

**INVESTMENT ADVISORY COUNCIL  
WEDNESDAY, December 13, 2006**

**MEETING NO. 340**

**Members present:**

Thomas Fiore, representing  
Robert L. Genuario  
David (Duke) Himmelreich  
James Larkin  
George Mason  
William Murray<sup>1</sup>  
Denise L. Nappier, Treasurer  
Sharon Palmer  
Clarence (Dick) L. Roberts, Jr., Chairman  
Carol Thomas  
Peter Thor

**Absent:**

Michael Freeman  
David Roth

**Others present:**

Howard G. Rifkin, Deputy Treasurer  
Susan B. Sweeney, Chief Investment Officer  
Pamela Bartol, Assistant Investment Officer  
Tiffany Chan, Research Assistant  
Patricia DeMaras, Associate Counsel  
Greg Franklin, Assistant Treasurer-Investments  
David Holmgren, Principal Investment Officer  
David Johnson, Principal Investment Officer  
Bernard Kavaler, Director of Communication  
Donald Kirshbaum, Investment Officer  
Catherine E. LaMarr, General Counsel  
Meredith Miller, Assistant Treasurer-Policy  
Lee Ann Palladino, Principal Investment Officer  
Jason Price, Investment Officer  
Linda Tudan, Executive Assistant to the Treasurer  
Judy Balich, Executive Secretary

**Guests:**

Jaroslow Adamkievich, CCSU Student  
Bradley Atkins, Franklin Park, LLC  
Laura Backman, State Street Bank  
Raudline Etienne, CRA RogersCasey  
Franklyn Huynh, CCSU Student  
Harvey Kelly, Leumas Advisors  
Jonathan Love, CRA RogersCasey  
Carolina Mimo, CCSU Student  
Julie Naunchek, CSEA-Retiree Council #400  
Daniel Schmitz, CRA RogersCasey  
Matias Scavone, CCSU Student

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<sup>1</sup> Mr. Murray did not attend the afternoon session

Cynthia Steer, CRA RogersCasey  
Marc Weiss, Pension Consulting Alliance

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Chairman Dick Roberts called the meeting to order at 9:20 A.M. He welcomed George Mason, a new member of the Investment Advisory Council ("IAC"), noting that Mr. Mason previously served on the IAC. Chairman Roberts said that Mr. Mason is a professor at Central Connecticut State University, teaching a course in Venture Capital. Chairman Roberts explained that Mr. Mason had invited him to speak to his class a few weeks ago and, as a result, there were four of Mr. Mason's students attending the IAC meeting today.

Chairman Roberts congratulated Treasurer Denise Nappier on her reelection.

Chairman Roberts asked James Larkin to report on the Audit Committee meeting that took place just prior to today's meeting. Mr. Larkin reported on the audit for the Combined Investment Funds ("CIF") for fiscal year 2005, noting that the audit was clean. He explained the auditor's comment on the Connecticut Greene Partnership. Mr. Larkin said that the auditor's opinion for the CIF for fiscal year 2006 will be issued by December 31, 2006 and that the Audit Committee will meet again on January 10, 2007. He noted that the auditors indicated that the CIF could expect a clean audit. However, Mr. Larkin noted that there would be comments on LeNatures, an investment in the SW Pelham Fund managed by Smith Whiley and that more details would be provided at a later date.<sup>2</sup>

### Approval of Minutes

Chairman Roberts asked for comments on the Minutes of the October 11, 2006 Investment Advisory Council ("IAC") Meeting. Carol Thomas pointed out that her reaction for the ***Roll Call of Reactions for Fairview Constitution III, L.P.*** was not included in the minutes. Judy Balich indicated that she would make the correction. There being no further comments, a **motion was made by William Murray, seconded by Mr. Larkin, that the Minutes of the October 11, 2006 IAC meeting be accepted with the correction noted by Ms. Thomas. The motion was passed unanimously.** (Note: Subsequent to the meeting, Ms. Balich listened to the tape recording and added the reaction of both Ms. Thomas and Chairman Roberts to the ***Roll Call of Reactions for Fairview Constitution III, L.P.***)

### Opening Comments by the Treasurer

Treasurer Nappier began her comments by reporting on the manager presentations at the October IAC meeting, noting that after reviewing the IAC's feedback on the KKR 2006 Fund L. P. and Rockwood Capital Real Estate Partners VII L.P. she decided to commit \$125 million and \$50 million, respectively. She said that after considering the IAC's feedback on Fairview Capital's presentation on Constitution Fund III, a separate account fund-of-funds, she decided to go ahead with the \$300 million commitment, but with explicit documentation to ensure that the commitment pace complies with CRPTF's interests and needs.

