

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM**

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

March 6, 2015

Board Members Present

Ken Cochran, Chairman
Brian Abbott
Suzanne Crouch
Sarah Beth Murphy

Deanna Oware
Michael Pinkham
Bret Swanson

Guest Presenters

Jeff MacLean, Wurts & Associates, Inc.
Mike Kamell, Wurts & Associates, Inc.

Staff Presenters

Steve Russo, Executive Director
Kelly Doria, Sr. Transaction Attorney
David Cooper, Chief Investment Officer
Donna Brown, Chief Financial Officer

Jeff Hutson, Chief Communications
Officer
Lindsay Knowles, Benefits Attorney

Meeting called to order at 10:02 a.m. by Chairman Cochran.

In accordance with normal practice, Board members were provided electronically written materials in advance of the meeting.

I. Approval of Minutes from December 12, 2014, Board of Trustees Meeting

Steve Russo mentioned a technical correction to section VIII (executive Session) and IX (Adjournment) to the minutes as distributed. Instead of nine (9) in favor of each matter, the minutes should reflect eight (8) in favor.

MOTION duly made and carried to approve the corrected minutes from the December 12, 2014, Board meeting.

*Proposed by: Michael Pinkham
Seconded by: Brian Abbot
Votes: 7 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

A. Board meeting Internet Streaming.

Steve Russo talked about the options under consideration for Internet Streaming. He offered staff recommendation to utilize YouTube live streaming and discussed the associated costs. Mr. Russo emphasized the desire to focus on audio quality over video quality. After further discussion, the Board requested additional evaluation and recommendation of the various options (video and audio) for further discussion.

B. Asset Liability Study

David Cooper and Jeff MacLean discussed the current asset allocation. Mr. MacLean gave an educational background about asset allocation, volatility and risk, risk factors, time horizon and valuations. He also talked about INPRS asset liability scope, historical experience, the current INPRS allocation policy, funding status, peer considerations, return assumptions and tail risk. Mr. MacLean offered strategic options for the Board to consider: stay with current risk-diversified/lower volatility strategy; adapt a more conventional peer-centric portfolio; or more risk diversification. After Board discussion, the Board directed investment consultant and staff to continue to pursue and make asset allocation recommendations based on a risk-diversified/lower volatility strategy.

III. Required Business

A. Indiana Administrative Code (IAC) Adoption

Lindsay Knowles presented proposed updates to the Indiana Administrative Code and gave a brief summary of each change. A written executive summary of the changes was given to the board for review. New rules and changes were proposed in the areas of benefits and technical corrections.

MOTION duly made and carried to approve all of the changes to the IAC presented in Board Resolution No. 2015-3-6.

Proposed by: Bret Swanson
Seconded by: Michael Pinkham
Votes: 7 in favor, 0 opposed, 0 abstentions

IV. New Business

A. Communications Update - Stakeholder Surveys

Jeff Hutson presented a summary about results of surveys from the INPRS outreach and communications departments. First, Mr. Hutson informed the Board of the functions of the two departments. Then, he talked about the results of surveys from members and employers. Mr. Hutson discussed areas for improvement as well as improvements made within departments based on customer needs.

B. Investments Update

David Cooper presented the INPRS investment update to the Board. He began with a portfolio review and highlights of INPRS investments. Mr. Cooper also talked about INPRS asset allocation, INPRS defined benefit performance, and fiscal year performance.

C. Financial Update

Donna Brown presented the INPRS financial update to the Board. She began with a summary of the financial highlights as of end of January 2015. She talked about past due employer contributions. Ms. Brown also discussed fiscal year 2015 actual and forecast change in net position and expenses compared to budget. Ms. Brown presented the NIPRS statement of fiduciary net position as well as the year to date statement of change in fiduciary net position.

D. Executive Director's Report

Steve Russo presented the Executive Director's report. He informed the Board of a line of duty death, talked about bills presented to the Legislature and provided information about bills that are continuing to move through the legislative process.

Mr. Russo also presented performance metrics for the Governor's Dashboards and noted changes from the last review. Scorecard details were provided to the Board for their review.

V. Preliminary Agenda for April 24, 2015, Board Meeting

A copy of the preliminary agenda for the April 24, 2015, meeting was included in materials provided electronically to board members.

VI. Other business as requested by the Board

No other business was requested by the Board.

VII. Adjournment

MOTION duly made and carried to adjourn the March 6, 2015, Board meeting at 1:37 p.m.

Proposed by: Bret Swanson
Seconded by: Sarah Beth Murphy
Votes: 7 in favor, 0 opposed, 0 abstentions