

VERMONT PENSION INVESTMENT COMMITTEE
December 16, 2008

VPIC Members Present:

STEPHEN RAUH, CHAIR, VMERS Governor's Delegate, term expiring June 30, 2010
JEB SPAULDING, VICE-CHAIR, VT State Treasurer
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2011
DICK JOHANNESSEN, Governor's Delegate, term expiring June 30, 2010
MICHAEL K. SMITH, Governor's Delegate, term expiring June 30, 2012

VPIC Member(s) Absent:

WARREN WHITNEY, VSERS Representative, term expiring June 30, 2012

VPIC Alternate Members Present:

STEVEN JEFFREY, VMERS *Alternate*, term expiring June 30, 2010
ROBERT HOOPER, VSERS *Alternate*, term expiring June 30, 2012
VAUGHN ALTEMUS, *Alternate* Governor's Delegate, term expiring June 30, 2010

VPIC Alternate Member(s) Absent:

JON HARRIS, VSTRS *Alternate*, term expiring June 30, 2011

Also attending:

Donna Holden, Clerk
David Minot, Director of Finance and Investments
Bill Rice, Director of Policy and Law
Bill Griffin, Chief Assistant Attorney General
Jaye Pershing-Johnson, Assistant Attorney General
Chris Levell and Kevin Kondry, Joel Paula, NEPC
Linda Deliduka, Association of Retired Teachers, VSTRS
Kevin Gaffney, VSERS Board of Trustees
Investment Manager: Logan Circle

CALL TO ORDER:

The Chair, Steve Rauh, called the Tuesday, December 16, 2008, *conference call* meeting to order at 2:35 p.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

ITEM 1: **Agenda Approval**

Mr. Rauh advised the Committee two items would be discussed under other business. Hearing no objections, the agenda was considered accepted.

ITEM 2: **Investment Manager Review – Logan Circle**

Ryan Brist, Chief Investment Officer, Jude Driscoll, Managing Partner, Steve Cianci, Sr. Portfolio Manager, and David Prince, Client Service Officer, participated in the conference call meeting.

Mr. Brist and Mr. Cianci provided an explanation of the firm's investment philosophy, sector focus, security selection, attribution of performance, analysis of core holdings, dominate themes and strategies, and portfolio profile. They also presented a case for the portfolio's positions, focusing on the extraordinary yield spread of these instruments versus treasuries.

Members of the NEPC team expressed their support of the manager and advised the Committee they believed the portfolio was positioned for the market's recovery.

The Committee discussed and agreed to reaffirm their relationship with Logan Circle; however, the Committee also agreed to continue monitoring the manager's performance.

Mr. Spaulding left the meeting during the next item.

Mr. Hooper left the meeting during the next item.

ITEM 3: Discuss Bank Loan RFP Results & Select Finalists

Mr. Paula reviewed the search results provided by NEPC, which listed five potential managers. NEPC also discussed funding options, which included sourcing funds either from equity allocations or credit spread portfolios, and to either allocate funds to this asset class with several incremental deposits or one large deposit.

The Committee agreed to postpone further action until after the asset allocation discussion at the February 2009 meeting.

ITEM 4: Any Other Business to Come Before the Committee

A. State Street bank Contract Extension

On a motion by Mr. Johannesen seconded by Mr. Rauh, the Committee unanimously voted to authorize the Chair to sign a one-year custody contract extension for State Street Bank.

Mr. Smith left the meeting during the next item.

B. VPIC Tuck Student Project

Mr. Rauh advised the Committee that Mr. Mackey, Mr. Spaulding and he would hold a conference call with the Tuck School students on Wednesday, December 17, 2008, at 5:00 p.m. to discuss several possible project options, work plan, etc. He also said two faculty advisors would oversee the student's work. Mr. Rauh will keep VPIC informed as the project takes shape.

Adjournment

Hearing no other business, and no objection, the Chair declared the meeting adjourned at 4:30 p.m.

Respectfully submitted,

Donna Holden, Clerk