



MINUTES

**Meeting of the Board of Trustees of the
State Universities Retirement System
Thursday, April 20, 2017, 2:00 p.m.
Northern Trust
Global Conference Center – 1st Floor
50 S. LaSalle St., Chicago, IL**

The following trustees were present: Mr. Tom Cross, Chair; Mr. Aaron Ammons, Mr. Dennis Cullen via conference call, Dr. John Engstrom, Dr. Fred Giertz, Mr. Craig McCrohon, and Dr. Steven Rock.

Others present: Mr. Martin Noven, Executive Director; Mr. Andrew Matthews, Chief Operating Officer; Ms. Bianca Green, General Counsel; Mr. Douglas Wesley, Chief Investment Officer; Ms. Kelly Carson and Ms. Lori Kern, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Mr. Kevin Leonard and Mr. Kevin Cress of NEPC; Ms. Patti Sommerville-Koularis of Northern Trust; Ms. Renaye Manley of SEIU and Ms. Tyra Taylor of the Financial Daily.

Board of trustees' roll call attendance was taken. Trustee Ammons, present; Trustee Cross, present; Trustee Cullen, present (via conference call); Trustee Engstrom, present; Trustee Giertz, present; Trustee Idehen, absent; Trustee Johnson, absent; Trustee McCrohon, present; Trustee Miller, absent; Trustee Rock, present; and Trustee Vasquez, absent.

APPROVAL OF MINUTES

Chairman Tom Cross presented the minutes from the board meeting of February 3, 2017, March 9, 2017 and March 10, 2017.

Trustee Steven Rock made the following motion:

- That the minutes from the February 3, 2017 board of trustees educational forum be approved as presented.
- That the minutes from March 9, 2017 board of trustees meeting be approved as presented.
- That the minutes from March 10, 2017 board of trustees meeting be approved as presented.

Trustee Aaron Ammons seconded and the motion carried with all trustees present voting in favor.

APPROVAL OF CLOSED MINUTES

Chairman Cross presented the closed minutes from the board meeting of March 9, 2017 and March 10, 2017.

Trustee Rock made the following motion:

- That the closed session minutes from the March 9, 2017 board of trustees meeting be approved as presented and be opened.
- That the closed session minutes from the March 10, 2017 board of trustees meeting be approved as presented and remain closed.

Trustee Ammons seconded and the motion carried with all trustees present voting in favor.

CHAIRPERSON'S REPORT

Chairman Cross did not have a chairperson report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Martin Noven did not have an executive director's report.

REVIEW OF COMMITTEE ACTION

Investment Committee

On behalf of the Investment Committee, Trustee Cross presented the committee actions.

Trustee Cross moved:

- That based on the recommendation of staff and SURS investment consultant, Holland Capital Management be terminated as a U.S. Equity manager.
- That based on the recommendation of staff and SURS investment consultant, assets be transferred from the U.S. equity portfolio to the existing hedge fund-of-fund portfolios, Newport Monarch LLC (managed by PAAMCO) and the DDR Prisma Codlin Fund LLC, in amounts sufficient to reach the 5 percent strategic policy target for the hedged strategies portfolio (approximately \$400 million).
 - Allocations to the existing hedge fund-of-fund portfolios, Newport Monarch LLC (managed by PAAMCO) and the KKR Prisma Codlin Fund LLC, will be in amounts to result in portfolios of approximately similar size, post-allocation (estimated to be \$435 - \$440 million each).
 - The source of funding for the allocation to hedged strategies will be the proceeds from the U.S. equity index accounts managed by Northern Trust and RhumbLine in pro-rata amounts.
- That based on the recommendation of staff and SURS investment consultant, a search be conducted to identify qualified non-core private commercial real estate debt managers.

- That based on the recommendation of staff and SURS investment consultant, RhumbLine Advisers be retained to provide passive TIPS investment management services.
- That based on the recommendation of staff and SURS investment consultant, the assets from the current active TIPS managers, PIMCO TIPS, Longfellow and New Century, be reallocated to the new passive TIPS manager, RhumbLine Advisers. The total amount to be reallocated is approximately \$675 million, but may vary based on market fluctuations.

Trustee Craig McCrohon seconded the motion. The motions carried with all trustees present voting in favor.

BOARD TRAVEL

Mr. Noven presented the board with travel and conference opportunities for the board's review and approval. He made note of the new opportunities listed and encouraged trustees to continue to make suggestions for future educational opportunities.

Trustee John Engstrom moved:

- That the board of trustees travel to attend conferences or trainings listed on the April 2017 list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.
- That the board of trustees travel to NEPC client and educational conferences be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.

Trustee Rock seconded and the motions carried with all trustees present voting in favor.

