



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

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R. Stanley Rupnik, Executive Director & Chief Investment Officer

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### **MINUTES Investment Committee June 17, 2021**

A virtual meeting of the Investment Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on June 17, 2021 in accordance with Executive Order 2021-11 which extends the original Executive Order 2020-07 through June 26, 2021. The provisions of the Open Meetings Act relating to in-person attendance by members of the public body are suspended due to the global coronavirus pandemic.

Andy Hirshman, Chair, called the meeting to order at 9:27 a.m. A quorum was present. Roll Call attendance was taken with the following committee members present: Beth Anderson, Carmen Ayala, Norma Bellcoff, Marsha Byas, Andy Hirshman, Matt Hunt, Mia Jazo-Harris, Maureen Mena, David Miller, Fred Peronto, Larry Pfeiffer, Doug Strand, Mark Bailey, Vice President; Devon Bruce, President; and Joe Blomquist, TRS trustee effective 7/15/21. Absent: Matt Shattock

Stan Rupnik, Acting Executive Director/Chief Investment Officer, and Cynthia Fain, Sr. Legal Counsel, were physically present at the meeting location in Springfield, 2815 W. Washington Street.

TRS Staff/Counsel/Consultants noted on call: Deron Bertolo, Chief Financial Officer; Stacy Smith, Director of Internal Audit and Risk; Christina Baker, Internal Audit Supervisor; Andy Jones, Sr. IT Internal Auditor; Bob Jiroutek, Sr. Risk Officer; Greg Turk, Director of Investments; Scottie Beville, Sr. Investment Officer; Jose Gonzales, Sr. Investment Officer; Tim Hays, Sr. Investment Officer; Ben Skrodzki, Sr. Investment Officer; Grant Aguirre, Investment Analyst; Chris Wiedel, Director of Information Technology; Chad Fry, Technical Systems Manager; John Boykin, Sr. Technical Support Analyst; Dave Urbanek, Director of Communications; Tammy Green, Executive Assistant; Becky Gratsinger, Ian Bray, and Tony Johnson, RVK (investment consultant); Lynn O'Connell, Aksia (private debt and diversifying strategies consultant); and Tiffany Reeves, Reinhart (Fiduciary Counsel).

Note: 24 call-in participants joined the meeting as audio attendees.

No public comment.

## **APPROVAL OF MINUTES**

A draft of the February 25, 2021 minutes of the Investment Committee meeting was sent to the committee members for review. A motion was made by Trustee Hunt, seconded by Trustee Miller, to approve the minutes, as presented. Roll call resulted in affirmative voice votes from Trustees Anderson, Ayala, Bellcoff, Byas, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Strand, Bailey, and Bruce. Motion Carried.

## **TRS PORTFOLIO**

### Investment Manager Chart

Stan Rupnik, Chief Investment Officer, provided the investment manager charts for the quarter ending March 31, 2021. Documentation is on file.

### Cashflow Summary

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

### Minority Utilization Report

Jose Gonzalez, Investment Officer – Diverse & Emerging Managers, provided preliminary data as of March 31, 2021 on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. The total TRS portfolio represents 24.34%, which is 3.34% over the TRS goal of 21%. Documentation is on file. Mr. Gonzalez reported that TRS held its first virtual Opportunity Forum on June 14, 2021.

### Investment Performance Update

RVK provided a total fund overview of the March 31, 2021 investment performance report including a review of capital markets and current trending pension topics. Documentation is on file. Total assets: \$59.51 billion. The total fund return, net of fees:

- 1 year: 24.3%
- 3 years: 7.7%
- 5 years: 8.9%
- 7 years: 7.2%
- 10 years: 7.9%
- 20 years: 6.9%

### Investment Activity Report

Stan Rupnik provided an overview of investment activity by asset class completed by the System’s investment staff for the period February 5, 2021 through May 28, 2021. Documentation is on file. There were no investment manager compliance issues for the quarter ending March 31, 2021.

### Global Income Asset Class

Aksia, the System’s private debt and diversifying strategies consultant, presented an investment opportunity to implement a custom private debt investment structure focused on the Indo-Pacific region. Documentation is on file. A motion was made by Trustee Bruce, seconded by Trustee Hunt, that the committee recommend to the Board to commit \$250 million to TRS Coriolis, Limited Partnership, within the global income portfolio subject to successful legal negotiations. Roll call resulted in affirmative voice votes from Trustees Anderson, Bellcoff, Byas, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Strand, Bailey, and Bruce. Motion Carried. (Trustee Ayala was unable to vote due to technical difficulties).

### **RECESS**

The meeting recessed at 11:16 a.m.

Note: President Biden signed legislation on June 17, 2021 declaring “Juneteenth” as a new federal and state government holiday on June 19. Since Juneteenth was observed in 2021 on Friday, June 18, the Investment Committee did not reconvene.

The following agenda items were deferred to the August meeting.

- Diversity Measurement RFP
- Asset Allocation



Stan Rupnik, Executive Director and Chief Investment Officer

Approved: 8/12/21