

**MINUTES OF THE
INVESTMENT POLICY COMMITTEE**

Friday, September 20, 2019 - 11:10 a.m.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

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| <u>Committee Members</u> | Committee Chairman Michael Tarnoff Chairwoman Justice Mary Seminara- Schostok Elizabeth Sanders Jaye Williams |
| <u>Board Members</u> | Treasurer Michael Frerichs Senator Robert Martwick Comptroller Susana Mendoza |
| <u>Guests</u> | Burke Burns & Pinelli, Ltd. Sarah Boeckman |
| | Illinois State Comptroller's Office Andrew Ranck |
| | Illinois State Treasurer's Office Allen Mayer Rodrigo Garcia |
| | Meketa Investment Group, Inc. Frank Benham Ghiane Jones Alli Wallace |
| | Hamilton Lane Advisors, LLC Demetrius Sidberry Matt Silverio Sean Barber |
| | The Rock Creek Group, LP Afsaneh Beschloss Siddarth Sudhir John Coombe Matthew Bullough |

ROLL CALL

Committee Chairman Tarnoff called the meeting to order at 11:59 a.m. in the Boardroom of the Illinois State Board of Investment office at 180 North LaSalle Street, Suite 2015, in Chicago. Mr. Mehta called the roll and noted a quorum was present.

APPOINTMENT OF STANDING COMMITTEE

Pursuant to the Board Bylaws, Board Chairwoman Schostok appointed the following members to the Investment Policy Committee: Trustee Tarnoff as Chair of the Investment Policy Committee, Trustee Atlan, Trustee Williams, Trustee Sanders, and Chairwoman Schostok. Trustee Sanders moved that the Board approve the appointments to the Investment Policy Committee. Trustee Tarnoff seconded, and the motion passed unanimously.

REPORT OF THE INVESTMENT POLICY COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF MINUTES

Board Chairwoman Schostok moved to approve the minutes, as presented, from the December 11, 2018 meeting of the Investment Policy Committee. Trustee Williams seconded, and the motion passed unanimously.

Board Chairwoman Schostok moved to approve and keep closed the Executive Session minutes, as presented, from the December 11, 2018 meeting of the Investment Policy Committee, pursuant to the recommendation of Fiduciary Counsel. Trustee Williams seconded, and the motion passed unanimously.

REPORT BY STRATEGIC PARTNERS: HAMILTON LANE ADVISORS, L.L.C & ROCK CREEK GROUP, LP.

At 12:02 p.m., Trustee Williams moved to go into Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss specific investment contracts. Board Chairwoman Schostok seconded, and the motion was called to a roll call vote. All in favor: Trustee Schostok, Committee Chairman Tarnoff, Trustee Sanders, and Trustee Williams.

At 1:33 p.m., Board Chairwoman Schostok moved to return to the open meeting. Trustee Williams seconded, and the motion passed unanimously.

REPORT BY GENERAL CONSULTANT – MEKETA INVESTMENT GROUP, INC.

Review of Strategic Asset Allocation

Mr. Benham of Meketa referred Trustees to the presentation materials and gave an overview on the current asset allocation policy and ISBI's asset allocation history. Committee Chairman Tarnoff asked Mr. Benham about predicting expected rate of return, and Mr. Benham explained

Meketa's methodology and model. Mr. Benham also reviewed Asset Allocation Policy Options and explained diversification and risk analysis to the Trustees. Committee Chairman Tarnoff also inquired about the projected cash flow and the impact on ISBI's holdings. Mr. Benham explained the cash flow projections for the next few years.

Post Transition Trade Analysis - Global Equity Transition

Ms. Stone referred Trustees to the presentation materials and gave an update regarding the BlackRock's transition of the global equity portfolio.

REPORT OF EXECUTIVE DIRECTOR/CHIEF INVESTMENT OFFICER AND SENIOR INVESTMENT OFFICER

None.

NEW BUSINESS/OLD BUSINESS

None.


PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairman Michael Tarnoff noted that the next meeting was scheduled for December 12, 2019 and Committee Members will be notified of the time at a later date. At 1:58 p.m., there being no further business to come before the Committee, Chairman Tarnoff moved to adjourn the meeting. Board Chairwoman Schostok seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/
Chief Investment Officer

State Employees' Retirement System
Tim Blair

Governmental Consulting Solutions
Steve Zahn

Not Present:

Committee Members

Gisela Attlan
