

UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN SENATE
(Final; Information)

SUR.17.01 Report on SURSMAC* Meeting October 26, 2016**

This meeting of SURSMAC was different from previous meetings in two regards. First, it was decided to use a webinar format to bring the members together. Due to budget cuts and limited travel funds available to the members, this format was chosen to see if participation would increase. Second, until the SURSMAC's Constitution can be revised to incorporate this meeting format, this and subsequent meetings will be limited to providing information to the members. Once the revisions are in place, SURSMAC will be able to take formal actions at subsequent meetings.

SURS Chief Operating Officer Andrew Matthews called the meeting to order at about 10 a.m. and explained why the webinar format had been chosen. He noted that the Constitution would be revised to complete the adoption of the new format.

Mr. Matthews reported that the SURS Board of Trustees has selected Mr. Martin Noven as the new Executive Director. Mr. Noven is the current Senior Director for Government Markets at TIAA (Teachers Insurance and Annuity Association of America) and previously worked for the Illinois State Treasurers Office in various management positions. Mr. Noven planned to relocate to the Champaign-Urbana area and his first day would be November 2, 2016.

Mr. Matthews also reported that The Board of Trustees has enlisted the help of Heidrick and Struggles to lead the national search to choose a new Chief Investment Officer to replace Dan Alley who retired earlier this year. The goal would be to have someone in place by the end of the year.

Legislative Liaison Kristen Houch presented a legislative update including a discussion of the following Bills affecting annuitants that had been signed by the Governor: House Bill 4259 – SURS Participation Limited to Public Employees; House Bill 6021 – Election to Restore Survivors Insurance Benefits; House Bill 6030 – Deceased Annuitant Identification Process; and Senate Bill 2156 – SURS Participation, Basic Compensation, and Earnings Limitations. She also discussed the Stopgap Budget Implementation Act the Governor signed into law June 30, 2016.

Director of Member Services Angie Lieb provided an update on Public Act 99-0682 and Public Act 99-0897. The former refers to repaying a survivor refund to restore survivor benefits depending on marital status and retirement date. The latter refers to how someone can establish service and earnings for a furlough or a voluntary pay reduction in live of furlough.

Interim Chief Investment Officer Douglas Wesley provided an investment update. He noted that the annual investment plan is posted on the SURS website. It reviews the current fiscal year results, defines the next fiscal year strategy, and provides up to date information on these issues.

For up to date information please visit the SURS website. Since 2015 changes have been implemented for the Emerging Market Debt search. 3 Real Estate Managers, 2 Hedge Fund to Fund Managers and 2

Commodities Managers have been added. Since these additions Asset Allocation changes have increased. Looking into 2017 more changes to Private Equity classes and another review of asset allocation are up for review. We are looking forward to hiring a new Chief Investment Officer and hopefully see more positive returns like we are now.

Jayne Defend, Chair of SURSMAC, and Mr. Matthews concluded the meeting. They noted that the SURSMAC website has been updated and will contain the minutes for the SURSMAC meeting. Contact information for the SURSMAC members will also be available on the site.

At approximately 11:30 a.m., the meeting was adjourned sine die.

Respectfully Submitted,

H.F. (Bill) Williamson
John Kindt
UIUC Senate Representatives

*SURSMAC is the State Universities Retirement System Members Advisory Committee to the SURS Board of Trustees. Members are faculty and staff representing the various institutions and agencies affected by SURS: public universities, community colleges, state surveys, and retiree organizations. It normally meets twice a year in Champaign, Illinois.

** This report paraphrases some salient excerpts from the SURSMAC Minutes for this meeting prepared by COO Andrew Matthews, and the work of SURS employees is hereby acknowledged and appreciated.