



MEMORANDUM

To: NAIC Members

From: Robert L. Greene, President & CEO

Date: October 6, 2020

Subject: NAIC Institutional Investor Virtual Roadshow hosted by Mercer

NAIC held its fourth Institutional Investor Roadshow of the year on September 25th. The virtual event was NAIC's largest roadshow to date, in terms of both the represented assets under management and advisement by Mercer and its invited guests and the number of NAIC participants. **Mercer** hosted the roadshow, and eight clients and active alternatives investors participated: **Bon Secours Mercy Health, New York State Common Retirement Fund, Pittsburgh Foundation, Providence, Salvation Army, Southern Company, Trinity Health and Yale New Haven Health.**

Mercer's capital allocator guests represented over \$270 billion in assets under management. Mercer manages \$304 billion in assets (as of November 30, 2019) and has another \$15 trillion in assets under advisement (as of June 30, 2019), which makes it the top-ranked consultant globally by assets under advisement.

The roadshow participants and relevant contacts, with email addresses, are included below:

Institutional Investors

Mercer

Brad Young, Partner and Global Co-CIO, Private Markets, Alternatives – brad.young@mercer.com

Catherine Abely, Investment Executive – catherine.abely@mercer.com

Turner Bailey, Principal – turner.bailey@mercer.com

Alex Chouzyhyk, Associate – Aliaksandr.Chouzyhyk@mercer.com

Travis Delgado, Private Markets – travis.delgado@mercer.com

Jim Fisher, Principal – James.Fisher@mercer.com

John Lake, Partner – john.lake@mercer.com

Harry Leggat, Partner, Head of U.S. Private Equity – Harry.Leggat@mercer.com

Dave Mcmillan, CIO, Hedge Funds – dave.mcmillan@mercer.com

Richard Pugmire, Principal – Richard.Pugmire@mercer.com

Amy Ridge, Principal – Amy.Ridge@mercer.com

Erik Sebusch, Private Markets – Erik.Sebusch@mercer.com

Reid Smith, Principal – Reid.Smith@mercer.com

Jim Treanor, Head of North American Advisory Services – James.Treanor@mercer.com

Schon Williams, Principal – schon.williams@mercer.com

Bon Secours Mercy Health

Jim Mahoney, Vice President, Investments – JDMahoney@mercy.com

New York State Common Retirement Fund

Anyori “AJ” Hernandez, Director of Emerging Managers – ahernandez@osc.ny.gov

Pittsburgh Foundation

Jonathan Brelsford, SVP of Finance and Investments – brelsfordj@pghfdn.org

Jay Donato, Investment Manager – donatoj@pghfdn.org

Brad Jones, Senior Investment Analyst – jonesb@pghfdn.org

Providence St. Joseph Health

Alec Stais, CIO – Alec.Stais@providence.org

Jeannie Crone, Director of Investments – Jeannie.Crone@providence.org

Salvation Army

Kevin Greaves, Portfolio Strategist – Keith.Greaves@uss.salvationarmy.org

Southern Company

Tim Acklin, Investment Principal – tpacklin@southernco.com

Brad Gates, Director of Private Markets – bjgates@southernco.com

Jonathan Farr, Private Markets – jlfarr@southernco.com

Trinity Health

Sanket Desai, Director, Alternative Investments – desasank@trinity-health.org

Yale New Haven Health

Mallika Nair, Senior Investment Strategist – Mallika.Nair@ynhh.org

NAIC Leadership & Staff

Robert L. Greene, President & CEO – rgreene@naicpe.com

Carmen Ortiz-McGhee, Executive Vice President – com@naicpe.com

Tina McIntyre, Chief Financial Officer – tmcintyre@naicpe.com

Alan Hughes, Chief Content Officer – ahughes@naicpe.com

David Smith, Programs & Initiatives Manager – dsmith@naicpe.com

Nia White, Senior Advisor – ngandy@naicpe.com

Twenty-nine representatives from NAIC member firms were selected to join by Mercer. There were 20 NAIC member firms and representatives with private equity strategies: Argand Partners, Kay Blackwell; Astra Capital Management, Nia White; Avenue Growth Partners, Ryan Russell; B.I.G. Capital, Marcus Bodet; Brickell Opportunity Partners, John Hall; DigitalDx Ventures, Michele Colucci; DPI, Joanne Yoo; Dynamk Capital, Daniella Kranjac; GPI Capital, Philip Lo; Graham Allen Partners, Kevin Deeth; Griot Holdings, D.C. Moore; Harlem Capital Partners, Jarrid Tingle; Lumos Capital Partners, James Tieng; NOEMIS Ventures, Simeon Iheagwam; Palladium Equity Partners, Dale O'Connell; Providence Friends Capital, Martin Hunt; SteelSky Ventures, Maria Velissaris; Valor Equity Partners, Joseph Haslip; Wilshire Lane Partners, Adam Demuyakor; and WM Partners, Vanessa Gabela.

