

**MINUTES
INVESTMENT ADVISORY COUNCIL
JUNE 18, 2009**

A meeting of the Investment Advisory Council was held on Thursday, June 18, 2009, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida.

Members Present: **Robert Konrad, Chairman**
 John Hill, Vice Chairman
 Robert Gidel
 John Jaeb
 Beth McCague

Member Absent: **Jim Dahl**

CALL TO ORDER/APPROVAL OF MINUTES

Mr. Rob Konrad, Chairman, called the meeting to order at 9:00 A.M. Mr. Konrad requested a motion to approve the minutes of the March 12, 2009, meeting. Mr. John Jaeb made a motion to approve the minutes; seconded by Vice Chairman John Hill; approved without objection.

EXECUTIVE DIRECTOR UPDATE/FUND GOVERNANCE

Mr. Ash Williams, Executive Director & CIO, indicated that the SBA would be launching the Florida Technology and Growth Program tomorrow morning and Mr. Mario Giannini of Hamilton Lane would discuss the program further in today's meeting. Mr. Williams discussed the SBA's major initiatives including securities lending, changes in portfolio guidelines, enhancements of compliance and controls, the SBA budget, and board governance. He introduced Mr. Rob Gidel, the new appointment of Attorney General Bill McCollum, and asked him to share his background with the group.

PERFORMANCE UPDATE AND MAJOR INITIATIVES

Mr. Kevin SigRist, Deputy Executive Director, gave an update on performance of the major asset classes and an update on major SBA initiatives including Strategic Investments, a speciality consultant search to support staff reviews of potential direct investments in venture capital funds and hedge funds, a securities lending program review by Callan that is nearing completion and Phase II of the Deloitte & Touche Compliance Review.

PRIVATE EQUITIES INVESTMENT REVIEW AND UPDATE ON FLORIDA GROWTH FUND

Mr. Mario Giannini, CEO of Hamilton Lane, provided his firm's annual independent review of the structure and performance of the SBA's private equity portfolio. He also addressed the status and outlook of the overall private equity market.

Mr. Giannini also gave an update on the Florida Growth Fund initiative that is a result of the Florida Technology and Growth Act (SB 2310) from the 2008 Florida legislative session. Hamilton Lane will manage \$250 million of capital on behalf of the Florida Retirement System Pension Fund dedicated to prudent investment in technology and growth related businesses with significant presence in the state of Florida.

INVESTMENT PLAN REVIEW

Mr. Steve Cummings and Ms. Kristen Doyle, Ennis Knupp & Associates, and Mr. Ron Poppell, SBA, gave a quarterly update on the performance of the FRS Investment Plan. The discussion indicated the plan is up 14 percent since March 2009. The plan membership continues to grow even in the down economy. Investment patterns indicate a movement of assets from equities to fixed income and money market funds.

SCHEDULED MEETINGS/CLOSING REMARKS/ADJOURNMENT

It was agreed the next meeting would be Thursday, September 24, 2009. Ms. McCague mentioned a conflict in the schedule of the December meeting, Mr. Williams suggested we could look at an alternate date for the December 2009 meeting.

The Investment Advisory Council Agenda concluded at 11:05 a.m.

(Further meeting information can be found in the written transcripts of the meeting kept by the State Board of Administration.)