INVESTMENT ADVISORY COUNCIL
WEDNESDAY, May 13, 2009

MEETING NO. 366

Members present:	Thomas Barnes Thomas Fiore, representing Robert Genuario Michael Freeman[1] David (Duke) Himmelreich[2] Stanley (Bud) Morten William Murray Denise L. Nappier, Treasurer David Roth[3] Joseph (Joe) D. Roxe, Chairman Carol Thomas
Absent:	Sharon Palmer Peter Thor
Others present:	Howard G. Rifkin, Deputy Treasurer Linda Hershman, Assistant Deputy Treasurer/Chief of Staff Lee Ann Palladino, Acting Chief Investment Officer Joanne Dombrosky, Principal Investment Officer Gregory Franklin, Assistant Treasurer-Investments David Holmgren, Principal Investment Officer Wayne Hypolite, Executive Assistant David Johnson, Principal Investment Officer Catherine LaMarr, General Counsel Shelagh McClure, Director of Compliance Meredith Miller, Assistant Treasurer-Policy Lisa Monroe, Executive Assistant Christine Shaw, Director of Government Relations Linda Tudan, Chief Executive Assistant Winifred (Winnie) Scalora, Administrative Assistant
Guests:	Bradley Atkins, Franklin Park Associates, LLC Joseph Barcic, Mercer Investment Consulting Makaiya Brown, Mercer Investment Consulting Vonda Brunsting, Service Employees International Union Allan Conway, Schroders Investment Management, NA Brian Conway, TA Associates Jaeson Dubrovey, New England Pension Consultants Maykala Hariharan, Rogerscasey Steven Hart, Hart Capital LLC Jay Ireland, GE Asset Management, Inc. Brent Jones, GE Asset Management, Inc. Devan Kaloo, Aberdeen Asset Management, Inc.

[1] Arrived at 9:06 a.m.
[2] Arrived at 9:18 a.m.
[3] Left at 12:30 p.m.

Robin Kaplan-Cho, Connecticut Education Association
Harvey Kelly, Leumas Advisors
Jack Kirkpatrick, Aberdeen Asset Management, Inc.
Oberon Knapp, State Street Bank & Trust
Victor D. Kohn, Capital Guardian Trust Company
Louis Laccavole, SOC Teachers' Retirement Board
Jacqueline Lyons, State Street Bank & Trust
Samuel Martin, New England Pension Consultants
Michael McDonald, Bloomberg News
Julie Naunchek, CSEA-Retiree Council #400
Paul Runge, GE Asset Management, Inc.
Suzanne L. Schechter, Capital Guardian Trust Company
Claire Shaugnessy, Rogerscasey
Richard Tadler, TA Associates
William Triant, Hart Capital LLC
Anthony Williams, Schroders Investment Management, NA
Dominic Williams, Service Employees International Union
Shawn Wooden, Day, Pitney, LLC

With a quorum present, Chairman Joseph Roxe called the Investment Advisory Council ("IAC") meeting to order at 9:00 a.m.

Approval of Minutes of the April 8, 2009 IAC Meeting

Chairman Roxe asked for comments on the Minutes of the April 8, 2009 IAC meeting. **There being no comments, a motion was made by Carol Thomas, seconded by David Roth, that the Minutes of the April 8, 2009 IAC meeting be accepted as drafted. The motion was passed unanimously with the exception of Thomas Fiore who abstained because he was absent from the last meeting.**

Comments by the Treasurer

Treasurer Denise Nappier began her opening comments by reporting on decisions that she had made. She reported that after considering the feedback from the IAC, the consultant and the due diligence process, she has decided to make a $75 million commitment to FS Equity Partners VI, contingent upon successful contract negotiations. Treasurer Nappier said that this was the second investment the CRPTF has made with Freeman Spogli; the first was a $75 million investment in Fund V.

