

ILLINOIS MUNICIPAL RETIREMENT FUND
MEETING NO. 22-02-I

MEETING OF THE
INVESTMENT COMMITTEE

The Investment Committee met in the IMRF offices in Oak Brook, Illinois on Thursday, February 10, 2022. Mr. Kosiba, Chairman of the Investment Committee, called the meeting to order at 9:00 A.M.

(22-02-01)(Roll Call) Mr. Bush called the roll:

Present: Copper, Kosiba, Kuehne, Miller, Stanish, and Stefan

Present via Microsoft Teams: Henry and Mitchell

Absent: None

Also in attendance were Mr. Collins, IMRF Executive Director; Ms. Miller-May, IMRF Chief Investment Officer; Ms. Janicki-Clark, IMRF General Counsel; Ms. Govea, IMRF Investment Officer – Private Markets; Mr. Catanese, IMRF Investment Officer – Portfolio Management & Investment Strategy; Ms. Perez, IMRF Investment Officer – Diversity Programs & Total Portfolio; Mr. Bush, IMRF Investment Analyst – Portfolio Operations and members of the Investment Staff. Consultants Ms. Dean and Mr. Kazemi attended in person. Consultants Mr. Born, Mr. Friedberg, and Mr. Quinn of Wilshire attended via Microsoft Teams.

(22-02-02)(Public Comments) There were no public comments.

(22-02-03)(Action Item)

- A. Approve Investment Committee Meeting Minutes from the December 16, 2021 Meeting
The Chairman asked for the approval of the minutes of the December 16, 2021 Investment Committee Meeting.

It was moved by Mr. Kosiba; and seconded by Mr. Miller; that the minutes of the December 16, 2021 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(22-02-04)(Staff Presentation)

- A. Private Equity Recommendations The Chief Investment Officer and the Investment Officer – Private Markets presented an overview of Clearlake Opportunities Partners

III, L.P., New Enterprise Associates 18, L.P., and NEA Venture Growth Equity, L.P. After this presentation, the Chief Investment Officer recommended:

- Authorize a commitment of up to \$50 million to Clearlake Opportunities Partners III, L.P., subject to satisfactory due diligence;
- Authorize a commitment of up to \$50 million to New Enterprise Associates 18, L.P., and NEA 18 Venture Growth Equity, L.P., subject to satisfactory due diligence;
- Authorize a commitment of up to \$15 million to NEA 18, L.P., and NEA 18 Venture Growth Equity, L.P. co-investment opportunities; and,
- Authorize Staff to complete all documentation necessary to execute these recommendations

(22-02-05)(Manager Presentations)

- A. Clearlake Opportunities Partners III, L.P. Mr. Jose Feliciano and Mr. Patrick Gilligan of Clearlake Capital Group presented a review via Microsoft Teams of their firm's organization structure, investment strategy and product. This presentation was followed by questions from the Committee.
- B. New Enterprise Associates 18, L.P. and NEA Venture Growth Equity, L.P. Mrs. Suzanne King and Mr. Ali Behbahani of New Enterprise Associates presented a review via Microsoft Teams of their firm's organization structure, investment strategy and product. This presentation was followed by questions from the Committee.

(22-02-06)(Action Items)

- A. Approve Allocations to Clearlake Opportunities Partners III, L.P. It was moved by Mr. Kuehne; and seconded by Mr. Copper; to recommend that the Board:
 - Authorize a commitment of up to \$50 million to Clearlake Opportunities Partners III, L.P., subject to satisfactory due diligence; and,
 - Authorize Staff to complete all documentation necessary to execute these recommendations

Vote:

The motion was approved unanimously.

- B. New Enterprise Associates 18, L.P., and NEA Venture Growth Equity, L.P. It was moved by Ms. Stanish; and seconded by Ms. Henry to recommend that the Board:
 - Authorize a commitment of up to \$50 million to New Enterprise Associates 18, L.P. and NEA 18 Venture Growth Equity, L.P., subject to satisfactory due diligence; and,

- Authorize Staff to complete all documentation necessary to execute these recommendations

Vote:

The motion was approved unanimously.

C. Authorize a commitment of up to \$15 million to NEA 18, L.P. and NEA 18 Venture Growth Equity, L.P. co-investment opportunities It was moved by Mr. Stefan; and seconded by Ms. Stanish to recommend that the Board:

- Authorize a commitment of up to \$15 million to NEA 18, L.P. and NEA 18 Venture Growth Equity, L.P. co-investment opportunities; and,
- Authorize Staff to complete all documentation necessary to execute these recommendations

Vote:

The motion was approved unanimously.

(22-02-07)(Staff Presentation)

A. Real Estate Recommendations The Chief Investment Officer and the Investment Officer – Private Markets presented an overview of TA Realty Associates Value-Add Fund XIII, L.P. After this presentation, the Chief Investment Officer recommended:

- Authorize a commitment of up to \$75 million to TA Realty Associates Value-Add Fund XIII, L.P., subject to satisfactory legal due diligence; and,
- Authorize Staff to complete all documentation necessary to execute this recommendation

(22-02-08)(Manager Presentation)

A. TA Realty Associates Value-Add Fund XIII, L.P. Mr. Jim Raisides, Mr. Kendrick Leckband, and Mr. Devin Sullivan of TA Realty Associates presented a review via Microsoft Teams of their firm’s organization structure, investment strategy and product. This presentation was followed by questions from the Committee.

