

MINUTES OF THE  
SPECIAL VIDEO-CONFERENCE MEETING  
OF THE  
ILLINOIS STATE BOARD OF INVESTMENT  
MAY 7, 2009 – 9:30 A.M.

Present:

Board Members

Guy Alongi  
James Clayborne  
Alexi Giannoulis  
Michael Goetz  
Thomas Hoffman  
Dan Hynes  
Ronald Powell

Staff

William Atwood  
Johara El-Harazin  
Alejandra Garcia  
Timothy Kominiarek  
Emily Reid  
Linsey Schoemehl  
Katherine Spinato  
Alise White

Guests

State Retirement Systems  
Tim Blair  
Marquette Associates  
Brian Wrubel & Elizabeth Francis  
Franklin Park  
Brad Atkins  
The Townsend Group  
Dan Stenger  
TA Associates  
Brian Conway and Kevin Landry  
Office of the Comptroller  
G. Allen Mayer  
Office of the State Treasurer  
Scott Kennedy

Absent:

Board Members

None.

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## ***ROLL CALL***

Chairman Goetz called the meeting to order at 9:35 p.m. The Secretary called the roll and noted that a quorum was present.

Chairman Goetz welcomed Comptroller Dan Hynes to the Board.

## ***COMMUNICATIONS***

Chairman Goetz informed the Board that Public Act 96-0006 had been enacted and Comptroller Hynes became Chairman of the State Employees' Retirement System. A memorandum relating to Comptroller Hynes was read into the record. (Official minutes contain attachment.)

Chairman Goetz reported that the Board had received letter of resignation from Allison Davis effective April 3, 2009. (Official minutes contain attachment.)

## ***REPORT OF THE CHAIRMAN***

Chairman Goetz reported that he had attended the Council of Institutional Investors meeting last week in Washington D.C. at no expense to the Board, and had co-chaired a public funds roundtable with CALPERS.

## ***REPORT OF THE DIRECTOR***

### FY2010 Preliminary Proposed Budget

Director Atwood reviewed and initiated discussion on the proposed budget for fiscal year 2010 which had previously been distributed. The Director stated that FY2010 budget would be submitted at the July meeting for approval. (Official minutes contain attachment.)

## ***PRESENTATION – PRIVATE EQUITY***

### Consultant Review – Franklin Park

Brad Atkins, Franklin Park joined the meeting. Mr. Atkins reviewed the previously distributed recommendation report and the Private Equity portfolio. (Official minutes contain attachment.) Following review, Mr. Atkins stated that representatives of TA Associates would be presenting on the TA XI, LLP. (Official minutes contain attachment.)

### TA Associates

Messrs. Landry and Conway were invited to join the meeting. Following introductions, the TA representative distributed a copy of a written presentation "TA XI, LLP and

reviewed. Following the presentation Messrs. Landry and Conway thanked the Board for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Following detailed discussion, Mr. Powell moved to approve a commitment of \$25 million to the TA XI, LLP as recommended by staff and consultant. Mr. Alongi seconded. The secretary called the roll and the motion passed unanimously.

#### Matters Relating to Existing Managers

Mr. Alongi moved to go into Executive Session to discuss investment manager contracts. Mr. Powell seconded and the motion passed unanimously.

Mr. Powell moved to return to the Open Meeting. Judge Hoffman seconded and the motion passed unanimously.

Following the Executive Session, Treasurer Giannoulis moved to terminate the real estate investment management agreement with Commonwealth Realty and transfer management of that separate real estate portfolio to ING. Judge Hoffman seconded. The secretary called the roll and the motion passed unanimously.

#### Legislative Update

Ms. Reid referred the Board members to a memorandum "Timeline for Implementation of Public Act 96-0006" dated April 29, 2009 and reviewed. Further, Ms. Reid reviewed the Procurement Policy, which was a result of PA96-0006. Following detailed discussion, Mr. Powell moved to approve the Procurement Policy as recommended by Staff. Treasurer Giannoulis seconded and the motion passed unanimously. (Official minutes contain attachments.)

Ms. Reid distributed a memorandum regarding Ethics Review and stated that this would be discussed further at the July 10, 2009 meeting.

#### Sexual Harassment Policy

Ms. Spinato referred the members to the Sexual Harassment Policy which had previously been distributed, stating that this was a result of a non-material audit finding. Mr. Powell moved to approve the Sexual Harassment Policy as recommended by Staff. Mr. Alongi seconded and the motion passed unanimously. (Official minutes contain attachment.)

### ***NEW BUSINESS***

Director Atwood referred the members to a memorandum from Marquette Associates recommending Rock Creek as the transition manager for the hedged equity fund of funds transition. (Official minutes contain attachment.) Mr. Powell moved to approve the recommendation as outlined by Marquette Associates. Mr. Alongi seconded and the motion passed with Comptroller Hynes abstaining from the discussion and the vote.

***UNFINISHED BUSINESS***

Following discussion regarding the previously approved Emerging Manager search, Judge Hoffman moved to postpone the search. Mr. Powell seconded and the motion passed unanimously.

***REPORT OF ANY BOARD MEMBER***

None.

***NEXT MEETING AND ADJOURNMENT***

Chairman Goetz stated that the next meetings of the Audit & Compliance Committee and Board were scheduled to be held Friday, July 10, 2009 at 9:30 a.m. and 9:45 a.m., respectively. Discussion ensued regarding Board appointments resulting from PA96-0006.

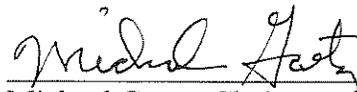
At 11:10 a.m., there being no further business to come before the Board, Mr. Powell moved to adjourn. Mr. Alongi seconded and the meeting was adjourned.

Respectfully submitted,



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Thomas E. Hoffman, Recording Secretary  
Illinois State Board of Investment



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Michael Goetz, Chairman  
Illinois State Board of Investment