

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 25-08
AUGUST 29, 2025

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 25-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. on August 29, 2025, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Henry presided as President and called the meeting to order.

Ms. Herman took a roll call:

Present: Copper, Cycholl, Henry, Isaac, Miller, Stafford, Stefan, Townsend
Absent: None

Ms. Weymouth and Ms. O'Bradovich from Callan were also present at the meeting.

(25-08-01) (2nd Quarter 2025 Investment Performance Report - Angela Miller-May and Callan) Ms. O'Bradovich and Ms. Weymouth presented the 2nd Quarter Investment Performance Report.

The highlights are as follows:

- o IMRF's market value as of June 30, 2025 was \$58.3 billion, an increase from the 1Q25 ending value of \$55.2 billion.
- o The Total Fund returned 6.65% for the quarter versus the benchmark return of 6.10%. The Fund's quarterly return ranked in the 34th percentile of peers. Over the last year, the Fund returned 11.85% relative to the benchmark return of 11.82% and ranked at the 18th percentile of peers.
- o The IMRF U.S. Equity portfolio returned 9.84% for the quarter but lagged the benchmark return of 10.52%. Over the last year, the U.S. Equity portfolio gained 13.57% relative to the benchmark return of 15.48%.
- o The IMRF International Equity portfolio gained 12.92% for the quarter and outperformed the benchmark return of 12.03%. Over the last year, the International Equity portfolio returned 18.98% and led the benchmark return of 17.72%.
- o The IMRF Fixed Income portfolio finished in line with the benchmark for the quarter, returning 1.49% versus 1.50%. Over the last year, the Fixed Income portfolio returned 6.53%, slightly trailing the benchmark return of 6.59%.
- o The IMRF Private Real Assets portfolio recorded a 1.27% return for the quarter and outperformed the 0.86% benchmark return. Over the last year, the Private Real Assets performed ahead of the benchmark, returning 3.17% versus 2.87%.
- o All asset classes are within the rebalancing range as stated in the Investment Policy.

In addition to the report, Ms. O'Bradovich and Ms. Weymouth informed the Board that there is one manager on the watch list. William Blair has been on the watch list since 5/20/2025 due to manager turnover.

(25-08-02) (Investment Reports) - CIO Angela Miller-May reported that total fund value as of August 27, 2025, was \$59.337 billion. She further reported that as of August 27, 2025, the Domestic Equity portfolio was up 3.87%; the International Equity portfolio was up 2.10%; the Fixed Income portfolio was up .84%; the Private Real Assets portfolio was up 2.20%; the Alternative Investments portfolio was up .46%; and the cash portfolio was down -23.59%. Overall, IMRF's portfolio was up in value by 1.75% on August 27, 2025, compared to what it was on June 30, 2025. Furthermore, the following benchmark returns were reported as of August 27, 2025:

S&P 500	2.35%
Custom U.S. Equity Benchmark	2.53%
93% Russell 3000 Index	
7% FTSE Global Core Infrastructure 50/50 Index (Net)	
MSCI ACWI Ex-U.S.	3.36%
Broad International equity market benchmark	
Bloomberg Aggregate	1.16%
Broad U.S. bond market benchmark	

Furthermore, during the 2Q25 global equity rebound, IMRF's Public Markets asset classes exhibited notable deviations from policy targets. Per the SOIP, Staff engaged in a rebalancing exercise to harvest these short-term gains, while seeking to mitigate Total Fund risk. In total, \$1.75 billion was shifted away from US & Non-US equity passive index accounts; \$1.45 billion was allocated to a passive broad market bond index account; and the residual \$300 million was utilized to bolster Fund liquidity and satisfy near-term benefit obligations. Post-rebalancing, IMRF's Public Markets allocations are now more closely aligned with stated policy targets.

Mr. Townsend asked how IMRF's investments compare to our peers. Ms. Henry asked the CIO to share the data IMRF receives from other IL pension funds.

Ms. Miller-May reminded everyone of IMRF's Investment Philosophy which includes the following:

- IMRF is a long-term and patient investor that has exceeded its expected rate of returns over the long investment horizon.
- Asset allocation is the primary driver of long-term total fund returns and IMRF is disciplined to their Asset Allocation Targets.
- Strategic Decisions will prevail in determining asset allocation rather than tactical or short-term market timing decisions.
- Investment Structure and Rebalancing is vital in complying with asset allocation targets.
- Diversification is key across all asset classes and is the main defense against realizing losses.

Monthly Minority Manager Utilization and Brokerage reports were given as information as well.

In addition, the Callan monthly report for June was posted for review. Highlights of the summary included:

IMRF ended June with a market value of \$58.32 billion, an increase of \$1.56 billion from the prior month. IMRF returned 2.63% during the month, outperforming the 2.23% return of its benchmark. Current policy states that when the actual allocations of the asset classes differ by more than four percentage points from their policy targets, a recommendation for rebalancing will be made to the Board of Trustees. As of June month end, all asset classes are within the policy target ranges.

The U.S. equity market rallied in June, with small caps slightly outperforming large caps, large-cap growth leading large-cap value, and small-cap growth outperforming small-cap value. IMRF's U.S. equity portfolio returned 4.56%, relative to the 4.79% return for the U.S. Equity Custom Benchmark. IMRF's large cap, small cap and public real assets allocations outperformed their respective benchmarks.

Global ex-U.S. equities posted solid gains in June. Emerging markets outperformed both U.S. and developed ex-U.S. equities. The IMRF international equity composite returned 3.55% in June, outperforming the MSCI ACWI ex-U.S. benchmark by .16%. The emerging markets composite outperformed its benchmark for the month, while the international large cap and international small cap composites trailed their benchmarks.

IMRF's fixed income markets posted gains in June. Treasury yields declined, led by intermediate- and long-term maturities. IMRF's fixed income composite returned 1.53%, narrowly underperforming the Fixed Income Customer Benchmark 1.48%. The active core and core plus allocations finished ahead of their respective benchmarks, while the bank loans and high yield allocations trailed their respective benchmarks.

(25-08-03) (Consent Agenda) The President presented an agenda consisting of a Consent Agenda.

(A) Approval of 2025 Trustee Election Deadlines and Roles

At the previous board meeting, the Board approved this year's Trustee election procedures. As required under 40 ILCS 7-175.1, the Board approved a number of staff members to serve as election judges and clerks. Since that time, it has become known that Bonnie Shadid, one of the appointed election judges, will be unavailable to serve. IMRF Associate General Counsel, Liz Beyer, is available to serve as an election judge in her stead. Therefore, staff recommends that the Board approve the substitution of Liz Beyer for Bonnie Shadid as an election judge for the 2025 Trustee election.

(B) Schedules - For the months of May, June, July 2025

Schedule A -	Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
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Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.

Schedule C - Benefit Cancellations.

Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.

Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.

Schedule F - Benefits Terminated.

Schedule G - Administrative Benefit Denials.

Schedule P - Administrative Denial of Application for Past Service Credit.

Schedule R - Prior Service - New Governmental Units.

Schedule S - Prior Service Adjustments

(C) Approval of Minutes

Regular Board Meeting minutes from May 30, 2025

Special Board Meeting minutes from July 10, 2025

(D) Bids

Abnormal - API Gateway Security Renewal
 Approved Bidder: GuidePoint Security LLC
 Approved Bid: \$30,823.28

Avaya CM10 Upgrade
 Sole Source: Waterfield (DBA Altura).
 Approved Bid: \$245,652.47

Board Governance Consulting - 3-Year Contract
 Approved Bidder: J/N Consulting
 Approved Bid: \$126,375 (not to exceed)

Disaster Recovery Services Renewal
 Sole Source: Element Critical
 Approved Bid: \$895,356

LinkedIn - 3-Year Renewal
 Sole Source: LinkedIn
 Approved Bid: \$44,587.50 per year

Microsoft 365 Enterprise Agreement (EA) Renewal
 Approved Bidder: Software House International (SHI)
 Approved Bid: \$677,075.40

2026 Printing and Mailing of 1099R Documents
Sole Source: Efficient Document Solutions, Inc.
Approved Bid: \$38,880.80

BoardDocs Renewal - Addendum - 5-year Term
Sole Source: Diligent Community
Approved Bid: \$110,200

(E) Participation of New Unit of Government/Instrumentality

Intergovernmental Personnel Benefit Cooperative
County: DeKalb
2025 Employer Rate: 9.61%
Effective Participation Date: September 1, 2025
Number of Employees: 4

Posen Park District
County: Cook
2025 Employer Rate: 8.18%
Effective Participation Date: September 1, 2025
Number of Employees: 2

Reading Township, Livingston County, Streator, Illinois
2025 Employer Rate: 13.46%
Effective Participation Date: January 1, 2026
Number of Employees: 2

Village of Sidney
County: Champaign
2025 Employer Rate: 4.99%
Effective Participation Date: September 1, 2025
Number of Employees: 2

Resource Sharing Alliance (RSA)
County: Tazewell
2025 Employer Rate: 5.42%
Effective Participation Date: January 1, 2026
Number of Employees: 10

Harlem Roscoe Fire Protection District
County: Winnebago
2025 Employer Rate: 11.25%
Number of Employees: 6

Village of Clifton
County: Iroquois
2025 Employer Rate: 8.34%
Number of Employees: 5

(F) May/June/July 2025 Financial Reporting Packages

(G) May/June/July 2025 Statement of Fiduciary Net Position

(H) Impact of 2025 Year-To-Date Investment Income of Employer Reserves,
Funding Status and Average Employer Contribution Rate

(I) Schedule T - Report of Expenditures (May/June/July 2025)

It was moved by Mr. Miller and seconded by Ms. Copper to approve the items on the Consent Agenda.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-08-04) (Report of the Benefit Review Committee Meeting) Mr. Miller presented the report of the Benefit Review Committee that was held on August 28, 2025.

The Committee approved the minutes from the May 20, 2025 BRC meeting.

