

Executive Directors Report

Monday February 12, 2024

- Cost of Living working group
- Investment Contracts/Transfer
 - Passive – Pool RFP
 - Transition – Pool RFP
 - Custody – Contract
- Investment Committee Meeting
 - Transfer update
 - CIO Search
- Mercury PR
- IT integration
 - On going
- Legislative Tracking
 - New Session
- Coordination with DPB
- Legal Priorities
- Continued transfer discussion with DOI
- HMFA
 - New Rate
- Ethics – Ongoing
- OPRA
- Coordination with Treasury Admin
 - Fiscal
 - HR
- Personnel Priorities Onboarding



ED DONNELLY
Chairman

GREGORY PETZOLD
Executive Director

MEMORANDUM

TO: Ed Donnelly, PFRSNJ Chair
CC: Gregory Petzold, PFRSNJ Executive Director
FROM: Nels J. Lauritzen, Legal Affairs Deputy Director
DATE: February 12, 2024
SUBJECT: Legal Affairs Deputy Director's Report – February 2024

- General Counseling
 - General Counseling to Executive Director, Board Secretary and CIO/CFO
- Benefit Administration/Board Counseling
 - Review of Ordinary Disability and Accidental Disability Retirements
 - Designated new Office of Administrative Law matters for assignment
 - Case count: as of January 29th there were: 136 matters pending in the Office of Administrative Law, 22 matters in the Appellate Division, 1 matter in Superior Court, 2 matters pending in NJ Supreme Court and 2 matters in Federal Court.
- Outside Counsel firm transition of OAL cases
- Case Tracking System
- Subpoenas

N.J.L.

Chief Financial Officer & Acting Chief Investment Officer Report

February 12, 2024

I. PFRSNJ Update

- a. Estimated November 2023 performance returns
- b. Blackstone Capital update

II. HMFA Update as of December 2023

- a. 6149 loans outstanding
- b. Total mortgage balance of \$1,871,026,977
- c. New rate will be published on February 15, 2024

III. Conversion Update

- a. Last conversion meeting with DOI was on February 8, 2024
 - i. Trial split calculation using 1/31/24 month end closing information
 - ii. Calculated split of all positions
 - iii. Calculated cash portion to be received
 - iv. Discussed substitutions for nontransferable positions
- b. Security Master contract was finalized enabling staff to begin testing on CRD
 - i. Team has been trained on the tool
 - ii. Rules are being written in stages
 - iii. Testing to begin shortly

- c. Team is making a lot of progress with our Custodian
 - i. All accounts have been opened
 - ii. We have started opening markets across the globe
 - iii. Setting up accounting and valuation rules across all assets
 - iv. Establishing performance reporting requirements
 - v. Establishing securities lending program and process
- d. We working closely with our counterparts in the Division of Pension and Benefits planning for June 2024 where PFRSNJ will be supplying financial information to create the State's FY Annual Reports
 - i. Establishing reporting and data requirements for DPB
 - ii. Establishing reporting and data requirements for PFRSNJ
 - iii. Mutually agreeing on timing and roles
- e. Working with Evaluation Committee on Global Multi Sector, will be bringing finalists to the IC and Board in March
- f. Issuing RFP's for specific Passive mandates and Transition mandates to be finalized in March
- g. Staffing

IV. Actuarial Update

- a. Segal's contract was auto renewed for an additional one year term as stated in the terms of the agreement
- b. 2023 Valuation
- c. June 30, 2023 GASB 67 & 68

V. Audit Update

- a. Finalizing FY2023 audit
- b. Began preliminary discussions on FY2024 audit, using this last cycle as somewhat of a “parallel” as PFRSNJ will be delivering a portion of the financial information in July 2024 to create the FY Annual Report and Certified Financials

VI. Expenses for Approval