There were nine representatives from NAIC member firms with hedge or other alternative strategies: BK Coin Capital, Kevin Kang; Elizabeth Park Capital Management, Craig Cimoroni; Heard Capital, Priya Kaftan; Hollis Park Partners, Ajai Thomas; Ocean Park Investments, J. Dennis Jean-Jacques; Ardinall

Investment Management, Maria Jelescu Dreyfus; Chicago River Capital, Chris Melvin; KAH Capital Management, Donna Sims Wilson; and Matarin, Marta Cotton.

Bob Greene, NAIC's President and CEO, began the meeting with his appreciation for Mercer and the NAIC team. He thanked Brad Young, Mercer's Co-CIO, for organizing the virtual event and working with NAIC to coordinate the involvement of eight institutional investor clients for the general session and one-on-one private meetings with each of the 29 NAIC member firms. Greene described the long relationship and friendship NAIC has enjoyed with Brad Young over the years, including his participation in an October 2016 NAIC Institutional Investor Roadshow to Baltimore hosted by Maryland State Retirement and Pension System.

Greene described the format of the meeting: a general session with brief introductions by each of the participating capital allocators and NAIC members, followed by 15-minute meetings between NAIC members and institutional investors in private break-out rooms. Given the large number of participants, Greene placed emphasis on the importance of sharing content in a concise manner to provide Mercer and its clients with a description and update of the large, growing diverse manager landscape, as well as, snapshots of each NAIC member firm. He then turned it over to Brad Young, who is a Partner and Global Co-CIO of Private Markets at Mercer.

Mercer

Brad Young welcomed NAIC, along with Mercer's clients and team members. He shared how he and Greene had begun speaking about an NAIC roadshow to Mercer "early in the year before the world fell apart," so he was pleased the plans came together to convene virtually. Brad Young said Mercer has \$170 billion in alternatives under advisement and \$21 billion in alternatives assets under management, two-thirds of which is in Private Markets and one-third of which is in hedge funds.

Bon Secours Mercy Health

Bon Secours Mercy Health is an operator of the health care system with \$3.7 billion in assets under management. The company operates hospitals, which offer acute care, psychiatric care, nursing care, assisted living, hospice, and other related services. Bon Secours Mercy Health was founded in 2018 after the merger of Bon Secours Health System and Mercy Health and is based in Richmond, Virginia. Richard Pugmire, Principal from Mercer, provided the overview of Bon Secours Mercy Health. He described how the merger created the nation's fifth largest Catholic health system with operations across seven states and Ireland and 50 hospitals.

New York State Common Retirement Fund

The New York State Common Retirement Fund (NYSCRF) had \$216.3 billion in assets under management as of June 30, 2020. The NYSCRF investment team has had a longstanding partnership with NAIC and regularly participates in NAIC's programs and events, including the NAIC Institutional Investor Roadshow in New York City hosted by Neuberger Berman last May. Anyori "AJ" Hernandez, Director of Emerging Managers, represented the country's third largest U.S. pension plan. Hernandez stated the NYSCRF emerging manager program is valued at \$7 billion today and is managed by 120 external firms and eight investment partners across asset classes.

Pittsburgh Foundation

Jonathan Brelsford, SVP of Finance and Investments; Jay Donato, Investment Manager; and Brad Jones, Senior Investment Analyst represented the Pittsburgh Foundation. Brelsford described “while there are many foundations in Pittsburgh, there is only one Pittsburgh Foundation.” Today, the community foundation manages \$1.3 billion in assets, which represents 2,220 in charitable trusts and a number of portfolios; approximately \$350 million of the foundation’s assets sit within the direct private equity program. Brelsford said they were “looking forward to meeting new managers and aim to diversify their base of external managers.”

Providence St. Joseph Health

Providence St. Joseph Health is a \$9.9 billion healthcare system, headquartered in Renton, Washington. Alec Stais, CIO of Providence, spoke on behalf of the system, and introduced himself, sharing he moved to Seattle a few months ago following his prior role as the CIO of the Employees' Retirement System of Rhode Island. The goal of Providence St. Joseph Health is to improve the health of the communities it serves, especially those who are poor and vulnerable. In July 2016, Providence Health & Services and St. Joseph Health came together to form Providence St. Joseph Health, which operates today in seven states. Stais concluded, sharing he was happy to be participating in the roadshow.

