will take time to get invested, its early performance may differ materially from that of a mature private-equity benchmark. For this reason, the Real Estate benchmark will be used primarily as a long-term performance-measurement tool.

E. Performance Objectives

Performance objectives are multi-faceted and account for asset quality, risk tolerance, credit upgrades and downgrades, ALM considerations, actual performance versus appropriately tailored benchmarks, as well as anticipated performance under a variety of stress tests. The long-term performance objective of the Funds is to generate risk-adjusted returns that meet or exceed their policy benchmarks, net-of-fees, over the Funds' designated investment time horizon, taking into account the conservative profile of internally managed assets and of NYSIF's risk parameters. It is expected that any active external management of individual asset classes will provide an investment return in excess of the index, net of expenses, on a consistent basis. NYSIF's policy benchmarks at the total Fund level, the functional category level, and the asset class level can be found in the Appendix.

F. Portfolio Rebalancing

Staff, in consultation with the investment consultant, will review the actual asset-allocation percentages at each regularly scheduled convening of the Investment Committee. If an asset allocation falls outside of the Board-approved range(s) limits set forth above, Staff will notify the Executive Director and the Investment Committee. If appropriate, Staff will rebalance the portfolio back to within the strategic asset

allocation's policy ranges as promptly as would be prudent considering market conditions, transaction costs, and any other relevant factors. Upon determining the appropriate course of action, Staff will inform the Executive Director and the Investment Committee of the plan to adjust the portfolio back to within the Board-approved range(s).

An exception to the rebalancing procedure may apply to liquidity-constrained assets, such as alternative investments. In such instances, the Chief Investment Officer ("CIO") will develop a plan for an orderly rebalancing, recognizing that the Board does not wish to force illiquid asset purchases or sales which could adversely impact the relevant Fund. The Board acknowledges that liquidity-constrained asset rebalancing could require an extended period of months or even years before it is possible to prudently return to the policy ranges specified for the relevant asset class.

G. Diversity and Inclusion

The Board values diversity and inclusion and is committed to providing ongoing opportunities for minority- and women-owned investment-management firms to manage assets on behalf of NYSIF. As such, it shall be the policy of NYSIF to ensure that no barrier exists to the full participation of external investment managers that are MWBEs in the investment opportunities afforded by NYSIF. (Please refer to the Attachments for the MWBE Policy Statement.) NYSIF believes that effectively accessing and managing MWBE talent—inclusive of varied backgrounds, age, experience, race, gender, ethnicity, and culture—leads to improved outcomes.

NYSIF expects all its external investment managers and investment consultants to respect NYSIF's values of diversity and inclusion, reflect them in their own organizations, and strive to establish similar MWBE goals as defined within the MWBE Policy for their external service providers.

Also, where there are opportunities within the approved strategic asset allocation, and in compliance with the IPS, the Board desires to do business with service-disabled veteran- owned external investment managers ("SDVOM"). An SDVOM is an investment manager where at least 51% of the firm is owned by one or more service-disabled veterans with a service-connected disability rating of 10% or more from the US Department of Veterans Affairs.

H. ESG Considerations

The Board recognizes that environmental, social and governance ("ESG") factors may influence the risk-return profile and financial performance of investments. ESG factors may vary for any potential investment according to industry, geographic exposure, business strategy, investment time horizon and other variables. As part of fulfilling its mission and fiduciary duty, NYSIF aims to identify, assess and monitor relevant ESG factors, and then to incorporate these insights into investment decisions, in order to generate sustainable returns. The Board intends for the Funds to achieve "net-zero" status in their investment portfolios by 2040.

NYSIF also assesses and monitors external investment managers with respect to their capacity for, and skill in, embedding ESG considerations into their own investment processes in respect of outsourced NYSIF portfolios. Accordingly, NYSIF Staff and/or

external investment managers will (1) vote the Funds' shareholder proxies and maintain an active corporate-governance program for the Funds' publicly traded equity with due consideration of ESG factors, and (2) incorporate relevant ESG issues into the Funds' investment analyses and decision-making processes within investment programs. Investment recommendations in all asset classes will include information on, and consideration of, managements' ESG policies and practices, focusing on the risks and standards relevant to the investment under consideration.

I. Responsible Contracting

NYSIF supports responsible contracting, fair wages, and fair benefits for workers who are employed by its contractors and subcontractors. In its investment portfolios, NYSIF encourages the performance of investment managers, advisors, contractors, and subcontractors that upholds fiduciary principles related to the duty of loyalty and the duty of prudence. The construction and management of an investment portfolio intended to achieve a competitive risk-adjusted return complies with these duties.

Responsible contracting also includes contractors' demonstrated compliance with local, state, and federal laws and payment of prevailing wages. Furthermore, NYSIF supports labor unions and promotes the use of union labor in the development of its real estate and infrastructure investment objectives. Additionally, NYSIF encourages contractors to disclose climate-related business risks as part of the procurement process.

