

**Response to Inquiry Regarding State Investment Council Policy Concerning
Political Contributions and Prohibitions on Investment Management Business**

Corporate Governance Committee Chair Farrell reported that an inquiry was received with regard to whether contributions to Federal campaign committees were prohibited under the Council's campaign finance policy, and Chair Kramer said the Office of the Attorney General had determined that the Council's policy does not clearly address the matter. Contributions to Federal (national) committees would be onerous to monitor, the intent of such contributions could be ambiguous, and Federal contributions were beyond the intended scope of the Council's regulations. Therefore, it was clarified that the Council's policy is limited to state committees.

*The foregoing is an excerpt from the
Minutes of the State Investment Council
Meeting held on February 16, 2006*