



## **MINUTES**

**Meeting of the Board of Trustees  
of the State Universities Retirement System  
February 4, 2010, 3:30 p.m.  
Ennis Knupp & Associates  
Michigan Conference Room  
10 South Riverside Plaza, Suite 1600  
Chicago, Illinois 60606**

The following Trustees were present: Ms. Carrie Hightman, Chair; Dr. Jeffrey Beaulieu, Ms. Patricia Cassidy, Dr. John Engstrom, Dr. J. Fred Giertz, Ms. Dorinda Miller, and Mr. Antonio Vasquez and Mr. Mitchell Vogel.

Others present were: Ms. Judith A. Parker, Interim Executive Director; Mr. Daniel L. Allen, Chief Investment Officer; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Ms. Lori Kern, Ms. Stacy Smith and Ms. Stefanie Rice, Executive Assistants; Ms. Mary Pat Burns, Burke, Burns & Pinelli; Ms. Patti Somerville-Koulouris, The Northern Trust Company; and Ms. Mary Hobson, EFL Associates.

Trustee Carrie Hightman called the meeting to order at approximately 3:30 p.m.

Roll call attendance was taken. Trustee Beaulieu, present; Trustee Berns, absent; Trustee Cassidy, present; Trustee Engstrom, present; Trustee Giertz, present; Trustee Hightman, present; Trustee Miller, present; Trustee Rogers, absent; Trustee Vasquez, present; Trustee Vogel, present; Trustee Williams, absent

### **CONSIDERATION OF FEBRUARY 4, 2010, INVESTMENT COMMITTEE MOTIONS**

On behalf of the Investment Committee Trustee Giertz moved that:

1. \$20 million be funded, contingent upon successful contract negotiations, to AG GECC Public-Private Investment Fund, L.P. or a parallel vehicle established for tax-exempt investors.
2. \$10 million be funded, contingent upon successful contract negotiations, to RLJ Western Asset Management Public/Private Fund, L.P. or a parallel vehicle established for tax-exempt investors.

3. \$10 million be funded, contingent upon successful contract negotiations, to Oaktree PPIP Private Fund, L.P. or a parallel vehicle established for tax-exempt investors.
4. PIMCO be retained as a core plus fixed income manager.
5. PIMCO be retained as a TIPS fixed income manager.
6. BlackRock be retained as a core plus fixed income manager.
7. BlackRock be retained as an enhanced index fixed income manager.
8. BlackRock Core Active (Formerly BGI) be retained as an enhanced index fixed income manager.
9. Western Asset Management be retained as a core plus fixed income manager.
10. Metropolitan West Asset Management be retained as a core plus fixed income manager.
11. Pugh Capital be retained as a core fixed income manager.
12. Smith Graham be retained as a core plus fixed income manager.
13. Taplin, Canida & Habacht be retained as a core plus fixed income manager.
14. Davis, Hamilton, Jackson & Associates be retained as a core plus fixed income manager.
15. The internally managed TIPS portfolio be retained.
16. Searches be authorized to identify potential investment managers for both passive, and all active, core and core plus fixed income mandates.
17. Consent to the assignment of the existing Investment Management Agreement with Metropolitan West Asset Management be approved, pending legal review.

Motions seconded and carried.

On behalf of the Corporate Governance Committee Trustee Vogel moved that:

- The revised Marco Consulting Group Proxy Policy Statement as customized for SURS be approved as presented.

Motion seconded and carried.

### **APPROVAL OF LEGAL SERVICES CONTRACT**

Trustee Giertz moved that:

- The negotiated settlement agreement with Shirley Chen be approved and the legal action against Shirley Chen be dismissed.
- The retention of outside local legal counsel in California be approved for the purposes of pursuing claims against Anthony Chou.
- The retention of outside local legal counsel in Nevada for the purposes of pursuing claims against Winslow Chou be ratified.

Motions seconded and carried.

## **OTHER BUSINESS**

Chairwoman Hightman announced the appointment of Trustee Berns to the Investment Committee and the Personnel & Resource Committee.

Chairwoman Hightman reported that the Governmental Affairs Committee met on January 15, 2010. Plans for the legislative outreach event are underway. A legislative dinner is being planned for the evening of March 10<sup>th</sup>, and SURS will participate in the Higher Education Legislative Coalition (HELCO) breakfast on the morning of March 11<sup>th</sup>.

Trustee Vogel requested that the expenses for previously approved travel in order to participate as a speaker at a conference at Harvard University be approved and reimbursed. Trustee Giertz moved that:

- The Board approve Trustee Vogel's travel to a Harvard University conference in April 2010, and that expenses be reimbursed in accordance with the Board Travel Expense and Reimbursement Policy.

Motion seconded and carried.

Trustee Vogel requested approval for travel and expense reimbursement to Moraine Valley Community College on April 8, 2010, and to Harper College on April 9, 2010, in order to participate as a speaker at SUAA regional meetings. Trustee Giertz moved that:

- Trustee Vogel's travel on April 8 and 9, 2010, to Moraine Valley Community College and Harper College be approved, and that expenses related to the travel be reimbursed in accordance with the Board Travel Expense and Reimbursement Policy.

Motion seconded and carried.

## **CLOSED SESSION**

Trustee Hightman moved that the Board go into closed session under the Open Meetings Act to consider the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, pursuant to §2(c)(1) and to consider pending litigation pursuant to §2(c)(11). The motion was seconded and it carried in a roll call vote:

Trustee Beaulieu	-aye
Trustee Berns	-aye
Trustee Cassidy	-aye
Trustee Engstrom	-aye
Trustee Giertz	-aye
Trustee Hightman	-aye
Trustee Miller	-aye

Trustee Rogers	-absent
Trustee Vasquez	-aye
Trustee Vogel	-aye
Trustee Williams	-absent

Motion to resume meeting in open session by Trustee Giertz. Motion seconded and carried.

Upon the Board's return to open session, Trustee Vasquez moved that the Board authorize the Executive Director to take care of the personnel issue discussed during the closed session. The motion was seconded and it carried.

There being no further business to come before the Board the meeting adjourned.

Respectfully submitted,



Ms. Judith A. Parker  
Secretary, Board of Trustees

JAP:ss