

MINUTES OF THE  
ILLINOIS STATE BOARD OF INVESTMENT

Monday, September 22, 2025 – 9:00 A.M.  
160 N. LaSalle St., Room N502  
Chicago, IL 60601

Present:

Board Members

Chairman Terrence Healy  
Treasurer Michael Frerichs  
Senator Robert Martwick  
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  
Renee Westfield

Guests

Burke Burns & Pinelli, Ltd.  
Sarah Boeckman

HighVista Strategies, LLC  
Caroline Page  
Adam Posner  
Luke Chan

Illinois Central Management Services  
Chris Colantino

Meketa Investment Group, Inc.  
Alli Wallace Stone  
Frank Benham  
Gloria Hazard  
Peter Woolley

The Rock Creek Group, LP  
Afsaneh Beschloss  
Siddarth Sudhir

Ken LaPlace  
Matt Bullough

RVK, Inc.  
Eric Painting  
Tony Johnson  
Stephen Budinsky  
Josh Kevan  
Joe Ledgerwood

Vanguard  
Todd Wallace  
Michael Palazzi

Members of the Public

Illinois Divest  
Antiwar Committee Chicago  
US Palestinian Community Network  
Jewish Voice for Peace  
Chicago Alliance Against Racism and  
Political Repression

Not Present:

Board Members

Matthew Brewer  
Comptroller Susana Mendoza

## ***ROLL CALL***

Chairman Healy called the meeting to order at 9:03 a.m. at 160 N. LaSalle St., Room N502, Chicago. Mr. Hall called the roll and noted a quorum was present.

## ***PUBLIC COMMENT***

Husam Marajda of the United States Palestinian Community Network urged ISBI to divest from Israel.

Anna Kaufman from Jewish Voice for Peace asked that the Board take time to rethink investing state and pension investments in Israel.

Pete Wilson from Jewish Voice for Peace called on ISBI to divest from investments in companies operating in Israel.

Tulsi from the Chicago Alliance Against Racism and Political Repression demanded that ISBI and Illinois Treasurer Frerichs divest from Israel and companies with ties to Israel.

Gianna from the University of Illinois Chicago urged ISBI to divest from companies with ties to Israel and suggested that ISBI could instead invest in Illinois schools and communities.

Zhenya Palosova from Antiwar Committee Chicago asked ISBI to divest from Israel and companies with ties to Israel.

Members of Illinois Divest began to protest and disrupt the meeting before leaving.

Chairman Healy noted that a prior meeting date had been rescheduled due to scheduling conflicts.

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

Trustee Walker moved to approve the minutes from the June 20, 2025 Board meeting. Trustee Sanders seconded, and the motion passed unanimously.

Trustee Walker moved to approve and keep closed the Executive Session minutes, as presented, from the June 20, 2025 Board meeting, pursuant to the recommendation of Fiduciary Counsel. Trustee Sanders seconded, and the motion passed unanimously.

## ***UPDATE ON FISCAL YEAR 2025 AUDIT***

Mr. Schneider provided the update, stating that RSM would be performing compliance and financial audits. Ms. Schneider informed trustees that ISBI had submitted initial documentation

and fieldwork would start in October. Mr. Schneider asked if there were any questions, and there were none.

### ***CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (3/31/25)***

Mr. Schneider referred trustees to the Financial Statements from March 31, 2025. Mr. Scheider reviewed the statements and discussed each category in detail. Mr. Mehta noted that ISBI's assets under management were \$29.5 billion as of September 19, 2025. Mr. Schneider asked if there were any questions, and there were none.

Trustee Walker moved that the Financial Statements from March 31, 2025 be approved consistent with the recommendation of ISBI staff. Trustee Sanders seconded, and the motion passed unanimously.

### ***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (APRIL, MAY, JUNE 2025)***

Mr. Schneider referred trustees to the Record of Vouchers paid in April, May, and June of 2025. Mr. Schneider asked if there were any questions, and there were none.

Trustee Walker moved that the Record of Vouchers be approved and accepted for filing as presented and recommended by ISBI staff. Trustee Sanders seconded, and the motion passed unanimously.

### ***ACTUAL VS. PROJECTED BUDGET FORECAST AS OF JUNE 30, 2025***

Mr. Schneider referred trustees to the Actual vs. Projected Budget Forecast as of June 30, 2025 in the meeting materials. Mr. Schneider stated that ISBI's expenses remain below budget in all major categories. Chairman Healy asked about ISBI's office lease, and Mr. Mehta provided further detail. Trustee Walker commended ISBI staff for staying under budget. Chairman Healy asked if there were any questions, and there were none.