II. Investment Process

NYSIF may utilize internal resources or externally managed portfolios implemented by investment management firms and service providers to effectuate NYSIF's investment program. In determining whether to use internal or external resources to implement a specific investment mandate, strategy, or investment-related service, NYSIF takes into consideration numerous factors, including, but not limited to, return expectations, associated risks, compliance requirements, and expenses related to the specific strategy or service.

The following sections articulate the general parameters and processes by which NYSIF executes its investment strategy, in adherence to established policies and procedures.

A. Outsourced Investment Management

i. Selection and Monitoring

If the CIO, in consultation with the investment consultant, determines that NYSIF lacks the necessary expertise to manage a specific asset allocation internally, or that certain assets would be more effectively managed by a third party, the CIO may recommend the hiring of one or more external investment managers.

External investment managers will have discretionary authority over day-to-day management of NYSIF assets consistent with this IPS and all statutory and

regulatory requirements applicable to NYSIF. External investment managers will enter into an Investment Manager Agreement with NYSIF which sets out duties and responsibilities of an external investment manager.

External investment managers will report directly to Staff.

NYSIF has formal procedures to guide the selection, appointment, and monitoring of external investment managers and service providers. NYSIF expects any external investment manager acting on behalf of NYSIF to serve as a fiduciary.

ii. Investment Manager Agreements

Board-approved investment recommendations are subject to negotiation and execution of an agreement that, in the judgment of NYSIF's CIO and NYSIF's General Attorney, includes all terms necessary to provide adequate protection for NYSIF's interests under the circumstances of the transaction, including but not limited to an appropriate standard of care on the part of the investment manager.

iii. Manager Retention

Manager-retention decisions have a potential impact on returns that is comparable to the selection of external investment managers in the first place. A disciplined process for assessing each external investment manager, particularly one that has underperformed its benchmark, may avoid the risk of retaining such a manager for too long or, alternatively, terminating a manager at a time that in hindsight might prove too hasty.

The Board may exercise its discretion, based on any applicable criterion or standard, in the overall manager-retention decision-making process, including but not limited to the following:

- Performance relative to appropriate market indices and peers on both a nominal and a risk-adjusted basis
- Adherence to, and compliance with, NYSIF's IPS, the manager-specific Investment Manager Agreement and any other established policy, rule, guideline or parameter
- Material changes or revisions to the external investment manager's business plan, investment philosophy, staff composition, ownership, ratings by investment consultants or assets under management, whether or not any of these directly involve NYSIF assets
- Evidence of material client-servicing problems; legal, regulatory or compliance breaches or other compliance issues; or involvement in litigation, fraud or conflicts of interest; whether or not any of these directly involve NYSIF assets

iv. Costs and Fees

NYSIF considers the costs and fees related to executing its investment program to be a crucial component of its fiduciary duty and an important element in determining its strategic asset allocation. In all aspects and functions of its investment program, NYSIF seeks to actively identify, assess, and monitor costs and fees to ensure their reasonableness. NYSIF expects that the economic terms

and conditions by which any external party is compensated for investment-related services should promote an alignment of interests between NYSIF and the external party in fulfilling NYSIF's mission and investment objectives. Accordingly, NYSIF diligently attends to and negotiates the economic terms of investment services rendered to the Funds.

B. Liquidity Management and Other Investment Functions

The following sections provide the general guiding principles and parameters for ancillary components of NYSIF's investment process, including liquidity management, the use of derivative instruments, proxy voting, brokerage and securities lending.

i. Liquidity Management

Effective liquidity management is integral to NYSIF's investment process. NYSIF strives to maintain appropriate levels of liquidity—i.e., the ability to convert investments into cash—in order to meet immediate or short-term obligations and liabilities. NYSIF monitors each Fund's liquidity in the context of its liabilities.

ii. Derivatives Management

When utilized prudently, derivatives can be a useful tool in portfolio management.

A derivative instrument is defined as an "agreement, option, instrument or a series or combination thereof: (A) to make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make cash settlement in lieu thereof; or (B) that has a price, performance, value or cash flow based primarily upon the actual or expected price, level, performance, value or cash flow of one or more underlying interests." (Insurance Law § 1401(7))

NYSIF may invest surplus funds in derivative instruments as permitted under Workers' Compensation Law § 87.

iii. Proxy Voting

For externally managed equities, the voting of proxies will be delegated to the investment managers. Staff will ensure that the external investment managers have appropriate policies for proxy voting and that, at a minimum, those policies meet industry standards and respect all components of the Investment Philosophy and Strategy section of this IPS. Staff will oversee the voting of proxies for any incidental equity holdings, if any, in NYSIF's internally managed accounts. NYSIF will retain the right to direct the voting of any proxy as NYSIF determines in its absolute discretion to be appropriate.

The external investment managers will advise Staff annually on how proxies have been voted on behalf of NYSIF.

iv. Brokerage

In executing trades as part of fulfilling asset-management mandates, Staff and any external investment managers shall attempt to obtain the best net price for each purchase or sale. In selecting a broker-dealer for a particular transaction, Staff and any external investment manager shall consider the broker-dealer's fitness in terms of the execution capabilities required by the transaction, the cost, the speed or efficiency of transacting, the ability to transact confidentially,

and other factors, including any relevant factors identified in or consistent with WCL § 87-i, which provides for an MWBE asset management and financial institution strategy.

