

**Minutes of the Meeting of the Investment Committee
January 10, 2018**

The Investment Committee of the Tennessee Consolidated Retirement System (TCRS) met on January 10, 2018 in the State Capitol. The Honorable David H. Lillard, Jr., State Treasurer, called the meeting to order at 2:00 PM. Investment Committee members in attendance included: Treasurer Lillard; Honorable Tre Hargett, Secretary of State; Bob Wormsley, President/CEO of Local Government Insurance Pool; Bill Kemp, Sumner County Clerk. Additional attendees included: Keith Boring, Director of Policy & Research; William Wood, Comptroller's Office; Michael Brakebill, Chief Investment Officer; Derrick Dagnan, Deputy Chief Investment Officer; Jeff Dunn, Senior Portfolio Manager; Jennifer Selliers, Investment Compliance Officer; Gillian Johnson, Assistant Director of Communications; Austin Monsrud, Junior Investment Analyst.

Treasurer Lillard began the meeting by asking Jeff Dunn to present a Strategic Lending transaction for approval.

Mr. Dunn recommended a \$100 million commitment to GSO Credit Alpha II. In 2015, TCRS committed \$50 million to the funds predecessor, GSO Credit Alpha. Dunn highlighted the attractive returns that the portfolio has enjoyed from participating in the first fund, which is currently about 70% invested. Mr. Dunn commented that as a subsidiary of Blackstone, he expects GSO to continue to leverage the greater company's platform to source enticing deals and drive performance in GSO Credit Alpha II.

The Treasurer then motioned to approve the transaction which was seconded by Secretary Hargett. The motion was approved unanimously by voice vote.

Michael Brakebill then discussed overall TCRS performance, noting that since the last meeting of the Investment Committee, fund assets have surpassed \$50 billion. Reflecting upon core PCE inflation, Mr. Brakebill then detailed how the Federal Reserve's preferred measure of inflation remains below the 2.0% target. Staff continues to monitor economic trends, witnessing an uptick in growth over the course of 2017 that surpassed expectations across the globe, most notably in Japan and Europe.

The Treasurer then adjourned the meeting at 3:20 PM.

Respectfully submitted,



Michael Brakebill
Chief Investment Officer

APPROVED:



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