### ***ETHICS MATTERS***

#### **Consideration and Approval of Agent Contact Report**

Mr. Hall directed trustees to the Agent Contact Report for the first quarter of Fiscal Year 2026. Chairman Healy inquired about the number of contacts. Ms. McHugh stated it was a light quarter compared to prior ones. Trustee Walker moved that the Agent Contact Report, as presented, be

approved and accepted for filing, as recommended by ISBI staff. Trustee Sanders seconded, and the motion passed unanimously.

### Consideration and Approval of Fiduciary Training Opportunities

Mr. Hall referred trustees to the September 2025 list of Upcoming Training Opportunities, previously provided, and noted that travel expenses are reimbursable if approved in advance, consistent with the requirements of the Illinois Pension Code and ISBI's policies. Trustee Walker moved that the conferences and trainings listed on the September 2025 list of Upcoming Training Opportunities, as presented, be approved pursuant to Section 1-150 of the Illinois Pension Code and that all resulting allowable expenses be reimbursed, consistent with ISBI's policies. Trustee Sanders seconded, and the motion passed unanimously.

### ***REVIEW OF DIVERSITY POLICY***

Ms. Cahill stated that ISBI staff had reviewed the Diversity Policy and believes it remains up-to-date and appropriate for ISBI, and that no changes were recommended. Discussion ensued amongst the Board.

### ***DIVERSITY POLICY IMPLEMENTATION REVIEW***

Ms. Cahill directed trustees to the presentation materials, dated as of June 30, 2025. Ms. Cahill gave an overview of ISBI's Diversity Policy implementation, highlighting utilization in relation to the Board's approved goals as outlined in the Diversity Policy. Ms. Cahill provided ISBI's total allocation to minority- or woman-owned firms and stated that allocation decisions are always made first and foremost in line with ISBI's fiduciary duty. Mr. Mehta commended Ms. McHugh on managing the hiring process to bring diverse candidates when positions are available at ISBI. Chairman Healy commented that ISBI's returns are strong with a high allocation to minority- and women-owned firms. Chairman Healy asked if there were any questions, and there were none.

### ***TRUSTEE EDUCATION SESSION – RVK, INC.***

#### Target Date Funds

Mr. Painting referred trustees to the education materials. Mr. Painting provided a default investment alternative overview and discussed how target date funds work. Mr. Painting presented about target date fund investments, diversification, and emerging themes in target date funds. Chairman Healy inquired about DC Plan participants who change their investments. Messrs. Budinsky and Johnson provided more information. Mr. Painting then discussed participant lifecycle risk, glide path options, target date fund alignment with plan demographics, active management in target date funds, and active management fees. Trustee Sanders asked about performance. Messrs. Painting and Budinsky provided further detail, and discussion ensued among trustees.

#### Defined Contribution Legislative and Regulatory Environment

Mr. Budinsky directed trustees to the presentation and introduced the educational topics. Mr. Budinsky provided a legislative update including information about Secure 2.0 and recently proposed federal bills impacting retirement plans. Mr. Budinsky then discussed the new Presidential Administration as well as leadership at the Department of Labor, and indicated that cybersecurity is a focus at the federal level. Mr. Budinsky informed trustees about the Administration's Executive Order related to alternative investments in defined contribution plans. Trustee Sanders inquired about lifetime income strategies, and Mr. Budinsky shared more information. Mr. Budinsky then discussed the Roth catch-up contributions and mandatory auto-enrollment provisions of Secure 2.0. Mr. Budinsky next shared about ongoing litigation related to other retirement plans. Discussion ensued among trustees about ISBI's success with auto-enrollment and auto-escalation.

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

#### Deferred Compensation Performance Review as of June 30, 2025

Mr. Johnson referred trustees to the presentation materials and gave a capital markets review. Chairman Healy inquired about changes at the Bureau of Labor Statistics, and Mr. Johnson gave more information. Mr. Johnson then proceeded to review Plan statistics, including participant balances, demographics, and loan information. Next, Mr. Johnson discussed asset allocation and performance and discussed peer rankings. Mr. Johnson asked if there were any further questions and there were none.

#### Target Date Fund Review

Mr. Painting directed trustees to the presentation materials and provided a default investment alternative review. Mr. Painting shared a target date fund market overview, gave a review of Vanguard's target retirement funds' strategy and performance, and informed trustees of Vanguard's organizational updates. Mr. Painting then updated trustees about the Target Retirement Income and Growth Trust that was added to the DC Plan investment options in June 2025. Mr. Painting asked if there were any questions, and there were none.

#### Stable Value Fund Custody Review

Mr. Budinsky referred trustees to the presentation materials and gave the custody review. Mr. Budinsky stated that the fees are competitive at the current custodian, Northern Trust, and RVK did not recommend any action as a result of the review. Trustee Sanders asked about the custodial relationship, and Mr. Mehta provided the requested information.

