



## MINUTES

**Quarterly Meeting of the Investment Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Thursday, September 12, 2024, 9:00 a.m.  
State Universities Retirement System  
1901 Fox Dr. – Main Conference Room – Champaign, IL  
\*Optional Remote Connection for Members of the Public\***

This meeting was held in person at the State Universities Retirement System in Champaign, IL.

The following trustees were present: Dr. Andry Bodnaruk; Dr. Fred Giertz; Mr. Scott Hendrie, chair; Mr. Pranav Kothari; Mr. John Lyons; Mr. Herbert Pitman; Dr. Steven Rock; Mr. Collin Van Meter; and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Michael Schlachter, Chief Investment Officer (CIO); Ms. Jessica Pickens, Mr. Joe Duncan and Mr. Shane Willoughby, Sr. Investment Officers; Mr. Brian Deloria, Investment Officer; Ms. Stephany Brinkman, Associate Investment Officer; Ms. Stephanie Jeffries, Mr. Al Lund, and Mr. Darian Saracevic, Investment Analysts; Ms. Tracy Bennett, Investment Compliance Analyst; Ms. Bianca Green, General Counsel; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Nichole Hemming, Chief Human Resources Officer; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Anna Dempsey, Investment Counsel; Ms. Heather Kimmons, Associate Legal Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. David Sancewich and Mr. Colin Bebee, of Meketa; Mr. Munir Iman, Mr. Jonny Gould and Ms. Christine Mays of Callan; and Mr. Michael Calabrese of Foley.

Investment Committee roll call attendance was taken. Trustee Bodnaruk, not called; Trustee Figueroa, absent; Trustee Giertz, present; Trustee Hendrie, present; Trustee Kothari, present; Trustee Lyons, present; Trustee Pitman, present; Trustee Rock, present; Trustee Van Meter, present; and Trustee Vasquez, present.

## TRUSTEE PARTICIPATION VIA ELECTRONIC MEANS

Trustee Rock made the following motion:

- That Trustee Bodnaruk be allowed to participate via video or audio conference call for the Investment Committee Meeting on September 12, 2024, pursuant to Section 7(a) of the Open Meetings Act.

Trustee Kothari seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	not called
Trustee Figueroa	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Kothari	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye

Roll call attendance for trustees participating via electronic means was taken: Trustee Bodnaruk, present.

### **APPROVAL OF MINUTES**

Trustee Hendrie presented the minutes from the Investment Committee meeting of June 6, 2024.

Trustee Rock made the following motion:

- That the minutes from the June 6, 2024, Investment Committee meeting be approved as presented.

Trustee Van Meter seconded the motion which passed via all trustees present voting in favor of the motion.

Trustee Hendrie presented the minutes from the Investment Committee meeting of August 15, 2024.

Trustee Rock made the following motion:

- That the minutes from the August 15, 2024, Investment Committee meeting be approved as presented.

Trustee Van Meter seconded the motion which passed via all trustees present voting in favor of the motion.

### **APPROVAL OF CLOSED MINUTES**

Trustee Hendrie presented the closed minutes from the Investment Committee meeting of June 6, 2024.

Trustee Rock made the following motion:

- That the closed minutes from the June 6, 2024, Investment Committee meeting be approved as presented and remain closed.

Trustee Van Meter seconded the motion which passed via all trustees present voting in favor of the motion.

Trustee Hendrie presented the closed minutes from the Investment Committee meeting of August 15, 2024.

Trustee Rock made the following motion:

- That the closed minutes from the August 15, 2024, Investment Committee meeting be approved as presented and remain closed.

Trustee Van Meter seconded the motion which passed via all trustees present voting in favor of the motion.

### **CHAIRPERSON'S REPORT**

Trustee Scott Hendrie did not have a formal chairperson's report.

### **CHIEF INVESTMENT OFFICER'S REPORT**

Mr. Michael Schlachter informed trustees that once SURS receives the state contributions that are due for the month, the value of the defined benefit portfolio will reach almost 25 billion dollars. He then noted two important topics for discussion. One relates to governance and delegation authority and the other relates to the asset liability study. Mr. Schlachter reminded trustees that the decisions made based on the results of the asset liability study will set the goals for the next five years and all derivatives will come from these decisions. A review of the asset liability study will continue during the next three to five Investment Committee meetings.

Copies of the staff memorandums titled "Investment Contracts Approved" and "Report from the June 2024 Investment Committee Meeting" are incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

### **FISCAL YEAR 2025 INVESTMENT PLAN**

Mr. Michael Schlachter presented the SURS Fiscal Year 2025 Investment Plan that recaps the prior fiscal year's performance and accomplishments and establishes the work plan for the current fiscal year.

A copy of the staff presentation titled "FY 25 Investment Plan" is incorporated as part of these minutes as [Exhibit 3](#).

## **BEST PRACTICES IN FUND GOVERNANCE (Educational Session)**

Mr. Colin Bebee of Meketa provided an educational session regarding delegated authority and prudent decision making relating to management of the SURS portfolio. Mr. Bebee discussed specific considerations and requirements for delegated authority. Trustees then asked questions regarding implementation of potential changes and their role as fiduciaries.

The education session lasted 45 minutes and concluded at 11:10 a.m.

A copy of the presentation titled “SURS Governance Discussion” is incorporated as part of these minutes as [Exhibit 4](#).

## **CONSIDERATION OF INVESTMENT POLICY AND INVESTMENT PROCUREMENT POLICY**

Mr. Michael Schlacter provided information regarding the annual review of the SURS Investment Policies and he discussed the proposed changes to the Defined Benefit Investment Policy and the Investment Procurement Policy.

Trustee Rock made the following motion:

- That based upon the recommendations from SURS staff and Meketa, the revised Investment Policy for the defined benefit plan be approved, as presented.

Trustee Vasquez seconded the motion which passed via all trustees present voting in favor of the motion.

Trustee Rock made the following motion:

- That based upon the recommendations from SURS staff and Meketa, the revised Investment Procurement Policy be approved as presented with the changes discussed.

Trustee Vasquez seconded the motion which passed via all trustees present voting in favor of the motion.

A copy of the presentations titled “IPS Update Memo,” “Defined Benefit Investment Policy and Exhibits” and “Investment Procurement Policy” are incorporated as part of these minutes as [Exhibit 5](#), [Exhibit 6](#) and [Exhibit 7](#).

## **CLOSED SESSION**

Trustee Rock moved that the Investment Committee go into closed session pursuant to §2(c)(7) of the Illinois Open Meetings Act to consider the sale or purchase of securities, investments or investment



contracts. Trustee Van Meter seconded the motion which passed via all trustees present voting in favor of the same.

### **RETURN TO OPEN SESSION**

The Investment Committee returned to open session at 12:15 p.m.

Trustee Rock made the following motion:

- That based upon the recommendations from SURS staff and Callan, SURS commit up to \$100 million to the Pantheon Global Infrastructure Fund V, subject to successful completion of contract negotiations.

Trustee Vasquez seconded the motion which passed via all trustees present voting in favor of the motion.

### **INTRODUCTION TO ASSET-LIABILITY STUDY**

Mr. Bebee introduced the 2024-2025 SURS Asset-Liability study. Within his presentation, Mr. Bebee discussed the goals, priorities, metrics and modeling process for the approach to the study. During the October 24, 2024, Investment Committee meeting, Mr. Bebee will continue this discussion by reviewing strategic class assumptions and SURS' key risks.

A copy of the presentation titled "SURS AL Intro" is incorporated as part of these minutes as [Exhibit 8](#).

### **QUARTERLY PERFORMANCE REVIEW**

Mr. Colin Bebee provided a brief update to the committee regarding final total fund performance through June 30, 2024.

A copy of the document titled "24Q2 SURS Board Report" is incorporated as part of these minutes as [Exhibit 9](#).

### **CORPORATE GOVERNANCE UPDATE**

Ms. Stephany Brinkman presented an update regarding governance activity as of June 30, 2024, that included a quarterly report, a Council of Institutional Investors (CII) update and current proxy voting information. Ms. Brinkman noted that representatives from Glass Lewis will attend a future Investment Committee Meeting.

A copy of the staff memorandum titled "Corporate Gov Update 6.30.2024" is incorporated as part of these minutes as [Exhibit 10](#).

## **CLOSED SESSION**

Trustee Rock moved that the Investment Committee go into closed session pursuant to §2(c)(7) of the Illinois Open Meetings Act to consider the sale or purchase of securities, investments or investment contracts. Trustee Vasquez seconded the motion which passed via all trustees present voting in favor of the motion.

## **RETURN TO OPEN SESSION**

The Investment Committee returned to open session at 2:57 p.m.

## **INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE DISCUSSION OR ACTION**

1. **Exhibit 11** – SURS FY 2024 Private Equity and Private Credit Commitments
2. **Exhibit 12** – Executive Summary Risk Memo
3. **Exhibit 13** – Executive Summary Risk Report
4. **Exhibit 14** – Supplemental Information

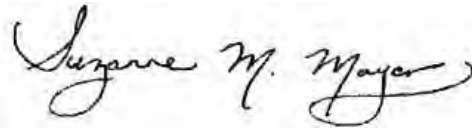
## **PUBLIC COMMENT**

There were no public comments presented to the Investment Committee.

## **ADJOURN**

There was no further business brought before the committee and Trustee Rock moved to adjourn the meeting. The motion was seconded by Trustee Vasquez, and it passed via all trustees present voting in favor of the motion.

Respectfully submitted,

A handwritten signature in cursive script that reads "Suzanne M. Mayer".

Ms. Suzanne M. Mayer  
Executive Director and Secretary, Board of Trustees

SMM:kc



To: Investment Committee  
 From: Michael C. Schlachter, CFA  
 Date: September 2, 2024  
 Subject: Report from the June 6 and August 15 Investment Committee Meetings

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Enclosed are the Minutes of the June 6 and August 15 Investment Committee Meetings. The purpose of this memorandum is to provide a status report on the action items for Investments.

There were no motions approved by the Board of Trustees at the June meeting that required further action by SURS staff as all agenda items were for education and/or information. There was one item at the August meeting which required further action by SURS staff. Open motions from prior meetings requiring further action by SURS Staff are listed below.

**1. That staff is directed to manage the redemption from the JP Morgan fund in a manner that seeks to minimize costs to SURS without slowing SURS' redemption**

JP Morgan was notified immediately following the August Investment Committee meeting regarding our intent to change our redemption request. All necessary paperwork was completed and returned to the manager on August 27, 2024.

**Open item from December 7, 2023**

**1. That based on the recommendation of SURS staff and Callan, a commitment of the lesser of \$50 million or 10% of total fund commitments be made to Ember Infrastructure Fund II, subject to successful completion of contract negotiations.**

The agreement to effect the investment was executed and delivered on February 8, 2024. *The final size of the SURS commitment to the fund is pending the aggregate commitments of other limited partners.*

**Open item from June 2, 2022**

**2. That based on the recommendation from SURS staff and Meketa, the Investment Committee approve the retention of Capstone Investment Advisors to serve as the back-up manager for the tail risk and long volatility mandates, subject to successful contract negotiations.**

SURS staff is in the process of contract negotiations.

Please advise if you have any questions prior to the September 12, 2024, Investment Committee meeting.



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[www.surs.org](http://www.surs.org)

Investment Department

To: Suzanne Mayer  
 From: Michael C. Schlachter, CFA and Anna M. Dempsey  
 Date: September 3, 2024  
 Subject: Investment Contracts Approved

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The following investment agreements were approved by the Executive Director subsequent to the mailing for the June 6, 2024, Investment Committee meeting.

### **BRASA II**

A consent to Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Brasa Real Estate Fund II, LP to extend the term of the fund was executed on June 12, 2024.

### **BRASA III**

A consent to Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Brasa Real Estate Fund III, LP to extend the fundraising period for the fund was executed on June 12, 2024.

### **CROW X**

A “most favored nation” election with respect to Crow Holdings Realty Partners X, L.P. was executed on June 21, 2024.

### **LONGTAIL**

An amendment to the Third Amended and Restated Limited Partnership Agreement of Black Bear LTA Fund I LP to adjust the fees was executed to be effective as of June 25, 2024.

### **BLACKSTONE ASIA III**

A “most favored nation” election with respect to Blackstone Real Estate Partners Asia III L.P. was executed on July 2, 2024.

### **CLARION LION**

A consent on behalf of Shane Willoughby, as SURS’ representative on the Advisory Council of Clarion Lion Properties Fund, LP, to an affiliate lease was executed on August 2, 2024.

A “most favored nation” election with respect to Clarion Lion Properties Fund, LP was approved on August 13, 2024.

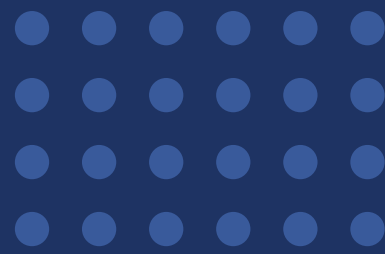
### **ADAMS STREET**

A consent to extend the following Adams Street funds was executed on August 6, 2024: Adams Street 2008 Direct Fund, L.P.; Adams Street 2007 Global Opportunities Portfolio, L.P.; Adams Street Partnership Fund – 2009 Non-U.S. Emerging Markets Fund, L.P.; Adams Street Partnership Fund – 2009 Non-U.S. Developed Markets Fund, L.P.; and Adams Street Partnership Fund – 2009 U.S. Fund, L.P.

# INVESTMENT PLAN | FISCAL YEAR 2025



SEPTEMBER 2024



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Investment Department

August 30, 2024

Board of Trustees  
State Universities Retirement System  
1901 Fox Drive  
Champaign, IL 61820

RE: *Fiscal Year 2025 Investment Plan*

Dear Board of Trustees:

The investment staff is pleased to provide the SURS Investment Plan for Fiscal Year 2025. This document was developed to formalize the strategic plans for the investment portfolio for the coming year and provide transparency into the planning process. The Investment Plan for Fiscal Year 2025 marks the fourteenth year of the formal plan for the SURS investment program.

The Investment Plan reviews the results of fiscal year 2024 and defines the strategy for fiscal year 2025 in accordance with the board-approved asset-liability study and Investment Policy. Since financial markets are dynamic, revisions to the plan may be required and will be communicated to the board in a timely manner.

The SURS investment portfolio produced solid returns over the course of the fiscal year, with a defensive posture that is designed to protect against the worst effect of economic and stock market downturns. The portfolio returned 8.3%, net of fees, trailing the policy benchmark return of 9.0%, but exceeding the 6.5% long term actuarial rate of return assumption. When compared to a universe of other large public funds, the SURS peer rankings are challenged for the one-year period ending June 30, 2024, but are near top quintile for the three-year period. For the five- and ten-year periods, SURS ranks above median in the universe. The primary reason for the weak results in the one-year period is a more defensive posture compared to peers which resulted from our last asset-liability study in 2021. While this positioning will result in weaker relative results in very strong equity markets like those seen in FY 2024, it provided critical downside protection during periods of significant equity market declines experienced during FY 2022.

From a long-term perspective, the SURS portfolio has performed well, earning an 8.1% annualized rate of return over the past 30 years, exceeding the 7.9% policy portfolio return. This return is also in excess of the 7.8% average assumed rate of return in effect over the last 30 years and the current 6.5% assumed rate of return.

As of June 30, 2024, the defined benefit plan is valued at \$24.3 billion while the Retirement Savings Plan (RSP) is valued at \$4.5 billion (including forfeiture and disability reserve assets). SURS also



offers a new supplemental defined contribution 457(b) plan, the Deferred Compensation Plan (DCP). Assets in the DCP were \$67.4 million, as of June 30, 2024.

Over the past several years, the portfolio has systematically and purposefully been restructured. The current portfolio structure was designed to protect System assets and to minimize the impact of near-term negative surprises. Importantly, the total portfolio is expected to achieve our target expected returns with lower risk. While this has resulted in weaker relative results in very strong equity markets like those seen in FY 2024, it provided critical downside protection during periods of significant equity market declines seen during FY 2022. The pursuit of a more efficient (i.e., higher return per unit of risk) portfolio has been an explicit consideration of the SURS board over the last two asset-liability studies, in particular, and will be an important metric in the asset-liability study we are commencing in September.

Other key accomplishments in the defined benefit portfolio include:

- Re-structuring of the SURS investment team with senior level officers leading efforts for specific asset classes
- Expansion of the Overlay Program to include the CRO asset class
- Continued commitment to private market portfolios, including the buildout of the Private Credit portfolio
- Continued focus on partnering with diverse investment managers. As of June 30, assets managed by diverse-owned firms totaled \$11.4 billion, or 46.8% of the portfolio. This represents an increase in assets under management with diverse firms of \$1.2 billion in the past year.

The DCP, first available on March 1, 2021, continued its rollout, with almost 9,000 members enrolling during FY 2024. The DCP provides members an avenue to save more and generate additional income in retirement. In 2024, SURS added an “auto-escalate” feature to the DCP to slowly increase member contribution rates over time for those participants who have not taken an affirmative step regarding their deferral rate.

Numerous projects are planned for Fiscal Year 2025, including, but not limited to, the following:

- Asset Liability Study beginning in September 2024
- Search for a potential equity short extension manager
- Search for a risk and portfolio analytics system
- Continued implementation of Private Credit and Non-Traditional Growth allocations
- Continued review of opportunities to include firms owned by minorities, women and persons with a disability in the investment program;

The Investment Plan for Fiscal Year 2025 contains additional details on fiscal year 2024 accomplishments and strategic initiatives for fiscal year 2025. The investment team and external partners continue to seek excellence in every aspect of the investment program. I look forward to discussing the *Fiscal Year 2025 Investment Plan* at future meetings.

Sincerely,



Michael Schlachter, CFA  
Chief Investment Officer

cc: Suzanne Mayer, Executive Director





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## I. Purpose

The Investment Plan reviews the results of fiscal year 2024 and defines the strategy for fiscal year 2025 in accordance with the board-approved asset-liability study and Investment Policy<sup>1</sup>. **This plan is intended to be a living document. Since financial markets are dynamic, revisions to the plan may be required during the year. In the event of changing circumstances or opportunities during the year, items will be discussed with the board as necessary.**

## II. Overview

### A. Background

SURS is the administrator of a cost-sharing, multiple employer, public employee retirement system that provides retirement, survivor, disability, and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941, by an act of the Illinois General Assembly, and is governed by the Illinois Pension Code (40 ILCS 5/15-101 et seq.). SURS provides benefit services to over 250,000 members who work for 61 employers. SURS is responsible for investing assets of approximately \$24.3 billion in a diversified portfolio across several functional asset classes, as of June 30, 2024. SURS also administers a defined contribution plan, the Retirement Savings Plan, which currently has assets of approximately \$4.5 billion (including forfeiture and disability reserve assets), as of June 30, 2024. In addition, SURS offers the Deferred Compensation Plan (DCP), a supplemental defined contribution 457(b) type plan created in Public Act 100-0769. Assets in the DCP were approximately \$67.4 million, as of June 30, 2024.

### B. Fiscal Year 2024 Performance Review

The SURS investment portfolio produced solid returns over the course of the fiscal year, with a defensive posture that is designed to protect against the worst effects of economic and stock market downturns. The portfolio returned 8.3%, net of fees, trailing the policy benchmark return of 9.0% but exceeding the 6.5% long term actuarial rate of return assumption.

Over the past several years, the portfolio has systematically and purposefully been restructured. The restructuring was designed to protect System assets and diversify the portfolio to minimize the impact of near-term negative surprises. Importantly, the new structure is expected to achieve our target expected returns with a lower risk. The key portfolio change was the introduction of the Crisis Risk Offset (CRO) portfolio, intended to mitigate the worst effects of adverse stock market conditions. First introduced in December 2019, the CRO portfolio was gradually increased and currently is at a policy target of 17% as approved by the board in April 2023. The Traditional Growth portfolio (i.e., public equity), the primary funding source for CRO, was reduced to 36% as of June 30, 2023. This shift from growth-oriented assets to diversifying strategies reduces total portfolio risk. In periods where risk assets perform unusually well, the portfolio's lower risk profile would be expected to result in slightly lower portfolio returns. Given the System's funded status, SURS believes the defensive posture is prudent.

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<sup>1</sup> The SURS Investment Policies can be found at <https://surs.org/business/investments/policy-and-procurement-practices>.

The table that follows illustrates the performance of the overall SURS investment portfolio relative to the policy portfolio and average assumed rates of investment return, as of June 30, 2024.

**Investment Performance\***  
**As of June 30, 2024**

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>20 Years</b>	<b>30 Years</b>
<b>SURS</b>	8.3%	4.0%	7.4%	6.6%	7.2%	8.1%
<b>Policy Portfolio</b>	9.0%	3.2%	6.9%	6.4%	7.1%	7.9%
<b>SURS Assumed Rate</b>	6.5%	6.5%	6.6%	6.8%	7.4%	7.8%

\*Net of investment management fees

**Attribution for FY 2024:**

Positive contributors to relative performance during the fiscal year included:

- Performance in five of the six major functional classes matched or exceeded the benchmark;
- Strong absolute and relative performance by the Traditional Growth Portfolio, particularly the non-US equity segment;
- Strong absolute and relative performance by the Public Credit segment of the Stabilized Growth portfolio and the Alternative Risk Premia segment of the Crisis Risk Offset portfolio;
- Strong relative performance of the Systematic Trend Following segment of the Crisis Risk Offset portfolio, and Non-Core Real Assets segment of the Non-Traditional Growth portfolio.

Negative contributors to relative performance during the fiscal year included:

- Underweight to the Traditional Growth portfolio and overweight to the Non-Traditional Growth portfolio;
- Underperformance by the Private Equity segment of the Non-Traditional Growth portfolio.

Other portfolio sub-classes with especially strong relative returns for the fiscal year were:

- Non-Core Real Estate Debt (Non-Traditional Growth)      Excess return of +15.0%
- Non-Core Infrastructure (Non-Traditional Growth)      Excess return of +10.6%
- Systematic Trend Following (CRO)      Excess return of +9.5%
- Non-Core Real Estate (Non-Traditional Growth)      Excess return of +8.9%
- Core Plus Real Assets (Stabilized Growth)      Excess return of +7.6%
- Alternative Risk Premia (CRO)      Excess return of +7.3%

Performance of each of the broad asset classes during FY 2024 is shown in the table that follows.

## SURS FY 2024 Asset Class Returns (Net of Fees)

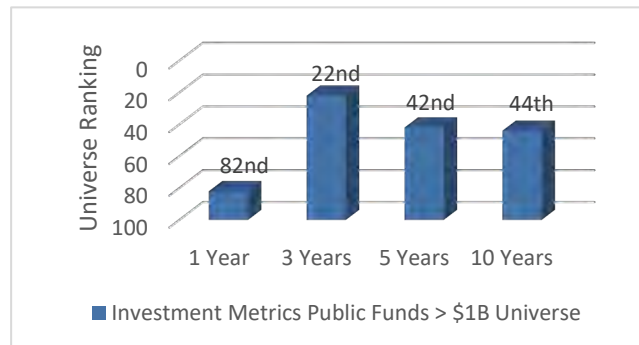
Asset Class	FY 2024 Return	Asset Class	FY 2024 Return
<b>Growth-Oriented</b>		<b>Diversifying</b>	
<b>Traditional Growth</b>	19.1%	<b>Inflation Sensitive</b>	2.7%
Performance Benchmark	18.4%	Performance Benchmark	2.7%
Excess	0.7%	Excess	0.0%
<b>Non-Traditional Growth</b>	4.0%	<b>Principal Protection</b>	2.9%
Performance Benchmark	16.3%	Performance Benchmark	2.9%
Excess	-12.3%	Excess	0.0%
<b>Stabilized Growth</b>	2.7%	<b>Crisis Risk Offset ex-Tail Risk</b>	2.3%
Performance Benchmark	0.1%	Performance Benchmark	-3.2%
Excess	2.5%	Excess	5.5%

From a long-term perspective, the SURS portfolio has performed well, earning an 8.1% annualized rate of return over the past 30 years, exceeding the 7.9% policy portfolio return. This return is also in excess of the 7.8% average assumed rate of return in effect over the last 30 years and the current 6.5% assumed rate of return.

### Peer Analysis

When compared to a universe of other large public funds, the SURS return ranks in the bottom quartile for the one-year period ending June 30, 2024, but in the top quartile for the three-year period. For the five- and ten-year periods, SURS ranks above median in the universe. The primary reason for the weak results in the one-year period is a more defensive posture compared to peers. The SURS portfolio has a lower public equity allocation and a higher Crisis Risk Offset allocation than the median plan in the universe. While this positioning will result in weaker relative results in very strong equity markets like those seen in FY 2024, it provided critical downside protection during periods of significant equity market declines seen during FY 2022. Asset allocation is the primary determinant of a fund's ranking in a peer universe.

**SURS Total Fund Return vs. Public Funds > \$1 Billion**  
Periods Ending 6/30/24  
(1 = Best, 100 = Worst)



On a risk-adjusted basis, the SURS portfolio has outperformed the Median Public Fund in all trailing time periods as shown below. The pursuit of a more efficient (i.e., higher return per unit of risk) portfolio has been an explicit consideration of the SURS board over the last two asset-liability studies.

SURS Return (%) vs. Risk-Adjusted Median Public Fund Return (%) As of June 30, 2024				
	1 Year	3 Years	5 Years	10 Years
<b>Total Fund Return</b>	<b>8.3</b>	<b>4.0</b>	<b>7.4</b>	<b>6.6</b>
<i>Risk-Adjusted Public Fund Median<sup>2</sup></i>	6.6	2.1	5.7	5.6
Excess Return	1.7	1.9	1.7	1.0

Source: Meketa

### III. Asset Allocation Framework

The purpose of the asset allocation policy is to establish an Investment Policy framework for SURS with a high likelihood, in the board's judgment, of realizing SURS' investment objective. This is a critical step as the continued sustained growth of SURS assets is a necessary component to achieving long-term sustainability. SURS asset allocation framework organizes SURS' assets within a functional framework rather than the descriptive-oriented asset-based framework. In this approach, assets are grouped by similar risk profiles, rather than asset class name.

Industry best practices suggest completing an asset-liability (A-L) study every three-to-five years. SURS has adhered to this practice by completing recent studies in 2011, 2014, 2018, and 2021, with a planned study beginning in September 2024. In June 2021, SURS completed the comprehensive 2020/2021 Asset-Liability Study that culminated in a new long-term policy portfolio. This new long-term policy portfolio was an extension of the major decisions and portfolio alterations that were approved by the board as a result of the 2018 Asset-Liability Study. A related, but technically separate, decision by the board was the lowering of the assumed investment return (for actuarial purposes) from 6.75% to 6.50% as of 6/30/21.

In April 2023 the SURS board approved the following modest changes to the policy target allocations due to Meketa's<sup>3</sup> updated capital market projections and recent market movements:

- Elimination of the Options Strategies sub-class, shifting the 2% allocation to Liquid Credit (both in Stabilized Growth Class)
- Shift of 2% from Alternative Risk Premia (CRO Class) to Principal Protection

These modifications are expected to reduce cost and complexity while maintaining a similar risk/return profile of the overall portfolio.

The current and long-term strategic policy targets adopted by the Board in April 2023 are shown in the table that follows. This asset mix is positioned to generate an expected return in-line with the current actuarial rate and offers an attractive mix of liquidity, drawdown protection, and

<sup>2</sup> Risk-adjusted median normalizes the median fund to the SURS exhibited volatility. Calculated as risk-adjusted median = unadjusted median return \* (SURS volatility/peer volatility).

<sup>3</sup> Meketa Investment Group is the Board's external investment consultant.

expected return. Currently, four of the six broad functional classes are at target weight. The only functional classes not at target are Non-Traditional Growth and its funding source, Traditional Growth. Annual pacing plans within the Non-Traditional Growth class, comprised of private equity and non-core real assets investments, will move the class to the target over time.

	Functional Asset Class	Current Policy Target as of 01/01/24	Long-Term Strategic Policy Target
Growth-oriented	Non-Traditional Growth	15%	16%
	Traditional Growth	36%	35%
	Stabilized Growth	17%	17%
Diversifying	Inflation Sensitive	5%	5%
	Principal Protection	10%	10%
	Crisis Risk Offset	17%	17%

At the highest level, assets are classified as either growth-oriented or diversifying strategies, as shown in the following tables.

**Growth-oriented strategies** include risk-taking assets or strategies that produce high total returns relative to other asset classes. Success in this category is often linked to economic success or failure. The three strategic components within this group are shown and described below.

Role	Group	Description
Growth	Non-Traditional Growth	Provide growth in excess of Traditional Growth through exposure to investments driven by exposure to the equity risk and illiquidity risk premiums (i.e., Private Equity and Non-Core Real Assets)
	Traditional Growth	Provide growth in line with traditional global public equity markets
	Stabilized Growth	Provide growth through strategies that are exposed to market beta, exhibiting expected returns similar to Traditional Growth but with lower volatility (i.e., Credit fixed income and Core Real Assets)

**Diversifying strategies** provide two forms of diversification via anchor strategies and offset strategies. Anchor strategies are characterized by low volatility and high liquidity. Offset strategies, in contrast, tend to be higher volatility strategies that have zero-to-negative correlation to public equity markets. These strategies, described in the table that follows, are designed to perform well in the event of a prolonged equity market downturn.

Role	Group	Description
Diversifying	Inflation Sensitive	Serves a mixed role as part anchor (i.e., TIPS) and part offset depending on the market environment. Designed to help protect the portfolio during periods of high inflation.
	Principal Protection	Provides an anchor to the portfolio by exhibiting low volatility with minimal exposure to equity risk. Designed to provide consistent, stable returns during most market environments and preserve principal during periods where growth investments are experiencing significant drawdowns (i.e., Core Fixed Income).
	Crisis Risk Offset	Provides an offset to growth risk through liquid exposures to risk premiums expected to exhibit offsetting behavior to growth investments during periods of significant drawdown (i.e., Long Duration Treasury, Systematic Trend Following, Alternative Risk Premia, Tail Risk and Long Volatility)

#### IV. Fiscal Year 2024 Accomplishments

The following projects were completed during fiscal year 2024:

##### Organizational Changes

- Doug Wesley, chief investment officer, and Kim Pollitt, senior investment officer, both retired from SURS
- Four new members of the team joined SURS to fill Mr. Wesley's and Ms. Pollitt's roles, as well as other open positions
- The investment team was restructured around asset classes, with senior people leading our efforts for specific investment portfolios, supported by other members of the team. This provides a framework for future growth of both the team and the portfolio.

##### Growth-Oriented Strategies

- **Traditional Growth Portfolio** – The Traditional Growth Portfolio is composed of SURS US, Non-US, and Global Equities Strategies.
  - **Continued Monitoring of the Traditional Growth Portfolio** - The Traditional Growth Portfolio has undergone significant changes over the last four years, including a restructuring to a reduced manager lineup and an expanded allocation to Global Equity strategies. During FY 2023, SURS concluded its Emerging Markets Equity search and worked to reduce any structural over/underweights. These changes have resulted in lower fees, increased utilization by firms owned by minorities-, women- or persons with a disability (MWDDBE), and outperformance relative to the MSCI ACWI IMI index over the 1-, 3-, 5- and 10- year periods. Over the last year, SURS staff and Meketa have continued to monitor managers with periodic calls and annual manager reviews.
- **Stabilized Growth Portfolio** – The Stabilized Growth portfolio is made up of three components: Core Real Assets, Private Credit and Liquid Credit strategies.
  - **Continued Monitoring of Core Real Assets Portfolio** – The June 2021 asset-liability study substantially increased the targets to the two components of Real Assets.

- Stabilized Growth (Core) was increased from 6% to 8% of total assets.
- Non-Traditional Growth (Non-Core) was increased from 4% to 5% of total assets.

In December 2023, Callan, SURS non-discretionary real assets consultant, completed a pacing study to forecast how much additional capital will be required each year for SURS to reach and maintain its policy targets for the Real Assets portfolio. Because meaningful commitments were made in the Stabilized Growth Portfolio in FY 2023 and current pacing is in line with long term targets, no new fund commitments were made during FY 2024. However, an existing fund manager was funded based on previous capital commitments. This incremental change brought further sustainable infrastructure investments to the portfolio.

- **Continued Buildout of Private Credit Portfolio** – In September 2020, the board selected Meketa Investment Group as discretionary private credit advisor. In their role, Meketa assists in the buildout of the private credit portfolio. Meketa provides a high level of control on private credit portfolio construction, pacing and evaluation.

In December 2023, Meketa provided an update to the pacing model for private credit, designed to grow the portfolio to its 5% strategic policy target. The annual commitment target is approximately \$500 million. The emphasis during FY 2024 was on increasing geographic diversification, especially within Europe, and emphasizing strategies that focus on re-investing rather than distributing income. During FY 2024, commitments totaling \$650 million were made to eight private credit investments. Even though the portfolio is relatively young, SURS has already seen strong performance from the opportunistic investments in the private credit portfolio. Partnering with MWDBE firms remains a priority, and during the fiscal year, commitments to diverse-owned firms represented \$100 million of the total, or approximately 15.4%.

- **Liquid Credit Allocation** – During FY 2023, the board slightly modified the Liquid Credit and Options Strategies allocations in response to changing capital market projections (higher interest rates and increased return projections from investment grade bonds). The Liquid Credit sub-class was increased 2% in 2023 in response to the slight modification of long-term policy targets. This 2% increase came from the liquidation of the Options Strategies sub-asset class. These changes were designed to reduce cost and complexity while maintaining a similar risk/return profile for the overall portfolio. Over the last year, SURS staff and Meketa have continued to monitor managers with periodic calls and annual manager reviews.
- **Non-Traditional Growth Portfolio** – The Non- Traditional Growth portfolio consists of the private equity and non-core real assets portfolios.
  - **Private Equity** – Aksia serves as SURS’ discretionary private equity advisor. In their role, Aksia evaluates the existing private equity portfolio, assists in strategy formulation, and, after thorough investment and operational due diligence, selects funds for investment on SURS’ behalf. During FY 2024, SURS closed on a total of six commitments to private equity investments, totaling \$138.9 million. These





## Policies, Investment Beliefs & Trustee Education

- **Investment Policy Review and Revision** – SURS works with the board, investment consultants and legal department to make Policy changes. There are three main policies administered by the investment department: the defined benefit (DB) policy, defined contribution (DC) policy and the Investment Procurement Policy.

The DB Investment Policy statement and Investment Procurement Policy were reviewed and revised in October 2023. In addition, the board reviewed and reaffirmed the asset and brokerage goals for the utilization of diverse firms. The DC policy was reviewed and revised in March 2024.

- **Trustee Education** – Education was provided to trustees on a number of relevant topics, during FY 2024, including:
  - SURS Cash Overlay Program
  - Energy Transition
  - 2024 Economic Outlook
  - Defined Contribution Plan
  - Defined Contribution Auto Enrollment and Escalation
  - CY 2024 Capital Market Assumptions
  - Market and Economic Outlook on AI
  - Equity Short Extension Strategies
  - Specialty Finance in Private Credit

## Diversity & Inclusion

- **Diverse Manager Outreach Portal** – During FY 2023 SURS investment staff launched a Diverse Manager Outreach Portal to provide an opportunity for diverse-owned investment management firms with greater than 51% ownership by minorities, women, or people with a disability to present to the SURS investment team, its manager-of-manager partners, and/or its consultants on a monthly or quarterly basis depending on asset class. This program has continued to run with success throughout FY 2024. Since its launch, over 140 meetings have been arranged and conducted with diverse firms, with 75 occurring during FY 2024.
  - **Diverse Manager Outreach Portal Recognition** - SURS was the recipient of the Judges' Choice Award at the Pensions and Investments World Pension Summit Excellence and Innovation Awards of 2023. In the investments category, judges selected SURS for its Diverse Manager Outreach Portal and Diverse Manager Investment Program for worthwhile work that showed early results in terms of outcomes.
- **Hosting of Joint Webinar with Fairview Capital** – SURS partnered with Fairview Capital Partners to host a virtual session in August 2023 providing insights into SURS diverse and emerging manager program, specifically in reference to the private equity portfolio. Participants were able to learn about features distinct to Illinois pension plans, the history and evolution of the program and its current parameters.
- **Participation in Diversity-Themed Conferences** - Staff also participates in various diversity themed conferences/webinars to make sure SURS is a familiar organization for

diverse-owned firms in both public and private markets. Examples of events during the past year include:

- Meketa Emerging and Diverse Manager Conference Roundtable – October 2023 – Participant
  - Brasa Real Estate Diversity Summit Co-hosted by NAIC and the Toigo Foundation – October 2023 – Participant
  - DAMI/Emerging Manager Monthly: State of Diversity in Asset Management – December 2023 – Participant
  - Raben Group: Diversity in Asset Management – January 2024 – Participant
  - IDiF Fireside Chat: Emerging Manager Programs – January 2024 - Participant
  - Meketa Emerging and Diverse Manager Conference Roundtable – February 2024 – Participant
  - Diversity, Equity and Inclusion: The State of the Industry and How to Effectively Advance Diversity in Real Estate – February 2024 - Participant
  - Bivium Capital’s Manager Mentoring Webinar – April 2024 – Panelist
  - NASP Trailblazing Women in Finance Luncheon – April 2024 – Attendee
  - Meketa Emerging and Diverse Manager Conference Roundtable – April 2024 – Participant
  - Callan 2024 Asset Manager DEI Study – May 2024 – Participant
  - Women in Private Credit Summit – June 2024 – Participant
  - NASP Conference – June 2024 Attendee
  - Fairview Capital Partner's Mid-Year Update on Woman- and Minority-Owned Firms – July 2024 – Participant
- **Commitment to Diversity** – SURS continues to be strongly committed to diversity throughout the investment program. In total, 42 strategies with firms owned by minorities, women, or persons with a disability (MWDB) directly manage a total of \$11.4 billion, or 46.8% of the Total Fund, as of June 30, 2024. SURS employs a multi-strategy approach designed to maximize opportunities for qualified firms.
    - SURS saw an increase in total assets with diverse firms of approximately \$1.2 billion during FY 2024. The system also saw an increase in percentage of assets with diverse firms from 44.3% to 46.8% during the fiscal year.
    - SURS partners with two firms to construct manager of emerging managers programs. The Bivium Group manages a liquid credit portfolio, and Xponance manages a global equity portfolio. These collaborations allow SURS to extend its reach into the minority manager universe. As of June 30, 2024, the Bivium program includes five minority- or women-owned investment managers (with six mandates) and has total assets of \$396 million. The Xponance portfolio includes ten minority- or women-owned investment managers and has total assets of \$345 million, as of June 30, 2024.

## V. Fiscal Year 2025 Strategic Initiatives

Each year staff and the general investment consultant (Meketa Investment Group) undertake initiatives to assist the board with the goal of achieving more effective and cost-efficient implementation of investment strategies and positively contribute to the health of the System. The initiatives outlined below are often related and long term in nature.

## Strategic Allocation Study

The purpose of an asset-liability study is to evaluate the interaction of SURS assets, liabilities, (future benefit obligations) and contributions. The liability and contribution forecasts are based on the recent actuarial experience study completed by SURS' actuary, Gabriel Roeder Smith & Company. SURS' general investment consultant, Meketa, uses capital market assumptions to develop a range of acceptable portfolios (asset allocation). An asset-liability study combines the forecasts of plan liabilities and expected contributions with different asset allocations, allowing for a more robust evaluation of the possible financial condition (funded status) of plan over time. The most recent asset liability study concluded in June 2021. A new asset-liability study is set to begin in September 2024 and will likely conclude toward the end of FY 2025.

## Growth Oriented Strategies

- **Evaluation of Traditional Growth Portfolio Structure**
  - **Equity Short Extension Strategy Search**  
SURS staff work with Meketa to monitor the structure of the Traditional Growth portfolio to look for areas to improve overall diversification, eliminate any unintentional tilts and explore opportunities to add opportunities to outperform the market benchmark. To that end, a search for a 130/30 Extended Equity manager was initiated in June 2024. The purpose of this search is to explore ways to incrementally add value to the portfolio through active management. SURS received 12 responses from firms by the July 12 deadline. Staff and Meketa are in the process of reviewing responses and are conducting interviews of semi-finalist candidates. Finalists are scheduled to be considered by the SURS board in December 2024.
  - **Global Equity Graduation Candidate Consideration**  
SURS staff and Meketa, along with investment partner Xponance, continually monitor managers in SURS' Global Equity Manager-of-Managers portfolio. In December 2021, Solstein capital was promoted from the Manager-of-Managers portfolio to a direct mandate. During FY 2025, SURS staff and Meketa will evaluate the strategies that meet the criteria for a potential graduation to a direct mandate. This evaluation will include not only the firm and strategy, but also the potential fit into the overall SURS portfolio.
- **Continued Implementation of Stabilized Growth Portfolio Allocation**
  - **Private Credit** – The long-term policy target for private credit is 5% of the total portfolio. The current interim target for private credit is 3%. Pacing into the Private Credit portfolio will likely be ongoing for the next couple of years to reach the long-term policy target. Meketa, as the private credit specialty advisor, will continue to build out the private credit allocation, with a goal to commit to six to eight funds totaling approximately \$500 million during FY 2025. Areas of focus include increasing geographic diversification, emphasizing strategies that focus on re-investing rather than distributing income to increase MOIC over time, European strategies and asset-based strategies. Capital will continue to be deployed with MWDBE managers.
- **Continued Implementation of Non-Traditional Growth Allocation**
  - **Real Assets** - Staff will continue to work with Callan to implement the strategic plan and pacing model for the coming year. The pacing plan ensures SURS annually deploys capital at a level which allows attainment of the strategic plan over time. The

real assets long-term target is currently 13% (8% to stabilized growth and 5% to non-traditional growth).

- **Private Equity** – The long-term policy target for private equity is 11% of the total portfolio. During FY 2025, Aksia, SURS’ discretionary private equity advisor, will continue implementation of the private equity strategic plan. An update to the pacing model is planned for late 2024 and is designed to maintain the portfolio at its target level. Areas of focus include evaluating deployment in the U.S. lower middle market, special situations opportunities, and Europe and Asia. In addition, secondary purchases will be considered opportunistically, and capital will continue to be deployed with MWDBE managers.

### Diversifying Strategies

- **Continued Monitoring** - Staff will continue to work with Meketa to monitor allocations and managers utilized in the Crisis Risk Offset, Principal Protection and Inflation Sensitive portfolios.
- **Continued Implementation of Crisis Risk Offset**  
In response to historically low hedging costs, SURS worked with our Tail Risk manager to increase the assets under protection target for that sleeve of the CRO portfolio during June 2024. This proved to be a timely decision. In early August 2024, the equity markets experienced increased volatility and a sudden market correction. Key components of the Crisis Risk Offset portfolio responded as designed during this episode of market volatility: the Tail Risk and Long Volatility strategies experienced significant positive returns and the Long Duration portfolio was up in value during the episode. Per strategy guidelines, a portion of the gains within the Tail Risk strategy were monetized (realized), and those gains will help offset the cost of the hedge in future quarters.

### Investment Policy Review

The Investment Policy Statements for the defined benefit and defined contribution plans and the Investment Procurement Policy were reviewed and approved by the board during FY 2024. Additional review will be conducted and potential revisions to the various policies will be considered during FY 2025.

### Diversity Initiatives

SURS will continue to review opportunities in the investment program to consider the utilization of minorities, women and persons with a disability. Investment managers of diversity are always encouraged to participate in the search process if an applicable strategy/mandate is identified. In addition, SURS staff plans to continue to utilize the Diverse Manager Outreach portal on the SURS website to facilitate meetings with prospective diverse-owned firms.

### Investment Manager Oversight, Due Diligence and Risk Management

A critical duty of the investment team and Meketa is to monitor the numerous investment managers under contract with SURS. Each manager plays a role in the success of the overall program and extensive resources are utilized to ensure strategies are functioning as desired and in accordance with guidelines. If necessary, staff and Meketa collaborate to make any necessary revisions to a manager’s guidelines.

- **Risk and Portfolio Analytics Search**

Monitoring the risk of the investment program continues to expand and evolve over time. SURS initiated a search for a risk and portfolio analytics provider in July 2024. The purpose of this search is to select a vendor that will provide a multi-asset class investment portfolio analytics and risk management system to assist in aggregating, analyzing, and reporting on portfolio performance, exposures, and risks to the SURS portfolio. SURS has been using BlackRock's Aladdin, a risk analytics tool for the last three years, which has provided a detailed view on exposure across every portfolio and functional asset class. SURS received six responses by the August 13 deadline and is in the process of reviewing all submissions. A vendor will be chosen by SURS staff in October 2024.

### **Investment Management Fees**

SURS pays close attention to the level of investment management fees paid to its external investment managers. Fees are negotiated with investment managers prior to the commencement of the relationship with SURS and may be subsequently renegotiated, if appropriate, especially in instances where an investment manager receives an additional allocation(s). Fees vary significantly among investment managers, with the services of private markets managers, such as those in real assets and private equity being generally higher than those of public market managers.

During fiscal year 2024, staff negotiated more favorable fee arrangements with seven new and existing investment service providers. In aggregate, these fee negotiations are expected to result in over \$2.5 million in fee savings.

In total, SURS paid approximately \$127.1 million or approximately 54 basis points in investment management fees and administrative expenses for fiscal year 2024. Total investment management fees for fiscal year 2025 are projected to increase by \$15.9 million from fiscal year 2024 budgeted fees and include fees paid directly from alternative asset funds. This increase is attributable to the continued growth of the private credit portfolio and the non-traditional growth portfolio as these asset classes reach the target allocations selected by the Investment Committee in 2021, as well as growth in the overall amount of assets managed by SURS staff.

## **VI. Environmental, Social and Governance (ESG) Issues**

SURS continues to place a high priority on ESG issues. Illinois statute 40 ILCS 5/1-113.6, effective January 1, 2020, requires that SURS Investment Policy include material, relevant, and decision-useful sustainability factors to be considered by the board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors must include but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. These factors were incorporated into the Investment Policy and the SURS Board of Trustees' Investment Beliefs.

In compliance Illinois statute, 40 ILCS 5/15-177.6, passed in August 2023, SURS will continue to post its Annual Fiduciary Report to the SURS website by September 1 each year. This report outlines SURS' incorporation of the sustainability factors across the portfolio. Topics in the report include board strategy related to the sustainability factors, risk assessment, investment manager's



incorporation of the sustainability factors into the decision-making process, an annual proxy voting report and SURS' practices regarding corporate engagement and stewardship.

Proxy voting is one important component of the System's corporate governance responsibilities. SURS continues to work closely with Glass Lewis to vote its proxies in line with Public Pension Policy guidelines. During FY 2024, SURS voting policy voted in favor of proposals related to the following topics:

- Increased board gender diversity
- Reporting aligned with the Sustainability Accounting Standards Board (SASB)
- Increased disclosure regarding EE01 reporting regarding workforce diversity
- Increased involvement in United Nations Global Compact or adoption of Human Rights Policies in line with International Labor Organization or the Universal Declaration on Human Rights (UDHR).
- Change in auditor when tenure has exceeded 20 years
- Compensation issues that are linked to performance and are transparent

More information on SURS proxy voting history can be found on the SURS website.

Additional actions pertaining to corporate governance include membership in the Council for Institutional Investors (CII) and Investor Stewardship Group (ISG).

- CII is a nonprofit organization of more than 135 public, union and corporate employee benefit plans, endowments and foundations with combined assets of approximately \$5 trillion. CII is a "leading voice for effective corporate governance, strong shareowner rights and sensible financial regulations that foster fair, vibrant capital markets." Additionally, CII "works with its members to identify and promote effective engagement practices between companies and their shareholders and best disclosure of company policies on engaging with shareholders."
- On October 19, 2017, SURS became a signatory to the Investor Stewardship Group (ISG), joining more than 70 U.S. and international investors with combined assets in excess of \$32 trillion. The ISG establishes a framework comprised of a set of stewardship principles for institutional investors and corporate governance principles for U.S. listed companies.

## VII. Manager Diversity Program

### Overview

The Manager Diversity Program (MDP) is an initiative designed to identify and provide opportunities to highly successful investment management firms owned by minorities, women and persons with a disability (MWDB).

Key items of note:

- Developed in 2004 to identify and retain MWDB firms
- Managers contract directly with SURS
- Market Value of \$11.4 billion, as of June 30, 2024

Asset Class	Number of MDP Strategies	Market Value* as of June 30, 2024	FY 24 Commitment Amount (Private Equity, Real Assets & Private Credit Only)
<b>Traditional Growth</b>			
US Equity	1	\$2,581 million	N/A
Non-U.S. Equity	4	\$1,350 million	N/A
Global Equity	4	\$1,244 million	N/A
<b>Non-Traditional Growth</b>			
Private Equity	12	\$706 million	\$114 million
Non-Core Real Assets	7	\$285 million	\$50 million
<b>Stabilized Growth</b>			
Public Credit	1	\$397 million	
Private Credit	4	\$259 million	\$100 million
<b>Inflation Sensitive</b>	1	\$1,111 million	N/A
<b>Principal Protection</b>	4	\$2,269 million	N/A
<b>Crisis Risk Offset</b>			
Systematic Trend	1	\$501 million	N/A
Long Duration	1	\$408 million	N/A
Alternative Risk Premia	1	\$272 million	N/A
Tail Risk	1	\$42 million	N/A
<b>Total</b>	<b>42</b>	<b>\$11,427 million</b>	<b>\$264 million</b>

\*Totals may not add due to rounding

## MDP Goals

Pursuant to 40 ILCS 5, SURS established goals for the percent of assets under management for MWDBE and emerging managers, as defined by Illinois statute, as well as additional goals to ensure representation in each asset class across the portfolio.

### MWDBE Investment Managers - % of Total Assets

	Minorities	Non-Minority Women	Disabled Persons	Overall Goal
Goal	20%	14%	0.3%	35%
Actual	23.2%	23.5%	0.03%	46.8%

### MWDBE Goals

	% by Manager Count	% by Manager Fees
Goal	35%	25%
Actual	36%	21.5%



### Emerging Investment Managers\*

Asset Class	Minorities	Non-Minority Women	Disabled Persons	Overall Goal
<b>Equities</b>				
Goal	16%	8%	1%	25%
Actual	6.6%	15.6%	0%	22.2%
<b>Fixed Income**</b>				
Goal	16%	8%	1%	25%
Actual	27.4%	1.8%	0%	29.2%
<b>Alternatives***</b>				
Goal	10%	9%	1%	20%
Actual	18.0%	1.2%	0.1%	19.3%
<b>Total Fund</b>				
<b>Goal</b>	<b>16%</b>	<b>8%</b>	<b>1%</b>	<b>25%</b>
<b>Actual</b>	<b>15.5%</b>	<b>6.3%</b>	<b>0.03%</b>	<b>21.8%</b>

Data as of June 30, 2024, for public markets/as of March 31,2024 for private markets

\* MWDBE ownership of over 50% and assets under management below \$10 billion

\*\* Includes allocation to Principal Protection, Credit, TIPS and Long Duration

\*\*\* Includes private markets, options, alternative risk premia and trend following strategies

The board also has goals for the use of MWDBE broker/dealers, subject to best execution. The goals are asset class specific and call for SURS' investment managers to meet certain minimum levels of usage over rolling twelve-month periods. The brokerage utilization for FY 24 can be seen in the table below.

### MWDBE Brokerage Goals

Asset Class	Overall Utilization	Goal
US Equities	100.0%	35%
International Equities	96.9%	25%
Global Equities	35.6%	22%
Fixed Income	74.8%	35%

### Fiscal Year 2024 MDP Accomplishments

As of June 30, 2024, the MDP is valued at approximately \$11.4 billion, or 46.8% of the Total Fund. A summary of MDP activities follows:

- In partnership with Aksia and Fairview Capital, SURS currently has private equity commitments totaling \$850 million to MWDB-owned private equity firms with \$105 million commitments in FY 24.
- SURS makes direct private credit allocations through our private credit advisor, Meketa. SURS has current commitments totaling \$350 million to MWDB-owned private credit funds with \$100 million of those commitments occurring in FY 24.
- SURS also made direct real assets allocations via our real assets consultant, Callan. In FY 2024, a commitment of at least \$50 million was made to Ember Infrastructure II fund.

SURS also has a graduation track from the manager-of-emerging-managers portfolios, giving firms a chance to receive a direct allocation from SURS.

### **Fiscal Year 2025 MDP Initiatives**

Plans for the MDP in FY 2025 include the following:

- Expand industry outreach efforts
- Continue diligent monitoring of the overall program, manager structure and risk parameters within the program
- Identify potential opportunities to increase funding to existing qualified investment managers
- Continued interaction with system consultant, Meketa, via more frequent discussions regarding MWDB investment managers

## **VIII. Defined Contribution Plans**

### **Retirement Savings Plan**

The Retirement Savings Plan (RSP) is a 401(a) plan type defined contribution option available to SURS members. The RSP has grown steadily since the plan's inception in April 1998. Highlights of the plan include:

- Approximately \$4.5 billion in assets as of June 30, 2024
- RSP forfeiture assets were \$16.9 million as of June 30, 2024
- Disability reserve assets were \$159.6 million as of June 30, 2024
- Administrator and recordkeeper
  - Voya Financial (\$3.9 billion of plan assets)
- Legacy service provider
  - TIAA (\$379 million of plan assets)
- Custom lifecycle solution, the SURS Lifetime Income Strategy (LIS), managed by Alliance Bernstein
- 16 investment options as of June 30, 2024, including the default option of LIS.
- Over 24,000 participants currently invested
  - 14,670 active participants
  - 9,478 inactive participants

### **Deferred Compensation Plan**

The Deferred Compensation Plan (DCP), is a new supplemental defined contribution 457(b) type plan created in Public Act 100-0769. This plan became available to SURS members beginning in March 2021.

- Approximately \$67.4 million in assets, as of June 30, 2024
- Administrator and recordkeeper
  - Voya Financial
- Custom lifecycle solution, the SURS Lifetime Income Strategy (LIS), managed by Alliance Bernstein
- 16 investment options as of June 30, 2024, including the default option of LIS.

### **Fiscal Year 2024 Defined Contribution Accomplishments**

- SURS replaced the underlying fund option for the SURS U.S. Small-Mid Cap Growth Equity Fund, resulting in lower fees to the plan.
- Almost 9,000 members enrolled in the DCP during FY 2024, bringing the total enrolled members as of 6/30/2024 to over 12,000 members.
- Automatic enrollment of new members into the DCP plan went into effect as of July 1, 2023, as outlined in Public Act 102-0540.
- The SURS Board of Trustees approved an automatic rate escalation provision for the DCP at the February 2024 Investment Committee meeting. The first round of automatic escalation was successfully implemented for July 2024 and included 3392 participants.
- Review of the DC Investment Policy took place during FY 2024 with changes recommended to mirror statute language and ensure that responsibilities of stakeholders related to investment options apply to the underlying strategies and service providers.

### **Fiscal Year 2025 Defined Contribution Initiatives**

- Plans for the Defined Contribution Plan in FY 2025 include continued diligent monitoring of the overall program, providers and investment options.
- The recordkeeping agreement with Voya is currently active through August 2025 (with the option for a 12-month extension). Given this timing, a recordkeeper search is expected to be issued in early calendar year 2025 to provide ample time for vendor selection and finalization of a new recordkeeping agreement.

# State Universities Retirement System of Illinois

September 12, 2024

Overview of Public Pension Trends:  
Delegated Authority



## Delegated Authority Discussion

### Goals of Today

- The goal of today is to provide the SURS Board with an overview of a significant recent trend among large-scale institutional investors' procurement policies.
- "Delegated Authority" is a governance practice that a large number of public pensions have been receiving education on and/or directly implementing.
  - This largely pertains to granting manager selection authority directly to staff with little-to-no Board/IC involvement in the final decision making.
  - The primary role of the Board/IC shifts to focus on oversight and monitoring.
- From Meketa's viewpoint, we see this trend continuing to gain traction in the United States.
  - It has already been a common governance practice among non-US plans (e.g., Canada, Europe, Australia, etc.) for decades.
  - Among the US investors who have adopted it, there has been little-to-no steps to reverse the process.



## Delegated Authority Discussion

### Introduction

→ *“The Board is responsible for establishing the Policy for the System and overseeing the investment of the Portfolio and the expenditures required to meet system obligations. Specifically with regard to investments, the Board takes action based on information presented at Board and/or Investment Committee meetings and after considering recommendations made by Staff or Consultants.”*

- Role of Board of Trustees – SURS DB Investment Policy Statement

→ At a high level, managing an institutional investment portfolio involves two critical tasks:

1. Setting the overall construct/asset allocation (i.e., policy portfolio)
2. Implementing the portfolio via manager/fund selection

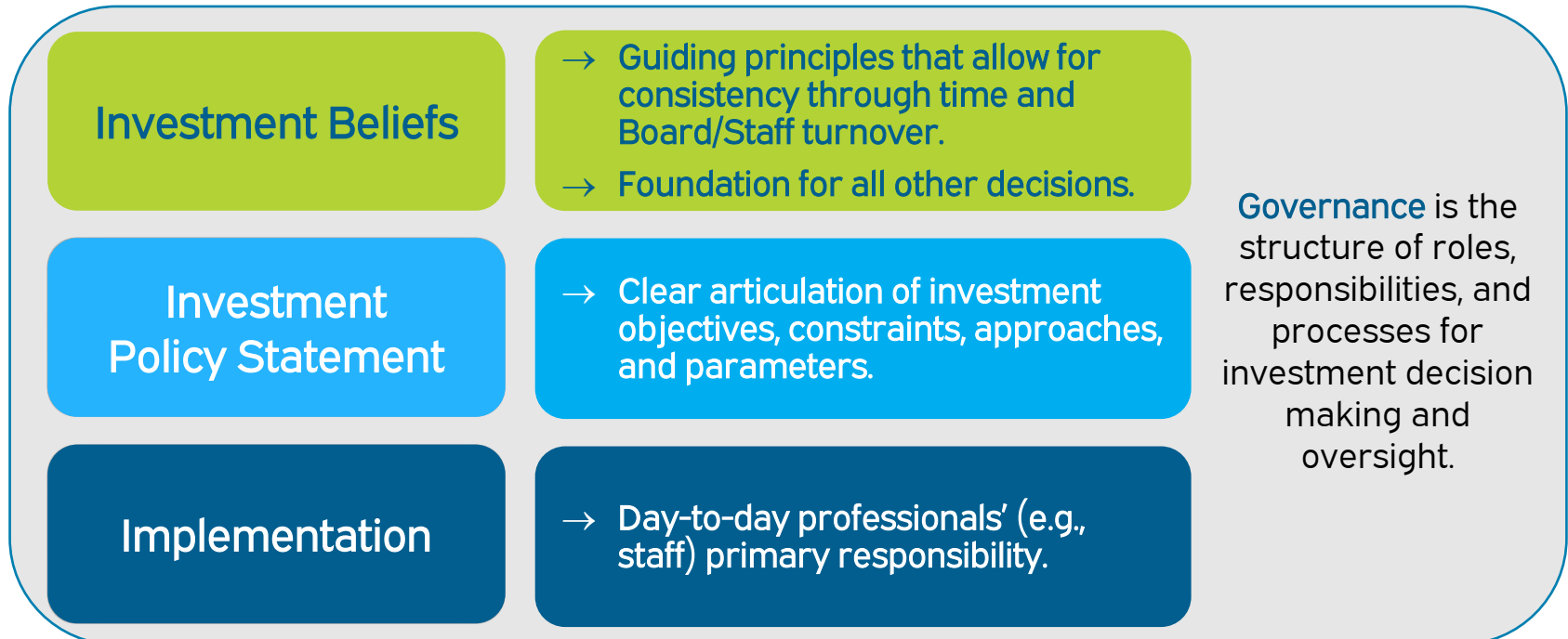
→ Like its peers, SURS should be continually seeking to improve upon the mechanisms by which the above-stated tasks are completed.



## Delegated Authority Discussion

### Approach to Overall Portfolio Management

- Prudent decision-making is critical to the long-term success of any retirement plan.
- By developing strong governance policies before assets are moved, Boards can increase the likelihood of making sound investment decisions, therefore increasing the likelihood of long-term success.
- Good processes today facilitate better outcomes for tomorrow.





## Delegated Authority Discussion

### Key Terms for Discussion<sup>1</sup>

**Policy** (as referred to in an Investment Policy Statement [IPS]) is the investment plan undertaken by an entity. Communicates a common understanding of investment principles and objectives among stakeholders. Example components of an IPS include: context; investment beliefs; roles, responsibilities, and delegations; purpose of assets; investment objectives; allocation strategy and investment thresholds; benchmarks; due diligence requirements; reporting requirements; and risk management considerations.

**Implementation** is placing capital into market/security exposure in order to produce long-term returns in an effective and efficient manner. Includes screening of advisor candidates; conducting due diligence; adjusting capital exposures in alignment with policy; monitoring, funding, and defunding existing manager(s) portfolios; monitoring and managing portfolio compliance; negotiating terms and conditions with advisors; and other key tasks.

**Authority** is the right or permission to make investment decisions as assigned or delegated from one party to another. In the context of this presentation, authority relates to when a Board/IC delegates/assigns virtually all investment authority to the ED, CIO, and Staff.

**Due diligence** is appropriately investigating, analyzing, and documenting the merits, terms, and conditions of an investment concept or specific investment opportunity/mandate.

**Fiduciary** is a person or persons who has been entrusted with the managing of assets of another group of people. The fiduciary relationship is one of trust and confidence involving the highest standards of care, loyalty, good faith, and prudence. Fiduciary frameworks are established through statutory laws and jurisdictions. As a result, fiduciary standards establish certain decision-making thresholds that can be breached and, if so, may result in significant damages, repercussions, and penalties. Fiduciary protections are derived through the design and adhering to processes that reflect well-defined and aligned governance standards.

**Investment Governance** is the effective use of resources by a governing body seeking to fulfill its fiduciary duty to its beneficiaries to address the investment challenge. Strong investment governance requires effective use of delegated fiduciary authority to persons or groups having the appropriate expertise.

<sup>1</sup> These definitions draw heavily from "Investment Governance for Fiduciaries," CFA Institute Research Foundation, ©2019.



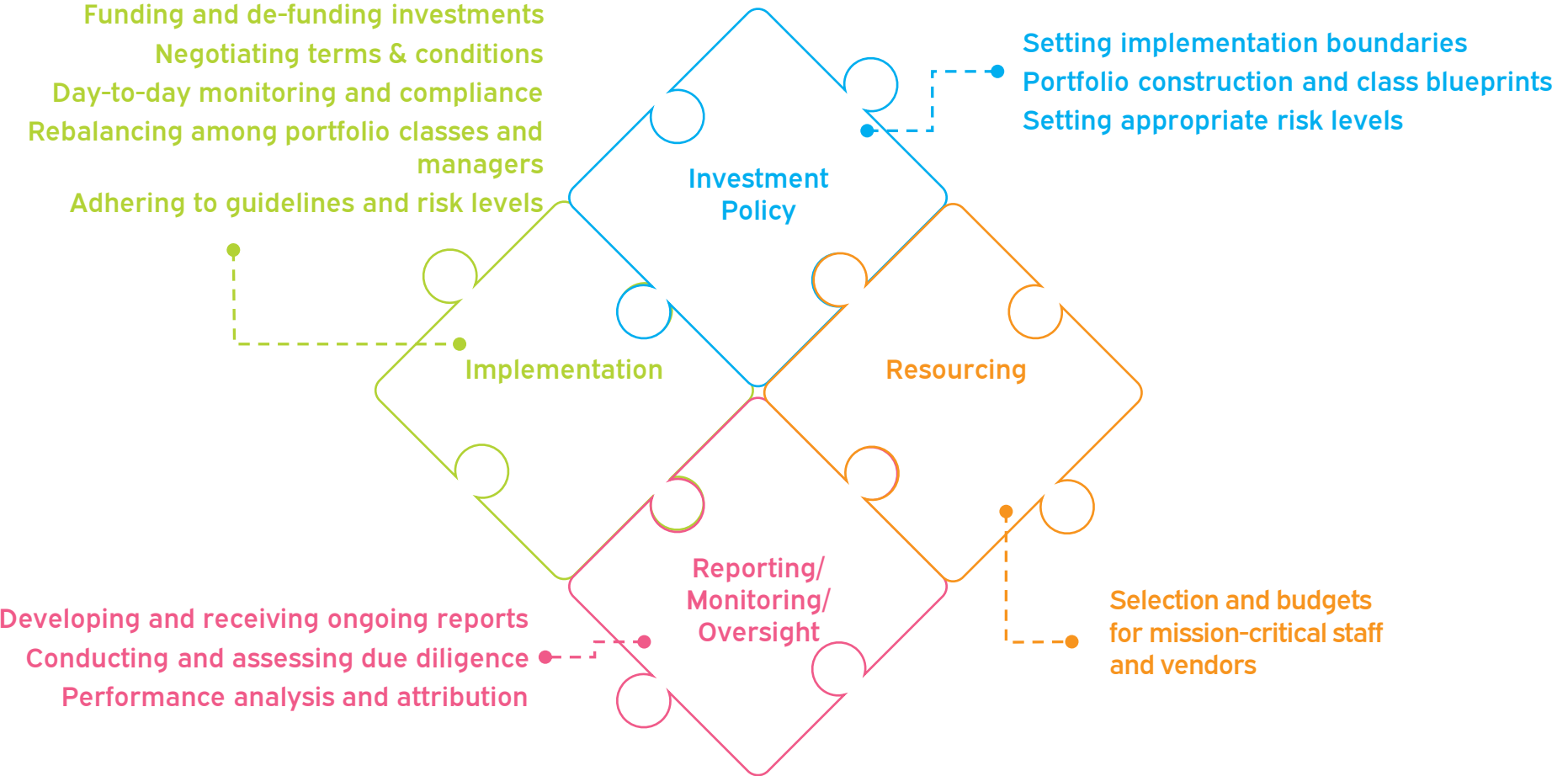


# Delegated Authority Discussion

## Major Investment Decision Authority Areas\*

- Selecting managers & investment vehicles
- Funding and de-funding investments
- Negotiating terms & conditions
- Day-to-day monitoring and compliance
- Rebalancing among portfolio classes and managers
- Adhering to guidelines and risk levels

- Setting implementation boundaries
- Portfolio construction and class blueprints
- Setting appropriate risk levels



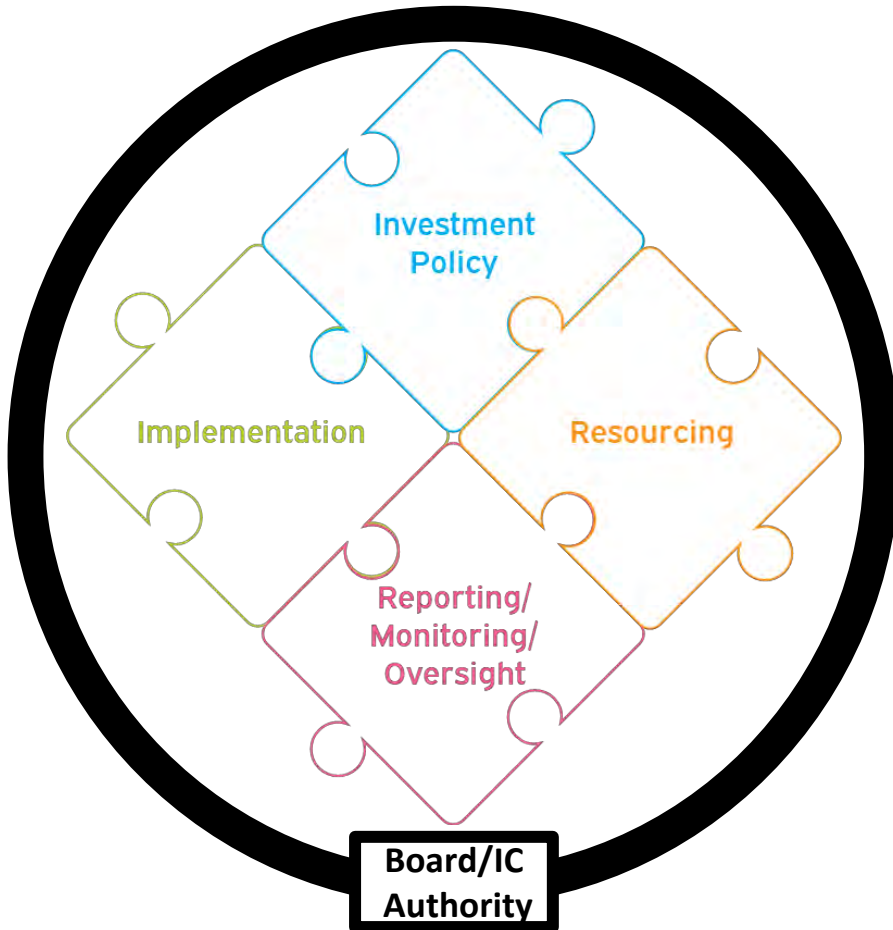
\* Presented framework draws heavily from "Investment Governance for Fiduciaries," CFA Institute Research Foundation, ©2019.



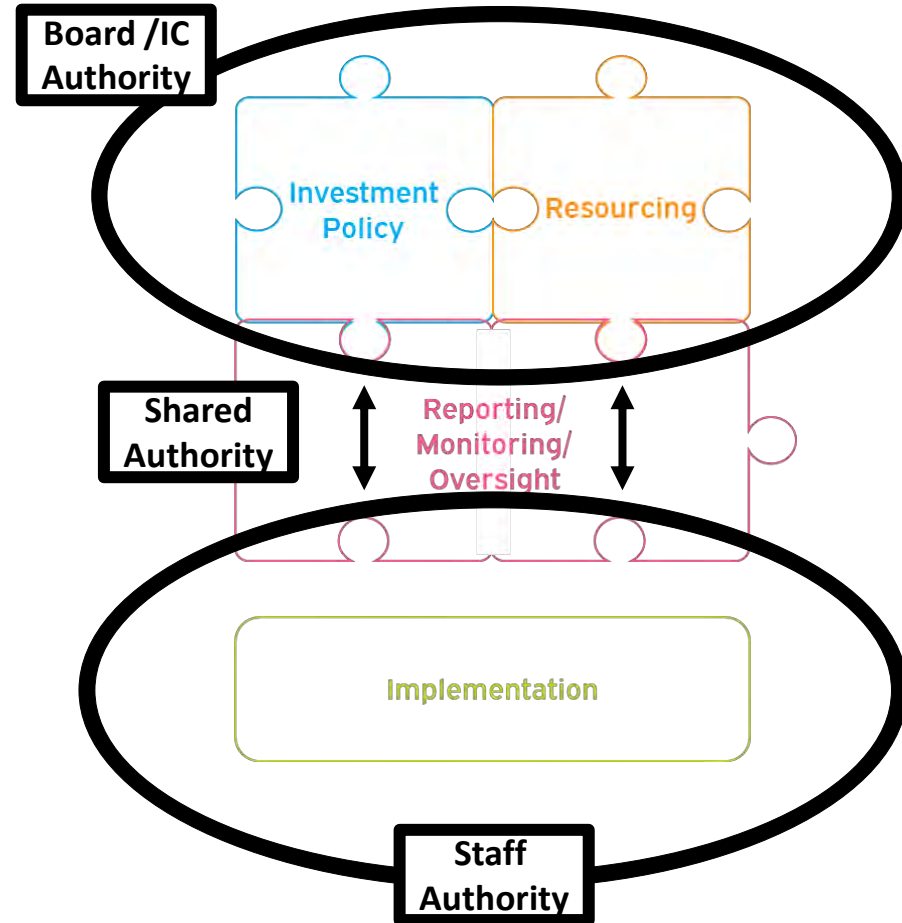
# Delegated Authority Discussion

## Major Investment Decision Authority Areas

### Historical



### Recent Trend





## Delegated Authority Discussion

### Recent Trend – How it Works

#### Investment Policy

- Board authority is to set overall asset allocation, portfolio risk budgets, allocation boundaries/thresholds, and high-level guidelines.

#### Resourcing

- Board's effort on resourcing is critical: select and/or monitor the primary entities that assist with the investment effort (e.g., staff, consultants, actuaries, etc.).
- Fundamental system-related decisions remain with Board (e.g., setting actuarial rate, reviewing legislation, budgets, etc.).

#### Reporting/ Monitoring/ Oversight

- Key function of Board is monitoring of portfolio results and Staff decision-making activities relative to policy.
- Staff oversees/monitors day-to-day activities and external managers.
- Key consideration: formal documentation process and/or reporting of major activities/metrics (e.g., due diligence, boundaries/thresholds, etc.).

#### Implementation

- Within assigned thresholds and policies, Staff executes all investment decisions and tasks (manager selection, active/passive, internal/external, rebalancing, terms and conditions, etc.).



## Delegated Authority Discussion

### Delegated Authority Trend – It's a Spectrum

- Delegated authority is not an all-or-nothing decision. Most plans, including SURS, already have elements of delegated authority.
- SURS-specific considerations:
  - Staff has authority to invest, sell, and rebalance the portfolio based on cash-flow (e.g., contributions, benefits, etc.) and allocation target considerations (e.g., interim policy targets).
  - Staff has the authority to approve tail risk hedging size.
  - Under certain conditions, Staff can terminate managers.
  - All of Staff's existing authority is governed by Board-approved policies.
  - Time-sensitive decisions have historically required ad hoc meetings or agenda modifications.
  - In liquid markets segments, where the SURS Board is still engaged, the decisions can be quickly reversed.
  - In illiquid markets segments (excluding Real Estate), discretion has been granted to third parties (e.g., Aksia for Private Equity and Meketa for Private Credit), where capital can be locked up for 10+ years.
- Board-approved policies govern all decisions, whether under a delegated authority model or not.
- As plans shift across the delegated authority spectrum, Board-retained consultants often assist the Board in performing the oversight role on granular tasks.



## Delegated Authority Discussion

### Support for Delegated Authority Trend

- Fiduciary law supports delegated authority.
- For most public pensions, staff and consultants already conduct sourcing, filtering, and comprehensive due diligence on retained managers. This does not change.
- The frequency by which Boards/ICs do not follow staff/consultant manager recommendations is de minimis.
  - For example, over the last ~7 years, only one firm was not approved by the SURS Board/IC out of ~60 recommendations.
- The meeting time required to interview managers represents a material efficiency drag. Moreover, the ability of the Board/IC to add value at the final stage (~30-60 minute interviews) is challenging.
- Over the last 10+ years, a large number of peer systems have recognized the same efficiency and value-add challenges and have changed their governance models to address this.

**Delegating full manager selection to investment staff is an industry-wide trend**



## Delegated Authority Discussion

### Ideal Features and Requirements for Delegated Authority

#### Delegation of nearly all *implementation* from Board/IC to Investment Staff

- Staff (with varying levels of consultant assistance) is responsible for due diligence, selection, and fee/term negotiation with external managers.

#### Appropriate *thresholds* of decision authority

- Delegated authority only pertains to certain asset classes and mandate sizes.

#### Necessary *reporting and tracking* to ensure oversight

- Board has access to pipeline reports, due diligence documentation, and reviews portfolio/manager performance.
- Reports are created and/or revised to satisfy Board/IC monitoring responsibilities.

#### Revisions to investment/procurement policies and procedures

- Policy documents are updated to reflect decision thresholds, due diligence processes, and monitoring requirements.



## Thinking about Decision Thresholds

**Definition:** an asset level used to trigger investment discretion to a specific party

**A best practice metric for asset level is to utilize percent of assets**

### Asset bases used to determine % levels<sup>1</sup>

- Total portfolio
- Total asset class
- Total product/manager composite assets
- Total assets of manager

**The use of a particular asset base is a preference, there is no standard base and may vary by asset type.**

**Many funds utilize a “% of total portfolio assets” as their authority threshold level.**

**Threshold levels should be revisited on a scheduled basis (e.g., every 2-3 years).**



### Thinking about Decision Thresholds (cont.)

From Meketa's original 2017 Delegation Survey and ongoing client experience:

**Threshold bifurcation:** public vs. private markets; public markets utilize higher thresholds

**Range of authority thresholds<sup>1</sup>:** 0.1%-to-unlimited Staff authority

**Private markets threshold limits** (where limits are in place): 0.1%-to-1.0%

- **Thresholds vary widely and evolve as portfolio grows/changes**
- **Selecting a threshold framework is a preference issue**
- **Tighter thresholds may lead to proliferation and redundancy**
- **Looser thresholds may lead to exposure concentration**
- **Explicit consideration must be given to private market re-ups and liquid market mandate size changes**

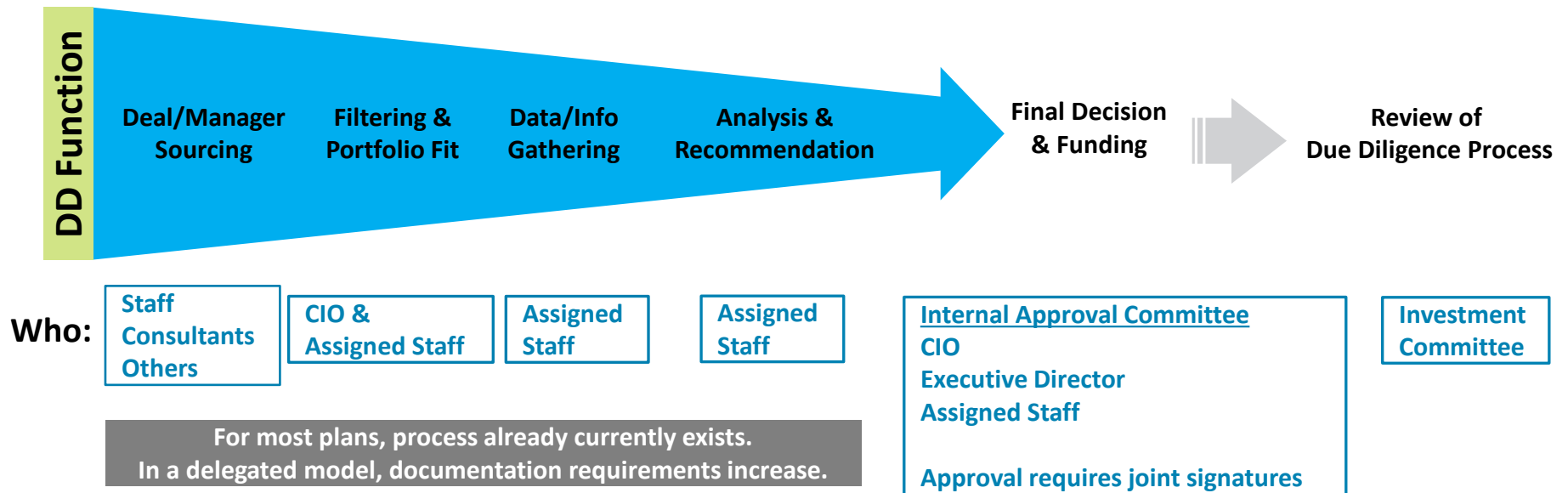
<sup>1</sup> Based upon total portfolio assets.





## Delegated Authority Discussion

### Thinking about a Delegated Due Diligence Process



Process checklists are developed/utilized for each major asset type.

Some processes utilize consultant(s) for independent concurrence/process verification.

Incorporation of non-investment professional (e.g., Executive Director) stresses process.



## Delegated Authority Discussion

### Fiduciary Considerations

- Delegation of certain investment decisions (e.g., manager selection) can be aligned with fiduciary law if the delegation itself is done prudently and involves appropriate oversight and monitoring.
- *“The responsibility to be prudent covers a wide range of functions needed to operate a plan. Since you must carry out these functions in the same manner as a prudent person, it may be in your best interest to consult experts in such fields as investments and accounting.”*
  - IRS – Retirement Plan Fiduciary Responsibilities<sup>1</sup>
- *“Prudence focuses on the process for making fiduciary decisions.”*
  - DOL – Meeting your Fiduciary Responsibilities<sup>2</sup>
- Under delegated investment frameworks, there is a shift at the Board/IC level to focus on monitoring.
  - “Duty to Monitor” implicitly increases in importance.

<sup>1</sup> <https://www.irs.gov/retirement-plans/retirement-plan-fiduciary-responsibilities>

<sup>2</sup> <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/meeting-your-fiduciary-responsibilities.pdf>



## Delegated Authority Discussion

### Fiduciary Considerations (cont.)

U.S. Supreme court opinion held fiduciaries have a continuing duty – separate and apart from the duty to exercise prudence in selecting investments at the outset – to monitor and remove imprudent investment options.

*Tibble v. Edison International*, 135 S.Ct. 1823 (2015),  
*Hughes v. Northwestern Univ.*, 595 US 170 (2022).

With implementation authority delegated to staff, there is an elevated requirement of robust policies, procedures, and compliance controls.



The Duty to Monitor becomes the paramount Board/IC responsibility.



## Delegated Authority Discussion

### Fiduciary Considerations (cont.)

→ Delegating implementation authority to staff shifts the trustees' role to more oversight:

- Regular performance and compliance reviews.
- Proactive monitoring is a key aspect of the duty to oversee; trustees must actively gather information.
- Trustees must exercise prudence to assess the fiduciary performance of those to whom duties are delegated.
- The duty to monitor is ongoing; delegating does not mean trustees disengage.

→ Examples of proper monitoring:

- Verify that the delegated authority adheres to specified parameters.
- Mandate consistent updates and immediate notification of significant alterations.
- Confirm delegated authority is congruent with current roles and responsibilities.
- As needed, adjust or revoke delegation.
- Ensure professionals and service providers are held accountable as appropriate.



## Delegated Authority Discussion

### Key Fiduciary Considerations

Duty of Prudence	Duty of Loyalty	Duty to Monitor	Duty to Diversify	Duty to Follow Plan Documents
<p>Examples where prudence is relevant:</p> <ul style="list-style-type: none"> <li>- Setting asset allocation</li> <li>- Documentation of processes</li> <li>- Retaining expert assistance</li> <li>- Reviewing performance</li> <li>- Managing risk</li> <li>- Delegation of authority</li> </ul>	<ul style="list-style-type: none"> <li>- Discharge duties with respect to the funds solely in the interest of the participants and beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>- US supreme court held that fiduciaries have a continuing duty to monitor and remove imprudent investment options.</li> <li>- Board's role is to establish policies and procedures that day-to-day professionals can implement.</li> <li>- Adequate reporting is necessary for prudent monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>- Consider each investment within the context of the entire portfolio.</li> <li>- Create an "optimal" portfolio given the board's risk/return preferences.</li> </ul>	<ul style="list-style-type: none"> <li>- A fiduciary shall discharge his or her duties with respect to the plan in accordance with the documents and instruments governing the plan.</li> <li>- Familiarity with plan documents is essential.</li> </ul>



## Delegated Authority Discussion

### Example Peers with Delegated Authority<sup>1</sup>

	Plan Name	Approximate Size (3/24 – 7/24) <sup>2</sup> (\$b)
1	Orange County Employees' Retirement System	24
2	Employees' Retirement System of Hawaii	24
3	State Teachers Retirement System of Ohio	95
4	Teachers' Retirement System of Illinois	72
5	Texas Employees' Retirement System	39
6	Indiana Public Retirement System	42
7	Colorado Fire and Police Pension Association	7
8	Wyoming Retirement System	11
9	Missouri State Employees Retirement System	9
10	Iowa Public Employees Retirement System	43

→ Across plan sizes, geographies, and portfolio constructs, delegated authority (i.e., manager selection) is a common and growing governance structure.

<sup>1</sup>Delegated authority may pertain to all asset classes or a subset of the portfolio.

<sup>2</sup>Asset values sourced from publicly available documents and may be actuarial (i.e., smoothed) or market value based. Majority of values are as of 6/30/24



## Delegated Authority Discussion

### Example Policy Language

Plan	Approximate Size (\$b)
Teachers' Retirement System of Illinois	72
<b>Excerpts from Investment Policy Statement</b>	
<p><b>Implementation</b>            The Board recognizes that the complex investment processes of TRS require a substantial amount of daily attention. It is clear that the Board and Committee, meeting periodically, cannot oversee the day-to-day operations of the investment function. In order to promote operational efficiency in the implementation of its Investment Policy, the Board has employed various parties to carry out these duties.</p> <p><b>Final Recommendation and Selection</b>            Based on the candidate responses, Staff and Consultant will recommend managers to the applicable Staff Oversight Committee for final approval. Documentation to the applicable Oversight Committee will include a timeline of the search process, a summary of that process, and confirmation that the search was conducted in accordance with TRS policy.... At the meeting immediately following funding, Staff and Consultant will provide the Investment Committee an update on search activity, along with necessary reports related to the search, including a selection/compliance checklist confirming adherence to Board-approved policies</p> <p><b>Proper Documentation and Full Disclosure</b>            When overseeing reviews of the delegated hiring of external investment services provided by Staff, the primary focus of the Investment Committee and Board shall be on whether decisions followed established processes and procedures in the Pension Code, administrative rules and this Investment Policy. Toward this end, the Chair and Committee members may request the written supporting documentation to assure the greatest possible disclosure of all relevant issues, including the investment search process, investment sourcing and related due diligence. In evaluating a hiring decision, Staff, Consultant and the applicable Staff Oversight Committee should review documentation to ensure that the search process was fair, and that the screening process was consistently applied. Potential service providers or candidates may, at the pleasure of the Board or upon the recommendation of Staff and Consultant, be asked to make a formal presentation at any time</p>	



## Delegated Authority Discussion

### Example Policy Language

Plan	Approximate Size (\$b)
State Teachers Retirement System of Ohio	95
<b>Excerpts from Investment Policy Statement</b>	
<p><b>Investment Decisions Delegated to Investment Staff</b></p> <p>The Board, through the Executive Director, has delegated to qualified STRS Ohio investment staff the following investment management and implementation decisions:</p> <ul style="list-style-type: none"> <li>a) Buying, selling, managing, and monitoring individual securities, real assets, and/or other investment transactions to achieve the total fund and asset class investment objectives approved by the Board;</li> <li>b) Retaining, managing, and terminating external investment managers within each asset class as required to achieve the total fund and asset class investment objectives approved by the Board;</li> <li>c) Ensure total fund, asset class, and individual manager portfolios comply with established parameters and risk levels; and,</li> <li>d) Preparing, negotiating, and executing external investment manager mandates, guidelines and fee agreements.</li> <li>e) Investment staff will determine the most suitable fund management approach, internal or external, by assessing internal capabilities, comparing costs and benefits, and considering potential external collaborations.</li> </ul> <p>In making these decisions, STRS Ohio investment staff seeks the advice, guidance, and recommendations of Board-retained investment consultants, external investment managers and other experts and sources as considered prudent by STRS Ohio staff.</p> <p><b>Board Oversight</b></p> <p>The Board requires investment staff to prepare and deliver an Annual Investment Plan that explains how STRS Ohio assets will be managed in order to achieve the Board-established investment objectives. This provides the Board a focused opportunity to:</p> <ul style="list-style-type: none"> <li>a) Question and comment on staff's investment management plans;</li> <li>b) Request additional information and support about staff's investment intentions; and</li> <li>c) Express its confidence in the Annual Investment Plan.</li> </ul>	





## Delegated Authority Discussion

### Example Policy Language

Plan	Approximate Size (\$b)
Indiana Public Retirement System	42

#### Excerpts from Investment Policy Statement

The Board has delegated the day-to-day investment operations to the Staff, though oversight of the System's assets remains with the Board. The Staff is responsible for performing such duties consistent with this Policy and as otherwise directed by the Board. Included in this, the ED is authorized by the Board, pursuant to a recommendation by the CIO, to retain, manage, and terminate Investment Managers within each asset class as required to achieve the investment objectives of the Retirement Funds within the following limitations:

1. The initial investment made in a Portfolio described in Section 9 (Public Investment Guidelines), and Section 13 (Risk Parity Investment Guidelines), may not exceed 3.0% of the market value of the Retirement Fund's assets at the time of investment. Notification regarding the investment should be provided to the Board at its next regularly scheduled meeting. Any additional allocations to the same Portfolio that increase the Portfolio's total market value to a weight greater than 6.0% of the Retirement Fund's assets at the time of investment must receive prior authorization from the Board. In the event a Portfolio's total market value organically grows via performance above the 6% threshold, the Board shall be notified at the following meeting;
2. The initial investment made in a Portfolio described in Section 10 (Private Markets Investment Guidelines), Section 11 (Real Assets Investment Guidelines), and Section 12 (Absolute Return Investment Guidelines), may not exceed 0.75% of the market value of the Retirement Funds' assets at the time of investment. Notification regarding the investment should be provided to the Board at its next regularly scheduled meeting. Any additional allocations to the same Portfolio that increase the Portfolio's total market value to a weight greater than 1.5% of the Retirement Fund's assets at the time of investment must receive prior authorization from the Board;
3. Reducing assets under management, including full termination of a Portfolio, may not exceed 4.0% of the market value of the Retirement Funds' assets. Notification regarding the termination should be provided to the Board at its next regularly scheduled meeting. A Portfolio, however, may be terminated with the agreement of the ED and CIO for any level of assets if such removal is deemed necessary to protect the Retirement Funds' assets.

An Investment Manager change may only exceed the limits described in this section with the prior authorization of the Board. If an investment opportunity requires more immediate action and requires prior approval by the Board, the Board recognizes that the ED and CIO may request that the full Board convene between regularly scheduled meetings, via conference call, to review and approve the investment.

Approval authority set forth in this Policy shall be reviewed upon the departure of either the ED or CIO, to consider the suitability of this investment authority delegated by the Board.



## Delegated Authority Discussion

### Conclusion

- Over the last 10+ years, a prominent theme among public pension systems has been the transition to a delegated authority implementation model – a governance framework that has been present at international plans for decades.
- Delegated authority is aligned with fiduciary law but requires corresponding policies and procedures. Moreover, those that adopt delegated authority tend to do so incrementally (e.g., one asset class then another).
- Based on feedback from the SURS Board/IC, Meketa and SURS Staff may bring forth additional education on delegated authority and additional example policies/processes.



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To: Investment Committee  
From: Investment Staff  
Date: September 2, 2024  
Re: Recommendations for Changes to Investment Policy Statement & Procurement Policy

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### **Summary & Recommendation**

Staff and Meketa are recommending policy language changes to both the SURS Investment Policy Statement and the SURS Procurement Policy. Many of the suggested changes are non-substantive in nature. The proposed changes have been reviewed by internal counsel and external fiduciary counsel. Both Staff and Meketa recommend that the Investment Committee/Board approve the requested changes to SURS Investment Policy Statement and Investment Procurement Policy.

### **Proposed Changes to SURS Investment Policy Statement**

- **Section 5.A – Executive Director and Internal Investment Staff**  
Some overlapping duties for the Executive Director and Chief Investment Officer are clarified. Proposed language moves all investment duties to the Chief Investment Officer, under the supervision of the Executive Director.
- **Section 5.A – Internal Investment Staff**  
Attorneys in the SURS legal department as designated by the General Counsel may review and approve changes to investment manager guidelines.
- **Section 5.F.f – Investment Manager Termination Guidelines**  
Adds significant organizational, personnel, and/or investment process changes as a reason for Investment Staff or the Investment Committee to terminate an investment manager's contract.
- **Section 5.H. – Safeguard of Assets – Authorization to Transfer Funds**  
New language deletes the reference to the role of the Deputy CIO, adds a reference to the Senior Investment Officer for Operations and Risk Management, and changes the authority over access to the Trade Order Entry System from the Board to the Executive Director.
- **Exhibits and Other**  
Proposed changes in the exhibits include update of interim policy targets to reflect current portfolio allocations. Minor typographical error and formatting changes were made throughout the document.

### **Proposed Changes to SURS Investment Procurement Policy**

- **Section 5.A.1, 5.A.1.c, and 5.E.f – The Policy – Applicability of RFP Procedures**  
Aligns Investment Procurement and RFP issuance rules with SURS' overarching Procurement and RFP rules.
- **Section 5.E.e – Procurement Requirements for Recommendations by a Specialty Consultant**  
Delegates to Investment Staff the ability to select and contract with private assets investment funds for amounts up to and including \$100 million, provided that the fund is recommended by a Specialty Consultant and the fund is a follow-on commitment to a fund previously authorized by the Investment Committee / Board.

### **Conclusion and Recommendation**

**SURS staff and Meketa jointly recommend:**

- **That the revised Investment Policy document for the defined benefit plan be approved, as presented.**
- **That the revised Investment Procurement Policy document be approved, as presented.**



## OFFICIAL POLICY

## Defined Benefit Investment Policy

<b>Policy Register Part:</b> VI – Investments		<b>Policy Number:</b> 6.1
<b>Approval Authority:</b> Board of Trustees		<b>Originating Department:</b> Investments  <b>Responsible Executive Staff Member:</b> Chief Investment Officer
<b>Version:</b>	<b>Effective Date:</b>	<b>Description of Changes and Link(s) to Earlier Version(s):</b>
1	December 8, 2006	N/A – Original
2	April 26, 2007	Updated to indicate that domestic proxy voting will be completed by a proxy voting service.

3	September 21, 2007	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Expand ability of Executive Director to execute Investment Management Agreements or Board-approved service providers</li> <li>• Allow board to retain third party firms to provide Securities Lending services</li> <li>• Define a benchmark for the Global Real Estate securities portfolio</li> <li>• Add an Investment Manager Watchlist</li> <li>• Allow the electronic transfer of funds to be completed by an authorized staff member</li> <li>• Redefine Minority and Women Owned brokerage usage policy for Global Equity Investment Managers.</li> <li>• Amend the predatory lending policy due to new legislation (PA 95-0521).</li> </ul>
4	September 12, 2008	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Expand ability of Executive Director to delegate duties to the Associate Executive Director</li> <li>• Reflect new asset allocation targets and rebalancing language</li> <li>• Change global equity benchmark</li> <li>• Clarify that additional authorization to participate in securities litigation that has already been approved by the Executive Committee is not necessary. Additionally, staff are authorized to file an objection to attorneys' fees/expenses if the objection is determined appropriate by General Counsel and Executive Director</li> <li>• Define Emerging Manager goals and total fund and major asset classes.</li> </ul>
5	September 11, 2009	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Include interim asset allocation targets</li> <li>• Implement a 5% rebalancing trigger on aggregate equity and fixed income allocations</li> <li>• Update benchmarks for Equity, Fixed Income, and Real Estate asset classes</li> <li>• Redefine Emerging Manager definitions and update utilization goals due to legislation. Minority-owned broker usage policy expectations were updated.</li> </ul>

6	December 2, 2009	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Incorporate the 1% allocation to PPIP into the strategic policy targets</li> <li>• Add language to strongly encourage the use of direct trade execution with minority- and women-owned brokers.</li> </ul>
7	September 3, 2010	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Allow the Board governance policies to address issues with third parties regarding corporate governance or other initiatives rather than the Executive Director</li> <li>• Allow staff to complete miscellaneous duties related to the operation of the investment program</li> <li>• Added a risk management section</li> <li>• Revise process for how emerging managers are included in manager searches due to legislation</li> <li>• More accurately portray retention decisions involving private fund managers</li> <li>• Clarify that investment managers may be added to the Manager Watch List at any time</li> <li>• Limit the size of assets invested with any one firm and update the list of people authorized to make transfers between funds</li> <li>• Allow managers to continue to hold a security after it has been downgraded below the minimum credit quality if it is in SURS best interest</li> <li>• Establish goals for the management of assets of each major asset class by minorities, women, and persons with disabilities in line with PA 96-0006. Additionally, investment managers should not use indirect methods to achieve Minority-Owned Broker/Dealer goals. Minority-owned broker/dealer goals were also updated to include REIT managers</li> <li>• Rename Manager Development Program as Manager Diversity Program</li> </ul>



8	September 16, 2011	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Reflect new SURS mission statement</li> <li>• Include General Counsel in the modification of approval requirements for revisions to investment manager guidelines</li> <li>• Reflect passage of “pay to play” legislation (SEC Rule 206(4)-5)</li> <li>• Reflect new Strategic policy targets and adjusted (interim) targets</li> <li>• Revise risk management framework</li> <li>• Revise benchmarks in Real Estate Structure section</li> <li>• Reflect PA 96-0006 in which SURS is to encourage investment managers to use emerging investment managers as subcontractors when possible.</li> <li>• Review MWDBE goals and add new minority-owned brokerage targets for TIPS managers</li> </ul>
9	October 25, 2012	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Reflect strategic objectives as outlined in the SURS Strategic Plan</li> <li>• Authorize staff to serve on advisory boards for fund investments and vote on issues to promote best interests of SURS</li> <li>• Delete internal management of TIPS</li> <li>• Reflect adjusted strategic (interim) targets</li> <li>• Change private equity benchmarks and specify the overall benchmark for non-core direct real estate</li> <li>• Implement Investment Manager Evaluation language; if no changes are recommended, formal action by the board each year will not be necessary; Action to terminate a manager will continue to require Board action.</li> <li>• Delete permissible investments section.</li> <li>• Increase goals for MWDBE firms of actively managed assets.</li> <li>• Increase goals for the utilization of MWDBE broker/dealers to US and non-US equity and Fixed Income. Additionally, a new minimum brokerage expectation for non-US and US equity managers was established</li> </ul>

10	September 13, 2013	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Revise Strategic Policy allocation targets</li> <li>• Update language to be consistent with legislation (40 ILCS 5/1-113.14) about when a search for investment managers is deemed necessary. Contracts for follow-on funds with the same fund sponsor through closed-end funds are exempted from the customary proposal process.</li> <li>• Fulfill statutory requirement to review goals for the utilization of MWDB managers and broker/dealers.</li> </ul>
11	September 19, 2014	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Reflect new Strategic policy targets and adjusted (interim) targets</li> <li>• Note the disclosure requirements for prospective consultants, investment management, and private market candidates set forth in PA 98-1022.</li> <li>• Reflect the completion and liquidation of the Public/Private Investment Program investments.</li> <li>• Reflect changes to the Securities Litigation Policy due to ongoing involvement of the Illinois Attorney General's office in security litigation matters.</li> <li>• Increase the goals of MWDBE firms and brokerages in light of passage of P.A 98-1022.</li> </ul>

12	September 11, 2015	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Clarify role definitions and responsibilities for manager monitoring.</li> <li>• Reflect new Strategic policy targets and adjusted (interim) targets</li> <li>• Accurately describe the role, investment structure, diversification, and benchmarks of each asset class.</li> <li>• No longer require annual investment manager approval by the Board. The Board will continue to approve the hiring/termination of investment managers, and staff will continue to conduct annual manager reviews and bring any significant issues/changes to the Board's attention.</li> <li>• Note the statutory exclusions to the search process requirements for qualified fund of funds management services and investments in follow on funds to closed end funds</li> <li>• Eliminate the use of an Investment Manager Watch List.</li> <li>• Increase goal of MWDBE firms for Alternative Investments</li> </ul>
13	December 9, 2016	<p>Updated to:</p> <ul style="list-style-type: none"> <li>• Formalize performance targets for investment managers</li> <li>• Re-institute Manager Watch List as well as clarification on manager termination processes</li> <li>• Define process for decision making related to the use of active management in asset classes and/or sub-asset classes</li> <li>• Specify requirements for quarterly and annual reporting</li> <li>• Revise corporate governance section to reflect recent change in practice regarding proxy voting of domestic securities and clarification of authority to settle claims and lawsuits</li> <li>• Create several appendices for items that are periodically revised as well as the addition of a glossary of defined terms</li> <li>• Adjust goals for MWDBE firms and broker/dealers</li> </ul>

14	June 9, 2017	Updated: <ul style="list-style-type: none"> <li>• Board shall periodically establish Performance Targets for each Manager.</li> </ul>
15	December 8, 2017	Updated: Manager Utilization Goals for Minority-owned Broker/Dealers
16	March 9, 2018	Removed procurement related portions of Section VII <b>Selection and Retention</b> Investment Policy into a new Procurement Policy
17	April 18, 2019	<ul style="list-style-type: none"> <li>• Reframed the allocation IPS framework from “asset” classes to “strategic” classes.</li> <li>• Substantially re-wrote the Portfolio Construction and Performance Benchmarks section.</li> <li>• Made major edits to the Real Assets and Opportunity Fund class structure (Infrastructure out Opportunity Fund class).</li> <li>• Updated Appendices 4 with new strategic allocation as an outcome of 2018 Asset-Liability Study and 5 (updated to reorganize the key asset classes under their broader strategic classes; also adjusts policy benchmarks for several class portfolios).</li> </ul>
18	June 7, 2019	Updated Section VI Portfolio Construction and Performance Benchmarks

19	September 13, 2019	<ul style="list-style-type: none"> <li>• Renamed the Public Equity Structure section to “Traditional Growth” and revising policy language pertaining to this class. Provide Staff with flexibility to allocate assets across U.S., Non-U.S., and Global regional mandates and (ii) to adopt a broad Global Equity benchmark, presented in Appendix 5.</li> <li>• Re-organized Section VI of the IPS to completely reflect the new strategic allocation structure. Appendix 4 reflects implementation of the new strategic structure, to begin 4Q 2019(10/01/2019).</li> <li>• Updated Appendices 6-8 of the IPS to reflect updated diversity goals.</li> </ul>
20	October 17, 2019	Updated the Inflation Sensitive functional class structure to remove commodities
21	December 6, 2019	<p>Updated for:</p> <ul style="list-style-type: none"> <li>• <u>Sustainability Investing Act (40 ILCS 5/1-113.17)</u> to integrate sustainability factors in the investment decision-making processes.</li> <li>• Clarifying definitions and the use of leverage and diversification in Real Assets.</li> <li>• <u>Private Equity</u> changes reflect the change from investing predominately in fund of funds to direct investments via separate accounts and allowing for co-investments and secondaries. The benchmark for the Private Equity was changed to MSCI ACWI IMI plus 2%.</li> <li>• <u>MWDBE Goals</u></li> <li>• Committing to a goal for minorities and females of 20% for new allocations in private alternative investments instead of a range of 0-20%.</li> </ul>
22	January 30, 2020	Updated to remove reference to Performance Targets, Active Manager Premiums and Manager Status.
23	December 4, 2020	Reviewed and updated Diversity Goals

24	January 29, 2021	<p>Updated to</p> <ul style="list-style-type: none"> <li>• Reflect the addition of private credit within the Stabilized Growth Asset Class.</li> <li>• Specify the benchmark for private credit and update the benchmark for Options Strategies.</li> </ul>
25	September 10, 2021	<p>Updated Corporate Governance section</p> <p>Added language to reflect recently approved legislation (P.A. 102-97) that exempts contracts for investment services with an emerging investment manager provided through a qualified manager of emerging investment managers from certain requirements under the Illinois Pension Code.</p> <p>Updated Appendix 1 and 4 to reflect updated assumed rates of return and strategic policy targets</p>
26	November 17, 2021	<p>Updated to amend the Investment Committee definition to include all members of the Board</p>
27	April 21, 2022	<p>Updated to reflect Strategic Policy Targets in Appendix 4</p> <p>Updated benchmarks within the public credit portfolio</p>

28	September 15, 2022	<p>Formatted into template and amended as follows:</p> <ul style="list-style-type: none"> <li>• Amended Section 5.A. to delegate authority to staff to approve premium spend for Tail Risk strategies and revise nomenclature of the Master Trustee/Custodian role to “Master Custodian”</li> <li>• Revised Section 5.C. to reflect change risk reporting source from Northern Trust to the Aladdin system</li> <li>• Information added to Section 5.D.6 on new Long Volatility and Tail Risk Strategies in the CRO Portfolio</li> <li>• Updated Section 5.E manager evaluation section to remove reference to Manager Evaluation Reports and require that staff communicate significant concerns to the Board, consistent with current practice</li> <li>• Revised Section 5.K.3 to remove redundant language describing MDP manager evaluation process</li> <li>• Exhibits amended to remove glossary, update policy targets to reflect current portfolio allocations, and edit benchmarks to include adding new strategies (Long Volatility/Tail Risk) and eliminating timberland (no longer in portfolio)</li> </ul>
29	October 19, 2023	<p>Updated to reflect new Directive.</p> <p>Updated to reflect updated Strategic Policy Targets in Appendix 4 and Appendix 5, including the elimination of Options Strategies, reduction of Alternative Risk Premia and increases to Public Credit and Principal Protection</p>

<u>30</u>	<u>September 12, 2024</u>	<u>Updated to delineate investment duties under CIO from Executive Director and to clarify investment staff duties, Section 5.A.</u> <u>Addition of other legal resources within SURS under the General Counsel to approve guideline revisions, Section 5.A.</u> <u>Additional reasons for investment manager termination added in Section 5.F.</u> <u>Wire transfer and cash movement authorities updated in 5.H.</u> <u>Corrected <del>Typographical errors</del> and minor formatting errors changes.</u> <u>Interim asset allocation targets updated in Exhibit 4</u>
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**1. Policy Statement**

- A.** This document specifically outlines the investment philosophy and practices of the State Universities Retirement System (“**SURS**” or the “**System**”) and has been developed to serve as a reference point for the management of the Defined Benefit Plan.
- B.** The Strategic Objectives of this Policy are as follows:
  - 1. Achieve long-term, sustainable, investment performance necessary to meet or exceed the System’s Assumed Rate of Return (set forth in Exhibit 1, net of investment management fees;
  - 2. Manage the risk and volatility of financial assets in the Portfolio;
  - 3. Control fees and expenses related to managing the Portfolio;
  - 4. Manage Staff operational expense at a prudent level;
  - 5. Manage the System’s Liquidity, in order to meet Member and other System obligations in a timely manner;
  - 6. Provide ongoing financial education to the Board and Staff in order for them to carry out their responsibilities; and
  - 7. Comply with all applicable laws and regulations applicable to the investment of the Portfolio.

**2. Departments and/or Staff Positions Required to Comply with Policy:**

All Investment Department Staff, Legal Staff, Executive Director, and Trustees are required to read and comply with this Policy.

**3. Directives**

Is Policy internal only?	Does Policy Include any Reporting Requirements for Stoplight Report?	Citation to Statutory Mandates, if applicable
No	Investment Information Report must be posted monthly on SURS’ website and updated at least monthly by the 15th of each month	Accountability for the Investment of Public Funds Act, 30 ILCS 237/10  <i>*Also applies to DC Policy</i>

No	Adviser/consultant fees, commissions, penalties, and other compensation must be disclosed to the board of trustees quarterly	Pension Code, 40 ILCS 5/1-113.14(e)  <i>*Also applies to DC Policy</i>
No	SURS must develop, and quarterly post to website, uniform documents to be used for the solicitation, review, and acceptance of all investment services.	Pension Code, 40 ILCS 5/1-113.14(f)  <i>*Also applies to DC Policy</i>
No	Investment services contract descriptions must be updated on SURS website quarterly	Pension Code, 40 ILCS 5/1-113.14 (g)  <i>*Also applies to DC Policy</i>
No	Annually by April 1, SURS must provide the Illinois Investment Policy Board with information regarding investments sold, redeemed, divested, or withdrawn in accordance with Section 5/1- 110.16 prohibited transactions	Pension Code, 40 ILCS 5/1-110.16 (g)
No	Updates or changes to Policy must be filed with the Illinois Department of Insurance within 30 days of adoption	Pension Code, 40 ILCS 5/1-113.17  <i>*Also applies to DC Policy</i>
No	Economic Opportunity Investments report must be submitted by September 1 to the Governor and the General Assembly	Pension Code, 40 ILCS 5/1A-108.5
No	Fiduciary Report must be published annually on SURS website on or before September 1	Pension Code, 40 ILCS 5/15-177.6
No	By January 1, SURS must make an Emerging Investment Managers Report to the Governor and General Assembly	Pension Code, 40 ILCS 5/1-109.1  <i>*Also applies to DC Policy</i>

Commented [SB1]: Should we also add that prospective managers must describe how they are incorporating the sustainability factors into their process?

Commented [DW2R1]: yes, we should add that.... good catch

No	No later than January 1 annually, the following Consultant Disclosures must be made to the Board: <ul style="list-style-type: none"> <li>• Manager search information</li> </ul> and <ul style="list-style-type: none"> <li>• Compensation and economic opportunity received</li> </ul>	Pension Code, 40 ILCS 5/1-113.22  <i>*Also applies to DC Policy</i>  Pensions Code, 40 ILCS 5/1-113.23  <i>*Also applies to DC Policy</i>
No	SURS must provide Illinois finance entity annual certification to the Public Pension Division of the Department of Financial and Professional Regulation	Pension Code, 40 ILCS 5/1-110.10 and High-Risk Home Loan Act, 815 ILCS 137/1 et seq.
No	Annual submission of ADV Form by Investment Advisors	Securities and Exchange Commission Rule
Yes	Investment Update Report must be posted online within 75 days after months' end	N/A
Yes	Managers' annual certification of fiduciary duty and proof of insurance (as required by SURS contracts)	N/A  <i>*Also applies to DC Policy</i>

#### 4. Definitions

N/A

#### 5. The Policy

##### A. Role Definitions

The following sections outline the roles of the principal parties involved, their responsibilities and performance evaluation.

##### **Board of Trustees**

The Board is responsible for establishing the Policy for the System and overseeing the investment of the Portfolio and the expenditures required to meet System obligations. Specifically with regard to investments, the Board takes action based on information presented at Board and/or Investment Committee meetings and after considering recommendations made by Staff

or Consultants. The Board maintains a long-term investment focus and has adopted a formal review schedule, as set forth in Exhibit 2, which is attached hereto and incorporated herein.

### **Investment Committee**

The Investment Committee shall be comprised of all of the of the members of the Board and shall be empowered to act as the Board with respect to the broad range of issues covered by this Policy including, but not limited to, those set forth in this Investment Policy.

### **Executive Director**

The Executive Director, in connection with such person's duties regarding this Investment Policy, shall be responsible for the following, among other things:

1. Execution of agreements and contracts, and amendments thereto, with Board-approved Managers, Consultants, Custodians and Vendors;
2. ~~Ensuring that funds are invested in accordance with Board policies;~~
3. Communicating with the Board, its Officers and Investment Committee chair;
4. ~~Studying, recommending, and implementing policy and operational procedures that will enhance SURS investment program;~~
5. Monitoring the performance of the Portfolio and the Staff; and
6. Ensuring that proper internal controls are developed to safeguard the assets of the System.

### **Internal Investment Staff**

The internal investment staff ("Staff") provides internal investment management and/or consulting services to the Board and Investment Committee, implements Board decisions and manages the Portfolio, consistent with this Policy. Staff is expected to provide written recommendations to the Board and Investment Committee on investment related matters.

The Chief Investment Officer ("CIO") heads the Staff and oversees the performance of its members. The CIO reports to the Executive Director, but works directly with the Board and the Investment Committee on Policy-related issues.

The CIO's primary responsibilities include:

1. Working with the Executive Director and the Board to implement this Investment Policy and Board decisions made in connection with the Investment Policy, and eEnsuring that funds are invested in accordance with Board policies;
2. Studying, recommending, and implementing policy and operational procedures that will enhance SURS' investment program;
3. Supervising the investment staff; and,
4. Managing relationships with external vendors,

~~The Other~~ primary functions delegated by the Board to the CIO and the Staff may include, but are not limited to, ~~working with the Executive Director and the Board to implement this Investment Policy and Board decisions made in connection with the Investment Policy. In connection therewith, Staff will be expected to~~ managing cash-flow and liquidating assets, as necessary to pay benefits and other System obligations; to approve premium renewal costs for the Tail Risk program, with approval of the Consultant and in accordance with Board-approved premium spend ranges; ~~to~~ approving revisions to Investment Manager Guidelines, with the approval of the Consultant and General Counsel (or the General Counsel's designee); ~~to~~ serving on advisory boards where in the best interests of the System; ~~to~~ responding to inquiries relating to the Portfolio in accordance with SURS' communications policies; and ~~to~~ completing other administrative duties related to the operation of the Portfolio; not inconsistent with this Investment Policy.

**External Investment Consultants**

The Board may retain an investment advisor who is a paid, professional consultant ("**General Consultant**") and who is qualified to provide the Board with investment advice by academic and professional training and experience and is considered an expert in the field of investment and finance. The Board may also elect to retain one or more additional Consultants ("**Specialty Consultants**," together with the General Consultant, the "Consultant") that specialize in specific areas of asset investment consulting. Each Consultant's relationship with the Board shall be that of a fiduciary under 40 ILCS 5/1-101.2(2).

Consultants are hired by, and report directly to, the Board. Their duties are to work with the Board, Investment Committee and its chair, and Staff in the management of the investment process. Consultants are expected to

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provide written recommendations to the Board and Investment Committee on investment related matters.

An annual review of each Consultant will be conducted by the Board, with input from the Staff.

#### **External Investment Managers**

External investment managers ("Managers") are selected by, and serve at the pleasure of, the Board. Staff implements the Board's decisions through negotiation, execution and enforcement of Investment Management Agreements, including Manager Guidelines. Staff works with consultants to design Manager Guidelines specific to Board-approved assignments. Duties of Managers include, but may not be limited to, those set forth in Exhibit 3, attached hereto and incorporated herein. Each Manager's relationship with the Board shall be that of a fiduciary under 40 ILCS 5/1-101.2(2).

Criteria for selection, retention and termination of Managers are covered in Sections 5.E. and 5.F. hereinafter.

#### **Master Custodian**

The Master Custodian ("Custodian") is selected by, and serves at the pleasure of, the Board. The Custodian will, among other duties, collect income and keep safe all cash and securities, and will regularly summarize these holdings, along with both their individual and collective performance, for Staff's review. The Custodian will provide data and performance reports to the Staff and Consultants at requested intervals. In addition, a bank or trust depository arrangement will be utilized to hold cash prior to allocating it to Managers and to invest such cash in liquid, short-term securities in accordance with Manager Guidelines. Pursuant to approved Strategic Policy Targets, Staff will direct the Custodian to allocate cash and/or securities to the System's Managers as necessary. The Custodian may also, with the approval of the Board and at the direction of the Staff, engage in a Securities Lending program. Alternatively, the Board may choose to retain a third-party firm to provide Securities Lending services.

#### **General Counsel's Office**

The role of the General Counsel's office is to oversee internal and external legal services provided to the System in connection with this Policy and to ensure compliance with all applicable legal requirements.

#### **External Counsel**

External Counsel may be retained to provide legal services in connection with the review and negotiation of Investment Management Agreements or

investment transactions where specialized experience is required, or General Counsel Office resources are unavailable.

## **B. Strategic Allocation and Rebalancing Strategy**

### **Purpose**

The purpose of the Strategic Allocation and Rebalancing Strategy is to establish a framework that has a high likelihood, in the judgment of the Board, of realizing the System's long-term funding success.

### **Targets and Ranges**

Strategic Allocation involves establishing Target Allocation Percentages for each approved Strategic Class and their sub-class components. Target Allocation Percentages are established and amended from time-to-time by the Board, based on recommendations from the General Consultant. Target Allocation Percentages are selected based upon a review of various combinations of Strategic Classes and their respective Components designed to sustain the System's funding progress while incurring an acceptable level of risk.

In developing its recommendation, the General Consultant takes into consideration Expected Returns, Volatility of Returns and Covariance of Returns, and certain scenario and liquidity risks. SURS' current Strategic Policy Target and Interim Policy Target Percentages are set forth in Exhibit 4.

The Interim Policy Target may change over time and reflects the necessity of a gradual shift of assets to the Strategic Policy Target, due to practical implementation considerations and Liquidity constraints. Staff has discretion to gradually adjust the Interim Policy Targets toward the Strategic Policy Targets.

### **Rebalancing**

Investment returns on each Strategic Class in the portfolio (both positive and negative) cause the balance of each such Strategic Class to increase/decrease. Such changes cause the resultant Strategic Class Percentages to deviate from the Strategic Policy Target, potentially requiring Rebalancing.

Rebalancing shall automatically occur whenever a Strategic Class is three (3) percentage points greater or lesser than the Strategic Policy Target level or when the overall Broad Growth allocation deviates from the aggregate Broad Growth target by more than five (5) percentage points. Rebalancing may also be initiated by the Staff as part of its annual review or at any time when Strategic Class Percentages deviate significantly from Strategic or Interim Policy Targets, as applicable. Rebalancing may also occur in the event of a change in the Strategic Policy Target mix by the Board.



Rebalancing, when required, shall occur as soon as practical and may be facilitated by the use of a Cash Overlay Manager approved by the Board. In the event of extraordinary market events that (i) result in Strategic Class Percentages deviating significantly from Strategic Policy Targets or Interim Policy Targets, as applicable, but (ii) prevent the implementation of Rebalancing activities, Staff may request from the Board temporary exceptions to these guidelines.

Because certain Strategic Classes and sub-class Components are illiquid or less liquid than others, it may be costly or impractical to rebalance in the short term. Accordingly, qualitative considerations (e.g., transaction costs, liquidity needs, investment time horizons, etc.) will be considered in determining the potential timing and extent of Rebalancing to the extent illiquid/less liquid Strategic Classes/Components require adjustment.

The Target Allocation Percentages shall be established at a reasonable cost, recognizing that overly precise administration of policy targets can result in transaction costs that are not economically justified.

Consequently, the Board accords the Staff discretion to take those actions which, in the judgment of the Staff, are within the spirit of these guidelines and in the best interest of SURS. Staff will report the results of Rebalancing activity to the Investment Committee at the next regular Investment Committee meeting.

#### **Periodic Review**

The Target Allocation Percentage will be reviewed annually for reasonableness relative to changes in the General Consultant's recommendation. The Board will undertake a comprehensive review of the Strategic Allocation policy every three to five years, or to the extent there are any significant changes made to the System's Strategic Objectives. This review will take into consideration the ongoing effectiveness of the Consultant's recommendation, an updated Asset/Liability Study, System Liquidity, and other factors that may influence the Strategic Policy Target or Rebalancing strategies.

### **C. Investment Risk Management**

#### **Risk Oversight**

Investment risk shall be undertaken in order to achieve long-term investment objectives. The Board shall monitor investment risk and set guidelines for the Staff to manage such risk within acceptable tolerance levels.

#### **Portfolio Risk**

Risk levels within the Portfolio will evolve over time for various reasons, including (but not limited to) changes in: (i) Strategic Allocation; (ii) volatility in Strategic Class/Component returns; (iii) Strategic Class/Component relationships; and (iv) portfolio Liquidity.

### **Other System Risks**

The System also incurs risks associated with: (i) amount and timing of Appropriation payments; (ii) the amount and timing of Member benefits and other System obligations; and (iii) changes in the System's Asset/Liability Position.

### **Risk Monitoring**

Portfolio risk shall be monitored through multiple forms of analysis. Analysis will occur at various levels of detail, including individual Manager, Strategic Class, and Total Portfolio.

For public market portfolios, individual Managers will be reviewed quarterly using risk measures that may include: (i) Beta; (ii) Standard Deviation; (iii) Tracking Error, and (iv) R-squared. For private markets, individual Managers will be periodically reviewed using risk measures tailored for each Asset Class.

For major Strategic Classes and their Components, the Board will review quarterly risk measures that may include Standard Deviation.

For the Portfolio as a whole, the Board will review on a quarterly basis various risk measures that may include: (i) Actual vs. Target Allocation Percentages; (ii) Total Portfolio Risk; (iii) Market Risk Levels; (iv) Market Sentiment Indicators; (v) Value at Risk; (vi) Portfolio, Benchmark, and Active Risk; and (vii) Liquidity Profile.

Other system risk metrics may include: (i) System Cash Flow analysis and (ii) Asset/Liability gap analysis.

To the extent that risk thresholds at the individual Manager, Strategic Class, or Portfolio level exceed those established by the Board, Staff will recommend remedial action for Board approval at the next scheduled Board Meeting.

### **Reporting**

Reports will be assembled on a quarterly basis by Staff, Consultant, or Custodian, as applicable and provided to the CIO for review. Summary reports will be assembled and presented to the Investment Committee on a quarterly basis.

## **D. Portfolio Construction and Performance Benchmarks**

The Board has adopted Target Allocation Percentages in accordance with its Strategic Allocation and Rebalancing strategy described in Section 5.B. hereinabove. Within each Strategic Class, the Board will determine (i) the amount of such class that will be managed internally vs. externally; (ii) managed actively vs. passively; (iii) allocated to a particular sub-class, sector or style, if any, and (iv) allocated to each approved Manager. Strategic Class allocations will be reviewed annually in connection with the Target Allocation Percentage review.

The choice of internal vs. external management shall be based on a periodic comparison of (i) the cost and availability of qualified Staff and systems support and (ii) the cost and availability of Managers. Currently, the Board makes exclusive use of external Managers.

The portfolio will be managed in a combination of active and passive management. Active management will be used to a greater extent in less efficient markets while passive management will be used more heavily in more efficient markets.

Amounts allocated to each Manager, within a Strategic Class, sub-class, sector or style shall be based on: (i) the total dollar amount to be allocated to such category; (ii) the relative ongoing performance of applicable Managers; (iii) the unique attributes of such Manager's investment style and potential benefits from diversification; and (iv) the overhead cost of managing the number of Managers within such category. Subject to SURS' MWDBE Manager Utilization Goals and Manager Diversity Program, the Board has a bias toward fewer Managers and more meaningful allocations.

Managers selected by the Board will be given specific roles within each Strategic Class, sub-class, sub-sectors, and styles, as applicable. These roles are specifically set forth for each firm as Manager Guidelines, established at the beginning of the relationship with SURS as part of the contract negotiation process. These guidelines cover such items as Benchmarks, permissible investments, use of leverage, obligor concentrations, currency denomination, etc. Staff and Consultant will be responsible for implementation of these guidelines, supervision of the Managers, performance monitoring, and reporting. Updates will be provided to the Board or Investment Committee as requested, or as deemed necessary by Staff and Consultant.

### **Broad Growth Class and Its Underlying Components**

The Broad Growth Class is expected to generate relatively high levels of absolute and real (i.e., inflation-adjusted) returns, net of all costs. The Broad Growth Class is considered the main return driver of the overall/aggregate total SURS investment portfolio. While over time volatility is expected, the Broad Growth class must achieve its relatively high returns on a sustainable basis in order for the overall SURS pension plan to achieve its long-term objectives. In addition, each of the three Broad Growth components (described below) are expected to produce relatively high returns when compared to other SURS class portfolios.

The Broad Growth class consists of three components:

- Traditional Growth
- Stabilized Growth, and
- Non-Traditional Growth.

The structures and roles of these three components are described in detail below. Allocation levels to the Broad Growth Class and its three components are set forth in Exhibit 4. The structure of each major component should cause investment performance outcomes to be complementary of the respective outcomes of the other two components, allowing for a more robust and sustainable long-term growth path for the combined SURS growth-oriented assets.

## **1. Traditional Growth Component Structure**

### **a. Role**

The Traditional Growth portfolio is expected to generate attractive absolute returns in a relatively low-cost manner. The Traditional Growth portfolio also typically invests in securities that exhibit reasonable levels of Liquidity.

### **b. Investment Structure**

- i. The Traditional Growth allocation consists of a highly diversified mix of publicly traded global Equities. Common stocks, preferred stocks, or other Equity securities are typically utilized.
- ii. The public Equity portfolio is composed of U.S., non-U.S. and global Equity segments.
  - o U.S. Equities  
Managers invest primarily in publicly traded Equity securities of U.S. companies.
  - o Non-U.S. Equities  
Managers invest primarily in publicly traded Equity securities of non-U.S. companies, in both developed and emerging markets.
  - o Global Equities  
Managers invest primarily in publicly-traded Equity securities across the U.S. and non-U.S. markets, in both developed and emerging markets.

### **iii. Allocation**

The allocations to the above subcomponents of Traditional Growth portfolio are overseen and managed by Staff. To ensure consistency with investment policy, overall regional allocations (e.g., the allocation proportion to the U.S. versus non-U.S. regions and/or developed vs. emerging markets, etc.) of the Traditional Growth portfolio will be assessed versus the commensurate proportional allocation levels exhibited within the MSCI ACWI IMI Index, the Benchmark for the

overall Traditional Growth portfolio. Taking these considerations into account, Staff has discretion to manage the allocation levels among the above three portfolio segments.

- iv. Assets may be held in Commingled Funds or privately managed Separate Accounts.
- v. Use of leverage will be controlled as appropriate in the Manager's Guidelines.
- vi. Implementation of the Traditional Growth portfolio is via a combination of Active Management and Passive Management. Allocation to active and passive mandates takes market efficiency into account across and/or within the above three major Traditional Growth segments.

c. Benchmarks

Benchmarks for the Traditional Growth portfolio and its three subcomponents are set forth in Exhibit 5. Benchmarks for specific subcomponent, sector, style, and/or manager portfolios will be established to ensure consistency with both the overall Traditional Growth benchmark as well as the specific subcomponent Benchmark under which the portfolio resides.

**2. Stabilized Growth Component and Its Underlying Sub-Components**

The Stabilized Growth Component is expected to earn Risk-Adjusted returns in excess of the Traditional Growth Component, primarily as a result of (i) achieving absolute return levels that are near-or-equivalent to those achieved by the Traditional Growth component while also (ii) achieving lower volatility (risk) over a full investment cycle, particularly during Traditional Growth bear markets.

The Stabilized Growth component consists of three sub-components:

- Public Credit,
- Private Credit, and
- Real Assets.

The structures of these three sub-components are described below. Allocation levels to the Stabilized Growth component and its sub-components are set forth in Exhibit 4.

**a. Public Credit Structure**

- i. Role

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The public credit portfolio is expected to provide income, yield and diversification to the total Portfolio due to a moderate correlation with other Asset Classes. In addition, the public Credit portfolio is expected to provide return, a source of Liquidity, and positive returns relative to an appropriate performance Benchmark.

ii. Investment Structure

1. The Credit allocation consists of a diversified mix of publicly traded Credit securities, invested across multiple asset types.
  - o Quality standards, such as credit, concentration, duration, liquidity, etc., will be specifically set forth in each Manager's Guidelines, as applicable. In the event a security no longer meets the quality standards referenced above, the Manager may continue to hold such security if it believes doing so is in the best interest of SURS. The Manager shall provide written justification of the action to Staff and Consultant as soon as practicable.
2. The public credit portfolio is composed of Global Investment Grade, High Yield, Global Bank Loans and Emerging Market Debt ("EMD") segments.
  - o Global Investment Grade
    - Managers may invest primarily in global investment grade securities of corporation and governmental agencies.
    - Global Investment Grade is defined as those with a rating of at least "BBB-" or equivalent by two or more of the credit rating agencies.
  - o High Yield
    - Managers are permitted to invest in high yield bonds with an understanding that these bonds provide greater risk, potential for capital loss but with greater potential yield/return.
    - High Yield bonds are defined as those that are rated lower than "BBB-" by at least one of the credit rating agencies.
  - o Global Bank Loans

- Managers may invest in global bank loan debt
- EMD
  - Managers invest in Investment Grade corporate and high yield debt securities of emerging market countries, in both U.S. dollar and local currency terms, providing additional diversification and opportunities for higher yield.

### 3. Allocation

- The policy targets for the subcomponents of the portfolio are set forth in Exhibit 4.
- 4. Assets may be held in Commingled Funds or privately managed Separate Accounts.
- 5. Use of leverage and short sales will be controlled as appropriate in the Manager's Guidelines.
- 6. Implementation of the Credit portfolio is via Active Management.

### iii. Benchmarks

Benchmarks for subcomponents of the Fixed Income portfolio are set forth in Exhibit 5.

## b. Private Credit Structure

### i. Role

The Private Credit portfolio is expected to earn absolute returns in excess of the Public Credit markets over time, reflecting a modest illiquidity premium. The Private Credit portfolio is also expected to produce stable income and downside collateral protection.

### ii. Investment Structure

1. The Private Credit allocation is generally defined as non-bank financing and/or private placements while incorporating multiple collateral types (including but not limited to corporate credit, mortgage credit, structured credit, specialty finance, asset-based, and consumer credit) and strategies.

2. The Private Credit portfolio is composed of two major subcomponents.
  - o Yield-Oriented
    - Yield-Oriented investment strategies target primary/origination-based transactions that focus on generating returns through performing cash flows.
  - o Opportunistic
    - Opportunistic investment strategies target secondary/asset purchases that rely more heavily on generating returns through appreciation.
3. Allocation
  - o The Private Credit portfolio shall be diversified by time, subclass, manager, collateral, and geography.
  - o Such diversification is expected to enhance returns and control risk.
4. The account structure is typically in commingled Closed-end Funds, but may utilize other structures such as evergreen vehicles including Separate Accounts and/or Fund of Ones.
5. Leverage may be utilized by some Private Credit strategies.
6. Implementation of the Private Credit portfolio is via Active Management.

iii. Benchmarks

Benchmarks for the Private Credit portfolio are set forth in Exhibit 5.

**c. Real Assets Structure**

i. Role

The Real Asset portfolio is expected to generate attractive Risk-Adjusted Returns through stable income and the opportunity for capital appreciation, while providing diversification to the overall Portfolio.

ii. Investment Structure



1. The Real Asset allocation consists of Core/Core-Plus Real Estate and Core/Core-Plus Infrastructure.
  - o Core Real Estate
    - Core Real Estate Managers typically invest in properties that are well located and well leased with strong quality tenants. Core investments provide stable income with lower volatility.
  - o Core-Plus Real Estate
    - Core-Plus Real Estate Managers typically invest in properties that are well located and may have re-financing, re-leasing or refurbishment requirements. Core-Plus strategies may have modestly higher leverage than Core strategies. Core-Plus investments should provide moderate income. Core-Plus Real Estate may have modestly higher return expectations than Core Real Estate.
  - o Core Infrastructure
    - Managers typically invest in a variety of assets in the transportation, power/utilities, midstream energy, renewables, communications, and waste management sectors globally. Core investments should exhibit low-to-moderate levels of leverage, as well as income and appreciation return orientation. Core investments should provide stable income with lower volatility.
  - o Core-Plus Infrastructure
    - Managers typically invest in a variety of assets in the transportation, power/utilities, midstream energy, renewables, communications, and waste management sectors. Core-plus investments typically exhibit moderate levels of leverage, as well as income and appreciation return orientation. Core-plus infrastructure may have modestly higher return expectations than Core infrastructure
2. Allocation

- The policy allocation for the Core/Core-Plus Real Estate is 85% of the Real Assets component, with a range of 75-100%.
3. The account structure for Core/Core-Plus Real Estate and Infrastructure is typically either Open-end Funds or Closed-end Funds. SURS may also participate through Fund-of-Funds structures, which provide further Manager diversification and the opportunity for co-investment and secondary fund opportunities.
  4. Leverage is an inherent component of Real Assets investing and levels are generally determined on a fund-level basis. Leverage levels in Core/Core-Plus Real Assets are typically lower than those for Non-Core Real Assets.
    - Core/Core-Plus Real Estate: funds may have up to 40% leverage, maximum of 50%
    - Core/Core-Plus Infrastructure: funds generally do not have stated leverage limitations

#### 5. Diversification

- Core/Core-Plus Real Estate: Portfolio will be broadly diversified and measured against the NCREIF Fund Index - Open End Diversified Core Equity ("NFI-ODCE") Value Weighted Index property type weightings (office, retail, industrial, apartment, other)
  - Core/Core-Plus Real Estate: Portfolio will be broadly diversified and measured against the NFI-ODCE Value Weighted Index regional weightings (East, South, West, Midwest)
  - Infrastructure: Minimum 75% invested in Organisation for Economic Co-operation and Development ("OECD") countries
  - Up to 25% of the Real Asset allocation may be invested outside the U.S.
6. The Real Assets portfolio is implemented via Active Management. SURS will seek to diversify the portfolio by utilizing various Managers and limiting a Manager's concentration within the portfolio. Subject to Emerging Investment Manager and MWDBE Utilization Goals and Board exception, concentration limits are set

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forth in Exhibit 4. The optimal number of investment vehicles in the portfolio and their vintage year exposure varies with market opportunities and will be evaluated as part of the Real Assets Strategic Plan and Pacing Model developed by Staff and Consultants.

iii. Benchmarks

Benchmarks for subcomponents of the Real Assets portfolio are set forth in Exhibit 5.

**3. Non-Traditional Growth Component and its Underlying Sub-Components**

The Non-Traditional Growth Component is expected earn Risk-Adjusted returns in excess of the Traditional Growth Component, primarily due to the Liquidity Premium demanded by investors across various types of private markets.

The Non-Traditional Growth component consists of two sub-components:

- Private Equity and
- Non-Core Real Assets.

The structures of these two sub-components are described below. Allocation levels to the Non-Traditional Growth component and its two sub-components are set forth in Exhibit 4. Specific manager/partnership investments and allocations are overseen by SURS' specialty consultants.

a. Private Equity Structure

i. Role

The Private Equity portfolio is expected to earn Risk-Adjusted Returns in excess of the public Equity markets, primarily due to the Liquidity Premium demanded by investors. The Private Equity portfolio is also expected to decrease the volatility of the Portfolio, through the diversification benefits of having lower correlations with other Asset Classes.

ii. Investment Structure

1. The Private Equity allocation generally consists of investments into private companies, either directly or through limited partnership interests of pooled vehicles covering the broad spectrum of private investments as follows in subsection ii(2).
2. The Private Equity portfolio is composed of three major subcomponents.

- Venture Capital/Growth
    - Venture capital partnerships primarily invest in businesses still in the conceptual stage (start-up or seed) or where products may not be fully developed, and where revenues and/or profits may be several years away.
    - Growth/late-stage venture capital partnerships typically invest in more mature companies in need of growth or expansion capital.
  - Buyout
    - These partnerships provide the equity capital for acquisition transactions either from a private seller or the public, which may represent the purchase of an entire company, or a refinancing or recapitalization transaction where Equity is purchased.
  - Other
    - Mezzanine/subordinated debt partnerships provide the intermediate capital between Equity and senior debt in a buyout or refinancing transaction.
    - Restructuring/distressed debt partnerships typically make new investments in financially or operationally troubled companies, often for a control position, with a view to improving the balance sheet and operations for a subsequent sale.
    - Special situations partnerships include organizations with a specific industry focus or transaction type not covered by the other subclasses mentioned above, or unique opportunities that fall outside such subclasses.
3. Allocation
- The Private Equity portfolio shall be diversified by time, subclass, and geography.
  - Such diversification is expected to enhance returns, control risk, and reduce volatility.
4. SURS currently participates in Private Equity through various structures including commingled Fund-of-Funds, Separate Accounts, and primary fund commitments.
5. In addition to limited partnership interests, SURS may participate in

co-Investments, which are direct investments alongside a general partner.

6. Leverage may be present in Private Equity investments, most commonly in buyout partnerships. Levels are generally determined on a fund-level basis.
7. Implementation of the Private Equity portfolio is via Active Management.
8. To manage private equity exposure or to rebalance the portfolio, SURS may consider a sale of private equity interests on the secondary market.

iii. Benchmarks

Benchmarks for the Private Equity portfolio are set forth in Exhibit 5.

b. Non-Core Real Asset Structure

i. Role

The Non-Core Real Asset portfolio is expected to earn Risk-Adjusted Returns in excess of the public Equity markets, primarily due to re-positioning and development of real asset projects, the use of leverage, and to a Liquidity Premium demanded by investors. At the margin, the Non-Core Real Asset portfolio is also expected to diversify the broader Non-Traditional Growth Portfolio, which also includes Private Equity (see above).

ii. Investment Structure

1. Non-Core Real Asset investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in need of re-tenanting, development, re-development, operational improvements, or renovation, or are otherwise in some form of distress, exhibit sub-optimal capital structures, or experiencing market dislocation(s). They may also be located in emerging/non-institutional market segments and/or product/asset types. Such investment may utilize more aggressive financial structures in order to raise the return/risk profile, emphasize capital appreciation, and exhibit relatively high return objectives.
2. The Non-Core Real Asset portfolio may consist of equity or

debt investments in real estate, infrastructure, or agriculture.

3. Allocation

- o The Non-Core Real Asset portfolio shall be diversified by time, subclass, and geography.
- o Such diversification is expected to enhance returns, control risk, and reduce volatility.

4. The account structure is typically in funds. SURS may also consider investments through a Fund-of-Funds structure, which provides Manager diversification and the opportunity for co-investment and secondary fund opportunities.

5. Leverage is typically present in Non-Core Real Asset investments. Levels are generally determined on a fund-level basis.

6. Up to 25% of the Real Asset allocation may be invested outside the U.S.

7. Implementation of the Non-Core Real Asset portfolio is via Active Management.

iii. Benchmarks

Benchmarks for the Non-Core Real Asset portfolio are set forth in Exhibit

~~5.~~

4. **Principal Protection Class Structure**

a. Role

The principal protection portfolio is expected to provide a modest absolute return, be an anchor to the overall portfolio and significant diversification to the total Portfolio due to low correlation with other Asset Classes. In addition, the principal protection portfolio is expected to provide capital preservation, a source of Liquidity, lower volatility and competitive returns relative to an appropriate performance Benchmark.

b. Investment Structure

- i. The principal protection allocation consists of a diversified mix of publicly traded Fixed income securities, invested across multiple asset types.

1. Quality standards, such as credit, concentration, duration, liquidity, etc., will be specifically set forth in each Manager's Guidelines, as applicable. In the event a security no longer meets the quality standards referenced above, the Manager may continue to hold such security if it believes doing so is in the best interest of SURS. The Manager shall provide written justification of the action to Staff and Consultant as soon as practicable.
  - ii. The principal protection portfolio is composed largely of Treasuries, Agency backed mortgage securities, and other agency backed bonds.
    1. Mortgage-Backed Securities – Agency
      - o Managers invest primarily in Mortgage-backed Securities (MBS) issued by the U.S. government agencies (Fannie Mae, Freddie Mac, or Ginnie Mae).
    2. Treasuries
      - o Managers invest in treasury securities of the U.S. government.
    3. Other
      - o Managers may invest in other high-quality segments as clarified in manager specific guidelines; however, these must be Investment Grade credit, that is rated "BBB" or higher by two or more of the credit rating agencies.
  - iii. Allocation
    1. The policy targets for the subcomponents of the portfolio are set forth in Exhibit 4.
  - iv. Assets may be held in Commingled Funds or privately managed Separate Accounts.
  - v. Use of leverage and short sales will be controlled as appropriate in the Manager's Guidelines.
  - vi. Implementation of the Principal Protection portfolio is primarily via Active Management.
- c. Benchmarks

Benchmarks for subcomponents of the Fixed Income portfolio are set forth in Exhibit 5.

## **5. Inflation Sensitive Class Structure**

### **a. Role**

The Inflation Sensitive portfolio is expected to provide the portfolio with a hedge against structural inflation. In addition, the inflation sensitive portfolio is expected to provide competitive returns relative to an appropriate performance Benchmark

- i. Quality standards, such as credit, concentration, duration, liquidity, etc., will be specifically set forth in each Manager's Guidelines, as applicable. In the event a security no longer meets the quality standards referenced above, the Manager may continue to hold such security if it believes doing so is in the best interest of SURS. The Manager shall provide written justification of the action to Staff and Consultant as soon as practicable.

### **b. Investment Structure**

- i. The Inflation Sensitive Class consists solely of Treasury Inflation Protected Securities:
- ii. Implementation of the TIPS portfolio is currently via Passive Management.

### **c. Benchmarks**

Benchmarks for the Inflation Sensitive Class are set forth in Exhibit 5.

## **6. Crisis Risk Offset Class Structure**

### **a. Role**

The Crisis Risk Offset ("CRO") portfolio is expected to produce significant positive returns during an extended recessionary-type equity market crisis, while maintaining purchasing power during more normal market environments. In this respect, the CRO portfolio is expected to enhance the long-term risk-adjusted performance of the Total Portfolio, by substantially mitigating significant drawdowns that the Total Portfolio might experience.

### **b. Investment Structure**



- i. The CRO allocation generally consists of investments in highly-liquid portfolios that are meant to capture key risk premia and market participant behavior that should prove largely beneficial during an equity-related market crisis. Along these lines, the underlying investments and strategies may utilize both long positions and short-selling positions to capture the desired return patterns/behavior.
- ii. The CRO portfolio is composed of four major subcomponents.
  1. Long U.S. Treasury Duration
    - o U.S. Treasuries represent the leading “flight-to-quality” investment since they are backed by the U.S. Government. The U.S. Dollar (the base denomination of U.S. Treasuries) is also considered the world’s highest-quality reserve currency.
    - o Exposure to U.S. Treasury Duration can take place via cash markets (i.e., actual bonds) or the futures markets (virtual bond proxies).
  2. Systematic Trend Following
    - o Long-short portfolios utilizing derivatives-based instruments to capture both periodic appreciation and periodic depreciation trends that evolve and dissipate across a very wide array of liquid global markets. Risk/volatility is calibrated to a pre-determined level derivatives-based leverage.
    - o Assets will be invested in highly liquid underlying securities (cash, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.
    - o In order to appropriately calibrate the expected volatility of this component and the overall CRO class, significant levels of derivatives-based leverage may be applied. Effects of leverage are adjusted daily through market-based exchanges/facilities, ensuring appropriate and timely mark-to-market valuations.
  3. Alternative Risk Premia
    - o Long-short portfolios utilizing both cash and derivatives-based instruments to capture well-researched/documentated non-market risk premiums (e.g.,

momentum, carry, value, low-volatility, etc.) on a continuous basis, utilizing an array of liquid global markets. Risk/volatility is calibrated to a pre-determined level utilizing cash and derivatives-based leverage.

- Assets will be invested in highly liquid underlying securities (cash, stocks, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.
- Strategies should be designed to exhibit “market-neutral” outcomes, exhibiting lack of relationship with the major market-based risk premia (e.g., equity risk premia, duration risk premia).

#### 4. Long Volatility and Tail Risk

- Derivative-based strategies that invest in instruments that have structural or explicit inverse relationships with global Equity markets.
- Assets will be invested in highly liquid underlying securities, such as put options, call options, or index futures on Equity and Volatility indices in order to monetize gains and rebalance into Growth assets during periods of appreciation within the Long Volatility and Tail Risk strategies.
- Long Volatility strategies are expected to decline by a marginal amount (e.g., -4% per annum) during benign or bull market periods.
- Tail Risk strategies are expected to expend a pre-approved premium level (i.e., insurance cost) each renewal period with the assumption that the premium/NAV may decline to zero if no major event occurs.

### iii. Allocation to Subcomponents

1. The policy targets for the subcomponents of the portfolio are set forth in Exhibit 4.
2. Assuming the capital weights above are consistently maintained, it is highly likely that the volatility associated with the Systematic Trend Following component will contribute the most to overall CRO class volatility over time.

- iv. Fund account structures (versus separate accounts) will be emphasized in the Systematic Trend Following, Alternative Risk Premia, and Long Volatility strategies. Use of fund account structures will likely reduce the monitoring, accounting, and administrative burdens of these relatively unconstrained and dynamic strategies.
- v. Derivatives-based leverage will be utilized significantly across these strategies. Leveraged positions are typically adjusted on a daily basis to conform to pre-established guidelines (see below).
- vi. Implementation of the CRO portfolio will utilize both replication (passive) and active management where deemed appropriate and prudent within each subcomponent.

c. Risk Profile of CRO Class and its Subcomponents

- i. The aggregate CRO class has a total risk (standard deviation) range/budget set at a level to effectively counterbalance the volatility experienced in the SURS portfolio's major growth-oriented components:

- 1. Lower risk level limit (annualized standard deviation): 8%
- 2. Upper risk level limit (annualized standard deviation): 15%

If the behavior of the CRO class causes its recent historical volatility to deviate significantly beyond these limits, then a rebalancing process and/or target volatility adjustment should occur among the CRO managers based on recent risk profiles of each manager/component as well as on prospective risk views for each manager/component.

- ii. The expected volatility ranges for the three components are shown below:

**Risk Budget Ranges – CRO Components (% of Net Asset Value)**

Component	Annualized Volatility Expectation
Long Duration Capture	12% - 20%
Systematic Trend Following	10% - 20%
Alternative Risk Premia	8% - 12%
Long Volatility	8% - 30%

While the expected volatility ranges for each subcomponent are high relative to the expected risk budget level of the aggregate CRO class, the diversifying aspects of each subcomponent (and its underlying manager(s)) will combine to reduce volatility at the aggregate class level.

d. Benchmarks

Benchmarks for the CRO portfolio are set forth in Exhibit 5.

**7. Opportunity Fund Structure**

a. Role

The Opportunity Fund portfolio is designed to allow flexibility for opportunistic investment. Investments in the Opportunity Fund may be a one-time occurrence, such as investments capitalizing on a market dislocation. Successful investments that evolve into a more permanent opportunity may ultimately be transitioned into another Strategic Class with similar characteristics.

b. Investment Structure

The structure of the Opportunity Fund is not fixed and may vary considerably over time.

c. Benchmark

Benchmarks for the Opportunity Fund portfolio will be established and set forth in Exhibit 5 prior to implementation.

**E. Selection and Retention**

**Introduction**

The processes used for selection and hiring of Consultants, Managers and Custodians are set forth in the ***SURS Investment Procurement Policy***. In general, the criteria used to determine the minimum qualifications of firms to be selected for an assignment are shown below:

**Selection Criteria**

1. Registration with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940, or otherwise qualified under the Illinois Pension Code.

2. Experience of the firm in the management of institutional portfolios operated under prudent person standards, as well as related investment management experience.
3. Qualifications and/or depth of the professional Staff.
4. Soundness of the firm's investment philosophy and process.
5. The investment record of the firm and/or the firm's principals in former associations where that record is verifiable.
6. The adequacy of the firm's trading, back office, accounting and reporting, and client servicing capabilities.
7. Fees.
8. Sustainable Investing Principles, as discussed below.

Sustainable Investing Principles: In accordance with 40 ILCS 5/1-113.17, as it currently exists or may hereafter be amended, the Board will regularly consider material, relevant, and decision-useful sustainability factors, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. These factors shall be considered in addition to other material risk factors influencing investment decision making. The consideration of sustainability factors will be considered in monitoring SURS's proxy voting, and in the selection and ongoing monitoring of SURS's investment managers and mandates, and other service providers as appropriate.

Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors. Staff, in conjunction with the General Consultant and any Specialty Consultants, will perform periodic evaluations of these factors to ensure they are relevant to the investment portfolio and the evolving marketplace.

#### **Investment Manager and Fund Monitoring**

Monitoring of investment managers and fund investments will take place as described in this subsection.

#### **Marketable Securities Portfolios**

An evaluation of each Manager shall be conducted annually by the Staff and the Consultants. The evaluation shall be based on a number of factors, including, but not limited to, organizational and personnel issues and whether the Manager has

complied with its Manager Guidelines and met performance objectives. Evaluation will include the results of periodic due diligence meetings and phone calls.

To the extent that significant concerns about a Manager arise, the Staff or Consultant shall communicate their concerns to the Investment Committee/Board and recommend available options, including exit strategies (see Section 5.F., 'Investment Manager Termination Guidelines.'). Between annual reviews, subject to Manager Termination Guidelines, the Staff or Consultants may recommend immediate Termination.

#### **Closed-end Fund and Separate Account Evaluation**

Limited partnership interests in private Closed-end Funds and investments in private markets Separate Accounts (i.e., Private Equity, Real Estate, infrastructure, etc.) will be reviewed by Staff and Consultant annually. The evaluation shall be based on a number of factors, including, but not limited to, organizational and personnel issues and whether the Manager has complied with its Manager Guidelines and met performance objectives. Evaluation will include the results of periodic due diligence meetings and phone calls.

To the extent that significant concerns about a Closed-end Fund or Separate Account or material events arise, the Staff or Consultant shall communicate their concerns to the Investment Committee/Board and recommend available options, including exit strategies.

### **F. Investment Manager Termination Guidelines**

#### **Introduction**

From time to time it will be necessary for the System to terminate a contractual relationship with a Manager. Pursuant to its fiduciary duties, the Board has established the following guidelines to assist in making these Termination decisions. In establishing these guidelines, it is the Board's ~~r~~-intention to carry out these actions using objective evaluation, proper documentation and full disclosure. The overriding consideration with respect to all decisions is that they shall be made solely in the best interest of Members and consistent with all legal requirements.

#### **Clearly Defined Objectives**

Any action to terminate a Manager should be based on one or more of the following primary criteria:

- a. Performance of the Manager has been unsatisfactory over a market cycle;
- b. Any other guideline is violated by a Manager and is not remediated to the satisfaction of the Board;

- c. Default under an Investment Management Agreement;
- d. Change in Asset Allocation, which reduces or eliminates the need for all existing Managers; or
- e. Failure to satisfy any other legal or Policy requirements.
- f. Significant change to the Manager's organizational structure, personnel (not limited to designated "key" individuals), and/or investment process which Investment Staff, the Investment Consultant, and/or the Investment Committee determines to be detrimental to the management of the portfolio.

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Prior to a Termination decision, a thorough evaluation of the relevant criteria supporting such action shall be reviewed by the Board. Documentation regarding any such action shall include the reasons for such decision.

In the event that termination of a Manager is warranted under the Manager Termination Guidelines, and prompt termination of the Manager is necessary to protect and preserve System assets, SURS Staff may, with the prior approval of the Executive Director, terminate the Manager prior to Board action. The Board shall be promptly notified of the decision to terminate the Manager and the decision shall be presented to the Board for ratification at its next meeting.

Notwithstanding this provision, the Board retains the authority, in its sole discretion, to terminate any Manager for any reason, with or without notice, when it determines such action is in the best interests of the Members.

#### **Investment Manager Transition**

In the event of the need to transfer the management of assets from one Manager to another, Staff will effect the change in as efficient and prudent a manner as possible. The use of Transition Manager(s), which could include the use of a Cash Overlay Manager or Rebalancing Manager, is permitted when deemed in the best interests of the System. Transition plans may include, but are not limited to, the following: a transfer of securities to an appropriate Passive Investment, crossing securities with other institutional investors, or a transfer of securities to another approved Manager.

