

AGENDA ITEM 7B.

**MINUTES OF THE MAY 28, 2014
MEETING OF THE INVESTMENT COMMITTEE**

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

James R. Thompson Center
Room 3-348
100 W. Randolph St.
Chicago, IL

May 28, 2014

COMMITTEE MEMBERS PRESENT: Mark Donovan
Verett Mims

COMMITTEE MEMBERS ABSENT: Kevin Huber

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

PUBLIC ATTENDANCE: Ryan Ball, Callan Associates
Brianne Weymouth, 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 9:08 a.m.

Item 2. Approved Minutes of the April 22, 2014 Investment Committee Meeting

Mr. Donovan **MOVED THAT** the minutes of the April 22, 2014 meeting of the Investment Committee be approved. Ms. Mims seconded the motion, which was approved unanimously.

Item 3. Portfolio Review

Mr. Custer reviewed the risk profile, performance, and asset allocation of the portfolio. Mr. Ball and Ms. Weymouth provided additional perspective on portfolio performance and the investment markets. Mr. Custer noted that the expected risk of the portfolio had declined by about a percent as a result of updated capital market assumptions from the Consultant. He reviewed the performance and funded status of the closed-end limited partnership investments, and noted that future capital calls would likely be modest and offset by increasing distributions.

Item 4. Approval of Changes To The Watch List

Mr. Custer reviewed the Watch List Evaluation provided in the agenda book. He stated that he is recommending that Balestra Spectrum Partners be added to the Watch List due to recent organizational issues.

Ms. Mims **SO MOVED** that Balestra be added to the Watch List due to their recent organizational changes.

Mr. Donovan seconded the motion, which was approved unanimously.

Item 5. Review of Proposed Asset Allocation Revisions

Mr. Custer reviewed the proposed fiscal year 2015 interim asset allocation as provided in the agenda book. Recommended changes reflect anticipated cash flows and continued movement toward the long-term allocation. The impact on risk and performance expectations would be negligible. The asset allocation revisions were included as part of the investment policy revision.

Item 6. Investment Policy Revision

Mr. Custer reviewed each recommended change being made to the current investment policy. He noted that a copy of the proposed changes had been provided to the Investment Advisory Panel via email and no concerns had been raised.

Mr. Mims **MOVED THAT** the Investment Committee approve the following resolution:

“BE IT RESOLVED that the Investment Committee has reviewed the proposed revision to the Investment Policy and recommends adoption by the full Commission.”

Mr. Donovan seconded the motion, which was approved unanimously.

Item 7. Compliance Review

Mr. Custer briefly reviewed the Compliance Review memorandum provided in the agenda book. Recent activity included a review of compliance with investment guidelines, proxy reporting requirements, minority brokerage, and investment expenses.

Mr. Donovan **MOVED THAT** the May 28, 2014 meeting of the Investment Committee be adjourned. Ms. Mims seconded the motion, which was approved unanimously. The meeting adjourned at 9:50 a.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Debora A. Calcara", written in black ink on a light yellow rectangular background.

Debora A. Calcara
Secretary to the Commission