Salvation Army

The Salvation Army is a worldwide religious and charitable organization seeking to meet the needs of hurting individuals. Kevin Greaves, Portfolio Strategist, described the Salvation Army and its \$2 billion investment portfolio. He said the foundation has a target goal of 6.8% annual returns. Growth (public and private equity) represents 66% of the portfolio, the risk-reduction bucket (fixed income and hedge) accounts for 22%, while the balance is in the inflation-protected bucket and includes real assets. Greaves stated that one-third of the overall portfolio is in alternative assets, and private equity has increased from 12% to 13% of the portfolio.

Southern Company

Southern Company Pension Plan is the private pension plan of Southern Company. It was established in 1949 and also provides certain medical care and life insurance benefits for retired employees through post-retirement benefit plans. Brad Gates, Director of Private Markets, spoke on behalf of the pension plan and said he was joined by Tim Acklin, Investment Principal, and Jonathan Farr, Private Markets. Gates said that Southern Company is one of the largest U.S. private pension plans with \$14 billion in assets. He stated 26% of the portfolio is in Alternatives, which he oversees. Real Estate accounts for 14% of the portfolio, 9% of the portfolio is in private equity, and 3% is in special situations. Of the private equity allocation, Gates said that 70% is within the buyout space, and 30% is in venture and growth. The plan’s real estate investments are across the spectrum, and the special situations bucket was created to be opportunistic after the global financial crisis of 2008.

Trinity Health

Trinity Health manages \$9.5 billion in assets. Sanket Desai, Director of Alternative Investments, described the portfolio, which he stated consists of the \$6.5 billion private pension, Trinity Health Pension Plan, and a \$2.5 billion DC plan. Founded in 1999, Trinity Health Pension Plan offers a full benefits package to its associates. Desai thanked NAIC and Mercer and stated he was “looking forward to building connections and meeting managers.”

Yale New Haven Health

Yale New Haven Health was established in 1826 as Yale-New Haven Hospital, Inc. and operates as a not-for-profit hospital that provides health care services in Connecticut. Mallika Nair, Senior Investment Strategist, spoke on behalf of the foundation. She said the health system operates four hospitals across the state of Connecticut and a small facility in Rhode Island. She said the portfolio currently consists of under \$3.5 billion in operation assets and \$1.2 billion in pension assets. Nair said the foundation is active across asset classes. She described how their organization is “newer to alternatives” and that they are “building that out with the help of Mercer.”

Following the final institutional investor intro, Brad Young thanked each of the participating investors and then turned the floor over to Bob Greene to provide an overview of NAIC. Greene described NAIC’s 50-year history, the 100-member milestone the organization recently hit, and the \$178 billion of members’ assets under management in the aggregate. He categorized the members as large (billion-dollar fund managers with individual firm assets under management from \$5-60 billion), mid-sized (managers of \$100 million to \$1 billion funds), and in-formation (raising a first-time fund or making direct investments). Greene emphasized that none of the member firms, while some might be new, are comprised of new investors—quite the opposite, they are all highly experienced investors with track records and experience from established firms. Greene celebrated how NAIC now has four real estate member firms. While the focus of NAIC is not real estate, he noted that some diverse managers of real estate funds find value in the NAIC network and membership.

Bob Greene also noted New York State Common Retirement Fund’s (NYSCRF) participation on the call. He highlighted how NYSCRF had put more money to work with diverse managers than most U.S. public pension plans as a percentage of assets under management, along with a handful of others, including Maryland State Retirement and Pension System, New York City Retirement Systems, Teacher Retirement System of Texas, and Virginia Retirement System. Greene emphasized how research is key and directed each of the participants to NAIC’s website (naicpe.com) for a wealth of knowledge on high-performing diverse managers in alternatives. Greene continued with some of the recent headline-grabbing accomplishments of NAIC member firms. Before transitioning to NAIC member introductions, Greene highlighted the increasing number of diverse and NAIC member firms raising oversubscribed funds each year since 2014.

Following the NAIC member firm introductions, Bob Greene thanked the members for “doing a fantastic job of describing your firms in under one and half minutes.” David Smith, NAIC’s Programs and Initiatives Manager, provided the logistics for the second part of the roadshow. Greene then continued that he hoped everyone learned a lot about the outperformance of diverse managers and NAIC. He reflected on the last hour and how it seemed “Brad was able to gather a group of friends.” Greene then thanked Brad Young and the Mercer team one final time before the transition to the private meeting rooms for one-on-one sessions.

Brad Young mentioned that a Mercer team member would join each of the client sessions and asked that everyone take time for a quick break before the one-on-one meetings. He then closed out the meeting thanking Greene for assembling a great list of NAIC members and providing an overview of NAIC.