### **G. Performance Evaluation and Reporting**

#### **Performance Evaluation**

##### **Marketable Securities Portfolios**

Rates of Return and Risk-Adjusted Returns, on a net-of-fees basis, shall be calculated quarterly by the Custodian or Consultants to measure the performance

of each major Asset Class. Actual Trailing Period returns for fiscal year-to-date, one (1) year, three (3) year, five (5) year, ten (10) year periods will be compared to comparable returns for applicable Policy Portfolio indices.

Rates of Return, on a net-of-fees basis, shall also be calculated quarterly by the Custodian or Consultants to measure the performance of each individual Manager. Other measures may also be used, including Risk-Adjusted Returns, peer group performance, Risk Statistics and Performance Statistics.

#### Private Markets Portfolios

For Private Equity, Direct Real Estate and Infrastructure portfolios, Internal Rates of Return shall be calculated quarterly by the Custodian. These returns will be used to measure performance of the portfolios in comparison with Policy Portfolio indices and Benchmarks for Asset Classes and individual Managers. Returns are calculated quarterly in arrears. Other more tailored performance measures may also be used for absolute and peer group comparisons.

#### Total Portfolio

Actual returns for the total Portfolio are compared to returns on the Policy Portfolio. Returns are calculated quarterly by the Custodian.

#### Style Analysis

Staff and Consultants will periodically analyze Manager portfolios, as well as the aggregate Strategic Class and Component portfolios, to confirm that such portfolios conform to individual Manager style Benchmarks and aggregate Strategic Class and Component indices. Metrics such as Active Share may be used in this analysis. Significant deviations shall cause individual Managers to be considered for Termination.

#### **Performance Reporting**

Performance reports shall be prepared by the Staff and/or Consultant quarterly and provided to the Investment Committee and Board at regularly scheduled meetings.

Consultants will analyze the system's performance and periodically provide the Board with a detailed report on the total Portfolio, Strategic Classes and individual Managers.

Annually, Staff and Consultants will prepare and present a comprehensive review of the fiscal year results.



**Market Values**

All assets in the Portfolio will be Marked-to-Market at least quarterly, to provide an estimate of the price at which they could be sold. Following is a description of this process.

**Marketable Securities**

The Custodian provides price indications for stocks, bonds, warrants, futures, options, etc. traded on public exchanges.

**Private or Illiquid Securities**

For private and illiquid securities, each individual Manager or Fund-of-Funds Manager has the responsibility for estimating and publishing the market value of these investments. The valuation and appraisal methods used should be consistent with current CFA Institute and industry standards.

**H. Safeguard of Assets**

- **Qualification of Service Providers**

Any firm which SURS retains to manage, control, or have custody of assets shall be and shall remain qualified by thorough on-going due diligence. Appropriate agreements with the firms and trust agreements shall minimize any risk of loss of assets or income.

- **Asset Limits**

There are cost and service advantages in firms managing or having custody of large pools of assets so that in the absence of any statutory provision(s) to the contrary, there shall be no specific limit on the size of assets controlled or held in custody by any one firm within the asset allocation guidelines. However, limits may be considered on an individual Manager basis and will reflect such issues as type of mandate, strength and stability of organization, risk characteristics, etc

- **Monitoring of Service Providers**

There shall be continuous monitoring of firms which manage or have custody of assets to assure the firms continue to be stable and financially secure. Instability of any firm or financial weakness shall be reason to transfer custody and/or management of assets from the firm.

- **Authorization to Transfer Funds**

Transfer of funds between accounts must be evidenced in writing or conducted electronically by an authorized Staff member and be in compliance with the Custodial bank's procedures. The following positions have been designated by the Board to have the authority to give direction to the Custodian on any and all actions

with respect to the Master Trustee relationship between the Board and the Custodian: Executive Director ~~and~~; CIO, ~~and Deputy CIO~~. The ~~senior investment officers~~ CIO and SIO for Operations and Risk Management have been designated by the ~~Board Executive Director~~ to have the limited authority to approve payments initiated through the Trade Order Entry System related to initial or subsequent investments in limited partnerships, real estate, infrastructure, or other investments approved by the Board.

- Insurance Requirements

Managers shall be required to secure and maintain, throughout the term of their Investment Management Agreements, insurance that (i) satisfies the requirements set forth below and (ii) is provided by insurer(s) rated A- or better by A.M. Best & Company. Specific insurance requirements are set forth in each Manager's Investment Management Agreement. Each Manager shall be required to provide to the Board: (i) evidence of the requisite insurance policies upon initiation of the contract; (ii) an annual certification that the insurance requirements continue to be satisfied; and (iii) evidence of continued satisfaction of the insurance requirements upon request. With the exception of the Manager Diversity Program, the minimum insurance required for each Manager shall include: (i) a bond protecting SURS assets that meets the requirements of, and that is in the amount specified under, ERISA and the regulations thereunder; and (ii) errors and omissions coverage in an amount equal to the greater of: a) \$5 million or, b) 5% of the SURS assets under management, up to a maximum as established in the Investment Management Agreement, but not to exceed \$50 million. For Managers in the Manager Diversity Program, the minimum insurance required for each Manager shall include: (i) a bond protecting SURS assets that meets the requirements of, and that is in the amount specified under, ERISA and the regulations thereunder; and (ii) errors and omissions coverage in an amount not less than \$1 million of coverage. The insurance shall protect SURS against losses from the negligent acts, errors or omissions of the Manager.

- Custodial Credit Risk

Pursuant to 40 ILCS 5/15-166, the Board has statutory authority to be the custodian of all cash and securities belonging to the System created under Article 15 of the Pension Code. Pursuant to 40 ILCS 5/15-167, the Board may deposit SURS trust funds with one or more banks, savings and loan associations, or trust companies. This subsection addresses how SURS will handle custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment transaction will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of a financial institution or counterparty to a transaction, SURS would not be able to recover the value of deposits or investments in the possession of such party. To minimize this risk, SURS takes the following measures:

1. Performs due diligence on Custodians and advisors with which SURS will do business and appropriately documents business

relationships with these service providers.

2. Provides investment parameters for the investment vehicles detailed in the specific Investment Management Agreements.
3. Monitors the financial condition of the Custodian. If there is cause for concern, the Board of Trustees will determine appropriate action.
4. Endeavors to have all investments held in custodial accounts through an agent, in the name of Custodian's nominee<sup>1</sup>, or in a corporate depository or federal book-entry system. For those deposits or investment assets held outside of the Custodian, SURS will follow applicable regulatory rules.
5. Requires the Custodian or its sub-Custodians will provide safekeeping of all SURS securities in segregated accounts that reflect the holdings of SURS; and the Custodian will not commingle SURS securities with the Custodian's own securities.

#### **I. General Investment Restrictions and/or Guidelines**

##### **Investment Authorization**

No investment or action pursuant to an investment may be taken unless permitted by this Policy or by each Investment Manager's Guidelines. Exceptions may be made subject to prior review by, and express written authorization from, the Board.

#### **J. Corporate Governance**

##### **1. Proxy Voting Guidelines**

The Board may retain a proxy voting service, pursuant to a contract with SURS, to vote the proxies of U.S. and non-U.S. shares according to the proxy voting service's proxy voting guidelines, as customized for SURS and approved by the Board.<sup>2</sup> All proxy votes not specifically addressed by the proxy voting service's approved proxy voting guidelines, or if the Board determines not to retain a proxy voting service, will

<sup>1</sup>Registered owner of a stock or bond if different from the beneficial owner, who acts as holder of record for securities and other assets. Nominee ownership simplifies the registration and transfer of securities.

<sup>2</sup> Despite new legislation that gives the SURS Board the option to have the Treasurer of the State of Illinois vote SURS' proxies (40 ILCS 5/15-177.5), the Board believes the best practice is to continue to vote SURS proxies through the proxy voting vendor selected by the board. This continued practice ensures that SURS proxies will be voted pursuant to the voting directions specifically approved by the SURS Board.

be voted on a case-by-case basis by Managers, subject to Staff review and consistent with the fiduciary responsibilities of the Board.

Guidelines will be reviewed annually by Staff in conjunction with the proxy service provider, and recommended changes to the guidelines will be presented to the Board for approval.

The SURS Public Pension Proxy Guidelines, SURS U.S. Proxy Guidelines, and the SURS International Proxy Voting Guidelines will be maintained on the SURS website.

## **2. Proxy Voting Reports**

The proxy voting service provider shall make regular reports of proxy votes cast on behalf of SURS and, on an ad hoc basis as requested by Staff or the Board, pursuant to the terms of the proxy voting contract with SURS.

## **3. Securities Litigation Policy**

### **a. Identification Of Potential Claims**

- i. In order to weigh the costs and benefits of the various alternatives as specified below, Staff will identify potential claims by determining if it bought or sold the securities of a company during applicable periods.
- ii. Staff will regularly match the SURS portfolios against reports of securities litigation cases obtained from Consultants, law firms engaged for securities litigation, and from other sources deemed reliable by Staff.
- iii. If SURS did not buy or sell securities of a company during the applicable period, the inquiry will end. If SURS had purchases or sales during the period, evaluation of the potential claim will proceed as specified below.

### **b. Evaluation Of Potential Claims**

- i. If SURS bought or sold securities during an applicable period, evaluation of the alternatives available will begin with an initial assessment of the size of the potential claim.
- ii. When potential losses are deemed insignificant, further action will ordinarily be limited to monitoring as specified in subsection .c. below to ensure that class member claims are filed if and when there is a right to do so, unless there are extenuating circumstances that warrant further consideration by Staff and the Board.
- iii. When potential losses are deemed significant, the alternative courses of action available shall be identified by the Staff. Alternatives will likely include several different courses of action, such as:
  1. Monitoring the course of a class action suit and filing a claim at the end to participate in a class payment.

2. After consultation with the Illinois Attorney General's office, monitoring the course of a class action suit, but objecting to a proposed settlement if there are reasons to object.
3. After consultation with the Illinois Attorney General's office, seeking to control a class action by seeking designation as lead plaintiff, either singly or with others.
4. After consultation with the Illinois Attorney General's office, opting out of a class action suit and filing a separate suit, either singly or with others.
5. The relative merits of each alternative will be weighed and considered by Staff, as well as by the Illinois Attorney General's Office.
6. Staff and the Illinois Attorney General's office will make a recommendation to the Executive Committee or to the Board of any course of action beyond participating in the litigation as a passive member of the class. The Executive Committee, or the Board, as applicable, will have the authority to approve any course of action beyond monitoring the case. If the Executive Committee, or the Board, approves active participation in the litigation, additional authorization is not necessary to align with other potential plaintiffs in application for named plaintiff status if such an action is agreed appropriate by the General Counsel and the Executive Director. Counsel will be selected by the Executive Committee or the Board, after consultation with the Illinois Attorney General's office.

**c. Monitoring**

The Staff will utilize the services of the System's Custodian, as well as the services of any consultants, including Securities Litigation counsel, with expertise in this area chosen by the Board, to monitor pending cases which involve securities that SURS bought and sold during the relevant periods to evaluate any settlements proposed and to file claims as necessary for SURS to participate in distributions of funds. To the extent that Staff finds a proposed settlement inadequate to protect the interests of the System, the Executive Committee may authorize action to file legal objections. Authorization is not necessary for Staff to file an objection to attorneys' fees or expenses if an objection is agreed appropriate by the General Counsel and the Executive Director after consultation with the Illinois Attorney General's office.

**d. Legal Action**

- i. Where the Executive Committee or the Board has determined under subsection b. immediately above that the interests of the System will be

best served by seeking designation as lead plaintiff, by opting out of a domestic class action to pursue a direct action or by opting into a foreign securities litigation matter, SURS, in consultation with the Illinois Attorney General's Office, will choose appropriate counsel and will negotiate a fee agreement, if necessary, when the Attorney General's Office is unable to represent the System as its legal counsel in any such action. If the Executive Committee or the Board determines that appropriate counsel is a firm not on SURS' approved list, the recommendation of such firm shall be made to, and approved by, the Executive Committee or the Board.

- ii. Where the Executive Committee and the Illinois Attorney General's office disagree as to the desirability of seeking designation as lead plaintiff or opting out of a class action, the Executive Committee shall act in accordance with its fiduciary obligations in making a final determination.

iii. Any legal action authorized or taken shall be reported to the Board, who shall also be provided periodic updates on the status of such actions.

**e. Approved Law Firms**

- i. The Board, or Staff at the Board's direction, will interview and select, through an RFP, a roster of no more than five qualified securities litigation firms. This roster will constitute SURS' "approved list."
- ii. In cases where the initiation of litigation is a formality designed to provide support for another institutional investor, Staff may recommend that the most sensible and cost-effective source of legal representation will be the General Counsel or the legal counsel representing the institutional investor that SURS wishes to support.

**f. Authority to Settle Claims and Lawsuits**

Staff has the authority to resolve securities related litigation claims with a settlement value of \$250,000.00 or less, with required approval from the Executive Director and General Counsel. This authority includes the ability to settle direct claims and class actions at or below the \$250,000.00 threshold. This authority also includes the ability to resolve said claims by selling them to third parties or by resolving them via auction with a minimum return/guarantee of at least 50% of the potential value of the underlying claim. If SURS wants to settle a direct securities litigation case at a settlement value exceeding \$250,000.00 or wants to settle a class action where SURS is the lead plaintiff, authority to settle must come from the SURS Executive Committee or the Board.

**K. Emerging Investment Managers, MWDBE Managers and Minority-Owned Broker/Dealers**

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SURS is committed to providing opportunities for Emerging Investment Managers and Minority Owned Broker/Dealers. SURS is also committed to providing ongoing opportunities for minority-, woman-, and persons with a disability-owned (“MWDBE”) Managers that have advanced beyond the statutory definition of Emerging Investment Managers. In determining the status of a business enterprise, SURS will use the definitions found in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2(A) and (B).

The Illinois Pension Code, in 40 ILCS 5/1-109.1, encourages the Board to use Emerging Investment Managers in managing the System’s assets to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation of Emerging Investment Managers in investment opportunities afforded by the System. Furthermore, in accordance with the Illinois Pension Code, SURS encourages its Fund-of-Fund Managers to use Emerging Investment Managers as subcontractors when the opportunity arises.

#### **1. Goals for Utilization of Emerging Investment Managers and MWDBE Managers**

Beginning January 1, 2016, the Illinois Pension Code, in 40 ILCS 5/1-109.1, established aspirational goals of 20% for pension funds, with respect to assets under management by Emerging Investment Managers and the percentage number of MWDBE Managers.

In December of 2019, the Board (subject to its fiduciary responsibility) established goals for the percent of assets under management for MWDBE managers, Emerging Investment Managers as defined by Illinois statute, the percent of fees paid to MWDBE managers, and the percent of managers that are MWDBE. Furthermore, with the intent of having MWDBE Managers significantly represented in each broad Asset Class and not concentrated in any particular Asset Class, the Board has established additional goals for emerging managers in each asset class.

A summary of the Board’s goals is set forth in Exhibit 6. These goals shall be reviewed annually.

#### **2. Goals for Utilization of Minority-Owned Broker/Dealers**

The Board has set minimum expectations for the use of qualified Broker/Dealers that meet the definition of a minority-owned business, woman-owned business or a business owned by a person with a disability (“Minority-owned Broker/Dealer”) by the System’s Managers. Only trades executed directly with Minority-owned Broker/Dealers will be considered in the achievement of these goals.

Goals for Minority-owned Broker/Dealer Utilization have been established for the various public equity and fixed income classes as set forth in Exhibit 7. SURS seeks to have its Managers consistently meet or exceed these goals, while achieving best execution.

In order to achieve the goals, minimum expectations have been established for individual Managers within a number of Sub-Asset Classes. Subject to best execution, SURS requires its Managers to meet the minimum expectations set forth in Exhibit 7 for each rolling twelve (12) month period.

### **Reporting Guidelines**

Each Manager will submit a compliance report within 30 days after March 31, June 30, September 30, and December 31 of each year. Reporting will be monitored over a rolling twelve-month period.

### **Consequences of Non-Compliance**

Repeated failure to meet Minority-owned Broker/Dealer Utilization Goals will lead to the following:

- 1) Staff notification to the non-compliant Manager;
- 2) Staff examination of reasons for non-compliance;
- 3) Invitation to the non-compliant Manager to appear before Staff and/or the Board; and
- 4) Remediation plan acceptable to the Staff or recommendation to the Board to Terminate.

### **3. Manager Diversity Program**

#### **Program Description**

SURS has implemented a Manager Diversity Program (“MDP”) to identify highly successful MWDBE firms. The process used for selection of investment managers is set forth in Policy No. 6.3, **SURS Investment Procurement Policy**. Manager Benchmarks are identified in the Manager Guidelines for each Manager in the program.

### **4. Manager-of-Managers Program**

#### **Program Description**

SURS utilizes a “Manager-of-Managers” program, overseen by SURS Staff. The program’s primary goal is to identify MWDBE Managers that will be initially awarded smaller allocations within the program. Staff may recommend, for the Board’s approval, one or more Manager-of-Managers to play an active role in identifying emerging MWDBE Managers and maintain an ongoing involvement in



the evaluation and performance oversight of such Managers. Staff shall work with the Manager-of-Managers to identify, recruit, and monitor Managers in the program.

### **Graduation Program**

On an annual basis, SURS Staff and the Manager-of-Managers will identify one underlying Manager to be considered for a meaningful, direct allocation. The following factors are considered in determining when an underlying Manager should be awarded a larger allocation in the SURS Portfolio:

- Acceptable measure of performance over a three-to-five-year period;
- Stability in Manager's organization;
  
- Institutional quality infrastructure;
  
- Growth in Assets Under Management;
  
- Confidence in Manager's investment process; and
  
- Product Fit.

In addition to the factors mentioned above, the needs of the overall SURS investment program will be considered.

Notwithstanding this provision, the Board, in its sole discretion, may decide not to make any award in any given year, if it determines that such an allocation would not be in the best interests of the Members.

Beginning January 1, 2022, if an investment adviser acting in its capacity as an investment manager of a multimanager portfolio made up of emerging investment managers (an "EIM Manager") provides a written recommendation to SURS for its selection or appointment of an emerging investment manager, and such emerging investment manager has been providing investment services in such multimanager portfolio for at least 24 months, then the Board may select or appoint such emerging investment manager as a direct Manager for SURS. Any emerging investment manager appointed pursuant to the immediately preceding sentence shall be disclosed on the SURS website as an appointment per the exception provided in 40 ILCS 5/113.24 to the requirements of 40 ILCS 5/1-113.14 as it currently exists or may be amended (and such disclosure shall include the name of the EIM Manager, a statement that the Board has authorized selection or appointment of such emerging investment manager as a Manager for SURS, and a brief explanation of the reason such emerging investment manager was selected or appointed as an exception to 40 ILCS 5/1-113.14.

## L. Reporting and Other Compliance Requirements

### 1. Compliance Reporting

#### a. Website

1. Investment Information Report (30 ILCS 237/10) must be posted to SURS website by the 15<sup>th</sup> of each month, identifying the following:
  - (a) the amount of funds held by SURS on the last day of the preceding month or the average daily balance for the preceding month;
  - (b) the total monthly investment income and yield for all funds invested;
  - (c) the asset allocation of the investments;
  - (d) a complete listing all approved depository institutions, commercial paper issuers, and broker-dealers approved to do business with SURS.
2. Procurement Policy (40 ILCS 5/1-113.14(b)) must be posted to SURS website.
3. Investment services contract description (40 ILCS 5/1-113.14 (g)) must be updated on SURS website quarterly
4. Procurement exception (40 ILCS 5/1-113.14) for follow-on commitments with the same fund sponsor must be posted to SURS website.
5. The retirement system shall develop uniform documents (40 ILCS 5/1-113.14 (f)) that shall be used for the solicitation, review, and acceptance of all investment services, and shall contain all the terms contained in 40 ILCS 5/1-113.14(c).
6. A description of every contract for qualified fund-of-fund management (40 ILCS 5/1-113.15) must be posted, in a conspicuous manner, on SURS' website, and should include the name of the fund-of-funds, the name of its investment adviser, the total investment commitment of the retirement system, pension fund, or investment board to invest in such fund-of-funds, and a disclosure approved by the Board describing the factors that contributed to the investment in such fund-of-funds.

7. To contribute to Investment Transparency (40 ILCS 5/1-113.16), SURS shall maintain an official website and make available in a clear and conspicuous manner, and update at least quarterly, all of the following information concerning the investment of funds:
  - (a) The total amount of funds held by the retirement system.
  - (b) The asset allocation for the investments made by the retirement system.
  - (c) Current and historic return information.
  - (d) A detailed listing of the investment advisers for all asset classes.
  - (e) Performance of investments compared against established benchmarks.
  - (f) A detailed list of all consultants doing business with the retirement system.
  - (g) A detailed list of all contractors, other than investment advisers and consultants, doing business with the retirement system.
  - (h) Any requests for investment services.
  - (i) The names and email addresses of all board members, directors, and senior staff.
  - (j) The report required under Section 1-109.1 of the Code (Annual Report to the Governor).
  - (k) The description of each contract required under subsection (g) of Section 1-113.14 of the Code.
8. All exceptions to 40 ILCS 5/1-113.14 granted under the Procurement exception for contracts with emerging investment managers through a qualified manager of emerging managers must be published on the SURS' website, and naming the person authorizing the procurement and a brief explanation of the reason for the exception, 40 ILCS 5/1-113.24.
9. SURS must post an Annual Fiduciary Report to its website by September 1 (40 ILCS 5/15-177.6) outlining how the Board

considers sustainability factors, as defined in the Illinois Sustainable Investing Act.

b. Report Submissions

1. The retirement system shall provide by April 1 (40 ILCS 5/1-110.16 (g)) the Illinois Investment Policy Board with information regarding investments sold, redeemed, divested, or withdrawn.
2. Investment Policy (40 ILCS 5/113.17) must be filed with the Illinois Department of Insurance within 30 days of an update
3. An Economic Opportunity Investments report that identifies the economic opportunity investments made by the fund, the primary location of the business or project, the percentage of the fund's assets in economic opportunity investments, and the actions that the fund has undertaken to increase the use of economic opportunity investments. (40 ILCS 5/1A-108.5) shall be submitted by September 1 to the Governor and the General Assembly
4. SURS must submit a Report to the Governor and General Assembly by January 1 (40 ILCS 5/1-109.1) regarding Emerging Investment Managers

c. Reports Received

1. Diversity disclosure (40 ILCS 5/1-113.21) - No contract for investment services, consulting services, or commitment to a private market fund shall be awarded unless the investment advisor, consultant, or private market fund first discloses: the number of its investment and senior staff, and the percentage of its investment and senior staff who are (i) a minority person, (ii) a woman, and (iii) a person with a disability; and the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a person with a disability; and the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with a business other than (i) a minority-owned business, (ii) a women-owned business or (iii) a business owned by a person with a disability, if

more than 50% of services performed pursuant to the contract are performed by (i) a minority person, (ii) a woman, and (iii) a person with a disability.

2. Consultant Disclosures to the Board are required no later than January 1, as follow:
  - (a) 40 ILCS 5/1-113.22 – specified manager search information shall be disclosed
  - (b) 40 ILCS 5/1-113.23 - compensation and economic opportunity received in the prior 24-month period
  
3. An Illinois finance entity (40 ILCS 5/1-110.10) must annually certify that it complies with the requirements of the High-Risk Home Loan Act and the rules adopted pursuant to that Act that are applicable to that Illinois finance entity. Certification must be completed before the retirement system may invest or deposit assets. The certification must be submitted to the Public Pension Division of the Department of Financial and Professional Regulation .
  
4. SURS Sustainability Disclosure (30 ILCS 238/10) - Investment managers shall disclose, prior to the award of a contract, a description of any process through which the manager prudently integrates the sustainability factors, outlined in the Illinois Sustainable Investing Act, into their investment decision making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the manager's fiduciary duties.

## 2. Investment Reporting

- a. Per 40 ILCS 5/1-111, Ten Per Cent Limitation of Employer Securities, a plan may not acquire a security issued by an employer of employees covered by the retirement system, if, immediately after such acquisition, the aggregate fair market value of such employer securities exceeds 10 per cent of the fair market value of the assets of the retirement system.
- b. Annual Certification of Fiduciary Duty and Insurance - SURS contractual provisions may require managers to annually certify that they are aware of their fiduciary duties, and to provide proof of insurance.

- c. Investment Advisors annual submission of ADV Form - Managers are required to publish ADV Forms for registration with SEC; SURS must confirm filing by either receiving copy of ADV or checking and confirming status on SEC website

**6. Exhibits**

Attached hereto and incorporated herein are the following Exhibits:

- A. **Exhibit 1** - System Assumed Rates of Return
- B. **Exhibit 2** - Formal Board Review Schedule
- C. **Exhibit 3** - Manager's Roles and Responsibilities
- D. **Exhibit 4** - Asset Allocation Policy Mix
- E. **Exhibit 5** - Benchmarks
- F. **Exhibit 6** - SURS Utilization Goals for Emerging Investment Managers
- G. **Exhibit 7** - Manager Utilization Goals for Minority-Owned Broker/Dealers

**7. Staff Approval**

<b>Name</b>	
<b>Title</b>	
<b>Signature</b>	
<b>Date</b>	

THIS POLICY WAS APPROVED BY THE SURS BOARD OF TRUSTEES

on

OCTOBER 19, 2023September 13, 2024.

**EXHIBIT 1****System Assumed Rates of Return**

<b>Valuation Date</b>	<b>Investment Return Assumption</b>
Prior to June 30, 2010	8.50%
June 30, 2010 through June 30, 2013	7.75%
June 30, 2014 through June 30, 2017	7.25%
June 30, 2018 through June 30, 2020	6.75%
June 30, 2021 and after	6.50%



**EXHIBIT 2****Formal Board Review**

<b><i>Formal Review Agenda Item</i></b>	<b><i>Formal Review Schedule</i></b>
Total Fund Performance	At least quarterly
Asset Allocation	At least annually
Investment Policy	At least annually
Manager Performance Evaluation	At least annually

**EXHIBIT 3****Managers' Roles and Responsibilities**

1. Selection, purchase and sale of specific securities or investments, within the parameters specified by Staff and Consultants and in adherence to this Policy;
2. Construction and management of investment portfolios that are consistent with their specific Manager Guidelines;
3. Providing performance reporting to the Staff at intervals specified by Staff and sufficient to meet the requirements set forth in this Policy;
4. On an annual basis as applicable, providing Staff with proof of insurance coverage in an amount and type specified in their Investment Management Agreement;
5. On an annual basis as applicable, certifying in writing to Staff that they remain a fiduciary to the System and that they have been in compliance with the Manager Guidelines during the past year;
6. Utilizing investment strategies designed to ensure that all securities transactions are executed in such a manner that the total explicit and implicit costs and total proceeds in every transaction are the most favorable under the circumstances;
7. Complying with all applicable laws and regulations, including those of the State of Illinois and the United States of America including, without limitation, the provisions of Rule 206(4)5 under the Investment Advisers Act of 1940, as amended.

## EXHIBIT 4

## Asset Allocation Policy Mix

	Strategic Policy Target as of 9/4/22/1/24		Long-Term Strategic Policy Target
<b>Broad Growth</b>	<b>68%</b>	<b>Broad Growth</b>	<b>68%</b>
<i>Traditional Growth</i>	36%	<i>Traditional Growth</i>	35%
US Equity		US Equity	
Non-US Equity		Non-US Equity	
Global Equity		Global Equity	
<i>Stabilized Growth</i>	17%	<i>Stabilized Growth</i>	17%
Core Real Assets*	8%	Core Real Assets*	8%
Liquid Credit**	<del>6.55%</del>	Liquid Credit**	4%
Private Credit	<del>2.54%</del>	Private Credit	5%
<i>Non-Traditional Growth</i>	15%	<i>Non-Traditional Growth</i>	16%
Private Equity	11%	Private Equity	11%
Non-Core Real Assets	4%	Non-Core Real Assets	5%
<b>Inflation Sensitive</b>	<b>5%</b>	<b>Inflation Sensitive</b>	<b>5%</b>
TIPS	5%	TIPS	5%
<b>Principal Protection</b>	<b>10%</b>	<b>Principal Protection</b>	<b>10%</b>
<b>CRO</b>	<b>17%</b>	<b>CRO</b>	<b>17%</b>
Long Duration	2%	Long Duration	2%
Long Volatility	1.7%	Long Volatility	1.7%
Tail Risk	0.3%	Tail Risk	0.3%
Trend Following	10%	Trend Following	10%
Alt. Risk Premia	3%	Alt. Risk Premia	3%
Opportunity Fund	0%	Opportunity Fund	0%
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

\*Includes Real Assets and Infrastructure investments.

\*\*Liquid Credit includes EMD, HY, Loans, Invest. Grade, and other income-driven strategies.

1. No Open-end Fund may represent more than 30% of Core/Core-Plus Real Estate portfolio.
2. No Non-Core Real Estate Fund may represent more than 10% of the Non-Core Fund commitments.
3. No single manager may represent more than 40% of the combined Real Asset target allocation

4. Allocation to the Opportunity Fund class may not exceed 5%.

**EXHIBIT 5:  
Benchmarks**

<b>ASSET CLASS POLICY MIX</b>	<b>BENCHMARK</b>	
<b>Total Broad Growth Aggregate</b>	Blend of Blends	
<b>Traditional Growth</b>	MSCI ACWI IMI	
<i>U.S. Equity</i>	Dow Jones U. S. Total Stock Market Index	
<i>Non-U.S. Equity</i>	MSCI ACWI Ex-US IMI	
<i>Global Equity</i>	MSCI ACWI IMI	
<b>Stabilized Growth</b>	Blend	
<b>Real Assets</b>	Blend	
<i>Core/Core-Plus Real Estate</i>	NFI-ODCE Value Weight Net	
<i>Core/Core-Plus Infrastructure</i>	FTSE Developed Core Infrastructure 50/50 Index	
<b>Total Public Credit</b>	25%IG+30%HY+30%EMD+15%BL Blend	
<i>Investment Grade</i>	BB Global Agg Corporate Index	
<i>High Yield</i>	ICE/BofA Global HY Constrained	
<i>Emerging Market Debt (EMD)</i>	50% JPM EM Bond Index - Global Diversified + 50% JPM Corp. EM Bond Index - Broad	
<i>Bank Loans</i>	S&P U.S. LSTA Leveraged Loan	
<b>Private Credit</b>	50% ICE/BofA Global HY Constrained +50% S&P LSTA Global Leveraged Loan + 1%	
<b>Non-Traditional Growth</b>	Blend	
<i>Private Equity</i>	MSCI ACWI IMI+2.0% Secondary Benchmarks may include: peer group comparison, return multiple or public market equivalent comparisons.	
<i>Non-Core Real Estate</i>	NFI-ODCE Value Weight Net+1.5%	
<i>Farmland</i>	NCREIF Farmland Property Index	
<i>Non-Core Infrastructure</i>	Measured by stated strategy target	
<b>Total Inflation Sensitive</b>	Blend	
<i>TIPS</i>	Barclays Capital U.S. TIPS Index	
<b>Principal Protection</b>	Bloomberg Barclays Intermediate Agg. Ex Credit	
<b>Total Crisis Risk Offset</b>	Blend	
<i>Long Duration</i>	BB Long Government Index	
<i>Long Volatility/Tail Risk*</i>	CBOE EurekaHedge Long Volatility Index	
<i>Systematic Trend Following</i>	CS Managed Futures (15%Vol)	
<i>Alternative Risk Premia</i>	90 Day Treasury Bills + 2.0%	
<b>Grand Total</b>	Policy Portfolio	

\*The SURS Tail Risk program is implemented in an overlay/notional fashion and does not have a specific weight in the Total Portfolio benchmark. The 0.3% target allocation (as a % of the Total Portfolio) has been added to the 1.7% target allocation for Long Volatility for the purposes of the blended benchmarks

## EXHIBIT 6

## SURS Utilization Goals for Emerging Investment Managers

<u>Asset Class</u>	<u>Goal for Minorities</u>	<u>Goal for Non-Minority Women</u>	<u>Goal for Persons with a Disability</u>	<u>Overall Goal</u>
Equities	16%	8%	1%	25%
Fixed Income *	16%	8%	1%	25%
Alternative Investments**	10%	9%	1%	20%
Total Fund	16%	8%	1%	25%

\* Includes allocations to Principal Protection, Credit, TIPS, and Long Duration

\*\*Includes private markets, options, alternative risk premia, and trend following strategies

## SURS Utilization Goals for Minority Investment Managers

	<u>Minorities</u>	<u>Non-Minority Women</u>	<u>Persons with a Disability</u>	<u>Overall Goal</u>
Total Fund Goal	20%	14%	1%	35%

<u>Group</u>	<u>Goal</u>
MWDBE Manager Count	Not less than 35% of Managers
MWDBE Manager Fees	Not less than 25% of Total Fees

## EXHIBIT 7

Manager<sup>(1)</sup> Utilization Goals for Minority-owned Broker/Dealers

<b><i>ASSET CLASS</i></b>	<b><i>MINIMUM EXPECTATION</i></b>	<b><i>ELIGIBLE TRADE VOLUME</i></b>	<b><i>ELIGIBLE COMMISSIONS</i></b>
<b>Equity</b>			
U.S. Equity	35%		X (1)(2)
Non-U.S. Equity	25%		X (1)(2)(3)
Global Equity	22%		X (1)(2)(3)
<b>Fixed Income</b>			
Principal Protection, TIPS, and Long Duration	35%	X(1)(2)(3)	
Credit	5%	X(1)(2)(3)	

(1) Separate account managers.

(2) Exception for electronic trading.

(3) Exception for emerging markets, as defined by Morgan Stanley Capital International.



## OFFICIAL POLICY

## Investment Procurement Policy

<b>Policy Register Part:</b> VI – Investments		<b>Policy Number:</b> 6.3
<b>Approval Authority:</b> Board of Trustees		<b>Originating Department:</b> Investments  <b>Responsible Executive Staff Member:</b> Chief Investment Officer
<b>Version:</b>	<b>Effective Date:</b>	<b>Description of Changes and Link(s) to Earlier Version(s):</b>
1	March 9, 2018	N/A – Original
2	March 8, 2019	Clarified that the Quiet Period applies to RFP process, reorganized existing language regarding specialty consultants, and clarified that specialty consultant is required to satisfy procurement diversity requirements
3	September 13, 2019	Updated procurement exceptions to match Pension Code Section 1-113.14(b) and to clarify staff involvement in strategic allocation and periodic search updates to Board
4	June 5, 2020	Added a new section detailing procurement requirements for Opportunistic Investments

5	January 29, 2021	Amended to permit Staff to authorize Specialty Consultant recommendations for commitments of \$50 million or less, to remove requirement of General Partner presentations of follow-on funds, and to require commitments to new General Partners in excess of \$50 million to be presented to the Investment Committee
6	September 15, 2022	<p>Formatted into template and amended as follows:</p> <ul style="list-style-type: none"> <li>• In Section 5.A., Applicability of RFP Procedures, added 5.A.1.d and e as allowable exceptions per statute</li> <li>• Amended Section 5.B.8 to raise the mandate limit requiring manager appearance before the Board from \$50 million to \$100 million</li> <li>• In section 5.B., deleted 5.B.9 to reflect expansion of definition of investment committee to include entire board</li> <li>• Added language to Section 5.E., Procurement Requirements for Recommendations by Specialty Consultant, to document desire to seek emerging firm representation</li> <li>• In Section 5.E, increased size of mandate coming to the Board from \$50 million to \$100 million. Same change made to 5.E.2.d related to RFPs with the Specialty</li> </ul>
7	October 19, 2023	Updated to reflect Sustainability Disclosure requirements effective January 1, 2024 (30 ILCS 238/10)
<a href="#">8</a>	<a href="#">September 12, 2024</a>	<p><a href="#">Updated Section 5.A for consistency with other SURS policies regarding RFP issuance and exceptions.</a></p> <p><a href="#">Updated Section 5.E., to reflect change in approval process for certain follow-on fund commitments and Section F to change language around number and frequency of Specialty Consultant recommendations</a></p>



		<a href="#">Updated Section 5.A for consistency with other SURS policies regarding RFP issuance and exceptions.</a>
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**1. Policy Statement**

This policy (the “Policy”) addresses the general procedures of the State Universities Retirement System (“SURS”) in soliciting bids and surveying the market for Investment Services. The selection and appointment of firms to provide Investment Services shall be made and awarded in accordance with the Illinois Pension Code (the “Code”), 40 ILCS 5/1-101 *et seq.*, and all other relevant authority under the Illinois Compiled Statutes.

**2. Departments and/or Staff Positions Required to Comply with Policy:**

All Investment Department employees are required to read and comply with this Policy.

**3. Directives**

Is Policy internal only?	Does Policy Include any reporting requirements for Stoplight Report?	Citation to Statutory Mandates, if applicable
No	Procurement Policy must be posted to SURS website and filed with the Illinois Procurement Policy Board	Pension Code, 40 ILCS 5/1-113.14(b)

**4. Definitions**

As used in this Policy, the following term(s) shall have the meanings indicated.

- A. **“Board”** - The Board of Trustees of SURS, or the Investment Committee of the Board exercising the authority of the Board pursuant to the Board’s bylaws, as the context may indicate.
- B. **“Consultant”** - Any person or entity retained or employed by the Board to make recommendations in developing an investment strategy, assist with finding appropriate investment advisers or monitor the Board’s investments. “Consultant” does not include discretionary Investment Advisers or non-investment related professionals or professionals offering services that are not directly related to the

investment of assets, such as legal counsel, actuary, proxy-voting services, services used to track compliance with legal standards and investment in fund of funds where the Board has no direct contractual relationship with the investment advisers or partnerships. A Consultant must be registered as an investment adviser under the federal Investment Advisers Act of 1940 or as a bank, as defined in the federal Investment Advisers Act of 1940. Included in the definition of a consultant is a **“Specialty Consultant”**. A “Specialty Consultant” is a consultant who specializes in one or more investment areas of expertise and is selected by the Board pursuant to a Request for Proposal (“RFP”) process. Also included in the definition of a consultant is a **“General Investment Consultant.”** A “General Investment Consultant” is a consultant selected by the Board pursuant to an RFP process to provide general investment consulting services, including investment manager search and selection, among other things.

- C. **“Chief Procurement Officer”**- An individual designated by SURS to oversee and monitor the procurement process consistent with the requirements of this Policy, the Code and all other relevant authority under the Illinois Compiled Statutes.
- D. **“Investment Adviser”**- Any person or firm who: (1) is a fiduciary appointed by the Board in accordance with Section 1-109.1 of the Code, 40 ILCS 5/1-109.1; (2) has the power to manage, acquire or dispose of any asset of SURS; (3) has acknowledged in writing that he or she is a fiduciary with respect to SURS; and (4) is either registered as an investment adviser under the federal Investment Advisers Act of 1940 or as a bank as defined in the federal Investment Advisers Act of 1940, 15 U.S. C. 80b-1 *et seq.* and 40 ILCS 5/1-113.14(b)
- E. **“Investment Services”** - Services provided by an Investment Adviser or a Consultant pursuant to Section 1-113.14 of the Code, 40 ILCS 5/1-113.14
- F. **“Opportunistic Investment”** - An investment opportunity resulting from dramatic market mispricing due to atypical external forces, which is time-sensitive in nature and would be expected to produce either: 1) risk-adjusted investment returns exceeding those found in more typical market environments or 2) enhanced downside protection of SURS assets.
- G. **“Quiet Period”** - A period of time during which an RFP for a potential Consultant, custodian, Investment Adviser or vendor is underway and during which a set of guidelines governs any communication by the Board, Consultant or Staff with such parties.

## 5. The Policy

### A. Applicability of RFP Procedures

1. RFPs are required for all contracts involving expenditures authorized or anticipated to be in excess of \$50,000 over the full term of the contract, except as noted below. The RFP procedures in this Policy apply to, but are not limited to, hiring of Consultants, Investment Advisers, custodians, proxy voting service providers and defined contribution recordkeepers, other than:
  - a. sole source procurements,
  - b. emergency procurements,
  - c. ~~at the discretion of the Board, contracts that are nonrenewable and one year or less in duration, so long as the contract has a value of less than \$20,000.00. All exceptions granted under this section must be published on the SURS website, shall name the person authorizing the procurement, and shall include a brief explanation of the reason for the exception,~~
  - d. at the discretion of the Board, contracts for follow-on funds with the same fund sponsor through closed-end funds or limited partnerships, and
  - e. procurement exception (40 ILCS 5/1-113.24) for contracts with emerging investment managers provided through a qualified manager of emerging managers.
2. If in any case an “emerging investment manager” (as such term is defined in the Code) submits an RFP response that meets the requirements for a specific search then the “emerging investment manager” shall receive an invitation to present to the Investment Committee/Board. In the case where multiple “emerging investment managers” meet the criteria of the search, the most qualified firm or firms shall be selected to present to the Investment Committee/Board.

## **B. Procurement Procedures and Schedule**

The following are the general procurement actions that shall be taken by SURS when considering procurement actions. SURS shall develop and use uniform documents for the solicitation, review and acceptances of all Investment Services. References to actions by the Staff in this Policy shall mean the Staff in consultation with any applicable Consultant retained by SURS.

1. Staff is authorized to issue RFPs as necessary to implement, or maintain, the strategic policy targets established by the Board.
2. Staff is expected to consult with third parties and potential respondents prior to the proposed RFP as necessary to address any inquiries and encourage

participation in the procurement process. Members of the Board may communicate with third parties and potential respondents consistent with applicable law and applicable policy.

3. Following initial due diligence, Staff shall prepare the RFP. The RFP shall contain all information statutorily required, as well as such information as necessary for, or related to, any potential procurement action. Staff shall provide the Investment Committee with a tentative timeline for all actions relating to the RFP. Such timeline shall include, but not be limited to, the RFP issuance date, the date all responses are due and the date of the expected final decision. The Quiet Period is initiated with the issuance of an RFP.
4. At a minimum, Staff shall post the RFP on the SURS website, and advertise the RFP in a nationally circulated investment publication and any other publication deemed appropriate by Staff or as required by law. Staff additionally may:
  - a. contact potential respondents in order to notify them of the issuance of the RFP, and
  - b. disseminate such RFP to potential respondents.
5. The deadline for submission of proposals shall be not less than fourteen (14) days following the posting of the RFP. RFP responses received by the deadline stated in the RFP shall be recorded and receipted by Staff. Staff shall review and analyze the responses to the RFP as expeditiously as reasonably practical within the RFP specifications. Staff shall verify information submitted and resolve or confirm any discrepancies. Staff will eliminate any response that fails to conform to the minimum qualifications outlined in the RFP. Staff will periodically throughout the procurement process provide an update with respect to the RFP process and include such report in Investment Committee materials.
6. Staff and/or Consultants shall meet or conduct telephone or videoconference interviews with representatives of the respondents selected as semi-finalists by Staff and/or Consultants to obtain an independent assessment of the firm's capabilities.
7. Following the interview process, Staff and/or Consultants shall identify qualified firms to recommend to the Investment Committee for possible engagement by the Board. If in any case an "emerging investment manager" (as such term is defined in the Code) submits an RFP response that meets the requirements for a specific search then the "emerging investment manager" shall receive an invitation to present to the Investment Committee/Board. In the case where multiple "emerging investment

managers” meet the criteria of the search, the most qualified firm or firms shall be selected to present to the Investment Committee/Board.

8. Following Staff’s and/or Consultant’s recommendation, if the amount of the contemplated investment or commitment will exceed \$100 million, the Investment Committee shall interview the respondents recommended or direct that additional respondents be invited for interview. If the contemplated investment or commitment is \$100 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs. The Investment Committee shall approve a recommendation to the Board for selection of a respondent. The Investment Committee may, in good faith, decline to recommend any respondent following such interviews. The Investment Committee may recommend a recommencement of the RFP process or terminate the search entirely.
9. Staff and/or Consultants shall, in conjunction with their legal counsel, negotiate the contract with the approved respondent. If required by the Code, such contract must at a minimum contain the specific requirements found in Section 1-113.14 of the Code, 40 ILCS 5/1-113.14. Staff shall promptly provide a report to the Investment Committee in the event Staff is unable to negotiate contract terms with the approved respondent that meet the requirements of the Code. The Quiet Period concludes with the completion of successful contract negotiations. See also, Section 5.C.7 hereinafter.
10. SURS shall post the name(s) of the successful respondent(s) on SURS’ web site, along with a disclosure including the total amount applicable to the contract, the total fees paid or to be paid, and a description of the factors that contributed to the selection of the respondent consistent with the requirements of the Code.

**C. Other RFP Requirements**

1. The RFP process shall comply with all relevant sections of State and Federal law, including the Pension Code and applicable case law.
2. Fees are an important factor when evaluating procurement for Investment Services and will be given full consideration in the procurement process. If a recommended RFP respondent’s fees are materially different from other respondents presenting to the Investment Committee, Staff will include the rationale for considering the higher cost option in supporting materials provided to the Investment Committee.

3. SURS shall not enter into a contract with a Consultant that exceeds five (5) years in duration. No contract to provide consulting services may be renewed or extended. At the end of the term of a contract, however, the Consultant is eligible to compete for a new contract as permitted in the Code.
4. Any report, documentation, or list compiled or received by Staff or a Consultant relating to an RFP or procurement action shall be promptly made available to the Board upon request.
5. Nothing in this Policy is meant to prohibit or discourage any Board Member from being involved in any part of the procurement process; provided that such Board Member provides prior notice of his/her intent to participate to Staff in order to ensure such participation is in compliance with applicable law. It is expected that Staff and Consultants shall each provide independent recommendations to the Board regarding all such procurements.
6. No Board member, SURS employee or SURS vendor shall knowingly cause or advise the Board to engage in an investment transaction with a vendor when the Board member, SURS employee, SURS consultant or any of their spouses:
  - a. has any direct interest in the income, gains or profits of the investment vendor through which the investment transaction is made or
  - b. has a relationship with that investment vendor that would result in a pecuniary benefit to the Board member, SURS employee or SURS vendor or any of their spouses as a result of the investment transaction. References to the "investment vendor" include an employee or agent of such firm who has greater than 7.5% ownership of the consulting firm.
7. Quiet Period Policy
  - a. A Quiet Period will commence upon issuance of an RFP and end once a selection has been made by the Board and contract negotiations with the selected respondent are completed
  - b. Initiation, continuation and conclusion of the Quiet Period shall be publicly communicated to prevent inadvertent violations;
  - c. All Board members, and Staff other than those directly involved in the search or the Chief Procurement Officer or their designee, shall refrain from communicating with respondents regarding any product

or service related to the search in process. All Board members and Staff shall refrain from accepting meals, travel, hotel, or other value from such respondents;

- d. Throughout the Quiet Period, if any Board member is contacted by a respondent, the Board member shall refer such party to the Chief Procurement Officer;
- e. All authority related to the search process shall be exercised solely by the Investment Committee or Board as a whole, and not by individual Board members;
- f. The Quiet Period does not prevent Board approved due diligence, client conference attendance or communications with an existing vendor; provided, however, that discussions related to the procurement and pending selection shall be avoided during those activities;
- g. The provisions of this Policy shall apply throughout the Quiet Period and shall be communicated to respondents in conjunction with any search; and
- h. A respondent may be disqualified from a search process for a violation of the Quiet Period or any portion of this Policy.

#### **D. Procurement Requirements for Opportunistic Investments**

1. The Board will not be required to fulfill the RFP procurement requirements of this Policy when considering Opportunistic Investments as defined at Section 4.F of this Policy, if the requirements of this Section 5.D are complied with.
2. The following are the general procurement requirements for an Opportunistic Investment recommended by any Investment Consultant hired by the Board; provided, however, that any procurement or due diligence requirement in the contract between such Investment Consultant and the Board, and any specific directive from the Board to such Consultant regarding a proposed Opportunistic Investment takes precedence over the general requirements of this Section.
  - a. In recommending any Opportunistic Investment to the Investment Committee/Board for consideration, the Investment Consultant shall develop and utilize a consistent and uniform competitive process for analyzing and vetting potential Opportunistic Investments that shall be substantially similar to the competitive process outlined in Article

35 of the Illinois Procurement Code, 30 ILCS 500/35-1 *et seq.* if required by the Code.

- b. The Investment Consultant shall ensure that any potential Opportunistic Investment and its terms are in compliance with the Code and any applicable law, regulation or directive of the Board, including SURS' Defined Benefit Investment Policy and approved asset allocation.
- c. The Investment Consultant shall conduct such competitive process in a transparent and streamlined manner to ensure potential Opportunistic Investments are recommended to the Board in a timely manner.
- d. In recommending any Opportunistic Investment to the Investment Committee/Board, the Investment Consultant shall prepare a detailed report for the Investment Committee/Board outlining the utilized competitive process and its due diligence on the potential investment. As part of the recommendation process the Investment Consultant and Staff will secure and review all statutorily required disclosures and provide those disclosures to the Investment Committee/Board for consideration prior to taking action on the recommendation.

**E. Procurement Requirements for Recommendations by a Specialty Consultant**

1. The Board will not be required to fulfill the RFP procurement requirements of this Policy for any investment if the investment is specifically recommended by a Specialty Consultant and if such Specialty Consultant has adhered to the procurement requirements specifically outlined in this Policy for a Specialty Consultant in formulating the recommendation.
2. The following are the general procurement requirements for any investment recommended by a Specialty Consultant; provided, however that any procurement or due diligence requirement in the contract between such Specialty Consultant and the Board regarding a proposed investment takes precedence over the general requirements of this Section.
  - a. In recommending any investment to the Investment Committee/Board for consideration, the Specialty Consultant shall develop and utilize a consistent and uniform competitive process for analyzing and vetting potential investments that shall be substantially similar to the competitive process outlined in Article 35 of the Illinois Procurement Code, if required by the Code.



- b. The Specialty Consultant shall ensure that any potential investment and its terms are in compliance with the Code and any applicable law, regulation or directive of the Board, including SURS' Investment Policy and approved asset allocation.
- c. The Specialty Consultant shall conduct such competitive process in a transparent and streamlined manner to ensure the Specialty Consultant is recommending potential investments to the Board in a timely manner. Firms meeting the definition in the Code as an "emerging investment manager" are to be actively sought for potential investment in keeping with SURS' utilization goals.
- d. In recommending any investment to the Investment Committee/Board, the Specialty Consultant shall prepare a detailed report for the Investment Committee/Board outlining the utilized competitive process and its due diligence of the potential investment. As part of the recommendation process, the Specialty Consultant and Staff will secure and review all statutorily required disclosures and provide those disclosures to the Investment Committee/Board for consideration prior to taking action on the recommendation. If the contemplated investment or commitment is \$100 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs.

~~d.e.~~ The Specialty Consultant can recommend a follow-on fund commitment. The General Partner of any follow-on fund previously approved by the Board will not be required to present to the Investment Committee. Further, if such follow-on commitment is for \$100 million or less, said commitment shall may be made without Investment Committee/Board approval. Once all legal negotiations have been satisfactorily completed, the Specialty Consultant and/or Staff will report the outcome to the Investment Committee/Board at its next regularly scheduled meeting.

~~e.f.~~ Where appropriate, the Specialty Consultant should endeavor to recommend ~~one or more~~ qualified firms to the Investment Committee/Board ~~on a quarterly basis~~, if consistent with SURS' Investment Policy, Procurement Policy, asset class pacing plan and approved asset allocation.

#### F. Reporting and Other Compliance Requirements

1. Must be posted to SURS website
  - a. Procurement Policy (40 ILCS 5/113.14(b))

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- b. Procurement exception (40 ILCS 5/113.14) for follow-on commitments with the same fund sponsor
  - c. Procurement exception (40 ILCS 5/113.24) for contracts with emerging investment managers through a qualified manager of emerging managers
2. Investment Procurement Reporting
- a. Per 40 ILCS 5/1-109.1(8) SURS shall submit a report to the Governor and the General Assembly by January 1 of each year that includes the following: (i) the emerging investment manager policy adopted, including the names and addresses of the emerging investment managers used, percentage of the assets under the investment control of emerging investment managers for the 3 separate goals, and the actions undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises; (ii) the policy adopted setting forth goals for increasing the racial, ethnic, and gender diversity of SURS' fiduciaries, including its consultants and senior staff; (iii) the policy setting forth goals for utilization of businesses owned by minorities, women, and persons with disabilities for all contracts and services; (iv) the policy adopted setting forth goals for increasing the utilization of minority broker-dealers, including specific actions undertaken to increase the use of minority broker-dealers; and (v) the policy adopted setting forth goals for increasing the utilization of minority investment managers.
  - b. Per 40 ILCS 5/1-113.22, no later than January 1 annually, each consultant retained by SURS shall disclose to its board of trustees: the total number of searches for investment services made by the consultant in the prior calendar year; the total number of searches for investment services made by the consultant in the prior calendar year that included (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a person with a disability; the total number of searches for investment services made by the consultant in the prior calendar year in which the consultant recommended for selection (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a

person with a disability; the total number of searches for investment services made by the consultant in the prior calendar year that resulted in the selection of (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a person with a disability; and the total dollar amount of investment made in the previous calendar year with (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a person with a disability that was selected after a search for investment services performed by the consultant.

- c. Per 40 ILCS 5/1-113.23, no later than January 1 annually, a consultant retained SURS shall disclose to its board of trustees all compensation and economic opportunity received in the last 24 months from investment advisors retained by the board of a retirement system, board of a pension fund, or investment board. Additionally, each consultant must be disclosed to the Board any compensation or economic opportunity received in the last 24 months from an investment advisor that is recommended for selection by the consultant. A consultant shall make this disclosure prior to the board selecting an investment advisor for appointment.

### 3. Reports Received

- a. Diversity disclosure (40 ILCS 5/1-113.21) - No contract for investment services, consulting services, or commitment to a private market fund shall be awarded without an appropriate disclosure.
- b. SURS Sustainability Disclosure (30 ILCS 238/10) - Investment managers shall disclose, prior to the award of a contract, a description of any process through which the manager prudently integrates the sustainability factors, outlined in the Illinois Sustainable Investing Act, into their investment decision making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the manager's fiduciary duties.

## 5. Exhibits

Attached hereto and incorporated herein are the following Exhibits:

N/A

**6. Approval**

<b>Name</b>	
<b>Title</b>	
<b>Signature</b>	
<b>Date</b>	

**THIS POLICY WAS APPROVED BY THE SURS BOARD OF TRUSTEES**

**on**

**October 19, 2023.**

# State Universities Retirement System of Illinois

September 12, 2024

2024/2025  
Asset-Liability Study

Part 1 - Introduction



# State Universities Retirement System of Illinois

## Table of Contents

1. Project Introduction
2. Basic Asset-Liability Metrics
3. Modeling Process and Key Risks

# Project Introduction



# State Universities Retirement System of Illinois

## Project Introduction

### *Project Goal:*

*To review and possibly modify SURS's Strategic Allocation Policy, reflecting the Board's unique definition, tolerance for, and beliefs about investment risk.*





# State Universities Retirement System of Illinois

## Project Introduction – Considerations

**Strategic Allocation:** The foundation for long-term portfolio structure

### Key aspect:

Define risk & determine Board's tolerance for that risk

### Tolerance for risk:

Heavily influences policy selection

## Plan Assets

Heavily influence overall plan risk

~90%

% of portfolio volatility explained by asset allocation policy

SURS completed its last Asset-Liability Study in 2021



## State Universities Retirement System of Illinois

### Project Introduction – A/L Study Process

# 3 key high-level steps to the A/L process:

1.

Develop an understanding of how the financial condition of SURS might vary based on outcomes of the SURS investment portfolio.

2.

Set a consensus definition and view of the risk(s) SURS should bear.

3.

Once a view/tolerance for risk has been established, select an appropriate long-term investment strategy (i.e., a policy portfolio / strategic allocation).



# State Universities Retirement System of Illinois

## Project Introduction – A/L Priorities

### Priorities for the 2024/2025 A/L Project

- Clarify sensitivities to various types of plan risks
- Examine higher interest rate environment and related capital market dynamics
- Optimize the investment portfolio as part of a total system



# State Universities Retirement System of Illinois

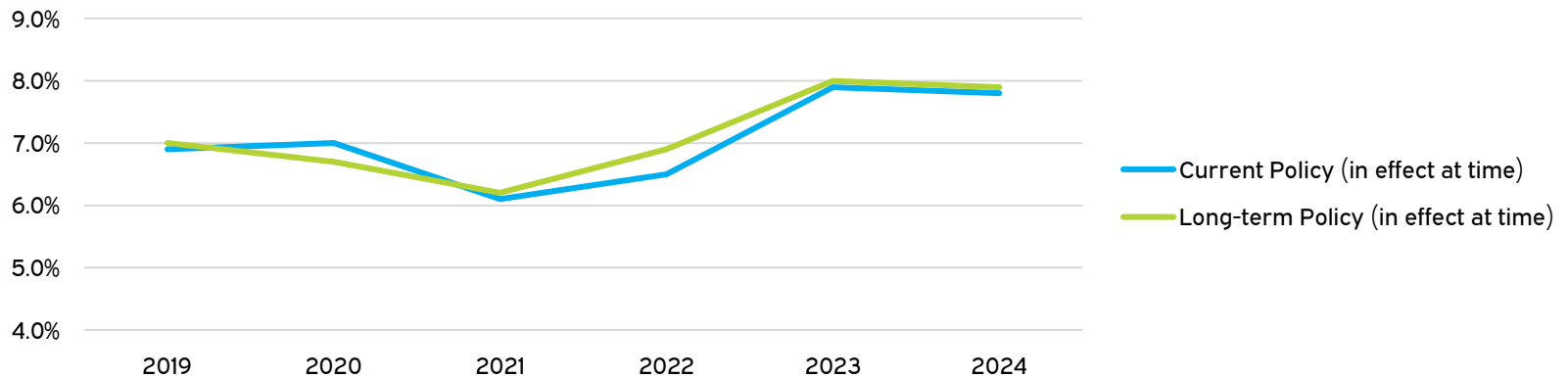
## Project Introduction – More than Expected Return

### SURS Expected Return Over Time

→ Expected portfolio returns are discussed every year; however, best practices is for major portfolio adjustments to occur during fully integrated asset-liability studies.

	20-year Assumptions					
	2018/2019*	2020	2021	2022	2023	2024
<b>Current Policy (in effect at time)</b>	6.9%	7.0%	6.1%	6.5%	7.9%	7.8%
<b>Long-term Policy (in effect at time)</b>	7.0%	6.7%	6.2%	6.9%	8.0%	7.9%

### SURS 20-year Expected Return



	10-year Assumptions					
	2018/2019*	2020	2021	2022	2023	2024
<b>Current Policy (in effect at time)</b>	---	---	---	---	7.2%	6.7%
<b>Long-term Policy (in effect at time)</b>	---	---	---	---	7.4%	6.8%

\*The 2018 Asset-Liability study was completed in the September 2018 with updates (using the same CMAs) provided in 2019.

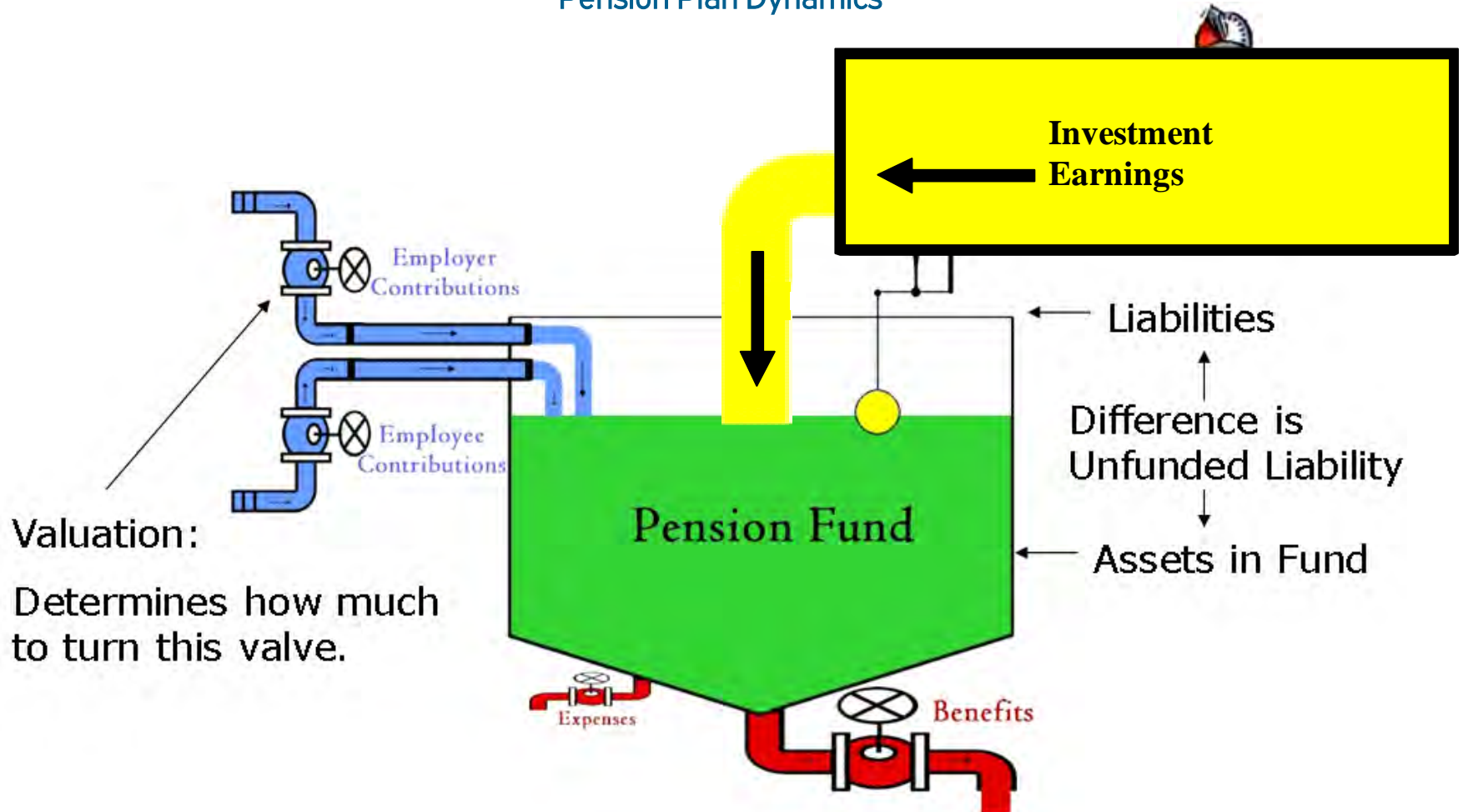
## **Basic Asset-Liability Metrics**



# State Universities Retirement System of Illinois

## Pension Basics

### Pension Plan Dynamics



Source: Harvard Business Review, 1965.



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Funded Status

### Changes in Funded Status

→ The actuarial value of assets (AVA) and actuarial accrued liability (AAL) change from one year to the next in a formulaic fashion.

- Note: actuarial losses/gains are important considerations that are generally related to experience vs. assumptions.

→ Asset-liability studies examine a wide range of modeled returns and corresponding impacts

#### Example: Change in AVA and AAL

##### AVA at Beginning of Year

+ Contributions

→ + Actual return (accounting for any smoothing)

- Benefits paid

- Expenses

= AVA at End of Year

##### AAL at Beginning of Year

+ Service cost (benefits accrued during year)

+ Interest cost

+/- Actuarial losses/gains during the year

- Benefits paid

= AAL at End of year



# State Universities Retirement System of Illinois

## Basic A/L Metrics – System Summary

### SURS Overview

Plan has evolved over time in the face of funding challenges.

- Supports approximately 147,225 active and retired members.\*
  - Average annual retirement benefit ~\$44,000\*\*.
  - Benefit structure has shifted over time and now includes several tiers:
    - Tier 1 (hires before 2011): initial Defined Benefit “DB” option.
    - Tier 2 (hires after 2011): revised DB option.
    - Retirement Savings Plan “RSP”: Full DC option supported by employer contributions.
- Employer contributions have been highly variable over history.
  - Statutory contributions have been less than Actuarially Determined Contributions (which seek full funding).
  - Actual contributions have been highly variable.
- Based upon the 6/30/2023 valuation, SURS was 45.8% funded.
  - Even if all assumptions are met, the funded ratio is not expected to hit 50% until 2030.

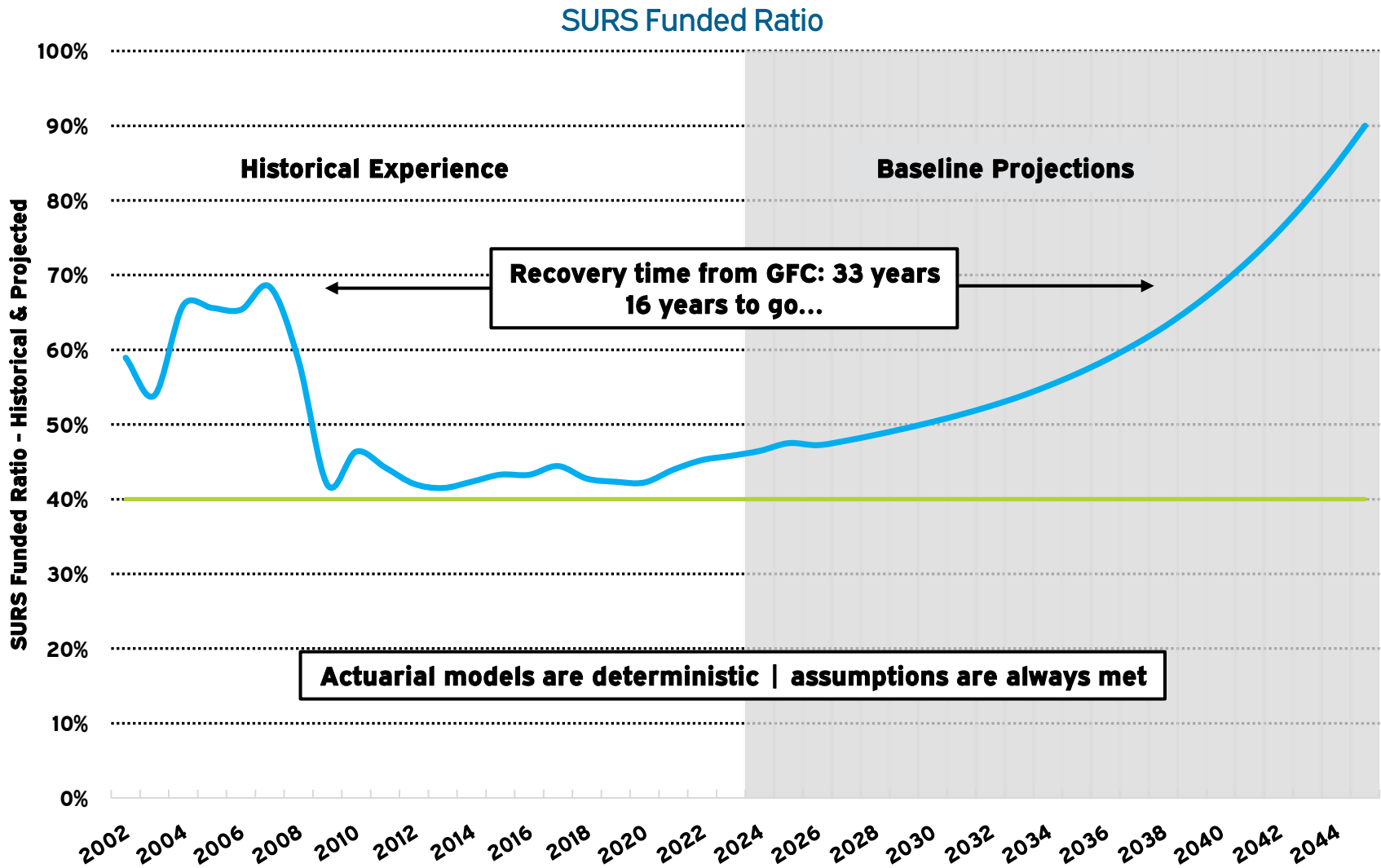
Source: GRS 6/2023 valuation | \*Does not include inactives | \*\*Retirement benefits only





# State Universities Retirement System of Illinois

## Basic A/L Metrics – Funded Ratio Trend

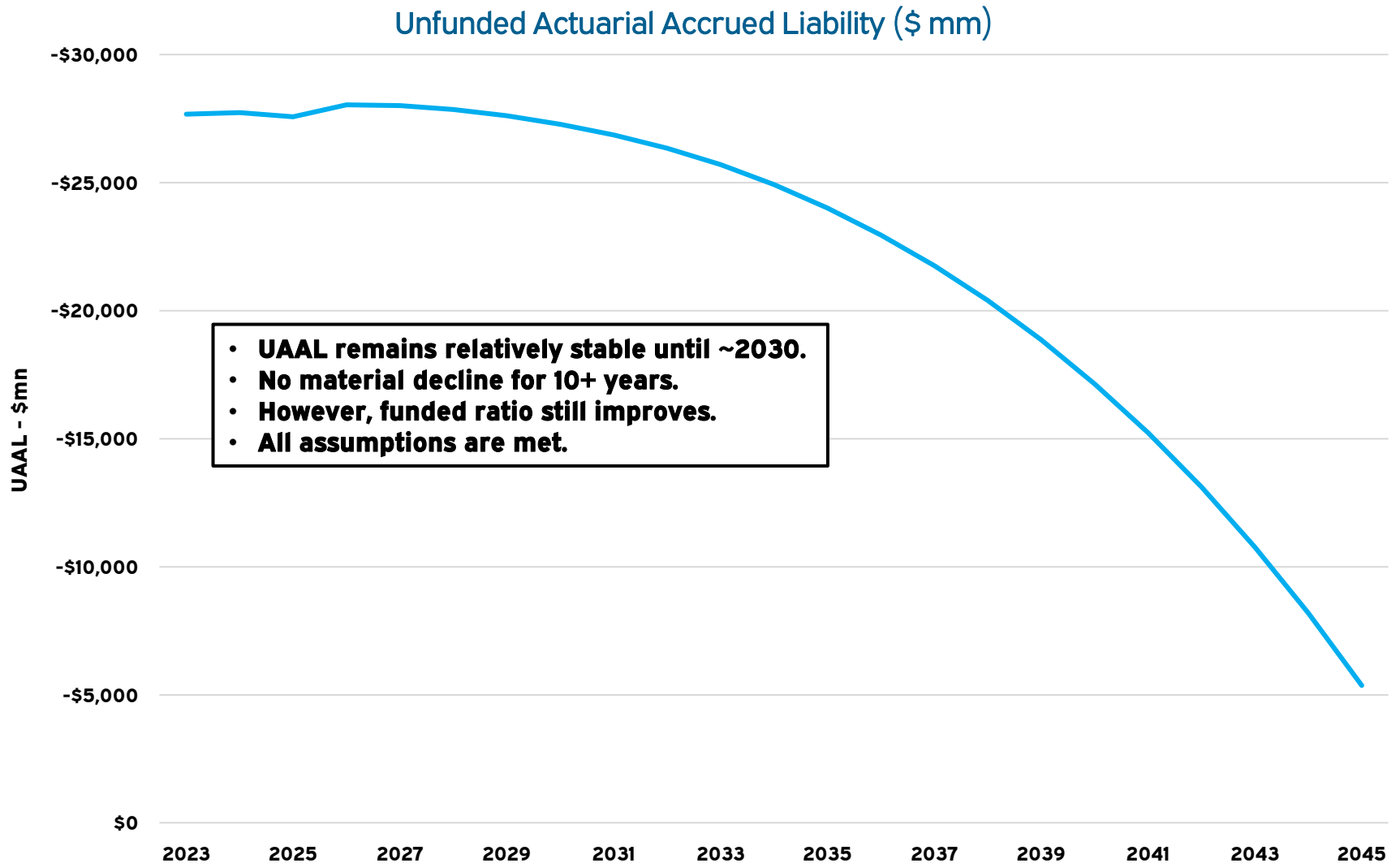


Source: GRS 6/2023 valuation, prior ACFRs



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Projected UAAL



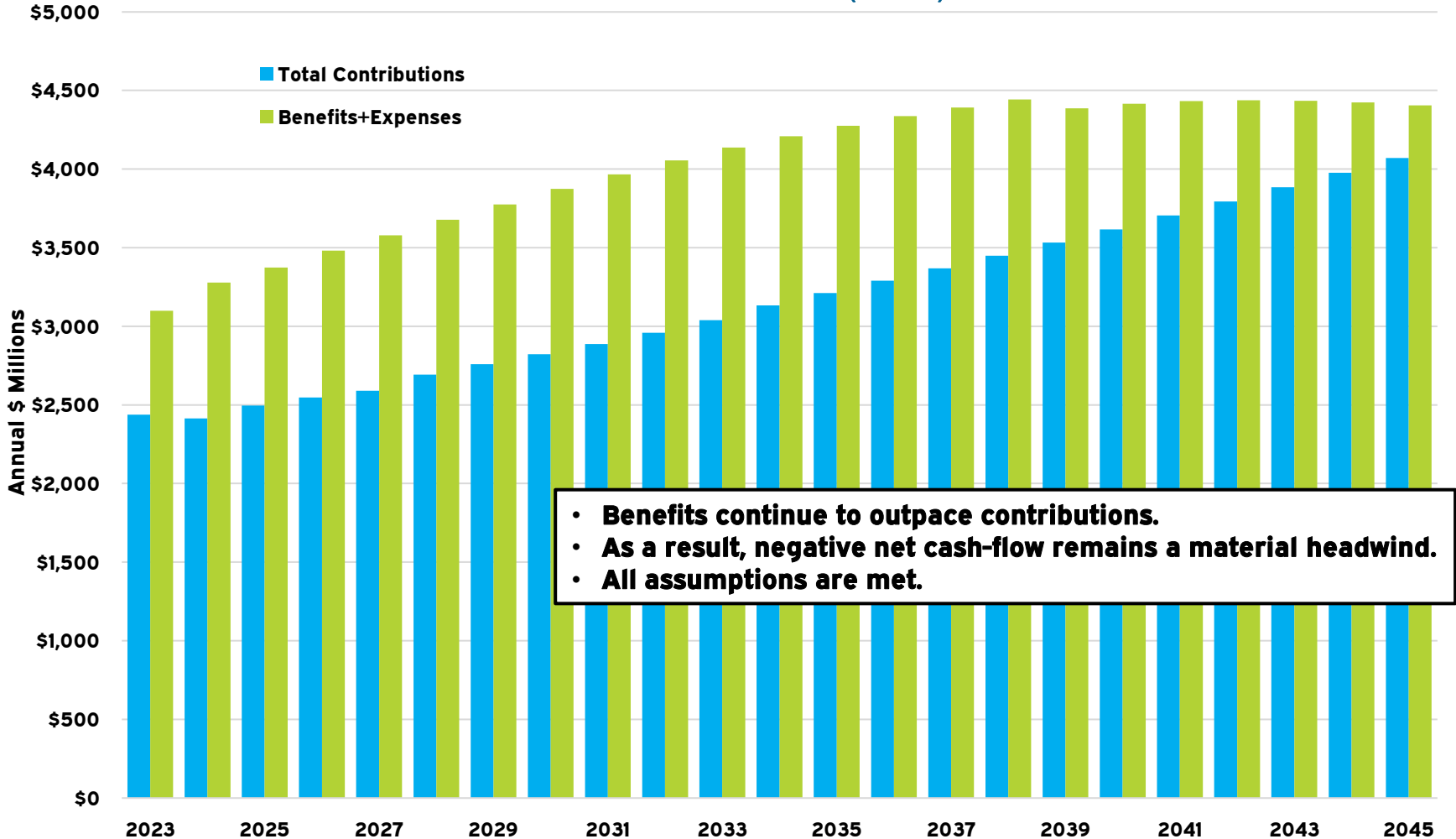
Source: GRS 6/2023 valuation



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Projected Contributions and Benefits

Contributions vs. Benefits (\$ mm)



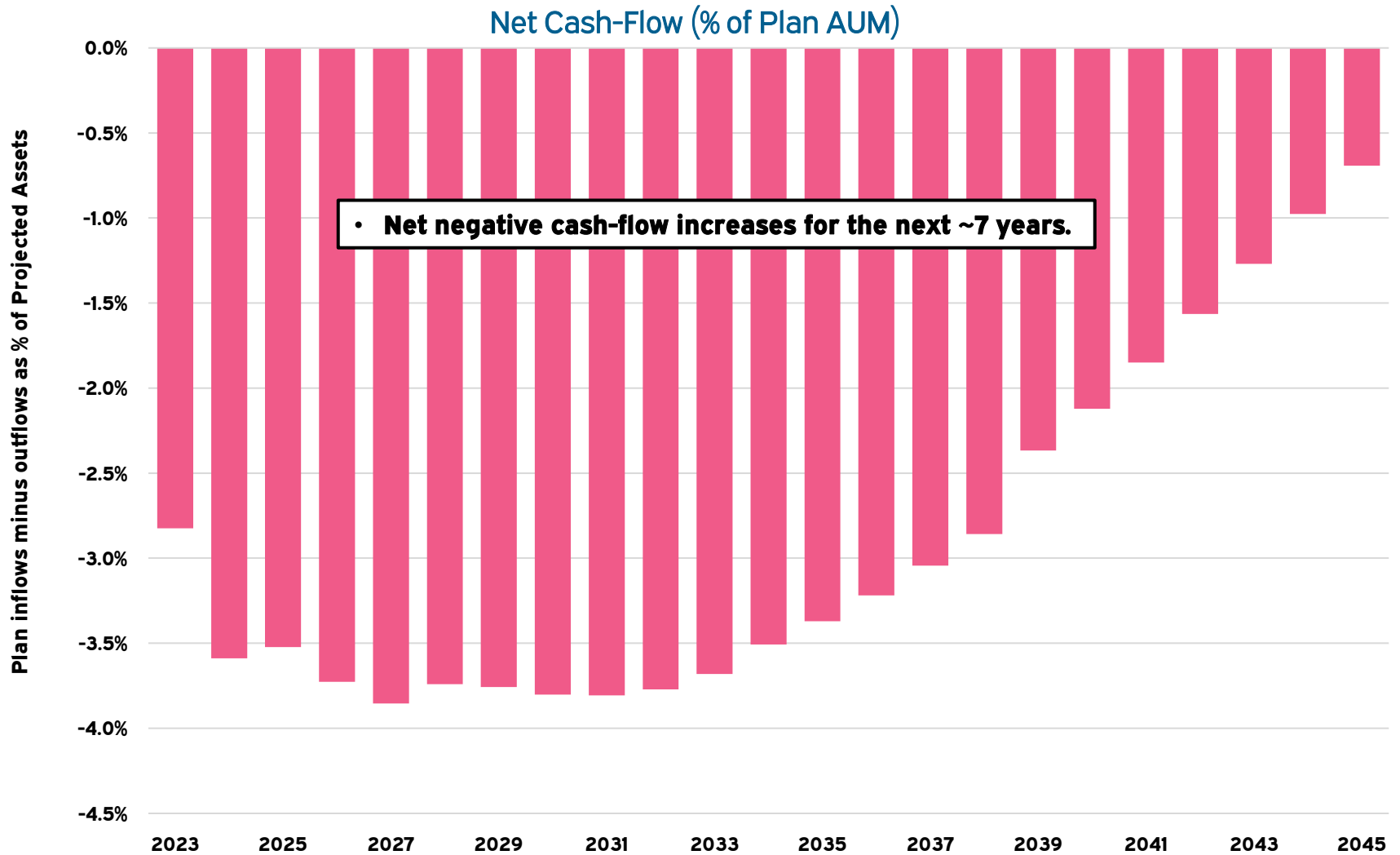
- **Benefits continue to outpace contributions.**
- **As a result, negative net cash-flow remains a material headwind.**
- **All assumptions are met.**

Source: GRS 6/2023 valuation | Contributions = statutory SURS + employee contributions.



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Projected Net Cash-Flow



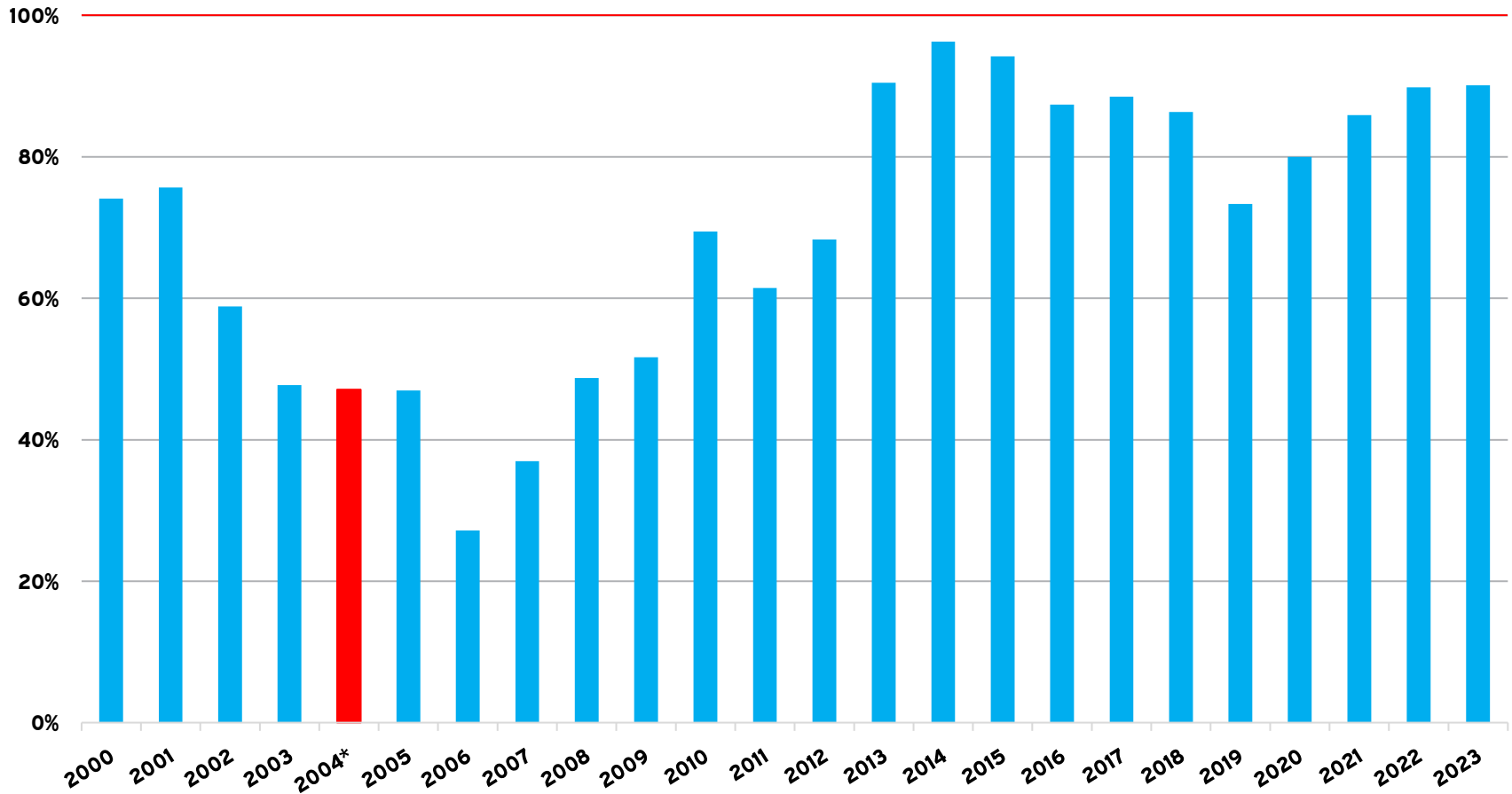
Source: GRS 6/2023 valuation



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Contributions vs. ADC

Actual SURS Contributions as % of Actuarially Determined Contributions  
(by Fiscal Year)



Source: GRS 6/2023 valuation | \*Excludes \$1.4bn of proceeds from GO Bond issuance.



## State Universities Retirement System of Illinois

### Basic A/L Metrics – Moody's Tread Water Measure

Moody's "Tread Water" Measure:  
Service Costs + Interest Costs on UAAL  $\approx$  Minimum Contribution Threshold

(i.e., contributions cover accrual of new benefits + interest costs,  
meaning UAAL is not increasing)

If the ratio of a plan's employer contributions to its Tread Water Measure  $> 1.0$ , then the plan exhibits a sustainable ability to continue financing its long-term retirement obligations

In Fiscal 2023, SURS's Tread Water measure was  $\sim 0.98$ .  
Contributions were close, but did not fully pay for service costs and UAAL interest.

UAAL increased by  $\sim \$51$  million from being under this measure.

Source: GRS 6/2023 valuation, Meketa calculations



## State Universities Retirement System of Illinois

### Basic A/L Metrics - Actuary Statements

#### Current SURS funding policy puts SURS on a precarious path:

*"This is a severely underfunded plan and the ability of the plan to reach 90% funding by 2045 is heavily dependent on the plan sponsor contributing the statutory contributions each and every year until 2045.."*

*"...GRS does not endorse this funding policy because the Statutory funding policy defers funding for these benefits into the future and places a higher burden on future generations of taxpayers.."*

*"...If another significant market downturn occurred while the System's funded ratio is low, the System could be required to liquidate assets in order to pay benefits which could have a further adverse effect on the funded status of the System..."*

From the GRS 6/2023 Actuarial Valuation Report

*"This contribution methodology does not conform to generally accepted actuarial principles and practices...We recommend that the funding method be changed to employ a methodology that produces a Reasonable Actuarially Determined Contribution and fully funds plan benefits within a reasonable period."*

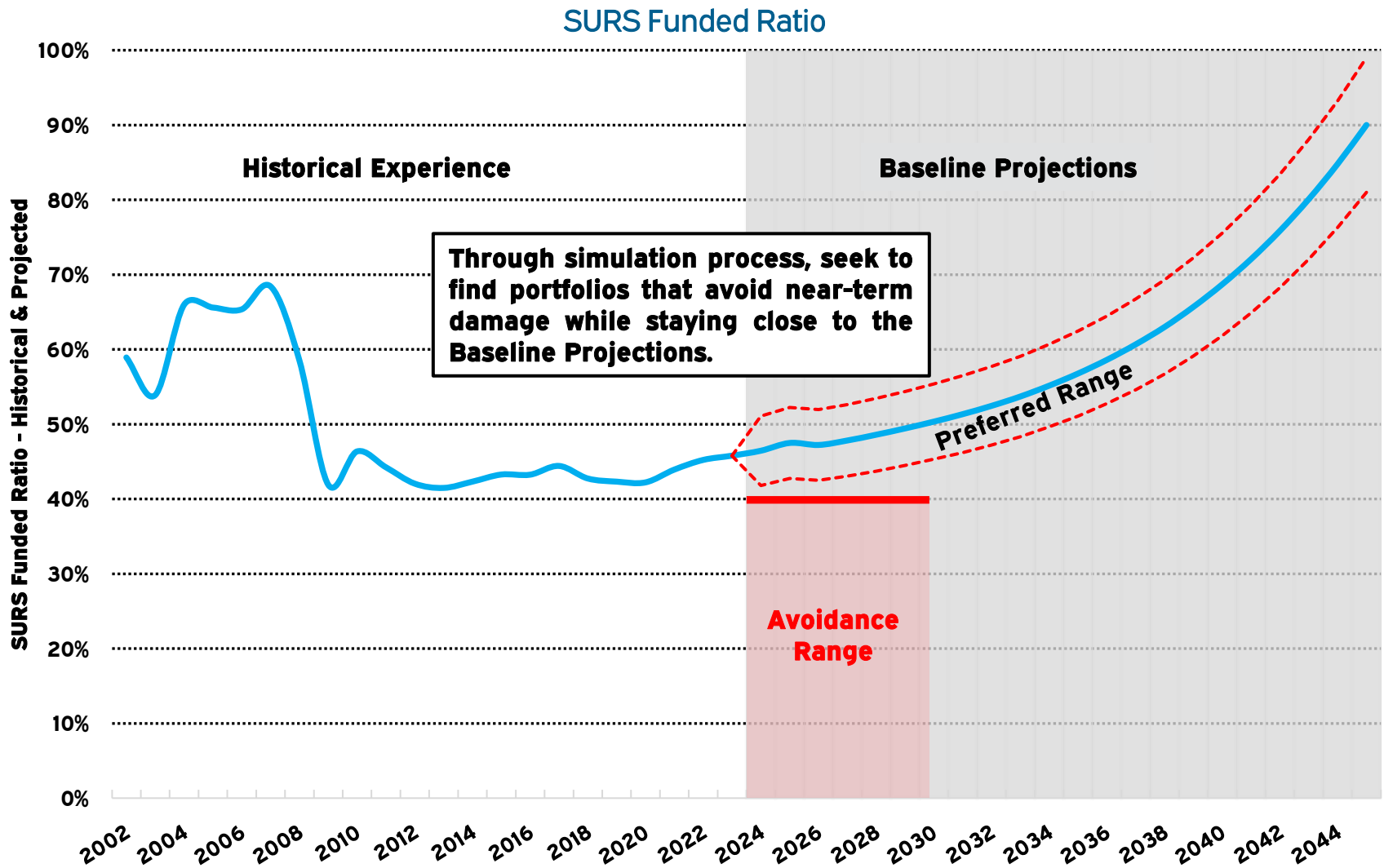
*"The State Mandated Method is entering a period in which the contribution amount it produces may be reasonable even though the overall methodology is not. This period offers an opportunity to change the methodology to one that is consistent with actuarial standards for a Reasonable Actuarially Determined Contribution (ADC) without significantly affecting the immediate contribution amount."*

From the 2023 State Actuary's Report, issued by Cheiron



# State Universities Retirement System of Illinois

## Basic A/L Metrics – Optimization Goals



Source: GRS 6/2023 valuation, prior ACFRs





# State Universities Retirement System of Illinois

## Basic A/L Metrics – System Summary

### Summary

- Contributions into system have not been dependable.
- Sequence of return risk is likely a significant and looming issue.
- Net cash-flow positioning is a constraint – could spike to unsustainable levels in a market downturn.
  - Public vs. private markets exposure is not the only consideration – being forced to sell any assets during a downturn will continue to hurt the funded ratio.
- Focusing on short-term drawdowns during the optimization process will remain a key consideration.
- Maintaining a true liquidity buffer (e.g., Principal Protection) for approximately two years of net benefits remains a prudent portfolio management technique.

## **Modeling Process and Key Risks**



# State Universities Retirement System of Illinois

## Modeling Process

### Approach to Asset-Liability Studies

→ An asset-liability study is a dimension reducing exercise.

- Take the immense complexities of a defined benefit system and the global capital markets and reduce them to a digestible form.

→ We are continually improving our methodologies and models to better reflect the real world and the full dynamics of retirement systems.

- Be humble, but rigorous, about the models.
  - There is “error” at every level of the modeling process (inputs, outputs, etc.).
- “As simple as possible but as complex as necessary.”



# State Universities Retirement System of Illinois

## Modeling Process

### Strategic Allocation Modeling Principles

- Trustees' perspectives regarding risks and implementations are paramount.
- The financial position (i.e., liabilities) of a system should be explicitly considered.
- The “efficient frontier” is not a thin line.
  - It is important to analyze and understand portfolios that are “near optimal.”
- Even for long-term investors, the journey matters.
  - Examining short-term, intermediate-term, and long-term outcomes provides better balance to the decision-making process.



# State Universities Retirement System of Illinois

## Modeling Process

### Liability Structure

- Using GRS data and internal actuarial expertise, we will model the main components of SURS's liability structure.<sup>1</sup>
- As asset/portfolio returns are simulated, our liability model will replicate SURS's funding policy, cash flows, and other inputs.
- This process allows for the optimization/objective function to directly incorporate the liability structure.

<sup>1</sup> Note that **Meketa's** modeling is not expected to produce the same results as any forecasting GRS has completed with the primary reason being a difference in the expected rate of return assumption in the actuarial valuation vs. **Meketa's** capital market assumptions. Other less material modeling differences exist and can be discussed.



# State Universities Retirement System of Illinois

## Modeling Process

### Asset-Liability Modeling Framework

→ Asset-liability studies are the intersection of asset and liability projections

Assumptions for global capital markets and SURS characteristics/plan provisions drive the output.

Portfolio  
Simulations

Liability  
Projections

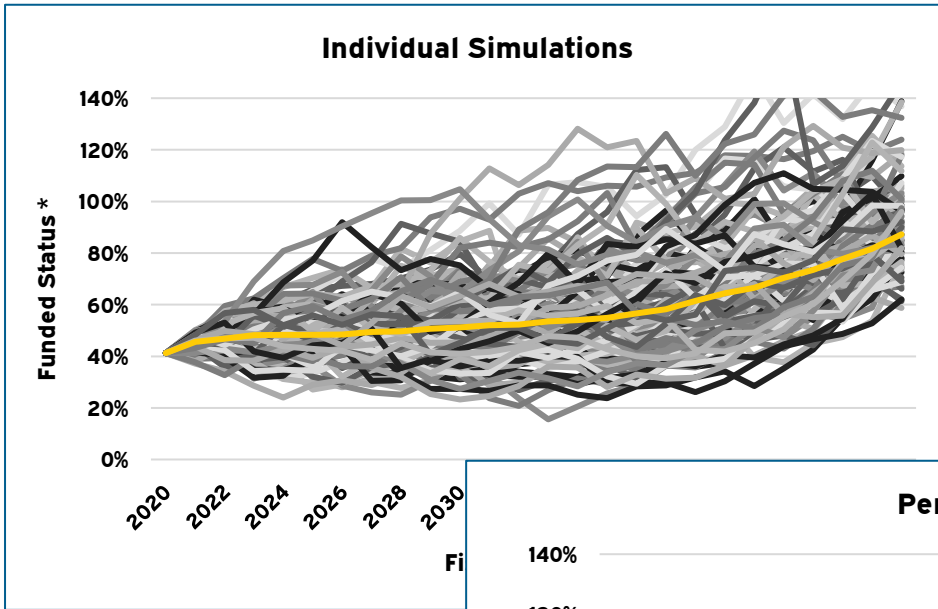
Meketa's CMAs and  
simulation  
methodology

Meketa's in-house  
actuarial team  
utilizes GRS  
data/input

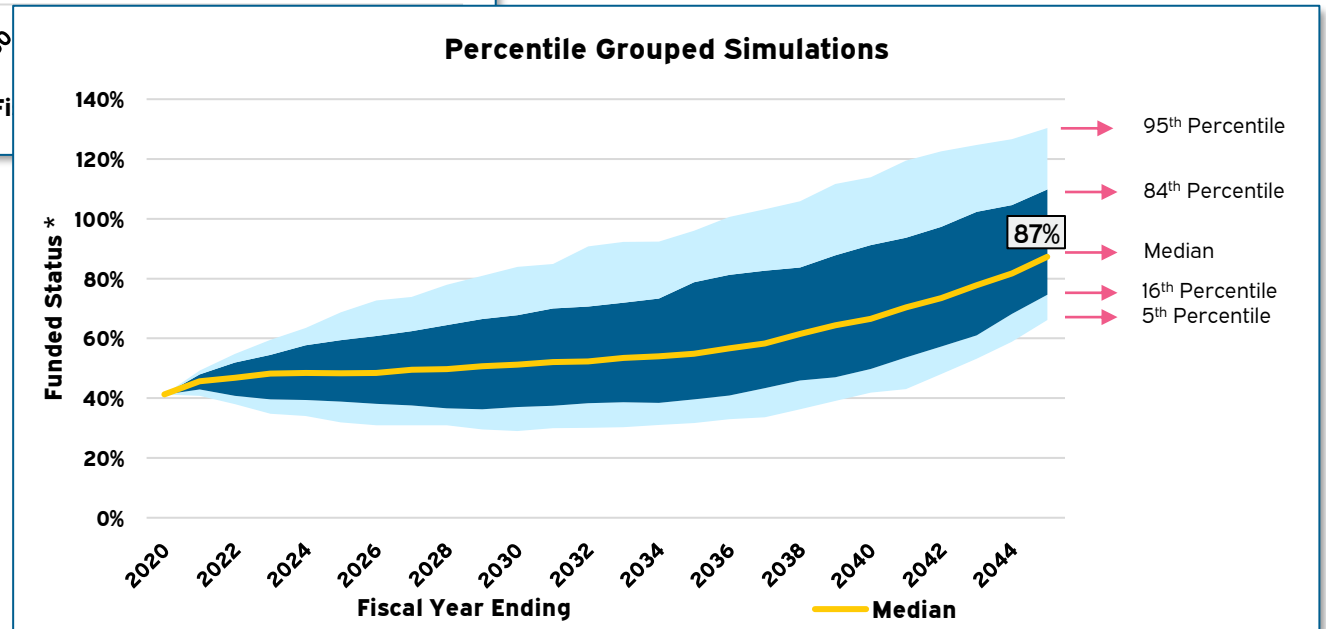


# State Universities Retirement System of Illinois

## Modeling Process – Output Examples



- The charts (left and below) were presented during the 2020/2021 Asset-Liability Study.
- The two charts convey the same information, but the bottom chart summarizes the results into corridors of percentiles.
- **Example:** As presented in June 2021, there was a 50% probability the funded status in 2045 would be greater than 87% (per simulations).



\* Based on market value of assets, not actuarial value.



# State Universities Retirement System of Illinois

## What are the key risks to the pension system?

**01** **Investments**

- Long-term asset appreciation in value
- Asset return volatility

**02** **Inflation**

- Depreciating value of the assets
- Strength of the participant benefits

**03** **Liquidity**

- Ability of assets to be liquidated
- Maintain investment policy targets

**04** **Workforce**

- Constant or growing headcount
- Level of hours worked or wages earned

**05** **Cash Inflow**

- Volatility of contribution requirements
- Employer ability to make contributions

**06** **Longevity**

- Participants receiving benefits beyond expectations





# State Universities Retirement System of Illinois

## How does Meketa evaluate risks in isolation?



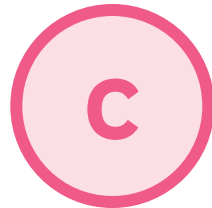
### Likelihood

- How likely is a risk to deviate from an assumption?
- Example: What is the probability the assets return 6.5% every year?



### Materiality

- If the risk occurs, how detrimental or beneficial will the result be?
- Example: Less retirees passed away than expected and the outcome increased the liability by 0.001%.



### Quantitative

- Can the outcomes be measured or are the results subject to interpretation?
- Example: The appreciation a participant has for the size of the pension benefit varies from person to person. It cannot be measured precisely.



### Scope of Responsibility

- Can the risk be mitigated with a change to the asset allocation?
- Example: Will adjusting the asset allocation affect an employer's ability to make required contributions?



# State Universities Retirement System of Illinois

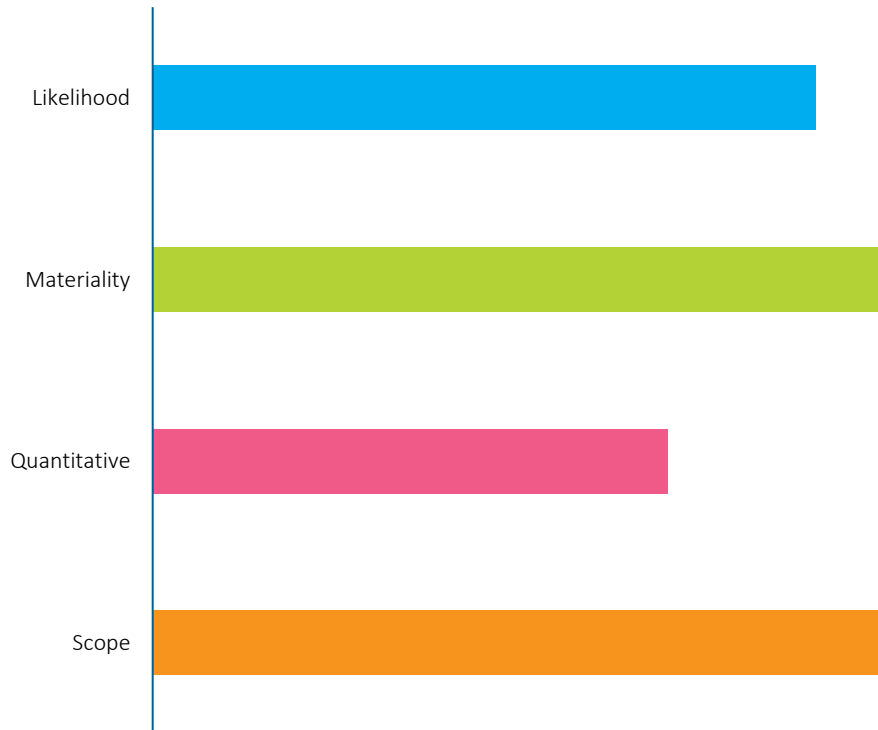
## Risk Isolation – Investments

01

### Investments

- Long-term asset appreciation in value
- Asset return volatility

### Example of the methodology Meketa uses to analyze the risks in isolation



- ✓ There is a high likelihood of *annual* asset returns beyond +/- 1% of the assumed rate of return.
- ✓ Over the *long-term*, it is expected that returns will match or exceed the assumption.
- ✓ Volatile asset returns can have a very material effect on the Plan's funded status.
- ✓ The effects of various asset returns are quantifiable.
- ✓ However, there are many different, valid opinions on asset class return expectations.
- ✓ A Plan's asset allocation is the biggest driver of investment risk.



# State Universities Retirement System of Illinois

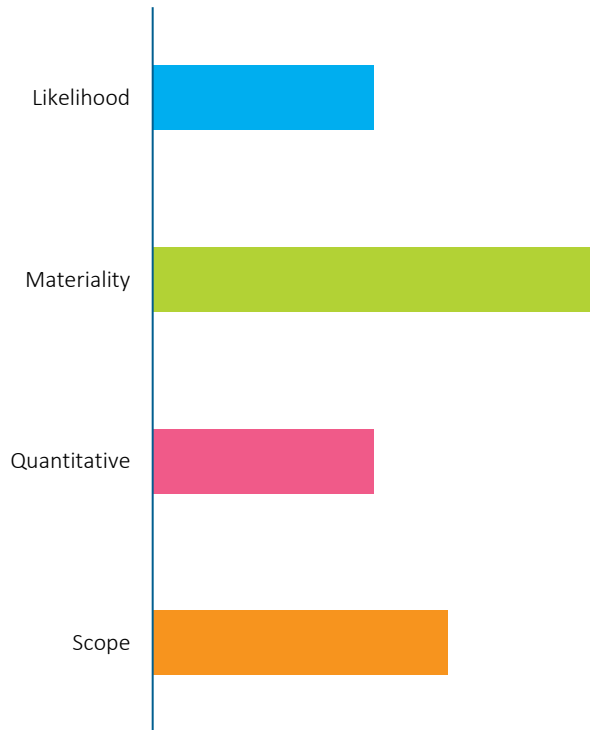
## Risk Isolation – Cash Inflow



### Cash Inflow

- Volatility of contribution requirements
- Employer ability to make contributions

### Example of the methodology Meketa uses to analyze the risks in isolation



- ✓ Recommended vs. actual contributions have varied widely over time.
- ✓ The probability of state/employer not making a future contribution is unknown.
- ✓ Underfunded plans rely on contributions to close the funding gap.
- ✓ As such, the inability to make recommended contributions has a dramatic effect on the Plan health.
- ✓ Modeling contribution volatility is an easy exercise.
- ✓ Measuring the probability of the state/employer not making the contribution is more difficult.
- ✓ Asset allocation can be used to mitigate recommended contribution volatility.
- ✓ Asset allocation is not viewed as a means to mitigate system's ability to make recommended contributions.



# State Universities Retirement System of Illinois

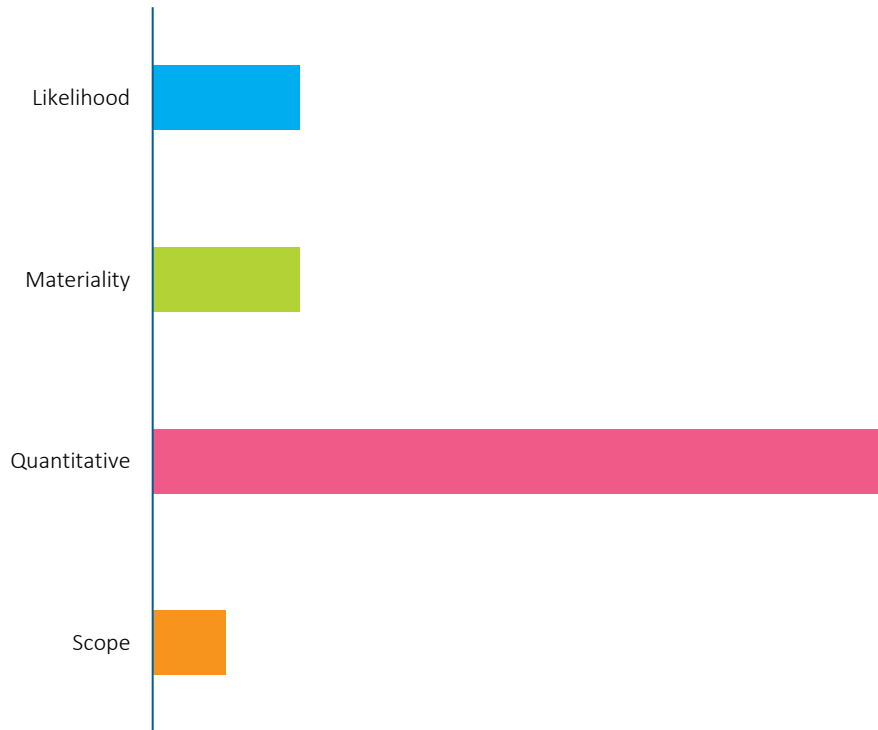
## Risk Isolation – Longevity



### Longevity

→ Participants receiving benefits beyond expectations

### Example of the methodology Meketa uses to analyze the risks in isolation



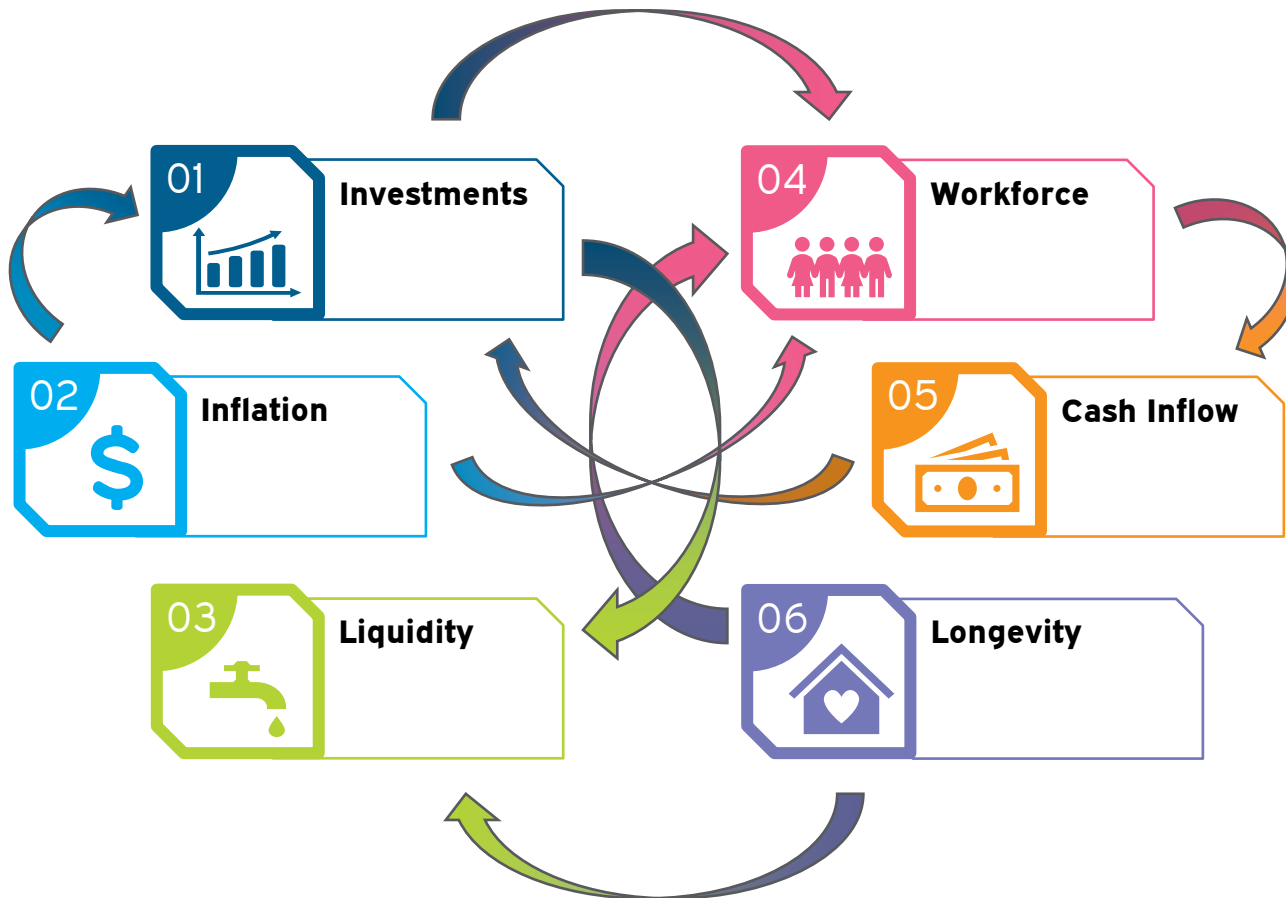
- ✓ Sufficient historical data on longevity creates accurate assumptions.
- ✓ Longevity experience has historically produced gains and losses.
- ✓ Mortality assumption changes tend to be small (< 0.5%)
- ✓ Analyzing a plan's sensitivity to mortality rates is a straightforward exercise.
- ✓ Future mortality improvement is subjective and based on a variety of uncontrollable factors.
- ✓ Asset allocation has no correlation to longevity.



## State Universities Retirement System of Illinois

How do you evaluate risks in total (i.e., enterprise risk)?

→ The asset-liability study aims to bring together all of the enterprise risks.





# State Universities Retirement System of Illinois

## Next Steps

### Next Steps

→ The presentation in October will focus on two areas:

- Preliminary Capital Market Assumptions for the optimization process.
- Further examination of actuarial data, focusing on comparisons to peer systems.

Meeting Date	Activity
October 2024	<b>Strategic Class Assumptions</b> <ul style="list-style-type: none"> <li>• Proposal of initial expected returns and volatilities for modeling purposes.</li> </ul>
	<b>Further Examination of Key SURS Risks</b> <ul style="list-style-type: none"> <li>• Additional analysis of key system metrics, measures, and sensitivities.</li> </ul>
December 2024	<b>Presentation of Initial Model Output</b> <ul style="list-style-type: none"> <li>• Dialogue regarding initial findings and additional items for consideration prior to finalization.</li> </ul>
March 2025	<b>Final Model and Portfolio Selection</b>



# State Universities Retirement System of Illinois

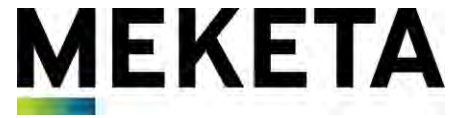
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# Illinois State Universities Retirement System

September 12, 2024

Second Quarter 2024  
Board Report





## Illinois State Universities Retirement System

### Agenda

1. Performance Summary
2. Economic and Market Update
3. Total Fund
4. Private Markets Performance
5. US Equity
6. Non US Equity
7. Global Equity
8. Inflation Sensitive
9. Public Credit
10. Principal Protection
11. Crisis Risk Offset ex Tail Risk
12. Appendix

# Performance Summary



## Illinois State Universities Retirement System

Total Fund | As of June 30, 2024

Portfolio Valuation			
	Quarter-To-Date	One Year	Three Years
<b>Total Fund</b>			
Beginning Market Value	\$24,407,441,874	\$23,066,695,089	\$23,640,828,236
Net Change	\$34,721,964	\$1,375,468,749	\$658,335,603
<b>Ending Market Value</b>	<b>\$24,442,163,838</b>	<b>\$24,442,163,838</b>	<b>\$24,442,163,838</b>

Performance vs. Policy Benchmark and Median Public Fund								
	QTD (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)
<b>Total Fund</b>	<b>1.0</b>	<b>5.1</b>	<b>8.4</b>	<b>6.9</b>	<b>4.2</b>	<b>7.6</b>	<b>6.8</b>	<b>9.1</b>
SURS Policy Benchmark	1.8	5.7	9.0	7.5	3.2	6.9	6.4	8.8
Excess Return	-0.8	-0.6	-0.6	-0.6	1.0	0.7	0.4	0.3
<b>Total Fund</b>	<b>1.0</b>	<b>5.1</b>	<b>8.4</b>	<b>6.9</b>	<b>4.2</b>	<b>7.6</b>	<b>6.8</b>	<b>9.1</b>
InvMetrics Public DB > \$1B Median	1.0	5.0	10.0	8.9	3.2	7.4	6.6	-
Total Fund Rank	48	46	82	88	22	42	44	-

Returns are gross of fees.

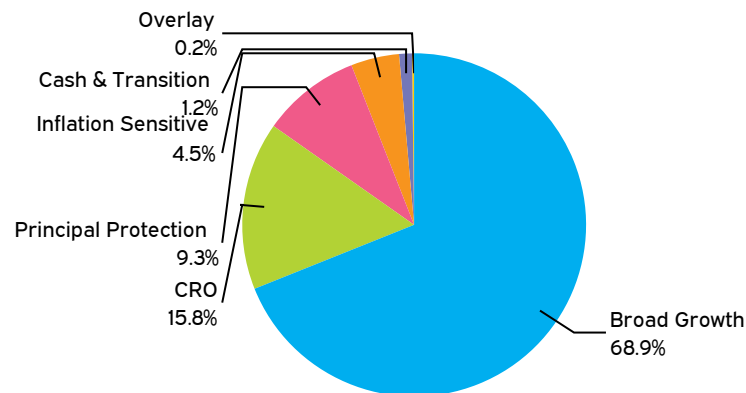
Investment Metrics (IM) Median [Gross of Fees] - Public Fund >\$1Billion Universe includes BNY Mellon Total Public Fund Greater than \$1Billion Universe and IM client data.



## Illinois State Universities Retirement System

Total Fund | As of June 30, 2024

Asset Allocation vs. Target As of June 30, 2024				
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)
<b>Broad Growth</b>	<b>16,847,757,191</b>	<b>68.9</b>	<b>68.0</b>	<b>0.9</b>
Traditional Growth	8,522,099,242	34.9	36.0	-1.1
Stabilized Growth	4,005,462,913	16.4	17.0	-0.6
Non-Traditional Growth	4,320,195,036	17.7	15.0	2.7
<b>Inflation Sensitive</b>	<b>1,110,832,209</b>	<b>4.5</b>	<b>5.0</b>	<b>-0.5</b>
Inflation Sensitive	1,110,832,209	4.5	5.0	-0.5
<b>Principal Protection</b>	<b>2,269,370,891</b>	<b>9.3</b>	<b>10.0</b>	<b>-0.7</b>
Principal Protection	2,269,370,891	9.3	10.0	-0.7
<b>CRO</b>	<b>3,869,641,780</b>	<b>15.8</b>	<b>17.0</b>	<b>-1.2</b>
Crisis Risk Offset	3,869,641,780	15.8	17.0	-1.2
<b>Cash &amp; Transition</b>	<b>295,635,266</b>	<b>1.2</b>	<b>0.0</b>	<b>1.2</b>
Cash & Transition	295,635,266	1.2	0.0	1.2
<b>Overlay</b>	<b>48,926,502</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
Overlay	48,926,502	0.2	0.0	0.2
<b>Total</b>	<b>24,442,163,838</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

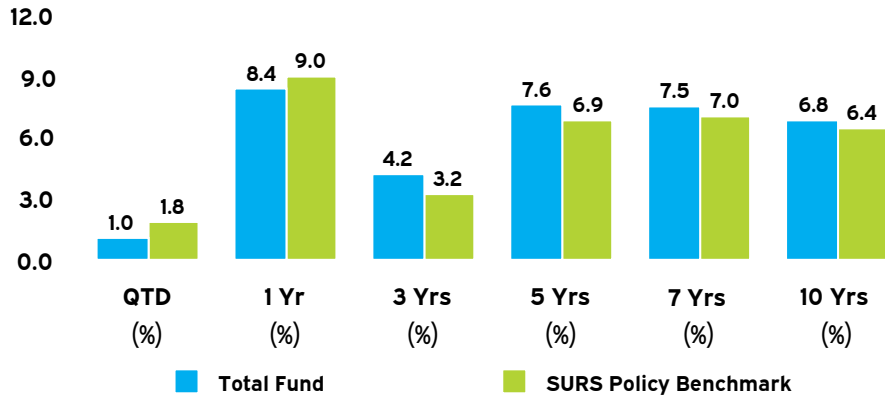




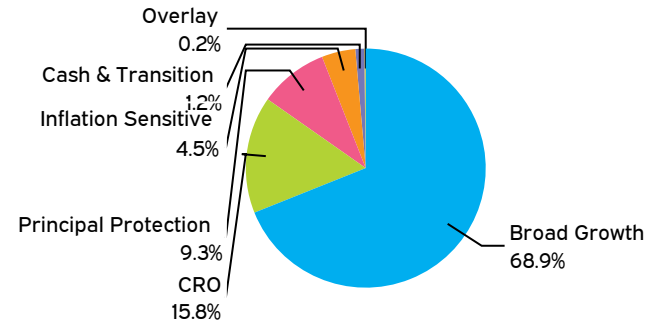
# Illinois State Universities Retirement System

Total Fund | As of June 30, 2024

## Return Summary

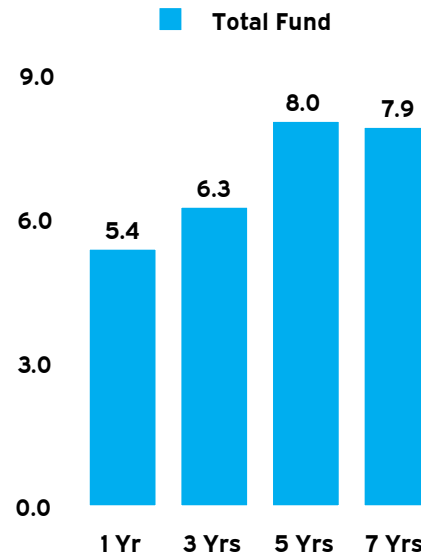


## Current Allocation

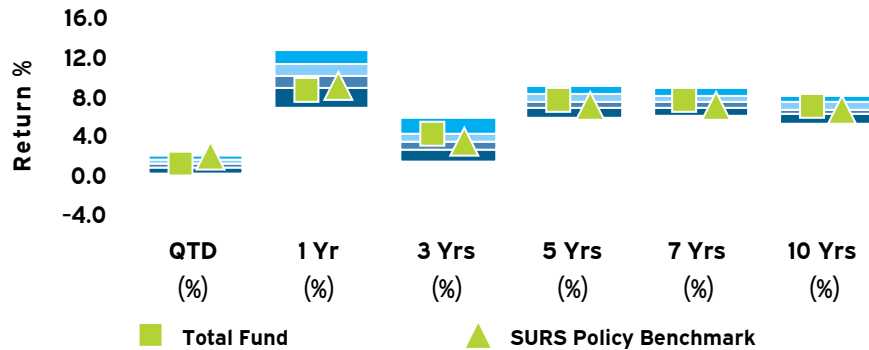
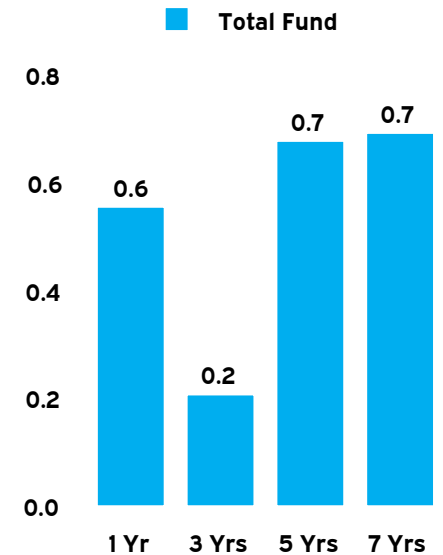


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund	1.0	8.4	4.2	7.6	7.5	6.8
SURS Policy Benchmark	1.8	9.0	3.2	6.9	7.0	6.4
Excess Return	-0.8	-0.6	1.0	0.7	0.5	0.4
InvMetrics Public DB > \$1B Median	1.0	10.0	3.2	7.4	7.3	6.6
InvMetrics Public DB > \$1B Rank	48	82	22	42	39	44

## Annualized Standard Deviation



## Sharpe Ratio



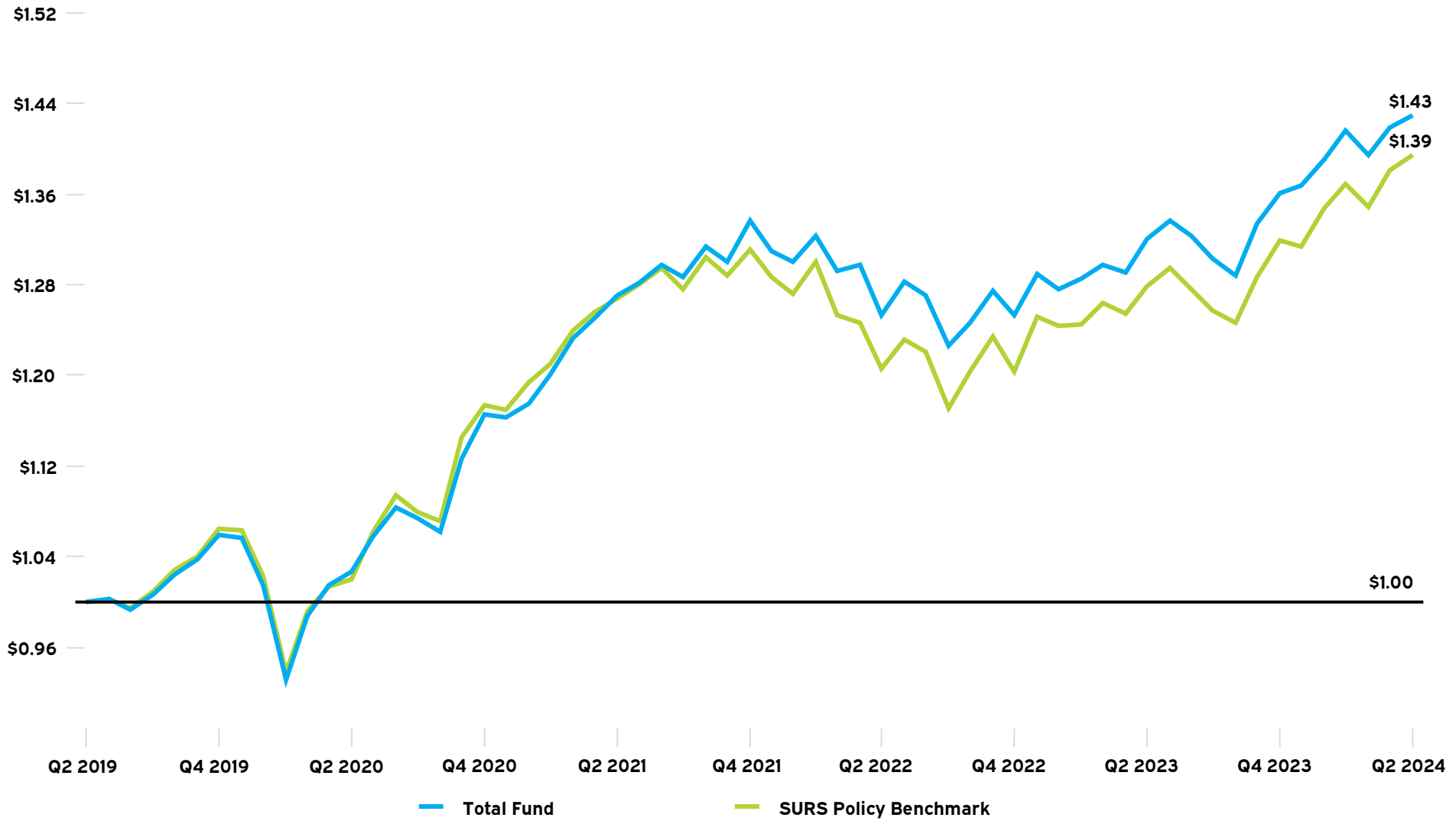
Returns are gross of fees.



# Illinois State Universities Retirement System

Total Fund | 5 Years Ending June 30, 2024

## Growth of a Dollar 5 Years Ending June 30, 2024



**Economic and Market Update**  
As of June 30, 2024

## Commentary

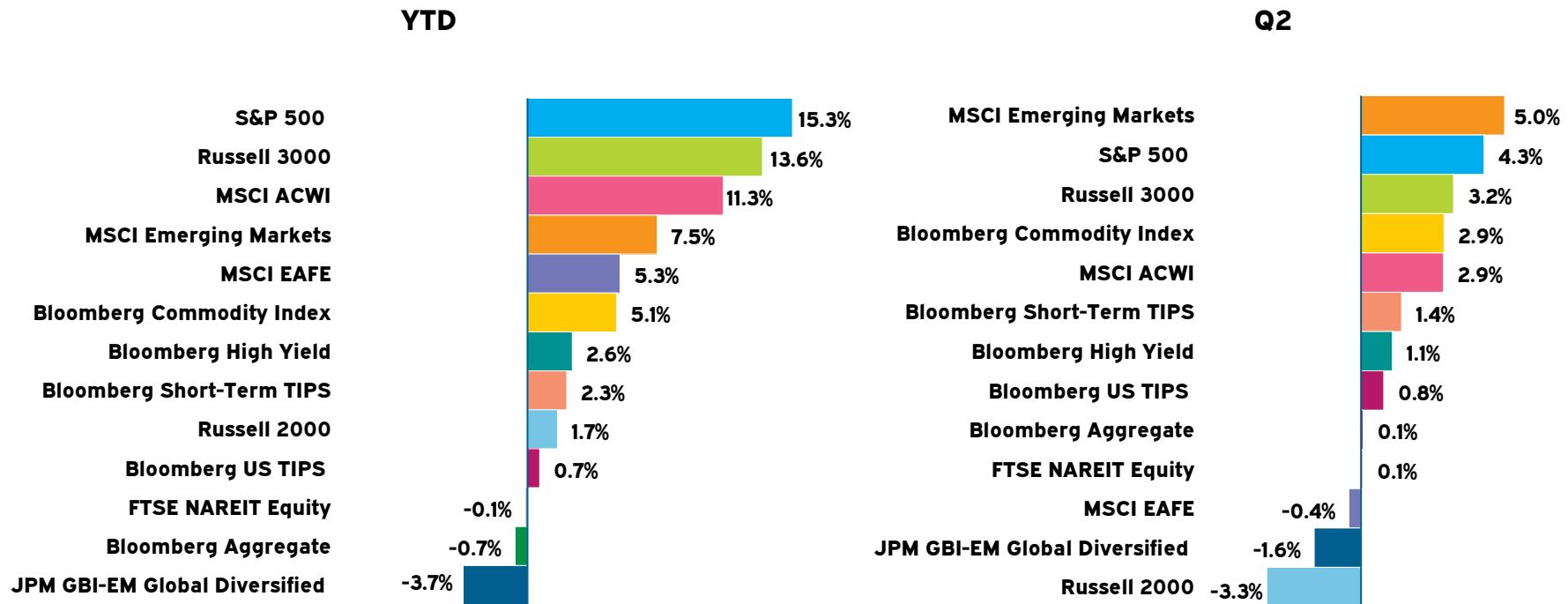
- Softening economic data, increased hopes of interest rate cuts, and ongoing AI optimism drove most asset classes higher in the second quarter.
- While the Fed remains data dependent, improvements in inflation and a cooling labor market may clear the way for several rate cuts this year.
  - Inflation pressures have eased in most countries from their pandemic peaks, but some uncertainty remains and levels are still above most central bank targets. In the second quarter, headline and core inflation measures in the US both fell, with most readings coming in below expectations.
  - The US equity markets (Russell 3000 index) added to its gains in the second quarter, rising 3.2%. Technology continued to drive results in the quarter due to AI demand and investment.
  - Non-US developed equity markets fell in the second quarter (-0.4%) on continued strength in the US dollar and political uncertainty in Europe.
  - Emerging market equities rallied (5.0%), for the quarter. Chinese stocks were up 7.1% as coordinated buying of Chinese exchange traded funds (ETFs) by state-backed financial services companies helped boost stock prices.
  - US interest rates rose over the quarter but finished off their highs. Income offset capital losses though, leading to the broad US bond market rising 0.1% in the second quarter.
- Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, and the many looming elections will be key factors.





## Economic and Market Update

### Index Returns<sup>1</sup>



→ Declining inflation, resilient growth, and strong corporate earnings supported most asset classes in the second quarter.

→ Mid-way through 2024, US stocks have significantly outperformed other asset classes on a year-to-date basis.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024.

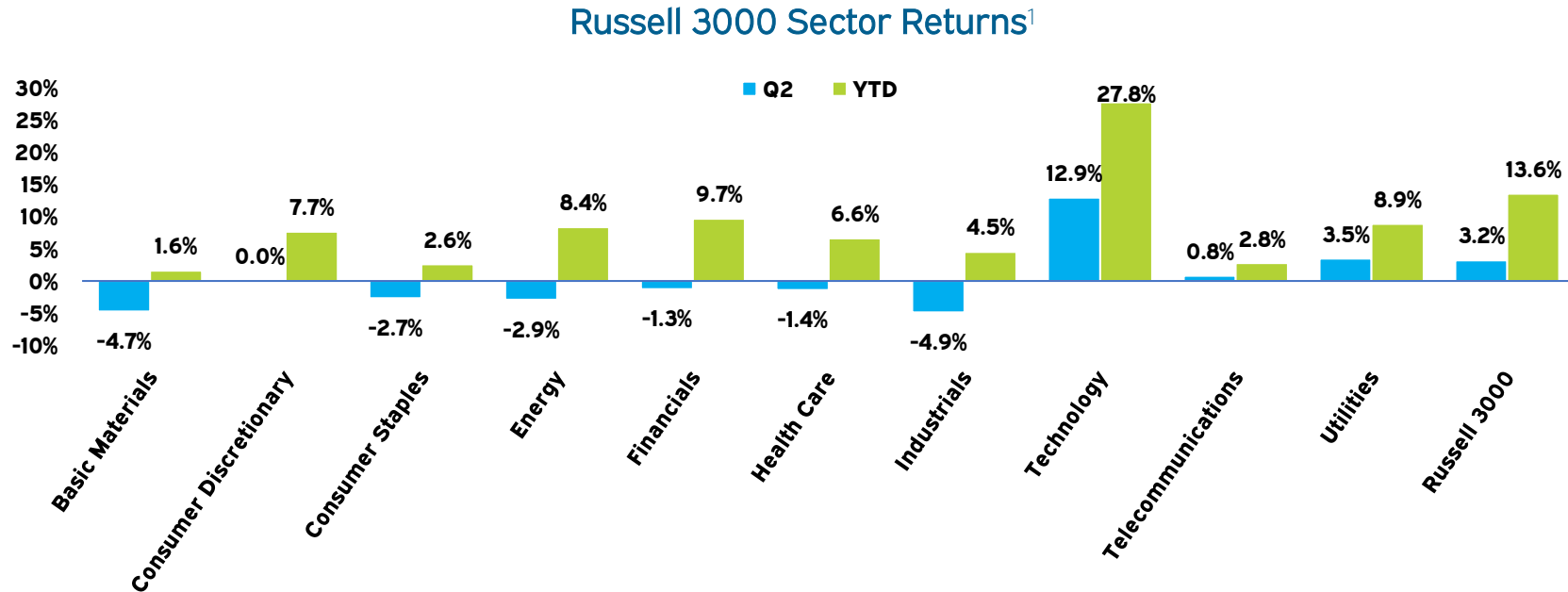
Domestic Equity Returns<sup>1</sup>

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	3.6	4.3	15.3	24.6	10.0	15.1	12.9
Russell 3000	3.1	3.2	13.6	23.1	8.1	14.2	12.1
Russell 1000	3.3	3.6	14.2	23.9	8.8	14.6	12.5
Russell 1000 Growth	6.7	8.3	20.7	33.5	11.3	19.4	16.3
Russell 1000 Value	-0.9	-2.2	6.6	13.1	5.5	9.0	8.2
Russell MidCap	-0.7	-3.3	5.0	12.9	2.4	9.5	9.0
Russell MidCap Growth	1.7	-3.2	6.0	15.1	-0.1	9.9	10.5
Russell MidCap Value	-1.6	-3.4	4.5	12.0	3.7	8.5	7.6
Russell 2000	-0.9	-3.3	1.7	10.1	-2.6	6.9	7.0
Russell 2000 Growth	-0.2	-2.9	4.4	9.1	-4.9	6.2	7.4
Russell 2000 Value	-1.7	-3.6	-0.8	10.9	-0.5	7.1	6.2

### US Equities: The Russell 3000 rose 3.2% in the second quarter, bringing the year-to-date results to 13.6%.

- US stocks continued their rise in June driven by on-going AI optimism. Nearly all the quarterly market gains in the S&P 500 were driven by large cap technology stocks, with the S&P 500 equal weighted index down 3.1% for the quarter.
- US large cap stocks continue to outperform small cap stocks. This dynamic is driven by the large technology stocks like NVIDIA, Apple, and Alphabet and the underperformance of small cap biopharma companies and banks.
- Growth outperformed value for the quarter, with the most pronounced outperformance in the large cap space (8.3% versus -2.2%).

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024.



- Unlike first quarter performance, where all sectors gained, the second quarter saw mixed results across the major sectors.
- Technology (+12.9%) continued to drive results fueled by on-going AI optimism. Utilities were a distant second increasing 3.5%, on expectations of increased demand from AI-related companies.
- Many other sectors fell, including financials (-1.3%), health care (-1.4%), consumer staples (-2.7%), energy (-2.9%), materials (-4.7%), and industrials (-4.9%).
- All sectors have positive returns for the year-to-date period. Technology stocks (+27.8%) continue to lead the broader market, followed by financials (9.7%).

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024.

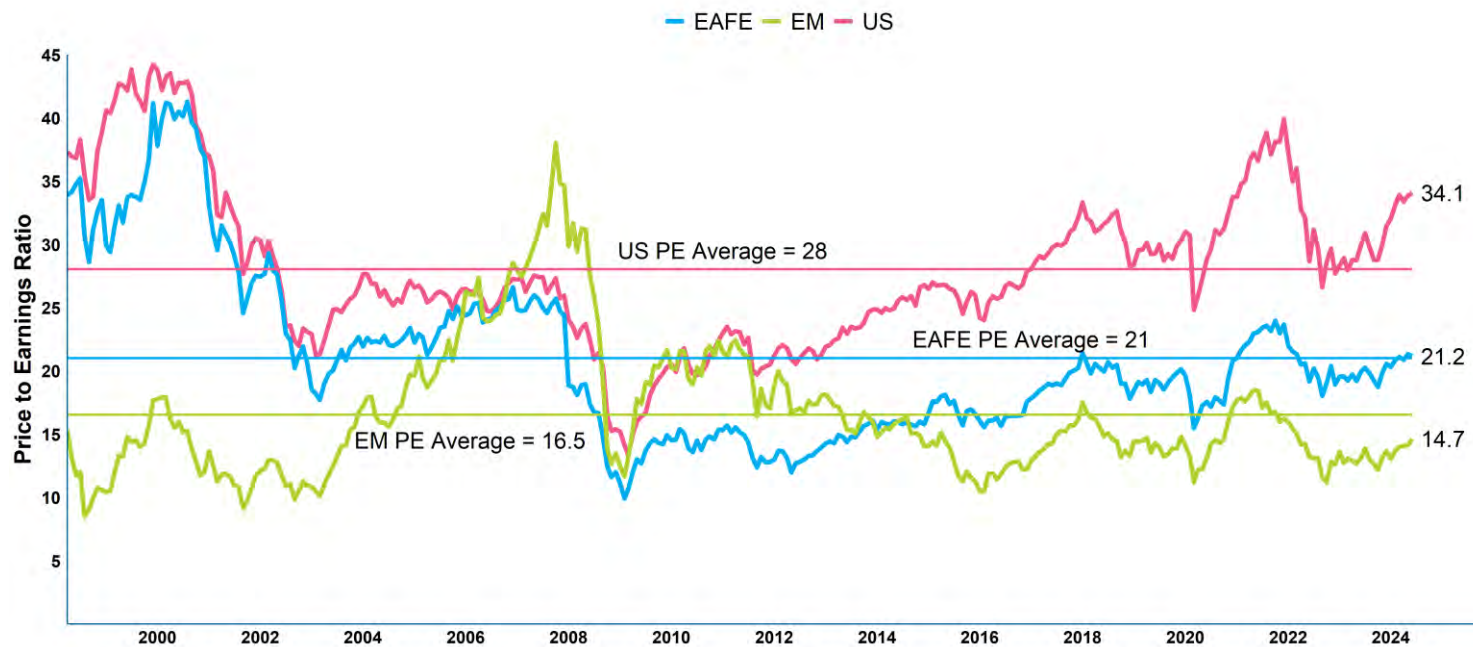
Foreign Equity Returns<sup>1</sup>

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-0.1	1.0	5.7	11.6	0.5	5.6	3.8
MSCI EAFE	-1.6	-0.4	5.3	11.5	2.9	6.5	4.3
MSCI EAFE (Local Currency)	-0.6	1.0	11.1	15.1	8.1	9.0	7.4
MSCI EAFE Small Cap	-3.0	-1.8	0.5	7.8	-3.4	4.2	4.3
MSCI Emerging Markets	3.9	5.0	7.5	12.5	-5.1	3.1	2.8
MSCI Emerging Markets (Local Currency)	4.3	6.2	11.0	15.5	-1.6	5.6	5.8
MSCI EM ex. China	6.1	4.2	8.4	18.5	1.4	6.7	3.9
MSCI China	-1.9	7.1	4.7	-1.6	-17.7	-4.3	1.4

**Foreign Equity: Developed international equities (MSCI EAFE) fell 0.4% in the second quarter, while emerging market equities (MSCI Emerging Markets) gained 5.0%.**

- For the second quarter, developed market equities declined driven by continued strength in the US dollar and regional political risks particularly in France. UK and Japanese equities made new all-time highs during the quarter, but this was not enough to offset losses in Europe.
- Emerging market equities outpaced developed market equities during the quarter given strong results in China (7.1%). China equities moved into positive territory for the year (4.7%) due to government purchases of shares, improving economic data, and returning foreign investors.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024.

Equity Cyclically Adjusted P/E Ratios<sup>1</sup>

- At the end of the second quarter, the US equity price-to-earnings ratio remained elevated and above its 21st century average.
- International equity market valuations remain well below the US. International developed market valuations have increased to slightly above their long-term average, while emerging market equities remain below their long-term average despite recent gains.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of June 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

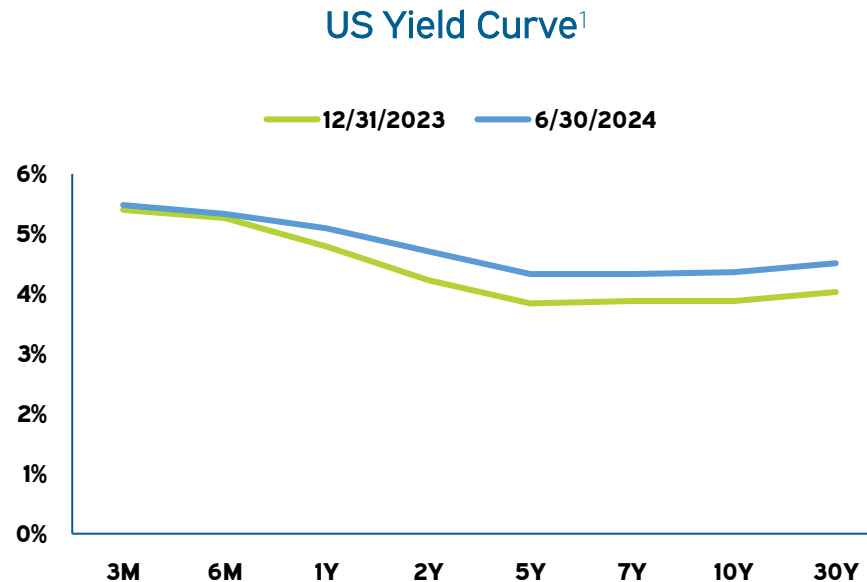
Fixed Income Returns<sup>1</sup>

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.9	0.2	-0.3	3.5	-2.7	0.1	1.6	5.3	6.0
Bloomberg Aggregate	0.9	0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0	6.2
Bloomberg US TIPS	0.8	0.8	0.7	2.7	-1.3	2.1	1.9	4.8	6.6
Bloomberg Short-term TIPS	0.6	1.4	2.3	5.4	2.2	3.2	2.0	5.1	2.4
Bloomberg High Yield	0.9	1.1	2.6	10.4	1.6	3.9	4.3	7.9	3.7
JPM GBI-EM Global Diversified (USD)	-1.1	-1.6	-3.7	0.7	-3.3	-1.3	-0.9	--	--

**Fixed Income: The Bloomberg Universal index rose 0.2% in the second quarter, reducing the year-to-date decline to -0.3%.**

- Bonds finished the quarter slightly up as May and June gains offset the April declines.
- The broad US bond market (Bloomberg Aggregate) rose 0.1% in the second quarter, with the broad TIPS market gaining 0.8%. The less interest rate sensitive short-term TIPS index increased 1.4% for the quarter, leading to the best results.
- High yield bonds (1.1%) also rose, as risk appetite remains strong.

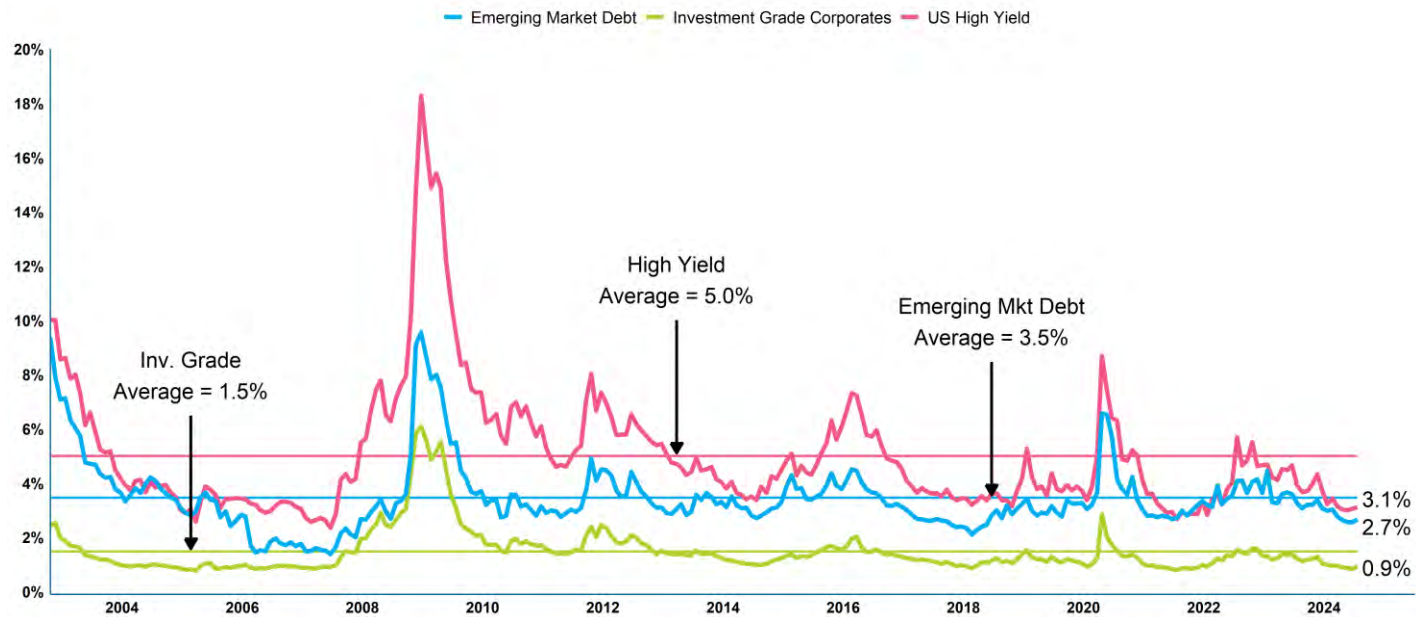
<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- After rates significantly increased in April on strong inflation data, they then declined in May and June. Chair Powell confirming that the FOMC would not raise rates again this year as economic data appears to be returning to long-run trends led to rates declining from the April highs.
- The more policy sensitive 2-year Treasury yield finished the quarter roughly 0.2% higher at 4.76% but well off its peak of over 5.0%. The 10-year Treasury rose by a similar amount during the quarter finishing at 4.39%; also, off its April peak of 4.68%.
- The yield curve remained inverted at month-end, with the spread between the 2-year and 10-year Treasury at roughly -35 basis points.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024.

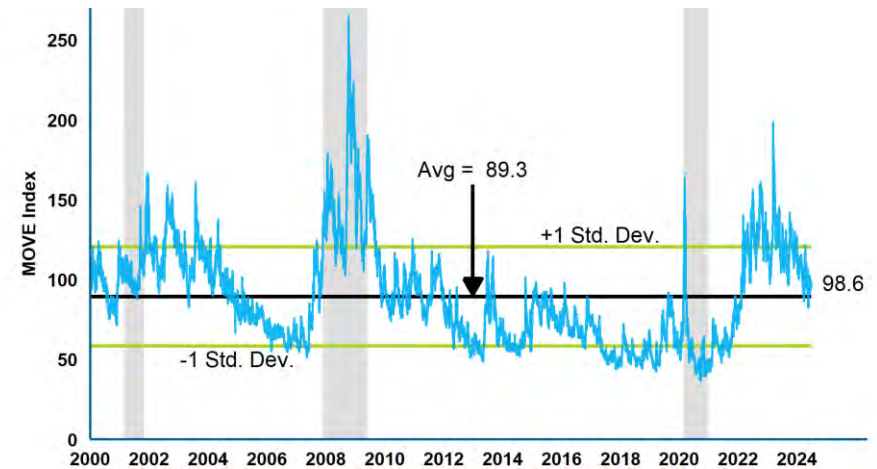
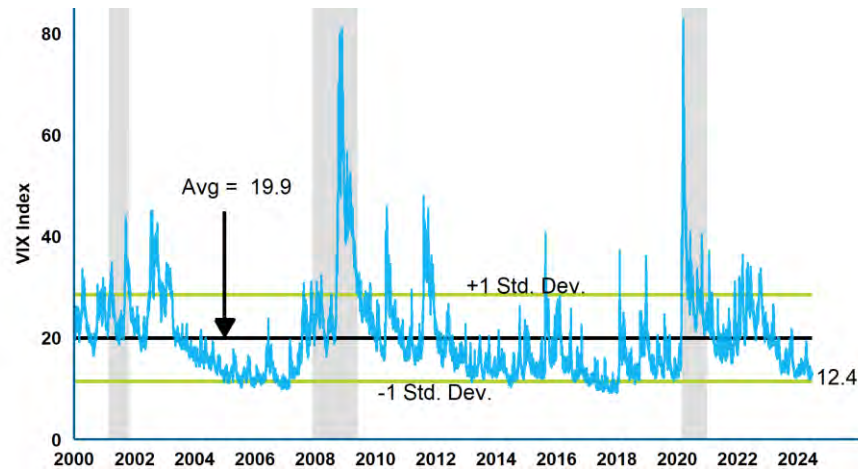
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Despite rising rates, investor demand for risk exposure in credit markets remained strong in Q2 given measured weakness in the economic outlook and expectations of lower interest rates by year-end.
- Spreads (the yield above a comparable maturity Treasury) stayed relatively steady over the quarter, near post-pandemic lows. All spreads remained below their respective long-run averages, particularly high yield.
- Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

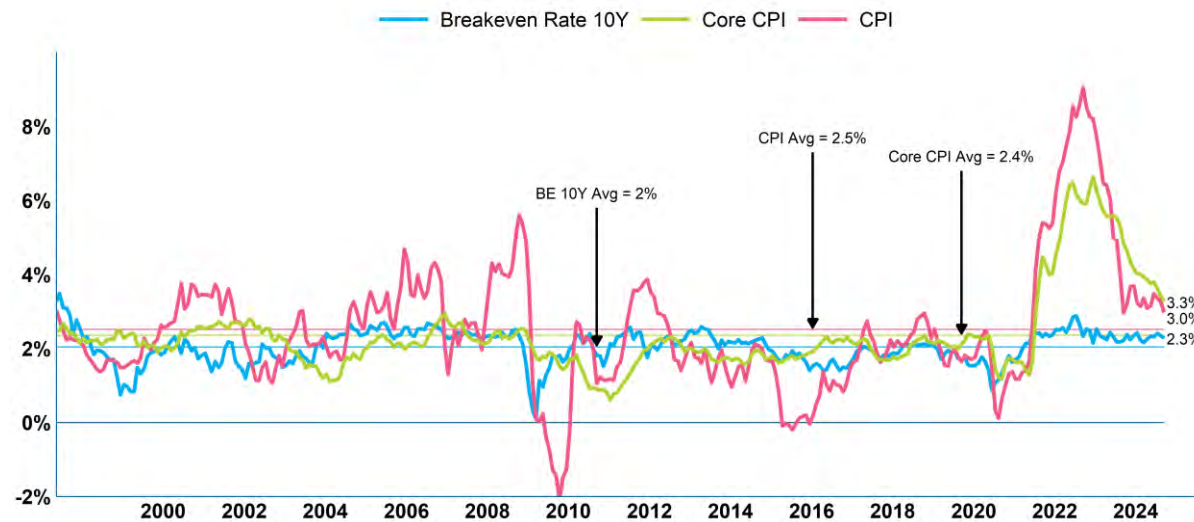


Equity and Fixed Income Volatility<sup>1</sup>

- Volatility in equities was around one standard deviation below its long-term average at the end of the quarter as continued strength in technology stocks and weakening economic data has moderated fear in the markets.
- Volatility in bonds (MOVE) ended June higher than where it started the quarter (98.6 versus 86.4) and above its long-run average.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of June 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and June 2024.

