

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES**

AGENDA

September 24, 2015 – 8:00 a.m.

September 25, 2015 – 10:00 a.m.

TRS East Building, 5th Floor, Boardroom

NOTE: The Board may take up any item posted on the agenda during its meeting on Thursday, September 24, 2015 or during the meeting on the following day beginning at the time and place specified on this agenda.

The open portions of the September 24-25, 2015 Board meeting are being broadcast over the Internet. Access to the Internet broadcast of the Board meeting is provided on TRS' website at www.trs.state.tx.us.

1. Call roll of Board members and recognize any newly appointed or reappointed member.
2. Consider the following administrative matters – David Kelly:
 - A. Approval of the proposed July 24, 2015 Board meeting minutes.
 - B. Consider excusing Board member absences from the July 24, 2015 Board meeting.
 - C. Consider the election of the Board Vice-Chair.
 - D. Consider consenting to the Board Chair's appointment of committee members, and receive the Board Chair's public announcement of committee chairs.
 - E. Consider Board and committee meeting dates for calendar year 2016.
3. Provide opportunity for public comments – David Kelly.
4. Discuss and consider investment matters, including Second Quarter 2015 Performance Review – Steve Voss and Mike Comstock, Aon Hewitt.

NOTE: The Board meeting likely will recess after the last item above to conduct committee meetings and resume upon adjournment of the committee meetings to take up the items listed below.

5. Receive a presentation on the 2015 Pension Trust Fund Experience Study and consider a adopting a resolution amending actuarial assumptions for the TRS Pension Trust Fund – Joe Newton, Gabriel, Roeder Smith and Co.
6. Review the report of the Risk Management Committee on its September 24, 2015 meeting – Committee Chair.

7. Review the report of the Policy Committee on its September 24, 2015 meeting – Committee Chair.
8. Review the report of the Compensation Committee on its September 24, 2015 meeting, and consider related matters, including the development of a compensation plan, general compensation matters, and confirming continuation and adoption of the Performance Incentive Pay Plan for the Performance Period beginning October 1, 2015 – Committee Chair.

***NOTE:** The Board meeting likely will recess after the last item above and resume Friday morning to take up items listed below.*

9. Provide opportunity for public comments – David Kelly.
10. Review and discuss the Executive Director's report on the following matters – Brian Guthrie:
 - A. Administrative operational matters, including goals for Fiscal Year 2015 and updates on financial, audit, legal, staff services, board administration activities, special projects, long-term space planning, and strategic planning.
 - B. Board operational matters, including a review of draft agendas for upcoming meetings.
 - C. Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.
11. Receive an update on the TEAM Program – David Cook and Adam Fambrough; Jay Masci, Provaliant.
12. Receive a presentation from the TEAM Program Independent Program Assessment (IPA) Vendor – Michael Johnson, Bridgepoint Consulting.
13. Review the report of the Investment Management Committee on its September 24, 2015 meeting, and consider related matters – Committee Chair.
14. Review the report of the Audit Committee on its September 25, 2015 meeting, and discuss and consider adoption of the proposed Audit Plan for Fiscal Year 2016 – Committee Chair.
15. Review the reports of the Chief Financial Officer regarding expenditures, current financial review, and other financial matters involving TRS programs – Don Green.
16. Review the report of the Chief Benefit Officer, and consider the following related matters – Barbie Pearson:

- A. Approve the number of members qualified for retirement.
 - B. Approve the minutes of the May 2015 Medical Board meetings.
 - C. Consider an appointment to the Medical Board and a resolution authorizing staff to negotiate and execute a contract with the appointed member.
17. Consider concurring in the Medical Board's certification regarding multiple disability retirees under Section 824.307 of the Government Code, discontinuing annuity payments for certain retirees, and restoring the retirees to membership – Barbie Pearson.
 18. Review and discuss the Deputy Director's report, including matters related to administrative, financial, and staff services operations – Ken Welch
 19. Review the report of the General Counsel on pending and contemplated litigation, including updates on litigation involving benefit-program contributions, retirement benefits, health-benefit programs, and open records – Carolina de Onís.
 20. Consider personnel matters, including the appointment, employment, evaluation, compensation, performance, duties, discipline, or dismissal of the Executive Director, Chief Investment Officer, or Chief Audit Executive – David Kelly.
 21. Consult with the Board's attorney(s) in Executive Session on any item listed above on this meeting agenda as authorized by Section 551.071 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code) – David Kelly.

