

MINUTES OF THE
INVESTMENT POLICY COMMITTEE

Friday, September 20, 2024 – 11:25 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present: Committee Members Committee Chairwoman Elizabeth Sanders
Matthew Brewer
Justice Debra Walker

Board Members Board Chairman Terrence Healy
Senator Robert Martwick (via audio
conference)

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

Guests Burke Burns & Pinelli, Ltd.
Sarah Boeckman

HighVista Strategies, LLC
Caroline Page
Raphi Schorr
Adam Posner

Meketa Investment Group, Inc.
Alli Wallace Stone
Frank Benham

The Rock Creek Group
Afsaneh Beschloss
Siddarth Sudhir
Ken LaPlace

Matthew Bullough

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

Not Present:

Committee Members

Michael Tarnoff

ROLL CALL

Board Chairman Healy called the meeting to order at 11:53 a.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. 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 Investment Policy Committee for this meeting.

Pursuant to the Board Bylaws, Board Chairman Healy nominated Trustee Sanders to serve as the Chair of the Investment Policy Committee. There were no other nominations. Trustee Walker moved that Trustee Sanders be appointed as Investment Policy Committee Chair. Trustee Brewer seconded, and the motion passed unanimously. Committee Chairwoman Sanders served as chair for the remainder of the meeting.

REPORT OF THE INVESTMENT POLICY COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Walker moved to approve the minutes from the June 27, 2024 meeting of the Investment Policy Committee. Trustee Brewer seconded, and the motion passed unanimously.

Trustee Walker moved to approve and keep closed the Executive Session minutes, as presented, from the June 27, 2024 meeting of the Investment Policy Committee, pursuant to the recommendation of Fiduciary Counsel. Trustee Brewer seconded, and the motion passed unanimously.

INVESTMENT SNAPSHOT ENDING JUNE 30, 2024

Mr. Mehta presented the Investment Snapshot, beginning with ISBI's risk/return profile and continuing with ISBI's performance in relation to its policy benchmark and peer group. Mr. Mehta also reviewed ISBI's asset allocation, liquidity, and diverse manager utilization. Committee Chairwoman Sanders asked if there were any questions and there were none.

REPORT BY GENERAL CONSULTANT & STRATEGIC PARTNERS – MEKETA INVESTMENT GROUP, HIGHVISTA STRATEGIES, AND THE ROCK CREEK GROUP; REPORT OF EXECUTIVE DIRECTOR/CHIEF INVESTMENT OFFICER AND INVESTMENT TEAM

At 11:58 a.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 Brewer

seconded, and the motion was put to a roll call vote. All in favor: Committee Chairwoman Sanders, Trustee Walker, Trustee Brewer, and Board Chairman Healy. The motion passed unanimously.

At 3:10 p.m., Trustee Walker moved to return to the open meeting. Trustee Brewer seconded, and the motion was put to a roll call vote. All in favor: Committee Chairwoman Sanders, Trustee Brewer, Trustee Walker, and Board Chairman Healy. The motion passed unanimously.

Board Chairman Healy moved that the committee approve the asset allocation policy and revised benchmarks as discussed on the record, including any necessary steps for implementation, consistent with the recommendation of Meketa Investment Group and ISBI staff. The revised benchmarks are: for global equity, the MSCI All Country World Index (ACWI) IMI; for private credit (primary), Hamilton Lane Private Credit Benchmark (1 Quarter Lagged); for private credit (secondary), 100% CSFB Leveraged Loans + 200 basis points. Trustee Walker seconded, and the motion passed unanimously.

Board Chairman Healy moved that the committee approve allocating 1% of the private equity target allocation to Hamilton Lane and Franklin Park as discussed on the record, including any necessary steps for implementation and successful contract negotiations, consistent with the recommendation of Meketa Investment Group and ISBI staff. Trustee Walker seconded, and the motion passed unanimously.

Trustee Walker moved that the committee approve giving Rock Creek discretionary management of the legacy public equity assets and allowing Rock Creek to continue to manage the legacy core fixed income assets on a non-discretionary basis, consistent with the recommendation of Meketa Investment Group and ISBI Staff, including taking all necessary accompanying actions for implementation and successful contract negotiations at such time and in such manner deemed prudent by staff. Board Chairman Healy 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. Board Chairman Healy seconded, and the motion passed unanimously.

Trustee Walker moved that the committee, consistent with the recommendation of ISBI staff, approve the extension of the general consultant agreement, as presented. Trustee Brewer seconded, and the motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

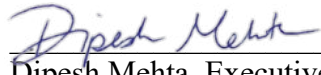
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairwoman Sanders noted that the next meeting was tentatively scheduled for December 13, 2024. At 3:13 p.m., there being no further business to come before the committee, 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