

MINUTES OF THE  
ILLINOIS STATE BOARD OF INVESTMENT

Thursday, June 27, 2024 – 1:10 P.M.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

Present:

Board Members

Chairman Terrence Healy  
Matthew Brewer  
Treasurer Michael Frerichs  
Senator Robert Martwick  
Comptroller Susana Mendoza  
Elizabeth Sanders  
Michael Tarnoff  
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

Alliant Insurance Services, Inc.  
Craig Goesel  
Jake Jemmi

Burke Burns & Pinelli, Ltd.  
Sarah Boeckman

Illinois State Comptroller's Office  
Patrick Corcoran

Meketa Investment Group, Inc.  
Alli Wallace Stone  
Reggie Ross

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

## ***ROLL CALL***

Chairman Healy called the meeting to order at 2:03 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.

## ***REPORT OF THE CHAIR***

Chairman Healy began the meeting by congratulating ISBI staff and trustees on recent birthdays and other personal milestones. Chairman Healy also announced that the American Investment Council ranked ISBI second in the nation for public pension fund private equity returns, and congratulated the team on the success. Chairman Healy also congratulated Ms. Koelle on being named one of Pensions & Investments Influential Women in Institutional Investing. Finally, Chairman Healy welcomed ISBI's summer interns.

## ***ELECTION OF OFFICER – RECORDING SECRETARY***

Chairman Healy nominated Trustee Walker to serve as Recording Secretary for the remainder of the term previously held by Ms. Atlan. There were no other nominations. Trustee Mendoza moved to approve the nomination, consistent with the requirements of the Board Bylaws. Trustee Tarnoff seconded, and the motion passed unanimously.

## ***CONSIDERATION AND APPROVAL OF MINUTES***

Trustee Walker moved to approve the minutes from the April 29, 2024 Board meeting. Trustee Tarnoff seconded, and the motion passed unanimously.

Trustee Walker moved to approve and keep closed the Executive Session minutes, as presented, from the April 29, 2024 Board meeting, pursuant to the recommendation of Fiduciary Counsel. Trustee Tarnoff 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 Tarnoff 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 June 27, 2024 meeting:

1. To approve the Financial Statements from December 31, 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 June 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 Tarnoff seconded, and the motion passed unanimously.

#### Emerging Manager Committee

Trustee Brewer provided a report to the Board on the Emerging Manager Committee's June 27, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

#### Defined Contribution Committee

Trustee Martwick provided a report to the Board on the Defined Contribution Committee's June 27, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

#### Investment Policy Committee

Trustee Tarnoff provided a report to the Board on the Investment Policy Committee's June 27, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

### ***PRESENTATION BY ALLIANT INSURANCE SERVICES, INC.***

Mr. Goesel of Alliant introduced himself and referred trustees to the presentation materials. Mr. Goesel presented the proposed fiduciary liability policies for the Defined Benefit and Deferred Compensation Plans, as well as the fidelity bond policy. Mr. Goesel explained the purpose of liability insurance and provided benchmarking data for similarly sized plans. Mr. Goesel indicated that Alliant would continue to monitor ISBI's limit profile. Trustee Tarnoff inquired further into respondents, and Mr. Goesel provided additional context. Senator Martwick inquired further into the DC Plan coverage and Mr. Mehta provided the information. Board Chairman Healy asked if the policies were appropriately sized for ISBI, and Mr. Goesel confirmed that, in his expert opinion, the recommended fiduciary liability policies were appropriate and prudent for a fund of ISBI's size.

#### Consideration and Approval of Fiduciary Liability Insurance Policies

Trustee Walker moved that the Board, consistent with the recommendation of Alliant, approve the renewal of ISBI's Fiduciary Liability Insurance Policies pursuant to the terms discussed on the record. Trustee Brewer seconded, and the motion passed unanimously.

