

MINUTES OF THE
ILLINOIS STATE BOARD OF INVESTMENT

Monday, April 29, 2024 – 9:00 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Board Members

Chairman Terrence Healy
Matthew Brewer
Treasurer Michael Frerichs
Senator Robert Martwick
Elizabeth Sanders
Justice Debra Walker

Staff

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

Guests

Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Meketa Investment Group, Inc.
Alli Wallace Stone (via audio
conference)

Members of the Public

Jae Franklin
Caeli Kean

Not Present:

Board Members

Comptroller Susana Mendoza
Michael Tarnoff

ROLL CALL

Chairman Healy called the meeting to order at 9:10 a.m. at the Illinois State Board of Investment office, 180 N. LaSalle St., Suite 2015, Chicago. Ms. Boeckman called the roll and noted that a quorum was present.

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

REPORT OF THE CHAIR

Chairman Healy began the meeting by offering congratulations to ISBI staff and trustees on some recent birthdays, and Ms. Boeckman congratulated Chairman Healy on his birthday. Chairman Healy also applauded ISBI for being named to the Diversity, Equity, and Inclusive Capitalism Power100 list of Allocators. Finally, Chairman Healy congratulated Ms. Lee on accepting a full-time position as Portfolio Operations Lead, and Ms. Lee introduced herself to the Board. Trustees and staff thanked Chairman Healy for his kind words.

ELECTION OF OFFICER – RECORDING SECRETARY

Board Chairman Healy noted that the election of the Recording Secretary would be postponed until the Board's next meeting.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Frerichs moved to approve the minutes from the October 13, 2023 Search Committee Meeting, the December 14, 2023 Special Board Meeting, and the December 15, 2023 Board meeting as presented. Trustee Walker seconded, and the motion passed unanimously.

Trustee Walker moved to approve and keep closed the Executive Session minutes, as presented, from the October 13, 2023 Search Committee Meeting, the December 14, 2023 Special Board Meeting, and the December 15, 2023 Board meeting, pursuant to the recommendation of Fiduciary Counsel. Trustee Brewer 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. Trustee Walker inquired into the status of the compliance audit and staff provided the update. Trustee Sanders read through the recommendations approved by the Audit & Compliance Committee at its March 22, 2024 meeting:

1. To accept the Fiscal Year 2023 Annual Report in form, as presented.
2. To approve the Financial Statements from September 30, 2023.
3. To approve and accept for filing, as presented, the Record of Vouchers.
4. To approve the Agent Contact Report.
5. To approve the conferences and trainings listed on the March 2024 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 Sanders seconded, and the motion passed unanimously.

Emerging Manager Committee

Ms. Boeckman provided a report to the Board on the Emerging Manager Committee's March 22, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

Defined Contribution Committee

Trustee Martwick provided the report to the Board and read through the recommendations approved by the Defined Contribution Committee at its March 22, 2024 meeting:

1. To approve the revisions to JCAR, as recommended by CMS, including any further revisions deemed necessary by ISBI's Executive Director/Chief Investment Officer.
2. To approve RVK as the Deferred Compensation Plan's General Consultant to provide non-discretionary consulting services, as recommended by ISBI staff, subject to legal review and successful contract negotiations.

Trustee Walker moved to adopt and ratify the recommendations of the Defined Contribution Committee. Trustee Martwick seconded, and the motion passed unanimously.

Investment Policy Committee

Ms. Boeckman provided a report to the Board on the Investment Policy Committee's March 22, 2024 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 December 31, 2023

Ms. Stone joined the meeting and directed trustees to the presentation materials. Ms. Stone reviewed ISBI's actual vs. target allocation, discussed Meketa's long-term outlook, and provided

the risk budgeting analysis. Ms. Stone also covered ISBI's active vs. passive allocation. Ms. Stone then reviewed performance, noting strong absolute and relative performance in the quarter, with more headwinds over the one-year period. Ms. Stone then discussed each asset class in detail and reviewed strategic partner performance. Chairman Healy inquired into HighVista's exposure to certain emerging markets. Ms. Stone provided additional detail, discussing absolute and relative performance, benchmarks, and future outlook. Trustee Sanders asked for additional detail on the private credit composite, which Ms. Stone provided. Chairman Healy asked if there were any additional questions and there were none. Trustee Brewer thanked Ms. Stone for the performance overview.

LEGISLATIVE UPDATE

Ms. Cahill provided the legislative update, directing trustees to the presentation materials. Ms. Cahill discussed the legislative calendar, the Governor's budget proposal for fiscal year 2025, and various legislative measures which may have an impact on ISBI. Trustee Brewer inquired further into ISBI's role in the legislative process, and Ms. Cahill provided additional detail on her work as ISBI's Government Affairs Analyst. Ms. Cahill asked if there were any additional questions and there were none.

TRAINING BY FIDUCIARY COUNSEL – BURKE BURNS & PINELLI

Ms. Boeckman referred trustees to the presentation materials and conducted the training. Ms. Boeckman reviewed the five basic fiduciary duties, discussing each duty in detail. Ms. Boeckman provided common examples where such duties may come into play for trustees, and information on how to carry out the duties in accordance with the requirements of the law. Several trustees inquired further into specific policies and procedures, and Ms. Boeckman provided additional detail as requested. Ms. Boeckman asked if there were any additional questions and there were none.

NEW BUSINESS/OLD BUSINESS

None.

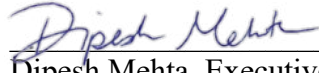
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Chairman Healy noted that the next meeting was tentatively scheduled for June 27, 2024. At 10:08 a.m., there being no further business to come before the Board, Trustee Walker moved to adjourn the meeting. Trustee Brewer 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 underneath it.

Dipesh Mehta, Executive Director/Chief
Investment Officer