

MINUTES  
OF THE  
INVESTMENT POLICY COMMITTEE  
HELD  
MONDAY, DECEMBER 16, 2013 – 2:00 P.M.

Present: Committee Members

Devon Bruce  
Roderick Bashir  
Michele Bush  
John Casey

Board Members

James Clayborne  
Steve Powell  
Mary Seminara-Schostok

Staff

Andrew Armonaitis  
William Atwood  
Johara El-Harazin  
Tim Kominiarek  
Scott Richards  
Linsey Schoemehl  
Alise White

Guests

Marquette Associates  
Brian Wrubel, Kelli Schrade, Dave Smith, Neil  
Capps,

Franklin Park  
Brad Atkins

Courtland Partners  
Steve Novick, Ben Blakney, Dan Moore

LSV Asset Management  
James Owens, Josef Lakonishok

Columbia Acorn  
Chuck McQuaid, Rob Mohn, David Frank

Ashmore  
Felicia Morrow, John Ricketts

RockCreek

Kathleen Kennedy, Alberto Fassinotti, John  
O'Brian

William Blair

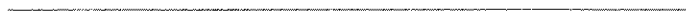
Todd McClone, John McLaughlin

Morgan Stanley PRIME

Megan Golder, Scott Brown

Latitude

Glenn Sonnenberg, Brett Mayer



## ***ROLL CALL***

Chairman Bruce called the meeting to order at 2:50 p.m. The Secretary called the roll and noted that a quorum was present.

## ***MINUTES OF PREVIOUS MEETING***

Mr. Casey moved to approve the minutes of the Investment Policy Committee meeting held September 26, 2013, in the form previously submitted. Mr. Bashir seconded and the motion passed unanimously.

## ***INVESTMENT MANAGER PRESENTATIONS***

### LSV Asset Management ("LSV")

Messrs. Owens and Lakonishok, LSV, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the LSV representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

### Columbia Acorn ("Columbia")- Deferred Compensation Investment Option

Messrs. McQuaid, Mohn and Frank, Columbia, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the Columbia representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

## ***RFP FINALIST PRESENTATIONS: EMERGING MARKET SMALL CAP EQUITY***

### Ashmore Investment Management ("Ashmore")

Ms. Morrow and Mr. Ricketts, Ashmore, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the Ashmore representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

### The RockCreek Group ("RockCreek")

Ms. Kennedy and Messrs. Fassinotti and O'Brian, RockCreek, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the RockCreek representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

### William Blair & Company, LLC ("William Blair")

Messrs. McClone and McLaughlin, William Blair, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the William Blair representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

**REAL ESTATE PRESENTATION: COURTLAND PARTNERS**

Mssrs. Novick, Blakney, and Moore, Courtland Partners (“Courtland”), were invited to join the meeting to advise the Committee on the status of the Board’s real estate portfolio and to present proposed changes to the Board’s real estate portfolio and referred Members to the memorandum and booklet previously distributed. (Official minutes contain attachment.)

Morgan Stanley Prime Property Fund, LLC (“Morgan Stanley”)

Mr. Novick, Courtland, referred Members to the Recommendation Report, previously distributed, and reviewed. (Official minutes contain attachment.)

Mr. Brown and Ms. Golder, Morgan Stanley, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review, Senator Clayborne commented on the lack of diversity among Morgan Stanley’s internal staff. Following further review and comments from Members, the Morgan Stanley representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Latitude Management Real Estate Capital III, Inc. (“Latitude”)

Mr. Novick, Courtland, referred Members to the Recommendation Report, previously distributed, and reviewed. (Official minutes contain attachment.)

Mssrs. Sonnenberg and Mayer, Latitude, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review, Senator Clayborne commented on the lack of diversity among Latitude’s internal staff. Following further review and comments from Members, the Latitude representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

**PRIVATE EQUITY PRESENTATION: FRANKLIN PARK**

Odyssey Investment Partners V, LP (“Odyssey”)

Mr. Atkins, Franklin Park, referred Members to the Recommendation Report, previously distributed, and reviewed. (Official minutes contain attachment.)

Mr. McKibben and Ms. Rogg, Odyssey, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review, Senator Clayborne commented on the lack of diversity among Odyssey’s internal staff. Following further review and comments from Members, the Odyssey representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Chairman Bruce stated that the Committee would go into Executive Session to discuss specific investment manager contracts (5 ILCS 120/2(c)(7)). Mr. Bashir moved to go into Executive Session for the above-stated purposes. Mr. Casey seconded and the motion passed unanimously.

Guests and Staff were excused from the meeting with the exception of Director Atwood, Messrs. Kominiarek, Richards, and Wrubel, and Ms. Schoemehl.

Mr. Bashir moved to return to Open Session. Mr. Casey seconded and the motion passed unanimously. Upon returning to Open Session, Mr. Bashir moved to allocate \$125M to Ashmore and \$125M to William Blair for the Board's allocation to emerging market small cap equity, consistent with the recommendation provided by Marquette. (Official minutes contain attachment.) Mr. Casey seconded and the motion passed unanimously. Further, Mr. Bashir moved to (i) approve the changes regarding the classification of Amalgamated Bank and certain revisions to the Board's Real Estate Investment Policy, (ii) allocate \$40M to the Morgan Stanley Prime Fund, LLC, and (iii) allocate \$30M to the Latitude Management Real Estate Capital III, Inc., consistent with the recommendations provided by Courtland. (Official minutes contain attachments). Mr. Casey seconded and the motion passed unanimously. Finally, Mr. Casey moved to allocate \$20M to Odyssey Investment Partners V, LP, consistent with the recommendation provided by Franklin Park. (Official minutes contain attachment). Mr. Bashir seconded and the motion passed unanimously.

***REVISED INVESTMENT GUIDELINES- CRESCENT***

Mr. Wrubel referred Members to the memorandums titled "Crescent Direct Lending" and reviewed. (Official minutes contain attachments.) Mr. Casey moved to revise the investment guidelines for Crescent consistent with the recommendation provided by Marquette. Mr. Bashir seconded and the motion passed unanimously.

***UNFINISHED BUSINESS***

None.

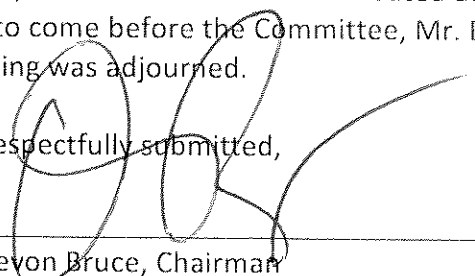
***NEW BUSINESS***

Senator Clayborne agreed to work with the representatives of Courtland, via the Emerging Manager Committee, to develop diversity employment reporting for both current and prospective real estate investments of the Board.

***NEXT MEETING AND ADJOURNMENT***

Chairman Bruce stated that the next meeting of the Investment Policy Committee would be scheduled prior to the Board meeting in March, official notices to be distributed at a later date. At 5:25 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Mr. Casey seconded and the meeting was adjourned.

Respectfully submitted,

  
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Devon Bruce, Chairman  
Investment Policy Committee

