



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES Investment Committee December 8, 2021

The Investment Committee meeting of the Teachers' Retirement System of the State of Illinois was held on December 8, 2021 at the Chicago Marriott Naperville, 1801 N. Naperville Boulevard, Naperville, IL. Chairman Miller called the meeting to order at 9:01 AM. A quorum was present. Roll Call attendance was taken with the following trustees present: Beth Anderson, Carmen Ayala, Joe Blomquist, Marsha Byas, Maureen Mena, David Miller, Fred Peronto, Larry Pfeiffer, Doug Strand, Andy Hirshman, Vice President and Matt Hunt, President. Absent: Trustees Mia Jazo-Harris, Norma Bellcoff, and Duffy Blackburn.

Others in attendance: Stan Rupnik, Executive Director & Chief Investment Officer; Greg Turk, Director of Investments; Cynthia Fain, Sr. Legal Counsel; Stacy Smith, Director of Internal Audit & Risk; Deron Bertolo, Chief Financial Officer; Chris Wiedel, Director of Information Technology; John Boykin, Network Administrator; Tammy Green, Executive Assistant; Sally Antonacci, Sr. Office Manager; Bill Thomas, Sr. Investment Officer – Global Equity; Ben Skrodzki, Sr. Investment Officer – Global Equity; Brian Payne, Investment Officer – Diversifying Strategies; Lori Dour, Acting Chief Benefits Officer; Andy Jones, Sr. IT Internal Auditor; Emily Peterson, General Counsel; Jessica Culotti, Reinhart (Fiduciary Counsel); Becky Gratsinger of RVK Inc. (Investment Consultant); David Sheng of Aksia (Investment Consultant).

Remote attendees included: Jose Gonzalez, Investment Officer – Diverse and Emerging Managers; Bob Jiroutek, Sr. Risk Officer; Dave Urbanek, Director of Communications; Jamie Stults, Director of Human Resources; Ian Bray and Tony Johnson of RVK Inc. (Investment Consultant); Lynn O'Connell and Brian Shushkovsky of Aksia (Investment Consultant); and Chris Finley, Andrew Cronin, Jason Lamin and Amber Kizilbash of Lenox Park Inc. (DEI Measurement Services).

Visitors: Christine Williamson, Pensions & Investments; Jim Baker and Alisha Volante of Private Equity Stakeholder Project; Angela Bonfiglio and Rachel Jones of Renters United for Justice; March Rothschild, Annuitant; and Bruce Cook, Annuitant.

PUBLIC COMMENT

Mary Rothschild, IEA, Annuitant, voiced concerns about the Supplemental Savings Plan. She would like more documentation available to the public at meetings.

Angela Bonfiglio, Renters United for Justice, expressed concerns over TRS’s investment with Pretium Partners.

Rachel Jones, Renters United for Justice, expressed concerns over TRS’s investment with Pretium Partners.

APPROVAL OF MINUTES

A draft of the October 28, 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 Strand, to approve the minutes as presented. The motion passed by unanimous voice vote.

TRS PORTFOLIO

Investment Portfolio Summary

Stan Rupnik, Executive Director & Chief Investment Officer, provided the final September 30, 2021 investment manager charts. Documentation is on file.

Minority Utilization Report

Jose Gonzalez, Investment Officer – Diverse & Emerging Managers, provided preliminary data as of September 30, 2021 on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. TRS exceeded its brokerage goals by 19% for US equity, 9.7% for international equity, and 7.6% for global fixed income. The total TRS portfolio as of September 30, 2021 represents 24.6%, which is 2.6% over the TRS fiscal year 2022 utilization goal of 22%. Documentation is on file.

Lenox Park

Lenox Park (Diversity, Equity and Inclusion Measurement Service Provider) provided methodology of how they assess an organization’s diversity impact score and insights on diversity, equity and inclusion trends. An update was provided on the initial results of 2021 survey process. Documentation is on file.

Cash Flow Summary

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

Investment Performance Report & Pension Trends

RVK provided an overview of the final September 30, 2021 fiscal year end investment performance report, net of fees, including trending pension topics and capital markets. Documentation is on file. The total fund return net of fees:

- 1 year: 22.05%
- 3 year: 9.51%
- 5 year: 9.59%
- 10 year: 9.51%
- 20 year: 7.58%

Investment Risk Report

Bob Jiroutek, Sr. Risk Officer, provided an overview of the September 2021 investment risk report. Documentation is on file.

Investment Policy

Stan Rupnik provided an overview on Investment Policy revisions. Changes were incorporated into the policy to reflect recent Board actions. Documentation is on file. A motion was made by Trustee Hirshman, seconded by Trustee Pfeiffer, that the committee recommend to the Board to approve the investment policy revisions as presented. The motion passed by unanimous voice vote.

Investment Activity Report

Stan Rupnik provided an overview of investment activity by asset class completed by the System’s investment staff for the period October 9, 2021 through November 10, 2021. Documentation is on file.

RECESS

The meeting recessed at 10:28 AM and reconvened at 10:48 AM

Global Public Equity Asset Class Report – Annual Review

Bill Thomas, Sr. Investment Officer – Global Equity and Ben Skrodzki, Sr. Investment Officer – 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 Hunt, seconded by Trustee Blomquist, that the committee recommend to the Board to approve the global public equity annual review as presented. The motion passed by unanimous voice vote.

Diversifying Strategies Asset Class Report –Diversifying Strategies Tactical Plan

TRS staff and Aksia presented the FY2022 diversifying strategies tactical plan. The plan includes a review of FY2021 initiatives, FY2022 initiatives, fee analysis and pacing. Documentation on file. A motion was made by Trustee Strand, seconded by Trustee Peronto, that the committee recommend to the Board to approve the FY2022 diversifying strategies tactical plan as presented. The motion passed by unanimous voice vote.

ADJOURNMENT

There being no further business to be brought before the Investment Committee, a motion was made by Trustee Strand, seconded by Trustee Mena, to adjourn the meeting at 12:17 PM. Motion passed by a unanimous voice vote.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: February 17, 2022