



MINUTES

Quarterly Meeting of the Board of Trustees of the State Universities Retirement System 6:15 p.m., April 21, 2016

**State Universities Retirement System
1901 Fox Drive, Main Conference Room
Champaign, IL**

The following Trustees were present: Mr. Tom Cross, Chair; Mr. Aaron Ammons, Dr. John Engstrom, Dr. Fred Giertz, Mr. Paul R.T. Johnson Jr., Mr. Craig McCrohon, Ms. Dorinda Miller; Mr. Antonio Vasquez.

Others present: Mr. W. Bryan Lewis, Executive Director; Ms. Bianca Green, General Counsel; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Mr. Shane Willoughby, Mr. Alex Ramos, and Mr. Brian DeLoria, Investment Officers; Ms. Lou Ann Fillingham, Senior Accounting and Investment Officer; Ms. Monique Cullotta, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley of NEPC; Ms. Patti Somerville-Koulouris of the Northern Trust Company; Mr. Greg Baranivsky, Mr. Jay Strohmaier and Mr. Alex Zweber of Parametric; Mr. Warun Kumar, Mr. Brendan Finneran and Mr. Dave Fraley of Rampart; Mr. Pav Sethi, Mr. Ragu Raghaven, Mr. Eric Magac and Mr. James James of Gladius; Mr. Jeff Diehl, Mr. Miguel Gonzalo and Ms. Lauren Bozzelli of Adams Street; Ms. Lorelei Graye of Conifer Financial Services; Mr. Jason Parks of Loop Capital Markets; Mr. Maurice Campbell of BNY Mellon; and Mr. Winston Blake of Attucks Asset Management.

Board of Trustees roll call attendance was taken. Trustee Cross, present; Trustee Ammons, present; Trustee Cullen, absent; Trustee Engstrom, present; Trustee Giertz, present; Trustee Idehen, absent; Trustee Johnson, present; Trustee McCrohon, present; Trustee Miller, present; Trustee Rock, absent; Trustee Vasquez, present.

Per the motion approved at the Investment Committee meeting on April 21, 2016, Trustees may be allowed to participate via conference call for all meetings on April 21, 2016, pursuant to Section 7(c) of the Open Meetings Act.

CLOSED SESSION

Closed session was not necessary as the personnel matters listed on the agenda were discussed during the Investment Committee closed session earlier in the day.

OPEN SESSION

As a result of that discussion, the following motions were made in open session:

Trustee Paul R. T. Johnson made the following motion:

- That contracts for Fiduciary Counsel and Claims Panel Hearing officer be renewed for another year under the same terms.

Trustee Dorinda Miller seconded and the motion carried with all Trustees present voting in favor. Trustee Fred Giertz recommended that SURS undertake a full search should be conducted after the expiration of the aforementioned contracts this year.

Trustee Craig McCrohon made the following motion:

- That delegation is made to the Executive Committee the functions of conducting the Chief Investment Officer search.

Trustee Fred Giertz seconded and the motion carried with all Trustees present voting in favor.

EXECUTIVE DIRECTOR'S REPORT

Mr. Bryan Lewis asked that Ms. Bianca Green Discuss the Statement of Economic Interest.

Ms. Green and Ms. Mary Pat Burns discussed the Statement of Economic Interest and Supplemental Statement of Economic Interest.

CHAIRPERSON'S REPORT

Chairman Tom Cross did not have a Chairperson Report at this time.

BOARD TRAVEL

Mr. Lewis presented the Board with travel and conference opportunities for review and approval. He reported that pursuant to Public Act 96-0006, the Trustees are required to have eight hours of annual training. A majority of the Board must approve all Board travel in order to qualify for reimbursement of expenses in accordance with the Board's Travel Approval and Expense Reimbursement Policy. Staff develops a list of upcoming training opportunities and the list is presented to the Trustees with their regular meeting materials.

Trustee Johnson moved:

- That the Board of Trustees travel to attend conferences or trainings listed on the April 2016, list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with the SURS Travel policy are reimbursed.

Trustee Miller seconded and the motions carried with all Trustees present voting in favor.

A copy of the staff memorandum, entitled “Board Training Requirements and Travel Approval” which includes the list of upcoming training opportunities as of April 2016 is incorporated as a part of these Minutes as [Exhibit 1](#).

APPROVAL OF MINUTES

Chairman Cross presented the Minutes from the Board meeting of March 11, 2016.

Trustee Johnson Jr., made the following motion:

- That the Minutes from the March 11, 2016 Board of Trustees meeting be approved as presented.

Trustee Antonio Vasquez seconded and the motion carried with all Trustees present voting in favor.

REVIEW OF COMMITTEE ACTION

Investment Committee

On behalf of the Investment Committee, Trustee Johnson moved:

- That the Board approve the revised fee schedule as proposed for Muller & Monroe.

Trustee Vasquez seconded and the motion carried with all Trustees present voting in favor.

Trustee Johnson made the following motion:

- That a commitment of up to 2 percent of the portfolio be allocated to equity index option strategies, to be managed by Gladius contingent upon successful contract negotiations and within the risk metrics consistent with Board directives.

Trustee Vasquez seconded and the motion carried with all Trustees present voting in favor and Chairman Cross abstained.

Trustee Johnson made the following motion:

- That a commitment of \$150 million be authorized, contingent on successful contract negotiations, to the Adams Street 2016 Global Fund LP.

