



## **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

R. Stanley Rupnik, Executive Director & Chief Investment Officer

<http://www.trsil.org>

877-927-5877 (877-9-ASK-TRS)

### **MINUTES**

#### **Investment Committee**

**December 12, 2024**

A meeting of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois was held on December 12, 2024, at NIU Naperville, 1120 E. Diehl Rd., Naperville, Illinois. Trustee David Miller (Chair) called the meeting to order at 10:32 AM. Roll call attendance was taken with the following committee members present: Trustee Beth Anderson, Trustee Kevin "Duffy" Blackburn, Trustee Joe Blomquist, Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman, Trustee Mia Jazo-Harris, Trustee Maureen Mena (departed at 3:59 PM), Trustee David Miller (Chair), Trustee Fred Peronto (Vice Chair) (arrived at 12:53 PM), Trustee Larry Pfeiffer (departed at 12:16 PM, returned at 2:32 PM), Trustee Tony Sanders, and Trustee Doug Strand. Trustee Matt Hunt was not in attendance. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director & Chief Investment Officer; Sally Antonacci, Executive Officer; Chelsea Duis, Executive Administrator; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Deron Bertolo, Chief Financial Officer; Gloria Lasley, Chief Operating Officer; Michelle Kissel, Director of Human Resources; Bob Jiroutek, Director of Risk and Investment Operations; Ghiané Jones, Deputy Chief Investment Officer; Nick Norstrom, Senior Investment Officer – Private Equity; Bill Thomas, Senior Investment Officer – Global Equity; James Davis, Senior Investment Analyst – Global Equity; Dakin Sanert, Senior Investment Officer – Real Estate; Tim Runnalls, Senior Investment Officer – Real Assets; Kyle Thornton, Senior Systems Administrator; Bo Baptist, Senior Systems Administrator; Becky Gratsinger and Tony Johnson of RVK Inc. (Investment Consultant); Ryan Breslin, John Claisse, Sean Crawford, Arabella Wuchek, and Jennifer Yeung of Albourne (Private Equity Consultant Candidate); Lindsay Creedon, Geoff Dolan, Mike Elio, Jack Murray, and Laura White of StepStone (Private Equity Consultant Candidate); Christy Fields, Scott Maynard, Adam Toczylowski, and Alli Wallace Stone of Meketa (Real Estate/Real Assets Consultant Candidate); and Jeremy Goldberg, Matthew Moreno, and Justin Thibault of StepStone (Real Estate/Real Assets Consultant Candidate).

Remote attendees: Stacy Smith, Director of Internal Audit & Risk; Lori Dour, Chief Benefits Officer; John Gerding, Director of Information Technology; Abby Griffith, Senior Investment Accounting Manager; Jose Gonzalez, Senior Investment Officer – Diverse and Emerging Managers; Ben Skrodzki, Senior Investment Officer – Global Equity; Katie DellaMaria, Senior Investment Officer – Global Income Strategies; Corbin Freres, Senior Investment Officer – Global Income Strategies; Patrick Zheng, Investment Officer – Private Equity; Michael Rennolds, Senior Investment Analyst – Real Assets; Ann Stone, Investment Analyst – Diverse and Emerging Managers; Chloe Ariss, Investment Analyst – Global Income Strategies; Andre Hester, Rotational Investment Analyst; Rocco Di Leo, Investment Analyst – Real Assets; Tyler Kalata, Rotational Investment Analyst; Charlie Hirner, Investment Analyst – Private Equity; Lily Wetzels, Investment Analyst – Real Assets; Tiffany Frailey, Administrative Supervisor – Investments; Sandy Troppa-Amerson, Administrative Specialist – Investments; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); and Ian Bray of RVK Inc. (Investment Consultant).

Visitors: Elston Flowers, IEA-Retired, and Rob Kozlowski, Pensions and Investments.

### Remote Attendance Request

Trustee Larry Pfeiffer was unable to attend in person due to a family or other emergency. In accordance with the Open Meetings Act, 5 ILCS 120, Section 7, permission was requested for Trustee Pfeiffer to attend via remote attendance. A motion was made by Trustee Hirshman and seconded by Trustee Strand to allow Trustee Pfeiffer to attend via remote attendance. Motion carried by unanimous voice vote.

### Public Comment

None.

### Minutes

A draft of the October 24, 2024, minutes of the Investment Committee meeting was sent to the committee members for review. On a motion by Trustee Sanders, seconded by Trustee Blomquist, the minutes were approved by unanimous voice vote. Documentation is on file.