It was moved by Mr. Miller and seconded by Ms. Copper, to approve the following recommendations of the Benefit Review Committee:

- In the Norma Rinks case, the Committee recommends that the Board adopt the findings and conclusion of the IMRF hearing officer.
- In the James Hayes case, the Committee recommends that the Board adopt the findings and conclusion of the IMRF hearing officer.
- In the Stephani Buff case, the Committee recommends that the Board affirm the staff decision denying total and permanent disability benefits. Based on the medical documentation provided by Ms. Buff and the expert reports, Ms. Buff does not meet IMRF's definition of total and permanent disability based upon the conditions that IMRF is eligible to consider. The evidence shows that Ms. Buff is capable of performing sedentary work sufficient to establish gainful activity. Additionally, Ms. Buff's physician indicated that they did not disagree with the IMRF expert's report which concluded that she was not totally and permanently disabled.
- In the Tamara Reis case, the Committee recommends that the Board affirm the staff decision denying total and permanent disability benefits. Based on the medical documentation provided by Ms. Reis and the expert reports, Ms. Reis does not meet IMRF's definition of total and permanent disability based upon the conditions that IMRF is eligible to consider. The evidence shows that Mr. Reis is capable of performing sedentary work sufficient to establish gainful activity.

Additionally, the Committee recommends the adoption of staff recommendation to renew the contracts of Susan Davis Brunner and Ottosen DiNolfo Hasenbalg & Castaldo as hearing officers for a 3-year term.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-08-05) (Investment Committee Report) Ms. Copper presented the report of the Investment Committee meeting that was held on August 28, 2025. She reported that the Committee approved the minutes from the March 29, 2025

and May 29, 2025 meetings. The Investment Committee recommends that the Board approve the following recommendations:

For Alternatives Recommendations:

- Authorize a commitment of up to \$50,000,000 to Chicago Pacific Founders Fund IV, L.P., subject to satisfactory due legal diligence.
- Authorize a commitment of up to \$75,000,000 to NMS Fund V, L.P., subject to satisfactory due legal diligence.
- Authorize staff to complete all documentation necessary to execute these recommendations.

For Private Real Estate Recommendations:

- Authorize a commitment of up to \$50 million to Artemis Real Estate Healthcare Fund III, L.P., subject to satisfactory legal due diligence.
- Authorize a commitment of up to \$35 million to Lena Specialty Grocer Fund III, L.P., subject to satisfactory due diligence.
- Authorize a commitment of up to \$35 million to Newport Capital Partners Fund IV, L.P., subject to satisfactory due diligence.
- Authorize a commitment of up to \$75 million to TA Realty Value-Add Fund XIV, L.P., subject to satisfactory due diligence.
- Authorize Staff to complete all documentation necessary to execute these recommendations.

In addition, the Committee approved Option I approach to responsible contractor oversight. The Investment Committee voted to keep the current due diligence process, and no formal policy was adopted.

It was moved by Ms. Copper and seconded by Mr. Isaac to approve the above recommendations from the Investment Committee.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-08-06) (Return-to-Work Resolution) General Counsel Vladimir Shuliga explained to the Board that the Pension Code provides rules surrounding retirees who return to work with IMRF employers, and when they must be re-enrolled in IMRF and their pension suspended. These rules have been expounded upon in Board Resolution 2020-08-08(a). Generally, an IMRF retiree must suspend their pension and re-enroll in IMRF when they exceed that employer's hourly standard, either 800 or 1,000 hours, in a 12-month period.

House Bill 79, which was signed into law on August 15, 2025, modifies the return to work rules for SLEP annuitants who return to work as a school security guard. For these specific annuitants, they will not be re-enrolled in IMRF unless they work 1,000 hours per year, regardless of the hourly standard of their IMRF employer. For example, all school districts are subject to the 600-hour standard. This bill allows a SLEP annuitant to work for a school district as a school security guard for up to 999 hours per year without being required to re-enroll in IMRF. This bill was effective upon signature by the Governor.

The amended resolution reflects the new return to work exception created in this legislation. It also provides a definition of "school security guard" for use by members and employers as "a person who works in a position which has the primary job duty of protecting the safety and security of students, staff, or property of a school."

Staff recommends the adoption of the Resolution below which supersedes Resolution 2020-08-08(a).

WHEREAS, Section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, Section 7-144 of the Pension Code requires suspension of annuity payments of an IMRF retiree who returns to work as an employee with a participating employer and works more than 599 hours annually (or 999 hours annually with a participating employer that has adopted a resolution pursuant to subsection (e) of Section 7-137 of the Pension Code); and

WHEREAS, Section 7-144 of the Pension Code requires an IMRF retiree who returns to work as an employee with a participating employer and works more than 599 or 999 hours (as applicable) to be re-enrolled as a participating employee; and

WHEREAS, the determination of the hours worked for an IMRF retiree who returns to work as an employee shall commence on the month and day upon which the annuitant is first employed with the participating employer following the effective date of the annuity; and

WHEREAS, it is necessary that the Board of Trustees adopt policies for purposes of efficiently administering the IMRF retiree return-to-work requirements of Section 7-144.

THEREFORE BE IT RESOLVED, that the following policies shall apply to IMRF retirees who return to work with a participating employer:

A. Participation and enrollment of retirees

1. Retirees shall be considered to have returned to IMRF-qualifying employment only after working 600 or 1,000 (as applicable) within a twelve-month period. Only hours actually worked may be counted towards this amount. Hours paid but not worked, such as paid time off, vacation time, or sick time, are not counted.

