

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JUNE 8, 2016– 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, JULY 13, 2016**

MEETING NO. 432

Members present:

Thomas Fiore, representing Benjamin Barnes
Joshua Hall**
Michael LeClair
Steven Muench
William Murray
Denise L. Nappier, Treasurer*
Carol Thomas, Interim Chair

Absentees:

David (Duke) Himmelreich
Michael Kramer
Peter Thor

Others present:

Richard Gray, Deputy Treasurer
Deborah Spalding, Chief Investment Officer
David Barrett, Director of Communications
Joanne Dombrosky, Principal Investment Officer
Mary Phil Guinan, Assistant Treasurer-Policy
Linda Hershman, Chief of Staff
Wayne Hypolite, Executive Assistant
Catherine E. LaMarr, General Counsel
Christina McGinnis, Executive Secretary
Christine Shaw, Chief Compliance Officer
Michael Terry, Principal Investment Officer-Cash
Linda Tudan, Executive Assistant

*Arrival 9:04a.m.

**Departed 10:30a.m.

Guests:

Albert Adom, The Townsend Group
Waseema Bhura, Intern
Austin Casagrande, Intern
MariLu Cleary, Morgan Stanley
Michael Elio, StepStone Group, LP
Will Greene, Loop Capital Markets
Christopher Keaton, Intern
Pete Keliuotis, Cliffwater LLC
Nicholas Lagasse, Intern
Daria Marvista, Intern
Molly Miller, Intern
Daniel Quirk, Intern
Aditya Raina, StepStone Group, LP
Matt Redeker, StepStone Group, LP
Claire Shaugnessy, AonHewitt Investment Consulting
Diane Smola, AonHewitt Investment Consulting

Michael Stark, The Townsend Group
Ian Takahashi, Intern
Kanzania Thorington, Intern
Arnold West, GIA Partners

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council (“IAC”) meeting to order at 9:03 a.m.

Approval of Minutes of the April 13, 2016 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the April 13, 2016 IAC meeting.

William Murray moved to approve the minutes of the April 13, 2016 IAC meeting as drafted. The motion was seconded by Thomas Fiore. There was one abstention, Joshua Hall. There being no further discussion, the Chair called for the vote. The motion passed unanimously.

Comments by the Treasurer

Treasurer Denise L. Nappier began her opening remarks by welcoming the 2016 summer interns working at the Office of the State Treasurer this year.

Treasurer Nappier then commented on House Bill 5420 that went before the General Assembly. She then discussed the investment performance for the two largest pension plans in the Connecticut Retirement Plans and Trust Funds (“CRPTF”); the State Employees’ Retirement Fund and the Teachers’ Retirement Fund for the month ended March 31, 2016 and commented on the performance for month ended April 30, 2016.

Next, Treasurer Nappier discussed the agenda and then announced that after having considered feedback from the IAC and the due diligence process conducted by the investment staff and the Private Investment Fund (“PIF”) consultant, StepStone Group, she had decided to make a

commitment of up to \$100 million to Welsh, Carson, Anderson, & Stowe XII, a PIF opportunity which will primarily focus on upper middle-market opportunities.

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Month Ended March 31, 2015 and April 30, 2016

Deborah Spalding, Chief Investment Officer, provided an update on the capital market environment, its impact on the CRPTF performance and the economic outlook. Ms. Spalding then commented on the Watch List.

Next, Claire Shaughnessy, Partner, and Diane Smola, Senior Consultant, of AonHewitt Investment Consulting, reported on the Combined Investment Funds for the quarter ended March 31, 2016 and the Connecticut Horizon Fund for the quarter ended March 31, 2016.

Consideration for the Search Process for a General Investment Consultant

Ms. Spalding provided a project plan and timeline and screening/selection criteria for a General Investment Consultant search.

Chair Thomas called for a motion to endorse the general investment consultant search. **A motion was made by Mr. Murray, seconded by Mr. Hall, to accept the project plan of the general investment consultant search. There being no discussion, Chair Thomas put the question to a vote and the motion passed unanimously.**

Alternative Investment Fund Review as of March 31, 2016

Ms. Spalding reported on the Alternative Investment Fund (“AIF”) for the quarter ended March 31, 2016. She introduced the AIF consultant to the CRPTF, Pete Keliuotis, Senior Managing Director of Cliffwater LLC, who assisted in presenting the quarterly report.

Private Investment Fund Review as of December 31, 2015

Ms. Spalding reported on the PIF for the quarter ending December 31, 2015. She introduced the PIF consultant, Michael Elio, Partner of StepStone, who assisted in presenting the quarterly report.

Real Estate Fund Review as of December 31, 2015

Ms. Spalding reported on the performance of the Real Estate Fund (“REF”) for the quarter ended December 31, 2015. She introduced the REF consultant to the CRPTF, Michael Stark, Vice President and Albert Adom of The Townsend Group, who assisted in presenting the quarterly report.

Report on the CRPTF Compliance Policy for Implementation of Statutory Investment Restrictions

Christine Shaw, Chief Compliance Officer, provided information on the CRPTF Compliance Policy for Implementation of Statutory Investment Relations.

Report on Corporate Governance as of December 31, 2015

Mary Phil Guinan, Assistant Treasurer-Policy, reported on the corporate governance activity for the quarter ending December 31, 2015.

Chair Thomas called for a motion to accept the report on Corporate Governance activities. **A motion was made by Mr. Murray, seconded by Steven Muench, to accept the report on Corporate Governance activities. There being no discussion, Chair Thomas put the question to a vote and the motion passed unanimously.**

Short-Term Investment Fund Review as of March 31, 2016

Michael Terry, Principal Investment Officer, reported on the performance of the Short Term Investment Fund for the quarter ending March 31, 2016.

Other Business

Chair Thomas invited the IAC members to submit agenda items for the July 13, 2016 IAC meeting. She added that effective immediately, Michael Kramer had resigned his position as an IAC member.

Comments by the Chair

There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Mr. Fiore moved to adjourn the meeting and the motion was seconded by Mr. Muench. There being no discussion, the meeting was adjourned at 12:00 p.m.**

This meeting was electronically recorded.