***REPORT BY GENERAL CONSULTANT – MEKETA INVESTMENT GROUP, INC.***

**Defined Benefit Performance Review as of March 31, 2024**

Ms. Stone referred trustees to the presentation materials and reviewed the Defined Benefit Plan's performance as of March 31, 2024. Ms. Stone reviewed the actual vs. target allocation and performance, noting a mix of strong performance with softer performance in certain asset classes, and highlighting strong since inception performance for the total fund. Trustee Sanders inquired further into specific asset class performance and benchmarks, with Ms. Stone and Trustee Tarnoff providing additional information. Ms. Stone asked if there were any additional questions and there were none.

***CONSIDERATION AND APPROVAL OF FISCAL YEAR 2024 BUDGET & PERSONNEL MATTER***

At 2:39 p.m., Trustee Mendoza moved to go into Executive Session pursuant to Section 2(c)(1) & (7) of the Open Meetings Act. Trustee Walker seconded, and the motion was put to a roll call vote. All in favor: Board Chairman Healy, Trustee Frerichs, Trustee Martwick, Trustee Mendoza, Trustee Sanders, Trustee Tarnoff, Trustee Brewer, and Trustee Walker. The motion passed unanimously.

At 3:02 p.m., Trustee Walker moved to return to the open meeting. Trustee Tarnoff seconded, and the motion was put to a roll call vote. All in favor: Board Chairman Healy, Trustee Frerichs, Trustee Martwick, Trustee Mendoza, Trustee Sanders, Trustee Tarnoff, Trustee Brewer, and Trustee Walker. The motion passed unanimously.

Trustee Walker moved that the Board approve the Proposed Fiscal Year 2025 Budget, as amended. Trustee Brewer seconded, and the motion passed unanimously.

***REPORT BY PROXY VOTING SERVICE PROVIDER – GLASS LEWIS & CO  
(EDUCATION SESSION)***

Glass Lewis representatives entered the meeting and introduced themselves. Ms. Keatinge referred trustees to the presentation materials and proceeded to give a detailed review of the proxy voting services that Glass Lewis provides for ISBI. Ms. Keatinge discussed Glass Lewis's approach to sustainability and corporate governance, highlighting Glass Lewis's focus on enhancing and protecting shareholder value. Ms. Keatinge also reviewed 2024 proxy season trends, noting an emphasis on cybersecurity and the growth of artificial intelligence. Ms. Keatinge also provided detailed information on updates to Glass Lewis's benchmark policy for the 2024 proxy season, including approach to corporate board diversity. Ms. Keatinge asked if there were any questions and there were none.

## ***REVIEW OF BOARD BYLAWS AND CODE OF ETHICS***

### **Consideration and Approval of Revisions to Board Code of Ethics**

Ms. Cahill provided the standard annual review of the Board Bylaws and Code of Ethics, and recommended revisions to the Code of Ethics in order to align with applicable statutes. Ms. Cahill stated that the Board Bylaws remained appropriate and up-to-date and that staff was not recommending any changes at this time. Ms. Cahill asked if there were any questions and there were none.

Trustee Frerichs moved to approve the revisions to the Board Code of Ethics. Trustee Brewer seconded, and the motion passed unanimously.

## ***LEGISLATIVE UPDATE***

Ms. Cahill gave an update on the 2024 spring legislative session, discussing the FY 2025 state budget and informing the Board of a measure which will allow for early payments into ISBI's member systems by the State Comptroller. Trustees discussed this measure and applauded the effort to improve fiscal responsibility. Ms. Cahill briefly previewed the upcoming fall veto session and asked if there were any questions, of which there were none.

## ***NEW BUSINESS/OLD BUSINESS***

None.

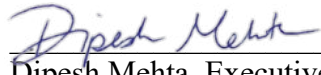
## ***PUBLIC COMMENT***

None.

## ***NEXT MEETING AND ADJOURNMENT***

Chairman Healy noted that the next meeting was tentatively scheduled for September 20, 2024. At 3:10 p.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