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<sup>2</sup> Mr. Larkin reported on LeNatures in reference to an issue of fraud and related changed valuation, which required that the books for fiscal year 2006 be reopened and would reflect the restated value of LeNatures.

Treasurer Nappier reported on the terminations of three managers: Brown Capital Management, a Mutual Equity Fund manager; Morgan Stanley Small Cap, an International Stock Fund (“ISF”) manager; and W. R. Huff, a high yield Mutual Fixed Income Fund (“MFIF”) manager. She also reported on the termination of Alignment Capital Group, the consultant that provided investment-pacing analytics on the private equity portfolio, noting that Franklin Park has the capability to provide investment-pacing analytics to the CRPTF at no additional charge and will be taking over this task.

Treasurer Nappier said that at today’s meeting the IAC would be hearing from principals from Credit Suisse Cleantech Opportunities Fund, L. P. (“Credit Suisse”), a seasoned fund-of-funds manager that can provide the CRPTF with available fund opportunities in the emerging investment space of “clean tech” within private equity. She said that by approaching the space with a manager like Credit Suisse, CRPTF would participate in a diversified set of investment opportunities in a variety of sub-sectors and that she is recommending a commitment of up to \$25 million to this manager.

Treasurer Nappier noted that there are two agenda items related to corporate governance and that the first is a quarterly report by the Policy Unit on corporate governance and MacBride compliance, which would cover two quarters due to the rescheduling of the report for the October IAC meeting. She commented that with respect to the corporate governance activities of this office there have been many exciting developments, most notably CRPTF’s work in the area of executive compensation, which continues to be a front burner topic in the industry as well as the media. Treasurer Nappier reported that in November one of the highest votes (44%) was received on an executive compensation issue when Sun Microsystems was asked to allow shareholders to have an advisory vote on compensation packages. She also reported that the Office of the Treasurer (“OTT”) made the front page of the Financial Times, which covered CRPTF’s work with other pension funds on the issue of independent compensation consultants, and The New York Times covered CRPTF’s activities on executive compensation benchmarking of executive pay.

Treasurer Nappier said that the second corporate governance item on today’s agenda concerns the OTT’s search for proxy voting and related consulting services and includes presentations by vendors in response to an RFP issued last April on corporate governance proxy and consulting services. She noted that there are three finalists for this assignment and that more information on the distinct services that the OTT seeks to outsource in preparation for the 2007 proxy-voting season would be provided later during today’s meeting. Treasurer Nappier also indicated that at the appropriate time, she would ask the IAC to consider waiving the 45-day comment period for each of the contracts so that the consultants’ services are available in a timely manner in preparation for the 2007 proxy-voting activities.

Treasurer Nappier provided a brief legal update noting that since the last IAC meeting, a report commissioned by UnitedHealth Group’s Board of Directors confirmed that improper backdating of stock options has occurred, that CEO William McGuire has resigned and that two other top executives are leaving the company. She reported that the JDS Uniphase case is scheduled for trial in October 2007.

**CRPTF Final Performance for September and October 2006**

Susan Sweeney, Chief Investment Officer, said that she would focus on October and that there would be a detailed briefing on the overall portfolio through September later at today's meeting. However, one thing on which she commented with regard to the quarter ending September 30, 2006 was CRPTF's TUCs ranking, which was 46<sup>th</sup> percentile in the TUCs universe of public funds greater than \$1 billion. She also noted that for the 7 years ending September 30, 2006 the CRPTF was 23<sup>rd</sup> percentile and took on less risk than 77% of its peers.

