

**INVESTMENT ADVISORY COUNCIL  
WEDNESDAY, APRIL 14, 2004**

**MEETING NO. 314**

**Members present:**

Thomas Fiore, representing  
Marc S. Ryan  
James Larkin  
Reginald Martin  
Denise L. Nappier, Treasurer  
Henry E. Parker  
Clarence (Dick) L. Roberts, Jr., Chairman  
David Roth  
Rosalyn Schoonmaker  
Carol Thomas

**Members absent:**

Sharon Palmer

**Others present:**

Susan B. Sweeney, Chief Investment Officer  
Gregory Franklin, Assistant Treasurer-Investments  
Linda Hershman, Assistant Deputy Treasurer/Chief of Staff  
Patricia DeMaras Associate Counsel  
Guy Garcia, Principal Investment Officer  
Gary Draghi, Principal Investment Officer

**Guests:**

Cynthia Steer, CRA RogersCasey  
Raudline Etienne, CRA RogersCasey  
Harvey Kelly, Leumas Advisors  
Julie Naunchek, CSEA-Retiree Council #400  
Barbara Randolph, A.G. Edwards & Sons, Inc.  
Warren Henderson, Mosaic Investment Advisors  
Sean Quigley, State Street Corp.  
Matt McCormick, CRA Rogers Casey  
Kumayl Khaleeli, CRA Rogers Casey  
Arnold West, Hartford MERF

Chairman Dick Roberts called the meeting to order at 9:05 A.M.

**Approval of Minutes**

Chairman Roberts asked for comments on the Minutes of the March 12, 2004 Investment Advisory Council. There being no comments, **A motion was made by James Larkin, seconded by Carol Thomas, that the Minutes of the March 12, 2004 IAC meeting be accepted. The motion was passed unanimously with one abstention by Rosalyn Schoonmaker who had not been present at the March meeting.**

**Opening Comments by the Treasurer**

Treasurer Denise Nappier said that the main topic of the meeting today would be the presentations by the four finalists for the Connecticut Horizon Fund manager(s) Bivium Capital, Capital Prospects, FIS Funds Management and Progress Investment Management. She reminded the Council that the reception to honor Clare Barnett would follow the meeting. Treasurer Nappier then spoke briefly about the four companies who would be making presentations. There was a brief discussion regarding the merits of engaging emerging managers.

Chairman Roberts noted that following the March IAC Meeting, Rockwood met and decided to increase their commitment to the Rockwood Fund V to 1%.

**CRPTF Final Performance for February 2004**

Susan Sweeney, Chief Investment Officer made comments regarding the investment returns of the combined investment funds for the period ending February 29, 2004. A discussion regarding private equity performance followed.

**Fund of Funds Manager Finalists Presentations**

**Presentation by Bivium Capital**

Bivium Capital (“Bivium”) made a presentation to the IAC regarding their ability to manage the Connecticut Horizon Fund for CRPTF. Bivium was represented by Lester Hollis, President/CEO; Lawrence Bancroft, Managing Director/Chief Investment Strategist; Nancy Hollis, Managing Director/Investment Strategist; and Richard Nichols, Managing Director/General Counsel. Their presentation included an overview of the firm, the firm’s investment overview and emerging manager of managers program. There was a brief question and answer session at which time Bivium explained their growth plan management, their fee structure, their staff continuity plan, their future staffing plan, and their plan to handle the growth and graduation of emerging managers.

**Presentation by Capital Prospects, LLC**

Capital Prospects, LLC (“Capital”) made a presentation to the IAC regarding their ability to manage the Connecticut Horizon Fund for CRPTF. Capital was represented by Marilyn Freeman, Principal/Manager and Elizabeth Knope, Principal/Manager. Their presentation included an overview of the firm, the firm’s investment strategy and process, performance track record, due diligence process, philosophy on client service and plan for diversity and corporate citizenship. There was a brief question and answer session at which time Capital explained their physical business structure and future plans.

**Presentation by FIS Funds Management, Inc.**

FIS Funds Management, Inc. (“FIS”) made a presentation to the IAC regarding their ability to manage the Connecticut Horizon Fund for CRPTF. FIS was represented by Tina Byles Poitevien, Chief Executive Officer/Chief Investment Officer; Edward Swan, Jr., President; and Diallo Johnson, Senior Vice President. Their presentation included an overview of the firm, the firm’s research process, which included their investment philosophy, database, due diligence and risk management and corporate citizenship. There was a brief question and answer session at which time FIS explained their staff turnover and their relationship with Prince George’s County.

**Presentation by Progress Investment Management Company**

Progress Investment Management Company (“Progress”) made a presentation to the IAC regarding their ability to manage the Connecticut Horizon Fund for CRPTF. Progress was represented by Thurman White, President; Donna Gilding, Chief Investment Officer; and Jose Balagot, Senior Vice President Investments. Their presentation included an overview of the firm, the firm’s goals and objectives for the Connecticut Horizon Fund, investment philosophy and process and corporate citizenship. A brief question and answer session followed at which time Progress explained their recently acquired employee ownership, their client relationships, their areas of greatest success, their ability to manage their growth and their plan for employee equity in the firm.

**Roll Call of Reactions for Finalists for Fund of Funds Manager**

Most Council members felt that any of the four firms would be able to manage the Connecticut Horizon Funds adequately.

Henry Parker abstained from ranking FIS and ranked Progress 1, Bivium 2 and Capital Prospects 3.

David Roth ranked FIS 1, Progress 2, Bivium 3 and Capital Prospects 4.

Carol Thomas ranked FIS and Progress 1, Bivium 2 and Capital Prospects 3.

Rosalyn Schoonmaker ranked FIS and Progress 1, Bivium 2 and Capital Prospects 3.

Reginald Martin ranked Bivium 1, Capital Prospects 2, Progress 3 and FIS 4.

Tom Fiore ranked Bivium 1, FIS and Progress 2 and Capital Prospects 3

Mr. Larkin ranked Bivium 1, FIS 2, Progress 3 and he does not recommend Capital Prospects.

Chairman Roberts did not rank the individual firms but said that he felt all four firms would be able to do a great job managing the Fund.

There was some discussion about the four firms and their various attributes and weaknesses.

**Other Business**

**Status Report on Requests by IAC Members**

Ms. Sweeney reported on the status of the requests that have been made by the IAC members. Ms. Thomas asked to amend her request regarding Benefit Payments to include how cash flow would impact each of the retirement funds individually.

**Discussion of preliminary agenda for May 12, 2004 IAC meeting**

Ms. Sweeney said that there might be a private equity opportunity presented at the May IAC meeting and that the Custodian Search process may be ready for presentation also.

There being no further business, the meeting was adjourned at 12:25 P.M.

An audio tape of this meeting was recorded.

Respectfully Submitted,

**DENISE L. NAPPIER  
SECRETARY**