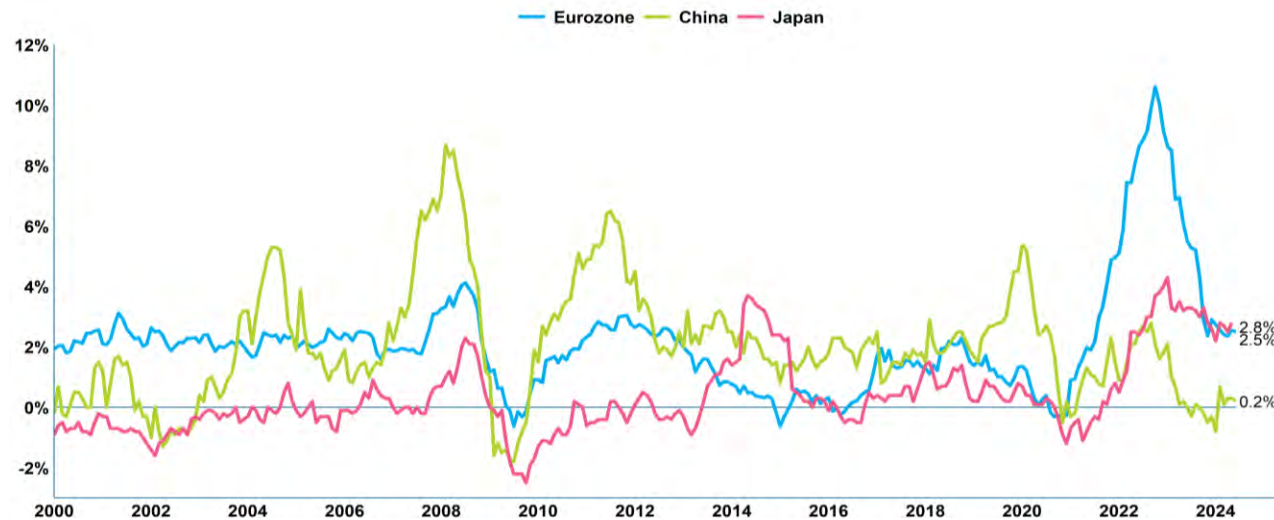
## US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Year-over-year headline inflation continued to fall in June (3.3% to 3.0%) and again came in below expectations. Over the quarter, inflation fell by a total of 0.5%.
- Month-over-month inflation was negative for the first time since March 2020, largely because of price declines in energy and core goods.
- Core inflation (excluding food and energy) also declined in June (3.4% to 3.3%) and came in below expectations. A drop in used car prices, transportation services, and a slowing of the pace of shelter price increases all contributed to the decline.
- Inflation expectations (breakevens) have been volatile, but they finished the quarter largely where they started.

<sup>1</sup> Source: FRED. Data is as June 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

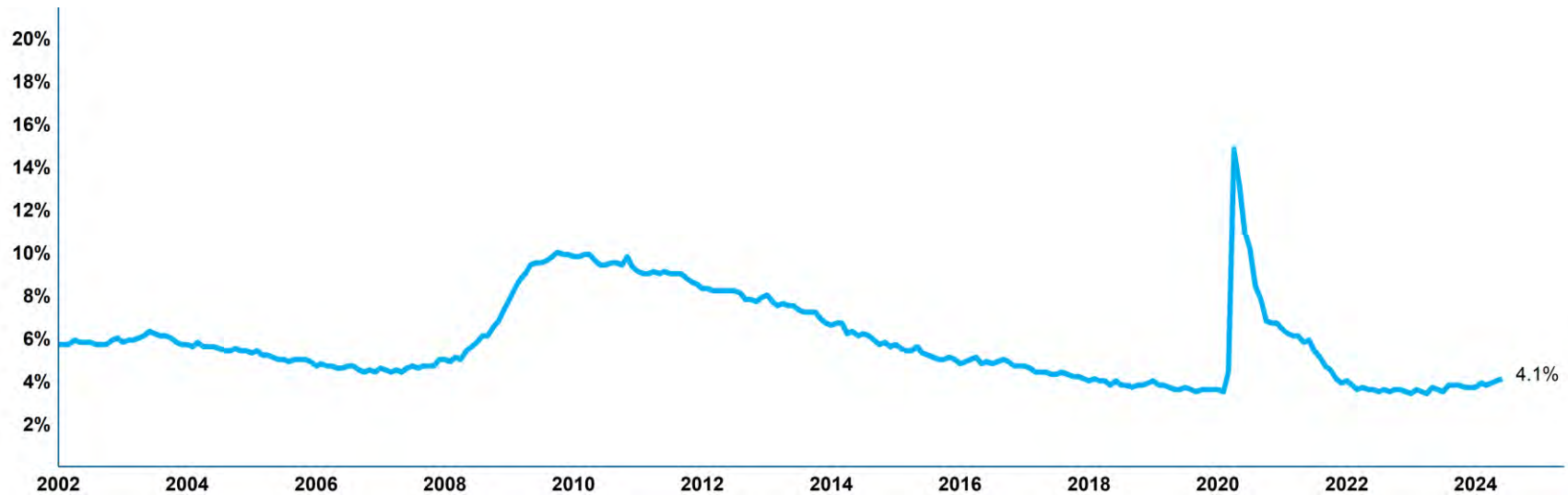
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- Outside the US, inflation is also easing from the recent peaks.
- In the eurozone, inflation experienced a dramatic decline last year but remains above the central bank's 2% target. In June, inflation fell slightly from 2.6% to 2.5% year-over-year.
- Inflation in Japan has slowly dropped from the early 2023 peak of 4.3%, but it remains near levels not seen in a decade. In the most recent reading (May), inflation rose modestly from 2.5% to 2.8% as fuel and utility prices increased.
- China appears to have emerged from deflationary pressures, but inflation levels remain well below other major economies due to slowing economic growth. Annual inflation levels have been positive for the last five readings signaling improvement in domestic demand. The June year-over-year number came in at 0.2%, slightly lower than the prior reading of 0.3%.

<sup>1</sup> Source: Bloomberg. Data is June 30, 2024, except Japan which is as of May 31, 2024.

### US Unemployment<sup>1</sup>

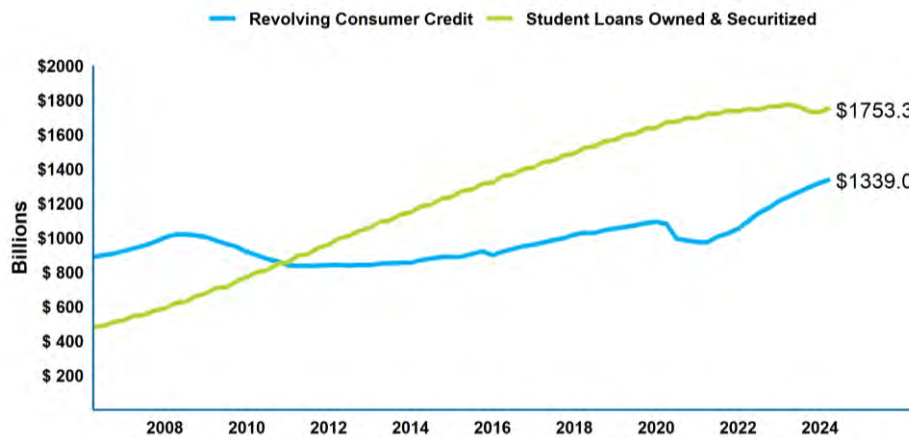


- Overall, the US labor market remains healthy, but there have been some recent signs of softening.
- The unemployment rate came in above expectations in June reaching 4.1%, a level not seen since early 2022. Over the second quarter unemployment increased 0.3%.
- Wage growth remains strong though (around 3.9% annually), and initial claims for unemployment are still subdued.
- Despite significant downward revisions to job gains in April and May, in June the economy added 206,000 jobs (above expectations). The government added the most jobs (70,000), followed by the healthcare sector (49,000).

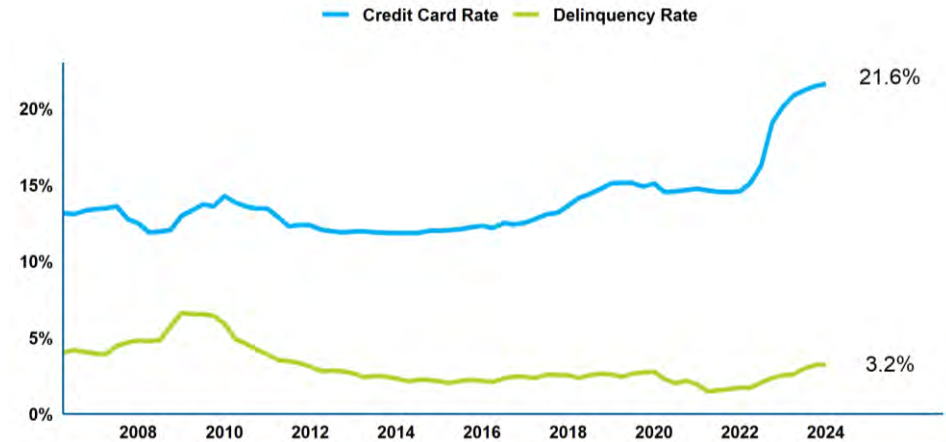
<sup>1</sup> Source: FRED. Data is as June 30, 2024.

## US Consumer Under Stress?<sup>1</sup>

### Revolving Consumer Credit & Student Loans (\$B)



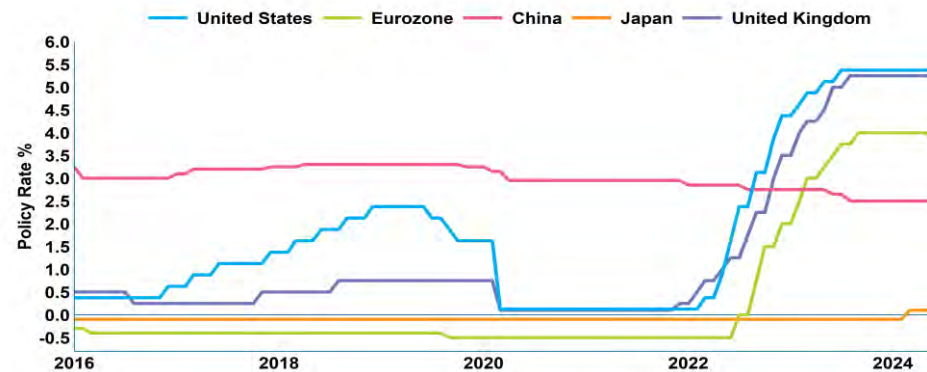
### Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures are building on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s). Recently, we have also seen payment delinquencies on credit cards and auto loans start to increase, particularly for younger people.
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.
- It is worth noting though that many people locked in low-rate fixed mortgages before rates increased and many corporations issued debt at extremely low levels, reducing the sensitivity to higher rates.

<sup>1</sup> Source: FRED. Data is as of March 31, 2024. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

### Policy Rates<sup>1</sup>



- In the US interest rates have remained at current levels (5.25%-5.50%) for a year now. The most recent “dot plot” (the Fed’s expectation on the path of rates) showed a median expectation of roughly one rate cut this year. Markets are now pricing in two to three rate cuts in 2024 given the improving inflation data with the probability of a cut around 100% in September and slightly over 90% for December.
- The European Central Bank (ECB) cut its policy rate by 25 basis points at the beginning of June, as expected. Like the US, cuts are also anticipated at the September and December meetings.
- After ending the last negative interest rate policy given higher inflation levels, the Bank of Japan (BOJ) has since kept rates at slightly above 0%. Policy is expected to tighten going forward with the BOJ announcing at their recent meeting they would also start reducing their bond purchases. Interest rate futures markets are pricing in roughly two rate hikes (of 10 basis points) through the end of the year.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, to support economic growth.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



### US Dollar vs. Broad Currencies<sup>1</sup>



- Overall, the dollar rose in the second quarter (104.5 to 105.9) versus a basket of currencies of major trading partners.
- China and the ECB cutting policy rates, stronger relative growth, and the weakening of the Japanese yen, have all collectively helped strengthen the dollar.

<sup>1</sup> Source: Bloomberg. Data as of June 30, 2024.

## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) April report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession. Continued strong economic growth does run the risk of inflation and interest rates staying higher for longer.
- Key economic data in the US has largely weakened and come in below expectations, causing markets to expect between two and three rate cuts this year. Uncertainty remains though regarding the timing and pace of interest rate cuts in the coming year.
- We have started to see some divergences in monetary policy with other central banks, such as the European Central Bank (ECB), starting to cut interest rates while the Fed remains on hold. This disparity will likely influence investment flows and currencies.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and ongoing weakness in the real estate sector. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

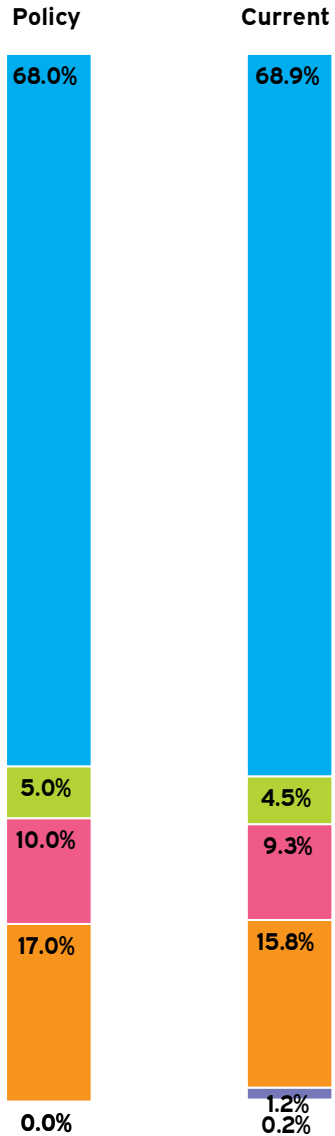


**Total Fund**



## Illinois State Universities Retirement System

Asset Allocation Compliance | As of June 30, 2024

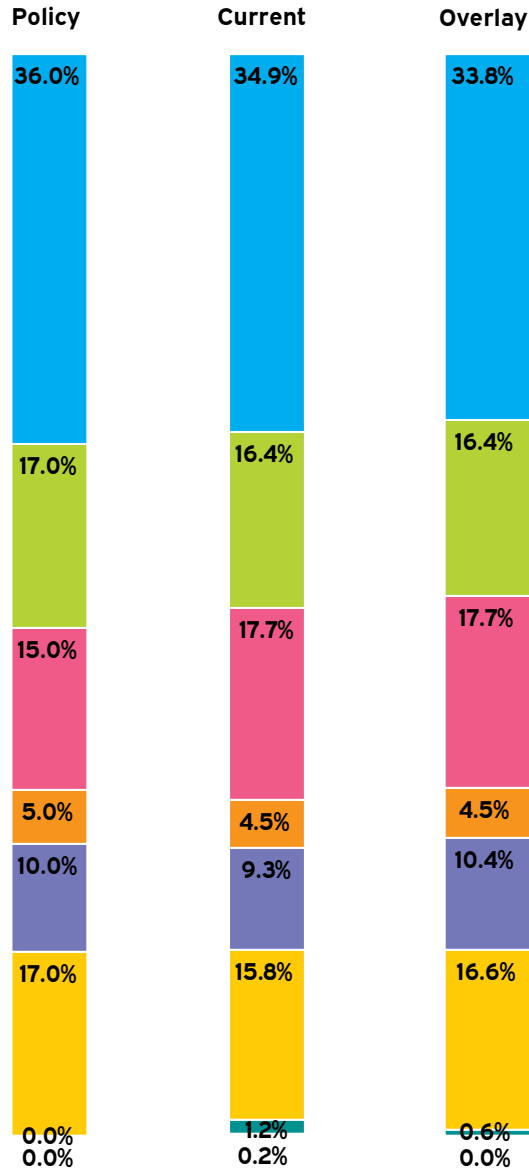


Asset Allocation vs. Interim Policy						
	Current Value	Policy (%)	Current (%)	Difference	Difference (%)	
■ Broad Growth	\$16,847,757,191	68.0	68.9	\$227,085,781	0.9	
■ Inflation Sensitive	\$1,110,832,209	5.0	4.5	-\$111,275,983	-0.5	
■ Principal Protection	\$2,269,370,891	10.0	9.3	-\$174,845,493	-0.7	
■ CRO	\$3,869,641,780	17.0	15.8	-\$285,526,073	-1.2	
■ Cash & Transition	\$295,635,266	0.0	1.2	\$295,635,266	1.2	
■ Overlay	\$48,926,502	0.0	0.2	\$48,926,502	0.2	
<b>Total</b>	<b>\$24,442,163,838</b>	<b>100.0</b>	<b>100.0</b>			



## Illinois State Universities Retirement System

Asset Allocation Compliance | As of June 30, 2024



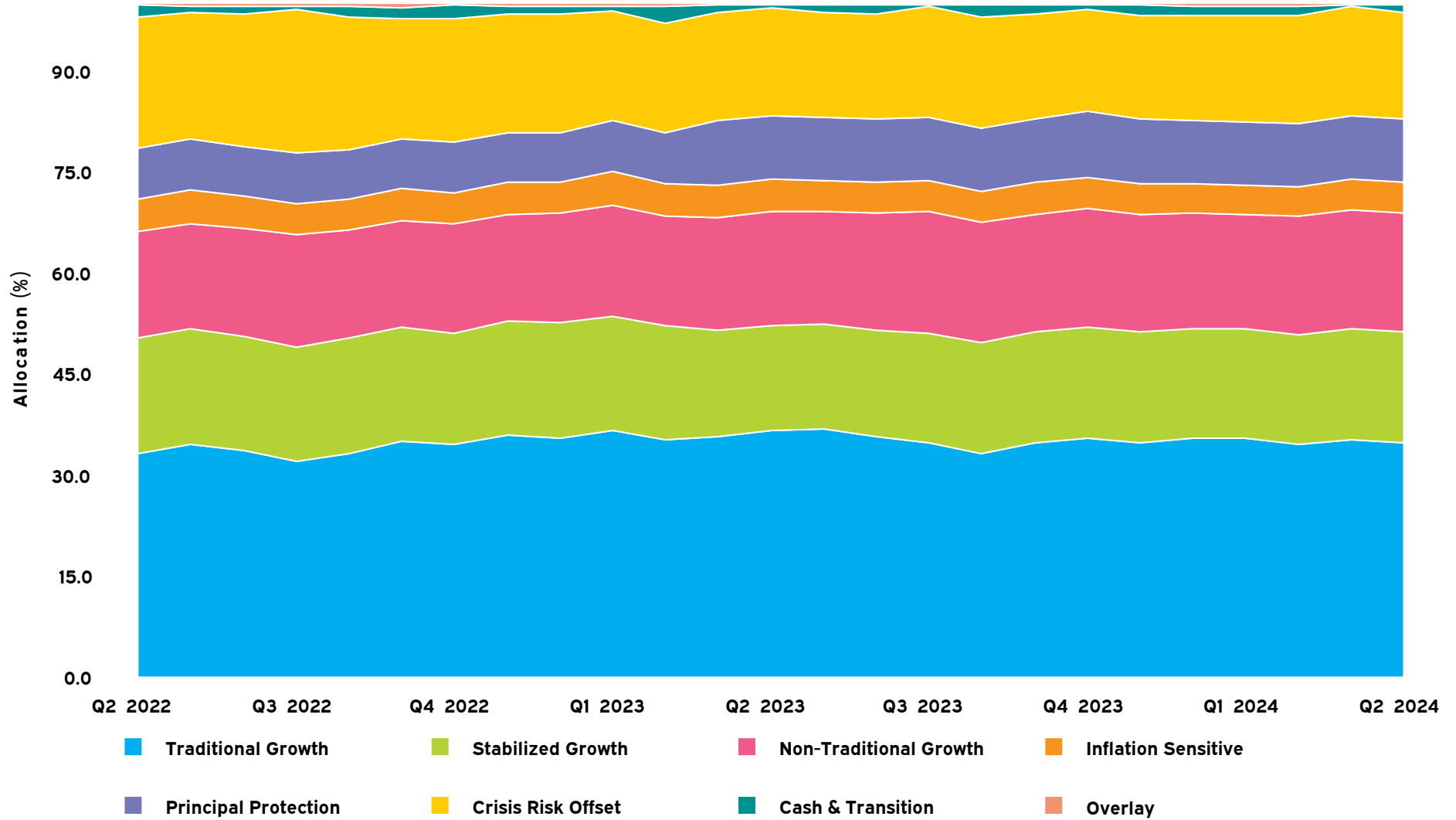
Asset Allocation vs. Interim Policy				
	Current Value	Policy (%)	Current (%)	Overlay (%)
Traditional Growth	\$8,522,099,242	36.0	34.9	33.8
Stabilized Growth	\$4,005,462,913	17.0	16.4	16.4
Non-Traditional Growth	\$4,320,195,036	15.0	17.7	17.7
Inflation Sensitive	\$1,110,832,209	5.0	4.5	4.5
Principal Protection	\$2,269,370,891	10.0	9.3	10.4
Crisis Risk Offset	\$3,869,641,780	17.0	15.8	16.6
Cash & Transition	\$295,635,266	0.0	1.2	0.6
Overlay	\$48,926,502	0.0	0.2	0.0
<b>Total</b>	<b>\$24,442,163,838</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>



# Illinois State Universities Retirement System

Historical Asset Allocation | 2 Years Ending June 30, 2024

## Asset Allocation History 2 Years Ending June 30, 2024





## Illinois State Universities Retirement System

Attribution Summary | As of June 30, 2024

Attribution Summary 1 Quarter Ending June 30, 2024							
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
Traditional Growth	2.1	2.4	-0.3	-0.1	0.0	0.0	-0.1
Stabilized Growth	1.1	-0.3	1.5	0.2	0.0	0.0	0.3
Non Traditional Growth	1.8	6.2	-4.4	-0.7	0.1	-0.1	-0.6
Inflation Sensitive	0.8	0.8	0.0	0.0	0.0	0.0	0.0
Principal Protection	0.4	0.4	0.0	0.0	0.0	0.0	0.0
Crisis Risk Offset ex Tail Risk	-1.4	0.2	-1.5	-0.3	0.0	0.0	-0.2
<b>Total Fund</b>	<b>1.0</b>	<b>1.8</b>	<b>-0.8</b>	<b>-0.8</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.8</b>

Attribution Summary 1 Year Ending June 30, 2024							
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
Traditional Growth	19.1	18.4	0.7	0.1	-0.2	0.0	0.0
Stabilized Growth	2.7	0.1	2.5	0.4	0.0	0.0	0.5
Non Traditional Growth	4.0	16.3	-12.3	-2.0	0.1	-0.3	-2.1
Inflation Sensitive	2.7	2.7	0.0	0.0	0.0	0.0	0.0
Principal Protection	2.9	2.9	0.0	0.0	0.0	0.0	0.0
Crisis Risk Offset ex Tail Risk	3.4	-3.2	6.5	1.1	0.1	-0.1	1.2
<b>Total Fund</b>	<b>8.3</b>	<b>9.0</b>	<b>-0.7</b>	<b>-0.3</b>	<b>0.1</b>	<b>-0.4</b>	<b>-0.7</b>



## Illinois State Universities Retirement System

Asset Allocation & Performance | As of June 30, 2024

Trailing Asset Class Net Performance								
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Total Fund</b>	<b>24,442,163,838</b>	<b>100.0</b>	<b>1.0</b>	<b>5.1</b>	<b>8.3</b>	<b>4.0</b>	<b>7.4</b>	<b>6.6</b>
<i>SURS Policy Benchmark</i>			<i>1.8</i>	<i>5.7</i>	<i>9.0</i>	<i>3.2</i>	<i>6.9</i>	<i>6.4</i>
<b>Total Fund ex Overlay</b>	<b>24,393,237,336</b>	<b>99.8</b>	<b>1.1</b>	<b>5.3</b>	<b>8.4</b>	<b>4.0</b>	<b>7.3</b>	<b>6.6</b>
<i>SURS Policy Benchmark</i>			<i>1.8</i>	<i>5.7</i>	<i>9.0</i>	<i>3.2</i>	<i>6.9</i>	<i>6.4</i>
<b>Broad Growth</b>	<b>16,847,757,191</b>	<b>68.9</b>	<b>1.8</b>	<b>6.2</b>	<b>10.0</b>	<b>4.9</b>	<b>8.9</b>	<b>7.8</b>
<b>Traditional Growth</b>	<b>8,522,099,242</b>	<b>34.9</b>	<b>2.1</b>	<b>10.6</b>	<b>19.1</b>	<b>5.7</b>	<b>11.0</b>	<b>9.0</b>
<i>SURS Traditional Growth Blend</i>			<i>2.4</i>	<i>10.3</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>	<i>8.5</i>
<b>US Equity</b>	<b>2,581,053,769</b>	<b>10.6</b>	<b>3.3</b>	<b>13.6</b>	<b>23.1</b>	<b>8.6</b>	<b>14.0</b>	<b>11.8</b>
<i>Dow Jones U.S. Total Stock Market Index</i>			<i>3.2</i>	<i>13.6</i>	<i>23.2</i>	<i>7.9</i>	<i>14.0</i>	<i>12.1</i>
<b>Passive US Equity</b>	<b>2,581,053,769</b>	<b>10.6</b>	<b>3.3</b>	<b>13.6</b>	<b>23.1</b>	<b>8.7</b>	<b>14.4</b>	<b>12.3</b>
<i>Dow Jones U.S. Total Stock Market Index</i>			<i>3.2</i>	<i>13.6</i>	<i>23.2</i>	<i>7.9</i>	<i>14.0</i>	<i>12.1</i>
<b>Non US Equity</b>	<b>1,452,720,299</b>	<b>5.9</b>	<b>1.7</b>	<b>7.4</b>	<b>13.5</b>	<b>1.7</b>	<b>5.8</b>	<b>4.2</b>
<i>SURS Non US Equity Blend</i>			<i>0.9</i>	<i>5.3</i>	<i>11.6</i>	<i>0.2</i>	<i>5.6</i>	<i>3.9</i>
<b>Active Non-US Equity</b>	<b>1,452,351,283</b>	<b>5.9</b>	<b>1.7</b>	<b>7.6</b>	<b>13.7</b>	<b>2.3</b>	<b>6.0</b>	<b>4.2</b>
<i>MSCI EAFE (Net)</i>			<i>-0.4</i>	<i>5.3</i>	<i>11.5</i>	<i>2.9</i>	<i>6.5</i>	<i>4.3</i>
<b>Passive Non-US Equity</b>	<b>369,017</b>	<b>0.0</b>	<b>1.0</b>	<b>5.2</b>	<b>11.5</b>	<b>-0.7</b>	<b>4.2</b>	<b>3.4</b>
<i>MSCI AC World ex USA (Net)</i>			<i>1.0</i>	<i>5.7</i>	<i>11.6</i>	<i>0.5</i>	<i>5.5</i>	<i>3.8</i>
<b>Global Equity</b>	<b>4,488,325,173</b>	<b>18.4</b>	<b>1.6</b>	<b>10.1</b>	<b>18.8</b>	<b>5.6</b>	<b>12.1</b>	<b>10.2</b>
<i>SURS Global Equity Blend</i>			<i>2.4</i>	<i>10.3</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>	<i>8.3</i>
<b>Global Equity - Active</b>	<b>2,853,453,353</b>	<b>11.7</b>	<b>0.8</b>	<b>9.0</b>	<b>17.4</b>	<b>5.1</b>	<b>--</b>	<b>--</b>
<b>Global Equity - Passive</b>	<b>1,634,871,820</b>	<b>6.7</b>	<b>3.1</b>	<b>11.9</b>	<b>21.2</b>	<b>6.3</b>	<b>--</b>	<b>--</b>
<b>Stabilized Growth</b>	<b>4,005,462,913</b>	<b>16.4</b>	<b>1.1</b>	<b>1.1</b>	<b>2.7</b>	<b>1.0</b>	<b>--</b>	<b>--</b>
<i>SURS Stabilized Growth Blend</i>			<i>-0.3</i>	<i>-1.4</i>	<i>0.1</i>	<i>-0.2</i>	<i>--</i>	<i>--</i>
<b>Stabilized Real Assets</b>	<b>1,640,207,302</b>	<b>6.7</b>	<b>-0.6</b>	<b>-3.4</b>	<b>-7.1</b>	<b>4.2</b>	<b>4.2</b>	<b>6.0</b>
<i>SURS Stabilized Real Assets Blend</i>			<i>-2.2</i>	<i>-6.4</i>	<i>-10.3</i>	<i>3.1</i>	<i>2.9</i>	<i>6.0</i>



## Illinois State Universities Retirement System

### Asset Allocation & Performance | As of June 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Core</b>	<b>899,129,928</b>	<b>3.7</b>	<b>-1.4</b>	<b>-4.0</b>	<b>-10.9</b>	<b>1.8</b>	<b>2.7</b>	<b>5.2</b>
<i>NCREIF ODCE Net 1 Qtr Lag</i>			<i>-2.6</i>	<i>-7.4</i>	<i>-12.0</i>	<i>2.5</i>	<i>2.6</i>	<i>6.0</i>
<b>Core Plus</b>	<b>543,891,767</b>	<b>2.2</b>	<b>0.1</b>	<b>-4.0</b>	<b>-4.4</b>	<b>6.1</b>	<b>5.5</b>	<b>--</b>
<i>SURS Real Estate Blend</i>			<i>-2.6</i>	<i>-7.4</i>	<i>-12.0</i>	<i>2.5</i>	<i>2.6</i>	<i>--</i>
<b>Core Infrastructure</b>	<b>197,185,607</b>	<b>0.8</b>	<b>1.3</b>	<b>1.4</b>	<b>6.0</b>	<b>7.9</b>	<b>--</b>	<b>--</b>
<i>FTSE Developed Core Infrastructure 50/50 Index</i>			<i>0.9</i>	<i>1.7</i>	<i>3.8</i>	<i>2.7</i>	<i>--</i>	<i>--</i>
<b>Public Credit</b>	<b>1,476,870,904</b>	<b>6.0</b>	<b>1.1</b>	<b>3.4</b>	<b>10.7</b>	<b>1.0</b>	<b>--</b>	<b>--</b>
<i>SURS Credit Fixed Income Blend</i>			<i>1.0</i>	<i>2.7</i>	<i>9.2</i>	<i>0.0</i>	<i>--</i>	<i>--</i>
<b>Diversified Credit</b>	<b>1,080,030,962</b>	<b>4.4</b>	<b>1.2</b>	<b>3.6</b>	<b>11.3</b>	<b>1.6</b>	<b>3.0</b>	<b>3.1</b>
<i>SURS Credit ex EMD Blend</i>			<i>0.9</i>	<i>2.5</i>	<i>9.4</i>	<i>0.7</i>	<i>2.8</i>	<i>2.9</i>
<b>Bivium Credit</b>	<b>396,839,942</b>	<b>1.6</b>	<b>1.1</b>	<b>2.8</b>	<b>9.1</b>	<b>-0.4</b>	<b>--</b>	<b>--</b>
<i>Bivium Credit Blend</i>			<i>1.0</i>	<i>2.4</i>	<i>7.9</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>
<b>Private Credit</b>	<b>887,088,161</b>	<b>3.6</b>	<b>4.6</b>	<b>6.4</b>	<b>12.2</b>	<b>8.5</b>	<b>--</b>	<b>--</b>
<i>SURS Private Credit Blend</i>			<i>1.9</i>	<i>4.5</i>	<i>12.4</i>	<i>4.7</i>	<i>--</i>	<i>--</i>
<b>Non Traditional Growth</b>	<b>4,320,195,036</b>	<b>17.7</b>	<b>1.8</b>	<b>2.1</b>	<b>4.0</b>	<b>8.9</b>	<b>13.3</b>	<b>11.4</b>
<i>SURS Non Traditional Growth Blend</i>			<i>6.2</i>	<i>14.4</i>	<i>16.3</i>	<i>7.4</i>	<i>11.1</i>	<i>12.0</i>
<b>Non-Core Real Assets</b>	<b>1,072,145,006</b>	<b>4.4</b>	<b>1.0</b>	<b>-0.4</b>	<b>1.5</b>	<b>9.7</b>	<b>6.8</b>	<b>--</b>
<i>SURS Non Core Real Assets Blend</i>			<i>-1.0</i>	<i>-4.1</i>	<i>-6.5</i>	<i>5.6</i>	<i>5.3</i>	<i>--</i>
<b>Non-Core Real Estate</b>	<b>688,398,585</b>	<b>2.8</b>	<b>-1.1</b>	<b>-3.1</b>	<b>-1.8</b>	<b>8.9</b>	<b>4.8</b>	<b>--</b>
<i>NCREIF ODCE Net Lagged + 1.5%</i>			<i>-2.2</i>	<i>-6.7</i>	<i>-10.7</i>	<i>4.0</i>	<i>4.1</i>	<i>--</i>
<b>Non-Core Real Estate Debt</b>	<b>119,068,664</b>	<b>0.5</b>	<b>3.0</b>	<b>2.9</b>	<b>4.3</b>	<b>4.4</b>	<b>5.8</b>	<b>--</b>
<i>NCREIF ODCE Net Lagged + 1.5%</i>			<i>-2.2</i>	<i>-6.7</i>	<i>-10.7</i>	<i>4.0</i>	<i>4.1</i>	<i>--</i>
<b>Non-Core Infrastructure</b>	<b>195,472,764</b>	<b>0.8</b>	<b>8.1</b>	<b>7.3</b>	<b>11.5</b>	<b>16.3</b>	<b>15.2</b>	<b>9.8</b>
<i>CPI+5% 1 Qtr Lagged</i>			<i>3.1</i>	<i>4.0</i>	<i>8.6</i>	<i>10.9</i>	<i>9.4</i>	<i>8.0</i>



## Illinois State Universities Retirement System

### Asset Allocation & Performance | As of June 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Non-Core Farmland</b>	69,204,993	0.3	-0.6	1.6	4.1	6.7	--	--
<i>NCREIF Farmland 1 Qtr Lag</i>			0.7	3.0	3.6	7.4	--	--
<b>Private Equity- Fund of Funds</b>	2,032,170,283	8.3	1.5	2.0	1.9	6.6	14.4	12.1
<i>SURS PE Blend</i>			8.9	21.6	25.3	8.5	13.3	13.4
<b>Private Equity- Direct (Aksia)</b>	1,215,879,747	5.0	3.4	4.7	10.8	13.9	--	--
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>			8.9	21.6	25.3	8.6	--	--
<b>Inflation Sensitive</b>	1,110,832,209	4.5	0.8	0.8	2.7	-1.3	1.9	1.7
<i>SURS Inflation Sensitive Blend</i>			0.8	0.7	2.7	-1.3	1.8	1.4
<b>TIPS</b>	1,110,832,209	4.5	0.8	0.8	2.7	-1.3	2.0	1.8
<i>Blmbg. U.S. TIPS Index</i>			0.8	0.7	2.7	-1.3	2.1	1.9
<b>Principal Protection</b>	2,269,370,891	9.3	0.4	-0.2	2.9	-1.7	0.2	1.5
<i>BC US Int Ag x Credit Blend</i>			0.4	-0.2	2.9	-2.1	0.1	1.5
<b>Crisis Risk Offset ex Tail Risk</b>	3,834,541,201	15.7	-1.4	7.0	3.4	5.4	--	--
<i>SURS CRO Blend</i>			0.2	0.6	-3.2	2.1	--	--
<b>Long Duration</b>	408,071,875	1.7	-1.8	-5.0	-5.5	-10.4	--	--
<i>BBgBarc US Govt Long TR</i>			-1.8	-5.0	-5.6	-10.4	--	--
<b>Systematic Trend Following</b>	2,228,250,610	9.1	-1.9	11.5	2.5	9.6	--	--
<i>CS Mgd Futures 15% Vol</i>			-0.6	0.5	-7.0	4.8	--	--
<b>Alternative Risk Premia</b>	803,350,740	3.3	0.3	6.5	15.0	8.9	--	--
<i>90 Day T-Bills +2%</i>			1.9	3.7	7.7	5.4	--	--
<b>Long Volatility</b>	358,918,675	1.5	-0.8	-1.1	-1.9	--	--	--
<i>CBOE Eureka hedge Long Volatility Hedge Fund Index</i>			3.1	1.2	-0.2	--	--	--
<b>Crisis Risk Offset Overlay</b>	35,949,301	0.1						
<b>Tail Risk</b>	35,100,579	0.1						
<b>Cash Composite</b>	295,635,266	1.2						
<b>Total Overlay</b>	48,926,502	0.2						

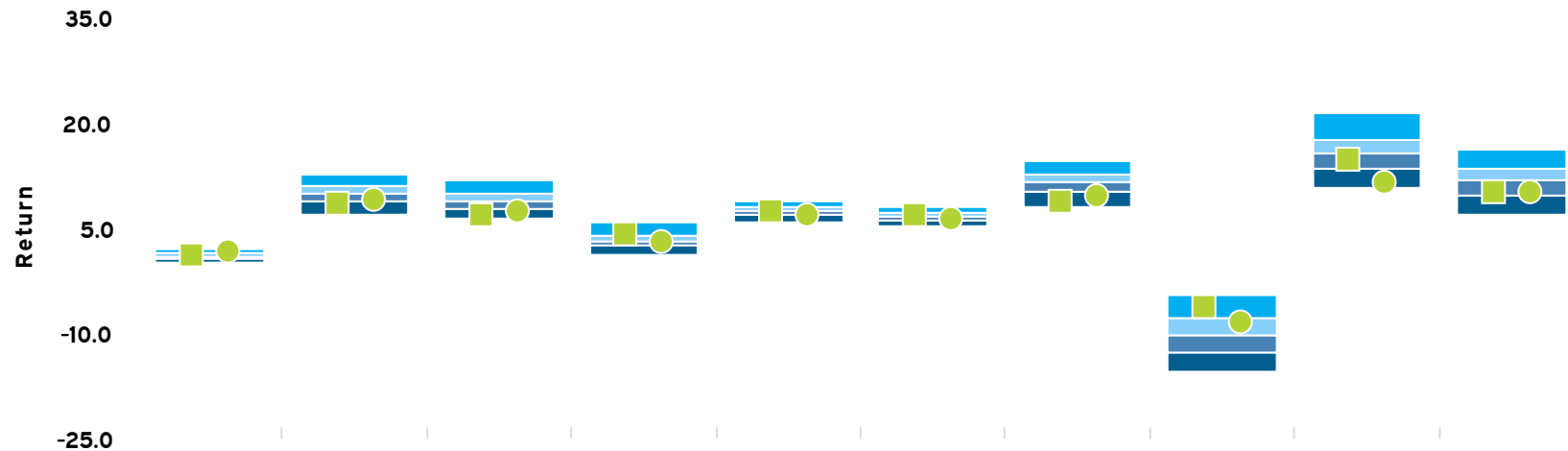




## Illinois State Universities Retirement System

Plan Sponsor Peer Group Analysis | As of June 30, 2024

### InvMetrics Public DB > \$1B Gross Return Comparison Ending June 30, 2024



	QTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)
■ Total Fund	1.0 (48)	8.4 (82)	6.9 (88)	4.2 (22)	7.6 (42)	6.8 (44)	8.7 (89)	-6.1 (14)	15.0 (58)	10.2 (71)
● SURS Policy Benchmark	1.8 (6)	9.0 (71)	7.5 (80)	3.2 (50)	6.9 (73)	6.4 (58)	9.7 (79)	-8.2 (28)	11.6 (92)	10.3 (71)
5th Percentile	1.9	12.6	11.9	5.8	8.9	8.0	14.6	-4.5	21.4	16.3
1st Quartile	1.4	11.1	10.0	4.0	8.1	7.2	12.8	-7.8	17.6	13.5
Median	1.0	10.0	8.9	3.2	7.4	6.6	11.4	-10.4	15.6	11.7
3rd Quartile	0.7	8.8	7.8	2.5	6.8	6.1	10.2	-12.8	13.5	9.7
95th Percentile	0.1	6.8	6.3	1.3	5.8	5.2	8.0	-15.5	10.8	6.8
Population	104	104	102	100	99	96	186	190	225	233

Universe is InvMetrics Public DB > \$1B, which includes BNY Mellon Total Public Fund Greater than \$1Billion Universe and IM client data.

Parentheses contain percentile rankings.

Calculation based on monthly periodicity.



## Illinois State Universities Retirement System

Total Fund | As of June 30, 2024

Risk-Adjusted Return of SURS vs. Peers					
	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Total Fund	8.3	8.3	4.0	7.4	6.6
Risk-Adjusted Median <sup>1</sup>	6.6	6.6	2.1	5.7	5.6
Excess Return	1.7	1.7	1.9	1.7	1.0

→ On a risk-adjusted basis, the SURS Total Portfolio has outperformed the Median Public Fund in all trailing time periods. The pursuit of a more efficient (i.e., higher return per unit of risk) portfolio has been an explicit consideration of the SURS Board over the last two asset-liability studies, in particular.

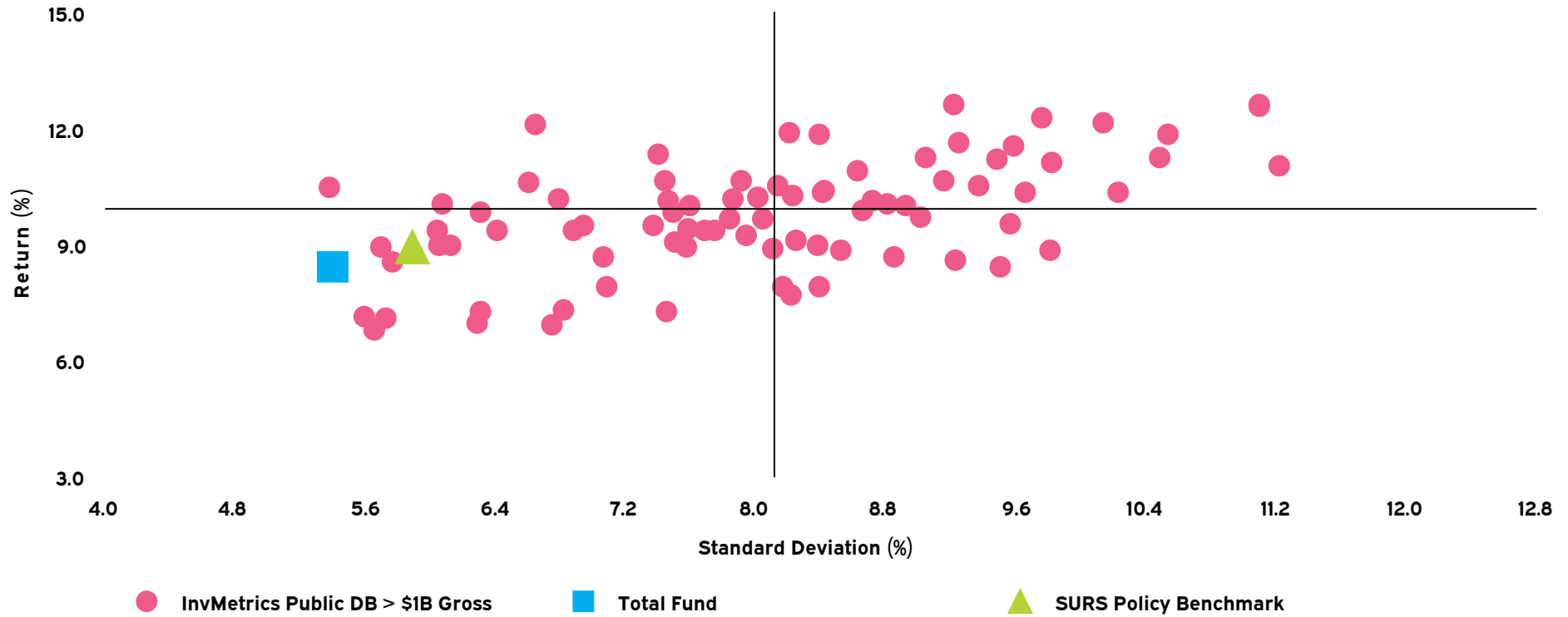
<sup>1</sup> Risk-adjusted median normalizes the median fund to the SURS exhibited volatility. Calculated as: risk-adjusted median = unadjusted median return \* (SURS volatility/peer volatility).



# Illinois State Universities Retirement System

Plan Sponsor Peer Group Analysis | As of June 30, 2024

## Annualized Return vs. Annualized Standard Deviation 1 Year Ending June 30, 2024



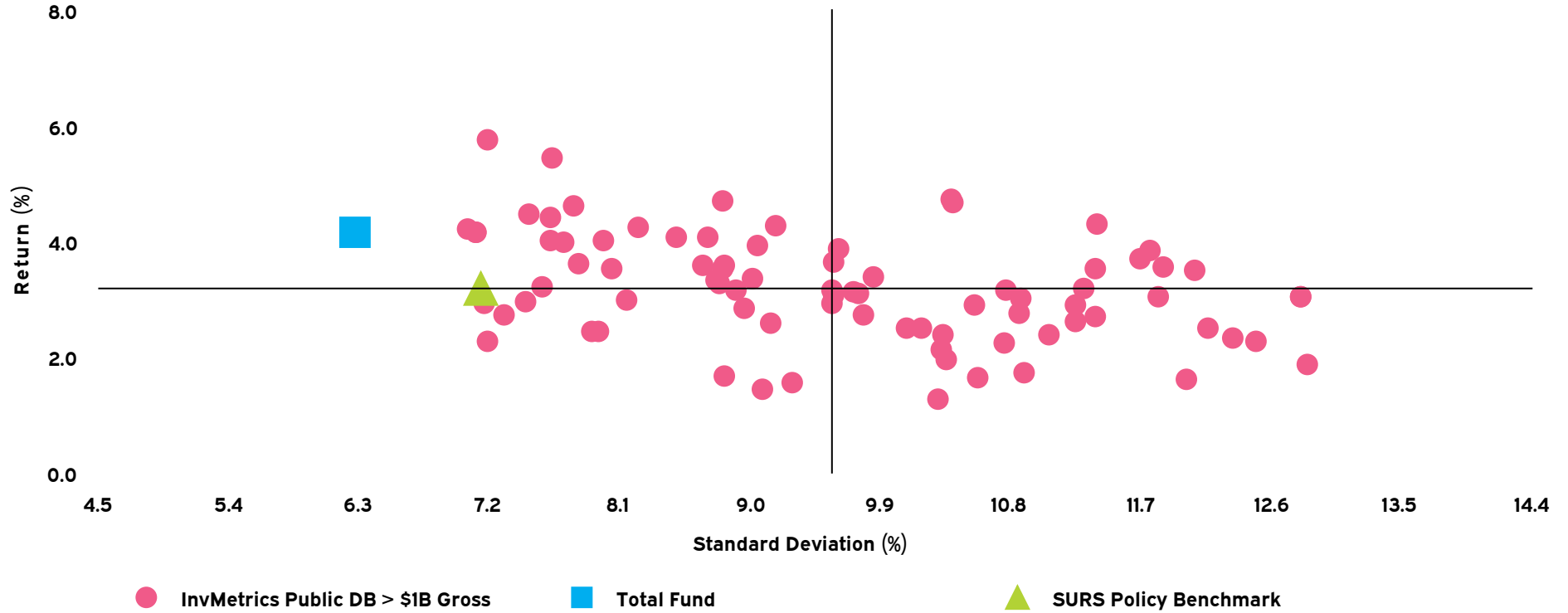
	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	8.4 (82)	5.4 (5)	0.6 (55)	-0.3 (85)
SURS Policy Benchmark	9.0 (71)	5.9 (12)	0.6 (40)	-
InvMetrics Public DB > \$1B Median	10.0	8.1	0.6	0.3



# Illinois State Universities Retirement System

Plan Sponsor Peer Group Analysis | As of June 30, 2024

## Annualized Return vs. Annualized Standard Deviation 3 Years Ending June 30, 2024



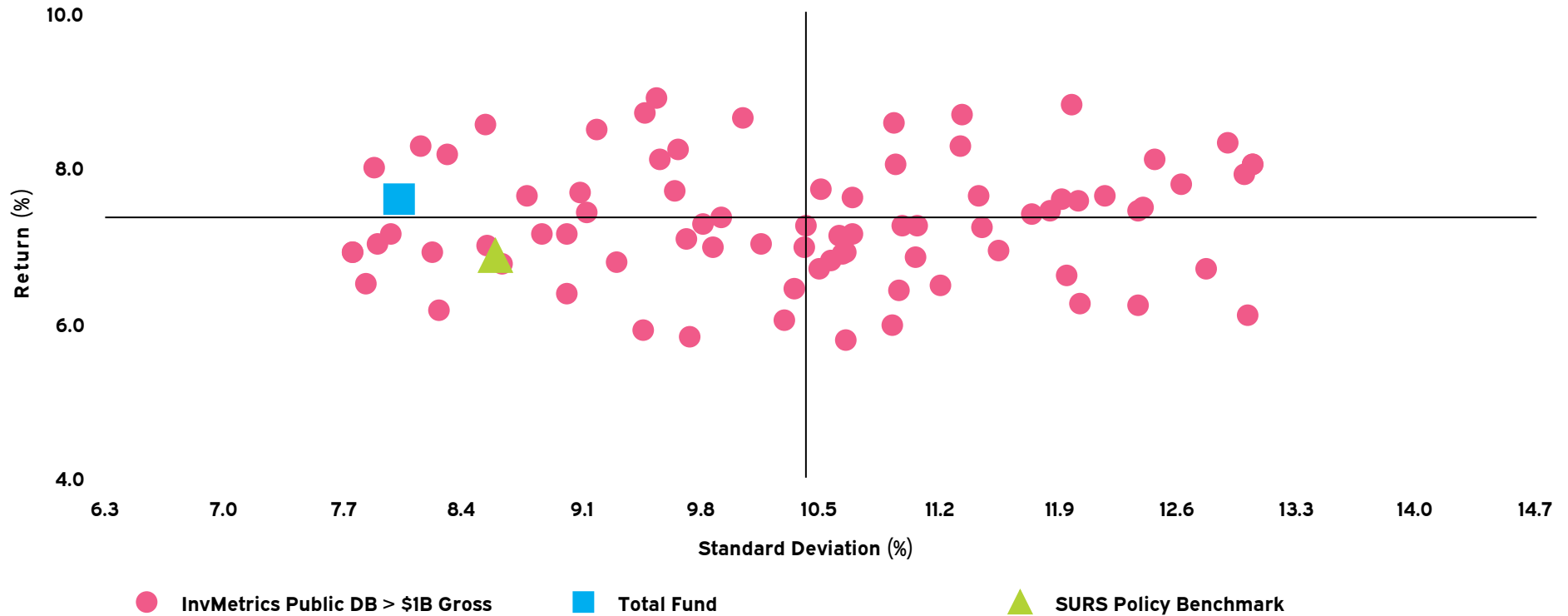
	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	4.2 (22)	6.3 (2)	0.2 (16)	0.4 (14)
SURS Policy Benchmark	3.2 (50)	7.1 (8)	0.1 (57)	-
InvMetrics Public DB > \$1B Median	3.2	9.6	0.1	0.1



## Illinois State Universities Retirement System

Plan Sponsor Peer Group Analysis | As of June 30, 2024

### Annualized Return vs. Annualized Standard Deviation 5 Years Ending June 30, 2024

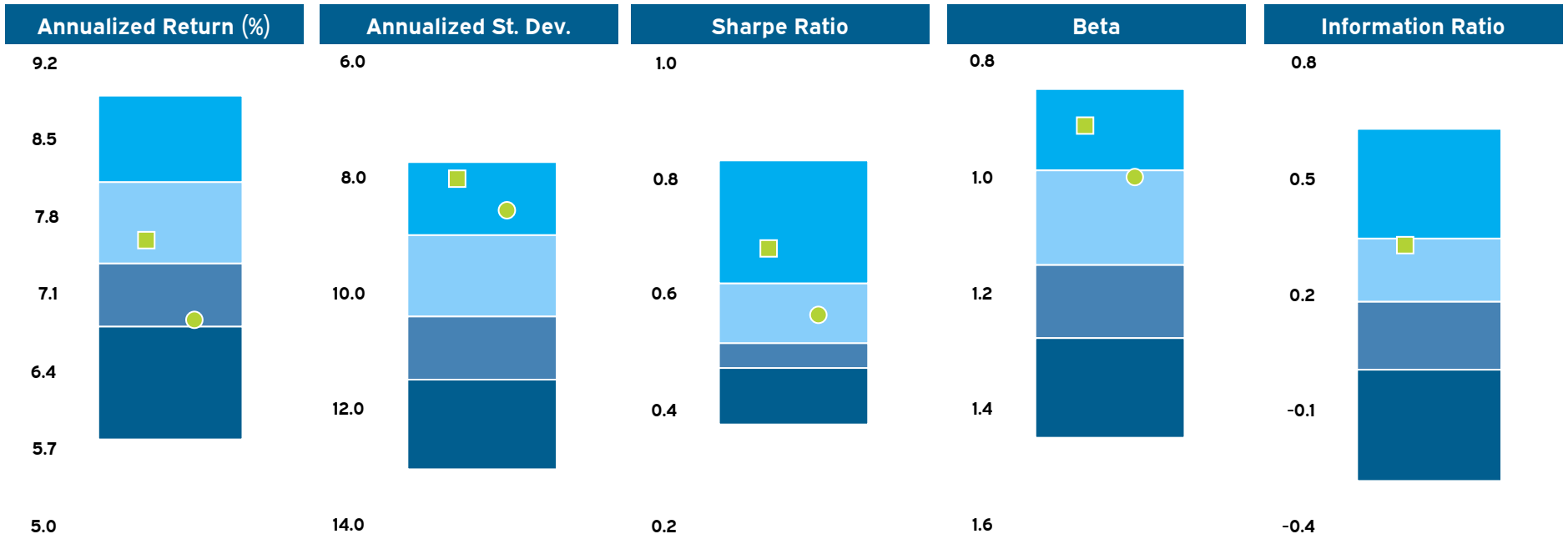


	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.6 (42)	8.0 (12)	0.7 (16)	0.3 (26)
SURS Policy Benchmark	6.9 (73)	8.6 (19)	0.6 (38)	-
InvMetrics Public DB > \$1B Median	7.4	10.4	0.5	0.2



## Illinois State Universities Retirement System

### 5 Year Universe Statistics | As of June 30, 2024



Metric	Total Fund	SURS Policy Benchmark	5th Percentile	1st Quartile	Median	3rd Quartile	95th Percentile	Population
Annualized Return (%)	7.6 (42)	6.9 (73)	8.9	8.1	7.4	6.8	5.8	99
Annualized St. Dev.	8.0 (12)	8.6 (19)	7.7	9.0	10.4	11.5	13.1	99
Sharpe Ratio	0.7 (16)	0.6 (38)	0.8	0.6	0.5	0.5	0.4	99
Beta	0.9 (14)	1.0 (27)	0.8	1.0	1.2	1.3	1.5	99
Information Ratio	0.3 (26)	-	0.6	0.3	0.2	0.0	-0.3	99



## Illinois State Universities Retirement System

MPT Stats By Group | As of June 30, 2024

	Risk Return Statistics			
	3 Yrs		5 Yrs	
	Total Fund	SURS Policy Benchmark	Total Fund	SURS Policy Benchmark
<b>RETURN SUMMARY STATISTICS</b>				
Maximum Return	3.5	4.1	6.1	6.9
Minimum Return	-3.5	-4.1	-8.2	-8.3
Return	4.0	3.2	7.4	6.9
Excess Return	1.1	0.4	5.4	4.9
Excess Performance	0.8	0.0	0.5	0.0
<b>RISK SUMMARY STATISTICS</b>				
Beta	0.8	1.0	0.9	1.0
Up Capture	91.6	100.0	96.0	100.0
Down Capture	80.6	100.0	87.3	100.0
<b>RISK/RETURN SUMMARY STATISTICS</b>				
Standard Deviation	6.3	7.1	8.0	8.6
Sortino Ratio	0.3	0.1	1.0	0.8
Alpha	1.3	0.0	1.1	0.0
Sharpe Ratio	0.2	0.1	0.7	0.6
Excess Risk	6.2	7.0	8.1	8.7
Tracking Error	2.0	0.0	1.9	0.0
Information Ratio	0.4	-	0.2	-
<b>CORRELATION STATISTICS</b>				
R-Squared	0.9	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0



## Illinois State Universities Retirement System

Benchmark History | As of June 30, 2024

### Benchmark History

From Date	To Date	Benchmark
SURS Policy Benchmark		
06/01/2023	Present	36.0% SURS Traditional Growth Blend, 17.0% SURS Stabilized Growth Blend, 15.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 10.0% BC US Int Ag x Credit Blend, 17.0% SURS CRO Blend
05/01/2023	06/01/2023	37.0% SURS Traditional Growth Blend, 17.0% SURS Stabilized Growth Blend, 14.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 10.0% BC US Int Ag x Credit Blend, 17.0% SURS CRO Blend
07/01/2022	05/01/2023	37.0% SURS Traditional Growth Blend, 17.0% SURS Stabilized Growth Blend, 14.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 19.0% SURS CRO Blend
06/01/2022	07/01/2022	38.0% SURS Traditional Growth Blend, 17.0% SURS Stabilized Growth Blend, 13.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 19.0% SURS CRO Blend
01/01/2022	06/01/2022	38.0% SURS Traditional Growth Blend, 21.0% SURS Stabilized Growth Blend, 13.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 15.0% SURS CRO Blend
07/01/2021	01/01/2022	39.0% SURS Traditional Growth Blend, 21.0% SURS Stabilized Growth Blend, 12.0% SURS Non Traditional Growth Blend, 5.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 15.0% SURS CRO Blend
10/01/2020	07/01/2021	41.0% SURS Traditional Growth Blend, 25.0% SURS Stabilized Growth Blend, 10.0% SURS Non Traditional Growth Blend, 6.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 10.0% SURS CRO Blend
07/01/2020	10/01/2020	40.0% SURS Traditional Growth Blend, 25.0% SURS Stabilized Growth Blend, 11.0% SURS Non Traditional Growth Blend, 6.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 10.0% SURS CRO Blend
04/01/2020	07/01/2020	44.0% SURS Traditional Growth Blend, 25.0% SURS Stabilized Growth Blend, 11.0% SURS Non Traditional Growth Blend, 6.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 6.0% SURS CRO Blend
01/01/2020	04/01/2020	46.0% SURS Traditional Growth Blend, 25.0% SURS Stabilized Growth Blend, 10.0% SURS Non Traditional Growth Blend, 6.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 5.0% SURS CRO Blend
12/01/2019	01/01/2020	50.0% SURS Traditional Growth Blend, 24.0% SURS Stabilized Growth Blend, 10.0% SURS Non Traditional Growth Blend, 5.5% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend, 2.5% SURS CRO Blend
10/01/2019	12/01/2019	52.0% SURS Traditional Growth Blend, 24.0% SURS Stabilized Growth Blend, 10.0% SURS Non Traditional Growth Blend, 6.0% SURS Inflation Sensitive Blend, 8.0% BC US Int Ag x Credit Blend



# Private Markets Performance



## Illinois State Universities Retirement System

### Private Markets Performance<sup>1</sup> | As of March 31, 2024

	Composite Level IRRs				
	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception (%)
Real Assets <sup>1,2</sup>	-5.2	7.0	5.1	7.0	5.9
Private Equity	5.0	8.6	15.5	12.7	19.8
Private Credit	13.4	10.9	--	--	11.7

	Capital Commitment (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple
Real Assets <sup>2</sup>	3,671,827,846	3,176,213,768	1,471,349,699	2,654,361,283	1.3
Private Equity	6,167,884,913	4,684,952,562	4,892,853,051	3,216,756,160	1.7
Private Credit	1,655,000,000	842,334,392	108,569,791	865,453,815	1.2

<sup>1</sup> Information provided by Northern Trust.

<sup>2</sup> Real Assets Composite includes Real Estate, Core, and Non-Core Infrastructure.

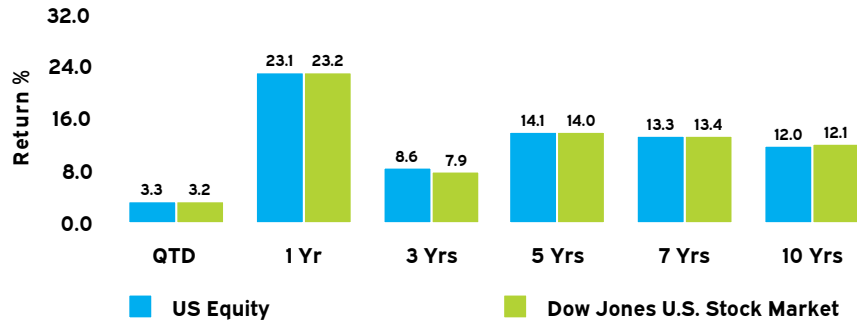
## US Equity



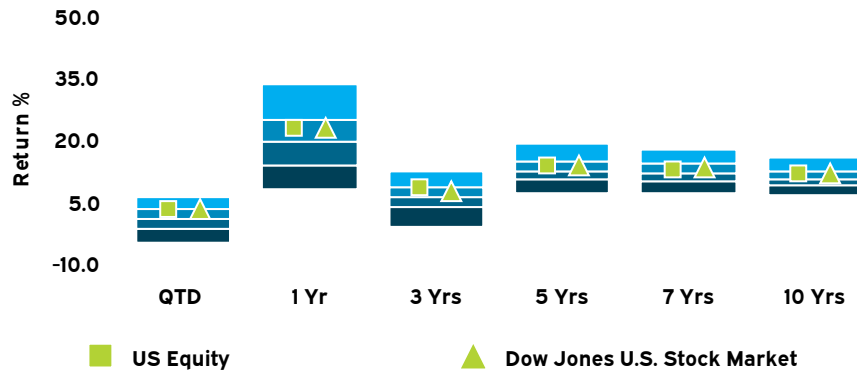
## Illinois State Universities Retirement System

US Equity | As of June 30, 2024

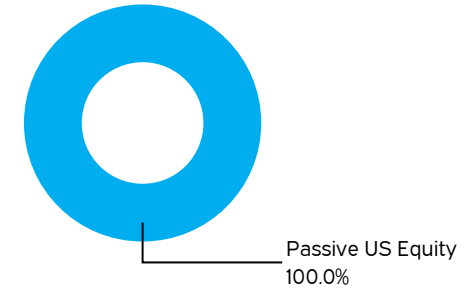
### Return Summary



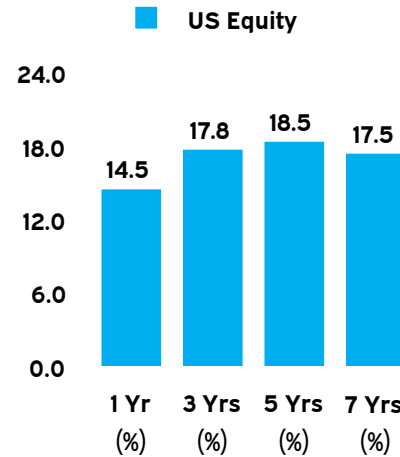
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Equity	3.3	23.1	8.6	14.1	13.3	12.0
Dow Jones U.S. Total Stock Market	3.2	23.2	7.9	14.0	13.4	12.1
Excess Return	0.1	-0.1	0.7	0.1	-0.1	-0.1
eV US All Cap Equity Median	0.9	19.6	6.4	12.5	12.3	10.8
eV US All Cap Equity Rank	25	36	28	34	40	35



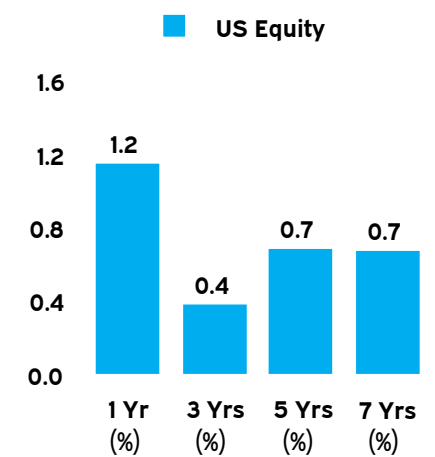
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio



Returns are gross of fees.

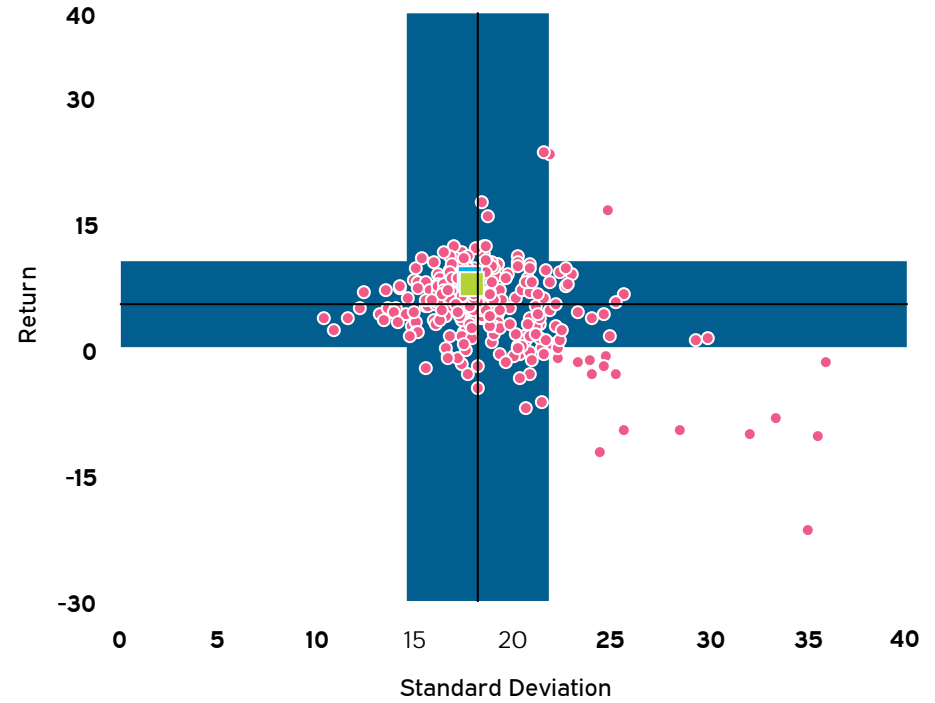
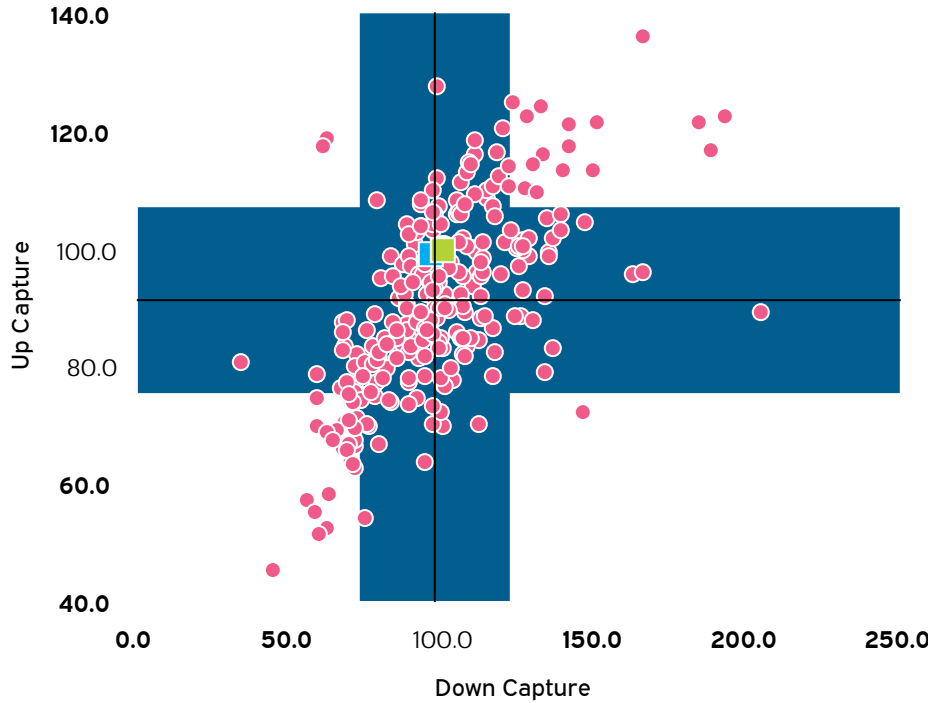


## Illinois State Universities Retirement System

US Equity | As of June 30, 2024

**Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending June 30, 2024**

**Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2024**



	Up Capture	Down Capture
■ US Equity	99.3	96.2
■ Dow Jones U.S. Total Stock Market Index	100.0	100.0
— Median	91.4	97.5
Population	283	283

	Return	Standard Deviation
■ US Equity	8.6	17.8
■ Dow Jones U.S. Total Stock Market Index	7.9	17.9
— Median	5.5	18.1
Population	283	283

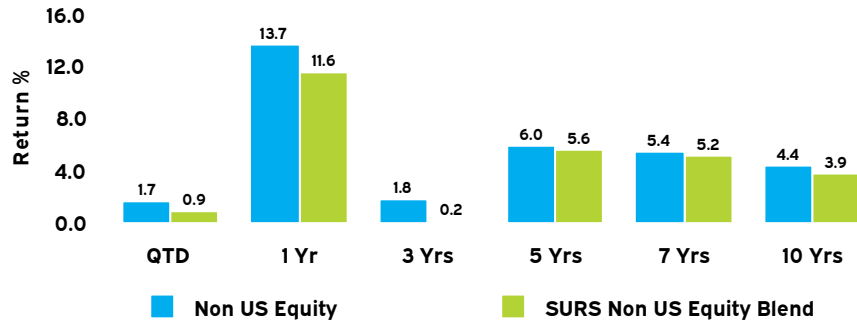
# Non US Equity



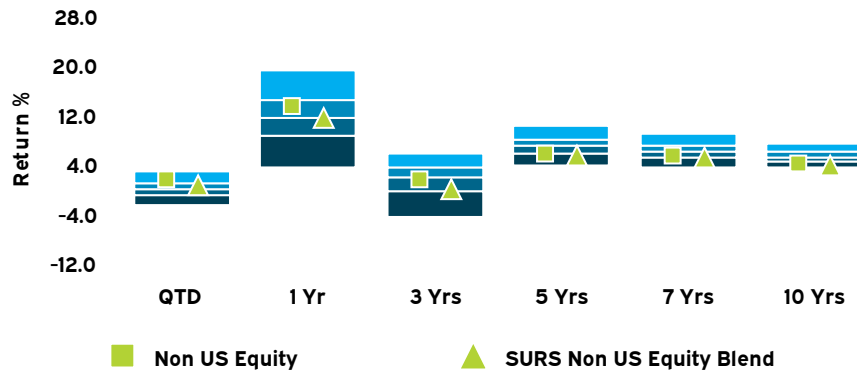
## Illinois State Universities Retirement System

Non US Equity | As of June 30, 2024

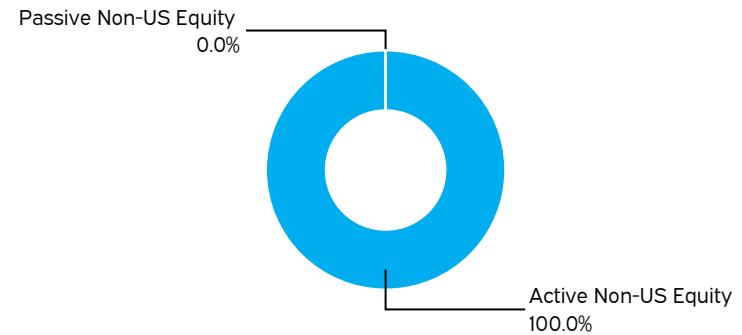
### Return Summary



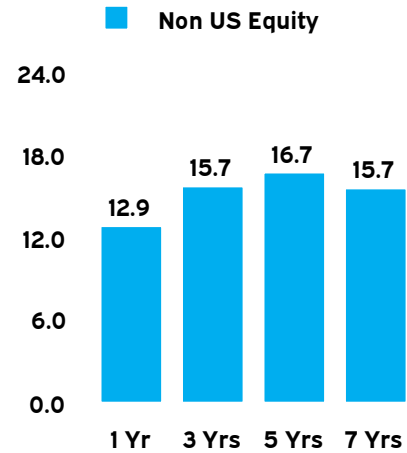
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Non US Equity	1.7	13.7	1.8	6.0	5.4	4.4
SURS Non US Equity Blend	0.9	11.6	0.2	5.6	5.2	3.9
Excess Return	0.8	2.1	1.6	0.4	0.2	0.5
eV Non-US Diversified Core Eq Median	0.1	11.8	1.9	7.1	6.3	5.4
eV Non-US Diversified Core Eq Rank	17	33	52	73	75	84



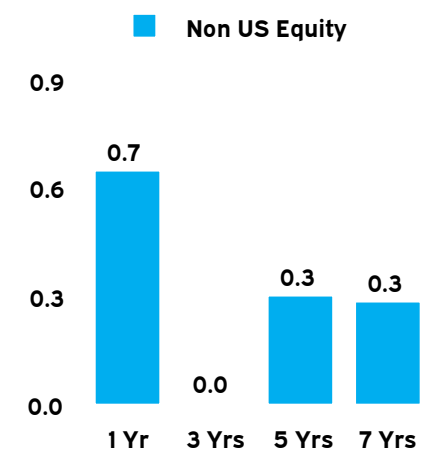
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio



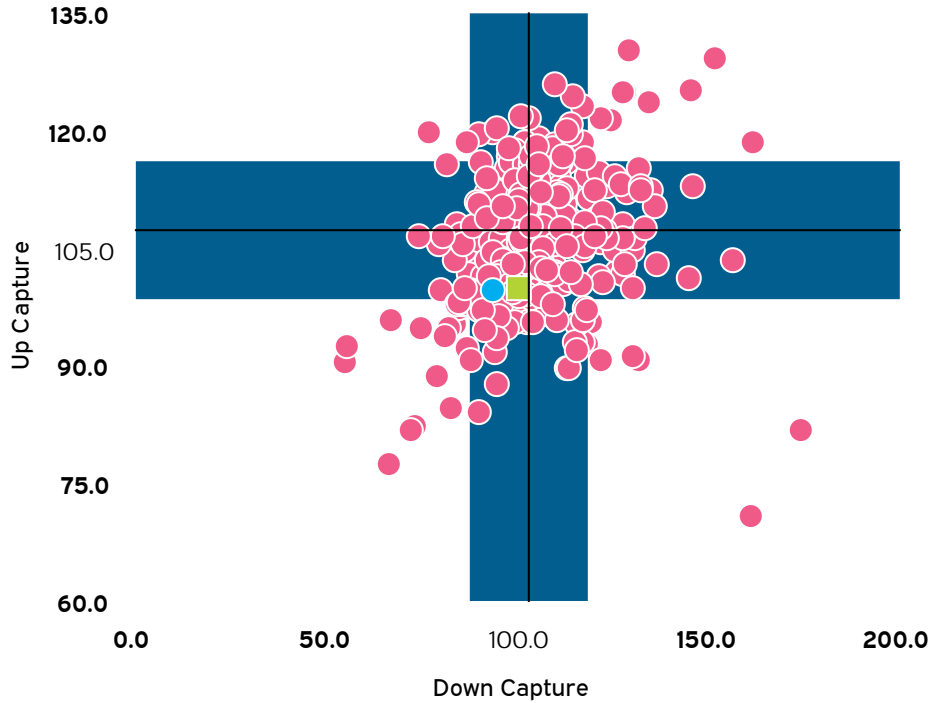
Returns are gross of fees.



## Illinois State Universities Retirement System

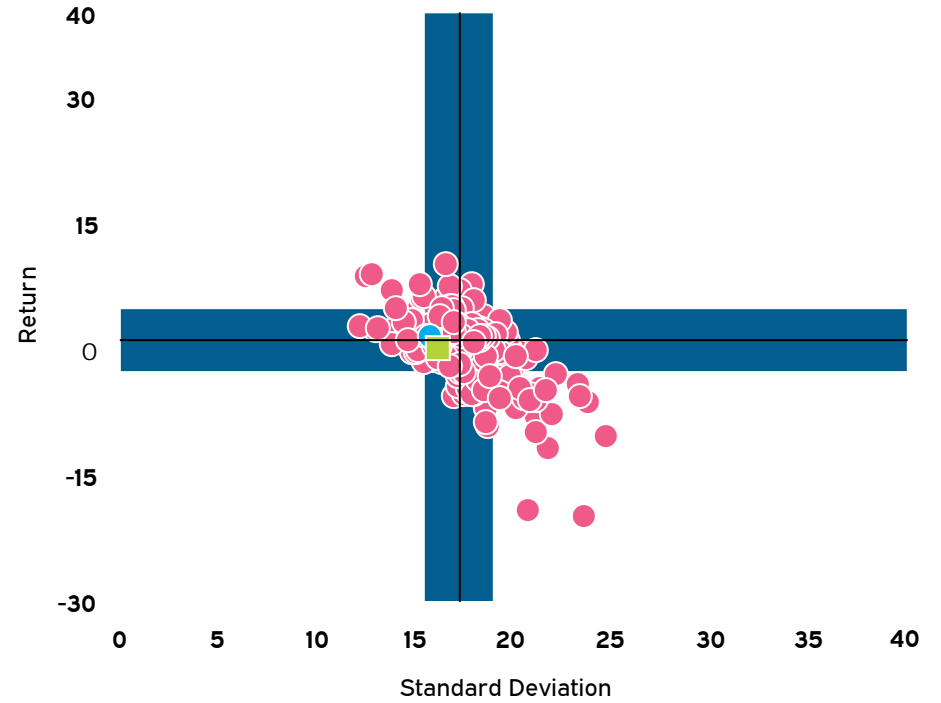
Non US Equity | As of June 30, 2024

**Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending June 30, 2024**



	Up Capture	Down Capture
● Non US Equity	99.8	93.4
■ SURS Non US Equity Blend	100.0	100.0
— Median	107.4	102.8
Population	350	350

**Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2024**



	Return	Standard Deviation
● Non US Equity	1.7	15.7
■ SURS Non US Equity Blend	0.2	16.2
— Median	1.2	17.2
Population	350	350



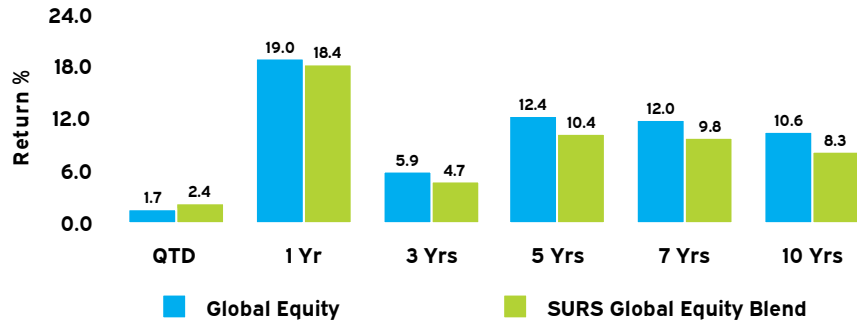
## Global Equity



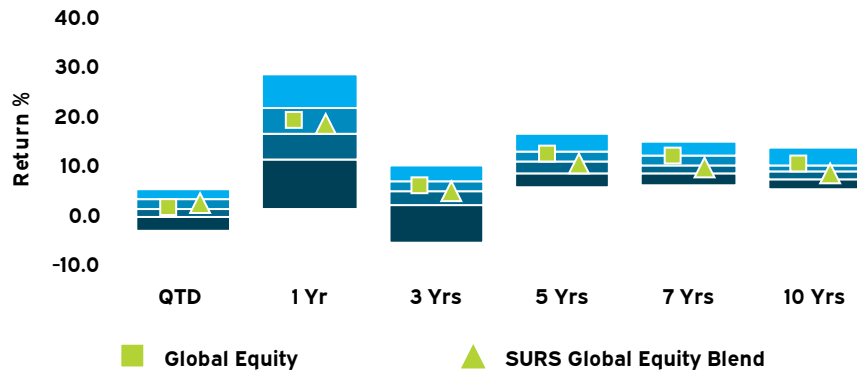
## Illinois State Universities Retirement System

Global Equity | As of June 30, 2024

### Return Summary



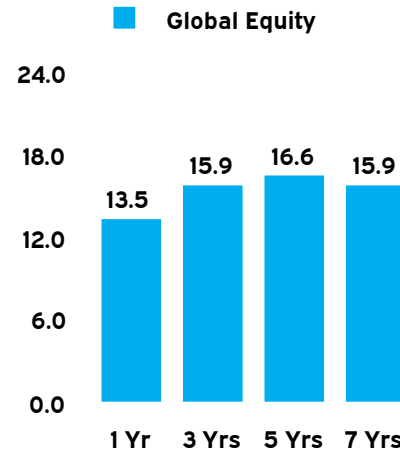
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Global Equity	1.7	19.0	5.9	12.4	12.0	10.6
SURS Global Equity Blend	2.4	18.4	4.7	10.4	9.8	8.3
Excess Return	-0.7	0.6	1.2	2.0	2.2	2.3
eV Global All Cap Equity Median	1.4	16.5	4.8	10.6	9.9	8.7
eV Global All Cap Equity Rank	46	36	37	27	24	19



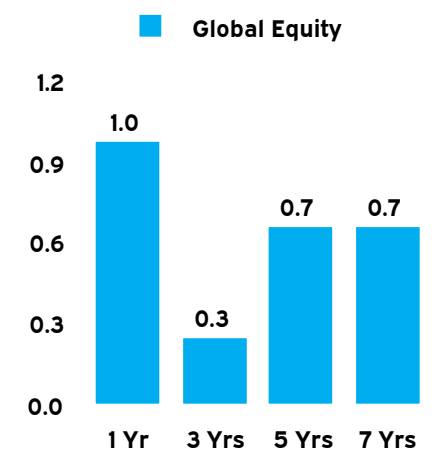
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio



Returns are gross of fees.

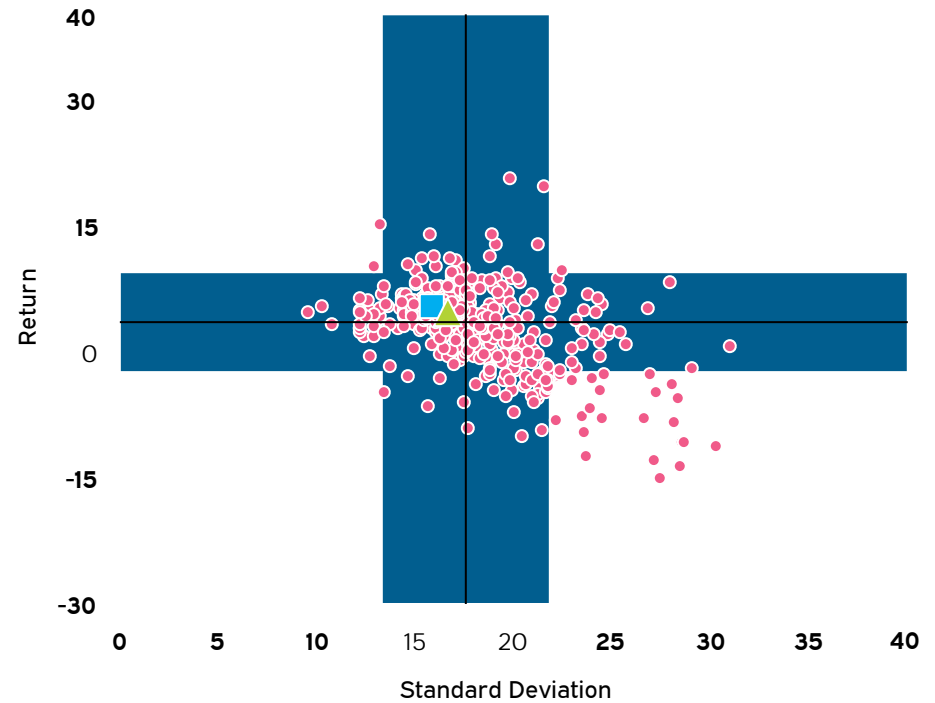
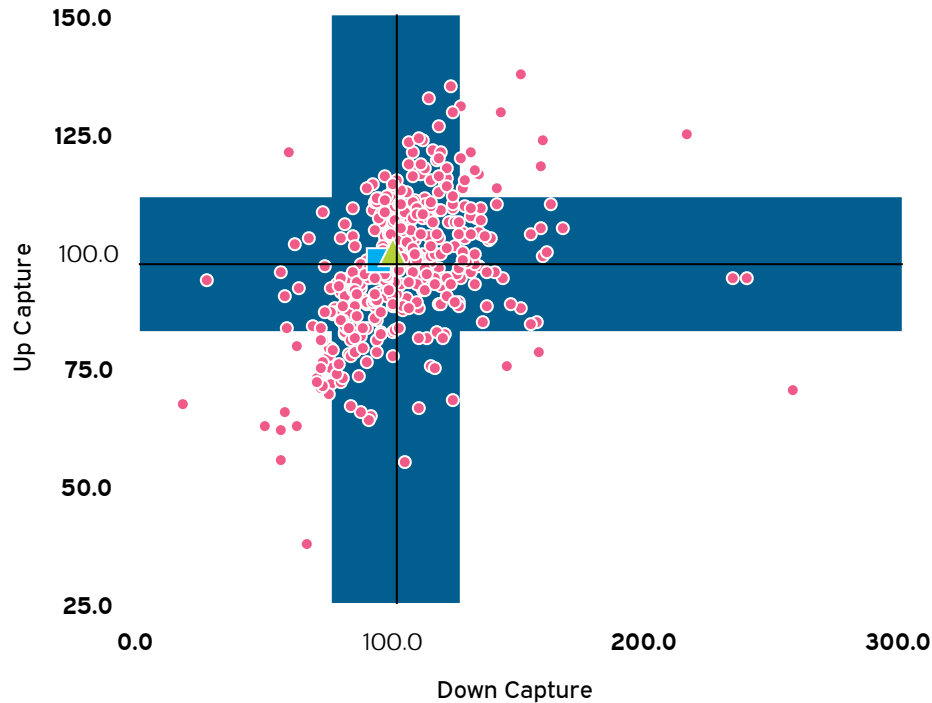


## Illinois State Universities Retirement System

Global Equity | As of June 30, 2024

**Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending June 30, 2024**

**Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2024**



	Up Capture	Down Capture
■ Global Equity	98.1	94.4
▲ SURS Global Equity Blend	100.0	100.0
— Median	97.3	101.2
Population	427	427

	Return	Standard Deviation
■ Global Equity	5.6	15.9
▲ SURS Global Equity Blend	4.7	16.6
— Median	3.6	17.6
Population	427	427

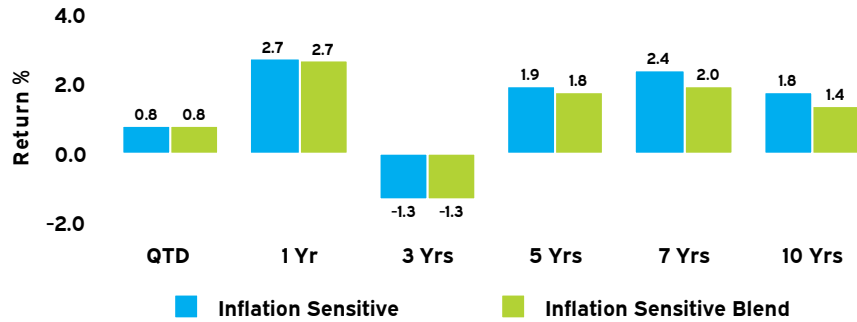
# Inflation Sensitive



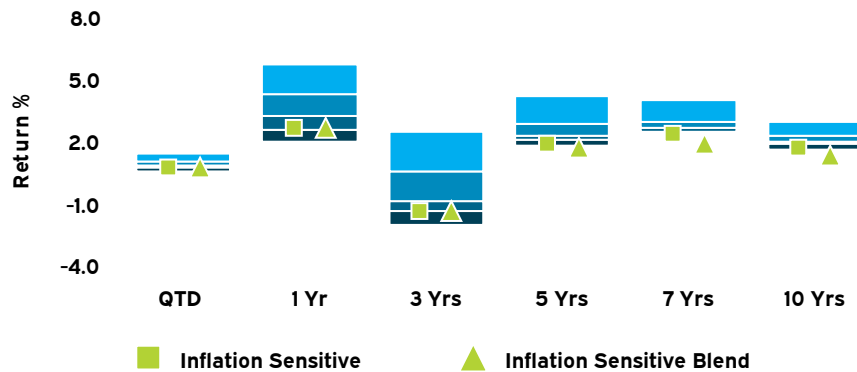
## Illinois State Universities Retirement System

Inflation Sensitive | As of June 30, 2024

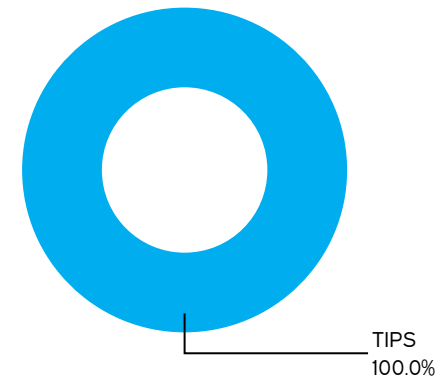
### Return Summary



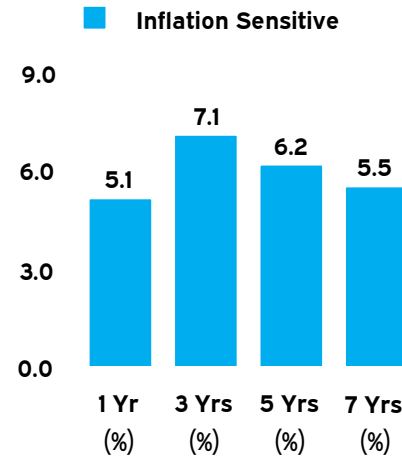
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Inflation Sensitive	0.8	2.7	-1.3	1.9	2.4	1.8
SURS Inflation Sensitive Blend	0.8	2.7	-1.3	1.8	2.0	1.4
Excess Return	0.0	0.0	0.0	0.1	0.4	0.4
eV US TIPS / Inflation Fixed Inc Median	0.9	3.3	-0.9	2.4	2.7	2.1
eV US TIPS / Inflation Fixed Inc Rank	72	69	72	87	95	92



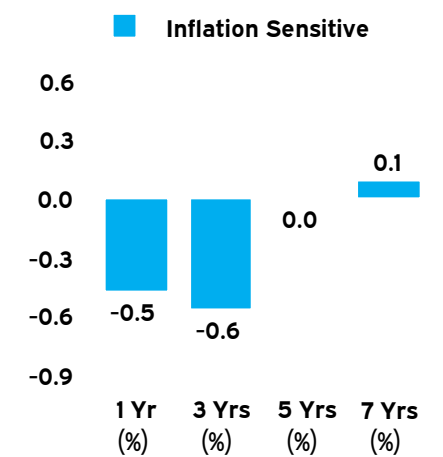
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio



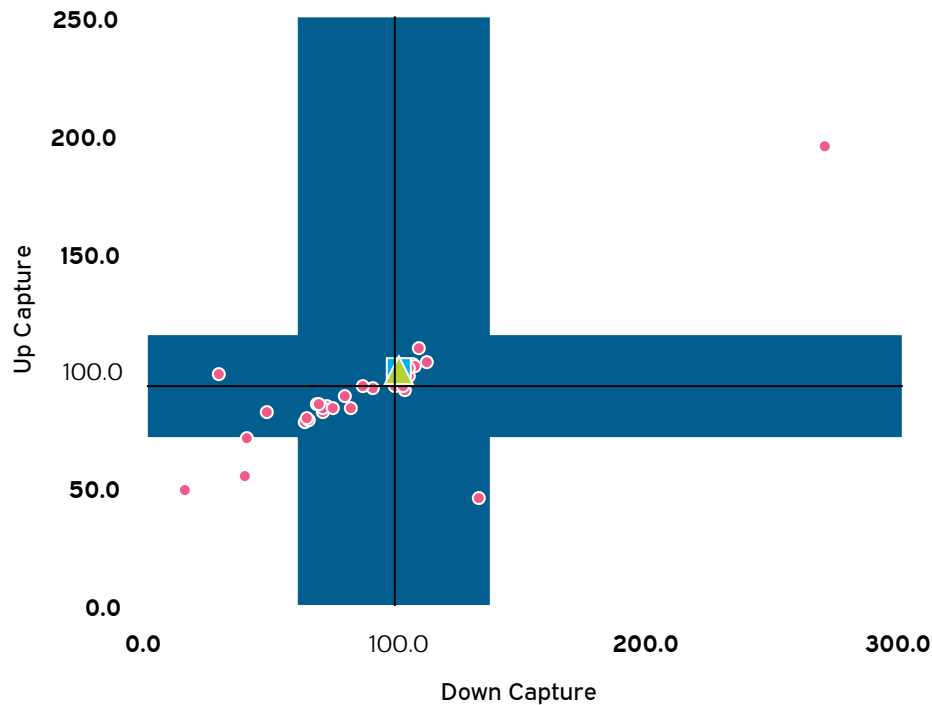
Returns are gross of fees.



## Illinois State Universities Retirement System

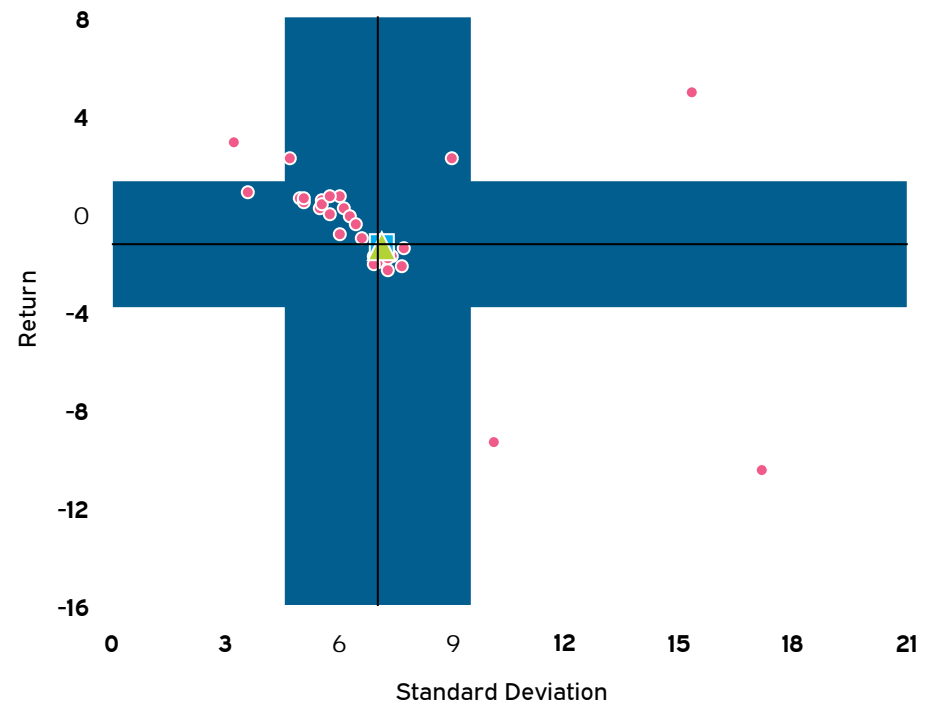
Inflation Sensitive | As of June 30, 2024

**Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending June 30, 2024**



	Up Capture	Down Capture
■ Inflation Sensitive	100.7	100.3
▲ SURS Inflation Sensitive Blend	100.0	100.0
— Median	93.6	98.1
Population	41	41

**Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2024**



	Return	Standard Deviation
■ Inflation Sensitive	-1.3	7.1
▲ SURS Inflation Sensitive Blend	-1.3	7.1
— Median	-1.2	7.0
Population	41	41

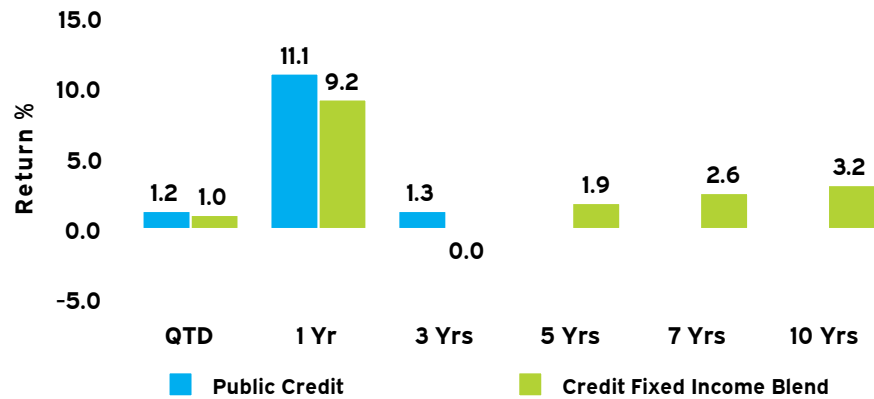
## Public Credit



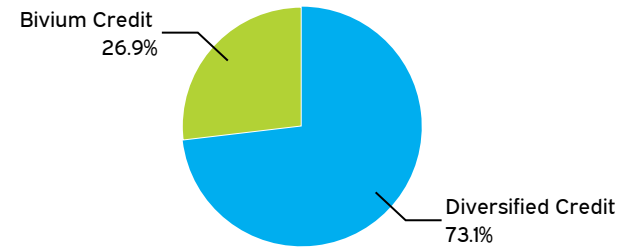
## Illinois State Universities Retirement System

Public Credit | As of June 30, 2024

### Return Summary

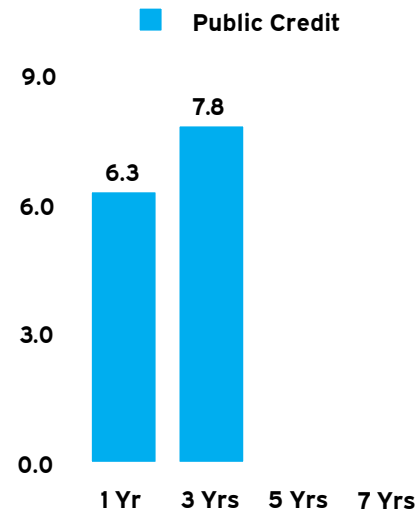


### Current Allocation

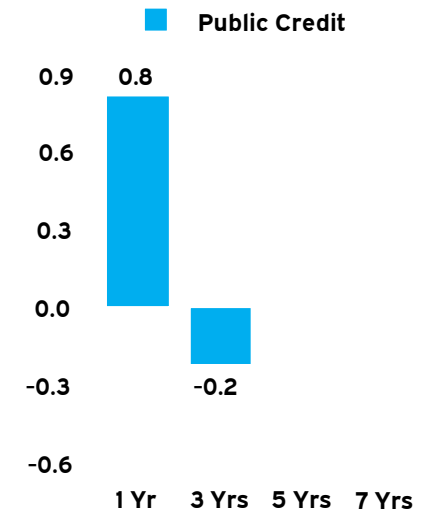


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Public Credit	1.2	11.1	1.3	-	-	-
SURS Credit Fixed Income Blend	1.0	9.2	0.0	-	-	-
Excess Return	0.2	1.9	1.3	-	-	-
eV US Corporate Fixed Inc Median	0.2	5.6	-2.5	-	-	-
eV US Corporate Fixed Inc Rank	1	1	1	-	-	-

### Annualized Standard Deviation



### Sharpe Ratio



Returns are gross of fees.





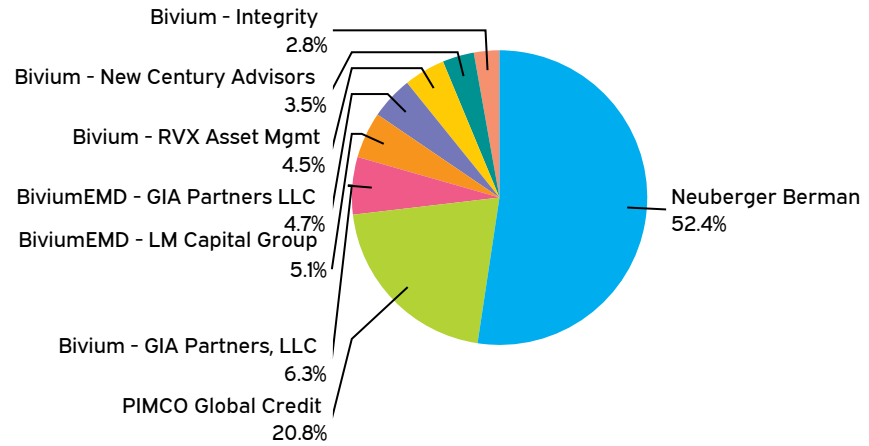
# Illinois State Universities Retirement System

Public Credit | As of June 30, 2024

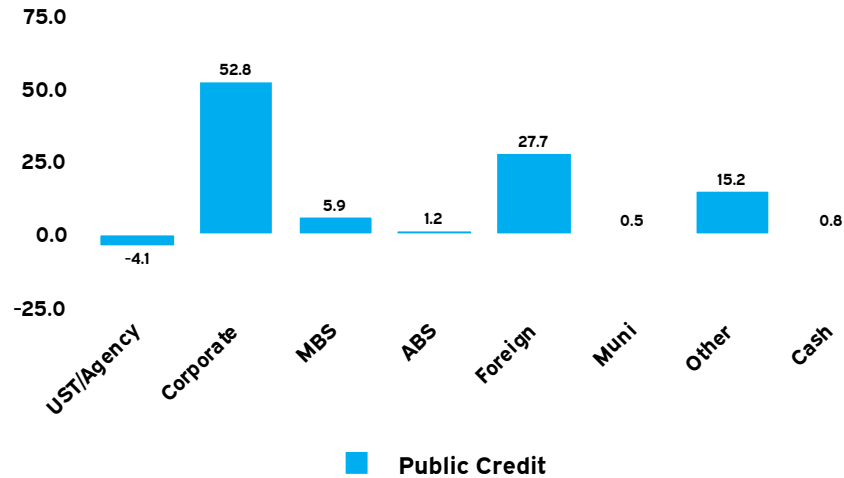
## Public Credit Portfolio Characteristics

	Portfolio
Yield To Maturity (%)	7.7
Effective Duration	4.6
Avg. Quality	BB

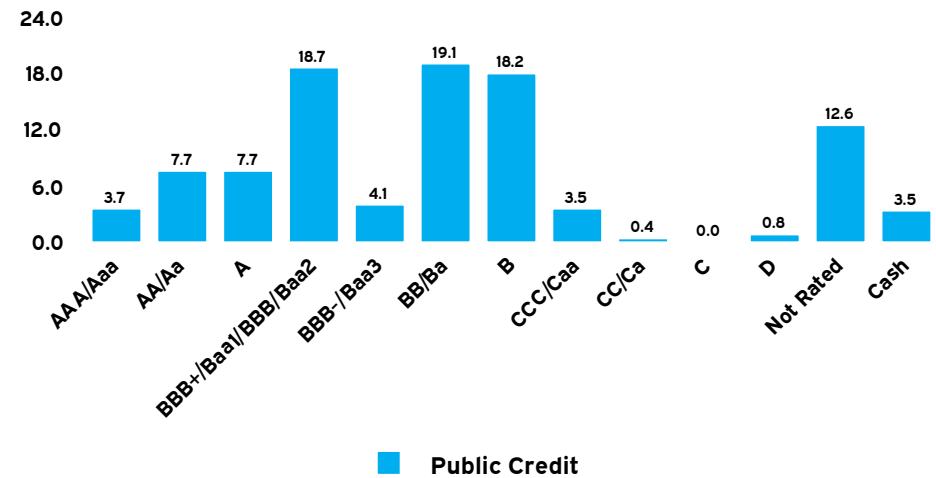
## Current Allocation



## Sector Distribution (%)



## Credit Quality Distribution (%)



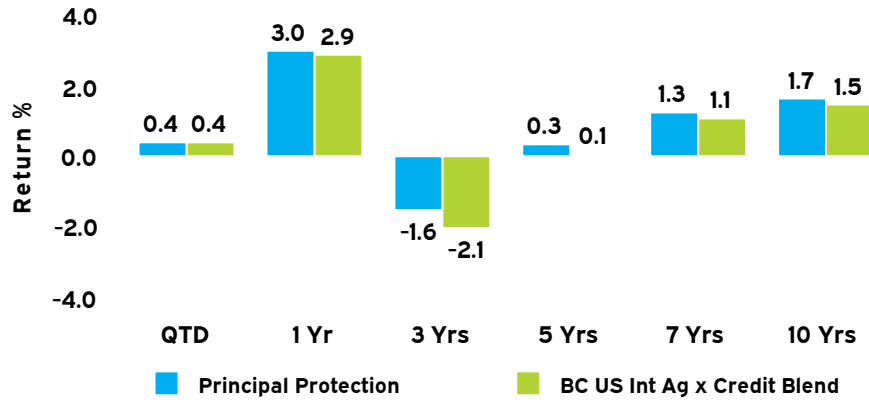
# Principal Protection



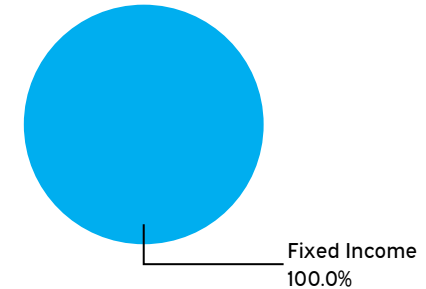
## Illinois State Universities Retirement System

Principal Protection | As of June 30, 2024

### Return Summary

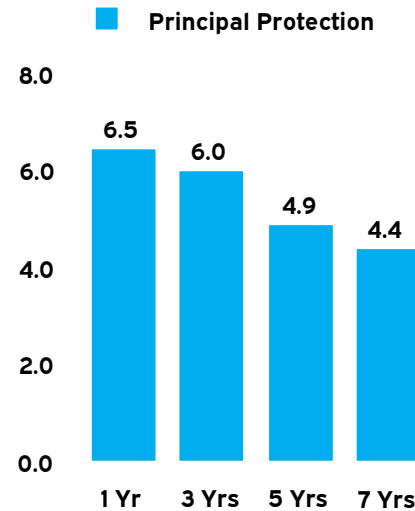


### Current Allocation



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Principal Protection	0.4	3.0	-1.6	0.3	1.3	1.7
BC US Int Ag x Credit Blend	0.4	2.9	-2.1	0.1	1.1	1.5
Excess Return	0.0	0.1	0.5	0.2	0.2	0.2
eV US Interm Duration Fixed Inc Median	0.7	4.7	-0.9	1.1	1.7	1.9
eV US Interm Duration Fixed Inc Rank	92	97	89	97	95	81

### Annualized Standard Deviation



### Sharpe Ratio



Returns are gross of fees.



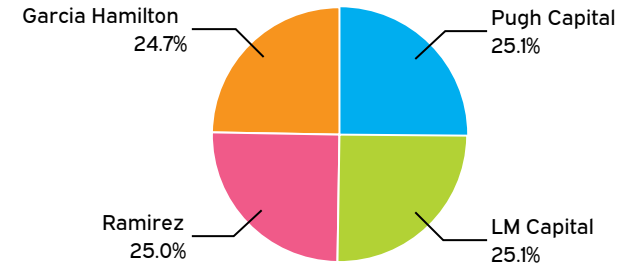
## Illinois State Universities Retirement System

Principal Protection | As of June 30, 2024

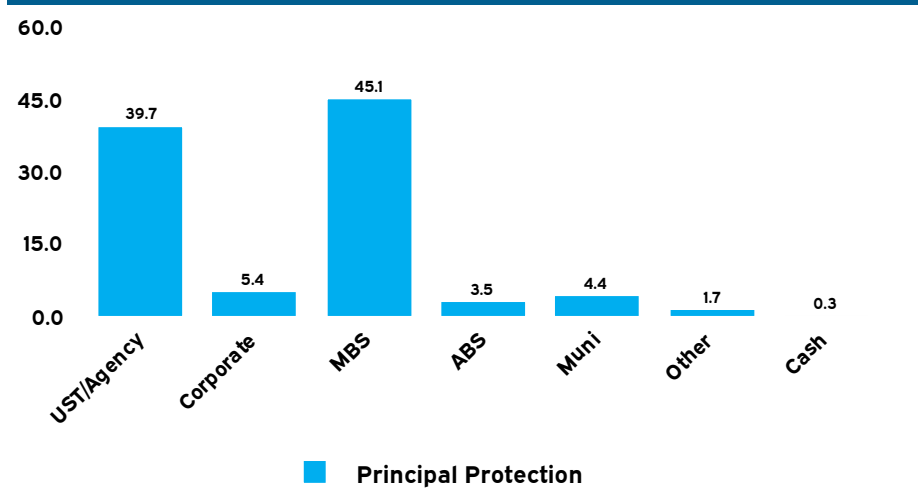
### Principal Protection Portfolio Characteristics

	Portfolio
Yield To Maturity (%)	5.0
Effective Duration	4.5
Avg. Quality	AA

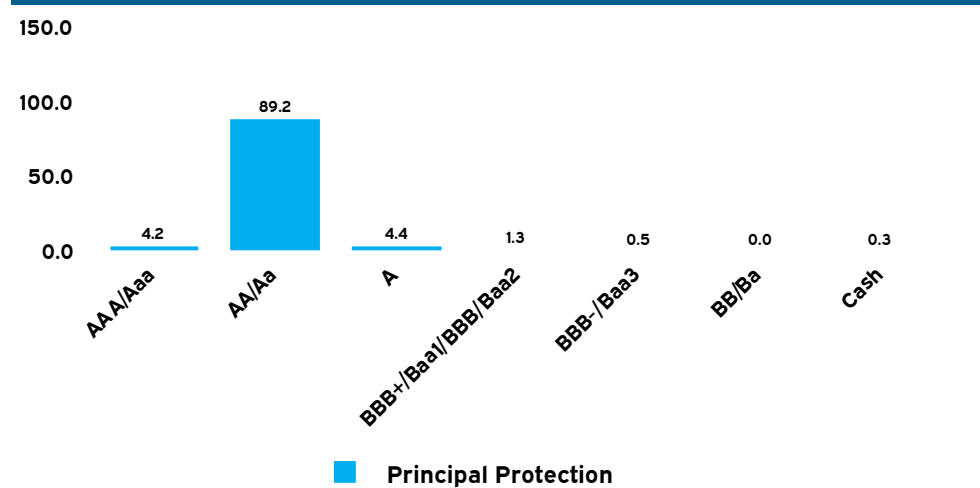
### Current Allocation



### Sector Distribution (%)



### Credit Quality Distribution (%)



## **Crisis Risk Offset ex Tail Risk**

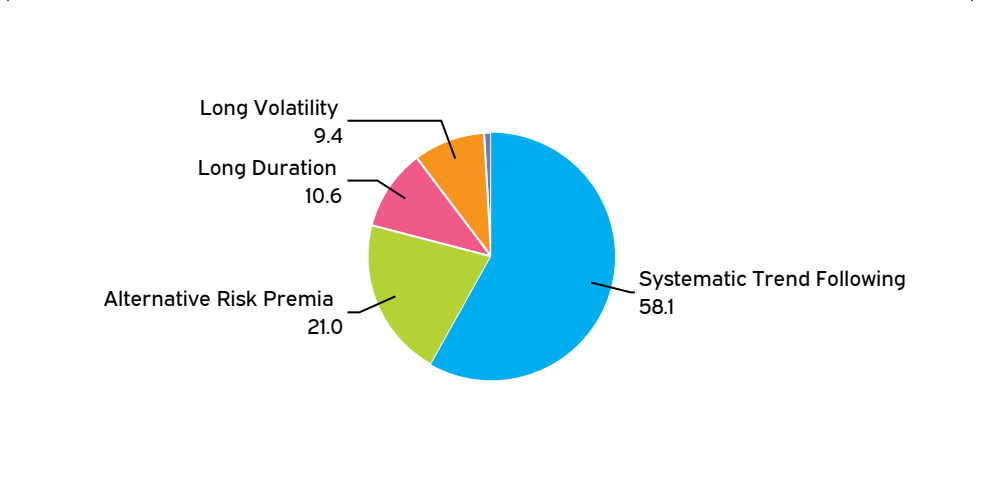
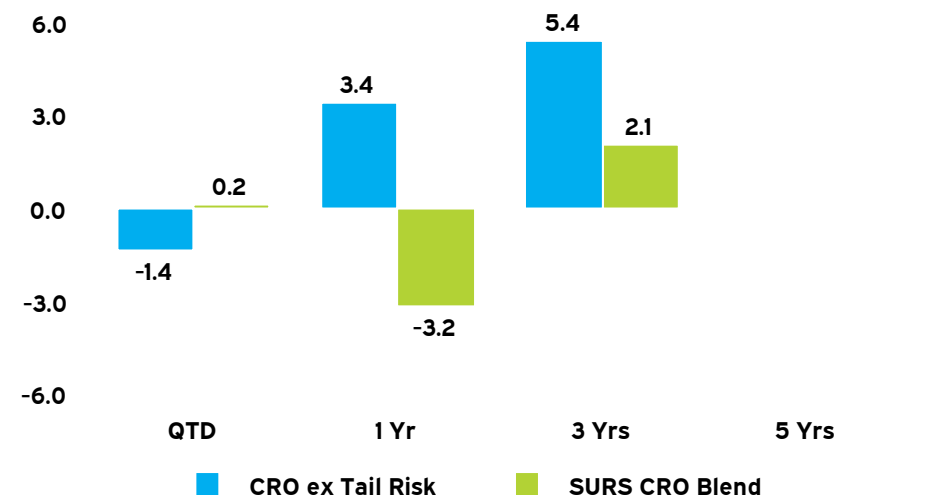


## Illinois State Universities Retirement System

Crisis Risk Offset ex Tail Risk | As of June 30, 2024

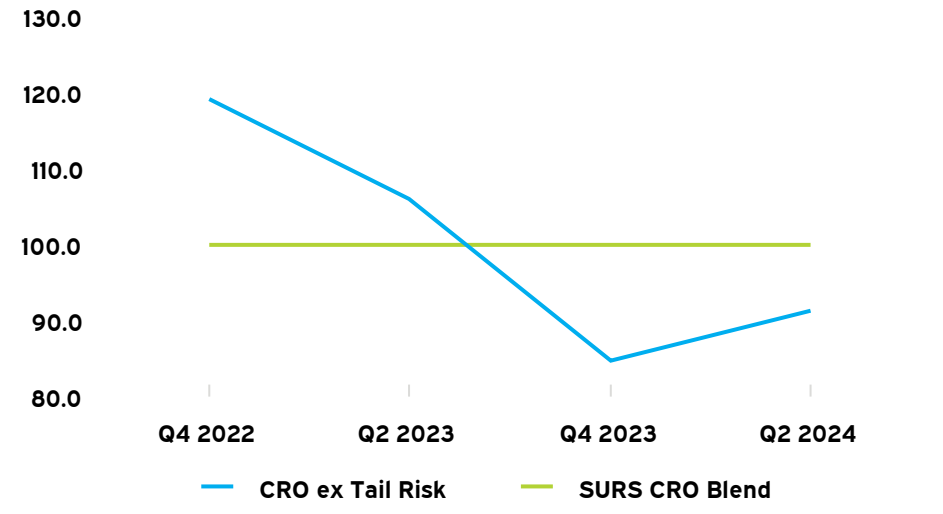
### Return Summary

### Current Allocation



### Rolling Down Market Capture

### Comparative Performance



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Crisis Risk Offset ex Tail Risk	-1.4	3.4	5.4	-
SURS CRO Blend	0.2	-3.2	2.1	-
MSCI AC World Index	3.0	19.9	5.9	11.3
S&P 500 Index	4.3	24.6	10.0	15.0
Blmbg. Intermed. U.S. Government/Credit	0.6	4.2	-1.2	0.7
Blmbg. U.S. Aggregate Index	0.1	2.6	-3.0	-0.2
Bloomberg Commodity Index Total Return	2.9	5.0	5.7	7.2



## Illinois State Universities Retirement System

Crisis Risk Offset ex Tail Risk | As of June 30, 2024

	Risk Return Statistics			
	1 Year		3 Years	
	Crisis Risk Offset ex Tail Risk	SURS CRO Blend	Crisis Risk Offset ex Tail Risk	SURS CRO Blend
<b>RETURN SUMMARY STATISTICS</b>				
Maximum Return	3.6	2.8	4.9	6.0
Minimum Return	-2.6	-4.1	-5.1	-4.1
Return	3.4	-3.2	5.4	2.1
Excess Return	-1.8	-8.3	2.6	-0.6
Excess Performance	6.5	0.0	3.3	0.0
<b>RISK SUMMARY STATISTICS</b>				
Beta	0.5	1.0	0.8	1.0
Up Capture	103.4	100.0	93.1	100.0
Down Capture	35.6	100.0	55.2	100.0
<b>RISK/RETURN SUMMARY STATISTICS</b>				
Standard Deviation	6.1	6.0	7.7	7.6
Sortino Ratio	-0.4	-1.4	0.5	-0.1
Alpha	5.0	0.0	3.8	0.0
Sharpe Ratio	-0.3	-1.4	0.3	-0.1
Excess Risk	6.1	6.0	7.8	7.7
Tracking Error	6.3	0.0	5.0	0.0
Information Ratio	1.0	-	0.6	-
<b>CORRELATION STATISTICS</b>				
R-Squared	0.2	1.0	0.6	1.0
Actual Correlation	0.5	1.0	0.8	1.0

# Appendix

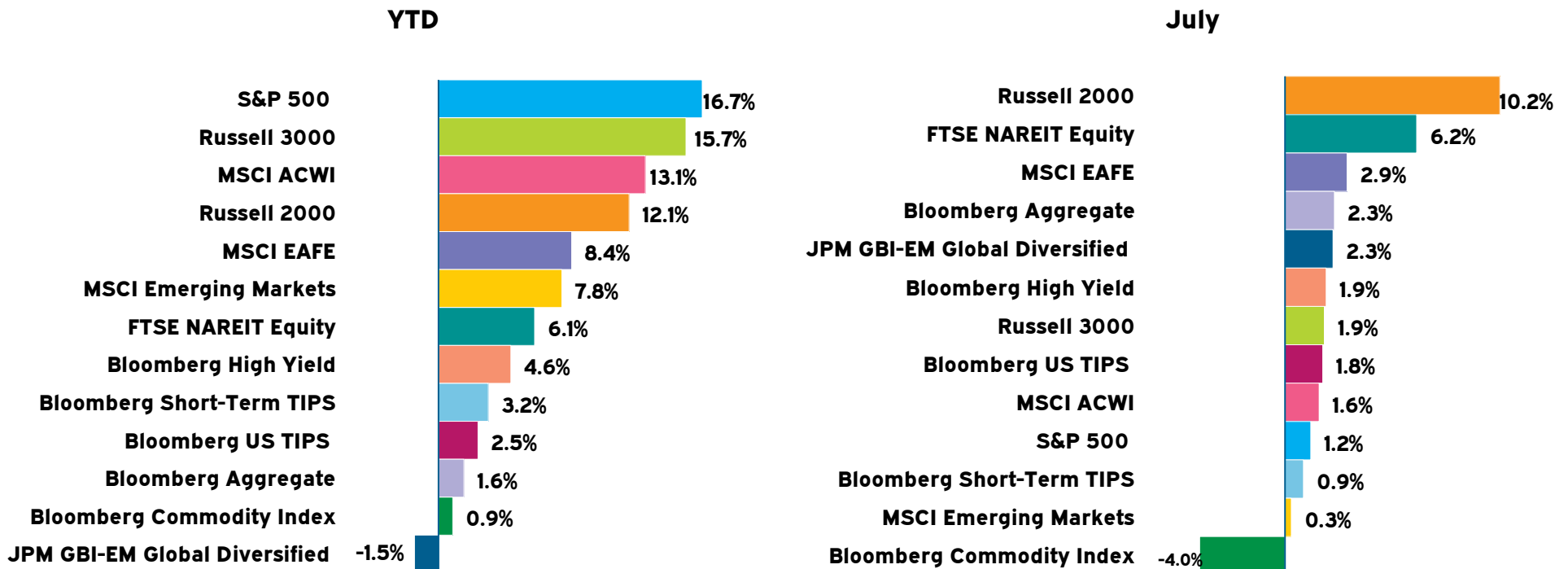


# **Economic and Market Update**

## Data as of July 31, 2024

### Commentary

- Hints from the Fed that it would lower interest rates given continued declines in inflation drove markets higher. Notably there was a rotation in the US equity market away from mega cap tech stocks particularly toward small cap stocks.
- Central bank policy divergence continued with the Bank of Japan hiking rates while the Bank of England and the People's Bank of China cut policy rates following the European Central Bank; while inflation continues to moderate, it remains above target in most countries while slowing growth has fanned recession concerns.
  - In July, the broad market (Russell 3000: +1.9%) significantly trailed small cap stocks (Russell 2000: +10.2%) as smaller companies particularly benefited from increased expectations for a "soft landing" of the US economy.
  - Non-US developed equity markets rallied in July (+2.9%) outperforming the broad US market. A weakening US dollar was a key driver of results.
  - Emerging market equities were up slightly in July (+0.3%) as Chinese stocks declined (-1.6%).
  - Fixed income markets posted positive returns in July on expectations for policy rate cuts this fall as inflation pressures recede.
- Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, the yen-carry trade, and the many looming elections will be key factors.

Index Returns<sup>1</sup>

→ In July, improving inflation and dovish comments from the Fed helped most asset classes post positive returns. There was a notable shift within equity markets toward value and small cap stocks and away from the mega-cap tech stocks that have been recently driving markets higher.

→ Just over mid-way through 2024, US stocks have significantly outperformed other asset classes on a year-to-date basis.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024.

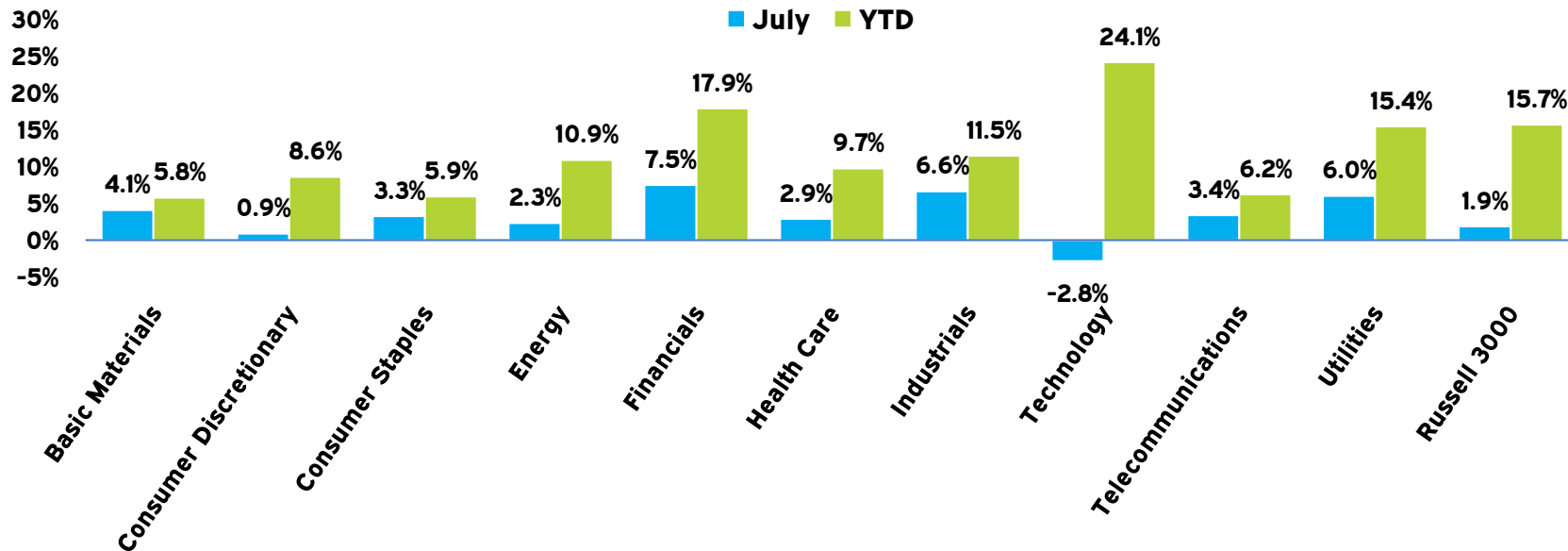
Domestic Equity Returns<sup>1</sup>

Domestic Equity	July (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	1.2	16.7	22.1	9.6	15.0	13.1
Russell 3000	1.9	15.7	21.1	8.1	14.2	12.6
Russell 1000	1.5	15.9	21.5	8.5	14.6	12.8
Russell 1000 Growth	-1.7	18.6	26.9	9.4	18.4	16.3
Russell 1000 Value	5.1	12.1	14.8	7.0	9.9	9.0
Russell MidCap	4.7	9.9	13.7	3.7	10.2	9.9
Russell MidCap Growth	0.6	6.6	12.3	-0.2	9.5	10.9
Russell MidCap Value	6.0	10.9	13.8	5.5	9.6	8.5
Russell 2000	10.2	12.1	14.3	1.9	8.9	8.7
Russell 2000 Growth	8.2	13.0	12.8	-1.1	7.6	8.9
Russell 2000 Value	12.2	11.2	15.7	4.6	9.5	8.1

**US Equities: The Russell 3000 rose 1.9% in July, bringing the year-to-date results to 15.7%.**

- US stocks gained in July, as softening inflation data increased expectations for interest rate cuts this year.
- Notably there was a sharp rotation in the market during the month, from the technology sector toward small cap and value stocks.
- Small cap stocks particularly benefited from their domestic focus and hopes for a “soft landing” of the economy and on expectations of lower interest rates.
- Value stocks outperformed growth stocks across the market cap spectrum for the month, driven in part by banks. Growth stocks like pharmaceutical and software companies, also contributed to this dynamic.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024.

Russell 3000 Sector Returns<sup>1</sup>

- In July, all sectors saw a positive performance except the technology sector which fell in the month.
- On the prospect of lower interest rates financials (+7.5%), industrials (+6.6%), and utilities (+6.0%) were top performers in July.
- Technology (-2.8%) and consumer discretionary (+0.9%) sectors trailed. Concerns over whether the run-up in artificial intelligence related technology stocks will be matched by earnings weighed on that sector.
- All sectors have positive returns for the year-to-date period. Technology stocks (+24.1%) continue to lead the broader market, followed by financials (+17.9%).

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024.

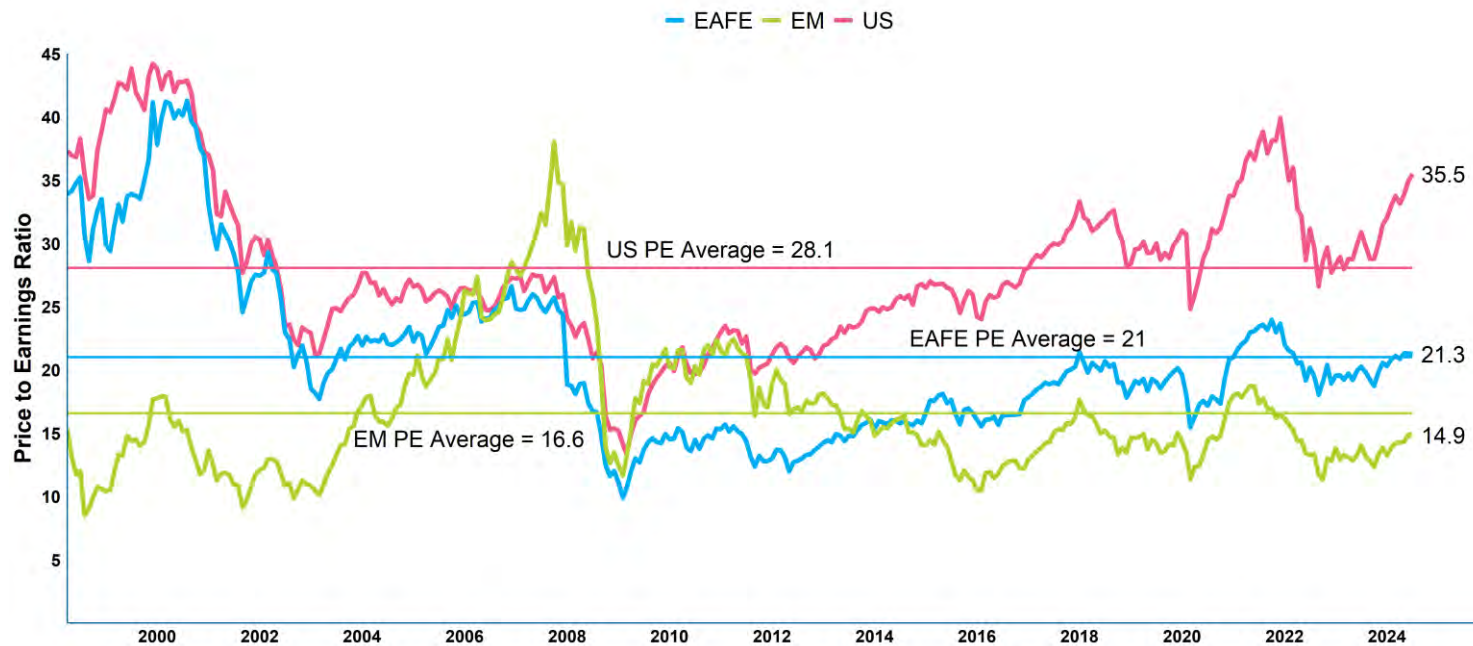
Foreign Equity Returns<sup>1</sup>

Foreign Equity	July (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.3	8.1	9.7	1.8	6.3	4.2
MSCI EAFE	2.9	8.4	11.2	3.6	7.4	4.8
MSCI EAFE (Local Currency)	0.8	11.9	14.1	8.2	9.0	7.5
MSCI EAFE Small Cap	5.7	6.2	9.1	-2.1	5.5	5.1
MSCI Emerging Markets	0.3	7.8	6.3	-2.7	3.4	2.6
MSCI Emerging Markets (Local Currency)	0.6	11.7	10.4	0.7	5.9	5.6
MSCI EM ex. China	0.8	9.3	14.5	2.5	7.2	4.0
MSCI China	-1.3	3.4	-12.4	-13.8	-4.4	0.5

**Foreign Equity: Developed international equities (MSCI EAFE) rose 2.9% in July, while emerging market equities (MSCI Emerging Markets) gained just 0.3%.**

- Developed market equities saw strong returns in July outpacing US shares. Most of the gains for US investors came from a weakening US dollar. Results were also driven in part by strong performance in the UK, due to promising PMIs and rising business confidence. Eurozone stocks rose only slightly for the month while Japan's TOPIX was volatile, reaching a record high only to experience a sharp correction.
- Emerging markets saw marginal positive returns but lagged most developed peers. China continued to see negative performance, as the real estate crisis showed no signs of abating. South Korea and Taiwan also experienced negative returns as technology stocks sold off globally. India saw strong performance following a very positive jobs report. The country grew to 80% of China's index weight as of month-end.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024.

Equity Cyclically Adjusted P/E Ratios<sup>1</sup>

- The market rally in July lifted price-to-earnings ratios in the US (35.5) further above its 21st century average (28.1).
- Non-US developed market valuations have increased to slightly above their long-term average while emerging market stocks remain well below their long-term average price-to-earnings ratio.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of July 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

Fixed Income Returns<sup>1</sup>

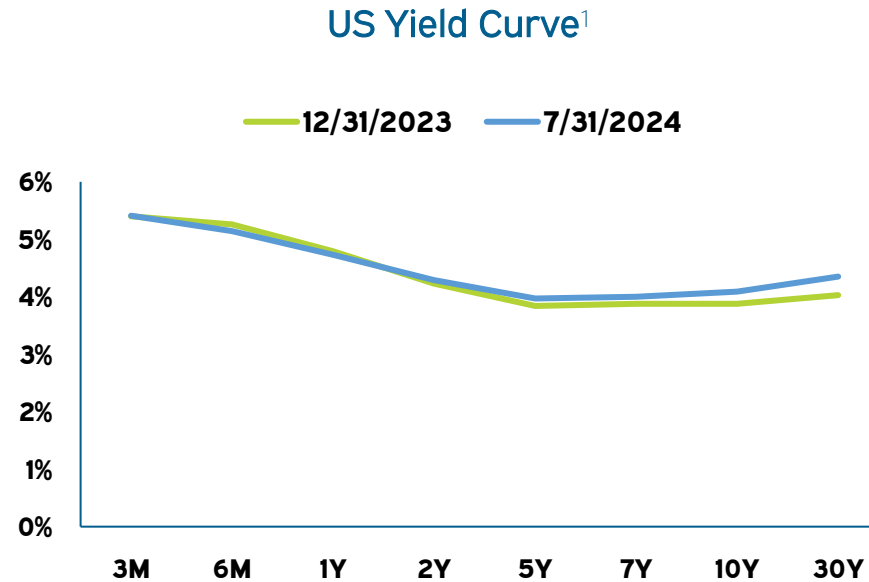
Fixed Income	July (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	2.3	2.0	5.7	-2.3	0.5	1.9	4.9	6.0
Bloomberg Aggregate	2.3	1.6	5.1	-2.6	0.2	1.6	4.6	6.2
Bloomberg US TIPS	1.8	2.5	4.4	-1.6	2.4	2.1	4.3	6.9
Bloomberg Short-term TIPS	0.9	3.2	5.8	2.0	3.3	2.1	4.5	2.6
Bloomberg High Yield	1.9	4.6	11.1	2.2	4.2	4.6	7.6	3.6
JPM GBI-EM Global Diversified (USD)	2.3	-1.5	0.1	-2.4	-1.0	-0.5	--	--

**Fixed Income: The Bloomberg Universal index rose +2.3% in July, lifting the year-to-date return into positive territory (+2.0%).**

- Fixed income indexes rose in July, driven by market participants' expectations for a shift towards more accommodative monetary policy in the coming months largely due to easing inflationary pressures.
- The broad US bond market (Bloomberg Aggregate) rose 2.3% over the month, with the broad TIPS market gaining 1.8%. The less interest rate sensitive short-term TIPS index increased 0.9%.
- High yield bonds (+1.9%) and emerging market bonds (+2.3%) also rose, as risk appetite remains strong.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

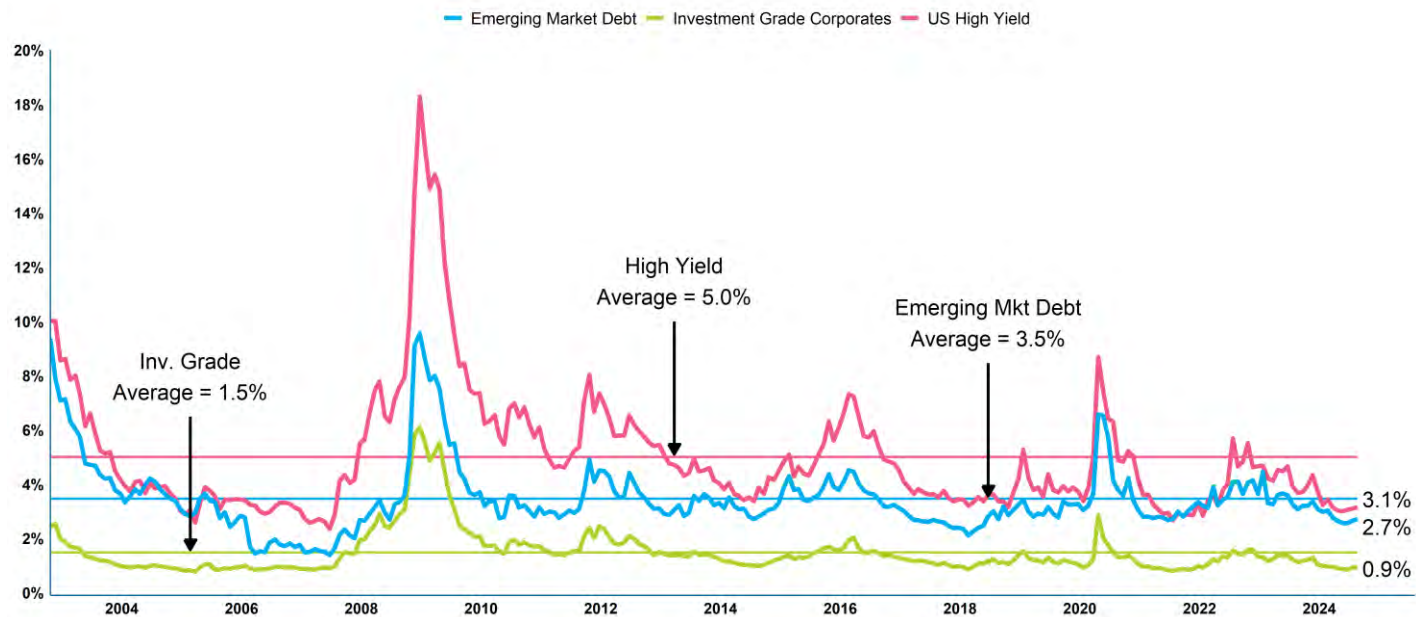




- After rates significantly increased over the first six months of the year, they dramatically fell in July on weaker economic data and expectations for rate cuts.
- The more policy sensitive 2-year Treasury yield declined by a material 50 basis points and finished the month at 4.26%. The 10-year Treasury also saw a notable decline, dropping by 37 basis points to end the month at 4.03%.
- The yield curve remained inverted at month-end, with the spread between the 2-year and 10-year Treasury at roughly -22 basis points.

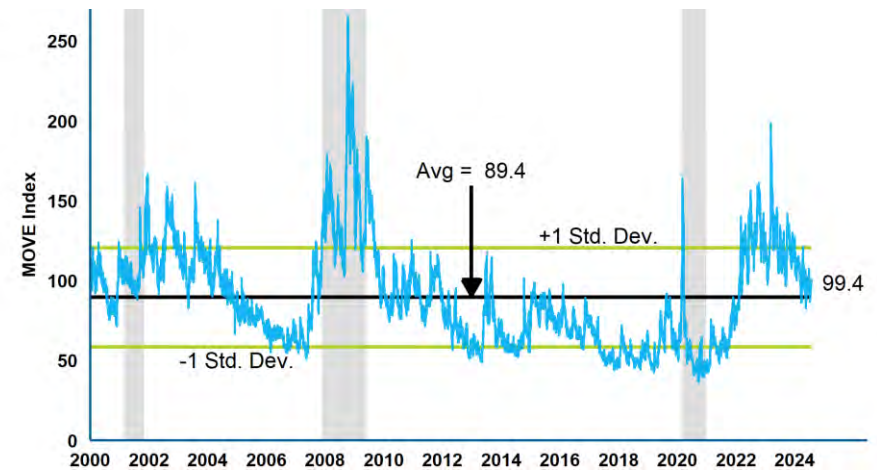
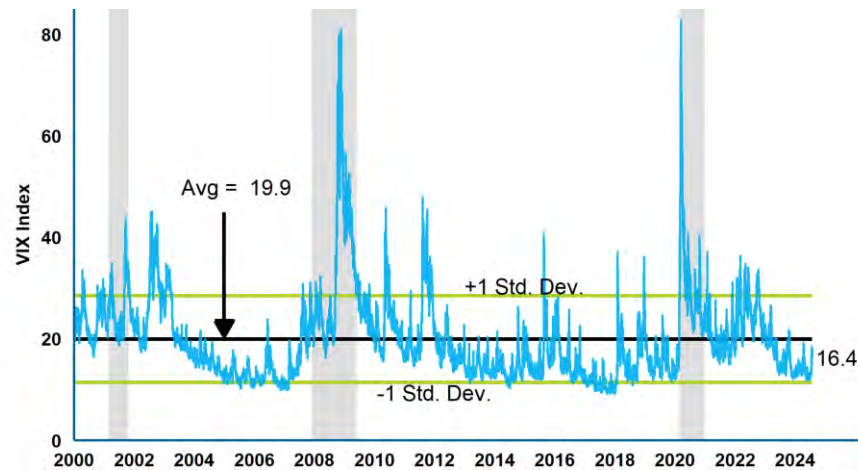
<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024.

### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



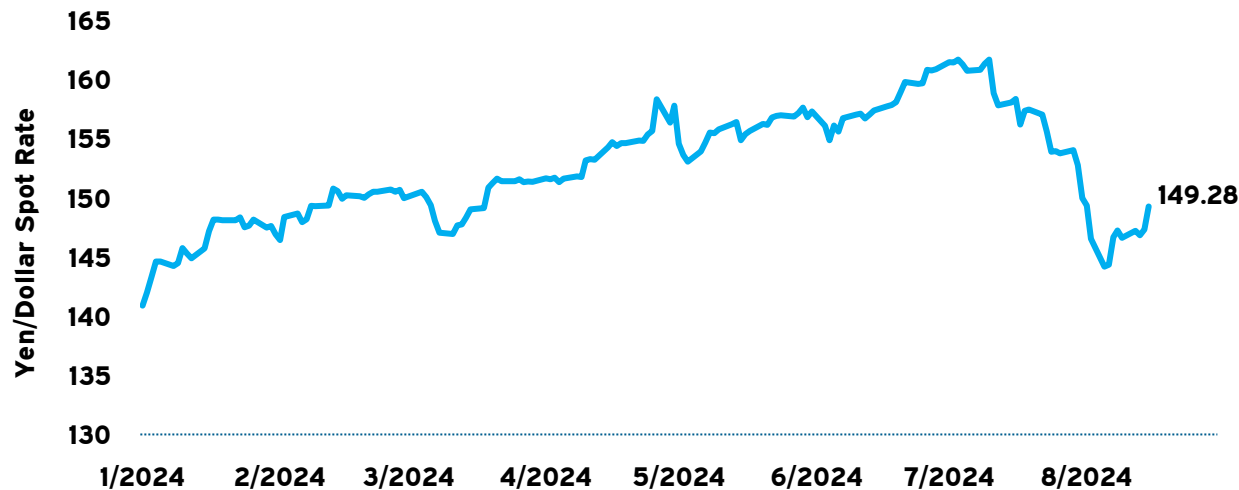
- Investor demand for risk exposure in credit markets remained strong in July despite signs of weakness in the economic outlook. The prospect of lower rates was supportive for corporate bonds.
- Spreads (the yield above a comparable maturity Treasury) stayed relatively steady over the month, near post-pandemic lows. All spreads remained below their respective long-run averages, particularly high yield.
- Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility<sup>1</sup>

- Despite a small increase over the month, equity market volatility remains subdued as inflation tracks lower and the economy remains resilient.
- Uncertainty in the bond markets rose as markets repriced interest rate cuts for the rest of 2024 and volatility in bonds (MOVE) rose slightly in July and remains above its long-run average.

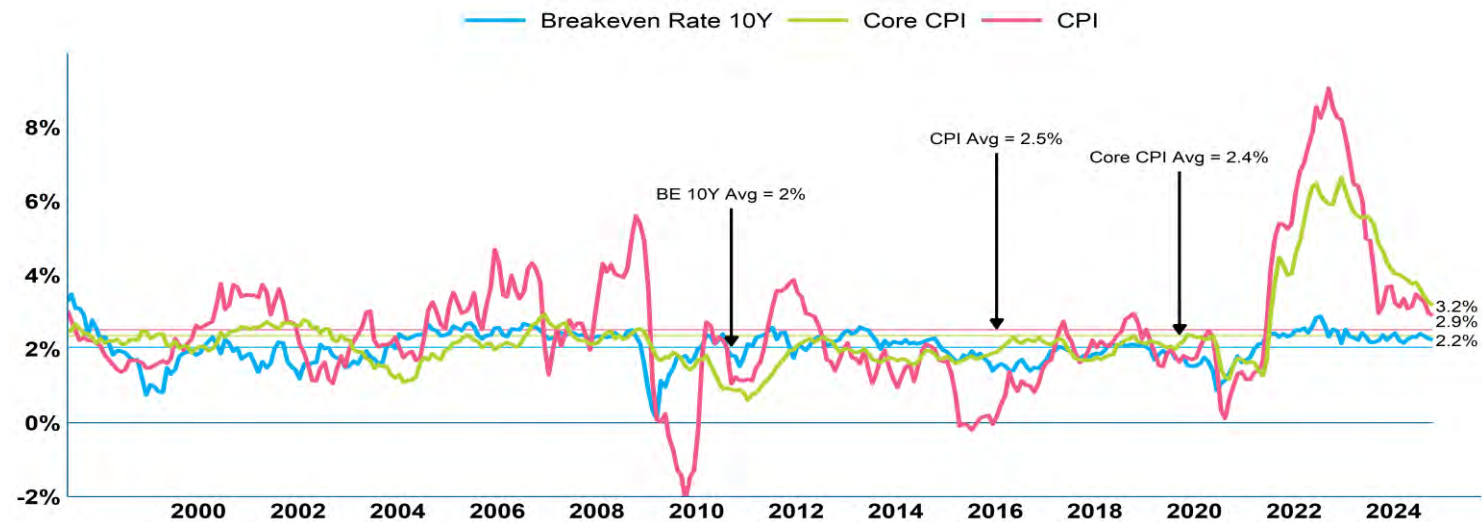
<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of July 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and July 2024.

Recent Market Volatility: US Dollar versus Japanese Yen<sup>1</sup>

- Given relatively lower interest rates in Japan many have entered into the so-called “yen carry trade” borrowing cheaply in Japan and investing in other areas with perceived higher returns.
- This has traditionally involved taking the borrowed proceeds and investing them in Treasuries, but recently has expanded to investing in the US stock market particularly the technology sector.
- When the Bank of Japan signaled, it would continue to increase interest rates with expectations growing for the Fed to cut rates, many unwound this trade contributing to the significant market volatility (in addition to the unemployment miss) after month-end.
- Since then, the yen has stabilized and slightly weakened but questions remain about the path ahead for the Japanese currency.

<sup>1</sup> Source: Bloomberg. Data as of August 15, 2024.

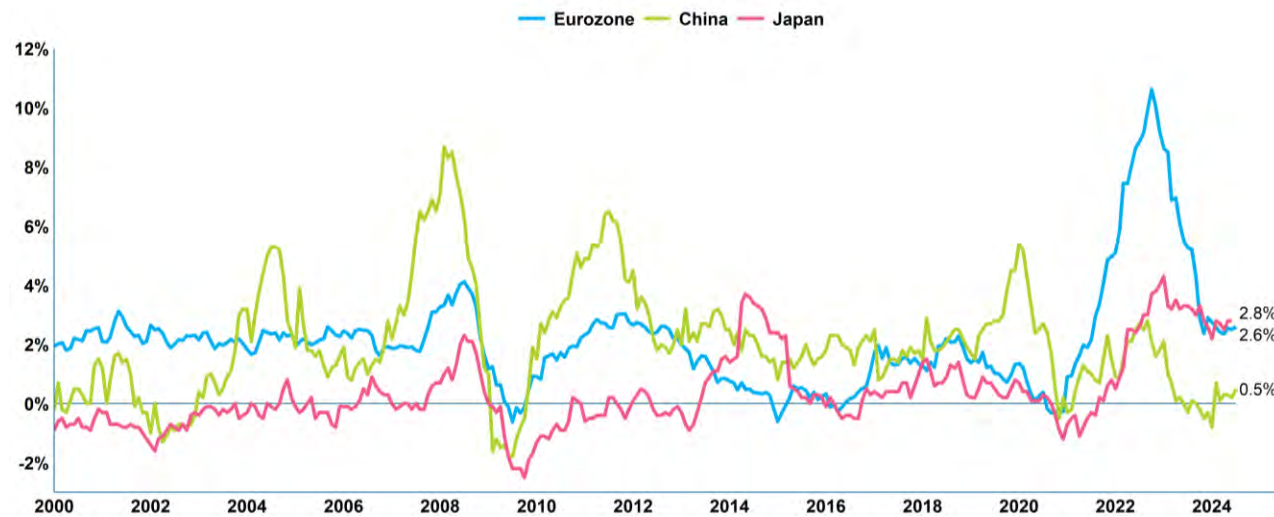
### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Year-over-year headline inflation continued to fall in July (3.0% to 2.9%), coming in again below expectations.
- Month-over-month inflation increased 0.2% after declining 0.1% in June, with shelter costs accounting for ninety percent of the increase. Energy prices were flat for the month while food prices rose 0.2%.
- Core inflation (excluding food and energy) also declined in July (3.3% to 3.2%) and came in at consensus expectations. Price increases for shelter and motor vehicle insurance accounted for most of the monthly rise while prices in used cars, airline fares, and medical care fell.
- Inflation expectations (breakevens) have been relatively stable over the last several years. They remain below current inflation levels.

