



MINUTES

**Meeting of the Board of Trustees of the
State Universities Retirement System
2:00 p.m., February 4, 2016
Northern Trust
50 South LaSalle Street, Global Conference Center
Chicago, Illinois 60603**

The following Trustees were present: Ms. Lindsay Anderson, Chairwoman; Mr. Aaron Ammons, Mr. Dennis Cullen (via conference call), Dr. John Engstrom, Dr. Fred Giertz, Mr. Francis Idehen Jr., Mr. Paul R.T. Johnson Jr., Mr. Craig McCrohon, Dr. Steven Rock.

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Daniel Allen, Chief Investment Officer; Ms. Bianca Green, General Counsel; Mr. Steve Hayward, Director of Internal Audit; Mr. Douglas Wesley, Deputy Chief Investment Officer; Mr. Joe Duncan and Ms. Kimberly Pollitt, Senior Investment Officers; Mr. Shane Willoughby and Mr. Brian DeLorica, Investment Officers; Ms. Allison Kushner, Compliance and Governance Officer; Ms. Lori Kern and Ms. Monique Cullotta, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Ms. Kristin Finney-Cooke, Mr. Kevin Leonard; and Ms. Diana Ingram of NEPC.

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

Per the motion approved in the Investment Committee meeting on February 4, 2016, Trustees shall be allowed to participate via conference call for all meetings on February 4, 2016, and February 5, 2016, pursuant to Section 7(c) of the Open Meetings Act.

APPROVAL OF MINUTES

Trustee Lindsay Anderson presented the Minutes from the Board meeting of December 11, 2015.

Trustee Craig McCrohon made the following motion:

- That the Minutes from the December 11, 2015 Board meeting be approved as presented.

Trustee Paul R.T. Johnson Jr. seconded and the motion carried with all Trustees present voting in favor.

CHAIRPERSON'S REPORT

Trustee Anderson remarked that she did not have a Chairperson Report at this time.

REVIEW OF COMMITTEE ACTION

Investment Committee

On behalf of the Investment Committee, Trustee McCrohon moved:

- That Taplin, Canida & Habacht be terminated as a core plus fixed income manager, with the assets reallocated to the following fixed income managers:
 - Garcia Hamilton - \$50 Million.
 - TCW MetWest – Remaining TCH assets (approximately \$78 Million).

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

On behalf of the Investment Committee, Trustee Johnson made the following motions:

- That the structured active U.S. equity account managed by PIMCO (StocksPLUS) be terminated.
- That the structured active U.S. equity account managed by Jacobs Levy be terminated.

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

Corporate Governance Committee

On behalf of the Corporate Governance Committee, Trustee Aaron Ammons moved:

- That a Request for Proposal be conducted for a Proxy Voting and Services Provider.

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

LEGISLATIVE RESOLUTION

Mr. Bryan Lewis presented the Board with the Senate Joint Resolution commemorating SURS 75th anniversary. He reported that this resolution will provide an excellent opportunity that highlights some of SURS major accomplishments over the past 75 years. Ideally, the resolution would be adopted in both chambers. If it is not adopted in both chambers, a resolution would be adopted in the House and a Certificate of Recognition would be provided by the Senate and presented to the Board of Trustees at the annual legislative outreach event hosted by SURS and SUAA on Tuesday, May 3, 2016, in Springfield.

Trustee Steven Rock moved:

- That the Senate Joint Resolution be introduced in the 99th General Assembly, as presented.

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

A copy of the SURS “Senate Joint Resolution” is incorporated as a part of these Minutes as [Exhibit 1](#).

BOARD TRAVEL

Mr. Daniel Allen presented the Board with travel and conference opportunities for the Board’s 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 this list is then 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 February 2016 list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with the 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 be reimbursed.

Trustee Francis Idehen 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 February 2016 is incorporated as a part of these Minutes as [Exhibit 2](#).

PUBLIC COMMENT

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

Respectfully submitted,



Mr. W. Bryan Lewis
Secretary, Board of Trustees

SJXXXX

SENATE JOINT RESOLUTION

WHEREAS, The University Retirement System of Illinois was enacted into law on September 1, 1941 to provide retirement annuities and other benefits for employees of the University of Illinois and other state colleges and universities; and

WHEREAS, The University Retirement System of Illinois became known as the State Universities Retirement System on March 18, 1963; and

WHEREAS, The State Universities Retirement System is governed by a Board of Trustees comprised of four elected contributing members, two elected annuitant members, and five appointed members, including the Chair of the Board of Higher Education; and

WHEREAS, The State Universities Retirement System offers three retirement plan options for its members, including the traditional defined-benefit plan, portable defined-benefit plan, and the self-managed plan; and

WHEREAS, The State Universities Retirement System manages \$19.2 billion worth of assets and has achieved a 30-year rate of return of 9.2% (as of State Fiscal Year 2015); and

WHEREAS, The State Universities Retirement System annually processes more than \$2.2 billion in member benefits (as of State Fiscal Year 2015); and

WHEREAS, The State Universities Retirement System currently serves more than 60 employers and administers pension benefits for more than 228,000 members (as of State Fiscal Year 2015); and

WHEREAS, The State Universities Retirement System continues to serve its mission of securing and delivering the retirement benefits promised to its members; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, That we congratulate the State Universities Retirement System on its 75th Anniversary and thank them for their professionalism and dedication to public service; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the Board of Trustees of the State Universities Retirement System.

MEMORANDUM

TO: Board of Trustees

FROM: Mr. Bryan Lewis
Executive Director

RE: Board Training Requirements and Travel Approval

DATE: January 21, 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 February 2016 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.**



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

Council of Institutional Investors

Title:	CBOE Risk Management Conference
Subject Matter:	Various Topics
Sponsor:	Chicago Board Options Exchange
Date:	February 29-March 2, 2016
Location:	Coconut Point, FL
Registration Fee:	TBD

SURS Board/Committee Meetings for 2015-2016

SURS Board and Committee Meetings	March 10-11, 2016
SURS Investment Committee Meeting	April 21, 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

Training Opportunities

Title:	2016 Spring Conference
Subject Matter:	Corporate Governance Issues
Sponsor:	Council of Institutional Investors
Date:	March 21-23, 2016
Location:	Washington, DC
Registration Fee:	Complimentary for members

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

Title:	2 nd Annual Midwest Institutional Investors Forum
Subject Matter:	Various Topics
Sponsor:	Markets Group
Date:	May 13, 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