



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Investment Committee

February 17, 2022

A meeting of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois was held on February 17, 2022, at the President Abraham Lincoln Hotel, 701 East Adams Street in Springfield, IL. Trustee David Miller, Chair, called the meeting to order at 9:20 AM. Roll call attendance was taken with following committee members present: Trustee David Miller (Chair); Trustee Fred Peronto (Vice Chair); Trustee Duffy Blackburn; Trustee Joe Blomquist; Trustee Marsha Byas; Trustee Andy Hirshman; Trustee Matt Hunt; Trustee Mia Jazo-Harris; Trustee Maureen Mena; Trustee Larry Pfeiffer; and Trustee Doug Strand. Trustees Carmen Ayala and Norma Bellcoff were not present. Trustee Beth Anderson attended remotely but was unable to participate per rules of the Open Meetings Act (5 ILCS 120/7).

Others in attendance: Stan Rupnik, Executive Director & Chief Investment Officer; Sally Antonacci, Sr. Office Manager; Chelsea Duis, Administrative Specialist; Stacy Smith, Director of Internal Audit and Risk; Cynthia Fain, Sr. Legal Counsel; Lori Dour, Acting Chief Benefits Officer; John Boykin, Network Administrator; Greg Turk, Director of Investments; Chris Wiedel, Director of Information Technology; Deron Bertolo, Chief Financial Officer; Andy Jones, Sr. IT Internal Auditor; Emily Peterson, General Counsel; Jamie Stults, Director of Human Resources; Dave Urbanek, Director of Communications; Bob Jiroutek, Sr. Risk Officer; John Gerding, Deputy Director of Information Technology; and Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel).

Remote attendees: Tim Hays, Sr. Investment Officer – Real Estate; Jeff Bennet, Director of Operations; Scottie Bevill, Sr. Investment Officer – Global Income Strategies; Jose Gonzalez, Investment Officer – Diverse & Emerging Managers; Pei Ni Chng, Investment Analyst – Diverse & Emerging Managers; Shiloah Tubbs, Deferred Compensation Manager; Lisa Hunt, Product Owner – Quality and Compliance; and Tony Smith and Ian Bray of RVK, Inc. (Investment Consultant).

Visitors: Elston Flowers, IEA, retired

PUBLIC COMMENT

None

MINUTES

A draft of the December 8, 2021 minutes of the Investment Committee meeting was sent to the committee members for review. On a motion by Trustee Hunt seconded by Trustee Strand, the minutes were approved by unanimous voice vote. Documentation is on file.

TRS PORTFOLIO

Investment Portfolio Summary

Stan Rupnik provided the final December 31, 2021 investment manager charts. Documentation is on file.

MWBE Utilization Report

Jose Gonzalez provided preliminary data as of December 31, 2021 on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. TRS exceeded its brokerage goals by 16.9% for US equity, 9.4% for international equity, and 18.1% for global fixed income. The total TRS portfolio as of December 31, 2021 represents 25.68%, which is 3.68% over the TRS fiscal year 2022 utilization goal of 22%. Documentation is on file.

Lenox Park Solutions is tentatively scheduled to provide an update on diversity, equity & inclusion at the April Board retreat.

Cash Flow Report

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

Investment Performance Report & Pension Trends

RVK, Inc. provided an overview of the final December 31, 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: 16.8%
- 3 year: 12.65%
- 5 year: 10.07%
- 10 year: 9.46%
- 20 year: 7.54%

Investment Risk Report

Bob Jiroutek provided an overview of the December 2021 investment risk report. Documentation is on file.

Investment Activity Report

Stan Rupnik provided an overview of investment activity by asset class completed by the System's investment staff for the period November 11, 2021 through January 28, 2022. Documentation is on file.

Investment Manager Presentation

Arrowstreet is tentatively scheduled to be presented at the April Board retreat.

OTHER BUSINESS

None

TRUSTEE CONCERNS

Trustee Fred Peronto indicated he would like to see the April board retreat agenda include a discussion on public equity active vs. passive investing.

ADJOURNMENT

On a motion by Trustee Strand, seconded by Trustee Mena, and by unanimous vote, the meeting adjourned at 9:53 AM.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: June 16, 2022