

MINUTES  
OF THE  
INVESTMENT POLICY COMMITTEE  
HELD  
THURSDAY, MARCH 20, 2014 – 2:00 P.M.

Present: Committee Members

Devon Bruce  
Roderick Bashir  
Michele Bush  
Mary Seminara-Schostok

Board Members

Steve Powell

Staff

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

Guests

Marquette Associates  
Brian Wrubel, Nat Kellogg, Kweku Obed  
Franklin Park  
Brad Atkins  
William Blair  
Rob Lanphier, John McLaughlin  
Crescent Capital  
Mark Attanasio, John Bowman  
Segall Bryant & Hamill  
Phil Hildebrandt, Mark Dickherber  
Lord Abbett  
Dan Frascarelli, Gregory Schneider  
Wellington Management Company  
Andrew Snow, Michelle Labbe  
Vista Equity Partners  
Jim Hickey

Absent: Committee Members

John Casey

### ***ROLL CALL***

Chairman Bruce called the meeting to order at 2:00 p.m. The Secretary called the roll and noted that a quorum was present.

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

Ms. Bush moved to approve the minutes of the Investment Policy Committee meeting held December 16, 2013, in the form previously submitted. Mr. Bashir seconded and the motion passed unanimously.

### ***INVESTMENT MANAGER PRESENTATIONS***

#### Crescent Capital ("Crescent")

Messrs. Attanasio and Bowman, Crescent, were invited to join the meeting. Following review of materials, previously distributed, and answering questions posed by the Members, the Crescent representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

#### Segall, Bryant & Hamill ("Segal Bryant")

Messrs. Hildebrandt and Dickherber, Segal Bryant, were invited to join the meeting. Following review of materials, previously distributed, and answering questions posed by the Members, the Segal Bryant representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

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

Messrs. Lanphier and McLaughlin, William Blair, were invited to join the meeting. Following review of materials, previously distributed, 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.)

#### Lord Abbett- Deferred Compensation Investment Option

Messrs. Frascarelli and Schneider, Lord Abbett, were invited to join the meeting. Following review of materials, previously distributed, and answering questions posed by the Members, the Lord Abbett representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

### ***FIDUCIARY INVESTMENT EDUCATION: REAL ASSET PORTFOLIO***

#### Marquette Associates

Messrs. Kellogg and Obed, Marquette, were invited to join the meeting to discuss real assets as part of the Board's Fiduciary Investment Education Program. Following review of materials, previously distributed, and answering questions posed by the Members, the Marquette representatives thanked the Members for their time. (Official minutes contain attachment.)

Following the presentation, Mr. Wrubel referred Members to the memorandum titled, "Long Term Implementation of Real Assets" dated March 6, 2014. Mr. Bashir moved to approve the recommendations regarding the implementation of real assets in the Board's portfolio, as set

forth by Marquette in the memorandum, and to amend the Board's Investment Policy in order to accommodate the recommendations. Ms. Bush seconded and the motion passed unanimously. (Official minutes contain attachment.)

***PRIVATE EQUITY PRESENTATION: FRANKLIN PARK***

Franklin Park Venture Series 2014

Mr. Kominiarek referred Members to the memorandum, "Venture Capital- Franklin Park Recommendation," previously distributed, and reviewed. (Official minutes contain attachment.)

Mr. Atkins, Franklin Park, was invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the Franklin Park representative thanked the Members for their time. (Official minutes contain attachment.)

Mr. Bashir moved to allocate \$10M to the Franklin Park Venture Series 2014, consistent with the recommendation provided by ISBI Staff. Ms. Bush seconded and the motion passed unanimously.

Franklin Park International Fund 2014

Mr. Kominiarek referred Members to the memorandum, "International Private Equity- Franklin Park Recommendation," previously distributed, and reviewed. (Official minutes contain attachment.)

Mr. Atkins, Franklin Park, was invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the Franklin Park representative thanked the Members for their time. (Official minutes contain attachment.)

Mr. Bashir moved to allocate \$10M to the Franklin Park International Fund 2014, consistent with the recommendation provided by ISBI Staff. Ms. Bush seconded and the motion passed unanimously.

Vista Equity Partners Fund V ("Vista")

Mr. Atkins, Franklin Park, referred Members to the Recommendation Report, previously distributed, and reviewed. (Official minutes contain attachment.) Further, Mr. Atkins disclosed to Members that Vista's Limited Partnership Agreement allows for a \$100M "hedge-fund" allocation but explained that the allocation was in fact an opportunistic investment of public companies with the intent of taking them private. He noted that this language could be clarified in a side letter agreement between Vista and the Board.

Mr. Hickey, Vista, was invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the Vista representative thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Mr. Bashir moved to allocate \$30M to Vista, consistent with the recommendation provided by Franklin Park. Ms. Bush seconded and the motion passed unanimously.

***FIDUCIARY INVESTMENT EDUCATION: FUTURE THEMES***

Wellington Management Company (“Wellington”)

Mr. Snow and Ms. Labbe, Wellington, were invited to join the meeting to discuss future investment themes as part of the Board’s Fiduciary Investment Education Program. Following review of materials, previously distributed, and answering questions posed by the Members, the Wellington representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

***UNFINISHED BUSINESS***

None.

***NEW BUSINESS***

None.

***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 June, official notices to be distributed at a later date. At 5:00 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Ms. Bush seconded and the meeting was adjourned.

Respectfully submitted,

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Devon Bruce, Chairman  
Investment Policy Committee