### Investment Portfolio Summary

Stan Rupnik, Executive Director & Chief Investment Officer, provided the final October 31, 2024, 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 final September 30, 2024, investment performance report, including trending pension topics and capital markets. Topics included the stock-bond correlations, interest rates, and an S&P 500 concentration update. Documentation is on file. The total fund return, net of fees:

Fiscal year to date:	3.05%
3 year:	5.69%
5 year:	8.38%
10 year:	7.30%
20 year:	7.22%

Ghiané Jones, Deputy Chief Investment Officer, presented the trailing performance for the Global Income Strategies, Public Equity, and Diversifying Strategies asset classes.

### Global Public Equity Annual Review

Bill Thomas, Senior Investment Officer – Global Equity, and James Davis, Senior Investment Analyst – Global Equity, provided an overview of the global public equity portfolio and proposed recommendations based on this year’s global public equity asset class annual reviews. Documentation is on file. A motion was made by Trustee Hirshman, seconded by Trustee Jazo-Harris, that the committee recommend Board approval of the fiscal year 2025 Global Equity Annual Review Plan as presented. Motion carried by unanimous voice vote.

### **RECESS**

The meeting recessed at 12:16 PM and resumed at 12:53 PM.

*(Trustee Pfeiffer departed at 12:16 PM. Trustee Peronto arrived at 12:53 PM.)*

### Investment Activity Report

Stan Rupnik provided an overview of investment activity by asset class completed by the System’s investment staff from the previous meeting through November 15, 2024. Documentation is on file.

Ghiané Jones provided an overview of the accomplishments of investment staff for calendar year 2024.

### Private Equity Consultant RFP

The contract with the System’s private equity consultant, StepStone, expires in December of 2024. Staff issued a Request for Proposal on August 7, 2024, and following a review of all responses and semi-finalist interviews, staff selected Albourne and StepStone as finalists for the Investment Committee to interview. Nick Norstrom, Senior Investment Officer – Private Equity, provided a background of the search process and the due diligence that was performed. Albourne provided a presentation to the committee, followed by a presentation from StepStone. The firms’ presentation books are on file. *(Trustee Pfeiffer arrived at 2:32 PM.)* A motion was made by Trustee Goetz, and seconded by Trustee Blomquist, that the committee recommend to the Board to engage StepStone as TRS’s private equity consultant for a five-year period. The motion passed by unanimous voice vote with Trustee Pfeiffer recusing himself from the vote due to his absence during the item.

### Diversity Report

Jose Gonzalez, Senior Investment Officer – Diverse & Emerging Managers, provided preliminary data as of September 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 17.4% for U.S. equity, 1.2% for international equity, and 8.8% for global fixed income. As of September 30, 2024, MWBE assets as a percent of total plan were 29.12%, which is 6.12% over the TRS fiscal year 2025 utilization goal of 23.0%. Documentation is on file.

### Real Estate/Real Assets Consultant RFP

The contract with the System’s real estate/real assets consultant, StepStone, expires in December of 2024. Staff issued a Request for Proposal on July 17, 2024, and following a review of all responses and semi-finalist interviews, staff selected Meketa and StepStone as finalists for the Investment Committee to interview. Dakin Sanert, Senior Investment Officer – Real Estate, and Tim Runnalls, Senior Investment Officer – Real Assets, provided a background of the search process and the due diligence that was performed. Meketa provided a presentation to the committee, followed by a presentation from StepStone. The firms’ presentation books are on file. *(Trustee Mena departed at 3:59 PM.)* A motion was made by Trustee Hirshman, and seconded by Trustee Jazo-Harris, that the committee recommend to the Board to engage StepStone as TRS’s real estate/real asset consultant for a five-year period. The motion passed by unanimous voice vote.

### Investment Policy Revisions

On an annual basis, staff formally reviews the TRS Investment Policy to reflect current procedures and Board action through the fiscal year. Emily Peterson, General Counsel, presented proposed revisions to the following sections of the Investment Policy:

- Section XIII: Performance Benchmarks
- Section XX: Improving Access to the TRS Investment Process

Documentation is on file. A motion was made by Trustee Sanders, seconded by Trustee Peronto, that the committee recommend Board approval of the revisions to the Investment Policy as presented. Motion carried by unanimous voice vote.

### Trustee Concerns

None

### Adjournment

There being no further business to be brought before the Investment Committee, a motion was made by Trustee Anderson, seconded by Trustee Goetz, to adjourn the meeting at 5:01 PM. Motion carried by unanimous voice vote.



---

Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 02/20/2025