

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF  
COOK COUNTY  
And Ex-Officio for the  
FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY & BENEFIT FUND  
MEETING OF THE INVESTMENT COMMITTEE  
33 N. DEARBORN STREET – SUITE 1000**

**Minutes for February 21, 2012 Meeting of the Investment Committee**

1. Call to Order and Roll Call at 9:30 a.m.

Investment Committee Members Present: Mr. Patrick McFadden, Mr. Robert Benjamin, Mr. John Fitzgerald, Ms. Lauren Gore (via phone), Ms. Alexis Herrera, Mr. Brent Lewandowski and Mr. Summers  
Staff Present: N. Hackett, D. Degnan, M. Maratea, and F. Vinzons  
Others Present: M.P. Burns – Burke, Burns & Pinelli; T. Hoflin, W. Hollister – Russell Investments (Implementation Solutions); J. Parks – Loop Capital

2. Approval of December 13, 2011 Investment Committee Meeting Minutes;

*Motion for Approval and Adoption of Minutes.* It was moved by Trustee Benjamin and seconded by Trustee Herrera that the minutes of the December 13, 2011 Investment Committee meeting be approved and adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

3. Structure Implementation Update;

Ms. Hackett recapped the status of the total fund's restructuring including the qualification of the transition managers, and key objectives of the restructuring. Mr. Hollister and Mr. Hoflin from Russell Investments' Implementation Solutions provided an update on the success of the transition since its initiation in October 2011. More specifically, Mr. Hollister provided a detailed analysis of transition and restructuring for each asset class, noting key events within the transition as well as market impact. Mr. Hollister also provided a performance comparison, brokerage analysis and coordination summary.

Following this update, Ms. Hackett reviewed the status of rebalancing for each fund. Further, Ms. Hackett previewed a preliminary strategic review for remaining implementation events and highlighting outstanding mandates and search activity to fulfill targets. Ms. Burns added that, in relation to potential alternative searches, PA96-0009 was revised (and became effective 2011) to allow pension funds to consider fund-of-fund allocations independent of a search. It was agreed by the Investment Committee that the fund's procurement policy should be reviewed in light of the new fund-of-fund search provisions.

4. Investment Staff Discussion;

It was moved by Trustee Herrera and seconded by Trustee Fitzgerald that the Investment Committee convene an Executive Session pursuant to Sections 2(c)(7) of the Open Meetings Act, 5 to discuss Investment Staff recruiting.

Roll Call Vote:

AYES: Benjamin, Gore, Herrera, Fitzgerald, Lewandowski, Summers and McFadden

NAYS: None

Vote Result: MOTION ADOPTED

Upon concluding the discussion within Executive Session it was moved by Trustee Fitzgerald and seconded by Trustee Benjamin to close the Executive Session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

No action was taken during closed session.

5. Presentation of Emerging Manager Investment Sub-Committee Recommendations

As a follow-up to the governance review and discussion held by the EMIC on January 12, 2012, Ms. Hackett presented a review of the mission and role of the EMIC as well as recommendations for its authority given its reconstitution as a sub-committee. Ms. Hackett presented two options for revising the role of the EMIC as a sub-committee to the Investment Committee. The ensuing discussion resulted in a vote to select option B whereby the EMIC recommends searches and conducts due diligence while the Investment Committee provides search authorization and conducts finalist interviews based on the recommendation of the EMIC.

***Motion for Revision of the Emerging Manager Sub-Committee's Roles and Responsibilities.*** It was moved by Trustee Summers and seconded by Trustee Benjamin to recommend to the Board to revise the roles and responsibilities of the sub-committee as discussed by the Investment Committee during the February 21, 2012 Investment Committee Meeting and proposed by Fund Investment Staff.

Roll Call Vote:

AYES: Benjamin, Gore, Herrera, Fitzgerald, Lewandowski and Summers

NAYS: McFadden

Vote Result: MOTION ADOPTED

Ms. Hackett also reviewed the goals for Emerging Manager and MWBE Broker-Dealer Utilization which were approved at the January 12, 2012 Emerging Manager Investment Sub-Committee meeting.

***Motion for Approval and Adoption of Revised Emerging Manager Utilization Target Goals.*** It was moved by Trustee Lewandowski and seconded by Trustee Herrera to recommend to the Board the following revised target range goals for

utilization of emerging investment managers as proposed by Fund Investment Staff, in consultation with the Fund's Investment Consultant.

- To approve the following target range goals over a 2 year horizon for the utilization of emerging investment managers as proposed by Fund Investment Staff, in consultation with the Fund's Investment Consultant.
  - a. Domestic Equity – 15%-20% (as a % of asset class)
  - b. Intl. Equity – 10%-15% (as a % of asset class)
  - c. Fixed Income – 25%-30% (as a % of asset class)
  - d. Alternatives – 10%-15% (as a % of asset class)

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

***Motion for Approval and Adoption of Revised MWBE Broker-Dealer Utilization Target Goals.*** It was moved by Trustee Lewandowski and seconded by Trustee Herrera to recommend to the Board the following revised target range goals for increased utilization of minority broker dealers as proposed by Fund Investment Staff, in consultation with the Fund's Investment Consultant.

- To approve the following target range goals for increased utilization of minority broker dealers as proposed by Fund Investment Staff, in consultation with the Fund's Investment Consultant.
  - a. Domestic Equity – 35% of total trading commissions
  - b. Intl. Equity – 10% of total trading commissions (no change)
    - i.* International Small Cap – 3% of asset class trading commissions (subject to best execution)
    - ii.* Emerging Markets – 3% of asset class trading commissions (subject to best execution)
  - c. Fixed Income – 10% of par value (no change)
  - d. Transition Management – 40% of domestic equity transition-related commissions (no change), all other transition management subject to asset class goals

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

6. New Business

Mr. Degnan briefly informed the Committee that at the next Board Meeting the Cook County Pension Sub-Committee would consider a resolution encouraging the Fund to divest from companies with exposure to Iran.

7. Adjournment.

It was moved by Trustee Fitzgerald and seconded by Trustee Herrera that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE