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## INVESTMENT MANAGEMENT

### MEMORANDUM

TO: Supplemental Retirement Board of Trustees

FROM: Loren de Mey, Assistant Investment Director

DATE: March 11, 2021

RE: NC Small/Mid Cap Fund Transition Update

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#### **Communications**

The week of January 18, 2021, a letter was sent to those participants invested in the NC Small/Mid Cap Fund detailing the upcoming changes. Following best practice, SRP provided thirty days' notice to participants.

#### **Transition**

The transition began February 19, 2021 as scheduled and was completed by February 26, 2021. Staff requested bids from two transition managers and ultimately hired BlackRock to transition the NC Small/Mid Cap Fund portfolio to the new target allocation based upon BlackRock's slightly lower cost estimate and operational efficiencies.

The Plans' custodian, Bank of New York Mellon and recordkeeper, Prudential acted in coordination with BlackRock to ensure a smooth transition of assets.

BlackRock will provide a final post-transition report to Staff within the next several days. Preliminary results show the costs coming in lower than the estimated transition costs.