

MINUTES
OF THE
INVESTMENT POLICY COMMITTEE
HELD
THURSDAY, MARCH 21, 2013 – 3:00 P.M.

Present: Committee Members

Roderick Bashir
Devon Bruce
Michele Bush

Board Members

Steven Powell
James Clayborne (via telephone)

Staff

Andrew Armonaitis
William Atwood
Johara El-Harazin
Tim Kominiarek
Scott Richards
Linsey Schoemehl
Lorna Scott
Alise White

Guests

Marquette Associates
Brian Wrubel, Kellie Shrade,
Elizabeth Francis, Dave Smith
Franklin Park
Brad Atkins, Christine O'Conner
KPS
Jay Bernstein
UNPRI
Diane Bratcher
ULLICO
Ed Smith, Herbert Kolben, Josseph Linehan
State Street Bank & Trust Company
Maria Luce, Mark Schafer

ROLL CALL

The meeting was called to order at 3:00 p.m. The Secretary called the roll and noted that a quorum was present.

MINUTES OF PREVIOUS MEETING

Mr. Bashir moved to approve the minutes of the Investment Policy Committee meeting held December 13, 2012, in the form previously submitted. Ms. Bush seconded and the motion passed unanimously.

PRIVATE EQUITY REPRESENTATIONS

Franklin Park Venture Fund Series 2013 and International Fund Series 2013 ("Franklin Park")

Mr. Atkins and Ms. O'Connor, Franklin Park, were invited to join the meeting. Following review and answering questions posed by the Members, the Franklin Park representatives thanked the Members for their time and excused themselves from the meeting.

KPS Special Situations Fund IV ("KPS")

Mr. Bernstein, KPS, was invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the KPS representative thanked the Members for their time and excused himself from the meeting. (Official minutes contain attachment.)

Mr. Kominiarek referred Members to memorandums, "International Private Equity- Franklin Park Recommendation" and "Venture Capital-Franklin Park Recommendation," both dated March 5, 2013, and reviewed. (Official minutes contain attachment.) Following review Mr. Bashir moved to approve the recommendation made by Staff to allocate \$10 million to the Franklin Park Venture Fund Series 2013. Ms. Bush seconded and the motion passed unanimously. Further, Ms. Bush moved to approve the recommendation made by Staff to allocate \$10 million to the Franklin Park International Fund Series 2013. Mr. Bashir seconded and the motion passed unanimously.

Mr. Atkins, Franklin Park, referred Members to the Recommendation Report, previously distributed, and reviewed. (Official minutes contain attachment.) Ms. Bush moved to approve the recommendation made by Franklin Park to allocate \$20 million to the KPS Special Situations Fund IV. Mr. Bashir seconded and the motion passed unanimously.

CUSTODIAN PRESENTATION

State Street Bank & Trust Company ("State Street")

Ms. Luce and Mr. Schafer, State Street, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and

answering questions posed by the Members, the State Street representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

CORPORATE GOVERNANCE PRESENTATION

UN Principles On Responsible Investing (“UNPRI”)

Ms. Bratcher, UNPRI, was invited to join the meeting. Following introductions, written copies of the presentation were distributed. Following review and answering questions posed by the Members, the UNPRI representative thanked the Members for their time and excused herself from the meeting. (Official minutes contain attachment.)

INVESTMENT MANAGER PRESENTATION

ULLICO- J for Jobs

Messrs. Smith, Kolben and Linehan, ULLICO, were invited to join the meeting. Following introductions, written copies of the presentation were distributed. The ULLICO representatives explained that there would be a 10% management fee reduction for the Separate Account J, to which the Board is an investor. Upon inquiry by Ms. Bush, Mr. Smith stated that the proposed reduction in management fees would be reflected by a legally binding document. Following review and answering questions posed by the Members, the ULLICO representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Mr. Wrubel, Marquette Associates, distributed a memorandum regarding ULLICO’s performance and background on the Board’s investment in Separate Account J. (Official minutes contain attachment.) Mr. Bashir moved to table further discussion on ULLICO until the June Board meeting in conjunction with Marquette’s planned asset allocation presentation/evaluation. Ms. Bush seconded and the motion passed unanimously.

UNFINISHED BUSINESS

None.

NEW BUSINESS

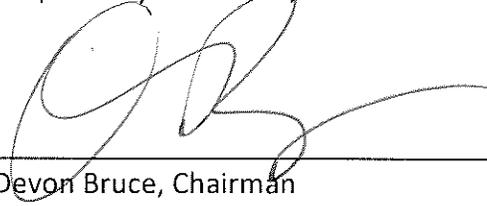
None.

NEXT MEETING AND ADJOURNMENT

Chairman Bruce stated that the next meetings of the Investment Policy Committee would be scheduled on Thursday, June 20, 2013, at the University of Illinois in Champaign, Illinois, during the afternoon preceding the Board meeting; notices would be sent.

At 5.30 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Ms. Bush seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Devon Bruce', written over a horizontal line.

Devon Bruce, Chairman
Investment Policy Committee

A handwritten signature in black ink, appearing to read 'Roderick A. Bashir', written over a horizontal line.

Roderick Bashir, Vice Chairman
Illinois State Board of Investment