



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Investment Committee

August 15, 2024

A meeting of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) was held on August 15, 2024, at the TRS office, 2815 West Washington Street, Springfield, Illinois. Trustee David Miller (Chair) called the meeting to order at 1:00 PM. Roll call attendance was taken with the following committee members present: Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman, Trustee Matt Hunt, Trustee Mia Jazo-Harris, Trustee Maureen Mena, Trustee David Miller (Chair), Trustee Fred Peronto (Vice Chair), Trustee Larry Pfeiffer, Trustee Tony Sanders, and Trustee Doug Strand. Trustees Beth Anderson and Joe Blomquist were not in attendance. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director & CIO; Sally Antonacci, Executive Officer; Chelsea Duis, Executive Administrator; Deron Bertolo, Chief Financial Officer; Stacy Smith, Director of Internal Audit & Risk; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Janelle Gurnsey, Director of Public Relations; Kyle Thornton, Network Administrator; Rick Creasey, Senior Technical Support Specialist; Ghiané Jones, Deputy Chief Investment Officer; Bob Jiroutek, Director of Risk and Investment Operations; Jose Gonzalez, Senior Investment Officer – Diverse & Emerging Managers; Ann Stone, Investment Analyst – Diverse & Emerging Managers; Andre Hester, Rotational Investment Analyst; Nick Norstrom, Senior Investment Officer – Private Equity; Ben Skrodzki, Senior Investment Officer – Public Markets & Private Equity; Charlie Hirner, Investment Analyst – Private Equity; Dakin Sanert, Senior Investment Officer – Real Estate; Tim Runnalls, Senior Investment Officer – Real Estate; Rocco Di Leo, Investment Officer – Real Assets; Michael Rennolds, Senior Investment Analyst – Real Assets; Lily Wetzels, Investment Analyst – Real Estate; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); Becky Gratsinger and Tony Johnson of RVK Inc. (Investment Consultant); Mike Elio and Laura White of StepStone (Private Equity Consultant); and Jeremy Goldberg, Matthew Moreno, and Justin Thibault of StepStone (Real Assets Consultant).

Remote attendees: None

Visitors: Elston Flowers – IEA Retired

Public Comment

None

Minutes

A draft of the June 17, 2024, minutes of the Investment Committee meeting was sent to the committee members for review. On a motion by Trustee Byas, seconded by Trustee Goetz, the minutes were approved by unanimous voice vote. Documentation is on file.

Investment Portfolio Summary

Stan Rupnik, Executive Director & CIO, provided the preliminary June 30, 2024, investment manager charts. Documentation is on file.

Cash Flow Report

Stan Rupnik provided a cash flow summary to fund the System's cash requirements. Documentation is on file.

Investment Performance & Pension Trends

Becky Gratsinger and Tony Johnson of RVK, Inc. provided an overview of the preliminary June 30, 2024, investment performance report, including trending pension topics and capital markets. Topics included the market performance during U.S. presidential election years, monetary policy, and global debt. Ghiané Jones, Deputy Chief Investment Officer, provided commentary on performance and markets. Documentation is on file.

Investment Risk Report

Bob Jiroutek, Director of Risk and Investment Operations, provided an overview of the June 2024 investment risk report. Documentation is on file.

Investment Activity Report

Stan Rupnik and Ghiané Jones provided an overview of investment activity by asset class completed by the System's investment staff for the period May 28, 2024, through July 22, 2024. Documentation is on file.

Rebalance Exemption

Stan Rupnik provided information regarding a temporary exemption from target ranges for Cash and Diversifying Strategies, based upon the approved June 2024 Asset Allocation. A motion was made by Trustee Peronto, seconded by Trustee Miller, that the committee recommend to the Board to approve a temporary exemption to rebalance ranges pending implementation of the revised diversifying strategies portfolio. Motion passed by unanimous voice vote.

Diversity Report

MWBE Utilization Report

Jose Gonzalez, Senior Investment Officer – Diverse & Emerging Managers, provided preliminary data as of June 30, 2024, on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. TRS exceeded its brokerage goals by 28.8% for US equity

and 14.1% for global fixed income. TRS missed its brokerage goal by 2.2% for international equity. As of June 30, 2024, MWBE assets as a percent of total plan were 29.78%, which is 7.78% over the TRS fiscal year 2024 utilization goal of 22%. Documentation is on file.

RECESS

The meeting recessed at 2:23 PM and resumed at 2:40 PM.

Private Equity Tactical Plan

Nick Norstrom, Senior Investment Officer – Private Equity; Ben Skrodzki, Senior Investment Officer – Public Markets & Private Equity; and Mike Elio and Laura White of StepStone presented the FY2025 private equity tactical plan. The plan includes a review of FY2024 initiatives, FY2025 initiatives, fee analysis and pacing analysis. Documentation is on file. A motion was made by Trustee Goetz, seconded by Trustee Hirshman, that the committee recommend to the Board to approve the FY2025 Private Equity Tactical Plan, as presented. Motion passed by unanimous voice vote.

Real Estate/Real Assets Tactical Plan

Dakin Sanert, Senior Investment Officer – Real Estate; Tim Runnalls, Senior Investment Officer – Real Estate; and Jeremy Goldberg, Matthew Moreno, and Justin Thibault of StepStone presented the FY2025 real estate/real assets tactical plan. The plan includes a review of FY2024 initiatives, FY2025 initiatives, real estate and real asset characteristics, objectives, risk/returns, allocation targets, portfolio initiatives, and a portfolio pacing plan analysis. Documentation is on file. A motion was made by Trustee Goetz, seconded by Trustee Peronto, that the committee recommend to the Board to approve the FY2025 Real Estate/Real Assets tactical plan, as presented. Motion passed by unanimous voice vote.

Other Business

None

Trustee Concerns

Trustee Strand expressed concerns related to the volatility of real estate valuations.

Trustee Jazo-Harris made a comment about the importance of affordable housing in the real estate industry.

Adjournment

There being no further business to be brought before the Investment Committee, a motion was made by Trustee Byas, seconded by Trustee Pfeiffer, to adjourn the meeting at 4:32 PM. Motion passed by unanimous voice vote.

Minutes – Investment Committee

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Approved: 10/24/2024