

**MINUTES OF THE
ILLINOIS STATE BOARD OF INVESTMENT**

Friday, December 16, 2022 – 12:10 P.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Board Members

Chairman Terrence Healy
Gisela Attlan
Treasurer Michael Frerichs
Senator Robert Martwick
Elizabeth Sanders
Michael Tarnoff (via audio conference)
Justice Debra Walker
Jaye Williams (via audio conference)

Staff

Genette Bacon-Cordova
Koula Berlin
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 (via audio
conference)

Meketa Investment Group, Inc.
Alli Wallace Stone

State Employees' Retirement System
Tim Blair (via audio conference)

Illinois Central Management Services
Chris Colantino

Not Present:

Board Members

Comptroller Susana Mendoza

ROLL CALL

Chairman Healy called the meeting to order at 12:34 p.m. at the Illinois State Board of Investment office, 180 N. LaSalle St., Suite 2015, Chicago. Mr. Mehta called the roll and noted that a quorum was present.

Trustee Walker moved that Trustees Tarnoff and Williams be allowed to participate in the meeting via audio conference pursuant to Section 7(a) of the Open Meetings Act. Trustee Sanders seconded, and the motion passed unanimously.

REPORT OF THE CHAIR

Chairman Healy began the meeting by congratulating ISBI staff and Trustees on some recent birthdays and professional milestones. Trustees and staff thanked Chairman Healy for his kind words.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Walker moved to approve the minutes from the September 30, 2022 Board meeting as presented. Trustee Martwick seconded, and the motion passed unanimously.

Trustee Walker 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 Martwick seconded, and the motion passed unanimously.

CONSIDERATION AND APPROVAL OF REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

Investment Policy Committee

Trustee Tarnoff provided the report to the Board and read through the recommendations approved by the Investment Policy Committee at its December 15, 2022 meeting:

1. To approve the revised Strategic Partner recommended ranges and pacing for calendar year 2023.
2. To approve the revisions to the investment guidelines for ISBI's Strategic Partners, subject to legal review and successful contract negotiations.
3. To approve the Strategic Partner Annual Plans.

Ms. Farhadieh also reviewed the Investment Snapshot, highlighting the new information added this quarter. Trustee Walker moved to adopt and ratify the recommendations of the Investment Policy Committee. Trustee Attlan seconded, and the motion passed unanimously.

Emerging Manager Committee

Trustee Attlan provided a report to the Board on the Emerging Manager Committee's December 16, 2022 meeting. There were no recommendations from the committee meeting needing ratification.

Audit & Compliance Committee

Trustee Sanders provided the report to the Board and read through the recommendations approved by the Audit & Compliance Committee at its December 16, 2022 meeting:

1. To approve the Financial Statements from June 30, 2022.
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 2022 list of Upcoming Training Opportunities, as presented, 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 Walker moved to adopt and ratify the recommendations of the Audit & Compliance Committee. Trustee Tarnoff seconded, and the motion passed unanimously.

Defined Contribution Committee

Trustee Martwick provided a report to the Board on the Defined Contribution Committee's December 16, 2022 meeting. There were no recommendations from the committee meeting needing ratification.

REPORT BY GENERAL CONSULTANT – MEKETA INVESTMENT GROUP, INC.

Defined Benefit Performance Review as of September 30, 2022

Ms. Stone referred trustees to the presentation materials and gave an economic and market update as of September 30, 2022, covering the current market. Ms. Stone then provided an overview of the Defined Benefit Plan's performance as of September 30, 2022. Ms. Stone reviewed the actual vs. target allocation and performance, describing key drivers and noting that the portfolio saw negative performance during the year. However, Ms. Stone noted the portfolio continues to match or outperform almost all policy benchmarks. Ms. Stone then provided more detailed performance information by asset class. There were no questions.

LEGISLATIVE UPDATE

Ms. Cahill gave an update on the 2022 fall veto session, as well as a preview of the upcoming spring session. Ms. Cahill discussed recent divestment provisions signed into law, and Chairman Healy inquired about the impact to ISBI and timeline for implementation. Ms. Cahill provided further detail. There were no further questions.

NEW BUSINESS/OLD BUSINESS

None.

PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Chairman Healy noted that the next meeting was tentatively scheduled for March 23-24, 2023. At 1:05 p.m., there being no further business to come before the Board, Trustee Walker moved to adjourn the meeting. Trustee Atlan seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/
Chief Investment Officer