

AGENDA ITEM 2B.

**APPROVAL OF MINUTES OF THE NOVEMBER 30, 2021
ILLINOIS STUDENT ASSISTANCE COMMISSION
INVESTMENT COMMITTEE**

Submitted for: Action

Summary: This report includes the minutes of Investment Committee meeting held on November 30, 2021

Action requested: That the Investment Committee approve the minutes of the November 30, 2021 Investment Committee meeting.

**MINUTES OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
INVESTMENT COMMITTEE**

**VIDEO CONFERENCE
Instruction to be provided by ISAC.org**

**November 30, 2021
11:00 a.m.**

COMMISSIONERS PRESENT via WebEx:

Kevin Huber, Commissioner, Board Chair, Investment Committee Member
Maureen Amos, Commissioner, Investment Committee Member
James Hibbert, Commissioner, Investment Committee Member

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director
Carmen Heredia, Chief Investment Officer
Roger Rojas, Investment Officer
Karen Salas, General Counsel
Gloria Legette, Deputy General Counsel
Natalie Wandall, Secretary to Commission
Lisa Murphy-Coveny, Senior Compliance Counsel
Manuel Talevera, Professional Development Specialist
Dada Ibrahimovic, Professional Development Specialist

OTHERS PRESENT via WebEx:

Jim O'Connor, Callan
Brienne Weymouth, Callan

The Illinois Student Assistance Commission Investment Committee was called to order at 11:03 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the meeting was being conducted through electronic means pursuant to Governor Pritzker's extension of the Gubernatorial COVID-19 Disaster Proclamation and the Open Meetings Act.

Mr. Zarnikow advised that it was not practical or prudent to conduct the meeting in person or at the usual meeting location in downtown Chicago due to the COVID-19 disaster, so the meeting was conducted virtually. He noted, however, that he was physically located at ISAC's headquarters in Deerfield, Illinois.

He further stated that, as with all ISAC public meetings, a specific time was reserved in the agenda for public comment.

He explained that the applicable law requires a roll call for every vote and gave Investment Committee members the relevant instructions.

He indicated that there would be a verbatim recording of the whole meeting as required by law.

WebEx instructions, including those for public comment, were provided by Manuel Talavera

Mr. Zarnikow then turned the meeting over to Ms. Heredia who called for a roll call of the Investment Committee. A roll call of the Investment Committee members was taken, and a quorum was established

Item 1. Announcements

Ms. Heredia announced that the next regularly scheduled joint meeting of the Commission, Investment Advisory Panel and the Investment Committee will be on Thursday April 14, 2022. Currently the meetings are scheduled to be held virtually and notice will be provided if that changes.

Item 2. Approval of the Minutes of the September 16, 2021 Joint Commission and Investment Meeting- Investment Portion (Action)

Commissioner Amos **MOVED THAT** the Investment Committee approve the investment related portion of the minutes of the September 16, 2021 meeting as will be incorporated into the full Commission minutes. Commissioner Huber seconded the motion which was unanimously approved by a roll call vote of the Investment Committee.

Item 3. Approval of Changes to the Watch List (Action)

Ms. Heredia presented the Memorandum and Callan's profile report of Garcia Hamilton provided in the agenda book. She explained that our Statement of Investment Policy provides that investment managers will be evaluated on a quarterly basis using qualitative and quantitative factors. She reviewed Garcia Hamilton's investment objective; and then proceeded to review in detail the quantitative evaluation of Garcia Hamilton's longer-term and shorter-term performance as well as peer group analysis. Some factors used for the quantitative analysis were rolling 3-yr and 5-yr return analysis and the growth of dollar comparison. Additionally, she discussed the analysis of Garcia Hamilton's investment philosophy, thesis and statistics. She noted that their investment thesis in place has not played out to their advantage. The length and magnitude of Garcia Hamilton's underperformance relative to their benchmark and peer ranking warranted another in-depth analysis by investment staff. There were no material qualitative factor concerns at the time. In summary, after review of a variety of quantitative factors for medium-term and longer-term time periods staff felt it was prudent to recommend the addition of Garcia Hamilton to the Watch List.

There was some discussion regarding factors used as part of the qualitative analysis. However, it was noted that the recommendation to place Garcia Hamilton on the Watch List was heavily based upon the quantitative factors.

Commissioner Hibbert **MOVED THAT** the Investment Committee approve the addition of investment manager Garcia Hamilton to the Watch List. Commissioner Amos seconded the motion which was unanimously approved by a roll call vote of the Investment Committee.

Item 4. Public Comment

No requests for Public Comment were made.

Seeing no further business to come before the Investment Committee, Commissioner Hibbert **MOVED** to adjourn, and Commissioner Huber seconded that motion which was unanimously approved by a roll call vote of the Investment Committee.

The meeting adjourned at approximately 11:28 a.m.

Respectfully submitted,

Lisa Murphy-Coveny