



MINUTES

**Closed Meeting of the Investment Committee
of the Board of Trustees of the
State Universities Retirement System
1:00 p.m., Thursday, December 12, 2013
The Northern Trust
50 South LaSalle Street, London Room B9
Chicago, Illinois 60603**

Upon motion by Trustee Andrew Matthews, seconded by Trustee Paul R. T. Johnson and a unanimous roll call vote, the Investment Committee went into closed session under the Open Meetings Act to consider the appointment of an actuarial services provider, pursuant to §2(c)(1).

The following Trustees were present: Mr. Craig McCrohon, Chair; Ms. Lindsay Anderson, Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Richard Figueroa, Mr. Paul R. T. Johnson Jr., Mr. Andrew Matthews, Mr. Antonio Vasquez and Mr. Mitchell Vogel.

Others present: Mr. William Mabe, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Phyllis Walker, Chief Financial Officer; Mr. Albert Lee, Associate General Counsel; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Ms. Lou Ann Fillingham and Mr. Gabriel Ayoroa, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Jeffrey Houch, Legislative Liaison; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Ms. Kristin Finney-Cooke and Mr. Kevin Leonard of NEPC.

Discussion ensued regarding the relative merits and qualifications of the two finalist candidates, Gabriel Roeder Smith & Company (GRS) and Segal Consulting, under consideration for the role of actuarial services provider. As requested, Mr. Daniel Allen, Ms. Phyllis Walker and Mr. Jeffrey Houch provided the views of staff, advising that although both firms are quite capable, GRS would be preferable given the firm's high caliber work, its long tenure and familiarity with SURS and the benefits of maintaining continuity during a time of pension reform and GASB implementation. Trustees Vogel and Vasquez also remarked on the promptness and reliability of the data provided by GRS during the drafting of the pension reform bill as well as the legislation that created Tier 2. Consideration was given to the length of the relationship and contract terms were also discussed. Mr. Douglas

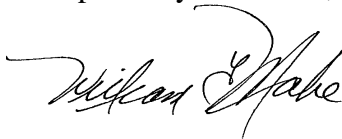
Wesley noted that Segal Consulting was hired in 2011 to perform an actuarial audit of the work done by GRS.

Board Chairwoman Lindsay Anderson observed the low level of diversity among the senior management of the two firms as well as the difference in the quoted cost and Ms. Burns advised that these concerns could be addressed during contract negotiations. Trustee John Engstrom also provided his assessment of the two candidates, which again favored GRS. Given consensus that language regarding diversity should be included in the contract, Mr. Allen suggested that an annual diversity report could be required. In addition, Ms. Burns recommended including contract language acknowledging fiduciary status and she noted the current contract was for five years, from 2008 to 2013, and could be extended for successive one-year periods upon mutual agreement (as was done for one year) or terminated with 90 days notice.

RETURN TO OPEN SESSION

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

Respectfully submitted,



Mr. William E. Mabe
Secretary, Board of Trustees

WEM:mb