

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

**Meeting held at:
One N. Capitol
9th Floor Conference Room
Indianapolis, Indiana 46204**

December 11, 2015

Board Members Present

Ken Cochran, Chairman
Sarah Beth Murphy
Michael Pinkham
Kyle Rosebrough
Mike Cunningham

Brian Abbott
Jillean Battle
Deanna Oware
Bret Swanson

Guest Presenters

Tiffany Spudich, Capital Cities LLC
Joseph Evans, RSM US LLP (previously
McGladrey LLP)

Bill Sarb, RSM US LLP (previously
McGladrey LLP)
Jeff MacLean, Verus

Staff Presenters

Steve Russo, Executive Director
Scott Davis, Interim Chief Investment
Officer

Donna Brown, Chief Financial Officer
Teresa Snedigar, Director Internal Audit

Meeting called to order at 10:01 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 October 23, 2015, Board of Trustees Meeting

MOTION duly made and carried to approve the corrected minutes from the October 23, 2015, Board meeting.

*Proposed by: Michael Pinkham
Seconded by: Sarah Beth Murphy
Votes: 8 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

No unfinished business was discussed by the Board.

III. Required Business

A. Election of Board Officers

Under Indiana Code 5-10.5-3-7, the Board shall elect a Chair and Vice Chair from its members to serve as officers. Officers shall serve for one year or until the officer's successor is elected and qualified. Chairman Cochran opened the floor for nominations.

MOTION duly made and carried to reelect Ken Cochran as Chair and Bret Swanson as Vice Chair of the INPRS Board of Trustees

Proposed by: Michael Pinkham
Seconded by: Kyle Rosebrough
Votes: 8 in favor, 0 opposed, 0 abstentions

B. Annual Independent External Audit Review

Teresa Snedigar and Joseph Evans informed the Board of the name change for the company. McGladery LLP is now RSM US LLP. Mr. Evans went on to discuss the fiscal year 2015 results. The auditors determined that INPRS met all appropriate standards, including new standards such as GASB Statement No. 68. INPRS received an unmodified opinion, dated December 4, 2015.

C. Annual ASA Funds Review

Scott Davis and Tiffany Spudich presented the annual Annuity Savings Account (ASA) plan overview. Ms. Spudich went on to discuss the ASA plan's investment structure, fund options and their performance, and ASA plan fees. Ms. Spudich also provided an overview of stable value funds and other capital preservation options within a defined contribution plan.

IV. New Business

A. Investments Update

Scott Davis presented the INPRS investment update to the Board. He started with a review of team imperatives, then provided highlights of INPRS investments and a portfolio review. Mr. Davis talked about INPRS asset allocation as of October 31st, defined benefit performance, ASA funds' performance, and the outlook for the private equity allocation. Mr. Davis also discussed the current managers on the watch list.

Jeff MacLean from Verus talked about slowing Emerging Markets growth and falling global inflation. He also discussed key market themes, such as falling commodities prices and the stronger U.S. dollar.

B. Financial Update

Donna Brown presented the INPRS financial update to the Board. Ms. Brown began with a summary of the financial highlights as of end of October 2015. Ms. Brown reviewed the October financials, then talked about past due employer contributions. Ms. Brown discussed fiscal year 2016 actual and forecast change in net position and expenses compared to budget.

C. Executive Director Report

Steve Russo presented the Executive Director's report. He updated the Board about the Recordkeeper RFP. Mr. Russo informed the Board that Voya was selected as the new Recordkeeper and a timeline was included in materials provided electronically to the Board. Mr. Russo also talked about the ASA Annuity RFP. He informed the Board that MetLife is the recommended ASA Annuity provider should the Board decide to engage a third party for ASA Annuities. Lastly, Mr. Russo summarized the Balance Scorecard.

V. Proposed 2016 Board Meeting Schedule

A copy of the proposed 2016 Board Meeting schedule was included in materials provided electronically to Board members.

MOTION duly made and carried to accept the 2016 Board Meeting schedule.

*Proposed by: Brian Abbott
Seconded by: Bret Swanson
Votes: 9 in favor, 0 opposed, 0 abstentions*

VI. Preliminary Agenda for February 26, 2016 Meeting

A copy of the preliminary agenda for the February 26, 2016, meeting was included in materials provided electronically to Board members.

VII. Other Business as requested by the Board

No other business was requested by the Board.

VIII. Adjournment

MOTION duly made and carried to adjourn the December 11, 2015, Board meeting at 11:56 p.m.

Proposed by: Jillean Battle
Seconded by: Sara Beth Murphy
Votes: 9 in favor, 0 opposed, 0 abstentions