



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Investment Committee

June 17, 2025

A meeting of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) was held on June 17, 2025, at NIU Naperville, 1120 E. Diehl Rd., Naperville, Illinois. Trustee David Miller (Chair) called the meeting to order at 9:55 AM. Roll call attendance was taken with the following Trustees present: Trustee Beth Anderson, Trustee Kevin "Duffy" Blackburn (arrived at 12:21 PM), Trustee Joe Blomquist (departed at 1:47 PM), Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman, Trustee Matt Hunt, Trustee Mia Jazo-Harris, Trustee David Miller, Trustee Fred Peronto (Vice Chair), Trustee Larry Pfeiffer, and Trustee Tony Sanders. Trustees Maureen Mena 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; Lori Dour, Chief Benefits Officer; John Gerding, Director of Information Technology; Michelle Kissel, Director of Human Resources; Janelle Gurnsey, Director of Public Relations; Ghiané Jones, Deputy Chief Investment Officer; Jose Gonzalez, Senior Investment Officer – Diverse and Emerging Managers; Corbin Freres, Senior Investment Officer – Global Income Strategies; Ben Skrodzki, Senior Investment Officer – Global Equity; Dan Nulton, Investment Officer – Private Equity; Tyler Kalata, Investment Analyst; Rommy Hage, Investment Counsel; David Beale, Investment Counsel; Kyle Thornton, Senior Systems Administrator; Bo Baptist, Senior Systems Administrator; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); Becky Gratsinger of RVK Inc. (Investment Consultant); John Avirett, Stephen West, and Christina Boghosian of StepStone (Investment Search Candidate); Ashleigh Lee of Aksia (Diversifying Strategies Consultant); Eleanor Franchitti of Caxton (Investment Search Candidate); James Gilbert, Simon Judes, and Lauren Sholder of Winton (Investment Search Candidate); and Steve Shepherd and Peter Vaiciunas of Capital Fund Management (Investment Search Candidate).

Remote attendees: Stacy Smith, Director of Internal Audit and Risk; Katie DellaMaria, Investment Officer – Global Income Strategies; Patrick Zheng, Investment Officer – Private Equity; Ann Stone, Investment Analyst – Diverse and Emerging Managers; Chloe Ariss, Investment Analyst – Global Income Strategies; Shshank Karn – Senior Investment Analyst; James Davis, Investment Analyst – Global Equity; Charlie Hirner, Investment Analyst – Private Equity; Ian Hope – Investment Analyst – Global Income Strategies; Ardian Balazhi, Investment Analyst – Global Income Strategies; Tony Trammel, Investment Analyst – Real Assets; Paxton Langheim, Risk & Compliance Analyst; Tiffany Frailey, Administrative Supervisor – Investments; Sandy Troppa Amerson, Administrative Specialist – Investments; Annie Milstead, Administrative Specialist – Investments; Jack Kuehl, Investment Intern; Aarav Raina, Investment Intern; James Lasley, Investment Intern; Thomas Leahy, Investment Intern; Alex Chung, Quantitative Analytics Investment Analyst; Vice President Dan Quayle; Secretary John Snow; Greg Gordon of Cerberus (Investment Manager); Steve Hartt, Luke Riela, and Ben Tyler of Meketa (Consultant); David Sheng of

Aksia (Diversifying Strategies Consultant); Andrew Law of Caxton (Investment Search Candidate); and Tess Shih of Capital Fund Management (Investment Search Candidate).

Visitors: Heather Becker, TRS Trustee Elect; Sean Casey, TRS Trustee Elect; Rainy Kaplan, TRS Trustee Elect; Elston Flowers, IEA-Retired; Maria J. Rodriguez; Jared Gaby-Biegel, Paul Bearman, and Adili Silixier of United Food and Commercial Workers; Angela Myers of Loop Capital; and Jeff Green of Climate Safe Pensions Illinois.

Public Comment

Jared Gaby-Biegel of UFCW provided comments concerning Apollo.

Board Education

Vice President Dan Quayle and Secretary John Snow, of Cerberus Capital Management, presented education on the current investment and geopolitical climate.

Private Equity Portfolio – Manager Presentation

TRS staff and Meketa presented a recommendation for commitment to StepStone Wabash 2.0 for investment in venture capital and growth equity opportunities. John Avirett, Stephen West, and Christina Boghosian of StepStone provided a presentation to the committee. Documentation is on file.

(Trustee Blackburn arrived at 12:21 PM.)

A motion was made by Trustee Peronto, seconded by Trustee Jazo-Harris, that the committee recommend Board approval of the continuation of its partnership with StepStone’s venture capital management arm, originally Greenspring Associates, through the formation of a new separately managed account (“SMA”) referred to as Wabash 2.0 and approve a commitment of \$180 million to the Wabash 2.0 SMA, which would be deployed over a three-year window for an average of \$60 million per year, and staff will develop additional reporting and review requirements and bring to the Board. Motion carried by unanimous voice vote.

Recess

The meeting recessed at 12:35 PM and resumed at 12:50 PM.

