

MINUTES OF THE  
ILLINOIS STATE BOARD OF INVESTMENT

Friday, December 13, 2019 – 11:40 a.m.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

Present:

Board Members

Chairwoman Justice Mary Seminara-Schostok  
Gisela Attlan  
Treasurer Michael Frerichs  
Comptroller Susana Mendoza  
Senator Robert Martwick  
Ronald Powell  
Michael Tarnoff  
Elizabeth Sanders

Staff

Genette Bacon-Cordova  
Johara Farhadieh  
Mitchell Green  
Heidi Hendricks  
Maryann Hong  
James Karls  
Dipesh Mehta  
Jessica Revilla  
Scott Richards  
Atul Talwar  
David Zaloga

Guests

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.  
Alli Wallace Stone  
Brandon Colon  
Tim Atkinson

State Employees' Retirement System  
Tim Blair (via Telephone)

Governmental Consulting Solutions  
Steve Zahn

Not Present:      Board Members      Jaye Williams

### ***ROLL CALL***

Board Chairwoman Schostok called the meeting to order at 12:30 p.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 that a quorum was present.

### ***REPORT OF THE CHAIR***

None.

### ***CONSIDERATION AND APPROVAL OF MINUTES***

Trustee Martwick moved to approve the September 20, 2019 Board meeting minutes, as presented. Trustee Sanders seconded, and the motion passed unanimously.

Trustee Martwick moved to approve and keep closed the executive session minutes from the September 20, 2019 Board meeting, pursuant to the recommendation of Fiduciary Counsel. Trustee Tarnoff seconded, and the motion passed unanimously.

Trustee Martwick moved that the Executive Session Minutes recommended by Fiduciary Counsel be opened to the public pursuant to Section 2.06(d) of the Open Meetings Act and that the verbatim records presented by Fiduciary Counsel be discarded pursuant to Section 2.06(c) of the Open Meetings Act. Trustee Atlan seconded, and the motion passed unanimously.

### ***CONSIDERATION AND APPROVAL OF REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES***

#### **Audit and Compliance Committee**

Chairwoman Schostok provided the report of the Audit and Compliance Committee and read through the recommendations approved by the Audit and Compliance Committee at its December 12, 2019 meeting:

1. To approve the Financial Statements from June 30, 2019.
2. To approve and accept for filing, as presented, the Record of Vouchers.
3. To approve the Agent Contact Report.
4. To approve the conferences and trainings listed on the December 2019 list of Upcoming Training Opportunities, as presented and supplemented, pursuant to Section 1-150 of the Illinois Pension Code, and that all resulting allowable expenses incurred by Trustees be reimbursed, consistent with ISBI's policies.

Trustee Tarnoff moved to adopt and ratify the recommendations of the Audit and Compliance Committee from its December 12, 2019 meeting. Trustee Sanders seconded, and the motion passed unanimously.

#### **Defined Contribution Committee**

Committee Chairman Martwick provided the report of the Defined Contribution Committee and read through the recommendations approved by the Defined Contribution Committee at its December 12, 2019 meeting:

1. To approve the revisions to the Deferred Compensation Investment Policy, as presented.
2. To approve the T.Rowe Statement of Work, as presented.
3. To approve the Default Investment Option, as presented.
4. To approve revisions to JCAR, as presented substantially in form and subject to approval of possible revisions by CMS and ISBI's General Counsel.
5. To approve the issuance of an RFP for Passive Index Options, consistent with the recommendation of ISBI Staff and RVK.

Trustee Atflan moved to adopt and ratify the recommendations of the Defined Contribution Committee from its December 12, 2019 meeting. Trustee Sanders seconded, and the motion passed unanimously.

### Investment Policy Committee

Committee Chairman Tarnoff provided the report of the Investment Policy Committee and read through the recommendations approved by the Investment Policy Committee at its December 13, 2019 meeting:

1. To approve the Strategic Annual Plan for Hamilton Lane Advisors, LLC.
2. To approve the Strategic Annual Plan for High Vista Strategices, LLC.
3. To approve the Strategic Annual Plan for The Rock Creek Group, LP.

Trustee Powell moved to adopt and ratify the recommendations of the Investment Policy Committee from its December 13, 2019 meeting. Trustee Sanders seconded, and the motion passed unanimously.

### ***ISBI TRAVEL POLICY – TRUSTEE TRAINING (EDUCATION SESSION)***

Ms. Hong referred Board Members to the presentation materials and outlined the ISBI Travel Policy and other relevant considerations. Ms. Hong asked the Board if there were any questions and there were none.

### ***ACTUAL VS PROJECTED BUDGET FORECAST AS OF 9/30/19***

Mr. Zaloga referred Members to the Actual vs. Projected Budget Forecast as of September 30, 2019 in the meeting materials. Mr. Zaloga stated that expenses were within expected ranges. Chairwoman Schostok asked the Board if there were any questions and there were none.

### ***CONSIDERATION AND POSSIBLE ACTION REGARDING REVISIONS TO BOARD POLICIES***

#### Review of Bylaws and Code of Ethics (Annual)

Mr. Mehta discussed the Board's annual review of its Bylaws and Code of Ethics with Trustees. Mr. Mehta asked if there were any questions, and there were none.

Consideration and Approval of Agency Directives Manual and Exhibits

Mr. Mehta discussed the revisions to the Agency Directives Manual and Exhibits, which included updates to the employee time-sheet submission policy, disciplinary process, and covered account compliance.

Trustee Powell moved to approve the Agency Directives Manual and Exhibits, as recommended by ISBI staff. Trustee Martwick seconded, and the motion passed unanimously.

Consideration and Approval of Sexual Harassment Policy

Mr. Mehta discussed the revisions to the Sexual Harassment Policy. Mr. Mehta explained that there were minor changes to reflect updated contact information.

Trustee Martwick moved to approve the Sexual Harassment Policy, as recommended by ISBI staff. Trustee Mendoza seconded, and the motion passed unanimously.

***LEGISLATIVE UPDATE – STEVE ZAHN***

Mr. Zahn referred Board Members to his presentation materials. Mr. Zahn discussed the contents and status of veto-session legislation. Mr. Zahn noted that the General Assembly would reconvene in 2020 and that more bills would be discussed at the next Board Meeting.

***NEW BUSINESS/OLD BUSINESS***

None.

***PUBLIC COMMENT***

None.

***NEXT MEETING/ MOTION TO ADJOURN***

Chairwoman Schostok noted that the next meeting will take place March 20, 2020. At 12:57 p.m., there being no further business to come before the Board, Trustee Mendoza moved to adjourn the meeting. Trustee Powell seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/  
Chief Investment Officer