Treasurer Nappier reported that she has decided to rehire Franklin Park Associates, LLC ("Franklin Park") as the Private Investment Fund ("PIF") Consultant for the Connecticut Retirement Plans and Trust Funds ("CRPTF"). She noted that this was a lengthy, competitive search process and that both Franklin Park and Ennis Knupp & Associates were qualified finalists; she based her decision on due diligence, interviews and feedback from the IAC. Treasurer Nappier provided some brief comments about Franklin Park's beginnings as an emerging firm when it was originally hired by the State of Connecticut in 2004 and noted that its business had grown proportionately since then and had established a solid reputation among clients and peers for independent judgment. She credited the firm for demonstrating a strong commitment to the private equity consultant business space; its rigorous due diligence and high standards of integrity; its focus on providing services tailored to meet CRPTF's needs and objectives with strong back office operations; its ability to incorporate environmental, social and governance analysis into its recommendations; and its commitment to diversity and corporate citizenship. Finally, she said that as a current consultant, Franklin Park would continue to serve as a value-added extension to the Office of the Treasurer's ("OTT") in-house staff, bringing continuity to the CRPTF's PIF program while in the midst of a search for an in-house Principal Investment Officer, and that her decision is contingent upon successful contract negotiations.

Treasurer Nappier announced the receipt of a termination notice from Clay Finlay, one of the CRPTF's Developed Market International Stock Fund ("DMISF") money managers. She added that Clay Finlay announced that the firm was ceasing operations at the end of May due to the revenue shortfall associated with its asset declines. Treasurer Nappier said that Clay Finlay was one of two active growth specialists within this space along with MFS. She also stated that the money manager lineup within the DMISF was sufficient and capable of handling the termination and that she had directed her staff to reallocate a portion of the funds to MFS and the remaining amount to passive State Street Global Advisors.

Treasurer Nappier commented on her decision to terminate Aldus Capital, a private equity fund-of-funds manager, in order to protect CRPTF's interests. She said that Aldus Equity Partners was the subject of ongoing criminal and civil investigations by numerous state Attorneys General and the U.S. Securities and Exchange Commission ("SEC"), and that in light of the criminal charges filed against one of the firm's partners by the New York Attorney General, she did not have confidence that the firm was capable of remaining focused on its Connecticut investment. Treasurer Nappier stated that Lee Ann Palladino, Acting Chief Investment Officer, was working closely with Franklin Park and outside legal counsel to expedite the transition of the holdings within this fund and that the termination would take effect 90 days after the notice was given or no later than July 28, 2009. She informed the IAC that OTT's efforts are underway to clarify third-party disclosure requirements, which require that all fund-of-funds managers and their sub-funds disclose not only the use of third-party assets but also sub-assets.

Turning to today's agenda, Treasurer Nappier reported on the expedited search that was endorsed at the March 2008 IAC meeting and stated that, after the vetting process by Pension Fund Management ("PFM") staff and Mercer Investment Consulting ("Mercer"), she along with PFM staff and the consultants interviewed the semi-finalists that were being considered for the Emerging Market International Stock Fund ("EMISF") mandate. She said the top firm candidates were reviewed based on their experience within the emerging market equity space and with public funds, style and strategic approach to these markets, performance attribution, commitment to corporate citizenship and diversity, as well as their approach to assessing environmental, social and governance issues in investment decision process. Treasurer Nappier noted that the semi-finalists were also assessed by the OTT's Director of Compliance, Policy Unit staff and legal counsel. She said that the goal was to increase exposure to the EMISF by almost $1 billion as it was below the lower range of 6% and the target policy level of 9% for its two largest plans with approximately 4.5% allocated to the emerging markets.

Treasurer Nappier stated that TA Associates ("TA") would provide a presentation on TA XI, L.P. ("TA XI"), a PIF opportunity, which was created to primarily utilize a strategy of investing in controlled and minority interests in middle market, growth companies. She added that TA had been in business since 1968 and consistently produced top quartile results, and that she was considering a commitment of up to $75 million in the fund.