NYSIF has established relationships with portfolio transition managers to assist in the liquidation of manager portfolios and the transition of affected assets. In all cases, transition managers shall have individual transition management agreements in place that specify their obligation to act as a fiduciary to the Fund and that specify their role in executing transactions on behalf of the Fund (*i.e.*, agent or principal).

v. Securities Lending

WCL § 87(4) permits NYSIF to lend its securities under a security-lending agreement, by order of the Board and approved by the New York State Superintendent of Financial Services. Staff will oversee NYSIF's securities-lending program which will be administered by one or more chosen lending agents. Every security loan under the program will be overcollateralized, with collateral delivered to NYSIF's account(s) at the custodian. The portfolio of collateral invested for NYSIF's benefit will be marked to market daily, and the borrower will be required to deliver additional collateral when necessary. The program for securities lending will be reviewed annually.

III. Risk Management

NYSIF assumes certain risks to achieve sufficient returns to meet the Funds' financial obligations and investment objectives, including the primary objective of maintaining a sound net-asset position. Through the strategic asset allocation, NYSIF attempts to position each Fund to mitigate large drawdowns while meeting growth and income targets. NYSIF's investment strategy is designed to take risk to achieve commensurate investment results.

Investment risk at NYSIF pertains primarily to a Fund's inability to meet liabilities to policyholders and to others as they come due. This may follow from the permanent loss of capital on an investment due to bankruptcy or insolvency, but may also arise from deficient internal controls, cyber-security, or climate-risk mitigation among those investments.

In managing investment risk, NYSIF measures, analyzes, and monitors risks in the context of guidelines, expectations, constraints and market environments. NYSIF seeks to mitigate the impact of a drawdown on the Funds in order to accomplish its investment objectives and to reduce volatility, in service of NYSIF's mission to provide the lowest possible cost to policyholders while maintaining a solvent fund.

A. Philosophy and Objectives

NYSIF considers risk multi-faceted and, therefore, views risk from multiple perspectives.

Risks may vary and evolve over time, and across sectors, investments and investment strategies. Risk may be systematic (*i.e.*, present across the market) or unsystematic (*i.e.*, specific to a particular investment or strategy). A risk may pertain to and potentially impact a Fund overall, a functional asset category, or individual underlying asset classes.

NYSIF seeks to diligently identify, assess, and monitor relevant investment risks throughout the investment process, from formulating its strategic asset allocation to evaluating and monitoring the Fund's results relative to strategic objectives. This helps to ensure that risks assumed by a Fund are intentional and adequately compensated.

B. Approach

NYSIF's risk-management approach starts with a risk-management framework and strategic asset allocation that the Board will adopt formally every three to five years. The allocation will embed risk thresholds for each asset category. As with the asset allocation itself, these thresholds will also be approved by the Board, and subject to ongoing measurement and review. The Board will develop a risk-tolerance framework for each functional asset category and underlying asset class, and for the overall portfolio.

Fundamental risk-management principle and practice call for, at a minimum, establishing investment guidelines and pursuing multiple approaches to diversification beyond asset category alone (such as asset class, duration, liquidity and degree of active management). Another basic tenet of risk management is portfolio rebalancing, to minimize unintended risk caused by asset-allocation drift. NYSIF will formulate investment guidelines for both internal and external investment managers, regularly monitor compliance therewith, and amend as warranted. NYSIF will also implement or oversee appropriate portfolio diversification and rebalancing events.

NYSIF seeks to identify and acknowledge the sources and types of risk inherent in each investment strategy. To that end, NYSIF will measure value-at-risk ("VaR") in both absolute and relative terms, conduct stress-testing the portfolio's performance under both actual historical and forecasted future scenarios, and execute other salient analyses. (These efforts are sometimes described as "risk modeling.")

Risk management also includes selecting appropriate benchmarks, and measuring performance against those benchmarks, to assess whether risks taken by a Fund are suited to that Fund's objectives and appropriately rewarded. NYSIF will adopt benchmarks for each component of the strategic asset allocation.

Stress-testing is of particular importance to NYSIF as the Funds' asset allocations increasingly include risk assets. In that context, even sophisticated risk-measurement techniques may inadequately capture the effect of certain risks, including extreme market events. Because some risk models may provide only limited predictive capability, NYSIF will test and challenge investment strategies and assumptions prior to a capital outlay as well as conduct ongoing monitoring.

NYSIF will substantiate its risk-management process through deliverables such as weekly dashboards and more formal monthly and quarterly reports. Beyond the day-to-day process, NYSIF believes that periodic higher-level reviews of the risk framework

(and the deliverables themselves) support the goal of meeting income and growth objectives for a given level of risk assumed, while also minimizing the risk of large losses. For this reason, Staff will regularly evaluate the various components of NYSIF's risk-management approach. For example, at least annually, the Board will review the portfolio's actual risk performance.