<sup>1</sup> Source: FRED. Data is as July 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

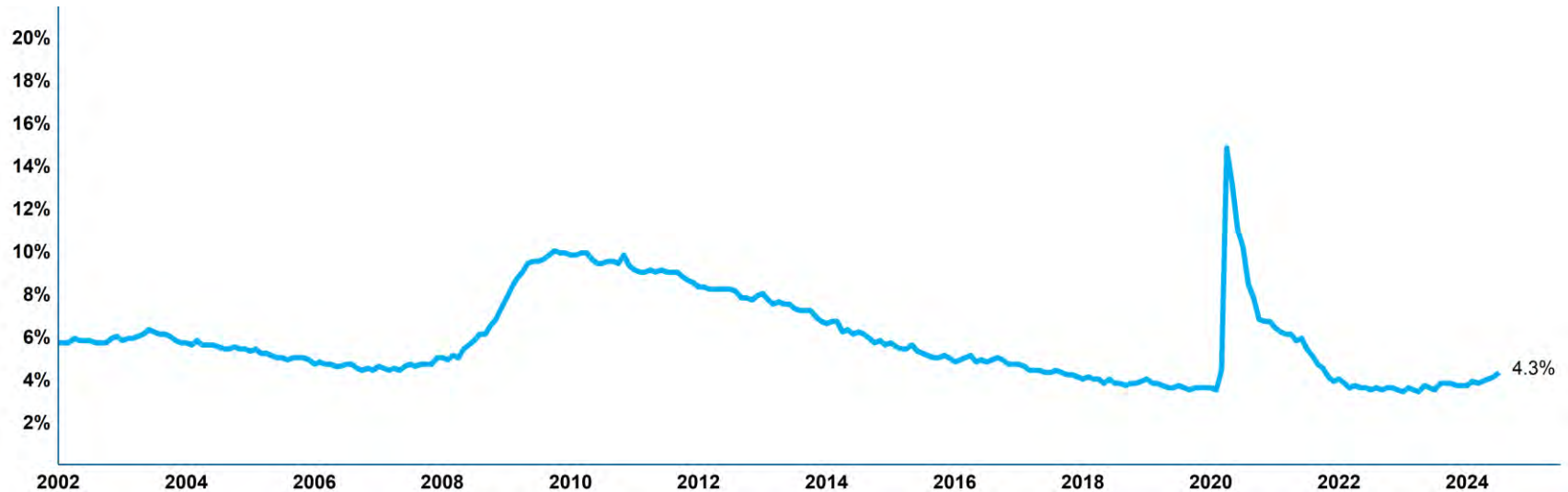
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- In the eurozone, inflation increased unexpectedly in July, from 2.5% to 2.6%, when expectations were for it to decline to 2.4%. An increase in energy costs was the main driver of higher prices.
- Inflation in Japan remained steady at 2.8% in June. It is still near levels not seen in a decade creating a delicate balancing act for the Bank of Japan to keep prices under control while not creating significant strength in the yen.
- China appears to have emerged from deflationary pressures, but inflation levels remain well below other major economies due to slowing economic growth. Annual inflation levels have been positive for the last six readings signaling some modest improvement in domestic demand. The July year-over-year number came in at 0.5%, above the prior reading of 0.2%.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024, except Japan which is as of June 30, 2024.

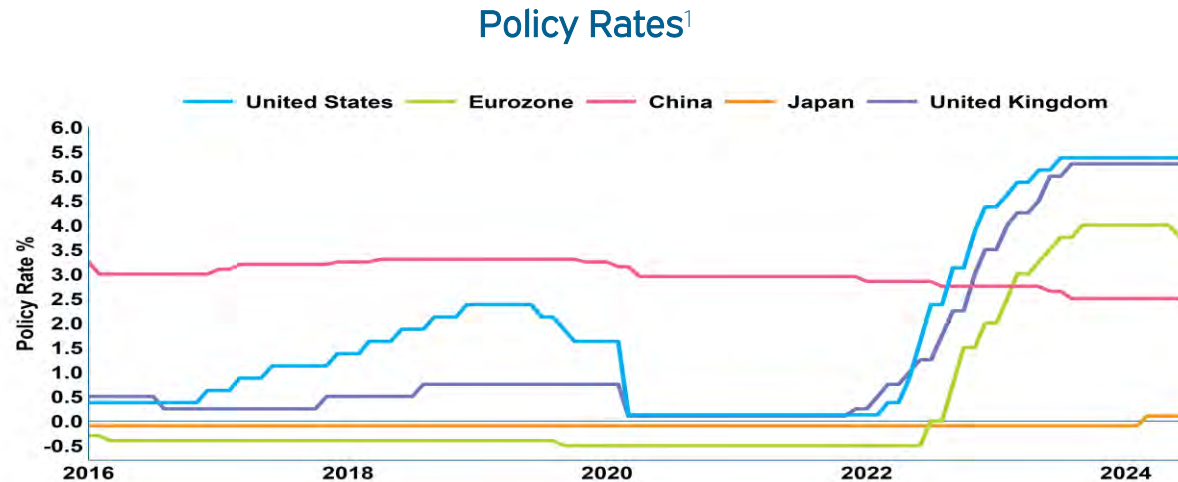
### US Unemployment<sup>1</sup>



- The unemployment rate increase caught markets by surprise rising from 4.1% to 4.3%, when expectations were for it to remain at 4.1%.
- The increase in the unemployment rate has not been driven by layoffs but by some returning to the job market and higher immigration.
- There were downward revisions to job gains in May and June, and the economy added just 114,000 jobs (below expectations of 175,000) in July. Construction, warehouse, and healthcare sectors added jobs while technology lost jobs.
- The change in average hourly earnings from a year prior remains strong though (around 3.6%), and initial jobless claims subdued.

<sup>1</sup> Source: FRED. Data is as July 31, 2024.





- In the US, interest rates have remained at current levels (5.25%-5.50%) for a year now. The most recent “dot plot” (the Fed’s expectation on the path of rates) from early July showed a median expectation of roughly one rate cut this year. However, market participants are now pricing in between three and four cuts in 2024 given the improving inflation data and signs of economic weakness.
- The Bank of England (BoE) followed the European Central Bank (ECB) making its first rate cut in July. Like the ECB, the BoE warned about the uncertain path of inflation pressures in the economy.
- Inflation in Japan remained elevated, prompting Bank of Japan (BoJ) officials to raise the policy rate 0.15% to 0.25% after decades at near-zero rates.
- China’s central bank surprised markets with another round of interest rate cuts while at the same time naming and shaming banks for purchasing government bonds and driving bond yields lower.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



### US Dollar vs. Broad Currencies<sup>1</sup>



- The US dollar weakened slightly in July on the prospect of rate cuts from the Fed later this year.
- Looking ahead, the track of policy rates across major central banks will be key for the path of the US dollar from here. If the US economy slows more than expected and the Fed relatedly lowers rates at a faster pace, we could see the dollar weaken.

<sup>1</sup> Source: Bloomberg. Data as of July 31, 2024.

## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) July report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession.
- Key economic data in the US has largely weakened and come in below expectations, causing markets to expect between three and four rate cuts this year. Uncertainty remains though regarding the timing and pace of interest rate cuts in the coming year.
- We have started to see some divergences in monetary policy. Some central banks, such as the European Central Bank and the Bank of England have started to cut interest rates and others, like the Bank of Japan, have increased interest rates, while the Fed remains on hold. This disparity will likely influence capital flows and currencies.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and ongoing weakness in the real estate sector. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

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Investment Department

To: Investment Committee  
 From: Investment Staff  
 Date: August 30, 2024  
 Re: Corporate Governance Update

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Below please find a status update of governance activity since our June meeting.

### Proxy Voting Provider

- **Quarterly Report**

This summary report offers quarterly analysis of the top agenda items voted against management, top agenda items voted against Glass Lewis standard policy, shareholder proposal trends, and ballot and proposal statistics reports.

Agenda items voted contrary to Glass Lewis' standard policy pertain to topics where SURS guidelines – made up by an overlay of U.S., Public Pension, and Global proxy voting guidelines – offer a more restrictive directive.

- Election of Directors: SURS voted in favor of female representation on companies' boards, as well as sufficient disclosure concerning workforce diversity. SURS voted against the ESG committees of Tier 3 companies that did not produce sufficient sustainability reporting.
- Ratification of Auditor: SURS voted against the ratification of an auditor when the auditor's tenure has not changed for 20 years or more.
- Advisory Vote on Executive Compensation: SURS voted against compensation plans that do not align pay with performance and do not link compensation to sustainability metrics.

There were 725 shareholder proposals (SHP) during the quarter. The three most common SHPs were:

- SHP Regarding Election of Board Members(s) During a Contested Election – Dissident Nominee: SURS generally supports a dissident nominee that plans to enhance and protect shareholder value.
- SHP Regarding Reviewing Political Spending or Lobbying: SURS voted in favor of increased disclosure of a company's political or lobbying expenditures, including alignment of political contributions with company values.
- SHP Regarding Misc. Human Capital Management - The Public Pension Policy is generally supportive of increased reporting on a company's diversity initiatives, disclosure and initiatives regarding gender pay inequity, and disclosure and reporting of worker and stakeholder health and safety issues.

The quarterly report is attached to this memo as Exhibit A.

- **BlackRock's Voting Choice Platform**

BlackRock continues to vote SURS proxies for in-scope holdings in the Global Alpha Tilts Fund using the Glass Lewis Public Pension Policy guidelines. This agreement with BlackRock become effective in September 2023.

- **Glass Lewis Contract Extension**

Following an RFP process approved by the Board of Trustees, Glass, Lewis & Co. (Glass Lewis) was retained as a proxy voting provider. SURS' three-year contract with Glass Lewis became effective on October 6, 2021, with the option to extend for two additional one-year periods. SURS has extended its contract with Glass Lewis that was set to expire on October 1, 2024.

### **Annual Fiduciary Report**

SURS staff has recently published its Annual Fiduciary Report to surs.org by the September 1 required deadline. This report is required in accordance with PA 103-0468 passed in August 2023. The report is required to:

- (1) describe the Board's strategy as it relates to the consideration of sustainable investment factors;
- (2) outline the process for regular assessment across the total portfolio of potential effects from systemic and regulatory risks and opportunities, including, but not limited to, environmental factors on the assets of the plan;
- (3) disclose how each investment manager serving as a fiduciary to the Board integrates sustainability factors into the investment manager's investment decision-making process;
- (4) provide a comprehensive proxy voting report;
- (5) provide an overview of all corporate engagement and stewardship activities; and
- (6) include any other information the Board deems necessary.

### **Council of Institutional Investors (CII)**

The CII's 2024 Fall Conference will take place on September 9-11 in Brooklyn, NY. Trustee Herbert Pitman, Trustee Fred Giertz, and Stephany Brinkman, Associate Investment Officer, will attend the conference in person.

A full agenda can be found in Exhibit B. Highlights of conference agenda items include:

- Interview with JP Morgan Chase Chairman and CEO Jamie Dimon
- Interview with ExxonMobil Chairman and CEO Darren Woods
- Board Oversight of Capital Allocation Strategy
- The View from Delaware with the Honorable Chancellor Kathleen McCormick
- The Future of Work
- Rethinking Performance-Based Shares
- Portfolio Allocation Evolution- Drivers and Implications
- Washington Outlook
- What's Behind India's Rise

- The Future of Shareholder Rights and the Shareholder Proposal Process

Trustee attendance to CII conferences is complimentary. A summary of important topics will be presented at the December Board meeting. Video of sessions will also be available on the CII website.

Ahead of the Fall meeting, as a member of CII, SURS has been asked to submit votes on various items. SURS staff recommendations and CII materials are attached to this memo as Exhibit C and D, respectively.



**TO:** *State Universities Retirement System (SURS)*

**FROM:** *Lucas Swertloff, Director, Custom Policy*

**DATE:** *July 30, 2024*

**RE:** *Review of Vote Activity Report for Q2 2024*

The Voting Activity Report for the Second Quarter 2024 summarizes Glass Lewis' votes for the State Universities Retirement System of Illinois (SURS). The most frequent occurrences of votes against management, votes against Glass Lewis, and shareholder proposal trends have been highlighted and analyzed here.

### Top Three Agenda Items Against Management – Q2 2024

Votes against management account for 7,277 of the 28,110 proposals, or 25.89% of the votes. The top categories of votes against management are:

- **Election of Directors** – Votes on the election of directors account for 4,879 of the 7,277 votes against management, or about 67.05% of the votes against management, and 17.36% of the total votes.

The top three reasons for votes against management are:

Insufficient gender diversity accounts for 1,844 votes against management. The Public Pension Policy has strengthened its policy concerning gender diversity on boards. The policy has been updated to provide that, if less than 30% of the board is female, the Public Pension policy will vote against the entire nominating committee.

Lack of reporting to SASB accounts for 1,713 votes against management. The Public Pension policy votes against the ESG committee members for Tier 3 companies, i.e. companies that are not listed in the Climate Action 100+, and companies where GHG emissions are not considered material by SASB. SASB reporting falls under the purview of the ESG committee who is responsible for board-level oversight of Environment and Social issues. As a reference, Glass Lewis applies a tiered approach when evaluating climate/sustainability issues. Tier 1 companies are companies that are listed in the Climate Action 100+, Tier 2 companies are companies where SASB has determined that GHG emissions are financially material, and Tier 3 companies are all other companies (i.e. companies that are not in the CA100+ and companies where SASB determines GHG emissions are not financially material).

Lack of EEO-1 reporting disclosure accounts for 1,047 votes against management. For U.S. companies listed in the S&P 500 index, the Public Pension Policy will evaluate whether companies have provided sufficient disclosure concerning their workforce diversity. In instances where these companies have not disclosed their full EEO-1 reports, the Public Pension Policy will vote against the nominating and governance chair.

- **Ratification of Auditor** – Votes on the ratification of auditor account for 782 of the 7,277 votes against management, or about 10.75% of the votes against management, and 2.79% of the total votes.

The top reason for votes against management is:

The auditor's tenure is excessive, which accounts for 777 of the votes against management. Rotating auditors is an important safeguard against the relationship between the auditor and the company becoming too close, resulting in a lack of oversight due to complacency or conflicts of interest. Accordingly, the Public Pension policy will vote against auditor ratification proposals in instances where a company's auditor has not been changed for 20 or more years.

- **Advisory Vote on Executive Compensation** – Votes on the advisory vote on executive compensation account for 502 of the 7,277 votes against management, or about 6.90% of the votes against management, and 1.79% of the total votes.



The top three reasons for votes against management are:

The Company has pay for performance issues and does not link any long-term incentive grant to sustainability metrics accounts for 158 of the votes against management. The Public Pension policy will vote against compensation plans where a company has both failed to provide an adequate link between pay and performance, and the company has neglected to incentivize environmental and social performance.

Pay and performance disconnect accounts for 152 of the votes against management. The Public Pension policy will vote against the approval of a compensation report or policy when there is a significant disconnect between pay and performance.

Concerning pay practices, accounts 128 of the votes against management. The Public Pension policy on this issue is to follow the Glass Lewis standard approach.

### Top Three Agenda Items Against Glass Lewis – Q2 2024

Votes against the Glass Lewis standard policy account for 4,526 of the 28,110 proposals, or about 16.11% of the votes. The top categories for votes against the Glass Lewis standard policy are:

- **Election of Directors** – Votes on the election of directors account for 3,370 of the 4,526 votes against Glass Lewis or about 74.46% of the votes against Glass Lewis and 11.99% of the total votes.

The top three reasons for votes against Glass Lewis are:

Lack of reporting to SASB accounts for 1,397 votes against Glass Lewis. The Public Pension policy votes against the ESG committee members for Tier 3 companies, i.e. companies that are not listed in the Climate Action 100+, and companies where GHG emissions are not considered material by SASB. SASB reporting falls under the purview of the ESG committee who is responsible for board-level oversight of Environment and Social issues.

Insufficient gender diversity on the board of directors accounts for 1,245 of the votes against Glass Lewis. The Public Pension policy has strengthened its policy concerning gender diversity on boards. The policy has been updated to provide that, if less than 30% of the board is female, the Public Pension Policy will vote against the entire nominating committee.

Lack of EEO-1 reporting disclosure accounts for 544 votes against management. For U.S. companies listed in the S&P 500 index, the Public Pension Policy will evaluate whether companies have provided sufficient disclosure concerning their workforce diversity. In instances where these companies have not disclosed their full EEO-1 reports, the Public Pension Policy will vote against the nominating and governance chair.

- **Ratification of Auditor** – Votes on the ratification of auditor account for 775 of the 4,526 votes against Glass Lewis or about 17.13% of the votes against Glass Lewis, and 2.76% of the total votes.

The top reason for votes against Glass Lewis is:

The auditor's tenure is excessive accounts for all 775 votes against Glass Lewis. Rotating auditors is an important safeguard against the relationship between the auditor and the company becoming too close, resulting in a lack of oversight due to complacency or conflicts of interest. Accordingly, the Public Pension policy will vote against auditor ratification proposals in instances where a company's auditor has not been changed for 20 or more years.

- **Advisory Vote on Executive Compensation** – Votes on the advisory vote on executive compensation account for 158 of the 4,526 votes against Glass Lewis, or about 3.50% of the votes against Glass Lewis, and 0.57% of the total votes.

The top reason for votes against Glass Lewis is:

The Company has pay for performance issues and does not link any long-term incentive grant to sustainability metrics accounts for all 158 of the votes against Glass Lewis. The Public Pension policy will vote against compensation plans where a company has both failed to provide an adequate link between pay and performance, and the company has neglected to incentivize environmental and social performance.

### Shareholder Proposals – Q2 2024

During quarter two there were 725 shareholder proposals (SHPs), accounting for 2.58% of the total proposals. Governance proposals were the most common, accounting for 263 of the 725 SHPs or 36.28% of the SHPs. Overall, SURS voted SHPs against management 403 times, while SURS voted SHPs against Glass Lewis 173 times.

The three most common SHPs are:

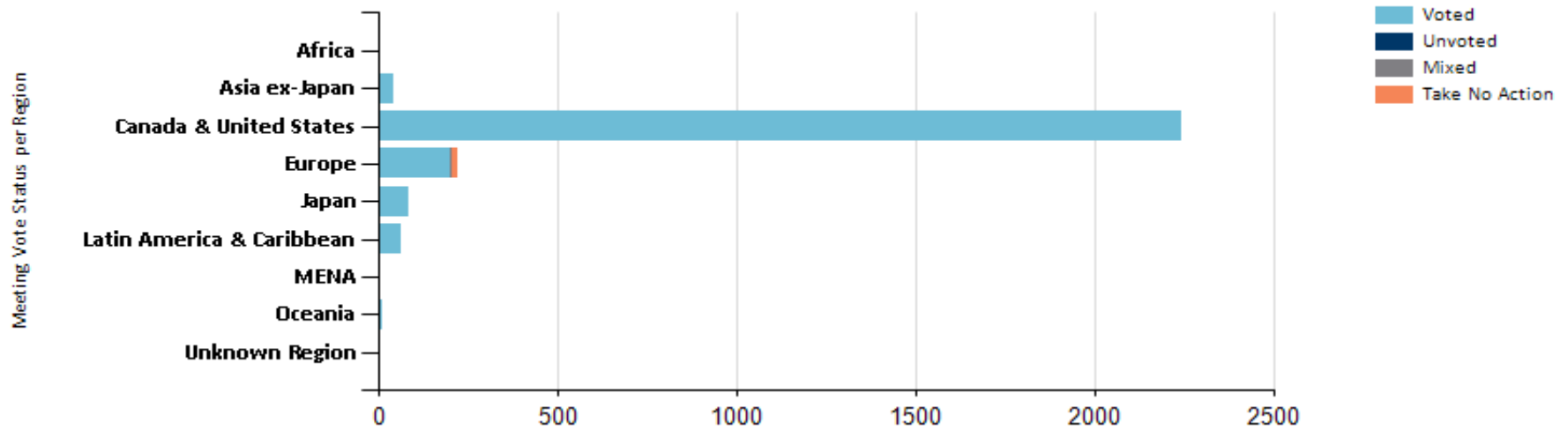
- **SHP Regarding Election of Board Member(s) During a Contested Election – Dissident Nominee** – accounts for 62 of the 725 SHPs or 8.56%. In the case of contested merger situations, or board proxy fights, the Public Pension Policy will evaluate the plan presented by the dissident party and how, if elected, it plans to enhance or protect shareholder value. The Public Pension policy will also consider any concerns presented by the board, including any plans for improving the performance of the company, when making the ultimate recommendation. In addition, the Public Pension Policy will support shareholder proposals asking a company to consider the effects of a merger, spin-off, or other transaction on its employees and other stakeholders.
- **SHP Regarding Reviewing Political Spending or Lobbying** – accounts for 60 of the 725 SHPs or 8.28%. The Public Pension Policy will support increased disclosure of a company's political or lobbying expenditures, including disclosure of how companies' political contributions align with its corporate values.
- **SHP Regarding Misc. Human Capital Management** – accounts for 47 of the 725 SHPs or 6.49%. The public pension policy on this issue is to follow the Glass Lewis standard policy. Glass Lewis evaluates all shareholder proposals on a case-by-case basis with a view to promoting long-term shareholder value.

# Meeting Statistics Report

## SURS Q2 2024 Reporting

From 4/1/2024 to 6/30/2024

Meetings by Region & Vote Status



Region	Country Of Origin	Voted	Unvoted	Mixed	Take No Action	Total
<b>Total for all Regions</b>		<b>2639</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>2657</b>
<b>Africa</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	Liberia	1	0	0	0	1
	South Africa	2	0	0	0	2
<b>Asia ex-Japan</b>		<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>
	China	18	0	0	0	18
	Hong Kong	5	0	0	0	5
	Indonesia	2	0	0	0	2
	Singapore	4	0	0	0	4
	Taiwan	9	0	0	0	9
	Thailand	2	0	0	0	2

<b>Canada &amp; United States</b>		<b>2244</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2244</b>
	Canada	35	0	0	0	35
	United States	2209	0	0	0	2209
<b>Europe</b>		<b>200</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>218</b>
	Austria	2	0	0	0	2
	Belgium	5	0	0	0	5
	Denmark	3	0	0	0	3
	Finland	2	0	0	0	2
	France	37	0	1	0	38
	Germany	27	0	1	0	28
	Greece	1	0	0	0	1
	Ireland	13	0	0	0	13
	ISLE OF MAN	1	0	0	0	1
	Italy	11	0	0	0	11
	Jersey	6	0	0	0	6
	Luxembourg	5	0	0	2	7
	Netherlands	25	0	0	0	25
	Norway	4	0	0	0	4
	Poland	1	0	0	0	1
	Portugal	3	0	0	0	3
	Spain	6	0	0	0	6
	Sweden	8	0	0	0	8
	Switzerland	2	0	0	14	16
	United Kingdom	38	0	0	0	38
<b>Japan</b>		<b>84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84</b>
	Japan	84	0	0	0	84
<b>Latin America &amp; Caribbean</b>		<b>59</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59</b>
	Bermuda	20	0	0	0	20
	Brazil	12	0	0	0	12
	Cayman Islands	18	0	0	0	18
	Mexico	3	0	0	0	3
	Panama	1	0	0	0	1
	Puerto Rico	3	0	0	0	3
	Virgin Islands (British)	2	0	0	0	2
<b>MENA</b>		<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
	Israel	1	0	0	0	1
	United Arab Emirates	1	0	0	0	1
<b>Oceania</b>		<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
	Australia	2	0	0	0	2

Exhibit A

Marshall Islands	4	0	0	0	4
<b>Unknown Region</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Unknown Country	1	0	0	0	1

Exhibit A

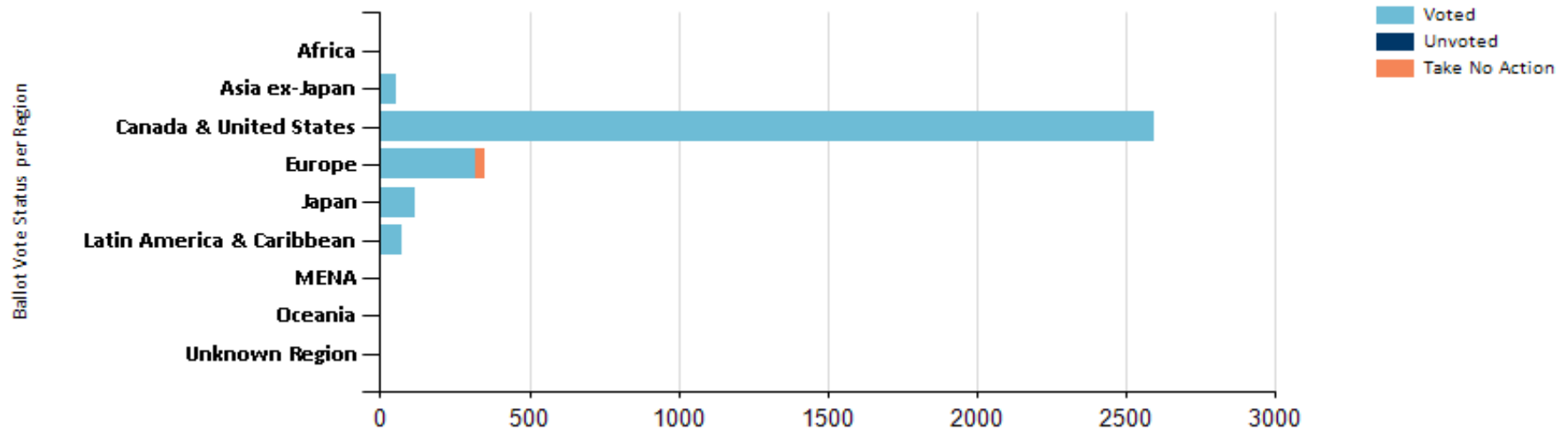
# Ballot Statistics Report

Exhibit A

## SURS Q2 2024 Reporting

From 4/1/2024 to 6/30/2024

Ballots by Region & Vote Status



Region	Country Of Origin	Voted	Unvoted	Take No Action	Total
<b>Total for all Regions</b>		<b>3179</b>	<b>0</b>	<b>31</b>	<b>3210</b>
<b>Africa</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
	Liberia	1	0	0	1
	South Africa	2	0	0	2
<b>Asia ex-Japan</b>		<b>55</b>	<b>0</b>	<b>0</b>	<b>55</b>
	China	21	0	0	21
	Hong Kong	9	0	0	9
	Indonesia	2	0	0	2
	Singapore	5	0	0	5
	Taiwan	16	0	0	16
	Thailand	2	0	0	2
<b>Canada &amp; United States</b>		<b>2595</b>	<b>0</b>	<b>0</b>	<b>2595</b>
	Canada	40	0	0	40
	United States	2555	0	0	2555

<i>Europe</i>	<b>318</b>	<b>0</b>	<b>31</b>	<b>349</b>
Austria	2	0	0	2
Belgium	6	0	0	6
Denmark	3	0	0	3
Finland	3	0	0	3
France	65	0	1	66
Germany	39	0	1	40
Greece	1	0	0	1
Ireland	14	0	0	14
ISLE OF MAN	1	0	0	1
Italy	18	0	0	18
Jersey	9	0	0	9
Luxembourg	5	0	3	8
Netherlands	52	0	0	52
Norway	5	0	0	5
Poland	1	0	0	1
Portugal	3	0	0	3
Spain	10	0	0	10
Sweden	8	0	0	8
Switzerland	2	0	26	28
United Kingdom	71	0	0	71
<b><i>Japan</i></b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>120</b>
Japan	120	0	0	120
<b><i>Latin America &amp; Caribbean</i></b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>76</b>
Bermuda	26	0	0	26
Brazil	14	0	0	14
Cayman Islands	24	0	0	24
Mexico	5	0	0	5
Panama	1	0	0	1
Puerto Rico	4	0	0	4
Virgin Islands (British)	2	0	0	2
<b><i>MENA</i></b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
Israel	1	0	0	1
United Arab Emirates	1	0	0	1
<b><i>Oceania</i></b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
Australia	2	0	0	2
Marshall Islands	4	0	0	4
<b><i>Unknown Region</i></b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
Unknown Country	4	0	0	4

Exhibit A

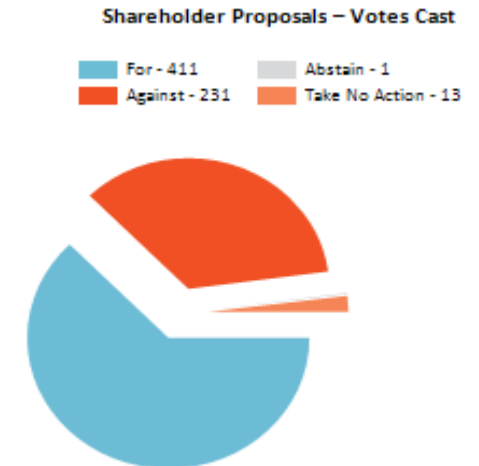
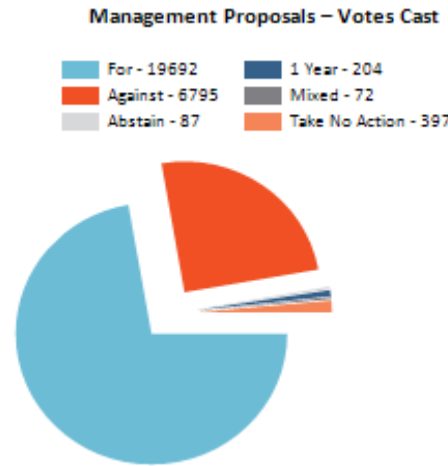
# Proposal Statistics Report

Exhibit A

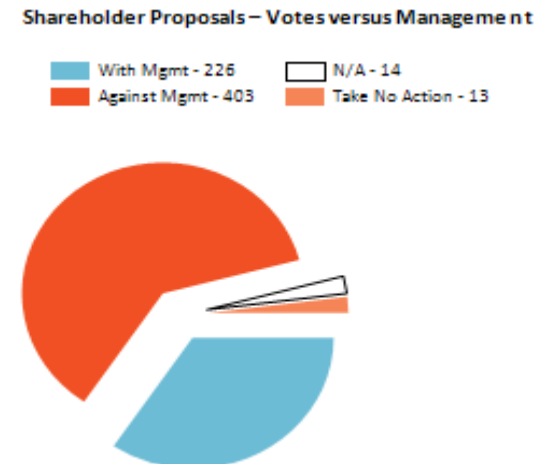
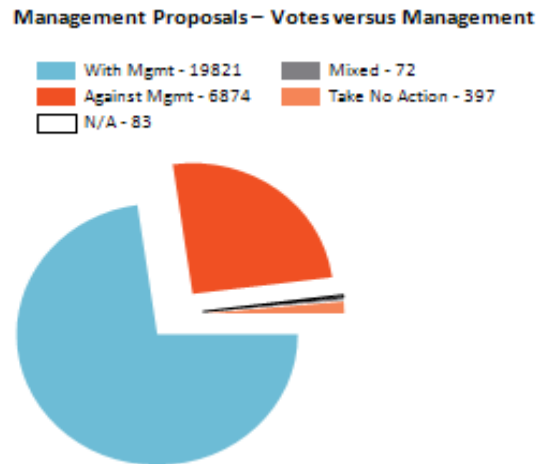
## SURS Q2 2024 Reporting

From 4/1/2024 to 6/30/2024

	Mgmt Proposals	SHP Proposals	Total Proposals
For	19692	411	<b>20103</b>
Against	6795	231	<b>7026</b>
Abstain	87	1	<b>88</b>
1 Year	204	0	<b>204</b>
2 Years	0	0	<b>0</b>
3 Years	0	0	<b>0</b>
Mixed	72	0	<b>72</b>
Take No Action	397	13	<b>410</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>27247</b>	<b>656</b>	<b>27903</b>



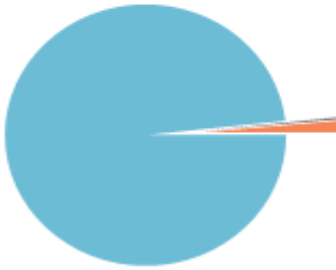
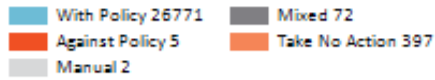
	Mgmt Proposals	SHP Proposals	Total Proposals
With Management	19821	226	<b>20047</b>
Against Management	6874	403	<b>7277</b>
N/A	83	14	<b>97</b>
Mixed	72	0	<b>72</b>
Take No Action	397	13	<b>410</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>27247</b>	<b>656</b>	<b>27903</b>





	Mgmt Proposals	SHP Proposals	Total Proposals
With Policy	26771	641	<b>27412</b>
Against Policy	5	2	<b>7</b>
Manual	2	0	<b>2</b>
N/A	0	0	<b>0</b>
Mixed	72	0	<b>72</b>
Take No Action	397	13	<b>410</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>27247</b>	<b>656</b>	<b>27903</b>

Management Proposals - Votes versus Policy



Shareholder Proposals - Votes versus Policy

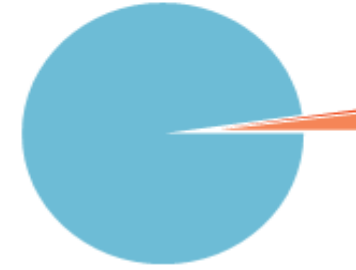
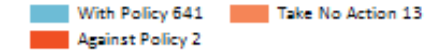
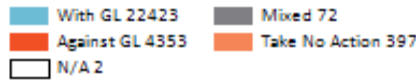


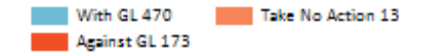
Exhibit A

	Mgmt Proposals	SHP Proposals	Total Proposals
With Glass Lewis	22423	470	<b>22893</b>
Against Glass Lewis	4353	173	<b>4526</b>
N/A	2	0	<b>2</b>
Mixed	72	0	<b>72</b>
Take No Action	397	13	<b>410</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>27247</b>	<b>656</b>	<b>27903</b>

Management Proposals - Votes versus Glass Lewis



Shareholder Proposals - Votes versus Glass Lewis



**2024 Fall Conference:****Agenda**

**Administrative Meetings:** Many of the morning sessions on Monday, September 9 are administrative meetings and meetings of CII's member constituency groups. The conference officially kicks off at 3:15 PM.

**Press:** All CII sessions and member-hosted meetings on Monday, September 9, and Tuesday, September 10 are open to the press. The rest of the program on September 11 is closed to press and is off-the-record.

**September 9, 2024**

<b>Member Lounge Sponsored by Innisfree</b>	8:30 AM-5:00 PM
<b>Registration Open</b>	8:30 AM – 5:45 PM
<b>Policies Committee Meeting</b>	9:00 AM - 10:00 AM
<b>Public Pension Fund, Foundation/Endowment Constituency Meeting</b>	10:15 AM - 11:00 AM
<b>U.S. Asset Owner Advisory Council Meeting</b>	11:15 AM-12:00 PM
<b>U.S. Asset Owner Business Meeting &amp; Lunch</b>	11:45 AM-12:45 PM
<b>Engagement Exchange (Private Event, RSVP Required)</b>	1:00 PM-3:00 PM
<b>Conference Kickoff and Welcome Remarks</b>	3:15 PM-3:30 PM
<b>Plenary 1: Board Oversight of Capital Allocation Strategy</b>	3:30 PM-4:15 PM
<b>Plenary 2: The Future of Work</b>	4:15 PM - 5:15 PM
<b>Cocktail Reception</b>	5:15 PM-6:30 PM
<b>Trustee Dinner</b>	7:00 PM-8:30 PM

**September 10, 2024**

<b>Networking Breakfast</b>	8:30 AM-5:00 PM
<b>Public Pension Fund CIO Breakfast (Private Event, Invitation Required)</b>	8:00 AM – 8:40 AM
<b>Day 2 Welcome</b>	8:40 AM - 8:45 AM
<b>Plenary 3: Jamie Dimon Speaks</b>	8:45 AM - 9:30 AM
<b>Plenary 4: The Hon. Kathaleen McCormick - The View from Delaware</b>	9:30 AM -10:15 AM
<b>Breakout 1: Rethinking Performance-Linked Shares</b>	10:45 AM-11:45 AM

<b>Breakout 2: Portfolio Allocation Evolution: Drivers and Implications</b>	10:45 AM-11:45 AM
<b>Lunch &amp; Plenary 5: Virtual Fireside Chat with ExxonMobil Chairman &amp; CEO</b>	12:00 PM-1:30 PM
<b>Member-Hosted Meeting: An Engagement Led Approach to Carbon Emissions</b>	2:15 PM-3:00 PM
<b>Member-Hosted Meeting: Human Capital Management in Private Equity</b>	2:15 PM-3:00 PM
<b>Member-Hosted Meeting: Tech Shake-up in Proxy Voting</b>	2:15 PM-3:00 PM
<b>Member-Hosted Meeting: Financially Material Human Rights-Related Risks</b>	3:30 PM-4:15 PM
<b>Member-Hosted Meeting: Investor Perspectives on Collective Bargaining Rights</b>	3:30 PM-4:15 PM
<b>Member-Hosted Meeting: Stewardship in the Digital Age</b>	3:30 PM-4:15 PM
<b>Cocktail Reception Sponsored by EY and PJT Camberview</b>	5:30 PM-6:45 PM

#### **September 11, 2024**

<b>Member Lounge Sponsored by Innisfree</b>	7:30 AM – 11:30 AM
<b>Registration Open</b>	7:30 AM – 11:30 AM
<b>Breakfast Presentation from the PCAOB: What the Investor Advocate Does for CII Members</b>	8:00 AM – 8:45 AM
<b>Plenary 6: Washington Outlook</b>	9:00 AM – 9:45 AM
<b>Plenary 7: What's Behind India's Rise</b>	9:45 AM-10:30 AM
<b>Plenary 8: The Future of Shareholder Rights and the Shareholder Proposal Process</b>	11:00 AM-12:00 PM
<b>Plenary 9: Shareholder Advocacy Committee's Lightning Round</b>	12:00 PM-12:30 PM
<b>Closing Remarks &amp; Networking Buffet Lunch</b>	12:30 PM -1:30 PM
<b>Proxy Voter Group Meeting &amp; Lunch (Private Meeting)</b>	12:30 PM-2:00 PM



To: Investment Committee  
From: Investment Staff  
Date: August 25, 2023  
Re: CII Fall Conference 2023 Proxy Vote

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As a member of CII, SURS has been asked to submit a proxy vote at the CII Fall Conference 2024 to take place from September 9 to September 11 in Brooklyn, NY.

Staff has made the following proxy voting recommendations:

### **Ballot Item 1: Approve 2025 Budget**

**Summary:** *The proposed budget for 2025 is cautiously optimistic, with a small operating gain of approximately \$19,000. This reflects slight growth in membership dues, mostly from a proposed 3% increase for Associate Members, and strong non-dues revenues based on current trends—enough to modestly offset an expected increase in expenses. CII has budgeted for a 94% renewal rate (above this year’s projection) because the 2023 dues changes (replacing the formula-based dues to a flat rate model based on AUM) are projected to result in more consistent retention numbers for US Asset Owner members.*

**Staff Recommendation:** SURS staff recommends voting **FOR** the approval of the 2025 CII Budget. CII is taking a conservative stand on revenues and losses while continuing to prioritize corporate governance endeavors, staff stability and benefits, and member education.

### **Ballot Item 2: Approve amendment to Corporate Governance Policies to support class-by-class vote disclosure**

**Summary:** The proposed amendment urges companies with multiple share classes with unequal voting rights to disclose votes on a class-by-class basis. SEC rules currently require disclosure of aggregate vote tallies and whether the measure passed or failed. This potentially masks the degree to which high-vote shareholders of multi-class companies are “vetoing” the preferences of the holders of the majority of the company’s equity. By providing class-by-class disclosure of vote tallies, companies’ shareholders, and potentially the board members who represent them, would have a means to affirmatively determine whether the board’s response to a proposal’s outcome is consistent with the preferences of the shareholders representing the majority of the outstanding equity.

**Staff Recommendation:** SURS staff recommends voting **FOR** the approval amendment to Corporate Governance Policies to support class-by-class vote disclosure. Staff believes that the amendment supports best practice for shareholders due to increased transparency voting results.

# **U.S. ASSET OWNER MEMBERS' BUSINESS MEETING & LUNCH**

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**Monday, Sept. 9, 2024  
11:45 AM – 12:45 PM ET**

Marriott Brooklyn Bridge  
Brooklyn, NY  
Grand Ballroom

Business Meeting Booklet Publication Date: August 26, 2024

## **Business Meeting Agenda**

**Board Chair Report** (Aeisha Mastagni)

**Staff Report** (Bob McCormick)

### **Ballot Items**

- **Ballot Item 1:** Approve 2025 budget; financial report (Katy Hoffman)  
*Appendix 1*
- **Ballot Item 2:** Approve amendment to Corporate Governance Policies to support class-by-class vote disclosure (Yumi Narita)  
*Appendix 2*

**Policies Committee Report** (Yumi Narita)

*Appendix 3*

**Shareholder Advocacy Committee Report** (Aaron Brenner)

*Appendix 4*

**International Governance Committee Report** (Emmanuel Tamrat)

*Appendix 5*

**U.S. Asset Owners Advisory Council Report** (Tara Stacy)

*Appendix 6*

**Corporate Governance Advisory Council Report** (Bob McCormick)

*Appendix 7*

**Markets Advisory Council Report** (Jeff Mahoney)

*Appendix 8*

### **Constituency Reports**

- Maggi Madden
- Michael McCauley
- Tejal Patel

*Any member wishing to speak is invited to address the membership.*

**Confirmed Dates & Locations of Future CII Conferences**

March 10-13, 2025: Washington, D.C., Salamander Hotel

September 8-10, 2025: San Francisco, CA, Westin San Francisco

March 9-11, 2026: Washington, D.C., Salamander Hotel

September 30- October 2, 2026: Boston, MA, Westin Boston Seaport District

**APPENDIX 1**  
**Ballot Item 1: Approve budget for 2025; financial report**

The table below shows projected 2024 results against the 2024 budget and staff's proposed budget for 2025. It excludes revenue and expenses for the CII Research and Education Fund (CII-REF), a CII subsidiary. CII-REF's budget is not subject to approval by CII members.

	2024 Budget	2024 Projection as of June 30	Projection as % of 2024 budget	2025 Proposed Budget
<b>INCOME</b>				
<b>Membership Dues</b>				
Renewing Members (all)	\$3,127,000	\$3,047,700	97%	\$3,063,21
Renewing U.S. Asset Owner (Voting) Members	\$1,744,000	\$1,744,300	100%	\$1,711,000
Renewing Associate Members	\$1,383,000	\$1,303,400	94%	\$1,352,201
New Members (all categories)	\$220,000	\$203,000	92%	\$209,000
New U.S. Asset Owner (Voting) Members	\$70,000	\$90,000	129%	\$93,000
New Associate Members	\$150,000	\$113,000	75%	\$116,000
<b>Total Membership Dues</b>	<b>\$3,347,000</b>	<b>\$3,250,700</b>	<b>97%</b>	<b>\$3,272,201</b>
<b>Other Income</b>				
Interest and dividend income	\$70,000	\$120,000	171%	\$100,000
Conference sponsorship/fees/etc.	\$928,000	\$1,148,100	124%	\$1,027,400
Sponsorships	\$275,000	\$343,000	125%	\$302,400
Member-hosted meeting fees	\$52,000	\$74,000	142%	\$67,000
Attendance fees	\$601,000	\$731,100	122%	\$658,000
CG Bootcamp	\$130,000	\$130,000	100%	\$130,000
Other conference income		\$1,500		\$3,000
<b>Total Other Income</b>	<b>\$1,128,000</b>	<b>\$1,399,600</b>	<b>101%</b>	<b>\$1,260,400</b>
<b>Total Income Before Unrealized G/L</b>	<b>\$4,475,000</b>	<b>\$4,650,300</b>	<b>101%</b>	<b>\$4,532,601</b>
<b>OPERATING EXPENSES</b>				
Conference/Meetings	\$912,000	\$1,135,000	124%	\$938,500
Communication	\$18,000	\$17,100	95%	\$18,000
CG Bootcamp	\$60,000	\$60,000	100%	\$60,000
Depreciation	\$25,000	\$7,000	28%	\$7,000
Dues and Subscriptions	\$95,000	\$95,000	100%	\$103,000



Financial Fees	\$70,000	\$70,000	100%	\$75,000
Insurance/Life/Health	\$359,000	\$280,000	78%	\$308,000
Legal Fees	\$70,000	\$70,000	100%	\$70,000
Maintenance	\$2,000	\$2,000	100%	\$2,000
Marketing Overall	\$30,000	\$15,000	50%	\$20,000
Meals and Entertainment	\$12,000	\$9,000	75%	\$12,000
Office Equipment and Furniture	\$12,000	\$9,000	75%	\$12,000
Office Supplies	\$8,000	\$8,000	100%	\$8,000
Postage and Delivery	\$1,000	\$1,000	100%	\$1,000
Professional services	\$126,000	\$260,000	206%	\$130,000
Rent	\$111,000	\$111,000	100%	\$116,330
Retirement plan	\$485,000	\$470,000	97%	\$465,000
Salaries/Payroll Taxes	\$1,990,000	\$1,990,000	100%	\$2,030,000
Travel	\$40,000	\$30,000	75%	\$40,000
<b>Total Operating Expenses</b>	<b>\$4,426,000</b>	<b>\$4,639,100</b>	105%	<b>\$4,513,330</b>
<b>Operating Gain/Loss (Before Investments, Pension Plan Changes, Special Items)</b>	<b>\$49,000</b>	<b>\$11,200</b>	23%	<b>\$19,271</b>

## 2024 Projections

Staff projects a modest operating gain of \$11,200 against a budgeted gain of \$49,000, despite fees of \$117,000 for Korn Ferry for executive search services and future conference hotel deposit charges of \$173,750, both of which were not budgeted for 2024.

Revenues Strong non-dues revenues have helped offset the unanticipated expenses. Early fall conference attendee numbers are higher than average at 280, and overall conference attendance fees are projected to be \$731,000, 22% higher than budget. Sponsorship sales are final at 125% of budget, along with member-hosted meeting fees at 142% of budget.

Membership renewals came in at 97% of budget—lower than last year but anticipated due to changes to the USAO dues structure and related churn. While it is hard to predict mid-year prior to the fall conference when new members typically join to attend, new member revenues are projected to hit 95% of budget.

We are also projecting that revenues from Corporate Governance Bootcamp (November 7-8 at NYU) will repeat last year's surprisingly lofty showing.

Expenses are projected to be 5% higher than budget at \$ 4,639,100. These increases are due to professional services for Korn Ferry for executive search services and higher-than-

normal bookkeeping fees and payments to the new audit firm, GRF, for services performed in conjunction with our audit and new accounting standards relating to our office move.

Additionally, staff recently signed five hotel contracts for future conferences:

- Spring 2026: March 9-11, Salamander Hotel, Washington, D.C.
- Fall 2026: September 30 - October 2, Boston Westin Seaport, Boston, MA
- Spring 2027: March 8-10, Salamander Hotel, Washington, D.C.
- Fall 2027: September 15-17, Hyatt Regency, Denver, CO
- Spring 2028: March 6-8, Salamander Hotel, Washington, D.C.

These contracts are the first that staff has negotiated and executed since the end of the Covid-19 pandemic. They include mandatory deposit schedules, which is the post-Covid norm for the hotel industry. Each of these contracts require deposits due at signing and several have additional deposit schedules leading up to the conference dates. CII will pay \$173,750 in deposits for future conferences in 2024 and another \$185,000 in 2025. These amounts will offset the final conference expenses and the necessary accounting adjustments will be made each year prior to the audit.

**Balance Sheet as of June 30, 2024 (unaudited)**

<b>ASSETS</b>		<b>LIABILITIES &amp; EQUITY</b>	
		<b>Liabilities</b>	
<i>Current Assets</i>			
Bank Accounts	\$2,675,728	Total Credit Cards	\$4,098
Equity Funds	\$1,812,009	Accrued Vacation	\$170,869
Treasury Bills	\$906,445	Lease Liability	\$848,808
Bond Funds	\$814,541	Deferred Revenue	\$16,630
Prepaid Pension Benefit	\$605,266	Accrued Pension Liability	\$(855,321)
Interest Receivable	\$8,869		
Prepaid Expense	\$9,293	Total Liabilities	\$185,085
Security Deposits	\$11,082		
Escrow Funds	\$419		
Total Current Assets	\$6,843,652		
<i>Fixed Assets</i>		<b>Equity</b>	
Accum. Depreciation	\$(77,876)		
Furniture & Equipment	105,577	Board Designated for Reserve	\$4,368,100
Leasehold Improvements	\$12,760	Unrestricted Net Assets-Gen.	\$2,925,594
		Net Income	\$2,025,027
Total Fixed Assets	\$40,461	Open Bal Equity	(3,821)
<i>Other Assets</i>		Total Equity	\$9,314,901
Certificates of Deposit	\$1,749,035		
Right of Use Asset	\$988,383		
Technology	\$38,229		
Accum. Amortization	\$(10,557)		
Right of Use Amortization	\$(149,218)		
Total Other Assets	\$2,615,872		
<b>TOTAL ASSETS</b>	<b>\$9,499,985</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$9,499,985</b>

## 2025 Proposed Budget

The budget for 2025 is cautiously optimistic, with a small operating gain of \$19,271. This reflects slight growth in membership dues, mostly from a proposed 3% increase for Associate Members, and strong non-dues revenues based on current trends—enough to modestly offset an expected increase in expenses.

On the revenue side, we are budgeting for a 94% renewal rate, which is above this year's projection because we believe the dues changes from 2023 will result in more consistent retention numbers for U.S. Asset Owner members.

On the expense side, conference expenses are budgeted at \$1,036,000, 14% over the projected amount for 2024. This reflects an additional \$60,000 for an off-site event to celebrate CII's 40<sup>th</sup> anniversary and the additional \$185,000 in funds to cover future conference deposits. At full staffing and with small raises for employees other than the executive director, payroll expense is budgeted to rise to \$2,030,000, which is 2% higher than budgeted for 2024. The 2025 budget for Insurance/Life/Health is 10% higher than the projected amount for 2024 due to rising healthcare costs, but lower than the 2024 budget due in part to multiple staff members' voluntarily rolling off family coverage that year. Retirement plan contributions are expected to be slightly lower for 2025 than budgeted and projected for 2024.

## APPENDIX 2

### Ballot Item 2: Approve amendment to Corporate Governance Policies to support class-by-class vote disclosure

The board recommends approval of an amendment to the CII Policy 4.4: Timely Disclosure of Voting Results. The proposed statement amendment urges companies with multiple share classes with unequal voting rights to disclose votes on a class-by-class basis. The Policies Committee approved the statement at its March 4 2024, meeting, and the board approved it at the July 31, 2024, meeting.

#### **Proposed Statement on Index Provider Consultation Processes:**

Policy 4.4. Timely Disclosure of Voting Results: A company should broadly and publicly disclose in a timely manner the final results of votes cast at annual and special meetings of shareowners. **Companies with multiple share classes with unequal voting rights should supplement their final results with tallies for each class.** Whenever possible, preliminary results should be announced at the annual or special meeting of shareowners.

#### Background & Intent

Proxy voting is the formal mechanism for shareholders to express their views and preferences regarding companies they own, as well as decide questions requiring shareholder approval. The fiduciary duty of boards of directors requires them to act in the best interest of the corporation, for the benefit of shareholders, regardless of voting rights. SEC rules require companies to disclose two primary pieces of information with respect to meeting results: aggregate vote tallies for each proposal and whether each proposal passed or failed. Unfortunately, this level of transparency masks the degree to which high-vote shareholders multi-class companies are “vetoing” the preferences of the holders of the majority of the company’s equity. Yet there is evidence indicating it is logistically feasible for multi-class companies to provide class-specific vote tallies.<sup>1</sup>

Many examples can illustrate how the current disclosure regime for vote results glosses over the power of insiders to control outcomes at multi-class companies. After shareholders of a ridesharing company voted recently on the annual say-on-pay proposal, the company reported in an 8-K that shareholders had adopted the resolution, along with an aggregate tally indicating 77 percent support.<sup>2</sup> Support was likely substantially lower among Class A holders, who hold 98 percent of outstanding common equity, but disclosure is lacking to confirm that premise. Class B common stock, which carries 20

<sup>1</sup> <https://www.sedarplus.ca/csa-party/records/document.html?id=780804aa84aed50a233920a7b103910c9555bb580d9b72a708ccfeba84c390199>

<sup>2</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/1759509/000175950923000082/lyft-20230615.htm>

times the voting power of Class A stock, is held exclusively by the co-founder and CEO. It accounts for 32 percent of the company's total outstanding votes despite representing 2 percent of outstanding common shares.<sup>3</sup>

This phenomenon also applies to shareholder proposals. A poultry company recently reported only 12 percent support for a resolution asking for a supply chain audit for potential use of child labor.<sup>4</sup> Support among Class A shareholders, who own 80 percent of the company's equity, was likely far higher than 12 percent, but they wield only 29 percent of total voting power due to the company's 10:1 dual-class structure.<sup>5</sup>

By providing class-by-class disclosure of vote tallies, companies' shareholders, and potentially the board members who represent them, would have the means to affirmatively determine whether the board's response to a proposal's outcome is consistent with the preferences of shareholders representing the majority of outstanding equity.

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<sup>3</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/1759509/000175950923000049/lyft-20230501.htm>

<sup>4</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000100493/000010049324000021/tsn-20240208.htm>

<sup>5</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000100493/000010049323000136/tsn-20231221.htm>

### APPENDIX 3

#### Policies Committee Report

The Policies Committee, which consists of the non-officer members of CII's board, reviews and recommends updates to CII's official positions on corporate governance and other matters of importance to institutional investors. These positions serve as a foundation for CII's advocacy work with policymakers and market participants.

At the July meeting, the committee considered three topics. First, the committee executive compensation. Current CII policy addresses the design of compensation and the role of a company's board in executive compensation, but does not discuss what is considered an appropriate amount of executive compensation. The committee discussed pros and cons of adopting a policy and has asked staff to conduct additional research regarding factors driving increasing levels of executive compensation.

Second, the committee discussed potentially revising the existing CII policy on reincorporation. The current statement is that "U.S. companies should not reincorporate to offshore locations where corporate governance structures are weaker," but does not address reincorporation across states.

Finally, the committee had an initial discussion of "stealth" dual class, or the ways that companies are able to recreate the outcomes of dual-class stock structures without actually adopting multiple share classes with disparate voting rights. The Council of Institutional Investors Research and Education Fund recently issued a report highlighting nine examples of such "stealth" dual-class approaches, which the Harvard Law School Forum on Corporate Governance has agreed to feature.

The committee will consider whether to expand the existing policy on dual-class stock and entrenchment devices to include these stealth approaches. As with all policy changes, any revisions to CII policy will be open to comment by all members and subject to vote by the U.S. Asset Owner members.

The committee welcomes U.S. Asset Owner members' input on topics that are important to them, whether through participation in comment periods posted to CII's Comment Opportunity Tracker, involvement in the U.S. Asset Owners Advisory Council, or informal outreach to the chair and/or CII staff.

## APPENDIX 4

### Shareholder Advocacy Committee Report

The Shareholder Advocacy Committee is a conduit for members to discuss and recommend activities that promote effective corporate governance, increase participation in the advocacy of corporate governance and enhance the value of CII membership. The committee fosters member dialogue through in-person and electronic meetings and email communication.

In the past several months, the committee hosted the following events:

- A July 29 proxy season wrap up webinar kicked off by Kilian Moote and Amanda Buthe from Georgeson who presented a proxy season overview that highlighted the growth in both the number of governance proposals and support for them. The overview was followed by five CII members sharing their accomplishments on topics ranging from artificial intelligence to workplace safety concerns and revealing their plans for the 2025 season.
- A plenary session at CII's spring conference, moderated by UFCW Senior Analyst and Committee Co-Chair Aaron Brenner, focused on "Workers' Rights: Recent Shareholder Gains and What's Ahead." The panel was composed of Stephanie Beers, assistant general counsel of workforce regulation and policy at Microsoft; Casper Borowitz, a Starbucks worker; Deborah Greenfield, a consultant and former deputy director-general for policy at the International Labour Organization; Yumi Narita, executive director of corporate governance for the Office of the New York City Comptroller; and Piers Hugh Smith, head of global stewardship for Franklin Templeton Investments. Afterward, a roster of CII members discussed their 2024 proxy season initiatives during the committee's popular 'lightning round.'
- A proxy season preview webinar that 165 CII members logged into on January 16. The webinar featured 10 CII members sharing their plans for the upcoming proxy season on issues ranging from advance notice bylaws for director nominees to freedom of association.

On Wednesday, September 11, the committee will host a plenary session on "The Future of Shareholder Rights and the Shareholder Proposal Process." The panelists are Sanford Lewis, founder and director of the Shareholder Rights Group; Antoine Junior Najm, stewardship analyst with Newton Investment Management; Brandon Rees, deputy director of corporations and capital markets for the AFL-CIO; and Paul Washington, president and CEO of the Society for Corporate Governance. Katie Green, committee co-chair and deputy CIO of the Vermont Pension Investment Commission, will moderate.



## APPENDIX 5

### International Governance Committee Report

The International Governance Committee supports efforts to expand CII's geographic scope by educating members and coordinating globally on non-U.S. corporate governance issues. The committee brings CII members global perspectives on areas such as investor-company engagement, shareholder rights, governance codes, exchange listing standards, executive compensation and other market-specific dynamics.

Last year, the CII board appointed Marianne Harper Gow of Baillie Gifford and Massimo Menchini of Italian investor association Assogestioni as the new co-chairs of the committee.

The committee hosts an internationally themed plenary session at each CII conference. The fall 2024 plenary session will explore the growing interest in India by foreign investors as well as the factors driving this interest. Speakers will include Sandip Bhagat of law firm S&R Associates; Amit Chandra of asset manager 57 Stars; and Pares Purohit of Goldman Sachs India. The session will be moderated by Mike Lubrano of Valoris Stewardship Catalysts.

The committee's spring 2024 plenary session explored the variance of stewardship norms in markets around the world. Speakers included Ed John of the Australian Council of Superannuation Investors; Tara Jane Fraser of APG Asset Management; Tim Goodman of Schroders; and Karin Reichenberg of Sands Capital. The session was moderated by Massimo Menchini of Assogestioni.

Recent international developments followed by the committee and covered in CII's Alert newsletter include:

- In Canada: proposal to eliminate dual-class shares at Vancouver-based Lions Gate Entertainment; proposed bylaw to allow companies to postpone meeting for up to 45 days should an uncontested director be projected not to win majority support
- In Asia: Japan relaxes "acting in concert" rules; Hong Kong Stock Exchange proposes more investor-friendly listing standards; U.S. lawmakers propose bills to curtail investments in China; takeover bid made for Seven & i, in first under Japan's new M&A guidelines; CII weighs in on Hong Kong corporate governance code

- In United Kingdom: U.K. pares back investor protections at listed companies; FRC to overhaul the country's Stewardship Code, with focus on purpose, principles, proxy advisors, process, and positioning; Labour government to appoint new accounting regulator
- Globally: ISS and Glass Lewis seek feedback on benchmark voting policies; IASB and ISSB plan to step up sustainability, biodiversity and human capital disclosures

## APPENDIX 6

### U.S. Asset Owners Advisory Council Report

The [U.S. Asset Owners Advisory Council](#) advises the CII board and staff on issues, trends, proposed policy development, topics and speakers for CII events and membership benefits and services. CII's board of directors appoints up to 20 members, with a mix of representation from the following constituencies:

- Corporate Fund Asset Owner Members
- Labor Fund Asset Owner Members
- Public Fund Asset Owner Members
- Endowments/Foundations/Other Asset Owner Members

Members are appointed for one-year terms, generally in the spring, with a limit of three consecutive one-year terms. Tara Stacy, director of investment stewardship, Colorado Public Employees' Retirement Association, is chair. Vice chair is Jonathan Grabel, Los Angeles County Employees Retirement Association.

The Advisory Council expresses its appreciation for the leadership of John Mulé, director of legal and policy services, Minnesota State Board of Investment. John chaired the advisory council until his election to CII's board of directors; the advisory council charter requires non-board members to serve on the U.S. Asset Owners Advisory Council.

At the advisory council's March 4 meeting, members discussed considerations when voting on shareholder proposals requesting "living wage" policies, and whether these proposals fall into day-to-day management responsibility or board-level oversight. The advisory council also discussed how investors should think about governance in private markets and the appropriate role of limited partners in monitoring and engaging with general partners on portfolio company management. At its June 9 meeting, the advisory council engaged in a discussion of members' goals for the advisory council, as part of Ms. Stacy's new role as chair. The council also began a discussion of a proposal to shorten the turnaround period for 13F disclosure and its impact on 13F filers. Additional topics for the future include more focus on private markets, shareholder rights for Delaware companies in the era of the Moelis legislation and approaches to investor monitoring of executive compensation. The council will hold its next meeting September 9.

The members of the 2024-2025 U.S. Asset Owners Advisory Council are:

Chirag Acharya, senior analyst, sustainable investment stewardship, Wespath Benefits and Investments

Kevin Coleman, director & assistant general counsel, Discover Financial Services

Katie Green, deputy CIO, Vermont Pension Investment Commission

**Jonathan Grabel, CIO, Los Angeles County Employees Retirement Association (vice chair)**

Suhel Kanuga, director, investments, Casey Family Programs

Kevin Lindhal, Fire and Police Pension Association of Colorado

Bridget Murphy, Asset Stewardship Officer, Washington State Investment Board

Mark Preisinger, director of corporate governance, Coca-Cola

Edgar Hernandez, assistant director, Service Employees International Union Pension Fund

Leola Ross, deputy CIO, Seattle City Employees' Retirement System

Ben Schuman, Investment Chief of Staff, Employees Retirement System of Texas

**Tara Stacy, director of investment stewardship, Colorado Public Employees' Retirement Association (chair)**

Dieter Waizenegger, director, investment stewardship, UAW Retiree Medical Benefits Trust

## APPENDIX 7

### Corporate Governance Advisory Council Report

CII's [Corporate Governance Advisory Council](#) (CGAC) provides insight and advice to the CII board and staff on key developments in corporate governance and CII activities that promote effective corporate governance. The council also advises both on ways to enhance the value of CII membership.

All the members of the Corporate Governance Advisory Council are representatives of non-U.S. asset owner Associate Members or asset manager Associate Members. Peter Reali at Nuveen chairs the advisory council. Nancy Florek of Putnam Investments serves as vice chair. Bob McCormick is staff liaison.

At its March 4 meeting, CGAC members discussed trends in withdrawals from investor coalitions, the uptick in new or novel advance notice bylaw requirements, poison puts and suggestions for topics and speakers at CII's fall conference. At its June 3 meeting, CGAC members discussed litigation pertaining to Rule 14a-8, the practice of holding shareholder meetings during quiet periods, stewardship approaches toward controlled companies, and the investor response to shareholder proposals requesting that companies amend their bylaws to facilitate the departure of uncontested directors who fail to obtain majority support. The CGAC will hold its next meeting on September 9.

The members of the CGAC for 2024 are:

Mack Abbot, Starboard Value  
Ed Apsey, CIBC US  
Ariel Babcock, Fidelity Investments  
Jason Breeding, ValueAct Capital  
Alex Celesius, Voya Investment Management  
Benjamin Colton, State Street Global Advisors  
Jacqueline Condron, Mellon Investments  
Emily DeMasi, EOS at Federated Hermes  
Kristin, Drake, Dimensional Fund Advisors  
**Nancy Florek, Putnam Investments (vice chair)**  
John Galloway, The Vanguard Group  
Ola Peter Gjessing, Norges Bank Investment Management  
Timothy Goodman, Schroders  
Bob Herr, AllianceBernstein

Christopher Jenkins, Sands Capital  
Gwen Le Berre, Parametric  
Tanya Levy-Odom, BlackRock  
Marian Macindoe, Parnassus Investments  
Ryan Nowicki, State Street Global Advisors  
**Peter Reali, Nuveen (chair)**  
Bri Scholtz, Elliott Investment  
Brian Schorr, Trian Fund Management  
David Shammai, Allianz Global Investors  
Andrew Shapiro, Lawndale Capital Management  
Piers Hugh Smith, Franklin Templeton  
Geoffrey Sorbello, Elliott Management  
Eugenia Unanyants-Jackson, PGIM  
John Wilson, Calvert Research and Management  
Catherine Winner, Goldman Sachs Asset Management

## APPENDIX 8

### Markets Advisory Council Report

CII's [Markets Advisory Council](#) (MAC) provides insight and advice to the CII board and staff on legal, financial reporting and investment market trends, topics and potential speakers for CII meetings and webinars/podcasts. It also recommends current and future CII activities that promote CII's mission and enhance the value of CII membership.

Claudia Allen, senior advisor, KPMG Board Leadership Center, is chair. Robert Zivnuska, Partner at PJT Camberview is vice chair.

Jeff Mahoney is the CII staff liaison to the MAC.

The current members of the MAC are:

David Abel, ISAF Management Company  
Zally Ahmadi, DF King  
Rick Alexander, The Shareholder Commons  
**Claudia Allen, KPMG (chair)**  
Leeann Arthur, Deloitte  
Anne Chapman, Joele Frank  
Susan Choe, Morrow Sodali  
Matt DiGuseppe, PwC  
Max Dulberger, Segal Marco Advisors  
Matt Filosa, Teneo  
Cheryl Gustitus, Glass Lewis  
Elizabeth Kantrowitz, ISS STOXX  
Jim Kroll, Aon  
Brittini Levinson, BEL Capital Advisory  
Robert Main, Sustainable Governance Partners  
Bob Marese, MacKenzie Partners  
Michael McCreesh, Battea Class Action Services  
Jessica McDougall, Longacre Square  
Delilah Rothenberg, Predistribution Initiative  
Talon Torressen, Georgeson  
Harlan Tufford, MSCI  
Matthew Winters, CFA Institute  
Gabrielle Wolf, Innisfree M&A  
**Robert Zivnuska, PJT Camberview (vice chair)**  
Nick Zuiker, Reinhart Boerner van Deuren

### MAC activities since the last U.S. Asset Owner Members' business meeting

The MAC has met twice since the last meeting of the U.S. Asset Owners' business meeting.

On March 4, 2024, the MAC meeting included an introduction of new and returning members, a review of the MAC [charter](#), and a discussion of potential topics and speakers for the remaining 2024 MAC meetings.

On June 5, the MAC meeting included a member discussion of shareholder rights in Delaware versus other jurisdictions. The discussion was led by an expert panel of speakers that included:

- [Ann M. Lipton](#), Associate Professor in Business Law and Entrepreneurship, Tulane University Law School
- [Benjamin Edwards](#), Professor of Law, William S. Boyd School of Law, UNLV
- [Michal Barzuza](#), Professor of Law, UVA Law

On September 9, 2024, the MAC meeting will include a panel discussion about the impact of the United States Supreme Court decision in [Loper Bright Enterprises v. Raimondo](#) on institutional investors, the capital markets, and the U.S. Securities and Exchange Commission. The discussion will be led by an expert panel of speakers that include:

- [Dalia O. Blass](#), Partner, Sullivan & Cromwell
- [Margaret E. Tahyar](#), Partner, Davis Polk
- [Todd Baker](#), Senior Fellow, Columbia Business School and Columbia Law School



## SURS FY 2024 Private Equity &amp; Private Credit Commitment Activity

Date Closed	Fund	Vintage Year	Strategy	Sub-Strategy	Geography	Commitment (USD)
<b>Private Equity Commitments</b>						
11/01/2023	SURS PE Co-Investment Fund II	2024	Private Equity	PE Co-Investments	Global	\$ 410,000,000
11/10/2023	MBK Partners Fund VI*	2024	Private Equity	Asian Buyouts	Asia	\$ 30,000,000
12/11/2023	Clearlake Capital Partners VIII*	2024	Private Equity	Special Situations	North America	\$ 50,000,000
03/26/2024	OceanSound SMX Continuation Fund*	2024	Private Equity	Buyouts	North America	\$ 8,939,423
05/31/2024	Thoma Bravo XVI	2024	Private Equity	Buyouts	North America	\$ 25,000,000
06/27/2024	Stellex III*	2024	Private Equity	Buyouts	North America	\$ 25,000,000
<b>FY 2024 Private Equity Commitments</b>						<b>\$ 548,939,423</b>
<b>Private Credit Commitments</b>						
7/3/2023	Sixth Street TAO Global	2023	Private Debt	Opportunistic	North America / W. Europe	\$ 100,000,000
7/28/2023	HPS Specialty Loan Fund VI	2023	Private Debt	Direct Lending	Global Developed	\$ 100,000,000
8/1/2023	Atalaya Asset Income Fund	2023	Private Debt	Specialty Finance	North America	\$ 100,000,000
9/18/2023	ICG Senior Debt Partners Fund V	2023	Private Debt	Direct Lending	Non-U.S.	\$ 100,000,000
10/17/2023	Turning Rock Fund III*	2023	Private Debt	Special Situations	North America	\$ 50,000,000
12/4/2023	Brightwood Fund V*	2023	Private Debt	Direct Lending	North America	\$ 50,000,000
1/31/2024	Neuberger Berman Private Debt Eagle (fna Fund V)	2024	Private Debt	Direct Lending	North America	\$ 100,000,000
3/31/2024	Ares Specialty Healthcare Fund	2024	Private Debt	Specialty Finance	North America & Europe	\$ 50,000,000
<b>FY 2024 Private Credit Commitments</b>						<b>\$ 650,000,000</b>

\*MWDDBE-owned firm



To: Investment Committee  
 From: Investment Staff  
 Date: August 30, 2024  
 Re: Summary Risk Report

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Attached is the Summary Risk Report for the quarter ending June 30, 2024. Highlights for the quarter include:

- Appropriation Summary – FY 2024 state appropriations received were approximately \$2.3 billion, or 100% of the anticipated fiscal year 2024 appropriations due, as of June 30, 2024. The total FY 2024 appropriation is \$2,133,335,000. The actuarial benefit payment projection for FY 2024 is \$3,249,077,000. The total FY 2024 appropriation was paid in full as of June 4, 2024.
- Cash Account Summary – Ending cash on hand was approximately \$294 million as of June 30, 2024. Net private partnership cash flows during the quarter were negative and approximately \$126 million.
- SURS Risk Exposures – 95% of total risk comes from the Non-Traditional Growth, Traditional Growth, and Stabilized Growth classes as of June 30, 2024.
- Total portfolio risk decreased from 7.42% to 6.60%.
  - Benchmark risk decreased from 6.05% to 5.62%.
  - Active risk decreased from 3.88% to 1.90%.
- Liquidity – Assets in Principal Protection, TIPS, CRO, Overlay, Cash, and Transition, the most liquid categories, account for 31% of SURS' assets. Assets in these classes would allow the fund to cover 2.1 years of benefits assuming no contributions to the System or 8.2 years assuming contributions from the state and members. SURS projected annual net cash outflows are between \$848 million and \$981 million over the next 5 years.
- Risk Environment & Sentiment:
  - The yield curve slope level, equity volatility level, and Systemic Risk levels were well below average at quarter-end, but markets experienced heightened volatility in late July / early August.
  - U.S equity and private equity valuations were in the top decile based on historical averages as of 6/30/2024.
  - Market sentiment towards economic growth remained in positive territory in the second quarter. This indicator had been negative between June 2022 and June 2023.
- Operational Risk Summary: Shows a snapshot of key contracts and procedures to be reviewed periodically. No issues to report.



# **Summary Risk Report**

**Quarter Ending June 30, 2024**



# Appropriation Summary

<b>Month</b>	<b>Amount Received</b>	<b>Amount Due</b>	<b>(Under)/Over</b>	<b>% Received</b>
July	\$177,777,917	\$177,777,917	-	100%
August	\$177,777,917	\$177,777,917	-	100%
September	\$177,777,917	\$177,777,917	-	100%
October	\$177,777,917	\$177,777,917	-	100%
November	\$177,777,917	\$177,777,917	-	100%
December	\$177,777,917	\$177,777,917	-	100%
January	\$177,777,917	\$177,777,917	-	100%
February	\$177,777,917	\$177,777,917	-	100%
March	\$177,777,917	\$177,777,917	-	100%
April	\$177,777,917	\$177,777,917	-	100%
May	\$177,777,917	\$177,777,917	-	100%
June	\$177,777,917	\$177,777,917	-	100%
<b>FYTD</b>	<b>\$2,133,335,000</b>	<b>\$2,133,335,000</b>	<b>-</b>	<b>100%</b>

Total appropriation for FY 2024 is \$2,133,335,000

Actuarial benefit payments projection for FY 2024: \$3,249,077,000

Total FY 2024 appropriation was paid in full in as of June 4, 2024



# Cash Account Summary

July 1, 2024 – June 30, 2024				
	July 1 – Sept 30	Oct 1 – Dec 31	Jan 1 – Mar 31	Apr 1 – June 30
Beginning Balance	\$94,886,349	\$79,133,186	\$135,884,091	\$341,013,341
Cash In:				
Partnership Distributions	65,549,262	110,716,620	97,496,710	109,220,216
Transfers	<u>320,516,902</u>	<u>455,008,658</u>	<u>359,334,011</u>	<u>320,313,492</u>
Total Cash In:	385,586,163	565,725,278	456,830,721	429,533,709
Cash Out:				
Partnership Capital Calls	(249,066,473)	(313,211,310)	(257,419,363)	(235,554,697)
Transfers	(8,058,005)	(8,790,505)	(7,545,004)	(25,996,871)
Net Contributions (Contributions Less Benefit Payments)	<u>(143,734,847)</u>	<u>(186,972,558)</u>	<u>13,262,896</u>	<u>(214,887,563)</u>
Total Cash Out:	(400,859,325)	(508,974,373)	(251,701,471)	(476,439,131)
Ending Balance	\$79,133,186	\$135,884,091	\$341,013,341	\$294,107,919

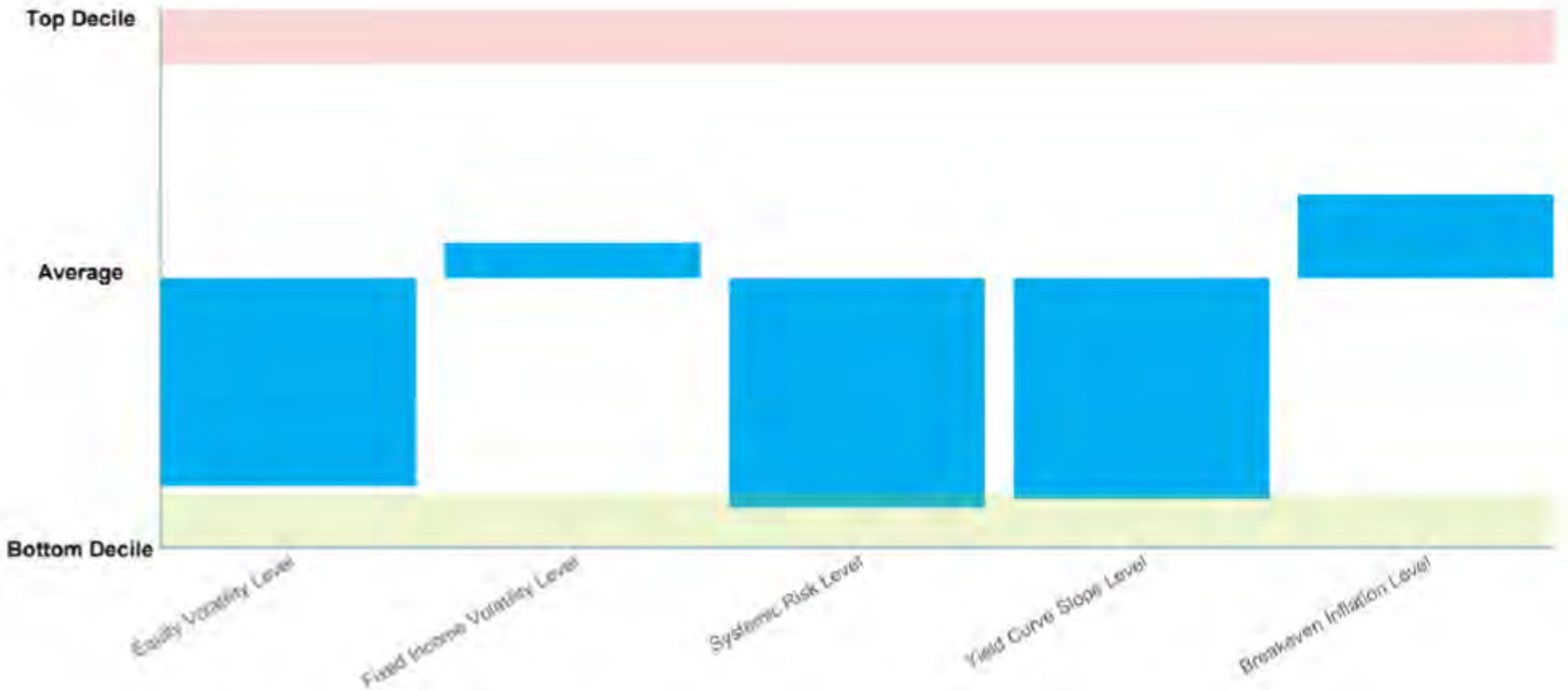
Net private partnership cash flows were negative \$126 million for the quarter

Net contributions (contributions less benefit payments) were negative \$215 million for the quarter.



## Today's Risk Environment – Risk & Valuation

Market Risk Levels: Current level of each indicator compared to historical levels

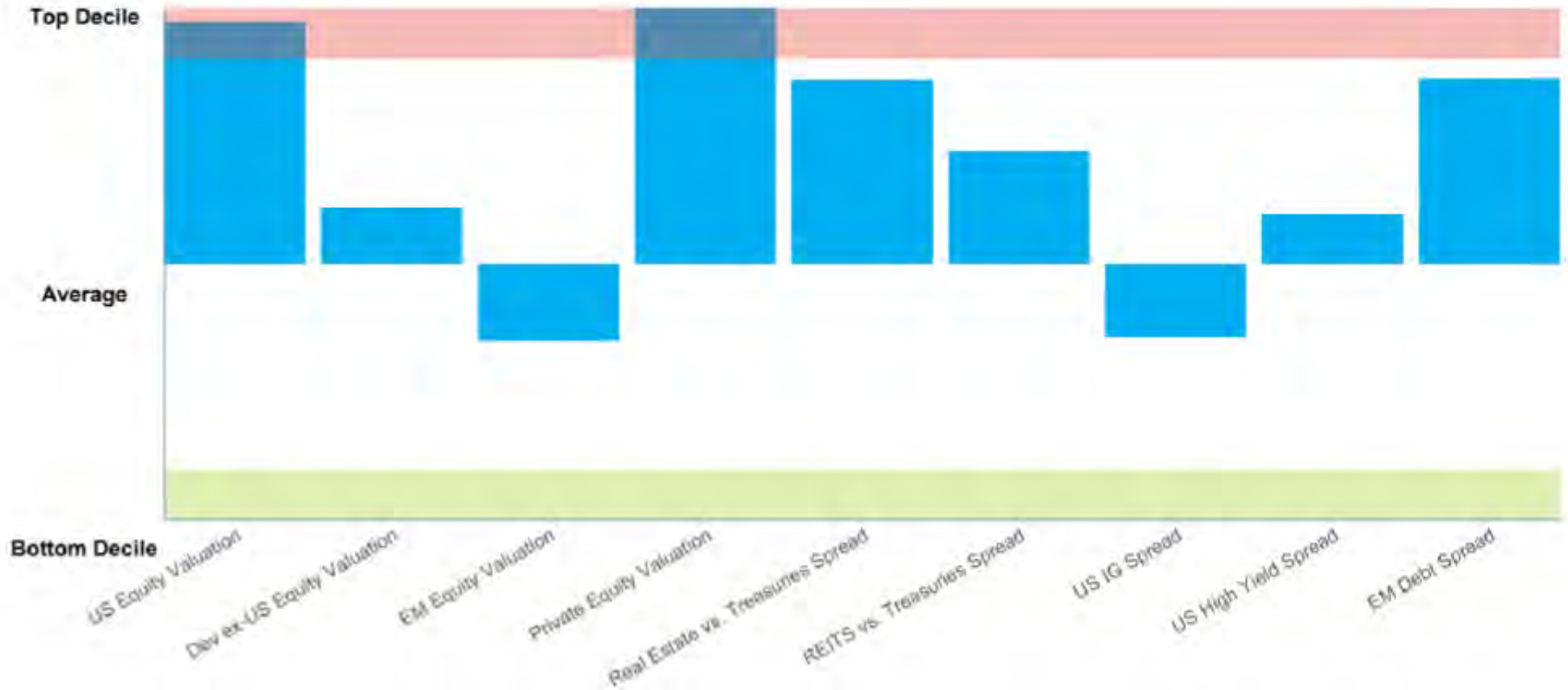


Fixed income volatility levels increased from the previous quarter, moving to slightly above average.  
 Equity volatility level, systemic risk level, and yield slope level remained below average.  
 Breakeven inflation level was above the historical average in the quarter.



## Today's Risk Environment – Risk & Valuation

Market Valuations: Current state of valuation metrics per asset class relative to their own history.

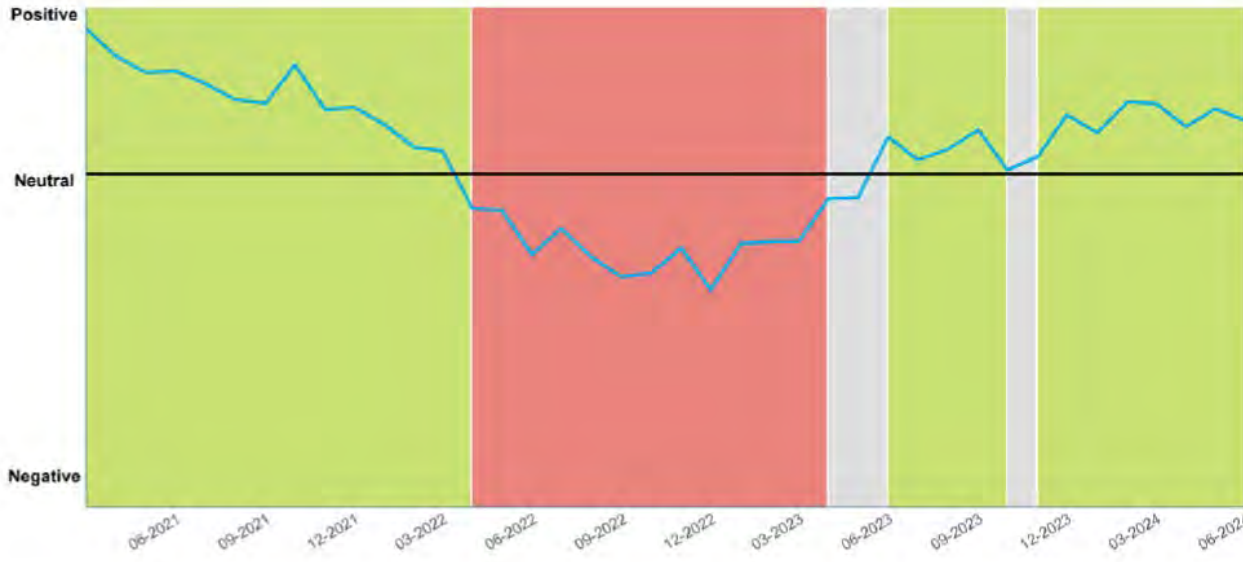


U.S. equity valuation and private equity valuation are very high.  
 Real estate vs treasuries spreads and EM Debt Spreads are also elevated compared to historical averages.  
 EM equity valuations and US investment grade spreads are below average.



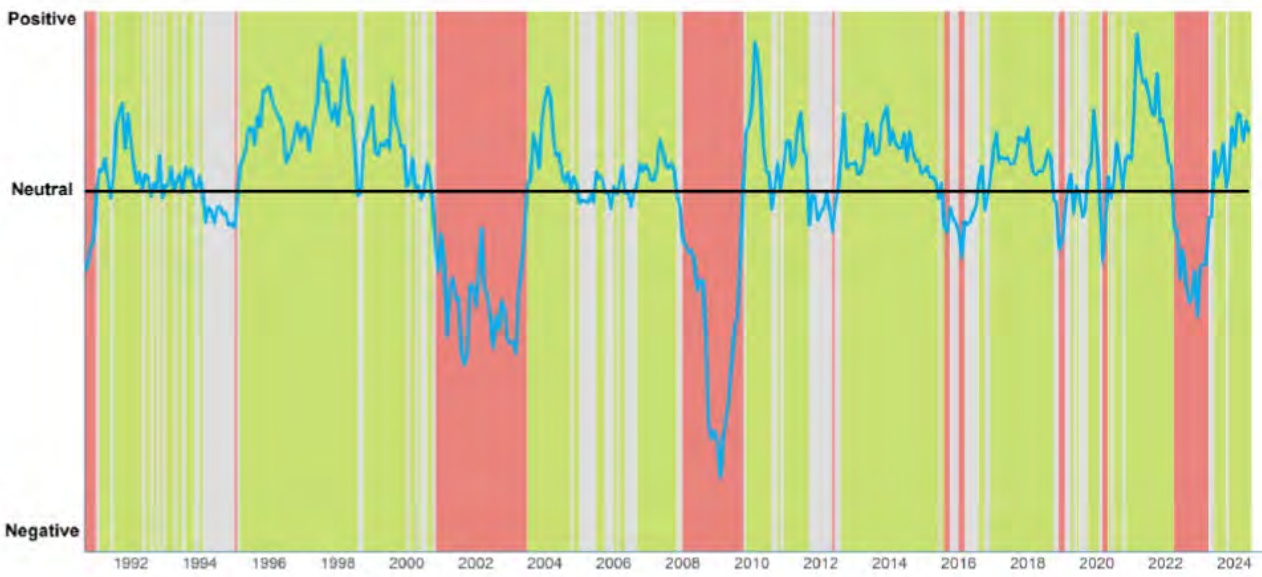
# Today's Risk Environment – Sentiment/Concern

Market Sentiment Indicator (Last three years)



Green indicator shows that market sentiment towards growth risk is currently in positive territory.

Market Sentiment Indicator (All History)



Market's sentiment towards growth has trended up in recent quarters.



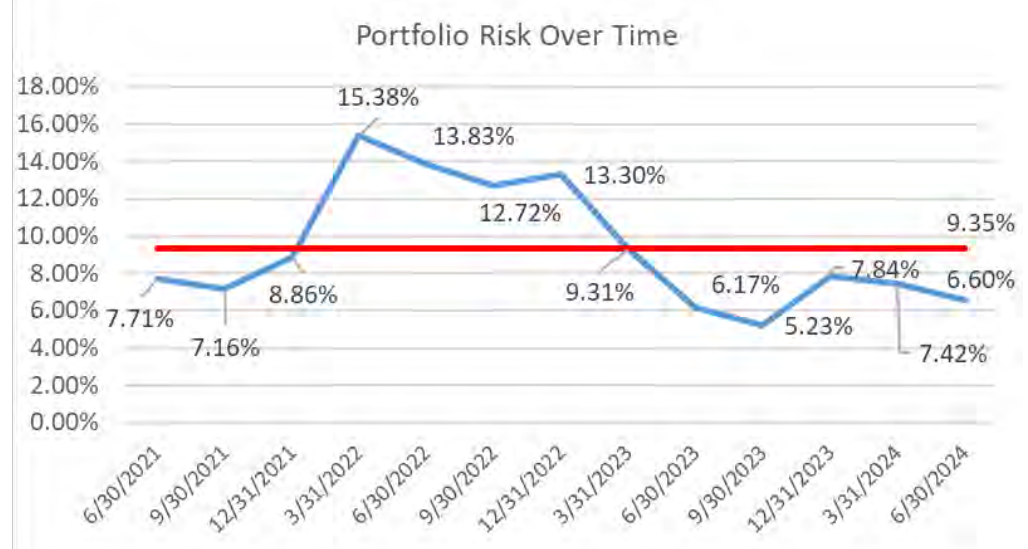
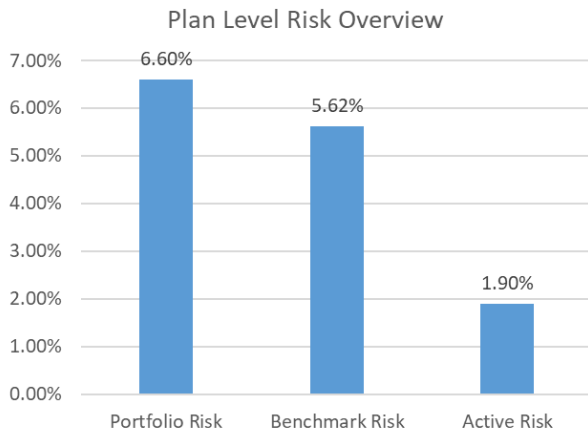
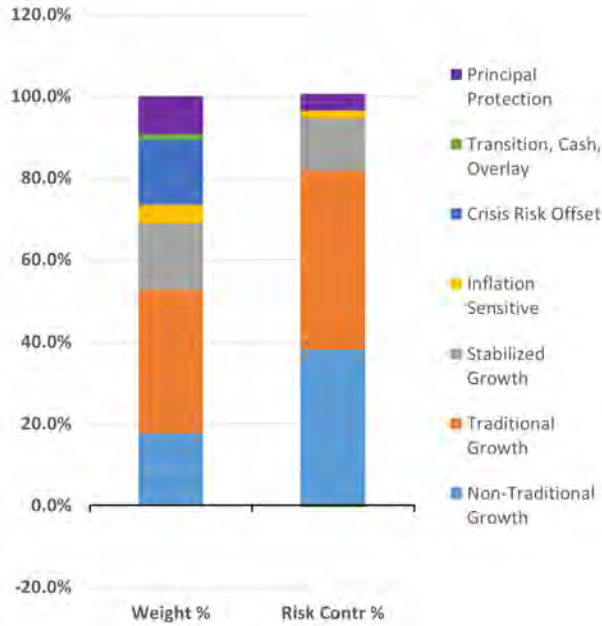
Source: Meketa Capital Markets Outlook & Risk Metrics – 6/30/2024





# SURS Risk Exposures

- Total portfolio risk comes primarily from the Traditional Growth and Non-Traditional Growth asset classes. The CRO asset class had a small negative contribution to risk.
- Portfolio risk and benchmark risk both decreased in the first quarter.
- Portfolio risk decreased from 7.42% to 6.60% during the quarter remaining below its 9.35% average over the trailing three years.

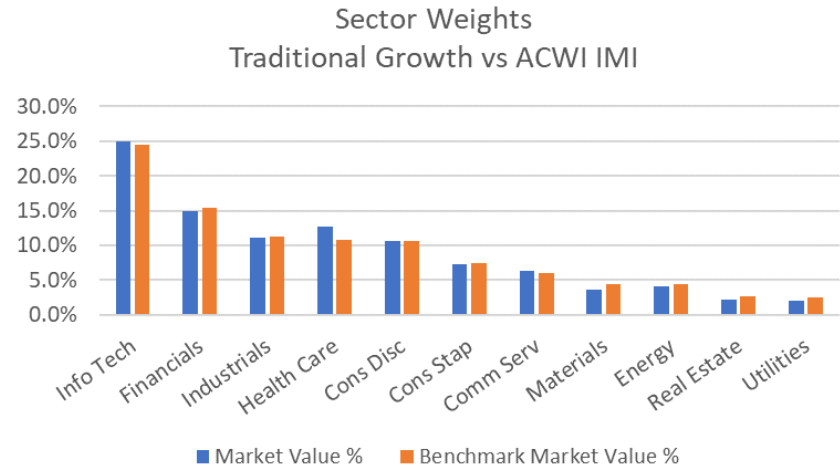
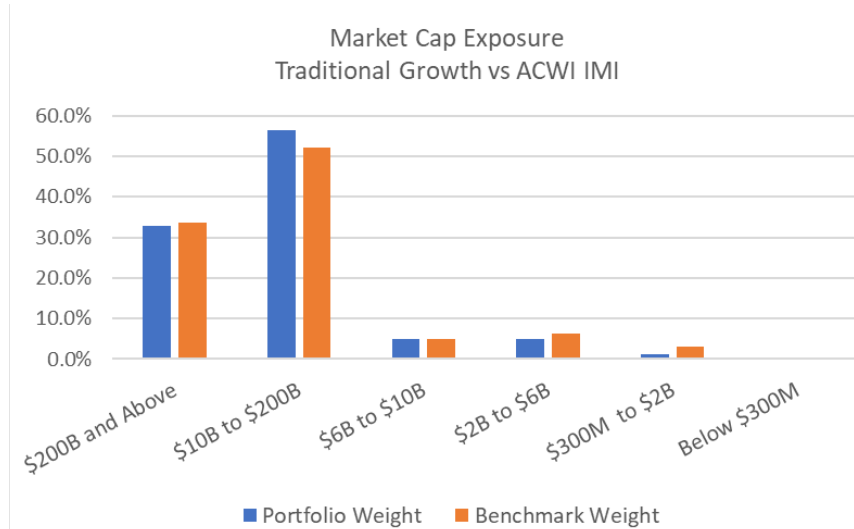
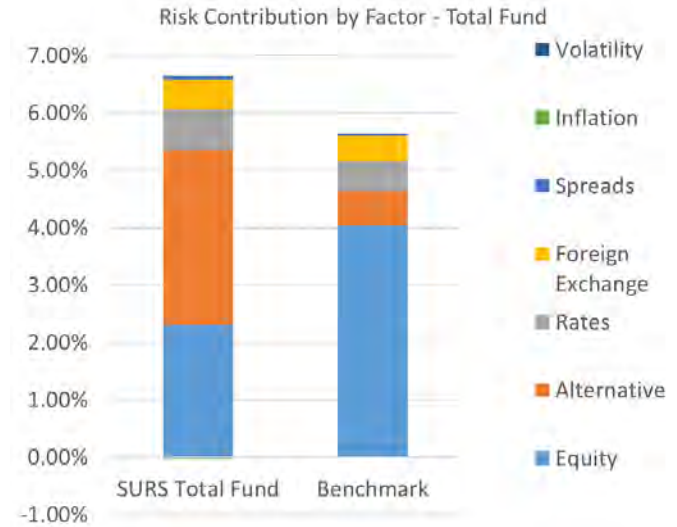


Source: BlackRock Aladdin



# SURS Risk Exposures

- SURS' risk exposure is higher in alternatives than the benchmark due to our significant private market allocation. Overall risk is slightly higher than the benchmark as of 6/30/2024.
- SURS' public equity market cap allocations are in line with the benchmark, with a slight overweight in large cap securities and a slight underweight in the small cap bucket.
- Public equity sector weights are in line with the benchmark, with some expected minor variances due to active investment manager positioning.



Source: BlackRock Aladdin



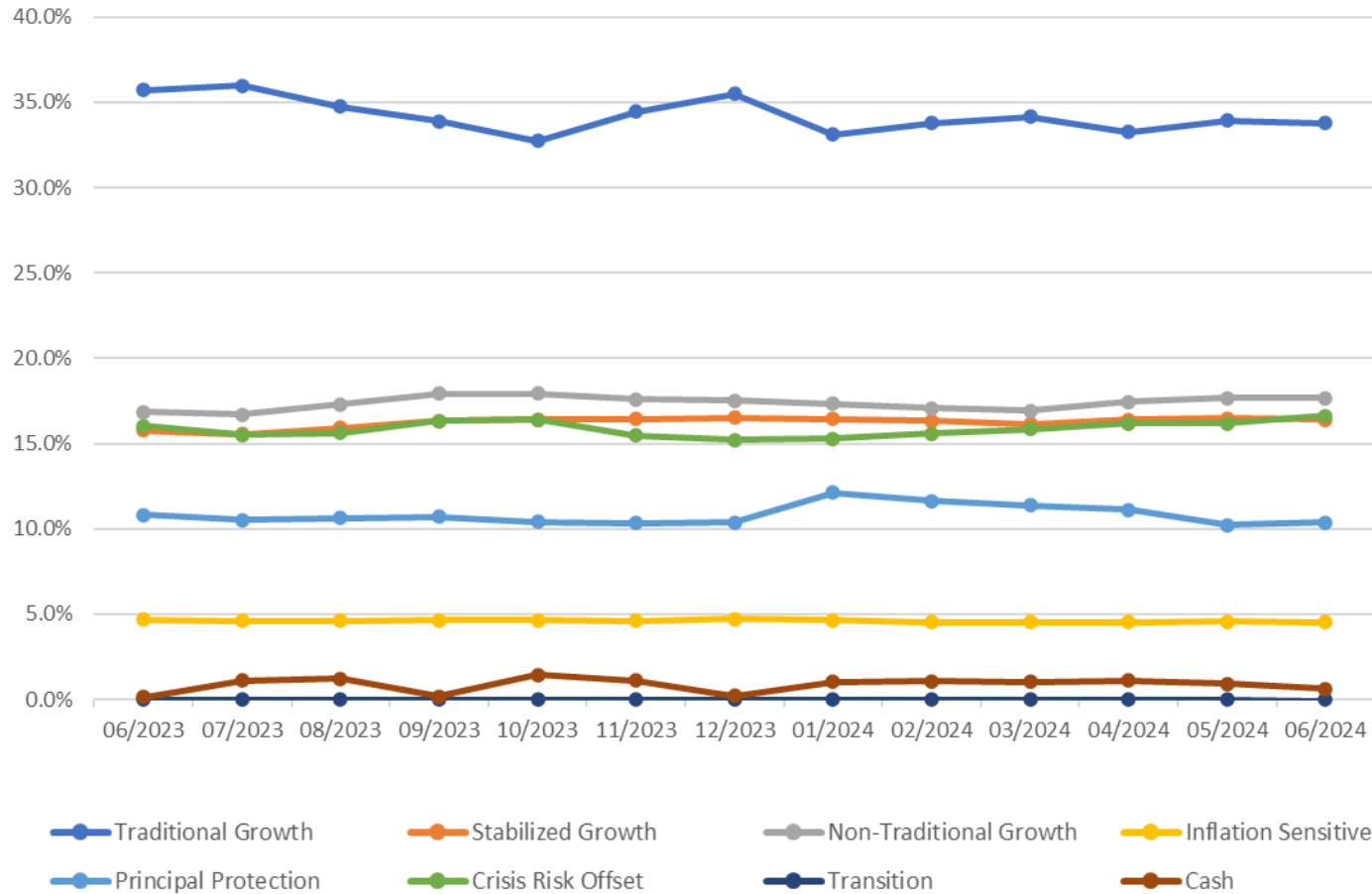
# SURS Asset Allocation vs Targets



- SURS Total Fund allocation is line with policy targets
- An overweight to Non-Traditional Growth persists due to a prolonged delay in expected fund distributions throughout the portfolio.



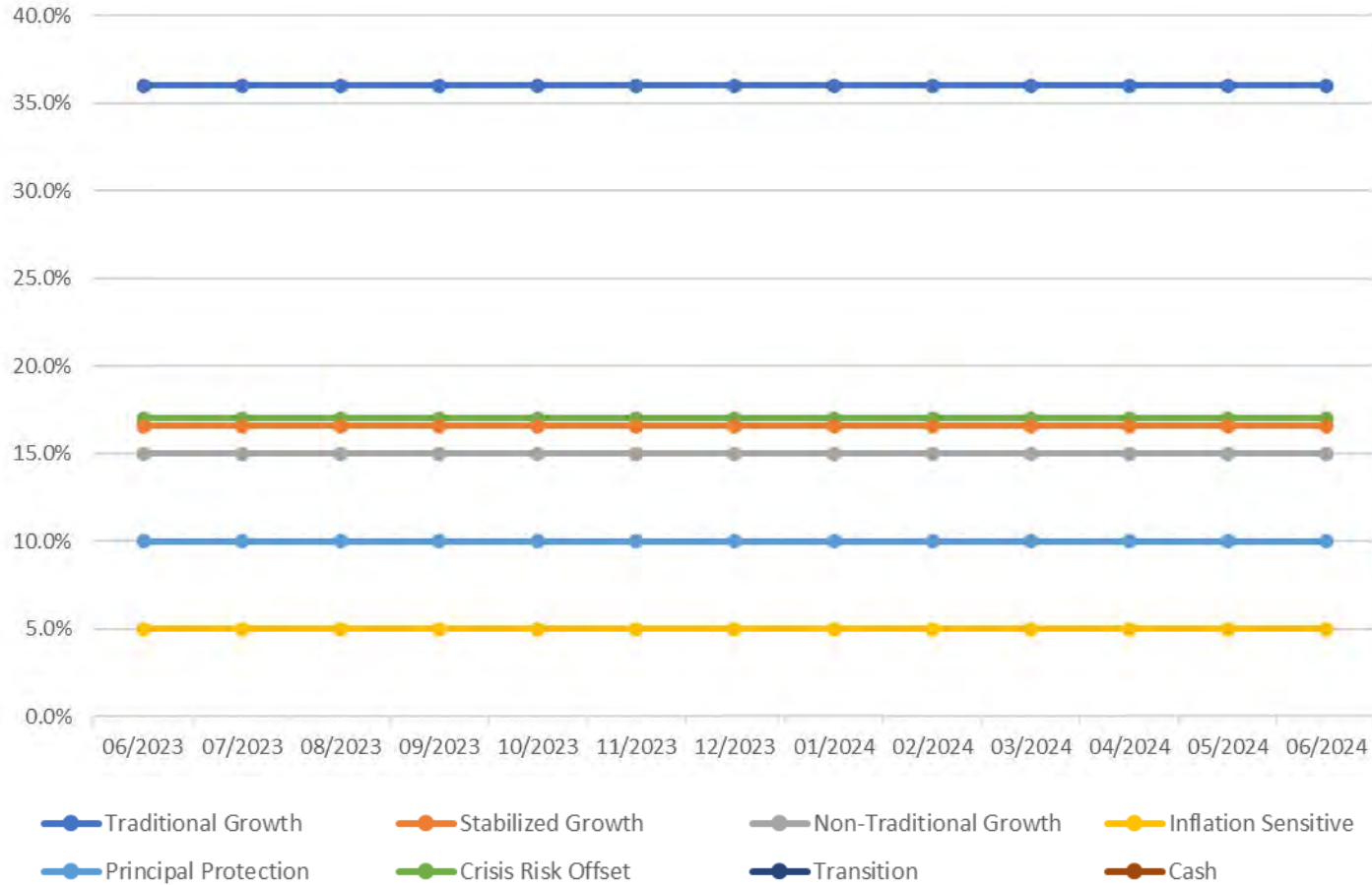
## SURS Asset Allocation Over Time - Overlay Adjusted



- Asset Allocation among the six functional asset classes has been stable through the past 12 months
- The overlay program has minimized cash drag in the portfolio and kept Traditional Growth and Principal Protection asset classes within acceptable ranges while avoiding transaction associated with physical rebalancing
- The Crisis Risk Offset asset was added to the overlay program in June 2024



# SURS Interim Policy Target Over Time



- Changes to SURS’ functional asset class target weights occurred in May and June 2023, decreasing the weights to Traditional Growth and Crisis Risk Offset while increasing targets to Principal Protection and Non-Traditional Growth
- Some minor adjustments to sub-asset class targets have occurred over the past 12 months, including in January 2024 within the Stabilized Growth asset class.



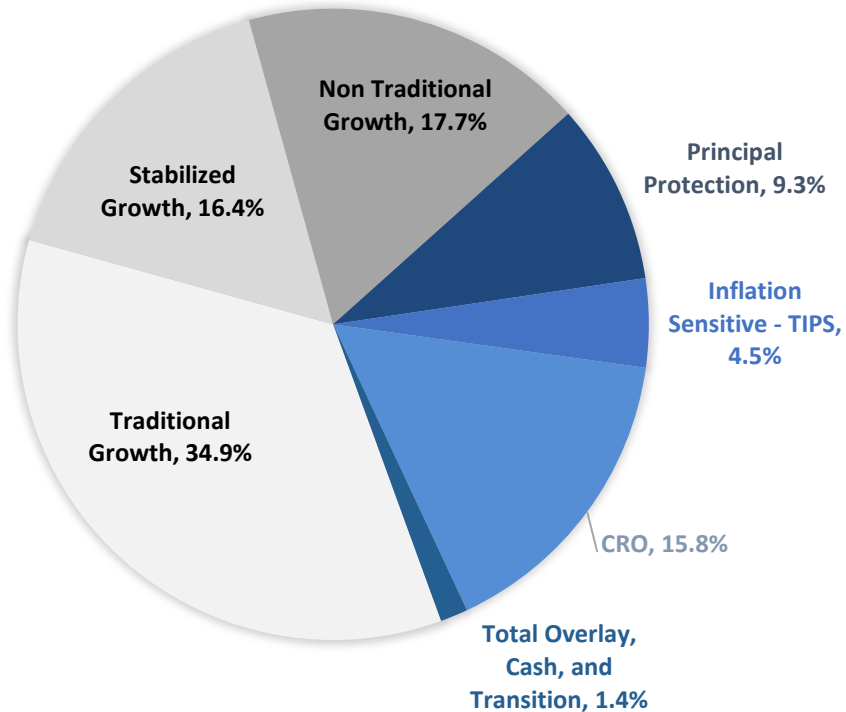
# Scenario Analysis

Scenario	Description	% Loss/Gain
Credit '07	Credit & liquidity crisis stemming from a severe slowdown in the housing market causing significant widening of credit spreads and increased implied volatility.	(2.55%)
Crash '08	Credit & liquidity crisis and equity market crash set off by Lehman Brothers bankruptcy. Significant credit spreads widening caused by massive deleveraging.	(2.44%)
FOMC Policy Paths- Lingering Inflation	Lingering inflation proves markets wrong.	(6.73%)
FOMC Policy Paths-Fed Engineers a Hard Landing	The effects of the Fed's policy response in 2022-23 are lagged and prove to be more significant than expected. Growth slows and cracks in the labor market begin to show.. Market prices in a significant recession in the US, driving a sizable risk-off reaction.	(1.90%)
Equity Volatility Increase	1% probability VIX up movement.	(0.28%)
US Debt Ceiling - Last Minute Agreement	Negotiations are reached close to X-date, with a risk-of in the market.	(1.74%)
US Debt Ceiling - Technical Default	Negotiations are not reached in time for the X-date; Government has a technical default	(3.05%)
Mid East Tensions – Proxy War Scenario	Israel and Iran engage in a proxy war, involving Iran-backed militia groups in the region. Conflict spills into neighboring Arab States (Lebanon, Syria), but Gulf States remain neutral, avoiding a larger regional conflict.	(0.07%)
Mid East Tensions – Direct War Scenario	A proxy war between Israel and Iran escalates into direct confrontation between the US and Iran.	(4.93%)
Stock Market Drop Global	1% probability movement of MSCI World market down.	(2.86%)

Current portfolio stress tested using historical scenarios.

# Liquidity Profile

## SURS TOTAL PORTFOLIO



Prefer Not to Liquidate

Liquid/Stable/  
Accessible

8.2 years of net cash outflows  
2.1 years of benefits

Liquid/stable group consists of Principal Protection, Inflation Sensitive – TIPS, CRO and Total Overlay which constitute for 31% of SURS portfolio.

SURS projected annual net contributions:  $-\$848\text{M}$  to  $-\$981\text{M}$  over next 5 years



# Operational Risk Summary

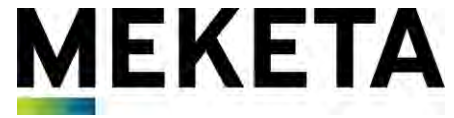
Operational Risk	Target Review Cycle	Last Reviewed	Comments
Asset Allocation	3-5 Years	June 2021	Asset Liability Study to begin Fall of 2024.
Investment Beliefs	3-5 Years	January 2020	Review will be included in Asset Liability Study project.
Investment Policy	Annual	September 2023	Revisions to policy to be presented at September board meeting.
Investment Procurement Policy	Annual	September 2023	Revisions to policy to be presented at September board meeting.
Private Real Assets Pacing and Strategic Plan	Annual	December 2023	
Private Equity Pacing and Strategic Plan	Annual	December 2023	
Private Credit Pacing and Strategic Plan	Annual	December 2023	
Capital Market Assumptions Review	Annual	March 2023	Review will be included in Asset Liability Study project.
Custodial Review	Annual	November 2023	
Securities Lending Review	Annual	January 2024	
Proxy Voting Guidelines	Annual	December 2023	2024 U.S., public pension and international guidelines published on SURS website





# Operational Risk Summary

Relationships with Contract Terms	Contracted To	Comments
Northern Trust - Custodian	December 2026	
Meketa - General Consultant	March 1, 2028	
CAPTRUST - DC Specialty	March 31, 2028	
Voya – DC Recordkeeper	August 2025	One year extension available at SURS discretion. An RFP is expected to be issued in early 2025.
Callan - Real Assets Specialty	September 30, 2028	
Meketa – Private Credit Advisor	December 10, 2025	
Aksia – Private Equity Advisor	On-going	The Aksia IMA was amended (Amendment No. 1) in December of 2023 with an effective date of January 1, 2024. The contract is now open-ended.
Glass Lewis - Proxy Voting Services	October 1, 2024	Contract renewal discussions have started.
ISBI, TRS, SURS Agreement - Quarterly Restricted Securities	June 30, 2025	ISBI negotiated an annual contract with MSCI to provide the quarterly restricted securities list through June 30, 2023, and renews annually through 2025 at the discretion of the parties involved. Costs for these services are shared equally between SURS, ISBI and TRS.



# Illinois State Universities Retirement System

September 12, 2024

Second Quarter 2024  
Supplement to the Board Report



## Illinois State Universities Retirement System

### Agenda

1. Performance Results
2. Private Markets
3. Capital Markets Outlook & Risk Metrics
4. Appendix

# Performance Results



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>US Equity</b>	<b>2,581,053,769</b>	<b>3.3</b>	<b>13.6</b>	<b>23.1</b>	<b>8.6</b>	<b>14.0</b>	<b>13.2</b>	<b>11.8</b>	<b>11.4</b>	<b>Oct-80</b>
<i>Dow Jones U.S. Total Stock Market Index</i>		<i>3.2</i>	<i>13.6</i>	<i>23.2</i>	<i>7.9</i>	<i>14.0</i>	<i>13.4</i>	<i>12.1</i>	--	
Over/Under		0.1	0.0	-0.1	0.7	0.0	-0.2	-0.3	--	
<b>Passive US Equity</b>	<b>2,581,053,769</b>	<b>3.3</b>	<b>13.6</b>	<b>23.1</b>	<b>8.7</b>	<b>14.4</b>	<b>13.7</b>	<b>12.3</b>	<b>11.5</b>	<b>Oct-80</b>
<i>Dow Jones U.S. Total Stock Market Index</i>		<i>3.2</i>	<i>13.6</i>	<i>23.2</i>	<i>7.9</i>	<i>14.0</i>	<i>13.4</i>	<i>12.1</i>	--	
Over/Under		0.1	0.0	-0.1	0.8	0.4	0.3	0.2	--	
Rhumbline	2,581,053,769	3.3	13.6	23.1	8.5	14.4	13.7	12.4	10.2	Feb-05
<i>Rhumbline Equity Index</i>		<i>3.3</i>	<i>13.6</i>	<i>23.1</i>	<i>8.4</i>	<i>14.4</i>	<i>13.7</i>	<i>12.4</i>	<i>10.2</i>	
Over/Under		0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non US Equity</b>	<b>1,452,720,299</b>	<b>1.7</b>	<b>7.4</b>	<b>13.5</b>	<b>1.7</b>	<b>5.8</b>	<b>5.3</b>	<b>4.2</b>	<b>6.1</b>	<b>May-86</b>
<i>SURS Non US Equity Blend</i>		0.9	5.3	11.6	0.2	5.6	5.2	3.9	--	
Over/Under		0.8	2.1	1.9	1.5	0.2	0.1	0.3	--	
<b>Active Non-US Equity</b>	<b>1,452,351,283</b>	<b>1.7</b>	<b>7.6</b>	<b>13.7</b>	<b>2.3</b>	<b>6.0</b>	<b>5.2</b>	<b>4.2</b>	<b>6.2</b>	<b>Oct-03</b>
<i>MSCI EAFE (Net)</i>		-0.4	5.3	11.5	2.9	6.5	5.7	4.3	6.4	
Over/Under		2.1	2.3	2.2	-0.6	-0.5	-0.5	-0.1	-0.2	
Strategic Global Advisors	407,910,915	-0.2	7.2	14.6	3.6	6.1	4.9	4.7	6.0	Sep-08
<i>MSCI EAFE (Net)</i>		-0.4	5.3	11.5	2.9	6.5	5.7	4.3	4.4	
Over/Under		0.2	1.9	3.1	0.7	-0.4	-0.8	0.4	1.6	
Ativo	332,468,242	1.6	6.2	14.6	1.2	4.0	4.3	3.5	4.0	Aug-08
<i>MSCI ACWI ex US</i>		1.0	5.7	11.6	0.5	5.5	5.2	3.8	3.6	
Over/Under		0.6	0.5	3.0	0.7	-1.5	-0.9	-0.3	0.4	
GlobeFlex Capital	404,823,661	2.0	7.8	11.4	2.8	7.3	5.7	4.9	7.6	Dec-11
<i>MSCI AC World ex USA (Net)</i>		1.0	5.7	11.6	0.5	5.5	5.2	3.8	5.9	
Over/Under		1.0	2.1	-0.2	2.3	1.8	0.5	1.1	1.7	
Solstein Capital	106,138,182	0.6	6.4	10.0	0.0	6.5	--	--	5.9	Nov-17
<i>MSCI EAFE (Net)</i>		-0.4	5.3	11.5	2.9	6.5	--	--	5.0	
Over/Under		1.0	1.1	-1.5	-2.9	0.0	--	--	0.9	
Nipun Emerging Markets	101,800,062	4.1	9.2	15.9	--	--	--	--	13.9	Dec-22
<i>MSCI Emerging Markets (Net)</i>		5.0	7.5	12.5	--	--	--	--	10.1	
Over/Under		-0.9	1.7	3.4	--	--	--	--	3.8	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
William Blair Emerging Markets Growth	99,206,225	8.2	12.9	18.4	--	--	--	--	17.9	Mar-23
<i>MSCI Emerging Markets (Net)</i>		5.0	7.5	12.5	--	--	--	--	12.5	
Over/Under		3.2	5.4	5.9	--	--	--	--	5.4	
<b>Passive Non-US Equity</b>	<b>369,017</b>	<b>1.0</b>	<b>5.2</b>	<b>11.5</b>	<b>-0.7</b>	<b>4.2</b>	<b>4.3</b>	<b>3.4</b>	<b>6.1</b>	<b>May-86</b>
<i>MSCI AC World ex USA (Net)</i>		1.0	5.7	11.6	0.5	5.5	5.2	3.8	--	
Over/Under		0.0	-0.5	-0.1	-1.2	-1.3	-0.9	-0.4	--	
BlackRock Intl Equity Fund	465,042									
NTAM ACWI Ex-US IMI	-96,025									



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Global Equity</b>	<b>4,488,325,173</b>	<b>1.6</b>	<b>10.1</b>	<b>18.8</b>	<b>5.6</b>	<b>12.1</b>	<b>11.6</b>	<b>10.2</b>	<b>8.5</b>	<b>May-02</b>
<i>SURS Global Equity Blend</i>		2.4	10.3	18.4	4.7	10.4	9.8	8.3	7.6	
Over/Under		-0.8	-0.2	0.4	0.9	1.7	1.8	1.9	0.9	
<b>Global Equity - Active</b>	<b>2,853,453,353</b>	<b>0.8</b>	<b>9.0</b>	<b>17.4</b>	<b>5.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>12.0</b>	<b>Nov-20</b>
Wellington	607,379,709	2.5	12.2	20.2	5.6	11.3	10.8	9.5	8.6	Jun-02
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	10.8	10.0	8.4	7.8	
Over/Under		-0.4	0.9	0.8	0.2	0.5	0.8	1.1	0.8	
Mondrian	538,132,003	-0.1	6.5	18.3	7.4	10.1	9.4	7.7	9.3	Dec-11
<i>Mondrian Custom Index</i>		2.6	11.7	20.2	5.9	11.0	10.2	8.6	10.3	
Over/Under		-2.7	-5.2	-1.9	1.5	-0.9	-0.8	-0.9	-1.0	
T. Rowe Price Global	463,467,552	3.5	15.9	24.4	2.0	14.6	14.5	13.6	14.0	Nov-08
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	10.8	10.0	8.4	10.3	
Over/Under		0.6	4.6	5.0	-3.4	3.8	4.5	5.2	3.7	
Ariel Investments	263,620,497	-2.8	3.7	8.5	4.4	--	--	--	9.1	Aug-20
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	--	--	--	11.8	
Over/Under		-5.7	-7.6	-10.9	-1.0	--	--	--	-2.7	
Earnest Global	410,126,985	-3.5	1.4	7.7	1.8	--	--	--	10.9	Aug-20
<i>MSCI AC World IMI Index (Net)</i>		2.4	10.3	18.4	4.7	--	--	--	11.6	
Over/Under		-5.9	-8.9	-10.7	-2.9	--	--	--	-0.7	
Strategic Global Advisors	225,612,122	1.6	12.8	22.7	8.7	--	--	--	14.2	Aug-20
<i>MSCI World Index (Net)</i>		2.6	11.7	20.2	6.9	--	--	--	13.1	
Over/Under		-1.0	1.1	2.5	1.8	--	--	--	1.1	





## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Xpance Global Equity</b>	<b>345,114,485</b>	<b>1.5</b>	<b>9.1</b>	<b>16.2</b>	<b>2.8</b>	--	--	--	<b>6.0</b>	<b>Jan-21</b>
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	--	--	--	8.2	
Over/Under		-1.4	-2.2	-3.2	-2.6	--	--	--	-2.2	
Xpance - Arga Inv ACWI	33,275,340	-2.0	3.7	12.3	5.3	--	--	--	10.4	Jan-21
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	--	--	--	8.2	
Over/Under		-4.9	-7.6	-7.1	-0.1	--	--	--	2.2	
Xpance - Channing	17,851,710	3.5	11.6	18.7	3.1	--	--	--	6.4	Jan-21
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	--	--	--	8.2	
Over/Under		0.6	0.3	-0.7	-2.3	--	--	--	-1.8	
Xpance - Frontier GL	17,717,918	3.4	9.8	18.5	3.0	--	--	--	5.2	Jan-21
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	5.4	--	--	--	8.2	
Over/Under		0.5	-1.5	-0.9	-2.4	--	--	--	-3.0	
Xpance - Fithian	39,305,513	-1.0	-0.4	2.2	--	--	--	--	2.3	Mar-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	8.1	
Over/Under		-3.9	-11.7	-17.2	--	--	--	--	-5.8	
Xpance - Foresight	54,509,657	1.1	9.0	14.4	--	--	--	--	4.2	Mar-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	8.1	
Over/Under		-1.8	-2.3	-5.0	--	--	--	--	-3.9	
Xpance - Martin	40,753,626	3.4	9.6	16.8	--	--	--	--	4.5	Mar-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	8.1	
Over/Under		0.5	-1.7	-2.6	--	--	--	--	-3.6	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Xponance - Maytech	52,990,842	8.4	27.8	44.8	--	--	--	--	18.2	Mar-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	8.1	
Over/Under		5.5	16.5	25.4	--	--	--	--	10.1	
Xponance - Centerstone	36,214,037	-4.8	-1.2	-1.4	--	--	--	--	6.6	Dec-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	18.4	
Over/Under		-7.7	-12.5	-20.8	--	--	--	--	-11.8	
Xponance - Promethos	52,495,842	2.0	11.2	22.2	--	--	--	--	21.4	Dec-22
<i>MSCI AC World Index (Net)</i>		2.9	11.3	19.4	--	--	--	--	18.4	
Over/Under		-0.9	-0.1	2.8	--	--	--	--	3.0	
<b>Global Equity - Passive</b>	<b>1,634,871,820</b>	<b>3.1</b>	<b>11.9</b>	<b>21.2</b>	<b>6.3</b>	--	--	--	<b>13.4</b>	<b>Aug-20</b>
BTC Global Alpha Tilts	1,634,871,820	3.1	11.9	21.2	6.3	--	--	--	13.4	Aug-20
<i>MSCI AC World IMI Index (Net)</i>		2.4	10.3	18.4	4.7	--	--	--	11.6	
Over/Under		0.7	1.6	2.8	1.6	--	--	--	1.8	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Stabilized Real Assets</b>	<b>1,640,207,302</b>	<b>-0.6</b>	<b>-3.4</b>	<b>-7.1</b>	<b>4.2</b>	<b>4.2</b>	<b>4.5</b>	<b>6.0</b>	<b>6.2</b>	<b>Jul-13</b>
<i>SURS Stabilized Real Assets Blend</i>		-2.2	-6.4	-10.3	3.1	2.9	4.0	6.0	6.6	
Over/Under		1.6	3.0	3.2	1.1	1.3	0.5	0.0	-0.4	
<b>Core</b>	<b>899,129,928</b>	<b>-1.4</b>	<b>-4.0</b>	<b>-10.9</b>	<b>1.8</b>	<b>2.7</b>	<b>3.4</b>	<b>5.2</b>	<b>5.5</b>	<b>Jul-13</b>
<i>NCREIF ODCE Net 1 Qtr Lag</i>		-2.6	-7.4	-12.0	2.5	2.6	4.0	6.0	6.4	
Over/Under		1.2	3.4	1.1	-0.7	0.1	-0.6	-0.8	-0.9	
UBS Trumbull Property Fund	82,996,274	-1.1	-2.9	-8.4	-1.0	-0.9	0.3	2.7	3.4	Jun-06
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	4.0	6.0	5.0	
Over/Under		1.5	4.5	3.6	-3.5	-3.5	-3.7	-3.3	-1.6	
JP Morgan Strategic	225,649,222	1.1	-4.6	-14.8	-1.1	0.8	2.2	4.4	4.5	Jun-14
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	4.0	6.0	6.0	
Over/Under		3.7	2.8	-2.8	-3.6	-1.8	-1.8	-1.6	-1.5	
Heitman Hart Fund	259,090,506	-0.5	-2.3	-8.3	3.3	3.2	3.9	5.8	5.8	Jul-14
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	4.0	6.0	6.0	
Over/Under		2.1	5.1	3.7	0.8	0.6	-0.1	-0.2	-0.2	
Prologis Target US Logis	156,739,721	-5.7	-5.7	-11.0	7.9	--	--	--	13.0	Nov-20
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	--	--	--	2.9	
Over/Under		-3.1	1.7	1.0	5.4	--	--	--	10.1	
Clarion Lion Properties Fund, LP	174,654,203	-1.9	-4.7	-10.2	--	--	--	--	-13.4	Aug-22
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	--	--	--	--	-8.4	
Over/Under		0.7	2.7	1.8	--	--	--	--	-5.0	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Plus</b>	<b>543,891,767</b>	<b>0.1</b>	<b>-4.0</b>	<b>-4.4</b>	<b>6.1</b>	<b>5.5</b>	--	--	<b>5.1</b>	<b>Oct-18</b>
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	--	--	3.0	
Over/Under		2.7	3.4	7.6	3.6	2.9	--	--	2.1	
Blackstone Property Partners	228,194,683	1.0	-5.4	-3.7	2.8	2.7	--	--	2.5	Mar-19
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	--	--	2.9	
Over/Under		3.6	2.0	8.3	0.3	0.1	--	--	-0.4	
Carlyle Property Investors	251,647,469	-0.4	-2.8	-5.2	9.5	9.1	--	--	8.2	Oct-18
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	2.5	2.6	--	--	3.0	
Over/Under		2.2	4.6	6.8	7.0	6.5	--	--	5.2	
GI Partners ETS FUND	64,049,615	-1.3	-3.2	-4.6	--	--	--	--	0.1	Apr-22
<i>SURS Real Estate Blend</i>		-2.6	-7.4	-12.0	--	--	--	--	-4.3	
Over/Under		1.3	4.2	7.4	--	--	--	--	4.4	
<b>Core Infrastructure</b>	<b>197,185,607</b>	<b>1.3</b>	<b>1.4</b>	<b>6.0</b>	<b>7.9</b>	--	--	--	<b>-1.1</b>	<b>Feb-21</b>
<i>FTSE Developed Core Infrastructure 50/50 Index</i>		0.9	1.7	3.8	2.7	--	--	--	5.0	
Over/Under		0.4	-0.3	2.2	5.2	--	--	--	-6.1	
Blackrock GL Renewable	88,230,420	1.7	3.2	9.5	10.9	--	--	--	1.3	Feb-21
<i>FTSE Developed Core Infrastructure 50/50 Index</i>		0.9	1.7	3.8	2.7	--	--	--	5.0	
Over/Under		0.8	1.5	5.7	8.2	--	--	--	-3.7	
IFM Global Infrastructure Fund	108,955,187	1.0	0.1	3.6	--	--	--	--	5.9	Jan-23
<i>FTSE Developed Core Infrastructure 50/50 Index</i>		0.9	1.7	3.8	--	--	--	--	3.3	
Over/Under		0.1	-1.6	-0.2	--	--	--	--	2.6	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Public Credit</b>	<b>1,476,870,904</b>	<b>1.1</b>	<b>3.4</b>	<b>10.7</b>	<b>1.0</b>	--	--	--	<b>2.5</b>	<b>Oct-19</b>
<i>SURS Credit Fixed Income Blend</i>		1.0	2.7	9.2	0.0	--	--	--	1.9	
Over/Under		0.1	0.7	1.5	1.0	--	--	--	0.6	
<b>Diversified Credit</b>	<b>1,080,030,962</b>	<b>1.2</b>	<b>3.6</b>	<b>11.3</b>	<b>1.6</b>	<b>3.0</b>	<b>3.3</b>	<b>3.1</b>	<b>3.2</b>	<b>Jul-13</b>
<i>SURS Credit ex EMD Blend</i>		0.9	2.5	9.4	0.7	2.8	3.1	2.9	3.0	
Over/Under		0.3	1.1	1.9	0.9	0.2	0.2	0.2	0.2	
PIMCO Global Credit	306,602,844	1.0	3.1	10.0	1.2	--	--	--	2.5	Oct-19
<i>SURS Credit ex EMD Blend</i>		0.9	2.5	9.4	0.7	--	--	--	2.5	
Over/Under		0.1	0.6	0.6	0.5	--	--	--	0.0	
Neuberger Berman	773,428,117	1.2	3.8	11.8	1.7	--	--	--	3.3	Oct-19
<i>SURS Credit ex EMD Blend</i>		0.9	2.5	9.4	0.7	--	--	--	2.5	
Over/Under		0.3	1.3	2.4	1.0	--	--	--	0.8	
<b>Bivium Credit</b>	<b>396,839,942</b>	<b>1.1</b>	<b>2.8</b>	<b>9.1</b>	<b>-0.4</b>	--	--	--	<b>5.2</b>	<b>Apr-20</b>
<i>Bivium Credit Blend</i>		1.0	2.4	7.9	-1.7	--	--	--	2.8	
Over/Under		0.1	0.4	1.2	1.3	--	--	--	2.4	
BiviumEMD - LM Capital Group	75,061,130	1.3	2.7	7.3	0.9	2.5	3.1	--	3.6	May-15
<i>JPM CEMBI Broad Index</i>		1.5	3.6	8.1	-1.9	1.2	2.3	--	3.1	
Over/Under		-0.2	-0.9	-0.8	2.8	1.3	0.8	--	0.5	
BiviumEMD - GIA Partners LLC	69,366,409	1.6	5.0	12.3	0.4	2.9	3.7	--	4.2	May-15
<i>JPM CEMBI Broad Index</i>		1.5	3.6	8.1	-1.9	1.2	2.3	--	3.1	
Over/Under		0.1	1.4	4.2	2.3	1.7	1.4	--	1.1	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Bivium - RVX Asset Mgmt	66,730,344	1.9	4.6	10.0	-0.3	--	--	--	1.6	Jan-20
<i>JPM CEMBI Broad Index</i>		1.5	3.6	8.1	-1.9	--	--	--	0.4	
Over/Under		0.4	1.0	1.9	1.6	--	--	--	1.2	
Bivium - New Century Advisors	51,065,458	-0.1	-1.0	4.2	-4.2	--	--	--	-0.4	Nov-19
<i>BBgBC Global Corp Agg Blend</i>		-0.2	-0.9	4.9	-3.7	--	--	--	-0.4	
Over/Under		0.1	-0.1	-0.7	-0.5	--	--	--	0.0	
Bivium - Integrity	41,306,307	0.1	-0.1	4.3	-3.1	--	--	--	-0.1	Nov-19
<i>Blmbg. U.S. Corporate Investment Grade Index</i>		-0.1	-0.5	4.6	-3.0	--	--	--	-0.1	
Over/Under		0.2	0.4	-0.3	-0.1	--	--	--	0.0	
Bivium - GIA Partners, LLC	93,052,293	1.3	3.8	12.8	1.7	--	--	--	3.9	Dec-19
<i>ICE/BAML GI HY Const Hedge Blend</i>		1.4	3.5	11.4	1.2	--	--	--	3.2	
Over/Under		-0.1	0.3	1.4	0.5	--	--	--	0.7	
Bivium Cash	444	1.3	2.7	5.4	2.8	--	--	--	2.0	Sep-19
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.4	2.7	5.6	3.4	--	--	--	2.3	
Over/Under		-0.1	0.0	-0.2	-0.6	--	--	--	-0.3	
Bivium Fixed Income Transition	5	0.0	0.0	0.0	0.0	--	--	--	6.7	Nov-19
<i>Bivium Credit Blend</i>		1.0	2.4	7.9	-1.7	--	--	--	0.8	
Over/Under		-1.0	-2.4	-7.9	1.7	--	--	--	5.9	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Credit</b>	<b>887,088,161</b>	<b>4.6</b>	<b>6.4</b>	<b>12.2</b>	<b>8.5</b>	--	--	--	<b>10.0</b>	<b>Jul-20</b>
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	4.7	--	--	--	7.0	
Over/Under		2.7	1.9	-0.2	3.8	--	--	--	3.0	
Silver Rock Tactical Allocation Fund, L.P.	120,710,216	4.2	8.5	16.7	7.6	--	--	--	7.6	Feb-21
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	4.7	--	--	--	5.0	
Over/Under		2.3	4.0	4.3	2.9	--	--	--	2.6	
Crayhill Principal Strategies Fund II	36,972,656	0.0	3.4	3.9	23.5	--	--	--	22.8	Jun-21
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	4.7	--	--	--	4.8	
Over/Under		-1.9	-1.1	-8.5	18.8	--	--	--	18.0	
NB Private Debt Fund IV	138,538,808	5.0	5.0	11.9	--	--	--	--	10.7	Oct-21
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	4.8	
Over/Under		3.1	0.5	-0.5	--	--	--	--	5.9	
Turning Rock Fund II	45,112,902	1.8	3.6	7.5	--	--	--	--	5.8	Feb-22
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	5.7	
Over/Under		-0.1	-0.9	-4.9	--	--	--	--	0.1	
Fortress Lending Fund III	36,536,740	3.7	6.2	16.7	--	--	--	--	7.6	Mar-22
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	6.4	
Over/Under		1.8	1.7	4.3	--	--	--	--	1.2	
Ares Pathfinder Core Fund	153,886,801	7.5	7.5	11.1	--	--	--	--	7.6	Jul-22
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	11.8	
Over/Under		5.6	3.0	-1.3	--	--	--	--	-4.2	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Silver Rock Tactical Allocation Fund 2022	137,430,947	5.9	5.9	12.1	--	--	--	--	7.8	Aug-22
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	10.2	
Over/Under		4.0	1.4	-0.3	--	--	--	--	-2.4	
Silver Point Specialty Credit Fund III	32,802,028	5.9	9.4	14.5	--	--	--	--	7.7	Mar-23
<i>SURS Private Credit Blend</i>		1.9	4.5	12.4	--	--	--	--	11.6	
Over/Under		4.0	4.9	2.1	--	--	--	--	-3.9	
Atalaya Asset Income Fund Evergreen	64,548,247									
Sixth Street TAO (C) LP.	27,895,734									
Brightwood Capital Fund V	26,354,716									
Ares Pathfinder Fund II	16,111,818									
ICG Senior Debt Partners Fund 5, L.P.	37,226,058									
Turning Rock Fund III	12,949,626									





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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-Core Real Estate</b>	<b>688,398,585</b>	<b>-1.1</b>	<b>-3.1</b>	<b>-1.8</b>	<b>8.9</b>	<b>4.8</b>	<b>6.4</b>	<b>--</b>	<b>7.3</b>	<b>Sep-15</b>
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	--	6.8	
Over/Under		1.1	3.6	8.9	4.9	0.7	0.9	--	0.5	
Blackstone Re Part Asia	7,708,962	-4.9	-2.7	-17.1	--	--	--	--	-18.2	Jul-22
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	-6.7	
Over/Under		-2.7	4.0	-6.4	--	--	--	--	-11.5	
Blackstone RE EU VI	62,280,289	0.0	-2.5	2.9	11.0	--	--	--	6.7	Nov-19
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.1	
Over/Under		2.2	4.2	13.6	7.0	--	--	--	2.6	
Blue Vista RE Partners IV	9,391,553	-10.8	-10.8	-25.8	0.6	4.0	6.5	--	3.8	May-16
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	--	6.0	
Over/Under		-8.6	-4.1	-15.1	-3.4	-0.1	1.0	--	-2.2	
Brasa Real Estate Fund II	28,042,664	4.4	-0.9	-2.5	--	--	--	--	2.0	Mar-22
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	0.4	
Over/Under		6.6	5.8	8.2	--	--	--	--	1.6	
Brookfield Fund III	39,699,094	1.5	3.1	5.8	10.2	10.1	--	--	7.3	Apr-19
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	--	--	4.2	
Over/Under		3.7	9.8	16.5	6.2	6.0	--	--	3.1	
Brookfield Strategy RE Partners IV	49,227,083	0.1	-0.4	4.3	--	--	--	--	4.3	Aug-22
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	-7.0	
Over/Under		2.3	6.3	15.0	--	--	--	--	11.3	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Brookfield Strategy RE Partners II	19,522,546	-7.0	-8.2	-9.4	8.5	9.1	9.7	--	9.4	Feb-16
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	--	6.2	
Over/Under		-4.8	-1.5	1.3	4.5	5.0	4.2	--	3.2	
Cabot Industrial Value VI	54,383,122	3.5	3.5	5.1	17.2	--	--	--	14.9	Sep-20
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	3.9	
Over/Under		5.7	10.2	15.8	13.2	--	--	--	11.0	
Crow Holdings Realty Partners IX	36,330,575	-8.8	-8.8	-10.7	--	--	--	--	5.6	Oct-21
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	2.9	
Over/Under		-6.6	-2.1	0.0	--	--	--	--	2.7	
Dune Fund III	65,011,027	-3.2	-1.4	0.9	4.4	-0.5	3.2	4.9	5.1	Jul-13
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	7.1	6.7	
Over/Under		-1.0	5.3	11.6	0.4	-4.6	-2.3	-2.2	-1.6	
Dune Fund II	5,577,152	2.8	0.2	1.7	9.4	3.5	5.1	7.6	6.6	Apr-09
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	7.1	6.2	
Over/Under		5.0	6.9	12.4	5.4	-0.6	-0.4	0.5	0.4	
Dune Fund IV	48,131,051	1.8	0.2	0.1	19.4	--	--	--	1.0	Aug-19
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.1	
Over/Under		4.0	6.9	10.8	15.4	--	--	--	-3.1	
Franklin Templeton MDP RE 2015	64,535,166	-5.4	-7.2	3.1	7.5	1.9	2.1	--	-1.4	Sep-15
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	--	6.8	
Over/Under		-3.2	-0.5	13.8	3.5	-2.2	-3.4	--	-8.2	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Long Wharf RE Partners VI	26,745,462	-0.1	0.3	2.1	17.2	--	--	--	16.4	Sep-19
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.2	
Over/Under		2.1	7.0	12.8	13.2	--	--	--	12.2	
Longpoint Realty Partners II	46,891,150	1.1	1.0	-1.1	--	--	--	--	5.4	Dec-21
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	3.0	
Over/Under		3.3	7.7	9.6	--	--	--	--	2.4	
StepStone RE Global Partnership	11,790,898	-10.5	-13.1	-11.6	-4.7	-3.0	-0.6	2.3	1.9	Apr-12
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	5.5	7.1	8.4	
Over/Under		-8.3	-6.4	-0.9	-8.7	-7.1	-6.1	-4.8	-6.5	
New Cap Partners Fund III	7,594,303	1.9	3.6	6.1	--	--	--	--	63.1	Sep-21
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	--	--	--	--	4.2	
Over/Under		4.1	10.3	16.8	--	--	--	--	58.9	
Westbrook Real Estate Fund XI	49,554,353	1.4	1.1	2.4	10.8	--	--	--	13.0	Dec-20
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.5	
Over/Under		3.6	7.8	13.1	6.8	--	--	--	8.5	
Long Wharf RE Partners VII	8,608,015									
Cabot Industrial Value VII	11,883,609									
Crow Holdings Realty Partners X	7,734,662									
Blackstone RE EU VII	4,931,186									



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-Core Real Estate Debt</b>	<b>119,068,664</b>	<b>3.0</b>	<b>2.9</b>	<b>4.3</b>	<b>4.4</b>	<b>5.8</b>	--	--	<b>6.4</b>	<b>Dec-17</b>
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	--	--	5.4	
Over/Under		5.2	9.6	15.0	0.4	1.7	--	--	1.0	
Basis Investment Group Fund I	22,043,441	4.6	4.6	6.6	9.1	9.2	--	--	8.7	Jan-18
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	--	--	5.1	
Over/Under		6.8	11.3	17.3	5.1	5.1	--	--	3.6	
Oaktree RE Debt Fund II	11,310,057	-1.4	-5.3	-12.7	-4.0	0.3	--	--	3.8	Dec-17
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	4.1	--	--	5.2	
Over/Under		0.8	1.4	-2.0	-8.0	-3.8	--	--	-1.4	
Basis Investment Group Fund II	31,680,979	6.1	7.2	14.6	4.4	--	--	--	4.3	Jun-21
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.6	
Over/Under		8.3	13.9	25.3	0.4	--	--	--	-0.3	
Torchlight Debt Fund VII	34,220,217	0.9	1.4	1.5	2.3	--	--	--	2.2	Jun-21
<i>NCREIF ODCE Net Lagged + 1.5%</i>		-2.2	-6.7	-10.7	4.0	--	--	--	4.6	
Over/Under		3.1	8.1	12.2	-1.7	--	--	--	-2.4	
Torchlight Debt Fund VIII	19,813,970									
<b>Non-Core Farmland</b>	<b>69,204,993</b>	<b>-0.6</b>	<b>1.6</b>	<b>4.1</b>	<b>6.7</b>	--	--	--	<b>1.2</b>	<b>Nov-20</b>
<i>NCREIF Farmland 1 Qtr Lag</i>		0.7	3.0	3.6	7.4	--	--	--	7.0	
Over/Under		-1.3	-1.4	0.5	-0.7	--	--	--	-5.8	
Homestead Capital III	64,267,360	-0.3	2.3	5.7	7.2	--	--	--	1.7	Nov-20
<i>NCREIF Farmland 1 Qtr Lag</i>		0.7	3.0	3.6	7.4	--	--	--	7.0	
Over/Under		-1.0	-0.7	2.1	-0.2	--	--	--	-5.3	
Homestead Capital IV	4,937,633									



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-Core Infrastructure</b>	<b>195,472,764</b>	<b>8.1</b>	<b>7.3</b>	<b>11.5</b>	<b>16.3</b>	<b>15.2</b>	<b>12.1</b>	<b>9.8</b>	<b>8.2</b>	<b>Jan-10</b>
<i>CPI+5% 1 Qtr Lagged</i>		3.1	4.0	8.6	10.9	9.4	8.8	8.0	7.7	
Over/Under		5.0	3.3	2.9	5.4	5.8	3.3	1.8	0.5	
Macquarie Inf Partners Fnd III	46,644,729	17.2	10.2	18.0	30.8	25.0	21.8	--	15.4	Nov-14
<i>CPI+5% 1 Qtr Lagged</i>		3.1	4.0	8.6	10.9	9.4	8.8	--	8.0	
Over/Under		14.1	6.2	9.4	19.9	15.6	13.0	--	7.4	
Macquarie Infra Partners IV	62,785,370	-0.7	0.2	1.8	9.1	9.8	--	--	2.4	May-18
<i>CPI+5% 1 Qtr Lagged</i>		3.1	4.0	8.6	10.9	9.4	--	--	9.0	
Over/Under		-3.8	-3.8	-6.8	-1.8	0.4	--	--	-6.6	
Ember Infrastructure Partners	27,747,522	12.7	12.7	20.1	--	--	--	--	-4.9	Sep-21
<i>CPI+5% 1 Qtr Lagged</i>		3.1	4.0	8.6	--	--	--	--	10.6	
Over/Under		9.6	8.7	11.5	--	--	--	--	-15.5	
Pantheon Global Infra Fund IV	57,988,017	9.5	10.8	11.1	--	--	--	--	8.5	Mar-22
<i>CPI+5% 1 Qtr Lagged</i>		3.1	4.0	8.6	--	--	--	--	10.4	
Over/Under		6.4	6.8	2.5	--	--	--	--	-1.9	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity- Fund of Funds</b>	<b>2,032,170,283</b>	<b>1.5</b>	<b>2.0</b>	<b>1.9</b>	<b>6.6</b>	<b>14.4</b>	<b>14.3</b>	<b>12.1</b>	<b>14.7</b>	<b>Jul-90</b>
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	13.4	
Over/Under		-7.4	-19.6	-23.4	-1.9	1.1	0.7	-1.3	1.3	
Pantheon Ventures	4,325,281									
Pantheon 2014 Global Fund	126,320,536	3.6	3.7	5.3	9.5	15.3	14.2	--	10.3	Feb-15
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	--	13.2	
Over/Under		-5.3	-17.9	-20.0	1.0	2.0	0.6	--	-2.9	
Pantheon Europe VI	6,723,301									
Pantheon Europe VII	16,965,449	-1.0	-3.2	0.8	0.5	11.9	12.7	10.6	10.1	Jan-13
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	15.0	
Over/Under		-9.9	-24.8	-24.5	-8.0	-1.4	-0.9	-2.8	-4.9	
Pantheon USA IX	53,615,911	2.4	0.6	2.1	3.6	17.2	17.8	15.5	14.7	Jan-13
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	15.0	
Over/Under		-6.5	-21.0	-23.2	-4.9	3.9	4.2	2.1	-0.3	
Pantheon USA VIII	28,363,530									
Fairview Capital	88,067,347	-4.3	-4.4	-5.2	4.2	11.8	12.1	5.8	5.0	Apr-14
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	13.4	
Over/Under		-13.2	-26.0	-30.5	-4.3	-1.5	-1.5	-7.6	-8.4	
Fairview Lincoln Fund Series B	44,773,042	1.5	1.2	-0.5	3.3	--	--	--	3.8	Mar-21
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	--	--	--	11.0	
Over/Under		-7.4	-20.4	-25.8	-5.2	--	--	--	-7.2	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
M2-EM PE Fund	121,650,794	0.8	0.7	3.4	12.3	20.5	13.1	--	12.5	Oct-16
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	--	14.6	
Over/Under		-8.1	-20.9	-21.9	3.8	7.2	-0.5	--	-2.1	
Adams Street 2008	29,493,130									
Adams Street 2009	43,738,101									
Adams Street 2012	56,780,281	-0.5	1.5	-2.1	0.3	11.9	13.0	11.3	8.9	Apr-12
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	15.6	
Over/Under		-9.4	-20.1	-27.4	-8.2	-1.4	-0.6	-2.1	-6.7	
Adams Street 2013	89,496,183	-1.1	0.2	-4.2	0.0	11.0	12.6	10.6	8.9	Mar-13
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	15.3	
Over/Under		-10.0	-21.4	-29.5	-8.5	-2.3	-1.0	-2.8	-6.4	
Adams Street 2014	103,310,445	-0.9	1.3	-1.0	2.6	13.0	14.0	11.7	11.5	May-14
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	13.8	
Over/Under		-9.8	-20.3	-26.3	-5.9	-0.3	0.4	-1.7	-2.3	
Adams Street 2015 Global Fund	145,838,889	0.1	3.0	0.5	4.7	15.8	16.6	--	22.0	Sep-15
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	--	13.2	
Over/Under		-8.8	-18.6	-24.8	-3.8	2.5	3.0	--	8.8	
Adams Street 2016 Global Fund	172,784,945	0.4	-0.9	0.2	9.3	16.0	14.9	--	20.0	Dec-16
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	--	14.3	
Over/Under		-8.5	-22.5	-25.1	0.8	2.7	1.3	--	5.7	
Adams Street 2017 Global Fund	110,385,609	0.9	0.9	0.0	11.5	17.1	--	--	16.1	Aug-17
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	13.6	
Over/Under		-8.0	-20.7	-25.3	3.0	3.8	--	--	2.5	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Adams Street 2018 Global	104,559,553	3.4	3.4	3.3	11.7	19.6	--	--	18.2	Jun-18
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	12.5	
Over/Under		-5.5	-18.2	-22.0	3.2	6.3	--	--	5.7	
Adams Street Secondary Fund 5	5,106,575	-0.4	5.5	5.4	1.5	4.5	5.8	5.0	4.4	Oct-12
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	13.6	13.4	15.3	
Over/Under		-9.3	-16.1	-19.9	-7.0	-8.8	-7.8	-8.4	-10.9	
Pantheon Multi-Strategy 2017	95,404,583	1.3	2.9	4.0	11.0	16.8	--	--	11.9	Nov-17
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	13.4	
Over/Under		-7.6	-18.7	-21.3	2.5	3.5	--	--	-1.5	
Mesirow Private Equity	317,096,792	4.8	4.8	6.8	10.8	12.8	--	--	8.0	Apr-18
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	12.5	
Over/Under		-4.1	-16.8	-18.5	2.3	-0.5	--	--	-4.5	
Mesirow Co-Inv	71,401,644	7.9	7.9	6.7	14.7	30.5	--	--	25.6	Jan-18
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	13.2	
Over/Under		-1.0	-13.7	-18.6	6.2	17.2	--	--	12.4	
Pantheon Access 2018	185,403,190	1.2	1.3	2.4	8.9	10.5	--	--	9.9	Mar-19
<i>SURS PE Blend</i>		8.9	21.6	25.3	8.5	13.3	--	--	13.3	
Over/Under		-7.7	-20.3	-22.9	0.4	-2.8	--	--	-3.4	
Fairview Lincoln Fund Series C	905,105									





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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity- Direct (Aksia)</b>	<b>1,215,879,747</b>	<b>3.4</b>	<b>4.7</b>	<b>10.8</b>	<b>13.9</b>	--	--	--	<b>9.7</b>	<b>Dec-19</b>
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	13.5	
Over/Under		-5.5	-16.9	-14.5	5.3	--	--	--	-3.8	
Cortec Group Fund VII	31,869,053	4.0	3.6	7.8	17.5	--	--	--	20.1	Dec-19
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	13.5	
Over/Under		-4.9	-18.0	-17.5	8.9	--	--	--	6.6	
Oceansound Partners Fund	35,604,669	-1.4	7.1	33.1	24.6	--	--	--	16.7	Feb-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	12.8	
Over/Under		-10.3	-14.5	7.8	16.0	--	--	--	3.9	
Harvest Partners VIII	81,718,637	3.0	4.4	10.1	12.5	--	--	--	13.0	Dec-19
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	13.5	
Over/Under		-5.9	-17.2	-15.2	3.9	--	--	--	-0.5	
Bregal Sagemount III	47,135,796	1.3	3.7	6.3	10.2	--	--	--	-15.1	Jan-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	13.2	
Over/Under		-7.6	-17.9	-19.0	1.6	--	--	--	-28.3	
Reverence Capital II (TC)	69,295,645	-0.1	1.7	6.1	23.9	--	--	--	23.7	Mar-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	12.4	
Over/Under		-9.0	-19.9	-19.2	15.3	--	--	--	11.3	
Clearlake Capital Partners VI	47,745,581	0.1	6.2	9.0	21.4	--	--	--	18.0	May-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	12.2	
Over/Under		-8.8	-15.4	-16.3	12.8	--	--	--	5.8	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
HG Capital Genesis 9 (TC)	14,206,234	2.9	4.9	9.8	22.1	--	--	--	16.6	Mar-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	11.1	
Over/Under		-6.0	-16.7	-15.5	13.5	--	--	--	5.5	
HG Capital Saturn Fund 2	40,192,847	7.2	11.0	12.1	12.3	--	--	--	63.6	Aug-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	16.9	
Over/Under		-1.7	-10.6	-13.2	3.7	--	--	--	46.7	
HG Capital Saturn Fund 3	13,725,996	0.2	0.9	14.9	--	--	--	--	-71.9	Jul-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	8.8	
Over/Under		-8.7	-20.7	-10.4	--	--	--	--	-80.7	
Rubicon Tech Partners 3	34,440,518	0.8	2.5	5.3	5.7	--	--	--	1.6	Jul-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	19.6	
Over/Under		-8.1	-19.1	-20.0	-2.9	--	--	--	-18.0	
Torrey Cove Co-Investment Fund	234,903,250	4.8	4.7	10.5	15.0	--	--	--	13.7	Sep-20
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	15.9	
Over/Under		-4.1	-16.9	-14.8	6.4	--	--	--	-2.2	
MBK Partners Fund V (TC)	44,931,611	-5.9	-8.6	-3.5	20.4	--	--	--	17.0	Mar-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	11.1	
Over/Under		-14.8	-30.2	-28.8	11.8	--	--	--	5.9	
Altaris Health PTR V	19,963,317	-0.2	4.5	18.3	11.7	--	--	--	7.1	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-9.1	-17.1	-7.0	3.1	--	--	--	-2.6	



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	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Avance Inv Partners	15,635,443	5.1	5.1	6.4	--	--	--	--	6.8	Jul-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	7.2	
Over/Under		-3.8	-16.5	-18.9	--	--	--	--	-0.4	
Base 10 Adv Initiative FD	19,925,206	-2.4	-2.4	-7.1	-5.9	--	--	--	-5.5	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-11.3	-24.0	-32.4	-14.5	--	--	--	-15.2	
GGV Capital VIII	15,602,509	0.2	-5.6	-7.8	3.9	--	--	--	-4.1	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-8.7	-27.2	-33.1	-4.7	--	--	--	-13.8	
GGV Discovery III	6,990,480	4.2	3.3	3.2	22.5	--	--	--	14.6	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-4.7	-18.3	-22.1	13.9	--	--	--	4.9	
Oak HC-FT Partners V-A	7,302,706	4.6	-5.7	-6.5	--	--	--	--	11.6	Jul-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	8.8	
Over/Under		-4.3	-27.3	-31.8	--	--	--	--	2.8	
Oak HC-FT Partners IV	28,542,872	0.7	2.9	13.9	9.3	--	--	--	4.3	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-8.2	-18.7	-11.4	0.7	--	--	--	-5.4	
Stellex Capital Partners II	23,397,183	9.7	12.8	19.5	2.0	--	--	--	1.8	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		0.8	-8.8	-5.8	-6.6	--	--	--	-7.9	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Thoma Bravo Fund XIV	53,224,418	3.7	7.1	20.1	6.0	--	--	--	4.5	Apr-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.7	
Over/Under		-5.2	-14.5	-5.2	-2.6	--	--	--	-5.2	
GGV Capital VIII Plus	3,100,479	1.1	0.3	0.3	1.5	--	--	--	1.5	Jun-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.3	
Over/Under		-7.8	-21.3	-25.0	-7.1	--	--	--	-7.8	
One Rock Capital III	50,553,454	27.1	26.7	53.9	32.0	--	--	--	29.0	Jun-21
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	8.6	--	--	--	9.3	
Over/Under		18.2	5.1	28.6	23.4	--	--	--	19.7	
Nautic Partners X	17,098,199	6.4	9.6	21.4	--	--	--	--	6.0	Jan-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	7.5	
Over/Under		-2.5	-12.0	-3.9	--	--	--	--	-1.5	
Orchid Asia VIII	10,395,995	-1.3	-5.8	-5.4	--	--	--	--	-24.3	Feb-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	5.6	
Over/Under		-10.2	-27.4	-30.7	--	--	--	--	-29.9	
One Equity Partners VIII	33,672,507	11.5	11.5	56.4	--	--	--	--	9.1	Mar-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	7.0	
Over/Under		2.6	-10.1	31.1	--	--	--	--	2.1	
Base 10 Partners III (TC)	6,653,693	-0.9	-3.1	-7.2	--	--	--	--	-11.7	Apr-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	5.3	
Over/Under		-9.8	-24.7	-32.5	--	--	--	--	-17.0	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Clearlake Capital Partners VII	31,904,324	-1.3	5.8	7.1	--	--	--	--	0.8	Apr-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	5.3	
Over/Under		-10.2	-15.8	-18.2	--	--	--	--	-4.5	
Thoma Bravo Fund XV	20,854,694	5.0	12.3	21.2	--	--	--	--	6.2	Jun-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	9.5	
Over/Under		-3.9	-9.3	-4.1	--	--	--	--	-3.3	
Inflexion Buyout Fund VI	9,001,171									
Bregal Sagemount IV	5,548,778									
Harvest Partners IX	15,510,090									
HG Capital Genesis 10	2,580,250									
Advent Int'l GPE X	11,146,570									
Rubicon Tech Partners IV Fund	10,830,357									
Great Hill Equity Partners VIII	5,759,891									
Thoma Bravo Discover Fund IV-A	16,537,325	11.5	12.3	13.8	--	--	--	--	0.0	Dec-22
<i>MSCI ACWI IMI +2% 1 Qtr Lag</i>		8.9	21.6	25.3	--	--	--	--	20.6	
Over/Under		2.6	-9.3	-11.5	--	--	--	--	-20.6	
Base 10 Adv Initiative II	4,772,129									
Cortec Group Fund VIII	2,657,042									
OceanSound Partners Fund II	11,219,647									
Greenbriar Equity Fund VI	6,342,628									



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Nordic Capital Fund XI	15,574,422									
PAI Partners VII	7,260,670									
Co-Investment Fund II	30,231,459									
OceanSound SMX Continuation Fund	1									
GGV Capital IX	320,000									



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Inflation Sensitive</b>	<b>1,110,832,209</b>	<b>0.8</b>	<b>0.8</b>	<b>2.7</b>	<b>-1.3</b>	<b>1.9</b>	<b>2.4</b>	<b>1.7</b>	<b>2.0</b>	<b>Jul-13</b>
<i>SURS Inflation Sensitive Blend</i>		<i>0.8</i>	<i>0.7</i>	<i>2.7</i>	<i>-1.3</i>	<i>1.8</i>	<i>2.0</i>	<i>1.4</i>	<i>1.6</i>	
Over/Under		0.0	0.1	0.0	0.0	0.1	0.4	0.3	0.4	
<b>TIPS</b>	<b>1,110,832,209</b>	<b>0.8</b>	<b>0.8</b>	<b>2.7</b>	<b>-1.3</b>	<b>2.0</b>	<b>2.4</b>	<b>1.8</b>	<b>3.7</b>	<b>Jan-04</b>
<i>Blmbg. U.S. TIPS Index</i>		<i>0.8</i>	<i>0.7</i>	<i>2.7</i>	<i>-1.3</i>	<i>2.1</i>	<i>2.5</i>	<i>1.9</i>	<i>3.6</i>	
Over/Under		0.0	0.1	0.0	0.0	-0.1	-0.1	-0.1	0.1	
Rhumblin TIPS	1,110,832,209	0.8	0.8	2.7	-1.3	2.0	2.4	--	2.3	Jun-17
<i>Blmbg. U.S. TIPS Index</i>		<i>0.8</i>	<i>0.7</i>	<i>2.7</i>	<i>-1.3</i>	<i>2.1</i>	<i>2.5</i>	<i>--</i>	<i>2.3</i>	
Over/Under		0.0	0.1	0.0	0.0	-0.1	-0.1	--	0.0	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Principal Protection</b>	<b>2,269,370,891</b>	<b>0.4</b>	<b>-0.2</b>	<b>2.9</b>	<b>-1.7</b>	<b>0.2</b>	<b>1.2</b>	<b>1.5</b>	<b>1.8</b>	<b>Jul-13</b>
<i>BC US Int Ag x Credit Blend</i>		0.4	-0.2	2.9	-2.1	0.1	1.1	1.5	1.7	
Over/Under		0.0	0.0	0.0	0.4	0.1	0.1	0.0	0.1	
Garcia Hamilton	560,757,841	0.2	-1.1	1.7	-1.3	--	--	--	-0.2	Oct-19
<i>BC US Int Ag x Credit Blend</i>		0.4	-0.2	2.9	-2.1	--	--	--	-0.4	
Over/Under		-0.2	-0.9	-1.2	0.8	--	--	--	0.2	
Pugh Capital	570,173,832	0.5	0.1	3.4	-1.9	--	--	--	-0.4	Oct-19
<i>BC US Int Ag x Credit Blend</i>		0.4	-0.2	2.9	-2.1	--	--	--	-0.4	
Over/Under		0.1	0.3	0.5	0.2	--	--	--	0.0	
LM Capital	570,151,444	0.5	0.2	3.3	-1.6	--	--	--	-0.2	Oct-19
<i>BC US Int Ag x Credit Blend</i>		0.4	-0.2	2.9	-2.1	--	--	--	-0.4	
Over/Under		0.1	0.4	0.4	0.5	--	--	--	0.2	
Ramirez	568,287,774	0.3	0.0	3.1	-1.9	--	--	--	-0.3	Oct-19
<i>BC US Int Ag x Credit Blend</i>		0.4	-0.2	2.9	-2.1	--	--	--	-0.4	
Over/Under		-0.1	0.2	0.2	0.2	--	--	--	0.1	





## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Crisis Risk Offset</b>	<b>3,869,641,780</b>	<b>-1.6</b>	<b>6.5</b>	<b>2.3</b>	<b>4.3</b>	--	--	--	<b>3.5</b>	<b>Dec-19</b>
<i>SURS CRO Blend</i>		0.2	0.6	-3.2	2.1	--	--	--	3.4	
Over/Under		-1.8	5.9	5.5	2.2	--	--	--	0.1	
<b>Long Duration</b>	<b>408,071,875</b>	<b>-1.8</b>	<b>-5.0</b>	<b>-5.5</b>	<b>-10.4</b>	--	--	--	<b>-5.6</b>	<b>Jan-20</b>
<i>BBgBarc US Govt Long TR</i>		-1.8	-5.0	-5.6	-10.4	--	--	--	-5.4	
Over/Under		0.0	0.0	0.1	0.0	--	--	--	-0.2	
Rhumblin Long Duration	408,071,875	-1.8	-5.0	-5.5	-10.4	--	--	--	-5.6	Jan-20
<i>BBgBarc US Govt Long TR</i>		-1.8	-5.0	-5.6	-10.4	--	--	--	-5.4	
Over/Under		0.0	0.0	0.1	0.0	--	--	--	-0.2	
<b>Systematic Trend Following</b>	<b>2,228,250,610</b>	<b>-1.9</b>	<b>11.5</b>	<b>2.5</b>	<b>9.6</b>	--	--	--	<b>8.3</b>	<b>Dec-19</b>
<i>CS Mgd Futures 15% Vol</i>		-0.6	0.5	-7.0	4.8	--	--	--	6.8	
Over/Under		-1.3	11.0	9.5	4.8	--	--	--	1.5	
Credit Suisse Asset Mgmt	529,192,878	-0.1	1.5	-5.0	6.9	--	--	--	9.3	Jan-20
<i>CS Mgd Futures 15% Vol</i>		-0.6	0.5	-7.0	4.8	--	--	--	7.1	
Over/Under		0.5	1.0	2.0	2.1	--	--	--	2.2	
Campbell & Company	587,842,905	-1.2	20.5	8.5	15.4	--	--	--	11.0	Dec-19
<i>CS Mgd Futures 15% Vol</i>		-0.6	0.5	-7.0	4.8	--	--	--	6.8	
Over/Under		-0.6	20.0	15.5	10.6	--	--	--	4.2	
Aspect Capital	630,011,231	-1.9	13.6	7.8	16.1	--	--	--	11.4	Dec-19
<i>CS Mgd Futures 15% Vol</i>		-0.6	0.5	-7.0	4.8	--	--	--	6.8	
Over/Under		-1.3	13.1	14.8	11.3	--	--	--	4.6	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Longtail Alpha	481,203,596	-4.4	10.7	-2.0	-0.5	--	--	--	1.4	Jan-20
<i>CS Mgd Futures 15% Vol</i>		-0.6	0.5	-7.0	4.8	--	--	--	7.1	
Over/Under		-3.8	10.2	5.0	-5.3	--	--	--	-5.7	
<b>Alternative Risk Premia</b>	<b>803,350,740</b>	<b>0.3</b>	<b>6.5</b>	<b>15.0</b>	<b>8.9</b>	--	--	--	<b>4.2</b>	<b>Dec-19</b>
<i>90 Day T-Bills +2%</i>		1.9	3.7	7.7	5.4	--	--	--	4.4	
Over/Under		-1.6	2.8	7.3	3.5	--	--	--	-0.2	
PIMCO Commodity Alpha Fund	207,240,098	3.3	5.6	15.6	15.3	12.9	11.4	--	12.1	Jun-16
<i>PIMCO Commodity Alpha Fund Benchmark</i>		1.9	3.7	7.7	5.4	1.7	1.2	--	0.7	
Over/Under		1.4	1.9	7.9	9.9	11.2	10.2	--	11.4	
Versor	272,196,255	-1.2	5.6	12.1	5.2	--	--	--	-2.3	Dec-19
<i>90 Day T-Bills +2%</i>		1.9	3.7	7.7	5.4	--	--	--	4.4	
Over/Under		-3.1	1.9	4.4	-0.2	--	--	--	-6.7	
PIMCO Alternative Risk	323,914,387	-0.3	7.8	17.1	13.8	--	--	--	9.4	May-20
<i>90 Day T-Bills +2%</i>		1.9	3.7	7.7	5.4	--	--	--	4.5	
Over/Under		-2.2	4.1	9.4	8.4	--	--	--	4.9	



## Illinois State Universities Retirement System

### Asset Allocation & Performance (Net of Fees) | As of June 30, 2024

	Market Value (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Long Volatility</b>	<b>358,918,675</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-1.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.6</b>	<b>Jul-22</b>
<i>CBOE EurekaHedge Long Volatility Hedge Fund Index</i>		<i>3.1</i>	<i>1.2</i>	<i>-0.2</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-3.1</i>	
Over/Under		<i>-3.9</i>	<i>-2.3</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.5</i>	
One River	358,918,675	-0.8	-1.1	-1.9	--	--	--	--	-2.6	Jul-22
<i>CBOE EurekaHedge Long Volatility Hedge Fund Index</i>		<i>3.1</i>	<i>1.2</i>	<i>-0.2</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-3.1</i>	
Over/Under		<i>-3.9</i>	<i>-2.3</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.5</i>	
<b>Crisis Risk Offset Overlay</b>	<b>35,949,301</b>									
Parametric CRO	35,949,301									
<b>Tail Risk</b>	<b>35,100,579</b>									
LongTail Tail Risk	35,100,579									



## Illinois State Universities Retirement System

### Overlay Performance Detail<sup>1</sup> | As of June 30, 2024

Asset Class	Overlay Exposure (\$)
Traditional Growth	-192,941,326
Non-Traditional Growth	0
Principal Protection	263,648,863
Stabilized Growth	0
Inflation Sensitive	0
Crisis Risk Offset	0
Net Exposure	70,707,537

Total Overlay Performance	Incremental Gain/Loss (\$)(Gross)	Return as a % of Total Fund (Gross)
Quarter	-14,634,115	-0.06
Since Inception <sup>2</sup>	145,969,508	0.08

Crisis Risk Offset Overlay		
Overlay Exposure (\$)	Since Inception <sup>3</sup> Incremental Gain/Loss (\$)(Gross)	Since Inception Return as a % of Total Fund (Gross)
225,949,301	-4,137,782	-0.02

Index	QTD	YTD	1 Year
S&P 500	4.28%	15.29%	24.56%
MSCI EAFE	-0.17%	5.75%	12.09%
Bloomberg Agg.	0.07%	-0.71%	2.63%
Bloomberg Commodity Index	2.89%	5.14%	5.00%

<sup>1</sup> Data on this page provided by PARAMETRIC

<sup>2</sup> Inception Date: September 2014

<sup>3</sup> Inception Date: May 2024

# Private Markets



## Illinois State Universities Retirement System

### Infrastructure & Real Estate Internal Rates of Return Trailing Periods<sup>1</sup> | As of March 31, 2024

Infrastructure Investments			
Investment Name	3 YR (%)	5 YR (%)	Since Inception (%)
<b>Liquidated</b>			
Macquarie Infrastructure Partners II	-1.01	23.40	8.97
<b>Mature (10+ Years)</b>			
Alinda Infrastructure II, L.P.	-6.94	-5.28	0.07
Macquarie Infrastructure Partners III	29.55	22.96	17.76
<b>Maturing (5-9 Years)</b>			
Macquarie Infrastructure Partners IV	9.60	10.34	9.90

Real Estate Investments				
Investment Name	3 YR (%)	5 YR (%)	10YR (%)	Since Inception (%)
<b>Liquidated</b>				
RREEF America REIT II	--	--	--	2.97
<b>Mature (10+ Years)</b>				
Dune Real Estate Fund II	4.85	-0.51	9.33	14.22
UBS Trumbull Property Fund	-0.07	-1.64	6.22	6.09
RREEF America REIT III	0.00	0.00	20.05	-3.78
Franklin Templeton EMREFF	-55.81	-31.07	11.22	12.11
Franklin Templeton Private Real Estate Fund	-5.66	-19.04	19.14	20.27
MFIRE Global Partnership Fund II, L.P.	-3.12	-2.30	5.19	5.84
Dune Real Estate Fund III	4.97	-2.50	4.83	5.56
<b>Maturing (5-9 Years)</b>				
Heitman America Real Estate Trust, L.P.	4.84	3.19	--	6.00
JP Morgan Strategic Property Fund	-0.59	0.73	--	4.51
Franklin Templeton MDP RE 2015, L.P.	7.70	2.22	--	1.92
Blue Vista Real Estate Partners IV	13.60	10.14	--	9.71
Brookfield Real Estate Partners II	13.18	11.34	--	11.33
Crow Holdings Realty Partners VII	9.44	6.55	--	10.71
Crow Holdings VIII	51.33	23.62	--	22.87
Brookfield Strategic Real Estate Partners III	11.26	--	--	10.65
Carlyle Property Investors	6.14	6.74	--	6.60
BIG Real Estate Fund I	8.67	9.21	--	9.23
Oaktree Real Estate Debt Fund II	-3.24	1.46	--	2.50
Blackstone Property Partners, L.P.	2.75	2.79	--	2.79

<sup>1</sup> Performance data provided by Northern Trust.



