

MINUTES
OF THE
INVESTMENT POLICY COMMITTEE
HELD
THURSDAY, SEPTEMBER 25, 2014 – 3:00 P.M.

Present: Committee Members Devon Bruce
Roderick Bashir
Michele Bush
Mary Seminara-Schostok

Board Members Steve Powell

Staff Andrew Armonaitis
William Atwood
Johara Farhadieh
Tim Kominiarek
Katherine Novel
Scott Richards
Linsey Schoemehl

Guests Marquette Associates
Brian Wrubel, Dave Smith, Kelli Schrade,
Nichole Roman-Bhatty, Kweku Obed, Neil
Capps
Courtland Partners
Dan Moore
AG Core Plus Realty
Michael Chang, Colleen Casey
Columbia Acorn
Eric Arvold, Rob Mohn

Absent: Committee Members John Casey

ROLL CALL

Chairman Bruce called the meeting 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 June 26, 2014, in the form previously submitted. Ms. Bush seconded and the motion passed unanimously.

DC INVESTMENT OPTION PRESENTATION: COLUMBIA ACORN FUND ("COLUMBIA ACORN")

Mssers. Arvold and Mohn, Columbia Acorn, were invited to join the meeting consistent with the Board's Watch List Policy. Following review of materials, previously distributed, and answering questions posed by the Members, the Columbia Acorn representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

REAL ESTATE PRESENTATION: AG CORE PLUS REALTY FUND IV, L.P. ("AG")

Mr. Moore, Courtland, referred Members to the memoranda, "Evaluation of a Proposed Investment of \$30 Million in AG Core Plus Realty Fund IV, L.P. and "Proposed Investment of \$30 Million in AG Core Plus Realty Fund IV, L.P.," previously distributed, and reviewed. (Official minutes contain attachments.)

Mr. Chang and Ms. Casey, AG, were invited to join the meeting. Following review of materials, previously distributed, and comments from Members, the AG representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Ms. Schoemehl reported that AG had completed a Vendor Disclose Policy Statement; there was nothing material to report.

The Chairman asked Mr. Moore about Courtland's process for determining the allocation amount for recommendation. Mr. Moore explained that going forward, Courtland will likely increase the allocation amounts in its recommendations in order to gain more favorable negotiation terms and to serve as a mechanism for receiving discounted fees.

Mr. Bashir moved to allocate \$30M to AG, consistent with the recommendation provided by Courtland. Ms. Bush seconded and the motion passed unanimously.

CONSULTANT PRESENTATION: MARQUETTE ASSOCIATIONS ("MARQUETTE")

Asset Allocation

Mr. Wrubel, Marquette, referred Members to the memorandum, "Asset Allocation Analysis," previously distributed, and reviewed. (Official minutes contain attachment.)

Farmland/Cozad Recommendations

Msserrs. Wrubel and Smith, Marquette, referred Members to the memoranda, "Real Assets-Farmland" and "Cozad/Westchester Premiere Partners V," previously distributed, and reviewed. (Official minutes contain attachments.) Following discussion, Justice Schostok moved to liquidate ISBI's holdings in Cozad/Westchester Premiere Partners V, consistent with the recommendation provided by Marquette. Mr. Bashir seconded and the motion passed unanimously, with an abstention from Chairman Bruce.

UNFINISHED BUSINESS

Justice Schostok requested an update on the status of the fee sharing letters that were previously submitted to the Board's largest private equity funds. Director Atwood responded that of the ISBI funds that have been recently audited by the SEC, none were asked to administer refunds to their respective limited partners. Director Atwood advised the Board that since the SEC has recently indicated that it will be conducting an audit of all private equity funds, there is no compelling reason for ISBI to conduct independent audits of its portfolio funds at this time, especially in light of the high costs associated with such audits. Director Atwood assured the Members that going forward, this matter will be vetted with any potential private equity limited partnership prior to ISBI's subscription to the fund.

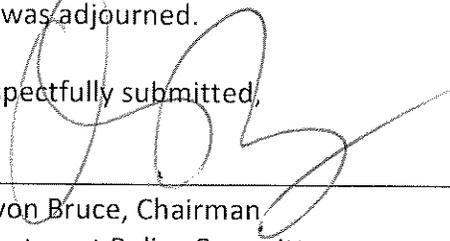
NEW BUSINESS

None.

NEXT MEETING AND ADJOURNMENT

Chairman Bruce stated that the next meeting of the Investment Policy Committee would be scheduled for December 4, 2014 in Chicago, official notices to be distributed at a later date. At 4:30 p.m., there being no further business to come before the Committee, Ms. Bush moved to adjourn. Mr. Bashir seconded and the meeting was adjourned.

Respectfully submitted,



Devon Bruce, Chairman
Investment Policy Committee

