



ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Compliance Examination

Year Ended June 30, 2020

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

(With Independent Auditors' Report Thereon)

ILLINOIS STATE BOARD OF INVESTMENT
 (An Internal Investment Pool of the State of Illinois)
 Year ended June 30, 2020

Table of Contents

	Page(s)
Agency Officials	1
Management Assertion Letter	2
Compliance Report:	
Summary	3–4
Independent Accountants’ Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes	5–7
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8–9
Schedule of Findings:	
Current Findings – <i>Government Auditing Standards</i>	10
Current Findings – State Compliance	11–14
Prior Findings Not Repeated	15
Financial Statement Report:	
The Agency’s financial statement report for the year ended June 30, 2020, which includes the Independent Auditors’ Report, Management Discussion and Analysis, Basic Financial Statements and Notes to the Basic Financial Statements, Required Supplementary Information Other than Management Discussion and Analysis, and the Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> has been issued separately	
Supplementary Information for State Compliance Purposes:	Schedule
Summary	16
Fiscal Schedules and Analysis:	
Comparative Schedules of Operations	1 17
Schedules of Investment Portfolio	2 18

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Year ended June 30, 2020

Table of Contents

Schedules of Investment Manager Fees	3	19
Schedules of Property	4	20
Reconciliation of the State Treasurer's Cash Balance with that of ISBI	5	20
Schedules of Analysis of Accounts Receivable	6	21
Analysis of Operations:		
Board Functions and Planning Program (Unaudited)		22
Number of Employees (Unaudited)		23
Proceeds from General Obligation Bonds (Unaudited)		23-24
Third-Party Marketing Fees Paid (Unaudited)		24
Service Efforts and Accomplishments (Unaudited)		24
Overall Rates of Return (Unaudited)		24
Investment Returns – Benchmark and Actual (Unaudited)		24-26
Net Position Allocation as of June 30, 2020 (Unaudited)		27
Schedules of Investment Commissions (Unaudited)		28-29

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Agency Officials

AGENCY OFFICIALS

Executive Director / Chief Investment Officer	(7/1/2018 – Present)	Ms. Johara Farhadieh
Deputy Executive Director / General Counsel / Chief Compliance Officer	(7/1/2019 – Present)	Mr. Dipesh Mehta
Director of Operations, Accounting and Audit	(7/1/2017 – 6/26/2020)	Mr. David Zaloga
Director of Operations, Accounting and Audit (Acting)	(6/27/2020 – 8/30/2020)	Mr. Jansen Hein
Director of Operations, Accounting and Audit	(8/31/2020 – Present)	Mr. Jansen Hein
Portfolio Officer for Financial Reporting and Accounting	(2/10/2014 – Present)	Ms. Genette Bacon-Cordova

BOARD OFFICERS

Chair of the Board	(9/27/2013 – Present)	Justice Mary Seminara-Schostok
Vice Chair of the Board	(1/12/2015 – Present)	Treasurer Michael W. Frerichs
Recording Secretary	(3/29/2019 – Present)	Gisela Attlan

BOARD MEMBERS

Member at Large	(12/5/2016 – Present)	Comptroller Susana A. Mendoza
Trustee	(5/1/2019 – Present)	Senator Robert Martwick
Trustee	(9/9/2019 – Present)	Elizabeth Sanders
Trustee	(3/29/2019 – Present)	Michael Tarnoff
Trustee	(3/29/2019 – Present)	Jaye Williams
Trustee	(3/29/2019 – 3/22/2020)	Ronald Powell
Trustee	(3/23/2020 – 8/30/2020)	Vacant
Trustee	(8/31/2020 – Present)	Terrence Healy

Illinois State Board of Investment Office is located at:

180 North LaSalle Street
Suite 2015
Chicago, Illinois 60601



February 1, 2021

KPMG LLP
200 East Randolph Street, Suite 5500
Chicago, IL 60601

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois State Board of Investment (ISBI). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of ISBI's compliance with the following specified requirements during the one-year period ended June 30, 2020. Based on this evaluation, we assert that during the year ended June 30, 2020, ISBI has materially complied with the specified requirements listed below.

- A. ISBI has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. ISBI has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. ISBI has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by ISBI are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by ISBI on behalf of the State or held in trust by ISBI have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Very truly yours,

Illinois State Board of Investment

Johara Farhadieh, *Executive Director/Chief Investment Officer*

Genette Bacon, *Portfolio Officer for Financial Reporting and Accounting*

Dipesh Mehta, *General Counsel and Chief Compliance Officer*

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Compliance Report Summary

Year ended June 30, 2020

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

Accountants' Reports

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant nonstandard language.