Before moving on to the next agenda item, Treasurer Nappier stated that, in response to Ms. Thomas' request concerning the proposed U.S. Treasury regulatory reforms, Christine Shaw, Director of Government Relations, and Meredith Miller, Assistant Treasurer-Policy, would provide a briefing on governance issues and other regulatory reforms with respect to their possible impact to the CRPTF directly and indirectly.

Ms. Shaw provided an overview of the proposals for regulatory reform of the financial system that were currently before Congress to address the root causes of the financial instability that has occurred. She stated that most of those proposals attempted to strike a balance between free markets and management of the appropriate level of regulation to insure transparency, manage risk and protect the interest of investors. Ms. Shaw then spoke about the Emergency Economic Stabilization Act, which established the Troubled Asset Relief Program ("TARP"), and the oversight panel that was tasked with reviewing the current state of the financial crisis to identify the recommendations for regulatory reform. She said the panel's report, which was released in January 2009, included eight recommendations for improving oversight as presented by Secretary Geithner before the House Financial Services Committee on March 26, 2009. Ms. Shaw reported that Secretary Geithner explained the need for more stringent risk management and capital level requirements, enhanced oversight of hedge funds and a requirement that hedge funds disclose information that identifies their counterparties and investors to the SEC. She further noted that the U.S. Treasury would require all hedge funds to register with the SEC and disclose all trading positions on a confidential basis for regulators to assess risk. At the state level, Ms. Shaw noted that the Connecticut General Assembly offered many proposals for hedge funds and registration requirements and that the State Committee on Banks approved one proposal that essentially required any hedge fund that was registered to do business in Connecticut to register with the Department of Banking. Another proposal would require hedge funds to disclose any potential conflicts of interest. In closing, Ms. Shaw provided handouts of Secretary Geithner's remarks to the IAC members.

Ms. Miller discussed specific Regulatory Reform issues related to corporate governance including the Council of Institutional Investors' principles and the Treasurer's meeting with the SEC. She said that for institutional investors, most of the focus of corporate governance regulatory reform had been on the SEC and that the SEC wishes to remain the premier advocate for investor protections while retaining its independence. Ms. Miller noted that the SEC's regulatory reform proposal was to have a systemic risk council including the Federal Deposit Insurance Corporation, the Treasury, the SEC and the Federal Reserve working together to regulate risk. She reported that the second part of the SEC reform agenda was to try to catapult a number of reforms that would insure shareholder rights including access to the proxy, better transparency about how executive compensation plans were designed, require boards of directors to disclose their skills and experience related to risk management decisions in the proxy and to disclose the rationale for the board's structure. Ms. Miller stated that the SEC would advance this agenda and that an omnibus bill including both risk regulation and corporate governance reform was anticipated to move through the Senate, whereas the House was expected to only put forth a bill on risk regulation. In closing, she reported on the progress of a specific reform issue that was the subject of the Treasurer's meeting with the SEC. Treasurer Nappier then reported on a petition for rulemaking on disclosure of compensation consultant independence that was submitted to the SEC by a coalition of investors including CRPTF along with 20 other pension funds and representing $1.4 trillion assets under management. Ms. Miller explained that should this rule be adopted by the SEC, the Office of the State Treasurer would have contributed to some systemic change providing good transparency disclosure in the corporate governance area. Ms. Miller then provided copies of two letters that Treasurer Nappier and other institutional investors drafted about regulatory reform and SEC independence.

Chairman Roxe confirmed that Ms. Thomas's questions were addressed regarding the proposed U.S. Treasury regulatory reforms. He also provided some positive comments on Treasurer Nappier's decision to terminate Aldus Equity Partners and her subsequent press release.

