



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Board Meeting

June 18, 2024

A meeting of the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) was held on June 18, 2024, at NIU Naperville, 1120 E. Diehl Rd., Naperville, IL. Trustee Matt Hunt (President) called the meeting to order at 9:51 AM. Roll call attendance was taken with the following Trustees present: Trustee Beth Anderson, Trustee Joe Blomquist, Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman (Vice President), Trustee Matt Hunt, Trustee Mia Jazo-Harris, Trustee David Miller, Trustee Larry Pfeiffer, and Trustee Tony Sanders. Trustees Kevin "Duffy" Blackburn, Maureen Mena, Fred Peronto, and Doug Strand were 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; Deron Bertolo, Chief Financial Officer; Gloria Lasley, Chief Operating Officer; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Stacy Smith, Director of Internal Audit and Risk; Michelle Kissel, Director of Human Resources; John Gerding, Director of Information Technology; Janelle Gurnsey, Director of Public Relations; Bob Jiroutek, Director of Risk and Investment Operations; Amy Reynolds, Director of Research; Kathleen Killion, Director of Finance; Stacey Wood, Deputy Director of Information Technology; Seth Warren, Software Development Manager; Kyle Thornton, Network Administrator; Will Daugherty, Senior Technical Support Specialist; David Nickerson and Matt Strom of Segal (Actuarial); and Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel).

Remote attendees: Terri Worth, Pension Administration System (PAS) Program Director; Tanya Dybal and Dan Siblik of Segal (Actuarial).

Visitors: Elston Flowers, IEA-Retired; and Angela Myers of Loop Capital.

Public Comment

None.

Minutes

Drafts of the February 22, 2024, and April 18-19, 2024, minutes of the Board meetings were sent to the Board members for review. On a motion by Trustee Sanders, seconded by Trustee Byas, the minutes were approved by unanimous voice vote. Documentation is on file.

Committee Reports

Audit Committee

Trustee Pfeiffer (Committee Vice Chair) reported that the Audit Committee met on June 17, 2024, and presented the consent agenda. On a motion by Trustee Jazo-Harris, seconded by Trustee Byas, it was

resolved to approve the consent agenda. The following items were approved by action taken in the consent agenda motion.

1. To approve the revised FY 2024 Internal Audit Plan, as presented.
2. To approve the FY 2025 and FY 2026 Internal Audit Plan, as presented.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders.

Rules & Personnel Committee

Trustee Sanders (Committee Chair) reported that the Rules & Personnel Committee met on June 17, 2024. The Committee had no action items to bring to the Board at this time.

Investment Committee

Trustee Miller (Committee Chair) reported that the Investment Committee met on June 17, 2024. On a motion by Trustee Pfeiffer, seconded by Trustee Sanders, it was resolved to approve the consent agenda. The following items were approved by action taken in the consent agenda motion.

1. Adopt the recommended asset allocation policy, as presented.
2. Approve the revisions to the Investment Policy, as presented.

Stan Rupnik, Executive Director & Chief Investment Officer, noted that staff discretion in Diversifying Strategies is granted within the spirit of the educational presentation given. Discretion limits will be reviewed within the asset class's tactical plan this fall.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders.

Deferred Compensation Plan Committee

Trustee Hunt (Committee Chair) reported that the Deferred Compensation Plan Committee met on June 18, 2024. The Committee had no action items to bring to the Board at this time.

Working Groups Update

Trustees Matt Hunt, David Miller, and Tony Sanders gave updates regarding the Technology Working Group, Investment Working Group, and Strategic Plan Working Group respectively.

Strategic Plan

John Gerding, Director of Information Technology; Stacey Wood, Deputy Director of Information Technology; and Seth Warren, Software Development Manager, provided a presentation on Goal 5 of the FY24-28 Strategic Plan: Evolve the TRS information technology platform. Documentation is on file.

Executive Director's Report

Gemini Update

Terri Worth, PAS Program Director, provided an update on the PAS Modernization project (previously the Gemini project).

FY 2025 Administrative Budget

Trustee Matt Hunt departed the meeting at 11:07 AM.

Stan Rupnik, Executive Director & Chief Investment Officer, and Deron Bertolo, Chief Financial Officer, presented the FY 2025 administrative budget initiatives and contracts projected to exceed \$100,000. Documentation is on file. On a motion by Trustee Goetz, seconded by Trustee Jazo-Harris, it was resolved:

To approve the FY 2025 administrative budget and listing of contracts over \$100,000, as presented.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Pfeiffer, and Sanders. Trustee Hunt was not in the room at the time of the vote.