Diversifying Strategies Portfolio – Manager Presentations

TRS staff and Aksia provided comment on the restructure of the Diversifying Strategies Portfolio toward a more explicit Risk Mitigation approach. Winton Capital Management and Capital Fund Management (CFM) provided an opportunity for the CTA/Trend Following portion of the portfolio. Caxton Associates provided an opportunity for the Global Macro composite portion of the portfolio.

Eleanor Franchitti and Andrew Law of Caxton provided a presentation to the committee. Documentation is on file.

James Gilbert, Simon Judes, and Lauren Sholder of Winton provided a presentation to the committee. Documentation is on file.

(Trustee Blomquist departed at 1:47 PM.)

Steve Shepherd, Peter Vaiciunas, and Tess Shih of CFM provided a presentation to the committee. Documentation is on file.

A motion was made by Trustee Sanders, seconded by Trustee Pfeiffer, that the committee recommend Board approval of the:

- a. Selection of Winton Capital Management for the management of the Winton Trend Fund with a target allocation of 9%, or up to \$400 million, of the Diversifying Strategies Composite within the CTA/Trend Following composite, with funding to target subject to Investment Staff discretion.
- b. Selection of Capital Fund Management (CFM) for the management of the CFM Institutional Systematic Trends Fund with a target allocation of 4.5%, or up to \$200 million, of the Diversifying Strategies Composite within the CTA/Trend Following composite, with funding to target subject to Investment Staff discretion.
- c. Selection of Caxton Associates for the management of the Caxton Macro mandate with a target allocation of 5%, or up to \$225 million, of the Diversifying Strategies Composite within the Global Macro composite, with funding to target subject to Investment Staff discretion.

Motion carried by unanimous voice vote.

Minutes

A draft of the February 20, 2025, minutes of the Investment Committee meeting was sent to the committee members for review. On a motion by Trustee Byas, seconded by Trustee Anderson, the minutes were approved by unanimous voice vote. Documentation is on file.

Investment Portfolio Summary

Stan Rupnik, Executive Director & Chief Investment Officer, provided the investment manager charts through April 30, 2025. 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 January 29, 2025, through April 30, 2025. Documentation is on file.

Emily Peterson, General Counsel, introduced new Investment Counsel, David Beale.

Diversity Report

Jose Gonzalez, Senior Investment Officer – Diverse & Emerging Managers, provided preliminary data as of March 31, 2025, on the utilization of minority-owned brokers and minority-owned investment managers within the TRS investment portfolio. TRS exceeded its brokerage goals by 23.7% for US equity. TRS missed its brokerage goals by 0.9% for international equity and 4.1% for global fixed income. As of March 31, 2025, MWBE assets as a percent of total plan were 28.69%, which is 5.69% over the TRS fiscal year 2025 utilization goal of 23.0%. Documentation is on file.

Investment Performance Report & Pension Trends

Becky Gratsinger of RVK, Inc. and Ghiané Jones, Deputy Chief Investment Officer, provided an overview of the final March 31, 2025, investment performance report, including trending pension topics and capital markets. Documentation is on file. The total fund return, net of fees:

Fiscal year to date:	4.02%
1 year:	5.77%
3 year:	4.80%
5 year:	9.96%
10 year:	7.04%
20 year:	6.91%

Investment Risk Report

Ghiané Jones provided an overview of the March 2025 investment risk report. Documentation is on file.

Asset Allocation

Ghiané Jones and Becky Gratsinger provided an overview of the proposed changes to the asset allocation profile.

Asset Allocation Policy Mix (Percent of total Fund)	Long-term	Interim
Equity	52%	52%
Public Equity	37%	37%
Private Equity	15%	15%

Real Assets	18%	18%
Real Estate	16% 14%	16% 14%
Other Real Assets	2% 4%	2% 4%
Diversifying Strategies	6%	5%
Income	24%	25%
Global Income	15%	15%
Private Credit	8%	8%
Short - Term	1%	2%
Total TRS	100%	100%

Documentation is on file. A motion was made by Trustee Sanders, seconded by Trustee Hirshman, that the committee recommend Board adoption of the recommended asset allocation policy, as presented, with a decrease of 2% in the real estate long term target and an increase of 2% in the other real assets long term target within the Real Assets portfolio. Motion carried by unanimous voice vote.

Investment Policy Revisions

On an annual basis, staff formally reviews the TRS Investment Policy to reflect current procedures and Board action through the fiscal year. Stan Rupnik presented proposed revisions throughout the policy for term conciseness and formatting corrections and revisions to the following sections of the Investment Policy:

- Section VII: Asset Allocation and Rebalancing Strategy
- Section XIII: Performance Benchmarks
- Section XV: General Investment Restrictions and/or Guidelines

Documentation is on file. A motion was made by Trustee Pfeiffer, seconded by Trustee Hunt, that the committee recommend Board approval of the revisions to the Investment Policy, as presented. Motion carried by unanimous voice vote.

Trustee Concerns

Trustee Miller thanked Trustee Peronto for his service as Vice Chair of the Investment Committee.

Adjournment

There being no further business to be brought before the Investment Committee, a motion was made by Trustee Sanders, seconded by Trustee Goetz, to adjourn the meeting at 4:07 PM. Motion passed by unanimous voice vote.

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Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 07/31/2025