In summary, NYSIF's risk management process is a daily discipline, evidenced by frequent risk-metric reporting on both internally and externally managed portfolios. At the same time, the robustness of the overall risk-management regime is supported by periodic top-down and bottom-up reviews of the framework, of tolerances, of processes and performance, and of deliverables. Finally, NYSIF recognizes that risk management, as a field, is constantly evolving in response to developments in financial markets, in technology and in methodology. NYSIF's risk-management process strives to adapt to these changes.

C. Portfolio Risk Management

Staff will manage overall portfolio risk, which is materially affected by key drivers of "market risk," such as economic-growth outlooks, inflation forecasts and credit fundamentals. NYSIF's risk management practices seek to (1) maintain asset allocations within specified ranges, (2) manage portfolio interest-rate risk, (3) mitigate credit-related losses, and (4) ensure adequate liquidity to meet liabilities, among other objectives.

i. Interest-Rate Risk

To minimize interest-rate risk, Staff will ensure that adequate resources are devoted to measuring and monitoring asset cash flows so that they closely match anticipated liabilities.

ii. Credit Risk

To limit the risk of loss stemming from credit impairment, NYSIF's fixed-income portfolio shall be diversified and have a minimum weighted average credit rating of mid-single A.

iii. Liquidity Risk

NYSIF shall maintain sufficient liquidity to fund near-term liabilities as they come due, including investing a substantial proportion of each Fund in securities with active secondary or resale markets.

IV. Roles and Responsibilities

NYSIF has established the following roles and responsibilities to implement its investment program. The duties explained below apply to the Board, the Investment Committee, the Investment Department, and various external parties who collectively oversee and administer the functions necessary for NYSIF to accomplish its investment objectives.

A. Board of Commissioners

The Board is charged as a fiduciary for NYSIF in setting policy for NYSIF's investments, and is responsible for the prudent oversight, governance, and management of NYSIF's assets. The Board may obtain expert advice, from both internal and external sources, as needed. The Board may delegate functions that a prudent entity acting in a like

capacity and familiar with those matters could properly delegate under the circumstances. However, the power to delegate does not relieve the Board of its fiduciary duty; it may instead be seen as a tool to ensure that expert advice may be solicited in order to facilitate the most informed decisions to be made by and on behalf of the Board.

The general responsibilities of the Board related to investments include the following:

- Approve investment objectives consistent with each Fund's projected liabilities and other obligations
- Approve a strategic asset allocation (including appropriate benchmarks) and investment policy for each Fund, and periodically review the same in light of any changes to actuarial inputs, market conditions, or other evolving facts/situations relevant to the appropriate character of those policies
- Approve overall risk-tolerance framework, and risk limits/thresholds for both internally and externally managed investment portfolios
- On an annual basis, approve the IPS, amending as warranted
- Approve and terminate investment consultant(s) who advise the Board
- Approve selection and retention of external investment managers whose philosophy and approach support their intended role in each Fund's overall investment objectives
- Approve selection and retention of custodial bank and other third-party service providers
- Approve certain investment-related contracts
- In consultation with the CIO and investment consultant(s), review results of the internally and externally managed investment portfolios

B. Investment Committee

The Investment Committee is a standing committee of the Board created to assist the Board in discharging its responsibilities relating to NYSIF's investments.

The Investment Committee will meet, at a minimum, once each calendar month in which there is a meeting of the Board. Reporting to the Board, the Investment Committee shall:

- Monitor adherence to the IPS
- Review the strategic asset allocation and investment policy for each Fund
- Monitor portfolio results versus goals and objectives
- Monitor performance of internally and externally managed assets, including on an individual-manager basis, and review asset-class benchmarks used in this task
- Review recommended plans for any portfolio adjustment necessitated by portfolio rebalancing or terminations of external investment managers
- Monitor compliance with statutory and regulatory restrictions, and with Board rules and resolutions relating to investments
- Review overall risk-tolerance framework, and risk limits/thresholds for both internally and externally managed investment portfolios
- Review the IPS periodically
- Review the selection and oversight of external investment managers

- Review the selection and oversight of investment consultant, custodian bank, and other third-party relationships
- Monitor and, at least annually, review securities-lending arrangements
- Provide investment-related information and recommendations to the Board as required

C. Investment Department

The Investment Department is managed and led by the CIO who reports to the Executive Director and the Board.

Staff provides analysis and recommendations to the Board, and seeks approval from the Board, on a wide variety of investment-related matters. Additionally, Staff oversees and directs the implementation of Board policy and manages the Funds on a day-to-day basis. Staff shall:

- Propose and implement a Board-approved strategic asset allocation, including appropriate benchmarks
- Invest each Fund's assets as set forth in the IPS and in a manner consistent with each Fund's strategic asset allocation, overall risk tolerance, statutory requirements, and liquidity needs
- Monitor external investment managers for adherence to appropriate investment policies, guidelines and contractual terms
- Evaluate external investment managers for results and performance, including ensuring that performance-monitoring systems are sufficient to provide the most timely, accurate and useful information as possible
- Manage relationships with broker-dealers, investment consultant(s), the custodian bank and any other third-party service providers
- Conduct a process for hiring and retaining external investment managers and advisors, as appropriate and with assistance from the investment consultant(s) and, as needed, other parties
- Manage any portfolio adjustment necessitated by portfolio rebalancing or terminations of external investment managers
- Consult with legal counsel regarding documents, policy, securities litigation and other legal matters
- Report to the Executive Director on all matters, not limited to asset allocation, investment results, portfolio performance, risk management and metrics, liquidity, ESG, securities lending and, if applicable, derivatives use
- Advise and apprise the Board of any other events of investment significance
- Acquire sufficient internal staff and resources to meet objectives and fiduciary duties
- Conduct business in an ethical manner

D. Third Party Service Providers

NYSIF may engage external service providers, as described below, to implement its investment program. All service providers, unless otherwise not applicable, are expected to serve as fiduciaries to the Fund in fulfilling their contracted services. Third party service providers must refrain from gift-giving or other efforts that may jeopardize the impartiality, or appearance thereof, of NYSIF's Board and Staff.

i. Investment Consultants

An investment consultant works for the Board in the oversight and implementation of investment objectives. An investment consultant provides to the Board and Staff an independent perspective on the objectives, structure, performance and management of NYSIF's assets. In pursuing the Board's objectives, an investment consultant may work with Staff and external investment managers. An investment consultant shall:

- Acknowledge and agree to accept a fiduciary duty to NYSIF
- Regularly review and make recommendations to the Board, in collaboration with Staff, regarding investment policies and procedures, and strategic and tactical asset-allocation matters
- Provide research, information and education on investment matters as required or requested by the Board or Staff
- Prepare monthly reports and a quarterly performance report assessing the performance of each Fund, its asset classes, and its external investment managers in relation to relevant performance benchmarks, and peer funds
- Provide any other advice or services that the Board or Staff determine from time to time is necessary, useful or appropriate to achieve the objectives of, or adherence to, this IPS, in accordance with their agreement with NYSIF

The Board may contract with specialist investment consultants to focus on particular areas of interest (e.g., emerging and minority managers).

ii. Custodian Bank

The Board recognizes that accurate and timely completion of custodial functions is necessary for effective investment management and accurate recordkeeping. The custodian is a fiduciary as to the assets placed with them by NYSIF. The custodian shall:

- Provide complete custody and depository services for designated accounts
- Provide for suitable and legally/regulatorily compliant investment or deposit vehicle for any cash left uninvested overnight in designated accounts
- Implement in a timely and effective manner the investment actions as directed by Staff and any external investment manager(s)
- Collect and receive all income and principal realizable and properly report transactions in periodic statements
- Provide monthly and annual accounting statements as well as on-line access to accounting for NYSIF, including all transactions
- Report to Staff situations where security pricing is either not possible or subject to considerable uncertainty
- Assist the Board and Staff in completing such activities as the annual audit, transaction verification and other issues
- As requested by Board or Staff, provide performance measurement and portfolio analytics for the Funds

When directed by the Board, and pursuant to a separate, written agreement for securities-lending service, implement, in a fair and equitable manner, a securities-lending program for NYSIF, and report fully on all aspects of its operation and returns

iii. External Investment Managers

The primary responsibility of each external investment manager is to invest in accordance with the Investment Manager Agreement that governs the assets being invested for NYSIF's benefit. In particular, external investment managers shall:

- Acknowledge and agree to accept a fiduciary duty to NYSIF
- Manage NYSIF's assets under its control in accordance with the IPS and any goals, objectives, guidelines and/or risk-tolerance framework approved by the Board or articulated in statute or regulation
- Provide Staff with periodic reports on portfolio activity, performance and compliance with the IPS and other requirements
- Meet in person with Staff and any other NYSIF invitee on at least an annual basis
- Provide copies of policies on ethics, employee personal trading, brokerage, "soft dollars," trade execution, proxy voting and any other topic relevant to compliance with statute, regulation and/or market convention related to the fulfillment of fiduciary duty
- Inform Staff of all changes of a material nature to the firm's organization and professional staff
- Vote all proxies and related actions consistent with NYSIF's interests, as authorized by NYSIF

iv. Placement Agents

NYSIF does not hire, engage, employ, or otherwise retain placement agents (sometimes known as third-party marketers) and does not use the services of placement agents. No external investment manager (including general partners of partnerships in which NYSIF may participate) or other third party retained by NYSIF shall hire, engage, employ, or otherwise retain the services of any placement agent for the purpose of securing or maintaining the management of NYSIF investment assets.

v. Other Third-Party Service Providers

Additional third-party service providers may be retained, subject to the terms and conditions of NYSIF's established policies and procedures, in order to perform other duties to assist in the administration of the Funds.

