



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Board Meeting

June 18, 2025

A meeting of the Board of Trustees of the Teachers' Retirement System of the State of Illinois was held on June 18, 2025, at NIU Naperville, 1120 E. Diehl Rd., Naperville, Illinois. Trustee Matt Hunt (President) called the meeting to order at 9:40 AM. Roll call attendance was taken with the following Trustees present: Trustee Beth Anderson, Trustee Kevin "Duffy" Blackburn, Trustee Joe Blomquist, Trustee Marsha Byas, , Trustee Andy Hirshman (Vice President), Trustee Matt Hunt, Trustee Mia Jazo-Harris (arrived at 12:17 PM), Trustee David Miller, Trustee Fred Peronto, Trustee Larry Pfeiffer, and Trustee Tony Sanders. Trustees Mike Goetz, 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; Amy Reynolds, Director of Research; Terri Worth, Pension Administration System (PAS) Program Director; Kyle Thornton, Senior Systems Administrator; Bo Baptist, Senior Systems Administrator; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); Matt Strom and Tanya Dybal of Segal (Actuarial); and Tony Johnson of RVK, Inc. (Investment Consultant).

Remote attendees: Stacy Smith, Director of Internal Audit and Risk, and Ghiané Jones, Deputy Chief Investment Officer.

Visitors: Heather Becker, TRS Trustee Elect; Sean Casey, TRS Trustee Elect; Rainy Kaplan, TRS Trustee Elect; Teri Taylor; Elston Flowers, IEA-Retired; Maria J. Rodriguez; Babette J. Neuberger, Climate Safe Pensions Illinois; and Michelle Couturier, Third Act.

Public Comment

Babette J. Neuberger provided comment regarding divestment in fossil fuels.

Minutes

Drafts of the February 20-21, 2025, and April 24-25, 2025, minutes of the Board meetings were sent to the Board members for review. On a motion by Trustee Sanders, seconded by Trustee Miller, the minutes were approved by unanimous voice vote. Documentation is on file.

Executive Session Minutes

A draft of the February 21, 2025, Executive Session meeting minutes was sent to the trustees for prior review. On a motion by Trustee Blomquist, seconded by Trustee Peronto, the minutes were approved by unanimous voice vote. Documentation is on file.

Committee Reports

Deferred Compensation Plan Committee

Trustee Hunt (Committee Chair) reported that the Deferred Compensation Plan Committee met on June 17, 2025. 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, 2025. 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. Continue 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.
2. Within the Diversifying Strategies Composite:
 - a. Select 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, subject to Investment Staff discretion.
 - b. Select 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, subject to Investment Staff discretion.
 - c. Select 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, subject to Investment Staff discretion.
3. Adopt 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.
4. Approve the revisions to the Investment Policy, as presented.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Hirshman, Hunt, Miller, Peronto, Pfeiffer, and Sanders.

Rules & Personnel Committee

Trustee Sanders (Committee Chair) reported that the Rules & Personnel Committee met on June 18, 2025. The Committee had no action items to bring to the Board at this time.

Working Groups Update

Trustees Matt Hunt and Fred Peronto gave updates regarding the Technology Working Group and Investment Working Group. The Strategic Plan Working Group has not met since the previous Board meeting.

Legislative Update

Emily Peterson, General Counsel, provided an update regarding the spring legislative session.

Strategic Plan

Sally Antonacci, Executive Officer, and Janelle Gurnsey, Director of Public Relations, provided commentary on a recent TRS Mission moment and a preview of the FY 2026 Business Plan. Documentation is on file.

Executive Director's Report

PAS Modernization Update

Gloria Lasley, Chief Operating Officer; John Gerding, Director of Information Technology; and Terri Worth, PAS Program Director, provided an update on the PAS Modernization project. Documentation is on file.

Recess

The meeting recessed at 10:53 AM and resumed at 11:13 AM.

FY 2026 Administrative Budget

Stan Rupnik, Executive Director & Chief Investment Officer, and Deron Bertolo, Chief Financial Officer, presented the FY 2026 administrative budget initiatives and contracts projected to exceed \$100,000. Documentation is on file. On a motion by Trustee Blomquist, seconded by Trustee Peronto, it was resolved:

To approve the FY 2026 administrative budget and listing of contracts over \$100,000, as presented.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blackburn, Blomquist, Byas, Hirshman, Hunt, Miller, Peronto, Pfeiffer, and Sanders.

Financials

The financial reports for the quarter ended March 31, 2025, were sent to trustees for review. Documentation is on file. On a motion by Trustee Miller, seconded by Trustee Blomquist, it was resolved:

To approve the unaudited financial statement and schedule of expenditures for the quarter ending March 31, 2025, as presented.

Roll call resulted in affirmative voice votes from Trustees Anderson, Blackburn, Blomquist, Byas, Hirshman, Hunt, Miller, Peronto, Pfeiffer, and Sanders.

Recess

The meeting recessed at 11:57 AM and resumed at 12:08 PM.

