

FIDUCIARY INVESTMENT EDUCATION: DIVERSITY IN HEDGE FUNDS- ROCKCREEK

Ms. Beschloss and Kennedy Townsend, the Rock Creek Group (“RockCreek”), were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and questions by the Members, including discussing regarding RockCreek’s internship program, the RockCreek representatives thanked the Committee for the opportunity to present and excused themselves from the meeting. (Official minutes contain attachment.)

REVIEW OF EMERGING/MINORITY MANAGER PROGRAM- PERFORMANCE EVALUATION

Ms. Farhadieh referred Members to the Emerging & Minority Program Review report, which was previously distributed, and reviewed in conjunction with Mr. Wrubel, Marquette Associates. (Official minutes contain attachment.)

UPDATE ON MINORITY CERTIFICATION

Ms. Farhadieh reported that Rhumblin and Channing have been unable to retain State of Illinois minority certification. Ms. Farhadieh is working with these managers to retain the required certification and will continue to keep the Committee apprised.

REVIEW OF COURTLAND AND FRANKLIN PARK DIVERSIFICATION POLICIES

Ms. Farhadieh referred Members to the diversification policies prepared by the Board’s real estate and private equity consultants, Courtland Partners and Franklin Park, as previously distributed, and reviewed. (Official minutes contain attachment). Ms. Farhadieh further noted that the Board’s Consultants will be providing hiring reports to ISBI Staff on a quarterly basis. Ms. Bush asked to receive the reports as well. Chairman Clayborne asked to receive details regarding the Consultants’ internship programs; Director Atwood agreed to furnish the Board’s Consultants with a letter regarding the matter and report the results of the inquiry at the June meeting.

UNFINISHED BUSINESS

Ms. Farhadieh informed Members that on June 13, 2014, the Board will be hosting a luncheon comprised of the Board’s current hedge fund-of-fund managers and a variety of emerging management firms in an effort to promote diversity in hedge funds.

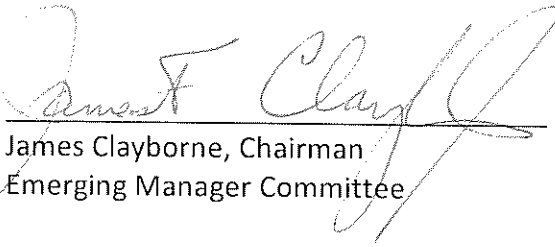
NEW BUSINESS

Chairman Clayborne discussed allocating up to 10% of the Board’s total hedge fund allocation to an emerging manager in the hedge fund space. Justice Schostok moved to approve the issuance of a request for competitive proposal for an allocation to an emerging manager in the hedge fund space, not to exceed 10% of the Board’s total hedge fund allocation. Mr. Casey seconded and the motion passed unanimously.

NEXT MEETING AND ADJOURNMENT

Chairman Clayborne stated that the next meeting of the Emerging Manager Committee would be scheduled for June 26, 2014 in Rockford, IL, official notices to be distributed at a later date. At 2:30 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn the meeting. Mr. Casey seconded and the motion passed unanimously.

Respectfully submitted,



James F. Clayborne, Chairman
Emerging Manager Committee

