

MINUTES  
OF THE  
INVESTMENT POLICY COMMITTEE  
HELD  
THURSDAY, DECEMBER 4, 2014 – 3:00 P.M.

Present: Committee Members

Devon Bruce  
Roderick Bashir  
Michele Bush  
Mary Seminara-Schostok

Board Members

Staff

Andrew Armonaitis  
William Atwood  
Genette Bacon  
Johara Farhadieh  
Tim Kominiarek  
Tondalaya Lewis-Hozier  
Katherine Novel  
Linsey Payne  
Scott Richards  
Alise White

Guests

Marquette Associates  
Brian Wrubel, Dave Smith, Kelli Schrade,  
Nichole Roman-Bhatty  
Courtland Partners  
Steve Novick  
Franklin Park  
Brad Atkins  
Chicago Equity  
Curt Mitchell and Pat Lynch  
ULLICO  
Ed Smith, Herbert Kolben, Joseph Linehan

Absent: Committee Members

John Casey

**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.

**MINUTES OF PREVIOUS MEETING**

Mr. Bashir moved to approve the minutes of the Investment Policy Committee meeting held September 25, 2014, in the form previously submitted. Ms. Bush seconded and the motion passed unanimously.

**MANAGER PRESENTATIONS:**

J for Jobs (“ULLICO”)

Mssers. Smith, Kolben and Linehan, ULLICO, were invited to join the meeting consistent with the Board’s Watch List Policy. Following review of materials, previously distributed, and answering questions posed by the Members, the ULLICO representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.) Chairman Bruce requested that Marquette prepare a memorandum, to be distributed to the Members in January, based upon ULLICO’s presentation; the memorandum should also discuss how other clients have reacted to ULLICO’s proposed plan.

Chicago Equity

Mssers. Lynch and Mitchell, Chicago Equity, were invited to join the meeting consistent with the Board’s Watch List Policy. Following review of materials, previously distributed, and answering questions posed by the Members, the Chicago Equity representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

**REAL ESTATE PRESENTATION: COURTLAND PARTNERS (“COURTLAND”)**

Morgan Stanley Prime Allocation Increase

Mr. Novick, Courtland, referred Members to the memoranda, “Recommendation to Increase Commitment by \$60 million to Morgan Stanley PRIME Property Fund,” previously distributed, and reviewed. (Official minutes contain attachments.) Mr. Bashir moved to approve the additional allocation, as set forth in the recommendation provided by Courtland. Ms. Bush seconded and the motion passed unanimously.

Clarion Separate Account Investment Guideline Revision

Mr. Novick, Courtland, referred Members to the memoranda, “Clarion Partners (“Clarion”) Separate Account Investment Guidelines Changes,” previously distributed, and reviewed. (Official minutes contain attachments.) Mr. Bashir moved to revise the ISBI Investment Guidelines to allow Clarion to invest up to 40% of equity in joint ventures, as set forth in the recommendation provided by Courtland. Justice Schostok seconded and the motion passed unanimously.

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

Franklin Park Venture Series 2015, L.P.

Mr. Atkins, Franklin Park, was invited to join the meeting. Mr. Atkins reviewed the materials, previously distributed, and answered questions posed by the Members. (Official minutes contain attachment.)

Franklin Park International Fund 2015, L.P.

Mr. Atkins, Franklin Park, was invited to join the meeting. Mr. Atkins reviewed the materials, previously distributed, and answered questions posed by the Members. (Official minutes contain attachment.)

Ms. Payne reported that Franklin Park had completed a Vendor Disclose Questionnaire; there were no political contributions made and the firm had made disclosures consistent with Public Act 98-1022.

Ms. Bush moved to allocate up to \$15 million (10% of the Board's planned 2015 Private Equity commitments) to the Franklin Park Venture Series 2015, L.P. and up to \$15 million (10% of the Board's planned 2015 Private Equity commitments) to the Franklin Park International Fund 2015, L.P., as set forth in the recommendations prepared by ISBI Staff. (Official minutes contain attachment.) Mr. Bashir seconded and the motion passed unanimously.

Revised Benchmark

Mr. Atkins, Franklin Park, referred Members to the memorandum, "Private Equity Benchmark," previously distributed, and reviewed. (Official minutes contain attachments.) Ms. Bush moved to utilize the Cambridge Associates benchmark to evaluate the Board's private equity portfolio going forward, as set forth in the recommendation provided by Franklin Park. Mr. Bashir seconded and the motion passed unanimously.

***UPDATE ON SEC QUESTIONNAIRE***

Director Atwood reported that as a result of the delay in timing of the SEC's investigation, Ms. Novel would present a summary of the findings to the Committee at its March meeting.

***DC PLAN RE-ENROLLMENT DISCUSSION***

Ms. Roman-Bhatty, Marquette, referred Members to the presentation material and the memorandum, "Plan Re-Enrollment Recommendation," as previously distributed and reviewed. (Official minutes contain attachment.) Following discussion, Ms. Bush moved to approve the Marquette recommendations as set forth in the memorandum. Mr. Bashir seconded and the motion passed unanimously.

***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 for March 19, 2015 in Chicago, official notices to be distributed at a later date. At 4:45 p.m., there being no further business to come before the Committee, Ms. Bush moved to adjourn. Mr. Bashir seconded and the meeting was adjourned.

Respectfully submitted,



---

Steven Powell, Chairman