

AGENDA ITEM 2A.

**APPROVAL OF MINUTES OF THE JUNE 18, 2020
JOINT MEETING OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION,
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 June 18, 2020

Action requested: That the Investment Committee approve the minutes of the June 18, 2020 meeting as incorporated into the full Commission minutes.

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

VIDEO CONFERENCE

June 18, 2020

1:00 p.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
Niketa Brar, Commissioner, Audit Chair and Committee Member
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member
Darryl Arrington, Commissioner, Audit Committee Member
Franciene Sabens, Commissioner
Jonathon Bullock, Commissioner
Thomas Dowling, Commissioner
Emma Johns, Student Commissioner

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director
Lynne Baker, Managing Director, Communications
Ramnath Cidambi, Chief Information Officer
Carol Cook, Director, Program Services and Compliance
Kishor Desai, Chief Internal Auditor
Katharine Gricevich, Director, Government Relations
Carmen Heredia, Chief Investment Officer
Roger Rojas, Investment Officer
Karen Salas, General Counsel
Shana Rogers, Managing Director, RPPA
Shoba Nandhan, Chief Financial Officer
Wendy Funk, Managing Director, Accounting and Finance
Darla Puckel, Asst Director, College Illinois! Operations
Jackie Eckley, Asst Director, Program Communication Service

STAFF PRESENT COND'T:

Anne Hunter, Deputy Director, Financial Reporting
Evelyn Smith, Director, Loan Portfolio
Marisa Lowe, Deputy Director, Budget & Financial Analysis
Christy Shields, Director, Program & Product Services
Ellen Greenan, Deputy Director MAP
Kim Eck, Manager, Partner Services
Eddie Brambila, Managing Director Capacity Development
Sam Nelson, Director Capacity Management
Paul Oliver, Manager, ISAC Call Center
Vickie Baba, Director, HRD
Natalie Wandall, Secretary to Commission
Michael Wilder, Telecom and Network Engineer
Kathleen Cole, Staff Attorney

PUBLIC ATTENDANCE Via WebEx:

Jim O'Connor, Callan
Brienne Weymouth, Callan
Eric Hiatt, University of Illinois
Dr. Holly Falk-Krzesinski
Elyse Weller
Darryl Williams
Henry Mohn
Justin Slaughter
Unidentified Caller 1
Unidentified Caller 2

Item 1. Announcements

The Joint Meeting of the Illinois Student Assistance Commission and the Investment Committee was called to order at 1:04 p.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the meeting today is being conducted through electronic means pursuant to Governor Pritzker's extension of his Gubernatorial COVID-19 Disaster Proclamation and Public Act 101-0640 which suspends the Open Meetings Act requirements for physical presence at meetings of public bodies during gubernatorial disaster proclamations.

Mr. Zarnikow stated further that is 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 we will proceed virtually.

He further stated that with all ISAC public meetings, there is a specific time reserved in the agenda for public comment. Instructions for making public comments will be given shortly.

He indicated that WebEx instructions for all would be provided by Eddie Brambila.

He also explained that the new law requires a roll call for every vote and gave Commission members instructions for doing that.

He also explained that there would be a verbatim recording of the whole meeting, open and closed session, as required by law.

Chair Huber stated that he agreed with Mr. Zarnikow, that it is 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 is proceeding virtually.

Chair Huber called for a roll call of the Commission. A roll call of the Commission members was taken, and a quorum was established.

Chair Huber call for a roll call of the Investment Committee. A roll call of the Investment Committee members was taken, and a quorum was established.

Chair Huber stated that the next regularly scheduled joint meeting of the Commission and the Investment Committee will be on Thursday September 17, 2020 in Chicago. The Audit Committee is scheduled to start at 11:30 a.m. and the Commission Meeting at 1:00 p.m. Currently we plan to meet in the Michael A. Bilandic Building, but we may need to do another virtual meeting.

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

Item 2A. Approval of the April 28, 2020 Minutes of the Joint Commission/ Investment Meeting (Action: Commission)

Mr. Arrington **MOVED THAT** the Commission approve the minutes from the April 28, 2020 meeting. Mr. Dowling seconded the motion and a roll call was taken which was unanimously approved by the Commission.

Item 2B. Approval of the May 28, 2020 Minutes of the Investment Committee Meeting (Action: Investment Committee)

Mr. Hibbert **MOVED THAT** the Investment Committee approve the minutes of the May 28, 2020 Investment Committee meeting. Ms. Amos seconded the motion and a roll call was taken which was unanimously approved by the Investment Committee

Item 7. College Illinois! Prepaid Tuition Program Investments – (Information) Carmen Heredia / Roger Rojas

Item 7A. Investment Update (Information)

Ms. Heredia reviewed the updated performance review for the first quarter of 2020. For the April 28th, 2020 meeting some managers had estimated performance numbers. Now we have the final performance numbers for first quarter 2020 for all investment managers. She also noted that at the May 28, 2020 Investment Committee meeting, economic and capital markets review discussions went in-depth. Our conservative asset allocation helped us outperform our benchmark for the year ended March 31, 2020. She also provided performance updates for the public markets managers since the end of the first quarter 2020.

Mr. Rojas reviewed thoroughly all closed-end fund investments including outstanding risks and current/projected realizations. Mr. Rojas indicated that he foresees further writedowns in coming quarters for Alinda, TRG and CM Growth.

Finally, Mr. Rojas reviewed the Asset Allocation, Status Updates and Search Update sections as shown in the agenda book.

Item 7B. Compliance Review (Information)

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

Item 7C. Asset Allocation Review (Action: Commission)

Ms. Heredia reviewed the proposed asset allocation for the College Illinois! portfolio. Ms. Heredia provided an update on proposed changes to the rebalancing ranges for fixed income and absolute return. The proposed revisions were reviewed by the Investment Committee at their meeting on May 28, 2020 and they voted to recommend adoption by the Commission Board.

Mr. Hibbert **MOVED THAT** the Commission approve the proposed Investment Policy Asset Allocation and benchmark change recommendation. Ms. Johns seconded the motion and a roll call was taken which was unanimously approved by the Commission.

Item 7D. Investment Policy Review and Adoption (Action: Commission)

Ms. Heredia reviewed the proposed revisions to the Statement of Investment Policy for the College Illinois! Prepaid Tuition Program. The proposed revisions were reviewed by the Investment Committee at their meeting on May 28, 2020 and they voted to recommend adoption by the Commission Board.

Mr. Hibbert **MOVED THAT** the Commission approve the proposed revisions to the Statement of Investment Policy. Mr. Arrington seconded the motion and a roll call was taken which was unanimously approved by the Commission.

Item 7E. Prepaid Tuition Program Update (Information)

Ms. Gricevich stated that the Governor's proposed FY21 budget included funding for College Illinois!. Because the state passed a budget for FY21 that was generally flat with the FY20 budget, that funding for College Illinois! was not included. However, the Governor publicly stated his support for funding the unfunded liability of College Illinois! over time. We will continue to work to get funding for College Illinois! in future budgets.

Seeing no further business to come before the Commission, Chair Huber asked for a motion to adjourn. Mr. Bullock **SO MOVED** and Ms. Johns seconded that motion and a roll call was taken which was unanimously approved by the Commission.

The meeting adjourned at approximately 4:10 pm.

Respectfully submitted,

Kathleen Cole