The meeting was called to order at 8:00 A.M.

**Review of status of Retirement Board RFP for Outsourced Chief Investment Officer services**

Upon a motion by Mr. Blankley, seconded by Mr. Norton, the Committee voted 3-0 to take up discussion on the Neuberger Berman contract with Mr. Smoot, the Retirement Board attorney. The Committee voted 3-0 to approve the motion.

Ms. Tarkington requested that Mr. Smoot be asked his top level issues with the contract in a conference call, and then end the conference call so that the Committee could discuss the information. A second call would be placed to Mr. Smoot if needed.

Mr. Smoot began his presentation with the contract's top level issues, but suggested he would also comment on secondary and marginal issues.

Top Level Issues:
1. Appointment and acceptance of appointment of the managers:
   a. Neuberger Berman had full discretion to appoint account managers according to their interpretation of standards & guidelines according to the investment policy statement
2. Standard of Care
   a. Neuberger Berman's fiduciary relationship with affiliated and non-affiliated investment advisors
      i. Acting as prudent investors
      ii. Applying CT's Uniform Prudent Investor Act
      iii. Customer Standard of Care
3. Custody Arrangement
   a. Maintenance of Assets at the current custodian, State Street under the authority of the Retirement Board
b. Mr. Mynarski and Ms. Jones indicated that no new legal agreement was needed because the Retirement Board was responsible for capital calls on private market investments.

Secondary Issues:
1. Retaining the Neuberger Berman key personnel already involved in the potential account
2. Retirement Board involvement in determining changes in personnel
3. Retirement Board negotiation of fees
   a. Expanded information on fees on the private equity portion of the portfolio
   b. Maintaining "most favored customer status" regarding fees

Ms. Oberlander asked for clarification on how fees were structured on the market value of the portfolio and the private equity portion; and, if separate accounts would be maintained for different asset strategies. Additionally she asked how fees changed if unaffiliated managers directed the private equity portion and if fee payment was made on performance. Mr. Smoot responded that Retirement Board consent would be sought for different fees to be approved.

4. The account was scheduled for $75,000 of fees on its core assets but due to the size of the account, this was not considered to be applicable.

Other Issues:
1. Termination authority by the Retirement Board at any time vs. Neuberger Berman requirement to give 90-days' notice
2. Reporting frequency
3. Indemnification of TOG from losses vs. Neuberger Berman not having a reciprocal right to indemnification

At the conclusion of the conference call, the Committee began its discussion. Mr. Blankley reiterated a summary of Mr. Smoot's presentation and the process from RFP to the proposed contract. Ms. Oberlander asked that qualifications of sub-advisors be based on consent and due diligence. Ms. Tarkington asked for clarification on the documentation of alternative investments to which Ms. Jones responded that Neuberger Berman was responsible for monitoring and understanding the documents and that the contract was explicit and clear about the liability and responsibility being with Neuberger Berman.

Mr. Turner asked if the discussion was being based on the June 8 draft of the Agreement. Mr. Norton indicated that the purpose of today's meeting was for the IAC to accept and recommend the Agreement. He proposed that Mr. Jones review Mr. Turner's written questions and comments and provide the changes agreed to in the Committee's discussion to Mr. Smoot for discussion with Neuberger Berman for their acceptance so that a final draft could be produced for IAC's vote and recommendation to the BET at its June 12, 4:30 P.M. meeting.

Mr. Turner expressed his thanks and appreciation on being heard and willingness to forward his concerns in to Mr. Smoot and Neuberger Berman. Mr. Chadwick noted that the Retirement Board's goal was to begin the relationship as of July 1, 2017 and that he concurred with the Retirement Board's attorney's recommendations subject to TOG's Law Department and Neuberger Berman acceptance of the recommendations.
Ms. Tarkington suggested a Joint Law Committee and IAC meeting to take place subsequent to Ms. Jones's contact with Mr. Smoot and if Neuberger Berman accepted the changes requested, a new draft incorporating the changes be drafted for distribution to the BET in draft form.

**Adjournment**

Upon a motion by Mr. Norton, seconded by Mr. Turner, the Committee voted unanimously to adjourn at 10:05 A.M.

_Catherine Sidor, Recording Secretary_

_Arthur Norton, Investment Committee_