Appendix

Table 1: WCF Approved Asset Allocation

Asset Class	Minimum	Policy Target	Maximum
Investment Grade Fixed Income	78%	83%	100%
High Yield	0%	4%	7%
Public Equities	0%	5%	8%
Inflation-Sensitive Assets	0%	2%	4%
Alternative Assets	0%	4%	7%
Cash	0%	2%	5%

Table 2: ATF Approved Asset Allocation

Asset Class	Minimum	Policy Target	Maximum
Investment Grade Fixed Income	95%	100%	100%
Cash	0%	0%	5%

Table 3: DBF Approved Asset Allocation

Asset Class	Minimum	Policy Target	Maximum
Investment Grade Fixed Income	85%	90%	100%
Public Equities	0%	10%	15%
Cash	0%	0%	5%

Table 4: Benchmark Table for WCF

Asset Class	Benchmark
Public Equity Portfolio	Russell 3000 Index
Large Cap	Russell 1000 Index
Small Cap	Russell 2000 Index
Fixed Income Portfolio	Custom Blend of all WCF Fixed Income Benchmarks
Investment Grade (Internal)	Custom Blend
Investment Grade (External)	Custom Blend
Below Investment Grade	Custom Blend
Inflation-Sensitive Asset Portfolio	"Core" CPI, plus 300 bp
Alternative Asset Portfolio	Custom Blend
Private Equity	Cambridge Associates US All PE (3-month lag)
Private Credit	ICE-BofAML High Yield Index
Real Estate	NFI ODCE (3-month lag), plus 50 bp
Cash	ICE BofAML 3-Month T-Bill Index
TOTAL FUND	Custom Blended Policy Benchmark

Table 5: Benchmark Table for ATF

Asset Class	Benchmark
Investment Grade Fixed Income	Custom Blend
Cash	ICE-BofAML 3-Month T-Bill Index
TOTAL FUND	Custom Blended Policy Benchmark

Table 6: Benchmark Table for DBF

Asset Class	Benchmark
Investment Grade Fixed Income	Custom Blend
Public Equity Portfolio	Russell 3000 Index
Cash	ICE-BofAML 3-Month T-Bill Index
TOTAL FUND	Custom Blended Policy Benchmark

Attachment A: MWBE Investment Manager Policy

Addendum to IPS - as adopted by the Board on November 17, 2021

Purpose

The Board of Commissioners ("Board") of the New York State Insurance Fund ("NYSIF") values diversity and inclusion and is committed to providing ongoing opportunities for minority and women owned investment management firms to manage assets on behalf of NYSIF. As such, it shall be the policy of NYSIF to ensure that no barrier exists to the full participation of MWBE managers in the investment opportunities afforded by the NYSIF. NYSIF believes that effectively accessing and managing MWBE talent, inclusive of varied backgrounds, age, experience, race, gender, ethnicity, and culture, leads to improved outcomes. NYSIF expects all its external investment managers and investment consultants to respect NYSIF's values of diversity and inclusion, reflect them in their own organizations and strive to establish similar MWBE goals as defined within this Policy for their external service providers.

This MWBE Policy is intended to be an addendum to the Investment Policy Statement ("IPS") and, therefore shall be subject to all provisions of applicable law and the applicable limitations and requirements of the NYSIF IPS. The Board of Commissioners may amend, supplement or rescind this MWBE Policy at any time.

Definition of Minority and Women Owned Business Enterprises ("MWBE")

NYSIF defines MWBE owned firms and women owned firms using the following definitions:

Minority-Owned

A business enterprise in which at least fifty-one percent (51%) is owned, operated and controlled by person(s) of color that identify as one (or more) of the following ethnic categories:

- Black: Persons having origins from any of the Black African racial groups
- Hispanic: Persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Native American or Latin American origin, regardless of race
- Asian-Pacific: Persons having origins from the Far East, Southeast Asia or the Pacific Islands
- Asian-Indian Subcontinent: Persons having origins from the Indian subcontinent
- Native American or Alaskan Native: Persons having origins in any of the original peoples of North America

Woman-Owned

A business enterprise in which at least fifty-one percent (51%) is owned, operated, and controlled by a person(s) who is/are a woman.

Although this Policy is not limited to Empire State Development ("ESD") Certified MWBE managers, it is the preference of the Board to retain managers that are ESD-certified or are willing to undergo the process of certification.

Goals for MWBE Manager Utilization

The goals defined below are established by reviewing the universe of MWBE managers

based on, but not limited to, the investment consultant's internal and external databases, as well as NYSIF Staff's and the investment consultant's collective knowledge of the MWBE manager space.

The percentages established below are defined as a percentage of externally managed assets:

Equities – 55%
Fixed Income – 30%
Alternative Investments – 30%

By utilizing the established asset class goals defined above, the goal for the total externally managed assets is set at 35%.

Emerging Managers

Many MWBE investment management firms are also considered emerging investment management firms. Emerging investment managers are firms that have less substantial assets under management or in the case of alternative investments may be a first-time fund. NYSIF is interested in emerging managers that have strong alignment of interest with their investors and expects principals of the firm to hold substantial majority of the ownership interest of the company.