- A. When a SLEP annuitant returns to work as a school security guard at a participating employer, that annuitant will be subject to 1,000-hour standard as to that position only, regardless of the regular hourly standard applicable to that employer. A "school security guard" is a person who works in a position which has the primary job duty of protecting the safety and security of students, staff or property of a school.

2. When a retiree hits 600/1,000 hours, the retiree must be enrolled immediately in IMRF if the retiree continues employment with that participating employer, regardless of

additional hours expected or reasons that 600/1,000 hours were reached.

3. The determination of 600/1,000 hours in a year will be counted from the first day of employment for the employer after the retiree becomes an annuitant. This date will remain fixed as to that employer, regardless of any subsequent terminations or rehiring.
4. If the retiree worked for that employer before it adopted the 1,000-hour standard, the retiree is under a 600-hour standard for that employer.
5. When the retiree terminates employment and again retires, a new retirement application is required and the enhanced pension will be effective the first of the month following the month of the latest termination.
6. The determining factors for common-law employment versus independent contractor status remain the same.
7. All retirees should contact IMRF before returning to work, for a discussion of the rules and issues to consider.
8. If a retiree begins employment in a position in which participation would be mandatory if a non-retiree were working in that position (i.e., the position normally requires 600/1,000 hours of work per year), and the retiree wishes to immediately enroll in participation, the retiree may voluntarily suspend their pension. The request must be in writing and is effective upon receipt in IMRF offices in accordance with 40 ILCS 5/7-217(e). If the retiree does not voluntarily suspend their pension, they will continue to receive their pension until the time they are enrolled under these rules.

B. Suspension of a retiree's pension

1. After the retiree hits 600/1,000 hours and is enrolled, the pension will be suspended while the retiree continues employment with that participating employer and performs services.
2. To avoid enrollment and suspension of the pension, the retiree must stop working at 599/999 hours. The retiree can begin working again on or after the one-year anniversary date of the employment start date with that employer. To avoid enrollment and suspension, this will be repeated annually while the retiree is employed by that employer.
3. If a retiree terminates employment after re-enrolling, the retiree may return to work for that employer again after the next following anniversary of the employment start date as defined above in Section (A) (3). If the retiree returns to work sooner than that date, they must be enrolled immediately regardless of expected hours and the pension must be suspended.
4. If a retiree hits 600/1,000 hours and completely severs the employment relationship with the employer in that same month, the pension will not be suspended.
5. Re-enrollment will be required if the retiree hits 600/1,000 hours and does not sever the employment relationship, regardless of how few hours over 599/999 are actually worked.

- C. To the extent that these rules modify the existing return-to-work rules set by this Board, these rules will be applicable to all annuitants, both present and future, on January 1, 2021.

It was moved by Mr. Stafford, seconded by Ms. Copper to approve the above Resolution on Return-to-Work Rules.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-08-07) (Litigation Update) The following is an update of the currently pending or recently concluded litigation:

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ET AL, v. PETROBRAS-
PETROLEO BRASILEIRO X.A. (MARKET ARBITRATION CHAMBER, ARBITRAL PROCEEDING
No. 72/2016**

Summary: A group of investors is seeking recovery through arbitration proceedings against Brazilian corporation. Petrobras, related to the overstatement of the corporation's assets and earnings along with potential liabilities that the corporation was exposed to as a result of a widespread bribery and kickback scheme. Once knowledge of the bribery and kickback scheme became public, the price of Petrobras securities declined significantly, causing substantial losses for investors.

Status: A U.S. District Court for the Southern District of New York declined to exercise jurisdiction over claims related to Petrobras shares traded in Brazil. Therefore, these claims are pending before the Market Arbitration Chamber of the Brazilian Stock Exchange. IMRF has participated in proceedings to establish its right to a claim, but the actual calculation of individual damages for each claimant has not yet been addressed. Recently, the parties have been briefing issues regarding Petrobras' supplemental expert report. The Arbitration Panel will not be accepting additional responses until they have filed their preliminary report.

GLENCORE PLC (UNITED KINGDOM INVESTOR GROUP ACTION)

Summary: A group of investors is seeking recovery through the UK's Financial Services and Markets Act against multinational commodity trading and mining company, Glencore PLC. The claim is based on alleged misstatements and omissions concerning Glencore's operations in the Democratic Republic of Congo. Specifically, the entity failed to disclose that its business operations in the DRC were secured through possible corrupt means. Once knowledge of the bribery and corruption scheme became public, the price of Glencore's securities declined significantly, causing substantial losses for investors.

Status: IMRF has opted to participate in one of the investor group actions. Staff is working with English counsel and IMRF's investment managers to establish standing for each group of shares that may be recoverable in this action. The first case management conference was held on May 21-24, 2024, and a second conference was held on November 26-28, 2024, and a third case management conference was held on June 16-18, 2025.

PAUL JAEGER v. BOARD OF TRUSTEES OF IMRF et al.
(COOK CTY 2024 CH 0557; FIRST DISTRICT APPELLATE COURT 1-25-0557)

Summary: Mr. Jaeger was a custodian for Evergreen Park School District 231. He applied for temporary disability benefits from IMRF based upon generalized anxiety and unspecified psychological development disorder. Upon evaluation for temporary disability benefits and after an administrative hearing, the IMRF Board denied Jaeger's claim for temporary disability benefits. Jaeger appealed the decision.

