

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, MAY 14, 2014– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, JUNE 11, 2014**

MEETING NO. 416

Members present:

Janice (Jan) Carpenter
Thomas Fiore, representing Benjamin Barnes
Laurence N. Hale*
Joshua Hall
David (Duke) Himmelreich**
Steven Muench
Carol Thomas, Interim Chair
Peter Thor

Absent:

William Murray
Denise L. Nappier, Treasurer

Others present:

Christine Shaw, Deputy Treasurer
Lee Ann Palladino, Chief Investment Officer
Deborah Spalding, Deputy Chief Investment Officer
Catherine E. LaMarr, General Counsel
Shelagh McClure, Director of Compliance
Cherie Santos-Wuest, Principal Investment Officer
David Barrett, Director of Communications
Linda Tudan, Executive Assistant
Christina McGinnis, Executive Secretary

Guests:

David Confer, Clarion Partners
Max Darnell, First Quadrant, L.P.
Vincent Fontana, Pareto Investment Management Limited
Steve Furnary, Clarion Partners
Will Greene, Loop Capital Markets
Jonathan Hogstad, Service Employees International Union
Robin Kaplan-Cho, Connecticut Education Association
John Killian, Clarion Partners
Rob Kochis, The Townsend Group
Marisa Kurk, Mesirow Financial Currency Management
Jeppe Ladekarl, First Quadrant, L.P.
Anita Lopes, Bretwood Capital
Michael Miranda, Mesirow Financial Currency Management
Carl Mastroianni, Pareto Investment Management Limited
Laurie O'Donoghue, Pareto Investment Management Limited

*left at 11:00a

** arrived at 9:23a

Diane Smola, Hewitt EnnisKnupp, Inc.
Claire Shaughnessy, Hewitt EnnisKnupp, Inc.
Calvin Stamps, Bretwood Capital
Mark Sullivan, BNY Mellon
Scott Tilley, First Quadrant, L.P.
Joanne Vitale, Client Capital Management

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council (“IAC”) meeting to order at 9:00 a.m.

Approval of Minutes of the April 9, 2014 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the April 9, 2014 IAC meeting. **Peter Thor moved to approve the minutes of the April 9, 2014 IAC meeting as drafted. The motion was seconded by Lawrence Hale. There being no discussion, the Chair called for the vote. The motion passed unanimously.**

Comments by the Treasurer

Christine Shaw, Deputy Treasurer, provided the opening remarks in Treasurer Denise L. Nappier’s absence. She announced that after considering the feedback from the IAC, the due diligence process conducted by investment professionals and Real Estate Fund (“REF”) consultant, The Townsend Group, Treasurer Nappier had decided to make a commitment of up to \$50 million to Cypress Acquisition Partners Retail Fund (“Cypress”). Deputy Treasurer Shaw added that each of Treasurer Nappier’s decisions was contingent upon successful contract negotiation.

Next, she commented on the agenda and stated that three Semi-finalists for the Developed Market International Stock Fund (“DMISF”) Currency Overlay mandate were being presented:

First Quadrant, Mesirow Financial Currency Management (“Mesirow”) and Pareto Investment Management Limited (“Pareto”).

Deputy Treasurer Shaw added that Clarion Lion Industrial Trust (“LIT”), an open-end, value add industrial real estate investment would be presented for consideration in the REF.

Update on the Market, the Connecticut Retirement Plans and Trust Funds (“CRPTF”) Final Performance for Month Ended March 31, 2014

Lee Ann Palladino, Chief Investment Officer (“CIO”), provided an update on the capital market environment, its impact on the performance of the Plan and Trust Funds and the economic outlook. Next, she reported on the investment performance for the month ended March 31, 2014.

Presentation by and Consideration of the Currency Overlay Semi-finalists

Deborah Spalding, Deputy CIO, provided opening remarks and introduced the three semi-finalists for the Developed Market International Stock Fund (“DMISF”) Currency Overlay mandate: First Quadrant, L.P., Mesirow Financial Currency Management and Pareto Investment Management Limited.

First Quadrant, L.P., represented by Max Darnell, Jeppe Ladekarl and Scott Tilley; Mesirow Financial Currency Management represented by Michael Miranda, Marisa Kurk and Michael Zehfuss; Pareto Investment Management Limited represented by Laurie O’Donoghue, Carl Mastroianni and Vincent Fontana made a presentation to the IAC.

Roll Call of Reactions to Currency Overlay Semi-finalists

Joshua Hall, Mr. Thor, Thomas Fiore, David Himmelreich, Jan Carpenter, Steven Muench, Mr. Hale and Chair Thomas provided feedback on the Currency Overlay semi-finalists.

Chair Thomas called for a motion to waive the 45-day comment period. **A motion was made by Mr. Himmelreich, seconded by Mr. Hall, to waive the 45-day comment period for the Currency Overlay semi-finalists. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Presentation by and Consideration of Clarion Lion Industrial Trust

Cherie Santos-Wuest, Principal Investment Officer, provided opening remarks and introduced Clarion Lion Industrial Trust, an REF opportunity.

Clarion Lion Industrial Trust -- represented by Steve Furnary, David Confer, John Killian and Joanne Vitale made a presentation to the IAC.

Roll Call of Reactions to Clarion Lion Industrial Trust

Mr. Muench, Ms. Carpenter, Mr. Himmelreich, Mr. Fiore, Mr. Thor, Mr. Hall and Chair Thomas provided feedback to the Treasurer.

Chair Thomas called for a motion to waive the 45-day comment period. **A motion was made by Mr. Hall, seconded by Mr. Muench, to waive the 45-day comment period for Clarion Lion Industrial Trust. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Real Estate Fund Review as of December 31, 2013

Ms. Santos-Wuest reported on the performance of the REF for the quarter ended December 31, 2013. She introduced the REF consultant, Rob Kochis, Principal, of The Townsend Group, who assisted in presenting the quarterly report.

Other Business

Chair Thomas invited the IAC members to submit agenda items for the June 11, 2014 IAC meeting.

There being no further business, Chair Thomas called for a motion to adjourn the meeting.

Mr. Thor moved to adjourn the meeting and the motion was seconded by Ms. Carpenter.

There being no discussion, the meeting was adjourned at 12:45 p.m.

This meeting was electronically recorded.