

MINUTES
OF THE
INVESTMENT POLICY COMMITTEE
HELD
THURSDAY, JUNE 26, 2014 – 3:00 P.M.

Present: Committee Members

Devon Bruce
Roderick Bashir
Michele Bush
John Casey
Mary Seminara-Schostok

Board Members

James Clayborne

Staff

Andrew Armonaitis
William Atwood
Genette Bacon
Johara Farhadieh
Tim Kominiarek
Scott Richards
Linsey Schoemehl

Guests

Marquette Associates
Brian Wrubel, Dave Smith
Franklin Park
Karl Hartmann
Courtland Partners
Dan Moore, Steve Novick
IFM Global Infrastructure
Brooks Kaufman, Rena Pulido
BV Investments Partners
Vikrant Rains
Oaktree Capital Management
Lisa Kenyon, Keith Gollenberg
Ares Europe Fund
John Ruane, Julie Sullivan

ROLL CALL

Chairman Bruce called the meeting to order at 3:00 p.m. The Secretary called the roll and noted that a quorum was present. Chairman Bruce announced that he had to leave the meeting early and that Vice Chairman Bashir had agreed to conduct the meeting in his absence.

MINUTES OF PREVIOUS MEETING

Justice Schostok moved to approve the minutes of the Investment Policy Committee meeting held March 20, 2014, in the form previously submitted. Ms. Bush seconded and the motion passed unanimously.

INVESTMENT MANAGER PRESENTATION: INFRASTRUCTURE

IFM Global Infrastructure (US), LP ("IFM")

Mr. Kaufman and Ms. Pulido, IFM, were invited to join the meeting. Following review of materials, previously distributed, and answering questions posed by the Members, the IFM representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.) Discussion ensued and Ms. Bush moved to accept the recommendation of Marquette Associates and allocate \$125M to IFM. Mr. Casey seconded and the motion passed unanimously. (Official minutes contain attachment.)

PRIVATE EQUITY CONSULTANT PRESENTATION: FRANKLIN PARK

Discussion of Private Equity Fee Offset

Mr. Hartmann, Franklin Park, referred Members to the presentation, "Private Equity Fee Sharing Issues," as previously distributed, and reviewed. (Official minutes contain attachment.) Following discussion, Director Atwood informed Members that Staff recently submitted letters to the 25 largest General Partners in the Board's private equity portfolio, requesting disclosure of fee sharing practices. The deadline for responses is July 11, 2014; Director Atwood will continue to keep the Board apprised of the issue.

BV Investment Partners, Fund VIII ("BV")

Mr. Hartmann, Franklin Park, referred Members to the memorandum, "BV VIII Investment Considerations" and the "Recommendation Report," previously distributed, and reviewed. (Official minutes contain attachment.)

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

Ms. Schoemehl reported that BV had completed a Vendor Disclose Policy Statement; there was nothing material to report.

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

REAL ESTATE CONSULTANT PRESENTATION: COURTLAND PARTNERS ("COURTLAND")

Mssers. Moore and Novick, Courtland, referred Members to the memorandum, "Real Estate Portfolio: Performance Measurement Report," previously distributed, and reviewed. (Official minutes contain attachment.)

Oaktree Real Estate Debt Fund ("Oaktree")

Ms. Kenyon and Mr. Gollenberg, Oaktree, were invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the Oaktree representatives thanked the Members for their time. (Official minutes contain attachment.)

Ares Europe Fund ("Ares")

Mr. Ruane and Ms. Sullivan, Ares, were invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the Ares representatives thanked the Members for their time. (Official minutes contain attachment.)

Ms. Schoemehl reported that Oaktree and Ares had each completed a Vendor Disclose Policy Statement; there was nothing material to report.

Ms. Bush moved to allocate \$30M to Oaktree and \$30M to Ares, consistent with the recommendation provided by Courtland. Mr. Casey seconded and the motion passed unanimously.

UNFINISHED BUSINESS

None.

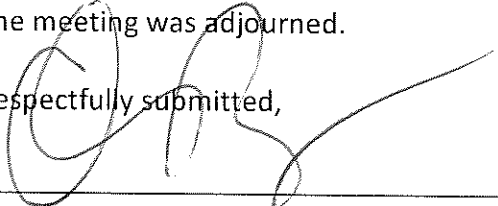
NEW BUSINESS

None.

NEXT MEETING AND ADJOURNMENT

Vice Chairman Bashir stated that the next meeting of the Investment Policy Committee would be scheduled for September 25, 2014 in Chicago, official notices to be distributed at a later date. At 5:00 p.m., there being no further business to come before the Committee, Ms. Bush moved to adjourn. Mr. Casey seconded and the meeting was adjourned.

Respectfully submitted,



Devon Bruce, Chairman
Investment Policy Committee