Status: The trial court issued a final ruling on February 27, 2025, in favor of IMRF. The court held that the IMRF Board decision was not clearly erroneous, and that there were no due process or fairness issues in the administrative proceedings. Jaeger filed an appeal to the First District Appellate Court on March 26, 2025. The parties are currently in the midst of the appellate briefing schedule on the matter.

THOMAS SHEEHAN v. IMRF
(JO DAVIESS COUNTY 2024 MR 9)

Summary: Sheehan was a police chief for the Village of Stockton. He applied for and was granted temporary disability benefits from IMRF for the maximum statutorily permitted amount of time. Upon evaluation for total and permanent disability benefits and after an administrative hearing, the IMRF Board denied Sheehan's claim for total and permanent disability benefits. Sheehan appealed the decision.

Status: The case was filed on July 31, 2024; however, no summons has yet been issued by the clerk. IMRF continues to monitor the case to determine the best course of action.

ABN AMRO BANK N.V. (NETHERLANDS INVESTOR GROUP ACTION)

Summary: A group of investors is seeking recovery against ABN Amro Bank N.V., the third-largest bank in the Netherlands. The claim is based on allegations that ABN persistently failed to disclose information about the bank's serious internal deficiencies that facilitated criminal activity within the bank. Specifically, the entity failed to disclose to investors that the company's internal policies were inadequate and did not comply with international anti-corruption laws and regulations, which resulted in materially false and misleading statements. The Dutch government announced an investigation on the matter in 2019, and ABN ultimately settled with Dutch prosecutors in April 2021.

Status: IMRF has recently opted to participate in one of the investor group actions. The action is still gathering qualified investors for the group action and pleadings have not yet been filed. The litigation of these claims will be handled by an outside Dutch counsel. Staff is working with Dutch counsel and IMRF's investment managers to establish standing for each group of shares that may be recoverable in this action. Local counsel and the funder are currently assessing whether settlement discussions are still possible or if legal proceedings need to be commenced.

TERRENCE HEFFRON v. BOARD OF TRUSTEES OF IMRF, et al.
(DUPAGE COUNTY 2025 MR 54)

Summary: Mr. Heffron retired from IMRF effective June 1, 2023, and began receiving a reciprocal retirement based on service credit from the State Employees' Retirement System (SERS). In 2024, SERS advised Heffron that he would have received a higher pension benefit had he retired independently with each system. A staff determination was made, which denied his request to change his benefit election based on Board rule and the Reciprocal Act. After hearing before the IMRF hearing officer, the IMRF Board denied Heffron's request to change his benefit election and retire independently with IMRF. Heffron appealed the decision.

Status: The complaint was filed on January 22, 2025. IMRF has filed a motion to dismiss based on defects in the complaint, which the court denied on August 11, 2025. The next status date is set for August 22, 2025.

UBS GROUP AG (SWITZERLAND INVESTOR GROUP ACTION)

Summary: A group of investors is seeking recovery against UBS Group AG to obtain compensation in connection with the Swiss Investment bank's takeover of Credit Suisse. Investors allege the conversion ratio of the shares to have been too low, based on Credit Suisse's market capitalization before the takeover. Under Swiss law, post-merger shareholders can demand fair compensation for their shares.

Status: IMRF has recently opted to participate in this investor group action. In June 2025, the court ordered that an expert opinion be rendered on the value of Credit Suisse as of March 19, 2023 (pre-merger), which will be used by the plaintiff shareholders to calculate the compensation due.

KEITH GARDNER v. BOARD OF TRUSTEES, et al.
(DUPAGE CTY 2025 MR 483)

Summary: Gardner was a sheriff's deputy for the Kane County Sheriff's Office. He then received temporary disability benefits for a number of months. Upon evaluation of his claim for total and permanent disability benefits, IMRF received new information showing that Gardner had refused to attempt to return to work with medical accommodations offered by Kane County. Therefore, the IMRF Board retroactively terminated Gardner's temporary disability benefits rendering the question of total and permanent disability benefits moot. Gardner appealed the decision, which was ultimately reversed by the Appellate Court in October 2023. The case was remanded to IMRF to review Gardner's eligibility for total and permanent disability benefits. In May 2025, the IMRF Board voted to deny Gardner's application for total and permanent disability benefits. Gardner appeals this decision.

Status: IMRF was served with the complaint on July 22, 2025. IMRF has filed a motion to strike as Gardner has asked for attorney's fees and costs in the Complaint. The motion presentment date is set for August 28, 2025.

IMRF v. VENTURE GLOBAL, INC., et al.
(U.S. DIST. CT.S.D.N.Y. 25-cv-4642)

Summary: Investors filed actions in multiple jurisdictions against Venture Global, Inc., an entity that produces liquefied natural gas ("LNG") for large energy companies. Several customers of the entity have alleged its failure to deliver the LNG as required under its contracts. When the entity

went public in January 2025, its share price dropped over 60%. IMRF, among other investors, suffered losses as a result and filed actions.