CRPTF Final Performance for the Month of March 2009

Ms. Palladino provided a quarterly report on the March 31, 2009 performance results for all 14 plans and trusts of the CRPTF. For the month ended March 31, 2009, she stated that the CRPTF returned positive 3.64%, bringing the fiscal year-to-date return to minus 25.43%. Ms. Palladino added that the monthly return was mainly attributable to the global stock market rally. She gave an update on the performance of the CRPTF as of May 7, 2009 and reported that the CRPTF broke below the minus 20% threshold at approximately minus 18.6% for an improvement of nearly 700 basis points ("bps") from where it was at the end of March. Treasurer Nappier commented that in February 2009, the CRPTF market loss peaked at a drop of $8.2 billion and as of May 7, 2009 stood at $4.8 billion, the decline was nearly cut in half. As of May 7, 2009, Ms. Palladino stated that the CRPTF's market value was $20.3 billion compared to the $18.7 billion market value as of March 31, 2009.

Ms. Palladino commented on the Teachers' Retirement Fund ("TERF") and the State Employees' Retirement Fund ("SERF"). She stated that the TERF and SERF had very similar profiles diversified among all asset classes with the largest exposure to equities and that the TERF was down 25.32% versus its benchmark of negative 28.6%. Ms. Palladino reported that the market values for the Municipal Employees' Retirement Fund, Probate Judges and State Judges, which as a group had similar allocations, outperformed their benchmarks by about 300 bps. Regarding the seven trusts, which had similar asset allocations, Ms. Palladino reported that the relative returns fell on average 12.18%; and, she elaborated on the performance versus the plans stating the underperformance was associated with the fixed income allocation. Finally, she reported on the

Soldiers' Sailors' and Marines' Fund and the Arts Endowment Fund noting that both funds had a large allocation to fixed income and performed the best out of all the plans and trusts.

Ms. Palladino then discussed the expectations for the risk and return profile of the CRPTF for the five-year horizon. She explained that the expected risk and return profile reflected the assumptions used during the last asset liability study. Ms. Palladino concluded that all asset classes were performing within their expected range of possible outcomes; inflation linked bonds had outperformed expectations; while the other asset classes were below expectations due to the recent market fluctuations.

Ms. Palladino then shared some peer data comparing how the TERF, the largest plan in the CRPTF, fared versus 71 other state plans and noted that the TERF, as of December 31, 2008, performed in the top third at 31%. In conclusion, Ms. Palladino stated that the CRPTF's fiscal year-to-date performance was improving, over the longer term five-year horizon the CRPTF remained within the expected range of potential return outcomes, and the TERF was performing above average relative to its peers.

In response to questions posed by IAC members Ms. Palladino stated that the expected actuarial return of 8.5% would be achieved over five to ten years. Discussion ensued about how the actuarial investment return assumption of 8.5% was determined, whether to accelerate the OTT's review of expected returns and asset allocation studies, how much the consulting community should be relied upon and the process used to validate the expectations.

Presentations by and Consideration of Finalists for the Emerging Market International Stock Fund Money Managers

David Holmgren, Principal Investment Officer, provided opening remarks about the Emerging Market International Stock Fund ("EMISF"). Mr. Holmgren commented that the EMISF Money Manager search began March 12, 2008 to add capacity because the overall allocation to EMISF increased due to newly established asset allocation targets. In response to the IAC members' discussion on manager's return targets, he stated that the EMISF candidates were long only, not hedge funds, with the objective to outperform their market benchmarks. Finally, he spoke briefly about the two current EMISF managers, indicating that both were core top-down and bottom-up managers with a value bias, and the only notable diversification being that one was fundamental and the other quantitative.

Mr. Holmgren introduced the EMISF finalists: Aberdeen Asset Management, Inc. ("Aberdeen"), Capital Guardian Trust Company ("Capital Guardian"), GE Asset Management, Inc. ("GEAM") and Schroders Investment Management, NA ("Schroders"). He said that each firm had potential for complementing the EMISF structure, met the CRPTF's selection requirements and had the ability to meet Connecticut's mandate requirements. Mr. Holmgren commented on each firm's differences and highlighted the report provided by Mercer. In response to questions posed by IAC members, he stated that the determination of managers' bias was based on the manager's holdings and return correlation. Discussion ensued about the type and number of managers that would be hired and how the policy weight would be distributed. There was further discussion about the four firms' strategies, assets under management, and the number of accounts each firm gained and lost between January 2005 and December 2008.