### ***PRESENTATION BY VANGUARD – TARGET DATE FUND REVIEW***

Mr. Wallace introduced himself and Mr. Palazzi and directed trustees to the presentation materials. Mr. Palazzi provided an overview of Vanguard's structure. Mr. Palazzi then discussed target retirement philosophy and approach, detailing glide paths and strategies for balancing risk. Trustee Walker asked about typical retirement age, and Mr. Palazzi provided the requested information.

Next, Mr. Palazzi shared the building blocks for strategic asset allocation. Trustee Sanders asked for additional information which Mr. Palazzi provided. Mr. Palazzi informed trustees of investments not included in Vanguard's target date funds as well as the reasoning for not including them. Discussion ensued among trustees. Chairman Healy asked if there were any further questions, and there were none.

### ***REPORT OF PLAN ADMINISTRATOR – CMS***

#### **DCP Budget Discussion**

Mr. Colantino referred trustees to the presentation materials and reviewed CMS's project budget for Fiscal Year 2026. Discussion ensued among trustees about CMS staffing levels and overall budget with many trustees expressing concern about the budget increases. Trustee Martwick requested that ISBI staff and Fiduciary Counsel prepare a letter expressing the Board's concerns to CMS, the General Assembly, and the Governor's Office with which the trustees agreed.

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

#### **Defined Benefit Performance Review as of June 30, 2025**

Mr. Benham directed trustees to the presentation materials and reviewed the Defined Benefit Plan's performance as of June 30, 2025. Ms. Stone discussed the actual vs. target allocation and peer rankings. Ms. Stone then provided an attribution summary, long-term outlook, and reviewed the active vs. passive allocation. Ms. Hazard discussed performance by asset class. Trustee Sanders inquired about private equity performance. Ms. Hazard, Mr. Benham, and Mr. Woolley provided more detail. Chairman Healy asked if there were any further questions, and there were none.

### ***REPORTS BY STRATEGIC PARTNERS – HIGHVISTA STRATEGIES, LLC AND THE ROCK CREEK GROUP, LP; CONSIDERATION AND APPROVAL OF DB CONSULTANT RECOMMENDATION***

At 12:03 p.m., Trustee Walker moved that the Board go into Executive Session pursuant to Section 2 (c)(7) of the Open Meetings Act to discuss specific investments and investment contracts. Trustee Martwick seconded, and the motion was put to a roll call vote. All in favor: Chairman Healy, Trustee Frerichs, Trustee Martwick, Trustee Sanders, and Trustee Walker. The motion passed unanimously.

At 3:47 p.m., Trustee Walker moved that the Board return to the open meeting. Trustee Martwick seconded, and the motion was put to a roll call vote. All in favor: Chairman Healy, Trustee

Frerichs, Trustee Martwick, Trustee Sanders, and Trustee Walker. The motion passed unanimously.

Trustee Walker moved that the Board approve RVK, Inc. as the Defined Benefit Plan's General Consultant to provide non-discretionary consulting services, subject to legal review and successful contract negotiations. Trustee Martwick seconded, and the motion passed unanimously.

### ***ELECTION OF OFFICERS/CHAIRPERSON***

Chairman Healy began by congratulating ISBI staff and trustees on recent birthdays. Chairman Healy also offered congratulations for ISBI ranking among the top five pension plans in private equity performance for the fifth straight year.

#### Appointment of Standing Committees

Chairman Healy noted his intention to postpone the election of officers and appointment of standing committees until the December meeting in an attempt to have more trustees present for the election of officers and appointment of standing committees.

#### Consideration and Approval of Proposed 2026 Schedule of Meetings

Trustee Martwick moved that the 2026 Schedule of Meetings be approved as presented. Trustee Sanders seconded, and the motion passed unanimously.

### ***CONSIDERATION AND APPROVAL OF REVISIONS TO BOARD POLICY***

#### Transition Management Policy

Ms. Koelle directed trustees to the Transition Management Policy and detailed the proposed revisions. Trustee Walker moved that the Board, consistent with the recommendation of ISBI staff, approve the revised Transition Management Policy. Trustee Sanders seconded, and the motion passed unanimously.

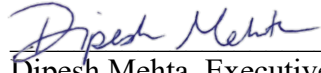
### ***NEW BUSINESS/OLD BUSINESS***

Trustee Martwick shared with trustees an event he had recently attended and stated the experience highlighted the importance of the work ISBI does to ensure retirees have meaningful retirement security.

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

Chairman Healy noted that the next meeting was tentatively scheduled for December 19, 2025. At 3:57 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,



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Dipesh Mehta, Executive Director/Chief  
Investment Officer