

**Missouri Investment Trust**  
**Minutes from the Meeting of the Board of Trustees**

**Held June 30, 2009**  
**8:30 A.M.**

**Item I: Call to Order**

Treasurer Zweifel called the meeting to order at 8:30 a.m., June 30, 2009.

**Item II: Roll Call**

Roll was taken to determine the presence of a quorum. Board members attending via conference call were Treasurer Zweifel, Commissioner Kelvin Simmons, Ms. Anita Yeckel, Mr. Stuart Zimmerman and Mr. Tim Schulte. Mr. Mark Mathers and Ms. Angie Robyn from the State Treasurer's Office also attended.

**Item III: Approval of Minutes**

A quorum having been established, Treasurer Zweifel waived reading of the minutes and review of investment results, which was conducted on June 24, 2009, in order to move to items requiring immediate action.

**Item V: New Business**

Treasurer Zweifel asked Mr. Mathers to review the issue of redemption restrictions first. Mr. Mathers explained that in late March, State Street Global Advisors (SSGA) had placed new restrictions on account holders that were invested in their funds engaged in securities lending. Account owners in these funds, which includes the S&P 500 and Russell 2000 funds held by MIT, have two options for redemptions: (1) under Option 1, they receive credits to withdraw up to 4% of a fund's balance per month through the end of 2009 and (2) under Option 2, they may request immediate withdrawal, in which case the prorated share of the non-lended portion of the funds is returned as cash to investors. The remaining value of the fund is then credited to investors as shares in a liquidating trust pool under Option 2. Based on information provided by SSGA, it is estimated that in aggregate, under this option, MIT would receive 92% of the funds' balance in cash by the end of 2009. Mr. Mathers noted the statutory guidelines for MIT.

Mr. Mathers noted that under Option 1, SSGA is not under any obligation to remit monies to account owners after 2009 above what was credited in 2009 and that SSGA's ability to honor redemption requests after 2009 would be dependent on market conditions. Under Option 1, MIT would be credited with the right to receive only 34% of the two domestic funds' balance through 2009, leaving 66% of the funds' balance still held and controlled by SSGA as of Jan. 1, 2010. Mr. Mathers clarified that MIT's international account is not subject to any redemption restrictions because it does not engage in securities lending.

Mr. Mathers noted that staff has explored the legal issues and options available to MIT including consultations with external counsel and another agency that has engaged external counsel. Mr. Mathers noted that Treasurer staff would continue to review these issues and most likely will continue to have discussions with SSGA on legal issues, but in case these are not resolved, he explained that election of Option 2 would require Board authorization. Mr. Mathers noted staff's recommendation to select Option 2 due to the uncertainty of whether SSGA would be able to honor redemption requests in 2010 or beyond, the large amount of monies still tied up with SSGA as of Jan. 1, 2010 and the continuing market exposure these funds would face. Mr. Mathers noted that if the domestic equities markets suffered in 2010 and MIT still had monies tied up with SSGA, MIT would be exposed to those market losses.

Mr. Schulte inquired how monies would be released to MIT under Option 2. Mr. Mathers explained that there would be an initial release of funds for the non-lended portion of the S&P 500 and Russell 2000 funds within 90 days and then MIT would receive additional cash through the end of 2009 as securities lending investments mature. After Jan. 1, 2010, as investments mature in the liquidating trust, SSGA would wire those proceeds to the state, which would then transfer these monies to the four trusts.

Commissioner Simmons moved to approve staff's recommendation to select Option 2. Ms. Yeckel seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Mr. Mathers then presented the 2008 Comprehensive Annual Financial Report. Mr. Mathers noted that the CAFR is required to be presented to the Governor by today. Mr. Mathers noted the Auditor's reports and reviewed the financial schedules in the report. Commissioner Simmons moved to the CAFR. Ms. Yeckel seconded the motion. A roll call vote was taken, and the motion passed unanimously.

#### **Item V: Adjournment**

Ms. Yeckel moved the current meeting be adjourned. Mr. Schulte seconded, and the motion passed. Meeting adjourned.