Presentation by Capital Guardian Trust Company

Capital Guardian provided a presentation to the IAC on its firm's emerging market product. Capital Guardian was represented by Victor D. Kohn, CFA, Director, and Suzanne L. Schechter, Vice President. Ms. Schechter provided an overview of Capital Guardian, which was founded in 1931, and noted that it was solely an investment management business with no conflicts of interest and was 100% employee owned. She then commented on Capital Guardian's investment philosophy, business approach, and stated that it had a wide base of both retail and institutional investors. Mr. Kohn emphasized Capital Guardian's global and diverse team experience and briefly explained its investment process including research, communications, security selection, implementation and risk control. In conclusion, he commented on Capital Guardian's investment record over the past 23 years.

IAC members posed questions about derivatives, expected rate of return ("ROR") for the emerging market equity asset class, growth opportunities within the emerging markets, whether there was a significant variance in performance between the different portfolios and how the portfolios were managed. Mr. Kohn answered these questions to the satisfaction of the IAC members.

Presentation by Schroders Investment Management, NA

Schroders provided a presentation to the IAC on its firm's emerging markets product. Schroders was represented by Allan Conway, Head of Emerging Market Equities, and Anthony Williams, Institutional Business Development Director. Mr. Williams provided an overview of Schroders, which has been in existence for over 200 years. He commented on relationship with the State of Connecticut, and he stated that Schroders focused only on asset management aligning its interests with its clients' interests, it was an independent company with zero debt on its balance sheet and over $1 billion in surplus cash available to grow the business and it was committed to corporate responsibility and diversity principals. Mr. Conway provided an overview of Schroders' investment approach and explained its research and investment process, team and global resources. In highlighting the investment approach, he stated that Schroders sought to get returns from both country and stock selection while implementing risk control and risk budgeting with the goal of outperforming the index by 3.5% per annum over a rolling three years. In conclusion, Mr. Conway explained Schroders risk control process and its benefits.

Mr. Conway responded to the questions posed by Bud Morten about Schroders' historical ROR, whether or not it achieved the 350 bps out performance for that period and its expected ROR for the emerging market equity asset class, and he also added that the emerging market sector was expected to continue expanding over the next ten years.

Presentation by GE Asset Management, Inc.

GEAM provided a presentation to the IAC on its firm's emerging market product. GEAM was represented by Jay Ireland, President and CEO; Brent Jones, CFA, Senior Vice President and Emerging Markets Portfolio Manager; and Paul Runge, Senior Vice President of Institutional Sales. Mr. Ireland provided a brief overview of GEAM commenting on its history, range of investment strategies, experience, staff, clients and investment process. Mr. Runge spoke about GEAM's broad perspective, shared interests, global network and its commitment to diversity and citizenship. Mr. Jones discussed GEAM's specific strategy in managing a portfolio by commenting on its philosophy, style and approach to investing with its global research team. He provided an in-depth explanation of GEAM's investment process using a team-based management approach and noted that it uses a price-to-cash approach to investing due to the different worldwide standards. In conclusion, Mr. Jones touched based on GEAM's portfolio highlighting characteristics and performance.

Mr. Jones responded satisfactorily to Chairman Roxe's questions regarding GEAM's strategy for picking stocks, countries and determining weight within the portfolio and its position on sector allocation. He then responded to Mr. Morten's questions about historical emerging markets' returns over the long-term and its expected ROR for the emerging market equity asset class going forward. In response to Ms. Thomas' question regarding what triggered GEAM's out performance between 2005 and 2007, Mr. Jones stated that GEAM switched its research platform and team structure to include the global sector base rather than regional.

Presentation by Aberdeen Asset Management Inc.