Financials

The financial reports for the quarter ended March 31, 2024, were sent to trustees for review. Documentation is on file. On a motion by Trustee Sanders, seconded by Trustee Goetz, it was resolved:

To approve the unaudited financial statement and schedule of expenditures for the quarter ending March 31, 2024, as presented.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Pfeiffer, and Sanders. Trustee Hunt was not in the room at the time of the vote.

Economic Assumption

The State Actuary recommends that the Board conduct an annual review of the economic assumptions and adjust accordingly. David Nickerson and Matt Strom of Segal presented a review of the investment return and inflation rate assumption for TRS. Segal makes recommendations based on economic

indicators from a variety of expert sources, including RVK Inc., Horizon Survey of capital market expenditures, US treasury bond expectations, Federal Reserve surveys, etc. Documentation is on file.

On a motion by Trustee Goetz, seconded by Trustee Anderson, it was resolved:

To adopt the economic assumptions in the June 30, 2024, actuarial valuation, as presented by Segal Consulting at the June 18, 2024, board meeting:

- To maintain the 7.00% investment return assumption, and
- To maintain the inflation assumption to 2.50% inflation.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Pfeiffer, and Sanders. Trustees Hunt and Miller were not in the room at the time of the vote.

Recess

The meeting recessed at 11:37 AM and resumed at 12:27 PM.

Funding Matters

Trustee Matt Hunt returned to the meeting at 12:33 PM.

Emily Peterson, General Counsel, provided an update regarding state appropriated funding for TRS. She discussed the log for Trustees regarding Third Parties Communications.

Standing Committees

Standing committee assignments including the designation of board vice president, effective though July 14, 2026, were presented. Documentation is on file.

On a motion by Trustee Blomquist, seconded by Trustee Pfeiffer, it was resolved:

To approve the FY2025-FY2026 standing committee assignments and vice-president appointment, as presented.

Motion carried by unanimous voice vote.

Forward Board Calendar

On a motion by Trustee Jazo-Harris, seconded by Trustee Goetz, it was resolved:

To approve the remaining board meeting dates for 2025. Exact locations to be determined.

August 14-15, 2025	Springfield, IL
October 23-24, 2025	Springfield, IL
December 18-19, 2025	Chicago or Chicago Suburbs

Motion carried by unanimous voice vote.

Board Travel/Education Requests

In-State Travel

Pursuant to Public Act 96-0006, the Board must vote annually to authorize trustees to travel within the State of Illinois to attend TRS Board and Committee meetings, TRS-related functions, and educational missions related to TRS business. On a motion by Trustee Pfeiffer, seconded by Trustee Blomquist, it was resolved:

To authorize TRS trustees to travel within the State of Illinois during FY 2025 to attend TRS Board meetings, stakeholder group meetings, or any other meeting or event related to TRS duties and responsibilities.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders.

Out-of-State Travel

On a motion by Trustee Sanders, seconded by Trustee Blomquist, it was resolved to approve the following travel requests:

- Trustee Mike Goetz to attend the National Conference on Public Employee Retirement Systems (NCPERS) Public Pension Funding Forum on August 18-20, 2024, in Boston, MA. Travel is subject to reappointment status.
- Trustee Andy Hirshman to attend the Trustee Leadership Forum at Harvard Law School on June 24-26, 2024, in Cambridge, MA.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders.

Executive Session

A motion was made by Trustee Blomquist, seconded by Trustee Jazo-Harris, that the Board enter into executive session to discuss matters as authorized and permitted under the following exceptions set forth by the Open Meetings Act: the appointment, employment, compensation, discipline, performance, or dismissal of specific employees or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee or legal counsel for the public body, to determine its validity [5 ILCS 120/2(c)(1)]; and litigation, when an action against, affecting, or on behalf of the public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent [5 ILCS 120/2(c)(11)].

Roll call resulted in affirmative voice votes from Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders.

The public meeting closed at 12:47 PM.

No action was taken during executive session.

The public meeting reconvened at 1:18 PM. Roll call attendance was taken with the following trustees present: Trustees Anderson, Blomquist, Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Miller, Pfeiffer, and Sanders. Trustees Blackburn, Mena, Peronto, and Strand were not present.

Approval of Executive Session Minutes

A draft of the February 22, 2024, Executive Session meeting minutes was sent to the trustees for prior review. Documentation is on file. On a motion by Trustee Sanders, seconded by Trustee Pfeiffer, it was resolved to approve the February 22, 2024, Executive Session meeting minutes of the Board, as presented. Motion carried by unanimous voice vote.

Trustee Concerns

Trustee David Miller expressed concerns with the Lenox Park presentation. Trustees suggested the Investment Working Group further discuss this at its next meeting.

Adjournment

There being no further business to be brought before the Board, a motion was made by Trustee Jazo-Harris, seconded by Trustee Goetz, to adjourn the meeting at 1:22 PM. Motion passed by unanimous voice vote.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 08/16/2024