

MINUTES OF THE
ILLINOIS STATE BOARD OF INVESTMENT

Friday, December 15, 2023 – 2:35 P.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Board Members

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

Staff

Genette Bacon-Cordova
Mary Cahill
Michelle Choi
Jennifer Koelle
Kawing Lee
Samantha McHugh
Dipesh Mehta
Scott Richards
David Schneider
Dan Sekera
Atul Talwar

Guests

Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Meketa Investment Group, Inc.
Frank Benham
Gloria Hazard

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

Not Present:

Board Members

Matthew Brewer
Comptroller Susana Mendoza
Michael Tarnoff

ROLL CALL

Chairman Healy called the meeting to order at 2:51 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 Frerichs and Mendoza be allowed to participate in the meeting via audio conference pursuant to Section 7(a) of the Open Meetings Act. Trustee Martwick seconded, and the motion passed unanimously.

REPORT OF THE CHAIR

Chairman Healy began the meeting by offering congratulations to Trustee Walker on her reelection as chair of the Judges Retirement System and to Treasurer Frerichs on being named the 2023 Policymaker of the Year by the National Conference on Public Employee Retirement Systems. Chairman Healy also congratulated ISBI staff and trustees on some recent birthdays. Trustees and staff thanked Chairman Healy for his kind words.

Consideration and Approval of Revised 2024 Schedule of Meetings

Chairman Healy presented the revised 2024 schedule of meetings and confirmed that trustees remain comfortable with one day meetings. Trustee Walker moved that the revised 2024 schedule of meetings be approved as presented. Trustee Sanders seconded, and the motion passed unanimously.

Presentation and Approval of Board Resolution Honoring Gisela Attlan

Board Chairman Healy read the resolution honoring Gisela Attlan for her dedication and service as a board member of ISBI. Chairman Healy offered words of thanks to Gisela Attlan for her years of service and her commitment to all the participants and beneficiaries of the fund, and indicated she would be missed.

Trustee Walker moved that the resolution honoring Gisela Attlan for her service as a board member of ISBI, as read on the record, be approved and entered into the permanent record of ISBI. Trustee Martwick seconded, and the motion passed unanimously.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Martwick moved to approve the minutes from the September 27, 2023 Board meeting and to approve and keep closed the Executive Session minutes, as presented, from the September 27, 2023 Board meeting, pursuant to the recommendation of Fiduciary Counsel. Trustee Walker 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 Sanders seconded, and the motion passed unanimously.

CONSIDERATION AND APPROVAL OF REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

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 15, 2023 meeting:

1. To approve the Financial Statements from June 30, 2023.
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 2023 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 Atflan moved to adopt and ratify the recommendations of the Audit & Compliance Committee. Trustee Walker seconded, and the motion passed unanimously.

Emerging Manager Committee

Trustee Atflan provided a report to the Board on the Emerging Manager Committee's December 15, 2023 meeting. There were no recommendations from the committee meeting needing ratification.

Investment Policy Committee

Trustee Tarnoff provided a report to the Board and read through the recommendations approved by the Investment Policy Committee at its December 15, 2023 meeting:

1. To approve the revised strategic partner recommended pacing for calendar year 2024, as recommended by Meketa and ISBI staff.
2. To approve the Strategic Annual Plans, as recommended by ISBI's strategic partners and staff.
3. That the factor portfolio's assets are transitioned to Rhumblin, as discussed, and the Global Factor RFP is closed, as recommended by Meketa and ISBI staff, including taking all necessary accompanying actions for implementation at such time and in such manner deemed prudent by staff.

4. That BlackRock's discretionary management authority over the legacy portfolio is transitioned to Rock Creek on an interim basis while maintaining BlackRock's risk advisory services, as recommended by Meketa and ISBI staff, including taking all necessary accompanying actions for implementation at such time and in such manner deemed prudent by staff.

Trustee Walker moved to adopt and ratify the recommendations of the Investment Policy Committee. Trustee Sanders seconded, and the motion passed unanimously.

Defined Contribution Committee

Trustee Martwick provided a report to the Board on the Defined Contribution Committee's December 15, 2023 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, 2023

Mr. Benham referred trustees to the presentation materials and gave an economic and market update. Ms. Hazard then provided an overview of the Defined Benefit Plan's performance as of September 30, 2023. Ms. Hazard discussed portfolio performance for the quarter, noting soft performance against the policy benchmark and discussing ISBI's ranking against peers. Ms. Hazard also reviewed ISBI's asset allocation and provided an updated market value of assets. Ms. Hazard then provided detailed performance information by asset class and noted the portfolio's continued strong performance over long time horizons. Ms. Hazard asked if there were any questions and there were none.

LEGISLATIVE UPDATE

Ms. Cahill provided the legislative update, discussing the 2023 fall veto session and giving a preview of the upcoming spring 2024 legislative session. Ms. Cahill discussed anticipated legislation that may impact ISBI, including a proposal from Trustee Martwick regarding fees charged to Deferred Compensation Plan participants. Chairman Healy asked a clarifying question about the proposal, and Trustee Martwick provided additional context. Ms. Cahill asked if there were any further questions and there were none.

CONSIDERATION AND APPROVAL REGARDING PERSONNEL MATTER

At 3:40 p.m., Trustee Walker moved to go into Executive Session pursuant to Section 2(c)(1) & (7) of the Open Meetings Act. Trustee Martwick seconded, and the motion was put to a roll call vote. All in favor: Trustee Atlan, Trustee Sanders, Trustee Frerichs, Trustee Martwick, Trustee Walker, and Board Chairman Healy. The motion passed unanimously.

At 4:20 p.m., Trustee Walker moved to return to the open meeting. Trustee Attlan seconded, and the motion was called to a roll call vote. All in favor: Trustee Attlan, Board Chairman Healy, Trustee Martwick, Trustee Sanders, Trustee Frerichs, and Trustee Walker. The motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

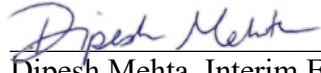
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Chairman Healy noted that the next meeting was tentatively scheduled for March 22, 2024. At 4:22 p.m., there being no further business to come before the Board, Trustee Martwick moved to adjourn the meeting. Trustee Walker seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dipesh Mehta". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Dipesh Mehta, Interim Executive
Director/Chief Investment Officer