

INVESTMENT ADVISORY COUNCIL
Wednesday, March 13, 2019

MEETING NO. 461

Members present:

*9:06 arrival

**9:09 arrival

***11:08 departure

Thomas Fiore, representing Secretary Melissa McCaw**
Joshua Hall***
David (Duke) Himmelreich*
Michael LeClair
Steven Muench
William Murray
Richard Ross
Patrick Sampson
Carol Thomas, Interim Chair
Shawn T. Wooden, Treasurer

Others present:

Linda Savitsky, Deputy Treasurer
Laurie Martin, Chief Investment Officer
Joanne Dombrosky, Principal Investment Officer
Mark Evans, Principal Investment Officer
Lyndsey Farris, Investment officer
Katrina Farquhar, Administrative Assistant
John Flores, General Counsel
Peter Gajowiak, Investment Officer
Karen Grenon, Legal Counsel
Barbara Housen, Chief Compliance Officer, Deputy General Counsel
Danita Johnson, Principal Investment Officer
Michael MacDonald, Principal Investment Officer
Christine Shaw, Assistant Treasurer for Policy
Michael Terry, Principal Investment Officer

Guests:

Drienne Benner, Appomattox
C. LaRoy Brantley, Meketa Investment Group
Patrick Byrne, Goldman Sachs
Daniel Davies, Acuris Information
Mike Elio, StepStone
Dyice Ellis-Beckham, Invesco
Marilyn Freeman, Capital Prospects
Will Greene, Loop Capital
Ned Kwasniewski, IQeros
Tim Maul, RBC Global Asset Management
Aditya Raina, StepStone
Matt Ritter, NEPC
Liz Smith, Alliance Bernstein
Dan Stern, Cliffwater
Peter Wooley, Meketa Investment Group

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council ("IAC") meeting to order at 9:02 a.m. She said that there would be an Asset Allocation Subcommittee meeting following the IAC meeting.

Approval of Minutes of the February 13, 2019 IAC Meeting

William Murray, filling in for Chair Thomas called for a motion to approve the minutes of the February 13, 2019 IAC meeting. **Richard Ross moved to approve the minutes of the February 13, 2019 IAC meeting. The motion was seconded by Steven Muench. There being no further discussion, the Chair called for the vote. The motion passed.**

Comments by the Treasurer

Shawn Wooden, State Treasurer, began his opening remarks by introducing Linda Savitsky, Deputy Treasurer. Next he talked about a proposal that he worked on with Governor Lamont to restructure the Teachers' Retirement Fund ("TRF"). He stated that this proposal is contained in a bill entitled "An Act Stabilizing the Teachers' Retirement Fund" and that one of the key components is a reduction in the investment rate of return assumption for the TRS from 8.0% to 6.9%. He discussed investment decisions relative to the Emerging Market International Stock Fund manager search stating that contract negotiations are underway. Finally, he provided an overview of the private market investment pacing plans that will be discussed at the meeting.

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Month Ending January 31, 2019

Laurie Martin, Chief Investment Officer ("CIO"), provided an update on the CRPTF's performance and commented on the capital market environment and the economic outlook.

Consideration of the Search Process for Developed Markets International Stock Fund Manager Search

Ms. Martin provided an overview of the project plan and scope of services for the Developed Markets International Stock Fund ("DMISF") request for proposal.

Chair Thomas asked for a motion to endorse the search process for DMISF managers. **A motion was made by Joshua Hall, seconded by Patrick Sampson, to endorse the DMISF manager search. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Consideration of the Search Process for an Alternative Investment Fund Consultant

Ms. Martin provided an overview of the project plan and scope of services for the Alternative Investment Fund ("AIF") consultant request for proposal.

Chair Thomas asked for a motion to endorse the search process for an AIF consultant. **A motion was made by Mr. Ross, seconded by Mr. Muench, to endorse the AIF consultant search. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Combined Investment Funds Review as of December 31, 2018

Meketa Investment Group, General Investment Consultant, reported on the investment results for the Combined Investment Funds and review the Connecticut Horizon Fund for the quarter and fiscal year ending December 31, 2018.

Real Estate Fund Review as of September 30, 2018 and 2019 Annual Pacing Plan Overview

Danita Johnson, Principal Investment Officer (“PIO”) and NEPC, Real Estate Consultant, reported on the performance of the Real Estate Fund for the quarter ended September 30, 2018, and provided an overview of the 2019 Annual Pacing Plan.

Alternative Investment Fund Review as of December 31, 2018 and 2019 Annual Pacing Plan Overview

Michael MacDonald, PIO and Cliffwater, Alternative Investment Consultant, reported on the performance of the Alternative Investment Fund for the quarter ended December 31, 2018, and provided an overview of the 2019 Annual Pacing Plan.

Private Investment Fund Review as of September 30, 2018 and 2019 Annual Pacing Plan Overview

Mark Evans, PIO and StepStone, Private Investment Consultant, reported on the performance of the Private Investment Fund for the quarter ended September 30, 2018, and provided an overview of the 2019 Annual Pacing Plan.

Report on Corporate Governance

Christine Shaw, Assistant Treasurer for Policy, reviewed Corporate Governance activity for the quarter ended December 31, 2018.

Short-Term Investment Fund Review as of December 31, 2018

Michael Terry, PIO, reported on the performance of the Short-Term Investment Fund for the quarter ended December 31, 2018.

Other Business

Chair Thomas reminded the committee members that the next meeting would be Wednesday, April 10, 2019 and invited them to submit agenda items.

Comments by the Chair

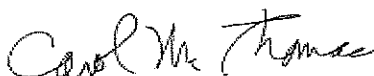
There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Duke Himmelreich moved to adjourn the meeting and the motion was seconded by Mr. Ross. There being no discussion, the meeting was adjourned at 12:04 p.m.**

Respectfully submitted,



SHAWN T. WOODEN
SECRETARY

Reviewed by,



CAROL THOMAS
INTERIM CHAIR