

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 13, 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, SEPTEMBER 14, 2016**

MEETING NO. 433

Members present: Thomas Fiore, representing Benjamin Barnes*
Joshua Hall
David (Duke) Himmelreich
Michael LeClair**
Steven Muench
Denise L. Nappier, Treasurer
Carol Thomas, Interim Chair

Absentees: William Murray

Others present: Lawrence Wilson, Deputy Treasurer
Deborah Spalding, Chief Investment Officer
David Barrett, Director of Communications
Karen Grenon, Assistant General Counsel
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
Linda Tudan, Executive Assistant

*Arrival 9:06a.m.

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Guests: Waseema Bhura, Intern
Ron Homer, RBC Global Asset Management Inc.
Jim Kane, Unite Here
Christopher Keaton, Intern
Robin Kaplan-Cho, Connecticut Education Association
Nicholas Lagasse, Intern
Tim Maul, RBC Global Asset Management Inc.
Daria Marvista, Intern
Molly Miller, Intern
Daniel Quirk, Intern
Claire Shaugnessy, AonHewitt Investment Consulting
Diane Smola, AonHewitt Investment Consulting
Ian Takahashi, Intern
Kanzania Thorington, Intern

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 June 8, 2016 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the June 8, 2016 IAC meeting.

Duke Himmelreich moved to approve the minutes of the June 8, 2016 IAC meeting as amended. The motion was seconded by Steven Muench. 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 asking for a moment of silence to honor Peter Thor, a friend, colleague and IAC member since November, 2004, who passed away earlier in the week.

Treasurer Nappier then provided an update on the final disposition of House Bill 5420, An Act Concerning Principal Investment Officers (“PIO”). She stated that during the subsequent legislative special session held on June 20th, the General Assembly voted to override the Governor’s veto.

Next, Treasurer Nappier commented on the United Kingdom vote to exit the European Union (“Brexit”) issue and the initial impact on the combined pension and trust funds investment portfolio.

Treasurer Nappier 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 May 31, 2016.

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Month Ended May 31, 2016

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

Consideration of Recommended Various Legal Counsel and Services

Catherine LaMarr, General Counsel, provided an overview of the recommended Legal Counsel that would furnish advice and assist the Office of the Treasurer.

Chair Thomas called for a motion to endorse the recommendation for various legal counsel search. **A motion was made by Mr. Himmelreich, seconded by Mr. Muench, 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.**

Update on Pending Litigation

Ms. LaMarr provided an update on pending litigation.

Other Business

Chair Thomas invited the IAC members to submit agenda items for the September 14, 2016 IAC meeting.

Executive Session

A motion was made by Joshua Hall, seconded by Mr. Muench that the Investment Advisory Council adjourn the Regular Session at 9:52 p.m. and enter into Executive Session to consider a personnel matter. The motion was passed unanimously. Lawrence Wilson, Deputy Treasurer and Ms. Spalding participated in the Executive Session.

Regular Session

Chair Thomas reconvened the regular session at 10:24 p.m. She noted that no votes were taken during the Executive Session.

Consideration of the Appointment of the Principal Investment Officer

Treasurer Nappier presented her recommendation to appoint Cynthia Steer as PIO. She asked that the IAC consider and consent to the appointment of Cynthia Steer as PIO for the CRPTF.

Chair Thomas asked for a motion to approve the recommendation of the appointment of Cynthia Steer as PIO for the CRPTF.

A motion was made by Mr. Hall, seconded by Mr. Muench, to approve the appointment of Cynthia Steer as PIO for the CRPTF. The motion was passed unanimously.

Chair Thomas further remarked that the IAC Personnel Subcommittee had reported vetting four candidates for the open Deputy CIO position; all were determined to be acceptable.

Comments by the Chair

There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Mr. Himmelreich moved to adjourn the meeting and the motion was seconded by Mr. Hall. There being no discussion, the meeting was adjourned at 10:35 p.m.**

This meeting was electronically recorded.

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