## Illinois State Universities Retirement System

### Real Estate Tracking Schedule<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Commitment Amount (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
<b>Liquidated</b>							
RREEF America REIT II	2005	160,106,290	160,106,291	188,512,381	--	1.2	3.0
<b>Mature (10+ Years)</b>							
RREEF America REIT III	2006	30,719,155	30,719,155	21,959,033	262,763	0.7	-3.8
UBS Trumbull Property Fund	2006	220,000,000	247,633,309	364,044,071	84,019,309	1.8	6.1
Dune Real Estate Fund II	2009	40,000,000	46,685,633	74,103,540	5,577,152	1.7	14.2
Franklin Templeton EMREFF	2011	75,000,000	67,423,459	95,431,548	233,573	1.4	12.1
Franklin Templeton Private Real Estate Fund	2012	50,000,000	45,649,286	67,010,341	366,098	1.5	20.3
MFIRE Global Partnership Fund II, L.P.	2012	60,000,000	39,300,000	43,478,439	11,614,075	1.4	5.8
Dune Real Estate Fund III	2013	100,000,000	102,132,261	73,843,121	65,035,739	1.4	5.6
<b>Maturing (5-9 Years)</b>							
Heitman America Real Estate Trust, L.P.	2014	150,000,000	165,468,984	16,274,227	260,412,513	1.7	6.0
JP Morgan Strategic Property Fund	2014	150,000,000	150,000,000	6,761	231,550,553	1.5	4.5
Franklin Templeton MDP RE 2015, L.P.	2015	90,000,000	80,098,352	25,093,386	61,211,381	1.1	1.9
Blue Vista Real Estate Partners IV	2016	35,000,000	35,000,000	41,625,950	9,391,553	1.5	9.7
Brookfield Strategic Real Estate Partners II	2016	35,000,000	26,463,179	28,652,721	20,119,000	1.8	11.3
Crow Holdings Realty Partners VII	2016	35,000,000	35,152,935	46,735,134	767,629	1.4	10.7
Oaktree Real Estate Debt Fund II	2017	30,000,000	23,102,393	13,382,196	11,324,433	1.1	2.5
BIG Real Estate Fund I	2018	30,000,000	25,585,193	14,482,909	20,804,151	1.4	9.2
Carlyle Property Investors, L.P.	2018	200,000,000	222,928,937	21,808,966	251,647,469	1.2	6.6
Crow Holdings VIII	2018	20,000,000	19,390,567	29,211,307	650,191	1.5	22.9
Blackstone Property Partners L.P.	2019	200,000,000	200,084,987	84,987	228,194,683	1.1	2.8
<b>Immature (Less than 5 Years)</b>							
Blackstone Real Estate Partners Europe VI	2019	81,000,002	63,546,096	16,985,065	62,759,701	1.3	12.2
Brookfield Strategic Real Estate Partners III	2019	35,000,000	27,622,986	--	39,748,297	1.4	10.7
Dune Real Estate Fund IV	2019	50,000,000	43,087,118	1,808,708	45,787,694	1.1	4.3
Long Wharf Real Estate VI	2019	40,000,000	40,000,797	21,645,193	27,566,666	1.2	15.1

<sup>1</sup> Performance data provided by Northern Trust.



## Illinois State Universities Retirement System

### Real Estate Tracking Schedule<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Commitment Amount (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
<b>Immature (Less than 5 Years)</b>							
Cabot Industrial Fund VI	2020	50,000,000	40,494,970	--	53,238,920	1.3	13.2
Prologis Targeted US Logistics Holdings, L.P.	2020	100,000,000	100,000,000	11,088	156,739,721	1.6	13.9
Westbrook Realty Management XI	2020	75,000,000	64,218,718	23,195,044	49,554,353	1.1	11.7
Homestead Capital USA Farmland Fund III	2020	60,000,000	58,673,588	1,259,210	64,826,148	1.1	5.8
Big Real Estate Fund II, L.P.	2021	50,000,000	31,148,765	4,909,139	29,823,767	1.1	7.7
Brasa Real Estate Fund II, L.P.	2021	40,000,000	23,385,755	685,182	23,217,069	1.0	1.3
Crow Holdings Realty Partners IX, L.P.	2021	50,000,000	46,330,009	13,839,133	38,191,302	1.1	7.0
Longpoint Realty Fund II, L.P.	2021	50,000,000	45,000,000	821,509	47,264,563	1.1	4.1
Newport Capital Partners Fund III, L.P.	2021	9,422,222	12,578,737	7,636,353	5,999,303	1.1	11.7
Torchlight Debt Fund VII, L.P.	2021	50,000,000	27,500,000	157,250	29,220,217	1.1	3.3
Blackstone Real Estate Partners Asia III	2022	50,000,000	9,973,958	--	7,708,962	0.8	-20.0
Brookfield Strategic Real Estate Partners IV	2022	75,000,000	46,873,567	--	49,227,083	1.1	4.6
CF Clarion Lion Properties Fund	2022	225,000,000	228,144,478	8,886,433	176,810,479	0.8	-14.3
GI Partners ETS Fund, L.P.	2022	75,000,000	63,192,684	--	63,430,848	1.0	0.3
Long Wharf Real Estate Partners VII, L.P.	2023	31,472,222	6,149,732	25,014	5,334,644	0.9	-24.2
Torchlight Debt Fund VIII, L.P.	2023	50,000,000	10,000,000	--	9,813,970	1.0	-2.9
Homestead Capital USA Farmland Fund IV	2024	40,000,000	4,934,693	--	4,390,407	0.9	-17.0
Cabot Industrial Value Fund VII, L.P.	2024	50,000,000	10,161,500	--	8,212,109	0.8	-26.7
Longpoint Fund III, L.P.	2024	60,000,000	6,000,000	--	4,047,742	0.7	-21.2
Crow Holdings Realty Partners X, L.P.	2024	50,000,000	10,750,054	--	7,734,662	0.7	-28.1

<sup>1</sup> Performance data provided by Northern Trust.





## Illinois State Universities Retirement System

### Infrastructure Tracking Schedule<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Commitment Amount (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
<b>Liquidated</b>							
Macquarie Infrastructure Partners II	2010	40,000,000	48,263,681	77,498,177	--	1.6	9.0
<b>Mature (10+ Years)</b>							
Alinda Infrastructure II, L.P.	2009	40,000,000	43,098,403	42,971,523	307,126	1.0	0.1
Macquarie Infrastructure Partners III	2014	50,000,000	47,556,271	68,614,341	46,644,729	2.4	17.8
<b>Maturing (5-9 Years)</b>							
Macquarie Infrastructure Partners IV	2018	50,000,000	46,062,878	6,986,729	62,785,370	1.5	9.9
<b>Immature (Less than 5 Years)</b>							
Global Renewable Power III	2021	100,000,000	69,006,737	203,279	80,527,866	1.2	10.3
Ember Infrastructure	2021	34,107,954	24,908,172	165,110	27,819,377	1.1	9.7
PGIF IV Feeder, L.P.	2022	100,000,000	54,624,500	7,049,124	54,788,017	1.1	16.0
IFM Global Infrastructure, L.P.	2023	100,000,000	100,000,000	--	107,893,981	1.1	6.3

<sup>1</sup> Information provided by Northern Trust.



## Illinois State Universities Retirement System

### Private Equity Tracking Schedule – Grouped by Manager<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Capital Commitment (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
<b>Liquidated</b>							
Adams Street Venture Partnership Acq. Fund II LP	1990	10,000,000	10,000,000	20,658,228	-	2.1	28.1
Muller & Monroe - ILPEFF	2005	25,000,000	21,006,042	18,387,253	-	0.9	-2.5
Private Opportunity Fund	2004	25,000,000	25,000,000	25,050,000	-	1.0	0.0
<b>Mature (10+ Years)</b>							
Adams Street 2007 Global Opportunities Portfolio	2007	100,000,000	91,713,646	148,413,988	1,591,667	1.6	8.0
Adams Street 2008 Global Offering	2008	100,000,000	92,903,014	177,597,221	31,018,633	2.3	14.1
Adams Street 2009 Global Offering	2009	100,000,000	91,572,000	157,519,934	45,239,914	2.2	13.7
Adams Street 2012 Global Fund LP	2012	80,000,000	74,313,968	93,940,353	59,793,496	2.1	13.1
Adams Street Global Opportunities Secondary Fund	2009	25,000,000	22,125,000	36,920,455	261,777	1.7	11.6
Adams Street Global Secondary Fund 5 LP	2012	20,000,000	15,422,938	16,189,251	5,106,575	1.4	6.5
Adams Street Separate Account	1990	901,378,251	885,283,081	1,688,550,672	1,833,323	1.9	28.2
Brinson Non-US Partnership Fund - 1998	1998	79,405,010	76,288,292	130,268,880	2,102,664	1.7	11.5
Muller & Monroe - MPEFF	2003	25,000,000	24,199,726	36,082,976	1	1.5	8.3
Pantheon Europe Fund III LP	2004	87,608,642	83,724,747	151,127,511	2,011,812	1.8	14.6
Pantheon Europe Fund VI LP	2008	39,185,632	37,383,764	60,197,271	6,907,761	1.8	10.1
Pantheon Europe Fund VII LP	2011	36,770,768	33,972,633	48,077,145	17,573,597	1.9	12.5
Pantheon Global Secondary Fund II Ltd	2004	25,000,000	23,750,000	27,354,925	357,592	1.2	3.5
Pantheon USA Fund IX LP	2013	85,444,334	80,037,307	137,632,002	55,608,224	2.4	16.5
Pantheon Separate Account (SURS) LP	2002	599,121,922	570,849,203	957,707,237	4,560,657	1.7	10.2
Pantheon USA Fund VIII LP	2007	103,188,193	96,347,538	182,212,362	28,931,051	2.2	12.8
Progress Venture Capital	1995	19,899,949	19,900,608	17,344,285	275,413	0.9	-2.3

<sup>1</sup> Information provided by Northern Trust. Nominal IRR reported for funds with less than 1 year of data.



## Illinois State Universities Retirement System

### Private Equity Tracking Schedule – Grouped by Manager<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Capital		Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
		Commitment (\$)	Draw Down (\$)				
<b>Maturing (5-9 Years)</b>							
Adams Street 2013 Global Fund LP	2013	100,000,000	92,684,026	100,899,216	93,335,264	2.1	13.2
Adams Street 2014 Global Fund LP	2014	100,000,000	92,413,112	95,340,275	107,095,350	2.2	14.9
Adams Street 2015 Global Fund LP	2015	125,000,000	111,184,676	99,455,039	151,080,261	2.3	20.5
Adams Street 2016 Global Fund LP	2016	150,000,000	133,225,453	75,125,248	176,424,934	1.9	17.4
Adams Street 2017 Global Fund LP	2017	90,000,000	76,801,430	32,145,213	112,008,943	1.9	17.9
Adams Street 2018 Global Fund LP	2018	90,000,000	73,112,737	14,716,557	106,268,939	1.7	18.7
Fairview Capital Lincoln Fund I LP	2014	275,000,000	110,770,288	41,139,938	133,318,330	1.6	11.5
Mesirow Financial Private Equity Fund VII-B LP	2017	40,000,000	39,748,837	45,045,708	72,841,644	3.0	33.4
Mesirow Financial Private Equity Special Fund B, LP	2018	280,000,000	220,960,000	12,600,000	313,439,574	1.5	13.6
Muller & Monroe - EPEFF	2016	100,000,000	99,943,234	71,285,812	124,034,245	2.0	19.5
Pantheon Multi-Strat 2014 LP	2014	125,000,000	110,139,358	67,312,500	135,159,709	1.8	14.4
Pantheon Multi-Strat 2017 LP	2017	90,000,000	71,983,643	17,827,267	98,435,796	1.6	16.8
Pantheon Multi-Strat 2018 LP	2018	180,000,000	140,584,011	5,040,000	182,528,176	1.3	11.9
<b>Immature (Less than 5 Years)</b>							
Advent International GPE X Limited Partners	2023	25,000,000	10,378,024	--	11,146,570	1.1	10.7
Altaris Health Partners V	2021	25,000,000	15,240,050	--	19,930,540	1.3	14.7
Avance Investment Partners, LP	2022	25,000,000	11,761,693	267,142	13,335,696	1.2	8.6
Base10 Advancement Initiative I	2021	25,000,000	23,768,320	255,699	19,925,206	0.9	-6.8
Base10 Advancement Initiative II	2023	25,000,000	5,551,252	--	4,772,129	0.9	-17.6
Base10 Partners III	2022	20,000,000	7,064,781	--	6,148,833	0.9	-10.7
Bregal Sagemount III-B, LP	2020	50,000,000	42,919,650	5,553,529	47,135,796	1.2	10.5
Bregal Sagemount IV-B, LP	2022	25,000,000	3,660,366	--	3,067,615	0.8	-16.8
Clearlake Capital Partners VI	2020	30,000,000	28,512,677	1,973,076	47,745,581	1.7	21.8
Clearlake Capital Partners VII LP	2022	50,000,000	28,845,770	55,317	31,904,324	1.1	7.0
Cortec Group Fund VII LP	2019	35,000,000	30,705,154	18,490,495	31,869,053	1.6	22.7
Cortec Group Fund VIII LP	2023	35,000,000	3,657,503	--	2,657,042	0.7	-23.5

<sup>1</sup> Information provided by Northern Trust. Nominal IRR reported for funds with less than 1 year of data.



## Illinois State Universities Retirement System

### Private Equity Tracking Schedule – Grouped by Manager<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Capital Commitment (\$)	Draw Down (\$)	Distributed (\$)	Market Value (\$)	TVPI Multiple	IRR (%)
<b>Immature (Less than 5 Years)</b>							
GGV Capital VIII	2022	21,600,000	13,716,000	--	14,198,510	1.0	1.6
GGV Capital VIII Plus	2022	5,400,000	2,511,000	--	2,614,479	1.0	1.8
GGV Discovery III	2021	9,000,000	5,220,532	--	7,471,909	1.4	18.6
Great Hill Equity Partners VIII	2023	25,000,000	5,573,656	--	4,318,531	0.8	-22.8
Greenbriar Equity Fund VI	2023	22,500,000	5,692,080	--	5,332,777	0.9	-9.3
Harvest Partners IX, LP	2022	50,000,000	16,364,308	--	15,645,612	1.0	-4.3
Harvest Partners VIII, LP	2019	70,000,000	65,889,844	19,381,863	81,842,308	1.5	15.8
Hg Genesis 9A	2021	15,172,501	10,595,415	--	14,315,588	1.4	16.0
Hg Saturn 2A	2020	37,500,000	28,353,682	2,479,330	39,819,905	1.5	21.6
Inflexion Buyout Fund VI	2022	21,860,100	6,044,742	--	5,711,123	0.9	-6.4
MBK Partners Fund V	2021	50,000,000	31,502,634	--	39,504,551	1.3	14.9
Nautic Partners X, LP	2022	25,000,000	12,272,230	--	15,181,426	1.2	18.1
Nordic Capital XI Beta	2023	52,219,449	9,996,322	--	8,629,155	0.9	-25.8
Hg Saturn 3 A LP	2023	35,000,000	11,420,408	--	12,061,935	1.1	9.3
Hg Genesis 10 A LP	2023	12,066,600	2,415,420	--	2,565,242	1.1	9.3
Oak Hc/FT Partners IV	2021	25,000,000	22,751,731	--	28,542,872	1.3	11.1
Oak Hc/FT Partners V	2022	40,000,000	7,138,580	--	7,302,706	1.0	2.5
OceanSound Partners	2020	25,000,000	21,039,647	5,291,514	35,604,669	1.9	25.2
OceanSound Partners II	2023	25,000,000	15,579,797	--	15,183,349	1.0	-4.3
One Equity Partners VIII, LP	2022	25,000,000	22,832,881	117,994	32,844,103	1.4	28.7
One Rock Capital Partners III, LP	2021	35,000,000	26,093,776	596,297	50,442,385	2.0	39.3
Orchid Asia VIII, LP	2022	30,000,000	10,703,812	196,794	8,431,257	0.8	-19.2

<sup>1</sup> Information provided by Northern Trust. Nominal IRR reported for funds with less than 1 year of data.



## Illinois State Universities Retirement System

### Private Equity Tracking Schedule – Grouped by Manager<sup>1</sup> | As of March 31, 2024

Investment Name	Vintage Year	Capital			Market Value (\$)	TVPI Multiple	IRR (%)
		Commitment (\$)	Draw Down (\$)	Distributed (\$)			
<b>Immature (Less than 5 Years)</b>							
Pai Partners VIII	2024	49,624,140	3,746,961	--	2,706,267	0.7	-57.7
Reverence Capital Partners Opportunities Fund III	2020	50,000,000	41,318,037	12,118,602	70,009,232	2.0	25.1
Rubicon Technology Partners III LP	2020	32,500,000	29,842,447	--	34,126,503	1.1	5.3
Rubicon Technology Partners IV LP	2022	32,500,000	11,653,918	--	10,830,357	0.9	-12.2
Stellex Capital Partners II	2021	25,000,000	17,258,383	881,664	20,715,990	1.3	13.5
Thoma Bravo Discover Fund IV LP	2023	25,000,000	14,295,042	--	16,537,325	1.2	18.6
Thoma Bravo Fund XIV LP	2021	50,000,000	44,110,441	--	53,224,418	1.2	7.0
Thoma Bravo Fund XV LP	2022	25,000,000	17,824,097	--	20,854,694	1.2	12.1
Torreycove Co-Investment Fund I LP	2020	200,000,000	182,015,088	8,551,428	231,128,330	1.3	14.6
<b>Total</b>		<b>6,167,884,913</b>	<b>4,684,952,562</b>	<b>4,892,853,051</b>	<b>3,216,756,160</b>	<b>1.7</b>	<b>19.8</b>

<sup>1</sup> Information provided by Northern Trust. Nominal IRR reported for funds with less than 1 year of data.

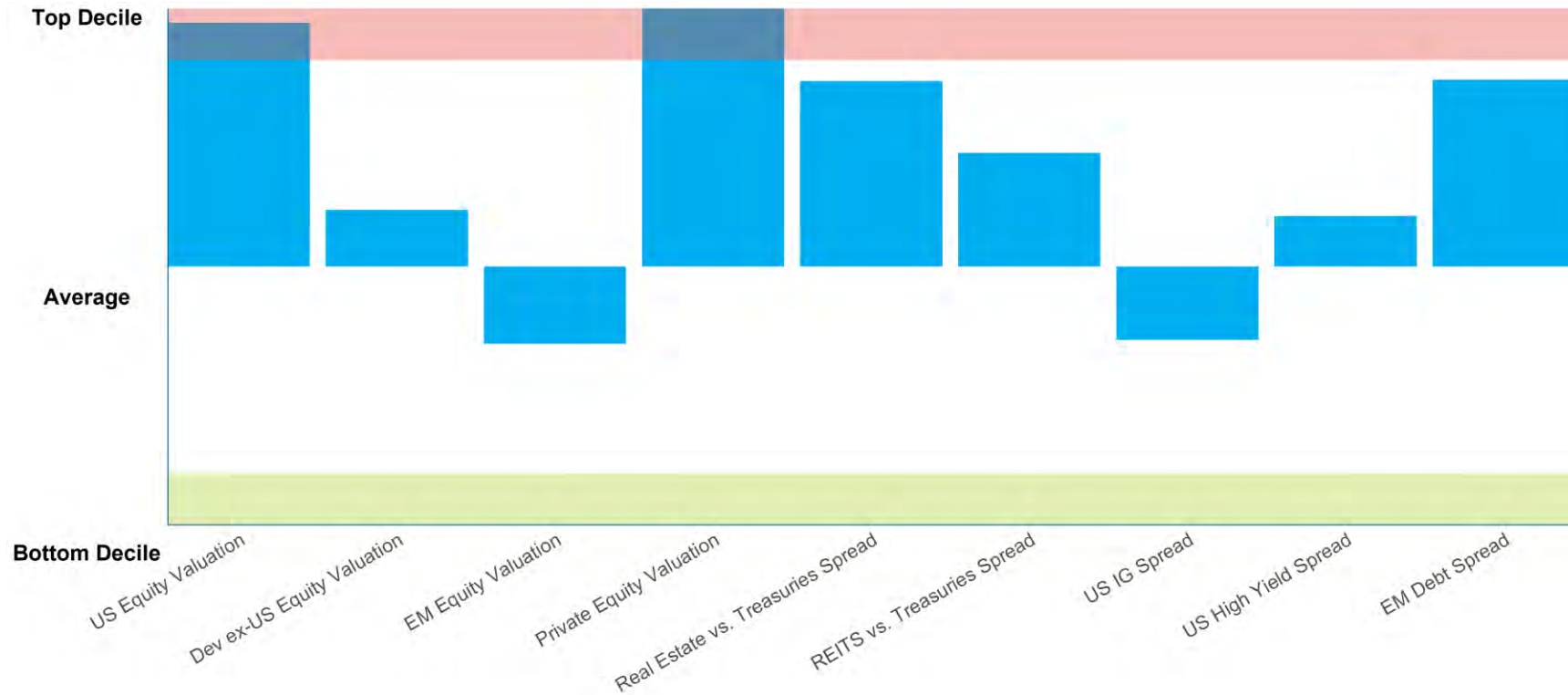
# **Capital Markets Outlook & Risk Metrics**

## **As of June 30, 2024**

### Capital Markets Outlook

- In June, the Fed held policy rates steady at 5.25%. Inflation continued to moderate, albeit at a slow pace, and the US economy showed some signs of slowing.
- Global growth and inflation dynamics continued to diverge, as has central bank policy. In China, the PBoC continued to ease to support the economy and the troubled real estate market. The European Central Bank cut its policy rate but warned of possible inflation pressures ahead. The Bank of Japan reduced the amount of its asset purchases but has stepped in to support a weakening yen.
- US large cap and growth stocks outperformed small cap and value stocks, as the Russell 3000 gained 3.1%. Large cap growth stocks were the best performing stocks for the first half of 2024, powered by a select number of technology-related companies, especially Nvidia.
- Outside the US, emerging market equities outperformed developed market equities despite the underperformance of China's stocks in June. The strengthening dollar continued to negatively impact the returns of US-based investors.
- After several strong months, Chinese equities reversed course in June. There is a substantial year-to-date gap between onshore and offshore Chinese stocks, with Hong Kong listed stocks up over 17% while on-shore markets are down 3.3% for the first half of the year.
- Bonds generally produced modest gains in June as cooling inflation and the potential for future rate cuts supported performance.
- Public real estate enjoyed positive returns, while commodities, infrastructure, and natural resource stocks sold off on the prospect of slowing growth, particularly in China.

### Risk Overview/Dashboard (1) (As of June 30, 2024)<sup>1</sup>

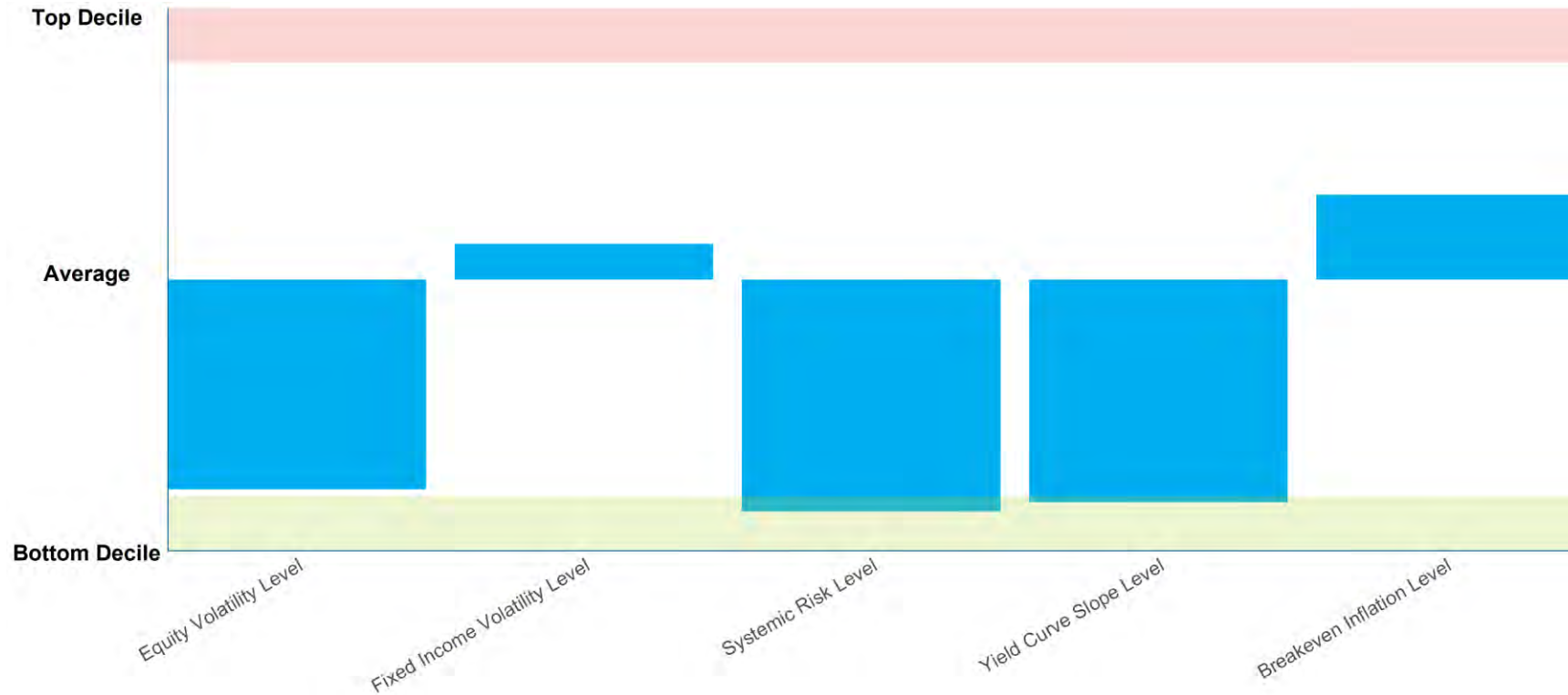


→ Dashboard (1) summarizes the current state of the different valuation metrics per asset class relative to their own history.

<sup>1</sup> With the exception of Private Equity Valuation, that is YTD as of December 30, 2023.

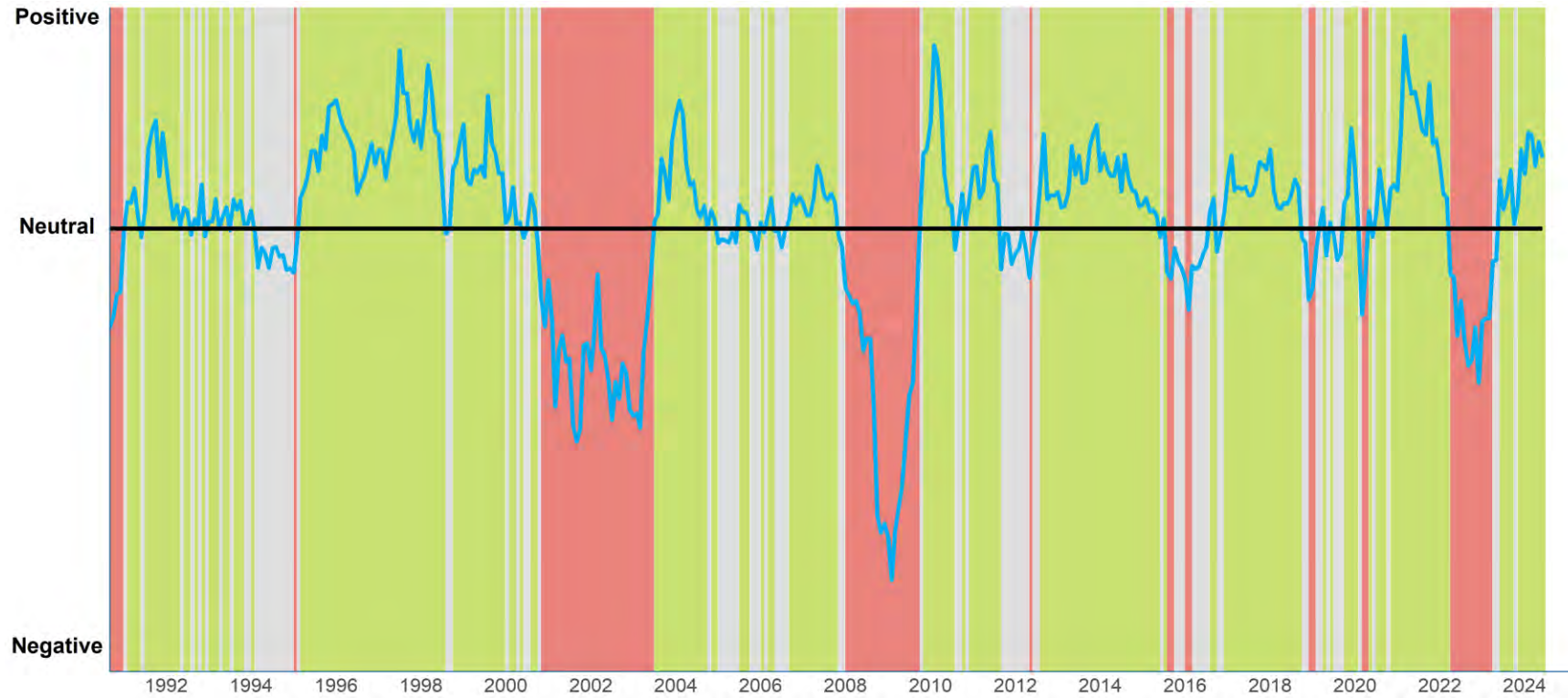


### Risk Overview/Dashboard (2) (As of June 30, 2024)

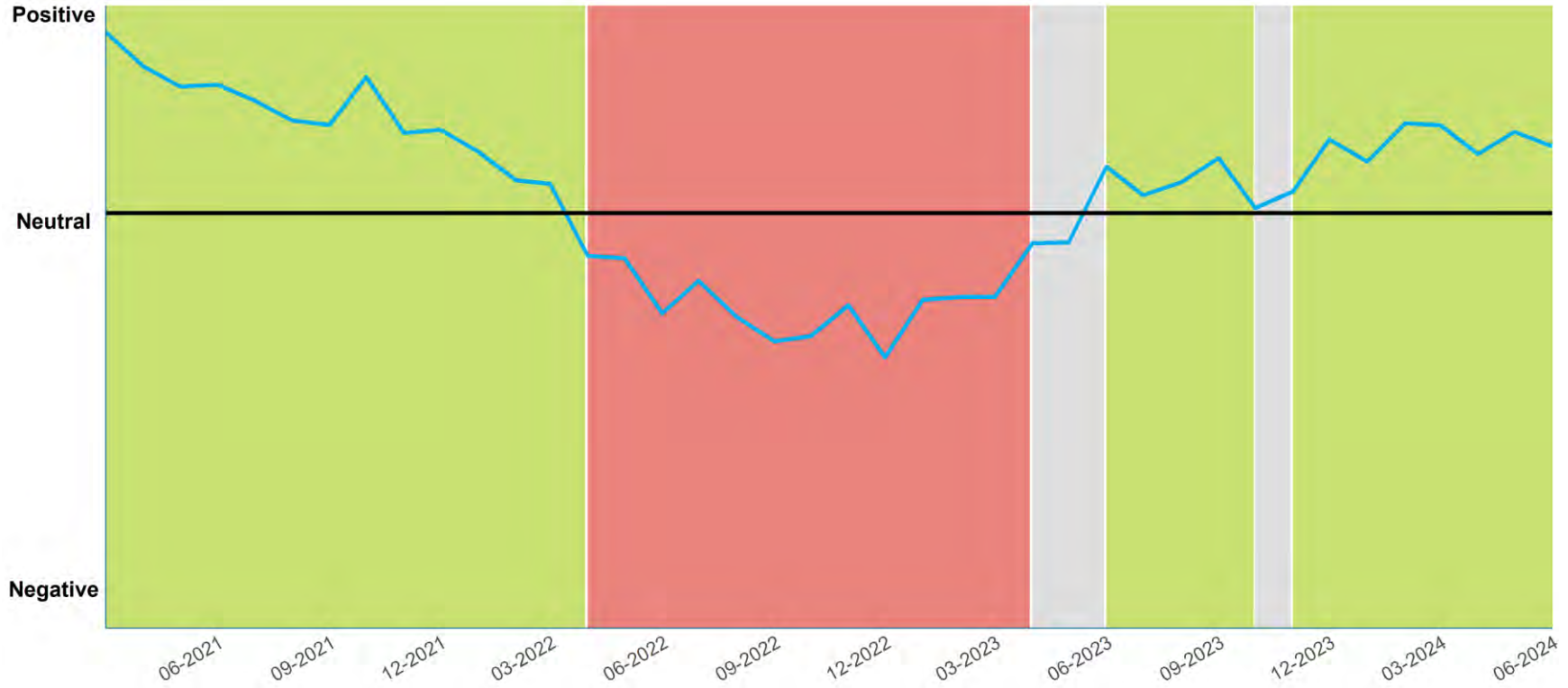


→ Dashboard (2) shows how the current level of each indicator compares to its respective history.

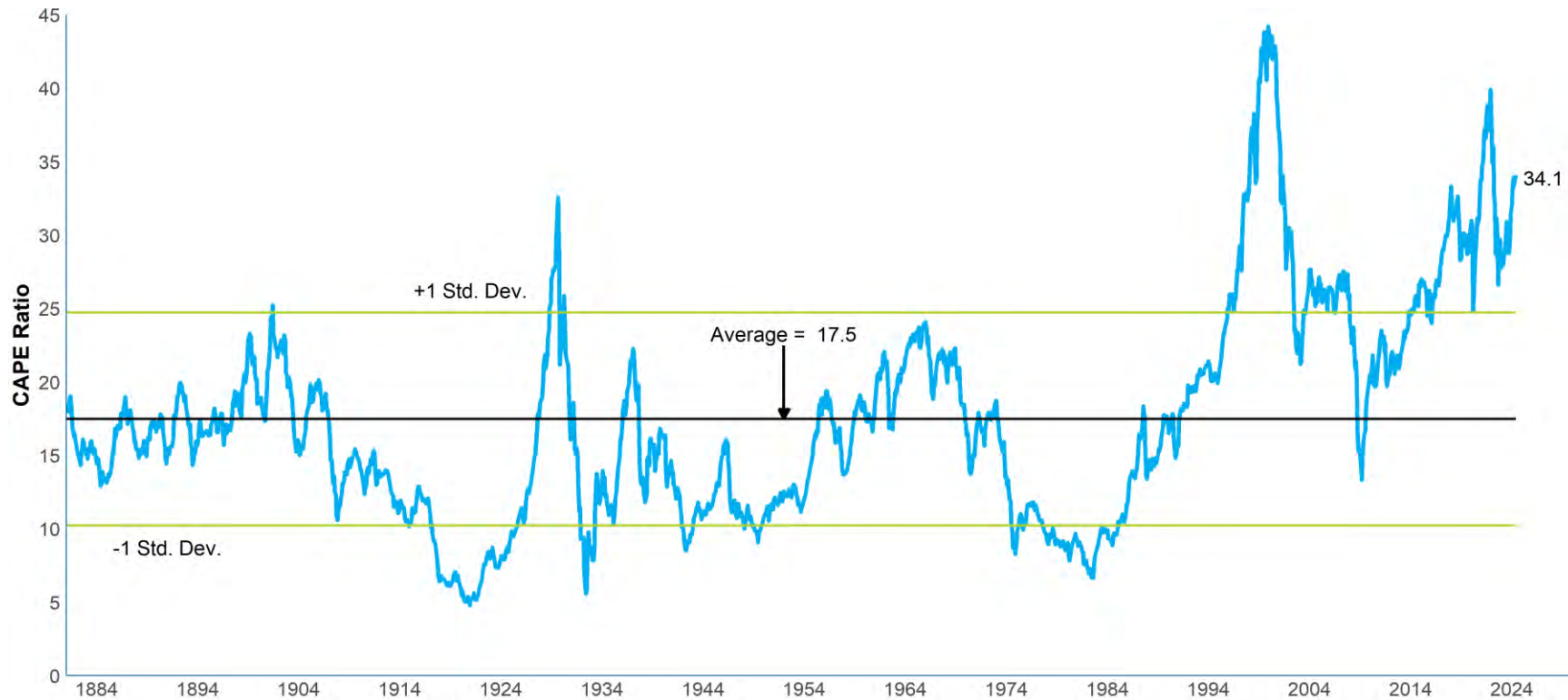
### Market Sentiment Indicator (All History) (As of June 30, 2024)



Market Sentiment Indicator (Last Three Years)  
(As of June 30, 2024)



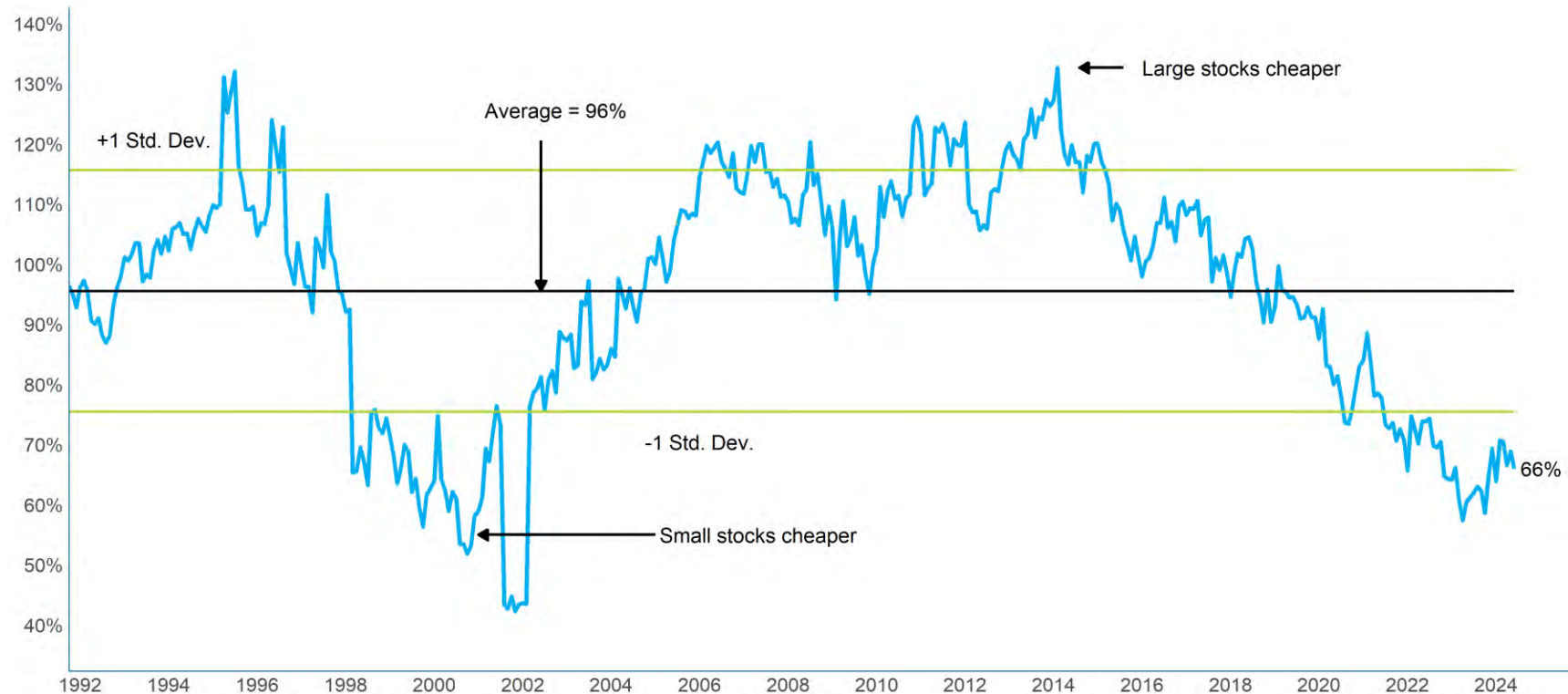
### US Equity Cyclically Adjusted P/E<sup>1</sup> (As of June 30, 2024)



→ This chart details one valuation metric for US equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group.

### Small Cap P/E vs. Large Cap P/E<sup>1</sup> (As of June 30, 2024)



→ This chart compares the relative attractiveness of small cap US equities vs. large cap US equities on a valuation basis. A higher (lower) figure indicates that large cap (small cap) is more attractive.

<sup>1</sup> Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments and Bloomberg. Prior months unavailable on Bloomberg are backfilled with last reported earnings. Earnings figures represent 12-month "as reported" earnings.

### Growth P/E vs. Value P/E<sup>1</sup> (As of June 30, 2024)



→ This chart compares the relative attractiveness of US growth equities vs. US value equities on a valuation basis. A higher (lower) figure indicates that value (growth) is more attractive.

<sup>1</sup> Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.



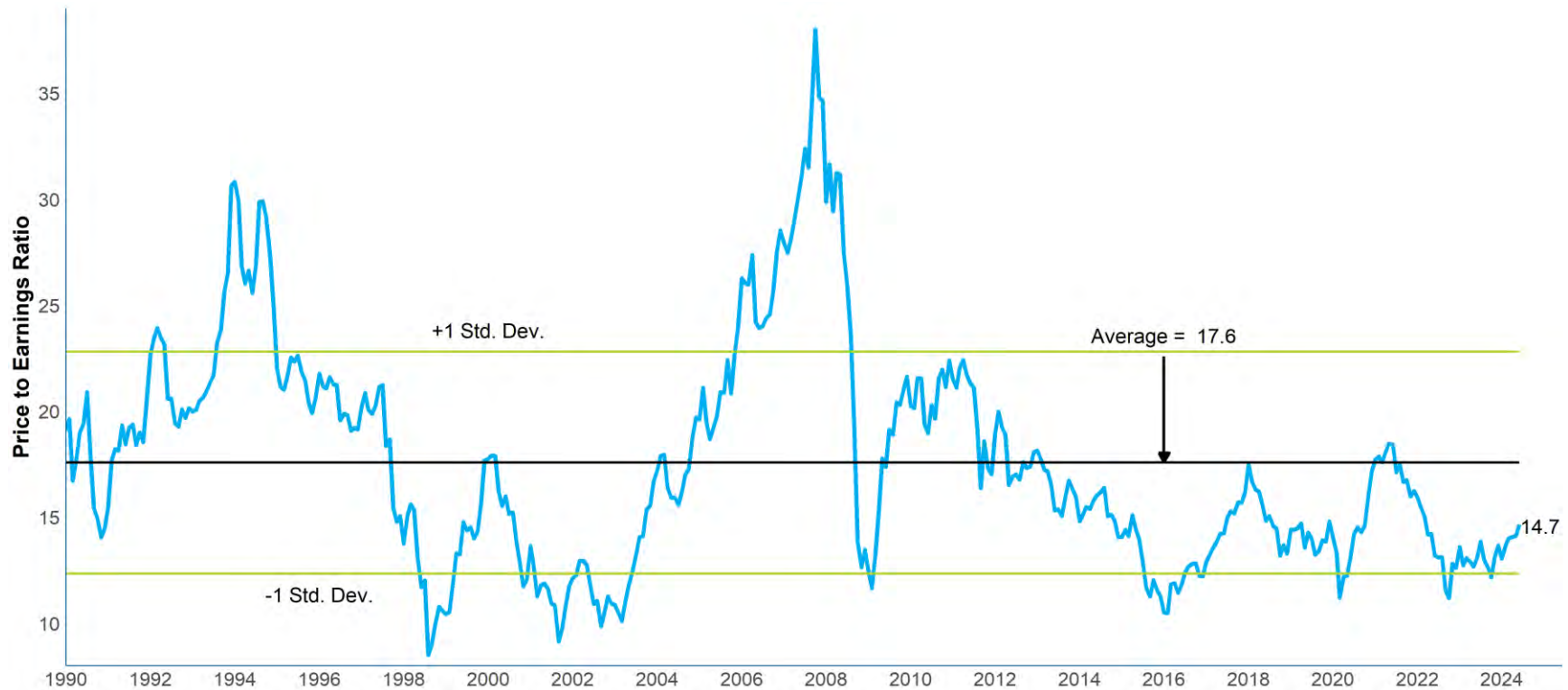
### Developed International Equity Cyclically Adjusted P/E<sup>1</sup> (As of June 30, 2024)



→ This chart details one valuation metric for developed international equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Developed International Equity (MSCI EAFE Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.

### Emerging Market Equity Cyclically Adjusted P/E<sup>1</sup> (As of June 30, 2024)

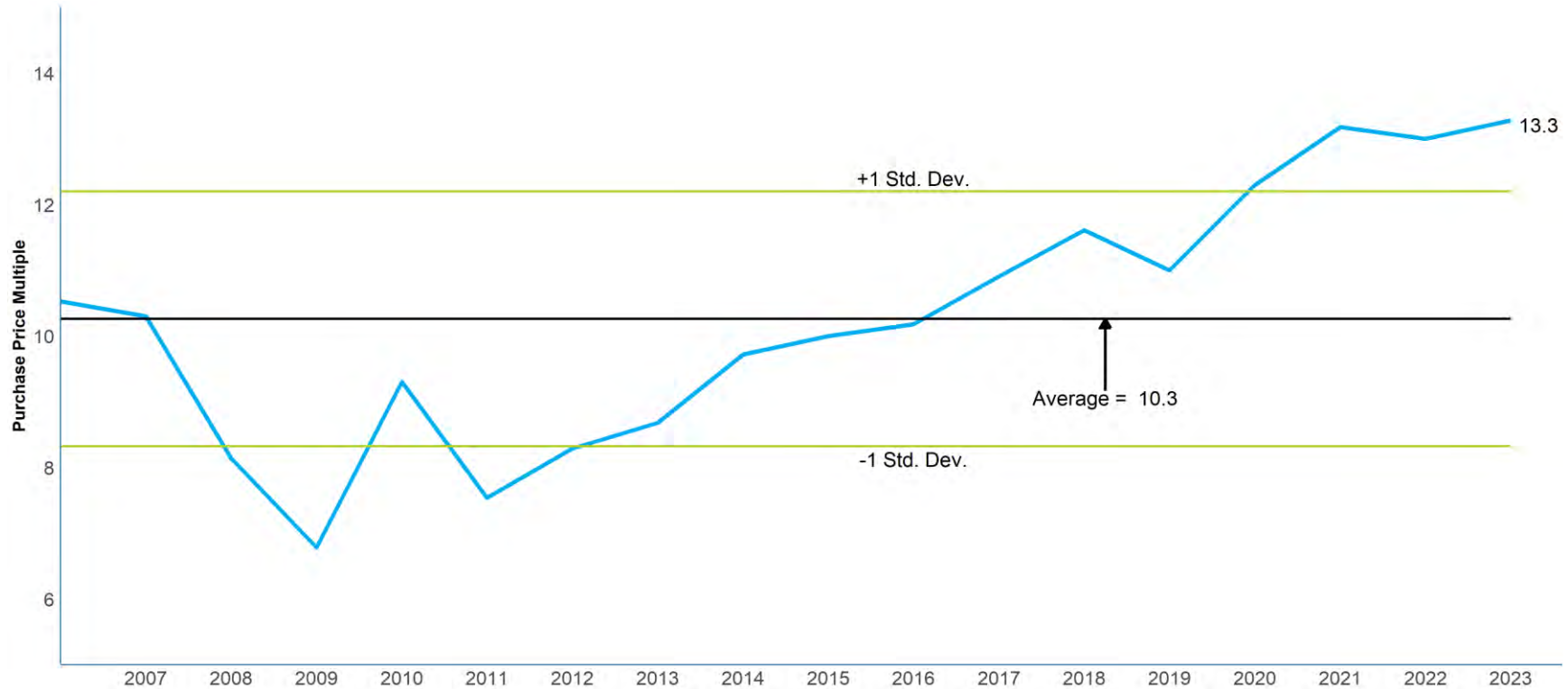


→ This chart details one valuation metric for emerging markets equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.



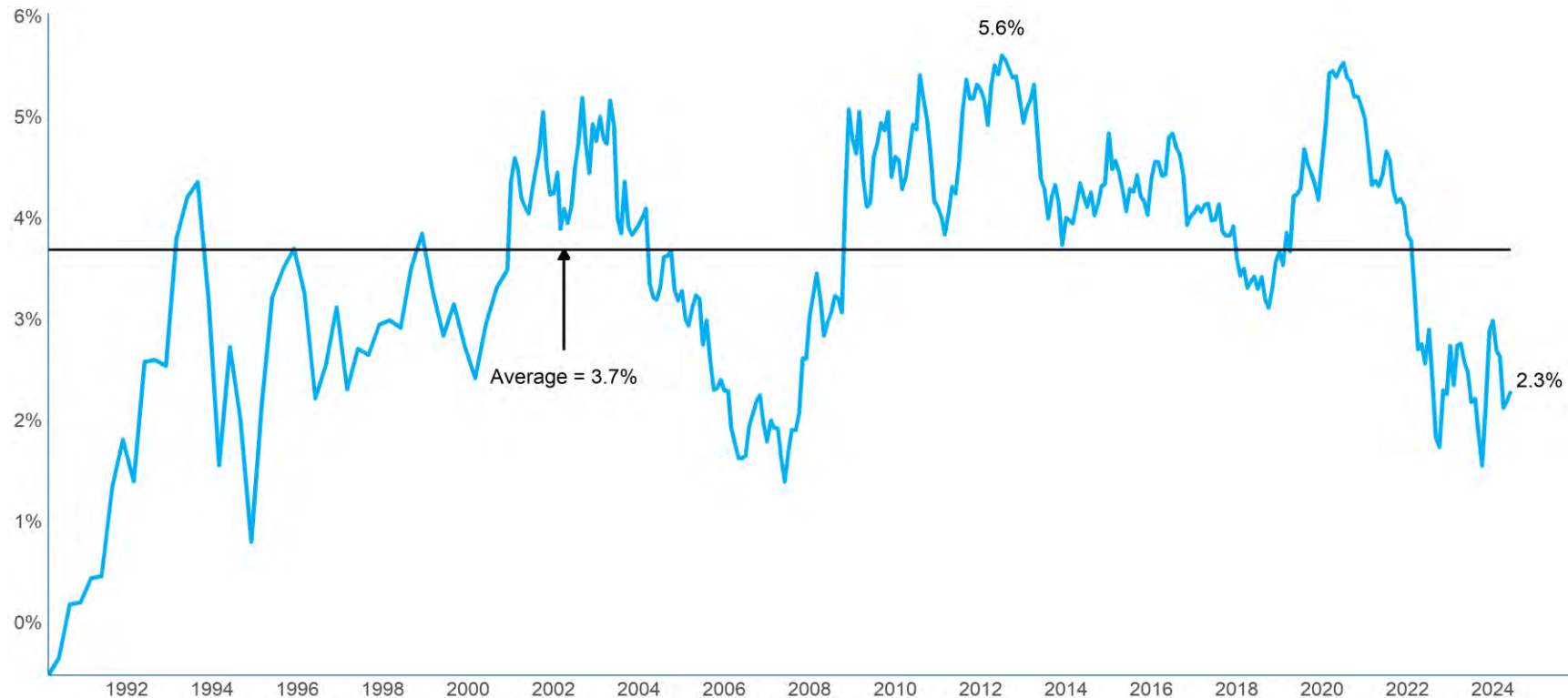
### Private Equity Multiples<sup>1</sup> (As of December 31, 2023)



→ This chart details one valuation metric for the private equity market. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Private Equity Multiples – Source: Preqin Median EBITDA Multiples Paid in All LBOs. Accessed July 1, 2023.

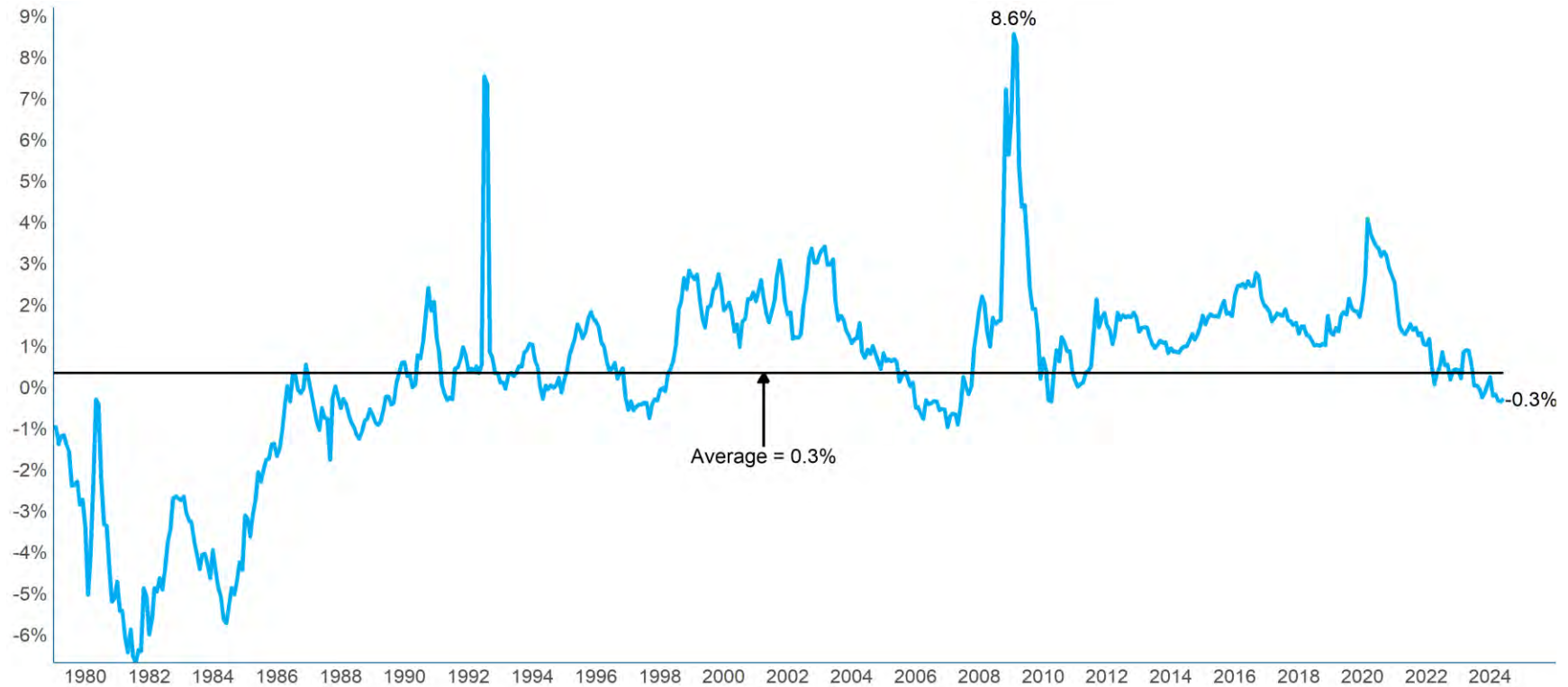
Core Real Estate Spread vs. Ten-Year Treasury<sup>1</sup>  
(As of June 30, 2024)



→ This chart details one valuation metric for the private core real estate market. A higher (lower) figure indicates cheaper (more expensive) valuation.

<sup>1</sup> Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, FRED, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction-based indices from Real Capital Analytics and Meketa Investment Group.

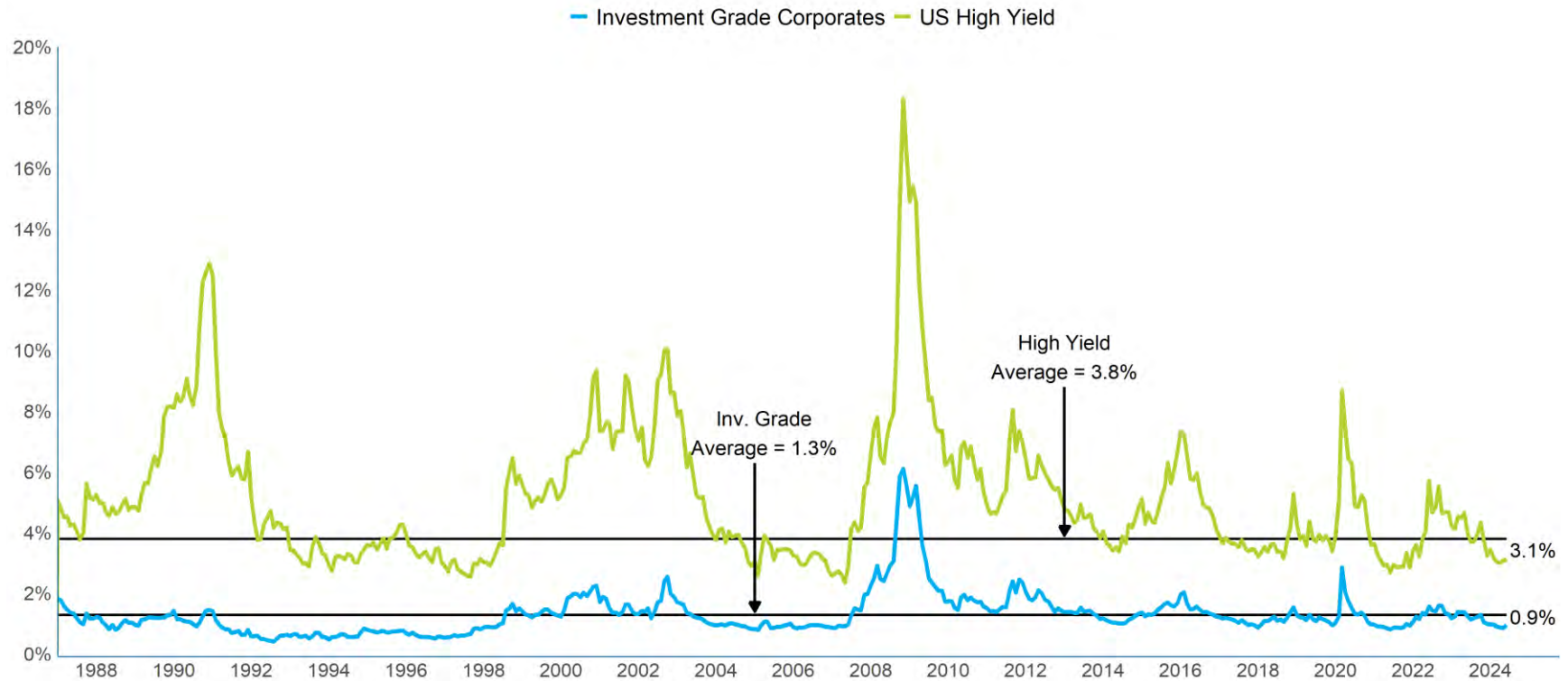
### REITs Dividend Yield Spread vs. Ten-Year Treasury<sup>1</sup> (As of June 30, 2024)



→ This chart details one valuation metric for the public REITs market. A higher (lower) figure indicates cheaper (more expensive) valuation.

<sup>1</sup> REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, Bloomberg, US Treasury. REITs are proxied by the yield for the NAREIT Equity Index.

### Credit Spreads<sup>1</sup> (As of June 30, 2024)



→ This chart details one valuation metric for the US credit markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

<sup>1</sup> Credit Spreads – Source: Bloomberg. High Yield is proxied by the Bloomberg High Yield Index and Investment Grade Corporates are proxied by the Bloomberg US Corporate Investment Grade Index. Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year US Treasury yield.

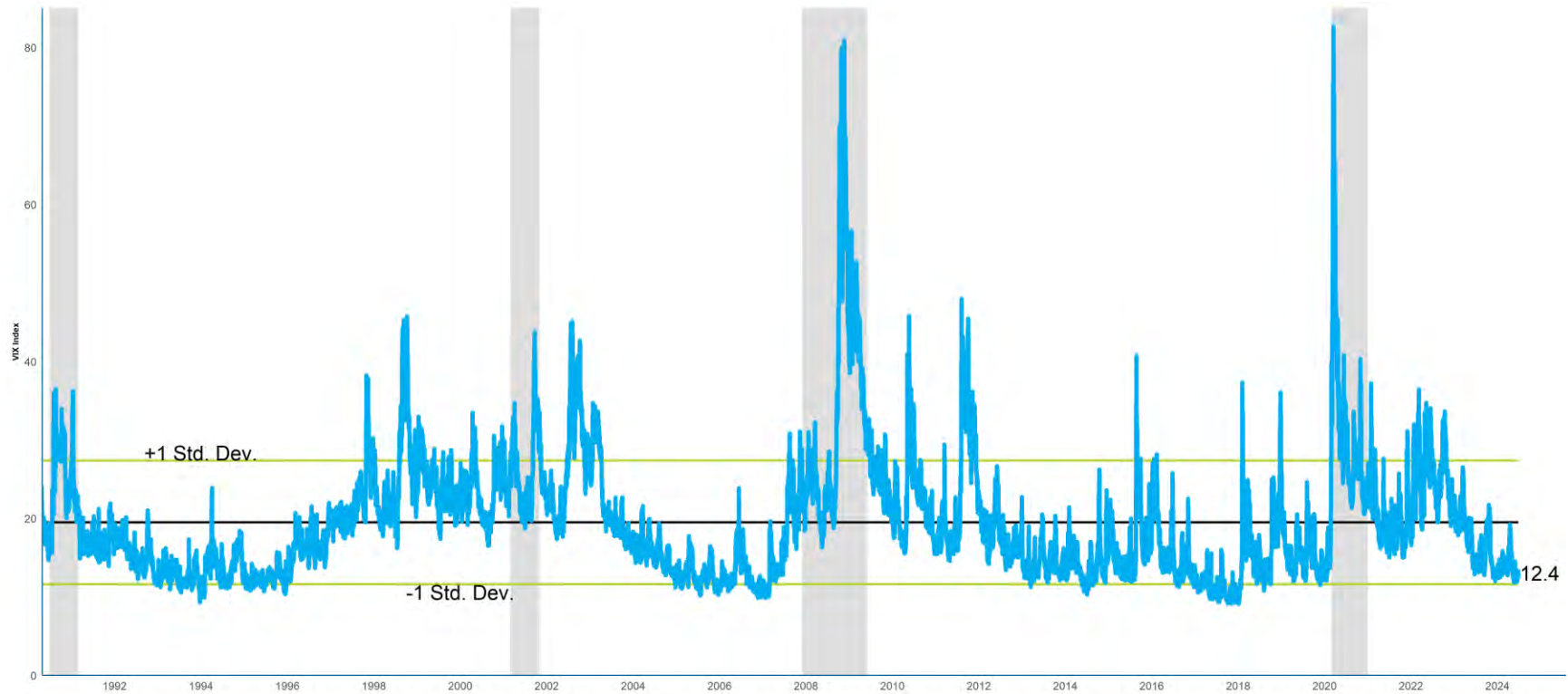
### Emerging Market Debt Spreads<sup>1</sup> (As of June 30, 2024)



→ This chart details one valuation metric for the EM debt markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

<sup>1</sup> EM Spreads – Source: Bloomberg. Option Adjusted Spread (OAS) for the Bloomberg EM USD Aggregate Index.

### Equity Volatility<sup>1</sup> (As of June 30, 2024)



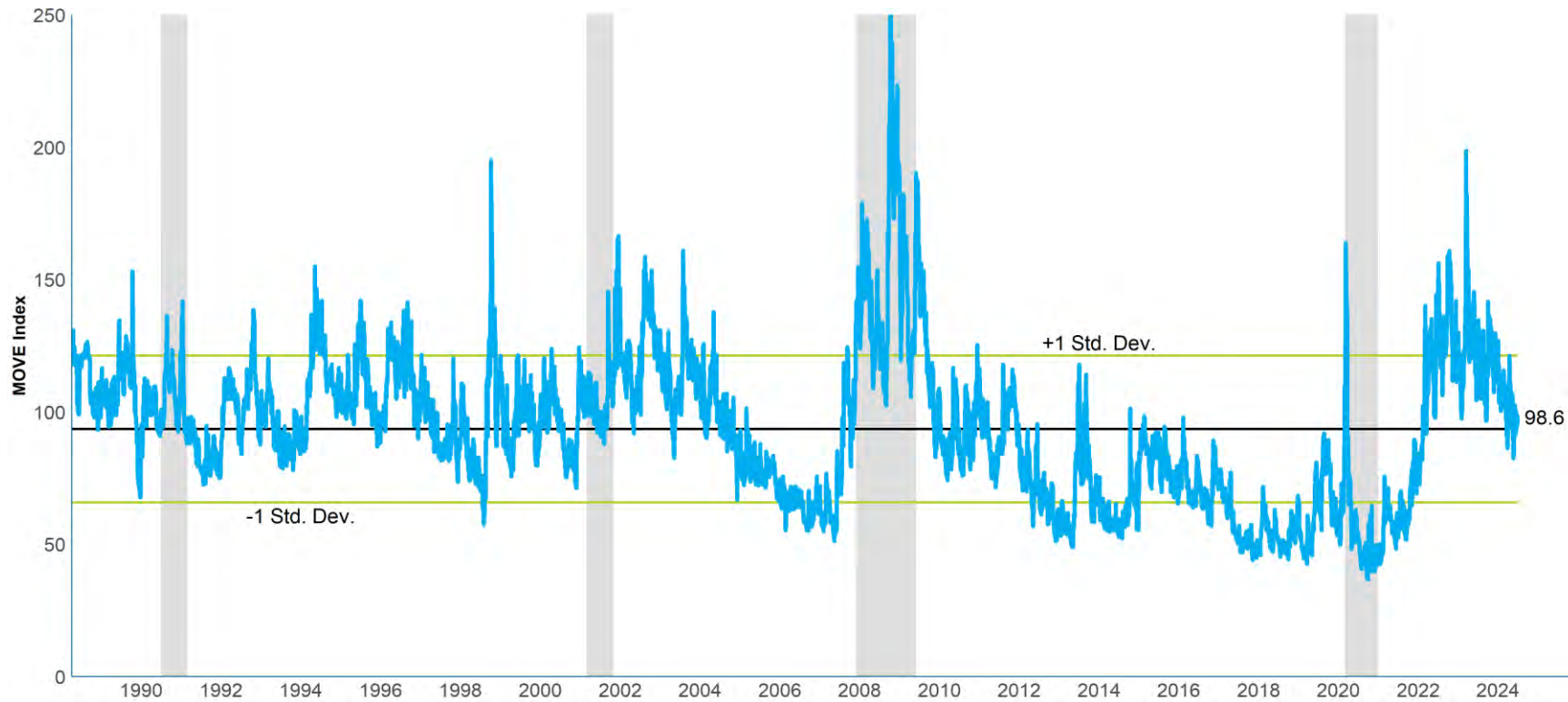
→ This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

<sup>1</sup> Equity Volatility – Source: FRED, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.

<sup>2</sup> Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.



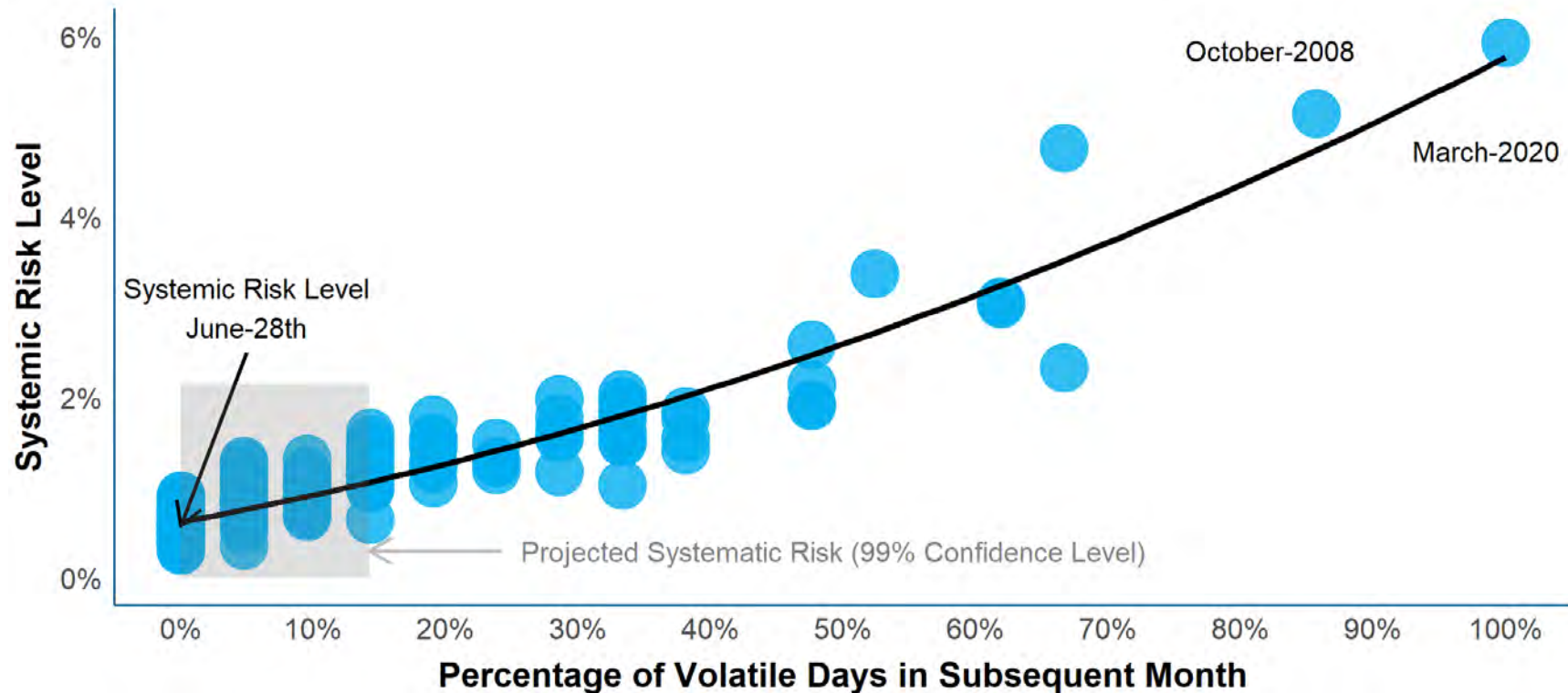
### Fixed Income Volatility<sup>1</sup> (As of June 30, 2024)



→ This chart details historical implied fixed income market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

<sup>1</sup> Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

### Systemic Risk and Volatile Market Days<sup>1</sup> (As of June 30, 2024)



→ Systemic Risk is a measure of 'System-wide' risk, which indicates herding type behavior.

<sup>1</sup> Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.



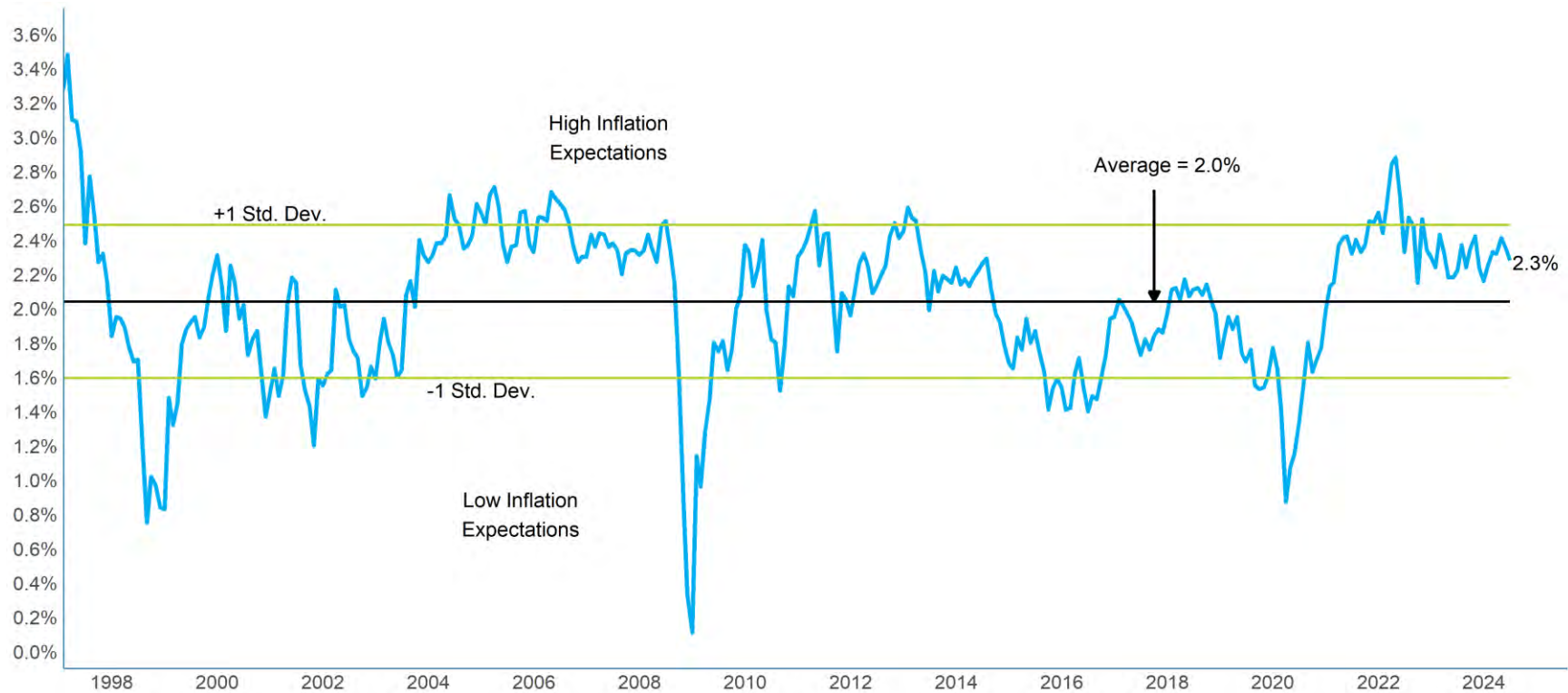
### Yield Curve Slope (Ten Minus Two)<sup>1</sup> (As of June 30, 2024)



→ This chart details the historical difference in yields between ten-year and two-year US Treasury bonds/notes. A higher (lower) figure indicates a steeper (flatter) yield curve slope.

<sup>1</sup> Yield Curve Slope (Ten Minus Two) – Source: FRED. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.

### Ten-Year Breakeven Inflation<sup>1</sup> (As of June 30, 2024)



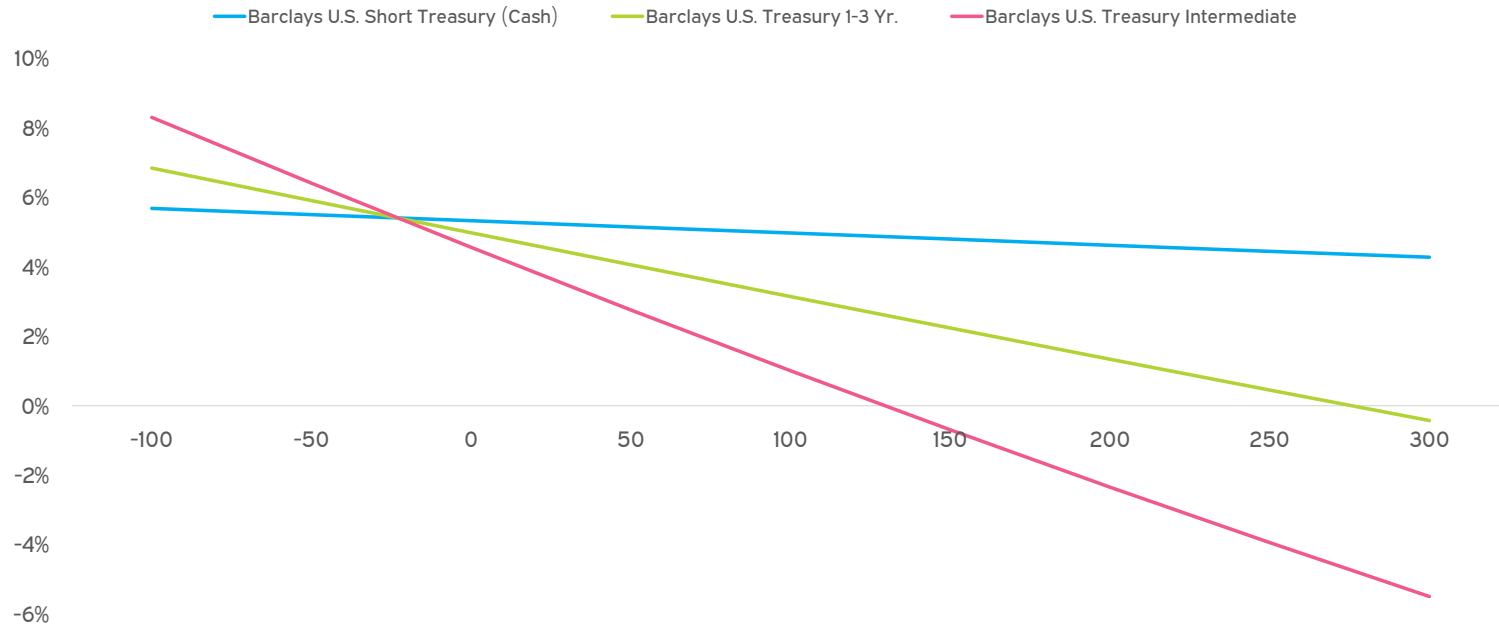
→ This chart details the difference between nominal and inflation-adjusted US Treasury bonds. A higher (lower) figure indicates higher (lower) inflation expectations.

<sup>1</sup> Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).



## Capital Markets Outlook & Risk Metrics

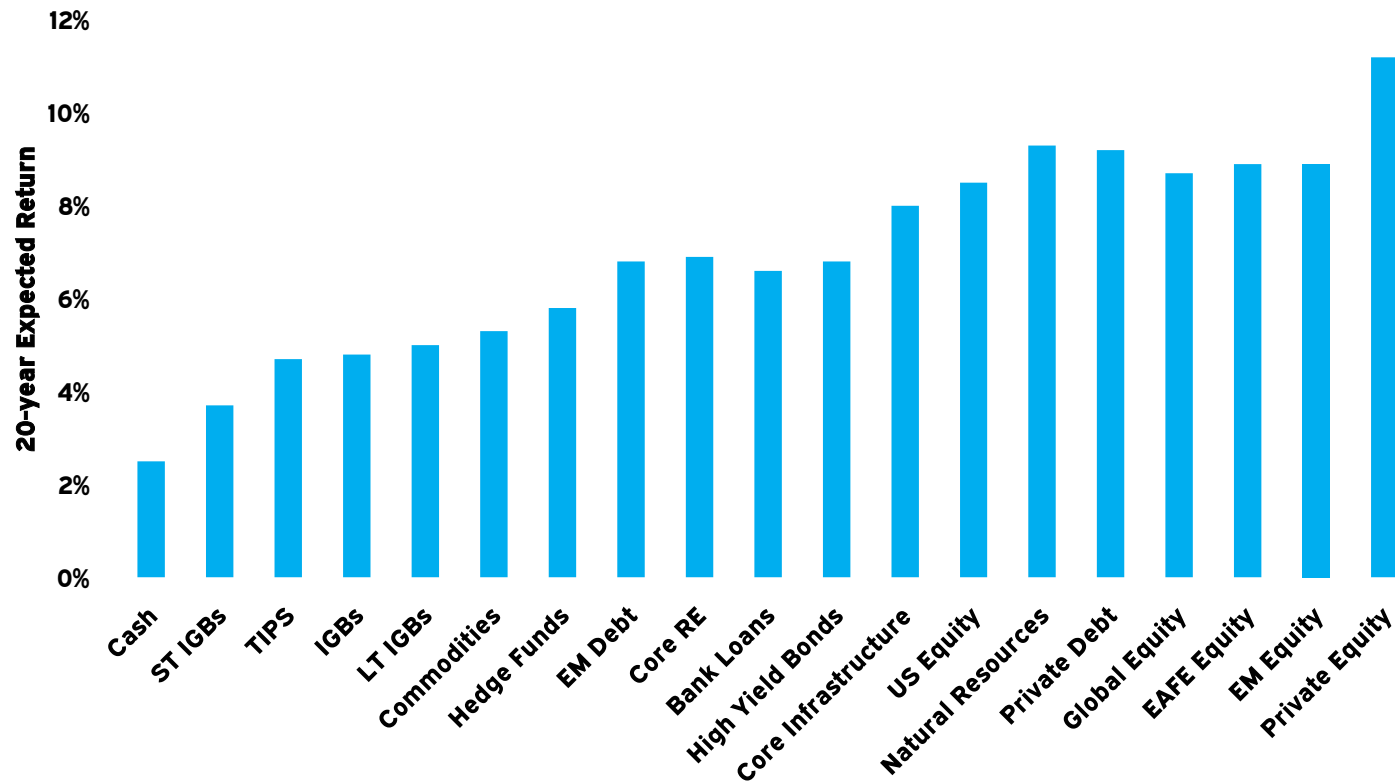
**Total Return Given Changes in Interest Rates (bps)<sup>1</sup>**  
 (As June 30, 2024)



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays US Short Treasury (Cash)	5.7%	5.5%	5.3%	5.2%	5.0%	4.8%	4.6%	4.5%	4.3%	0.36	5.33%
Barclays US Treasury 1-3 Yr.	6.8%	5.9%	5.0%	4.1%	3.1%	2.2%	1.3%	0.5%	-0.4%	1.85	4.98%
Barclays US Treasury Intermediate	8.3%	6.4%	4.6%	2.8%	1.0%	-0.7%	-2.3%	-3.9%	-5.5%	3.65	4.56%
Barclays US Treasury Long	21.2%	12.5%	4.6%	-2.5%	-8.9%	-14.6%	-19.5%	-23.6%	-27.0%	15.07	4.61%

<sup>1</sup> Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Source: Bloomberg, and Meketa Investment Group.

### Long-Term Outlook – 20-Year Annualized Expected Returns<sup>1</sup>



→ This chart details Meketa's long-term forward-looking expectations for total returns across asset classes.

<sup>1</sup> Source: Meketa Investment Group's 2024 Asset Study.

## Appendix

### Data Sources and Explanations<sup>1</sup>

- US Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.
- Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month “as reported” earnings.
- Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month “as reported” earnings.
- Developed International Equity (MSCI EAFE) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.
- Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction-based indices from Real Capital Analytics and Meketa Investment Group.

<sup>1</sup> All Data as of June 30, 2024, unless otherwise noted.

## Appendix

### Data Sources and Explanations<sup>1</sup>

- REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity Index.
- Credit Spreads – Source: Bloomberg High Yield is proxied by the Bloomberg High Yield Index and Investment Grade Corporates are proxied by the Bloomberg US Corporate Investment Grade Index.
  - Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year Treasury Yield.
- EM Debt Spreads – Source: Bloomberg, and Meketa Investment Group. Option Adjusted Spread (OAS) for the Bloomberg EM USD Aggregate Index.
- Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.
- Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.
- Systemic Risk and Volatile Market Days – Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.
- Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.

<sup>1</sup> All Data as of June 30, 2024, unless otherwise noted.

## Appendix

### Data Sources and Explanations<sup>1</sup>

- Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.
- Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

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<sup>1</sup> All Data as of June 30, 2024, unless otherwise noted.

**Meketa Market Sentiment Indicator**  
Explanation, Construction and Q&A



Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

**This appendix explores:**

- What is the Meketa Market Sentiment Indicator?
- How do I read the indicator graph?
- How is the Meketa Market Sentiment Indicator constructed?
- What do changes in the indicator mean?

Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa's Risk Metrics.

→ Meketa's Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market correction take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation-based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

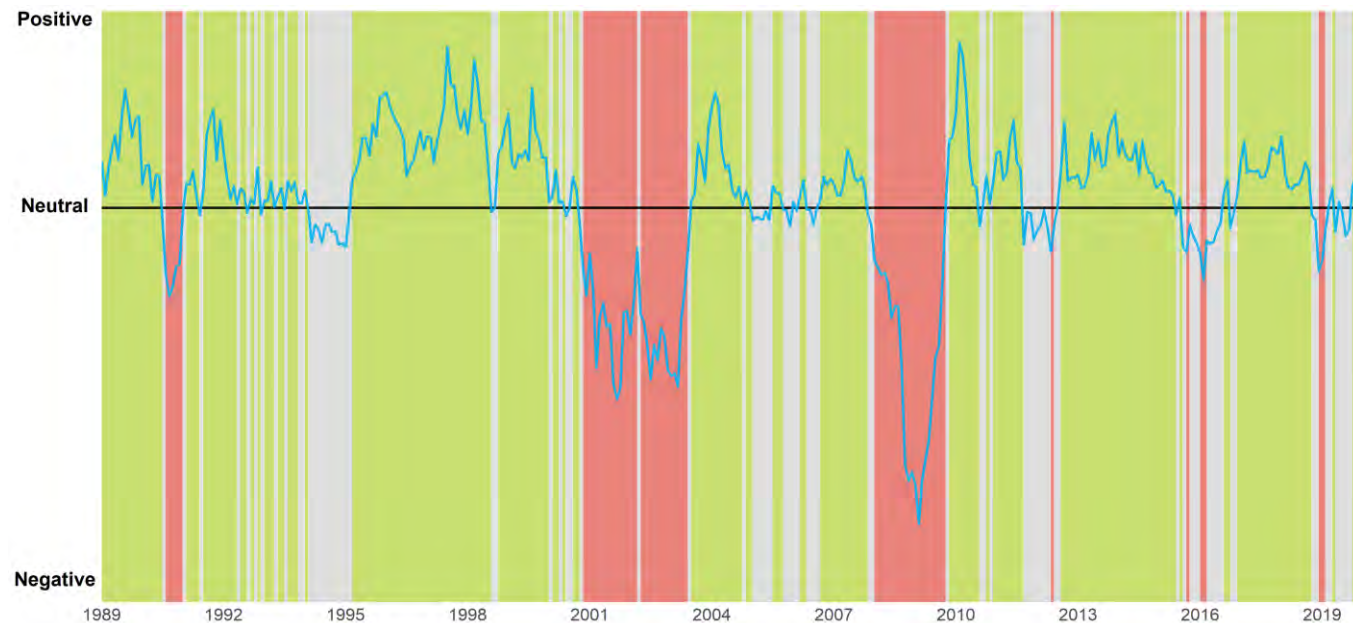
### What is the Meketa Market Sentiment Indicator (MIG-MSI)?

→ The MIG-MSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

### How do I read the Meketa Market Sentiment Indicator graph?

→ Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication of the signal's current strength.

→ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



## How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

- The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:
- Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months).
  - Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration US Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
  - Both measures are converted to Z-scores and then combined to get an “apples to apples” comparison without the need of re-scaling.
- The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure<sup>1</sup>. The color reading on the graph is determined as follows:
- If both stock return momentum and bond spread momentum are positive = GREEN (positive).
  - If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive).
  - If both stock return momentum and bond spread momentum are negative = RED (negative).

<sup>1</sup> Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.  
 “Time Series Momentum” Moskowitz, Ooi, Pedersen, August 2010. <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

### What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

→ There is strong evidence that time series momentum is significant and persistent. Across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

# Appendix



## Illinois State Universities Retirement System

### SURS Legacy Accounts | As of June 30, 2024

Manager	Market Value
Adams Street 2007	\$1,591,667
Adams Street Global Op	\$261,777
Adams Street Non-US	\$2,102,662
Adams Street Partners	\$2,170,804
Alinda Capital Partners	\$307,126
BlackRock Intl Equity Fund	\$465,042
Crow Holdings Realty Partners VII	\$51,066
Crow Holdings Realty Partners VIII	\$106,184
Franklin Templeton EMREFF	\$253,573
Franklin Templeton FTPREF	\$366,098
Muller and Monroe MPEFF	\$1
Newport Monarch	\$1,296,547
NTAM ACWI Ex-US IMI	-\$96,025
Pantheon Europe III	\$2,157,227
Pantheon Global II	\$357,592
Pantheon One Line Asset	\$319
PIMCO Disco III	\$10,864
Progress Venture Capital	\$1,018,017
Sanctioned Asset - SUR58	\$104,601
Sanctioned Asset - SUR75	\$152,953
Xponance Non-US Equity	\$3,996
<b>Total</b>	<b>\$12,682,090</b>

Legacy accounts include managers with less than \$2.9 million market value and closing accounts.

## Glossary Of Terms

**Alpha** - The premium an investment earns above a set standard. This is usually measured in terms of a common index (i.e., how the stock performs independent of the market). An Alpha is usually generated by regressing a security's excess return on the market's excess return.

**Annualized Performance** - The annual rate of return that when compounded t times generates the same t-period holding return as actually occurred from period 1 to period t.

**Attribution** - a means to ascribe values to specific categories based on underlying characteristics.

**Batting Average** - Percentage of periods a portfolio outperforms a given index.

**Beta** - The measure of an asset's risk in relation to the Market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a security with a Beta of 1.5 will have moved, on average, 1.5 times the market return.

**Bottom-up** - A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

**Breakeven Inflation** - The difference between the yield of a nominal bond and an Inflation-linked bond of like maturity. It represents the amount of annualized inflation expected over the life of a bond by the marketplace, but it can also be thought of as the amount of annualized inflation required for being indifferent to holding the nominal or the ILB. If actual inflation turns out to be higher (lower) than the breakeven rate, the ILB will have a higher (lower) return than a nominal of like maturity. The market shortcut is to subtract the real yield from the nominal yield: Breakeven Inflation = Nominal Yield - Real Yield.

**Breakeven Inflation Curve** - The difference between nominal and real yields of like maturities at every available point along the yield curve.

**Credit Quality** - A measure of a bond issuer's ability to repay interest and principal in a timely manner.

**Current Yield** - Annual income (interest or dividends) divided by the current price of the security.

**Dividend Yield** - Annualized dividend rate divided by last closing price.





## Illinois State Universities Retirement System

### Appendix

**Down Market Capture Ratio** - Is the portion of the market's performance that was captured by the manager using only periods where the market return is negative. A down market capture of less than 100% is considered desirable.

**Duration** - A measure of the price sensitivity of a fixed-income security to a change in interest rates. Calculation is based on the weighted average of the present value for all cash flows.

**Earnings Growth Rate** - rate of change in earnings over the latest 5-year period as expressed in an annual percentage.

**Excess Standard Deviation (annualized)** - The annualized standard deviation of the difference between the performance of a portfolio and its benchmark. Also referred to as tracking error.

**Fair Value Pricing** - Is a daily price adjustment made to the value of a security to more accurately reflect the true market value of a security. A fund will use fair value pricing if the value of a security is materially affected by events occurring before the fund's pricing time but after the close of the primary markets or exchanges on which the security is traded. It is an industry-wide practice required by the Securities and Exchange Commission.

**Growth Stocks** - Common stock of a company that has an opportunity to invest money and earn more than the opportunity cost of capital.

**Inflation-linked Bonds (ILBs)** - A bond whose principal is increased (decreased) in proportion to the amount of inflation (deflation) from the date of issue to the date of maturity, and whose coupons are paid on the inflation-adjusted principal. At maturity, the inflation-adjusted principal is redeemed. The mechanics of an ILB imply that its cash flows and principal at maturity are unknown and are determined by the path of inflation over its life.

**Information Ratio** - The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

**Market Capitalization** - Is calculated as the product of price and shares outstanding.

**Median Market Capitalization** - The midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio. Half the stocks in the portfolio will have higher market capitalizations; half will have lower.



## Illinois State Universities Retirement System

### Appendix

**Nominal Yield** - The interest rate stated on the face of a bond, which represents the percentage of interest to be paid by the issuer on the face value of the bond. (Also known as the coupon rate.)

**Price/Book (P/B) Ratio** - The price per share of a stock divided by its book value (i.e. net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.

**Price/Earnings (P/E) Ratio** - The share price of a stock divided by its per-share earnings over the past year. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth.

**R-Squared** - Square of the correlation coefficient. The proportion of the variability in one series that can be explained by the variability of one or more other series a regression model. A measure of the quality of fit. 100% R-square means perfect predictability.

**Real Yield** - Return from an investment adjusted for the effects of inflation.

**Semi Standard Deviation (Downside)** - Is a measure of risk using only the variance of returns below a target rate, such as the benchmark.

**Sharpe Ratio** - A measure of a portfolio's excess return relative to the total variability of the portfolio. The higher the portfolio's Sharpe Ratio, the better the portfolio's returns have been relative to the risk it has taken on.

**Standard Deviation** - The square root of the variance. A measure of dispersion of a set of data from its mean.

**Style Analysis** - A returns-based analysis using a multi-factor attribution model. The model calculates a product's average exposure to particular investment styles over time (i.e., the product's normal style benchmark).

**Top-down** - Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

**Tracking Error** - The standard deviation of the difference between the performance of a portfolio and an appropriate benchmark.

**Turnover** - For mutual funds, a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. A turnover rate of 25% means that the value of trades represented one-fourth of the assets of the fund.



## Illinois State Universities Retirement System

### Appendix

**Up Market Capture Ratio** - Is the portion of the market's performance that was captured by the manager using only periods where the market return is positive. An up market capture of greater than 100% is considered desirable.

**Unrealized Gain/Loss** - The increased or decreased market value of an asset that is still being held compared with its cost of acquisition.

**Value Stocks** - Stocks with low price/book ratios or price/earnings ratios. Historically, value stocks have enjoyed higher average returns than growth stocks (stocks with high price/book or P/E ratios) in a variety of countries.

**Weighted Average Life (WAL)** - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. Once calculated, WAL tells how many years it will take to pay half of the outstanding principal. The time weightings are based on the principal paydowns - the higher the dollar amount, the more weight that corresponding time period will have. For example, if the majority of the repayment amount is in 10 years the WAL will be closer to 10 years. Let's say there's an outstanding bond with five years of \$1,000 annual payments. The weighted average life would be three years, assuming payment is made at the end of each year. This indicates that after three years over half of the payments will be made.

**Yield Curve** - A representation on a chart of the [yields](#) on [bonds](#) with identical [credit ratings](#) but different [maturities](#). On the yield curve, the maturities are represented on the x-axis, and the yield is represented on the y-axis. That is, if the yield curve trends upward, it indicates that [interest rates](#) for long-term [debt securities](#) are higher than short-term debt securities; this is called a [normal yield curve](#). A [negative yield curve](#) indicates that interest rates for short-term debt securities are higher, and a [flat yield curve](#) indicates that they are roughly the same. Yield curves are most commonly plotted with [U.S. Treasuries](#) with different maturities; this is used to predict future trends in [interest rates](#).

**Yield Curve Management** - Any investment strategy that seeks to profit from changes in the yield curve of US Treasury securities. For example, one may buy a bond at a certain interest rate expecting prevailing interest rates to decline. If and when they do, the price of the bond one holds will increase, allowing one to sell the bond for a profit.

**Yield to Maturity** - The rate of return an investor would receive if the securities held by a portfolio were held to their maturity dates.

### Risk Metrics Description – Rationale for Selection and Calculation Methodology

#### US Equity Markets:

Metric: P/E ratio = Price / “Normalized” earnings for the S&P 500 Index

To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price= $P$  of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power ( $E$ ) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well-known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller’s data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].



## Illinois State Universities Retirement System

### Appendix

#### Developed Equity Markets Excluding the US:

Metric:  $P/E \text{ ratio} = \text{Price} / \text{"Normalized" earnings for the MSCI EAFE Index}$

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price= $P$  of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings ( $E$ ). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.

#### Emerging Market Equity Markets:

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.



## Illinois State Universities Retirement System

### Appendix

#### US Private Equity Markets:

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.

US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

#### US Private Real Estate Markets:

Metrics: US Cap Rates, Cap Rate Spreads, and Transactions as a % of Market Value

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The data, published by NCREIF, describes completed and leased properties (core) on an unleveraged basis. We chose to use current value cap rates. These are capitalization rates from properties that were revalued during the quarter. This data relies on estimates of value and therefore tends to be lagging (estimated prices are slower to rise and slower to fall than transaction prices). The data is published quarterly.

Spreads between the cap rate (described above) and the 10-year nominal Treasury yield, indicate a measure of the cost of properties versus a current measure of the cost of financing.

Transactions as a % of Market Value Trailing Four Quarters is a measure of property turnover activity in the NCREIF Universe. This quarterly metric is a measure of activity in the market.



## Illinois State Universities Retirement System

### Appendix

#### Credit Markets Fixed Income:

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Bloomberg Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Bloomberg Barclays Capital US Corporate High Yield Index.

#### Measure of Equity Market Fear / Uncertainty

Metric: VIX – Measure of implied option volatility for US equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

#### Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.



### Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates an acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPS. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

### Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year US Treasury Bond is a measure of valuation risk for US Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. MEKETA estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.





## Illinois State Universities Retirement System

### Appendix

#### Definition of "Extreme" Metric Readings

A metric reading is defined as "extreme" if the metric reading is in the top or bottom decile of its historical readings. These "extreme" reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.

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STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS  
2ND QUARTER, 2024

**DEFINED CONTRIBUTION  
QUARTERLY REVIEW**

**CAPTRUST**  
40 Wall Street, 56th Floor  
New York, NY 10005

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.



SURS Retirement Savings Plan  
SURS Deferred Compensation Plan

2nd Quarter, 2024 Quarterly Review

Executive Summary

Section 1

**RETIREMENT INDUSTRY UPDATES**

Section 2

**MARKET COMMENTARY AND REVIEW**

Section 3

**PLAN INVESTMENT REVIEW**

Section 4

**INACTIVE PLAN REVIEW**

Section 5

**FUND FACT SHEETS**

Appendix

## EXECUTIVE SUMMARY | PROGRAM OVERVIEW

Period Ending 6.30.24 | Q2 24

State Universities Retirement System

	RETIREMENT SAVINGS PLAN (RSP)	DEFERRED COMPENSATION PLAN (DCP)
<b>Total Program Assets</b>	<b>\$4,301,794,326 (+7.6% YTD)</b>	<b>\$67,409,386 (+26.9% YTD)</b>
Voya Assets	\$3,922,891,939	\$67,409,386
Frozen Assets - TIAA	\$378,902,387	N/A
<b>Program Expense Overview</b>		
Voya Recordkeeping Fee / Benchmark	\$30 annual fee per participant (\$7.50/quarter)	
<b>Lifetime Income Strategy Overview</b>		
Total LIS Participants	21,457	9,463
Total SIP Participants	6,484	851
Activated Participants (Quarter/Inception)	20 / 320	0 / 0
Avg Activated GLWB % (Quarter/Inception)	3.75% / 3.33%	0.00% / 0.00%
<b>Investment Overview</b>		
Stable Value Crediting Rate	2.25%	
Investment Watchlist	<ul style="list-style-type: none"> <li>No investments are recommended for watch or further consideration as of Q2 2024</li> </ul>	

# SURS 2024 FIDUCIARY CALENDAR

Period Ending 6.30.24 | Q2 24

State Universities Retirement System

Review Period	4Q 2023 (February/March)	1Q 2024 (May/June)	2Q 2024 (August/September)	3Q 2024 (November/December)
Standard Topics	<ul style="list-style-type: none"> <li>Industry &amp; Regulatory Trends</li> <li>Fiduciary Training</li> <li>Plan Assets/Allocation</li> <li>Market Update &amp; Investment Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Industry &amp; Regulatory Trends</li> <li>Fiduciary Training</li> <li>Plan Assets/Allocation</li> <li>Market Update &amp; Investment Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Industry &amp; Regulatory Trends</li> <li>Fiduciary Training</li> <li>Plan Assets/Allocation</li> <li>Market Update &amp; Investment Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Industry &amp; Regulatory Trends</li> <li>Fiduciary Training</li> <li>Plan Assets/Allocation</li> <li>Market Update &amp; Investment Analysis</li> </ul>
Additional Fiduciary and Educational Topics	<ul style="list-style-type: none"> <li>Annual Summary Report</li> <li>Fiduciary Document Review                             <ul style="list-style-type: none"> <li>Investment Policy Statement (IPS)</li> <li>Committee Charter, as needed</li> </ul> </li> <li>Board Education Session: DCP Plan Design Review                             <ul style="list-style-type: none"> <li><b>❖ Deliverable: Automatic Enrollment Review &amp; Recommendations</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Plan Expense Review                             <ul style="list-style-type: none"> <li>Fee Allocation Philosophy</li> <li>Plan Fee Benchmarking</li> <li>Investment Expense &amp; Share Class Evaluation</li> <li>Plan Expense/Revenue Account Review</li> <li>Total Plan Cost Review</li> </ul> </li> <li><b>❖ Deliverable: Plan Expense Report</b></li> </ul>	<ul style="list-style-type: none"> <li>Investment Structure Review                             <ul style="list-style-type: none"> <li>Investment Vehicle Analysis</li> <li>White-Labeled Funds Discussion</li> <li>LIS Underlying Investment Review &amp; Glidepath Analysis</li> <li>Supplemental Investment Services Discussion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Vendor Management                             <ul style="list-style-type: none"> <li>Plan Demographics Review</li> <li>Service Level Agreements Review, as applicable</li> <li>Member Survey Discussion</li> <li>Cybersecurity Review and Update</li> <li>RFP Preview Discussion, as needed</li> <li>Frozen Vendor Review</li> </ul> </li> </ul>
Review Period	Every 1-3 Years (or as needed)		Ad Hoc	
Topics	<ul style="list-style-type: none"> <li>Investment Menu Architecture                             <ul style="list-style-type: none"> <li>Target Date Evaluation (SURS Lifetime Income Strategy)</li> <li>Capital Preservation / Income Solutions Review</li> </ul> </li> <li>Comprehensive Fiduciary Training</li> </ul>		<ul style="list-style-type: none"> <li>New Committee Member Onboarding and Fiduciary Training</li> <li>Recordkeeper RFI/RFP (every 5-7 years)</li> <li>Plan Design Benchmarking</li> <li>Plan Document/Design Changes</li> </ul>	



SECTION 1: RETIREMENT INDUSTRY UPDATES

Period Ending 6.30.24 | Q2 24

**SECTION 1: RETIREMENT INDUSTRY UPDATES**

Industry Updates.....



## LITIGATION/REGULATORY UPDATE



### RETIREMENT SECURITY RULE (FIDUCIARY RULE) ON HOLD

On April 23, 2024, the Department of Labor (DOL) issued the Retirement Security Rule, also known as the *fiduciary rule*. The new rule defines who is considered an investment fiduciary under the Employee Retirement Income Security Act (ERISA).

- It applies to professionals who provide investment advice for a fee as a regular part of their business in circumstances where the client reasonably believes the advice is tailored to their situation and in their best interest.
- Most notably, the rule is meant to address one-time advice transactions like rollovers that are not currently considered fiduciary advice interactions, and insurance sales involving ERISA-covered assets.
- The rule was scheduled to take effect on September 23, 2024. However, two federal judges in Texas have issued a stay on the rule, meaning that it is effectively on hold until the court orders otherwise.
- In issuing the order, the judge expressed his expectation that the new regulation will ultimately be struck down.



### USE OF FORFEITURES IN QUESTION

Forfeitures result from participants leaving employment before being fully vested in their employer contributions. Historically, forfeitures have routinely been used either to offset the employer's matching contributions or to pay plan expenses. Plan documents often say that forfeitures may be used for either of these purposes.

- Ten lawsuits have been filed questioning the use of plan forfeitures to offset employer contributions.
- The argument in these cases is that plan fiduciaries are obligated to do what is in the best interest of plan participants, and, when given a choice in the use of forfeitures, they should first pay plan expenses, which would otherwise be charged against participant accounts. Using forfeitures to first reduce the employer's matching contributions is allegedly a fiduciary breach.
- Initial decisions in these cases conflict. Using forfeitures to offset employer contributions is a longstanding and widely accepted practice, permitted under IRS regulations and consistent with guidance from the DOL. With the conflicting initial decisions in these cases, plan fiduciaries should review their approaches to plan forfeitures and confirm that they are following their plan documents.



## SECURE 2.0 PROVISION SPOTLIGHT: HIGHER CATCH-UP LIMIT FOR AGES 60-63

Effective January 1, 2025, the optional higher annual catch-up limit provision will allow active participants aged 60 to 63 to increase contributions to \$10,000, or 50% more than the standard indexed amount, whichever is greater. Recordkeepers are contacting plan sponsors about implementing this change, with many making it an opt-out approach for plans that already offer catch-up contributions. This means the catch-up limit will increase unless the plan sponsors elects otherwise.

### PLAN SPONSOR ACTIONS

- Make the provision election according to your plan provider's stated process and deadline.
- Inform your payroll provider of your election to ensure that they can accommodate the new catch-up limit and ask them to identify any necessary payroll submission changes. Note that while higher catch-up contributions in 2025 do not have to be Roth, starting in 2026, all catch-up contributions for participants with prior-year compensation over \$145,000 must be Roth.
- Understand that your total employer match contribution may increase if catch-up contributions are eligible for match.
- Ask your plan provider how they will communicate this option to your participants.
- Remember, this optional provision can be added in future years.



### EFFECTIVE DEFERRAL LIMITATION CALCULATION EXAMPLE

Based on the 2024 catch-up limit of \$7,500, participants between the ages of 60 and 63 can increase their contributions to \$11,250.

- 2024 Catch-up limit:  $(\$7,500 + \$3,750) = \$11,250$
- 2024 Total elective deferral limit, including the new catch-up limit  $(\$23,000 + 11,250) = \$34,250$

Note that the calculation will change annually based on the annual IRS limit.

## SECOND QUARTER IN REVIEW

Below is a recap of some of the other great content for retirement plan sponsors this quarter.

### REVAMPING RETIREMENT PODCAST

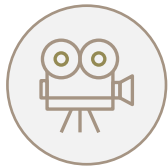


Hosted by CAPTRUST's defined contribution leaders, *Revamping Retirement* breaks down the opportunities and challenges facing plan sponsors and fiduciaries to provide actionable insights and best practices.

- **April:** Artificial Intelligence for Plan Sponsors  
Guest: Mike Allen | Morningstar
- **May:** The Fiduciary Rule, Expiring Tax Cuts, and the Jobs Act  
Guest: Brian Graff | American Retirement Association
- **June:** Exploring Employee Advice Solutions  
Guest: Laura Varas | Hearts & Wallets



### VIDEOS



Visit our library of short videos from CAPTRUST financial experts. Topics covered include financial planning, quarterly market recaps, and retirement plan design.

- What is a Nonqualified Plan?
- Market Update | April 2024



### WEBINARS



CAPTRUST hosts regular webinars and live panel discussions, including our quarterly fiduciary training series and our annual RFP guide for organization leaders.

- Advisor RFPs: The Ultimate Guide
- 2024 Fiduciary Training: Plan Governance



SECTION 2: MARKET COMMENTARY AND REVIEW

Period Ending 6.30.24 | Q2 24

**SECTION 2: MARKET COMMENTARY AND REVIEW**

Market Commentary.....

Market Review.....

Asset Class Returns.....

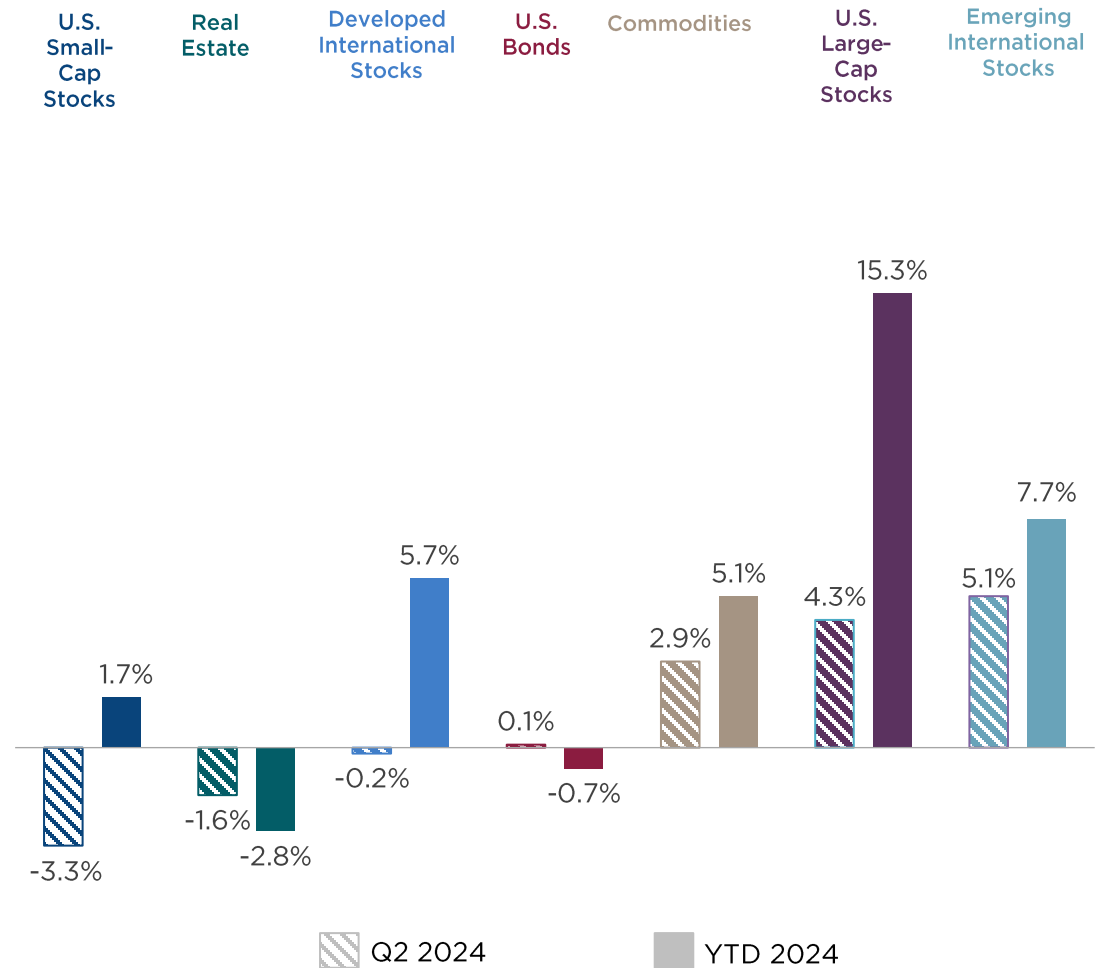
Index Performance.....



## UNCERTAINTY CONTINUES AMID SHIFTING NARRATIVE

In the second quarter, a solid global economic backdrop supported equities, although euphoria around big tech and artificial intelligence continued to drive relative performance in U.S. favor. The disinflation narrative gained momentum, with many central banks starting to reduce policy rates, a positive for markets, especially those most rate sensitive. Now, political and geopolitical challenges seem poised to capture the narrative and drive volatility, given the number of elections this year.

- U.S. equity results were mixed with large tech stocks driving outsized returns. Interest rate-sensitive small-cap stocks felt the most pressure.
- Bond yields moved moderately higher as expectations eased for multiple 2024 Fed interest rate cuts.
- Commodities advanced. Long-term significant infrastructure needs and the ongoing renewable energy transition are expected to drive demand.
- Real estate sagged, although relative valuations and rate cut expectations drove improvement.
- Outside the U.S., performance varied by region. Currency weakness weighed on Japan, and political uncertainty hampered Europe. Conversely, emerging market stocks kept pace with U.S. equities. China was a top performer, although potential trade and geopolitical tensions remain a key risk.



Asset class returns are represented by the following indexes: Bloomberg U.S. Aggregate Bond Index (U.S. bonds), S&P 500 Index (U.S. large-cap stocks), Russell 2000® (U.S. small-cap stocks), MSCI EAFE Index (international developed market stocks), MSCI Emerging Market Index (emerging market stocks), Dow Jones U.S. Real Estate Index (real estate), and Bloomberg Commodity Index (commodities).



## DIGGING DEEPER: STOCKS AND BONDS

### Equities

	Q2 2024	YTD 2024	Last 12 Months
U.S. Stocks	4.3%	15.3%	24.6%
• Q2 Best Sector: Technology	13.8%	28.2%	41.8%
• Q2 Worst Sector: Materials	-4.5%	4.0%	8.7%
International Stocks	-0.2%	5.7%	12.1%
Emerging Markets Stocks	5.1%	7.7%	13.0%

### Fixed Income

	6.30.24	3.31.24	6.30.23
1-Year U.S. Treasury Yield	5.09%	5.03%	5.40%
10-Year U.S. Treasury Yield	4.36%	4.20%	3.81%
	QTD 2024	YTD 2024	Last 12 Months
10-Year U.S. Treasury Total Return	-0.36%	-2.03%	-0.66%

### Equities - Relative Performance by Market Capitalization and Style

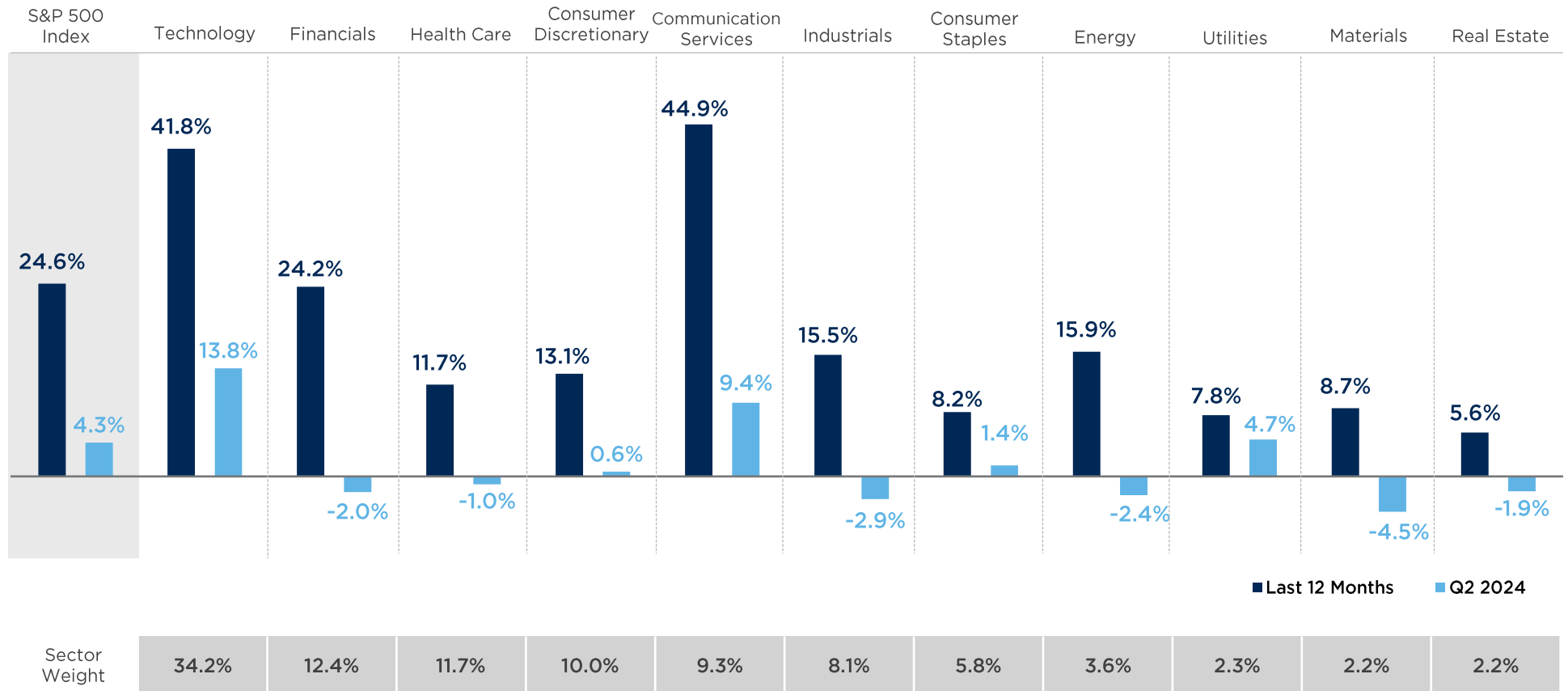
	Q2 2024			YTD 2024			Last 12 Months				
	Value	Blend	Growth	Value	Blend	Growth	Value	Blend	Growth		
Large	-2.2%	4.3%	8.3%	Large	6.6%	15.3%	20.7%	Large	13.1%	24.6%	33.5%
Mid	-3.4%	-3.3%	-3.2%	Mid	4.5%	5.0%	6.0%	Mid	12.0%	12.9%	15.1%
Small	-3.6%	-3.3%	-2.9%	Small	-0.8%	1.7%	4.4%	Small	10.9%	10.1%	9.1%

Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international developed market stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell US Style Indexes except for large-cap blend, which is based upon the S&P 500 Index.

## DIGGING DEEPER: U.S. EQUITY MARKETS

The S&P 500 Index is a market-capitalization-weighted index of U.S. large-cap stocks across a diverse set of industry sectors. The stocks represented in these 11 sectors generated a range of returns for the last 12 months and the most recent quarter.

Returns by S&P 500 Sector



Source: Morningstar, S&P Global. All calculations are cumulative total return, not annualized, including dividends for the stated period. Past performance is not indicative of future returns.



# ASSET CLASS RETURNS

Period Ending 6.30.24 | Q2 24

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q2 2024
Fixed Income 7.84%	Mid-Cap Value 18.51%	Small-Cap Growth 43.30%	Mid-Cap Value 14.75%	Large-Cap Growth 5.67%	Small-Cap Value 31.74%	Large-Cap Growth 30.21%	Cash 1.87%	Large-Cap Growth 36.39%	Large-Cap Growth 38.49%	Mid-Cap Value 28.34%	Cash 1.46%	Large-Cap Growth 42.68%	Large-Cap Growth 20.70%
Large-Cap Growth 2.64%	Small-Cap Value 18.05%	Mid-Cap Growth 35.74%	Large-Cap Value 13.45%	Fixed Income 0.55%	Mid-Cap Value 20.00%	Mid-Cap Growth 25.27%	Fixed Income 0.01%	Mid-Cap Growth 35.47%	Mid-Cap Growth 35.59%	Small-Cap Value 28.27%	Large-Cap Value -7.54%	Mid-Cap Growth 25.87%	Large-Cap Value 6.62%
Large-Cap Value 0.39%	International Equities 17.32%	Small-Cap Value 34.52%	Large-Cap Growth 13.05%	Cash 0.05%	Large-Cap Value 17.34%	International Equities 25.03%	Large-Cap Growth -1.51%	Small-Cap Growth 28.48%	Small-Cap Growth 34.63%	Large-Cap Growth 27.60%	Mid-Cap Value -12.03%	International Equities 18.24%	Mid-Cap Growth 5.98%
Cash 0.10%	Large-Cap Value 17.51%	Large-Cap Growth 33.48%	Mid-Cap Growth 11.90%	Mid-Cap Growth -0.20%	Small-Cap Growth 11.32%	Small-Cap Growth 22.17%	Mid-Cap Growth -4.75%	Mid-Cap Value 27.06%	International Equities 7.82%	Large-Cap Value 25.16%	Fixed Income -13.01%	Small-Cap Growth 18.66%	International Equities 5.34%
Mid-Cap Value -1.38%	Mid-Cap Growth 15.81%	Mid-Cap Value 33.46%	Fixed Income 5.97%	International Equities -0.81%	Mid-Cap Growth 7.33%	Large-Cap Value 13.66%	Large-Cap Value -8.27%	Large-Cap Value 26.54%	Fixed Income 7.51%	Mid-Cap Growth 12.73%	International Equities -14.45%	Small-Cap Value 14.65%	Mid-Cap Value 4.54%
Mid-Cap Growth -1.65%	Large-Cap Growth 15.26%	Large-Cap Value 32.53%	Small-Cap Growth 5.60%	Small-Cap Growth -1.38%	Large-Cap Growth 7.08%	Mid-Cap Value 13.34%	Small-Cap Growth -9.31%	International Equities 22.01%	Mid-Cap Value 4.96%	International Equities 11.26%	Small-Cap Value -14.48%	Mid-Cap Value 12.71%	Small-Cap Growth 4.44%
Small-Cap Growth -2.91%	Small-Cap Growth 14.59%	International Equities 22.78%	Small-Cap Value 4.22%	Large-Cap Value -3.83%	Fixed Income 2.65%	Small-Cap Value 7.84%	Mid-Cap Value -12.29%	Small-Cap Value 22.39%	Small-Cap Value 4.63%	Small-Cap Growth 2.83%	Small-Cap Growth -26.36%	Large-Cap Value 11.46%	Cash 2.63%
Small-Cap Value -5.50%	Fixed Income 4.22%	Cash 0.07%	Cash 0.03%	Mid-Cap Value -4.78%	International Equities 1.00%	Fixed Income 3.54%	Small-Cap Value -12.86%	Fixed Income 8.72%	Large-Cap Value 2.80%	Cash 0.05%	Mid-Cap Growth -26.72%	Fixed Income 5.53%	Fixed Income -0.71%
International Equities -12.14%	Cash 0.11%	Fixed Income -2.02%	International Equities -4.90%	Small-Cap Value -7.47%	Cash 0.33%	Cash 0.86%	International Equities -13.79%	Cash 2.28%	Cash 0.67%	Fixed Income -1.54%	Large-Cap Growth -29.14%	Cash 5.01%	Small-Cap Value -0.85%

Source: Markov Processes, Inc., Bloomberg, Mobius

- Small-Cap Value Stocks (Russell 2000 Value)
- Large-Cap Value Stocks (Russell 1000 Value)
- International Equities (MSCI EAFE)
- Small-Cap Growth Stocks (Russell 2000 Growth)
- Mid-Cap Growth Stocks (Russell Mid-Cap Growth)
- Fixed Income (Bloomberg U.S. Aggregate Bond)
- Large-Cap Growth Stocks (Russell 1000 Growth)
- Mid-Cap Value Stocks (Russell Mid-Cap Value)
- Cash (Merrill Lynch 3-Month Treasury Bill)

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.





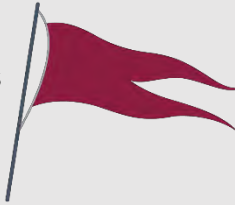
## ECONOMIC OUTLOOK

The economy's resilience continues to surprise amid a robust labor market, ongoing consumer and business spending, and a favorable fiscal backdrop. However, there are early signs of small cracks that could derail the no-landing economic outcome the Federal Reserve has been able to deliver so far. Higher interest burdens, election uncertainty, and an increasingly narrow stock market landscape could limit future economic activity. Attempting to fill these cracks will be continued liquidity infusions by the U.S. Treasury, artificial intelligence (AI)-led productivity gains and expectations for an eventual Fed pivot to reduce today's monetary policy headwinds.

### HEADWINDS

#### Rising Real Rates Create Uncertainty

- Real yields are the primary measure of the Fed's policy actions. Today, they're at levels that have proven restrictive over the past 25 years.



#### Post-Election Reality Check

- The amount of stimulus required to support markets during election years can cause a hangover in inauguration years with an increasingly wide range of historical market outcomes. The next administration will face immediate fiscal, geopolitical, and monetary policy challenges.

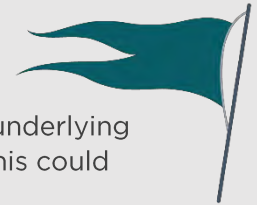
#### Pressure Mounting from Higher Rates

- Borrowing costs on government debt have nearly doubled in the last three years, mostly due to rising interest rates and higher issuance. With a majority of debt maturing in the next three years, refinancing costs will be a key variable in future fiscal activity.

### TAILWINDS

#### Fed Progress on Inflation

- While official measures remain above targets, the Fed continues to make progress in its fight against inflation with nearly 70% of the underlying components below the Fed's 2% threshold. This could support a year-end Fed pivot.



#### Election Year Momentum

- Election years are usually good for markets, especially when incumbents are running for reelection. The U.S. Treasury tends to keep liquidity flowing, while the administration uses all the tools at its disposal to stimulate consumer spending.

#### Broader Corporate Profitability

- Like consumers, corporations have been surprisingly resilient in the face of higher interest rates. While initial strength has been concentrated with the mega-cap cash-flow giants, market strength is expected to broaden out over the coming quarters.

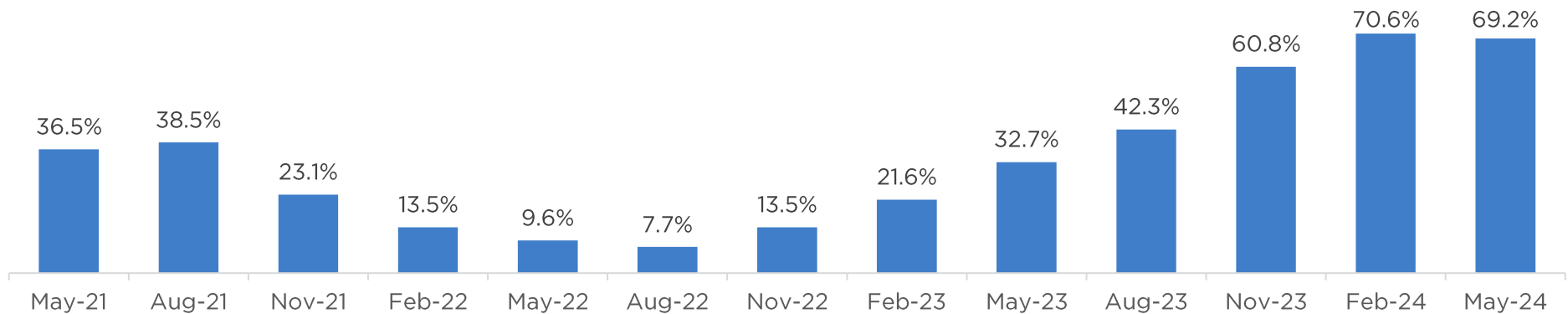
Although the economic seas remain calm, there are increasing signs of chop in the water.  
It would be prudent to move forward with caution.



## FADING INFLATION SUPPORTS CENTRAL BANK EASING

Inflation has gradually waned since its June 2022 peak, easing the price burden felt by consumers and businesses alike. Although some global central banks have begun easing or lowering interest rates, a resilient U.S. economy and moderately higher-than-targeted inflation have led to an extended Fed rate pause. While core inflation remains above the Fed's 2% target, prices for most components that factor into the consumer basket have already fallen below that threshold.

Percent of Consumer Price Index (CPI) Components with Less than 2% Year-over-Year Growth



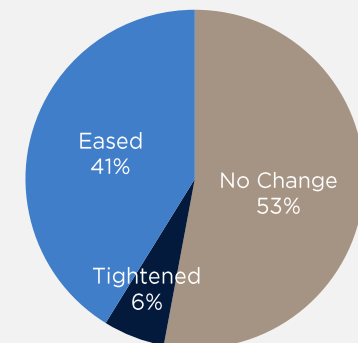
The CPI is comprised of more than 300 components which can be grouped into 52 categories. Of these categories, 69% have already seen inflation fall below the Fed's target, compared to only 8% at the peak of inflation in 2022.

The magnitude of price increases has also dwindled. At the height of inflation, prices for key food items were up more than 20% from the prior year. Now, those price increases have waned to only 1%.

While the Fed continues to hold interest rates steady, several global central banks have already begun to ease their monetary policies to stimulate economic growth.

Of 34 central banks examined, 14 (or 41%) are currently lowering rates.

Global Central Bank Rate Moves in 2024



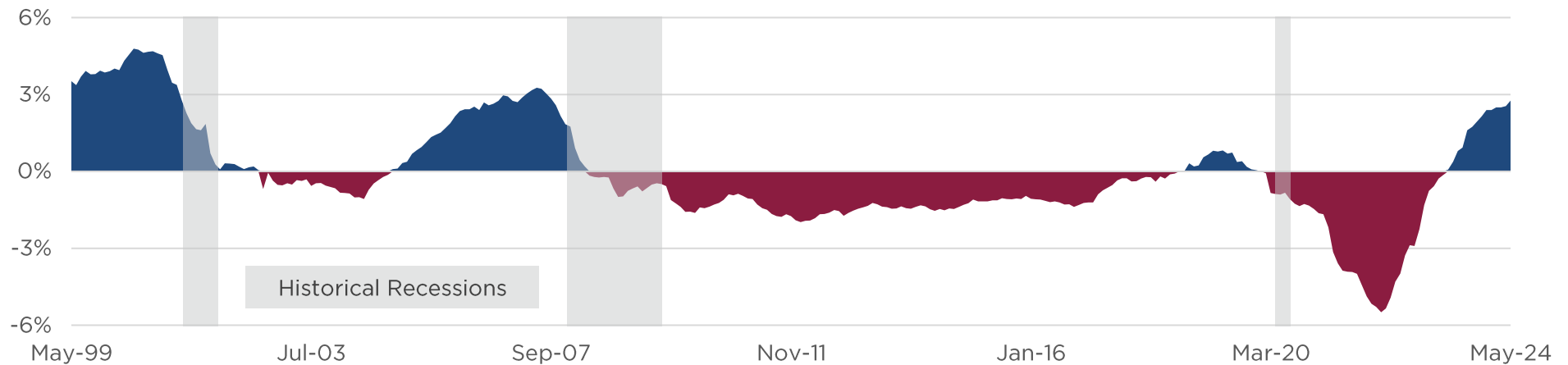
Sources: U.S. Bureau of Labor Statistics, CAPTRUST Research

## WALKING A MONETARY POLICY TIGHTROPE

The *natural rate of interest* refers to the level of interest rates that policymakers believe to be neither stimulative nor restrictive. This provides the baseline for policymakers to manage economic activity. Many believe this hypothetical neutral rate has been declining for nearly 25 years, requiring policymakers to keep rates artificially low. However, many are now questioning whether we are in the early stages of a rising natural interest-rate regime. A new regime would have a profound impact on the pace and scale of future Fed policy moves

### Real Federal Funds Rate

Current Federal Funds Rate Minus 12-Month Change in Core Personal Consumption Expenditures



### ECONOMIC CAPACITY FOR HIGHER INTEREST RATES

For much of the past 25 years, the U.S. economy has seemed unable to withstand elevated interest rates with even modestly positive real yields straining economic growth. The result is U.S. policymakers setting the fed funds rate below inflation for more than 60% of this period. If the U.S. is indeed entering a rising natural interest-rate regime, like the 1990s, economic activity should be able to withstand the recent higher fed funds rate. However, markets may need to recalibrate toward a higher terminal fed funds rate. Conversely, if the economy's recent lack of interest rate sensitivity proves temporary, policymakers may be stuck trying to battle renewed recessionary pressures. Potential leadership changes are always a source of uncertainty and volatility.

Sources: Board of Governors of the Federal Reserve System, U.S. Bureau of Economic Analysis, CAPTRUST Research

SECTION 3: PLAN INVESTMENT REVIEW

Period Ending 6.30.24 | Q2 24

**SECTION 3: PLAN INVESTMENT REVIEW**

Plan Assets.....

Investment Policy Monitor.....

Investment Review Select Commentary.....

Investment Performance Summary.....



## PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

## SURS Retirement Savings Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Money Market	Vanguard Federal Money Market Investor*	\$979,810	0.03%	\$612,341	0.02%
Stable Value	Voya Fixed Plus Account III	\$50,640,687	1.39%	\$53,466,389	1.36%
Inflation Protected Bond	Vanguard Inflation-Protected Secs I	\$16,373,420	0.45%	\$15,014,627	0.38%
Intermediate Core Bond	Nuveen Core Impact Bond R6	\$4,073,587	0.11%	\$4,357,039	0.11%
Intermediate Core Bond	State Street U.S. Bond Index Securities Lending Series Fund Class XIV	\$44,630,038	1.23%	\$46,500,525	1.18%
Multisector Bond	PIMCO Income Instl	\$16,484,467	0.45%	\$19,605,520	0.50%
High Yield	PGIM High Yield R6	\$11,882,665	0.33%	\$13,214,039	0.34%
Large Company Blend	BlackRock Equity Index F	\$381,808,256	10.51%	\$461,078,671	11.72%
Medium Company Blend	BlackRock Extended Equity Market F	\$65,007,494	1.79%	\$69,912,975	1.78%
Medium Company Growth	Delaware Mid Cap Growth Equity R6 (REPLACED)	\$44,429,738	1.22%	-	-
Global Large Stock Blend	BlackRock MSCI ACWI ESG Focus Index Fund F	\$20,858,522	0.57%	\$23,442,372	0.60%
Foreign Large Value	Columbia Trust Overseas Value Fund	\$9,988,439	0.28%	\$9,772,581	0.25%
Foreign Large Blend	State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II	\$34,519,097	0.95%	\$36,200,511	0.92%
Foreign Large Growth	Vanguard International Growth Adm	\$27,149,320	0.75%	\$29,187,010	0.74%
Small/Mid Company Growth	Fiera Capital SMID Growth	-	-	\$43,785,722	1.11%
Small Company Value	Earnest Partners SMID Cap Value	\$18,209,865	0.50%	\$20,109,627	0.51%
Specialty-Real Estate	Vanguard Real Estate Index Institutional	\$18,231,571	0.50%	\$18,102,627	0.46%

\*This fund is used as the investment for plan-level forfeiture amounts. It is not available for participant-directed investment within the core investment array.

CONTINUED...

Information provided by Record Keeper. For informational purposes. Not a substitute for official statements produced by the plan custodian. Information has been obtained from sources considered reliable, but its accuracy and completeness are not guaranteed. This report is not an illustration of investment performance, but rather a historical illustration of asset allocation.



## PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

## SURS Retirement Savings Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Target Date	SURS Lifetime Income Strategy Bond Portfolio	\$279,296,326	7.69%	\$281,893,306	7.17%
Target Date	SURS Lifetime Income Strategy Cash Portfolio	\$2,867,809	0.08%	\$3,291,165	0.08%
Target Date	SURS Lifetime Income Strategy Equity Portfolio	\$1,493,806,797	41.13%	\$1,567,699,620	39.86%
Target Date	SURS Lifetime Income Strategy Real Asset Portfolio	\$107,558,498	2.96%	\$108,173,036	2.75%
Target Date	SURS Lifetime Income Strategy Secure Income Portfolio	\$982,764,629	27.06%	\$1,097,472,236	27.91%
<b>TOTALS</b>		\$3,631,561,034	100%	\$3,922,891,939	100%

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## ASSET INVESTMENT REVIEW | SUMMARY

Period Ending 6.30.24 | Q2 24

## SURS Deferred Compensation Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Stable Value	Voya Fixed Plus Account III	\$1,162,630	2.63%	\$1,586,063	2.35%
Inflation Protected Bond	Vanguard Inflation-Protected Secs I	\$511,680	1.16%	\$650,475	0.96%
Intermediate Core Bond	Nuveen Core Impact Bond R6	\$93,688	0.21%	\$123,850	0.18%
Intermediate Core Bond	State Street U.S. Bond Index Securities Lending Series Fund Class XIV	\$504,343	1.14%	\$762,776	1.13%
Multisector Bond	PIMCO Income Instl	\$356,456	0.81%	\$599,556	0.89%
High Yield	PGIM High Yield R6	\$400,219	0.90%	\$548,183	0.81%
Large Company Blend	BlackRock Equity Index F	\$8,585,996	19.40%	\$13,707,595	20.33%
Medium Company Blend	BlackRock Extended Equity Market F	\$1,343,338	3.04%	\$1,988,441	2.95%
Medium Company Growth	Delaware Mid Cap Growth Equity R6 <i>(REPLACED)</i>	\$1,151,807	2.60%	-	-
Global Large Stock Blend	BlackRock MSCI ACWI ESG Focus Index Fund F	\$609,473	1.38%	\$929,845	1.38%
Foreign Large Value	Columbia Trust Overseas Value Fund	\$374,954	0.85%	\$487,411	0.72%
Foreign Large Blend	State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II	\$824,354	1.86%	\$1,342,444	1.99%
Foreign Large Growth	Vanguard International Growth Adm	\$632,075	1.43%	\$860,067	1.28%
Small/Mid Company Growth	Fiera Capital SMID Growth	-	-	\$1,442,456	2.14%
Small Company Value	Earnest Partners SMID Cap Value	\$674,230	1.52%	\$968,241	1.44%
Specialty-Real Estate	Vanguard Real Estate Index Institutional	\$785,755	1.78%	\$954,058	1.42%

CONTINUED...

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## ASSET INVESTMENT REVIEW | SUMMARY

Period Ending 6.30.24 | Q2 24

## SURS Deferred Compensation Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Target Date	SURS Lifetime Income Strategy Bond Portfolio	\$2,692,422	6.08%	\$4,237,264	6.29%
Target Date	SURS Lifetime Income Strategy Cash Portfolio	\$9,878	0.02%	\$31,569	0.05%
Target Date	SURS Lifetime Income Strategy Equity Portfolio	\$16,217,012	36.65%	\$25,862,036	38.37%
Target Date	SURS Lifetime Income Strategy Real Asset Portfolio	\$1,032,355	2.33%	\$1,546,033	2.29%
Target Date	SURS Lifetime Income Strategy Secure Income Portfolio	\$6,284,327	14.20%	\$8,781,023	13.03%
<b>TOTALS</b>		\$44,246,991	100%	\$67,409,386	100%

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INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 6.30.24 | Q2 24

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Inflation Protected Bond Vanguard Inflation-Protected Secs I	●	●	●	●	●	●	●	▼	●	●	●	89
Intermediate Core Bond Nuveen Core Impact Bond R6	●	●	●	●	●	●	●	●	●	▼	●	90
High Yield PGIM High Yield R6	▼	●	▼	●	●	●	▼	●	●	●	●	86
Foreign Large Value Columbia Overseas Value Inst3*	●	▼	●	●	●	●	●	●	●	●	●	88
Foreign Large Value Columbia Trust Overseas Value Fund	●	●	●	●	●	●	●	●	●	●	●	100
Foreign Large Growth Vanguard International Growth Adm	▼	●	▼	●	●	▼	▼	●	●	●	●	82
Small/Mid Company Growth Fiera Capital SMID Growth	●	●	●	●	●	●	●	●	●	●	●	100
Small Company Value Earnest Partners SMID Cap Value	●	●	●	●	●	●	●	●	●	●	●	100

\*The mutual fund is shown here for comparative purposes due to the lack of historical data for the Columbia Trust Overseas Value Fund Founders Class CIT.

LEGEND

●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. This material is for institutional investor use only and is not intended to be shared with individual investors.







## INVESTMENT REVIEW | INVESTMENT POLICY MONITOR


Period Ending 6.30.24 | Q2 24

## CAPITAL PRESERVATION INVESTMENTS

INVESTMENT	Overall	Commentary
Vanguard Federal Money Market Investor*		This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement.
Voya Fixed Plus Account III		This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement.

\*This fund is used as the investment for plan-level forfeiture amounts. It is not available for participant-directed investment within the core investment array.

## INVESTMENTS IN DISTINCT ASSET CLASSES

INVESTMENT	Overall	Commentary
PIMCO Income Instl		This fund currently meets the guidelines set forth by CAPTRUST for distinct investments in the Investment Policy Statement. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, excess return, and risk-adjusted performance.

## CONTINUED...







The CAPTRUST Financial Advisors Investment Scorecard is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



## INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 6.30.24 | Q2 24

## PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
State Street U.S. Bond Index Securities Lending Series Fund Class XIV		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
BlackRock Equity Index F		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
BlackRock Extended Equity Market F		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
BlackRock MSCI ACWI ESG Focus Index Fund F		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
Vanguard Real Estate Index Institutional		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.

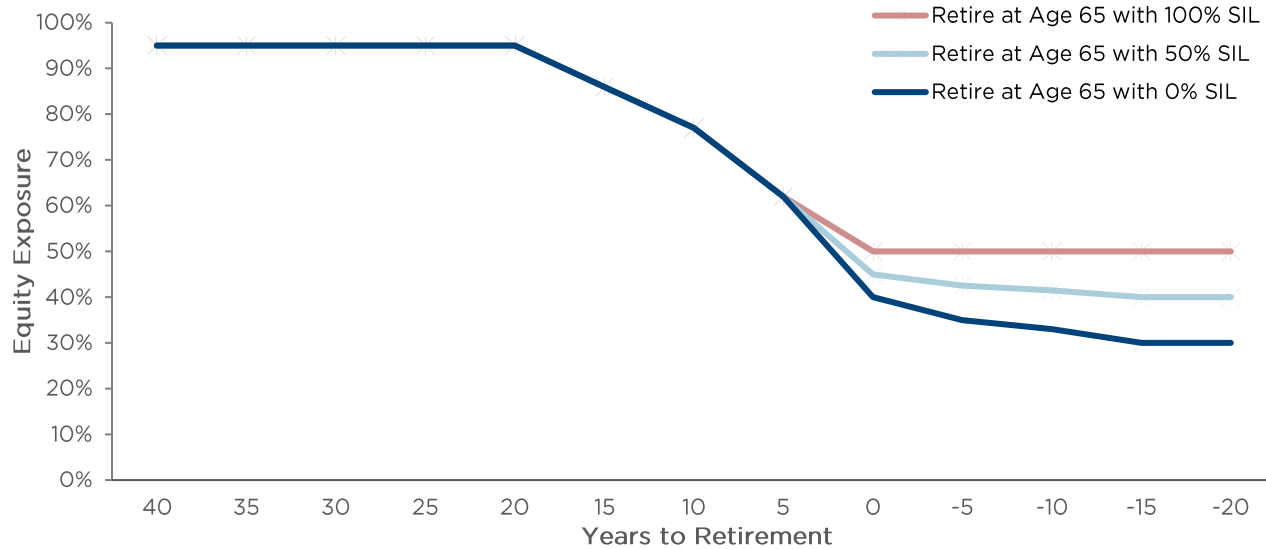
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# SURS LIFETIME INCOME STRATEGY

Period Ending 6.30.24 | Q2 24

## Target Asset Allocation Glidepath



## Dedicated Asset Class/Diversification

### Equity

U.S. Large Cap	P
U.S. Mid Cap	P
U.S. Small Cap	P
International Equity	P

### Fixed Income

U.S. Fixed Income	P
U.S. TIPs	A
High Yield	-
Emerging Markets Debt	-
International Fixed Income	-

### Alternative

Commodities	-
Real Estate	P

A = Active Management  
P = Passive Management

Component Portfolio Name	Underlying Fund Name	Allocation
SURS Lifetime Income Strategy Equity Portfolio	State Universities Retirement System Extended Equity Market U/A	11%
	State Universities Retirement System Equity Index U/A	49%
	State Street Global All Cap ex-US Index SL CI II	40%
SURS Lifetime Income Strategy Bond Portfolio	State Street US Bond Index SL CI XIV	65%
	Vanguard Inflation-Protected Securities Institutional	35%
SURS Lifetime Income Strategy Real Asset Portfolio	Vanguard Real Estate Index Institutional	100%
SURS Lifetime Income Strategy Cash Portfolio	Vanguard Federal Money Market Investor	100%
SURS Lifetime Income Strategy Secure Income Portfolio	AB Balanced 50/50 Collective Trust	100%

Important Disclosures: This slide is intended solely for institutional use. The opinions expressed in this report are subject to change without notice. The statistics and data have been compiled from sources believed to be reliable but are not guaranteed to be accurate or complete. Any performance quoted represents past performance and does not guarantee future results.



## SURS LIFETIME INCOME STRATEGY

Period Ending 6.30.24 | Q2 24

INVESTMENT NAME	TOTAL RETURN				
	2Q 2024	YTD 2023	1 Year	3 Year	Since Inception*
SURS Lifetime Income Strategy Equity Portfolio	2.16	9.92	18.17	4.80	10.40
Custom Benchmark	2.09	9.91	18.23	4.71	10.32
SURS Lifetime Income Strategy Real Asset Portfolio	(1.95)	(3.05)	4.78	(2.60)	4.99
Custom Benchmark	(0.90)	(2.19)	5.78	(1.63)	5.52
SURS Lifetime Income Strategy Bond Portfolio	0.43	(0.11)	2.65	(2.48)	(1.84)
Custom Benchmark	0.32	(0.22)	2.66	(2.42)	(1.75)
SURS Lifetime Income Strategy Cash Portfolio	1.30	2.63	5.40	3.01	2.34
Custom Benchmark	1.37	2.76	5.64	3.17	2.48
SURS Lifetime Income Strategy Secure Income Portfolio	0.69	4.18	8.80	0.65	3.99
Custom Benchmark	0.93	4.71	10.11	1.78	5.16

TOTAL EXPENSE RATIO (in basis points)					
	SURS LIS Equity Portfolio	SURS LIS Real Asset Portfolio	SURS LIS Bond Portfolio	SURS LIS Cash Portfolio	SURS LIS Secure Income Portfolio
Manager Fees	3.48	11.00	4.53	11.00	4.41
Asset Allocation / Implementation / Ongoing Services Fees	5.88	5.88	5.88	5.88	5.86
Custody Account Fee	0.10	0.10	0.10	0.10	0.10
Benefit Admin / Contract Allocation Fees	-	-	-	-	10.00
Insurance Fees	-	-	-	-	95.00
<b>Total</b>	<b>9.46</b>	<b>16.98</b>	<b>10.51</b>	<b>16.98</b>	<b>115.37</b>

\*Inception date is 08/26/2020 except for the Secure Income Portfolio which has an inception date of 9/14/2020.

All portfolio performance calculations are net of fees and are expressed as percentages. Periods of more than one year are annualized. The benchmark for a Lifetime Income Strategy Component is a customized benchmark that has the same target asset allocation as the corresponding component strategy's target asset allocation and uses index returns to represent performance of the asset classes. The benchmark returns were calculated by weighting the monthly index returns of each asset class by the corresponding component strategy's monthly target allocation for each asset class.

The Equity Portfolio is benchmarked against a custom fixed-weight benchmark comprising: 49% S&P 500 Index, 11% Dow Jones US Completion Total Stock Market Index and 40% MSCI ACWI Ex USA IMI Index. The Real Asset Portfolio is benchmarked against the FTSE Nareit All Equity REITs Index. The Bond Portfolio is benchmarked against a custom fixed-weight benchmark comprising: 65% Bloomberg Barclays US Global Aggregate Index and 35% Bloomberg Barclays US TIPS Index. The Cash Portfolio is benchmarked against the FTSE 3 Month US T-Bill Index. The Secure Income Portfolio is benchmarked against a custom benchmark comprising: 25% S&P 500 Index, 8% Russell 2000 Index, 17% MSCI EAFE Index, 30% Bloomberg Barclays US Aggregate Bond Index, and 20% Bloomberg Barclays US TIPS Index.



## SURS LIFETIME INCOME STRATEGY

Period Ending 6.30.24 | Q2 24

ACTIVITY SUMMARY – RSP / 401(a) Plan	
<b>Asset Summary</b>	<b>2Q 2024</b>
Total LIS Participants	21,457
Total SIP Participants	6,484
<b>Participant Services</b>	<b>2Q 2024</b>
Estimates – Call Center	364
Estimates – Web	1,925
SIL Changes	24
Retirement Age Changes	41
<b>Benefit Statistics</b>	<b>2Q 2024 / Since Inception</b>
Activated Participants	20 / 320
Avg Activated GLWB %	3.75% / 3.33%
Avg Activation Age	67.4/ 67.3

ACTIVITY SUMMARY – DCP / 457(b) Plan	
<b>Asset Summary</b>	<b>2Q 2024</b>
Total LIS Participants	9,463
Total SIP Participants	851
<b>Participant Services</b>	<b>2Q 2024</b>
Estimates – Call Center	10
Estimates – Web	261
SIL Changes	5
Retirement Age Changes	4
<b>Benefit Statistics</b>	<b>2Q 2024 / Since Inception</b>
Activated Participants	0 / 0
Avg Activated GLWB %	0.00% / 0.00%
Avg Activation Age	0 / 0

SIP (Secure Income Portfolio) is the insured portfolio used to fund the Guaranteed Income Withdrawal Amount. Assets in this portfolio are insured through multiple group-insurance contracts. Allocations among the group-insurance contracts are unique to each participant. If your Secure Income Level is greater than 0%, your assets will be gradually allocated to the Secure Income Portfolio, beginning approximately 15 years before you are scheduled to retire. SIL (Secure Income Level) is the target percentage of your SURS LIS account – between 0% and 100% - that you want allocated over time to the Secure Income Portfolio and used to fund your Guaranteed Income Withdrawal Amount. (The default Secure Income Level is 100%.) GLWB (Guaranteed Lifetime Withdrawal Benefit) is the amount you can withdraw monthly from the Secure Income Portfolio during retirement and the amount that participating insurers will pay you annually for the remainder of your lifetime (or for the remainder of your spouse's or civil union partner's lifetime, if applicable) if the Secure Income Portfolio account balance is exhausted because the Guaranteed Income Withdrawal Amount depleted your account. The amount is recalculated each year on your birthday.



# SURS LIFETIME INCOME STRATEGY

Period Ending 6.30.24 | Q2 24

## INSURANCE COMPANIES

- LIS uses group contracts to provide guaranteed income withdrawal benefit

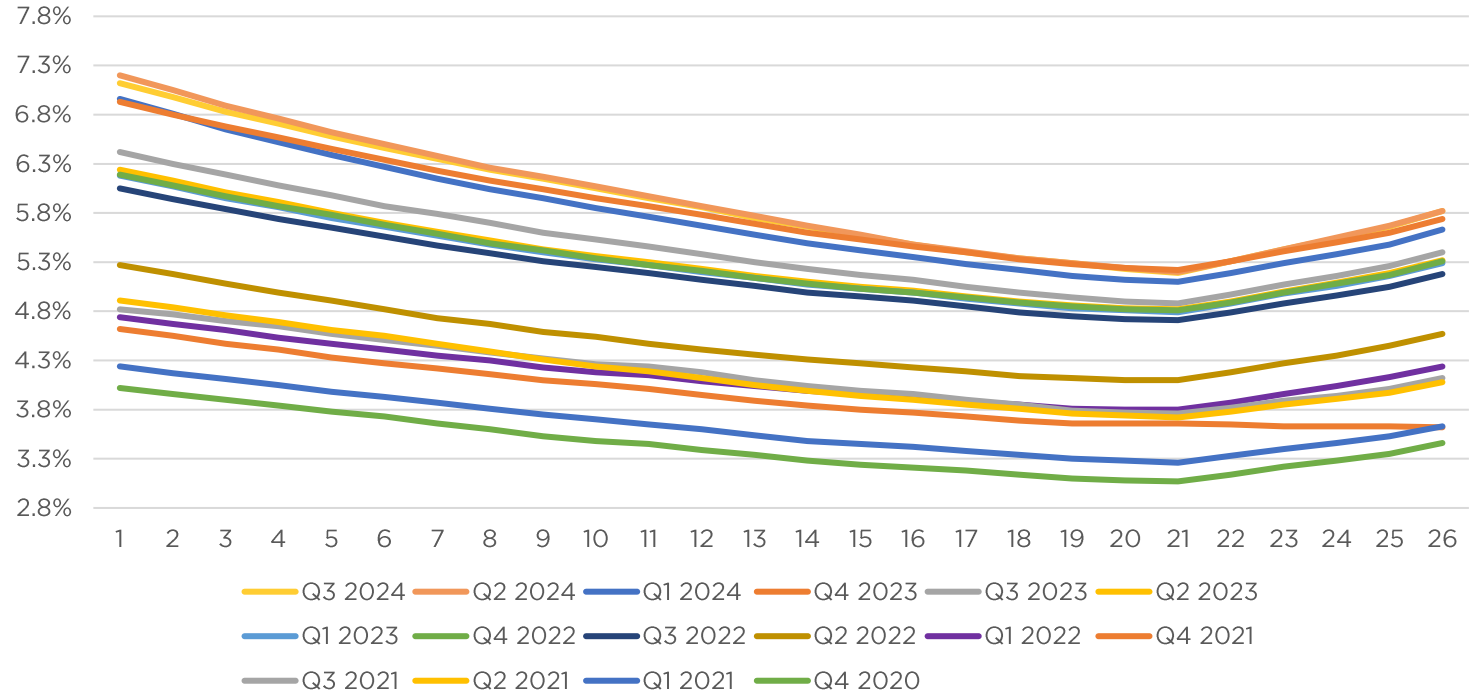
## PARTICIPATING COMPANIES

- Jackson National Life Insurance
- Lincoln National Life Insurance Company
- Nationwide Life Insurance Company

## LIS RESTRICTIONS

- At least 90 days must pass between changing elections (secure income level and/or retirement age)
- If members transfer money out of SURS LIS, they cannot transfer funds into SURS LIS for 90 days
- New contributions and rollovers are not affected by the 90-day restriction

## BLENDED RATES – ROLLING PERIODS\*



	Jackson		Lincoln		Nationwide	
S&P	A (6 <sup>th</sup> of 20)	Stable	A+ (5 <sup>th</sup> of 20)	Stable	A+ (5 <sup>th</sup> of 20)	Stable
Moody's	A3 (7 <sup>th</sup> of 21)	Stable	A2 (6 <sup>th</sup> of 21)	Stable	A1 (5 <sup>th</sup> of 21)	Stable
Fitch	A (6 <sup>th</sup> of 21)	Stable	A+ (5 <sup>th</sup> of 21)	Negative	-	-
AM Best	A (3 <sup>rd</sup> of 15)	Stable	A (3 <sup>rd</sup> of 15)	Stable	A+ (2 <sup>nd</sup> of 15)	Stable

\*Blended Rates include Deferred Retirement Bonus. Assumes a retirement age of 65.



FUND FIRM ITEMS	COMMENTARY
Vanguard Group, Inc.	<p>Vanguard has named Salim Ramji as the firm's next CEO. Mr. Ramji assumed the role on July 8, 2024 from current CEO Tim Buckley ahead of his retirement at the end of 2024. Mr. Ramji previously led BlackRock's ETF and index investing. Vanguard's Board of Directors has also named Mr. Ramji as a member of the Board along with President and CIO Greg Davis.</p>
Prudential Global Investment Management	<p>Richard Greenwood, managing director and head of Credit will retire in April 2025. Mr. Greenwood will maintain oversight of both corporate credit research and portfolio management until January 1, 2025. He will serve as an advisor to the firm from January 2025 through April 2025. Effective January 1, 2025, co-CIO Craig Dewling will assume direct oversight of the credit portfolio management teams. Brian Barnhurst, co-head of Global Credit Research, will become sole head of Global Credit Research and report to Mr. Dewling. Janet Crowe, co-Head of Global Credit Research, will become head of the newly formed Private Credit team within PGIM Fixed Income and report to John Vibert, President and CEO of PGIM Fixed Income.</p>
Nuveen/TIAA-CREF	<p>Nuveen has appointed William Huffman as Chief Executive Officer. Mr. Huffman succeeds Jose Minaya who recently left the firm to pursue other opportunities. Mr. Huffman most recently served as president of Nuveen Asset Management and head of Equities and Fixed Income.</p> <p>The TIAA-CREF Funds and Nuveen Funds now operate under one consolidated fund board. In addition, the TIAA-CREF mutual fund family has been rebranded as Nuveen. In addition, the Institutional, Advisor, and Retail share classes were renamed to align with the existing Nuveen Funds. The Institutional share class are now R6, the Advisor share class are now I, and the Retail share class are now class A.</p>

## PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>MONEY MARKET</b>											
Vanguard Federal Money Market Investor	1.32%	2.66%	5.09%	1.55%	0.01%	0.45%	2.14%	5.41%	3.09%	2.13%	1.47%
ICE BofA ML US Treasury Bill 3 Mon USD	1.32%	2.63%	5.02%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.16%	1.51%
<b>STABLE VALUE</b>											
Voya Fixed Account -SURS	-	-	Crediting rate: 2.25%					-	-	-	-
ICE BofA ML US Treasury Bill 3 Mon USD	1.32%	2.63%	5.02%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.16%	1.51%
Morningstar US Stable Value GR USD	0.74%	1.48%	2.85%	1.89%	1.74%	2.26%	2.52%	2.98%	2.35%	2.30%	2.14%
<b>INFLATION PROTECTED BOND</b>											
Vanguard Inflation-Protected Secs I	0.85%	0.79%	3.85%	-11.90%	5.72%	11.05%	8.18%	2.75%	-1.40%	2.00%	1.86%
Bloomberg US Treasury US TIPS TR USD	0.79%	0.70%	3.90%	-11.85%	5.96%	10.99%	8.43%	2.71%	-1.33%	2.07%	1.91%
Inflation Protected Bond Universe	0.84%	0.81%	3.74%	-11.70%	5.22%	9.69%	7.61%	2.91%	-1.42%	1.94%	1.62%
<b>INTERMEDIATE CORE BOND</b>											
Nuveen Core Impact Bond R6	0.34%	0.39%	6.04%	-14.01%	-1.03%	7.45%	8.73%	3.74%	-2.94%	-0.04%	1.78%
State Street U.S. Bond Index Securities Lending Series Fund Class XIV	0.13%	-0.60%	5.61%	-13.13%	-1.62%	7.67%	8.74%	2.65%	-3.02%	-0.21%	1.36%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Intermediate Core Bond Universe	0.18%	-0.44%	5.58%	-13.41%	-1.55%	7.80%	8.45%	2.90%	-3.12%	-0.19%	1.26%
<b>MULTISECTOR BOND</b>											
PIMCO Income Instl	0.44%	1.82%	9.32%	-7.81%	2.61%	5.80%	8.05%	7.24%	1.12%	2.67%	3.98%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Multisector Bond Universe	0.80%	2.15%	8.59%	-10.77%	2.53%	6.32%	10.49%	7.68%	-0.17%	2.16%	2.68%

\*ANNUALIZED

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## PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>HIGH YIELD</b>											
<b>PGIM High Yield R6</b>	<b>1.14%</b>	<b>2.78%</b>	<b>12.31%</b>	<b>-11.55%</b>	<b>6.47%</b>	<b>5.72%</b>	<b>16.26%</b>	<b>10.30%</b>	<b>1.36%</b>	<b>3.78%</b>	<b>4.57%</b>
Bloomberg US Corporate High Yield TR USD	1.09%	2.58%	13.45%	-11.19%	5.28%	7.11%	14.32%	10.44%	1.64%	3.92%	4.31%
High Yield Bond Universe	1.21%	2.82%	12.06%	-10.77%	4.89%	5.24%	13.64%	9.81%	1.47%	3.38%	3.54%
<b>LARGE COMPANY BLEND</b>											
<b>BlackRock Equity Index F</b>	<b>4.28%</b>	<b>15.29%</b>	<b>26.30%</b>	<b>-18.10%</b>	<b>28.74%</b>	<b>18.48%</b>	<b>31.55%</b>	<b>24.57%</b>	<b>10.02%</b>	<b>15.08%</b>	<b>12.90%</b>
S&P 500 Index	4.28%	15.29%	26.29%	-18.11%	28.71%	18.40%	31.49%	24.56%	10.01%	15.05%	12.86%
Large Blend Universe	3.18%	14.22%	24.27%	-18.12%	26.54%	17.23%	29.99%	23.25%	8.53%	13.83%	11.42%
<b>MEDIUM COMPANY BLEND</b>											
<b>BlackRock Extended Equity Market F</b>	<b>-3.42%</b>	<b>3.27%</b>	<b>25.35%</b>	<b>-26.36%</b>	<b>12.45%</b>	<b>32.16%</b>	<b>28.23%</b>	<b>14.91%</b>	<b>-2.44%</b>	<b>8.71%</b>	<b>8.33%</b>
Russell Mid Cap	-3.35%	4.96%	17.23%	-17.32%	22.58%	17.10%	30.54%	12.88%	2.37%	9.46%	9.04%
Mid Blend Universe	-3.66%	4.96%	15.92%	-15.48%	24.08%	13.06%	28.00%	12.74%	3.13%	9.21%	7.98%
<b>GLOBAL LARGE STOCK BLEND</b>											
<b>BlackRock MSCI ACWI ESG Focus Index Fund F</b>	<b>3.20%</b>	<b>11.08%</b>	<b>21.88%</b>	<b>-19.13%</b>	<b>18.22%</b>	<b>19.00%</b>	<b>26.87%</b>	<b>18.79%</b>	<b>4.96%</b>	<b>11.07%</b>	<b>-</b>
MSCI ACWI NR USD	2.87%	11.30%	22.20%	-18.36%	18.54%	16.25%	26.60%	19.38%	5.43%	10.76%	8.43%
Global Large Stock Blend	1.44%	8.95%	19.07%	-17.38%	18.05%	14.16%	26.20%	15.65%	4.53%	9.23%	7.82%
<b>FOREIGN LARGE VALUE</b>											
<b>Columbia Overseas Value Inst3</b>	<b>1.14%</b>	<b>3.07%</b>	<b>16.33%</b>	<b>-5.88%</b>	<b>10.97%</b>	<b>-0.06%</b>	<b>22.61%</b>	<b>11.49%</b>	<b>4.25%</b>	<b>6.45%</b>	<b>4.82%</b>
<b>Columbia Trust Overseas Value Fund</b>	<b>1.27%</b>	<b>3.23%</b>	<b>16.65%</b>	<b>-5.01%</b>	<b>11.05%</b>	<b>-</b>	<b>-</b>	<b>11.75%</b>	<b>4.81%</b>	<b>-</b>	<b>-</b>
MSCI EAFE NR	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
Foreign Large Value Universe	0.09%	4.29%	17.87%	-9.85%	11.78%	2.77%	18.46%	11.22%	3.62%	6.31%	3.42%

\*ANNUALIZED

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## PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>FOREIGN LARGE BLEND</b>											
State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II	0.94%	5.41%	15.93%	-16.29%	8.74%	11.36%	22.04%	11.44%	0.45%	5.87%	4.19%
MSCI EAFE NR	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
Foreign Large Blend Universe	0.18%	5.53%	16.12%	-15.92%	10.15%	10.23%	22.31%	10.73%	1.14%	6.12%	4.07%
<b>FOREIGN LARGE GROWTH</b>											
Vanguard International Growth Adm	2.36%	7.77%	14.81%	-30.79%	-0.74%	59.74%	31.48%	9.02%	-7.21%	8.52%	7.64%
MSCI EAFE NR	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
Foreign Large Growth Universe	-0.27%	6.00%	15.97%	-25.10%	8.62%	22.39%	28.14%	8.88%	-2.55%	5.82%	5.03%
<b>SMALL/MID COMPANY GROWTH</b>											
Fiera Capital SMID Growth	-6.13%	1.47%	24.88%	-22.15%	16.87%	43.60%	31.26%	8.80%	1.03%	11.70%	9.78%
Russell 2500 Growth	-4.22%	3.93%	18.93%	-26.21%	5.04%	40.47%	32.65%	9.02%	-4.11%	7.58%	8.77%
Mid Growth Universe	-3.78%	5.02%	20.57%	-28.53%	11.81%	38.98%	33.86%	11.42%	-1.96%	8.71%	9.63%
<b>SMALL COMPANY VALUE</b>											
Earnest Partners SMID Cap Value	-5.92%	1.30%	15.47%	-8.94%	25.57%	20.23%	-	10.00%	3.81%	-	-
Russell 2000 Value	-3.64%	-0.85%	14.65%	-14.48%	28.27%	4.63%	22.39%	10.90%	-0.53%	7.07%	6.23%
Small Value Universe	-3.61%	1.04%	15.91%	-11.43%	30.87%	3.54%	22.13%	10.96%	2.59%	8.59%	6.59%
<b>SPECIALTY-REAL ESTATE</b>											
Vanguard Real Estate Index Institutional	-1.91%	-3.05%	11.82%	-26.17%	40.41%	-4.67%	29.02%	4.79%	-2.53%	2.98%	5.32%
Dow Jones US Select REIT	-0.16%	-0.55%	13.96%	-25.96%	45.91%	-11.20%	23.10%	7.15%	-0.14%	2.78%	5.17%
Specialty-Real Estate Universe	-0.66%	-1.65%	12.02%	-26.30%	41.45%	-4.38%	28.10%	5.75%	-1.58%	3.38%	5.45%

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SECTION 4: INACTIVE PLAN REVIEW

Period Ending 6.30.24 | Q2 24

SECTION 4: INACTIVE PLAN REVIEW	
Plan Assets.....	
Investment Monitor.....	
Investment Performance Summary.....	



## PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

SURS Self Managed Plan - Frozen

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Money Market	CREF Money Market R3	\$6,191,056	1.69%	\$6,260,485	1.65%
Stable Value	TIAA Traditional - Retirement Choice	\$144,576,458	39.53%	\$144,374,825	38.10%
Inflation Protected Bond	CREF Inflation-Linked Bond R3	\$7,514,887	2.05%	\$7,383,308	1.95%
Intermediate Core Bond	CREF Core Bond R3	\$15,628,337	4.27%	\$14,950,005	3.95%
Moderate Allocation	CREF Social Choice R3	\$22,942,892	6.27%	\$23,637,756	6.24%
Private Real Estate	TIAA Real Estate Account	\$2,861,278	0.78%	\$2,560,690	0.68%
Large Company Blend	CREF Equity Index R3	\$51,640,745	14.12%	\$56,092,821	14.80%
Large Company Growth	CREF Growth R3	\$358,865	0.10%	\$438,569	0.12%
Global Large Stock Blend	CREF Global Equities R3	\$26,693,872	7.30%	\$28,963,450	7.64%
Global Large Stock Blend	CREF Stock R3	\$87,324,627	23.88%	\$94,240,477	24.87%
<b>TOTALS</b>		\$365,733,018	100%	\$378,902,387	100%

Information provided by Record Keeper. For informational purposes. Not a substitute for official statements produced by the plan custodian. Information has been obtained from sources considered reliable, but its accuracy and completeness are not guaranteed. This report is not an illustration of investment performance, but rather a historical illustration of asset allocation.



# INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 6.30.24 | Q2 24

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Inflation Protected Bond CREF Inflation-Linked Bond R3	●	●	●	●	●	●	●	●	●	▼	●	99
Intermediate Core Bond CREF Core Bond R3	●	●	●	●	●	●	●	●	●	▼	●	99
Moderate Allocation CREF Social Choice R3	●	●	●	●	●	●	▼	▼	●	▼	●	87
Large Company Growth CREF Growth R3	●	●	●	●	●	●	▼	●	●	▼	●	91
Global Large Stock Blend CREF Global Equities R3	●	●	●	●	●	●	●	●	●	▼	●	98

LEGEND

●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. This material is for institutional investor use only and is not intended to be shared with individual investors.




## INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 6.30.24 | Q2 24



## CAPITAL PRESERVATION INVESTMENTS

INVESTMENT	Overall	Commentary
CREF Money Market R3		This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement.
TIAA Traditional - Retirement Choice		This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement.

## PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
CREF Equity Index R3		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.

## INVESTMENTS IN DISTINCT ASSET CLASSES

INVESTMENT	Overall	Commentary
TIAA Real Estate Account		This fund currently meets the guidelines set forth by CAPTRUST for distinct investments in the Investment Policy Statement. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, excess return, and risk-adjusted performance.
CREF Stock R3		This fund currently meets the guidelines set forth by CAPTRUST for distinct investments in the Investment Policy Statement. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, excess return, and risk-adjusted performance.

The CAPTRUST Financial Advisors Investment Scorecard is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



FUND FIRM ITEMS	COMMENTARY
Nuveen/TIAA-CREF	<p>Nuveen has appointed William Huffman as Chief Executive Officer. Mr. Huffman succeeds Jose Minaya who recently left the firm to pursue other opportunities. Mr. Huffman most recently served as president of Nuveen Asset Management and head of Equities and Fixed Income.</p> <p>The TIAA-CREF Funds and Nuveen Funds now operate under one consolidated fund board. In addition, the TIAA-CREF mutual fund family has been rebranded as Nuveen. In addition, the Institutional, Advisor, and Retail share classes were renamed to align with the existing Nuveen Funds. The Institutional share class are now R6, the Advisor share class are now I, and the Retail share class are now class A.</p>

## PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>MONEY MARKET</b>											
CREF Money Market R3	1.29%	2.60%	4.97%	1.24%	0.00%	0.38%	2.02%	5.27%	2.93%	2.01%	1.32%
ICE BofA ML US Treasury Bill 3 Mon USD	1.32%	2.63%	5.02%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.16%	1.51%
<b>STABLE VALUE</b>											
TIAA Traditional - Retirement Choice	-	-	-	-	-	-	-	-	-	-	-
ICE BofA ML US Treasury Bill 3 Mon USD	1.32%	2.63%	5.02%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.16%	1.51%
Morningstar US Stable Value GR USD	0.74%	1.48%	2.85%	1.89%	1.74%	2.26%	2.52%	2.98%	2.35%	2.30%	2.14%
<b>INFLATION PROTECTED BOND</b>											
CREF Inflation-Linked Bond R3	1.10%	1.58%	4.62%	-6.34%	5.28%	8.03%	6.53%	4.52%	0.85%	2.81%	2.04%
Bloomberg US Treasury US TIPS TR USD	0.79%	0.70%	3.90%	-11.85%	5.96%	10.99%	8.43%	2.71%	-1.33%	2.07%	1.91%
Inflation Protected Bond Universe	0.84%	0.81%	3.74%	-11.70%	5.22%	9.69%	7.61%	2.91%	-1.42%	1.94%	1.62%
<b>INTERMEDIATE CORE BOND</b>											
CREF Core Bond R3	0.24%	0.15%	6.31%	-13.14%	-1.23%	7.92%	9.03%	3.74%	-2.61%	0.20%	1.65%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Intermediate Core Bond Universe	0.18%	-0.44%	5.58%	-13.41%	-1.55%	7.80%	8.45%	2.90%	-3.12%	-0.19%	1.26%
<b>MODERATE ALLOCATION</b>											
CREF Social Choice R3	0.61%	5.62%	14.82%	-15.47%	12.64%	13.52%	20.80%	11.93%	2.35%	7.02%	6.43%
60% S&P 500, 40% Bloomberg Agg	2.60%	8.70%	17.67%	-15.79%	15.86%	14.73%	22.18%	15.42%	4.84%	9.01%	8.38%
Moderate Allocation Universe	1.11%	6.34%	13.81%	-15.05%	13.18%	12.52%	19.45%	12.63%	2.50%	6.97%	6.19%

\*ANNUALIZED

CONTINUED...

This summary is intended for "Institutional (Plan Sponsor) Use Only" and only includes historical performance of the funds currently in the plan's fund lineup as compared to the peer group (universe) maintained/developed by CAPTRUST (using Morningstar open-end mutual fund data), which may include other investment types such as collective investment trusts. Fund and peer group returns are shown net of investment management fees, unless otherwise indicated, but gross of CAPTRUST advisory fees. The plan's overall performance will be reduced by CAPTRUST's advisory fees and other plan level fees not contemplated in this summary. Therefore, each participant's account performance will differ substantially. Past performance is not indicative of future results. Information from sources believed to be reliable, but not warranted by CAPTRUST to be accurate or complete.





## PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>PRIVATE REAL ESTATE</b>											
TIAA Real Estate Account	-1.76%	-4.36%	-13.62%	8.19%	17.87%	-0.84%	5.51%	-11.28%	-0.26%	1.35%	3.83%
NCREIF Property Index	-0.26%	-1.24%	-7.94%	5.53%	17.70%	1.60%	6.42%	-5.53%	2.33%	3.39%	6.07%
NCREIF ODCE Index	-2.68%	-5.77%	-12.15%	7.46%	22.18%	1.18%	5.34%	-12.15%	0.80%	2.49%	6.06%
<b>LARGE COMPANY BLEND</b>											
CREF Equity Index R3	3.16%	13.43%	25.77%	-19.25%	25.52%	20.63%	30.73%	22.93%	7.92%	13.98%	11.94%
S&P 500 Index	4.28%	15.29%	26.29%	-18.11%	28.71%	18.40%	31.49%	24.56%	10.01%	15.05%	12.86%
Large Blend Universe	3.18%	14.22%	24.27%	-18.12%	26.54%	17.23%	29.99%	23.25%	8.53%	13.83%	11.42%
<b>LARGE COMPANY GROWTH</b>											
CREF Growth R3	7.84%	22.21%	46.09%	-32.34%	20.43%	40.76%	31.66%	36.56%	8.76%	17.20%	15.12%
Russell 1000 Growth	8.33%	20.70%	42.68%	-29.14%	27.60%	38.49%	36.39%	33.48%	11.28%	19.34%	16.33%
Large Growth Universe	5.69%	18.97%	38.88%	-30.93%	22.07%	35.21%	33.09%	30.70%	6.91%	15.34%	13.73%
<b>GLOBAL LARGE STOCK BLEND</b>											
CREF Global Equities R3	3.23%	13.00%	23.94%	-18.49%	15.65%	22.75%	28.28%	21.20%	5.97%	12.17%	9.03%
CREF Stock R3	2.50%	11.17%	22.37%	-18.45%	18.92%	17.91%	27.45%	19.47%	5.15%	11.07%	9.17%
MSCI ACWI NR USD	2.87%	11.30%	22.20%	-18.36%	18.54%	16.25%	26.60%	19.38%	5.43%	10.76%	8.43%
Global Large Stock Blend	1.44%	8.95%	19.07%	-17.38%	18.05%	14.16%	26.20%	15.65%	4.53%	9.23%	7.82%

\*ANNUALIZED

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SECTION 4: FUND FACT SHEETS

Period Ending 6.30.24 | Q2 24

SECTION 4: FUND FACT SHEETS	
Fund Fact Sheets.....	



VOYA FIXED ACCOUNT PLUS III

Period Ending 6.30.24 | Q2 24

**INDUSTRY ANALYSIS**

In the second quarter, interest rates across the yield curve have increased while the curve remains inverted. The Federal Reserve's efforts to stabilize the economy resulted in the first reported slowing of inflation this year. The federal overnight lending rate is set within a target range of 5.25% to 5.50%, with industry professionals anticipating one-to-two federal rate cuts by year-end. Given recent changes in fixed income markets, investors can expect crediting rates to continue benefitting from the high-yielding fixed income environment. The near-term interest rate environment will depend on whether the Federal Reserve maintains higher rates or shifts to a monetary easing policy.

**CAPTRUST ANALYSIS**

The Voya Fixed Account Plus III is a Voya Retirement Insurance and Annuity Company (VRIAC) group fixed unallocated annuity contract. The product is a "general account" product meaning participant assets are commingled within the insurance general account at Voya. All guarantees are ultimately backed by the financial strength and claims-paying ability of VRIAC.

The rate is declared monthly with interest credited on a daily basis at an annual effective rate. The product credits interest under a portfolio interest crediting method in which all deposits receive the same return regardless of date of initial deposit. This product is only available to Voya recordkept clients.

**GROSS CREDITING RATE**

**SURS Current Crediting Rate is 2.25%**

**INVESTMENT DETAILS**

<b>Crediting Rate Details:</b>	New and existing money are credited equally, rates are reset monthly.
<b>Competing Options:</b>	Allowed.
<b>Minimum Rate:</b>	The minimum crediting rate is 1.00%.

**LIQUIDITY PROVISIONS**

Plan Sponsor	Participant
<b>Plan sponsor-directed transfers from the Fixed-Interest Option to another investment option would be restricted to 20 percent per year for five years</b>	<b>Benefit Responsive. Transfers to competing options subject to 90-day equity wash</b>

Important Disclosures: This slide is intended solely for institutional use. The opinions expressed in this report are subject to change without notice. The statistics and data have been compiled from sources believed to be reliable but are not guaranteed to be accurate or complete. Any performance quoted represents past performance and does not guarantee future results. Bloomberg Index averages are derived from Morningstar. This material is not a solicitation or an offer to buy any security or to participate in any investment strategy. Any such solicitation must be made by prospectus only. For more information or to obtain a prospectus, please contact your financial advisor at 800.216.0645. CAPTRUST Financial Advisors.



# VANGUARD FEDERAL MONEY MARKET INVESTOR

Period Ending 6.30.24 | Q2 24

## INDUSTRY ANALYSIS

In the second quarter, reported inflation was cooler than expected, and the Federal Reserve kept the federal funds rate within the 5.25% to 5.50% target range. Despite this, interest rates across the yield curve increased by quarter-end. With the yield curve inversion persisting, short-term interest rates remain elevated, causing money market fund yields to exceed those of other capital preservation alternatives. The near-term interest rate environment will depend significantly on whether the Federal Reserve maintains higher rates or shifts to a monetary easing policy.

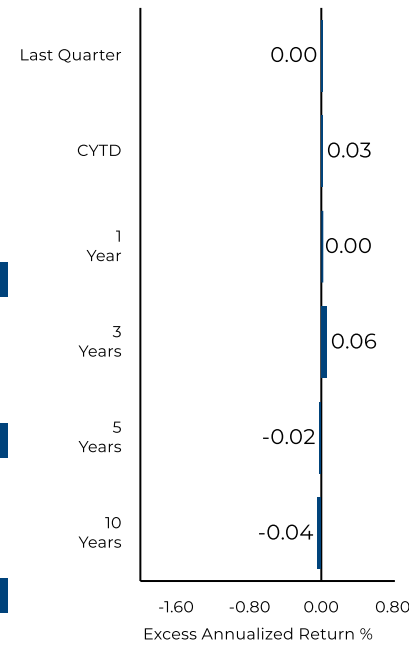
	Last Qtr.	CYTD	1 Yr	3 Yr	5 Yr	10 Yr
Vanguard Federal Money Market Investor	1.32	2.66	5.41	3.09	2.13	1.47
ICE BofA 3 Month U.S. T-Bill	1.32	2.63	5.40	3.03	2.16	1.51

	2023	2022	2021	2020	2019
Vanguard Federal Money Market Investor	5.09	1.55	0.01	0.45	2.14
ICE BofA 3 Month U.S. T-Bill	5.02	1.46	0.05	0.67	2.28

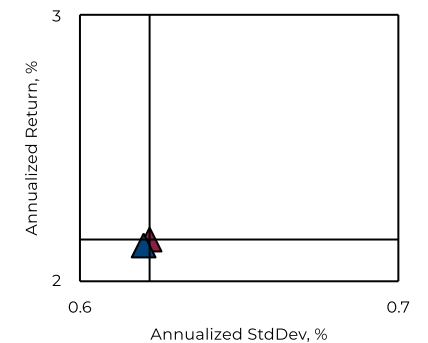
	STD DEV / 5 YEAR
Vanguard Federal Money Market Investor	0.62
ICE BofA 3 Month U.S. T-Bill	0.62

## INVESTMENT PROFILE

Ticker	VMFXX
Fund Inception Date	1981
Prospectus Expense Ratio	0.11 %
SEC Yield	-

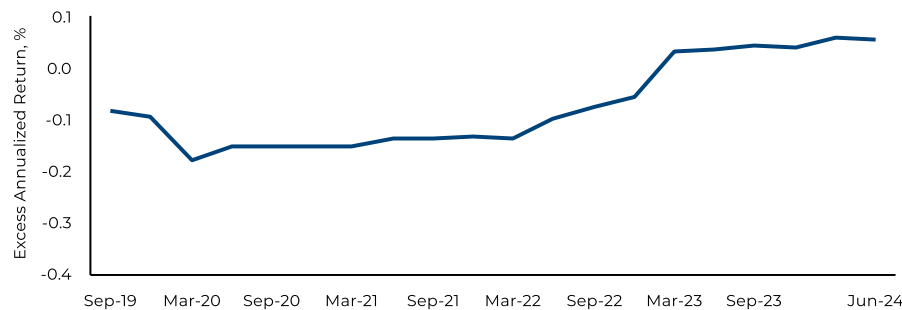


## Performance vs Risk - 5 Year

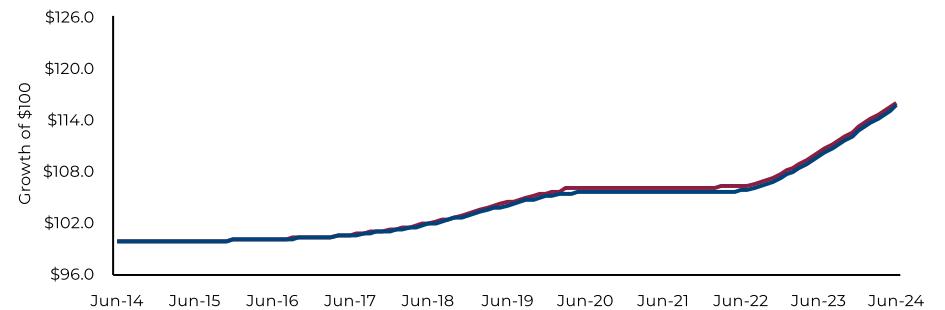


▲ Vanguard Federal Money Market Investor  
▲ 90 Day U.S. Treasury Bill

## Rolling 3 Year Annualized Excess Return (Sep-19 - Jun-24)



## Cumulative Performance (Jul 2014 - Jun 2024)



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# VANGUARD INFLATION-PROTECTED SECS I

Period Ending 6.30.24 | Q2 24

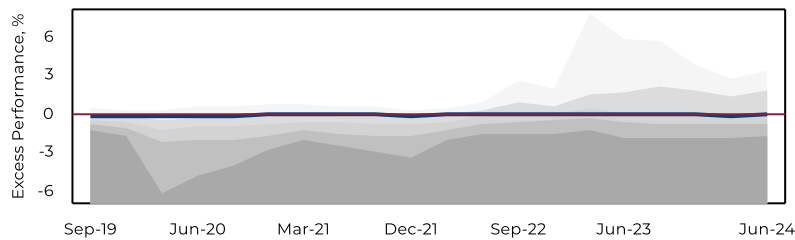
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Vanguard Inflation-Protected Secs I	0.85	0.79	2.75	-1.40	2.00	1.86	3.85	-11.90	5.72	11.05	8.18
Blmbg. U.S. TIPS Index	0.79	0.70	2.71	-1.33	2.07	1.91	3.90	-11.85	5.96	10.99	8.43
Inflation-Protected Bond Median	0.84	0.80	2.91	-1.43	1.94	1.62	3.74	-11.70	5.22	9.69	7.61
Rank (%)	49	55	52	49	48	27	46	57	32	26	30
Population	189	189	189	186	183	176	194	196	200	198	198

## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard Inflation-Protected Secs I	0.00	-0.03	0.98	0.99	97.51	97.85	-0.16
Blmbg. U.S. TIPS Index	0.02	0.00	1.00	1.00	100.00	100.00	-
Inflation-Protected Bond Median	0.00	-0.07	0.97	0.93	93.90	98.94	-0.12

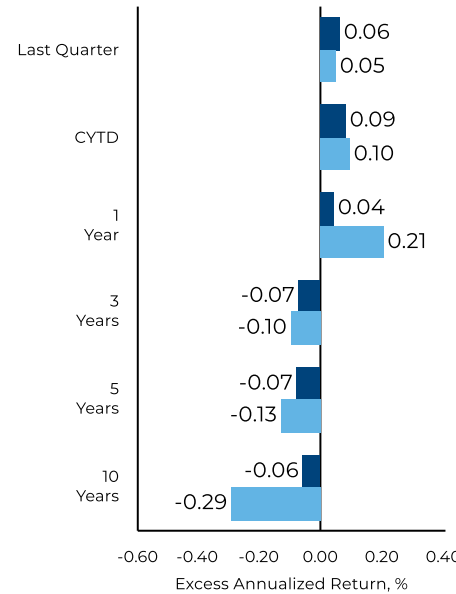
### Rolling 3 Year Annualized Excess Return



### Performance vs Risk 5 Year



▲ Vanguard Inflation-Protected Secs I ▲ Inflation-Protected Bond Median  
▲ Blmbg. U.S. TIPS Index



■ Vanguard Inflation-Protected Secs I  
■ Inflation-Protected Bond Median

## INVESTMENT PROFILE

Ticker	VIPIX
Portfolio Manager	Madziyire, J
Portfolio Assets	\$11,225 Million
PM Tenure	2 Years 7 Months
Net Expense(%)	0.07 %
Fund Inception	2003
Category Expense Median	0.66
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	35.41 %
Number of Holdings	50
Turnover	34.00 %
Avg. Effective Duration	6.72 Years
SEC Yield	2.20 %

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# NUVEEN CORE IMPACT BOND R6

Period Ending 6.30.24 | Q2 24

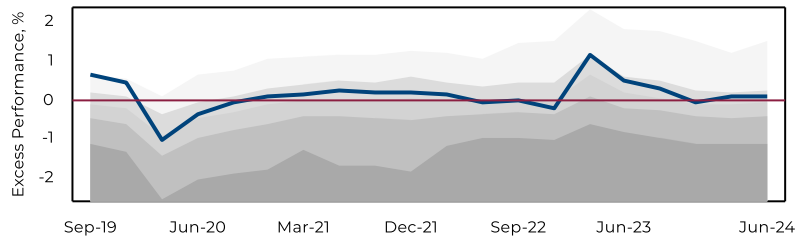
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Nuveen Core Impact Bond R6	0.34	0.39	3.74	-2.94	-0.04	1.78	6.04	-14.01	-1.03	7.45	8.73
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Intermediate Core Bond Median	0.18	-0.44	2.90	-3.12	-0.19	1.26	5.58	-13.41	-1.55	7.80	8.45
Rank (%)	18	8	15	33	40	7	26	75	25	62	33
Population	440	439	436	419	402	352	445	442	443	434	427

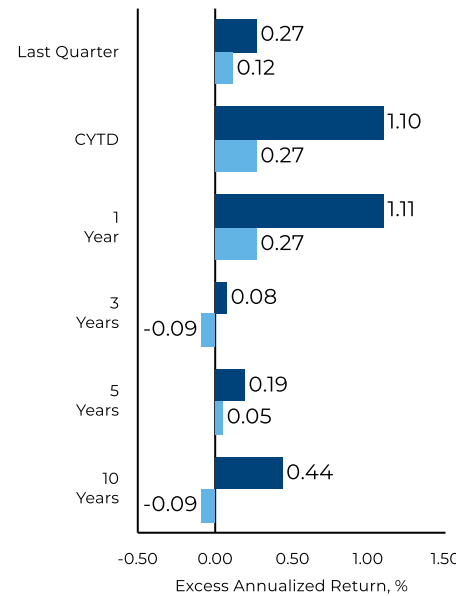
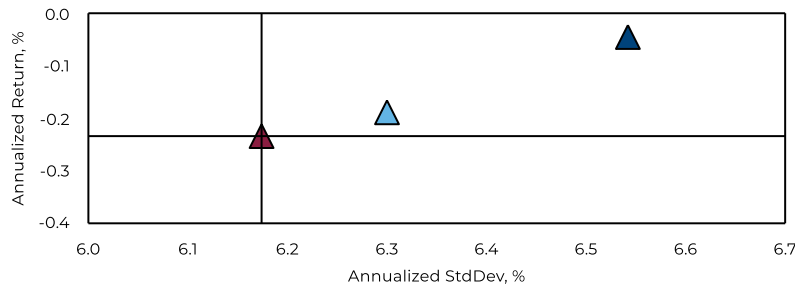
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Nuveen Core Impact Bond R6	-0.30	0.22	1.01	0.91	107.80	105.11	0.11
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core Bond Median	-0.34	0.05	1.01	0.96	102.17	101.57	0.05

### Rolling 3 Year Annualized Excess Return



### Performance vs Risk 5 Year



▲ Nuveen Core Impact Bond R6    ▲ Intermediate Core Bond Median    ▲ Blmbg. U.S. Aggregate Index

■ Nuveen Core Impact Bond R6    ■ Intermediate Core Bond Median

## INVESTMENT PROFILE

Ticker	TSBIX
Portfolio Manager	Higgins,J/Liberatore, S/Zarzycki,J
Portfolio Assets	\$4,780 Million
PM Tenure	11 Years 9 Months
Net Expense(%)	0.37 %
Fund Inception	2012
Category Expense Median	0.55
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	17.82 %
Number of Holdings	1019
Turnover	142.00 %
Avg. Effective Duration	6.20 Years
SEC Yield	4.86 %

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STATE ST US BND INDX SL CL XIV

Period Ending 6.30.24 | Q2 24

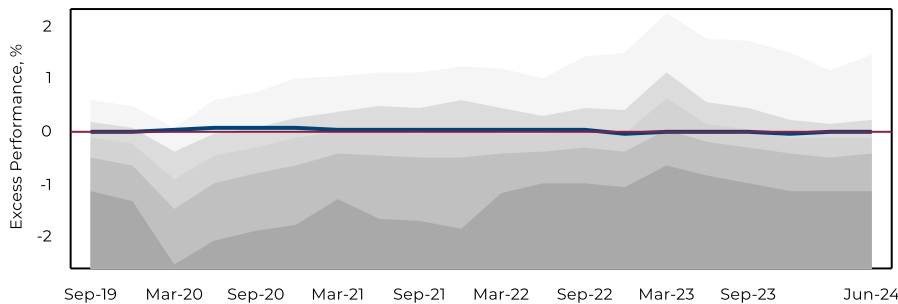
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
State St US Bnd Indx SL Cl XIV	0.13	-0.60	2.65	-3.02	-0.21	1.36	5.61	-13.13	-1.62	7.67	8.74
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Intermediate Core Bond Median	0.18	-0.44	2.90	-3.12	-0.19	1.26	5.58	-13.41	-1.55	7.80	8.45
Rank (%)	64	65	65	39	52	41	49	34	53	55	32
Population	440	439	436	419	402	352	445	442	443	434	427

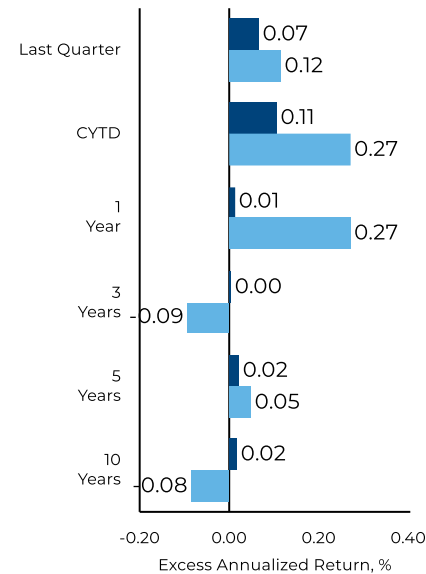
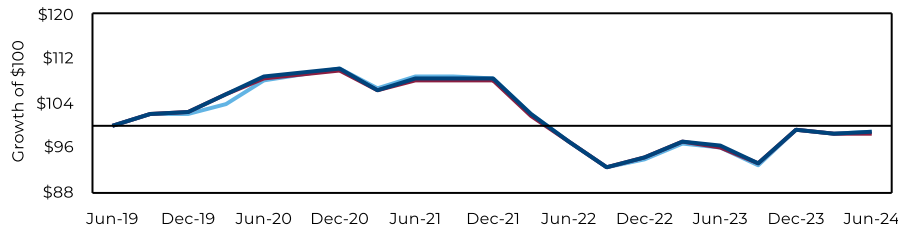
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
State St US Bnd Indx SL Cl XIV	-0.35	0.02	1.00	1.00	100.44	100.16	0.16
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core Bond Median	-0.34	0.06	1.01	0.97	102.11	101.56	0.05

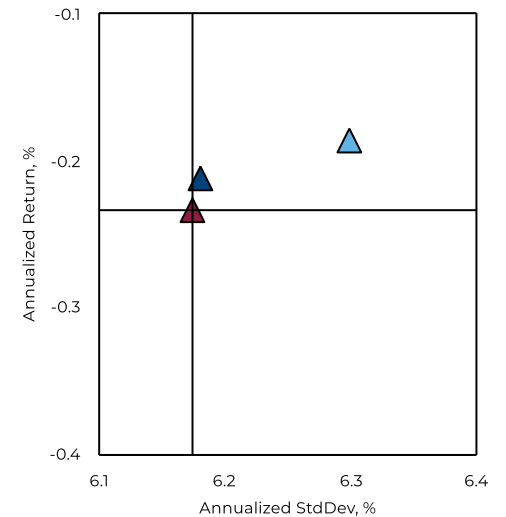
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



State St US Bnd Indx SL Cl XIV  
Intermediate Core Bond Median

State St US Bnd Indx SL Cl XIV  
Intermediate Core Bond Median  
Blmbg. U.S. Aggregate Index

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PIMCO INCOME INSTL

Period Ending 6.30.24 | Q2 24

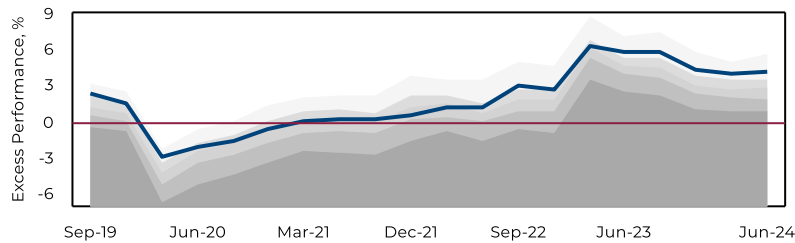
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
PIMCO Income Instl	0.44	1.82	7.24	1.12	2.67	3.98	9.32	-7.81	2.61	5.80	8.05
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Multisector Bond Median	0.80	2.15	7.68	-0.17	2.16	2.68	8.59	-10.77	2.53	6.32	10.49
Rank (%)	77	62	59	16	28	2	37	20	47	57	78
Population	335	335	335	314	286	214	347	343	344	329	296

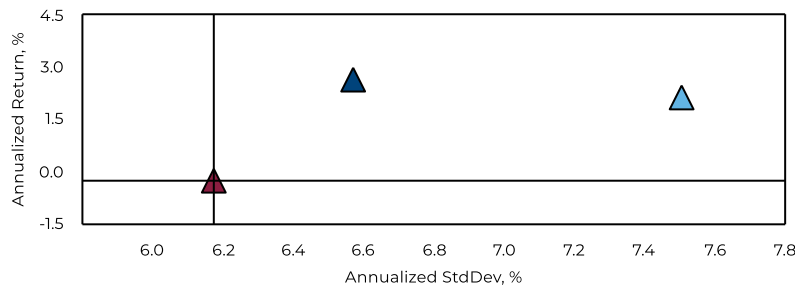
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Income Instl	0.11	2.93	0.73	0.47	90.99	55.39	0.57
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Multisector Bond Median	0.04	2.49	0.82	0.46	101.39	74.38	0.42

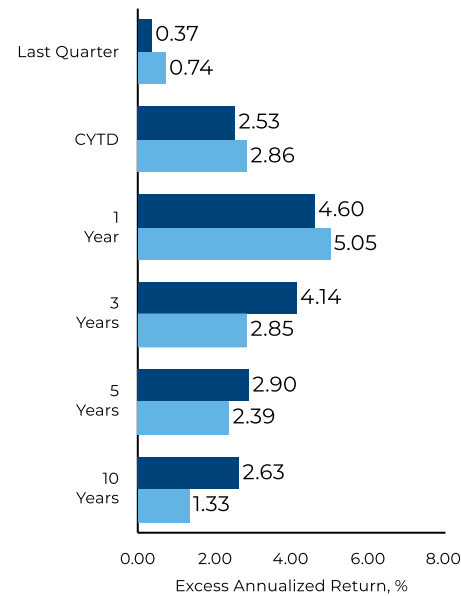
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ PIMCO Income Instl    ▲ Multisector Bond Median    ▲ Blmbg. U.S. Aggregate Index



■ PIMCO Income Instl    ■ Multisector Bond Median

INVESTMENT PROFILE

Ticker	PIMIX
Portfolio Manager	Anderson, J/Ivascyn, D/Murata, A
Portfolio Assets	\$91,915 Million
PM Tenure	17 Years 3 Months
Net Expense(%)	0.62 %
Fund Inception	2007
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	44.44 %
Number of Holdings	9489
Turnover	426.00 %
Avg. Effective Duration	3.73 Years
SEC Yield	6.34 %

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PGIM HIGH YIELD R6

Period Ending 6.30.24 | Q2 24

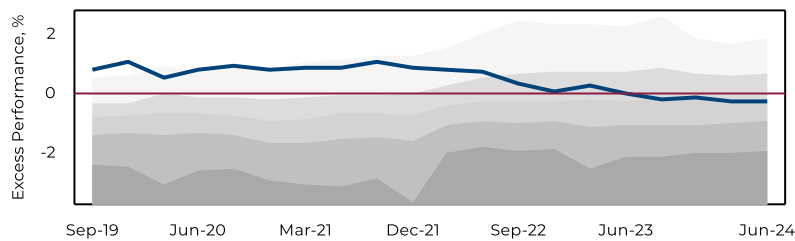
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
PGIM High Yield R6	1.14	2.78	10.30	1.36	3.78	4.57	12.31	-11.55	6.47	5.72	16.26
ICE BofA U.S. High Yield, Cash Pay Index	1.02	2.50	10.34	1.65	3.71	4.20	13.40	-11.10	5.29	6.21	14.40
High Yield Bond Median	1.21	2.82	9.81	1.47	3.38	3.54	12.06	-10.77	4.89	5.24	13.64
Rank (%)	61	52	35	56	32	6	43	70	17	39	5
Population	585	585	585	563	547	506	612	636	648	635	631

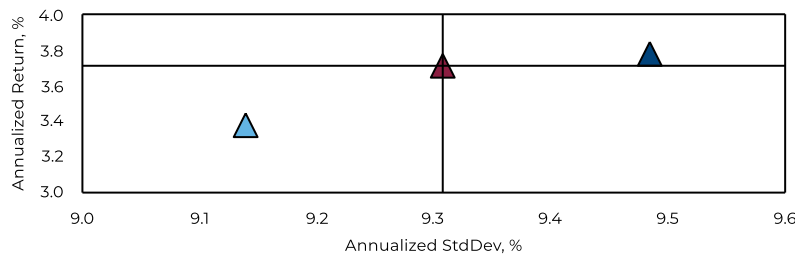
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PGIM High Yield R6	0.21	0.04	1.01	0.99	101.72	101.54	0.08
ICE BofA U.S. High Yield, Cash Pay Index	0.21	0.00	1.00	1.00	100.00	100.00	-
High Yield Bond Median	0.18	-0.17	0.97	0.98	95.46	97.29	-0.19

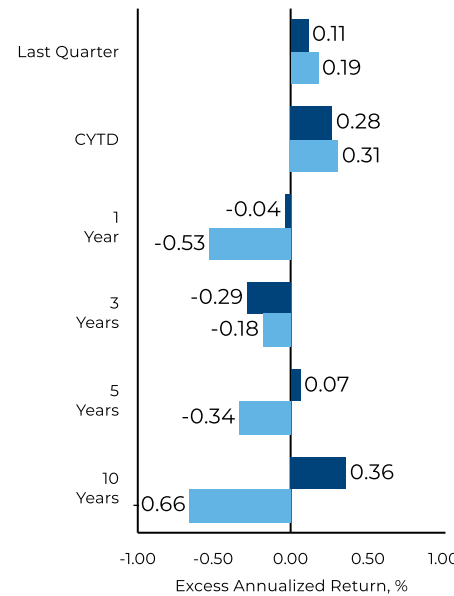
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ PGIM High Yield R6  
 ▲ High Yield Bond Median  
 ▲ ICE BofA U.S. High Yield, Cash Pay Index



■ PGIM High Yield R6  
 ■ High Yield Bond Median

INVESTMENT PROFILE

Ticker	PHYQX
Portfolio Manager	Team Managed
Portfolio Assets	\$8,421 Million
PM Tenure	16 Years 8 Months
Net Expense(%)	0.38 %
Fund Inception	2011
Category Expense Median	0.82
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	10.76 %
Number of Holdings	815
Turnover	22.00 %
Avg. Effective Duration	3.36 Years
SEC Yield	8.10 %

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# BLACKROCK EQUITY INDEX F

Period Ending 6.30.24 | Q2 24

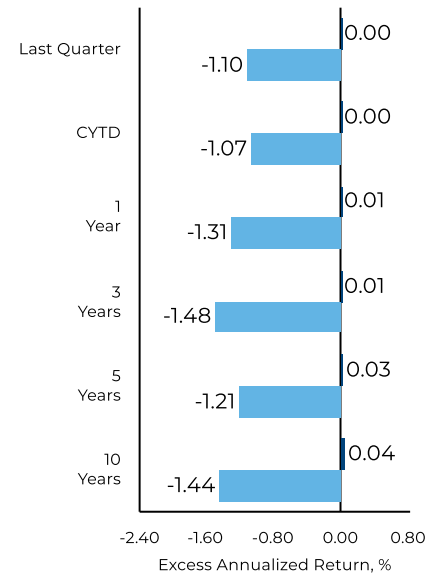
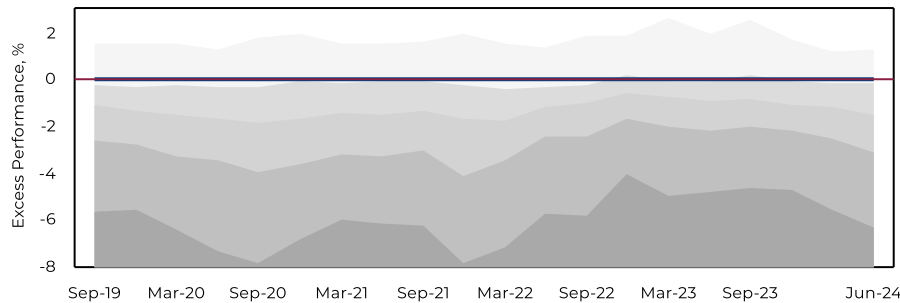
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
BlackRock Equity Index F	4.28	15.29	24.57	10.02	15.08	12.90	26.30	-18.10	28.74	18.48	31.55
S&P 500 Index	4.28	15.29	24.56	10.01	15.05	12.86	26.29	-18.11	28.71	18.40	31.49
Large Blend Median	3.18	14.22	23.25	8.53	13.83	11.42	24.27	-18.12	26.54	17.23	29.99
Rank (%)	17	29	34	21	17	7	23	50	20	34	22
Population	1,224	1,224	1,215	1,168	1,127	1,012	1,234	1,245	1,253	1,226	1,196

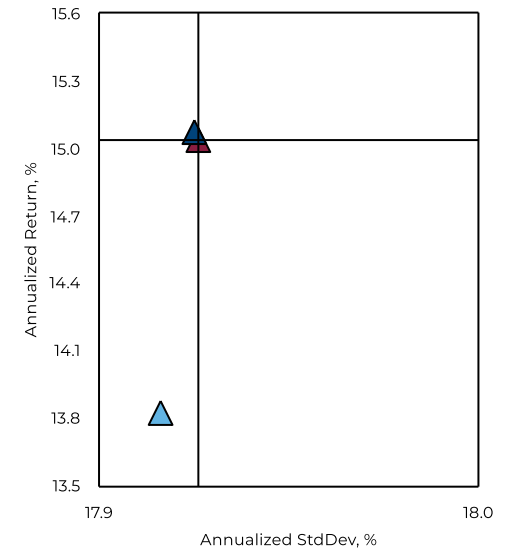
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Equity Index F	0.76	0.03	1.00	1.00	100.05	99.94	1.39
S&P 500 Index	0.76	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.69	-0.95	0.99	0.97	97.40	100.11	-0.50

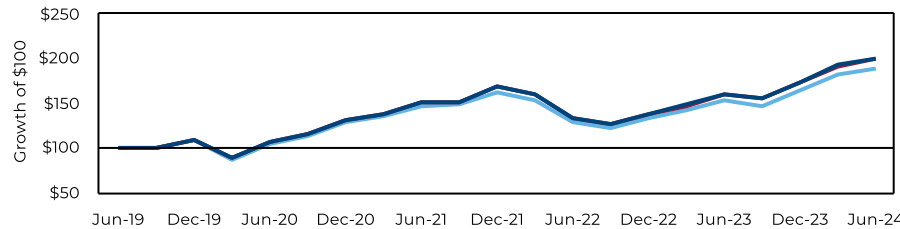
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



5 Year Cumulative Performance



BlackRock Equity Index F  
Large Blend Median

BlackRock Equity Index F  
S&P 500 Index  
Large Blend Median

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# BLACKROCK EXTENDED EQUITY MARKET F

Period Ending 6.30.24 | Q2 24

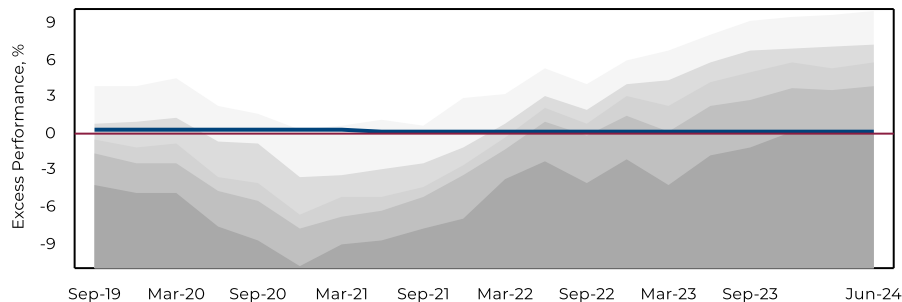
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
BlackRock Extended Equity Market F	-3.42	3.27	14.91	-2.44	8.71	8.33	25.35	-26.36	12.45	32.16	28.23
Dow Jones U.S. Completion Total Stock Market Indx	-3.44	3.28	14.66	-2.64	8.56	8.10	24.97	-26.54	12.35	32.16	27.94
Mid-Cap Blend Median	-3.66	4.96	12.74	3.13	9.21	7.98	15.92	-15.48	24.08	13.06	28.00
Rank (%)	35	77	25	95	66	40	9	97	97	4	48
Population	351	351	347	339	328	276	354	362	362	360	353

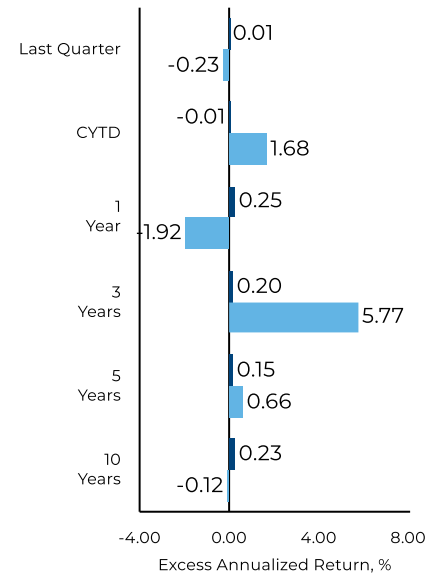
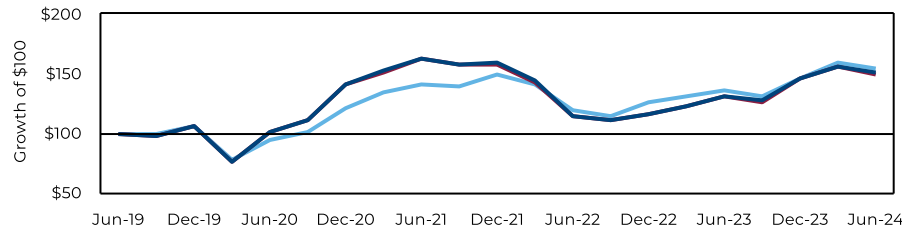
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Extended Equity Market F	0.38	0.14	1.00	1.00	100.33	99.91	1.09
Dow Jones U.S. Completion Total Stock Market Indx	0.38	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Blend Median	0.43	1.89	0.82	0.90	84.69	79.56	0.01

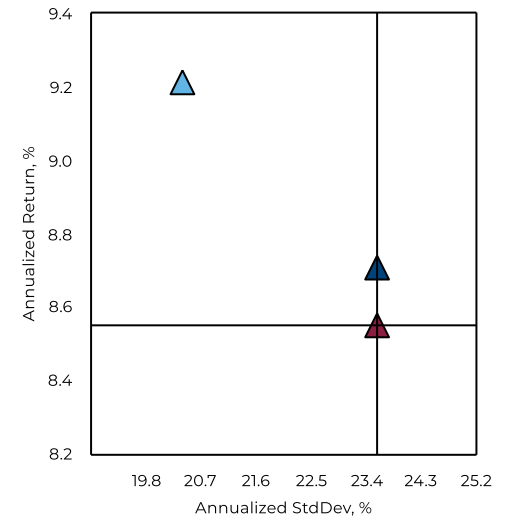
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



■ BlackRock Extended Equity Market F  
■ Mid-Cap Blend Median

▲ BlackRock Extended Equity Market F  
▲ Mid-Cap Blend Median  
▲ Dow Jones U.S. Completion Total Stock Market Index

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# BLACKROCK MSCI ACWI ESG FOCUS INDEX F

Period Ending 6.30.24 | Q2 24

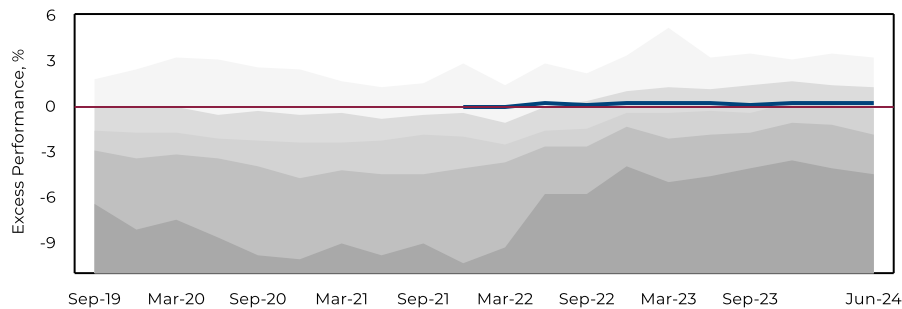
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
BlackRock MSCI ACWI ESG Focus Index F	3.20	11.08	18.79	4.96	11.07	-	21.88	-19.13	18.22	18.99	26.87
MSCI AC World ESG Focus Index (Net)	3.12	10.92	18.63	4.66	10.81	8.81	21.66	-19.54	18.31	18.55	27.44
Global Large-Stock Blend Median	1.44	8.95	15.65	4.53	9.23	7.82	19.07	-17.38	18.05	14.16	26.20
Rank (%)	13	29	31	42	24	-	25	76	48	15	40
Population	319	319	315	311	307	240	325	336	336	331	321

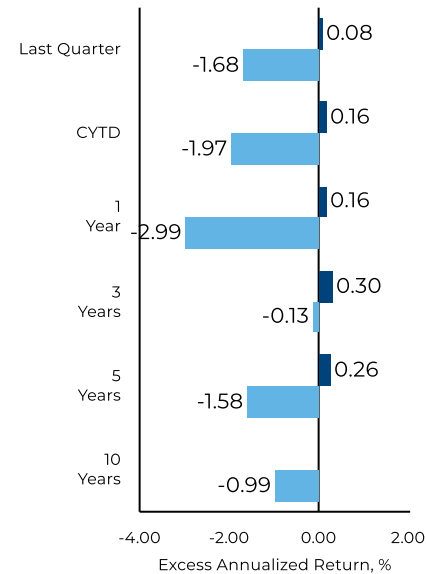
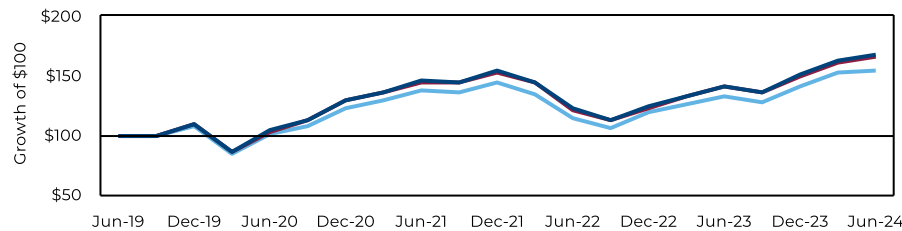
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock MSCI ACWI ESG Focus Index F	0.57	0.19	1.01	1.00	100.86	100.10	0.38
MSCI AC World ESG Focus Index (Net)	0.56	0.00	1.00	1.00	100.00	100.00	-
Global Large-Stock Blend Median	0.49	-0.74	0.98	0.95	95.34	98.97	-0.39

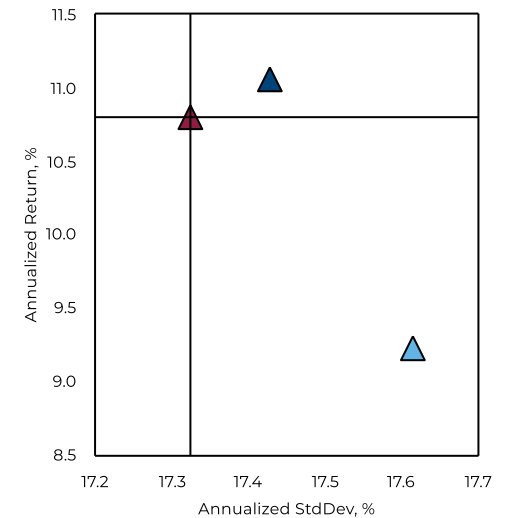
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



■ BlackRock MSCI ACWI ESG Focus Index F  
■ Global Large-Stock Blend Median

▲ BlackRock MSCI ACWI ESG Focus Index F  
▲ Global Large-Stock Blend Median  
▲ MSCI AC World ESG Focus Index (Net)

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# COLUMBIA OVERSEAS VALUE INST3

Period Ending 6.30.24 | Q2 24

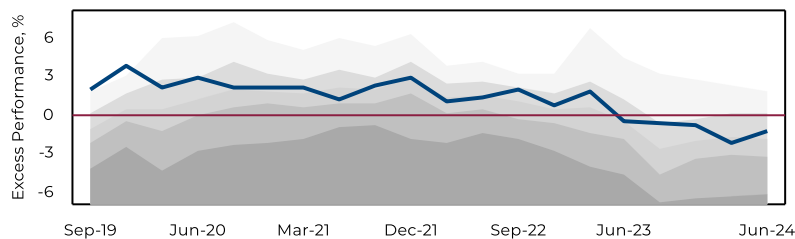
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Columbia Overseas Value Inst3	1.14	3.07	11.49	4.25	6.45	4.82	16.33	-5.88	10.97	-0.06	22.61
MSCI EAFE Value Index (Net)	0.01	4.49	13.75	5.55	6.07	3.02	18.95	-5.58	10.89	-2.63	16.09
Foreign Large Value Median	0.09	4.29	11.22	3.62	6.31	3.42	17.87	-9.85	11.78	2.77	18.46
Rank (%)	20	74	45	39	47	11	62	17	59	76	13
Population	320	320	319	303	281	245	344	334	336	323	320

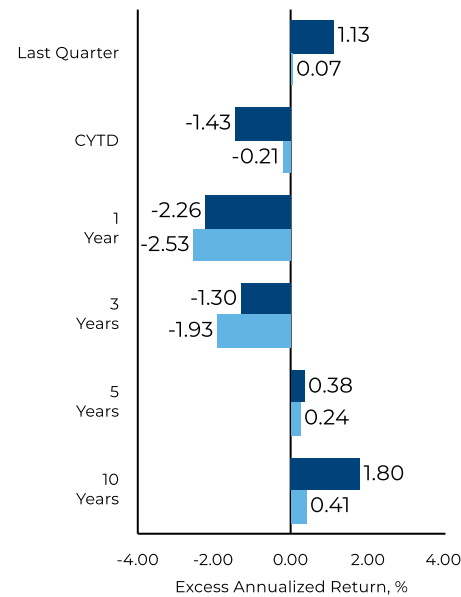
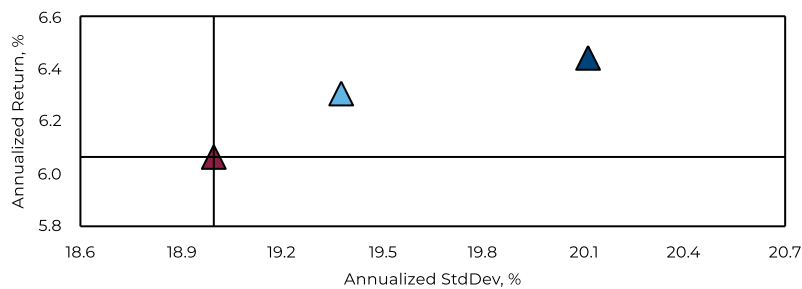
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Columbia Overseas Value Inst3	0.31	0.31	1.04	0.96	107.71	107.69	0.15
MSCI EAFE Value Index (Net)	0.29	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Value Median	0.31	0.54	0.98	0.93	102.09	102.42	0.04

### Rolling 3 Year Annualized Excess Return



### Performance vs Risk 5 Year



## INVESTMENT PROFILE

Ticker	COSYX
Portfolio Manager	Copper,F/Digiacom, P/Nomoto,D
Portfolio Assets	\$973 Million
PM Tenure	16 Years 3 Months
Net Expense(%)	0.78 %
Fund Inception	2015
Category Expense Median	0.95
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	27.21 %
Number of Holdings	120
Turnover	34.00 %
Avg. Market Cap	\$20,237 Million
Dividend Yield	4.43 %

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# COLUMBIA TRUST OVERSEAS VALUE FOUNDERS

Period Ending 6.30.24 | Q2 24

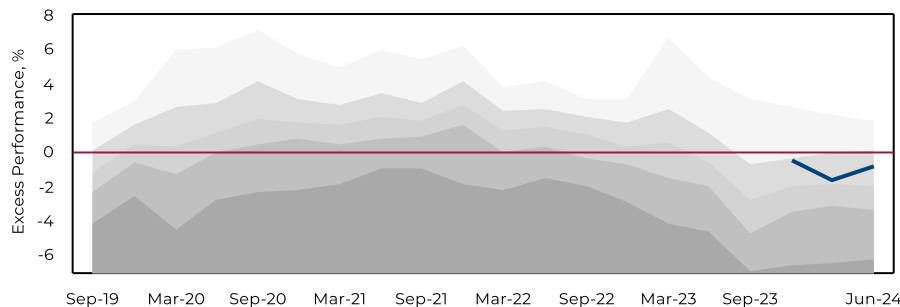
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Columbia Trust Overseas Value Founders	1.27	3.23	11.75	4.81	-	-	16.65	-5.01	11.05	-	-
MSCI EAFE Value Index (Net)	0.01	4.49	13.75	5.55	6.07	3.02	18.95	-5.58	10.89	-2.63	16.09
Foreign Large Value Median	0.09	4.29	11.22	3.62	6.31	3.42	17.87	-9.85	11.78	2.77	18.46
Rank (%)	15	71	40	33	-	-	60	13	58	-	-
Population	320	320	319	303	281	245	344	334	336	323	320

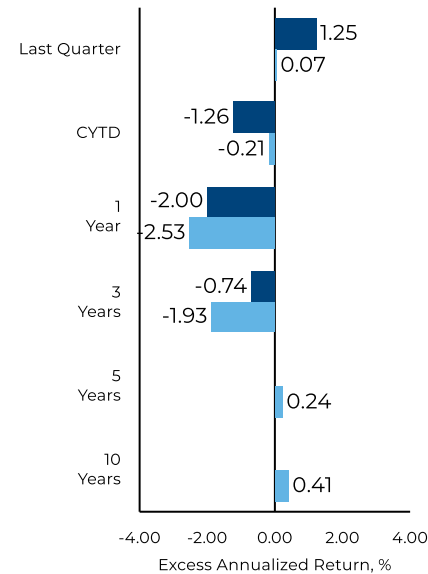
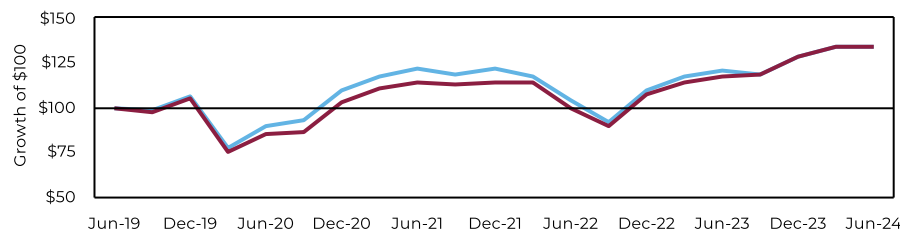
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Columbia Trust Overseas Value Founders	-	-	-	-	-	-	-
MSCI EAFE Value Index (Net)	0.29	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Value Median	0.31	0.54	0.98	0.93	102.09	102.42	0.04

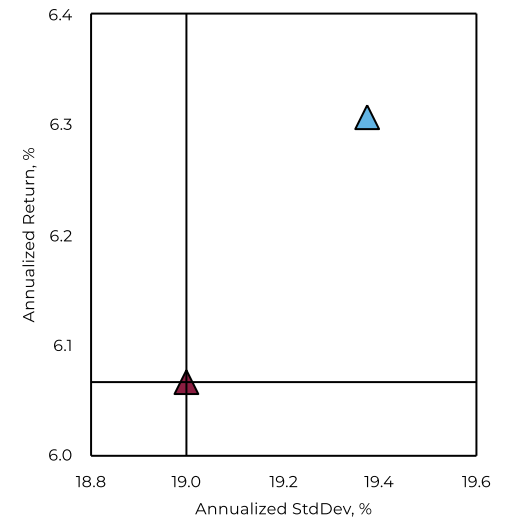
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



■ Columbia Trust Overseas Value Founders  
■ Foreign Large Value Median

▲ Columbia Trust Overseas Value Founders  
▲ Foreign Large Value Median  
▲ MSCI EAFE Value Index (Net)

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STATE ST GBL ALLCP EQ EX-US IDX SL CL II

Period Ending 6.30.24 | Q2 24

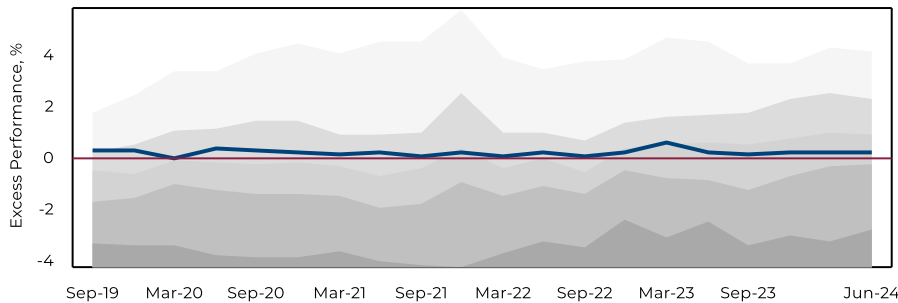
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
State St Gbl AllCp Eq ex-US Idx SL Cl II	0.94	5.41	11.44	0.45	5.87	4.19	15.93	-16.29	8.74	11.36	22.04
MSCI AC World ex USA IMI (Net)	0.92	5.28	11.57	0.19	5.62	3.92	15.62	-16.58	8.53	11.12	21.63
Foreign Large Blend Median	0.18	5.53	10.73	1.14	6.12	4.07	16.12	-15.92	10.15	10.23	22.31
Rank (%)	34	54	35	63	59	46	53	56	65	42	54
Population	657	657	657	627	612	497	683	703	732	719	700

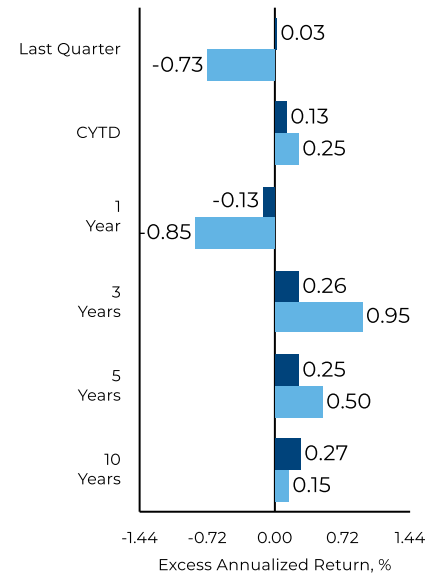
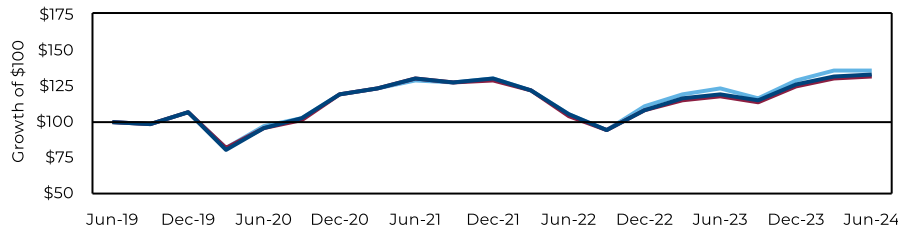
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
State St Gbl AllCp Eq ex-US Idx SL Cl II	0.29	0.16	1.02	0.99	104.38	104.29	0.20
MSCI AC World ex USA IMI (Net)	0.28	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.30	0.55	1.01	0.94	105.41	103.84	0.14

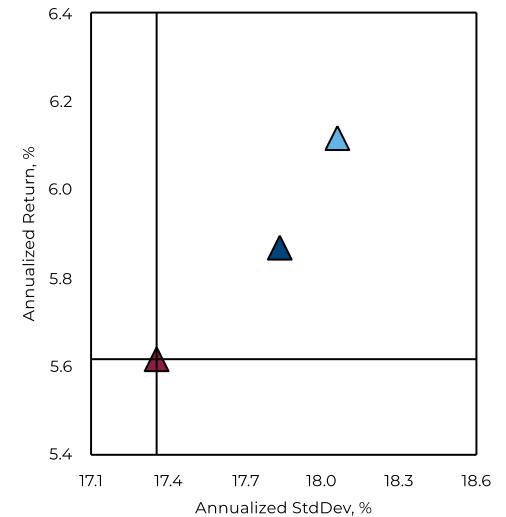
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



State St Gbl AllCp Eq ex-US Idx SL Cl II  
Foreign Large Blend Median

State St Gbl AllCp Eq ex-US Idx SL Cl II  
Foreign Large Blend Median  
MSCI AC World ex USA IMI (Net)

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# VANGUARD INTERNATIONAL GROWTH ADM

Period Ending 6.30.24 | Q2 24

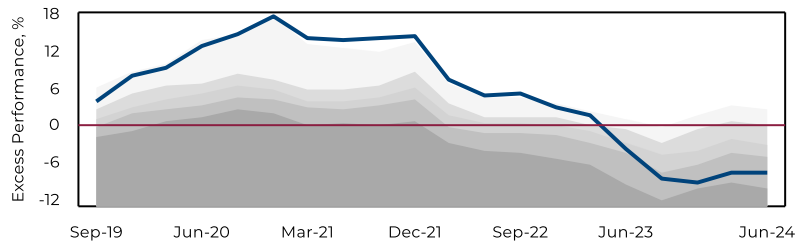
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Vanguard International Growth Adm	2.36	7.77	9.02	-7.21	8.52	7.64	14.81	-30.79	-0.74	59.74	31.48
MSCI AC World ex USA (Net)	0.96	5.69	11.62	0.46	5.55	3.84	15.62	-16.00	7.82	10.65	21.51
Foreign Large Growth Median	-0.27	6.00	8.88	-2.55	5.82	5.03	15.97	-25.10	8.62	22.39	28.14
Rank (%)	6	29	49	89	13	8	70	82	89	2	24
Population	387	387	384	379	356	301	406	426	434	419	405

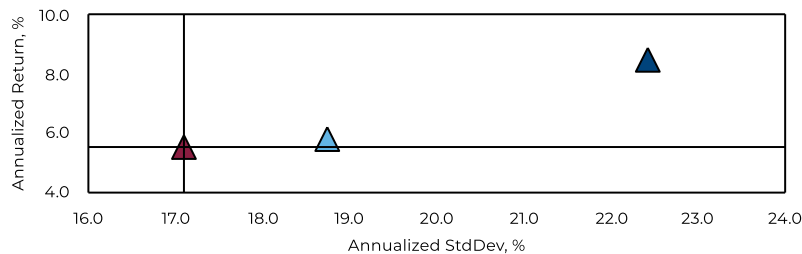
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard International Growth Adm	0.38	2.61	1.18	0.81	128.70	119.63	0.37
MSCI AC World ex USA (Net)	0.28	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Growth Median	0.29	0.43	1.03	0.86	109.25	106.54	0.09

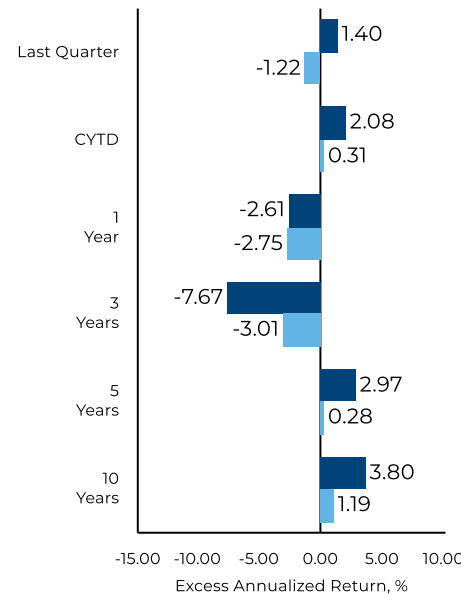
### Rolling 3 Year Annualized Excess Return



### Performance vs Risk 5 Year



▲ Vanguard International Growth Adm ▲ Foreign Large Growth Median  
▲ MSCI AC World ex USA (Net)



■ Vanguard International Growth Adm  
■ Foreign Large Growth Median

## INVESTMENT PROFILE

Ticker	VWILX
Portfolio Manager	Team Managed
Portfolio Assets	\$38,106 Million
PM Tenure	14 Years 6 Months
Net Expense(%)	0.31 %
Fund Inception	2001
Category Expense Median	0.98
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	33.72 %
Number of Holdings	168
Turnover	14.00 %
Avg. Market Cap	\$67,065 Million
Dividend Yield	1.18 %

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# FIERA CAPITAL SMID GROWTH

Period Ending 6.30.24 | Q2 24

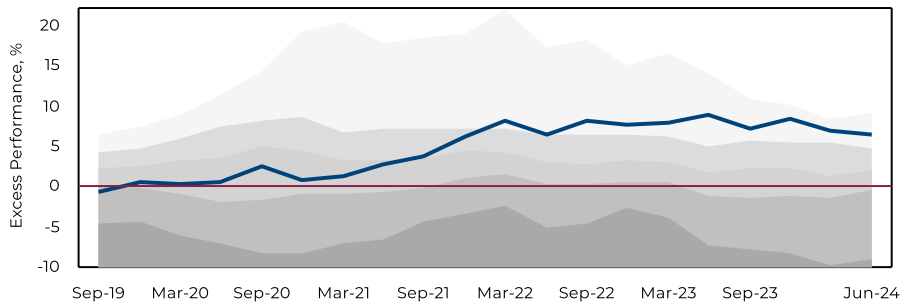
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Smid Growth	-5.89	1.98	9.89	2.31	12.99	10.93	26.11	-20.73	18.03	45.01	32.55
Russell 2500 Growth Index	-4.22	3.93	9.02	-4.11	7.58	8.77	18.93	-26.21	5.04	40.47	32.65
IM U.S. SMID Cap Growth Equity (SA+CF) Median	-3.20	3.65	9.25	-2.02	10.01	10.13	18.81	-27.54	13.31	45.41	32.16
Rank (%)	84	77	46	17	17	35	15	16	33	51	48
Population	56	56	56	54	49	36	62	61	63	62	58

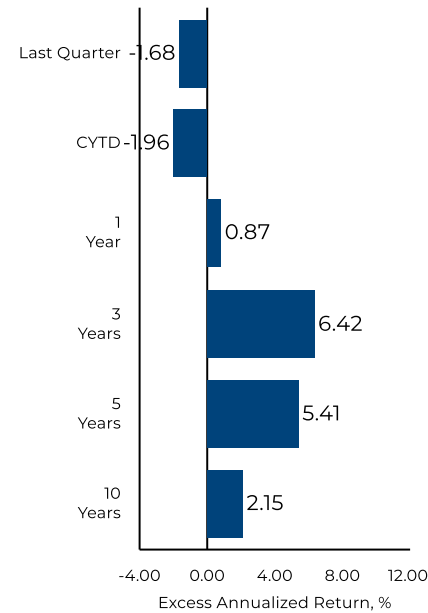
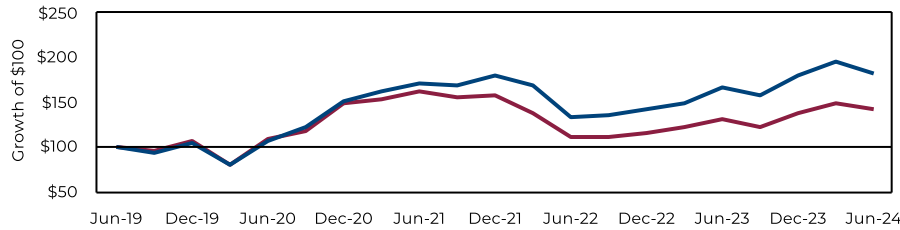
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Smid Growth	0.57	5.61	0.92	0.93	97.25	78.07	0.78
Russell 2500 Growth Index	0.34	0.00	1.00	1.00	100.00	100.00	-

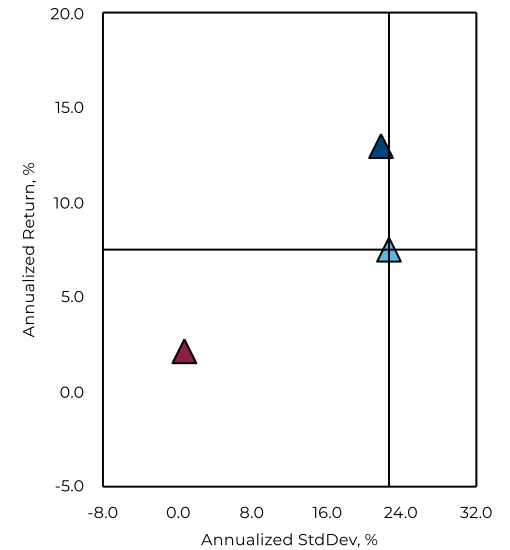
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



Smid Growth

Smid Growth

90 Day U.S. Treasury Bill

Russell 2500 Growth Index

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# EARNEST PARTNERS SMID CAP VALUE 1

Period Ending 6.30.24 | Q2 24

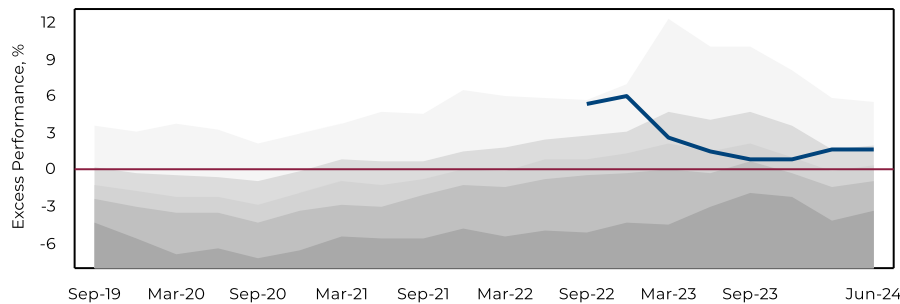
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
EARNEST Partners Smid Cap Value 1	-5.92	1.30	10.00	3.81	-	-	15.47	-8.94	25.57	20.23	-
Russell 2500 Value Index	-4.31	1.50	11.24	2.15	8.01	6.77	15.98	-13.08	27.78	4.88	23.56
Small Value Median	-3.61	1.04	10.96	2.59	8.59	6.59	15.91	-11.43	30.87	3.54	22.13
Rank (%)	90	45	60	31	-	-	53	31	82	4	-
Population	450	450	448	433	416	380	458	462	461	457	446

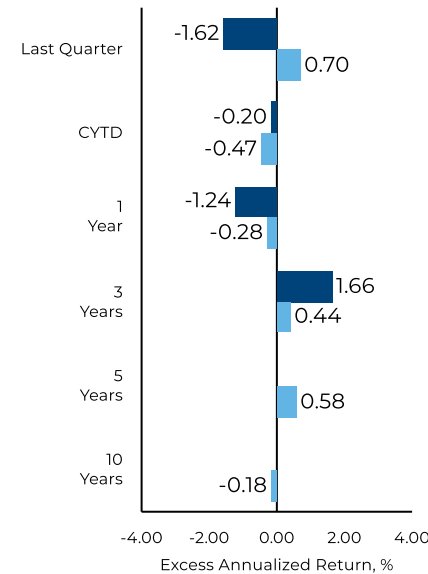
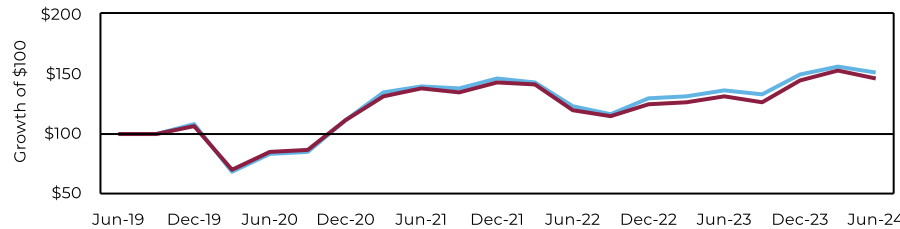
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
EARNEST Partners Smid Cap Value 1	-	-	-	-	-	-	-
Russell 2500 Value Index	0.36	0.00	1.00	1.00	100.00	100.00	-
Small Value Median	0.38	0.64	1.01	0.96	102.12	100.11	0.14

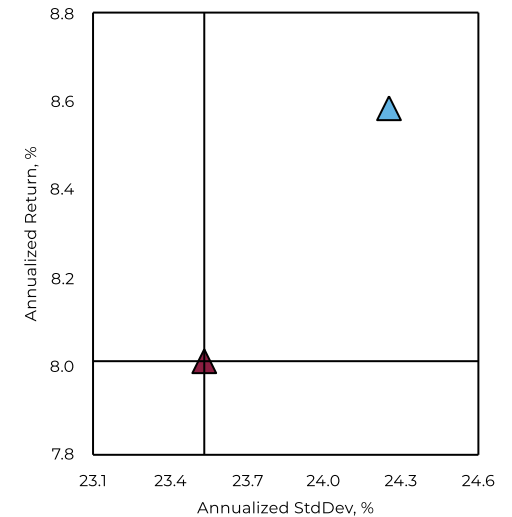
Rolling 3 Year Annualized Excess Return



5 Year Cumulative Performance



Performance vs Risk 5 Year



■ EARNEST Partners Smid Cap Value 1  
■ Small Value Median

▲ EARNEST Partners Smid Cap Value 1  
▲ Small Value Median  
▲ Russell 2500 Value Index

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<https://www.captrust.com/important-disclosures/>.



# VANGUARD REAL ESTATE INDEX INSTITUTIONAL

Period Ending 6.30.24 | Q2 24

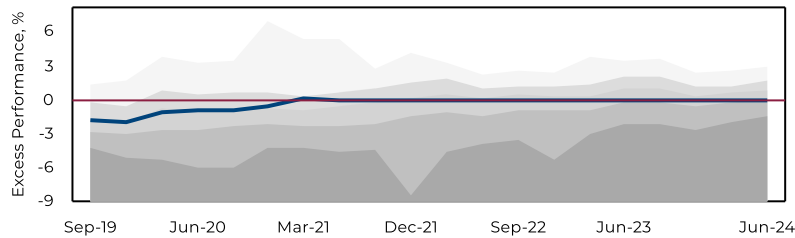
## TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Vanguard Real Estate Index Institutional	-1.91	-3.05	4.79	-2.53	2.98	5.32	11.82	-26.17	40.41	-4.67	29.02
MSCI U.S. IMI Real Estate 25/50 Index	-1.88	-3.01	4.88	-2.44	3.08	-	11.96	-26.12	40.56	-4.55	29.03
Real Estate Median	-0.66	-1.65	5.75	-1.58	3.38	5.45	12.02	-26.30	41.45	-4.38	28.10
Rank (%)	86	82	72	79	65	53	56	48	64	53	40
Population	210	210	210	206	202	186	215	224	228	228	227

## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard Real Estate Index Institutional	0.14	-0.09	1.00	1.00	99.82	100.14	-1.32
MSCI U.S. IMI Real Estate 25/50 Index	0.15	0.00	1.00	1.00	100.00	100.00	-
Real Estate Median	0.16	0.41	0.96	0.98	96.85	95.83	0.02

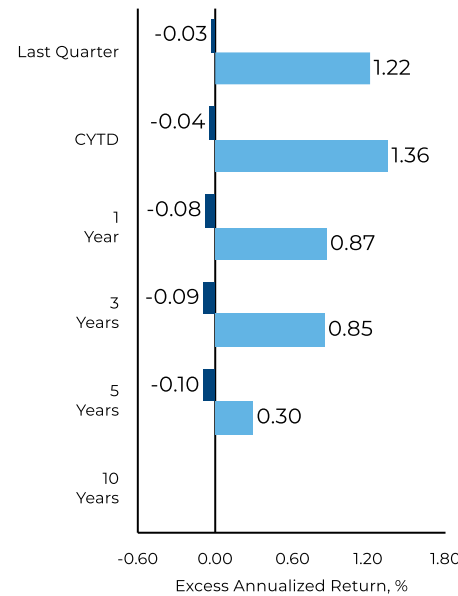
### Rolling 3 Year Annualized Excess Return



### Performance vs Risk 5 Year



▲ Vanguard Real Estate Index Institutional ▲ Real Estate Median  
▲ MSCI U.S. IMI Real Estate 25/50 Index



■ Vanguard Real Estate Index Institutional  
■ Real Estate Median

## INVESTMENT PROFILE

Ticker	VGSNX
Portfolio Manager	Nejman,W/O'Reilly,G
Portfolio Assets	\$10,043 Million
PM Tenure	28 Years 1 Month
Net Expense(%)	0.11 %
Fund Inception	2003
Category Expense Median	1.00
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	49.11 %
Number of Holdings	163
Turnover	9.00 %
Avg. Market Cap	\$22,659 Million
Dividend Yield	4.33 %

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<https://www.captrust.com/important-disclosures/>.



**APPENDIX**

Glossary of Terms.....

Evaluation Methodology.....



## GLOSSARY

Period Ending 6.30.24 | Q2 24

**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BATTING AVERAGE**

Batting Average, an indicator of consistency, measures the percentage of time an active manager outperformed the benchmark.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return, or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

**SHARPE RATIO**

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio implies greater manager efficiency.

**STANDARD DEVIATION**

Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

**TRACKING ERROR**

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style.

**TREYNOR RATIO**

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino ratios, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.



## QUANTITATIVE EVALUATION ITEMS

## QUALITATIVE EVALUATION ITEMS



## MARKED FOR REVIEW

The following categories of the Investment Policy Monitor appear “Marked For Review” when:

#### CAPTRUST’s Investment Policy Monitoring Methodology

The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.

Our current Investment Policy Monitoring Methodology document can be accessed through the following link:

[captrust.com/investmentmonitoring](https://captrust.com/investmentmonitoring)

#### 3/5 Year Risk- adjusted Performance

The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.

#### 3/5 Year Performance vs. Peers

The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.

#### 3/5 Year Style

The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.

#### 3/5 Year Confidence

The investment option’s 3 or 5 Year Confidence Rating falls below the 50<sup>th</sup> percentile of the peer group.

#### Glidepath Assessment

**% of Equity Exposure:** The combined percentage of an investment option’s equity exposure ranks in the top 20th percentile or bottom 20th percentile of the peer group.

**Regression to the Benchmark:** The investment option’s sensitivity to market risk - as measured by beta relative to a Global Equity Index - is above 0.89.

#### Fund Management

A significant disruption to the investment option’s management team has been discovered.

#### Fund Family

A significant disruption to the investment option’s parent company has been discovered.

#### Portfolio Construction

The investment option’s combined Portfolio Construction score is 6 or below out of a possible 15 points.

#### Underlying Investment Vehicles

The investment option’s combined Underlying Investment Vehicles score is 6 or below out of a possible 15 points.



# Illinois State Universities Retirement System

## First Quarter 2024

Private Credit Program

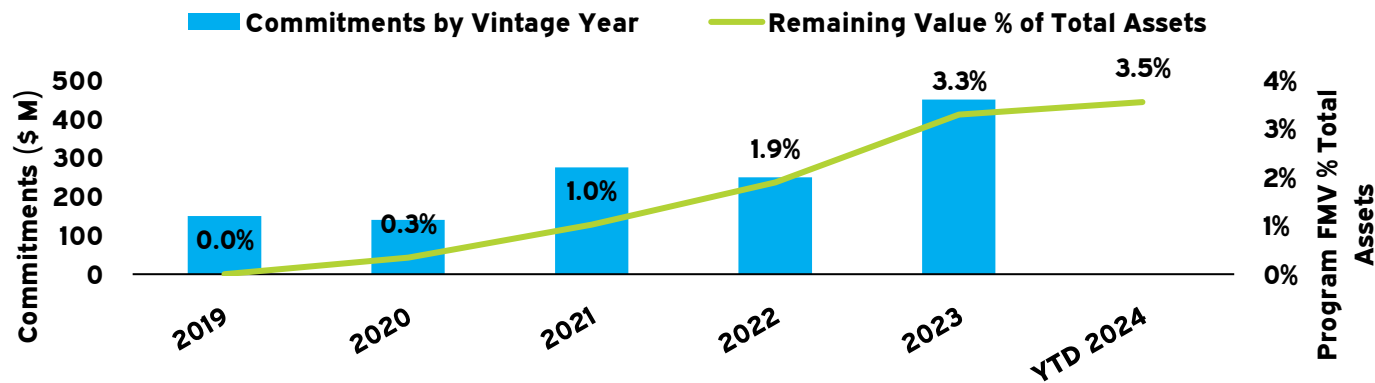


## Illinois State Universities Retirement System Private Credit Program

Overview | As of March 31, 2024

### Introduction

Illinois State Universities Retirement System (“SURS”) has set a target allocation of 5% of plan net asset value to private credit fund investments within the Stabilized Growth Class. SURS’ private credit program targets a mix of strategies, both yield-oriented and opportunistic, with an emphasis on yield-oriented. The first commitment was approved in June of 2020. As of the end of Q1 2024, seventeen private credit fund commitments<sup>1</sup> totaling \$1.8 billion have been made to the Program.



### Program Status

No. of Investments	17
Committed (\$ M)	1,665.0
Contributed (\$ M)	992.5
Distributed (\$ M)	252.6
Remaining Value (\$ M)	865.9

### Performance Since Inception<sup>2</sup>

	Program	PME <sup>3</sup>
DPI	0.25x	
TVPI	1.13x	
IRR	11.1%	8.5%

<sup>1</sup> Open-end funds are categorized by initial capital call for vintage year.

<sup>2</sup> The initial capital call was made on July 9, 2020.

<sup>3</sup> 50% BB Global High Yield + 50% S&P LSTA Global Leveraged Loan +1%.



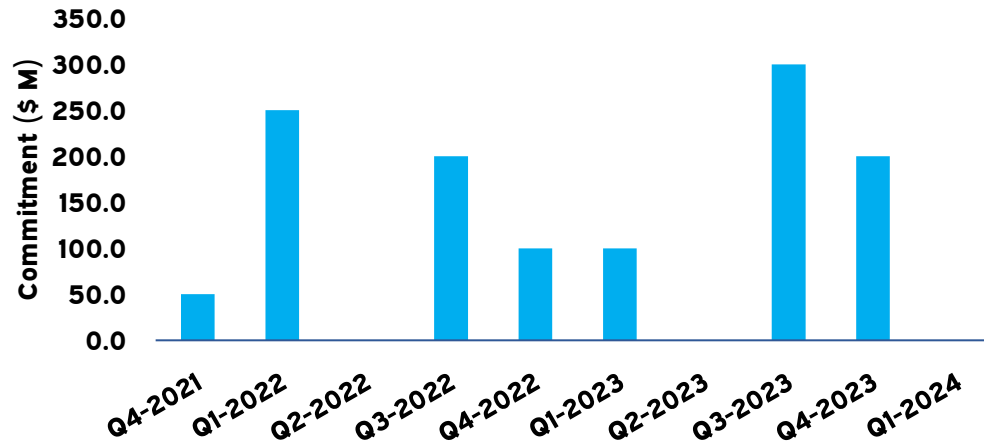


## Illinois State Universities Retirement System Private Credit Program

Recent Activity | As of March 31, 2024

### Commitments

Recent Quarterly Commitments



Commitments This Quarter

Fund	Strategy	Region	Amount (M)
------	----------	--------	------------

None to report.



## Illinois State Universities Retirement System Private Credit Program

Recent Activity | As of March 31, 2024

### Recent Commitment Activity

Fund	Strategy	Amount (\$ M)	Date
Turning Rock Fund II	Special Situations	50.00	Q1 2022
Fortress Lending Fund III	Multi-Strategy	50.00	Q1 2022
Ares Pathfinder Core Fund	Specialty Lending	150.00 <sup>1</sup>	Q1 2022
Silver Rock Tactical Allocation Fund – Vintage 2022	Special Situations	200.00	Q3 2022
Silver Point Specialty Credit Fund III	Specialty Lending	100.00	Q4 2022
Ares Pathfinder Fund II	Direct Lending	100.00	Q1 2023
Sixth Street TAO Global	Multi-Strategy	100.00	Q3 2023
Atalya Asset Income Fund	Specialty Lending	100.00	Q3 2023
HPS Specialty Loan Fund VI	Direct Lending	100.00	Q3 2023
Turning Rock Fund III	Special Situations	50.00	Q4 2023
ICG Senior Debt Partners 5	Direct Lending	100.00	Q4 2023
Brightwood Capital Fund V	Direct Lending	50.00	Q4 2023

#### Commitments approved subsequent to quarter end included:

- \$50 million commitment to Ares Specialty Healthcare Fund, a sector-focused direct lending fund
- \$100 million to Neugerger Berman Eagle, an evergreen middle market direct lending fund

<sup>1</sup> Increased commitment by \$50 million in Q3 2022.

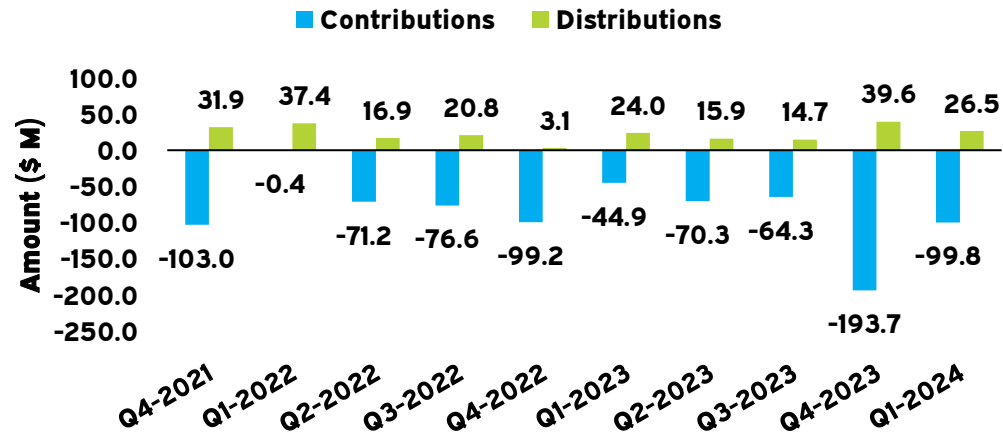


## Illinois State Universities Retirement System Private Credit Program

Recent Activity | As of March 31, 2024

### Cash Flows

#### Recent Quarterly Cash Flows



#### Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
ICG Fund 5	2023	Direct Lending	Western Europe	37.21
Atalaya Asset Fund E	2023	Specialty Lending	North America	24.88
Sixth Street TAO C	2020	Multi-strategy	North America	10.93

#### Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
NB Debt Fund IV	2021	Direct Lending	North America	6.44
PIMCO DISCO III	2020	Multi-strategy	North America	4.16
Silver Rock Tactical	2019	Special Situations	North America	3.83



## Illinois State Universities Retirement System Private Credit Program

Performance Analysis | As of March 31, 2024

### By Strategy

Group	Number	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining Value (\$ M)	Exposure (\$ M)	DPI (X)	TVPI (X)	IRR (%)
Direct Lending	5	525.0	234.5	296.2	33.7	238.3	534.4	0.14	1.16	14.8
Multi-strategy	3	240.0	147.3	191.1	114.6	52.7	243.8	0.78	1.14	11.4
Special Situations	5	500.0	341.8	183.2	61.6	326.8	460.0	0.18	0.97	9.1
Specialty Lending	4	400.0	268.9	153.4	42.7	248.1	401.6	0.16	1.08	11.7
<b>Total</b>	<b>17</b>	<b>1,665.0</b>	<b>992.5</b>	<b>823.8</b>	<b>252.6</b>	<b>865.9</b>	<b>1,689.7</b>	<b>0.25</b>	<b>1.13</b>	<b>11.1</b>

### By Vintage

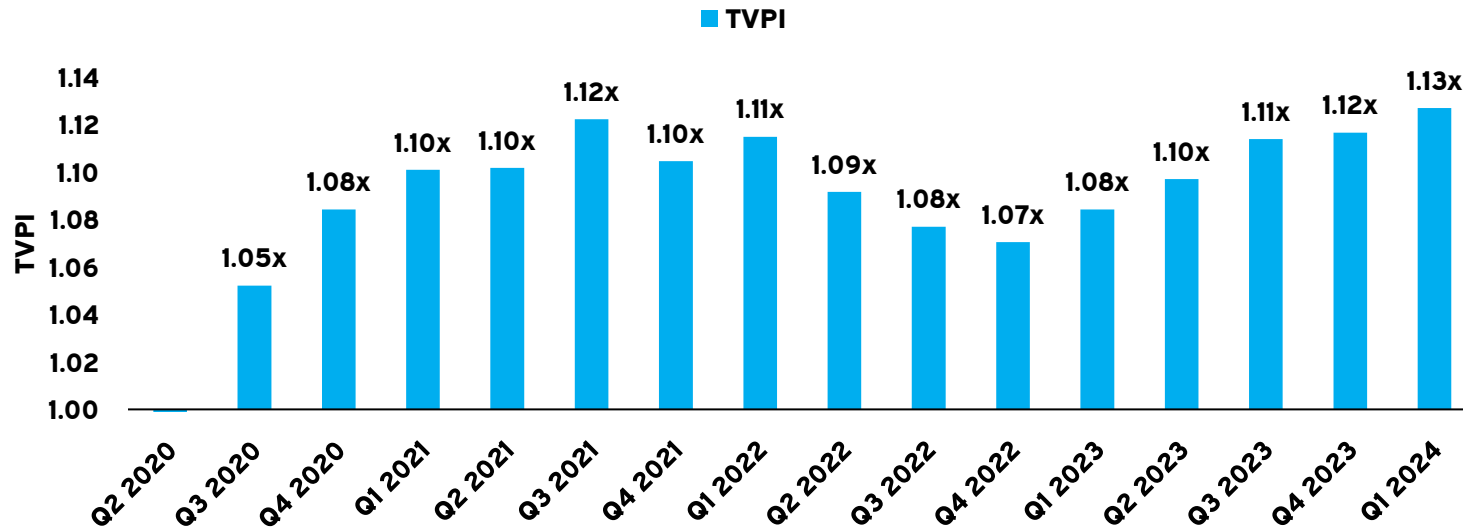
Group	Number	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining Value (\$ M)	Exposure (\$ M)	DPI (X)	TVPI (X)	IRR (%)
Open-end Fund	3	350.0	221.8	141.3	23.2	213.3	354.6	0.10	1.07	NM
2019	1	150.0	149.5	12.1	44.3	130.7	142.8	0.30	1.17	7.8
2020	2	140.0	139.7	99.7	124.5	36.6	136.3	0.89	1.15	12.1
2021	3	275.0	207.5	82.8	43.7	201.1	283.8	0.21	1.18	12.5
2022	2	250.0	157.1	101.1	9.7	166.2	267.3	0.06	1.12	12.1
2023	5	450.0	95.1	356.9	3.7	96.3	453.2	0.04	1.05	NM
2019	1	50.0	21.9	30.0	3.6	21.6	51.6	0.16	1.15	NM
<b>Total</b>	<b>17</b>	<b>1,665.0</b>	<b>992.5</b>	<b>823.8</b>	<b>252.6</b>	<b>865.9</b>	<b>1,689.7</b>	<b>0.25</b>	<b>1.13</b>	<b>11.1</b>



## Illinois State Universities Retirement System Private Credit Program

Performance Analysis | As of March 31, 2024

### Since Inception Performance Over Time



### Horizon IRRs

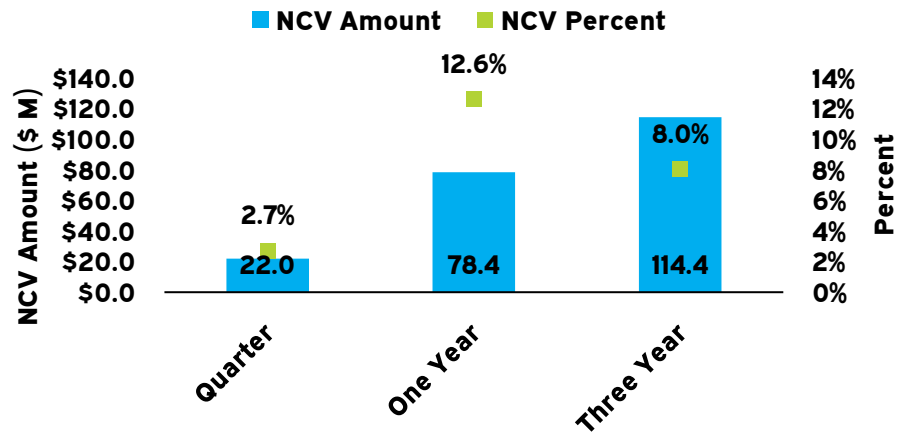
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	13.2	10.3	NM	NM	11.1



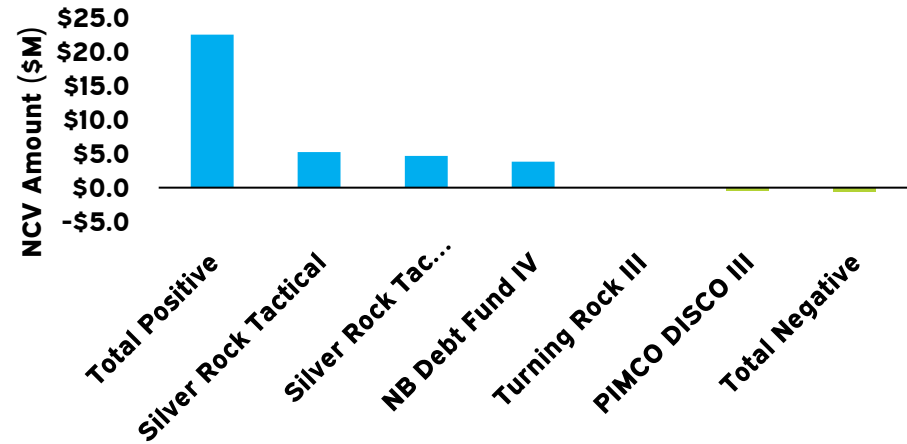
## Illinois State Universities Retirement System Private Credit Program

Performance Analysis | As of March 31, 2024

Periodic NCV



1 Quarter Drivers Of NCV





## Illinois State Universities Retirement System Private Credit Program

Performance Analysis | As of March 31, 2024

### Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining		
							Value (\$ M)	TVPI (X)	IRR (%)
Sixth Street TAO C	Open-End	Multi-strategy	100.0	14.6	85.4	0.0	14.7	1.00	NM
Ares Pathfinder Core	Open-End	Specialty Lending	150.0	150.0	0.0	8.8	153.9	1.08	NM
Atalaya Asset Fund E	Open-End	Specialty Lending	100.0	57.2	55.9	14.3	44.8	1.03	NM
Brightwood V	2019	Direct Lending	50.0	21.9	30.0	3.6	21.6	1.15	NM
Silver Rock Tactical	2019	Special Situations	150.0	149.5	12.1	44.3	130.7	1.17	7.8
PIMCO DISCO III	2020	Multi-strategy	90.0	90.3	90.0	105.0	0.3	1.17	12.2
Crayhill Fund II	2020	Specialty Lending	50.0	49.5	9.7	19.5	36.3	1.13	12.0
NB Debt Fund IV	2021	Direct Lending	175.0	140.0	36.8	26.4	143.8	1.22	13.9
Silver Rock Colinvest	2021	Special Situations	50.0	15.6	39.5	6.8	11.4	1.16	10.8
Turning Rock Fund II	2021	Special Situations	50.0	51.8	6.4	10.5	45.9	1.09	8.0
Fortress Lending III	2022	Multi-strategy	50.0	42.5	15.7	9.7	37.6	1.11	9.2
Silver Rock Tac 2022	2022	Special Situations	200.0	114.6	85.4	0.0	128.6	1.12	NM
HPS Specialty VI	2023	Direct Lending	100.0	0.0	100.0	0.0	0.5	NM	NM
ICG Fund 5	2023	Direct Lending	100.0	37.2	62.8	0.0	37.2	1.00	NM
Silver Point III	2023	Direct Lending	100.0	35.5	66.6	3.7	35.1	1.09	NM
Turning Rock III	2023	Special Situations	50.0	10.2	39.8	0.0	10.2	1.00	NM
Ares Pathfinder II	2023	Specialty Lending	100.0	12.2	87.8	0.0	13.2	1.08	NM
<b>Total</b>			<b>1,665.0</b>	<b>992.5</b>	<b>823.8</b>	<b>252.6</b>	<b>865.9</b>	<b>1.13</b>	<b>11.1</b>

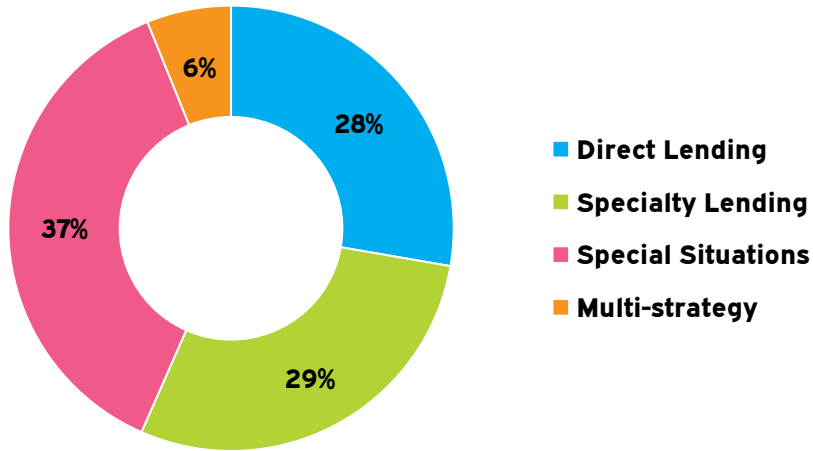


# Illinois State Universities Retirement System Private Credit Program

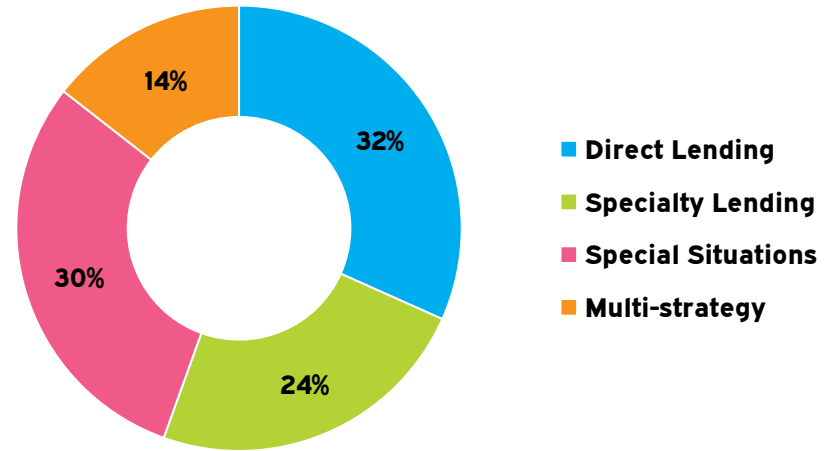
Fund Diversification | As of March 31, 2024

## By Strategy

Percent of FMV



Percent of Exposure





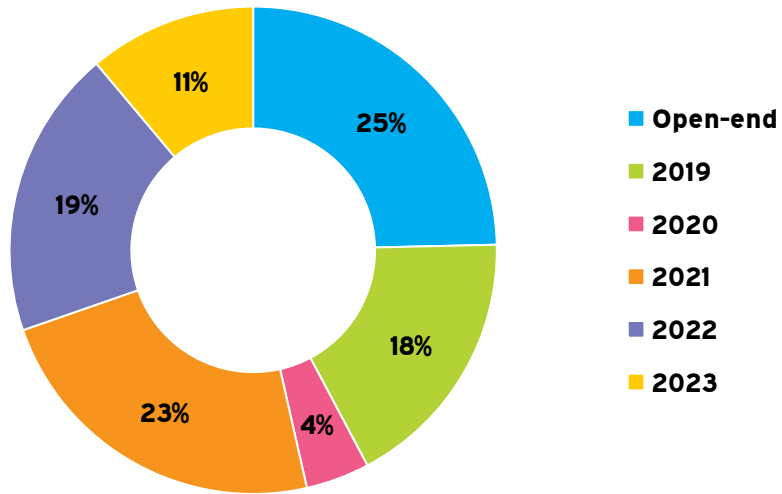


# Illinois State Universities Retirement System Private Credit Program

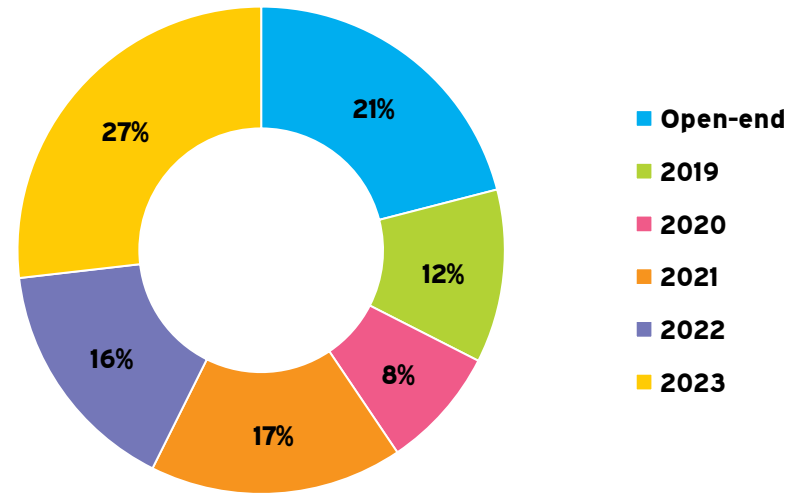
Fund Diversification | As of March 31, 2024

## By Vintage

Percent of FMV



Percent of Exposure



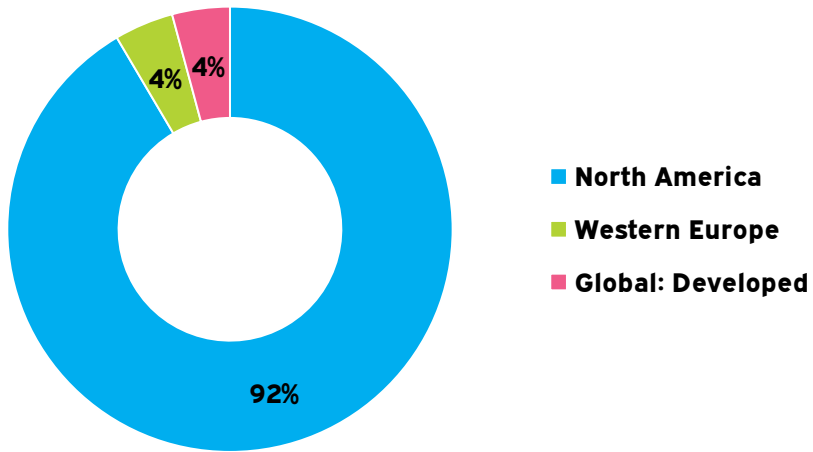


# Illinois State Universities Retirement System Private Credit Program

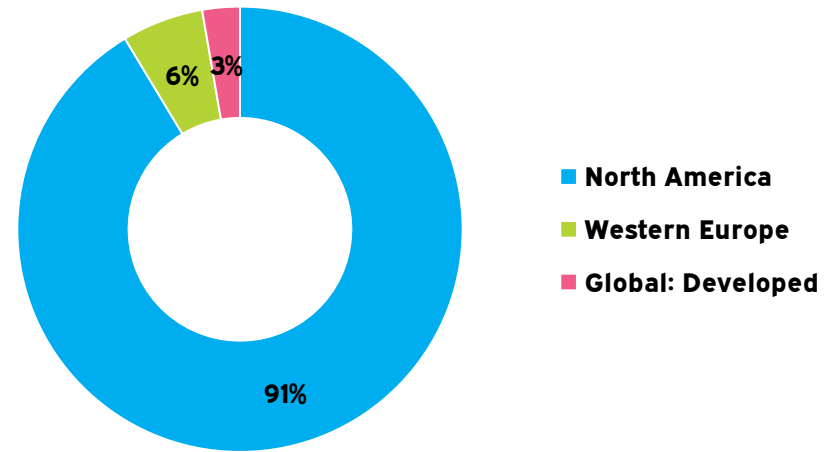
Fund Diversification | As of March 31, 2024

## By Geographic Focus

Percent of FMV



Percent of Exposure





## Illinois State Universities Retirement System Private Credit Program

Market & Industry Analysis | As of March 31, 2024

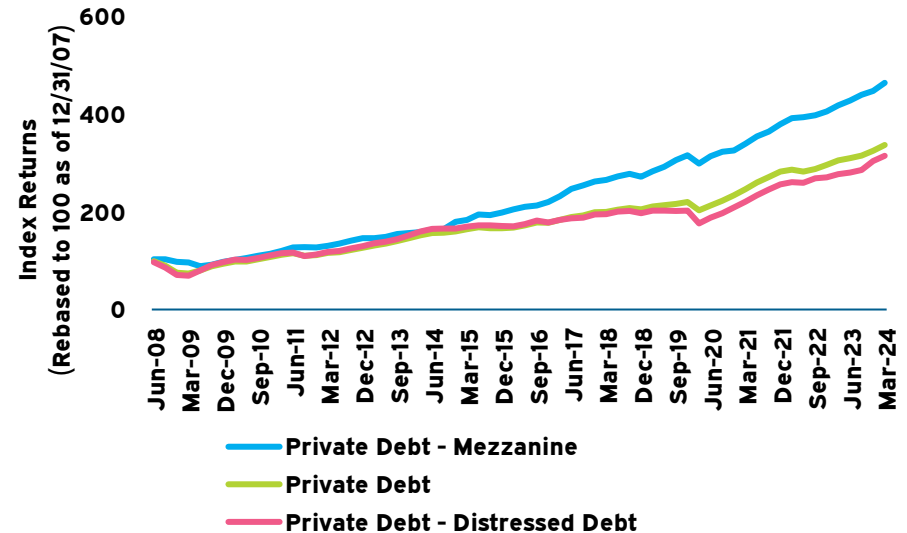
### Private Credit: Performance Update (Q1-24)

- The Prequin All Private Debt Index returned +3.7% in Q1 against a backdrop of increased competition between direct lenders and the broadly syndicated loan market. Demand was driven by the increased risk appetite of Collateralized Loan Obligations (CLOs) for loans to support new issuance.
- Fundraising slowed in Q1 2024 to \$34 billion which Pitchbook described as the slowest start to fundraising since 2016.<sup>1</sup>
- Fundraising was markedly concentrated with the largest share of capital allocated to funds seeking to raise \$1 billion+ with the 10 largest funds in market garnering 75% of commitments in the quarter.<sup>2</sup>

#### Prequin All Private Debt Index (as of 12/31/2023)

Trailing Time Period	Horizon IRR (%)
1 year	7.4
3 years	15.8
5 years	11.7
10 years	9.2

#### Prequin Private Debt Strategy Index



<sup>1</sup> Prequin: Global Private Market Fundraising Report (Q1 204)

<sup>2</sup> Prequin: Global Private Market Fundraising Report (Q1 204)



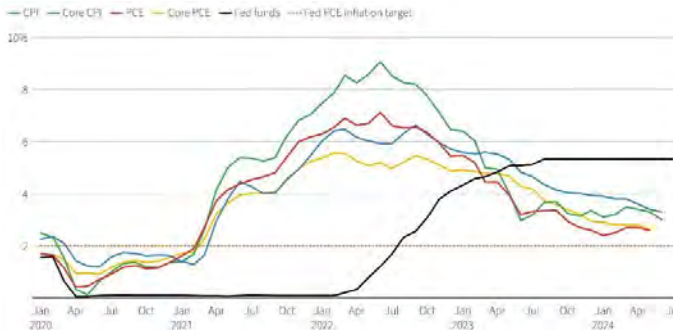
# Illinois State Universities Retirement System Private Credit Program

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## Private Credit: Key Economic Drivers

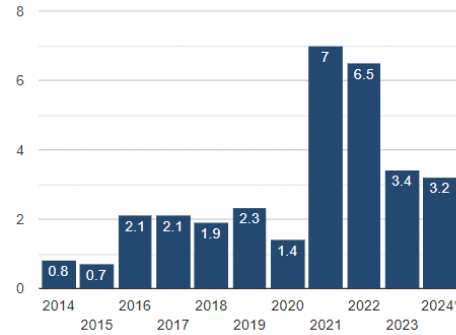
- While Fed Funds rates have flatlined moderating inflationary pressures have reignited investor speculation around the timing of potential rate cuts (Chart 1, Chart 2).
- Bank lending activity in aggregate across lines of business has seen diminished growth despite resurgent issuance in Q1 by banks in the broadly syndicated corporate loan market (Chart 3).
- On the consumer side, higher interest rates have led to increasing delinquencies for credit card and auto loans. One large private markets GP noted that credit card delinquencies for the youngest households (ages 18-29) are approaching levels last seen during the Great Financial Crisis.<sup>1</sup>

CPI / Fed Funds (Chart 1)<sup>2</sup>

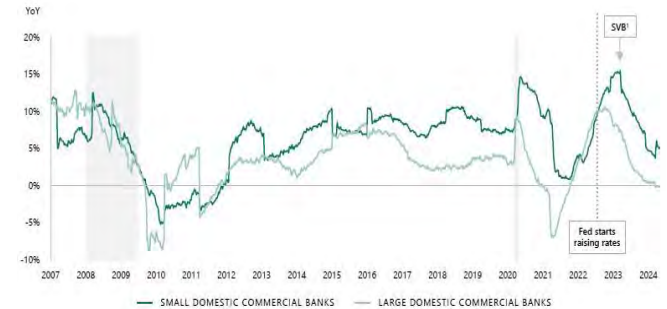


Note: CPI = Consumer Price Index, PCE = Personal Consumption Expenditures Price Index; Core = excluding food and energy; Fed funds = Fed policy rate  
Source: Federal Reserve (funds rate and target), Bureau of Labor Statistics (CPI), Bureau of Economic Analysis (PCE), inflation rates are annual

U.S. Inflation Rates (Chart 2)<sup>3</sup>



Bank Lending Growth (Chart 3)<sup>4</sup>



<sup>1</sup> Apollo: "Flexibility Is Key: Why Invest Opportunistically in Private Credit," Bank Lending Growth (data as of January 31, 2024)

<sup>2</sup> Reuters: "June price drop may shorten the Fed's last mile on inflation" (July 12, 2024)

<sup>3</sup> Source: [www.inflationcalculator.com](http://www.inflationcalculator.com), United States Annual Inflation Rates (2013 to 2023)

<sup>4</sup> Apollo: "Flexibility Is Key: Why Invest Opportunistically in Private Credit," Bank Lending Growth (data as of January 31, 2024)

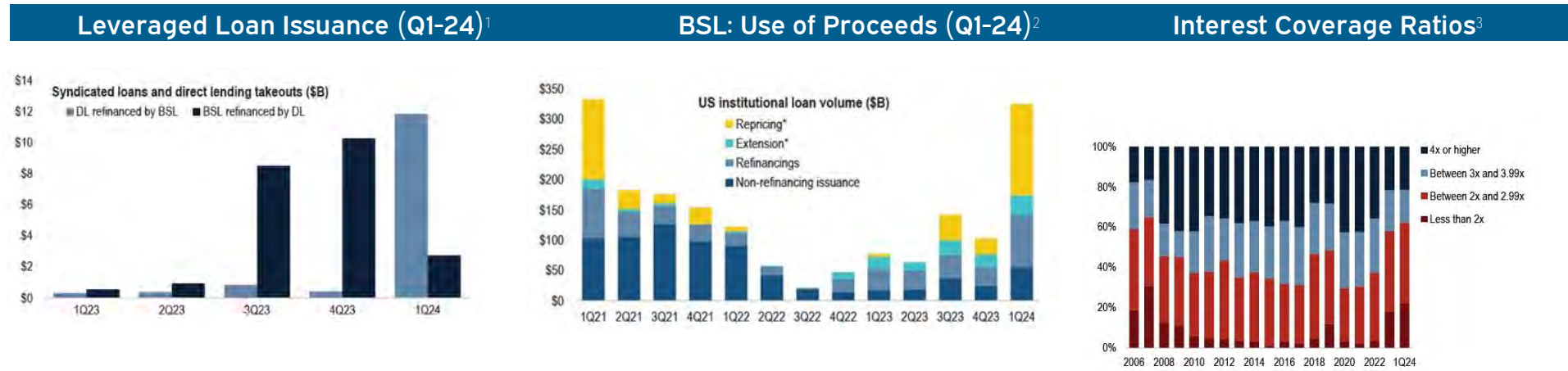


## Illinois State Universities Retirement System Private Credit Program

Market & Industry Analysis | As of March 31, 2024

### Private Credit: U.S. Senior Direct Lending

- The broadly syndicated loan (BSL) market resurged in Q1 2024 with \$325 billion of leveraged loan activity. Banks reclaimed market share from direct lenders with demand buoyed by increased risk appetite from CLOs. (Chart 1)
- Use of proceeds for the surge in issuance was dominated by repricing amendments, which accounted for 46% of loan issuance activity. Repricing amendments do not add to net new supply of loans. Notably, the average borrowing spread contracted by 54bps according to Pitchbook LCD. (Chart 2)
- Lower rated borrowers (single-B and lower) used the opening in capital markets and easing of lending standards to return to credit markets for refinancing.
- Interest coverage ratios showed further deterioration as the percentage with less than 2x coverage comprised 22% of this year's loans. (Chart 3)



<sup>1</sup> Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)

<sup>2</sup> Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)

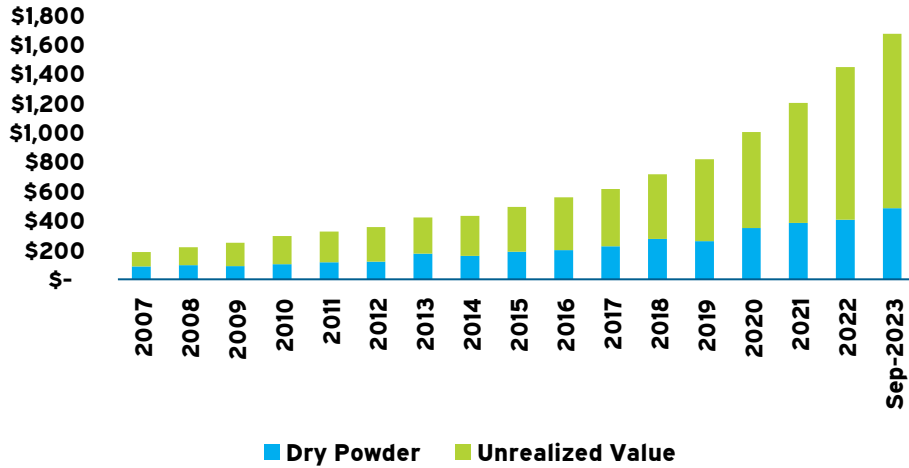
<sup>3</sup> Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)



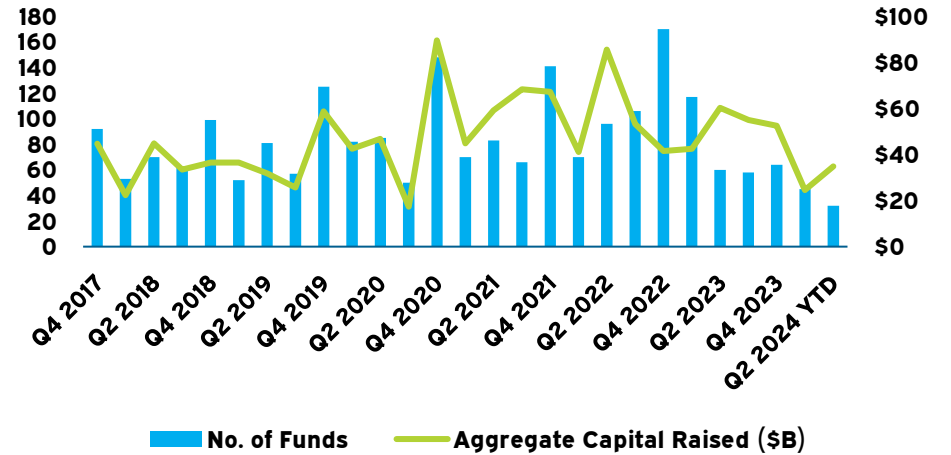
# Illinois State Universities Retirement System Private Credit Program

Market & Industry Analysis | As of March 31, 2024

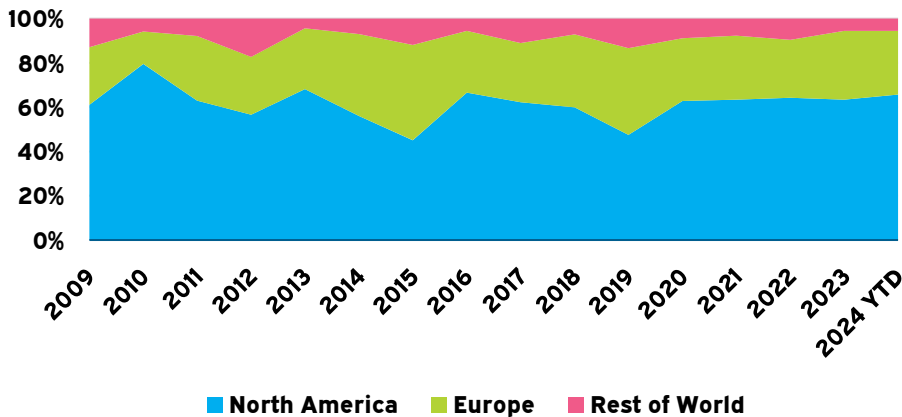
**Global Private Debt AUM, as of Year End (\$B)**



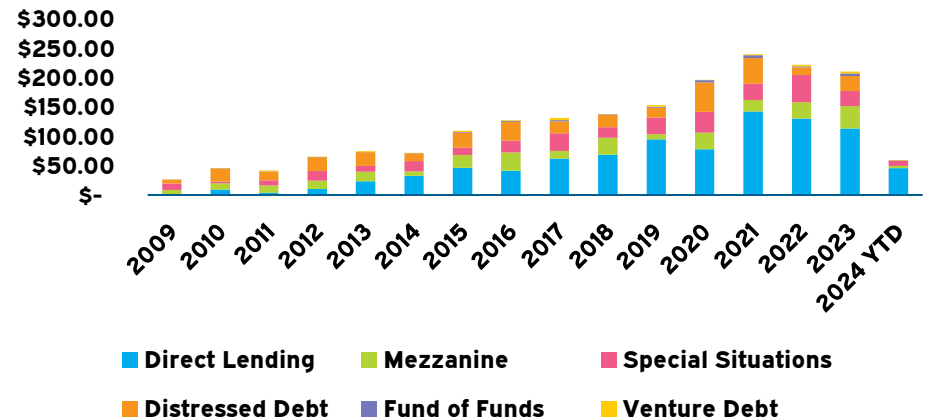
**Global Private Debt Fundraising**



**Global Private Debt Fundraising, by Primary Region**



**Global Private Debt Fund Raising, by Fund Strategy**





## Illinois State Universities Retirement System Private Credit Program

Endnotes | As of March 31, 2024

Below are details on specific terminology and calculation methodologies used throughout this report:

<b>Committed</b>	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
<b>Contributed</b>	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
<b>Distributed</b>	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
<b>DPI</b>	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
<b>Exposure</b>	Represents the sum of the investor's Unfunded and Remaining Value.
<b>IRR</b>	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa.
<b>NCV</b>	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
<b>NM</b>	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.



