

MINUTES OF THE  
**DEFINED CONTRIBUTION COMMITTEE**

Friday, March 22, 2024 – 9:40 A.M.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

Present:

Committee Members

Committee Chairman Senator Robert  
Martwick (via audio conference)  
Treasurer Michael Frerichs  
Elizabeth Sanders

Board Members

Board Chairman Terrence Healy  
Michael Tarnoff (via audio conference)  
Justice Debra Walker

Staff

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

Guests

BlackRock Financial Management, Inc.  
Claudette Grant  
Niyati Mohan  
Michael Levesque

Burke Burns & Pinelli, Ltd.  
Sarah Boeckman

Illinois Central Management Services  
Chris Colantino

NEPC, LLC  
Bill Ryan  
Margaret Belmondo

RVK, Inc.  
Stephen Budinsky  
Tony Johnson

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

Not Present: Committee Members

Matthew Brewer  
Comptroller Susana Mendoza

## ***ROLL CALL***

Committee Chairman Martwick called the meeting to order at 9:47 a.m. at the Illinois State Board of Investment office, 180 N. LaSalle St., Suite 2015, Chicago. Mr. Mehta called the roll and noted a quorum was not present. Board Chairman Healy stated that pursuant to the Board Bylaws and for the purposes of establishing a quorum, he would be serving as a member of the Defined Contribution Committee for this meeting. Mr. Mehta then noted a quorum was present.

Trustee Sanders moved that Committee Chairman Martwick 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 DEFINED CONTRIBUTION COMMITTEE CHAIR***

None.

## ***CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES***

Board Chairman Healy moved to approve the minutes from the December 15, 2023 meeting of the Defined Contribution Committee. Trustee Frerichs seconded, and the motion passed unanimously.

## ***REPORT OF PLAN ADMINISTRATOR – CENTRAL MANAGEMENT SERVICES (CMS)***

### **Consideration and Approval of Revisions to JCAR**

Mr. Colantino referred trustees to the presentation materials and described the proposed change, which increases the threshold at which active participants may receive a distribution under certain circumstances. Mr. Colantino explained that this update is being proposed due to a change made by the SECURE 2.0 Act and will ensure that the plan's recordkeeper can continue processing these distributions via an automated process. Mr. Colantino further indicated that the change will impact a very small number of plan participants. Trustee Sanders inquired further into the current process, and Mr. Colantino outlined the process in more detail. Mr. Colantino asked if there were any additional questions and there were none.

Board Chairman Healy moved that the committee approve the revisions to JCAR, as recommended by CMS, including any further revisions deemed necessary by ISBI's General Counsel. Trustee Sanders seconded, and the motion passed unanimously.

Mr. Colantino also provided a preview of upcoming issues which he may bring before the committee at future meetings. Discussion ensued amongst trustees regarding these topics, and trustees indicated a willingness to hear more from Mr. Colantino and ISBI staff at future meetings.

***REPORT BY CONSULTANT – RVK, INC.***

Deferred Compensation Performance Review as of December 31, 2023

Mr. Johnson referred trustees to the presentation materials and gave a capital markets review. Next, Mr. Budinsky gave an overview of the Deferred Compensation Plan, discussing plan statistics including participant balances, demographics, and loan information. Mr. Budinsky also provided an auto-enrollment and auto-escalation update, noting very favorable retention rates, and Mr. Mehta also commented on the success of the program. Next, Mr. Budinsky reviewed asset allocation, plan performance, and plan utilization. Finally, Mr. Budinsky noted that fees continue to be very competitive compared to peers. Trustee Sanders asked a question about the transition to the stable return fund, and Mr. Budinsky provided more detail. Committee Chairman Martwick asked if there were any additional questions and there were none.

***PRESENTATION BY BLACKROCK – REVIEW OF THE PLAN’S PASSIVE INVESTMENT OPTIONS***

Ms. Grant introduced the BlackRock team and gave a brief firm overview. Ms. Mohan then referred trustees to the presentation materials and provided the review. Ms. Mohan discussed BlackRock’s approach to indexing and the index equity platform, including philosophy and the investment management cycle. Ms. Mohan then reviewed the plan options included in ISBI’s Deferred Compensation Plan and gave a performance overview. Trustee Sanders asked several questions regarding BlackRock’s approach, and Ms. Mohan provided additional detail. Ms. Mohan then transitioned to a review of fixed income options and discussed performance. Ms. Mohan also reviewed BlackRock’s securities lending program, indicating it has led to strong outperformance for ISBI. Ms. Mohan asked if there were any additional questions and there were none.

***CONSIDERATION AND APPROVAL OF DEFERRED COMPENSATION CONSULTANT RECOMMENDATION***

At 10:51 a.m., Board Chairman Healy 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 Frerichs seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Martwick, Trustee Frerichs, Trustee Sanders, and Board Chairman Healy. The motion passed unanimously.

At 12:37 p.m., Board Chairman Healy moved to return to the open meeting. Trustee Frerichs seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Martwick, Trustee Frerichs, Trustee Sanders, and Board Chairman Healy. The motion passed unanimously.

Board Chairman Healy moved that the Board approve RVK as the Deferred Compensation Plan's General Consultant to provide non-discretionary consulting services, subject to legal review and successful contract negotiations. Trustee Sanders seconded, and the motion passed unanimously.

***NEW BUSINESS/OLD BUSINESS***

None.

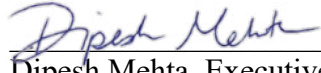
***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Committee Chairman Martwick noted that the next meeting was tentatively scheduled for June 27, 2024. At 12:42 p.m., there being no further business to come before the committee, Board Chairman Healy moved to adjourn the meeting. Trustee Frerichs 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