

The Board of Trustees of the Omaha School Employees' Retirement System held a meeting on Wednesday, March 5, 2014, at 8:38 a.m. in the Board hearing room at the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given by announcement of the President of the Board at the Board of Trustees meeting held on Wednesday, February 5, 2014.

Present at roll call: Erikson – Goding – Purdy – Rea – Ripa – Young – 6. Absent: Fey – Knutson – Scanlan – 3. Entered during meeting: Evans – 1. Staff Present: Executive Director Smith and Retirement Benefits Manager Ellis. Others Present: Rich Harper & Tim Bruce of NEPC; and Joon Yun & Mark Marxer of Palo Alto Investors; Andria Weil & Chris Kirk of Wellington Management; Carter Neild of OrbiMed Advisors; and Michael Lammers, Scott Wilkin & Ian McIntosh of UBS Global Asset Management.

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Vice-President Rea announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the next meeting of the Board of Trustees will be held at 5:30 p.m. on Wednesday, April 2, 2014, in the Board Hearing room of the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska. The agenda will be kept current and available for public inspection in the Retirement Office at the Teacher Administrative Center during regular working hours. He further announced that pursuant to Section 84-1412 of the Nebraska Statutes, the public is hereby informed that a current copy of the Nebraska Open Meetings Act is posted in the Board meeting room on the north wall.

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Mr. Purdy moved the minutes of the February 5, 2014 meeting be approved. The motion was seconded by Mr. Young and adopted by the following roll call vote: Aye: Erikson – Goding – Purdy – Rea – Ripa – Young – 6. Nay: 0.

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Mr. Ripa moved approval of the investments made during the month of February 2014. The motion was seconded by Mr. Erikson and adopted by the following roll call vote: Aye: Erikson – Goding – Purdy – Rea – Ripa – Young – 6. Nay: 0.

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Mr. Smith informed the Trustees that Ms. Goding had requested a manager evaluation template be produced (draft template was part of the meeting materials) to assist in the comparison of investment managers. Ms. Goding discussed her request and suggested that the evaluation be provided periodically to the Trustees. Mr. Smith indicated he had reached out to NEPC (the firm responsible for providing manager evaluation) and asked that they incorporate the eventual evaluation form into their quarterly reports. He recommended each Trustee give consideration to what improvements they would recommend and the Trustees may discuss the template at the April meeting. Mr. Purdy asked that NEPC provide comments about each manager on the evaluation to give context to the performance of each manager.

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Mr. Bruce of NEPC discussed with the Trustees the materials he had prepared on the healthcare long/short equity managers.

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Mr. Evans entered the meeting during the previous item.

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Joon Yun of Palo Alto Investors of Palo Alto discussed with the Trustees the Palo Alto Advanced Life Sciences long/short healthcare equity fund.

Andria Weil and Chris Kirk of Wellington Management discussed with the Trustees the Hawkes Bay long/short healthcare equity fund, their investment team and their investment process.

Carter Neild of OrbiMed Advisors discussed with the Trustees the OrbiMed Partners long/short healthcare equity fund, their investment team and their investment process.

Michael Lammers, Scott Wilkin & Ian McIntosh of UBS Global Asset Management discussed with the Trustees the UBS equity healthcare long short fund, their investment team and their investment process.

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Mr. Bruce of NEPC provided an overview of the four investment managers and the Trustees discussed the managers and their investment process. Mr. Erikson moved to contract with both OrbiMed Advisors and UBS Global Asset Management for an investment in each of their long/short healthcare equity funds, with the eventual size of the investment to be established with the assistance of further asset allocation and diversification analysis. The motion was seconded by Mr. Ripa and adopted by the following roll call vote: Aye: Erikson – Goding – Purdy – Rea – Ripa – Young – 6. Nay: Evans – 1.

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Mr. Smith reported that LB1041 had a public hearing before the Unicameral Retirement Committee on February 12, 2014 and is still being held in committee. LB1041 would add language to statute to clarify the fiduciary liability of members of the Board of Education and Board of Trustees; would require OSERS' members to have ten years of service before permitting all-purpose service purchases; and would require that OSERS each year present the annual actuarial valuation to the Retirement Systems Committee in a public hearing. LB1042 has been designated at the Retirement Systems Committee priority bill, so it can be anticipated that the final form of LB1041 could be added as an amendment to LB1042 and moved through the legislative process in that manner.

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Vice-President Rea adjourned the meeting at 12:37 p.m.