Economic Assumption

The State Actuary recommends that the Board conduct an annual review of the economic assumptions and adjust accordingly. Matt Strom and Tanya Dybal 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.

(Trustee Jazo-Harris arrived at 12:17 PM.)

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

To adopt the economic assumptions in the June 30, 2025, actuarial valuation, as presented by Segal Consulting at the June 18, 2025, board meeting:

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

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

Retiring Trustee Recognition

Trustees Joe Blomquist, Fred Peronto, and Larry Pfeiffer will retire from the Board of Trustees when their terms expire July 14, 2025. Each Trustee was recognized by staff and fellow Trustees with a resolution of recognition. Documentation is on file.

Oath of Office

Heather Becker, Sean Casey, and Rainy Kaplan recited their oath of office for their terms on the Board of Trustees to commence July 15, 2025. Documentation is on file.

Standing Committees and Working Group Assignments

As a result of vacancies on standing committees and working groups due to Trustee retirements, updates to the FY2025-FY2026 standing committees and working group assignments were presented. Documentation is on file.

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

To approve the FY2025-FY2026 standing committee and working group assignments, as presented.

Audit Committee:	Duffy Blackburn, Chair Rainy Kaplan, Vice Chair Sean Casey Mia Jazo-Harris Doug Strand
Claims Hearing Committee:	Maureen Mena, Chair Andy Hirshman, Vice Chair Mia Jazo-Harris Beth Anderson (alternate)
Deferred Compensation Plan Committee:	Matt Hunt, Chair Doug Strand, Vice Chair Beth Anderson Marsha Byas Maureen Mena
Investment Committee:	David Miller, Chair Marsha Byas, Vice Chair All Trustees
Legislative Committee:	Beth Anderson, Chair Mike Goetz, Vice Chair Marsha Byas David Miller Sean Casey
Rules and Personnel Committee:	Tony Sanders, Chair Marsha Byas, Vice Chair Heather Becker Mike Goetz Mia Jazo-Harris

Motion carried by unanimous voice vote.

Forward Board Calendar

Chelsea Duis, Executive Administrator, presented proposed meeting dates for the remainder of 2026. On a motion by Trustee Sanders, seconded by Trustee Miller, it was resolved:

To approve the remaining board meeting dates for 2026. Exact locations to be determined.

July 30-31, 2026	Springfield, IL
October 22-23, 2026	Springfield, IL
December 17-18, 2026	Chicago or Chicago Suburbs

Motion carried by unanimous voice vote.

Board Travel/Education Requests

In-State Travel

Pursuant to 40 ILCS 5/1-150, the Board votes 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 Blackburn, seconded by Trustee Sanders, it was resolved:

To authorize TRS Trustees to travel within the State of Illinois during FY 2026 to attend TRS Board meetings, stakeholder group meetings, or any other meeting or event related to TRS duties and responsibilities. Per the Board of Trustees Travel policy, all in-state travel must be disclosed to the Executive Administrator prior to travel occurrence.

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

Out-of-State Travel

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

- Trustee Andy Hirshman to attend the Trustee Leadership Forum on June 23-25, 2025, in Cambridge, MA.
- Trustee Marsha Byas to attend the National Council on Teacher Retirement (NCTR) Trustee Workshop on July 13-16, 2025, in Williamsburg, VA.

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

Executive Session

A motion was made by Trustee Sanders, seconded by Trustee Pfeiffer, 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 Anderson, Blackburn, Blomquist, Byas, Hirshman, Hunt, Jazo-Harris, Miller, Peronto, Pfeiffer, and Sanders.

The public meeting closed at 1:30 PM.

No action was taken during executive session.

The public meeting reconvened at 2:01 PM. Roll call attendance was taken with the following trustees present: Trustees Anderson, Blackburn, Blomquist, Byas, Hirshman, Hunt, Jazo-Harris, Miller, Peronto, Pfeiffer, and Sanders. Trustees Goetz, Mena, and Strand were not present.

Committee Reports

Audit Committee

Trustee Blackburn (Committee Chair) reported that the Audit Committee met on June 17, 2025, and presented the consent agenda. On a motion by Trustee Pfeiffer, seconded by Trustee Blomquist, it was resolved to approve the consent agenda. The following items were approved by action taken in the consent agenda motion.

1. Approve the revised FY 2025 Internal Audit Plan, as presented.
2. Approve the FY 2026 and FY 2027 Internal Audit Plan, as presented.
3. Approve the appointment of Teri Taylor as the Director of Internal Audit, effective July 1, 2025.

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

Trustee Concerns

Trustee David Miller acknowledged the great work being done at TRS. Stan Rupnik noted the recent achievements of TRS with receiving the 2025 NCPERS Champions Award and a proclamation from Governor JB Pritzker designating June 2025 as the 20th Anniversary of the TRS Emerging Manager Program.

Adjournment

There being no further business to be brought before the Board, a motion was made by Trustee Sanders, seconded by Trustee Miller, to adjourn the meeting at 2:07 PM. Motion passed by unanimous voice vote.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 08/01/2025