Aberdeen provided a presentation to the IAC on its firm's emerging market product. Aberdeen was represented by Devan Kaloo, Head of Global Emerging Markets, and Jack Kirkpatrick, Senior Relationship Manager. Mr. Kirkpatrick provided a brief overview of the firm, which was founded in 1983. He stated that Aberdeen was an independent firm, publicly traded on the London Stock Exchange since 1991 with worldwide investment offices that focus on a research driven process. Mr. Kirkpatrick spoke about Aberdeen's assets under management and its clients, diversity and citizenship initiatives within Connecticut. He stated that Aberdeen focused on consistency and strong performance.

Mr. Kaloo commented on Aberdeen's large, diverse team of bottom-up stock pickers who are trained in its apprenticeship program. He explained Aberdeen's investment philosophy and approach in identifying quality and price in order to invest for the long term in companies it understands and values. Mr. Kaloo further elaborated on Aberdeen's investment process, research, portfolio construction and representative accounts within the emerging markets and noted that Aberdeen had a bias towards mid-cap companies. In conclusion, he explained why Aberdeen had a competitive advantage citing its dedicated investing in emerging markets since 1987, its experienced and cohesive team and robust investment process.

Per Chairman Roxe's request, Mr. Kaloo spoke about Aberdeen's performance and stated that while Aberdeen lagged during market bubbles, it consistently outperformed when markets corrected. In response to questions posed by IAC members, he stated that the fundamentals for emerging markets were significantly stronger than developed markets and would expect the market's long-term returns to at least match the annualized gains of the last 10 years.

Roll Call of Reactions for the Finalists for the Emerging Market International Stock Fund Money Managers

Joseph Barcic, Principal of Mercer, provided some additional insight into the structure of the EMISF asset class, and how the candidates met these objectives as Chairman Roxe requested. Mr. Barcic discussed the notion of style diversification and touched on each of the firms' individual styles. Discussion ensued about the CRPTF's existing EMISF money managers and how today's presenters could complement the EMISF money manager lineup.

Because David Roth had to leave before Aberdeen presented, he stated that he was in favor of an investment in Aberdeen based on his review of its performance. He added that he had reservations about the other three finalists and ranked Aberdeen first, Schroders second and was not comfortable with GEAM or Capital Guardian.

Chairman Roxe requested the remaining IAC members to provide feedback on Aberdeen, Capital Guardian, GEAM and Schroders. Mr. Fiore preferred Aberdeen because of its excellent track record, was indifferent on Capital Guardian and Schroders and rated GEAM last. Messrs. Himmelreich, Murray and Freeman rated their preferences in the following order: Aberdeen, Schroders, Capital Guardian and GEAM. Mr. Himmelreich added that he liked Schroders because of its risk management approach to control the downside losses, Capital Guardian had dealt with scale well and GEAM was acceptable because it was a growth-type manager. Mr. Murray added that he also liked Schroders because of its top-down approach and risk management strategy and he found Capital Guardian's multiple portfolio manager system difficult to follow. Mr. Freeman added that he was not impressed with GEAM's presentation, and he would prefer Treasurer Nappier to use her wisdom and the data from the staff to make the appropriate decision. Mr. Morten preferred Aberdeen due to its presentation and excellent performance results, put Capital Guardian on hold and was against GEAM and Schroders. Mr. Barnes, Ms. Thomas and Chairman Roxe preferred Aberdeen, but wouldn't rule the others out completely. Mr. Barnes added that Aberdeen was the only firm that consistently delivered alpha, but in order to diversify the overall emerging markets portfolio the others could be considered. Ms. Thomas added that while Aberdeen was excellent, she would not rule the others out. Chairman Roxe added that he would like to see the performance results for the CRPTF's existing EMISF money managers and then review all six managers together referencing Mr. Holmgren's comments about style blend. Since there was consensus on Aberdeen, Treasurer Nappier suggested that the IAC move on that firm now, and stated that she would present further information on the remaining candidates and the emerging markets structure and strategy at the next IAC Meeting.