(22-02-09)(Action Items)

A. Approve Allocation to TA Realty Associates Value-Add Fund XIII, L.P. It was moved by Mr. Miller; and seconded by Ms. Copper; to recommend that the Board:

- Authorize a commitment of up to \$75 million TA Realty Associates Value-Add Fund XIII, L.P., subject to satisfactory legal due diligence; and,
- Authorize Staff to complete all documentation necessary to execute this recommendation

Vote:

The motion was approved unanimously.

--The Committee recessed at 10:12 A.M.

--The meeting of the Investment Committee reconvened at 10:22 A.M.

(22-02-10)(Staff and Consultant Presentation)

- A. 2022 Asset Allocation Review: The Chief Investment Officer and the Investment Officer, Mr. Catanese, IMRF Investment Officer – Portfolio Management & Investment Strategy; presented the 2022 Asset Allocation Review
- B. Wilshire Capital Markets Assumptions & 2022 Annual Review of Asset Allocations: The Chief Investment Officer and Ms. Rose Dean, Mr. Ali Kazemi of Wilshire; presented the Wilshire Capital Markets Assumptions & 2022 Annual Review of Asset Allocations. Recommended changes to the asset allocation targets and total fund benchmarks including the following:
- Reduce exposure to Domestic Equity asset class from 39% to 35.5%;
 - Increase exposure to International Equity asset class from 15% to 18%;
 - Increase exposure to Fixed Income asset class from 25% to 25.5%;
 - Increase exposure to Private Real Assets asset class from 10% to 10.5%;
 - Reduce exposure to Alternative Investments asset class from 10% to 9.5%;

2022 Total Fund Benchmarks:

- 35.5% U.S. Equity
- 18% International Equity
- 25.5% Fixed Income
- 10.5% Private Real Assets
- 9.5% Alternative Investments
- 1.0% Cash

This presentation was followed by questions from the Committee.

(22-02-11)(Action Item)

- A. Approve 2022 Asset Allocation Recommendation It was moved by Mr. Kuehne; and seconded by Mr. Miller; to recommend that the Board approve the following items

- Reduce exposure to Domestic Equity asset class from 39% to 35.5%;
- Increase exposure to International Equity asset class from 15% to 18%;
- Increase exposure to Fixed Income asset class from 25% to 25.5%;
- Increase exposure to Private Real Assets asset class from 10% to 10.5%;
- Reduce exposure to Alternative Investments asset class from 10% to 9.5%;

Vote:

The motion was approved unanimously.

B. Approve 2022 recommended adoption of a policy benchmark as of March 1, 2022 with the following parameters It was moved by Ms. Stanish; and seconded by Mr. Stefan; to recommend that the Board approve the following items:

Total Fund Benchmark is equal to the sum of:

- 35.5% - Custom U.S. Equity Benchmark
 - 93% Russell 3000 Index
 - 7% FTSE Global Core Infrastructure 50/50 Index (Net)
- 18% - Morgan Stanley Capital International All Country World Index ex-US (Net)
- 25.5% - Custom Fixed Income Benchmark
 - 78% Bloomberg U.S. Aggregate Bond Index
 - 14% Credit Suisse U.S. Leveraged Loan Index & Western Euro Leveraged 'Loan Index, weighted by portfolio's market value to each segment
 - 8% ICE BofAML U.S. High Yield Cash Pay Index
- 10.5% - Custom Private Real Assets Benchmark
 - 95% NCREIF ODCE Index
 - 5% CPI + 4%
- 9.5% - Custom Alternative Investment Benchmark
 - 95% MSCI World Index (Net) (1 QtrLag) + 3%
 - 5% S&P/LSTA U.S. Leveraged Loan 100 Index + 2%
- 1.0% - 3-month Treasury Bills

Vote:

The motion was approved unanimously.

(22-02-12)(Staff Presentation)

A. Review of Recommended Changes to the Investment Committee Charter and Statement of Investment Policy The Chief Investment Officer presented an overview of recommended changes to IMRF's Investment Committee Charter and Statement of Investment Policy to the Committee. She noted these documents are presented, reviewed, and approved annually. The Chief Investment Officer concluded by asking the Committee to recommend that the Board:

- Approve 2022 Investment Committee Charter as amended; and,

- Approve 2022 Statement of Investment Policy as amended

(22-02-13)(Action Items)

- A. Approve the 2022 Investment Committee Charter as amended It was moved by Mr. Miller; and seconded by Ms. Kuehne; to recommend that the Board approve the 2022 Investment Committee Charter as amended.

Vote:

The motion was approved unanimously.

- B. Approve the 2022 Statement of Investment Policy as amended It was moved by Mr. Miller; and seconded by Ms. Kuehne; to recommend that the Board approve the 2022 Investment Committee Charter as amended.

Vote:

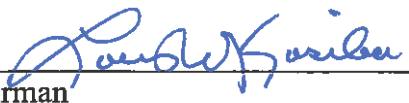
The motion was approved unanimously.

(22-02-14)(New Business) There was no new business presented or discussed during the meeting.

(22-02-15)(Trustee Comments) The Committee complimented the Investment Staff and Consultants on their good work, and clear presentations.

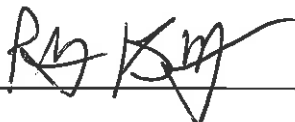
(22-02-16)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 11:48 A.M.

--The next meeting of the Investment Committee is scheduled for Thursday, March 24, 2022 at 9:00 A.M.



Chairman

March 25, 2022
Date



Clerk

MARCH 25, 2022
Date