

**Minutes of the Meeting of the Investment Committee of the TCRS Board of Trustees
November 22, 2013**

The Investment Committee ("Investment Committee") of the Tennessee Consolidated Retirement System ("TCRS") Board of Trustees met at 9:00 a.m. on November 22, 2013 in the Executive Conference Room on the Ground Floor of the State Capitol. Mr. Hargett called the meeting to order promptly at 9:00 a.m. and called roll. Investment Committee members introduced themselves and included The Honorable David H. Lillard, Jr., State Treasurer, via teleconference; The Honorable Tre Hargett, Secretary of State; and Mr. Bob Wormsley, Local Government Insurance Pool. Mr. Rick Newton, representing the Department of Finance and Administration, attended in the absence of Commissioner Larry Martin. Additional attendees included Mr. Keith Boring, Director of Policy & Research; Mr. Bill Abney, Assistant to the Treasurer for Investments; Ms. Jennifer Selliers, Compliance Officer; Mr. Michael Brakebill, Chief Investment Officer; Mr. Andrew Palmer, Deputy Chief Investment Officer; Mr. Daniel Crews, Interim Director of Private Equity; and Mr. Arthur Henderson, Health Care Portfolio Manager.

Mr. Hargett indicated for the record that he will serve as the meeting's Acting Chair since Treasurer Lillard is participating via teleconference. Treasurer Lillard concurred. Since a physical quorum was not present at the start of the meeting, Mr. Hargett read the following disclosure statement:

"Because we do not have a physical quorum of the members present at this meeting and a quorum is participating by electronic or other means of communication, this body must make a determination that a necessity exists to have a quorum of its members participate by electronic or other means of communication. The determination of necessity and a recitation of the facts and circumstances on which it is based, must be included in the minutes of the meeting. The necessity is that private equity transactions need to be completed by December 10, 2013. The next regularly scheduled TCRS Board of Trustees meeting is December 9, 2013 and that doesn't allow adequate close time."

Mr. Hargett moved to the first agenda item, asking Mr. Daniel Crews to introduce the proposed investment by TCRS in General Catalyst Group VII, L.P. General Catalyst Group is a private equity firm that invests in both early/seed stage companies and late/growth stage companies. Mr. Crews provided additional background on the firm, including its mission, strategy and historical performance, and details on the investment in General Catalyst Group VII, L.P. Cambridge Associates and TCRS staff recommended making a \$30 million commitment to General Catalyst Group VII, L.P. Mr. Hargett made a motion to approve the investment in General Catalyst Group VII, L.P. pending successful legal negotiations. The motion was seconded by Treasurer Lillard and unanimously approved.

Mr. Bill Kemp, Sumner County Clerk and Member of the Investment Committee, arrived at the meeting, resulting in a physical quorum.

Mr. Daniel Crews next presented the proposed investment by TCRS in Trident VI, L.P. ("Trident"). Trident is a financial services-focused fund run by Stone Point, a private equity

firm. Mr. Crews described the background, mission and strategy of Trident as well as the historical performance of Stone Point. Cambridge Associates and TCRS staff recommended making a \$75 million commitment to Trident VI, L.P. Mr. Hargett moved to approve the investment in Trident VI, L.P. pending successful legal negotiations. The motion was seconded by Mr. Wormsley and unanimously approved.

Mr. Daniel Crews next presented the proposed investment by TCRS in ASF VI, L.P. ("ASF"). ASF VI is the sixth secondary fund being raised by Ardian, formerly known as AXA Private Equity. More specifically, the fund plans to invest in 15 to 20 secondary transactions (i.e., purchasing interests in existing private equity partnerships and/or portfolios of direct company interests). Mr. Crews provided additional background on and historical performance of Ardian as well as further details on ASF. Cambridge Associates and TCRS staff recommended making a \$75 million commitment to ASF VI, L.P. Mr. Hargett moved to approve the investment in ASF VI, L.P. pending successful legal negotiations. The motion was seconded by Mr. Wormsley and unanimously approved.

Mr. Hargett asked Mr. Brakebill if he had any other business matter he wished to discuss. Mr. Brakebill replied that he did not.

Treasurer Lillard asked Mr. Crews to describe the General Catalyst Group VII, L.P. investment proposal for Mr. Kemp. Mr. Hargett made a motion to reconsider the General Catalyst Group VII, L.P. investment. The motion was seconded by Treasurer Lillard and Mr. Wormsley. Mr. Crews discussed the firm's background, including its mission, strategy and historical performance, and details on the investment in General Catalyst Group VII, L.P. Cambridge Associates and TCRS staff recommended making a \$30 million commitment to General Catalyst Group VII, L.P. Mr. Hargett made a motion to approve the investment in General Catalyst Group VII, L.P. pending successful legal negotiations. The motion was seconded by Treasurer Lillard and unanimously approved.

Members of the Investment Committee had no further questions, at which point Mr. Hargett made a motion to adjourn the meeting. The motion was seconded by Mr. Wormsley and unanimously approved. The meeting of the Investment Committee was then adjourned.

Respectfully submitted,



Michael Brakebill
Chief Investment Officer

APPROVED:



David H. Lillard, Jr., Chairman
TCRS Board of Trustees