Minutes of the Board of Trustees
September 24-25, 2015

The Board of Trustees of the Teacher Retirement System of Texas met on September 24, 2015 in the boardroom located on the fifth floor of the TRS East Building offices at 1000 Red River Street, Austin, Texas. The following board members were present:

David Kelly, Chair
Nanette Sissney, Vice-Chair
Todd Barth
Karen Charleston
Joe Colonna
David Corpus
Christopher Moss
Anita Palmer
Dolores Ramirez

Others present:

Brian Guthrie, TRS	Rebecca Smith, TRS
Ken Welch, TRS	Heather Traeger, TRS
Jerry Albright, TRS	Dale West, TRS
Carolina de Onís, TRS	Dr. Keith Brown, Investment Advisor
Howard Goldman, TRS	Steve Huff, Reinhart Boerner Van Deuren
T. Britton Harris IV, TRS	Steve Voss, Aon Hewitt
Rebecca Merrill, TRS	Mike Comstock, Aon Hewitt
Grant Birdwell, TRS	Joe Newton, Gabriel, Roeder, Smith & Company
Ronnie Bounds, TRS	Ann Fickel, Texas Classroom Teachers Association
Patricia Cantú, TRS	Philip Mullins, Texas Retired Teachers Association
Katy Hoffman, TRS	Ted Melina Raab, Texas American Federation of Teachers
Bob Jordan, TRS	Josh Sanderson, Association of Texas Professional Educator
Dan Junell, TRS	Ann Baddour, Texas Appleseed
Eric Lang, TRS	Jim Baker, Unite Here
Lynn Lau, TRS	Brenda Dulger-Sheikin, State Street
Hugh Ohn, TRS	Tathata Lohachitkul, Albourne America
Mike Pia, TRS	James Walsh, Albourne America

Mr. Kelly called the meeting to order at 8:18 a.m.

1. Call roll of Board members and recognize any newly appointed or reappointed member.

Ms. Lau called the roll. A quorum was present. Mr. Barth arrived shortly after the roll call.

2. Consider the following administrative matters – David Kelly:

E. Consider Board and committee meeting dates for calendar year 2016.

On a motion by Mr. Moss, seconded by Mr. Corpus, the board unanimously approved the following board and committee meeting dates for calendar year 2016:

February 24 – 26, 2016 (already set for Region 10 ESC in Richardson)
April 7 – 8, 2016 (quarterly meeting)
May 13, 2016 (one-day)
June 16 – 17, 2016 (quarterly meeting)
July 29, 2016 (one-day)
September 22 – 23, 2016 (quarterly meeting)
October 28, 2016 (one-day)
December 1 – 2, 2106 (quarterly meeting)

B. Consider excusing Board member absences from the July 24, 2015 Board meeting.

On a motion by Ms. Sissney, seconded by Ms. Palmer, the board unanimously excused the absences of Mr. Corpus and Ms. Ramirez from the July 24, 2015 meeting.

C. Consider the election of the Board Vice-Chair.

D. Consider consenting to the Board Chair's appointment of committee members, and receive the Board Chair's public announcement of committee chairs.

Mr. Kelly announced that the board would defer the election of the Board Vice-Chair and appointment of committee members and chairs to a future meeting.

A. Approval of the July 24, 2015 Board meeting minutes.

On a motion by Mr. Moss, seconded by Ms. Charleston, the board unanimously approved the proposed minutes of the July 24, 2015 board meeting, as presented.

3. Provide opportunity for public comments – David Kelly.

Mr. Jim Baker of Unite Here addressed the board concerning TRS' investments in Lone Star Funds. He stated his concerns over practices of discrimination based on race and national origin by its executives and predatory payday and auto title lending practices. He urged TRS staff to insist that Lone Star Funds and the firms they invest in comply with Federal Deposit Insurance Corporation (FDIC) lending standards or divest from related investments.

Ms. Baddour of Texas Appleseed addressed the impact of predatory payday and auto title lending practices in Texas. She stated that she hoped the board would assess whether TRS' investments in a payday lending entity was consistent with TRS' values.

Mr. Kelly asked Mr. Guthrie to include the topic of social and ethical investing on the agenda of the annual retreat meeting in February 2016. He also suggested that Mr. Baker and Ms. Baddour address their issues to the legislature.

4. Discuss and consider investment matters, including Second Quarter 2015 Performance Review – Steve Voss and Mike Comstock, Aon Hewitt.

