

**AGENDA ITEM 7A.**

**APPROVAL OF MINUTES OF THE INVESTMENT COMMITTEE  
MAY 13, 2016 MEETING**

**Submitted for:** Action: Investment Committee

**Summary:** This report includes the detailed minutes of the meeting of the Investment Committee held on May 13, 2016.

**Action requested:** That the Investment Committee approve the minutes of the May 13, 2016 meeting.

**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 13, 2016**

**COMMITTEE MEMBERS PRESENT:** Mark Donovan  
Kevin Huber  
Verett Mims

**STAFF PRESENT:** Kent Custer, Chief Investment Officer  
Roger Rojas, Investment Analyst  
Karen Salas, General Counsel

**PRESENT VIA TELEPHONE:** Eric Zarnikow, Executive Director  
Debora Calcara, ISAC Commission Secretary  
John Demien, State Purchasing Officer

**INVESTMENT CONSULTANTS  
PRESENT:** Ryan Ball, Callan Associates  
Brienne 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 11:04 a.m.

### **Item 2. Approval of the Minutes of the April 4, 2016 Meeting of the Investment Committee**

Ms. Mims **MOVED THAT** the minutes of the April 4, 2016 meeting of the Investment Committee be approved. Mr. Donovan seconded the motion, which was approved unanimously.

Mr. Custer indicated he would advance in the agenda to items six and seven.

### **Item 6A. Fixed Income Investment Management Procurement Reconsideration of Selection Vote of April 4, 2016**

Mr. Custer stated that feedback following the prior meeting indicated that there may have been some confusion regarding the proposed procurement and he was asked to seek parliamentary action to reconsider the vote taken at the April 4, 2016 meeting selecting Longfellow Investment Management as the Fixed Income Investment Manager. He felt it necessary at this time to review in detail the search report, investment profiles and the diversity disclosures of both Longfellow Investment Management and Garcia Hamilton & Associates.

After review of this information, Mr. Huber **MOVED THAT** the Investment Committee rescind the motion of April 4, 2016 regarding the fixed income management recommendation. Mr. Donovan seconded the motion, which was approved unanimously.

### **Item 6B. Fixed Income Investment Management Procurement**

Mr. Custer asked for a motion to approve one of the recommended firms as the Fixed Income Investment Manager.

After discussion was held on the necessity of a site visit, Mr. Huber **MOVED THAT** the Investment Committee approve Garcia Hamilton & Associates to be recommended to the full Commission as the Fixed Income Investment Manager.

Ms. Mims seconded the motion which was approved unanimously.

### **Item 7. Investment Policy Revisions**

Mr. Custer reviewed the proposed minor clarifications and slight change recommended for the interim allocation in the Investment Policy.

Mr. Donovan **MOVED THAT** the Investment Committee has reviewed the proposed revision to the Investment Policy and recommends adoption by the full Commission.

Ms. Mims seconded the motion, which was approved unanimously.

**Item 3. Investment Update**

The Callan Associates quarterly report through March 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.

**Item 4. Approval of Changes to the Watch List**

Mr. Custer indicated he is not making any recommendations to be added to the watch list at this time.

**Item 5. Compliance Review**

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

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

Mr. Donovan **MOVED THAT** the May 13, 2016 meeting of the Investment Committee be adjourned. Ms. Mims seconded the motion, which was approved unanimously. The meeting adjourned at 12:02 p.m.

Respectfully submitted,



Debora A. Calcara  
Secretary to the Commission