

MINUTES OF THE
ILLINOIS STATE BOARD OF INVESTMENT

Friday, December 13, 2024 – 2:15 P.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:

Board Members

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

Staff

Genette Bacon-Cordova
Caroline Brolly
Mary Cahill
Patrick Hall
Aayush Jakhete
Jennifer Koelle
Jeremy Mayeur
Samantha McHugh
Dipesh Mehta
Scott Richards
David Schneider
Atul Talwar

Guests

Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Meketa Investment Group, Inc.
Alli Wallace Stone
Gloria Hazard

Not Present:

Board Members

Comptroller Susana Mendoza

ROLL CALL

Chairman Healy called the meeting to order at 2:25 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 Trustee Martwick be allowed to participate in the meeting via audio conference pursuant to Section 7(a) of the Open Meetings Act. Trustee Brewer seconded, and the motion passed unanimously.

REPORT OF THE CHAIR

Chairman Healy began the meeting by congratulating ISBI staff and trustees on some recent birthdays. Chairman Healy offered congratulations to Dipesh Mehta on being named a 2024 Elite 100 CIO by Markets Group. Trustees and staff thanked Chairman Healy for his kind words. Chairman Healy then introduced new staff members at ISBI.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Brewer moved to approve the minutes from the September 20, 2024 Board meeting. 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

Defined Contribution Committee

Trustee Martwick provided a report to the Board on the Defined Contribution Committee's December 13, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

Investment Policy Committee

Trustee Sanders provided a report to the Board and read the recommendation approved by the Investment Policy Committee at its December 13, 2024 meeting:

1. To approve the revised strategic partner recommended pacing for calendar year 2025 and accompanying Strategic Partner Annual Plans, as recommended by Meketa and ISBI staff. The recommended ranges based on Strategic Partner allocations are as follows: \$750-780M

for Private Debt, \$270-290M for Non-Core Real Estate, \$100-110M for Infrastructure, and \$450-470M for Private Equity.

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

Audit & Compliance Committee

Trustee Walker provided the report to the Board and read through the recommendations approved by the Audit & Compliance Committee at its December 13, 2024 meeting:

1. To approve the Financial Statements from June 30, 2024.
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 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 Brewer seconded, and the motion passed unanimously.

Emerging Manager Committee

Trustee Brewer provided a preview to the Board of the Emerging Manager Committee's December 13, 2024 meeting. There were no recommendations from the committee meeting needing ratification.

CONSIDERATION AND APPROVAL OF REVISIONS TO BOARD POLICIES

Ms. McHugh reviewed the proposed changes to the Communication Policy and Disaster Recovery Plan, which included minor changes to align the policies with relevant statutes as well as other ISBI policies and procedures. Trustee Walker moved to approve the revisions to the Communication Policy and Disaster Recovery Plan. Trustee Sanders seconded, and the motion passed unanimously.

REPORT BY GENERAL CONSULTANT – MEKETA INVESTMENT GROUP, INC.

Defined Benefit Performance Review as of September 30, 2024

Ms. Stone 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. Ms.

Stone also reviewed ISBI's asset allocation, liquidity, and diverse manager utilization. Ms. Stone then referred trustees to Meketa's presentation materials and gave an economic and market update. Ms. Hazard provided an overview of the Defined Benefit Plan's performance as of September 30, 2024. Ms. Hazard discussed portfolio performance for the quarter against the policy benchmark. Ms. Hazard reviewed ISBI's asset allocation and provided detailed performance information by asset class, noting the portfolio's continued strong performance over long time horizons. Chairman Healy inquired about the overall performance and Ms. Hazard stated that returns were strong and exceeded the assumed rate of return. Ms. Hazard asked if there were any questions and there were none.

LEGISLATIVE UPDATE

Ms. Cahill provided the legislative update, discussing the 2024 fall veto session and giving a preview of the upcoming spring 2025 legislative session. Ms. Cahill discussed anticipated legislation that may impact ISBI, including a proposal from Trustee Martwick regarding Tier 2 participants and Safe Harbor reforms. Chairman Healy commented on the impact of the proposed legislation, and Trustee Martwick provided additional context. Ms. Cahill asked if there were any further questions and there were none.

NEW BUSINESS/OLD BUSINESS

None.

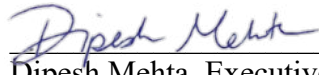
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Chairman Healy noted that the next meeting was tentatively scheduled for March 21, 2025. At 2:56 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