

AGENDA ITEM 4B.

**APPROVAL OF MINUTES OF THE
MARCH 23, 2017 INVESTMENT COMMITTEE MEETING**

MINUTES OF A MEETING
OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
INVESTMENT COMMITTEE

University of Illinois at Chicago
601 S. Morgan St.
Room 2750 – University Hall
Chicago, IL

March 23, 2017

2:00 p.m.

COMMITTEE MEMBERS PRESENT: Mark Donovan
Kevin Huber

STAFF PRESENT: Eric Zarnikow, Executive Director
Kent Custer, Chief Investment Officer
Roger Rojas, Investment Analyst
Karen Salas, General Counsel
Debora Calcara, ISAC Commission Secretary

**INVESTMENT CONSULTANTS
PRESENT:** Ryan Ball, Callan Associates

Item 1. Announcements

Mr. Custer asked that a roll call be taken of the Investment Committee, which established a quorum was present at 2:02 p.m.

Item 2. Approval of the Minutes of the December 1, 2016 Meeting of the Investment Committee

Mr. Huber **MOVED THAT** the minutes of the December 1, 2016 meeting be approved. Mr. Donovan seconded the motion, which was approved unanimously.

Item 3. Investment Update

The Callan Associates quarterly report through December 31, 2016 was sent to the Investment Committee under separate cover.

Mr. Custer reviewed the risk profile and provided a brief review of the performance of the College Illinois! Trust Fund as provided in the agenda book. He noted relatively weak performance from the international equity portfolio in the latter half of 2016 and also noted that Garcia Hamilton was off to a positive start in the fixed-income portfolio.

Item 4. International Equity Portfolio Transition

Mr. Custer provided a brief update on the transition of the International Equity Portfolio.

Item 5. Approval of Changes to the Watch List

Mr. Custer reviewed the managers' performance as provided in the agenda book. He noted that Pinnacle Natural Resources (PNR) performance through the years has not been bad even though they were down two percent in 2015 and 1.9 percent in 2016. However, he indicated that PNR was down ten percent in 2017 through early March and staff perceived missed opportunities during the past couple of years. In recommending Pinnacle for addition to the Watch List, he noted that the long notice period for redemption might require action be taken prior to August.

Mr. Huber **MOVED THAT** the Investment Committee place Pinnacle Natural Resources on the Watch List. Mr. Donovan seconded the motion, which was approved unanimously.

Item 6. Compliance Review

Mr. Rojas reviewed the compliance report as provided in the agenda book.

Continuing, Mr. Custer noted that Mr. Huber and Mr. Zarnikow have been in discussion regarding restoring the Investment Committee to three members in the near future, now that three new members have recently been appointed to the Commission.

Seeing no further discussion, Mr. Custer asked for a motion to adjourn.

Mr. Huber **MOVED THAT** the March 23, 2017 meeting of the Investment Committee be adjourned. Mr. Donovan seconded the motion, which was approved unanimously. The meeting adjourned at 2:31 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Debora A. Calcara", is written on a light green rectangular background.

Debora A. Calcara
Secretary to the Commission