

AGENDA ITEM 2A

**APPROVAL OF MINUTES OF THE SEPTEMBER 12, 2019 JOINT MEETING
OF THE ILLINOIS STUDENT ASSISTANCE COMMISSION AND THE
INVESTMENT COMMITTEE**

Submitted for: Action

Summary: This report includes the minutes of the investment related items of the joint meeting of the Investment Committee and the Commission held on September 12, 2019

Action requested: That the Investment Committee approve the minutes of the September 12, 2019 meeting as incorporated into the full Commission minutes

**MINUTES OF THE JOINT MEETING OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
AND THE INVESTMENT COMMITTEE**

**Michael A. Bilandic Building
Room N-505
160 N. LaSalle Street, Chicago, IL**

**September 12, 2019
1:00 p.m.**

COMMISSIONERS PRESENT:

Kevin Huber, Commissioner, Board Chair, Investment Committee Member
James Hibbert, Commissioner, Investment Committee Member
Maureen Amos, Commissioner, Investment Committee Member
Niketa Brar, Commissioner, Audit Chair and Committee Member
Darryl Arrington, Commissioner, Audit Committee Member
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member
Franciene Sabens, Commissioner
Emma Johns, Student Commissioner

COMMISSIONERS ATTENDED VIA TELEPHONE:

Jonathon Bullock, Commissioner

COMMISSIONERS ABSENT:

None

STAFF PRESENT:

Eric Zarnikow, Executive Director
Lynne Baker, Managing Director, Communications
Shoba Nandhan, Chief Financial Officer
Carol Cook, Director, Program Services and Compliance
Karen Salas, General Counsel
Shana Rogers, Managing Director, RPPA
Ellen Greenan, Deputy Director, MAP
Kevin Bertolino, Research Associate
Kishor Desai, Chief Internal Auditor
Katharine Gricevich, Director, Government Relations
Carmen Heredia, Chief Investment Officer
Roger Rojas, Investment Officer

Ramnath Cidambi, Chief Information Officer
Melvin Dsouza, Telecom and Network Engineer
Andy Cervantes, Data Security
Natalie Wandall, Secretary to Commission
Kathleen Cole, Staff Attorney

PUBLIC ATTENDANCE:

Jim O'Connor, Callan and Associates
Brienne Weymouth, Callan and Associates
Nick O'Dea, University of Illinois
Meegan Bassett, Women Employed

Item 1. Announcements

At 1:00 p.m. Chair Kevin Huber called the September 12, 2019 meeting to order by announcing that this was a Joint Meeting of the Illinois Student Assistance Commission (Commission) and the Investment Committee. A roll call of the Commission was taken and a quorum was established. A roll call of the Investment Committee was taken and a quorum was established.

Chair Huber explained that the Commissioner, Josh Bullock, could not physically attend the meeting due to a scheduling conflict with his employer and that he would be in attendance electronically. A roll call of all commissioners physically present was taken to approve Commissioner Bullock's electronic attendance. Chair Huber then pointed out the procedural requirements in relation to remote attendance.

Chair Huber **MOVED THAT** the commissioners physically present vote to approve Commissioner Bullock's electronic attendance. Ms. Brar seconded the motion, which was unanimously approved by the Commission.

Chair Huber announced that the Governor made four new appointments to the ISAC Commission Board. Two appointments filled previously vacant slots and two appointments filled expired terms. The new appointees are with us today.

Maureen Amos has been appointed to the ISAC Commission Board to fill the State Higher Education Public University seat replacing Commissioner Mark Donovan. Josh Bullock has been appointed to the ISAC Commission Board to fill the Community College seat replacing Commissioner Kim Savage. Darryl Arrington has been appointed to the ISAC Commission Board filling the Private Universities seat. Franciene Sabens has been appointed to the ISAC Commission Board filling the Public High School seat. Chair Huber introduced new staff and welcomed them and thanked former commissioners for their service.

Chair Huber thanked Kim Savage and Mark Donovan for their outstanding service to ISAC over the past eight years. Their work on the audit and investment committees respectively, has provided invaluable acumen and support to our team. We are most grateful for their service and wish them all the best in the future.

The next meeting of the Commission is set for Thursday, December 5, 2019, with the Audit Committee in the morning and a joint meeting of the Commission and the Investment Committee starting at 1:00pm.

Item 1A. Approval of the Tentative 2020 Meeting Dates and Locations (Action: Commission)

Mr. Hibbert **MOVED THAT** the Commission approve the tentative 2020 meeting dates and locations as presented in the Agenda Book. Ms. Amos seconded the motion, which was unanimously approved by the Commission.

Item 2. Approval of the Commission and Investment Committee Meeting Minutes (Action)

Item 2A. Approval of the June 24, 2019 Minutes of the Meeting of the Investment Committee (Action: Investment Committee)

Ms. Brar **MOVED THAT** the Investment Committee approve the minutes of the June 24, 2019 meeting as incorporated into the full Commission minutes. Mr. Huber seconded the motion, which was unanimously approved by the Investment Committee.

Item 9. College Illinois! Prepaid Tuition Program Investments - Carmen Heredia/Roger Rojas

Item 9A. Investment Update (Information)

Ms. Heredia and Mr. Rojas provided a brief overview of the College Illinois!® investments across asset classes. Ms. Heredia reviewed the fund risk profile, current asset allocation and performance attribution as provided in the consultant (Callan) quarterly report. Ms. Heredia reviewed the overall investment portfolio performance presented in the Callan quarterly report as of June 30, 2019. She reminded the Commission that at the June 24, 2019 meeting the Commission approved a new interim asset allocation that is appropriately more conservative as the College Illinois!® Trust Fund is being depleted due to the program not being open for new contract sales.

Consistent with past reviews, the infrastructure and private equity asset classes continue to have an outsized impact on the portfolio's performance. Both asset classes have private markets investments and therefore the ability to exit these investments is extremely limited. Mr. Rojas reviewed more thoroughly all closed-end funds investments with its outstanding risks and current/projected realizations.

Item 9C. Approval of Changes to Watch List - (Action: Investment Committee)

Ms. Heredia provided an overview of the Watch List memorandum as provided in the agenda book, in which no managers were recommended for addition to the Watch List. Chair Huber stated that no action was required.

Item 9D. Compliance Review - Roger Rojas (Information)

Mr. Rojas reviewed the compliance report as provided in the agenda book including minority brokerage, minority investment manager participation and investment expense. No violations or issues of concern were identified.

Seeing no further business to come before the Commission and the Investment Committee, Chair Huber asked for a motion to adjourn. Mr. Hibbert **SO MOVED** and Mr. Arrington seconded that motion, which was unanimously approved by the Commission.

The meeting adjourned at 3:10 p.m.

Respectfully submitted,

Kathleen Cole