

MINUTES OF THE
INVESTMENT POLICY COMMITTEE

Thursday, December 15, 2022 – 1:00 P.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Committee Members

Committee Chairman Michael Tarnoff
(via audio conference)
Gisela Attlan
Elizabeth Sanders
Justice Debra Walker
Jaye Williams (via audio conference)

Board Members

Board Chairman Terrence Healy
Senator Robert Martwick

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

Meketa Investment Group, Inc.
Alli Wallace Stone
Mark McKeown

HighVista Strategies LLC
Caroline Page
Adam Posner
Ben Radinsky
Raphael Schorr

The Rock Creek Group

Afsaneh Beschloss

Siddarth Sudhir

Matthew Bullough

Johnny Read

Ken LaPlace

Hamilton Lane Advisors

Matt Silverio

Sean Barber

Franklin Park Associates

Brad Atkins

Ryan Mann

State Employees' Retirement System

Tim Blair (via audio conference)

ROLL CALL

Committee Chairman Tarnoff called the meeting to order at 1:06 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 Committee Chairman Tarnoff and Trustee 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 INVESTMENT POLICY COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Walker moved to approve the minutes, as presented, from the September 29, 2022 meeting of the Investment Policy Committee. Trustee Atflan seconded, and the motion passed unanimously.

Trustee Walker moved to approve and keep closed the Executive Session minutes, as presented, from the September 29, 2022 meeting of the Investment Policy Committee, pursuant to the recommendation of Fiduciary Counsel. Trustee Sanders seconded, and the motion passed unanimously.

INVESTMENT SNAPSHOT ENDING SEPTEMBER 30, 2022

Ms. Farhadieh presented the Investment Snapshot, describing ISBI's performance in relation to its policy benchmark and its peer group. Trustee Sanders inquired about ISBI performance against large public pension funds, and Mr. Richards provided additional details. Ms. Farhadieh also reviewed ISBI's asset allocation and MWDBE manager utilization. Committee Chairman Tarnoff highlighted a new graphic included on the Investment Snapshot, and Ms. Farhadieh provided further information. There were no questions.

REPORTS BY CONSULTANT & STRATEGIC PARTNERS – MEKETA INVESTMENT GROUP, HIGHVISTA STRATEGIES, THE ROCK CREEK GROUP, HAMILTON LANE ADVISORS, AND FRANKLIN PARK ASSOCIATES

At 1:18 p.m., Trustee Walker 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 Sanders seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Tarnoff,

Trustee Williams, Trustee Walker, Trustee Attlan, and Trustee Sanders. The motion passed unanimously.

At 4:19 p.m., Trustee Walker moved to return to the open meeting. Trustee Attlan seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Tarnoff, Trustee Williams, Trustee Walker, Trustee Attlan, and Trustee Sanders. The motion passed unanimously.

Trustee Walker moved that the committee approve the revised Strategic Partner recommended ranges and pacing for calendar year 2023, consistent with the recommendation of Meketa Investment Group and ISBI staff. The recommended ranges based on Strategic Partner target allocations are as follows: \$820-\$850M for Private Debt, \$290-\$310M for Non-Core Real Estate, \$110-115M for Infrastructure, \$450-470M for Private Equity. Trustee Attlan seconded, and the motion passed unanimously.

Trustee Walker moved that the committee approve revisions to the investment guidelines for ISBI's Strategic Partners, consistent with the recommendation of Meketa Investment Group and ISBI staff, and subject to legal review and successful contract negotiations. Trustee Sanders seconded, and the motion passed unanimously.

Trustee Walker moved that the committee approve the Strategic Annual Plans for ISBI's Strategic Partners, consistent with the recommendation of ISBI staff and ISBI's Strategic Partners. Trustee Attlan seconded, and 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 March 23-24, 2023. At 4:23 p.m., there being no further business to come before the committee, Trustee Walker moved to adjourn the meeting. Trustee Sanders seconded, and the meeting was adjourned.

Respectfully submitted,

Johara Farhadieh

Johara Farhadieh, Executive Director/
Chief Investment Officer