

FOR IMMEDIATE RELEASE

November 15, 2016

CONTACT:

Max Bever: mbever@kivvit.com
309.310.1189 (cell)

Illinois State Board of Investment Votes to Terminate \$2.4 Billion in Active Investments

Moves to Allocate to Passively Managed Funds, Further Reducing Costs for Beneficiaries

CHICAGO, IL - The Illinois State Board of Investment (ISBI) voted today to terminate \$2.4 billion in active investments, end contracts with six active management firms and allocate substantially all of the assets into passive equity and fixed income funds. Additionally, ISBI voted to revise its domestic small cap equity benchmark to the S&P 600, due to its quality bias. The changes were recommended by the staff and general consultant Meketa Investment Group and approved by the ISBI Board.

“At ISBI, our mission is to serve our beneficiaries – therefore, our number one goal is investment excellence. This is why we continue to take bold steps forward by investing in passively managed funds,” said Marc Levine, Chairman, ISBI. “The changes adopted today will lower costs, simplify management and create a more transparent and efficient portfolio.”

Since 2015, ISBI has cut its annual investment management expenses by over \$40 million. Earlier this year, ISBI cut its hedge fund portfolio from 10% to 3%, reducing it by over \$1 billion.

“We are proud to work toward increasing annual savings for Illinois taxpayers and the beneficiaries of the funds entrusted to us,” said William Atwood, Executive Director, ISBI. “

The table below shows the outcome of ISBI’s vote:

Outcome of 11/15/16 ISBI Meeting

Company	Outcome
Chicago Equity Partners	Terminated contract – allocating funds to the State Street Global Advisors (SSgA) Barclays Aggregate Index
LM Capital	Terminated contract – allocating 50% of funds to Garcia Hamilton and 50% to SSgA Barclays Aggregate Index
LSV Asset Management	Terminated contract – allocating funds to the SSgA Russell 1000 Value Index

Franklin Templeton	Terminated contract – allocating funds to Ariel International, LSV International Small Cap, and SSgA MSCI EAFE Index
State Street Global Advisors (SSgA) Non-US Small Cap	Terminated contract – allocating funds to Northern Trust MSCI EAFE Small Cap Index
Ashmore Group	Terminated contract – allocating funds to SSgA MSCI Emerging Markets Small Cap Index
SSgA Russell 2000 Index	Transition the benchmark to SSgA S&P 600 Index

###