Ms. Sweeney reported that for the month of October the total fund returned 2.39%, 35 basis points below the benchmark without the manager objective and 46 basis points below with the manager objective added in. She noted that as of October 31, total equity exposure of the fund stood at 63.3%. With the terminations, this equity exposure will be slightly reduced. Ms. Sweeney said that the Mutual Equity Fund ("MEF") domestic equity portfolio gained 3.54% in October, trailing its Russell 3000 benchmark by 6 basis points, with the slight short-term drag fully attributable to MEF's 78% exposure to the S&P500 which trailed the Russell 3000 by 34 basis points for the month. She reported that the ISF advanced 3.21% in October, underperforming its customized benchmark by 31 basis points. The two drivers of the underperformance were the currency hedge program, which cost the ISF 44 basis points in October and underperformance by INVESCO of 40 basis points. However, Ms. Sweeney noted that for the full seven-year period, the ISF has a relative out-performance of 196 basis points annualized. For the MFIF, Ms. Sweeney said that the portfolio posted a 0.90% return for October, trailing its benchmark by 2 basis points but outperforming the Lehman Brothers Aggregate ("LBA") by 24 basis points. She noted that the seven-year return for fixed income of 6.6% nestled in between its custom benchmark and the LBA, underperforming the former by 63 basis points and outperforming the latter by 31 basis points. Ms. Sweeney reported that all of the Core fixed income managers have outperformed their benchmarks for the longer term, but that the strongest performer in the group is Western Asset Management, returning 7.95% for the seven years ended August, an excess performance of 166 basis points over the LBA. Ms. Sweeney indicated that there was not a lot of activity in the Real Estate ("REF") and Private Equity Funds ("PIF") for the month of October.

Ms. Sweeney said that the redeployment of funds due to the termination of managers only decreased the total equity exposure by 1% bringing the exposure to 62.3% as of October 31, 2006. She further explained the redeployment noting that the assets of approximately \$220 million from Brown Capital Management were redeployed to one active and one enhanced small/mid-cap manager, AXA Rosenberg (\$60 million) and Trust Company of the West (\$60 million). She added that the remaining \$100 million was moved into the investment inventory which will go into the Cash Reserve Account ("CRA"). Ms. Sweeney said that with the termination of Morgan Stanley's approximately \$280 million mandate, CRPTF placed \$100 million with MSF Institutional Advisors, a very strong performer in the active growth space; \$40 million with GMO in active value space; and \$139 million in the CRA. The CRA has been increased quite a bit with the redeployment, but with an inverted yield curve the fund is earning over 5% on short term money and if cash is building too much, the CRPTF could defer sweeping out of the active accounts for a couple of months.

Chairman Roberts asked why the Commercial Mortgage Fund was negative for the month ending September. David Johnson, Principal Investment Officer, explained that is was due to the short-term interest rates going up, which lowered the value of long-term mortgages.

**Presentation by Credit Suisse Cleantech Opportunities Fund, L.P.**

Jason Price, Investment Officer, provided opening remarks noting that this mandate supports Treasurer Nappier's interest in supporting sound environmental practices. He explained the reasons why Credit Suisse Cleantech Opportunities Fund, L.P. ("Credit Suisse") was chosen following interviews with the three semi-finalists, which included Piper Jaffray CleanTech Ventures, L.P. and Macquarie Clean Technology Fund, L.P.

**Presentation by Credit Suisse Customized Fund Investment Group**

Credit Suisse Customized Fund Investment Group ("CFIG") made a presentation to the IAC on Credit Suisse. CFIG was represented by Managing Directors Kelly Williams, Michael Arpey, Nadim Barakat and Angie Casciato. Ms. Williams provided information on CFIG's qualifications for managing a clean technology fund-of-funds, the experience level of CFIG's professionals, a representative list of CFIG's clients and CFIG's investment performance. Mr. Arpey discussed the investment diversification and strategy of the clean tech investment fund-of-funds and CFIG's collaborative approach. Mr. Barakat provided a fund overview, information on the clean tech market, sector opportunities within the clean tech market, information on the sustainability of the investment environment and concluding remarks. Ms. Casciato provided information on the firm's corporate citizenship practices and workforce diversity profile.

Following the presentation by CFIG, IAC members posed questions regarding the amount of commitments Credit Suisse either has received or has in the pipeline from funds that are similar to CRPTF. Questions were also asked about the sponsors and professionals associated with a prospective fund, SAM Sustainable Energy; the manner in which CFIG will resolve any conflicts that may arise between CFIG and Credit Suisse First Boston; and additional information about the investment strategy. Mr. Arpey, Ms. Williams and Mr. Barakat provided answers to all of the questions posed.

