



# Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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## **Minutes, Thursday, April 27, 2023**

**IC Members Present:** Robert Harvey, Jr., Judith Blinder, Sherri Crawford, Jamie Carnell, Kimberly Loving

**IAC Members Present:** Joseph Boateng, Cathy Cao

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Mengfei Cao, Nina Melencio, Mark Schimizzate, Katie Lac, Ankit Bhat

**Others Present:** Gavin Parr (MMPL), Gary Smith (City Attorney's Office), Brenden Woods (Stonepeak), Jack Howell (Stonepeak), Allan Martin (NEPC), Kevin Balaod (With.Intelligence), Matt Courtois (FAS), Lindsay Saienni (Fin News)

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 12:00 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the March 30, 2023 Investment Committee.

**Motion:** Upon motion by Jamie Carnell, seconded by Judith Blinder, the Investment Committee approved the minutes from the March 30, 2023 Investment Committee meeting. The motion passed unanimously (5-0).

### **Infrastructure Deep Dive**

Leola Ross and George Emerson presented the annual deep dive of the Infrastructure asset class and briefly reviewed the market environment and SCERS's infrastructure allocation and activity. Allan Martin of NEPC briefly reviewed the fund's pacing plan.

SCERS has a current and target allocation to Infrastructure of 2.3% and 4.0%, respectively. Performance has been strong and resilient during the pandemic. SCERS's Infrastructure performance has exceeded the custom index for the 3- and 5-year periods.

**(12:28 – Sherri Crawford left the meeting.)**

SCERS would need to commit an average of \$30 million each year to get to the 4% target by 2029.

There was discussion about the risk associated with investing in large assets or ones that are heavily regulated.

In the last 12 months, SCERS has committed \$25 million to Brookfield Infrastructure Fund V, surveyed regional and sector specialist funds as a potential complement to SCERS's existing lineup of global and sector-diversified strategies, and updated the pacing plan with support from NEPC.

Looking forward, SCERS will commit additional capital to existing and prospective infrastructure managers to prudently grow the allocation to its target weight in a manner that is diversified across geographies, sector, and risk profile. SCERS will continue to monitor the market environment for emerging infrastructure sectors and themes given the dynamic impact of technological innovation and government policy.

**(12:55 pm – Sherri Crawford rejoined meeting)**

### **Infrastructure Manager Recommendation – Stonepeak Opportunities Fund**

George Emerson, Leola Ross, and Mengfei Cao presented staff's recommendation for a \$20 million commitment to Stonepeak Opportunities Fund LP ("Stonepeak Opps"), a middle-market, value-add infrastructure strategy. Stonepeak Opps is managed by Stonepeak Infrastructure Partners ("Stonepeak").

This recommendation is consistent with the pacing plan for the Infrastructure asset class that seeks to prudently and gradually increase the allocation to its 4% target weight. Stonepeak Opps would be the tenth allocation in the Infrastructure asset class and the fourth allocation to Stonepeak. SCERS had committed \$20 million, \$15 million, and \$8 million to Stonepeak Infrastructure Fund IV ("Stonepeak IV"), Stonepeak Infrastructure Fund III ("Stonepeak III"), and Stonepeak Infrastructure Fund II ("Stonepeak II"), respectively. These are part of the flagship fund series.

Jack Howell and Brenden Woods from Stonepeak provided background information on the firm and fund and answered questions from the committee members.

**Motion:** Upon motion by Jamie Carnell, seconded by Judith Blinder, the Investment Committee recommended that the Board of Administration commit up to \$20 million to Stonepeak Opportunities Fund, pending satisfactory legal review. The motion passed unanimously (5-0).

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Investment Committee voted to adjourn the meeting at 1:3 pm. The motion passed unanimously (5-0).