Summary of Findings

Number of	Current report	Prior report
Findings	2	3
Repeated findings	1	—
Prior recommendations implemented or not repeated	2	2

Schedule of Findings and Responses
Findings (Government Auditing Standards)

Item no.	Page	Description	Finding type
None reported			

Findings (State Compliance)

Item no.	Page	Description	Finding type
2020-001	11	Financial Reporting Errors	Significant deficiency and noncompliance
2020-002	13	Untimely Preparation of Employee Timesheets	Significant deficiency and noncompliance

ILLINOIS STATE BOARD OF INVESTMENT
 (An Internal Investment Pool of the State of Illinois)
 Compliance Report Summary
 Year ended June 30, 2020

Prior Year Findings Not Repeated

<u>Item no.</u>	<u>Page</u>	<u>Description</u>	<u>Finding type</u>
A	15	Incomplete Preparation of Employment Eligibility Verification Form I-9's	Significant deficiency and noncompliance
B	15	Inaccurate Recording of Vouchers During the Fiscal Year	Significant deficiency and noncompliance

Exit Conference

On January 13, 2021, the Illinois State Board of Investment waived the exit conference relating to the State Compliance Examination.

The responses to the recommendations were provided by Jansen Hein, Director of Operations, Accounting and Audit, in e-mail correspondence dated January 27, 2021.



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Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

**Independent Accountants' Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes**

The Honorable Frank J. Mautino
Auditor General of the State of Illinois

and

The Board of Trustees
Illinois State Board of Investment

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois State Board of Investment's (Board) and its investment trust funds, the Illinois State Board of Investment Member Systems and the Illinois Power Agency Trust Fund, (collectively referred to as ISBI) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2020. Management of ISBI is responsible for ISBI's compliance with the specified requirements. Our responsibility is to express an opinion on ISBI's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. ISBI has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. ISBI has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. ISBI has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by ISBI are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by ISBI on behalf of the State or held in trust by ISBI have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether ISBI complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether ISBI



complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on ISBI's compliance with specified requirements.

In our opinion, ISBI complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2020. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings and responses as findings 2020-001 and 2020-002.

ISBI's responses to the compliance findings identified in our examination are described in the accompanying schedule of findings. ISBI's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of ISBI is responsible for establishing and maintaining effective internal control over compliance with the specified requirements. In planning and performing our examination, we considered ISBI's internal control over compliance to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on ISBI's compliance with the specified requirements and to test and report on ISBI's internal control over compliance in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of ISBI's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ISBI's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings as items 2020-001 and 2020-002, that we consider to be significant deficiencies.

There were no immaterial findings that have been excluded from this report.

ISBI's responses to the findings identified in our examination are described in the accompanying schedule of findings. ISBI's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the Statements of Net Position of ISBI, an internal investment pool of the State of Illinois, as of June 30, 2020, and the related Statements of Changes in Net Position for the year then ended and the related notes to the financial statements. We have also audited ISBI's investment trust funds, the Illinois State Board of Investment Member Systems and the Illinois Power Agency Trust Funds (the Trust Funds) as of and for the year ending June 30, 2020. ISBI and the Trust Funds collectively comprise the basic financial statements (not presented herein). We have issued our report thereon dated December 10, 2020. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ISBI's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 10, 2020. The accompanying supplementary information for the years ended June 30, 2020 in Schedules 1 through 6 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of ISBI. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the years ended June 30, 2020 in Schedules 1 through 6 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2020 in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, ISBI's basic financial statements as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 10, 2019. The accompanying supplementary information for the years ended June 30, 2019 in Schedules 1 through 6 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 basic financial statements. The accompanying supplementary information for the years ended June 30, 2019 in Schedules 1 through 6 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2019 in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2019.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

/s/KPMG LLP

Chicago, Illinois
February 1, 2021



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Chicago, IL 60601-6436

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
and
The Board of Trustees
Illinois State Board of Investment

As Special Assistant Auditors for the Auditor General of the State of Illinois, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Illinois State Board of Investment (ISBI) and its investment trust funds, the Illinois State Board of Investment Member Systems and the Illinois Power Agency Trust Fund (the Trust Funds) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise ISBI and the Trust Funds' basic financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ISBI and the Trust Funds' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ISBI and the Trust Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of ISBI and the Trust Funds' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ISBI and the Trust Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no



instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ISBI and the Trust Funds' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ISBI and the Trust Funds' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/KPMG LLP

Chicago, Illinois
December 10, 2020

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)
Schedule of Findings
Current Findings – *Government Auditing Standards*
Year ended June 30, 2020

None reported

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Schedule of Findings

Current Findings – *State Compliance*

Year ended June 30, 2020

Finding 2020-001 – Financial Reporting Errors

The Illinois State Board of Investment (ISBI) did not identify financial reporting errors in the year-end financial statement.

During our financial statement audit, we identified two financial reporting errors which were corrected by ISBI in the year-end financial statement audit. Specifically, we noted the following:

- ISBI improperly reported \$40 million of cash transferred to a new investment fund near year end as a commingled fund investment; however, the agreement for this investment fund only permits funds to be invested at the beginning of a month. Accordingly, ISBI's cash was not invested into the commingled fund until July 1, 2020. ISBI reclassified this transaction to Restricted Cash (subscription advance) in the June 30, 2020 financial statements.
- ISBI understated unfunded commitments for its investment in opportunistic debt by \$71 million.

ISBI's financial statement review procedures were not operating at a level of precision to identify these errors.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires ISBI to establish and maintain a system or systems of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure transactions are properly presented and financial statement disclosures are complete and accurate.