**Roll Call of Reactions for Credit Suisse Cleantech Opportunities Fund, L.P.**

Peter Thor said that he appreciated the answer to his question, was impressed with the presentation and would support the investment. Sharon Palmer thought that it was a solid presentation. Ms. Thomas said that she thought the investment would be a good entrée into clean technology space without having to invest a large amount of money and was very comfortable with the investment. Mr. Mason said that since clean technology is such a new field, a fund-of-funds would be the appropriate direction and was pleased that CRPTF was taking the fund-of-funds approach. Thomas Fiore said that he was impressed with the presentation, agreed with Ms. Thomas and thought that the investment would be a good start in the clean technology space. Duke Himmelreich said that he also agreed with the sentiments of Ms. Thomas, in that this would be the best approach to this space and with an investment of only \$25 million, would support the investment. Mr. Murray said that he thought Franklin Park's report was excellent and very thorough, clean technology is a sector in which CRPTF should invest and would

support the investment. Mr. Larkin said that he was very impressed, the fund has a noble objective with a good business plan and thought that CRPTF should make the commitment. Chairman Roberts said that he thinks clean technology is a good field in which to invest and supported the investment.

Chairman Roberts asked for a motion to waive the 45-day comment period for Credit Suisse Cleantech Opportunities Fund, L.P. **A motion was made by Ms. Thomas, seconded by Mr. Himmelreich, to waive the 45-day comment period for Credit Suisse Cleantech Opportunities Fund, L.P. The motion was passed unanimously.**

#### **Combined Investment Funds Review as of September 30, 2006**

Daniel Schmitz of CRA RogersCasey ("CRARC") reported on the Combined Investment Funds as of September 30, 2006. He began by comparing the investment landscape change during this quarter and compared quarter results for four peer group universes, large cap, small cap growth, small cap value and international. His report also included a market overview with comments on the U.S. equity, international equity and fixed income markets. Raudline Etienne of CRARC noted that on page 10 of the report, a line had been added for a 60% S&P 500/40% Lehman Brothers Aggregate benchmark and that it would be included going forward.

Mr. Himmelreich asked how the currency overlay affects the international returns. Ms. Etienne said that the currency was a detractor.

Mr. Fiore asked for an explanation of the chart on page 22 of the report. Ms. Etienne explained that the graph represents the over or underperformance relative to the benchmark. There was a discussion regarding active and passive investments.

#### **Private Investment Fund Review as of June 30, 2006**

Bradley Atkins of Franklin Park reported on the PIF for the quarter ending June 30, 2006. His report consisted of an executive summary that included a portfolio overview, benchmark performance, portfolio investment activity including recent commitments and PIF portfolio allocation compared to the Investment Policy Statement. Ms. Thomas asked if the fund-of-funds portions of venture capital were included in the venture capital line of Table 2 on page 2 would the IRR still be negative. Mr. Atkins said that it would not and that the CRPTF has done very well in the venture capital given the investments in the Constitution Funds.

Mr. Atkins also reported on the performance of U.S. Buyout and U.S. Venture by vintage year to the benchmark. Ms. Thomas noted that Pioneer is listed as active and Mr. Atkins explained that was because there are still three unrealized investment holdings. Treasurer Nappier noted that on page 12 of the report Washington & Congress is actually the former Triumph portfolio. Mr. Atkins summarized that on pages 16 through 18 performance of funds is reported by vintage year and attributes. Mr. Himmelreich asked if the mezzanine fund SW Pelham I reflected the write off. Mr. Atkins replied that it is not reflected but would be in the next quarterly report.

Chairman Roberts asked Mr. Atkins if he would like to comment on the growth of Franklin Park. Mr. Atkins would like to report on that growth in January.

**Real Estate Fund Review as of June 30, 2006**

Mr. Johnson made comments to frame the returns on which Marc Weiss of Pension Consulting Alliance would be reporting. He noted that all of the negative performance in the quarter was due to a single investment to Westport Senior Living Investment Fund and provided details on the history of the investment and the reasons for the loss. Mr. Johnson also made comments on the direction of the real estate portfolio. There were brief discussions about the real estate guidelines and the possibility of liquidating the Westport Senior Living Investment Fund.

Mr. Weiss reported on the REF as of June 30, 2006. His report included a review of the fund's overall performance, highlights of the second quarter performance, one-year and long-term performance. Mr. Weiss also reviewed investment guidelines, the portfolio diversification versus the NCREIF Property Index and unfunded commitments. In response to a request from Chairman Roberts, Mr. Weiss explained that New Boston Urban Strategy is a fund structure to invest in urban and inner city properties and New Boston IV was largely invested in suburban markets, primarily office buildings.