Status: Multiple cases were filed by investors, which have been consolidated in the U.S. District Court for the Southern District of New York action. On July 25, 2025, the Court granted IMRF's motion to be appointed as lead plaintiff, as the investor with the largest loss involved in the action, which will best protect IMRF's losses. This litigation is in its preliminary stages, and a schedule has been set on the initial pleadings.

(25-08-08) (Legislative Update) General Counsel Vladimir Shuliga gave a report on current legislative activity. He reported that the Illinois General Assembly Spring session adjourned on May 31, 2025, and will reconvene for the Fall veto session October 14-20, 2025. The following is an update on the pension legislation that directly impacted IMRF:

House Bill 3193 (Kifowit, Canty, Yang Rohr, Slaughter, Stave-Murray, West, Deuter, Morgan, Katz Muhl, Briel, Delgado) (Martwick, Ventura) This is the omnibus pension bill that was introduced toward the end of the session in May. It passed both houses on May 31 and was signed by the Governor on August 15, 2025. It contains agreed technical proposals from several systems and contains the following provisions pertaining to IMRF:

Elected official eligibility: The elected official eligibility proposal from the Board's 2025 legislative agenda, which would recognize continue contributions to IMRF by the employer and the member for participants who switch, with the same employer, from a non-elected position to an elected position, as an affirmative election to participate as an elected official. Effective January 1, 2026.

Indemnification: Requires Funds to indemnify trustees and staff. This is currently allowed and not required. IMRF already indemnifies the board and staff pursuant to the Board charter, so the provision has no practical impact on IMRF. Under this bill Funds are permitted but not required to indemnify consultants. Effective January 1, 2026.

Accelerated Payments: The employer repayment period for AP charges is extended from 3 years to 7 years. This portion of the bill is immediately effective (8/15/2025)

Police Transfers: A window is open from 1/1/26 to 6/30/26 to allow SLEP members to transfer Article 3 service to IMRF. The member is allowed to choose the amount of service that can be purchased with just the amounts transferred from the Article 3 fund or the full amount of Article 3 service by making an additional payment. The language is similar to the previous transfer window in 2022/2023 including that there is no window to allow refunded Article 3 service to be reinstated to be transferred. The previous transfer window limited the service transferred to 10 years; this language does not have a limit on the amount transferred. This transfer window is effective 1/1/2026.

Benefit Deductions: Expands the provisions allowing members to deduct dues to a labor organization from their monthly benefit. This was introduced to explicitly allow deductions for AFSCME members to be contributed to their PAC. IMRF already allows these deductions, so it has no practical effect. Effective January 1, 2026

House Bill 79 (Haas/Anderson) Allows SLEP retirees to return to work as a school security officer for up to 1,000 hours without jeopardizing their pension. The Board took no position on this bill, and it passed both chambers on 5/22/2025. The Governor signed the bill on 8/15/2025, which is the effective date of the bill.

Additional legislation that IMRF was following but did not pass includes:

Senate Bill 1456(Martwick) would require the Treasurer to develop an educational program for pension fund trustees. Time spent on these courses would count toward the Board's annual training requirements. Regular attendance at Board meetings could not be used toward these training requirements. It would apply to all pension funds and is pending before the full Senate. The Board has taken no position on the bill. The Senate deadline for passage in that chamber has been extended for this bill; the same would need to happen in the House if it were to pass to that chamber as that deadline has also passed. This bill was referred to the Senate Assignments Committee on 7/2/2025, we will continue to watch for any movement.

Senate Bill 1937(Martwick) This bill contains changes to the Tier 2 plan for all systems. House amendment 2 was filed by Representative Jay Hoffman and includes the most current version of the potential Tier 2 changes which were previously detailed to the Board. The bill was re-referred to the Rules Committee on 6/1/2025. We will continue to closely monitor this during the veto session.

Mr. Shuliga further informed that the Board will have a Legislative meeting in November to discuss IMRF's Legislative agenda going into 2026 legislative sessions.

(25-08-09)(Approval of Strategic Objectives for the 2026-2028 Strategic Plan) IMRF's Organizational Excellence Officer, Michael Everett presented Step 4 of the Strategic Plan - Establish Strategic Objectives. He informed that the full Strategic Plan will be presented at the November Board meeting. He continued to explain that the Baldrige definition of a Strategic Objective is "the aims or responses that your organization articulates to address major change or improvement, competitiveness or social issues, and business advantages. Strategic Objectives may include the following characteristics:

- Can be focused both externally and internally
- Relates to significant customer, market, or technological opportunities/challenges
- What your organization must achieve to remain or become competitive
- What your organization must achieve to ensure its long-term success
- Sets your organization's longer-term direction
- Guides resource allocation

IMRF's proposed 2026-2028 Strategic Plan has four key result areas, each having its own Strategic Objective as follows:

- **Financial Health** - strategic objective is to achieve and maintain a funding level that sustains the Plan
- **Operational Excellence** - strategic objective is to provide efficient and effective service at a reasonable cost

- **Customer Engagement** - strategic objective is to foster and maintain engaged members and employers
- **Workforce Engagement** - strategic objective is to foster and maintain an engaged workforce

Mr. Everett informed of the following schedule of Board involvement in the process:

February - affirm Mission, Vision, Values (completed)

May - Participate in STEP Analysis (completed)

