

MINUTES

METROPOLITAN EMPLOYEE BENEFIT SYSTEM INVESTMENT COMMITTEE

Friday, June 13, 2025 @ 1 p.m.
Investment Committee Meeting

Howard Office Building – Sonny West Conference Room
700 President Ronald Reagan Way, Nashville, TN 37210

The Investment Committee met on Friday, June 13, 2025 @ 1:00 p.m.

Those Investment Committee members present were:

Christy Pruitt-Haynes, G. Thomas Curtis, and Jenneen Reed

Other attendees:

Meketa: Aaron Lally and Tad Fergusson

Voya: Jonathan Cox and Len Goff

Staff: Kevin Brown, Finance Deputy Director, Seth Pilkington, Treasurer, Sharon Sepik, Assistant Treasurer, Katelyn Richie, Finance Manager, Dan Zarling, Risk and Compliance Officer, and Cole Davis, Treasury Analyst

Metro Legal: Joshua Thomas and Samuel Keen

Others Attending: Ben Harper, Stonelake and Will Jenkins, Stonelake

- **Establish a Quorum:** Ms. Reed established a quorum was present, and the meeting was called to order.
- **Public Comment Period:** Ms. Reed noted no participants signed up for the public comment period.
- **Approval of Minutes from the Meeting on March 5, 2025:** Ms. Pruitt-Haynes made a motion to accept the minutes as written. Mr. Curtis seconded the motion. The motion passed unanimously.
- **Election of Investment Committee Chair:** Mr. Curtis made a motion to nominate Ms. Reed for Investment Committee Chair. Ms. Pruitt-Haynes seconded the motion. The motion passed unanimously.
- **Treasury Staff Update:** Ms. Richie noted that all contract work has been completed for approved investment at the last investment committee meeting and that several due diligence meetings with investment managers were held in the last quarter.
- **1st Quarter 2025 Pension Performance:** Mr. Lally detailed the quarterly market update, performance overview, and fund positioning. He noted that tariff and inflation impact have been minimal to the portfolio and overseas investments saw appreciation. He raised concern about GDP being negative in the 1st quarter and the need to watch out for two consecutive negative quarters as this can be an indicator of a recession starting. The policy benchmark was outperformed in the most recent quarter and all asset classes remain in policy range.

- **Meet the Manager – Ben Harper and Will Jenkins, Stonelake Capital Partners:** Mr. Harper and Mr. Jenkins with Stonelake Capital Partners delivered an overview of their firm, direct investment strategy, market positioning, geographic focus, transaction timelines, key relationships, portfolio sale process, and recent investment activity.
- **Investment Recommendations:** Mr. Fergusson presented the following new investment recommendations to the Committee and shared details of the recommendations as they were brought to the committee for consideration.

Real Assets:

➤ **Stonelake Opportunity Partners VIII** Is a Direct Investment strategy focusing on Real Estate opportunities. This investment is focused on Industrial real estate in the Domestic Sunbelt region.

Recommendation: Commit up to \$40 million to Stonelake Opportunity Partners VIII.

Motion: Mr. Curtis made a motion to accept the recommendation as presented. Ms. Pruitt-Haynes seconded the motion. The vote passed unanimously.

Private Debt:

➤ **Hygeia One Credit Fund** Is a Direct Lending strategy focusing on Senior Debt. This investment is diversified in strategy, geography, and investment type.

Recommendation: Commit up to \$25 million as an additional commitment to the Hygeia One Credit Fund.

Motion: Mr. Curtis made a motion to accept the recommendation as presented. Ms. Pruitt-Haynes seconded the motion. The vote passed unanimously.

➤ **AKKR-NV SMA** Is a Direct Lending strategy focused on Growth Equity and Private Credit. This investment focuses on opportunities in Software and Technology.

Recommendation: Commit up to \$50 million as an additional commitment to AKKR-NV SMA.

Motion: Mr. Curtis made a motion to accept the recommendation as presented. Ms. Pruitt-Haynes seconded the motion. The vote passed unanimously.

Private Equity:

➤ **Reverence Capital Partners IV** Is a Direct and Co-Investment strategy focusing on Buyouts. Reverence uses a targeted investment approach to pursue middle market financial service firms. This investment is new to Metro, however past performance for this strategy has shown successful results.

Recommendation: Commit up to \$30 million to Reverence Capital Partners IV.

Motion: Mr. Curtis made a motion to accept the recommendation as presented. Ms. Pruitt-Haynes seconded the motion. The vote passed unanimously.

- **Considerations to add further retainer for AT1 Bondholder Appeal:** Mr. Keen discussed a class action lawsuit being pursued by Metro Legal that originated in 2023. Progress has been made on litigation; however, additional funding needs are needed for the retainer. \$10,000 was previously allocated and another \$10,000 is proposed to be allocated.

Recommendation: Commit up to \$25,000 to the Credit Suisse AT1 Bondholder Litigation.

Motion: Ms. Pruitt-Haynes made a motion to accept the recommendation as presented. Mr. Curtis seconded the motion. The vote passed unanimously.

- **Considerations on E.L.F. BEAUTY:** Mr. Thomas gave an update on a class action lawsuit for a securities fraud claim against ELF Beauty. The Boston Retirement System filed the lawsuit and Labaton Keller Sucharow, the law firm representing Boston's retirement system and also serves as securities litigation monitoring counsel for the Metropolitan Employee Benefit System, reached out to the Department of Law to request the Metropolitan Employee Benefit System join the Boston Retirement System in asking the Court to appoint both as Co-Lead Plaintiffs, which the Metropolitan Director of Law approved. The court has granted this request, and the Metropolitan Employee Benefit System is now a Co-Lead Plaintiff on the case with the Boston Retirement System.

- **Considerations for Managing the Assets of the 5 Closed Pension Plans:** Ms. Sepik delivered an overview and history of the 5 closed pension plans, the Guaranteed Payment Plan and Intragovernmental Agreements that led to the voting decision to engage an Asset Manager and separate assets for each closed plan. Ms. Richie outlined the plan for separating the assets and engaging an asset manager.

Recommendation: Engage PIMCO to be the asset manager for the closed pension plans and divide the assets into 5 accounts representative of each fund's assets.

Motion: Ms. Pruitt-Haynes made a motion to accept the recommendation as presented. Mr. Curtis seconded the motion. The vote passed unanimously.

- **457b Performance Report:** Ms. Richie gave notice that Mr. Fitzgerald was unable to attend the meeting. Plan participants have seen good investment performance and there are no current recommendations to change any investment selections.
- **Voya 457b Activity Report:** Mr. Cox gave an overview of Voya's activity in the last quarter noting increases in field office activity and all-time high plan participation and payroll contributions. The new Roth option and marketing efforts contributed to this success.
- **Meeting dates for 2025:**
 - September 9, 2025, 2:00-3:30pm (Regular Meeting – Review of Q2 2025)
 - November 21, 2025, 9:00-10:30am (Regular Meeting – Review of Q3 2025)

Approved 9/11/2025 | 10:51 AM CDT by *Janeen Reed*
(Date)