

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

October 15, 2007, 1:00 p.m.

Chair Patricia Wynne called the meeting to order at 1:06 p.m.

Present: Patricia Wynne for Bill Lockyer, State Treasurer
Anne Sheehan for Michael C. Genest, Department of Finance
Dena Wilson for David Long, Office of the Secretary of Education
Antoinette Chandler
Alice Perez

Staff: Zeny Marie Agullana, Executive Director, ScholarShare Investment Board (SIB)
Don Sherman, Manager, SIB
Stanley Zeto, Analyst, SIB
Ali Cooper, Analyst, SIB
Sue Lim, Analyst, SIB
Kristin Smith, Staff Counsel, State Treasurer's Office

Consultants: John Charley, Pension Consulting Alliance, Inc.
Andrea Feirstein, AKF Consulting LLC (via teleconference)

Fidelity: Heidi Siegal, Vice President, Relationship Manager, Fidelity Personal
Investments (via teleconference)

The Chair declared a quorum present.

Board Agenda Item Number One

Fidelity Investments Proxy Statement – the ScholarShare Investment Board has proxy rights on this Statement and will vote on the following:

- **Amendment of the Declaration of Trust to reduce the required quorum for shareholder meetings**
- **Election of Trustees**

Ms. Heidi Siegal, Fidelity Investments (Fidelity), provided a description of the two proposals that will be voted on at the special meeting of Shareholders of Funds of Fidelity Concord Street Trust on October 19, 2007. Ms. Siegal explained that Fidelity's Board of Trustees believes that lowering the quorum requirement will lower ScholarShare fund-related expenses. Member

Chandler requested specific estimates relating to the lowering of fund expenses to which Ms. Siegal responded that these expenses vary widely and that specific data or estimates were not readily available. Member Sheehan inquired about whether changes had been made to other funds and what specific items would not require a majority. Ms. Siegal replied that lowering the quorum has been approved in Delaware and Massachusetts and that the lowering of the quorum requirement would only apply to specific items, such as the election of trustees, however Fidelity was unable to provide a complete list of items to which this requirement would apply.

Mr. John Charley, Pension Consulting Alliance, Inc. (PCA), stated that in accordance with SIB's Proxy Policy, PCA is recommending that the Board vote for the election of trustees, and vote against lowering the quorum requirement for shareholder meetings based on the fact that Fidelity is unable to provide accurate, definitive data of the savings.

Board Action:

Proposal 1

Member Sheehan moved to vote against Proposal 1 of the item before the Board, the amendment of the Declaration of Trust to reduce the required quorum for shareholder meetings. The motion was seconded by Member Chandler and approved by the Board.

Proposal 2

Member Sheehan moved to vote for Proposal 2 of the item before the Board, the election of trustees. The motion was seconded by Member Chandler and approved by the Board.

**Board Agenda Item Number Two
ScholarShare Outreach and Public Education Plan**

Ms. Zeny Agullana, SIB, presented the ScholarShare Outreach and Public Education (SCOPE) Plan to the Board. Ms. Agullana stated that SIB plans to work with the legislature, other state agencies, and the Sacramento County Office of Education (SCOE) to promote the benefits of ScholarShare. Ms. Agullana stated that SCOPE will encompass efforts that will complement marketing conducted by the ScholarShare Program Manager, Fidelity, and leverage existing outreach efforts by other publicly funded programs.

Mr. Don Sherman, SIB, described the scholarship contest currently being launched within the SCOE pilot project. Member Perez emphasized the importance of gauging not just the awareness of projects, but also to leverage SCOE and other agencies, and implement procedures to measure results linked to SCOPE outreach efforts.

Public Comment

Chair Wynne called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 1:51 p.m.

Respectfully submitted by,

Zeny Marie Agullana, Executive Director
ScholarShare Investment Board