May - Participate in SWOT Analysis (completed)

August - Approve Strategic Objectives

November - Approve 2026-2028 Strategic Plan

It was moved by Ms. Copper, seconded by Mr. Townsend to approve the Strategic Objectives for the 2026-2028 Strategic Plan.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-08-10) (CEM Presentation) Organizational Excellence Officer, Michael Everett, presented the 2024 CEM Benchmarking Report, noting that CEM compares IMRF to 41 similar organizations. IMRF has 354,000 active members and annuitants compared to 356,000 in the peer comparison. The key takeaways from the report are:

Service - IMRF's total service score was 79, which is a little lower than 2023. However, these results still put IMRF in the top quartile of the CEM universe. Despite impacts to our service levels during the Horizon implementation, IMRF's service score was equal to the median within the CEM universe.

Cost - IMRF's total pension administration cost of \$116 per active member and annuitant was \$43 below the peer average of \$159, all while operating within one of the highest cost environments.

In essence, IMRF continues to offer **high service levels** at a **median cost** to our members and employers.

(25-08-11) (Workspace Improvement Project Update) General Counsel Vladimir Shuliga introduced team members from Cushman & Wakefield and Redmond Construction who presented an update on the 800 Commerce building. They informed that the demolition and "make ready" work has been completed, and the construction permit was received on 8/13/2025. They showed pictures of progress from 8/11 through 8/22. Prior to receiving the permit on 8/13, they were prepping the areas until the permit was received. The project schedule was shown, and they confirmed that the project remains to be on schedule.

(25-08-12) (Operational Update) Executive Director Brian Collins gave an operational update. He reported that since going Live with Horizon, the total contributions received from employers is \$1,869,305,875, as of July 31, 2025; and \$4,713,258,597 total payments were made during this same timeframe. Additionally, retirement claims processing remains stable. Furthermore, since the last Board meeting, staff reached out to all stakeholders. The following actions were taken:
Conducted Employee Outreach Sessions -

- DuPage County Mayors & Managers
- Human Resources Leaders from across Illinois
- Leaders of the 190 employer signatories
- Illinois Association of Wastewater Agencies

New Operational Update Video -

- Published new Operational Update Video that received 1,900+ reviews

Responded to Employer Letter -

- Called 190 employer signatories

Newsletters -

- Distributed e-newsletter to 100,000+ retirees
- Delivered Member and Retiree print newsletter to 300,000+ mailboxes

He also informed that the Contact Center was very successful in reducing the long hold times from 86 minutes in August/September of 2024 to 22 minutes in August 2025. They did this by increasing staffing, creating innovative training and implementing call queues. However, to further improve our members' experiences staff is asking to hire the following positions:

Member Services -

- Analyst
- Receptionist
- Counselors (2)
- Contact Center Staff (4)

Information Services -

- Pension Admin Analyst
- Data Integration Analyst (3)

Finance -

- Staff Accountant
- Associate Financial Analyst

Discussion ensued. Ms. Henry asked if the operational videos can be offered in Spanish. Mr. Townsend asked about the employer survey responses and satisfaction rate. Ms. Seputis informed that satisfaction has increased since the last survey; and so far, we have received 1,000 responses with an 85% satisfaction rate. Regarding the request for additional personnel, Ms. Henry asked when the hiring of additional staff for Horizon started. Mr. Townsend stated that adding the big expense of 14 additional positions is a "big ask". Although he supports the request, he wants reassurances that this will work. Ms. Copper said she understands the need and supports it as well. Mr. Miller said he also supports the additional staff to make IMRF's service better; and Mr. Stafford stated that the Board has to be held accountable and he supports the additional employees as well.

It was moved by Ms. Copper and seconded by Mr. Miller to approve 14 additional FTEs resulting in an anticipated 2025 budget increase of \$247,046 (8 member services; 4 information services; 2 finance).

ROLL CALL VOTE:

8 AYES (COPPER, CYCHOLL, HENRY, ISAAC, MILLER, STAFFORD, STEFAN, TOWNSEND)
0 NAYS
MOTION CARRIED

(25-08-13) (Report of the Executive Director) Executive Director Brian Collins provided the 2025 Second Quarter Strategic Objectives Update report as well as information on FOIA requests and personnel.

Board took a break at 11:27am and the meeting resumed at 11:35am.

(25-08-14) (Trustee Forum)- Discussion on Definition of Service Credit

Mr. Stefan explained that in December 2024, he started a discussion on whether or not IMRF should consider changing its definition of Service Credit to more closely match an employee's working career rather than associating it more with an employee's payroll history.

The Inequity Exposed - First Month of Employment

Assume two separate employers hire a Community Service Officer to begin employment on Sunday, February 11th in a non-leap year February. Both employers' pay periods end on Saturdays and both pay their employees on a biweekly basis, however, Employer A pays its employees on Wednesdays while Employer B pays its employees on Thursdays. In this scenario, Employer A's employee will receive a month of service credit for February since she/he was paid on February 28th, while Employer B's employee will not receive a month of service credit since she/he will not receive their first paycheck until March 1st. Therefore, for no reason at all other than an employer's arbitrary decision on when to pay its employees, one of these two employees will be short one month of service credit when compared to the other employee at the end of their careers even if they both work the exact same amount of hours and earn the exact same amount of wages over the course of their careers.