The primary goals for retaining emerging managers are to:

- Identify and gain early access to talented asset managers in their early business stages
- Generate strong absolute and risk adjusted returns on an after-fee basis

NYSIF defines emerging investment managers as follows:

- *Public Markets Equity and Fixed Income* – Investment managers that are limited to under \$2 billion of firm-wide assets under management and must have at least \$25 million of assets under management in the same investment style to be managed for NYSIF at the time of initial funding.
- *Private Equity/Debt* – Investment managers currently raising a first, second, or third fund and targeting a fund size up to \$1 billion with an institutional client base.
- *Real Estate* – Investment managers currently raising a first, second, or third fund, and are targeting a fund size of less than \$500 million with an institutional client base.

Structure/Procurement

NYSIF may retain MWBE managers either through direct relationships or by employing a fund-of-funds/ manager of managers program(s) that are skilled at sourcing MWBE managers. Either type of mandate must adhere to NYSIF's defined procurement procedures. Investment strategies managed by MWBE managers must be suitable for NYSIF's portfolio and fit within the approved strategic asset allocation and asset class structure, as well as the portfolio's risk and liquidity constraints.

When procuring for investment management services:

- NYSIF Staff and NYSIF's investment consultant will establish minimum criteria that will be inclusive for emerging managers.
- NYSIF Staff and NYSIF's investment consultant will proactively identify qualified

MWBE managers and notify them of pending/published request for proposals

Reporting Guidelines

On an annual basis, Staff and NYSIF's investment consultant will review this policy and provide a report to the Board of Commissioner detailing the Fund's progress towards meeting the goals set in this policy, as well as providing a review of all MWBE investment managers as it relates to performance and any issues/significant developments.

Attachment B: Private Markets and Real Estate External Investment Manager and Portfolio Guidelines

Addendum to IPS - as adopted by the Board on April 20, 2022

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 purposes 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. Because PM Program investments will likely be intermittent, any diversification targets or limits referenced below may not be achieved until a material proportion of the intended allocation of NYSIF’s assets to the PM Program has been invested.

- 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. Because RE Program investments will likely be intermittent, any diversification targets or limits referenced below may not be achieved until a material proportion of the intended allocation of NYSIF's assets to the RE Program has been invested.

- 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.



KATHY HOCHUL
GOVERNOR



RESOLUTION

The following is a resolution considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby temporarily approves and modifies the portion of the New York State Fund's "Insurance Investment Policy Statement" that sets the maximum range for the "Public Equities" allocation in the "WCF Asset Allocation Policy" as follows:

The maximum range for the "Public Equities" allocation in the "WCF Asset Allocation Policy" is increased from 8% to 10% until November 30, 2025, on which date it will return to 8%.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary



KATHY HOCHUL
GOVERNOR



RESOLUTION

The following is a resolution considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby temporarily approves and authorizes the Investment Department for the calendar year 2025 to purchase securities or investments eligible for investments under Section 87 of the Workers' Compensation Law and to sell such securities or investments for the Workers' Compensation Fund, Disability Benefits Fund, and the Aggregate Trust Fund, subject to the limitations and restrictions set forth in the New York State Insurance Fund's "Investment Policy Statement" ("IPS") regarding asset allocation credit risk, as the same may be modified pursuant to the provisions of the IPS, subject to such approval by the Superintendent of the Department of Financial Services as may be required.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

PROPOSED MINUTES OF THE REGULAR MEETING OF
THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, OCTOBER 16, 2024, AT 10:00 A.M.
AT 199 CHURCH STREET, 12 FLOOR BOARDROOM, NEW YORK, NEW YORK 10007;
15 COMPUTER DRIVE WEST, ALBANY, NY 12205; AND 100 CHESTNUT STREET,
ROCHESTER, NY

Board

Attendance – New York City

Kenneth Theobalds, Chair

Alexis Thomas

David Ourlicht

Eric Dinallo

Scott Melvin, *ex officio*

Attendance – Rochester

Dennis Kessler

Attendance – Albany

Ryan Delgado

Attendance – Virtual

Sean Graham¹

Absent

Navneet Kathuria

Executive Staff

Gaurav Vasisht, Executive Director & CEO²

Peter Cusick, Chief Operating Officer, Insurance
Operations

Chad Loshbaugh, Chief Operating Officer, Business
Operations

David Wertheim, Acting General Attorney

William Gratrix, Chief Financial Officer

Gregory Francis, Chief Investment Officer

Additional Staff & Guest(s)

Michael Totaro, Assistant Secretary to the Board of
Commissioners

Jeremy Attie, President & CEO, New York Compensation
Insurance Rating Board

Ziv Kimmel, Senior Vice President, New York
Compensation Insurance Rating Board

Chair Theobalds presided. Commissioner Delgado participated from the NYSIF Albany office, Commissioner Kessler participated from the NYSIF Rochester office, and Chair Theobalds and Commissioners Dinallo, Thomas, Ourlicht, and Melvin participated from the NYSIF New York City office, and Commissioner Graham participated virtually due to “extraordinary circumstances.” A quorum was announced and maintained throughout.