Mr. Voss presented the trust performance review on a year-to-date basis through August. Responding to a question from Mr. Kelly regarding how TRS' ranges of volatility compared with other peer groups, Mr. Voss stated that it was slightly wider, but still close to policy ranges. He stated that current ranges provided staff with tactical freedom flexibility, which allowed staff to adequately rebalance. He also stated for Dr. Brown that other peer groups typically aimed for 5 percent points above or below a broad asset class target range, which was wider for liquid assets.

Mr. Comstock presented the total fund attribution on a one-year basis and a performance summary ending June 30, 2015. Mr. Voss confirmed for Dr. Brown that an up/down capture analysis for the whole portfolio was provided to IMD. Mr. Harris stated for Dr. Brown that the hit ratio would provide the down market data relative to the fund's benchmark. He stated that historical records show that the fund's downside volatility had been lower than typical funds. He stated for Mr. Kelly that there was more correlation between the depth of a bear market and the advance of the market in response.

The board recessed at 9:05 a.m. to conduct committee meetings. After the recess, the board meeting reconvened at 3:16 p.m.

5. Receive a presentation on the 2015 Pension Trust Fund Experience Study and consider adopting a resolution amending actuarial assumptions for the TRS Pension Trust Fund – Joe Newton, Gabriel, Roeder Smith and Co.

Mr. Newton provided an overview of the experience study and discussed its purpose, actuarial standards for setting reasonable assumptions, and specific attributes that impact TRS' assumption set. He discussed recommendations made by Gabriel, Roeder, Smith & Company (GRS) and TRS staff, including:

- Continuing an 8 percent investment return assumption;
- No longer netting administrative expenses against the investment return and, instead, adding an explicit administrative expense of 0.12 percent to the normal cost;
- Updating post-retirement mortality tables for both disability and service retirees to reflect recent TRS member experience as described in the study;
- Decreasing the inflation assumption from 3.00 percent to 2.50 percent;
- Decreasing the ultimate merit assumption for long-service employees from 1.25 percent to 1.00 percent;
- Lowering the payroll growth assumption from 3.50 percent to 2.50 percent; and
- Updating the service-based promotional/longevity component of the salary scale as described in the study.

Mr. Newton explained for Ms. Palmer that the investment return assumption had taken into account both investment and non-investment expenses in the past, but that new accounting

standards required the return assumption to only account for investment expenses. He clarified for Ms. Palmer that the proposed change would slightly take pressure off of the 8 percent investment return target. He also noted some minor recommendations for simplifying the model.

On a motion by Mr. Colonna, seconded by Mr. Moss, the board unanimously voted to accept all the actuarial assumptions recommended by staff and GRS.

Mr. Kelly announced that the board would take up agenda item 7.

7. Review the report of the Policy Committee on its September 24, 2015 meeting – Committee Chair.

Mr. Colonna, Committee Chair, provided the following report of the Policy Committee:

The Policy Committee met today, September 24, 2015. The committee adopted the proposed minutes of the June 11, 2015 meeting. The committee further authorized for public comment and publication in the *Texas Register* proposed amendments to Chapters 25 through 49 of TRS rules. The committee also adopted the annual updates to the Policy Review Schedule.

6. Review the report of the Risk Management Committee on its September 24, 2015 meeting – Committee Chair.

Ms. Charleston, Committee Chair, provided the following report of the Risk Management Committee:

The Risk Management Committee met on September 24, 2015. Jase Auby provided a review of the investment risk report.

8. Review the report of the Compensation Committee on its September 24, 2015 meeting, and consider related matters, including the development of a compensation plan, general compensation matters, and confirming continuation and adoption of the Performance Incentive Pay Plan for the Performance Period beginning October 1, 2015 – Committee Chair.

Ms. Sissney, Committee Chair, provided the following report of the Compensation Committee:

The Compensation Committee met September 24, 2015. The committee adopted the proposed minutes of the previous meeting in June. The committee received a presentation on matters related to the current performance incentive plan for investment staff from Jerry Albright. The committee recommended continuation and adoption of the performance incentive pay plan for the performance period beginning October 1, 2015. The committee also received a presentation from Keith Robinson, Focus Consulting, and Janet Bray on matters related to the executive compensation, and the board deliberated on the executive director's performance, duties and compensation in closed session.

On a motion by Ms. Sissney as the committee chair, the board unanimously voted to confirm the continuation and adoption of the investment performance incentive pay plan for the performance period beginning October 1, 2015, as recommended by the committee.

