



CLOSED SESSION MINUTES

**Meeting of the Investment Committee of the
State Universities Retirement System
June 8, 2017, 2:45 p.m.
State Universities Retirement System
Northern Trust
Global Conference Center – 1st Floor
50 S. LaSalle St., Chicago, IL**

Upon motion by Trustee Craig McCrohon, second by Trustee Fred Giertz, and a unanimous roll call vote, the board of trustees went into closed session under the Open Meetings Act pursuant to §2(c)(7).

The following trustees were present: Mr. Craig McCrohon, Chair; Mr. Aaron Ammons, Mr. Mark Cozzi, Mr. Tom Cross, Mr. Dennis Cullen, Dr. John Engstrom, Dr. Fred Giertz, Mr. Paul R.T. Johnson Jr., Ms. Dorinda Miller, Dr. Steven Rock and Mr. Antonio Vasquez.

Others present: Mr. Martin Noven, Executive Director; Mr. Doug Wesley, Chief Investment Officer; Ms. Kimberly Pollitt, Mr. Joe Duncan and Mr. Shane Willoughby, Senior Investment Officers; Mr. Alex Ramos, Investment Officer; Mr. Doug Moseley and Mr. Kevin Leonard of NEPC; Ms. Kelly Carson, Executive Assistant; and Ms. Mary Pat Burns of Burke, Burns & Pinelli.

PRIVATE EQUITY IMPLEMENTATION UPDATE

Ms. Kimberly Pollitt presented the board with objectives and factors to determine the most cost effective way to build on the existing private equity portfolio. Ms. Pollitt discussed the evaluation process and compared the approaches of each. Pros and cons of the Off-the-Shelf Fund of Funds Model, Fund of One Model, Specialist Advisor/Consultant Approach, and Direct Investment Models were reviewed. Ms. Pollitt also discussed the fee reduction strategies noting a multi-year commitment strategy would reduce fees. Mr. Doug Moseley of NEPC also presented a pacing analysis of the SURS private equity portfolio.

Discussion ensued regarding the proposed private equity funding plan, contractual agreements and the inclusion of a new provider. It was determined by the committee to have the newly proposed provider, Mesirow Financial, present to the board on the following day. It was noted that any motions would be tabled until the committee reconvenes.

A copy of SURS presentation titled “Private Equity Implementation Discussion” and NEPC’s presentation titled “Private Equity Performance” are incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

RESUME TO OPEN SESSION

Upon a motion by Trustee Giertz that was seconded by Trustee Steven Rock and carried, the Investment Committee resumed its meeting in open session.

CLOSED SESSION

Upon motion by Trustee McCrohon, second by Trustee Rock, and a unanimous roll call vote, the board of trustees went into closed session under the Open Meetings Act pursuant to §2(c)(7).

Ms. Kimberly Pollitt, Mr. Joe Duncan, Mr. Shane Willoughby, Mr. Alex Ramos, Mr. Doug Moseley and Mr. Kevin Leonard were not in attendance of this portion of the closed session meeting.

INVESTMENT CONSULTANT EVALUATION

Mr. Doug Wesley provided the board with an overview of the survey conducted by members of the board and the investment staff in regards to the investment consultant, NEPC. Mr. Wesley reviewed the survey discussing comments, performance areas and addressing any board concerns. Discussion ensued on the topic of issuing an RFP for an investment consultant.

RESUME TO OPEN SESSION

Upon a motion by Trustee McCrohon that was seconded by Trustee Tom Cross and carried, the Investment Committee resumed its meeting in open session.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Noven", with a long horizontal flourish extending to the right.

Mr. Martin Noven
Secretary, Board of Trustees

MMN; kc