MINUTES
BOARD OF TRUSTEES OF THE
PUBLIC EMPLOYEES' RETIREMENT FUND

and

INDIANA STATE TEACHERS' RETIREMENT FUND

Meeting held at:
One North Capitol
1st Floor Conference Room
Indianapolis, Indiana 46204

February 18, 2011

JOINT SESSION

Board Members Present
Ken Cochran, Chairman/President
Greg Hahn, Vice Chairman/Vice President
Allen Clark
Chris Ruhl
Bret Swanson
Cari Whicker

Others Present
Andy Thomas, Indiana Retired Teachers' Association (IRTA)
Pete Keliuotis, Strategic Investment Solutions (SIS) (PERF/TRF Consultant)

Staff Present
Steve Russo, Executive Director
Erin Hankins, Executive Assistant
Andrea Unzicker, Chief Legal and Compliance Officer
Jaclyn Brinks, Staff Attorney
Teresa Snedigar, Director of Internal Audit
Julia Pogue, Chief Financial Officer
David Cooper, Chief Investment Officer
Josh Rabuck, Investments – RM and AR Director
Bobby Brandt, Investment Analyst – Operations
Jeff Hutson, Chief Communication Officer

Meeting called to order at 10:05 a.m. by Chairman/President Cochran.

I. Approval of Minutes from December 17, 2010 Joint Board of Trustees Meeting

MOTION duly made and carried to approve the minutes from the December 17, 2010 joint Board meeting.

Proposed by:	***Chris Ruhl***
Seconded by:	***Greg Hahn***
Votes:	***6 in favor, 0 opposed, 0 abstentions***

II. New Business

In accordance with normal practice, written materials for the following matters were provided to the Board members by mail in advance of the meeting.

Financial Update

Julia Pogue presented the financial update and reviewed PERF and TRF financial highlights for December 2010, actual and forecasted expenses compared to budget, and a statement of fiduciary net assets.

Investments Update

David Cooper presented the investments update and discussed the status of departmental goals, current and historic PERF and TRF market values, total returns, asset allocations, and new investments and terminations. Mr. Cooper reviewed the TRF Watch List and stated that QMA and SSGA have been added to the list because each company's three-year returns are less than the benchmark. Steve Russo stated that staff is working to consolidate the PERF and TRF Investment Policy Statements and will seek Board input at a future meeting. The Board requested and received additional information on the annual net outflow of the PERF and TRF asset base, cause of PERF and TRF historical market value changes, TRF TIPS strategy, structure of hedge fund asset classes, guaranteed fund participation, risk management strategy and asset protection, and an asset allocation study schedule.

Investment and Audit Committee Establishment

Andrea Unzicker stated that the Board Governance Manual contains charters for the establishment of investment and audit committees, to which the Board Chairman/President may designate a maximum of three individuals. Ms. Unzicker stated that there is no delegated authority to the committees, but they are intended to be an environment for discussion, to act as liaisons between the Board and staff, and to provide additional oversight and counsel to staff. Ms. Unzicker highlighted specific roles of the committees and opened the floor to discussion. Greg Hahn, Chris Ruhl, and Bret Swanson expressed interest in participating on the Investment Committee. Chairman/President Cochran, Chris

Ruhl, and Cari Whicker expressed interest in participating on the Audit Committee. Ms. Unzicker stated that formal designations to the committees would take place during the PERF and TRF meetings.

Reputation Management

Jeff Hutson provided the reputation management report, reviewed a list of researchers and organizations addressing pension issues, and presented a report on PERF and TRF's communication strategy regarding the sustainability of the funds. The Board named additional researchers and organizations to be included in the list.

Executive Director's Report

Steve Russo presented the Executive Director's report, discussed pending federal and state legislation affecting PERF and TRF, reviewed PERF and TRF metrics, and gave an integration and strategic planning update. Mr. Russo discussed the action item tracking list and recommended closure of Item 11 due to PERF and TRF's intention to send letters to defaulted members on March 1, 2011.

III. Adjournment

MOTION duly made and carried to adjourn the February 18, 2011 joint Board meeting at 11:44 a.m.

Proposed by:	***Bret Swanson***
Seconded by:	***Cari Whicker***
Votes:	***6 in favor, 0 opposed, 0 abstentions***