Whereupon, the board meeting recessed at 3:30 p.m.

The Board of Trustees of the Teacher Retirement System of Texas reconvened on September 25, 2015 in the boardroom located on the fifth floor of the TRS East Building offices at 1000 Red River Street, Austin, Texas. The following board members were present:

David Kelly, Chair
Nanette Sissney, Vice-Chair
Karen Charleston
David Corpus
Christopher Moss
Anita Palmer
Dolores Ramirez

Others present:

Brian Guthrie, TRS	Garry Sitz, TRS
Ken Welch, TRS	Heather Traeger, TRS
Amy Barrett, TRS	Steve Huff, Reinhart Boerner Van Deuren
Chris Cutler, TRS	Jay Masci, Provaliant
Katrina Daniel, TRS	Michael Johnson, Bridgepoint Consulting
Carolina de Onís, TRS	Ann Fickel, Texas Classroom Teachers Association
Don Green, TRS	Philip Mullins, Texas Retired Teachers Association
Barbie Pearson, TRS	Ted Melina Raab, Texas American Federation of Teachers
Ronnie Bounds, TRS	John Grey, Texas State Teachers Association
David Cook, TRS	Josh Sanderson, Association of Texas Professional Educator
Adam Fambrough, TRS	Amy Timmons, HP
Dan Junell, TRS	Victor Ferreira, HP
Lynn Lau, TRS	Ernie Sanders, HP
	Joni Lozano, Caremark

Mr. Kelly called the meeting to order at 10:24 a.m.

1. Call roll of Board members and recognize any newly appointed or reappointed member.

Ms. Lau called the roll. A quorum was present. Mr. Barth and Mr. Colonna were absent.

9. Provide opportunity for public comments – David Kelly.

Mr. Kelly called for public comments. No public comment was received.

10. Review and discuss the Executive Director's report on the following matters – Brian Guthrie:

- A. Administrative operational matters, including goals for Fiscal Year 2015 and updates on financial, audit, legal, staff services, board administration activities, special projects, long-term space planning, and strategic planning.**
- B. Board operational matters, including a review of draft agendas for upcoming meetings.**

C. Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.

Mr. Guthrie shared with the board development of annual performance goals for fiscal year 2016. He stated that the goals were aligned closely with the strategic plan. He laid out the goals in each category, including operations, leadership, investment management, benefit services, and health care and how they would be measured. He stated that he had started working with the Executive Council to develop their developmental goals. He stated that he would provide the board a quarterly update on the progress of meeting those goals.

Mr. Guthrie provided an update on setting up the satellite investment office in London. He stated that the office would be formally opened in November and an 18-month assessment would begin after that. He stated that a press release had been sent to major publications in July and September to announce the opening.

Mr. Guthrie provided a general update on the agency-related activities. He stated that he had been elected the Region IV regional vice president for the 2015 National Association of State Retirement Administrators (NASRA) annual meeting. He also stated that Mr. Green had been named Texas State Agency Business Administrators (TSABBA) Administrator of the year. He highlighted the upcoming Texas Retired Teachers Association (TRTA) fall conventions and the National Council on Teacher Retirement (NCTR) trustee workshop.

Mr. Guthrie reviewed proposed agenda items for the upcoming October and November meetings.

Mr. Guthrie referred the board to the materials updating the board on board-approved contracts and trustees' travel expense reports.

11. Receive an update on the TEAM Program – David Cook and Adam Fambrough; Jay Masci, Provaliant.

Mr. Masci provided an update on the TEAM program as of May 29, 2015 and September 17, 2015 and described the changes of status between two periods. Mr. Kelly suggested adding a plus or minus sign to indicate whether the project risk had increased or decreased.

Mr. Cook provided an update on the TEAM-program budget for different areas. He projected a slight increase in the out-year budget because of the hiring of additional staff and contractors and the purchase of more hardware and software.

Mr. Masci discussed the current milestones. He highlighted two major milestones for the next board meeting: Line of Business (LOB) Phase 1A-Design and Build and Phase 1-Detailed Level Requirements. He stated that both milestones were well on schedule.

Mr. Fambrough provided an update on the pension LOB project. He stated that the project status had been elevated to orange because of gaps identified in some requirements during the testing process and required changes. He also highlighted key risks identified during this reporting period owing to lack of experience for large-scale user-acceptance testing and multiple new technologies within the LOB project.

