

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 11, 2015– 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, APRIL 8, 2015**

MEETING NO. 422

Members present:

Janice (Jan) Carpenter
Joshua Hall**
David (Duke) Himmelreich
William Murray
Denise L. Nappier, Treasurer
Carol Thomas, Interim Chair
Peter Thor*

Absent:

Thomas Fiore, representing Benjamin Barnes
Laurence Hale
Steven Muench

Others present:

Lee Ann Palladino, Chief Investment Officer
Deborah Spalding, Deputy Chief Investment Officer
David Barrett, Director of Communications
Joanne Dombrosky, Principal Investment Officer
Laura Jordan, Interim Assistant Treasurer
Catherine LaMarr, Legal Counsel
Christina McGinnis, Executive Secretary
Terrence Purcell, Principal Investment Officer
Cherie Santos-Wuest, Principal Investment Officer
Michael Terry, Principal Investment Officer
Linda Tudan, Executive Assistant

Guests:

Bradley Atkins, Franklin Park
Gustave Christokos, Deutsche Bank
Amy Dunn, Deutsche Bank
Will Greene, Loop Capital Markets
Mark Johnson, Cliffwater, LLC
Kevin Meehan, Goldman Sachs
Kristine O’Connell, Franklin Park
Claire Shaugnessy, AonHewitt Investment Consulting
Liz Smith, Alliance Bernstein
Diane Smola, AonHewitt Investment Consulting
Mike Stark, Townsend Group
Kevin Sullivan, Bank of New York Mellon
Arnold B. West, GIA Partners, LLC

*Arrived 9:04a.m.

**Late departure 10:55a.m.

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 February 11, 2015 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the February 11, 2015 IAC meeting.

William Murray moved to approve the minutes of the February 11, 2015 IAC meeting as drafted. The motion was seconded by Jan Carpenter. There being no discussion, the Chair called for the vote. The motion passed unanimously.

Comments by the Treasurer

Treasurer Nappier began her opening remarks by informing the IAC members of a private equity overview being presented by Treasury investment staff and Franklin Park Associates, LLC (“Franklin Park”), Private Investment Fund (“PIF”) consultant for the Connecticut Retirement Plans and Trust Funds (“CRPTF”).

Treasurer Nappier then announced that after considering the feedback from the IAC, the Real Estate Fund (“REF”) consultant, The Townsend Group (“Townsend”) and the due diligence process, she had decided to commit up to \$100 million to Blackstone Real Estate Partners VIII, L.P., an opportunistic real estate fund, and also commit up to \$40 million Landmark Real Estate Partners VII, L.P., an opportunistic real estate secondary fund. Both decisions are contingent upon successful negotiation of the partnership documents.

Next, Treasurer Nappier discussed the investment performance as of January 31, 2015 for the State Employees’ Retirement Fund (“SERF”) and the Teachers’ Retirement Fund (“TERF”), the two largest pension plans in the CRPTF.

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Months Ended December 31, 2014 and January 31, 2015

Lee Ann Palladino, Chief Investment Officer, provided an update on the capital market environment, its impact on the performance of the CRPTF and the economic outlook. Next, she reported on the investment performance for the months ended December 31, 2014 and January 31, 2014. Ms. Palladino then commented on the Watch List.

Ms. Palladino, Terrence Purcell, Principal Investment Officer (“PIO”), Catherine E. LaMarr, General Counsel, and Bradley Atkins, Chief Executive Officer and Kristine O’Connor, Chief Financial Officer of Franklin Park, gave a presentation on the PIF to the IAC.

Next, Claire Shaughnessy, Partner, and Diane Smola, Senior Consultant, of AonHewitt Investment Consulting, reported on the Combined Investment Funds for the quarter ended December 31, 2014.

Alternative Investment Fund Review as of December 31, 2014

Mr Purcell reported on the Alternative Investment Fund (“AIF”) for the quarter ended September 30, 2014 (absolute return portfolio) and the quarter ended December 31, 2014 (real assets and opportunistic portfolios). He introduced the AIF consultant to the CRPTF, Mark Johnson, Senior Managing Director of Cliffwater LLC, who assisted in presenting the quarterly report.

Private Investment Fund Review as of September 30, 2014

Mr. Purcell reported on the PIF for the quarter ending September 30, 2014. He introduced the PIF consultant to the CRPTF, Bradley Atkins, who assisted in presenting the quarterly report.

Real Estate Fund Review as of September 30, 2014

Cherie Santos-Wuest, PIO, reported on the performance of the REF for the quarter ended September 30, 2014. She introduced the REF consultant to the CRPTF, Michael Stark, Associate of Townsend, who assisted in presenting the quarterly report.

Securities Lending Review as of December 31, 2014

Amy Dunn, Director of Client Services and Gustave Christokos, Assistant Vice President, of Deutsche Bank, reported on Securities Lending activity for the quarter ended December 31, 2014.

Short-Term Investment Fund Review as of December 31, 2014

Michael Terry, PIO, reported on the performance of the Short Term Investment Fund for the quarter ending December 31, 2014.

Other Business

Chair Thomas invited the IAC members to submit agenda items for the April 8, 2015 IAC meeting.

There being no further business, Chair Thomas called for a motion to adjourn the meeting. Mr. Murray moved to adjourn the meeting and the motion was seconded by Duke Himmelreich. There being no discussion, the meeting was adjourned at 12:07 p.m.

This meeting was electronically recorded.