

**MINUTES OF THE
EMERGING MANAGER COMMITTEE**

Thursday, December 12, 2019 – 1:30 P.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:	Committee Members	Committee Chairwoman Gisela Attlan Comptroller Susana Mendoza Senator Robert Martwick
	Board Members	Ronald Powell Michael Tarnoff Elizabeth Sanders Chairwoman Justice Mary Seminara- Schostok
	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 State Employees' Retirement System Tim Blair (via Telephone) Illinois State Comptroller's Office Andrew Ranck Illinois State Treasurer's Office Rodrigo Garcia Allen Mayer Governmental Consulting Solutions Steve Zahn

Not Present:

Committee Members

Treasurer Michael Frerichs
Jaye Williams

ROLL CALL

Committee Chairwoman Attlan called the meeting to order at 1:27 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 for the Emerging Manager Committee.

REPORT OF THE EMERGING MANAGER COMMITTEE CHAIRMAN

Committee Chairwoman Attlan updated the Board on the October 23, 2019 Senate Hearing, which she attended along with Trustee Williams. Committee Chairwoman Attlan described the hearing, where Director Johara Farhadieh presented on behalf of ISBI.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Mendoza moved to approve the meeting minutes from the September 20, 2019 meeting of the Emerging Manager Committee. Trustee Martwick seconded, and the motion passed unanimously.

DIVERSITY POLICY IMPLEMENTATION REVIEW

Emerging and Minority Investment Managers (9/30/2019)

Ms. Farhadieh directed Trustees to the presentation materials, dated as of September 30, 2019. Initially, Ms. Farhadieh referred Trustees to the MWDBE investment manager utilization and fee allocation portion of the presentation. Ms. Farhadieh explained to Trustees the statutory definitions of an Emerging Manager and a Minority Manager, while also discussing ISBI's goals for both categories. Trustee Martwick asked if changing the definition of Emerging Manager via legislation would affect ISBI's classification of these managers. Ms. Farhadieh confirmed that it would. Committee Chairwoman Attlan and Trustee Sanders asked Ms. Farhadieh to further explain how firms were classified, and Ms. Farhadieh explained ISBI's process.

MWDBE Brokerage (period ending 9/30/2019)

Ms. Farhadieh directed Trustees to the MWDBE Investment Manager Brokerage Utilization portion of the presentation and noted that most managers were performing in line with expectations. Trustee Tarnoff asked about ISBI's process for managers who did not achieve expectations, and Ms. Farhadieh explained ISBI's processes for working with managers to achieve ISBI's goals.

MWDBE Contracts and Service Providers

Ms. Farhadieh directed Trustees to the MWDBE Contract and Service Utilization portion of the presentation and discussed the MWDBE Vendors that ISBI contracted with for the first FY2020 quarter.

Fiduciary Diversification

Ms. Farhadieh gave an update on ISBI's fiduciary diversification efforts, including using an MWDBE staffing firm and advertising open positions through organizations that prioritized diversity.

UPDATE ON ISBI'S STAFF DIVERSITY COMMITTEE

Ms. Farhadieh updated Members with respect to the progress of ISBI's internal Staff Diversity Committee and their success in increased hiring of MWDBE vendors for ISBI. Ms. Farhadieh also discussed ISBI's hiring practices, which included posing open positions on MWDBE focused organizations.

UPDATE ON ISBI-STRATEGIC PARTNER MWDBE RESEARCH EFFORTS

Ms. Farhadieh discussed a potential research project, spearheaded by Trustee Williams, that focuses on diversity within the financial industry.

NEW / OLD BUSINESS

None.

PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairwoman Atlan noted that the next meeting was scheduled for March 19, 2020 and Committee Members will be notified of the time at a later date. At 1:50 p.m., there being no further business to come before the Committee, Trustee Martwick moved to adjourn the meeting. Trustee Mendoza seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/
Chief Investment Officer