A copy of the staff memorandum titled "Board Training Requirements and Travel Approval" which includes the list of upcoming training opportunities as of April 2017 is incorporated as a part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

PUBLIC COMMENT

There was no further business before the board and Trustee Cross moved that the meeting be adjourned. The motion was seconded by Trustee Ammons and carried with all trustees present voting in favor.

Respectfully submitted,



Mr. Martin Noven
Secretary, SURS Board of Trustees



MEMORANDUM

TO: Board of Trustees

FROM: Mr. Martin Noven
Executive Director

RE: Board Training Requirements and Travel Approval

DATE: April 7, 2017

In order to assist Trustees in obtaining the 8 hours of annual training required by Public Act 96-0006, staff has developed the attached list of upcoming training opportunities. This list will be updated and provided to the Trustees with the regular meeting materials.

Public Act 96-0006 also requires that all Board travel be approved by a majority of Trustees in order to qualify for reimbursement of expenses in accordance with the Board's Travel Approval and Expense Reimbursement Policy. Each Trustee is eligible to be reimbursed for two out-of-state trips, each fiscal year, for educational purposes. SURS is a voting member of the Council of Institutional Investors ("CII"). In March of 2013, the SURS travel policy was amended, to provide that attendance at the semi-annual meetings of CII not be included in the two-per-year limit for board member attendance at educational conferences, since such conferences are not educational meetings, rather, are working meetings of an organization of which SURS is a member.

Staff Recommends that the following motions be approved at this time:

- **That the Board of Trustees travel to attend conferences or trainings listed on the April 2017 list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.**
- **That the Board of Trustees travel to NEPC client and educational conferences be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.**



AMMENDED

State Universities Retirement System Schedule of **Upcoming Training Opportunities** As of April 2017

SURS Board/Committee Meetings for 2017

SURS Board and Committee Meetings	June 8-9, 2017
SURS Board and Committee Meetings	September 14-15, 2017
SURS Investment Committee Meeting	October 19, 2017
SURS Board and Committee Meetings	December 7-8, 2017

Council of Institutional Investors

Title:	2017 Fall Conference
Subject Matter:	Corporate Governance Issues
Sponsor:	Council of Institutional Investors
Date:	September 13-15, 2017
Location:	San Diego, CA
Registration Fee:	Complimentary for members

Training Opportunities

✱ Indicates new opportunity

Title:	Public Funds Roundtable
Subject Matter:	Various Investment Topics
Sponsor:	Institutional Investors
Date:	April 26-27, 2017
Location:	Los Angeles, CA
Registration Fee:	TBD

✱	Title:	City Session 2017
	Subject Matter:	Various Investment Topics
	Sponsor:	Schroders
	Date:	April 27, 2017
	Location:	Chicago, IL
	Registration Fee:	TBD

Title:	NEPC Annual Investment Conference
Subject Matter:	Various Topics
Sponsor:	NEPC
Date:	May 9-10, 2017
Location:	Boston, MA
Registration Fee:	TBD

✱	Title:	SALT
	Subject Matter:	Various Investment Topics
	Sponsor:	Numerous Sponsors
	Date:	May 16-19, 2017
	Location:	Las Vegas, NV
	Registration Fee:	TBD



Title:	2017 Trustee Educational Seminar
Subject Matter:	Introduction of Fiduciary Responsibilities
Sponsor:	National Conference on Public Employee Retirement Systems (NCPERS)
Date:	May 21-24, 2017
Location:	Hollywood, FL
Registration Fee:	TBD

* Title:	Global EQD 2017
Subject Matter:	Various Investment Topics
Sponsor:	Opal Group
Date:	May 24-25, 2017
Location:	Las Vegas, NV
Registration Fee:	TBD

* Title:	Solving for Alpha
Subject Matter:	Constructing Private Markets Portfolios
Sponsor:	Adams Street Partners
Date:	May 31 – June 1, 2017
Location:	Chicago, IL
Registration Fee:	TBD

Title:	Institutional Investor Forum
Subject Matter:	Various Investment Topics
Sponsor:	Nuveen Asset Management
Date:	June 14, 2017
Location:	Chicago, IL
Registration Fee:	TBD

* Title:	NCPERS CIO Summit
Subject Matter:	Various Investment Topics
Sponsor:	NCPERS
Date:	June 15-16, 2017
Location:	Chicago, IL
Registration Fee:	TBD

* Title:	Global Future of Retirement
Subject Matter:	Various Pension Topics
Sponsor:	Pensions & Investments
Date:	June 25-27, 2017
Location:	New York, NY
Registration Fee:	TBD

Title:	Emerging Managers Summit
Subject Matter:	Various Investment Topics
Sponsor:	Opal Group
Date:	September 14-15, 2017
Location:	New York, NY
Registration Fee:	TBD



* Title:	28 th Annual Pension and Financials Services Conference
Subject Matter	Various Pension Topics
Sponsor:	NASP
Date:	June 26-28, 2017
Location:	Los Angeles, CA
Registration Fee:	TBD