



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Investment Committee

December 6, 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 December 6, 2022 at NIU Naperville, 1120 E. Diehl Rd., Naperville, IL. Trustee David Miller (Chair) called the meeting to order at 10:04 AM. Roll call attendance was taken with the following committee members present: Trustee Beth Anderson, Trustee Carmen Ayala, Trustee Joe Blomquist, Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman, Trustee Matt Hunt, Trustee Mia Jazo-Harris, Trustee Maureen Mena, Trustee David Miller, Trustee Fred Peronto (Vice Chair), Trustee Larry Pfeiffer, and Trustee Doug Strand. Trustee Kevin "Duffy" Blackburn was not in attendance. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director & CIO; Sally Antonacci, Senior Office Manager; Chelsea Duis, Administrative Specialist; Deron Bertolo, Chief Financial Officer; Gloria Lasley, Chief Operating Officer; Stacy Smith, Director of Internal Audit & Risk; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Lori Dour, Chief Benefits Officer; Jared Shipp, Technical Systems Supervisor; Kyle Thornton, Network Administrator; Bob Jiroutek, Senior Risk Officer; Greg Turk, Director of Investments; Katie DellaMaria, Investment Officer – Global Income Strategies; Corbin Freres, Investment Officer – Global Income Strategies; Ben Skrodzki, Senior Investment Officer – Global Equity; Bill Thomas, Senior Investment Officer – Global Equity; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); Ian Bray and Tony Johnson of RVK Inc. (Investment Consultant); and Antonio Casale, Mike Lillard, Daleep Singh, and Peter Taggart of PGIM.

Remote attendees: Dave Urbanek, Director of Communications; Michelle Kissel, Director of Human Resources; Olivia Klein, Administrative Specialist; Becky Gratsinger of RVK Inc. (Investment Consultant); and Catherine Jackson and Amy McDuffee of MOSAIC Governance Advisors.

Visitors: Mary Rothschild, IEA Annuitant.

Public Comment

None

Minutes

A draft of the October 20, 2022 minutes of the Investment Committee meeting was sent to the committee members for review. On a motion by Trustee Hunt, seconded by Trustee Blomquist, the minutes were approved by unanimous voice vote. Documentation is on file.

Stan Rupnik introduced the Board of Trustees to the Office of Investments' newest hire, Katie DellaMaria, Investment Officer – Global Income Strategies.

Investment Portfolio Summary

Stan Rupnik provided the final September 30, 2022 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 Activity Report

Stan Rupnik provided an overview of investment activity by asset class completed by the System’s investment staff from September 30, 2022 through November 15, 2022. Documentation is on file.

MWBE Utilization Report

Stan Rupnik provided preliminary data as of September 30, 2022 on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. TRS exceeded its brokerage goals by 4.5% for international equity, and 4.0% for global fixed income. TRS missed its brokerage goal by 2.3% for US equity. As of September 30, 2022, MWBE assets as a percent of total plan were 28.42%, which is 6.42% over the TRS fiscal year 2023 utilization goal of 22.0%. Documentation is on file.

Investment Performance & Pension Trends

Ian Bray and Tony Johnson of RVK, Inc. provided an overview of the final September 30, 2022 investment performance report, including trending pension topics and capital markets. Topics included tightening of monetary policy by global central banks, persistent inflation and the simultaneous market corrections in both public equity and fixed income markets over the first nine months of 2022. Documentation is on file. The total fund return, net of fees:

Fiscal year to date:	-4.74%
3 year:	6.46%
5 year:	6.02%
10 year:	7.41%
20 year:	7.58%

Risk Report

Bob Jiroutek, Senior Risk Officer, provided an overview of the September 2022 investment risk report. Documentation is on file.

Global Public Equity Annual Reviews

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

RECESS

The meeting recessed at 11:43 AM and resumed at 12:35 PM.

Investment Education – PGIM

Corbin Freres, Investment Officer – Global Income Strategies, introduced Mike Lillard and Daleep Singh of PGIM who provided investment education to the Board. Documentation is on file. Topics included a) global, US, and European inflation, b) growth in the US, Europe, and China, c) global macro outlook, and d) cryptocurrency.

Other Business

None

Trustee Concerns

None

Adjournment

There being no further business to be brought before the Investment Committee, a motion was made by Trustee Jazo-Harris, seconded by Trustee Blomquist, to adjourn the meeting at 1:34 PM. Motion passed by unanimous voice vote.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 02/09/2023