To exacerbate this example even further, the new hire for Employer A could actually have started her/his career two weeks later on February 25th and even then would have received a month of service credit for February while only working 14% of the month while the new hire for Employer B would have worked 64% of the month and not received service credit for the month of February. I'm not sure how anyone would consider these results as being equitable.

A Proposed Solution - Decouple Service Credit Accrual from Reportable Earnings

Mr. Stefan's proposed solution to this inequity is to simply grant service credit to IMRF members based on when compensable services are provided to an IMRF employer regardless of when the compensation is actually paid. Under that scenario, both employees in the first example above would have received credit for the month of February since both provided services from February 11th to February 28th - a very logical outcome from a common-sense perspective. However, does that create another problem by introducing a "zero dollar" reportable wages month into the pension calculations?

He would argue that is not a concern since the concept is to bifurcate service credit from reportable wages. At the end of each employee's career, IMRF would simply look at the service credit history for each

employee to calculate the correct percentage of Final Rate of Earnings to use in the pension calculation and then look at the reportable wage history for each employee to identify the highest Final Rate of Earnings to use in the pension calculations for each employee. Those identification processes could be performed independently of each other rather than attempting to mandate that they have to be intertwined in some fashion.

He would also argue that current practice already incorporates that philosophy into the pension calculations. He used himself as a real-life example. His career started on May 2, 1988, so, since he was hired in the early part of the month, he did receive service credit for the month of May 1988. Now, assume that he decides to retire on April 30, 2028, to receive the maximum 75% of Final Rate of Earnings percentage. When IMRF calculates his pension, the service credit calculation will be easy - 40 total years or 480 months equating to 75% of his Final Rate of Earnings. However, what about the Final Rate of Earnings calculation? His final wages will not be paid out until the month of May 2028. That means in order to calculate his Final Rate of Earnings as a Tier 1 member, IMRF will have to review his reported wages for the months of May 1988 to May 2028 which is a total of 40 years and 1 month or 481 months. So, clearly his 481 months of reported wages does not fit nicely into 480 buckets of service credit. Therefore, by IMRF's current practice, service credit and reportable wages are not reported in tandem but are, in fact, viewed as separate and distinct calculations that are not reported on a one-for-one basis.

By extension then, if service credit and reportable wages are not required to be one-for-one match at the end of a member's career, why would we require that to be the case at the beginning of a member's career?

Besides correcting for that clearly erroneous contention that a month of service credit can only be granted if there are wages reported for that month, the best part of this proposed solution is that absolutely no changes are required to the monthly employer wage reporting process so it will be business as usual for all 3,000+ employers.

The final consideration is cost. Along those lines, Gabriel, Roeder, Smith & Company conducted a cost study using the assumption that the change would be applied to the current active population, which is but only one of several options for the Board to consider.

Conclusion

In Mr. Stefan's opinion, we need to grant service credit for every month that a member performs compensable services for an IMRF employer regardless of whether or not any wages were reported for that month. That would solve the problem of employees with less actual working days over the course of their careers receiving a higher percentage of their Final Rate of Earnings as a pension. Additionally, there would be no change to the employer wage reporting process. He also believes the proposed solution complies entirely with the statutory intent of providing service credit "as of the date the corresponding payment of earnings is payable."

Issues to Decide

1. Is a member entitled to service credit for the first partial month of service even if no earnings are reported by the employer for that member for that month?

2. If so, what should the effective date of any changes be since current annuitants, inactive members eligible for pensions but who have not yet applied, and active members could all be impacted depending on the effective date?

Discussion ensued. Mr. Stefan clarified that this does not affect him personally, but he is advocating for the employees who are affected. Mr. Stefan believes this change can be implemented by the Board; but General Counsel feels it will have to be changed through legislation. Mr. Townsend agrees with Mr. Stefan's points, and he supports the change and feels it should be fixed. Ms. Henry and Mr. Miller agree as well. Mr. Shuliga explained some obstacles the Board may face if they change the approach. It may also cause friction with employers. Mr. Shuliga suggests narrowing the definition of Service Credit to include 1st month only. The Board decided they would like to pursue this change, so they asked staff to come up with a structured approach to make it work. They want to discuss it at the November Board meeting.

An updated Conference log was given as information to the Board, as well as an updated list of conferences. Also provided was a chart listing the training hours each Trustee accrued so far in 2025.


Under Trustee Comments, Mr. Stefan asked if Spectrum is still plugged in. Mr. Collins explained that Spectrum is not currently plugged in but everything in the system has been saved and can be retrieved. Ms. Copper thanked the Communications Department for the Trustee Updates.

(25-08-15) (Adjournment) It was moved by Ms. Copper and seconded by Mr. Isaac to adjourn the Board Meeting at 12:01 p.m., and to reconvene at 9:00 a.m. on November 21, 2025.


VOTE:

ALL VOTED AYE - MOTION CARRIED

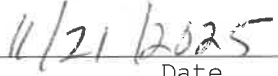
8 AYES; 0 ABSENT



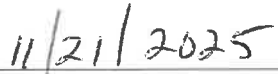
President



Secretary



Date



Date