Chairman Roxe asked for a motion to waive the 45-day comment period for Aberdeen. **A motion was made by Mr. Murray, seconded by Mr. Barnes, to waive the 45-day comment period for Aberdeen. The motion was passed unanimously**. He noted that he looked forward to further discussion on this topic at next month's meeting.

Presentation by and Consideration of TA XI, L.P.

Ms. Palladino provided opening remarks and introduced TA XI, a private investment opportunity. She said that TA, which was organized in 1968 as a venture capital firm, had invested in growth oriented firms both domestically and internationally. Ms. Palladino stated that TA XI was created to primarily utilize a strategy of investing in non-controlling and controlling interests in middle market growth companies. At present, she said that the CRPTF had two managers in this space totaling $125 million but both were in the wind-down phase and, therefore, TA XI would provide an opportunity to replenish that exposure. Finally, Ms. Palladino touched upon TA's historical returns and those expected for TA XI, its risk profile and management team.

Ms. Palladino and the CRPTF's consultant for the PIF, Bradley Atkins, Chief Executive Officer of Franklin Park Associates, responded to several questions from IAC members about TA's historical performance, loss ratio, preferred return, claw back requirement, realized and unrealized deals, expected ROR for TA XI and the depth of its team.

Presentation by TA Associates

TA, represented by Brian Conway and Richard Tadler, Managing Directors, provided a presentation of TA XI. Mr. Conway provided an overview of TA and commented on its investment strategy. He highlighted the effectiveness of TA's large staff and extensive experience through multiple economic cycles. Mr. Conway discussed TA's strategy noting that it focused on profitable growth companies that showed a minimum of 15% growth per year, and TA originated investment opportunities through a labor intensive, targeted calling program for identifying emerging cash-positive companies. He added that TA was most interested in the growth characteristics of mid-market companies focused on technology, financial services, healthcare business services and consumer industries with an average investment size of $60 million to $350 million.

Mr. Tadler highlighted TA's desired economic characteristics of a successful growth company, its ability to time investments related to current economic conditions, employee growth and value added within its portfolio companies. He spoke about TA's strong revenue growth and earnings before interest, tax, depreciation, and amortization ("EBITDA") growth in spite of the current economic conditions. Finally, Mr. Tadler reported on TA's annual equity RORs versus those of peer groups noting TA's sizable over performance.

In response to Chairman Roxe's question, Mr. Conway discussed TA's low use of leverage in its investments. The TA team responded satisfactorily to questions posed by Messrs. Morten and Roth regarding diseconomies of scale and TA's realized loss ratio.

Roll Call of Reactions for TA Associates

Chairman Roxe requested the IAC members to provide input on the $75 million investment in TA XI. Ms. Thomas, Messrs. Roth, Fiore, Himmelreich, Murray, Morten, Freeman and Chairman

Roxe were all in favor of the investment. Mr. Barnes abstained because of a personal contact at TA.

Chairman Roxe asked for a motion to waive the 45-day comment period for TA XI. **A motion was made by Mr. Murray, seconded by Ms. Thomas, to waive the 45-day comment period for TA XI. The motion was passed unanimously.**

Securities Lending Review as of March 31, 2009

Chairman Roxe stated that the Securities Lending Review for the quarter ended March 31, 2009 would be tabled for a future IAC meeting.

Other Business

The preliminary agenda for the June 10, 2009 IAC meeting was discussed.

Chairman Roxe invited IAC members to submit agenda items for the June 10, 2009 meeting.

Comments by the Chairman

Chairman Roxe commented on today's meeting. He noted that further discussion was needed on the structure and strategy of the EMISF.

There being no further business, the meeting was adjourned at 1:30 p.m.

An audio tape of this meeting was recorded.

Respectfully submitted,

Denise L Nappier

DENISE L NAPPIER
SECRETARY

Reviewed by

JRoxe

JOSEPH D. ROXE
CHAIRMAN