1. Presentation – New York Compensation Insurance Rating Board’s “State of the System Report”

Upon the invitation of the NYSIF Board of Commissioners, Jeremy Attie, President and CEO of the New York Compensation Insurance Rating Board (“NYCIRB”), and Ziv Kimmel, NYCIRB’s Senior Vice President, spoke to the Commissioners on the current state of the New York workers’

¹ In accordance with Public Officers Law 103-a(2)(c), Commissioner Graham participated virtually since there were “extraordinary circumstances” that prevented him from attending in person

² Mr. Vasisht joined during Executive Session

compensation system. Mr. Attie and Mr. Kimmel presented the NYCIRB report "State of the System 2024" to the those in attendance, which was well received by the Board. The full presentation is incorporated as part of the Board materials.

2. Report of Executive Director & CEO

In the absence of Executive Director & CEO Gaurav Vasisht, Chief Operating Officer, Insurance Operations Peter Cusick reported that staff had items to present in Executive Session, subject to a motion to enter Executive Session.

3. Report of Acting General Attorney

Acting General Attorney David Wertheim stated that he had nothing to report this month.

4. Report(s) of Standing Committees

Investments Committee

Commissioner Ourlicht, Chair of the Investments Committee, reported that the Committee met on October 15, 2024. The Committee received a presentation on asset allocation, a presentation from Stellex Capital Management, and the monthly compliance report. There were no compliance issues to report for September. An additional report will be delivered in Executive Session, subject to a motion to enter into Executive Session, as it pertains to the procurement of custodial banking and investment services.

5. Motion to Accept Consent Agenda

Upon a motion by Commissioner Thomas, duly seconded by Commissioner Melvin, the Board unanimously voted to accept the minutes of the September 18, 2024, 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 Thomas – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

6. Executive Session

Upon a motion by Commissioner Thomas, duly seconded by Commissioner Melvin, the Board unanimously voted to enter Executive Session for a discussion regarding matters leading to the appointment and employment of a particular corporation – specifically this applies to custodial

banking services and investment services, and for a discussion regarding matters that could imperil the public safety, if disclosed. The vote: Commissioner Delgado – yes; Commissioner Thomas – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

7. Report of Executive Session

Assistant Secretary Michael Totaro reported the following actions were taken in Executive Session:

Upon a motion by Commissioner Ourlicht, duly seconded by Commissioner Dinallo, the Board unanimously voted to authorize entering into a contract with J.P. Morgan Chase Bank, N.A., to provide custodial banking services, including bank loan, private market, and collateral FINRA services, subject to legal review and execution by staff in accordance with the "Procurement Guidelines – Investments." The vote: Commissioner Delgado – yes; Commissioner Thomas – yes; Commissioner Kessler – yes; Commissioner Melvin – abstained; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Upon motion by Commissioner Ourlicht, duly seconded by Commissioner Thomas, the Board unanimously voted to approve and authorize the Investment Department to enter into a three-year sole source contract with PitchBook Data, Inc. for an investment research platform for private markets and bank loans services, subject to legal review and execution by staff in accordance with the "Procurement Guidelines – Investments." The vote: Commissioner Delgado – yes; Commissioner Thomas – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Upon motion by Commissioner Thomas, duly seconded by Commissioner Dinallo, the Board unanimously voted to approve and authorize the Investment Department to amend the contract entered into with BlackRock Financial Management, Inc. for an Aladdin Analytics Risk System, contract number I000234, to add additional interactive licenses, subject to legal review and execution by staff in accordance with the "Procurement Guidelines – Investments." The vote: Commissioner Delgado – yes; Commissioner Thomas – yes; Commissioner Kessler – yes;

Commissioner Melvin – yes; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Assistant Secretary Totaro then announced that the next Board of Commissioners monthly meeting is scheduled for Wednesday, November 20, 2024, at 10:00 a.m.

8. Adjournment of Meeting

Upon motion by Commissioner Kessler, duly seconded by Commissioner Graham, the Board unanimously approved a motion to adjourn the Board of Commissioners of the State Insurance Fund regular monthly meeting. The vote: Commissioner Delgado – yes; Commissioner Thomas – yes; Commissioner Kessler – yes; Commissioner Graham – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Respectfully Submitted,

Michael Totaro, Assistant Secretary



2024 BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING SCHEDULEⁱ

JANUARY 17

FEBRUARY 21

MARCH 20

APRIL 17

MAY 15

JUNE 12ⁱⁱ

JULY 17

SEPTEMBER 18

OCTOBER 16

NOVEMBER 20

DECEMBER 18

ⁱ NYSIF Board of Commissioners generally meet at 10:00 a.m. on the third Wednesday of each month, unless otherwise noted. The Board does not convene during the month of August.

ⁱⁱ Due to the official state holiday on June 19th, the Board meeting has been rescheduled for June 12th.



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, November 20, 2024. A quorum was present throughout:

A motion was made that the minutes of the October 16, 2024 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 Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
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, November 20, 2024. 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 Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham			
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
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, November 20, 2024. A quorum was present throughout:

A motion was made to proceed into Executive Session for a discussion regarding the proposed lease of real property, for a discussion regarding matters which ill imperil the public safety if disclosed, and for a discussion regarding legal advice.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
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, November 20, 2024. 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 Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
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)