Trustee Vasquez seconded and the motion carried with all Trustees present voting in favor.

Trustee Johnson made the following motion:

- That a search be conducted to identify a qualified global private equity fund of fund(s) provider(s).

Trustee Vasquez seconded and the motion carried with all Trustees present voting in favor.

Trustee Johnson made the following motion:

- That the Progress U.S. Equity Mandate be eliminated, with the assets restructured to the following managers engaged directly by SURS, as listed below (amounts are approximate):

Non-U.S. Equity

- Ativo Capital Management - \$35 Million.
- GlobeFlex Capital - \$35 million.
- Strategic Global Advisors - \$35 million.

U.S. Equity

- Channing Capital - \$35 million.
- Piedmont Investment Advisors - \$35 million.
- Mesirov- \$35 million.
- CastleArk Management - \$35 million.

Cash

- The remaining balance of approximately \$100 million will be kept in cash, which can be used to help fund the commodities mandate or future benefit payments.

Trustee Vasquez seconded and the motion carried with all Trustees present voting in favor.

PUBLIC COMMENT

There were no public comments presented to the Board of Trustees.

Since there was no further business before the Board, Trustee Johnson moved that the meeting be adjourned. The motion was seconded by Trustee Miller and carried with all Trustees present voting in favor.

Respectfully submitted,



Mr. W. Bryan Lewis
Secretary, Board of Trustees

WBL:mc



MEMORANDUM

TO: Board of Trustees

FROM: Mr. Bryan Lewis
Executive Director

RE: Board Training Requirements and Travel Approval

DATE: April 11, 2016

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 2016 list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.**



State Universities Retirement System
 Schedule of
Upcoming Training Opportunities
 As of April 2016

SURS Board/Committee Meetings for 2015-2016

SURS Board and Committee Meetings	June 9-10, 2016
SURS Board and Committee Meetings	September 15-16, 2016
SURS Investment Committee Meeting	October 20, 2016
SURS Board and Committee Meetings	December 8-9, 2016

Council of Institutional Investors

Title:	2016 Fall Conference
Subject Matter:	Corporate Governance Issues
Sponsor:	Council of Institutional Investors
Date:	September 28-30, 2016
Location:	Chicago, IL
Registration Fee:	Complimentary for members

Training Opportunities

Title:	401(k) Investment Lineup, Simplifying DC Complexity
Subject Matter:	Challenges Building Diversified plans
Sponsor:	Pensions & Investments
Date:	April 12, 2016
Location:	Chicago, IL
Registration Fee:	\$135.00

Title:	2016 Retirement Income Summit
Subject Matter:	Various Topics
Sponsor:	Allianz
Date:	May 2-3, 2016
Location:	Chicago, IL
Registration Fee:	Industry Professionals \$995

Title:	The Money Show Las Vegas
Subject Matter:	How to Prepare Your Portfolio for Success
Sponsor:	Barron's
Date:	May 9-12, 2016
Location:	Las Vegas, NV
Registration Fee:	TBD

Title:	NEPC Annual Investment Conference
Subject Matter:	Various Topics
Sponsor:	NEPC
Date:	May 10-11, 2016
Location:	Boston, MA
Registration Fee:	TBD

Title:	SALT Vegas Conference
Subject Matter:	Various Topics
Sponsor:	SkyBridge Capital
Date:	May 10-13, 2016
Location:	Las Vegas, NV
Registration Fee:	TBD
Title:	3rd Annual Midwest Institutional Investors Forum
Subject Matter:	Various Topics
Sponsor:	Markets Group
Date:	May 12, 2016
Location:	Chicago, IL
Registration Fee:	TBD
Title:	2016 Trustee Educational Seminar
Subject Matter:	Introduction of Fiduciary Responsibilities
Sponsor:	National Conference on Public Employee Retirement Systems (NCPERS)
Date:	May 14-15, 2016
Location:	San Diego, CA
Registration Fee:	TBD
Title:	Emerging Managers Summit-Chicago
Subject Matter:	Various Topics
Sponsor:	Opal Financial Group
Date:	May 23-25, 2016
Location:	Chicago, IL
Registration Fee:	TBD
Title:	Global EQD 2016
Subject Matter:	Market Trends, Drivers and Products
Sponsor:	EQ Derivatives
Date:	May 25-26, 2016
Location:	Las Vegas, NV
Registration Fee:	TBD
Title:	ConsortiumEast 2016
Subject Matter:	Forum for Institutional Investors, Small and Diverse Managers
Sponsor:	Prudential
Date:	June 8-9, 2016
Location:	New York, New York
Registration Fee:	TBD
Title:	The Global Future of Retirement
Subject Matter:	Issues Facing the Retirement Industry
Sponsor:	Pensions & Investments
Date:	June 12-14, 2016
Location:	Washington D.C.
Registration Fee:	TBD
Title:	National Association of Securities Professionals
Subject Matter:	Various Topics
Sponsor:	NASP
Date:	June 13-15, 2016
Location:	Atlanta, GA
Registration Fee:	TBD



Title:	The Private Equity Exclusive
Subject Matter:	Issues, Trends and Strategies of the Private Equity Industry
Sponsor:	The Pension Bridge
Date:	July 25-26, 2016
Location:	Chicago, IL
Registration Fee:	TBD