Mr. Fambrough laid out the current objectives of the Reporting Entity Outreach (REO) project, including communication, training, and certification. He further discussed the ongoing activities and mechanism that would help reach these objectives. He also highlighted the key risks associated with the REO project.

12. Receive a presentation from the TEAM Program Independent Program Assessment (IPA) Vendor – Michael Johnson, Bridgepoint Consulting.

Mr. Johnson provided an update on the scorecard and observations for the Independent Program Assessment (IPA). He highlighted the improvement in the REO project and the user acceptance testing. He reported that the management team had addressed inconsistencies between TEAM project schedules and current projections, resource allocations and interdependencies by developing a resource loaded schedule that would resolve the problem. Mr. Johnson also reported on testing issues. He said that the engagement of Cognizant would help resolve issues by providing resource estimates and developing test plans. In response to a question from Ms. Palmer regarding the risk concerning insufficient resources to complete the testing, Mr. Johnson stated that Cognizant had validated sufficient resources to complete the testing. Mr. Sitz further explained the process of testing. Mr. Johnson and Mr. Cutler also briefly discussed security controls.

13. Review the report of the Investment Management Committee on its September 24, 2015 meeting, and consider related matters – Committee Chair.

In the absence of Mr. Colonna, Committee Chair, Mr. Kelly provided the following report of the Investment Management Committee:

The Investment Management Committee met on September 24, 2015. Jerry Albright discussed the opening of the London office, then the board received an update on the Strategic Partnership Network by Mike Pia and Grant Birdwell. Next Steve Voss and Mike Comstock from Aon Hewitt presented the hedge fund discussion. Following that there was a review of the external public markets portfolio presented by Dale West, Susanne Gealy and Brad Gilbert. The Investment Management Committee ended with an interview with Sam Zell of Equity Group Investments, which was conducted by Eric Lang.

14. Review the report of the Audit Committee on its September 25, 2015 meeting, and discuss and consider adoption of the proposed Audit Plan for Fiscal Year 2016 – Committee Chair.

Mr. Moss, Committee Chair, provided the following report of the Audit Committee:

The Audit Committee met at 8:00 on Friday, September 25, 2015 in the 5th Floor Boardroom. The State Auditor's staff presented their plan to conduct the audit of the TRS Comprehensive Annual Financial Report for fiscal year 2015. SAO staff also presented the results of the audit of TRS fiscal year 2014 employer pension liability allocation schedules. Sagebrush Solutions presented the results of the independent audit report on TRS-ActiveCare service providers.

Internal Audit staff and Protiviti representatives presented the results of the audit of information technology controls with third party investment service providers. Internal Audit staff presented the results of the fourth quarter test results of investment controls, overall opinion on investment management division internal controls, quarterly investment testing, semi-annual testing of benefit payments, the records management audit, and the follow-up audit on significant benefit audit findings. Additionally, the status of prior audit and consulting recommendations and audit administrative matters were presented.

The committee approved the recommendation to the Board of Trustees to approve the proposed Audit Plan for fiscal year 2016. I have a motion.

On a motion by Mr. Moss as the Committee Chair, the board unanimously adopted the proposed Audit Plan for fiscal year 2016.

15. Review the reports of the Chief Financial Officer regarding expenditures, current financial review, and other financial matters involving TRS programs – Don Green.

Mr. Green provided a year-end report of cash disbursements from the pension fund for fiscal year 2015 by fund, division, and expense category and a comparison with fiscal year 2014 expenditures by month.

16. Review the report of the Chief Benefit Officer, and consider the following related matters – Barbie Pearson:

A. Approve the number of members qualified for retirement.

Ms. Pearson presented the list of members and beneficiaries receiving initial benefit payments during the period of June 1, 2015 through August 31, 2015.

On a motion by Ms. Sissney, seconded by Mr. Moss, the board unanimously approved the list of members and beneficiaries who qualified for retirement, disability, DROP, PLSO, survivor, or death benefits initiated during the reporting period.

B. Approve the minutes of the May 2015 Medical Board meetings.

Ms. Pearson presented the minutes of the May 12, 2015 Medical Board meeting.

On a motion by Mr. Moss, seconded by Ms. Sissney, the board approved the minutes of the Medical Board meeting, as presented, thereby ratifying the actions of the Medical Board reflected in those minutes.

C. Consider an appointment to the Medical Board and a resolution authorizing staff to negotiate and execute a contract with the appointed member.

