

**MINUTES OF THE
INVESTMENT POLICY COMMITTEE**

Tuesday, March 22, 2022 – 1:30 P.M.
Remote Board Meeting
Per Public Act 101-0640

Present:

Committee Members

Committee Chairman Michael Tarnoff
Gisela Attlan
Justice Mary Seminara-Schostok
Jaye Williams

Board Members

Board Chairman Terrence Healy

Staff

Genette Bacon-Cordova
Mary Cahill
Johara Farhadieh
Jansen Hein
Maryann Hong
Jennifer Koelle
Dipesh Mehta
Nadia Oumata
Scott Richards
Alex Somolski
Atul Talwar

Guests

Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Illinois State Comptroller's Office
Andrew Ranck

Illinois State Treasurer's Office
Joe Aguilar

State Employees' Retirement System
Tim Blair

Meketa Investment Group, Inc.
Alli Wallace Stone
Frank Benham

Alison Adams
Hayley Tran
Mary Bates
Mark McKeown
Steve MacLellan

BlackRock Financial Management, Inc.

Andrea Picard
Erica Seremeta
Erica Harriton
Elsa Soderberg
Niyati Mohan
Gene Meshecheck
Olaolu Aganga
Rahul Chandragiri
Scott Gladstone

Alex Eldemir

Rhumblin Advisers

Denise D'Entremont
Julie Lind
Antonio Ballestas

State Street Global Advisors

Mary Guy
Lori Heinel

Members of the Public

Cabrera Capital, 312-236-8888
Matt McCue, Financial News
Member of the Public, 44-207-139-
1637
Member of the Public, 224-465-3037

Not Present

Committee Members

Elizabeth Sanders

ROLL CALL

Committee Chairman Tarnoff called the meeting to order at 1:22 p.m. Ms. Hong noted that, in accordance with the Open Meetings Act, ISBI's Chairperson and Executive Director determined that an in-person meeting would be unfeasible. As such, the March ISBI Investment Policy Committee meeting would be conducted by virtual means. Ms. Hong stated for the record that ISBI's General Counsel was physically present at the office. Mr. Mehta called the roll and noted a quorum was present.

REPORT OF THE INVESTMENT POLICY COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Schostok moved to approve the minutes as presented, from the December 16, 2021 meeting of the Investment Policy Committee. Trustee Atflan seconded the motion, and the motion was called to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Atflan, Trustee Schostok, and Trustee Williams. The motion passed unanimously.

Trustee Schostok moved to approve and keep closed the Executive Session minutes, as presented, from the December 16, 2021 meeting of the Investment Policy Committee, pursuant to the recommendation of Fiduciary Counsel. Trustee Atflan seconded the motion, and the motion was called to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Atflan, Trustee Schostok, and Trustee Williams. The motion passed unanimously.

INVESTMENT SNAPSHOT ENDING DECEMBER 31, 2021

Ms. Farhadieh presented the Investment Snapshot and highlighted ISBI's asset allocation, performance, liquidity, MWDBE allocation, and total fund active/passive allocation as of December 31, 2021. Ms. Farhadieh noted that despite current events, the portfolio continued outperforming benchmarks and that Meketa and ISBI Staff were closely monitoring and would keep the Board apprised. Committee Chairman Tarnoff thanked Ms. Farhadieh and asked if there were any questions, which there were none.

REPORT BY GENERAL CONSULTANT -MEKETA INVESTMENT GROUP, INC.

A. Investing in China – Part 1 (Education Session)

Ms. Stone opened Meketa's presentation on investments in China. Ms. Stone stated that ISBI's exposure to China was on the low end of public fund peers. Ms. Stone noted that overall, Meketa was very comfortable with ISBI's exposure to Chinese investments. Ms. Adams then directed Trustees to the presentation materials. Ms. Adams gave background on China's governance and economy, and also gave an overview of the current economy and risks. Committee Chairman Tarnoff asked about the risks associated with China's political dynamics and its impact to the economy, and Ms. Adams gave an overview of politics within China. Ms. Stone noted that

Meketa closely monitors the Chinese economy and its impact to ISBI's portfolio. Committee Chairman Tarnoff asked if there were any further questions and there were none.

REPORTS BY STRATEGIC PARTNER & CONSULTANT – MEKETA INVESTMENT GROUP AND BLACKROCK FINANCIAL MANAGEMENT, INC.

At 1:51 p.m., Trustee Schostok moved to go into Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss specific investments and investment contracts. Trustee Williams seconded, and the motion was called to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Schostok, Trustee Atlan, and Trustee Williams. The motion passed unanimously.

At 5:33 p.m., Trustee Schostok moved to return to the open meeting. Trustee Williams seconded, and the motion was called to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Schostok, and Trustee Williams. The motion passed unanimously.

CONSIDERATION AND APPROVAL OF PASSIVE INDEX INVESTMENT MANAGER

After discussion amongst Committee members, Trustee Schostok moved that the Board approve RhumbLine Advisers to manage the Russell 3000 index fund, as recommended by ISBI Staff and Meketa, subject to legal review and successful contract negotiations. Trustee Williams seconded, and the motion was called to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Schostok, and Trustee Williams. The motion passed unanimously.

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 Tarnoff noted that the next meeting was tentatively scheduled for June 22-23, 2022, and Committee Members will be notified of the time at a later date. At 5:35 p.m., there being no further business to come before the Committee, Trustee Schostok moved to adjourn the meeting. Trustee Williams seconded, and the meeting was adjourned.

Respectfully submitted,

Johara Farhadieh

Johara Farhadieh, Executive Director/
Chief Investment Officer