## Illinois State Universities Retirement System Private Credit Program

Endnotes | As of March 31, 2024

### Peer Universe

The performance for a set of comparable private market funds. The peer returns used in this report are provided by Thomson ONE, based on data from Cambridge Associates as of the date of this report. Program-level peer universe performance represents the pooled return for a set of funds of corresponding vintages and strategies across all regions globally. Fund-level peer performance represents the median return for a set of funds of the same vintage and the program's set of corresponding strategies across all regions globally. Data sets that include less than five funds display performance as "NM". Meketa utilizes the following Thomson ONE strategies for peer universes:

Private Credit: Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed

### Public Market Equivalent ("PME")

A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations:

Private Debt: 50% BB Global High Yield + 50% S&P LSTA Global Leveraged Loan +1%

### Remaining Value

The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.

### TVPI

Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.

### Unfunded

The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.





## Illinois State Universities Retirement System Private Credit Program

**Disclaimer | As of March 31, 2024**

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

If we manage your assets on a discretionary basis, please contact us if there are any changes in your financial situation or investment objectives, or if you want to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the client will receive a return of the amount invested.

In some cases Meketa Investment Group assists the client in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the client.

Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

The values of companies and partnerships are audited at year-end, and are not audited at other quarter-end periods. While financial information may be audited, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.

State Universities Retirement System of Illinois

# SURS - Private Equity

## Portfolio Report

As Of March 2024

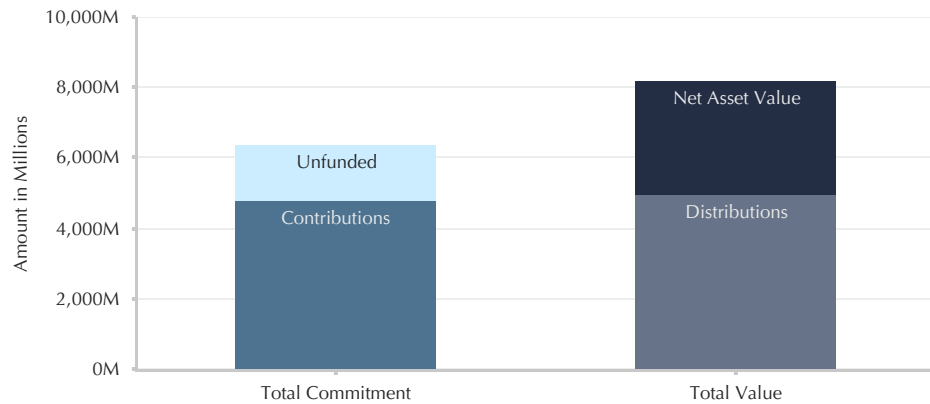
Report created: August 2024

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## Portfolio Report

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## Summary



## Portfolio Summary

Total Pension Assets	\$24.4 bn as of 03/31/2024
Active GP Relationships	35
Holdings	86
# of New Investments within the quarter *	1
# of Underlying Active Investments	519
% of Public Companies	4.6%
Total Commitment Amount	\$6.3 bn
Contributions	\$4.8 bn
Distributions	\$5.0 bn
Net Asset Value	\$3.2 bn
Unfunded Commitment	\$1.6 bn
Minimum Annual Pacing	375.0 mm
Maximum Annual Pacing	525.0 mm
Portfolio Allocation	13.2%
Minimum Target Allocation	11.0%
Maximum Target Allocation	11.0%

1Y IRR	5.4%	2Y IRR	1.2%	3Y IRR	8.8%
5Y IRR	15.5%	7Y IRR	15.4%	10Y IRR	12.7%
ITD IRR **	18.8%	ITD TVPI **	1.7x		

\* Jan-2024 - Mar-2024

\*\* Jul-1990 - Mar-2024

Position Analytics data based on GP provided information as of Mar-2024. Investments made in other currencies are converted to the portfolio's currency using the FX rate at the date of each investment.

IRR not meaningful for investments held less than 36 months.

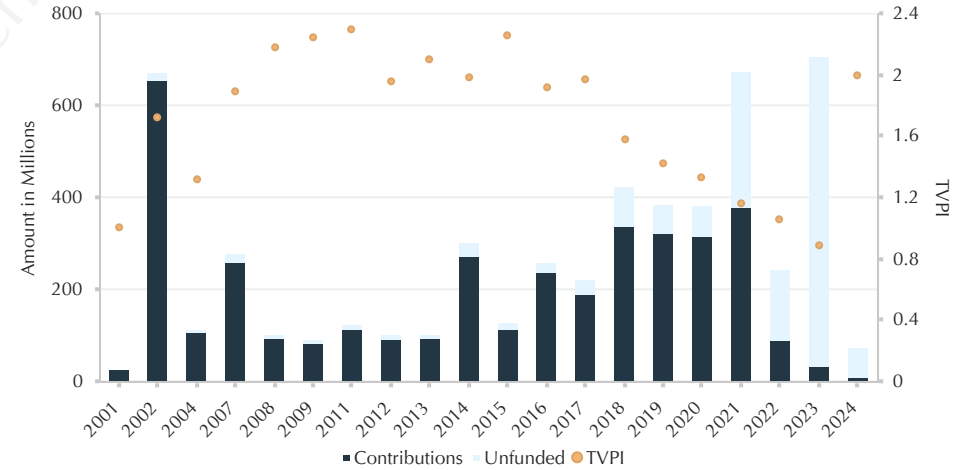
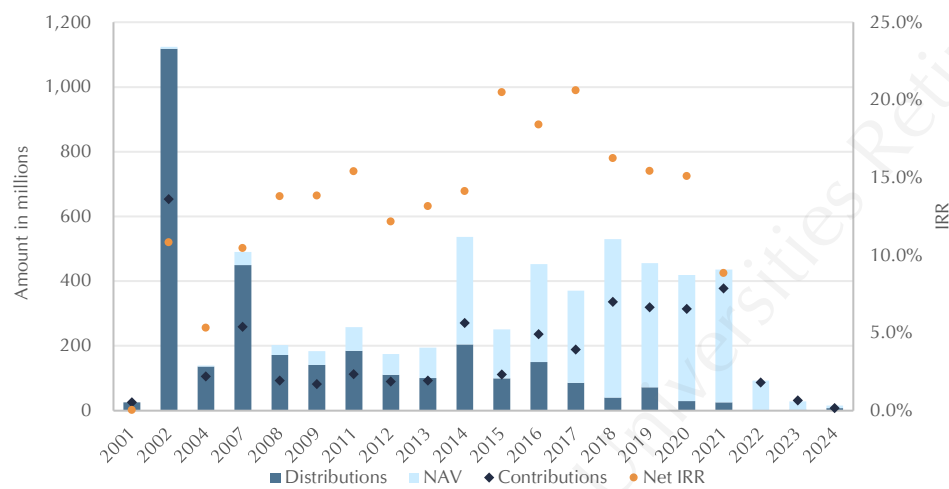
Total Exposure = Unfunded + NAV

Public companies are identified at the time of investment and reviewed at least annually.

Sector Portfolio Summary

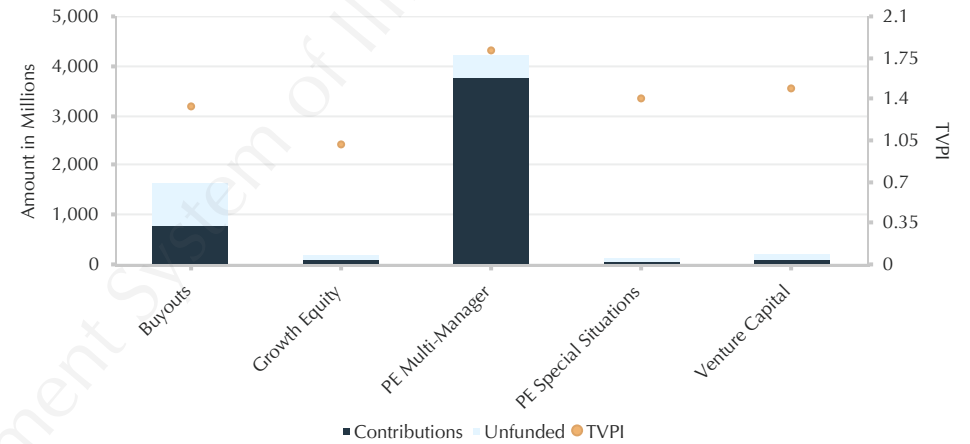
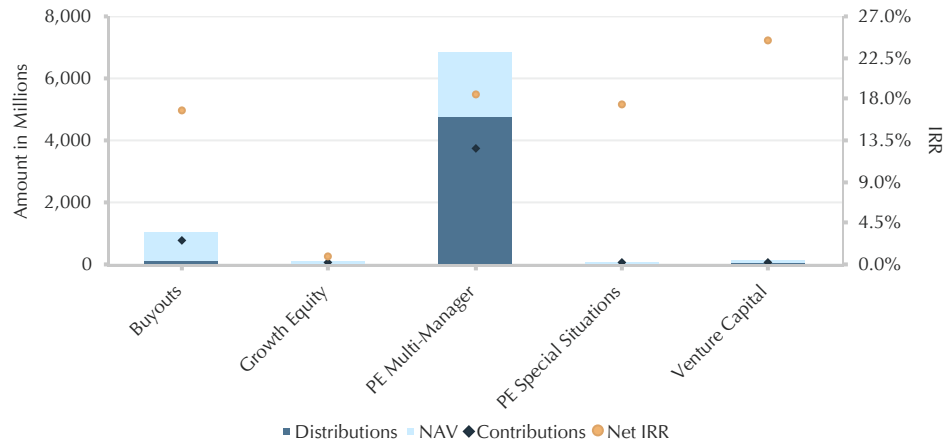
	# Of Funds	NAV (\$mm)	Total Commitment (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Net IRR	TVPI
Buyouts	32	921.0	1,585.2	862.1	1,783.1	781.8	129.2	16.9%	1.3x
Growth Equity	6	87.7	180.0	87.9	175.5	94.6	8.5	0.9%	1.0x
PE Multi-Manager	35	2,067.9	4,189.8	451.9	2,519.7	3,765.5	4,754.0	18.6%	1.8x
PE Special Situations	3	79.6	130.0	72.6	152.3	60.3	4.9	17.4%	1.4x
Venture Capital	10	72.2	191.0	103.0	175.2	88.1	59.5	24.5%	1.5x
<b>SURS - Private Equity</b>	<b>86</b>	<b>3,228.4</b>	<b>6,275.9</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>18.8%</b>	<b>1.7x</b>

Performance Review by Vintage Year

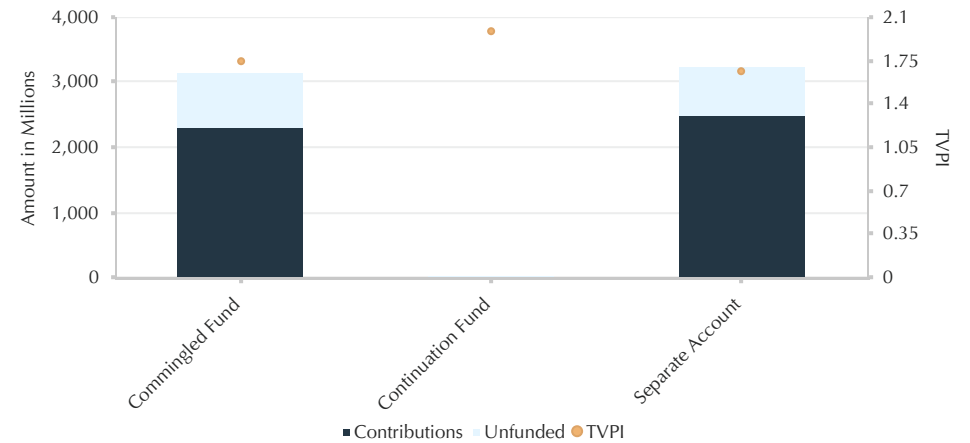
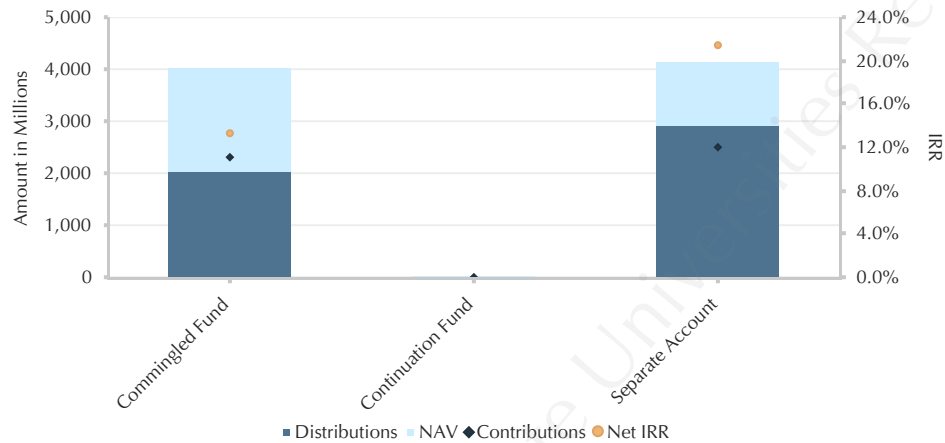


Total Exposure = Unfunded + NAV

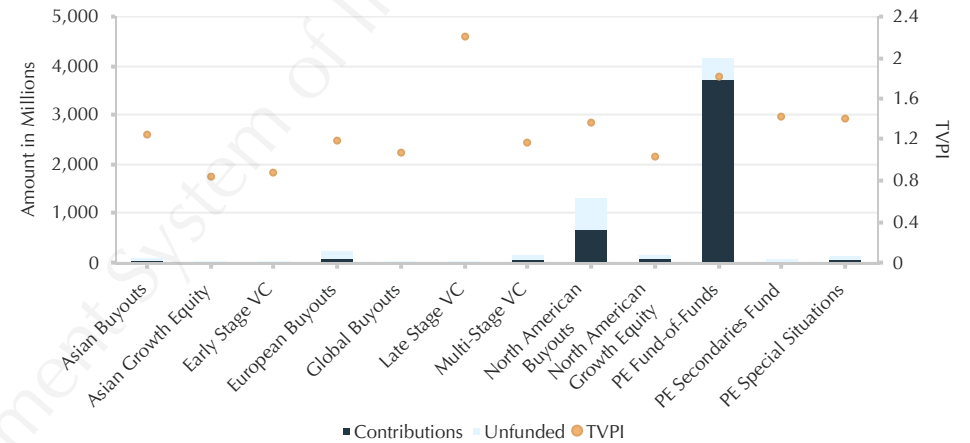
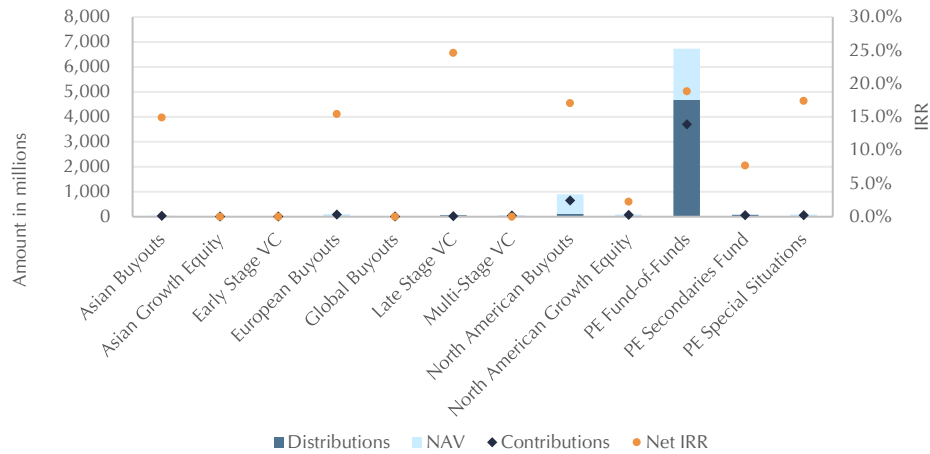
Performance Review by Sector



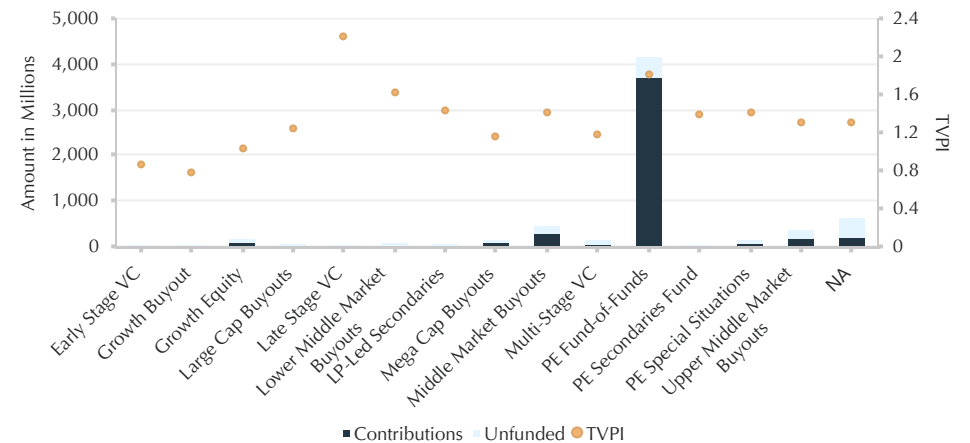
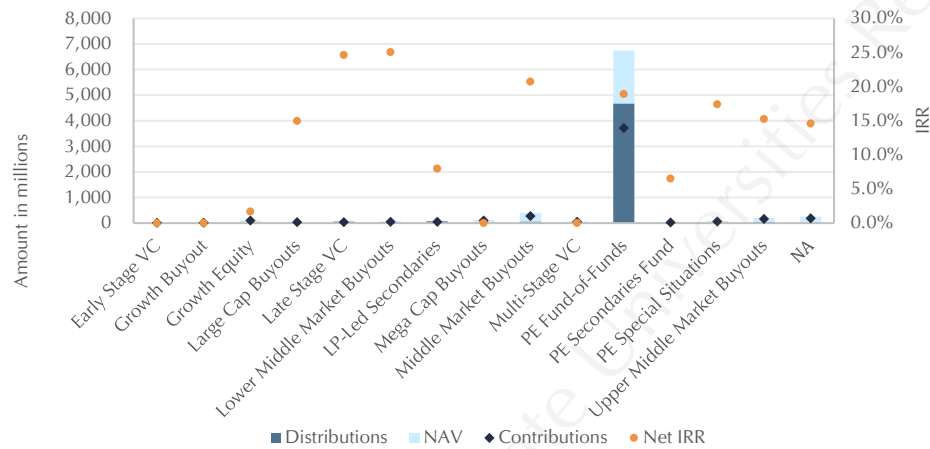
Performance Review by Structure



Performance Review by Strategy



Performance Review by Sub-Strategy



## Performance Statistics

As Of Mar-2024	Mar-2023	Jun-2023	Sep-2023	Dec-2023	Mar-2024	% Change (YTD)	% Change (Quarter)	% Change (Annual)	Mar-2024 Active	Mar-2024 Liquidated
Committed Capital	5,777.0	5,777.0	5,777.0	6,267.0	6,275.9	0.1%	0.1%	8.6%	6,190.9	85.0
Unfunded Commitment	1,367.8	1,285.0	1,177.4	1,634.5	1,577.5	-3.5%	-3.5%	15.3%	1,577.5	0.0
Net Contributed Capital	4,425.0	4,509.2	4,612.4	4,651.0	4,714.2	1.4%	1.4%	6.5%	4,629.2	85.0
Net Distributed Capital	4,671.0	4,714.5	4,756.2	4,818.7	4,867.4	1.0%	1.0%	4.2%	4,767.5	99.9
Recallable Capital	68.6	70.2	72.6	85.0	88.6	4.3%	4.3%	29.3%	88.6	0.0
Net Asset Value	2,973.3	3,062.1	3,123.9	3,167.9	3,228.4	1.9%	1.9%	8.6%	3,228.4	0.0
Net Gain/Loss	3,230.9	3,278.8	3,279.9	3,348.2	3,394.2	1.4%	1.4%	5.1%	3,375.1	19.0
Total Value	7,644.4	7,776.6	7,880.1	7,986.7	8,095.9	1.4%	1.4%	5.9%	7,995.9	99.9
Total Exposure	4,341.1	4,347.2	4,301.3	4,802.5	4,805.9	0.1%	0.1%	10.7%	4,805.9	0.0
DPI	1.1x	1.0x	1.0x	1.0x	1.0x	0.0x	0.0x	0.0x	1.0x	1.2x
Total Value to Paid-In (TVPI)	1.7x	1.7x	1.7x	1.7x	1.7x	0.0x	0.0x	0.0x	1.7x	1.2x
Net Internal Rate of Return (IRR)	19.1%	19.0%	18.9%	18.9%	18.8%	-0.1%	-0.1%	-0.3%	19.2%	6.9%

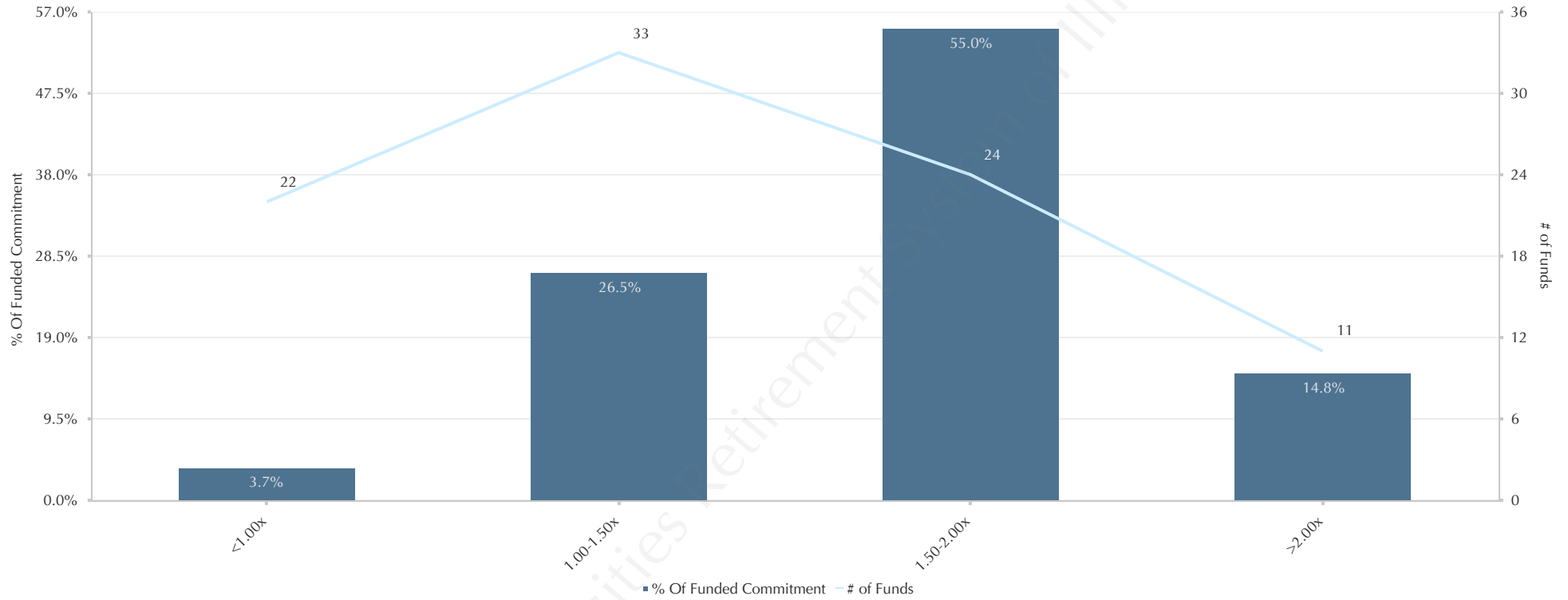
Total Exposure = Unfunded + NAV

Reporting Period: As Of Mar-2024

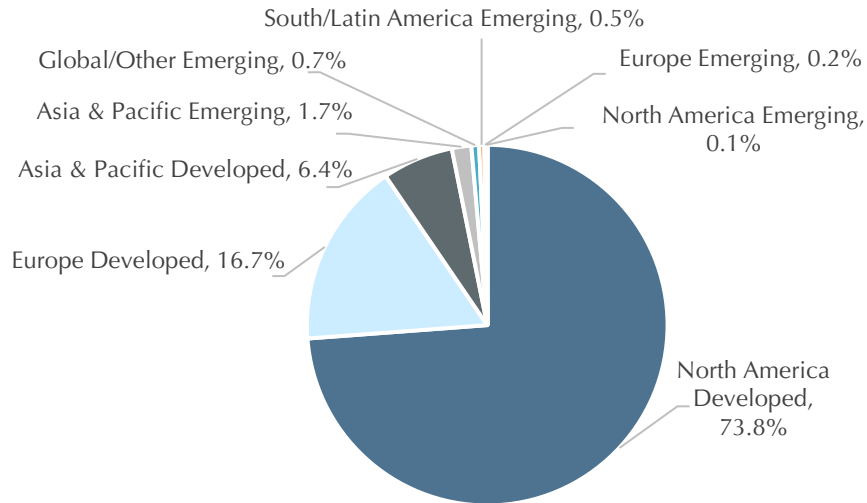
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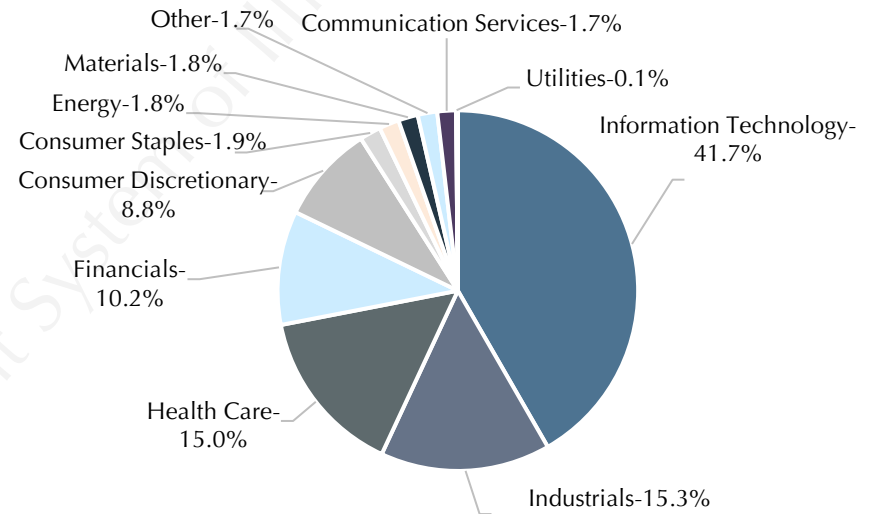
TVPI Distribution



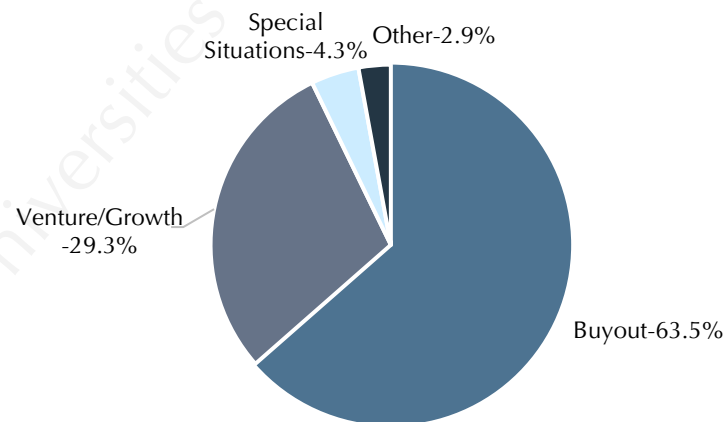
Exposure by Region (NAV Based)



Exposure by Industry (NAV Based)

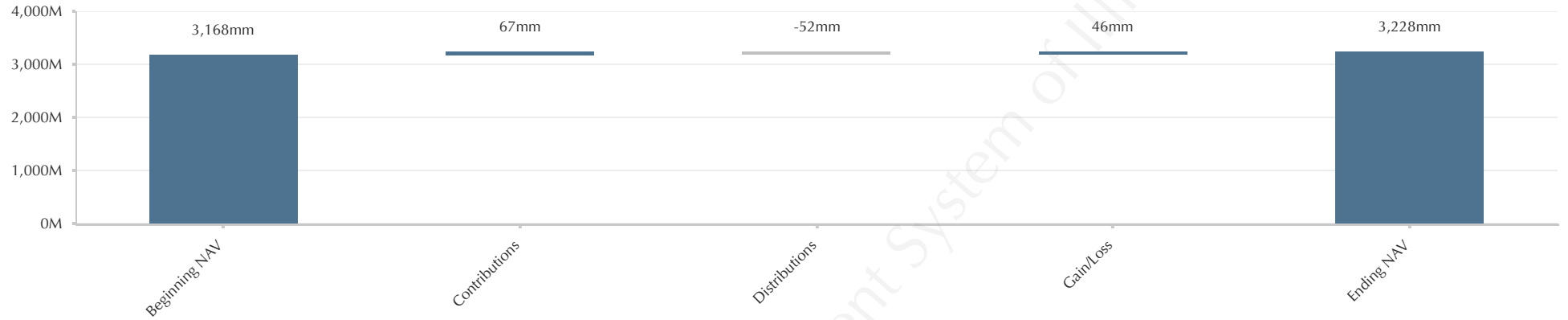


Exposure by Strategy (NAV Based)

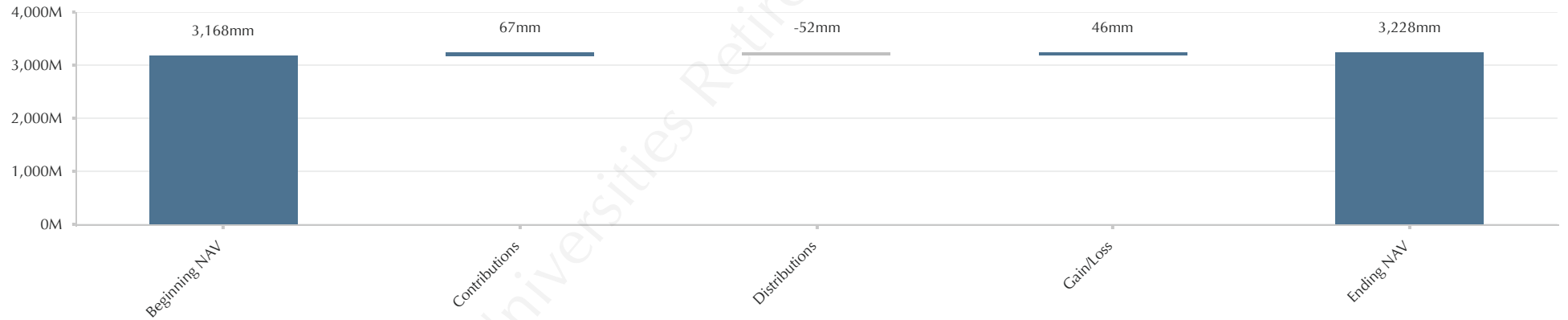


Displaying Strategy exposures for 100% of total portfolio allocations. Strategy exposures are calculated using Look through information for FoF funds. Displaying Region/Industry exposures for 100% of total portfolio allocations.

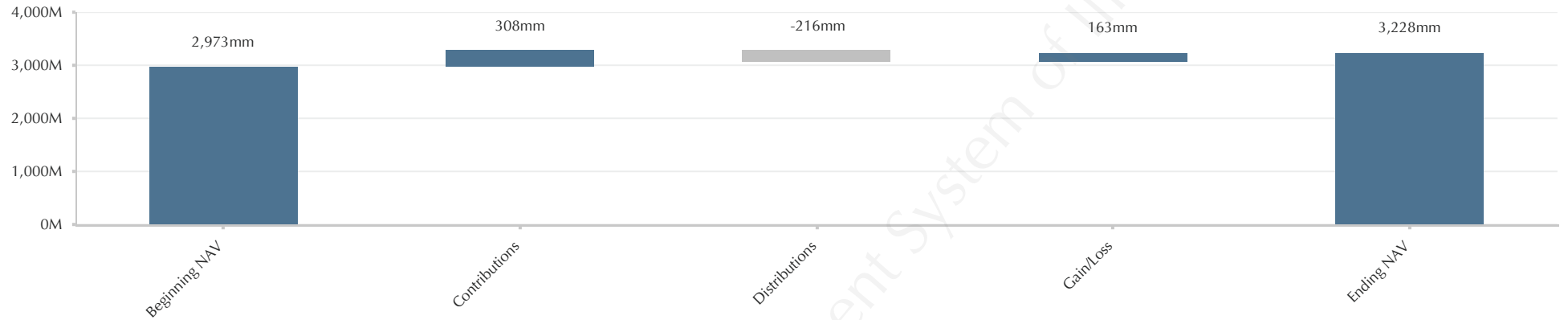
Quarterly Valuation Bridge (Jan-2024 to Mar-2024)



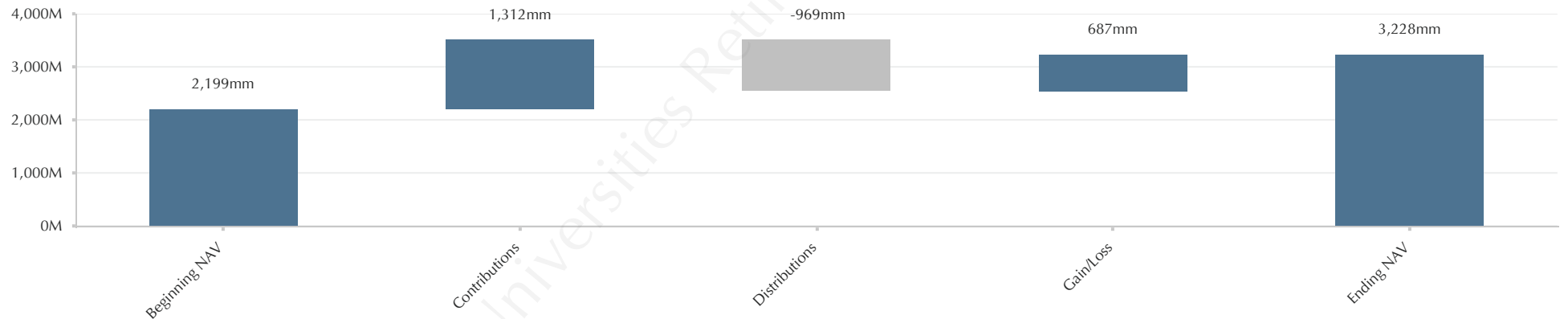
YTD Valuation Bridge (Jan-2024 to Mar-2024)



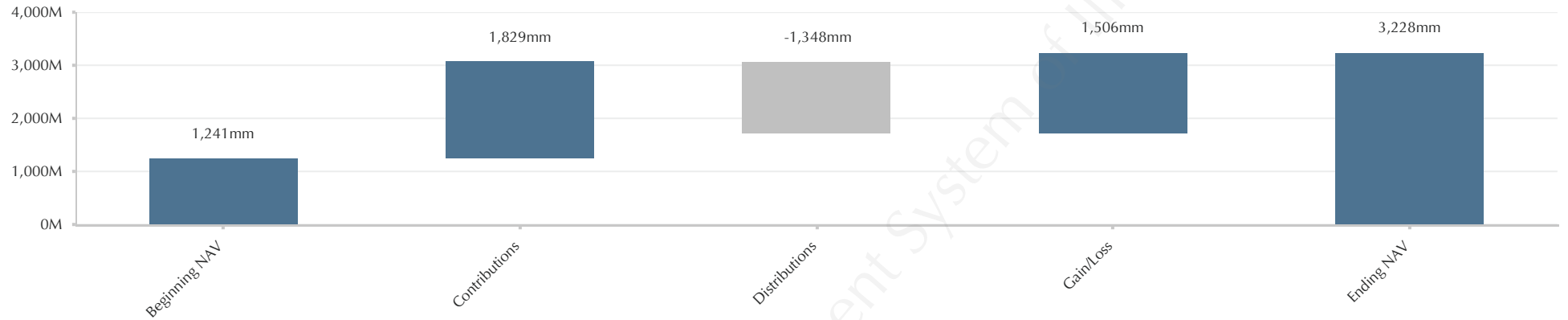
Last 12 Months Valuation Bridge (Apr-2023 to Mar-2024)



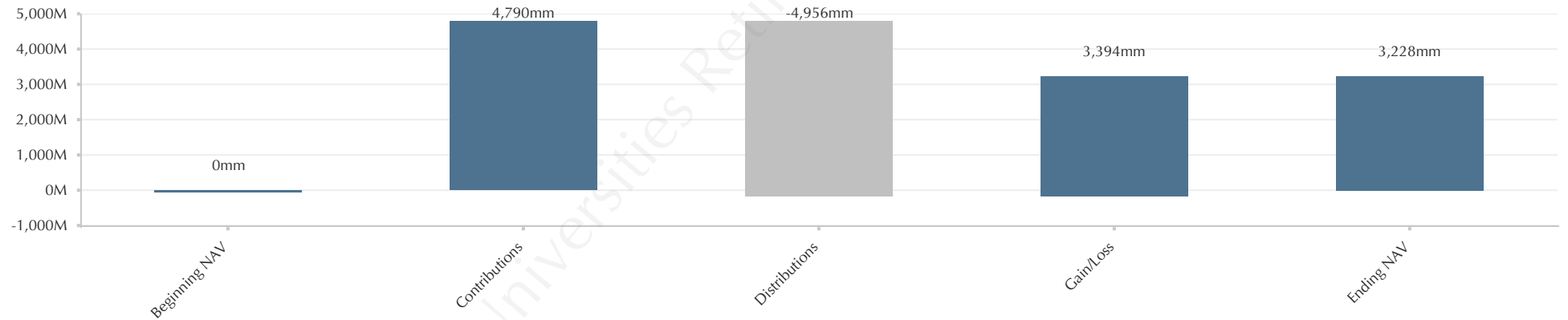
Last 3 Years Valuation Bridge (Apr-2021 to Mar-2024)



Last 5 Years Valuation Bridge (Apr-2019 to Mar-2024)



LTD Valuation Bridge (Jul-1990 to Mar-2024)



## SURS - Private Equity

## Portfolio Summary

Sector	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
Buyouts	28.5%	1,585.2	781.8	129.2	862.1	1,783.1	268.4	921.0	16.9%	1.3x
Growth Equity	2.7%	180.0	94.6	8.5	87.9	175.5	1.5	87.7	0.9%	1.0x
PE Multi-Manager	64.1%	4,189.8	3,765.5	4,754.0	451.9	2,519.7	3,056.3	2,067.9	18.6%	1.8x
PE Special Situations	2.5%	130.0	60.3	4.9	72.6	152.3	24.3	79.6	17.4%	1.4x
Venture Capital	2.2%	191.0	88.1	59.5	103.0	175.2	43.6	72.2	24.5%	1.5x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>
<b>Strategy</b>										
Asian Buyouts	1.2%	80.0	32.1	0.6	48.5	88.0	8.0	39.5	14.9%	1.2x
Asian Growth Equity	0.3%	30.0	13.1	2.6	19.3	27.7	-2.1	8.4	n.m. <sup>1</sup>	0.8x
Early Stage VC	0.2%	20.0	7.1	0.0	12.9	19.1	-0.9	6.1	n.m. <sup>1</sup>	0.9x
European Buyouts	2.7%	223.7	84.7	14.7	150.3	236.1	15.7	85.8	15.4%	1.2x
Global Buyouts	0.3%	25.0	10.4	0.0	14.6	25.8	0.8	11.1	n.m. <sup>1</sup>	1.1x
Late Stage VC	0.2%	30.0	29.6	59.4	0.4	6.4	35.8	6.0	24.6%	2.2x
Multi-Stage VC	1.9%	141.0	51.5	0.1	89.6	149.7	8.8	60.1	n.m. <sup>1</sup>	1.2x
North American Buyouts	24.3%	1,256.4	654.6	114.0	648.7	1,433.3	244.0	784.6	17.1%	1.4x
North American Growth Equity	2.5%	150.0	81.6	5.9	68.6	147.8	3.6	79.2	2.3%	1.0x
PE Fund-of-Funds	63.9%	4,119.8	3,704.2	4,672.8	443.2	2,505.3	3,030.8	2,062.1	18.9%	1.8x
PE Secondaries Fund	0.2%	70.0	61.3	81.1	8.7	14.4	25.5	5.7	7.7%	1.4x
PE Special Situations	2.5%	130.0	60.3	4.9	72.6	152.3	24.3	79.6	17.4%	1.4x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>

Total Exposure = Unfunded + NAV

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Sub Strategy	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
Early Stage VC	0.2%	20.0	7.1	0.0	12.9	19.1	-0.9	6.1	n.m. <sup>1</sup>	0.9x
Growth Buyout	0.1%	25.0	5.6	0.0	19.4	23.7	-1.3	4.3	n.m. <sup>1</sup>	0.8x
Growth Equity	2.6%	155.0	89.1	8.5	68.4	151.8	2.7	83.3	1.7%	1.0x
Large Cap Buyouts	1.2%	50.0	32.1	0.6	18.5	58.0	8.0	39.5	14.9%	1.2x
Late Stage VC	0.2%	30.0	29.6	59.4	0.4	6.4	35.8	6.0	24.6%	2.2x
Lower Middle Market Buyouts	1.7%	50.0	42.7	15.1	17.4	71.1	26.1	53.7	25.0%	1.6x
LP-Led Secondaries	0.0%	50.0	45.9	64.9	4.1	4.7	19.7	0.6	7.9%	1.4x
Mega Cap Buyouts	3.0%	135.0	90.3	6.5	51.3	148.5	13.6	97.3	n.m. <sup>1</sup>	1.2x
Middle Market Buyouts	10.3%	414.6	275.4	58.7	158.0	489.6	115.0	331.6	20.7%	1.4x
Multi-Stage VC	1.9%	141.0	51.5	0.1	89.6	149.7	8.8	60.1	n.m. <sup>1</sup>	1.2x
PE Fund-of-Funds	63.9%	4,119.8	3,704.2	4,672.8	443.2	2,505.3	3,030.8	2,062.1	18.9%	1.8x
PE Secondaries Fund	0.2%	20.0	15.4	16.2	4.6	9.7	5.9	5.1	6.5%	1.4x
PE Special Situations	2.5%	130.0	60.3	4.9	72.6	152.3	24.3	79.6	17.4%	1.4x
Upper Middle Market Buyouts	5.2%	325.5	159.1	39.7	189.2	357.0	48.4	167.7	15.2%	1.3x
NA	7.2%	610.0	182.3	8.6	427.7	658.9	57.5	231.2	14.6%	1.3x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>

Total Exposure = Unfunded + NAV

Vintage	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
2024	0.2%	70.9	7.5	7.5	63.4	70.9	7.4	7.5	-	2.0x
2023	0.8%	703.0	31.4	2.1	672.4	698.2	-3.5	25.8	n.m. <sup>1</sup>	0.9x
2022	2.9%	242.5	87.0	0.1	153.7	246.0	5.5	92.3	n.m. <sup>1</sup>	1.1x
2021	12.7%	646.1	376.9	24.9	293.6	704.5	58.8	410.9	8.9%	1.2x
2020	12.1%	363.7	314.5	29.3	65.4	455.5	104.9	390.1	15.1%	1.3x
2019	11.9%	360.0	319.2	71.3	63.0	446.7	135.8	383.7	15.4%	1.4x
2018	15.2%	420.0	335.8	39.9	86.6	576.3	193.8	489.7	16.3%	1.6x
2017	8.8%	220.0	188.5	85.7	31.7	316.3	181.8	284.6	20.6%	2.0x
2016	9.4%	250.0	236.4	149.6	21.2	323.9	216.0	302.7	18.4%	1.9x
2015	4.7%	125.0	111.2	99.5	13.8	164.9	139.4	151.1	20.5%	2.3x
2014	10.3%	300.0	270.8	203.8	29.2	361.6	265.4	332.4	14.1%	2.0x
2013	2.9%	100.0	92.7	100.9	7.3	100.7	101.6	93.3	13.2%	2.1x
2012	2.0%	100.0	89.7	110.1	10.3	75.2	85.3	64.9	12.2%	2.0x
2011	2.3%	124.6	112.2	184.5	10.1	83.2	145.4	73.2	15.4%	2.3x
2009	1.3%	90.0	81.8	140.5	8.2	50.8	101.3	42.6	13.8%	2.2x
2008	0.9%	100.0	92.9	171.8	7.1	37.5	109.4	30.4	13.8%	2.2x
2007	1.3%	280.4	258.9	449.4	17.8	58.6	231.2	40.7	10.5%	1.9x
2004	0.1%	115.0	105.5	136.3	6.0	8.4	33.3	2.4	5.3%	1.3x
2002	0.2%	664.1	653.0	1,118.0	15.6	22.2	471.6	6.6	10.8%	1.7x
2001	-	25.0	25.0	25.1	0.0	0.0	0.1	0.0	0.0%	1.0x
1998	0.0%	39.4	42.5	76.6	0.1	0.4	34.3	0.3	12.2%	1.8x

Total Exposure = Unfunded + NAV



## SURS - Private Equity

## Portfolio Summary

	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
1995	0.0%	20.0	19.8	17.2	0.0	1.0	-1.6	1.0	-1.3%	0.9x
1990	0.1%	916.2	937.2	1,712.1	0.9	3.1	777.1	2.2	26.8%	1.8x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>
<b>Structure</b>										
Commingled Fund	61.8%	3,056.6	2,301.7	2,029.5	835.5	2,830.5	1,722.8	1,995.0	13.4%	1.7x
Continuation Fund	0.2%	8.9	7.5	7.5	1.4	8.9	7.4	7.5	-	2.0x
Separate Account	38.0%	3,210.3	2,481.1	2,919.1	740.5	1,966.4	1,664.0	1,225.9	21.4%	1.7x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>
<b>Region</b>										
Country Focus - Emerging Markets - Asia & Pacific	0.3%	30.0	13.1	2.6	19.3	27.7	-2.1	8.4	n.m. <sup>1</sup>	0.8x
Global - Developed Markets - N/A	10.0%	465.0	387.9	266.5	77.1	399.3	200.8	322.2	9.1%	1.5x
Global - Diversified - N/A	40.2%	2,286.6	2,075.7	2,466.0	236.4	1,535.7	1,689.6	1,299.3	24.8%	1.8x
Regional Focus - Developed Markets - Europe	2.4%	144.3	90.2	55.9	68.1	145.2	42.8	77.1	13.7%	1.5x
Regional Focus - Developed Markets - North America	44.3%	3,003.8	2,005.9	1,894.1	1,033.5	2,462.1	1,316.8	1,428.6	12.0%	1.7x
Regional Focus - Diversified - Asia & Pacific	1.4%	90.0	41.3	11.7	49.3	95.2	16.3	45.9	10.1%	1.4x
Regional Focus - Diversified - Europe	1.5%	256.2	176.3	259.2	93.7	140.7	129.9	46.9	13.3%	1.7x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>

Total Exposure = Unfunded + NAV

Reporting Period: Jul-1990 - Mar-2024

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Commitment Year	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
2024	0.2%	8.9	7.5	7.5	1.4	8.9	7.4	7.5	-	2.0x
2023	0.7%	712.5	27.8	2.1	686.4	710.1	-2.0	23.7	n.m. <sup>1</sup>	0.9x
2022	4.5%	415.5	136.3	2.8	282.9	426.7	10.3	143.8	n.m. <sup>1</sup>	1.1x
2021	5.6%	354.5	181.2	7.4	178.0	359.5	7.7	181.5	2.7%	1.0x
2020	18.4%	554.7	475.0	51.8	108.8	701.3	169.3	592.5	15.7%	1.4x
2019	13.4%	390.0	350.5	76.1	64.5	496.0	157.0	431.5	16.0%	1.4x
2018	3.3%	90.0	73.0	14.7	17.0	123.3	48.0	106.3	18.7%	1.7x
2017	18.5%	500.0	409.5	98.3	90.7	688.7	286.9	598.0	17.5%	1.7x
2016	9.4%	250.0	236.4	149.6	21.2	323.9	216.0	302.7	18.4%	1.9x
2015	4.7%	125.0	111.2	99.5	13.8	164.9	139.4	151.1	20.5%	2.3x
2014	10.3%	300.0	270.8	203.8	29.2	361.6	265.4	332.4	14.1%	2.0x
2013	2.9%	100.0	92.7	100.9	7.3	100.7	101.6	93.3	13.2%	2.1x
2012	4.3%	224.6	201.9	294.6	20.3	158.4	230.7	138.1	14.1%	2.1x
2009	1.4%	100.0	91.6	157.5	8.4	53.7	111.2	45.2	13.7%	2.2x
2008	1.0%	100.0	92.8	177.5	7.2	38.2	115.7	31.0	14.1%	2.2x
2007	1.2%	270.4	249.1	426.7	17.6	55.0	215.0	37.4	10.2%	1.9x
2004	0.1%	115.0	105.5	136.3	6.0	8.4	33.3	2.4	5.3%	1.3x
2002	0.2%	664.1	653.0	1,118.0	15.6	22.2	471.6	6.6	10.8%	1.7x
2001	-	25.0	25.0	25.1	0.0	0.0	0.1	0.0	0.0%	1.0x
1998	0.0%	39.4	42.5	76.6	0.1	0.4	34.3	0.3	12.2%	1.8x
1995	0.0%	20.0	19.8	17.2	0.0	1.0	-1.6	1.0	-1.3%	0.9x

Total Exposure = Unfunded + NAV

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	NAV Weight	Total Commitment (\$mm)	Contributions (\$mm)	Distributions (\$mm)	Unfunded Commitment (\$mm)	Total Exposure (\$mm)	Gain/Loss (\$mm)	NAV (\$mm)	Net IRR	TVPI
1990	0.1%	916.2	937.2	1,712.1	0.9	3.1	777.1	2.2	26.8%	1.8x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>
<b>Asset Class</b>										
Private Equity	100.0%	6,275.9	4,790.3	4,956.1	1,577.5	4,805.9	3,394.2	3,228.4	18.8%	1.7x
<b>SURS - Private Equity</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>

1. IRR not meaningful for investments held less than 36 months

Total Exposure = Unfunded + NAV

Reporting Period: Jul-1990 - Mar-2024

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	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2024</b>											
GGV Capital IX LP	USD	-	32.0	0.0	0.0	32.0	32.0	0.0	0.0 <sup>1</sup>	-	0.0x
MBK Partners Fund VI	USD	-	30.0	0.0	0.0	30.0	30.0	0.0	0.0 <sup>1</sup>	-	0.0x
OceanSound SMX Continuation Fund	USD	0.2%	8.9	7.5	7.5	1.4	8.9	7.4	7.5	-	2.0x
<b>Total 2024</b>	<b>USD</b>	<b>0.2%</b>	<b>70.9</b>	<b>7.5</b>	<b>7.5</b>	<b>63.4</b>	<b>70.9</b>	<b>7.4</b>	<b>7.5</b>	<b>-</b>	<b>2.0x</b>
<b>2023</b>											
Base10 Advancement Initiative II	USD	0.1%	25.0	5.6	0.0	19.4	24.2	-0.8	4.8	n.m. <sup>2</sup>	0.9x
Clearlake Capital Partners VIII	USD	-	50.0	0.0	0.0	50.0	50.0	0.0	0.0 <sup>1</sup>	-	0.0x
Cortec Group Fund VIII	USD	0.1%	35.0	5.5	1.8	31.2	33.9	-1.0	2.7	n.m. <sup>2</sup>	0.8x
GGV Capital IX Plus LP	USD	-	8.0	0.0	0.0	8.0	8.0	0.0	0.0 <sup>1</sup>	-	0.0x
Lincoln Fund I (Series C)	USD	0.0%	100.0	0.5	0.0	99.5	99.9	-0.1	0.4	n.m. <sup>2</sup>	0.8x
OceanSound Partners Fund II	USD	0.5%	25.0	15.9	0.3	9.1	24.3	-0.4	15.2	n.m. <sup>2</sup>	1.0x
PAI Partners VIII-1 SCSp	USD	0.1%	50.0	3.7	0.0	45.4	48.1	-1.0	2.7	n.m. <sup>2</sup>	0.7x
SURS PE Co-Investment Fund II LP	USD	0.0%	410.0	0.3	0.0	409.7	409.8	-0.2	0.1	n.m. <sup>2</sup>	0.3x
<b>Total 2023</b>	<b>USD</b>	<b>0.8%</b>	<b>703.0</b>	<b>31.4</b>	<b>2.1</b>	<b>672.4</b>	<b>698.2</b>	<b>-3.5</b>	<b>25.8</b>	<b>n.m.<sup>2</sup></b>	<b>0.9x</b>

Total Exposure = Unfunded + NAV

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2022</b>											
Advent International GPE X	USD	0.3%	25.0	10.4	0.0	14.6	25.8	0.8	11.1	n.m. <sup>2</sup>	1.1x
Greenbriar Equity Fund VI LP	USD	0.2%	22.5	5.7	0.0	16.8	22.1	-0.4	5.3	n.m. <sup>2</sup>	0.9x
Hg Saturn 3 A	USD	0.4%	35.0	11.4	0.0	23.6	35.6	0.6	12.1	n.m. <sup>2</sup>	1.1x
HgCapital Genesis 10 A	USD	0.1%	13.0	2.4	0.0	10.5	13.1	0.1	2.6	n.m. <sup>2</sup>	1.1x
Inflexion Buyout Fund VI	USD	0.2%	24.5	6.0	0.0	16.5	22.3	-0.3	5.7	n.m. <sup>2</sup>	0.9x
Oak HC-FT Partners V	USD	0.2%	40.0	7.1	0.0	32.9	40.2	0.2	7.3	n.m. <sup>2</sup>	1.0x
Rubicon Technology Partners IV	USD	0.3%	32.5	11.8	0.1	20.8	31.7	-0.8	10.8	n.m. <sup>2</sup>	0.9x
Thoma Bravo Discover Fund IV	USD	0.5%	25.0	14.3	0.0	10.7	27.2	2.2	16.5	n.m. <sup>2</sup>	1.2x
Thoma Bravo Fund XV	USD	0.6%	25.0	17.8	0.0	7.2	28.0	3.0	20.9	n.m. <sup>2</sup>	1.2x
<b>Total 2022</b>	<b>USD</b>	<b>2.9%</b>	<b>242.5</b>	<b>87.0</b>	<b>0.1</b>	<b>153.7</b>	<b>246.0</b>	<b>5.5</b>	<b>92.3</b>	<b>n.m.<sup>2</sup></b>	<b>1.1x</b>

Total Exposure = Unfunded + NAV

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2021</b>											
Avance Investment Partners	USD	0.4%	25.0	14.0	2.5	13.3	26.6	1.8	13.3	n.m. <sup>2</sup>	1.1x
Base10 Advancement Initiative I	USD	0.6%	25.0	23.8	0.3	1.2	21.2	-3.6	19.9	n.m. <sup>2</sup>	0.8x
Base10 Partners III	USD	0.2%	20.0	7.1	0.0	12.9	19.1	-0.9	6.1	n.m. <sup>2</sup>	0.9x
Clearlake Capital Partners VII	USD	1.0%	50.0	28.9	0.1	21.2	53.1	3.1	31.9	n.m. <sup>2</sup>	1.1x
GGV Capital VIII	USD	0.4%	21.6	13.7	0.0	7.9	22.1	0.5	14.2	n.m. <sup>2</sup>	1.0x
GGV Capital VIII Plus	USD	0.1%	5.4	2.5	0.0	2.9	5.5	0.1	2.6	n.m. <sup>2</sup>	1.0x
GGV Discovery III	USD	0.2%	9.0	5.3	0.0	3.7	11.2	2.3	7.5	n.m. <sup>2</sup>	1.4x
Great Hill Equity Partners VIII-Pref	USD	0.1%	25.0	5.6	0.0	19.4	23.7	-1.3	4.3	n.m. <sup>2</sup>	0.8x
Harvest Partners IX	USD	0.5%	50.0	17.9	1.6	33.5	49.2	-0.7	15.6	n.m. <sup>2</sup>	1.0x
Lincoln Fund I (Series B)	USD	1.3%	100.0	42.0	0.0	58.0	100.8	0.8	42.8	1.1%	1.0x
MBK Partners Fund V	USD	1.2%	50.0	32.1	0.6	18.5	58.0	8.0	39.5	14.9%	1.2x
Nautic Partners X	USD	0.5%	25.0	12.6	0.3	12.7	27.9	2.9	15.2	n.m. <sup>2</sup>	1.2x
Nordic Capital XI Beta	USD	0.3%	50.1	10.0	0.0	41.9	50.5	-1.4	8.6	n.m. <sup>2</sup>	0.9x
Oak HC-FT Partners IV	USD	0.9%	25.0	22.9	0.1	2.2	30.8	5.8	28.5	n.m. <sup>2</sup>	1.3x
One Equity Partners VIII	USD	1.0%	25.0	25.4	2.7	2.2	35.1	10.1	32.8	n.m. <sup>2</sup>	1.4x
One Rock Capital Partners III	USD	1.4%	35.0	31.8	6.3	9.0	54.5	20.0	45.5	n.m. <sup>2</sup>	1.6x
Orchid Asia VIII	USD	0.3%	30.0	13.1	2.6	19.3	27.7	-2.1	8.4	n.m. <sup>2</sup>	0.8x
Stellex Capital Partners II	USD	0.6%	25.0	17.7	1.3	7.8	28.5	4.3	20.7	n.m. <sup>2</sup>	1.2x
Thoma Bravo Fund XIV	USD	1.6%	50.0	50.6	6.5	5.9	59.1	9.1	53.2	n.m. <sup>2</sup>	1.2x
<b>Total 2021</b>	<b>USD</b>	<b>12.7%</b>	<b>646.1</b>	<b>376.9</b>	<b>24.9</b>	<b>293.6</b>	<b>704.5</b>	<b>58.8</b>	<b>410.9</b>	<b>8.9%</b>	<b>1.2x</b>

Total Exposure = Unfunded + NAV

## SURS - Private Equity

## Portfolio Summary by Vintage Year

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2020</b>											
Altaris Health Partners V	USD	0.6%	25.0	15.5	0.2	9.5	29.5	4.7	19.9	n.m. <sup>2</sup>	1.3x
Bregal Sagemount IV-B	USD	0.1%	25.0	3.7	0.0	21.3	24.4	-0.6	3.1	n.m. <sup>2</sup>	0.8x
Clearlake Capital Partners VI	USD	1.5%	30.0	31.3	4.8	1.5	49.2	21.2	47.7	21.7%	1.7x
Hg Genesis 9	USD	0.4%	13.7	12.9	2.3	3.2	17.6	3.7	14.3	16.1%	1.3x
HgCapital Saturn Fund 2	USD	1.2%	37.5	38.2	12.3	9.1	49.0	13.9	39.8	21.6%	1.4x
Rubicon Technology Partners III	USD	1.1%	32.5	30.9	1.1	2.7	36.8	4.3	34.1	5.3%	1.1x
SURS TorreyCove Co-Investment Fund I	USD	7.2%	200.0	182.0	8.6	18.0	249.1	57.7	231.1	14.6%	1.3x
<b>Total 2020</b>	<b>USD</b>	<b>12.1%</b>	<b>363.7</b>	<b>314.5</b>	<b>29.3</b>	<b>65.4</b>	<b>455.5</b>	<b>104.9</b>	<b>390.1</b>	<b>15.1%</b>	<b>1.3x</b>
<b>2019</b>											
Bregal Sagemount III-B	USD	1.5%	50.0	43.0	5.7	7.1	54.2	9.8	47.1	10.5%	1.2x
Cortec Group Fund VII	USD	1.0%	35.0	34.4	22.2	4.3	36.2	19.7	31.9	22.7%	1.6x
Harvest Partners VIII	USD	2.5%	70.0	72.5	25.8	8.1	89.9	35.2	81.8	15.7%	1.5x
OceanSound Partners Fund	USD	1.2%	25.0	28.7	12.6	4.1	44.5	24.2	40.3	28.6%	1.8x
Pantheon Access (US) - SURS 2018	USD	5.7%	180.0	140.6	5.0	39.4	221.9	47.0	182.5	11.9%	1.3x
<b>Total 2019</b>	<b>USD</b>	<b>11.9%</b>	<b>360.0</b>	<b>319.2</b>	<b>71.3</b>	<b>63.0</b>	<b>446.7</b>	<b>135.8</b>	<b>383.7</b>	<b>15.4%</b>	<b>1.4x</b>
<b>2018</b>											
Adams Street 2018 Global Fund	USD	3.3%	90.0	73.0	14.7	17.0	123.3	48.0	106.3	18.7%	1.7x
Mesirow Financial Private Equity Special Fund B	USD	9.7%	280.0	221.0	12.6	59.0	372.5	105.1	313.4	13.6%	1.5x
Reverence Capital Partners Opportunities Fund II	USD	2.2%	50.0	41.8	12.6	10.6	80.6	40.8	70.0	25.1%	2.0x
<b>Total 2018</b>	<b>USD</b>	<b>15.2%</b>	<b>420.0</b>	<b>335.8</b>	<b>39.9</b>	<b>86.6</b>	<b>576.3</b>	<b>193.8</b>	<b>489.7</b>	<b>16.3%</b>	<b>1.6x</b>

Total Exposure = Unfunded + NAV

Reporting Period: As Of Mar-2024

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## SURS - Private Equity

## Portfolio Summary by Vintage Year

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2017</b>											
Adams Street 2017 Global Fund	USD	3.5%	90.0	76.8	32.1	13.2	126.5	68.7	113.3	18.2%	1.9x
Mesirow Financial Private Equity Fund VII-B	USD	2.3%	40.0	39.7	45.0	0.4	73.3	78.1	72.8	33.2%	3.0x
Pantheon Access (US) - SURS 2017	USD	3.0%	90.0	72.0	8.5	18.0	116.5	35.0	98.4	12.6%	1.5x
<b>Total 2017</b>	<b>USD</b>	<b>8.8%</b>	<b>220.0</b>	<b>188.5</b>	<b>85.7</b>	<b>31.7</b>	<b>316.3</b>	<b>181.8</b>	<b>284.6</b>	<b>20.6%</b>	<b>2.0x</b>
<b>2016</b>											
Adams Street 2016 Global Fund	USD	5.5%	150.0	133.2	75.1	16.8	195.5	120.6	178.7	17.6%	1.9x
M2 - SURS Emerging Private Equity Fund-of-Funds	USD	3.8%	100.0	103.1	74.5	4.4	128.4	95.4	124.0	19.5%	1.9x
<b>Total 2016</b>	<b>USD</b>	<b>9.4%</b>	<b>250.0</b>	<b>236.4</b>	<b>149.6</b>	<b>21.2</b>	<b>323.9</b>	<b>216.0</b>	<b>302.7</b>	<b>18.4%</b>	<b>1.9x</b>
<b>2015</b>											
Adams Street 2015 Global Fund	USD	4.7%	125.0	111.2	99.5	13.8	164.9	139.4	151.1	20.5%	2.3x
<b>Total 2015</b>	<b>USD</b>	<b>4.7%</b>	<b>125.0</b>	<b>111.2</b>	<b>99.5</b>	<b>13.8</b>	<b>164.9</b>	<b>139.4</b>	<b>151.1</b>	<b>20.5%</b>	<b>2.3x</b>
<b>2014</b>											
Adams Street 2014 Global Fund	USD	3.3%	100.0	92.4	95.3	7.6	114.7	110.0	107.1	14.9%	2.2x
Lincoln Fund I (Series A)	USD	2.8%	75.0	68.3	41.1	6.7	96.9	63.0	90.1	12.6%	1.9x
Pantheon Multi-Strategy Program 2014 (US) - SURS 2014	USD	4.2%	125.0	110.1	67.3	14.9	150.0	92.3	135.2	14.4%	1.8x
<b>Total 2014</b>	<b>USD</b>	<b>10.3%</b>	<b>300.0</b>	<b>270.8</b>	<b>203.8</b>	<b>29.2</b>	<b>361.6</b>	<b>265.4</b>	<b>332.4</b>	<b>14.1%</b>	<b>2.0x</b>

Total Exposure = Unfunded + NAV

Reporting Period: As Of Mar-2024

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## SURS - Private Equity

## Portfolio Summary by Vintage Year

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2013</b>											
Adams Street 2013 Global Fund	USD	2.9%	100.0	92.7	100.9	7.3	100.7	101.6	93.3	13.2%	2.1x
Total 2013	USD	2.9%	100.0	92.7	100.9	7.3	100.7	101.6	93.3	13.2%	2.1x
<b>2012</b>											
Adams Street 2012 Global Fund	USD	1.9%	80.0	74.3	93.9	5.7	65.5	79.4	59.8	13.1%	2.1x
Adams Street Global Secondary Fund 5	USD	0.2%	20.0	15.4	16.2	4.6	9.7	5.9	5.1	6.5%	1.4x
Total 2012	USD	2.0%	100.0	89.7	110.1	10.3	75.2	85.3	64.9	12.2%	2.0x
<b>2011</b>											
Pantheon Europe Fund VII	USD	0.5%	39.6	34.0	48.0	2.8	20.4	31.6	17.6	12.5%	1.9x
Pantheon USA Fund IX	USD	1.7%	85.0	78.2	136.4	7.2	62.8	113.8	55.6	16.5%	2.5x
Total 2011	USD	2.3%	124.6	112.2	184.5	10.1	83.2	145.4	73.2	15.4%	2.3x
<b>2009</b>											
Adams Street Partnership Fund - 2009 Non-U.S. Developed Markets Fund	USD	0.4%	30.0	26.7	41.3	3.3	15.1	26.3	11.7	12.8%	2.0x
Adams Street Partnership Fund - 2009 Non-U.S. Emerging Markets Fund	USD	0.2%	10.0	9.2	11.1	0.8	7.2	8.3	6.4	8.6%	1.9x
Adams Street Partnership Fund - 2009 U.S. Fund	USD	0.8%	50.0	45.9	88.2	4.1	28.5	66.7	24.4	15.4%	2.5x
Total 2009	USD	1.3%	90.0	81.8	140.5	8.2	50.8	101.3	42.6	13.8%	2.2x

Total Exposure = Unfunded + NAV

Reporting Period: As Of Mar-2024

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## SURS - Private Equity

## Portfolio Summary by Vintage Year

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2008</b>											
Adams Street 2009 Direct Fund	USD	0.1%	10.0	9.8	17.0	0.2	2.9	9.8	2.7	12.8%	2.0x
Adams Street Partnership Fund - 2008 Non-U.S. Fund	USD	0.4%	40.0	36.5	58.0	3.5	17.0	35.1	13.6	11.0%	2.0x
Adams Street Partnership Fund - 2008 U.S. Fund	USD	0.4%	50.0	46.5	96.8	3.5	17.6	64.4	14.1	16.0%	2.4x
<b>Total 2008</b>	<b>USD</b>	<b>0.9%</b>	<b>100.0</b>	<b>92.9</b>	<b>171.8</b>	<b>7.1</b>	<b>37.5</b>	<b>109.4</b>	<b>30.4</b>	<b>13.8%</b>	<b>2.2x</b>
<b>2007</b>											
Adams Street 2007 Global Opportunities Portfolio	USD	0.0%	100.0	91.3	148.4	8.7	10.3	58.7	1.6	8.1%	1.6x
Adams Street 2008 Direct Fund	USD	0.1%	10.0	9.7	22.7	0.3	3.5	16.2	3.3	15.1%	2.7x
Pantheon Europe Fund VI	USD	0.2%	42.1	37.4	60.1	1.8	8.7	29.6	6.9	10.1%	1.8x
Pantheon USA Fund VIII	USD	0.9%	103.3	96.1	181.9	7.1	36.1	114.8	28.9	12.8%	2.2x
Liquidated Holdings (1)	USD	-	25.0	24.4	36.3	0.0	0.0	11.9	-	8.3%	1.5x
<b>Total 2007</b>	<b>USD</b>	<b>1.3%</b>	<b>280.4</b>	<b>258.9</b>	<b>449.4</b>	<b>17.8</b>	<b>58.6</b>	<b>231.2</b>	<b>40.7</b>	<b>10.5%</b>	<b>1.9x</b>
<b>2004</b>											
Adams Street Global Opportunities Secondary Fund	USD	0.0%	25.0	22.1	36.8	2.9	3.1	15.0	0.3	11.5%	1.7x
Adams Street Partnership Fund - 2004 Non-U.S. Fund	USD	0.1%	40.0	38.1	52.5	1.9	3.7	16.2	1.8	5.9%	1.4x
Pantheon Global Secondary Fund II	USD	0.0%	25.0	23.8	28.1	1.3	1.6	4.7	0.4 <sup>3</sup>	4.3%	1.2x
Liquidated Holdings (1)	USD	-	25.0	21.5	18.9	0.0	0.0	-2.6	-	-2.5%	0.9x
<b>Total 2004</b>	<b>USD</b>	<b>0.1%</b>	<b>115.0</b>	<b>105.5</b>	<b>136.3</b>	<b>6.0</b>	<b>8.4</b>	<b>33.3</b>	<b>2.4</b>	<b>5.3%</b>	<b>1.3x</b>

Total Exposure = Unfunded + NAV

Reporting Period: As Of Mar-2024

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## SURS - Private Equity

## Portfolio Summary by Vintage Year

	Currency	NAV Weight	Total Commitment (mm)	Contributions (mm)	Distributions (mm)	Unfunded Commitment (mm)	Total Exposure (mm)	Gain/Loss (mm)	NAV (mm)	Net IRR	TVPI
<b>2002</b>											
Pantheon Europe Fund III	USD	0.1%	65.0	83.7	151.1	3.7	5.7	69.4	2.0	14.6%	1.8x
Pantheon USA Primary Investments	USD	0.1%	599.1	569.2	966.9	11.9	16.5	402.2	4.6	10.3%	1.7x
Total 2002	USD	0.2%	664.1	653.0	1,118.0	15.6	22.2	471.6	6.6	10.8%	1.7x
<b>2001</b>											
Liquidated Holdings (1)	USD	-	25.0	25.0	25.1	0.0	0.0	0.1	-	0.0%	1.0x
Total 2001	USD	-	25.0	25.0	25.1	0.0	0.0	0.1	0.0	0.0%	1.0x
<b>1998</b>											
Brinson Non-U.S. Partnership Fund Trust Program	USD	0.0%	39.4	42.5	76.6	0.1	0.4	34.3	0.3	12.2%	1.8x
Total 1998	USD	0.0%	39.4	42.5	76.6	0.1	0.4	34.3	0.3	12.2%	1.8x
<b>1995</b>											
Progress Alternative Investment Program	USD	0.0%	20.0	19.8	17.2	0.0	1.0	-1.6	1.0	-1.3%	0.9x
Total 1995	USD	0.0%	20.0	19.8	17.2	0.0	1.0	-1.6	1.0	-1.3%	0.9x
<b>1990</b>											
Adams Street SMA (1990-2007) - SURS	USD	0.1%	906.2	927.2	1,692.3	0.9	3.1	767.4	2.2	27.0%	1.8x
Liquidated Holdings (1)	USD	-	10.0	10.0	19.7	0.0	0.0	9.7	-	25.3%	2.0x
Total 1990	USD	0.1%	916.2	937.2	1,712.1	0.9	3.1	777.1	2.2	26.8%	1.8x
<b>SURS - Private Equity</b>	<b>USD</b>	<b>100.0%</b>	<b>6,275.9</b>	<b>4,790.3</b>	<b>4,956.1</b>	<b>1,577.5</b>	<b>4,805.9</b>	<b>3,394.2</b>	<b>3,228.4</b>	<b>18.8%</b>	<b>1.7x</b>

1. Adjusted for additional contributions and distributions since last valuation, which is prior to the report date.

2. IRR not meaningful for investments held less than 36 months.

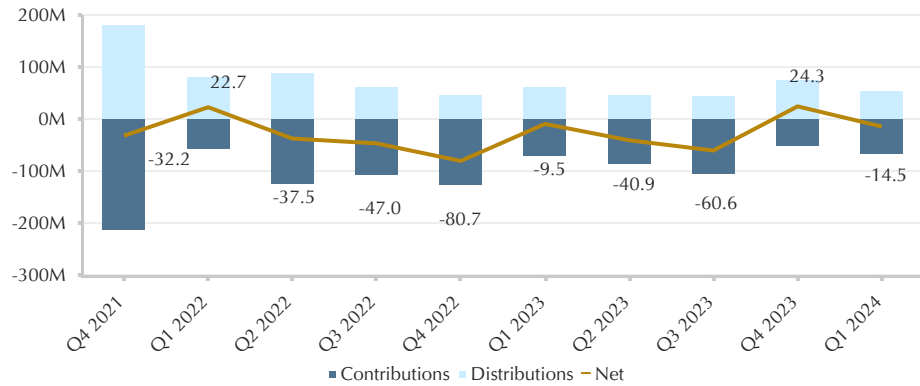
3. NAV is not up-to-date: Pantheon Global Secondary Fund II as of Dec-2023

Total Exposure = Unfunded + NAV

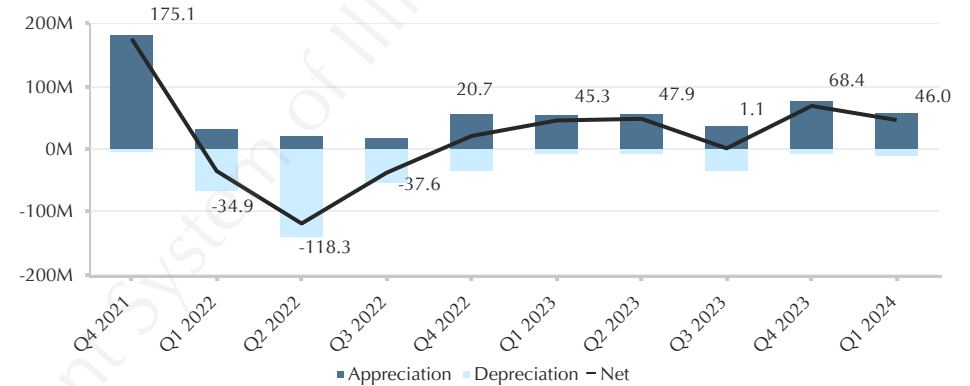
Reporting Period: As Of Mar-2024

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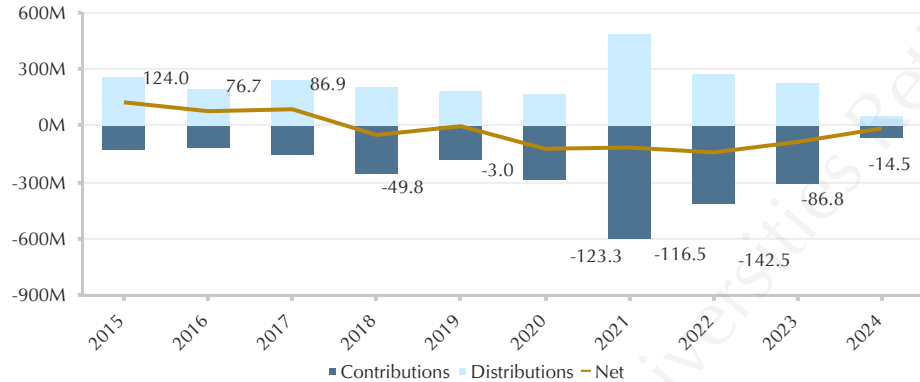
Cash Flows Quarterly



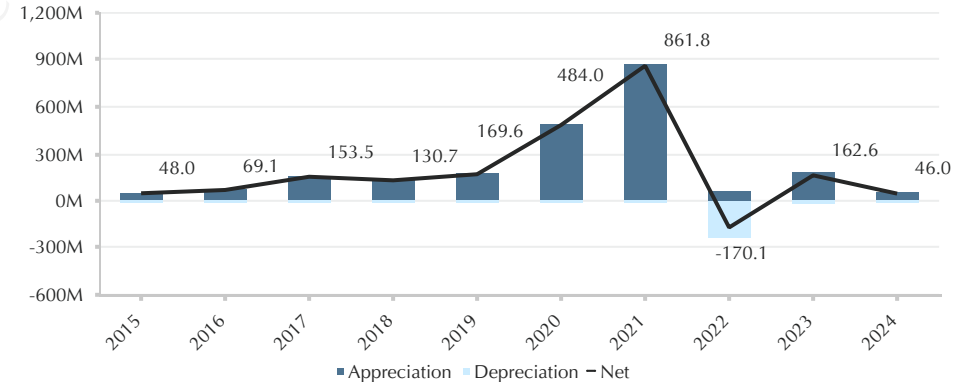
Appreciation/Depreciation Quarterly



Cash Flows Yearly



Appreciation/Depreciation Yearly



	Gain		Loss		Net Gain/Loss		Distributions		Contributions		NAV (mm)
	Total Millions	# Of Funds	Total Millions	# Of Funds	Net Millions	% Of Total Net	Total Millions	%	Total Millions	%	
Buyouts	36.8	23	-3.9	8	32.9	71.5%	10.6	20.3%	40.4	60.4%	921.0
Growth Equity	0.8	3	-0.6	3	0.2	0.4%	1.2	2.3%	5.8	8.7%	87.7
PE Multi-Manager	18.6	13	-5.7	21	12.9	28.1%	40.1	76.7%	17.8	26.6%	2,067.9
PE Special Situations	0.0	1	-0.4	1	-0.4	-0.9%	0.0	-	0.0	-	79.6
Venture Capital	0.7	6	-0.3	2	0.4	0.8%	0.4	0.8%	2.9	4.3%	72.2
<b>Total</b>	<b>56.9</b>	<b>46</b>	<b>-10.9</b>	<b>35</b>	<b>46.0</b>	<b>100.0%</b>	<b>52.3</b>	<b>100.0%</b>	<b>66.8</b>	<b>100.0%</b>	<b>3,228.4</b>

Above reporting references both active and closed funds

	Gain		Loss		Net Gain/Loss		Distributions		Contributions		NAV (mm)
	Total Millions	# Of Funds	Total Millions	# Of Funds	Net Millions	% Of Total Net	Total Millions	%	Total Millions	%	
Buyouts	111.6	22	-5.8	9	105.8	64.8%	47.0	21.7%	180.2	58.5%	921.0
Growth Equity	3.3	2	-2.7	4	0.6	0.3%	2.6	1.2%	23.9	7.7%	87.7
PE Multi-Manager	64.0	21	-14.8	14	49.2	30.1%	163.9	75.7%	89.3	29.0%	2,067.9
PE Special Situations	6.1	2	0.0	0	6.1	3.7%	2.4	1.1%	4.2	1.4%	79.6
Venture Capital	3.6	4	-1.9	4	1.7	1.0%	0.5	0.2%	10.6	3.4%	72.2
<b>Total</b>	<b>188.6</b>	<b>51</b>	<b>-25.3</b>	<b>31</b>	<b>163.3</b>	<b>100.0%</b>	<b>216.5</b>	<b>100.0%</b>	<b>308.2</b>	<b>100.0%</b>	<b>3,228.4</b>

Above reporting references both active and closed funds

## SURS - Private Equity

## Top QTD Contributors/Detractors

## Top Contributors

	Vintage	% Funded Commitment	Total Commitment Amount (\$mm)	Gain (\$mm)	NAV (\$mm)	QTD IRR *	ITD IRR *
OceanSound SMX Continuation Fund	2024	84.0%	8.9	7.4	7.5	-	-
SURS TorreyCove Co-Investment Fund I	2020	91.0%	200.0	5.3	231.1	2.3%	14.6%
Mesirow Financial Private Equity Special Fund B2018		78.9%	280.0	5.2	313.4	1.7%	13.6%
OceanSound Partners Fund	2019	83.5%	25.0	4.2	40.3	11.7%	28.6%
One Rock Capital Partners III	2021	74.2%	35.0	3.6	45.5	n.m. <sup>1</sup>	n.m. <sup>1</sup>
Gain	-	-	548.9	25.7	637.8	4.2%	16.2%
Gain (Remaining)	-	-	2,146.5	31.1	1,661.7	1.9%	12.6%
<b>Total Gain</b>	<b>-</b>	<b>-</b>	<b>2,695.4</b>	<b>56.9</b>	<b>2,299.6</b>	<b>2.5%</b>	<b>12.8%</b>

1. IRR not meaningful for investments held less than 36 months

## Top Detractors

	Vintage	% Funded Commitment	Total Commitment Amount (\$mm)	Loss (\$mm)	NAV (\$mm)	QTD IRR *	ITD IRR *
MBK Partners Fund V	2021	63.0%	50.0	-2.8	39.5	-6.6%	14.9%
Adams Street 2013 Global Fund	2013	92.7%	100.0	-1.0	93.3	-1.1%	13.2%
Adams Street 2014 Global Fund	2014	92.4%	100.0	-0.9	107.1	-0.8%	14.9%
Adams Street Partnership 2008 Non-U.S. Fund	2008	91.3%	40.0	-0.6	13.6	-4.1%	11.0%
Adams Street 2017 Global Fund	2017	85.3%	90.0	-0.5	113.3	-0.4%	18.2%
Loss	-	-	380.0	-5.8	366.8	-1.5%	13.9%
Loss (Remaining)	-	-	3,200.5	-5.1	562.0	-0.9%	21.3%
<b>Total Loss</b>	<b>-</b>	<b>-</b>	<b>3,580.5</b>	<b>-10.9</b>	<b>928.8</b>	<b>-1.2%</b>	<b>21.0%</b>

\* IRR calculated at portfolio currency. IRR not meaningful for investments held less than 36 months

<b>Total Portfolio</b>	<b>-</b>	<b>75.1%</b>	<b>6,275.9</b>	<b>46.0</b>	<b>3,228.4</b>	<b>1.4%</b>	<b>18.8%</b>
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Reporting Period: As Of Mar-2024

[View this portfolio online](#)

## SURS - Private Equity

## Top LTM Contributors/Detractors

## Top Contributors

	Vintage	% Funded Commitment	Total Commitment Amount (\$mm)	Gain (\$mm)	NAV (\$mm)	1Y IRR *	ITD IRR *
SURS TorreyCove Co-Investment Fund I	2020	91.0%	200.0	22.1	231.1	11.2%	14.6%
Mesirow Financial Private Equity Special Fund B2018		78.9%	280.0	20.9	313.4	7.1%	13.6%
OceanSound Partners Fund	2019	83.5%	25.0	14.1	40.3	49.8%	28.6%
One Rock Capital Partners III	2021	74.2%	35.0	12.6	45.5	n.m. <sup>1</sup>	n.m. <sup>1</sup>
Pantheon Multi-Strategy Program 2014 (US)	2014	88.1%	125.0	9.5	135.2	7.2%	14.4%
<b>Gain</b>	-	-	<b>665.0</b>	<b>79.1</b>	<b>765.5</b>	<b>11.6%</b>	<b>15.2%</b>
<b>Gain (Remaining)</b>	-	-	<b>3,315.7</b>	<b>109.5</b>	<b>1,889.4</b>	<b>6.1%</b>	<b>23.7%</b>
<b>Total Gain</b>	-	-	<b>3,980.7</b>	<b>188.6</b>	<b>2,654.9</b>	<b>7.6%</b>	<b>23.6%</b>

1. IRR not meaningful for investments held less than 36 months

## Top Detractors

	Vintage	% Funded Commitment	Total Commitment Amount (\$mm)	Loss (\$mm)	NAV (\$mm)	1Y IRR *	ITD IRR *
Lincoln Fund I (Series A)	2014	91.0%	75.0	-4.9	90.1	-5.0%	12.6%
Adams Street 2013 Global Fund	2013	92.7%	100.0	-4.2	93.3	-4.1%	13.2%
MBK Partners Fund V	2021	63.0%	50.0	-1.8	39.5	-4.8%	14.9%
Pantheon USA Primary Investments	2002	98.0%	599.1	-1.5	4.6	-22.3%	10.3%
Adams Street 2012 Global Fund	2012	92.9%	80.0	-1.4	59.8	-2.1%	13.1%
<b>Loss</b>	-	-	<b>904.1</b>	<b>-13.9</b>	<b>287.3</b>	<b>-4.4%</b>	<b>10.8%</b>
<b>Loss (Remaining)</b>	-	-	<b>1,391.1</b>	<b>-11.4</b>	<b>286.1</b>	<b>-4.2%</b>	<b>11.5%</b>
<b>Total Loss</b>	-	-	<b>2,295.2</b>	<b>-25.3</b>	<b>573.5</b>	<b>-4.3%</b>	<b>11.0%</b>

\* IRR calculated at portfolio currency. IRR not meaningful for investments held less than 36 months

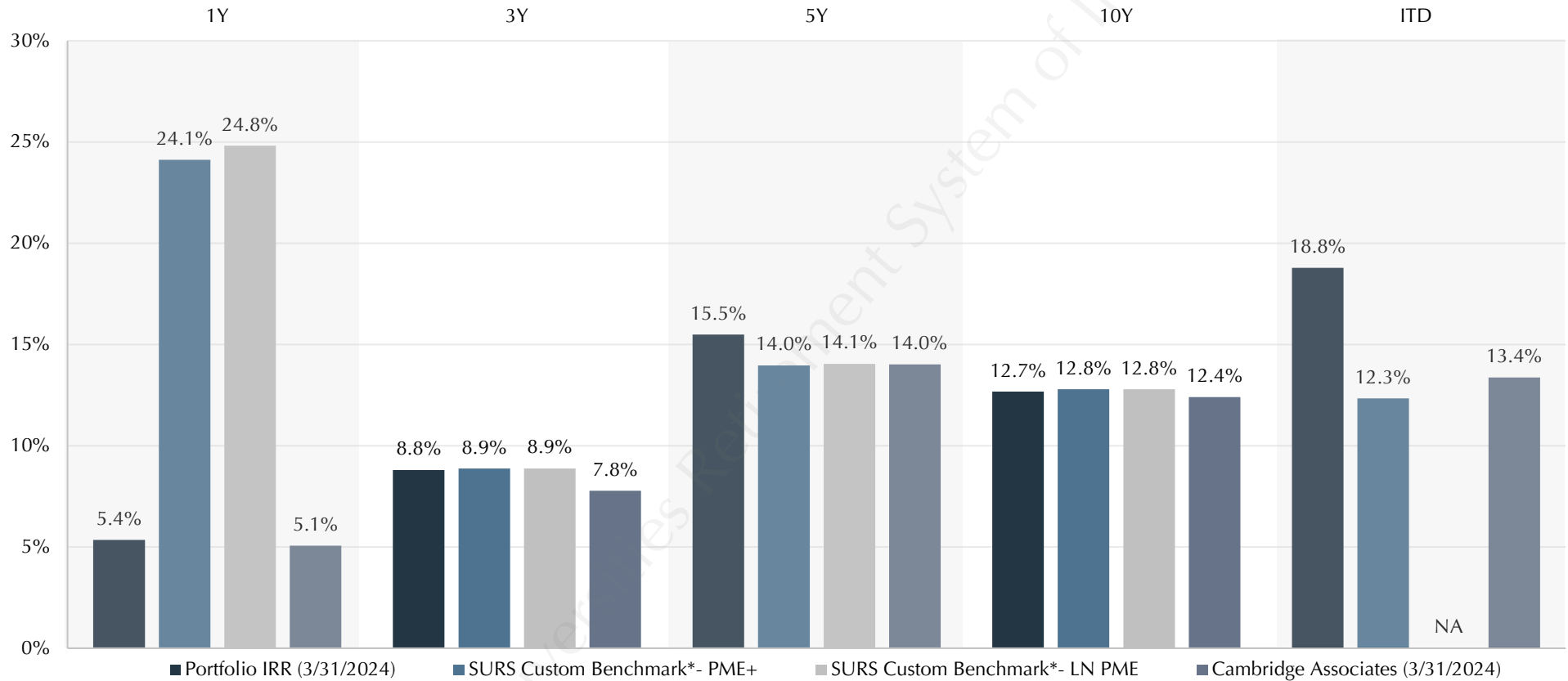
<b>Total Portfolio</b>	-	<b>75.1%</b>	<b>6,275.9</b>	<b>163.3</b>	<b>3,228.4</b>	<b>5.4%</b>	<b>18.8%</b>
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Reporting Period: As Of Mar-2024

[View this portfolio online](#)

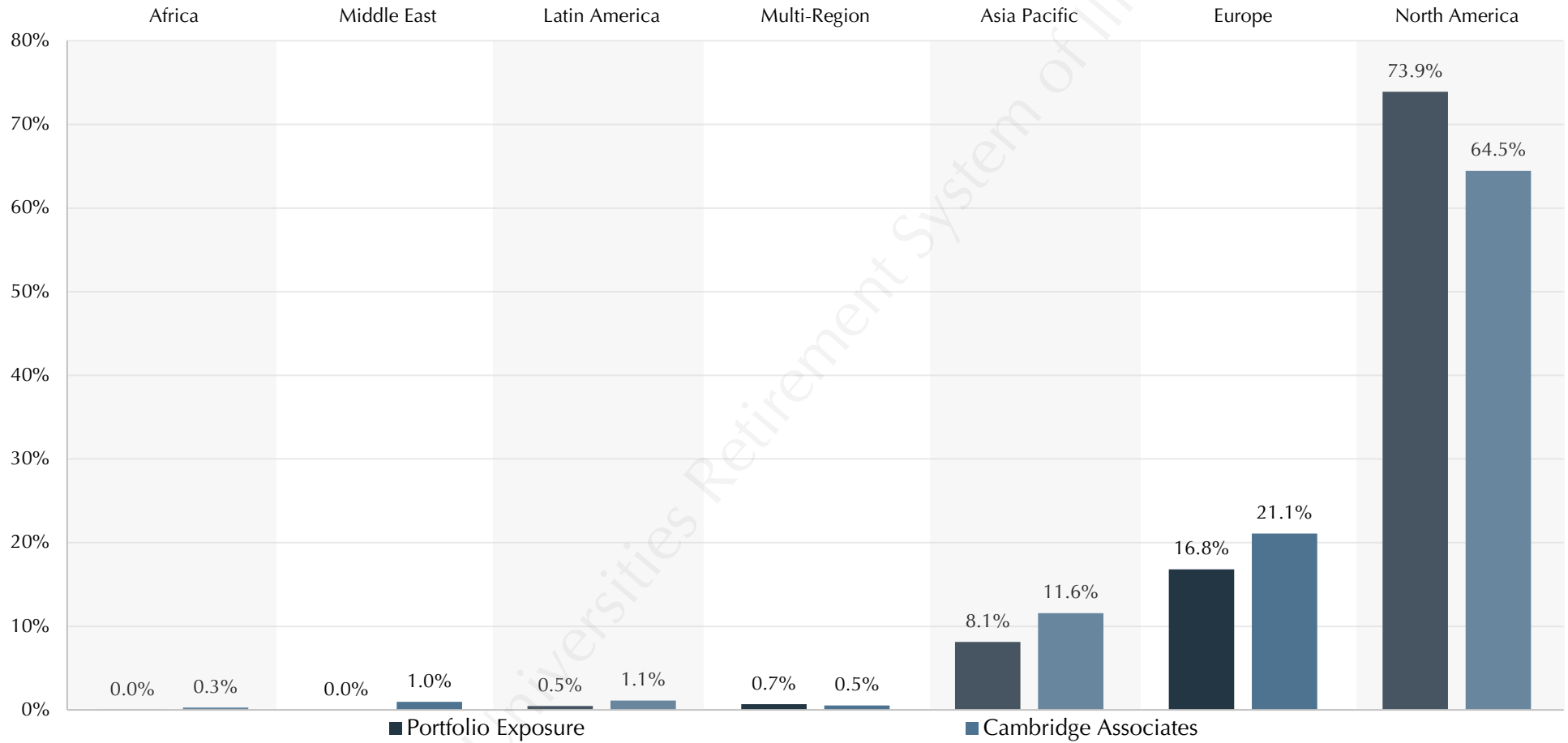


Portfolio IRR vs Benchmarks



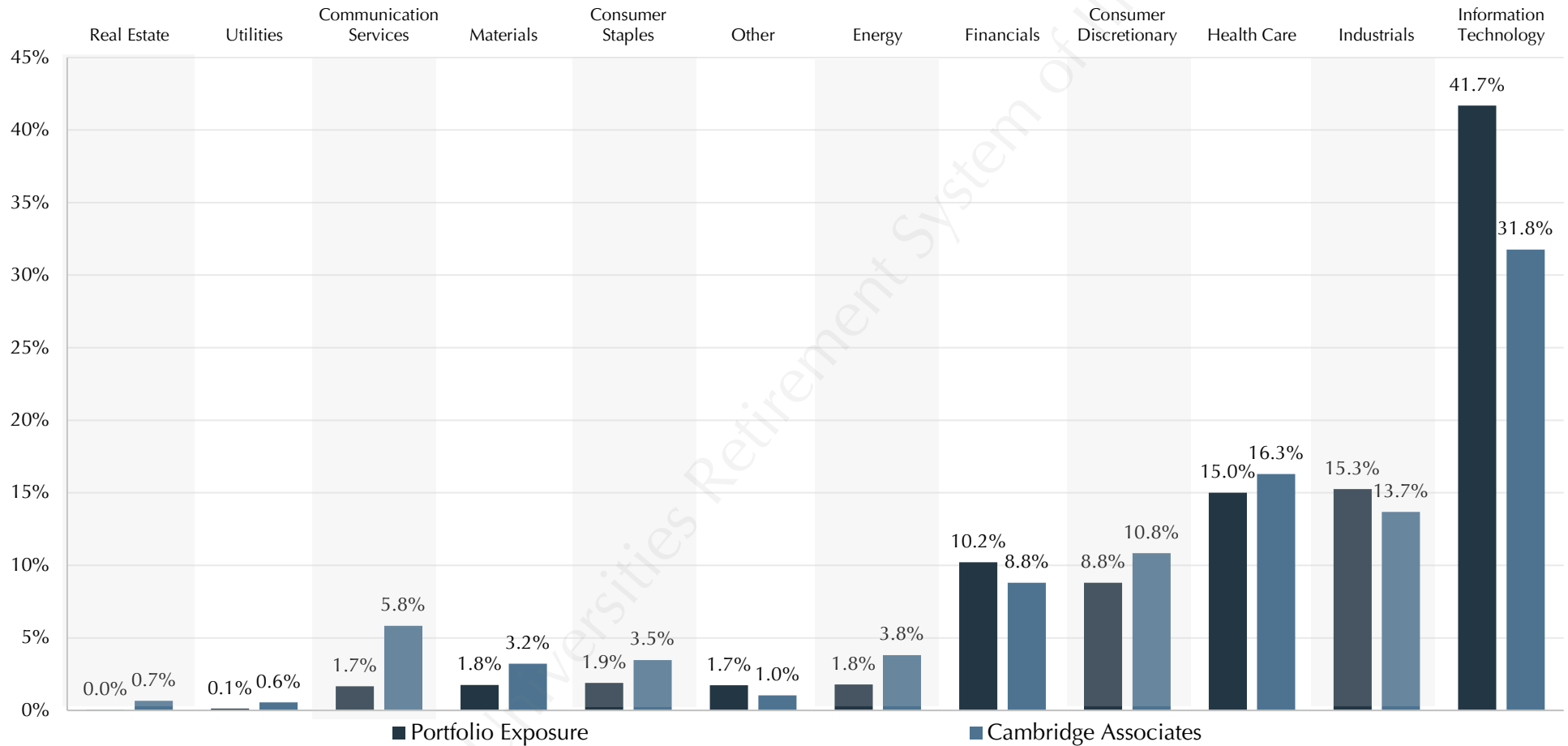
Custom Benchmark is the Wilshire 5000 + 3% (1Q lag) through December 2019 and ACWI IMI + 2% from 2020 on forward.  
 LN PME is a dollar-weighted Long-Nickels calculation of monthly changes in the Custom Benchmark.  
 SURS Private Equity portfolio was activated in July 1990; therefore, inception to date PME was not calculated.  
 Cambridge Associates IRR reflects all Private Equity funds data excluding Real Estate, Timber and Infrastructure.

Portfolio Exposure vs Cambridge Benchmark - Region



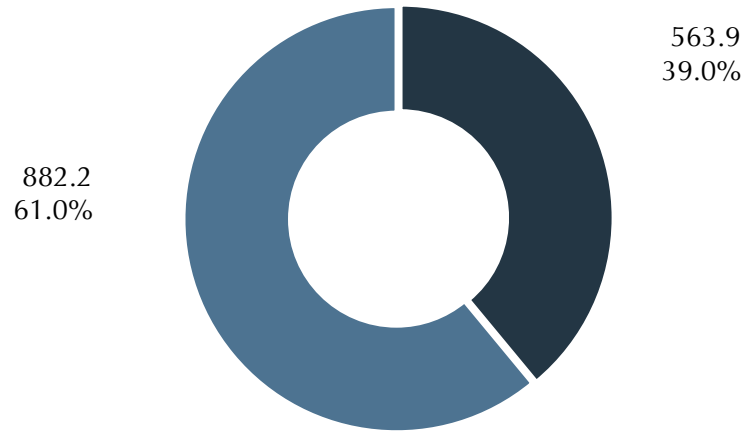
Portfolio Exposure based on Fair Market Value of the portfolio's underlying companies (NAV Based)  
 Position Analytics data based on General Partner provided information as of Mar-2024

Portfolio Exposure vs Cambridge Benchmark - Industry



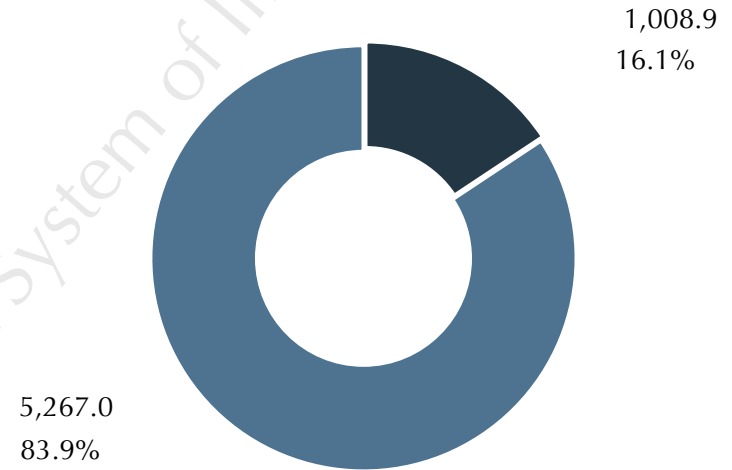
Portfolio Exposure based on Fair Market Value of the portfolio's underlying companies (NAV Based)  
 Position Analytics data based on General Partner provided information as of Mar-2024

Aksia Commitment



- MWBE Manager Aksia Committed Capital SURS (\$mm)
- Non-MWBE Manager Aksia Committed Capital SURS (\$mm)

Total Commitment



- MWBE Manager Committed Capital (\$mm)
- Non-MWBE Manager Committed Capital (\$mm)

State Universities Retirement System of Illinois

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# Callan

March 31, 2024



**State Universities Retirement  
System of Illinois  
Real Estate**

**Investment Measurement Service  
Quarterly Review**

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**March 31, 2024**

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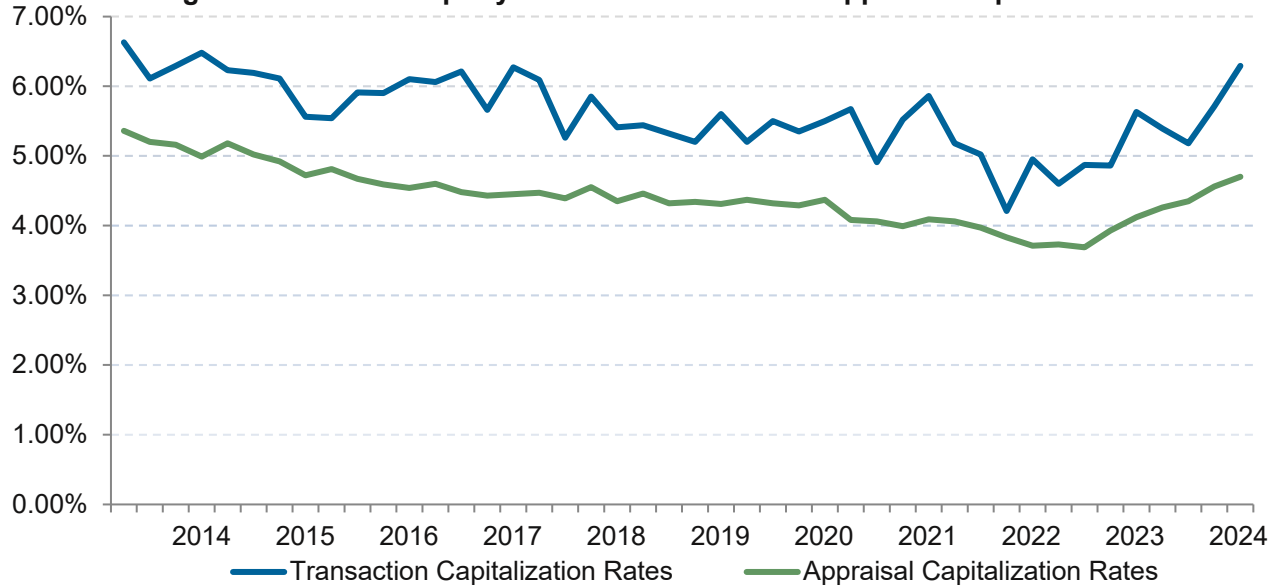




## Commercial Real Estate Market Snapshot First Quarter 2024

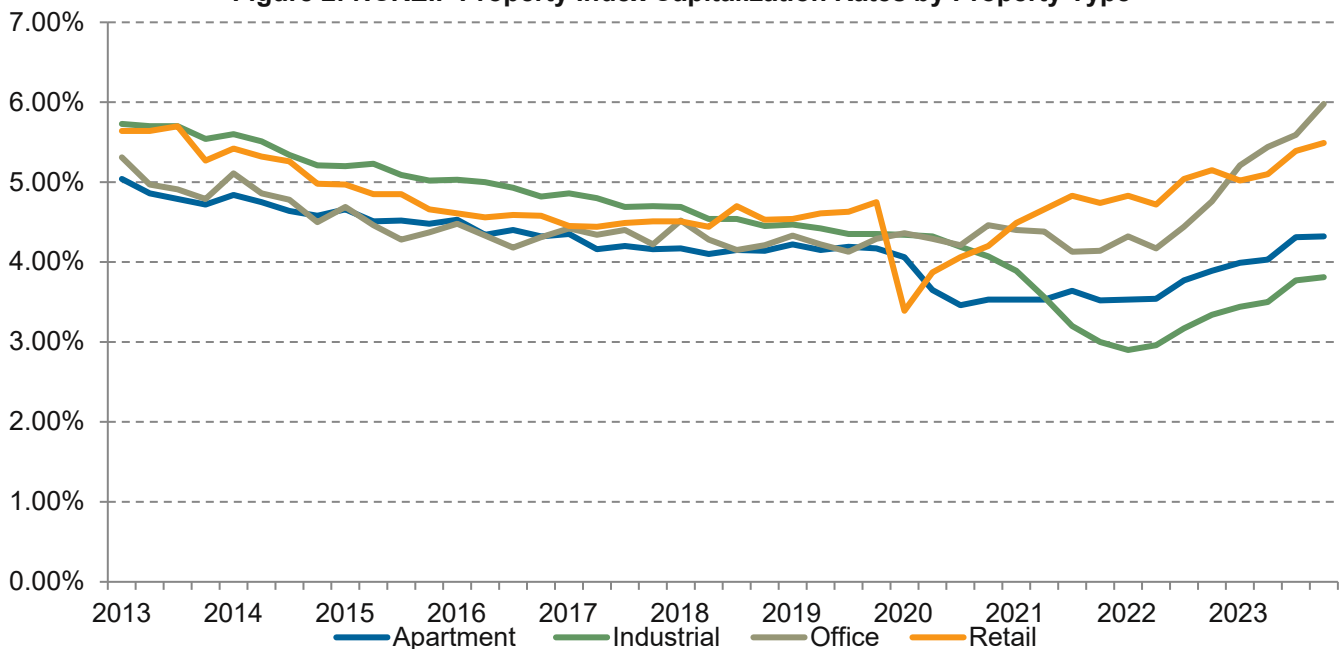
The NCREIF Property Index, a measure of U.S. institutional real estate assets, fell 1.0% during 1Q24. The income return was 1.2% while the appreciation return was -2.1%. Hotels, which represent a small portion of the index, led property sector performance with a gain of 0.8%. Office finished last with a loss of 3.8%. Regionally, the South led with a gain of 0.1%, while the West was the worst performer with a drop of 1.4%. The NCREIF Open-End Diversified Core Equity (ODCE) Index, representing equity ownership positions in U.S. core real estate, fell 2.4% during 1Q, with an income return of 1.0% and an appreciation return of -3.4%.

**Figure 1: NCREIF Property Index Transaction and Appraisal Capitalization Rates**



As seen in Figure 1, appraisal capitalization rates increased to 4.7% during 1Q, and capitalization rates measured in active trades actually rose by 58 basis points to 6.3%. At quarter end, the 10-year average appraisal capitalization rate was 4.4% and the 10-year average transaction capitalization rate was 5.5%. The spread between the two measures, which reflects pricing expectations between buyers and holders of real estate, remained constant at 118 basis points.

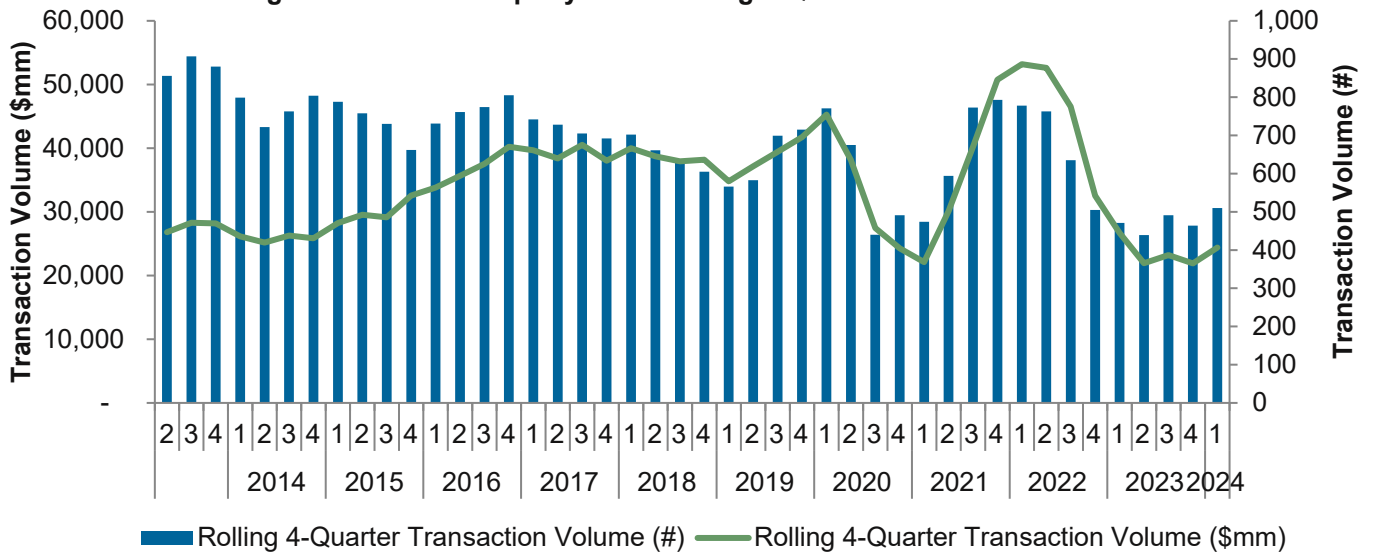
**Figure 2: NCREIF Property Index Capitalization Rates by Property Type**



Market-weighted capitalization rates by property type increased for Apartment (4.3%), Industrial (3.8%), Office (6.0%), and Retail (5.5%).

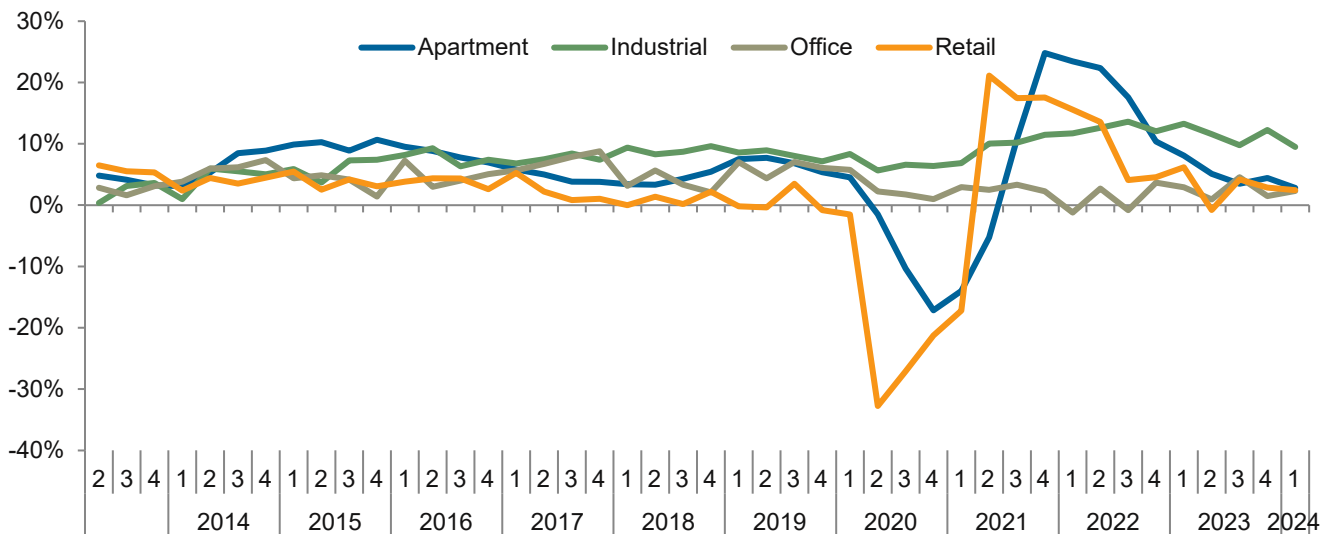
**Commercial Real Estate Market Snapshot**  
**First Quarter 2024**

**Figure 3: NCREIF Property Index Rolling 4-Quarter Transaction Totals**



As shown in Figure 3, rolling four-quarter transaction volume totaled \$24.4 billion across 510 transactions. NCREIF recorded 128 transactions during 1Q, representing \$6.0 billion of value, compared to \$6.1 billion in 4Q. The average transaction size was \$46.8 million, compared to \$48.3 million in 4Q.

**Figure 4: NCREIF Property Index Rolling 4-Quarter NOI Growth by Property Type**



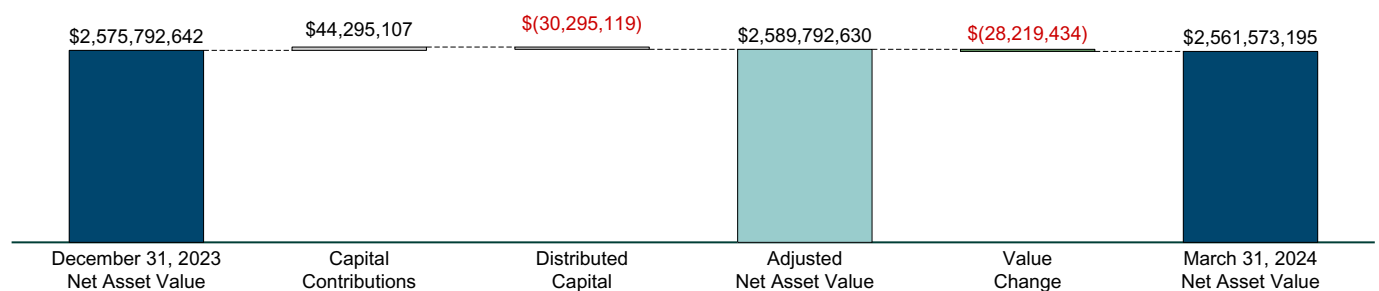
Rolling four-quarter net operating income growth during the quarter remained positive in all sectors and increased on a quarter-over-quarter basis in Office (2.3%). Rolling four-quarter net operating income growth declined in Apartment (2.8%), Industrial (9.5%), and Retail (2.4%).



## Total Real Assets Fund Overview Period Ended March 31, 2024

Quarterly Position Change	December 31, 2023	Quarterly Change	March 31, 2024
Client Commitment	\$4,479,367,615	\$34,978,385	\$4,514,346,000
Paid-In Capital	\$4,027,200,719	\$44,295,107	\$4,071,495,826
Remaining Commitment	\$623,695,178	\$191,462,881	\$815,158,059
Distributions	\$2,638,485,552	\$30,295,119	\$2,668,780,671
Recallable Distributions	\$155,019,981	\$6,188,888	\$161,208,869
Non-Recallable Distributions	\$2,483,465,571	\$24,106,231	\$2,507,571,802
Net Asset Value	\$2,575,792,642	\$(14,219,447)	\$2,561,573,195
<b>Total Distributed Capital and Net Asset Value</b>	<b>\$5,214,278,193</b>	<b>\$16,075,673</b>	<b>\$5,230,353,866</b>

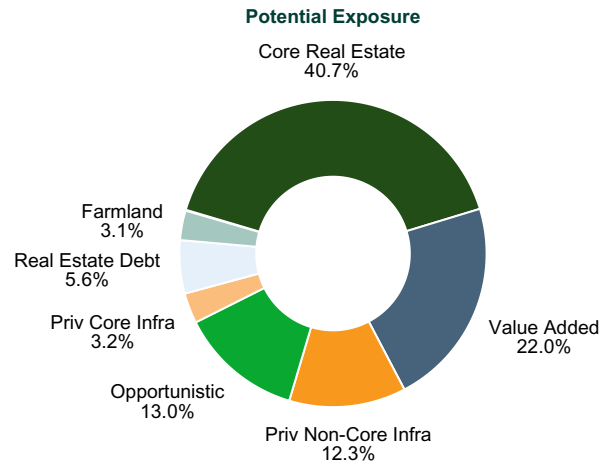
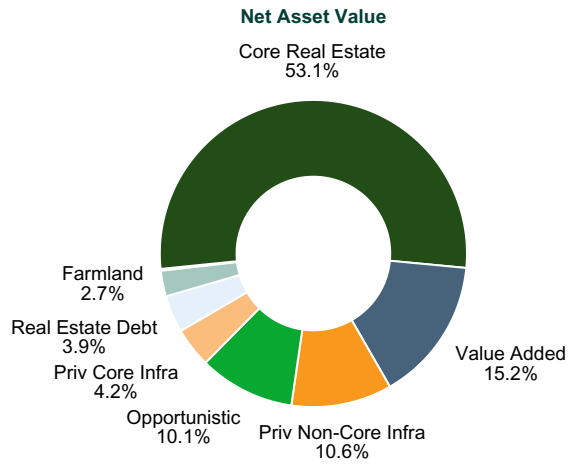
Performance Change	December 31, 2023	Quarterly Change	March 31, 2024
Net Internal Rate of Return, Since Inception	6.20%	(0.24%)	5.96%
Total Value to Paid-in Capital (TVPI)	1.29x	(0.01x)	1.28x
Distributions to Paid-in Capital (DPI)	0.66x	0.00x	0.66x
Residual Value to Paid-in Capital (RVPI)	0.64x	(0.01x)	0.63x
% of Commitments Contributed	89.91%	(0.28%)	90.19%



## Portfolio Diversification Total Real Assets Period Ended March 31, 2024

The following tables illustrate current and potential exposure by Strategy type as of March 31, 2024 in USD millions.

Portfolio Exposure by Strategy Type	Net Asset Value		Unfunded Commitments		Potential Exposure	
	Value	%	Value	%	Value	%
Core Real Estate	\$1,361	53.14%	\$13	1.55%	\$1,374	40.69%
Value Added	\$390	15.22%	\$354	43.47%	\$744	22.04%
Priv Non-Core Infra	\$273	10.64%	\$143	17.54%	\$416	12.31%
Opportunistic	\$260	10.14%	\$180	22.14%	\$440	13.04%
Priv Core Infra	\$108	4.21%	\$0	0.00%	\$108	3.20%
Real Estate Debt	\$101	3.94%	\$89	10.90%	\$190	5.62%
Farmland	\$69	2.70%	\$36	4.41%	\$105	3.11%
Global REITS	\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total Real Assets</b>	<b>\$2,562</b>		<b>\$815</b>		<b>\$3,377</b>	



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2024, with the distribution as of December 31, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2024			December 31, 2023		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Total Private Real Estate</b>	<b>\$2,300,218,431</b>	<b>89.80%</b>	<b>\$7,889,914</b>	<b>\$(22,398,206)</b>	<b>\$2,314,726,723</b>	<b>89.86%</b>
<b>Total Core Funds</b>	<b>\$1,549,727,182</b>	<b>60.50%</b>	<b>\$(4,043,605)</b>	<b>\$(18,038,686)</b>	<b>\$1,571,809,473</b>	<b>61.02%</b>
BlackRock Global Renewable Power III	80,527,866	3.14%	(245,269)	1,722,269	79,050,867	3.07%
Blackstone Property Partners	228,194,683	8.91%	(527,599)	2,784,780	225,937,502	8.77%
Carlyle Property Investors	160,147,329	6.25%	(374,000)	(335,190)	160,856,518	6.24%
Clarion Partners Lion Properties Fund	176,810,479	6.90%	(349,029)	(4,870,022)	182,029,530	7.07%
GI Partners ETS Fund	63,430,848	2.48%	(809,632)	(678,723)	64,919,203	2.52%
Heitman America Real Estate Trust (HART)	260,412,513	10.17%	(470,892)	(4,208,258)	265,091,663	10.29%
IFM Glb Infrac Fund (GIF)	107,893,981	4.21%	(205,536)	(758,439)	108,857,956	4.23%
JP Morgan Strategic Property Fund (SPF)	231,550,553	9.04%	(519,733)	(13,468,292)	245,538,578	9.53%
Prologis US Logistics Fund (USLF)	156,739,622	6.12%	(406,734)	3,191,168	153,955,188	5.98%
UBS Trumbull Property Fund (TPF)	84,019,309	3.28%	(135,179)	(1,417,979)	85,572,467	3.32%
<b>Total Non-Core Funds</b>	<b>\$750,491,248</b>	<b>29.30%</b>	<b>\$11,933,519</b>	<b>\$(4,359,520)</b>	<b>\$742,917,249</b>	<b>28.84%</b>
Basis Real Estate Debt Fund I	20,804,151	0.81%	(86,862)	489,111	20,401,902	0.79%
Basis Real Estate Debt Fund II	29,823,767	1.16%	2,234,537	1,064,720	26,524,510	1.03%
Blackstone BREP Europe VI (1)	62,696,359	2.45%	157,786	(766,371)	63,304,944	2.46%
Blackstone BREP Asia III	7,708,962	0.30%	1,149,521	(198,929)	6,758,370	0.26%
Blue Vista Real Estate IV (2)	9,391,553	0.37%	(645,634)	(483,191)	10,520,378	0.41%
Brasa II	23,217,069	0.91%	749,075	305,852	22,162,143	0.86%
Brookfield Strategic Real Estate II	20,117,345	0.79%	(304,757)	(1,544,898)	21,967,000	0.85%
Brookfield Strategic Real Estate III	39,748,297	1.55%	204,931	660,093	38,883,273	1.51%
Brookfield Strategic RE IV	49,227,083	1.92%	1,037,546	(257,777)	48,447,314	1.88%
Brookfield Strategic RE V	-1,186,577	(0.05%)	(562,427)	(624,150)	-	-
Cabot Industrial Value VI (CIVF)	53,238,920	2.08%	464,500	1,607,885	51,166,535	1.99%
Cabot Industrial Value VII (CIVF)	8,212,109	0.32%	3,485,459	336,856	4,389,794	0.17%
Crow Holdings Realty VII	767,629	0.03%	0	3,972	763,657	0.03%
Crow Holdings Realty VIII	650,191	0.03%	(2,485)	(22,464)	675,140	0.03%
Crow Holdings Realty IX	38,191,302	1.49%	(107,925)	(1,301,960)	39,601,187	1.54%
Crow Holdings Realty X	7,734,662	0.30%	9,493,110	(1,758,448)	-	-
Dune Real Estate Partners II	5,577,152	0.22%	(9,746)	161,598	5,425,300	0.21%
Dune Real Estate Partners III/2022	65,035,739	2.54%	(123,919)	(2,078,339)	67,237,997	2.61%
Dune Real Estate IV	45,787,694	1.79%	(151,310)	982,556	44,956,448	1.75%
Franklin Templeton FTPREF	366,098	0.01%	(13,158)	(61,178)	440,434	0.02%
Franklin Templeton EMREFF	253,573	0.01%	(19,629)	(55,863)	329,065	0.01%
Franklin Templeton MDP RE 2015	61,211,381	2.39%	291,390	(3,602,026)	64,522,017	2.50%
Longpoint Realty Fund II	47,264,563	1.85%	(600,843)	678,628	47,186,778	1.83%
Longpoint Realty Fund III	4,047,742	0.16%	(6,209,425)	(79,637)	10,336,804	0.40%
Long Wharf VI	27,566,666	1.08%	(95,496)	206,944	27,455,218	1.07%
Long Wharf VII	5,334,644	0.21%	1,072,624	75,534	4,186,486	0.16%
Newport Capital Partners Fund III	5,999,303	0.23%	(26,726)	152,446	5,873,583	0.23%
Oaktree Real Estate Debt Fund II	11,324,433	0.44%	(45,635)	(142,861)	11,512,929	0.45%
StepSt Glb Partner RE II (fka MFIRE) (3)	11,790,898	0.46%	0	0	11,790,898	0.46%
Torchlight Debt VII	29,220,217	1.14%	2,325,000	459,311	26,435,906	1.03%
Torchlight Debt VIII	9,813,970	0.38%	3,593,750	510,247	5,709,973	0.22%
Westbrook XI	49,554,353	1.93%	(5,319,732)	922,818	53,951,267	2.09%
<b>Total Farmland</b>	<b>\$69,216,555</b>	<b>2.70%</b>	<b>\$439,993</b>	<b>\$493,237</b>	<b>\$68,283,325</b>	<b>2.65%</b>
Homestead USA Farmland Fund III	64,826,148	2.53%	(201,099)	487,350	64,539,897	2.51%
Homestead USA Farmland Fund IV	4,390,407	0.17%	641,092	5,887	3,743,428	0.15%
<b>Total Private Infrastructure</b>	<b>\$192,138,210</b>	<b>7.50%</b>	<b>\$(6,315,434)</b>	<b>\$5,671,049</b>	<b>\$192,782,594</b>	<b>7.48%</b>
Alinda Infrastructure Fund II	307,126	0.01%	0	21	307,105	0.01%
Ember Infrastructure I	27,819,377	1.09%	(98,664)	463,035	27,455,006	1.07%
Ember Infrastructure II	-206,409	(0.01%)	(148,126)	(58,283)	-	-
Macquarie Infrastructure Partners III	46,644,729	1.82%	(8,899,064)	2,577,850	52,965,943	2.06%
Macquarie Infrastructure Partners IV	62,785,370	2.45%	(169,579)	678,847	62,276,102	2.42%
Pantheon Glb Infrac Secondaries IV	54,788,017	2.14%	3,000,000	2,009,579	49,778,438	1.93%
<b>Total Fund (4)</b>	<b>\$2,561,573,195</b>	<b>100.0%</b>	<b>\$2,014,473</b>	<b>\$(16,233,920)</b>	<b>\$2,575,792,642</b>	<b>100.0%</b>

(1) Reported in Euro's by manager and then converted to US \$.

(2) Year end figure is based on estimate. YE audit takes 120 days.

(3) Current market values are those of the prior quarter, adjusted for capital calls and distributions of current quarter.

(4) Values shown are minus accrued incentive fee.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2024. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended March 31, 2024

	Last Quarter	Last Year	Last 3 Years
<b>Total Core Funds</b>	<b>(1.36%)</b>	<b>(8.51%)</b>	<b>5.19%</b>
NCREIF NFI-ODCE Val Wt Nt	(2.58%)	(12.00%)	2.47%
Blackrock Global Renewable Power III	1.87%	9.79%	9.24%
Blackstone Property Partners	1.00%	(4.17%)	2.75%
Carlyle Property Investors	(0.42%)	(4.06%)	10.26%
Clarion Partners Lion Properties Fund	(2.85%)	(14.07%)	-
GI Partners ETS Fund	(1.34%)	(4.52%)	-
Heitman America Real Estate Trust (HART)	(1.77%)	(9.90%)	4.84%
IFM Gbl Infrast Fund (GIF)	(0.89%)	5.19%	-
JP Morgan Strategic Property Fund (SPF)	(5.70%)	(17.23%)	(0.59%)
Prologis US Logistics Fund (USLF)	1.81%	(10.98%)	12.13%
UBS Trumbull Property Fund (TPF)	(1.82%)	(10.63%)	(0.07%)
<b>Total Non-Core Funds</b>	<b>(0.70%)</b>	<b>(1.69%)</b>	<b>8.99%</b>
NCREIF ODCE + 1.5%	(2.17%)	(10.50%)	4.00%
Basis Real Estate Debt Fund I	1.97%	6.69%	8.52%
Basis Real Estate Debt Fund II	3.36%	10.64%	5.07%
Blackstone European VI (3)	(1.55%)	4.21%	11.66%
Blackstone RE Partners Asia III	(5.19%)	(17.50%)	-
Blue Vista Real Estate IV **	(5.30%)	(25.56%)	(1.78%)
Brasa II	0.74%	(0.47%)	-
Brookfield Strategic Real Estate II	(7.34%)	(8.90%)	7.25%
Brookfield Strategic RE III	1.47%	6.70%	11.55%
Brookfield Strategic RE IV	(1.02%)	0.78%	-
Cabot Industrial Value VI (CIVF)	2.76%	5.20%	25.01%
Cabot Industrial Value VII (CIVF)	2.40%	-	-
Crow Holdings Realty VII	0.52%	(34.90%)	(17.03%)
Crow Holdings Realty VIII	(3.70%)	(19.05%)	8.78%
Crow Holdings Realty IX	(3.56%)	(8.33%)	-
Dune Real Estate Partners II	2.80%	1.46%	3.60%
Dune Real Estate Partners III/2022	(3.24%)	0.85%	4.30%
Dune Real Estate Partners IV	1.85%	0.12%	21.50%
Franklin Templeton FTPREF	(16.88%)	(24.54%)	(11.54%)
Franklin Templeton EMREFF	(22.94%)	(90.03%)	(61.33%)
Franklin Templeton MDP RE 2015	(5.71%)	(9.54%)	7.27%
Longpoint Realty Fund II	1.12%	(0.87%)	-
Longpoint Realty Fund III	(4.33%)	-	-
Long Wharf VI	0.41%	2.34%	21.87%
Long Wharf VII	(0.99%)	-	-
Newport Capital Partners Fund III	2.14%	6.49%	-
Oaktree Real Estate Debt Fund II	(1.54%)	(12.46%)	(4.39%)
StepSt Partner RE II (fka MFIRE) (2)	0.00%	(13.03%)	(3.88%)
Torchlight Debt VII	1.06%	1.74%	2.83%
Torchlight Debt VIII	4.27%	(0.22%)	-
Westbrook XI	1.31%	3.47%	15.21%
<b>Total Private Real Estate</b>	<b>(1.15%)</b>	<b>(6.77%)</b>	<b>6.15%</b>
<b>Total Farmland</b>	<b>0.21%</b>	<b>4.45%</b>	<b>7.88%</b>
NCREIF Farmland Index	0.74%	3.58%	7.36%
Homestead USA Farmland Fund III	0.44%	5.48%	8.24%
Homestead USA Farmland Fund IV	(3.47%)	-	-
NCREIF Farmland Index	0.74%	3.58%	7.36%
<b>Total Private Infrastructure</b>	<b>1.43%</b>	<b>11.81%</b>	<b>15.88%</b>
CPI + 5%	2.99%	8.48%	10.65%
FTSE Dev Core Inf 50/50 N	0.66%	1.62%	2.53%
Ember Infrastructure I	1.33%	23.93%	-
Macquarie Infrastructure Partners III	0.10%	16.02%	28.81%
Macquarie Infrastructure Partners IV	0.82%	3.35%	9.54%
Pantheon Gbl Infrast Secondaries IV	3.53%	11.33%	-
<b>Total Real Assets</b>	<b>(0.92%)</b>	<b>(5.28%)</b>	<b>6.86%</b>
Total Real Assets Benchmark*(1)	(1.95%)	(9.94%)	3.63%

\* Current Quarter Target = 61.0% NCREIF NFI-ODCE Val Wt Nt, 29.0% NCREIF NFI-ODCE Val Wt Nt+1.5%, 7.0% CPI-W+5.0% and 3.0% NCREIF Farmland Index.

(1) The quarterly Total Real Asset Benchmark returns are calculated by weighting the benchmark return for each asset class.

(2) Current market values are those of the prior quarter, adjusted for capital calls and distributions of current quarter.

All returns are shown net of fees.

(3) Reported in Euro's by manager and then converted to US \$.

\*\* Year end figure is based on estimate. YE audit takes 120 days.

All returns on this page are time-weighted. (TWR)

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2024. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended March 31, 2024

	Last 5 Years	Last 10 Years	Since Inception	
<b>Total Core Funds</b>	<b>4.11%</b>	<b>6.20%</b>	<b>4.48%</b>	(4/05)
NCREIF NFI-ODCE Val Wt Nt	2.56%	5.82%	5.58%	(4/05)
Blackrock Global Renewable Power III	-	-	4.53%	(1/21)
Blackstone Property Partners	2.78%	-	2.65%	(1/19)
Carlyle Property Investors	9.56%	-	8.97%	(7/18)
Clarion Partners Lion Properties Fund	-	-	(13.83%)	(7/22)
GI Partners ETS Fund	-	-	7.94%	(4/22)
Heitman America Real Estate Trust (HART)	3.20%	5.87%	5.87%	(4/14)
IFM Glb Infrast Fund (GIF)	-	-	6.27%	(1/23)
JP Morgan Strategic Property Fund (SPF)	0.73%	4.44%	4.44%	(4/14)
Prologis US Logistics Fund (USLF)	-	-	13.85%	(10/20)
UBS Trumbull Property Fund (TPF)	(1.48%)	2.89%	3.57%	(4/06)
<b>Total Non-Core Funds</b>	<b>4.63%</b>	<b>8.27%</b>	<b>7.77%</b>	(4/09)
NCREIF ODCE + 1.5%	4.08%	7.32%	7.49%	(4/09)
Basis Real Estate Debt Fund I	8.72%	-	11.73%	(10/17)
Basis Real Estate Debt Fund II	-	-	5.07%	(4/21)
Blackstone European VI (3)	-	-	5.85%	(10/19)
Blackstone RE Partners Asia III	-	-	(17.96%)	(4/22)
Blue Vista Real Estate IV **	2.34%	-	(1.72%)	(10/15)
Brasa II	-	-	1.81%	(1/22)
Brookfield Strategic Real Estate II	8.21%	-	10.04%	(1/16)
Brookfield Strategic RE III	11.02%	-	8.72%	(1/18)
Brookfield Strategic RE IV	-	-	12.84%	(7/22)
Cabot Industrial Value VI (CIVF)	-	-	22.36%	(7/20)
Cabot Industrial Value VII (CIVF)	-	-	2.40%	(1/24)
Crow Holdings Realty VII	(8.32%)	-	(0.52%)	(10/15)
Crow Holdings Realty VIII	11.41%	-	11.82%	(7/18)
Crow Holdings Realty IX	-	-	7.93%	(7/21)
Dune Real Estate Partners II	0.51%	5.66%	6.45%	(4/09)
Dune Real Estate Partners III/2022	(1.80%)	4.51%	4.24%	(4/13)
Dune Real Estate Partners IV	3.08%	-	2.36%	(10/17)
Franklin Templeton FTPREF	(17.39%)	1.04%	3.82%	(4/12)
Franklin Templeton EMREFF	(46.97%)	(22.81%)	(16.53%)	(7/11)
Franklin Templeton MDP RE 2015	1.66%	-	1.27%	(7/15)
Longpoint Realty Fund II	-	-	6.45%	(10/21)
Longpoint Realty Fund III	-	-	(4.33%)	(1/24)
Long Wharf VI	-	-	14.69%	(7/19)
Long Wharf VII	-	-	(13.72%)	(7/23)
Newport Capital Partners Fund III	-	-	20.91%	(7/21)
Oaktree Real Estate Debt Fund II	(2.74%)	-	0.55%	(10/17)
StepSt Partner RE II (fka MFIRE) (2)	(2.92%)	2.24%	3.22%	(1/12)
Torchlight Debt VII	-	-	2.83%	(4/21)
Torchlight Debt VIII	-	-	(10.64%)	(10/22)
Westbrook XI	-	-	22.92%	(10/20)
<b>Total Private Real Estate</b>	<b>4.19%</b>	<b>6.74%</b>	<b>4.98%</b>	(4/05)
<b>Total Farmland</b>	-	-	<b>8.71%</b>	(1/21)
NCREIF Farmland Index	6.02%	7.11%	7.06%	(1/21)
Homestead USA Farmland Fund III	-	-	4.52%	(10/20)
Homestead USA Farmland Fund IV	-	-	(9.39%)	(10/23)
NCREIF Farmland Index	6.02%	7.11%	3.03%	(10/23)
<b>Total Private Infrastructure</b>	<b>14.77%</b>	<b>9.43%</b>	<b>9.04%</b>	(10/09)
CPI + 5%	9.21%	7.83%	7.58%	(10/09)
FTSE Dev Core Inf 50/50 N	3.32%	5.48%	7.86%	(10/09)
Ember Infrastructure I	-	-	(3.79%)	(7/21)
Macquarie Infrastructure Partners III	23.96%	-	15.70%	(1/15)
Macquarie Infrastructure Partners IV	10.01%	-	6.43%	(1/18)
Pantheon Glb Infrast Secondaries IV	-	-	5.28%	(1/22)
<b>Total Real Assets</b>	<b>5.24%</b>	<b>7.05%</b>	<b>4.89%</b>	(4/05)
Total Real Assets Benchmark*(1)	3.68%	6.16%	5.41%	(4/05)

\* Current Quarter Target = 61.0% NCREIF NFI-ODCE Val Wt Nt, 29.0% NCREIF NFI-ODCE Val Wt Nt+1.5%, 7.0% CPI-W+5.0% and 3.0% NCREIF Farmland Index.

(1) The quarterly Total Real Asset Benchmark returns are calculated by weighting the benchmark return for each asset class.

(2) Current market values are those of the prior quarter, adjusted for capital calls and distributions of current quarter.

All returns are shown net of fees.

(3) Reported in Euro's by manager and then converted to US \$.

\*\* Year end figure is based on estimate. YE audit takes 120 days.

All returns on this page are time-weighted. (TWR)

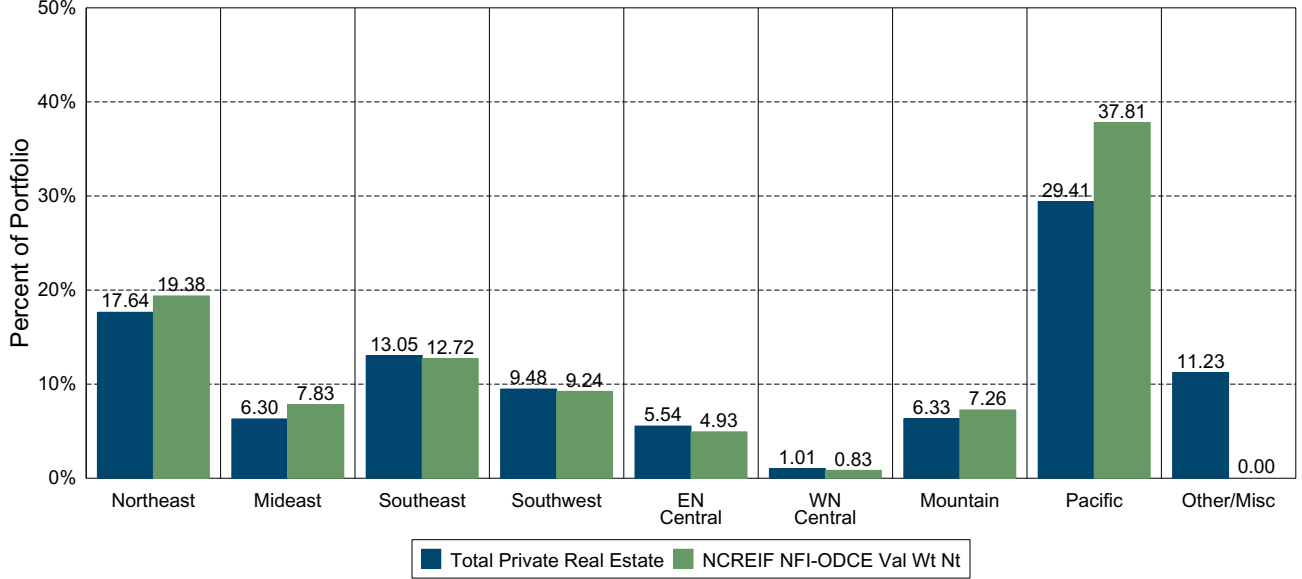


# Total Private Real Estate Diversification Analysis as of March 31, 2024

## Diversification Analysis

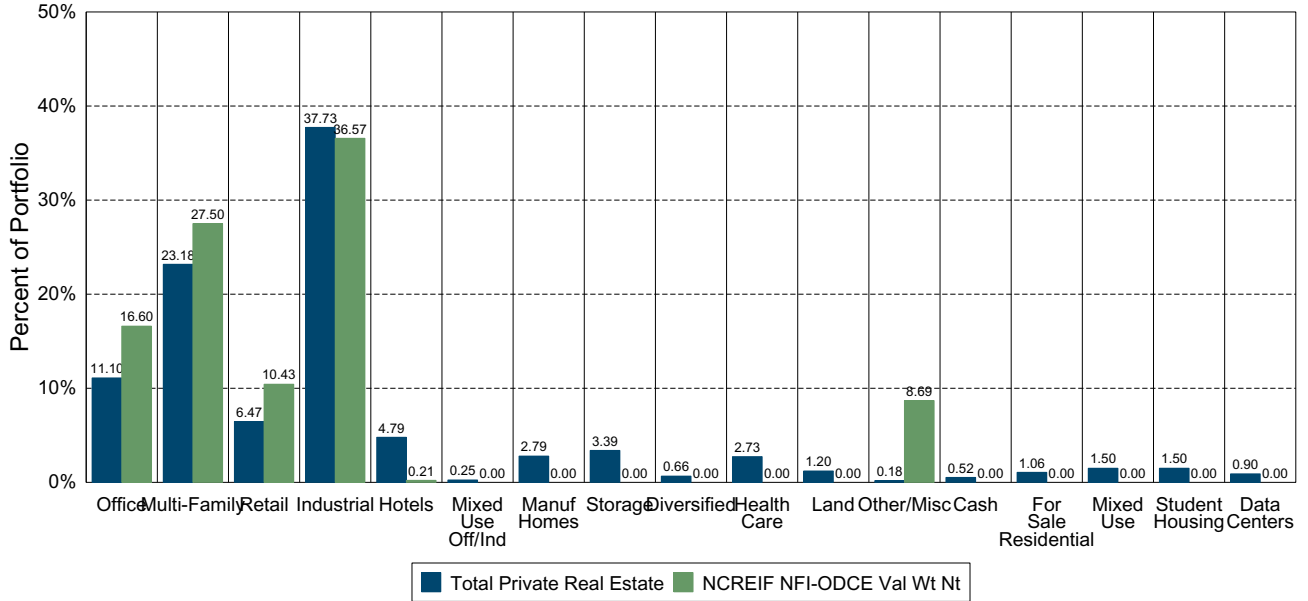
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of March 31, 2024



<b>Total Private Real Estate</b>	<b>17.64%</b>	<b>6.30%</b>	<b>13.05%</b>	<b>9.48%</b>	<b>5.54%</b>	<b>1.01%</b>	<b>6.33%</b>	<b>29.41%</b>	<b>11.23%</b>
NCREIF NFI-ODCE Val Wt Nt	19.38%	7.83%	12.72%	9.24%	4.93%	0.83%	7.26%	37.81%	0.00%

### Diversification by Property Type as of March 31, 2024



<b>Total Private Real Estate</b>	<b>11.10%</b>	<b>23.18%</b>	<b>6.47%</b>	<b>37.73%</b>	<b>4.79%</b>	<b>0.25%</b>	<b>2.79%</b>	<b>3.39%</b>	<b>0.66%</b>	<b>2.73%</b>	<b>1.20%</b>	<b>0.18%</b>	<b>0.52%</b>	<b>1.06%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>0.90%</b>
NCREIF NFI-ODCE Val Wt Nt	16.60%	27.50%	10.43%	36.57%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.69%	0.00%	0.00%	0.00%	0.00%	0.00%

These charts do not include IFM and BlackRock Global Renewable Power III portfolio exposure, which are reflected in the infrastructure portfolio section of this document.