On a motion by Ms. Sissney, seconded by Mr. Moss, the board unanimously approved the resolution to reappoint Dr. James A. Reinartz to the TRS Medical Board:

Whereas, Section 825.204 of the Government Code and section 1.7(s) of the Bylaws of the Board of Trustees (board) of the Teacher Retirement System of Texas (TRS) require the board to appoint as members of the TRS Medical Board (medical board) three physicians licensed to practice medicine in Texas who are in good standing with the medical profession;

Whereas, Rule § 51.1(c) of the board's rules provides that members of the medical board shall be paid, as independent contractors, fees and expenses in accordance with contracts negotiated by the executive director or his designee subject to the applicable resolutions, policies, and annual budget adopted by the board;

Whereas, The appointed term of one member currently serving on the medical board expires on December 31, 2015; and

Whereas, The Board wishes to appoint to the medical board a member whose term would begin on January 1, 2016 for a five-year term and to confirm the executive director's authority to enter into a contract, including any amendment, with an appointed member of the medical board, in accordance with Rule § 51.1(c) and the period of the appointed term specified by the board; now, therefore be it

Resolved, That the board hereby appoints Dr. James Reinarz to the TRS Medical Board for a term of five years beginning January 1, 2016 and ending December 31, 2020; and

Resolved, That, in accordance with board Rule § 51.1(c) and the specified period of Dr. Reinarz' appointed term, the executive director or his designee is authorized to negotiate and to execute a contract, including any amendment, with Dr. Reinarz as the executive director or his designee may deem in his or her discretion to be in the best interest of TRS.

17. Consider concurring in the Medical Board's certification regarding multiple disability retirees under Section 824.307 of the Government Code, discontinuing annuity payments for certain retirees, and restoring the retirees to membership – Barbie Pearson.

Ms. Pearson presented information regarding a determination made by the Medical Board that two disability retirees were no longer disabled. She stated that the Medical Board had reviewed the case again and made the final determination that the retirees were no longer certified for disability. She requested the board's approval to concur with the Medical Board's decision and thereby discontinue the disability retirees' annuity payments, with their final payment being the September 2015 payment.

On a motion by Ms. Sissney, seconded by Ms. Palmer, the board unanimously voted to accept the Medical Board's findings, thereby discontinuing the disability retirees' annuity payments and restoring them to active status.

18. Review and discuss the Deputy Director's report, including matters related to administrative, financial, and staff services operations – Ken Welch

Mr. Welch discussed recent operational matters. He noted that August was a typical month with a high retirement rate among members and TRS employees. He recognized two TRS employees who retired in August, T. A. Miller and Mike Rehling, and expressed his appreciation for their contributions to the retirement system and its members. Mr. Welch also provided an update on the

preparation of the Comprehensive Annual Financial Report (CAFR), upcoming TRTA meetings, and the Retiree Advisory Committee nominations. He reported that telephone-counseling staff had exceeded the target on average speed of answer by four seconds. He also described ongoing field visits and plans to offer remote counseling. He also reported on the upcoming business-continuity testing of TRS' co-location, or offsite, data replication facility. Mr. Welch concluded his report by providing a brief update on a few community events, including the Austin Independent School District Partners in Education Program, the State Employees Charitable Contribution Campaign, and the annual TRS Tailgate in conjunction with TRS annual employee recognition ceremony.

- 19. Review the report of the General Counsel on pending and contemplated litigation, including updates on litigation involving benefit-program contributions, retirement benefits, health-benefit programs, and open records – Carolina de Onís.**

Ms. de Onís stated that no material development had occurred to add to the written litigation report.

- 20. Consider personnel matters, including the appointment, employment, evaluation, compensation, performance, duties, discipline, or dismissal of the Executive Director, Chief Investment Officer, or Chief Audit Executive – David Kelly.**

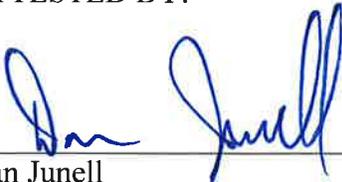
- 21. Consult with the Board's attorney(s) in Executive Session on any item listed above on this meeting agenda as authorized by Section 551.071 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code) – David Kelly.**

The board took up no further business under agenda item 20 or 21.

The meeting was adjourned at 12:00 p.m.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE 22TH DAY OF OCTOBER, 2015.

ATTESTED BY:



Dan Junell
Secretary to the TRS Board of Trustees



Date