



MINUTES

**Quarterly Meeting of the Board of Trustees
of the
State Universities Retirement System
10:00 a.m., Wednesday, October 22, 2015
Northern Trust
50 S. LaSalle
Global Conference Center-1st Floor
Chicago, Illinois 60603**

The following Trustees were present: Mr. Aaron Ammons, Mr. Dennis Cullen, Dr. John Engstrom, Dr. Fred Giertz, Mr. Paul R.T. Johnson Jr., Mr. Craig McCrohon, Ms. Dorinda Miller, Dr. Steven Rock, Mr. Antonio Vasquez.

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Daniel Allen, Chief Investment Officer; Ms. Bianca Truitt Green, General Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Allison Kushner, Compliance and Governance Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Mr. Joseph Duncan, Senior Investment Officer; Mr. Alex Ramos, Mr. Shane Willoughby and Mr. Brian Deloria, Investment Officers; Ms. Kristen Houch, Legislative Liaison; Ms. Lori Kern and Ms. Monique Cullotta, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley of NEPC, Ms. Patti Somerville-Koulouris of the Northern Trust Company; Mr. Mondrell Moore of Herndon Capital, Ms. Renaye Manley of SEIU; Ms. Angela Myers of Loop Capital.

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

REVIEW OF COMMITTEE ACTION

Administration Committee

On behalf of the Administration Committee, Trustee Antonio Vasquez moved:

- That the proposed state contribution to the State Universities Retirement System for Fiscal Year 2017 be certified in the amount of \$1,671,944,000.
- That the required state contribution to the Community College Health Insurance Security Fund for Fiscal Year 2017 be certified in the amount of \$4,309,111.

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

Investment Committee

On behalf of the Investment Committee, Trustee Craig McCrohon moved:

- That in the aggregate 3% of the portfolio be allocated to KKR Prisma Hedge Fund Solutions and PAAMCO with the exception of an equal allocation to each vendor subject to staff having discretion as to the allocated amount based on fee considerations

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

Trustee Johnson moved:

- That Herndon Capital Management be terminated as a non-U.S. equity manager, with the assets reallocated in approximately equal amounts to the following non-U.S. equity managers in the Manager Diversity Program
 - Ativo Capital Management
 - Strategic Global Advisors

Discussion regarding the comments made by Herndon Capital during the Investment Committee Meeting continued and it was the consensus of the Board that staff reach out to Herndon Capital and address the comments.

Trustee Dennis Cullen seconded and the motions carried with all Trustees voting in favor.

Trustee McCrohon moved:

- That Calamos Advisors LLC be terminated as a global equity manager, with the assets retained in the SURS cash account (with Policy overlay in place).

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

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 8 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 October 2015 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 conference be approved and that all resulting allowable expenses be reimbursed.

Trustee McCrohon 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 October 2015 are incorporated as a part of these Minutes as [Exhibit 1](#).

PUBLIC COMMENT

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mr. W. Bryan Lewis". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mr. W. Bryan Lewis
Secretary, Board of Trustees

WBL:lk



State Universities Retirement System of Illinois

Serving Illinois Community Colleges and Universities

P.O. Box 2710 • Champaign, IL 61825-2710
(217) 378-8855 • (217) 378-9801 (fax)

MEMORANDUM

TO: Board of Trustees

FROM: Mr. Daniel L. Allen
Chief Investment Officer

RE: Board Training Requirements and Travel Approval

DATE: October 13, 2015

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 October 2015 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 October 2015

Council of Institutional Investors

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

SURS Board/Committee Meetings for 2015-2016

SURS Board and Committee Meetings	December 10-11, 2015
SURS Investment Committee Meeting & Educational Forum	February 4-5, 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:	2015 Small and Emerging Managers Conference
Subject Matter:	Private Equity, Hedge Funds, Real Estate, Infrastructure, and In-State Investments.
Sponsor:	GCM Grosvenor
Date:	November 2-3, 2015
Location:	Chicago, IL
Registration Fee:	TBD

Title:	3 rd Annual Texas Institutional Investor Forum
Subject Matter:	Various Investment Topics
Sponsor:	Markets Group
Date:	November 5, 2015
Location:	Austin, TX
Registration Fee:	TBD

Title:	The Hedge Fund Midwest Investor Forum
Subject Matter:	Various Hedge Fund Topics
Sponsor:	Markets Group
Date:	November 18, 2015
Location:	Chicago, IL
Registration Fee:	TBD