Ms. Sweeney commented that the subsequent commitments on page 10 are commitments that have been approved by the IAC but that the Rockwood VII and Cornerstone Property Fund commitments have not closed and that MacFarlane Urban Real Estate Fund II and RLJ II have closed.

Treasurer Nappier noted an issue that affects the alternative investment area of both real estate and private equity, which is a business issue, related to Connecticut's campaign finance laws. She explained some recent changes that will take place effective January 1, 2007 and will impact all companies seeking a business relationship with the Office of the Treasurer. She noted that these changes are considered very onerous by the business community and that there may be a lawsuit filed. Treasurer Nappier said that one of CRPTF's managers has given CRPTF notice that they no longer plan to do business with CRPTF. There was a discussion regarding some of the details of the law and the reason for the law.

Ms. Sweeney noted that the Commercial Mortgage Report was inadvertently omitted from the IAC package this month and that it would be included in the January IAC package as an informational, not an agenda, item.

**Short-Term Investment Fund Review as of September 30, 2006**

Lee Ann Palladino, Principal Investment Officer, reported on the performance of the Short Term Investment Fund ("STIF") for the quarter and year ending June 30, 2006. Her report included an economic update with snapshots on the Gross Domestic Product, existing home sales, new home sales and crude oil price per barrel and an outlook for fiscal year 2007. Ms. Palladino reported on the performance of STIF for the fiscal year end, noting that operating in an environment of a growing economy and rising interest rates, STIF had a record year. STIF assets hit an all time high of \$6.3 billion, returned 4.38%, outperforming its benchmark, the MFR Index, by 37 basis points, and returned a record \$18.3 million of incremental income to its investors. STIF also

increased its safety and soundness by making a record contribution to its reserves of \$3.8 million, bringing total reserves to \$47 million.

#### **Update on CRPTF Watch List**

Ms. Sweeney said that with the termination of Brown Capital Management, Morgan Stanley and W. R. Huff Asset Management, the two remaining managers on the Watch List are Merrill Lynch Investment Managers ("MLIM") and Clay Finlay, Inc. She noted that MLIM was placed on the Watch List because of the merger with BlackRock and the possible instability that could occur when an equity manager is acquired by a fixed income manager. However, she indicated that the acquisition is going very smoothly and was completed on September 30, 2006 and if all continues to go well, MLIM will probably be removed from the Watch List. Ms. Sweeney said that Clay Finlay's lead portfolio manager, Gregory Jones, left during the summer of 2006 and he had replaced the previous lead portfolio manager who departed in November 2004. She said that Clay Finlay recently announced the hiring of Henrik Strabo as co-CIO with Bob Schletter and that besides the disruption in management, since its inception on September 1, 2003, the portfolio trailed its benchmark by 392 basis points, annualized. CRARC has changed its rating on this firm from "hold" to "not qualified."

#### **Report on Corporate Governance and MacBride Compliance Activities**

Meredith Miller, Assistant Treasurer-Policy, reported on the Treasury's activities related to corporate governance and MacBride compliance for the period ending June 30 and September 30, 2006. She provided proxy-voting statistics for both quarters and noted some of the highlights for the 2006 proxy season and some issues being processed in preparation for the 2007 proxy-voting season. Ms. Miller noted that executive compensation is at the forefront of issues for the upcoming proxy-voting season and that there could be over 250 shareholder resolutions on this issue alone. She said that a letter has been drafted to the 25 companies in the S&P 500, with the largest capitalization, asking them to adopt a policy that would prohibit the consultant working for the Compensation Committee from doing other consulting work for the company. Ms. Miller reported that other shareholder resolutions that have been co-filed are for access to Hewlett Packard's proxy, to request that Apple Computer to adopt a policy for oversight of back-dating stock option grants, for an advisory vote on Executive Compensation at Pfizer, for Wells Fargo to adopt a policy on climate change, and to request that Stanley Works elect all members of the board of directors annually.

Ms. Miller reported that there have been no violations of the MacBride Principles for the period of April 1, 2006 through September 30, 2006.

#### **Consideration of Search Process for an Investment Consultant**

Chairman Roberts announced that this would be deferred to the January 10, 2007 IAC meeting.

