

**NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
June 15, 2009**

A special video conference meeting of the Nebraska Investment Council, convened at 1:30 p.m. at the Lincoln Executive Building, Lincoln, NE, Omaha State Office Building, Omaha, NE, and Northeast Community College, Norfolk, NE.

Public notice was posted on the Nebraska Public Meeting Calendar on June 4, 2009, and published in the Lincoln Journal Star on June 8, 2009. Ms. Werner-Robertson chaired the meeting and Ms. Dawes recorded the minutes.

MEMBERS PRESENT:

Ms. Gail Werner-Robertson
Dr. Richard DeFusco
Mr. John Maginn
Mr. John Dinkel
Mr. Norm Riffel
Treasurer Shane Osborn
Ms. Phyllis Chambers

NONMEMBERS IN ATTENDANCE:

Mr. Joe Jurich, Acting State Investment Officer
Ms. Kathy Dawes, Council Secretary
Ms. JoLynn Winkler, Nebraska Investment Council
Mr. Christopher Heinrich, Harding & Shultz
Mr. Kevin Vandolder, Ennis Knupp + Associates
Mr. Chris Riley, Ennis Knupp + Associates
Mr. Jason Hayes, Deputy State Treasurer
Ms. Rachael Biar, Director, College Savings Program
Mr. John Schembari, Kutak Rock
Mr. Fred Knapp, NET Radio
Mr. Nate Jenkins, Associated Press

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 1:31 p.m. to 1:32 p.m. Ms. Werner-Robertson stated that copies of the Open Meetings Act and meeting materials are located at all video conference sites.

COUNCIL MEMBER BUSINESS: 1:32 p.m. to 1:36 p.m. Ms. Werner-Robertson welcomed everyone and appreciates that everyone was able to arrange their schedules to attend today's meeting. Ms. Werner-Robertson stated Mr. Vandolder would be joining the meeting by phone.

Ms. Werner-Robertson indicated that the purpose of today's special meeting is to discuss the College Savings Program's investments with Oppenheimer and Invesco AIM.

EXECUTIVE SESSION: 1:36 p.m. to 2:30 p.m. Mr. Riffel moved to enter closed session. The subject matter of the closed session is the receipt of legal advice from counsel related to the College Savings Plan and discussion of confidential matters related thereto. The reason for the closed session is to maintain the confidentiality of such advice and communications related thereto.

VOTING AYE:	Dr. DeFusco Mr. Maginn Mr. Dinkel Mr. Riffel Ms. Werner-Robertson
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The motion carried.

Ms. Werner-Robertson requested that only the voting and non-voting members of the Council, Mr. Jurich, Mr. Heinrich, Mr. Schembari, and Mr. Hayes be present and all others in attendance were excused.

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At 2:30 p.m. Mr. Maginn moved that the Council return to open session. Dr. DeFusco seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Mr. Maginn
 Mr. Dinkel
 Mr. Riffel
 Ms. Werner-Robertson
 Dr. DeFusco

The motion carried.

Dr. DeFusco moved to authorize the Acting State Investment Officer, or the State Investment Officer if such person is hired (collectively, the "SIO"), to negotiate, compromise and settle on behalf of the Council with OFI Private Investments Inc. and its affiliated companies any and all claims relating to the Nebraska Educational Savings Plan Trust. The SIO shall have the authority to negotiate, compromise, settle and execute and deliver all documents related thereto on behalf of the Council consistent with the scope and direction granted to the SIO by the Council in the closed session meeting of the Council on June 15, 2009. Any settlement of claims shall be subject to the approval by the Nebraska Attorney General and review of the Council's counsel, and shall be entered into jointly with the Nebraska State Treasurer.

The Council must maintain the confidentiality of the authority granted to the SIO to protect the public interest. Mr. Maginn seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Mr. Dinkel
 Mr. Riffel
 Ms. Werner-Robertson
 Dr. DeFusco
 Mr. Maginn

The motion carried.

DISCUSSION OF AIM COLLEGE SAVINGS PLAN – BALANCED-RISK ALLOCATION FUND: 2:30 p.m. to 2:53 p.m. Mr. Jurich and Mr. Riley discussed with the Council the AIM Balanced-Risk Allocation Fund, which was launched in October 2008. The Fund has been added to the AIM portfolios for existing plan participants. However, AIM must seek and receive the consent of the Council before offering this new Fund to new plan participants. Mr. Riley reviewed with the Council the memo included in the meeting book on the Fund and presentation from Invesco AIM entitled "Upcoming Changes to AIM Allocation Funds." Mr. Riley indicated that the asset allocation covers all three major types of economic environments: recessionary, non-inflationary growth, and inflationary growth. The Fund's strategy actively invests in equities, government bonds, and commodities. Mr. Riley also discussed risks related to the Fund. Mr. Riley stated that Ennis Knupp recommends that the NIC add the Balanced-Risk Allocation Fund as an underlying fund within the College Savings Plan portfolio as proposed by Invesco AIM.

The Council discussed the pros and cons of the Fund. The Council was concerned that the recently launched fund had no track record and was concerned with the use of leverage in the College Savings Plan. Mr. Maginn moved to not approve Invesco AIM's request to offer the Balanced-Risk Allocation Fund as an underlying fund to new plan participants within the AIM College Savings Plan. Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Mr. Riffel
 Ms. Werner-Robertson
 Dr. DeFusco
 Mr. Maginn
 Mr. Dinkel

The motion carried.

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DISCUSSION OF AIM COLLEGE SAVINGS PLAN – CONTRACT EXTENSION: 2:53 p.m. to 3:09 p.m. Treasurer Osborn discussed with the Council the letter in the meeting book from Invesco AIM requesting an extension of the Marketing and Administrative Services Agreement and the Investment Management Agreement through June 30, 2010. Treasurer Osborn stated that he is not in support of granting the extension. Treasurer Osborn stated that Invesco AIM has reported it is currently negotiating with another state and would like additional time to work out the potential deal. Treasurer Osborn noted the State of Nebraska has provided AIM with one year's notice of the contract termination on November 18, 2008, and has had ample opportunity to find a new state partner. Mr. Schembari discussed what options are available to participants after the Invesco AIM contract is terminated. Following discussion by the Council Mr. Maginn moved to decline Invesco AIM's request to extend the Invesco AIM contract until June 30, 2010. Mr. Riffel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Ms. Werner-Robertson
 Dr. DeFusco
 Mr. Maginn
 Mr. Dinkel
 Mr. Riffel

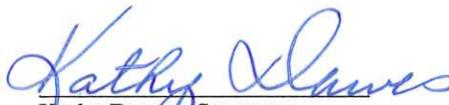
The motion carried.

PUBLIC COMMENT ON THE AGENDA: 3:09 p.m. to 3:10 p.m. Ms. Werner-Robertson asked if there was any public comment on the agenda. There was no public comment on the agenda.

At 3:10 p.m. Mr. Riffel moved to adjourn the meeting. Dr. DeFusco seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE: Dr. DeFusco
 Mr. Maginn
 Mr. Dinkel
 Mr. Riffel
 Ms. Werner-Robertson

The motion carried.


Kathy Dawes, Secretary