

INVESTMENT COMMITTEE MEETING

AGENDA ITEM 11

ATTACHMENT

SEPTEMBER 10, 2008 INVESTMENT COMMITTEE MEETING  
MINUTES – OPEN SESSION

PRESENTED BY: Vince Mudd

November 20, 2008

**STATE COMPENSATION INSURANCE FUND  
INVESTMENT COMMITTEE**

**MINUTES OF MEETING**

**September 10, 2008**

The Investment Committee met on September 10, 2008 in the Milton F. Marks Auditorium, State Building, 455 Golden Gate Ave, San Francisco, California.

The meeting was called to order by Investment Chair Vincent Mudd at 3:50 p.m. and the following were present:

**AGENDA ITEM 1: ROLL CALL**

Present: Vincent E. Mudd, Chair; Francis (Frank) E. Quinlan; Don Moulds

Also present: Acting Chief Financial Officer Jay Stewart; Fiscal and Investment Services Manager Leslie Dawe; Treasury Services Manager Stephanie Chan; President Janet Frank; Executive VP Jim Neary; Assistant Chief Counsel and Secretary Judith D. Sapper; and Randall Keen, Esq. of Manatt Phelps & Phillips; Board Chair Jeanne Cain; Sheryl Chalupa.

The meeting immediately convened into Closed Session and reconvened into Open Session at 4:30 p.m.

**AGENDA ITEM 4: APPROVAL OF MINUTES**

The minutes of the July and August meetings were approved.

MOTION: Mr. Quinlan      Second: Mr. Moulds

To approve the minutes of the meetings of the Investment Committee of July 9, 2008 and August 26, 2008.

AYES: 2      NOES: 0      Motion carried.

**AGENDA ITEM 5: INVESTMENT COMMITTEE CHARTER**

The draft Investment Committee Charter was presented and the following action was taken.

MOTION: Mr. Quinlan      Second: Mr. Mudd

To approve the Investment Committee Charter as presented and with the adoption of a three (3) year term of service renewable for one (1) additional term.

AYES: 2      NOES: 0      Motion carried.

The Charter will be amended when there is an eleven-member Board.

**AGENDA ITEM 6: COMPLIANCE REPORT**

The compliance report was presented. MBIA was rated A- and is now BBB; it is out of compliance but not impaired. CIT is below State Fund's Investment Policy standards but State Fund would incur a big loss if it sold now. The duration was discussed briefly. It was noted the book yield would probably go down. After acknowledging the compliance status of State Fund's investments the following action was taken.

MOTION: Mr. Quinlan      Second: Mr. Mudd

To recommend the Board of Directors accept the compliance status of the securities on the compliance report.

AYES: 2      NOES: 0              Motion carried.

**AGENDA ITEM 7: INVESTMENT TRANSACTIONS**

The bond transactions for June and July were presented and the following action was taken.

MOTION: Mr. Quinlan      Second: Mr. Mudd

To recommend the Board of Directors ratify the bond transactions for the period of June 1, 2008 through July 31, 2008.

AYES: 2      NOES: 0              Motion carried.

**AGENDA ITEM 8: PROPOSED NOVEMBER AGENDA**

The Committee directed that standing agenda items be added for a Market Outlook Update and an Open Committee Comment period.

**ADJOURNMENT**

There being no further business before the Investment Committee, on MOTION by Mr. Quinlan, Seconded by Mr. Mudd, and carried, the meeting adjourned at 5:10 p.m.