

**MINUTES OF THE
INVESTMENT POLICY COMMITTEE**

Tuesday, October 10, 2017 - 8:30 a.m.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Committee Members

Marc Levine
Ezequiel Flores
Katherine Hennessy
Shari Greco Reiches

Board Members

James Clayborne
Mary Seminara-Schostok
Stacey Woehrle

Staff

William Atwood
Shannon Bond
Shawn Evans
Johara Farhadieh
Mitchell Green
Scott Richards
Atul Talwar

Guests

Burke Burns & Pinelli, Ltd.
Mary Patricia Burns

Illinois State Comptroller's Office
Chasse Rehwinkel

Hamilton Lane Advisors, L.L.C.
Matt Silverio
Sean Barber

Meketa Investment Group, Inc.
Alli Wallace
Frank Benham

The Rock Creek Group, LP
Alifia Doriwala
Siddarth Sudhir

Kivvit
Mac Thurman

fin|daily
Cassandra Hernandez

ROLL CALL

Chairman Levine called the meeting to order at 8:42 a.m. in the Board Room of the Illinois State Board of Investment at 180 North LaSalle Street, Suite 2015, in Chicago. Ms. Burns called the roll and noted a quorum was present.

REPORT OF THE INVESTMENT POLICY COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Reiches moved to approve the minutes, as presented, from the June 14, 2017 meeting of the Investment Policy Committee. Trustee Hennessy seconded, and the motion passed unanimously.

Chairman Levine moved to approve and open the Executive Session minutes, as presented, from the June 14, 2017 meeting of the Investment Policy Committee, pursuant to the recommendation of Fiduciary Counsel. Trustee Reiches seconded, and the motion passed unanimously. (Official minutes contain attachment.)

REPORT OF STRATEGIC PARTNER: HAMILTON LANE

Representatives of Hamilton Lane Advisors, L.L.C. referred Committee members to their presentation materials. Representatives discussed the market in general, as well as the Portfolio's holdings and Hamilton Lane's Strategic Plan for the Portfolio. Discussion ensued regarding how real estate services will be provided by Hamilton Lane Advisors, L.L.C. in conjunction with The Rock Creek Group, LP.

Trustee Hennessy moved to go into Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss specific investment contracts. Trustee Reiches seconded, and the motion was called to a roll call vote. All in favor: Trustees Hennessy, Levine, and Reiches. Nays: None. The motion passed unanimously.

Chairman Levine moved to return to the open meeting. Trustee Hennessy seconded, and the motion passed unanimously.

REPORT OF STRATEGIC PARTNER: THE ROCK CREEK GROUP

Chairman Levine moved to go into Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss specific investment contracts. Trustee Hennessy seconded, and the motion was called to a roll call vote. All in favor: Trustees Hennessy, Levine, and Reiches. Nays: None. The motion passed unanimously.

Trustee Hennessy moved to return to the open meeting. Trustee Reiches seconded, and the motion passed unanimously.

Trustee Flores joined the meeting at 11:09 a.m.

Chairman Levine moved to approve the amendment to the current investment advisory agreement with ING Clarion Partners, LLC consistent with the recommendation of ISBI's discretionary strategic partner, The Rock Creek Group, LP, subject to legal review and successful contract negotiations. Trustee Reiches seconded, and the motion passed unanimously.

REPORT OF DEFINED BENEFIT CONSULTANT: MEKETA INVESTMENT GROUP

Representatives of Meketa Investment Group, Inc. referred Committee members to their presentation materials and discussed the current asset allocation ranges and benchmarks. Discussion ensued amongst the Members.

Trustee Reiches moved to approve the recommendation of Meketa Investment Group, Inc. and Staff regarding the revised asset allocation ranges and benchmarks, provided that such ranges are not used tactically and with the understanding that any rebalancing must continue to be brought to the Board for review. Trustee Flores seconded, and the motion passed unanimously.

REPORT OF THE CHIEF INVESTMENT OFFICER

Ms. Farhadieh referred Committee members to the memorandum, "Watch List Notifications." Ms. Farhadieh discussed the ongoing status of the Manager, Crescent Capital, on the Watch List. Discussion ensued regarding the Manager's performance and how Staff will continue to monitor the Manager.

NEW BUSINESS/OLD BUSINESS

None.

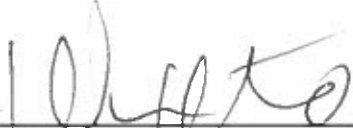
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Chairman Levine noted that Committee members will be notified of the time and date for the next meeting. At 11:37 a.m., there being no further business to come before the Committee, Trustee Reiches moved to adjourn the meeting. Trustee Flores seconded, and the meeting was adjourned.

Respectfully submitted,



William Atwood, Executive Director