

MINUTES OF THE
ILLINOIS STATE BOARD OF INVESTMENT

Friday, June 20, 2025 – 1:30 P.M.
160 N. LaSalle St., Room N502
Chicago, IL 60601

Present:

Board Members

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

Staff

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

Guests

Alliant Insurance Services, Inc.
Craig Goesel
Jake Jemmi

Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Illinois State Comptroller's Office
Patrick Corcoran
Cassidy Kirk

Illinois State Treasurer's Office
Karen Craven
Eric Krol

Meketa Investment Group, Inc.

Frank Benham

Gloria Hazard

Alli Wallace Stone

State Employees' Retirement System

Tim Blair (via audio conference)

ROLL CALL

Chairman Healy called the meeting to order at 1:57 p.m. at 160 N. LaSalle St., Room N502, Chicago. Mr. Mehta called the roll and noted that a quorum was present.

Trustee Sanders moved that Trustee Walker 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 Ms. Koelle and Mr. Mehta on being named to the Public Allocators 100 list. Chairman Healy also congratulated Ms. Koelle on being named to The Next Elite by Markets Group. Chairman Healy welcomed ISBI's summer interns. Finally, Chairman Healy thanked Mr. Mehta, Mr. Hall, and ISBI Staff for their work planning the board meeting. Chairman Healy also thanked the Illinois State Police and the Chicago Police for their support for ISBI's board meeting.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Walker moved to approve the minutes from the December 13, 2024 Board meeting. Trustee Mendoza seconded, and the motion passed unanimously.

Trustee Mendoza 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 Walker seconded, and the motion passed unanimously.

CONSIDERATION AND APPROVAL OF REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

Executive Committee

Chairman Healy provided the report to the Board and read through the recommendations approved by the Executive Committee at its March 21, 2025 meeting:

1. To approve the recommendation from ISBI Staff that the Fiscal Year 2024 Annual Report be accepted in form.
2. To approve the recommendation of ISBI Staff to issue a Request for Competitive Proposal for the Defined Benefit Plan Consultant.

Trustee Brewer moved to adopt and ratify the recommendations of the Executive Committee. Trustee Frerichs seconded, and the motion passed unanimously.

Emerging Manager Committee

Trustee Brewer provided a report to the Board on the Emerging Manager Committee's June 20, 2025 meeting. There were no recommendations from the committee meeting needing ratification.

Audit & Compliance Committee

Trustee Walker provided the report to the Board and read through the recommendations approved by the Audit & Compliance Committee at its June 20, 2025 meeting:

1. To approve the Financial Statements from December 31, 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 June 2025 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 Sanders moved to adopt and ratify the recommendations of the Audit & Compliance Committee. Trustee Mendoza seconded, and the motion passed unanimously.

Defined Contribution Committee

Trustee Martwick provided a report to the Board and read the recommendation approved by the Defined Contribution Committee at its June 20, 2025 meeting:

1. To approve the recommendation of RVK and ISBI Staff to approve the revised Deferred Compensation Investment Policy.

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

Trustee Martwick then commented on the CMS budget proposal presented at the June 20, 2025 Defined Contribution Committee meeting. Trustee Martwick provided information about a bill he has introduced to shift costs to employers rather than DC Plan participants. Trustee Martwick indicated concerns about the continued increase in the CMS budget and directed Fiduciary Counsel to draft a letter to CMS and the Governor's Office expressing the Board's concerns and current lack of oversight for the budget. Trustee Martwick requested that CMS attend the September meeting for further discussion.

Investment Policy Committee

Trustee Sanders provided a report to the Board and read the recommendation approved by the Investment Policy Committee at its June 20, 2025 meeting:

1. To approve the Transition Manager Pool recommended by Meketa and ISBI Staff.

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

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. Mr. Goesel explained the purpose of liability insurance and provided benchmarking data for similarly sized plans. Chairman Healy asked a clarifying question about legal fee coverage, and Mr. Goesel provided the information. Trustee Walker asked about claims, and Mr. Goesel provided additional detail. Mr. Goesel discussed ISBI's fidelity bond policy renewed the previous year, which Mr. Mehta commented was required by the Illinois Pension Code. 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 Mendoza 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 Walker seconded, and the motion passed unanimously.

REPORT BY GENERAL CONSULTANT – MEKETA INVESTMENT GROUP, INC.

Defined Benefit Performance Review as of March 31, 2025

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. Hazard then referred trustees to the presentation materials and reviewed the Defined Benefit Plan's performance as of March 31, 2025. Ms. Hazard reviewed the first quarter and one-year performance before moving to the actual vs. target allocation noting that all asset classes were within policy ranges. Ms. Hazard reviewed the active vs. passive allocation and total fund performance noting that performance was in line with the benchmark. Ms. Hazard asked if there were any questions, and there were none.

CONSIDERATION AND APPROVAL OF FISCAL YEAR 2025 BUDGET

At 2:35 p.m., Trustee Walker moved to go into Executive Session pursuant to Section 2(c)(1) & (7) of the Open Meetings Act. Trustee Sanders 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 Brewer, and Trustee Walker. The motion passed unanimously.

At 2:50 p.m., Trustee Walker moved to return to the open meeting. Trustee Martwick 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 Brewer, and Trustee Walker. The motion passed unanimously.

Trustee Walker moved that the Board approve the Proposed Fiscal Year 2026 Budget, as presented. Trustee Brewer seconded, and the motion passed unanimously.

REVIEW OF BOARD BYLAWS AND CODE OF ETHICS

Annual Review of Board Bylaws and Code of Ethics

Ms. McHugh informed trustees that the ISBI legal team reviewed ISBI's Board Bylaws and Code of Ethics and did not recommend any changes at this time.

Consideration and Approval of Revisions to Agency Directives Manual

Ms. McHugh reviewed the proposed changes to the Agency Directives Manual, which included an update to specifically delineate ISBI property that is subject to theft. Ms. McHugh stated that the update was being made to better align with Illinois Administrative Code. Ms. McHugh asked if there were any questions, and there were none.

Trustee Sanders moved to approve the revisions to the Agency Directives Manual. Trustee Martwick seconded, and the motion passed unanimously.

LEGISLATIVE UPDATE

Ms. Cahill gave an update on the 2025 spring legislative session, discussing bills related to Deferred Compensation Plan fees and Tier 2 reform which are both pending. Ms. Cahill informed trustees about two bills that passed both houses: a technical omnibus bill that made cost neutral changes and technical fixes to the Illinois Pension Code and a bill extending the deadline to file a monthly report required by the Accountability for the Investment of Public Funds Act. 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.

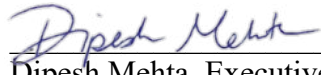
PUBLIC COMMENT

None. Discussion ensued amongst Trustees.

NEXT MEETING AND ADJOURNMENT

Chairman Healy noted that the next meeting was tentatively scheduled for September 19, 2025. At 3:09 p.m., there being no further business to come before the Board, Trustee Martwick moved to adjourn the meeting. Trustee Walker 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