#### **Presentation by Proxy Voting Vendors**

Ms. Miller provided introductory remarks and an overview of the process by which the three firms that will be make presentation to the IAC were selected as finalists. She also explained the

separate and distinct services that would be provided by each of the firms noting that the firms presenting today are not competing with one another and that the recommendation is to contract with all three of the firms. Institutional Shareholder Services ("ISS") will present for the proxy-voting services, The Corporate Library will present for research and Corporate Governance Research & Consulting LLC ("CGRC") will present for the consulting services related to the Securities Exchange Commission. Mr. Larkin asked if the intent of the presentations to the IAC today is for the IAC to give concurrence to the recommendation. Ms. Meredith said that was the case.

### **Presentation by Institutional Shareholder Services**

Institutional Shareholder Services made a presentation to the IAC on ISS. ISS was represented by Robert Kellogg, Managing Director of Research and Mark Tulay, Director of Strategic Accounts for Public Funds. Mr. Kellogg provided an overview of ISS, explained the process of proxy voting on behalf of ISS clients, the firm's competitive advantage and the specific services that the firm would provide to the CRPTF. Mr. Tulay talked about the firm's goal in 2007 and going forward, of working with public funds, the firm's corporate citizenship and commitment to diversity and the tools the firm is using to improve diversity.

Subsequent to the presentation, the IAC questioned which firms would be considered major competitors of ISS, asked for information regarding Risk Metric Group and inquired about the number of employees and reporting structure at ISS. Questions were answered by Mr. Kellogg.

### **Presentation by the Corporate Library**

Drew Buckley, Sales and Marketing Director of The Corporate Library, made a presentation to the IAC regarding the firm's history and the services that it provides to its clients. There were no questions following the presentation.

### **Presentation by Corporate Governance Research & Consulting LLC**

Beth Young and Toby Sheppard Bloch made a presentation to the IAC regarding Corporate Governance Research and Consulting LLC. Ms. Young gave an overview of the services that the firm would provide. There were questions by the IAC regarding Ms. Young's relationship with The Corporate Library and the fee that she received from the Office of the Treasurer for her last Personal Services Agreement.

### **Roll Call of Reactions for Institutional Shareholder Services, The Corporate Library and Corporate Governance Research & Consulting LLC**

Ms. Thomas said that she is comfortable with each of the firms and feels that they are very competent choices and commented on the poor organization of the materials presented by ISS. Ms. Palmer said that she is fine with all three firms, but has a little concern with a couple of the biographies in The Corporate Library. Mr. Thor said that he would go along with the recommendation of Treasurer Nappier and Ms. Miller. Mr. Mason said that he did not have a problem with any of the firms. Mr. Fiore said that he is fine with all three firms. Mr. Himmelreich would agree with all three firms. Mr. Larkin said that he endorsed everything that

the OTT wants to do with these firms, but said that he is very uncomfortable with all of the interlocking relationships. Mr. Larkin also commented on the poor presentation by ISS. Chairman Roberts supported the three firms.

Chairman Roberts asked for a motion to waive the 45-day comment period for Institutional Shareholder Services, The Corporate Library and Corporate Governance Research & Consulting LLC. **A motion was made by Mr. Himmelreich, seconded by Mr. Larkin, to waive the 45-day comment period for Institutional Shareholder Services, The Corporate Library and Corporate Governance Research & Consulting LLC. The motion was passed unanimously.**

**Other Business**

**Proposed IAC Budget Fiscal Years 2007 and 2008**

Ms. Sweeney reviewed the proposed budget figures for fiscal years 2007 and 2008.

**A motion was made by Mr. Larkin, seconded by Ms. Palmer, that the proposed budget be approved. The motion was passed unanimously.**

**Review of the IAC Budget for the fiscal year ending September 30, 2006**

Ms. Sweeney reported on the 2007 first quarter budget results of the IAC.

**Status Report on Requests by IAC Members**

Ms. Sweeney said that she is aware that the IAC is expecting a **Staffing Support** update, which is still an open item on the status report.

**Discussion of preliminary agenda for January 10, 2006 IAC meeting**

Ms. Sweeney said that the January 10<sup>th</sup> meeting would include the consultant search process action plan for endorsement, two or three private equity investments that may be ready for presentation, one or two real estate fund investments that may be ready for presentation and securities lending. She said that the IAC package will also include the Pension Fund Management Division's Operating Results as of September 30, 2006, which would have been in this package but because of the auditor's comments, the books are being reopened and the numbers will change.

There being no further business, the meeting was adjourned at 2:05 PM.

An audio tape of this meeting was recorded.

Respectfully submitted,



**DENISE L. NAPPIER  
SECRETARY**