**Total Private Real Estate  
Real Estate Portfolio  
Quarterly Changes in Market Value**

	<b>Beg. of</b>	<b>Capital</b>	<b>Accounting</b>	<b>Mgmt.</b>	<b>Appre-</b>	<b>Dist. of</b>	<b>Return</b>	<b>Dist. of</b>	<b>End of</b>
	<b>Period</b>	<b>+ Contri-</b>	<b>+ Income</b>	<b>- Fees</b>	<b>+ ciation</b>	<b>- Income &amp;</b>	<b>- of</b>	<b>- Recallable</b>	<b>= Period</b>
	<b>Market</b>	<b>butions</b>				<b>Real. Gains</b>	<b>Capital</b>	<b>Capital</b>	<b>Market</b>
06/2005	0	42,173,431	0	0	(0)	123,467	0	0	42,049,963
09/2005	42,049,963	34,412,979	0	0	2,932,432	852,473	0	0	78,542,902
12/2005	78,542,902	48,535,080	0	0	(2,207,961)	1,217,584	0	0	123,652,438
03/2006	123,652,438	1,679,008	0	0	7,754,988	1,679,008	0	0	131,407,426
06/2006	131,407,426	154,313,912	17,260	0	62,225	1,829,427	0	0	283,971,396
09/2006	283,971,396	6,538,259	1,719,275	0	(379,023)	1,882,915	0	0	289,966,992
12/2006	289,966,992	7,421,001	1,708,539	334,414	6,091,615	1,887,109	0	0	302,966,624
03/2007	302,966,624	6,918,111	1,675,293	348,138	13,086,106	3,690,165	0	2,458,173	318,149,659
06/2007	318,149,659	1,842,480	1,807,242	359,826	14,785,736	1,842,480	0	0	334,382,812
09/2007	334,382,812	2,265,946	1,724,761	380,988	10,156,598	1,826,121	0	0	346,323,006
12/2007	346,323,006	1,956,882	1,690,561	388,418	6,336,475	5,689,851	0	0	350,228,655
03/2008	350,228,655	1,988,386	1,674,352	663,376	1,569,797	1,988,386	0	0	352,809,428
06/2008	352,809,428	8,831,700	1,822,454	128,447	(17,340,577)	2,918,708	0	0	343,075,849
09/2008	343,075,849	3,142,415	1,822,648	376,323	(2,083,408)	3,142,415	0	0	342,438,766
12/2008	342,438,766	3,143,110	1,881,551	286,163	(45,400,090)	3,143,110	0	0	298,634,064
03/2009	298,634,064	3,043,682	1,823,223	273,693	(44,893,159)	4,264,862	0	0	254,069,254
06/2009	254,069,254	3,600,000	1,840,942	592,300	(23,368,122)	1,989,933	0	0	233,559,843
09/2009	233,559,843	0	1,703,642	575,906	(12,246,283)	2,003,491	0	0	220,437,804
12/2009	220,437,804	0	1,788,774	566,083	(10,965,797)	1,965,752	0	0	208,728,946
03/2010	208,728,946	25,000,000	2,015,326	210,612	734,572	2,061,158	0	0	234,207,074
06/2010	234,207,074	27,040,000	3,097,524	239,447	5,875,693	2,456,070	0	0	267,524,774
09/2010	267,524,774	25,000,000	2,907,443	294,552	19,471,475	2,727,021	0	0	311,882,119
12/2010	311,882,119	26,840,000	3,525,226	487,973	8,701,428	3,289,692	0	0	347,171,108
03/2011	347,171,108	6,169,856	3,049,562	672,479	8,721,683	3,328,279	0	0	361,111,450
06/2011	361,111,450	4,373,333	3,139,247	663,418	14,060,049	4,205,243	0	0	377,815,419
09/2011	377,815,419	2,222,095	2,938,893	679,965	15,992,933	3,423,940	0	0	394,865,435
12/2011	394,865,435	16,655,942	2,952,521	703,273	(6,843,995)	3,396,014	0	0	403,530,615
03/2012	403,530,615	5,777,016	3,237,093	712,989	10,670,378	3,528,506	0	0	418,973,609
06/2012	418,973,609	12,851,428	3,070,176	811,541	6,466,680	6,007,837	0	544,391	433,998,123
09/2012	433,998,123	12,453,309	3,465,912	821,801	8,311,113	5,430,310	0	1,560,625	450,415,721
12/2012	450,415,721	21,304,116	2,985,126	836,210	7,740,575	5,848,715	0	1,311,525	474,449,087
03/2013	474,449,087	8,924,696	3,361,755	842,722	9,867,263	4,936,044	0	5,912,217	484,911,819
06/2013	484,911,819	13,633,540	3,408,964	813,391	9,912,611	130,555,101	0	35,883	380,462,559
09/2013	380,462,559	28,820,586	3,159,030	1,277,279	6,895,495	12,324,318	0	1,719,937	404,016,136
12/2013	404,016,136	62,878,607	3,041,081	1,020,951	7,460,729	4,845,993	0	250,445	471,279,164
03/2014	471,279,164	8,361,763	3,496,147	1,123,862	18,364,484	13,093,727	0	1,444,640	485,839,330
06/2014	485,839,330	168,387,475	4,380,689	1,207,697	10,271,773	10,045,299	0	20,362,045	637,264,227
09/2014	637,264,227	101,636,642	6,181,480	1,409,298	13,167,818	11,957,185	0	449,945	744,433,739
12/2014	744,433,739	77,116,484	6,866,500	1,267,082	15,668,216	9,096,964	0	22,718,143	811,002,750
03/2015	811,002,750	21,635,146	7,674,697	1,760,301	20,980,550	15,152,959	0	2,674,991	841,704,892
06/2015	841,704,892	22,866,436	7,861,829	1,820,086	22,507,085	12,887,424	0	1,339,019	878,893,713
09/2015	878,893,713	11,216,301	7,918,911	1,780,676	22,613,392	20,089,832	0	827,939	897,943,868
12/2015	897,943,868	20,871,212	7,874,144	2,481,710	21,862,704	13,671,377	0	388,596	932,010,245
03/2016	932,010,245	20,295,944	8,143,230	1,988,116	13,286,274	16,368,188	0	225,653	955,153,736
06/2016	955,153,736	31,896,620	8,292,447	2,190,974	13,707,723	10,963,886	0	183,426	995,712,241
09/2016	995,712,241	14,378,035	8,174,346	2,185,457	15,342,583	24,149,725	0	86,935	1,007,185,087
12/2016	1,007,185,087	27,586,682	8,235,734	2,364,750	15,926,218	28,938,749	0	1,810,102	1,025,820,120

## Total Private Real Estate Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Income & Real. Gains	Return of Capital	Dist. of Recallable Capital	= End of Period Market
03/2017	1,025,820,120	11,467,605	8,016,983	2,109,415	6,876,693	11,830,339	0	329,195	1,037,912,453
06/2017	1,037,912,453	18,021,595	8,891,970	2,168,112	11,363,646	22,346,158	0	655,280	1,051,020,114
09/2017	1,051,020,114	15,302,424	8,886,731	2,100,113	12,667,629	8,101,029	0	31,875	1,077,643,881
12/2017	1,077,643,881	17,510,963	9,161,490	2,130,216	19,482,853	19,827,764	0	665,618	1,101,175,590
03/2018	1,101,175,590	33,732,281	9,803,113	2,442,601	13,309,923	16,417,883	930,000	678,961	1,137,551,462
06/2018	1,137,551,462	22,164,160	9,952,779	2,632,871	10,651,214	9,158,610	135,685,504	162,915	1,032,679,716
09/2018	1,032,679,716	28,558,458	9,640,728	2,696,531	10,205,147	13,635,013	64,763,357	3,584,690	996,404,457
12/2018	996,404,457	20,147,456	9,929,615	2,533,802	11,192,031	7,728,893	70,230,672	6,146,684	951,033,509
03/2019	951,033,509	133,117,644	13,792,179	2,593,684	2,441,843	10,093,011	39,731,922	0	1,047,966,557
06/2019	1,047,966,557	206,631,091	10,768,865	2,615,134	(2,815,011)	11,698,784	18,155,661	6,170,196	1,223,911,726
09/2019	1,223,911,726	25,114,818	10,550,915	3,992,533	4,049,074	12,945,652	23,690,852	620,309	1,222,377,188
12/2019	1,222,377,188	19,441,272	12,989,793	3,298,225	299,675	10,011,050	11,871,388	1,980,829	1,227,946,436
03/2020	1,227,946,436	30,094,014	9,862,632	3,273,348	(24,719,577)	10,909,231	17,644,036	1,437,607	1,209,919,283
06/2020	1,209,919,283	20,755,150	7,696,750	3,418,980	(43,185,497)	7,121,328	1,923,758	167,748	1,182,553,872
09/2020	1,182,553,872	21,920,519	8,651,977	3,833,535	4,045,070	8,566,129	7,202,553	983,605	1,196,585,616
12/2020	1,196,585,616	120,321,194	10,436,634	3,900,012	21,340,128	10,379,146	5,891,878	0	1,328,512,536
03/2021	1,328,512,536	41,191,888	10,377,413	5,714,627	29,055,048	15,947,023	14,595,748	758,311	1,372,121,176
06/2021	1,372,121,176	47,073,322	14,944,024	5,029,301	58,606,094	17,227,986	12,296,108	6,232,702	1,451,958,520
09/2021	1,451,958,520	49,754,843	12,868,413	5,464,391	100,490,984	18,376,344	15,029,201	1,465,038	1,574,737,786
12/2021	1,574,737,786	83,289,038	15,766,726	7,536,957	117,834,400	32,823,752	35,002,390	0	1,716,264,851
03/2022	1,716,264,851	74,059,704	13,270,922	6,390,117	125,045,822	17,023,197	5,722,495	3,658,085	1,895,847,405
06/2022	1,895,847,405	54,640,844	11,792,176	6,730,458	57,248,280	32,699,220	27,290,138	16,007,371	1,936,801,519
09/2022	1,936,801,519	105,079,152	11,288,094	6,697,575	(2,432,948)	16,115,366	12,991,125	2,732,850	2,012,198,902
12/2022	2,012,198,902	155,114,229	12,201,479	6,460,818	(68,549,560)	14,269,841	13,525,955	3,168,406	2,073,540,029
03/2023	2,073,540,029	281,939,859	13,469,815	7,102,133	(59,913,519)	18,088,047	9,611,075	336,967	2,273,897,962
06/2023	2,273,897,962	79,713,032	13,002,119	7,253,440	(33,000,648)	10,444,572	894,599	2,635,424	2,312,384,431
09/2023	2,312,384,431	68,077,107	14,287,095	6,830,675	(33,275,330)	11,557,648	3,439,450	975,389	2,338,670,141
12/2023	2,338,670,141	66,681,150	14,440,686	7,148,154	(82,715,878)	11,330,707	3,477,868	392,646	2,314,726,723
03/2024	2,314,726,723	39,562,016	13,985,039	8,888,486	(35,976,417)	10,981,066	6,020,491	6,188,888	2,300,218,431
	0	3,048,476,478	489,882,703	170,928,931	471,250,223	846,371,602	557,618,223	134,472,218	2,300,218,431

## Returns

Net Since Inception IRR = 5.32%

## Ratios

Capital Account = \$2,300,218,431

Total Value = \$3,838,680,473

Committed Capital = \$3,479,170,472

Paid In Capital = \$3,048,476,478

Remaining Commitment = \$767,386,493

PIC Multiple (Paid In Capital/Committed Capital) = 87.62%

Total Economic Exposure (Capital Account + Remaining Commitment) = \$3,067,604,923

TVPI Investment Multiple (Total Value/Paid In Capital) = 1.26x

DPI Realization Multiple (Distributions/Paid In Capital) = 0.50x

RVPI Residual Multiple (Capital Account/Paid In Capital) = 0.75x

Capital commitments reflects the sum of: (i) aggregate capital contributions translated to U.S. Dollars as of the date of each capital contribution transaction; and (ii) reported uncalled capital commitments translated to U.S. Dollars as of quarter end date.

## State Universities Retirement System of Illinois Manager Detail as of March 31, 2024

The following table summarizes changes in each manager's aggregated cash flows and valuation information as of March 31, 2024.

Manager	Vintage Year	Capital Commitments (\$000s)	Paid-In Capital (\$000s)	Uncalled Capital (\$000s)	% Paid-In	Distributed Capital (\$000s)	Net Asset Value (\$000s)	DPI	RVPI	TVPI	Net IRR
<b>Stabilized Growth Funds</b>											
UBS Trumbull Property Fund (TPF)***	2006	\$220,000	286,964	0	130.44%	403,097	84,019	1.40x	0.29x	1.70x	6.06%
Heitman America Real Estate Trust***	2014	\$150,000	216,260	0	144.17%	66,260	260,413	0.31x	1.20x	1.51x	5.95%
JP Morgan Strategic Property Fund (SPF)	2014	\$150,000	150,000	0	100.00%	0	231,551	0.00x	1.54x	1.54x	4.51%
Carlyle Property Investors***	2018	\$100,000	124,349	0	124.35%	25,262	160,147	0.20x	1.29x	1.49x	9.48%
Blackstone Property Partners***	2019	\$200,000	222,227	0	111.11%	22,227	228,195	0.10x	1.03x	1.13x	2.79%
Prologis US Logistics Fund (USLF)***	2020	\$106,999	112,577	0	105.21%	13,362	156,740	0.12x	1.39x	1.51x	14.03%
BlackRock Global Renewable Power III	2020	\$100,000	73,412	31,077	73.41%	4,760	80,528	0.06x	1.10x	1.16x	10.45%
GI Partners ETS Fund	2022	\$75,618	62,972	12,645	83.28%	1,236	63,431	0.02x	1.01x	1.03x	2.16%
IFM Glb Infrac Fund (GIF)***	2022	\$100,000	100,920	0	100.92%	920	107,894	0.01x	1.07x	1.08x	6.30%
Clarion Partners Lion Properties Fund***	2022	\$225,000	233,293	0	103.69%	9,546	176,810	0.04x	0.76x	0.80x	(15.53%)
<b>Non-Traditional Growth Funds</b>											
<b>Mature (10+ years)</b>											
Dune Real Estate Partners II	2008	\$40,000	40,458	0	101.15%	67,914	5,577	1.68x	0.14x	1.82x	14.24%
Macquarie Infrastructure Partners II	2008	\$40,000	48,268	-0	120.67%	75,686	0	1.57x	0.00x	1.57x	8.38%
Alinda Infrastructure Fund II	2009	\$40,000	53,410	1,174	133.52%	53,562	307	1.00x	0.01x	1.01x	0.18%
Franklin Templeton FTPREF	2010	\$50,000	58,489	4,581	116.98%	79,951	366	1.37x	0.01x	1.37x	20.47%
Franklin Templeton EMREFF	2012	\$75,000	80,038	7,244	106.72%	106,812	254	1.33x	0.00x	1.34x	11.52%
StepSt Partner RE II (fka MFIRE) (2)	2012	\$42,405	39,300	3,105	92.68%	43,663	11,791	1.11x	0.30x	1.41x	5.99%
Dune Real Estate Partners III/2022	2013	\$100,000	142,791	0	142.79%	112,471	65,036	0.79x	0.46x	1.24x	5.13%
Macquarie Infrastructure Partners III	2013	\$50,000	53,950	-452	107.90%	74,462	46,645	1.38x	0.86x	2.24x	17.35%
<b>Maturing (5-9 years)</b>											
Crow Holdings Realty VII	2014	\$35,000	32,914	2,086	94.04%	44,287	768	1.35x	0.02x	1.37x	10.80%
Blue Vista Real Estate IV **	2015	\$35,000	35,000	-0	100.00%	41,959	9,392	1.20x	0.27x	1.47x	9.92%
Brookfield Strategic Real Estate II	2015	\$35,000	41,371	-106	118.20%	42,532	20,117	1.03x	0.49x	1.51x	10.88%
Franklin Templeton MDP RE 2015	2015	\$90,000	90,313	-313	100.35%	35,122	61,211	0.39x	0.68x	1.07x	1.86%
Crow Holdings Realty VIII	2017	\$20,000	17,483	2,517	87.41%	27,473	650	1.57x	0.04x	1.61x	23.21%
Oaktree Real Estate Debt Fund II	2017	\$30,000	25,788	5,650	85.96%	16,143	11,324	0.63x	0.44x	1.07x	2.62%
Basis Real Estate Debt Fund I	2016	\$30,000	44,729	4,575	149.10%	35,635	20,804	0.80x	0.47x	1.26x	11.93%
Brookfield Strategic Real Estate III	2018	\$35,000	36,879	568	105.37%	9,344	39,748	0.25x	1.08x	1.33x	10.71%
Dune Real Estate IV	2018	\$50,000	43,853	6,905	87.71%	2,567	45,788	0.06x	1.04x	1.10x	4.33%
Macquarie Infrastructure Partners IV	2018	\$50,000	53,826	2,757	107.65%	14,264	62,785	0.27x	1.17x	1.43x	9.62%

\*\* Year end figures is based on estimate. YE audit takes 120.

(2) Current EMV are those of the prior quarter, adjusted for capital calls and distributions of current quarter.

\*\*\*Dividends reinvested are included in the commitment amount.

## State Universities Retirement System of Illinois Manager Detail as of March 31, 2024

The following table summarizes changes in each manager's aggregated cash flows and valuation information as of March 31, 2024.

Manager	Vintage Year	Capital Commitments (\$000s)	Paid-In Capital (\$000s)	Uncalled Capital (\$000s)	% Paid-In	Distributed Capital (\$000s)	Net Asset Value (\$000s)	DPI	RVPI	TVPI	Net IRR
<b>Immature (Less than 5 years)</b>											
Homestead USA Farmland Fund III	2019	\$60,000	60,126	904	100.21%	3,034	64,826	0.05x	1.08x	1.13x	6.13%
Long Wharf VI	2019	\$40,000	40,000	-0	100.00%	21,645	27,567	0.54x	0.69x	1.23x	15.08%
Blackstone European VI (3)	2019	\$90,525	70,324	31,604	77.69%	24,294	62,696	0.35x	0.89x	1.24x	12.57%
Cabot Industrial Value VI (CIVF)	2019	\$50,000	40,870	9,130	81.74%	375	53,239	0.01x	1.30x	1.31x	13.00%
Crow Holdings Realty IX	2020	\$50,000	44,072	5,928	88.14%	12,011	38,191	0.27x	0.87x	1.14x	7.60%
Longpoint Realty Fund II	2021	\$50,000	45,000	5,000	90.00%	822	47,265	0.02x	1.05x	1.07x	4.10%
Westbrook XI	2019	\$75,000	69,205	5,795	92.27%	29,318	49,554	0.42x	0.72x	1.14x	13.57%
Torchlight Debt VII	2020	\$50,000	27,531	22,469	55.06%	188	29,220	0.01x	1.06x	1.07x	3.30%
Brookfield Strategic Real Estate IV	2021	\$75,000	50,579	24,421	67.44%	3,689	49,227	0.07x	0.97x	1.05x	4.57%
Ember Infrastructure I	2020	\$34,108	24,994	9,114	73.28%	196	27,819	0.01x	1.11x	1.12x	9.45%
Basis Real Estate Debt Fund II	2021	\$50,000	48,105	16,146	96.21%	21,523	29,824	0.45x	0.62x	1.07x	6.86%
Newport Capital Partners Fund III	2021	\$30,000	8,858	24,737	29.53%	3,792	5,999	0.43x	0.68x	1.11x	11.69%
Pantheon GIB Infrast Secondaries IV	2021	\$100,000	52,382	49,270	52.38%	1,357	54,788	0.03x	1.05x	1.07x	8.40%
Blackstone RE Partners Asia III	2022	\$50,000	9,952	40,048	19.90%	0	7,709	0.00x	0.77x	0.77x	(19.40%)
Brasa II	2021	\$40,000	25,077	16,016	62.69%	2,693	23,217	0.11x	0.93x	1.03x	2.03%
Crow Holdings Realty X	2022	\$50,000	10,750	39,250	21.50%	0	7,735	0.00x	0.72x	0.72x	
Cabot Industrial Value VII (CIVF)	2022	\$50,000	10,536	39,464	21.07%	375	8,212	0.04x	0.78x	0.81x	(53.10%)
Torchlight Debt VIII	2022	\$50,000	10,000	40,000	20.00%	0	9,814	0.00x	0.98x	0.98x	(2.86%)
Longpoint Realty Fund III	2022	\$60,000	12,000	54,000	20.00%	6,000	4,048	0.50x	0.34x	0.84x	(50.24%)
Homestead USA Farmland Fund IV	2022	\$40,000	4,995	35,005	12.49%	29	4,390	0.01x	0.88x	0.88x	(21.96%)
Long Wharf VII	2023	\$40,000	6,110	33,890	15.27%	0	5,335	0.00x	0.87x	0.87x	(25.66%)
Brasa III	2023	\$50,000	0	50,000	0.00%	0	0	-	-	-	0.00%
Brookfield Strategic RE V	2023	\$75,000	0	75,000	0.00%	0	-1,187	-	-	-	0.00%
Ember Infrastructure II	2023	\$50,000	0	50,000	0.00%	0	-206	-	-	-	0.00%
Blackstone BREP Europe VII (3)	2023	\$53,952	0	53,952	0.00%	0	0	-	-	-	0.00%
<b>Total Real Assets (3)</b>	<b>2005</b>	<b>\$4,514,346</b>	<b>4,071,496</b>	<b>815,158</b>	<b>90.19%</b>	<b>2,668,781</b>	<b>2,561,573</b>	<b>0.66x</b>	<b>0.63x</b>	<b>1.28x</b>	<b>5.96%</b>

(2) Current EMV are those of the prior quarter, adjusted for capital calls and distributions of current quarter.

(3) Capital commitments reflects the sum of: (i) aggregate capital contributions translated to U.S.

Dollars as of the date of each capital contribution transaction; and (ii) reported uncalled capital

commitments translated to U.S. Dollars as of quarter end date. \*\* Year end figures is based on estimate. YE audit takes 120.

## State Universities Retirement System of Illinois Real Estate Portfolio Snapshot - Subreturn Breakdown As of March 31, 2024

Subreturn Breakdown	Last Quarter			Last Year			Last 3 Years			Last 5 Years		
	INC	APP	TNET	INC	APP	TNET	INC	APP	TNET	INC	APP	TNET
<b>Total Core Funds</b>	<b>0.53%</b>	<b>(1.88%)</b>	<b>(1.36%)</b>	<b>1.92%</b>	<b>(10.25%)</b>	<b>(8.51%)</b>	<b>2.01%</b>	<b>3.16%</b>	<b>5.19%</b>	<b>2.24%</b>	<b>1.85%</b>	<b>4.11%</b>
BlackRock Glb Renewable Power III	(0.26%)	2.13%	1.87%	(1.18%)	11.06%	9.79%	(3.11%)	12.68%	9.24%	-	-	-
Blackstone Property Partners	(0.08%)	1.08%	1.00%	(0.03%)	(4.14%)	(4.17%)	0.07%	2.68%	2.75%	0.22%	2.55%	2.78%
Carlyle Property Investors	0.14%	(0.56%)	(0.42%)	0.11%	(4.16%)	(4.06%)	1.48%	8.74%	10.26%	2.04%	7.26%	9.56%
Clarion Partners Lion Properties Fund	0.69%	(3.54%)	(2.85%)	2.73%	(16.45%)	(14.07%)	-	-	-	-	-	-
GI Partners ETS Fund	0.52%	(1.86%)	(1.34%)	0.51%	(5.05%)	(4.52%)	-	-	-	-	-	-
Heitman America Real Estate Trust	0.92%	(2.68%)	(1.77%)	3.39%	(12.96%)	(9.90%)	3.27%	1.53%	4.84%	3.43%	(0.23%)	3.20%
IFM Glb Infrac Fund (GIF)	0.59%	(1.47%)	(0.89%)	1.53%	3.61%	5.19%	-	-	-	-	-	-
JP Morgan Strategic Property Fund	0.73%	(6.43%)	(5.70%)	2.67%	(19.50%)	(17.23%)	2.55%	(3.08%)	(0.59%)	2.65%	(1.88%)	0.73%
Prologis US Logistics Fund (USLF)	0.81%	1.00%	1.81%	2.91%	(13.58%)	(10.98%)	2.52%	9.43%	12.13%	-	-	-
UBS Trumbull Property Fund (TPF)	0.78%	(2.60%)	(1.82%)	3.19%	(13.49%)	(10.63%)	3.13%	(3.12%)	(0.07%)	3.26%	(4.63%)	(1.48%)
<b>Total Non-Core Funds</b>	<b>(0.05%)</b>	<b>(0.66%)</b>	<b>(0.70%)</b>	<b>(0.19%)</b>	<b>(1.51%)</b>	<b>(1.69%)</b>	<b>0.20%</b>	<b>8.79%</b>	<b>8.99%</b>	<b>0.37%</b>	<b>4.25%</b>	<b>4.63%</b>
Basis Real Estate Debt Fund I	2.94%	(0.97%)	1.97%	12.10%	(4.96%)	6.69%	12.88%	(3.98%)	8.52%	11.95%	(3.00%)	8.72%
Basis Real Estate Debt Fund II	3.60%	(0.24%)	3.36%	14.32%	(3.32%)	10.64%	8.06%	(2.84%)	5.07%	-	-	-
Blackstone European VI	(0.30%)	(1.24%)	(1.55%)	(2.35%)	6.65%	4.21%	(3.18%)	15.16%	11.66%	-	-	-
Blackstone RE Partners Asia III	(3.34%)	(1.86%)	(5.19%)	(11.73%)	(6.37%)	(17.50%)	-	-	-	-	-	-
Blue Vista Real Estate IV	(0.45%)	(4.86%)	(5.30%)	(1.33%)	(24.50%)	(25.56%)	0.91%	(2.57%)	(1.78%)	1.39%	1.01%	2.34%
Brasa II	(1.24%)	1.98%	0.74%	(4.77%)	4.46%	(0.47%)	-	-	-	-	-	-
Brookfield Strategic Real Estate II	0.29%	(7.63%)	(7.34%)	4.22%	(12.87%)	(8.90%)	4.78%	1.99%	7.25%	3.45%	4.36%	8.21%
Brookfield Strategic RE III	0.22%	1.25%	1.47%	0.89%	5.76%	6.70%	(0.44%)	11.88%	11.55%	(2.60%)	13.76%	11.02%
Brookfield Strategic RE IV	(0.49%)	(0.53%)	(1.02%)	(1.55%)	2.36%	0.78%	-	-	-	-	-	-
Cabot Industrial Value VI (CIVF)	0.72%	2.03%	2.76%	2.41%	2.74%	5.20%	(0.31%)	25.07%	25.01%	-	-	-
Cabot Industrial Value VII (CIVF)	(3.90%)	6.30%	2.40%	(71.73%)	(40.89%)	-	-	-	-	-	-	-
Crow Holdings Realty VII	(0.95%)	1.47%	0.52%	(11.00%)	(24.81%)	(34.90%)	(1.70%)	(14.88%)	(17.03%)	(0.06%)	(7.79%)	(8.32%)
Crow Holdings Realty VIII	(1.43%)	(2.26%)	(3.70%)	(4.73%)	(14.92%)	(19.05%)	0.04%	8.94%	8.78%	0.31%	11.21%	11.41%
Crow Holdings Realty IX	(0.20%)	(3.36%)	(3.56%)	(0.66%)	(7.71%)	(8.33%)	-	-	-	-	-	-
Dune Real Estate Partners II	(0.29%)	3.09%	2.80%	(1.15%)	2.64%	1.46%	(1.21%)	4.86%	3.60%	(1.14%)	1.67%	0.51%
Dune Real Estate Partners III/2022	(0.15%)	(3.09%)	(3.24%)	(1.07%)	1.93%	0.85%	(0.67%)	5.00%	4.30%	-	-	(1.80%)
Dune RE IV	(0.39%)	2.23%	1.85%	(1.81%)	1.96%	0.12%	(3.72%)	25.81%	21.50%	-	-	3.08%
Franklin Templeton FTPREF	(6.09%)	(10.79%)	(16.88%)	(7.64%)	(18.95%)	(24.54%)	3.14%	(15.19%)	(11.54%)	14.06%	(37.33%)	(17.39%)
Franklin Templeton EMREFF	(11.63%)	(11.31%)	(22.94%)	(18.79%)	(85.91%)	(90.03%)	(5.27%)	(57.31%)	(61.33%)	(0.24%)	(45.42%)	(46.97%)
Franklin Templeton MDP RE 2015	(0.20%)	(5.51%)	(5.71%)	0.34%	(9.84%)	(9.54%)	2.20%	5.06%	7.27%	1.92%	(0.18%)	1.66%
Longpoint Realty Fund II	0.07%	1.05%	1.12%	(0.69%)	(0.20%)	(0.87%)	(29.18%)	17.34%	-	-	-	-
Longpoint Realty Fund III	(6.26%)	1.93%	(4.33%)	(71.29%)	(53.11%)	-	-	-	-	-	-	-
Long Wharf VI	0.24%	0.17%	0.41%	1.29%	1.05%	2.34%	(0.08%)	21.90%	21.87%	-	-	-
Long Wharf VII	(3.26%)	2.28%	(0.99%)	(31.64%)	2.28%	-	-	-	-	-	-	-
Newport Capital Partners Fund III	0.67%	1.47%	2.14%	3.96%	2.45%	6.49%	-	-	-	-	-	-
Oaktree Real Estate Debt Fund II	0.31%	(1.85%)	(1.54%)	3.41%	(15.48%)	(12.46%)	5.30%	(9.30%)	(4.39%)	6.37%	(8.70%)	(2.74%)
Torchlight Debt VII	0.93%	0.13%	1.06%	3.93%	(2.13%)	1.74%	2.54%	0.29%	2.83%	-	-	-
Torchlight Debt VIII	(0.07%)	4.34%	4.27%	(10.05%)	10.39%	(0.22%)	-	-	-	-	-	-
StepSt Partner RE II (fka MFIRE) (2)	0.00%	0.00%	0.00%	(0.68%)	(12.41%)	(13.03%)	(0.99%)	(2.92%)	(3.88%)	(1.02%)	(1.91%)	(2.92%)
Westbrook XI	(0.64%)	1.96%	1.31%	(4.09%)	7.79%	3.47%	(4.97%)	20.94%	15.21%	-	-	-
<b>Total Private Real Estate</b>	<b>0.34%</b>	<b>(1.49%)</b>	<b>(1.15%)</b>	<b>1.27%</b>	<b>(7.95%)</b>	<b>(6.77%)</b>	<b>1.48%</b>	<b>4.64%</b>	<b>6.15%</b>	<b>1.70%</b>	<b>2.48%</b>	<b>4.19%</b>
<b>Total Non-C w/ Infrastructure</b>	<b>(0.32%)</b>	<b>(0.14%)</b>	<b>(0.27%)</b>	<b>(0.27%)</b>	<b>1.43%</b>	<b>1.36%</b>	<b>0.50%</b>	<b>9.86%</b>	<b>10.46%</b>	<b>0.41%</b>	<b>6.53%</b>	<b>6.99%</b>
<b>Total Farmland</b>	<b>(0.22%)</b>	<b>0.43%</b>	<b>0.21%</b>	<b>(0.24%)</b>	<b>4.69%</b>	<b>4.45%</b>	<b>(0.98%)</b>	<b>8.94%</b>	<b>7.88%</b>	-	-	-
Homestead USA Farmland Fund III	(0.03%)	0.47%	0.44%	0.70%	4.75%	5.48%	(0.67%)	8.96%	8.24%	-	-	-
Homestead USA Farmland Fund IV	(3.28%)	(0.19%)	(3.47%)	(17.23%)	(202.79%)	-	-	-	-	-	-	-
<b>Total Private Infrastructure</b>	<b>(1.43%)</b>	<b>1.92%</b>	<b>1.43%</b>	<b>(0.63%)</b>	<b>11.46%</b>	<b>11.81%</b>	<b>1.80%</b>	<b>13.57%</b>	<b>15.88%</b>	<b>0.71%</b>	<b>13.78%</b>	<b>14.77%</b>
Ember Infrastructure I	0.11%	1.22%	1.33%	(4.00%)	28.66%	23.93%	-	-	-	-	-	-
Macquarie Infrastructure Partners III	(4.88%)	4.98%	0.10%	0.91%	14.92%	16.02%	6.33%	21.60%	28.81%	3.45%	20.08%	23.96%
Macquarie Infrastructure Partners IV	(0.24%)	1.06%	0.82%	(0.66%)	4.03%	3.35%	0.50%	8.96%	9.54%	(0.45%)	10.46%	10.01%
Pantheon Glb Infrac Secondaries IV	(0.39%)	3.92%	3.53%	(2.80%)	14.46%	11.33%	-	-	-	-	-	-
<b>Total Real Assets</b>	<b>0.20%</b>	<b>(1.19%)</b>	<b>(0.92%)</b>	<b>1.10%</b>	<b>(6.39%)</b>	<b>(5.28%)</b>	<b>1.45%</b>	<b>5.35%</b>	<b>6.86%</b>	<b>1.55%</b>	<b>3.64%</b>	<b>5.24%</b>

## State Universities Retirement System of Illinois Real Estate Portfolio Snapshot - Subreturn Breakdown As of March 31, 2024

Subreturn Breakdown	Last 10 Years			NET IRR	TVPI
	INC	APP	TNET		
<b>Total Core Funds</b>	<b>2.99%</b>	<b>3.15%</b>	<b>6.20%</b>	<b>4.48%</b>	<b>1.28x</b>
BlackRock Glb Renewable Power III	-	-	-	10.45%	1.16x
Blackstone Property Partners	-	-	-	2.79%	1.13x
Carlyle Property Investors	-	-	-	9.48%	1.49x
Clarion Partners Lion Properties Fund	-	-	-	(15.53%)	0.80x
GI Partners ETS Fund	-	-	-	2.16%	1.03x
Heitman America Real Estate Trust	-	-	5.87%	5.95%	1.51x
IFM Glb Infrast Fund (GIF)	-	-	-	6.30%	1.08x
JP Morgan Strategic Property Fund	3.18%	1.23%	4.44%	4.51%	1.54x
Prologis US Logistics Fund (USLF)	-	-	-	14.03%	1.51x
UBS Trumbull Property Fund (TPF)	3.50%	(0.59%)	2.89%	6.06%	1.70x
<b>Total Non-Core Funds</b>	<b>0.16%</b>	<b>8.09%</b>	<b>8.27%</b>	<b>8.59%</b>	<b>1.23x</b>
Basis Real Estate Debt Fund I	-	-	-	11.93%	1.26x
Basis Real Estate Debt Fund II	-	-	-	6.86%	1.07x
Blackstone European VI	-	-	-	12.57%	1.24x
Blackstone RE Partners Asia III	-	-	-	(19.40%)	0.77x
Blue Vista Real Estate IV	-	-	-	9.92%	1.47x
Brasa II	-	-	-	2.03%	1.03x
Brookfield Strategic Real Estate II	-	-	-	10.88%	1.51x
Brookfield Strategic RE III	-	-	-	10.71%	1.33x
Brookfield Strategic RE IV	-	-	-	4.57%	1.05x
Cabot Industrial Value VI (CIVF)	-	-	-	13.00%	1.31x
Cabot Industrial Value VII (CIVF)	-	-	-	(53.10%)	0.81x
Crow Holdings Realty VII	-	-	-	10.80%	1.37x
Crow Holdings Realty VIII	-	-	-	23.21%	1.61x
Crow Holdings Realty IX	-	-	-	7.60%	1.14x
Dune Real Estate Partners II	(0.73%)	6.43%	5.66%	14.24%	1.82x
Dune Real Estate Partners III/2022	-	-	4.51%	5.13%	1.24x
Dune RE IV	-	-	-	4.33%	1.10x
Franklin Templeton FTPREF	10.07%	(14.63%)	1.04%	20.47%	1.37x
Franklin Templeton EMREFF	1.25%	(22.79%)	(22.81%)	11.52%	1.34x
Franklin Templeton MDP RE 2015	-	-	-	1.86%	1.07x
Longpoint Realty Fund II	-	-	-	4.10%	1.07x
Longpoint Realty Fund III	-	-	-	(50.24%)	0.84x
Long Wharf VI	-	-	-	15.08%	1.23x
Long Wharf VII	-	-	-	(25.66%)	0.87x
Newport Capital Partners Fund III	-	-	-	11.69%	1.11x
Oaktree Real Estate Debt Fund II	-	-	-	2.62%	1.07x
Torchlight Debt VII	-	-	-	3.30%	1.07x
Torchlight Debt VIII	-	-	-	(2.86%)	0.98x
StepSt Partner RE II (fka MFIRE) (2)	(1.22%)	3.49%	2.24%	5.99%	1.41x
Westbrook XI	-	-	-	13.57%	1.14x
<b>Total Private Real Estate</b>	<b>2.23%</b>	<b>4.44%</b>	<b>6.74%</b>	<b>5.32%</b>	<b>1.26x</b>
<b>Total Non-C w/ Infrastructure</b>	<b>0.15%</b>	<b>8.25%</b>	<b>8.44%</b>	<b>8.66%</b>	<b>1.27x</b>
<b>Total Farmland</b>	-	-	-	<b>5.58%</b>	<b>1.11x</b>
Homestead USA Farmland Fund III	-	-	-	6.13%	1.13x
Homestead USA Farmland Fund IV	-	-	-	(21.96%)	0.88x
<b>Total Private Infrastructure</b>	<b>0.15%</b>	<b>9.18%</b>	<b>9.43%</b>	<b>8.81%</b>	<b>1.44x</b>
Ember Infrastructure I	-	-	-	9.45%	1.12x
Macquarie Infrastructure Partners III	-	-	-	17.35%	2.24x
Macquarie Infrastructure Partners IV	-	-	-	9.62%	1.43x
Pantheon Glb Infrast Secondaries IV	-	-	-	8.40%	1.07x
<b>Total Real Assets</b>	<b>2.01%</b>	<b>4.96%</b>	<b>7.05%</b>	<b>5.96%</b>	<b>1.28x</b>



## State Universities Retirement System of Illinois Real Estate Portfolio Snapshot - Quarterly Cashflows As of March 31, 2024

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Capital Contribution	Accounting Income	Mgmt. Fees	Appreciation	Distributions	Ending Market Value	LTV
BR Glb Renewable (GRP) III	\$79,050,867	\$0	\$40,994	\$245,269	\$1,681,275	\$0	\$80,527,866	10.80%
Blackstone Property Partners	\$225,937,502	\$561,267	\$346,585	\$527,599	\$2,438,195	\$561,267	\$228,194,683	47.00%
Carlyle Property Investors	\$160,856,518	\$878,036	\$569,575	\$339,358	\$-904,765	\$912,678	\$160,147,329	50.00%
Clarion Partners LPF Fund	\$182,029,530	\$1,635,362	\$1,629,767	\$365,732	\$-6,499,789	\$1,618,659	\$176,810,479	27.20%
GI Partners ETS Fund	\$64,919,203	\$617,600	\$527,589	\$190,865	\$-1,206,312	\$1,236,367	\$63,430,848	43.90%
Heitman (HART)	\$265,091,663	\$2,126,099	\$2,906,265	\$470,892	\$-7,114,523	\$2,126,099	\$260,412,513	25.00%
IFM Glb Infrast Fund (GIF)	\$108,857,956	\$0	\$845,375	\$205,536	\$-1,603,814	\$0	\$107,893,981	34.39%
JP Morgan (SPF)	\$245,538,578	\$0	\$2,321,145	\$519,733	\$-15,789,437	\$0	\$231,550,553	30.71%
Prologis US Logistics Fund	\$153,955,188	\$1,151,874	\$1,644,275	\$386,723	\$1,546,892	\$1,171,885	\$156,739,622	20.60%
UBS (TPF)	\$85,572,467	\$704,684	\$805,976	\$135,179	\$-2,223,955	\$704,684	\$84,019,309	22.24%
<b>Total Core Funds</b>	<b>\$1,571,809,473</b>	<b>\$7,674,922</b>	<b>\$11,637,546</b>	<b>\$3,386,888</b>	<b>\$-29,676,232</b>	<b>\$8,331,639</b>	<b>\$1,549,727,182</b>	
Basis Real Estate Debt Fund I	\$20,401,902	\$0	\$686,035	\$86,862	\$-196,924	\$0	\$20,804,151	42.00%
Basis Real Estate Debt Fund II	\$26,524,510	\$2,940,122	\$1,129,629	\$155,822	\$-64,909	\$549,763	\$29,823,767	-
Blackstone BREP Europe VI	\$63,304,944	\$455,183	\$23,711	\$217,182	\$-791,659	\$78,639	\$62,696,359	69.00%
Blackstone RE Partners Asia III	\$6,758,370	\$1,337,021	\$-60,452	\$187,500	\$-138,477	\$0	\$7,708,962	25.00%
Blue Vista Real Estate IV	\$10,520,378	\$0	\$1,601	\$46,405	\$-484,792	\$599,229	\$9,391,553	63.90%
Brasa II	\$22,162,143	\$888,691	\$-138,390	\$139,616	\$444,243	\$0	\$23,217,069	32.60%
Brookfield Strategic Real Estate II	\$21,967,000	\$500,566	\$139,153	\$325,110	\$-1,422,507	\$741,757	\$20,117,345	59.00%
Brookfield Strategic RE III	\$38,883,273	\$636,753	\$173,351	\$231,447	\$629,623	\$343,256	\$39,748,297	51.00%
Brookfield Strategic RE IV	\$48,447,314	\$2,003,604	\$2,533	\$241,259	\$-260,310	\$724,799	\$49,227,083	59.00%
Brookfield Strategic RE V	\$0	\$0	\$-222,123	\$562,427	\$-402,027	\$0	\$-1,186,577	-
Cabot Industrial Value VI	\$51,166,535	\$652,000	\$560,122	\$187,500	\$1,047,763	\$0	\$53,238,920	43.10%
Cabot Industrial Value VII	\$4,389,794	\$3,672,500	\$-56,697	\$187,041	\$393,553	\$0	\$8,212,109	43.10%
Crow Holdings Realty VII	\$763,657	\$0	\$-7,287	\$0	\$11,259	\$0	\$767,629	64.98%
Crow Holdings Realty VIII	\$675,140	\$0	\$-7,173	\$2,485	\$-15,291	\$0	\$650,191	60.60%
Crow Holdings Realty IX	\$39,601,187	\$0	\$29,978	\$107,925	\$-1,331,938	\$0	\$38,191,302	40.00%
Crow Holdings Realty X	\$0	\$10,750,054	\$-522,019	\$1,256,944	\$-1,236,429	\$0	\$7,734,662	-
Dune Real Estate Partners II	\$5,425,300	\$0	\$-6,012	\$9,746	\$167,610	\$0	\$5,577,152	-
Dune Real Estate Partners III/2022	\$67,237,997	\$0	\$-2,110	\$99,135	\$-2,076,229	\$24,784	\$65,035,739	-
Dune Real Estate Partners IV	\$44,956,448	\$0	\$-21,915	\$151,310	\$1,004,471	\$0	\$45,787,694	52.00%
Franklin Templeton FTPREF	\$440,434	\$0	\$-13,651	\$13,158	\$-47,527	\$0	\$366,098	48.00%
Franklin Templeton EMREFF	\$329,065	\$0	\$-18,657	\$19,629	\$-37,206	\$0	\$253,573	94.00%
Franklin Templeton MDP RE 2015	\$64,522,017	\$372,861	\$-45,294	\$81,471	\$-3,556,732	\$0	\$61,211,381	58.00%
Longpoint Realty Fund II	\$47,186,778	\$0	\$184,216	\$152,748	\$494,412	\$448,095	\$47,264,563	44.56%
Longpoint Realty Fund III	\$10,336,804	\$0	\$-187,789	\$209,425	\$108,152	\$6,000,000	\$4,047,742	44.56%
Long Wharf VI	\$27,455,218	\$0	\$160,528	\$95,496	\$46,417	\$0	\$27,566,666	51.46%
Long Wharf VII	\$4,186,486	\$1,190,000	\$-20,905	\$117,376	\$96,439	\$0	\$5,334,644	-
Newport Capital Partners Fund III	\$5,873,583	\$0	\$65,878	\$30,706	\$90,548	\$0	\$5,999,303	58.25%
Oaktree Real Estate Debt Fund II	\$11,512,929	\$17,916	\$70,586	\$34,799	\$-213,447	\$28,752	\$11,324,433	63.90%
StepSt Partner RE II (fka MFIRE)	\$11,790,898	\$0	\$0	\$0	\$0	\$0	\$11,790,898	32.00%
Torchlight Debt VII	\$26,435,906	\$2,500,000	\$424,626	\$175,000	\$34,685	\$0	\$29,220,217	55.17%
Torchlight Debt VIII	\$5,709,973	\$3,750,000	\$150,498	\$156,250	\$359,749	\$0	\$9,813,970	87.86%
Westbrook XI	\$53,951,267	\$219,823	\$-124,478	\$219,823	\$1,047,296	\$5,319,732	\$49,554,353	33.90%
<b>Total Non-Core Funds</b>	<b>\$742,917,249</b>	<b>\$31,887,094</b>	<b>\$2,347,493</b>	<b>\$5,501,598</b>	<b>\$-6,300,185</b>	<b>\$14,858,805</b>	<b>\$750,491,248</b>	
Homestead USA Farmland III	\$64,539,897	\$0	\$182,275	\$201,099	\$305,075	\$0	\$64,826,148	30.00%
Homestead USA Farmland Fund IV	\$3,743,428	\$817,280	\$13,915	\$147,440	\$-8,028	\$28,748	\$4,390,407	30.00%
<b>Total Farmland</b>	<b>\$68,283,325</b>	<b>\$817,280</b>	<b>\$196,190</b>	<b>\$348,539</b>	<b>\$297,047</b>	<b>\$28,748</b>	<b>\$69,216,555</b>	
Alinda Infrastructure Fund II	\$307,105	\$0	\$-1,412	\$0	\$1,433	\$0	\$307,126	-
Macquarie Infrastructure III	\$52,965,943	\$670,126	\$131,829	\$2,527,610	\$2,446,021	\$7,041,580	\$46,644,729	39.00%
Macquarie Infrastructure IV	\$62,276,102	\$34,346	\$19,821	\$169,579	\$659,026	\$34,346	\$62,785,370	35.00%
Ember Infrastructure I	\$27,455,006	\$0	\$128,221	\$98,664	\$334,814	\$0	\$27,819,377	0.00%
Ember Infrastructure II	\$0	\$0	\$-58,283	\$148,126	\$0	\$0	\$-206,409	-
Pantheon Glb Infrast Second IV	\$49,778,438	\$3,211,339	\$11,386	\$211,339	\$1,998,193	\$0	\$54,788,017	39.00%
<b>Total Private Infrastructure</b>	<b>\$192,782,594</b>	<b>\$3,915,811</b>	<b>\$231,562</b>	<b>\$3,155,318</b>	<b>\$5,439,487</b>	<b>\$7,075,927</b>	<b>\$192,138,210</b>	
<b>Total Portfolio</b>	<b>\$2,575,792,642</b>	<b>\$44,295,107</b>	<b>\$14,412,791</b>	<b>\$12,392,343</b>	<b>\$-30,239,883</b>	<b>\$30,295,119</b>	<b>\$2,561,573,195</b>	





## Total Core Fund Period Ended March 31, 2024

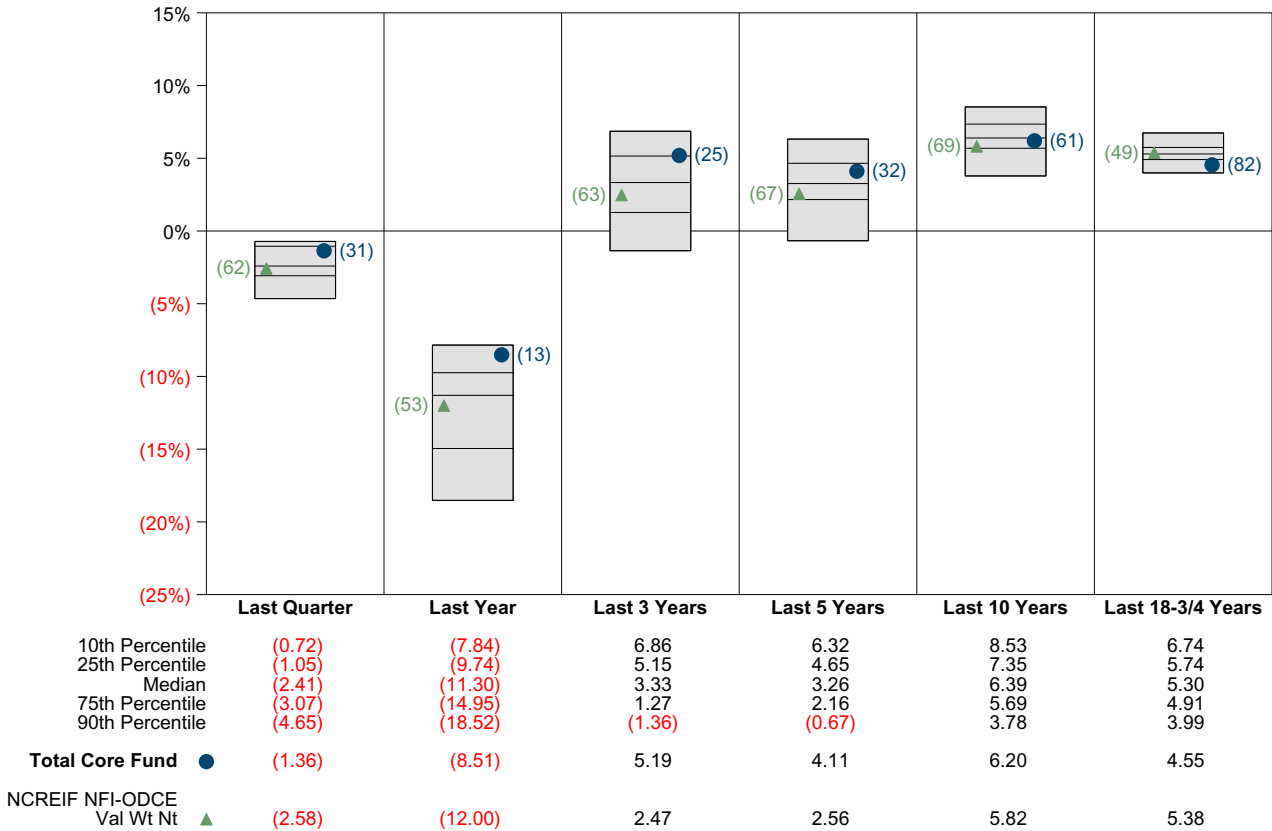
### Quarterly Summary and Highlights

- Total Core Fund's portfolio posted a (1.36)% return for the quarter placing it in the 31 percentile of the Callan Real Estate ODCE group for the quarter and in the 13 percentile for the last year.
- Total Core Fund's portfolio outperformed the NCREIF NFI-ODCE Val Wt Nt by 1.22% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Nt for the year by 3.49%.

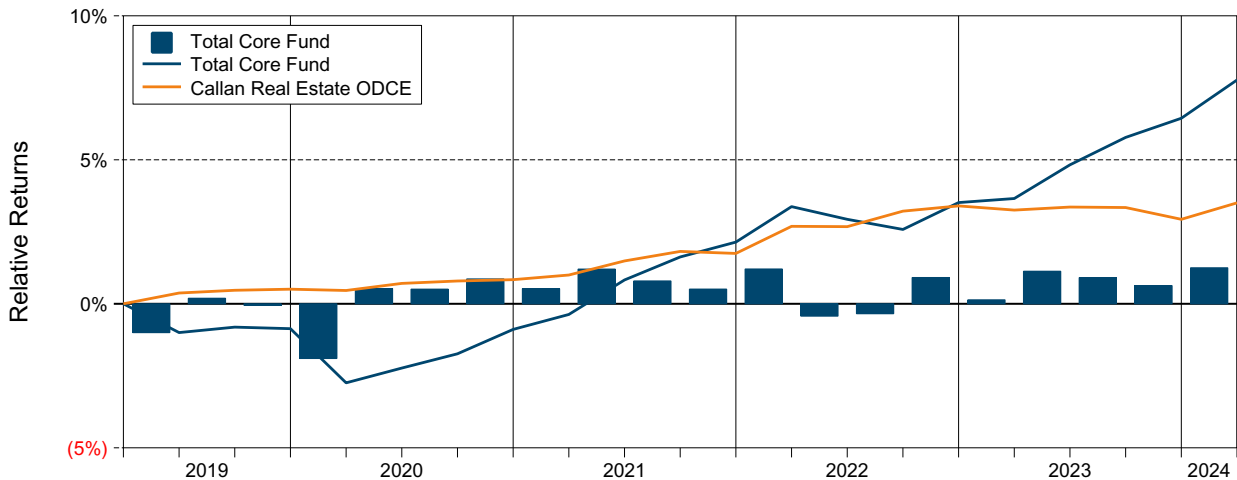
### Quarterly Asset Growth

Beginning Market Value	\$1,571,809,473
Net New Investment	\$-4,043,605
Investment Gains/(Losses)	\$-18,038,686
Ending Market Value	\$1,549,727,182

### Performance vs Callan Real Estate ODCE



### Cumulative and Quarterly Relative Returns vs NCREIF NFI-ODCE Val Wt Nt

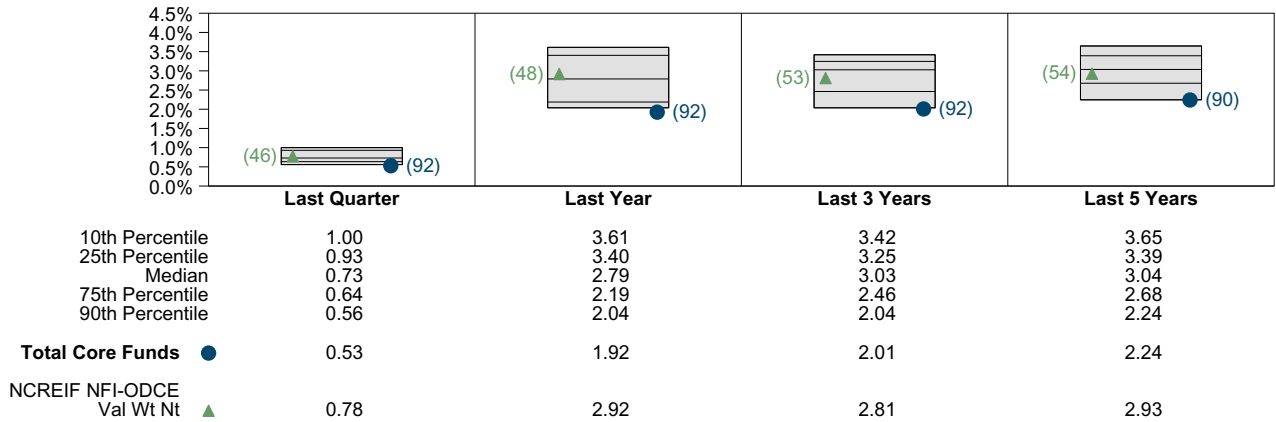


## Total Core Funds Return Analysis

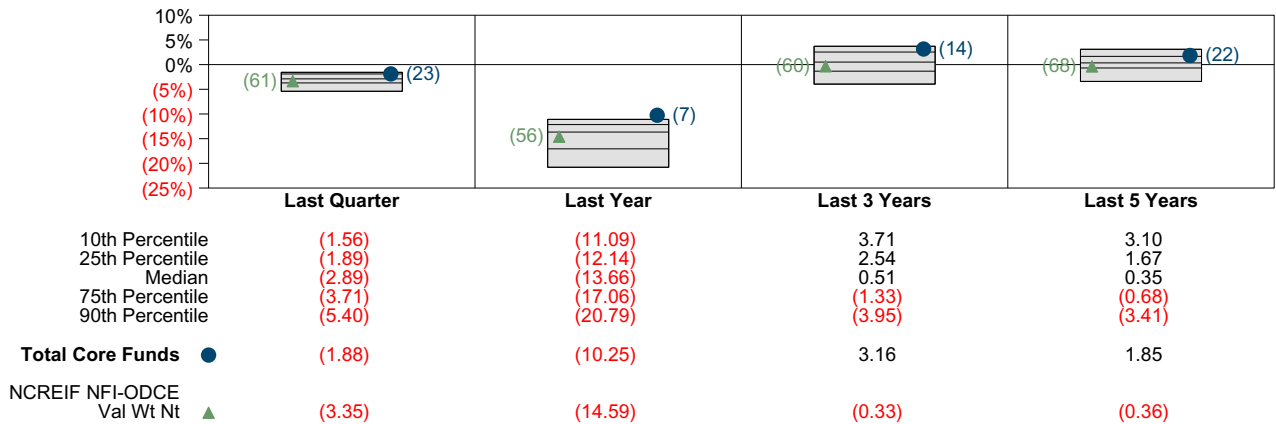
### Return Analysis

The graphs below give a detailed analysis of the portfolio's return by decomposing it into component subreturns. The first chart shows the portfolio's income return ranked against the income returns of the appropriate peer group. The second chart performs the same comparison using appreciation returns. The bottom graph illustrates the historical composition of total return on an income versus appreciation basis.

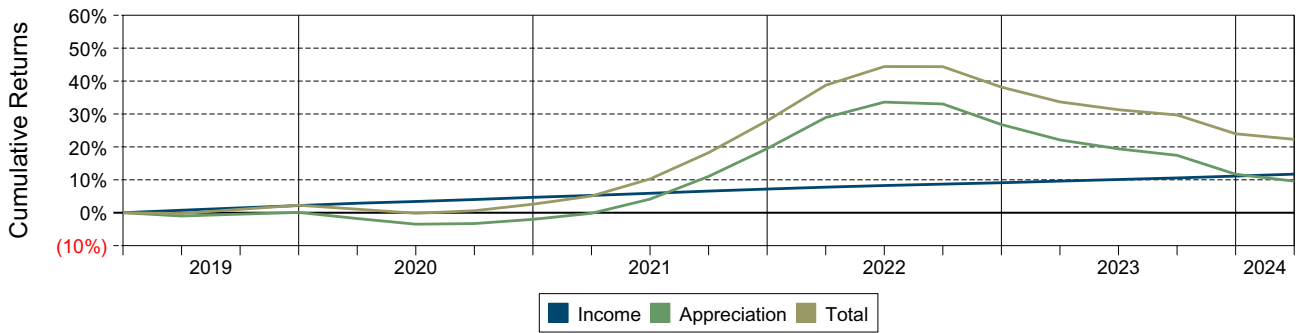
### Income Rankings vs Callan Real Estate ODCE Periods ended March 31, 2024



### Appreciation Rankings vs Callan Real Estate ODCE Periods ended March 31, 2024



### Cumulative Return Composition by Income/Appreciation



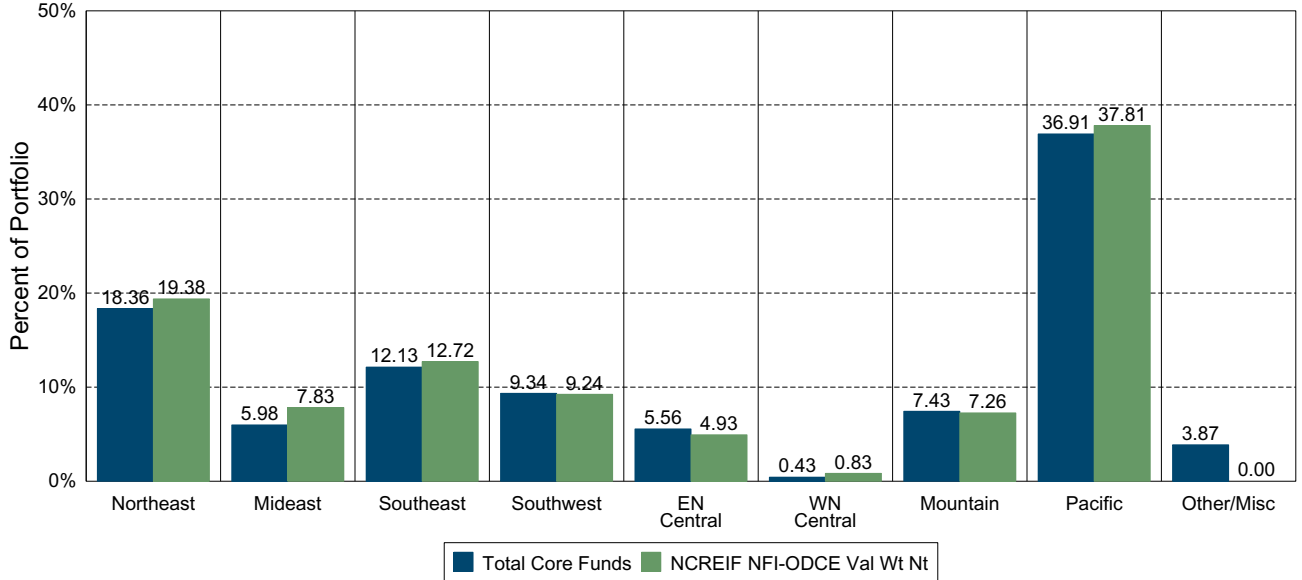
	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Income	0.53%	1.92%	2.01%	2.24%
Appreciation	(1.88%)	(10.25%)	3.16%	1.85%
<b>Total</b>	<b>(1.36%)</b>	<b>(8.51%)</b>	<b>5.19%</b>	<b>4.11%</b>

## Total Core Funds Diversification Analysis as of March 31, 2024

### Diversification Analysis

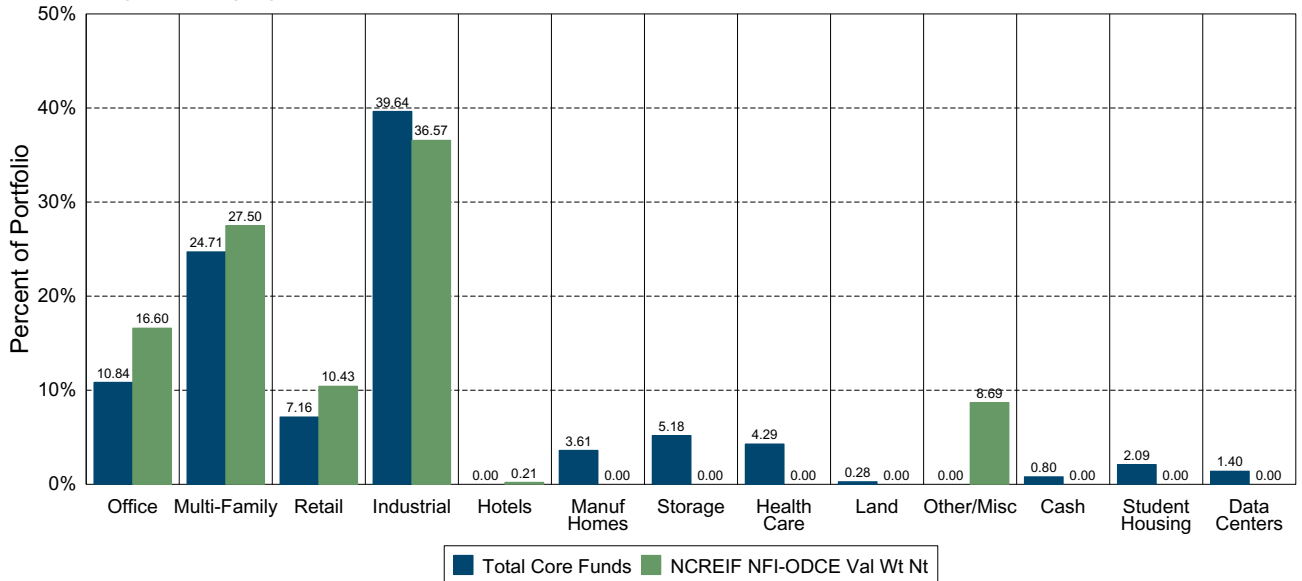
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

#### Diversification by Geographic Region as of March 31, 2024



<b>Total Core Funds</b>	<b>18.36%</b>	<b>5.98%</b>	<b>12.13%</b>	<b>9.34%</b>	<b>5.56%</b>	<b>0.43%</b>	<b>7.43%</b>	<b>36.91%</b>	<b>3.87%</b>
NCREIF NFI-ODCE Val Wt Nt	19.38%	7.83%	12.72%	9.24%	4.93%	0.83%	7.26%	37.81%	0.00%

#### Diversification by Property Type as of March 31, 2024



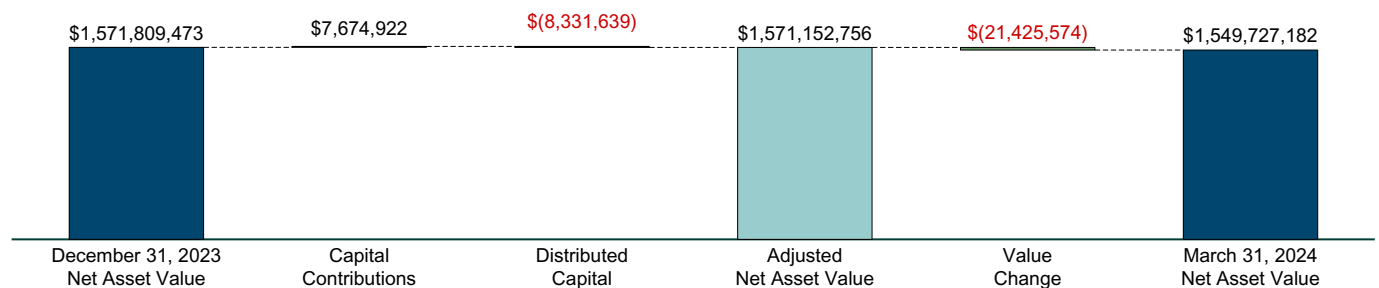
<b>Total Core Funds</b>	<b>10.84%</b>	<b>24.71%</b>	<b>7.16%</b>	<b>39.64%</b>	<b>0.00%</b>	<b>3.61%</b>	<b>5.18%</b>	<b>4.29%</b>	<b>0.28%</b>	<b>0.00%</b>	<b>0.80%</b>	<b>2.09%</b>	<b>1.40%</b>
NCREIF NFI-ODCE Val Wt Nt	16.60%	27.50%	10.43%	36.57%	0.21%	0.00%	0.00%	0.00%	0.00%	8.69%	0.00%	0.00%	0.00%

These charts do not include IFM and BlackRock Global Renewable Power III portfolio exposure, which are reflected in the infrastructure portfolio section of this document.

## Total Core Funds Fund Overview Period Ended March 31, 2024

Quarterly Position Change	December 31, 2023	Quarterly Change	March 31, 2024
Client Commitment	\$1,826,262,395	\$(193,973,115)	\$1,632,289,280
Paid-In Capital	\$1,782,427,308	\$7,674,922	\$1,790,102,230
Remaining Commitment	\$50,782,225	\$(7,057,322)	\$43,724,903
Distributions	\$737,532,638	\$8,331,639	\$745,864,278
Recallable Distributions	\$6,947,139	\$0	\$6,947,139
Non-Recallable Distributions	\$730,585,500	\$8,331,639	\$738,917,139
Net Asset Value	\$1,571,809,473	\$(22,082,291)	\$1,549,727,182
<b>Total Distributed Capital and Net Asset Value</b>	<b>\$2,309,342,112</b>	<b>\$(13,750,652)</b>	<b>\$2,295,591,460</b>

Performance Change	December 31, 2023	Quarterly Change	March 31, 2024
Net Internal Rate of Return, Since Inception	4.74%	(0.26%)	4.48%
Total Value to Paid-in Capital (TVPI)	1.30x	(0.01x)	1.28x
Distributions to Paid-in Capital (DPI)	0.41x	0.00x	0.42x
Residual Value to Paid-in Capital (RVPI)	0.88x	(0.02x)	0.87x
% of Commitments Contributed	97.60%	(12.07%)	109.67%



**Total Core Funds  
Real Estate Portfolio  
Quarterly Changes in Market Value**

	<b>Beg. of Period Market</b>	<b>+ Capital Contri- butions</b>	<b>+ Accounting Income</b>	<b>- Mgmt. Fees</b>	<b>+ Appre- ciation</b>	<b>- Dist. of Income &amp; Real. Gains</b>	<b>- Return of Capital</b>	<b>- Dist. of Recallable Capital</b>	<b>= End of Period Market</b>
06/2005	0	42,173,431	0	0	(0)	123,467	0	0	42,049,963
09/2005	42,049,963	34,412,979	0	0	2,932,432	852,473	0	0	78,542,902
12/2005	78,542,902	48,535,080	0	0	(2,207,961)	1,217,584	0	0	123,652,438
03/2006	123,652,438	1,679,008	0	0	7,754,988	1,679,008	0	0	131,407,426
06/2006	131,407,426	154,313,912	17,260	0	62,225	1,829,427	0	0	283,971,396
09/2006	283,971,396	6,538,259	1,719,275	0	(379,023)	1,882,915	0	0	289,966,992
12/2006	289,966,992	7,421,001	1,708,539	334,414	6,091,615	1,887,109	0	0	302,966,624
03/2007	302,966,624	6,918,111	1,675,293	348,138	13,086,106	3,690,165	0	2,458,173	318,149,659
06/2007	318,149,659	1,842,480	1,807,242	359,826	14,785,736	1,842,480	0	0	334,382,812
09/2007	334,382,812	2,265,946	1,724,761	380,988	10,156,598	1,826,121	0	0	346,323,006
12/2007	346,323,006	1,956,882	1,690,561	388,418	6,336,475	5,689,851	0	0	350,228,655
03/2008	350,228,655	1,988,386	1,674,352	663,376	1,569,797	1,988,386	0	0	352,809,428
06/2008	352,809,428	8,831,700	1,822,454	128,447	(17,340,577)	2,918,708	0	0	343,075,849
09/2008	343,075,849	3,142,415	1,822,648	376,323	(2,083,408)	3,142,415	0	0	342,438,766
12/2008	342,438,766	3,143,110	1,881,551	286,163	(45,400,090)	3,143,110	0	0	298,634,064
03/2009	298,634,064	3,043,682	1,823,223	273,693	(44,893,159)	4,264,862	0	0	254,069,254
06/2009	254,069,254	0	1,993,364	245,510	(23,744,888)	1,989,933	0	0	230,082,288
09/2009	230,082,288	0	1,856,064	229,116	(12,623,050)	2,003,491	0	0	217,082,695
12/2009	217,082,695	0	1,941,196	219,293	(10,579,600)	1,965,752	0	0	206,259,246
03/2010	206,259,246	25,000,000	2,015,326	210,612	734,572	2,061,158	0	0	231,737,374
06/2010	231,737,374	25,000,000	3,097,524	239,447	5,875,693	2,456,070	0	0	263,015,074
09/2010	263,015,074	25,000,000	2,907,443	294,552	19,481,662	2,727,021	0	0	307,382,606
12/2010	307,382,606	25,000,000	3,508,214	352,327	8,301,755	3,289,692	0	0	340,550,556
03/2011	340,550,556	729,856	3,075,967	536,833	8,039,725	3,328,279	0	0	348,530,991
06/2011	348,530,991	373,333	3,164,967	532,587	13,112,189	3,312,655	0	0	361,336,239
09/2011	361,336,239	0	2,826,761	548,964	8,061,155	3,423,940	0	0	368,251,251
12/2011	368,251,251	2,742,886	2,951,718	573,696	326,262	3,370,782	0	0	370,327,638
03/2012	370,327,638	0	3,151,595	584,466	10,096,537	3,371,343	0	0	379,619,962
06/2012	379,619,962	0	3,284,552	593,560	5,820,257	3,614,621	0	0	384,516,590
09/2012	384,516,590	0	3,281,072	602,425	7,045,754	3,538,911	0	0	390,702,080
12/2012	390,702,080	0	3,203,843	617,047	5,101,569	3,618,228	0	0	394,772,217
03/2013	394,772,217	1,877,167	3,134,604	623,802	4,126,592	3,511,370	0	0	399,775,408
06/2013	399,775,408	2,020,815	3,306,339	620,069	2,839,703	126,297,490	0	0	281,024,706
09/2013	281,024,706	2,021,583	3,486,244	640,041	4,041,332	2,021,583	0	0	287,912,241
12/2013	287,912,241	2,019,211	3,327,480	662,689	2,876,014	2,019,211	0	0	293,453,046
03/2014	293,453,046	2,026,127	3,498,662	675,676	4,092,666	3,108,944	0	0	299,285,881
06/2014	299,285,881	152,141,703	4,330,563	673,661	6,068,365	5,473,448	0	0	455,679,403
09/2014	455,679,403	84,701,781	6,614,316	876,265	9,483,935	2,558,418	0	0	553,044,752
12/2014	553,044,752	70,384,249	7,193,542	1,046,808	8,474,091	4,609,954	0	0	633,439,872
03/2015	633,439,872	3,519,884	7,666,902	1,388,073	13,754,118	4,602,702	0	0	652,390,002
06/2015	652,390,002	3,717,568	7,928,194	1,412,134	15,151,776	6,632,846	0	0	671,142,561
09/2015	671,142,561	3,867,915	8,024,405	1,460,732	14,216,218	6,783,192	0	0	689,007,175
12/2015	689,007,175	4,272,921	8,040,970	1,514,522	14,635,278	5,272,445	0	0	709,169,378
03/2016	709,169,378	4,167,510	8,208,628	1,549,352	6,593,212	4,750,566	0	0	721,838,810
06/2016	721,838,810	4,335,126	8,472,874	1,572,576	5,759,930	4,335,126	0	0	734,499,038
09/2016	734,499,038	4,434,732	8,241,544	1,601,396	5,820,143	5,684,137	0	0	745,709,924
12/2016	745,709,924	4,710,518	8,183,833	1,636,823	6,081,369	4,710,518	0	0	758,338,303

## Total Core Funds Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	- Dist. of Recallable Capital	= End of Period Market
03/2017	758,338,303	4,510,381	8,202,553	1,650,585	2,387,989	4,510,381	0	0	767,278,261
06/2017	767,278,261	4,717,467	8,561,851	1,575,382	1,672,771	4,717,467	0	0	775,937,501
09/2017	775,937,501	4,811,873	8,668,062	1,517,962	4,301,622	4,811,873	0	0	787,389,223
12/2017	787,389,223	4,884,337	8,737,135	1,548,066	8,037,307	5,140,413	0	0	802,359,524
03/2018	802,359,524	5,077,191	8,571,446	1,504,409	7,825,050	5,077,191	0	0	817,251,610
06/2018	817,251,610	1,549,715	7,467,734	1,596,780	5,913,199	4,879,789	119,628,173	0	706,077,517
09/2018	706,077,517	1,775,347	6,915,587	1,365,857	4,780,026	4,114,053	50,284,018	0	663,784,548
12/2018	663,784,548	6,947,898	6,338,602	1,313,594	2,391,377	3,735,032	63,423,650	0	610,990,149
03/2019	610,990,149	113,654,176	6,846,065	1,423,701	623,660	4,342,627	34,576,819	0	691,770,903
06/2019	691,770,903	186,146,039	6,736,636	1,420,271	(6,944,894)	4,106,202	7,168,475	0	865,013,736
09/2019	865,013,736	4,158,572	7,923,305	1,892,184	4,841,562	5,174,187	10,884,652	0	863,986,152
12/2019	863,986,152	3,933,949	7,829,458	1,892,887	4,499,919	4,918,291	7,853,492	0	865,584,807
03/2020	865,584,807	4,168,567	7,771,540	1,839,350	(15,901,831)	5,117,692	5,425,695	0	849,240,346
06/2020	849,240,346	3,989,577	6,171,756	1,809,652	(14,857,456)	4,689,952	0	0	838,044,620
09/2020	838,044,620	3,218,928	6,672,844	1,837,097	1,702,352	3,881,575	0	0	843,920,072
12/2020	843,920,072	105,111,015	8,036,584	2,037,822	12,382,967	5,698,577	0	0	961,714,239
03/2021	961,714,239	14,313,574	8,280,655	3,000,546	18,139,004	5,548,240	0	0	993,898,686
06/2021	993,898,686	10,013,547	8,463,402	2,307,488	42,933,308	5,759,845	0	2,007,955	1,045,233,656
09/2021	1,045,233,656	5,952,143	9,097,047	2,432,976	69,286,716	6,028,209	0	0	1,121,108,377
12/2021	1,121,108,377	12,048,110	9,173,401	2,624,972	85,960,962	6,279,645	0	0	1,219,386,232
03/2022	1,219,386,232	10,019,442	9,313,885	2,808,874	96,683,476	6,958,964	0	0	1,325,635,197
06/2022	1,325,635,197	26,451,741	9,327,206	3,160,547	48,834,343	6,933,806	0	1,283,269	1,398,870,866
09/2022	1,398,870,866	45,011,576	8,765,689	3,147,851	(6,040,575)	7,017,913	0	953,372	1,435,488,419
12/2022	1,435,488,419	126,475,615	9,410,773	3,347,924	(72,760,983)	7,194,279	0	244,370	1,487,827,250
03/2023	1,487,827,250	220,955,058	11,336,583	3,585,255	(62,950,618)	8,028,667	0	0	1,645,554,350
06/2023	1,645,554,350	18,236,823	10,711,171	3,510,323	(36,713,370)	7,173,824	0	0	1,627,104,828
09/2023	1,627,104,828	37,129,360	10,679,099	3,540,403	(27,035,554)	8,208,311	0	0	1,636,129,019
12/2023	1,636,129,019	14,894,022	11,542,768	3,437,093	(80,447,626)	6,871,617	0	0	1,571,809,473
03/2024	1,571,809,473	7,674,922	11,637,546	3,386,888	(29,676,232)	8,331,639	0	0	1,549,727,182
	0	1,790,102,230	410,476,248	94,391,575	189,404,558	439,672,166	299,244,974	6,947,139	1,549,727,182

## Returns

Net Since Inception IRR = 4.48%

## Ratios

Capital Account = \$1,549,727,182

Total Value = \$2,295,591,460

Committed Capital = \$1,632,289,280

Paid In Capital = \$1,790,102,230

Remaining Commitment = \$43,724,903

PIC Multiple (Paid In Capital/Committed Capital) = 109.67%

Total Economic Exposure (Capital Account + Remaining Commitment) = \$1,593,452,085

TVPI Investment Multiple (Total Value/Paid In Capital) = 1.28x

DPI Realization Multiple (Distributions/Paid In Capital) = 0.42x

RVPI Residual Multiple (Capital Account/Paid In Capital) = 0.87x





## Total Non-Core Fund Period Ended March 31, 2024

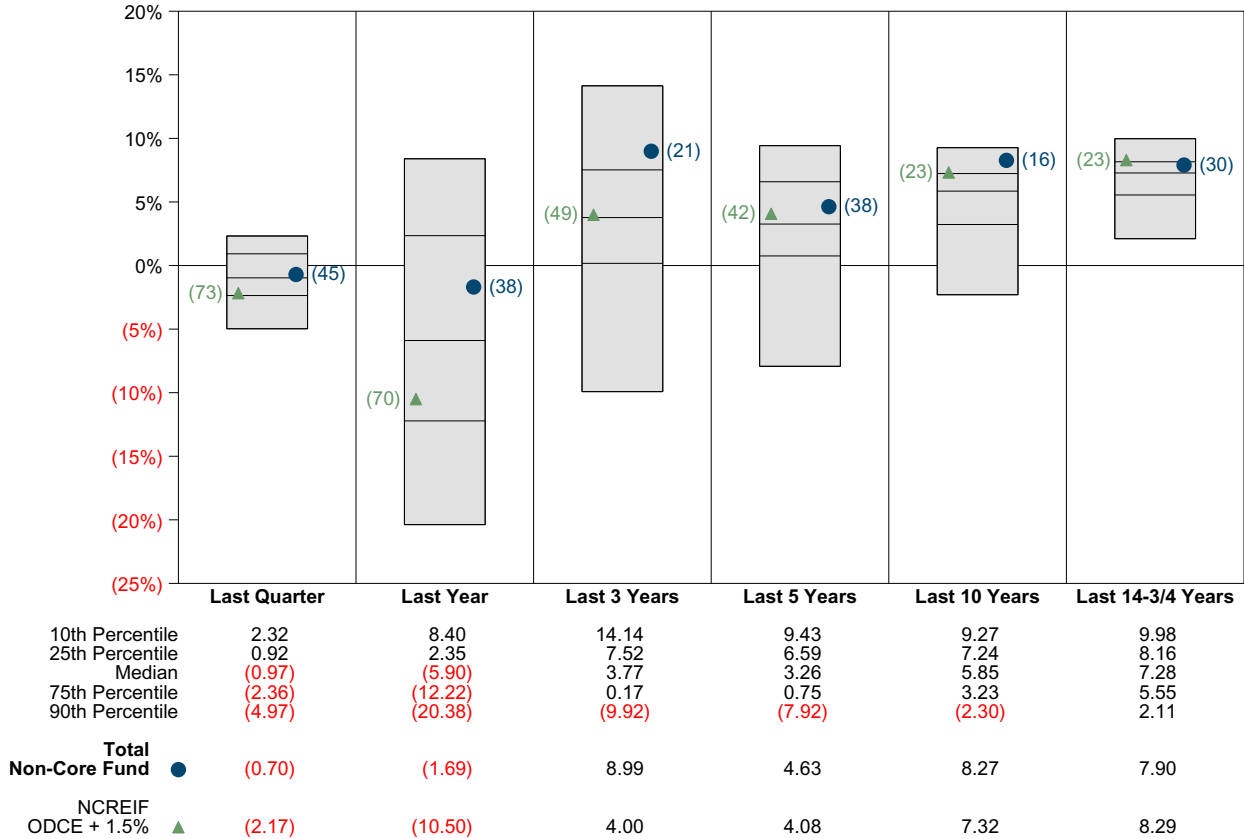
### Quarterly Summary and Highlights

- Total Non-Core Fund's portfolio posted a (0.70)% return for the quarter placing it in the 45 percentile of the Callan Total Domestic Real Estate DB group for the quarter and in the 38 percentile for the last year.
- Total Non-Core Fund's portfolio outperformed the NCREIF ODCE + 1.5% by 1.47% for the quarter and outperformed the NCREIF ODCE + 1.5% for the year by 8.81%.

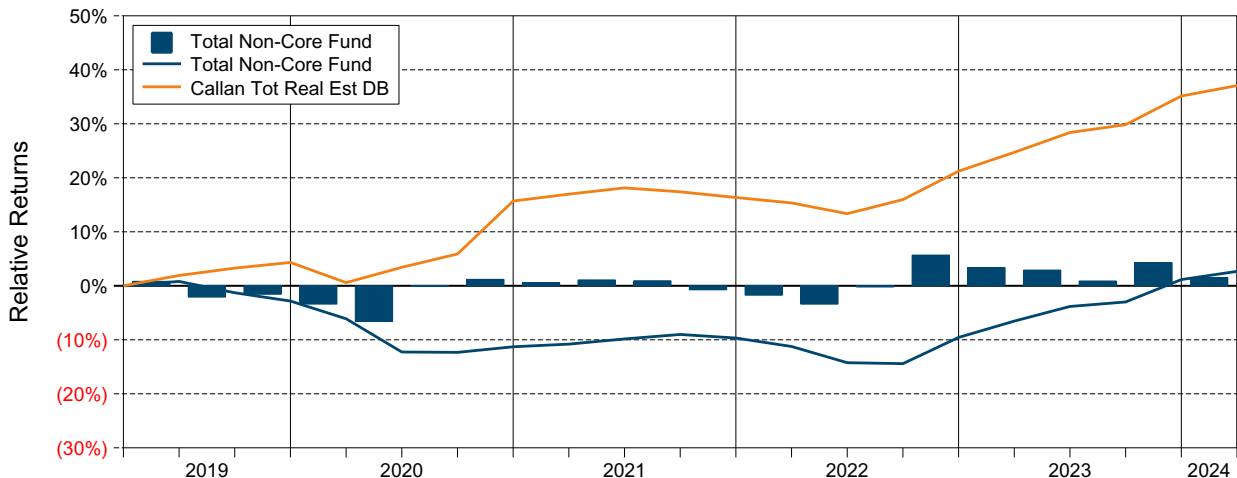
### Quarterly Asset Growth

Beginning Market Value	\$742,917,249
Net New Investment	\$11,933,519
Investment Gains/(Losses)	\$-4,359,520
Ending Market Value	\$750,491,248

### Performance vs Callan Total Domestic Real Estate DB



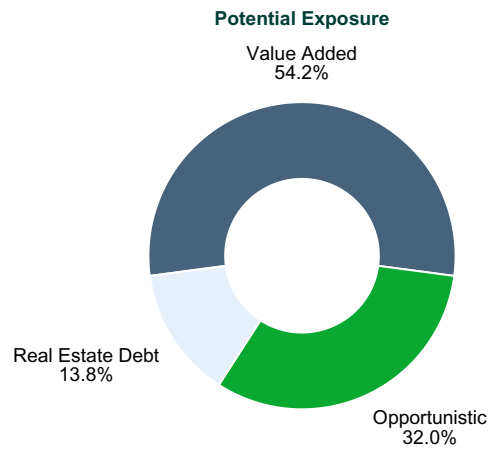
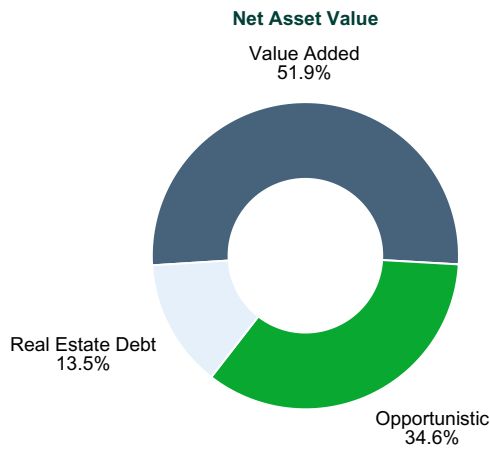
### Cumulative and Quarterly Relative Returns vs NCREIF ODCE + 1.5%



**Portfolio Diversification  
Total Non-Core Funds  
Period Ended March 31, 2024**

The following tables illustrate current and potential exposure by Strategy type as of March 31, 2024 in USD millions.

<b>Portfolio Exposure by Strategy Type</b>	<b>Net Asset Value</b>	<b>%</b>	<b>Unfunded Commitments</b>	<b>%</b>	<b>Potential Exposure</b>	<b>%</b>
Value Added	\$390	51.94%	\$354	56.81%	\$744	54.15%
Opportunistic	\$260	34.60%	\$180	28.94%	\$440	32.03%
Real Estate Debt	\$101	13.46%	\$89	14.24%	\$190	13.81%
<b>Total Non-Core Funds</b>	<b>\$750</b>		<b>\$624</b>		<b>\$1,374</b>	

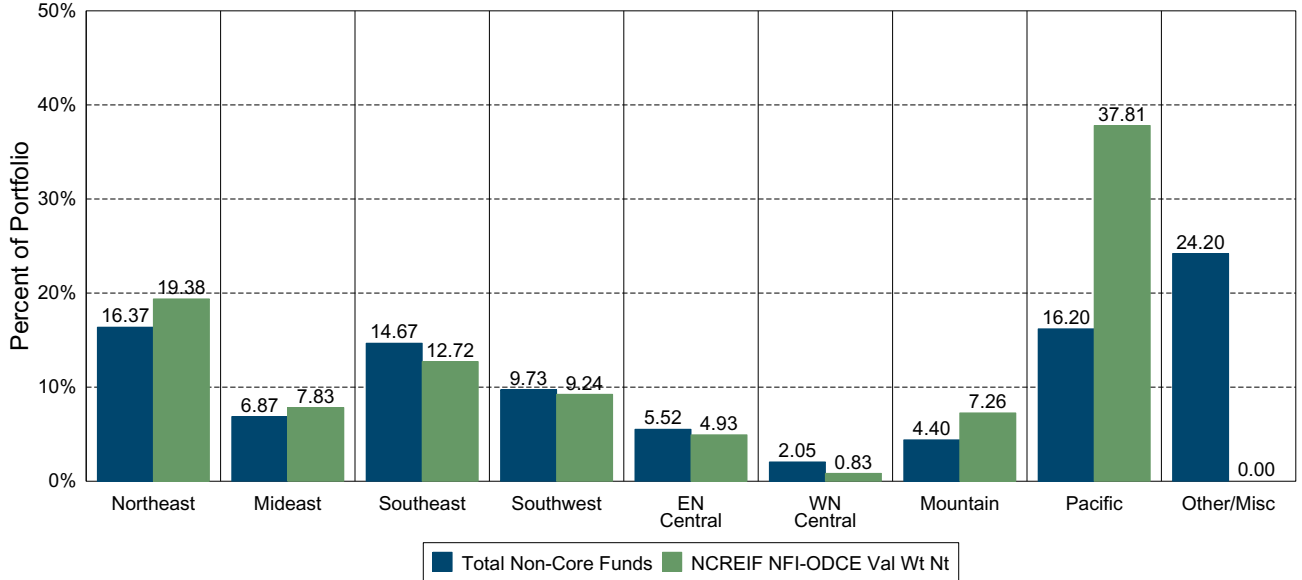


## Total Non-Core Funds Diversification Analysis as of March 31, 2024

### Diversification Analysis

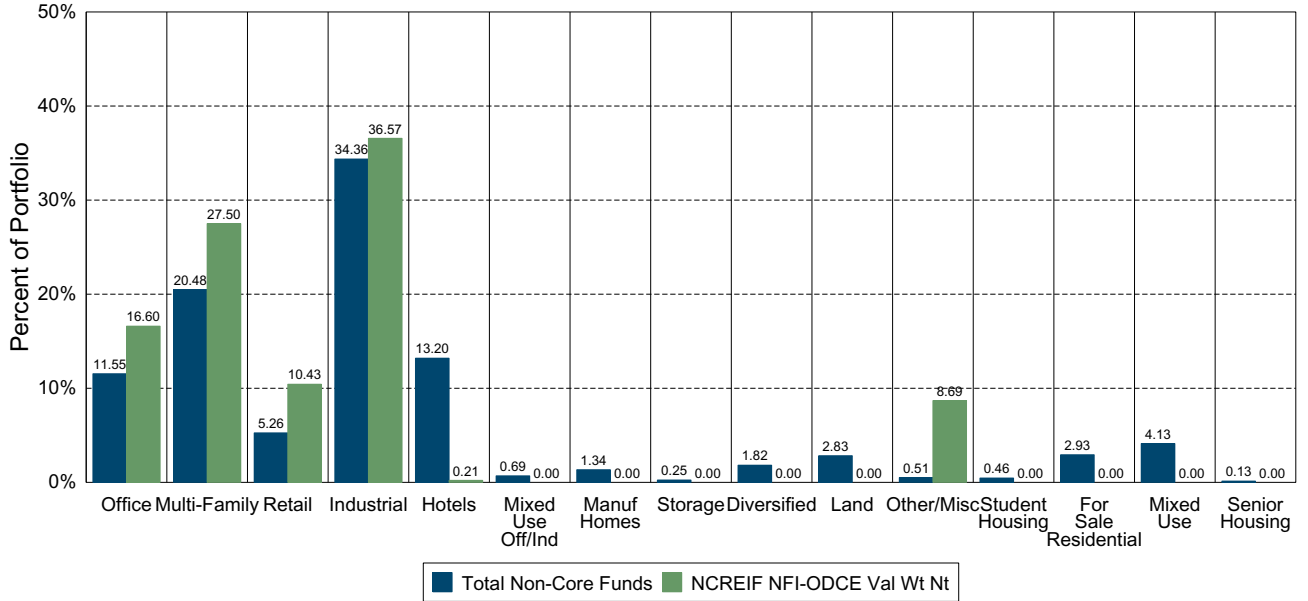
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of March 31, 2024



<b>Total Non-Core Funds</b>	<b>16.37%</b>	<b>6.87%</b>	<b>14.67%</b>	<b>9.73%</b>	<b>5.52%</b>	<b>2.05%</b>	<b>4.40%</b>	<b>16.20%</b>	<b>24.20%</b>
NCREIF NFI-ODCE Val Wt Nt	19.38%	7.83%	12.72%	9.24%	4.93%	0.83%	7.26%	37.81%	0.00%

### Diversification by Property Type as of March 31, 2024

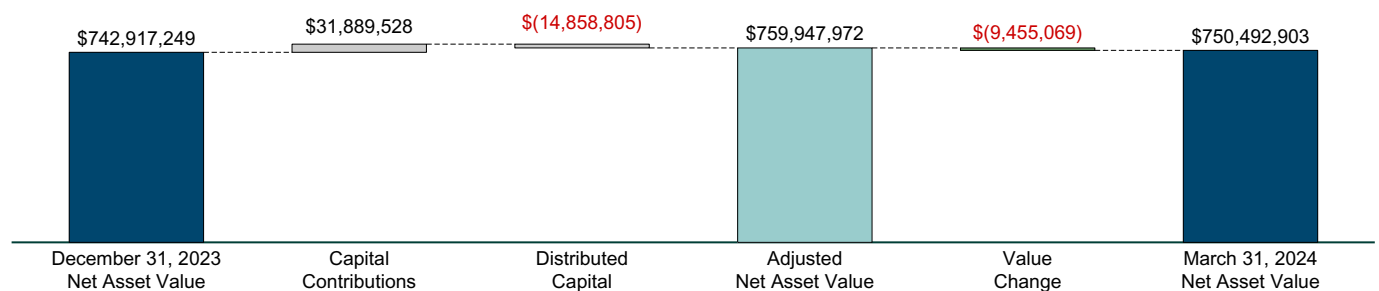


<b>Total Non-Core Funds</b>	<b>11.55%</b>	<b>20.48%</b>	<b>5.26%</b>	<b>34.36%</b>	<b>13.20%</b>	<b>0.69%</b>	<b>1.34%</b>	<b>0.25%</b>	<b>1.82%</b>	<b>2.83%</b>	<b>0.51%</b>	<b>0.46%</b>	<b>2.93%</b>	<b>4.13%</b>	<b>0.13%</b>
NCREIF NFI-ODCE Val Wt Nt	16.60%	27.50%	10.43%	36.57%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	8.69%	0.00%	0.00%	0.00%	0.00%

## Total Non-Core Funds Fund Overview Period Ended March 31, 2024

Quarterly Position Change	December 31, 2023	Quarterly Change	March 31, 2024
Client Commitment	\$1,567,929,691	\$178,951,500	\$1,746,881,191
Paid-In Capital	\$1,226,487,153	\$31,889,528	\$1,258,376,681
Remaining Commitment	\$470,408,296	\$153,250,860	\$623,659,156
Distributions	\$777,738,960	\$14,858,805	\$792,597,765
Recallable Distributions	\$121,336,191	\$6,188,888	\$127,525,079
Non-Recallable Distributions	\$656,402,768	\$8,669,917	\$665,072,686
Net Asset Value	\$742,917,249	\$7,575,654	\$750,492,903
<b>Total Distributed Capital and Net Asset Value</b>	<b>\$1,520,656,209</b>	<b>\$22,434,459</b>	<b>\$1,543,090,668</b>

Performance Change	December 31, 2023	Quarterly Change	March 31, 2024
Net Internal Rate of Return, Since Inception	9.13%	(0.54%)	8.59%
Total Value to Paid-in Capital (TVPI)	1.24x	(0.01x)	1.23x
Distributions to Paid-in Capital (DPI)	0.63x	(0.00x)	0.63x
Residual Value to Paid-in Capital (RVPI)	0.61x	(0.01x)	0.60x
% of Commitments Contributed	78.22%	6.19%	72.04%



**Total Non-Core Funds  
Real Estate Portfolio  
Quarterly Changes in Market Value**

	<b>Beg. of Period Market</b>	<b>+ Capital Contri- butions</b>	<b>+ Accounting Income</b>	<b>- Mgmt. Fees</b>	<b>+ Appre- ciation</b>	<b>- Income &amp; Real. Gains</b>	<b>- Return of Capital</b>	<b>- Dist. of Recallable Capital</b>	<b>= End of Period Market</b>
06/2009	0	3,600,000	(152,422)	346,790	376,767	0	0	0	3,477,555
09/2009	3,477,555	0	(152,422)	346,790	376,767	0	0	0	3,355,109
12/2009	3,355,109	0	(152,422)	346,790	(386,197)	0	0	0	2,469,700
03/2010	2,469,700	0	0	0	0	0	0	0	2,469,700
06/2010	2,469,700	2,040,000	0	0	0	0	0	0	4,509,700
09/2010	4,509,700	0	0	0	(10,187)	0	0	0	4,499,513
12/2010	4,499,513	1,840,000	17,012	135,646	399,673	0	0	0	6,620,552
03/2011	6,620,552	5,440,000	(26,405)	135,646	681,958	0	0	0	12,580,459
06/2011	12,580,459	4,000,000	(25,720)	130,831	947,860	892,588	0	0	16,479,180
09/2011	16,479,180	2,222,095	112,132	131,001	7,931,778	0	0	0	26,614,184
12/2011	26,614,184	13,913,056	803	129,577	(7,170,257)	25,232	0	0	33,202,977
03/2012	33,202,977	5,777,016	85,498	128,523	573,841	157,163	0	0	39,353,647
06/2012	39,353,647	12,851,428	(214,376)	217,981	646,423	2,393,217	0	544,391	49,481,533
09/2012	49,481,533	12,453,309	184,840	219,376	1,265,359	1,891,400	0	1,560,625	59,713,641
12/2012	59,713,641	21,304,116	(218,717)	219,163	2,639,006	2,230,488	0	1,311,525	79,676,870
03/2013	79,676,870	7,047,529	227,151	218,920	5,740,672	1,424,674	0	5,912,217	85,136,411
06/2013	85,136,411	11,612,726	102,625	193,322	7,072,908	4,257,611	0	35,883	99,437,853
09/2013	99,437,853	26,799,003	(327,214)	637,238	2,854,163	10,302,735	0	1,719,937	116,103,895
12/2013	116,103,895	60,859,397	(286,399)	358,262	4,584,715	2,826,783	0	250,445	177,826,118
03/2014	177,826,118	6,335,636	(2,515)	448,186	14,271,818	9,984,783	0	1,444,640	186,553,449
06/2014	186,553,449	16,245,772	50,126	534,036	4,203,408	4,571,851	0	20,362,045	181,584,824
09/2014	181,584,824	16,934,861	(432,836)	533,033	3,683,883	9,398,767	0	449,945	191,388,987
12/2014	191,388,987	6,732,235	(327,042)	220,274	7,194,125	4,487,010	0	22,718,143	177,562,878
03/2015	177,562,878	18,115,262	7,795	372,228	7,226,431	10,550,257	0	2,674,991	189,314,890
06/2015	189,314,890	19,148,867	(66,365)	407,952	7,355,309	6,254,578	0	1,339,019	207,751,152
09/2015	207,751,152	7,348,386	(105,494)	319,945	8,397,174	13,306,640	0	827,939	208,936,693
12/2015	208,936,693	16,598,291	(166,826)	967,189	7,227,426	8,398,932	0	388,596	222,840,867
03/2016	222,840,867	16,128,434	(65,398)	438,764	6,693,062	11,617,622	0	225,653	233,314,926
06/2016	233,314,926	27,561,495	(180,427)	618,398	7,947,793	6,628,760	0	183,426	261,213,203
09/2016	261,213,203	9,943,302	(67,198)	584,061	9,522,440	18,465,588	0	86,935	261,475,163
12/2016	261,475,163	22,876,164	51,901	727,927	9,844,850	24,228,231	0	1,810,102	267,481,817
03/2017	267,481,817	6,957,225	(185,570)	458,830	4,488,704	7,319,959	0	329,195	270,634,192
06/2017	270,634,192	13,304,128	330,119	592,730	9,690,874	17,628,691	0	655,280	275,082,613
09/2017	275,082,613	10,490,552	218,669	582,151	8,366,006	3,289,156	0	31,875	290,254,658
12/2017	290,254,658	12,626,626	424,355	582,150	11,445,546	14,687,351	0	665,618	298,816,066
03/2018	298,816,066	28,655,090	1,231,667	938,192	5,484,873	11,340,691	930,000	678,961	320,299,852
06/2018	320,299,852	20,614,445	2,485,045	1,036,091	4,738,015	4,278,821	16,057,331	162,915	326,602,199
09/2018	326,602,199	26,783,111	2,725,141	1,330,674	5,425,121	9,520,960	14,479,339	3,584,690	332,619,909
12/2018	332,619,909	13,199,558	3,591,013	1,220,208	8,800,654	3,993,860	6,807,022	6,146,684	340,043,360
03/2019	340,043,360	19,463,468	6,946,114	1,169,984	1,818,183	5,750,384	5,155,104	0	356,195,654
06/2019	356,195,654	20,485,053	4,032,229	1,194,863	4,129,883	7,592,582	10,987,186	6,170,196	358,897,990
09/2019	358,897,990	20,956,246	2,627,610	2,100,348	(792,488)	7,771,465	12,806,200	620,309	358,391,036
12/2019	358,391,036	15,507,323	5,160,335	1,405,338	(4,200,243)	5,092,759	4,017,896	1,980,829	362,361,628
03/2020	362,361,628	25,925,447	2,091,093	1,433,998	(8,817,746)	5,791,539	12,218,341	1,437,607	360,678,937
06/2020	360,678,937	16,765,573	1,524,993	1,609,328	(28,328,041)	2,431,376	1,923,758	167,748	344,509,252
09/2020	344,509,252	18,701,590	1,979,133	1,996,439	2,342,718	4,684,554	7,202,553	983,605	352,665,544
12/2020	352,665,544	15,210,179	2,400,050	1,862,190	8,957,161	4,680,569	5,891,878	0	366,798,297

## Total Non-Core Funds Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	- Dist. of Recallable Capital	= End of Period Market
03/2021	366,798,297	26,878,314	2,096,758	2,714,081	10,916,044	10,398,783	14,595,748	758,311	378,222,490
06/2021	378,222,490	37,059,776	6,480,622	2,721,813	15,672,786	11,468,140	12,296,108	4,224,747	406,724,864
09/2021	406,724,864	43,802,700	3,771,366	3,031,415	31,204,268	12,348,134	15,029,201	1,465,038	453,629,409
12/2021	453,629,409	71,240,929	6,593,325	4,911,985	31,873,438	26,544,107	35,002,390	0	496,878,619
03/2022	496,878,619	64,040,262	3,957,036	3,581,243	28,362,347	10,064,233	5,722,495	3,658,085	570,212,208
06/2022	570,212,208	28,189,103	2,464,970	3,569,911	8,413,937	25,765,414	27,290,138	14,724,102	537,930,653
09/2022	537,930,653	60,067,576	2,522,405	3,549,724	3,607,628	9,097,452	12,991,125	1,779,478	576,710,483
12/2022	576,710,483	28,638,614	2,790,706	3,112,894	4,211,423	7,075,562	13,525,955	2,924,036	585,712,779
03/2023	585,712,779	60,984,801	2,133,231	3,516,877	3,037,099	10,059,380	9,611,075	336,967	628,343,613
06/2023	628,343,613	61,476,209	2,290,948	3,743,117	3,712,722	3,270,749	894,599	2,635,424	685,279,603
09/2023	685,279,603	30,947,747	3,607,996	3,290,272	(6,239,776)	3,349,337	3,439,450	975,389	702,541,122
12/2023	702,541,122	51,787,129	2,897,918	3,711,062	(2,268,252)	4,459,091	3,477,868	392,646	742,917,249
03/2024	742,917,249	31,887,094	2,347,493	5,501,598	(6,300,185)	2,649,426	6,020,491	6,188,888	750,491,248
	0	1,258,374,247	79,406,456	76,537,356	281,845,666	406,699,436	258,373,249	127,525,079	750,491,248

### Returns

Net Since Inception IRR = 8.59%

### Ratios

Capital Account = \$750,491,248

Total Value = \$1,543,089,013

Committed Capital = \$1,746,881,191

Paid In Capital = \$1,258,374,247

Remaining Commitment = \$623,661,590

PIC Multiple (Paid In Capital/Committed Capital) = 72.04%

Total Economic Exposure (Capital Account + Remaining Commitment) = \$1,374,152,838

TVPI Investment Multiple (Total Value/Paid In Capital) = 1.23x

DPI Realization Multiple (Distributions/Paid In Capital) = 0.63x

RVPI Residual Multiple (Capital Account/Paid In Capital) = 0.60x

Capital commitments reflects the sum of: (i) aggregate capital contributions translated to U.S. Dollars as of the date of each capital contribution transaction; and (ii) reported uncalled capital commitments translated to U.S. Dollars as of quarter end date.



# Total Farmland Period Ended March 31, 2024

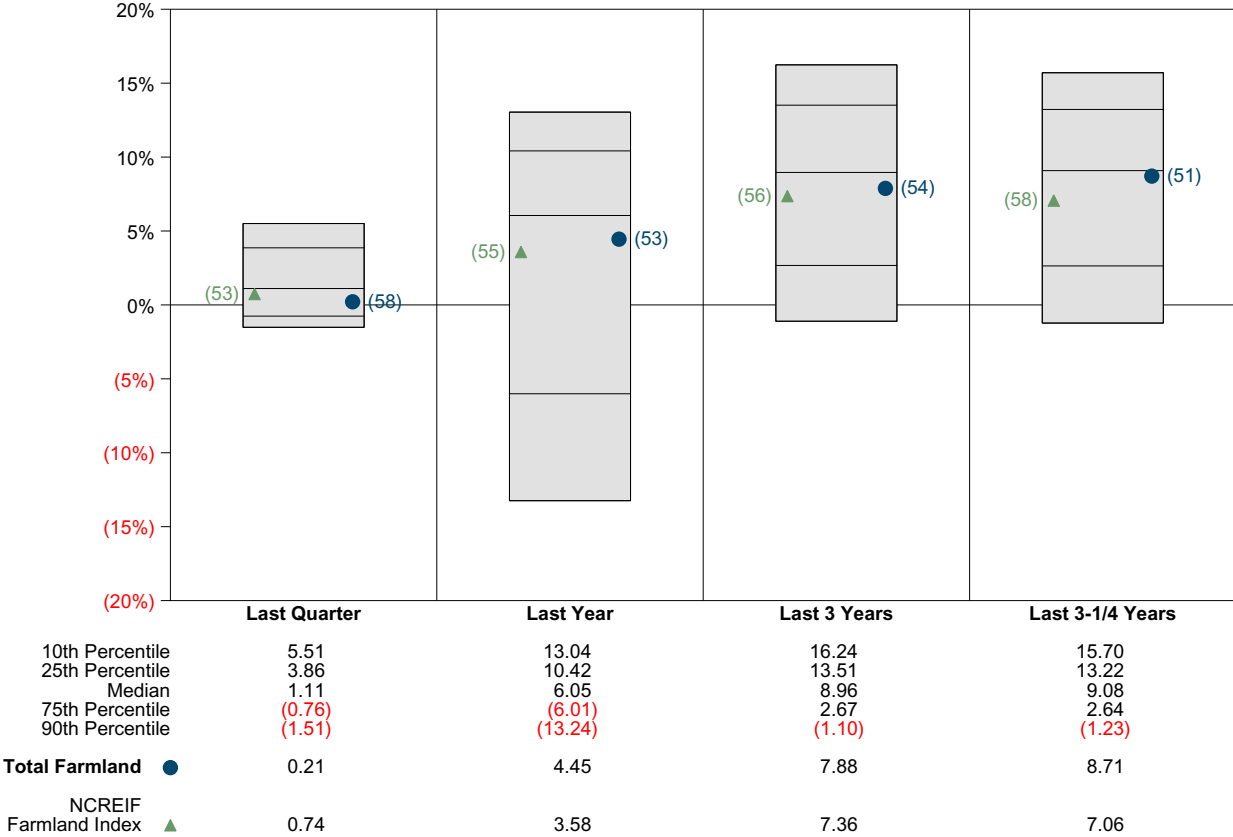
## Quarterly Summary and Highlights

- Total Farmland's portfolio posted a 0.21% return for the quarter placing it in the 58 percentile of the Callan Real Estate Agriculture Funds group for the quarter and in the 53 percentile for the last year.
- Total Farmland's portfolio underperformed the NCREIF Farmland Index by 0.53% for the quarter and outperformed the NCREIF Farmland Index for the year by 0.87%.

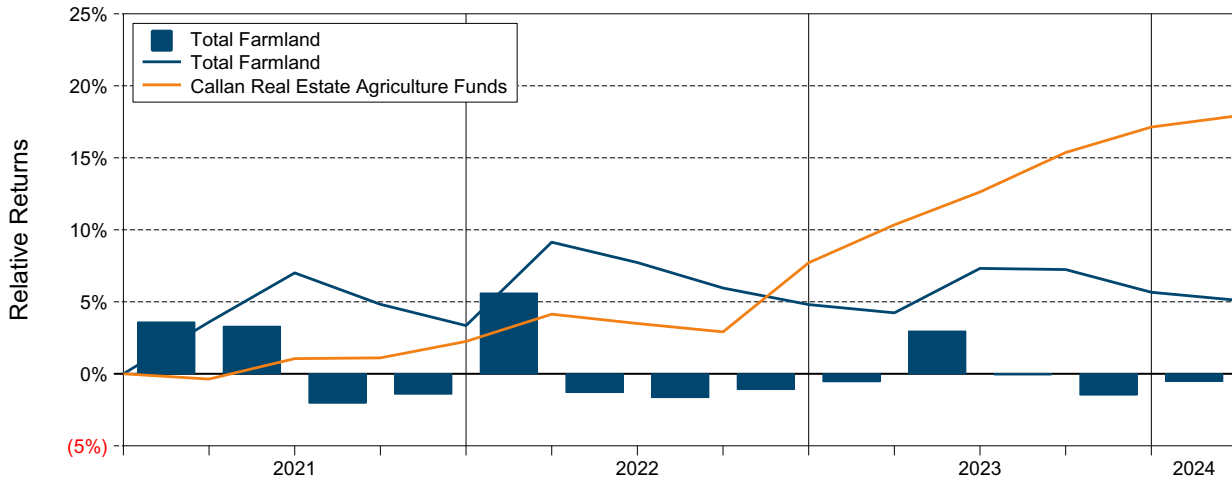
## Quarterly Asset Growth

Beginning Market Value	\$68,283,325
Net New Investment	\$439,993
Investment Gains/(Losses)	\$493,237
Ending Market Value	\$69,216,555

## Performance vs Callan Real Estate Agriculture Funds



## Cumulative and Quarterly Relative Returns vs NCREIF Farmland Index



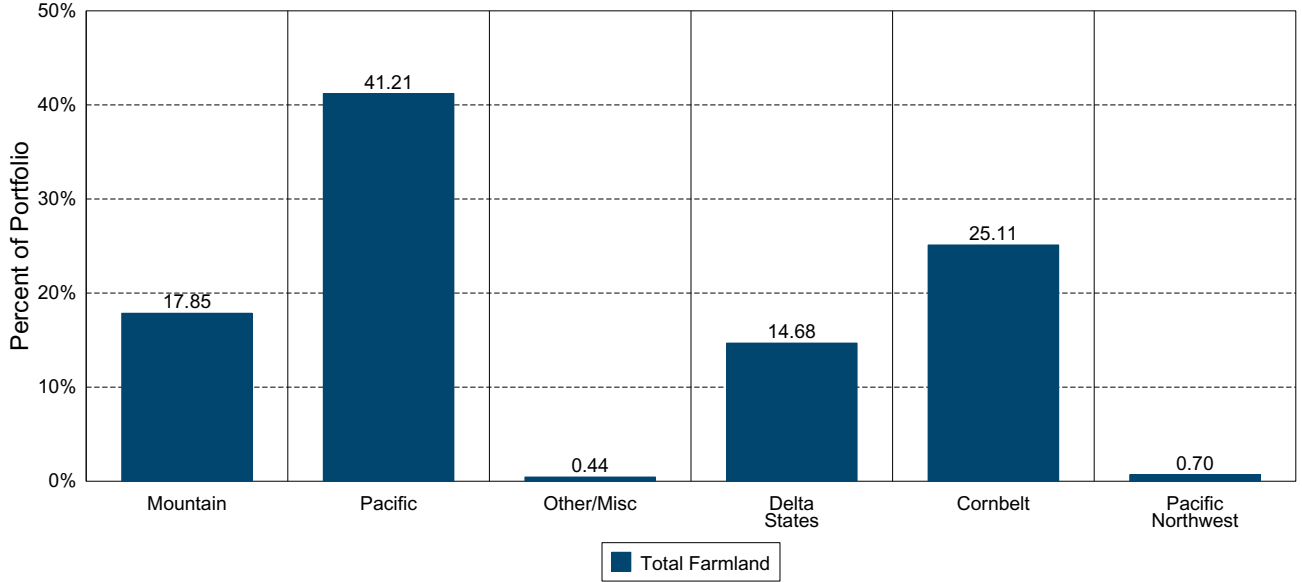


## Total Farmland Diversification Analysis as of March 31, 2024

### Diversification Analysis

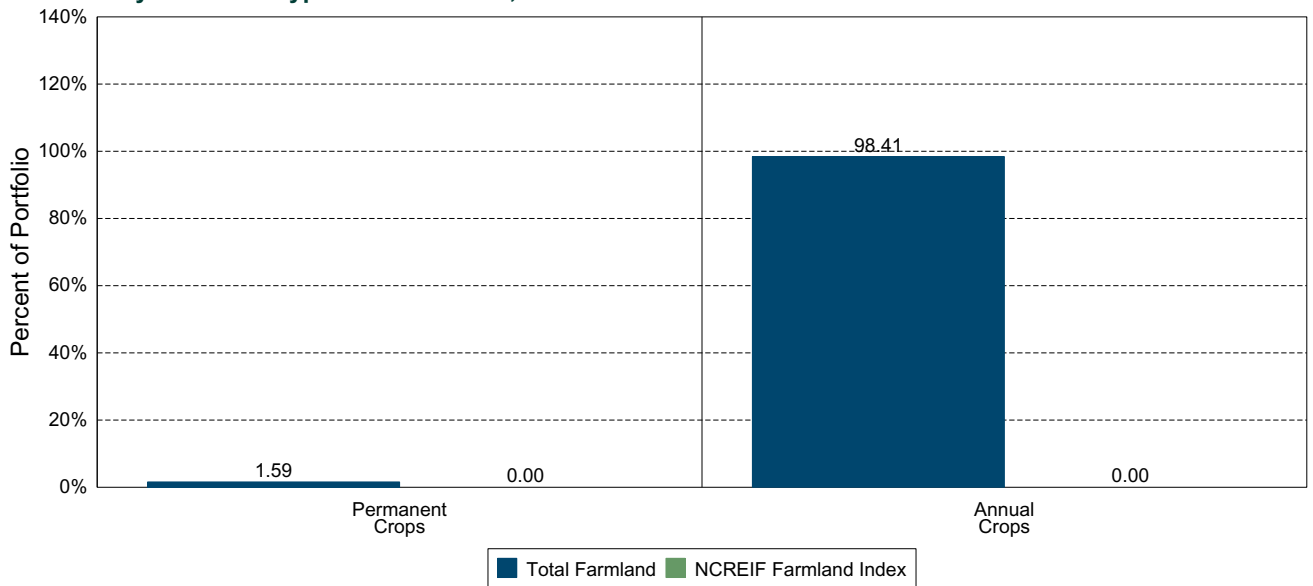
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Farmland Type. Similar information is provided on the relevant market index for comparison.

#### Diversification by Geographic Region as of March 31, 2024



<b>Total Farmland</b>	<b>17.85%</b>	<b>41.21%</b>	<b>0.44%</b>	<b>14.68%</b>	<b>25.11%</b>	<b>0.70%</b>
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#### Diversification by Farmland Type as of March 31, 2024

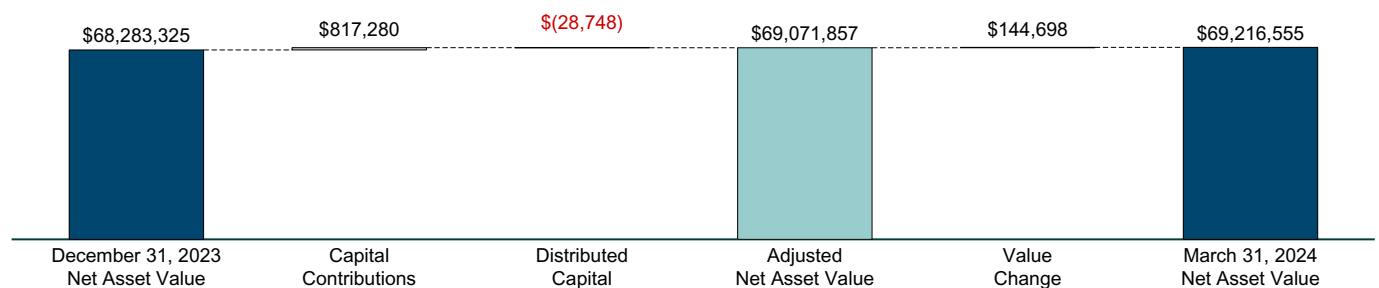


<b>Total Farmland</b>	<b>1.59%</b>	<b>98.41%</b>
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## Total Farmland Fund Overview Period Ended March 31, 2024

Quarterly Position Change	December 31, 2023	Quarterly Change	March 31, 2024
Client Commitment	\$100,000,000	\$0	\$100,000,000
Paid-In Capital	\$64,304,318	\$817,280	\$65,121,598
Remaining Commitment	\$35,719,452	\$189,432	\$35,908,884
Distributions	\$3,033,651	\$28,748	\$3,062,399
Recallable Distributions	\$23,770	\$1,006,712	\$1,030,482
Non-Recallable Distributions	\$3,009,881	\$(977,964)	\$2,031,917
Net Asset Value	\$68,283,325	\$933,230	\$69,216,555
<b>Total Distributed Capital and Net Asset Value</b>	<b>\$71,316,976</b>	<b>\$961,978</b>	<b>\$72,278,954</b>

Performance Change	December 31, 2023	Quarterly Change	March 31, 2024
Net Internal Rate of Return, Since Inception	6.25%	(0.67%)	5.58%
Total Value to Paid-in Capital (TVPI)	1.11x	0.00x	1.11x
Distributions to Paid-in Capital (DPI)	0.05x	(0.00x)	0.05x
Residual Value to Paid-in Capital (RVPI)	1.06x	0.00x	1.06x
% of Commitments Contributed	64.30%	(0.82%)	65.12%



## Total Farmland Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Income & Real. Gains	Return of Capital	Dist. of Recallable Capital	= End of Period Market
12/2020	0	12,658,888	157,999	1,526,906	(76,196)	173,154	220,183	23,770	10,796,678
03/2021	10,796,678	1,186,700	(10,200)	208,432	715,874	0	0	0	12,480,620
06/2021	12,480,620	3,377,979	152,390	222,455	739,401	171,141	0	0	16,356,794
09/2021	16,356,794	2,785,988	(16,698)	214,347	138,648	0	0	0	19,050,385
12/2021	19,050,385	11,334,417	86,414	215,619	696,054	114,866	0	0	30,836,785
03/2022	30,836,785	5,480,956	375,825	187,563	2,464,765	400,268	0	0	38,570,500
06/2022	38,570,500	0	(18,876)	207,177	277,361	0	0	0	38,621,808
09/2022	38,621,808	2,783,357	(40,387)	225,000	384,489	0	0	0	41,524,267
12/2022	41,524,267	6,661,463	458,147	217,081	629,956	290,514	54,746	0	48,711,492
03/2023	48,711,492	2,848,679	135,541	202,817	828,470	0	0	0	52,321,365
06/2023	52,321,365	1,996,397	337,755	274,750	1,985,554	149,559	0	0	56,216,762
09/2023	56,216,762	9,428,792	138,750	321,907	(18,879)	88,817	0	0	65,354,701
12/2023	65,354,701	3,760,702	441,310	318,277	391,522	339,921	0	1,006,712	68,283,325
03/2024	68,283,325	817,280	196,190	348,539	297,047	28,748	0	0	69,216,555
	0	65,121,598	2,394,160	4,690,870	9,454,066	1,756,988	274,929	1,030,482	69,216,555

### Returns

Net Since Inception IRR = 5.58%

### Ratios

Capital Account = \$69,216,555

Total Value = \$72,278,954

Committed Capital = \$100,000,000

Paid In Capital = \$65,121,598

Remaining Commitment = \$35,908,884

PIC Multiple (Paid In Capital/Committed Capital) = 65.12%

Total Economic Exposure (Capital Account + Remaining Commitment) = \$105,125,439

TVPI Investment Multiple (Total Value/Paid In Capital) = 1.11x

DPI Realization Multiple (Distributions/Paid In Capital) = 0.05x

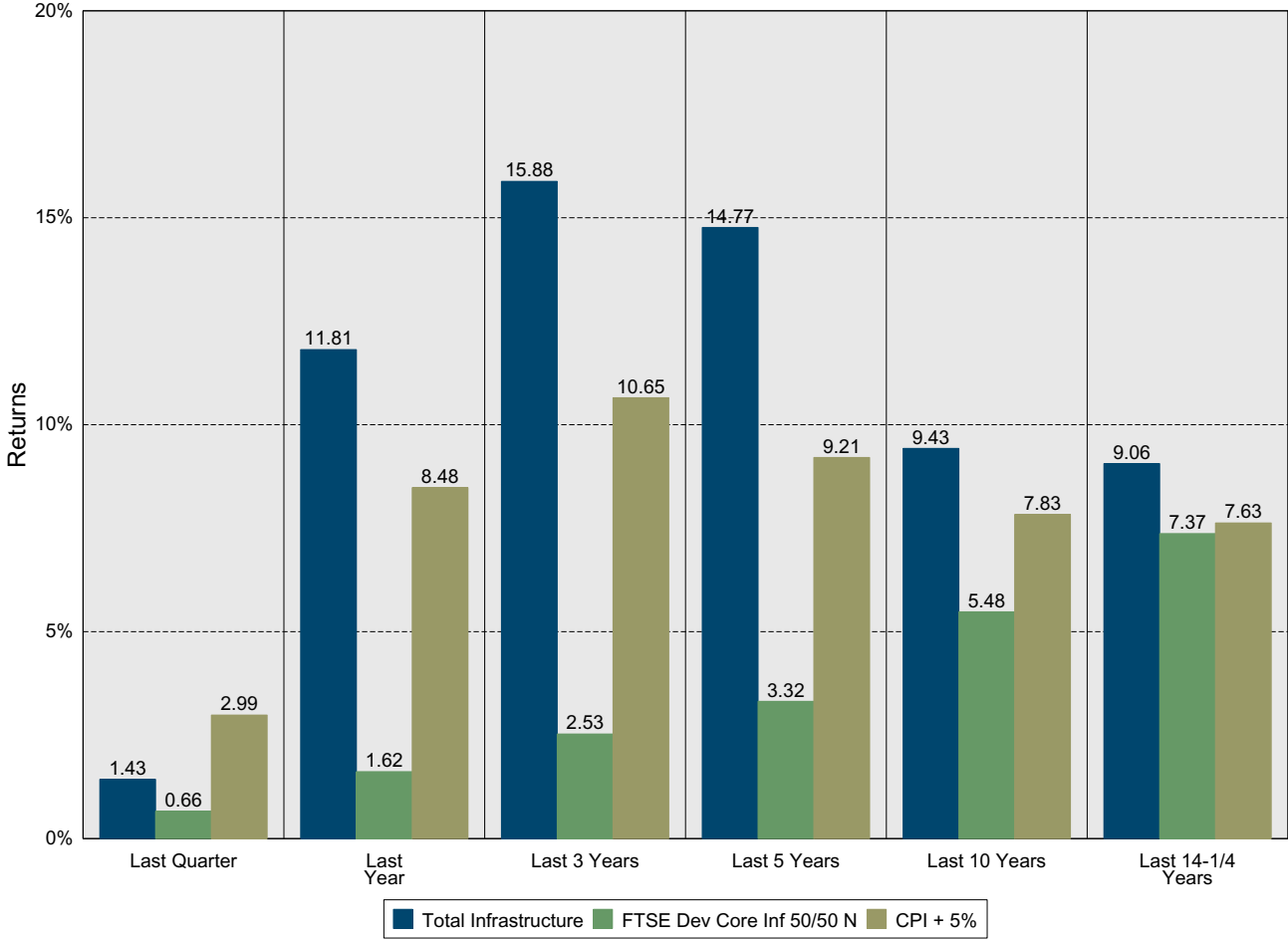
RVPI Residual Multiple (Capital Account/Paid In Capital) = 1.06x



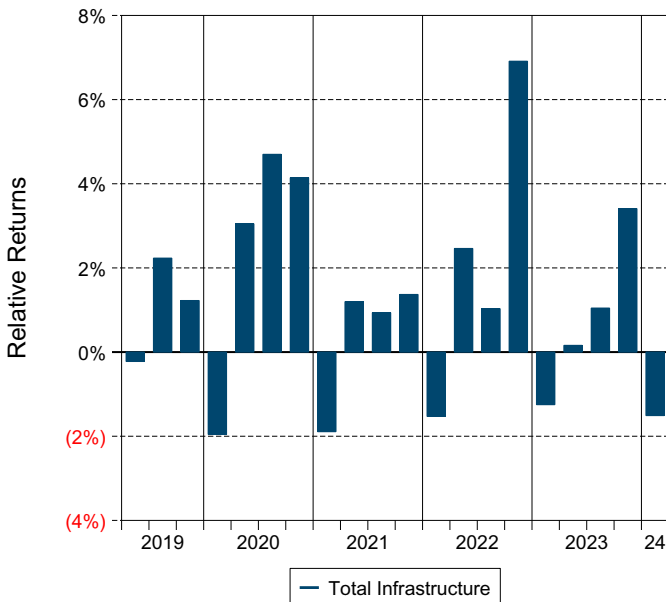
## Total Infrastructure Period Ended March 31, 2024

### Quarterly Summary and Highlights

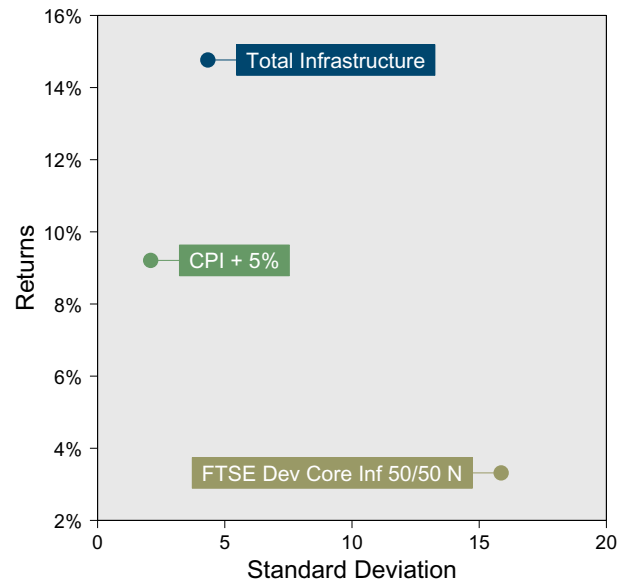
- Total Infrastructure's portfolio underperformed the CPI + 5% by 1.55% for the quarter and outperformed the CPI + 5% for the year by 3.33%.



Relative Return vs CPI + 5%



Annualized Five Year Risk vs Return

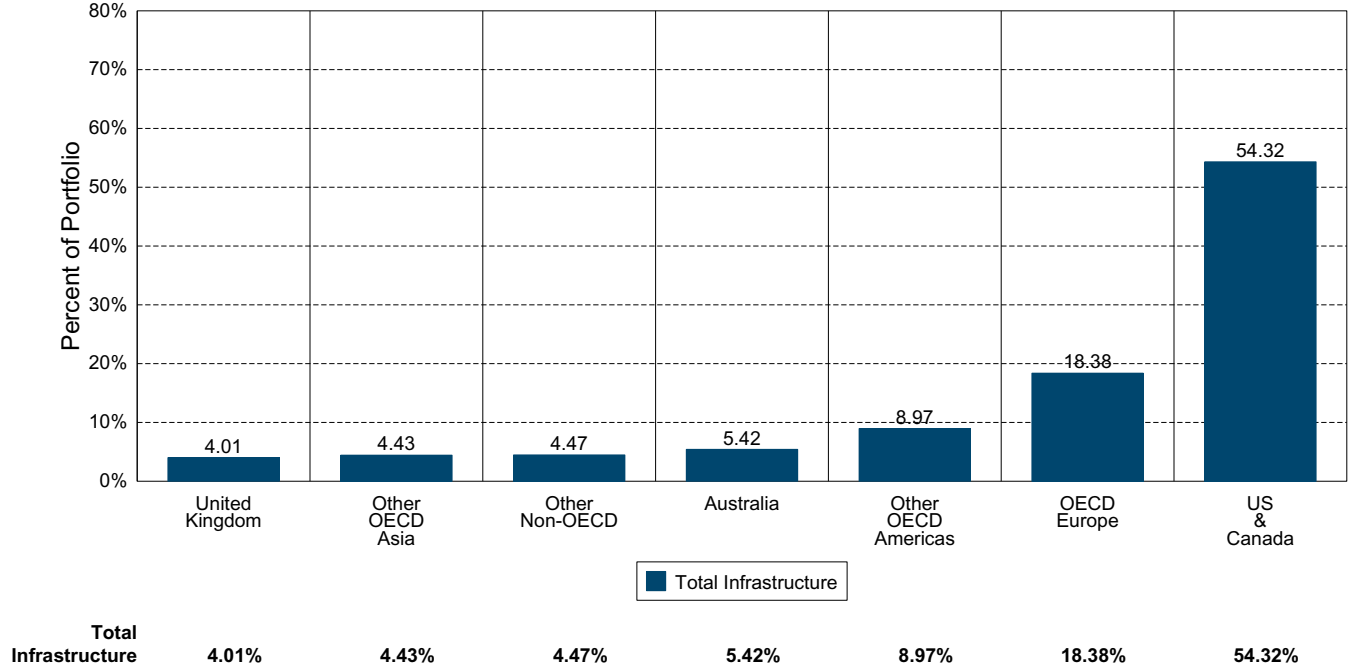


## Total Infrastructure Diversification Analysis as of March 31, 2024

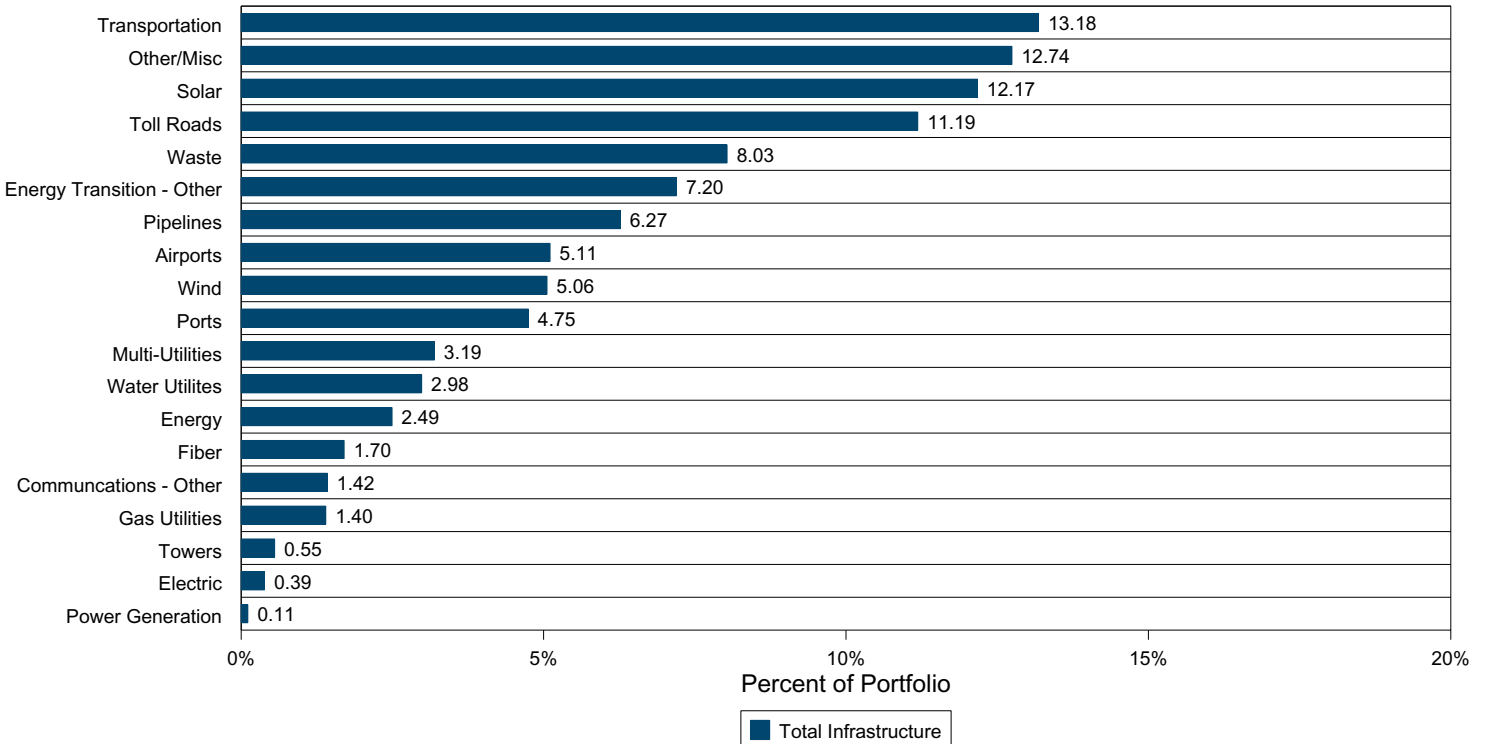
### Diversification Analysis

The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Infrastructure Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of March 31, 2024



### Diversification by Infrastructure Type as of March 31, 2024

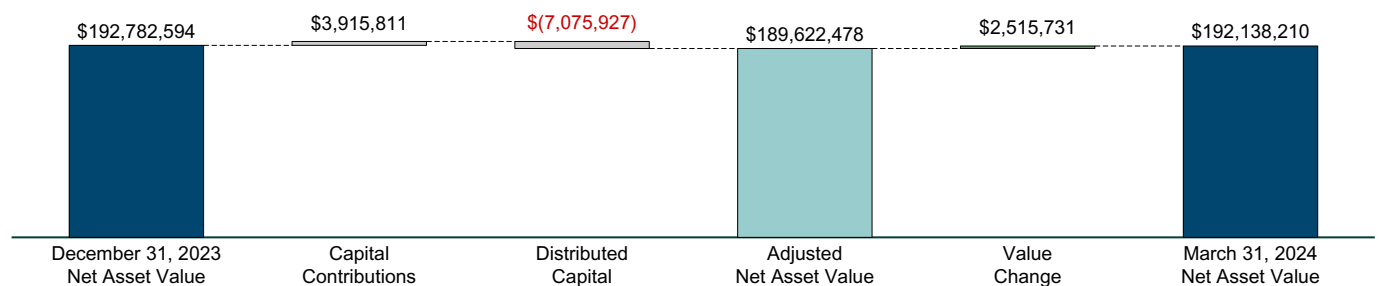


These charts do not include IFM and BlackRock Global Renewable Power III portfolio exposure, which are reflected in the core real estate portfolio for return purposes.

## Total Private Infrastructure Fund Overview Period Ended March 31, 2024

Quarterly Position Change	December 31, 2023	Quarterly Change	March 31, 2024
Client Commitment	\$314,107,954	\$50,000,000	\$364,107,954
Paid-In Capital	\$282,914,365	\$3,915,811	\$286,830,176
Remaining Commitment	\$65,778,493	\$46,084,189	\$111,862,682
Distributions	\$212,451,355	\$7,075,927	\$219,527,282
Recallable Distributions	\$25,706,169	\$0	\$25,706,169
Non-Recallable Distributions	\$186,745,186	\$7,075,927	\$193,821,113
Net Asset Value	\$192,782,594	\$(644,384)	\$192,138,210
<b>Total Distributed Capital and Net Asset Value</b>	<b>\$405,233,949</b>	<b>\$6,431,542</b>	<b>\$411,665,491</b>

Performance Change	December 31, 2023	Quarterly Change	March 31, 2024
Net Internal Rate of Return, Since Inception	8.88%	(0.07%)	8.81%
Total Value to Paid-in Capital (TVPI)	1.43x	0.00x	1.44x
Distributions to Paid-in Capital (DPI)	0.75x	0.01x	0.77x
Residual Value to Paid-in Capital (RVPI)	0.68x	(0.01x)	0.67x
% of Commitments Contributed	90.07%	11.29%	78.78%



## Total Infrastructure Infrastructure Portfolio Quarterly Changes in Market Value

	<b>Beg. of Period Market</b>	<b>+ Capital Contri- butions</b>	<b>+ Accounting Income</b>	<b>- Mgmt. Fees</b>	<b>+ Appre- ciation</b>	<b>- Income &amp; Real. Gains</b>	<b>- Return of Capital</b>	<b>Dist. of - Recallable Capital</b>	<b>= End of Period Market</b>
12/2009	0	7,848,586	78,175	1,035,616	1,113,909	458,762	0	16,597	7,529,695
03/2010	7,529,695	604,661	2,420	350,000	305,337	0	0	585,224	7,506,889
06/2010	7,506,889	22,373,970	100,792	2,215,084	704,795	0	0	277,003	28,194,359
09/2010	28,194,359	673,974	168,948	161,710	2,260,461	0	0	644,134	30,491,898
12/2010	30,491,898	4,032,951	32,558	161,710	1,186,244	0	0	0	35,581,941
03/2011	35,581,941	3,632,210	145,903	164,100	770,475	0	0	229,698	39,736,731
06/2011	39,736,731	3,161,617	146,130	164,100	934,848	0	0	345,169	43,470,057
09/2011	43,470,057	5,011,352	161,229	132,058	1,237,961	0	0	149,002	49,599,539
12/2011	49,599,539	8,891,407	(42,712)	132,058	1,020,407	0	0	469,436	58,867,147
03/2012	58,867,147	6,731,784	159,082	115,311	478,344	0	0	0	66,121,046
06/2012	66,121,046	47,824	280,821	115,311	1,273,290	0	0	211,978	67,395,692
09/2012	67,395,692	420,388	86,608	173,950	1,640,428	0	0	680,410	68,688,756
12/2012	68,688,756	4,588,704	46,818	170,673	3,330,945	0	0	702,613	75,781,937
03/2013	75,781,937	2,752,906	156,175	312,126	1,265,278	0	0	3,492,782	76,151,388
06/2013	76,151,388	832,318	103,778	319,475	(35,314)	777,982	0	481,746	75,472,967
09/2013	75,472,967	3,105,050	(10,413)	272,070	2,155,584	501,392	0	1,866,413	78,083,313
12/2013	78,083,313	4,420,671	106,410	195,348	(296,065)	22,295,109	0	309,940	59,513,932
03/2014	59,513,932	8,585,708	185,692	166,570	3,186,654	1,489,341	0	2,896,277	66,919,798
06/2014	66,919,798	740,153	126,600	137,238	2,450,569	775,008	0	527,844	68,797,029
09/2014	68,797,029	778,185	17,847	238,275	(800,247)	56,231	0	267,296	68,231,012
12/2014	68,231,012	2,312,635	(195,503)	764,548	826,326	184,720	0	1,046,792	69,178,411
03/2015	69,178,411	8,134,342	94,546	381,562	1,837,269	85,533	0	485,777	78,291,696
06/2015	78,291,696	1,276,086	11,054	340,700	1,558,044	34,806	0	1,253,253	79,508,121
09/2015	79,508,121	458,868	443,191	354,681	1,788,364	427,677	0	431,192	80,984,994
12/2015	80,984,994	1,439,368	435,839	352,106	1,668,634	473,310	0	1,241,461	82,461,958
03/2016	82,461,958	4,006,958	270,850	353,464	1,146,414	149,385	0	212,193	87,171,138
06/2016	87,171,138	10,885,041	750,789	359,408	1,088,386	137,959	0	586,453	98,811,534
09/2016	98,811,534	7,111,855	221,669	425,145	365,192	175,491	0	865,857	105,043,757
12/2016	105,043,757	11,448,295	548,069	414,798	(3,089,524)	1,666,632	64,272	304,620	111,500,276
03/2017	111,500,276	1,853,672	472,995	400,300	6,754,926	1,381,714	0	581,377	118,218,478
06/2017	118,218,478	399,048	755,664	402,809	(1,857,523)	7,967,095	0	260,931	108,884,831
09/2017	108,884,831	213,489	338,024	387,816	926,380	2,679,673	0	161,822	107,133,414
12/2017	107,133,414	454,311	775,254	380,978	(2,160,339)	1,775,100	0	141,874	103,904,688
03/2018	103,904,688	307,740	149,259	751,823	1,448,049	134,276	0	201,398	104,722,238
06/2018	104,722,238	4,992,602	(135,177)	469,301	2,881,352	12,440,017	5,040,451	0	94,511,247
09/2018	94,511,247	2,289,864	117,514	388,630	615,817	409,948	0	0	96,735,863
12/2018	96,735,863	6,472,515	87,866	422,957	939,865	930,019	139,450	0	102,743,683
03/2019	102,743,683	10,733,092	423,561	408,556	2,277,961	719,459	1,519,068	0	113,531,215
06/2019	113,531,215	5,584,716	44,826	380,840	2,127,179	700,080	17,412,920	58,226	102,735,870
09/2019	102,735,870	10,769,066	294,824	423,008	4,057,204	1,704,669	2,043,897	182,563	113,502,827
12/2019	113,502,827	15,535,595	(279,484)	395,393	3,629,217	3,186,687	11,442,770	290,599	117,072,705
03/2020	117,072,705	1,693,654	253,449	366,811	(274,087)	71,357	138,791	0	118,168,762
06/2020	118,168,762	93,795	12,605	367,804	5,305,358	93,795	0	0	123,118,921
09/2020	123,118,921	2,425,028	146,289	369,830	8,795,977	206,452	368,001	0	133,541,932
12/2020	133,541,932	408,317	28,457	348,985	6,887,031	14,806,420	14,737,219	394,552	110,578,563
03/2021	110,578,563	711,013	389,784	311,556	900,818	4,959,772	2,319,555	202,646	104,786,648
06/2021	104,786,648	1,585,576	2,229,130	304,619	3,018,540	40,690	8,975,817	0	102,298,769



## Total Infrastructure Infrastructure Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Income & Real. Gains	Dist. of Return of Capital	- Dist. of Recallable Capital	= End of Period Market
09/2021	102,298,769	5,653,567	360,628	765,451	3,573,710	88,800	1,327,832	201,589	109,503,000
12/2021	109,503,000	1,498,761	(12,281)	406,260	4,987,011	3,836,645	0	225,743	111,507,843
03/2022	111,507,843	3,935,806	224,517	829,218	3,590,387	408,010	0	565,504	117,455,822
06/2022	117,455,822	8,322,026	3,314,300	771,015	5,358,024	30,921	2,826,094	404,426	130,417,716
09/2022	130,417,716	3,773,934	875,446	676,370	2,976,674	0	1,025,687	0	136,341,713
12/2022	136,341,713	1,917,686	4,507,872	678,834	7,274,383	1,147,735	12,241,637	458,386	135,515,063
03/2023	135,515,063	4,063,113	1,068,115	664,803	1,775,035	673,582	0	17,279	141,065,662
06/2023	141,065,662	21,173,597	674,490	671,017	3,555,040	44,350	0	651,008	165,102,415
09/2023	165,102,415	13,922,246	569,380	675,349	5,523,426	162,329	11,745,623	116,817	172,417,349
12/2023	172,417,349	15,822,669	2,193,838	602,808	6,046,985	3,087,169	0	8,270	192,782,594
03/2024	192,782,594	3,915,811	231,562	3,155,318	5,439,487	34,346	7,041,580	0	192,138,210
	0	286,830,176	24,746,073	27,657,651	127,746,893	93,410,449	100,410,664	25,706,169	192,138,210

### Returns

Net Since Inception IRR = 8.81%

### Ratios

Capital Account = \$192,138,210

Total Value = \$411,665,491

Committed Capital = \$314,107,954

Paid In Capital = \$286,830,176

Remaining Commitment = \$61,862,682

PIC Multiple (Paid In Capital/Committed Capital) = 91.32%

Total Economic Exposure (Capital Account + Remaining Commitment) = \$254,000,892

TVPI Investment Multiple (Total Value/Paid In Capital) = 1.44x

DPI Realization Multiple (Distributions/Paid In Capital) = 0.77x

RVPI Residual Multiple (Capital Account/Paid In Capital) = 0.67x



## Definitions

### Style Groups

Total Domestic Real Estate Database: The Total Domestic Real Estate Funds Database consists of both open and closed-end commingled funds managed by real estate firms that report to the Callan Database and invest in private domestic real estate.

Open-End Core Commingled RE: The Open-End Real Estate Database consists of all open end real estate funds that report to the Callan Database.

Real Estate REIT: The Real Estate REIT Database consists of products investing in domestic equity real estate through portfolios consisting primarily of equity Real Estate Investment Trusts (REIT). The Database is comprised of returns for both separate account composites and commingled vehicles as reported to Callan by the managers of those products.

\*The above groups are based on time-weighted returns.

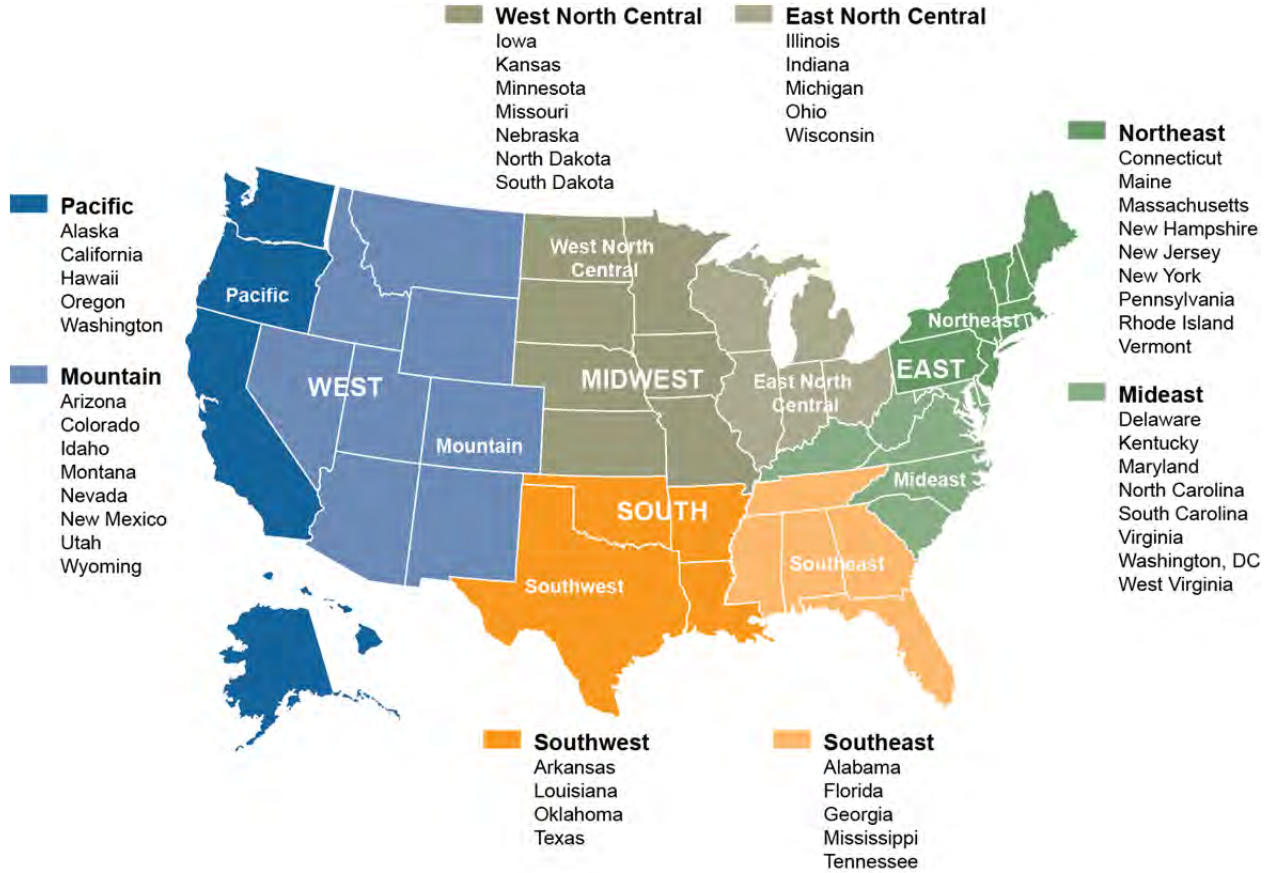
Vintage Year Database Groups: The Vintage Year Groups are comprised of closed end funds that report to the database. The groups are based on IRRs derived from cash flows submitted to the Callan Database by the managers of those funds. A fund is placed in a vintage year based on the year the initial drawdown of capital was made for the fund.

### Indices

NAREIT Equity Index: This is an index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions.

The NFI-ODCE Value-Weight Index is a time-weighted return Index with an inception date of 12/31/1977. The Index is comprised of 33 open-end commingled funds, in which 24 are still actively investing. Inclusion within the Index requires (a) minimum of 80% of net fund assets invested in the multifamily, retail, industrial, office, or hotel property type, (b) maximum of 20% of net fund assets invested in real estate debt or private/public company equity, (c) at least 80% of net assets invested in properties with a minimum occupancy of 60%, (d) no more than 70% of real estate net assets invested in a single property type or region, (e) maximum of 40% leverage, and (f) at least 95% of net real estate assets invested within the U.S. market.

# NCREIF Region Map



## Notes

Information in the report is based on qualitative and quantitative data submitted to Callan directly by the client's real estate investment managers. It is not based on custodian data nor has it been reconciled to custodian data.



1st Quarter 2024

## Quarterly Highlights

The Callan Institute provides research to update clients on the latest industry trends, carefully structured educational programs to enhance the knowledge of industry professionals, and events to enhance dialogue among investing professionals. Visit [www.callan.com/research-library](http://www.callan.com/research-library) to see all of our publications, and [www.callan.com/blog](http://www.callan.com/blog) to view our blog. For more information contact Barb Gerraty at 415-274-3093 / [institute@callan.com](mailto:institute@callan.com).

## New Research from Callan's Experts

**[2024-2033 Capital Markets Assumptions](#)** | View our interactive webpage and charticle outlining our 10-year assumptions. Our white paper and associated webinar also detail the process involved in creating our assumptions and the reasoning behind them.

**[Callan Periodic Table of Investment Returns: Year-end 2023](#)** | The Periodic Table of Investment Returns depicts annual returns for key asset classes, ranked from best to worst performance for each calendar year.

**[Rental Housing Primer: 1Q24 RAR](#)** | Callan's Aaron Quach provides analysis of the key subsectors within the rental housing sector.

**[STAR Report Executive Summary: Year-End 2023](#)** | The Style, Trend, Analysis & Research (STAR) report provides in-depth analysis of asset flows across public strategies and discussion of alternatives.

### Webinar Replays

**[Research Café: ESG Interview Series](#)** | This session features Tom Shingler, Callan ESG practice leader, interviewing Chris Fidler, from the Codes & Standards team at the CFA Institute.

### Blog Highlights

**[SEC Releases Final Climate Disclosure Rule](#)** | The objective for these rules is to aid investors in making relatable comparisons of companies by providing transparency into the potential in ancillary effects of climate-related risks.

**[A Strong Finish to 2023 Bodes Well for Hedge Funds in 2024](#)** | Hedge funds finished off 2023 on a strong note with the HFRI Fund Weighted Composite ending 8.1% higher and the Callan Institutional Hedge Fund Peer Group gaining 7.5%.

**[The Magnificent Seven and Large Cap Portfolios](#)** | The Seven's presence, both in weight and attribution, affected just about every investment managers' large cap portfolio.

### Quarterly Updates

**[Private Equity Update, 4Q23](#)** | A high-level summary of private equity activity in the quarter through all the investment stages

**[Active vs. Passive Charts, 4Q23](#)** | A comparison of active managers alongside relevant benchmarks over the long term

**[Market Pulse, 4Q23](#)** | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

**[Capital Markets Review, 4Q23](#)** | Analysis and a broad overview of the economy and public and private markets activity each quarter across a wide range of asset classes

**[Hedge Fund Update, 4Q23](#)** | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

**[Real Assets Update, 4Q23](#)** | A summary of market activity for real assets and private real estate during the quarter

**[Private Credit Update, 4Q23](#)** | A review of performance and fundraising activity for private credit during the quarter

**[Callan Target Date Index™, 4Q23](#)** | Tracks the performance and asset allocation of available target date mutual funds and CITs

**[Callan DC Index™, 4Q23](#)** | Provides underlying fund performance, asset allocation, and cash flows of more than 100 large defined contribution plans representing approximately \$400 billion in assets.

## Events

A complete list of all upcoming events can be found on our website: [callan.com/events-education](https://callan.com/events-education).

Please mark your calendar and look forward to upcoming invitations:

### June Regional Workshops

June 25, 2024 – Atlanta

June 27, 2024 – San Francisco

For more information about events, please contact Barb Gerraty: 415-274-3093 / [gerraty@callan.com](mailto:gerraty@callan.com)

## Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

4,845

Total attendees of the "Callan College" since 1994

## Education

Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

### Introduction to Investments

June 11-12, 2024 – Chicago

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities.

### Alternative Investments

Aug. 21-22, 2024 – Virtual

Alternative investments like private equity, hedge funds, and real estate can play a key role in any portfolio. In our "Callan College" on Alternatives, you will learn about the importance of allocations to alternatives, and how to consider integrating, evaluating, and monitoring them.

Our virtual sessions are held over two to three days with virtual modules of 2.5-3 hours, while in-person sessions run either a full day or one-and-a-half days. Virtual tuition is \$950 per person and includes instruction and digital materials. In-person tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including registration can be found at: [callan.com/events-education](https://callan.com/events-education)



"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialogue to raise the bar across the industry."

Greg Allen, CEO and Chief Research Officer





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