

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



Board Members:

Governor
Mark Dayton

State Auditor
Rebecca Otto

Secretary of State
Mark Ritchie

Attorney General
Lori Swanson

Executive Director:

Howard J. Bicker

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August 16, 2013

The Honorable Paul Thissen
Speaker of the House
463 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Dear Representative Thissen:

This letter is in response to your letter of August 2, 2013 concerning the State Board of Investment's Investment Advisory Council.

1) The Mission of the Investment Advisory Council (IAC).

The mission of the Investment Advisory Council is to provide advice and independent due diligence review of the investment policy and implementation recommendations that guide State Board of Investment investment of \$65 billion of assets. All proposed investment policies are reviewed by the IAC before they are presented to the SBI for action. The Chair of the IAC presents the investment report and any recommendations to the Board at each of its quarterly meetings.

Duties of the IAC as set forth in section 11A.08 include "to advise the SBI and Staff on general policy matters relating to investments; to advise the SBI and Staff on methods to improve the rate of return on invested assets while insuring adequate security..."

2) Membership, Compensation and Budget

By statute, the Board appoints ten members experienced in finance and investment. These members traditionally have come from the Minneapolis and St. Paul investment community. The Commissioner of Minnesota Management & Budget and the Executive Directors of the three statewide retirement systems are permanent members of the Council. The Governor appoints two active employee representatives and one retiree representative.

The members of the IAC as of June 30, 2013 are:

Jeffery Bailey, Chair
Director, Benefits Finance
Target Corporation

Malcolm W. McDonald
Vice Chair
Director & Corporate Secretary
(Retired)
Space Center, Inc.

Denise Anderson
Governor's Appointee
Active Employee Representative

David Bergstrom
Executive Director
Mn. State Retirement System

John E. Bohan
V.P., Pension Investments
(Retired)
Grand Metropolitan- Pillsbury

Kerry Brick
Manager, Pension Investments
Cargill, Inc.

Dennis Duerst
Director, Benefits Funds Investment
3M Company

Kim Faust
Director, Treasury & Fin'l Reporting
Allina Health

Douglas Gorence
Chief Investment Officer
UMF Investment Advisors

Laurie Fiori Hacking
Executive Director
Teachers Retirement Association

P. Jay Kiedrowski
Senior Fellow
Humphrey Institute
University of MN

Judith W. Mares Lazar
Chief Investment Officer
ATK

Gary Martin
V.P., Pension Investments
SUPERVALU, Inc.

Jim Schowalter
Commissioner
Minnesota Management & Budget

Mary Vanek
Executive Director
Public Employees Retirement Association

Elaine Voss
Governor's Appointee
Retiree Representative

IAC members are not compensated for their service and the IAC has no budget.

The IAC has no website. The SBI's website provides the names of the IAC members and its activities.

- 3) The IAC meets quarterly typically two weeks before the quarterly SBI meetings. The schedule of meetings for calendar 2013 is:

IAC
February 19, 2013
May 16, 2013
August 20, 2013
November 19, 2013

SBI
March 6, 2013
June 5, 2013
September 11, 2013
December 11, 2013

If these answers to your questions are not sufficient, please contact me.

Sincerely,



Howard Bicker
Executive Director