

PUBLIC AGENDA ITEM - #10

10. Review, Discussion and Consideration of Appointments to the
Investment Advisory Committee Members

August 25, 2009

BACKGROUND:

The Employees Retirement System of Texas (ERS) Investment Advisory Committee (IAC) is made up of at least five and not more than nine members. Members are selected on the basis of experience in the management of a financial institution or other business in which investment decisions are made or as a prominent educator in the fields of economics or finance. IAC members serve at the pleasure of the Board of Trustees for staggered terms of three years. The IAC selects a chairperson from its members for a one-year term to serve as liaison to the Board of Trustees.

A quorum of the IAC meets at least quarterly with the Board of Trustees. Individual members meet as appropriate with ERS staff and current or prospective investment advisors and consultants. ERS staff utilizes the expertise of IAC members in assessing investment strategies and advisors and may request IAC members participate in selection and review committees and to provide insights from such participation to the Board of Trustees.

The IAC reviews ERS' investments to be sure they conform to the investment objectives and policies adopted by the Board of Trustees. From time to time, together with the ERS staff and investment consultants or advisors, Committee members recommend to the Board of Trustees asset mix, portfolio strategy, investment policy, and eligible securities.

On August 31, 2009, the appointments of IAC members Laura Starks and Robert Alley will expire. Both of these members bring valuable expertise and experience to ERS' investment program. In addition to providing advice to the Board and staff, each has given their time to serve on committees for special projects undertaken by Investments staff.

STAFF RECOMMENDATION:

Both Dr. Starks and Mr. Alley have indicated their desire to remain members of the IAC and staff recommends the Board reappoint them to the IAC for a three-year term ending August 31, 2012. The staff recommended motion is attached to this agenda item.

ATTACHMENTS – 2

Exhibit A – Biographical Information for Dr. Laura T. Starks

Exhibit B – Biographical Information for Robert G. Alley

PROPOSED ACTION - #10

10. Review, Discussion and Consideration of Investment Advisory Committee Members

August 25, 2009

The ERS staff recommends the following motion to the Investment Advisory Committee:

I move that the Board of the Trustees of the Employees Retirement System of Texas renew the Investment Advisory Committee contracts for Dr. Laura T. Starks and Mr. Robert G. Alley for three-year terms ending August 31, 2012