



## **MINUTES**

**Meeting of the Board of Trustees  
of the State Universities Retirement System  
Tuesday, October 20, 2009  
Ennis Knupp – Michigan Conference Room  
10 S. Riverside Plaza, Suite 1600  
Chicago, Illinois**

The following Trustees were present: Dr. John Engstrom, Dr. J. Fred Giertz, Ms. Dorinda Miller, Mr. Steven Rogers (via teleconference), Mr. Antonio Vasquez, Mr. Mitchell Vogel (via teleconference), and Dr. Marva Williams.

Others present were: Ms. Judith A. Parker, Interim Executive Director; Mr. Daniel L. Allen, Chief Investment Officer; Mr. Kelly A. Jenkins, General Counsel; Mr. Douglas C. Wesley, Deputy Chief Investment Officer; Ms. Shelley Porter, Chief Financial Officer; Ms. Kimberly Pollitt, Senior Investment Officers; Mr. Tony Lee and Ms. Lou Ann Fillingham, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Ms. Lori Kern and Ms. Stacy Smith, Executive Assistants; Ms. Mary Pat Burns, Burke, Burns & Pinelli; Mr. Russ Ivinjack and Ms. Laurel Nicholson, EnnisKnupp;

In the Chair's absence, Trustee Vogel asked Trustee Vasquez to preside over the meeting. Trustee Vasquez called the meeting to order at 7:30 p.m.

### **REPORT FROM THE INVESTMENT COMMITTEE**

On behalf of the Investment Committee, Trustee Giertz moved:

1. that a commitment of \$75 million, contingent upon successful contract negotiations, be authorized to Franklin Templeton Real Estate Advisors to serve as a real estate fund of funds investment manager, with the intent to utilize emerging, minority and women-owned funds when possible. As part of the contract negotiations, SURS will require a statement of the firm's commitment to diversity, including a plan of specific timetables and milestones to evidence such commitment.
2. that Martin Currie be retained as a Non-U.S. equity manager.
3. that Mondrian Investment Partners be retained as a Non-U.S. equity manager.
4. that Globeflex Capital be retained as a Non-U.S. equity manager.

5. that Pyramis Global Advisors be retained as a Non-U.S. equity manager.
6. that Atlanta Life Investment Advisors be retained as a Non-U.S. equity manager in the Manager Development Program. That Strategic Global Advisors be retained as a Non-U.S. equity manager in the Manager Development Program.
7. that Ativo Capital Management be retained as a Non-U.S. equity manager via Progress Investment Management.
8. that Barclays Global Investors be retained as a structured active Non-U.S. equity manager of the International Alpha Tilts portfolio
  
9. that the required state contribution to the State Universities Retirement System for Fiscal Year 2011 be certified in the amount of \$848,142,000.
  
10. that the projected contribution to the Community College Health Insurance Security Fund for Fiscal Year 2011 be certified in the amount of \$4,237,280.
  
11. That the following investment management firms and funds be selected, contingent upon successful contract negotiations, and be funded an allocation of \$40 million each:
  - Alinda Capital Partners - Alinda Infrastructure Fund II or a parallel vehicle established for tax-exempt investors
  - Macquarie Capital - Macquarie Infrastructure Partners II or a parallel vehicle established for tax-exempt investors
  
13. That SURS move forward with participation in the Public Private Investment Program.
  
14. That the following investment management firms and funds be selected, contingent upon successful contract negotiations, and be funded an allocation of \$40 million each:
  - AG GECC Public-Private Investment Fund, L.P. or a parallel vehicle established for tax-exempt investors
  - RLJ Western Asset Public/Private Fund, L.P. or a parallel vehicle established for tax-exempt investors
  - TCW Special Mortgage Credits Fund III or a parallel vehicle established for tax-exempt investors
  
15. That the strategic policy allocation targets be approved as presented, giving staff the discretion to incrementally implement those policy targets in coordination with the actual transition of assets.

<b>ASSET ALLOCATION POLICY MIX (as of 10/1/2009)</b>	<b>STRATEGIC POLICY ALLOCATION</b>	<b>ADJUSTED STRATEGIC TARGET</b>
<i>U.S. Equity</i>	31.0%	35.0%
<i>Private Equity</i>	6.0%	6.0%
<i>Non-U.S. Equity</i>	18.0%	18.0%
<i>Global Equity</i>	10.0%	9.0%
<i>Fixed Income</i>	18.0%	21.0%
<i>TIPS</i>	4.0%	5.0%
<i>Real Estate</i>	10.0%	6.0%
<i>REITS</i>	4.0%	4.0%
<i>Direct Real Estate</i>	6.0%	2.0%
<i>Opportunity Fund</i>	3.0%	0.0%
<i>Infrastructure</i>	1.0%	
<i>Commodities</i>	1.0%	
<i>PPIP</i>	1.0%	

The motions 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