In discussing these conditions with ISBI officials, they stated the errors identified during the audit were isolated incidents that resulted from timing differences. With respect to the \$40 million subscription advance, ISBI does not typically enter into a significant number of new investments at or near year end and accordingly did not have controls in place to evaluate the difference in presentation resulting from the timing of the transfer of funds and the date funds transferred were invested in the fund. With respect to the unfunded commitment disclosure, the ISBI's preparation and supervisory review procedures were performed in advance of receipt of updated information from its strategic partners. As the disclosure amounts were materially consistent with the information previously reported with updates for material changes, the error was not identified by the preparer or reviewer.

Failure to design supervisory review procedures at the appropriate level of precision may result in undetected financial reporting errors and noncompliance with the Fiscal Control and Internal Auditing Act.

A similar finding was not reported in the prior year examination. (Finding 2020-001)

Recommendation

We recommend ISBI review the level of precision of supervisory review procedures and implement any changes necessary to ensure errors similar to those identified in this finding are detected and corrected by management.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Schedule of Findings

Current Findings – *State Compliance*

Year ended June 30, 2020

ISBI Response

ISBI agrees with the finding and recommendation. Pertaining to the restricted cash item, early in fiscal year 2021, ISBI instituted increased communication processes between the accounting and investment teams to ensure adequate flow of information regarding new manager fundings. This process will help identify new manager commitments near year end that must be monitored. Additionally, ISBI will enhance its year end cutoff analysis to identify fundings processed to new managers prior to year end. The cutoff analysis will allow management to adequately investigate any period end fundings with the applicable managers and ensure that transactions are appropriately reported on the financial statements. Regarding the unfunded commitment item, ISBI is working with our strategic partner to ensure that final data for this disclosure is available earlier in the reporting process to alleviate the risk of later period adjustments during financial statement review. We anticipate positive resolution to this item within the current fiscal year.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Schedule of Findings

Current Findings – *State Compliance*

Year ended June 30, 2020

Finding 2020-002 – Untimely Preparation of Employee Timesheets

The Illinois State Board of Investment (ISBI) did not ensure employees prepared and submitted their timesheets within two workdays of the end of each period.

During our testing of 40 timesheets submitted by 14 employees for various pay periods during fiscal year 2020, we noted four timesheets (prepared by three employees) were submitted in excess of two workdays after the end of the pay period. Each of these timesheets was for a pay period ended prior to December 15, 2019. Delays in submitting timesheets ranged from 1 to 14 workdays late.

The State Officials and Employees Ethics Act (the Act) (5 ILCS 430/5-5(c)) requires State agencies to adopt and implement personnel policies that require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees must satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for a means of compliance with the requirement.

ISBI's Agency Directives Manual includes personnel policies which outline requirements for attendance records to be prepared each pay period for each workday. Prior to December 15, 2019, the policy in place stated "Every employee shall complete timesheets covering each pay period and submit such timesheets to the Director of Operations, Accounting and Audit or his/her designee within two (2) workdays of the end of the reporting period. The timesheets must document to the nearest quarter hour the time the employee spend each day on official ISBI business. Timesheets may be maintained on paper or in electronic format." Effective December 15, 2019, the timesheet submission deadline was changed from two (2) workdays to seven (7) workdays.

In discussing these conditions with ISBI officials, they stated the exceptions identified by the auditors were prior to a policy change effective December 15, 2019 which extended the timesheet submission deadline.

Failure to submit timesheets in accordance with ISBI's internal policies results in noncompliance with State Positive Time Reporting requirements.

A similar finding was reported in the prior year examination. (Finding Code 2020-002, 2019-001)

Recommendation

We recommend ISBI establish procedures to ensure employee timesheets are prepared in accordance with the Act and Agency Directives.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Schedule of Findings

Current Findings – *State Compliance*

Year ended June 30, 2020

ISBI Response

ISBI agrees with the finding and recommendation, noting that enhanced Director of Operations, Accounting, and Audit oversight of timesheet submission, in addition to the policy adjustment stated above, contributed to the lack of findings identified after the December 15, 2019 policy change date. Process enhancements enacted mid-way through fiscal year 2020 will continue, given their apparent effectiveness.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Prior Findings not Repeated

Year ended June 30, 2020

A – Incomplete Preparation of Employment Eligibility Verification Form I-9’s

In the prior year, ISBI did not properly complete the Employment Eligibility Verification Form I-9 for its employees. (Finding Code No. 2019-002)

In the current year, similar exceptions were not identified in the auditors’ testing.

B – Inaccurate Recording of Vouchers During the Fiscal Year

In the prior year, ISBI did not record vouchers for contractual service expenditures in the correct fiscal year. (Finding Code No. 2019-003)

In the current year, similar exceptions were not identified in the auditors’ sample testing.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)
Supplementary Information for State Compliance Purposes
Year ended June 30, 2020

Summary

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Comparative Schedules of Operations
- Schedules of Investment Portfolio
- Schedules of Investment Manager Fees
- Schedules of Property
- Reconciliation of the State Treasurer's Cash Balance with that of ISBI
- Schedules of Analysis of Accounts Receivable

- Analysis of Operations (Unaudited):

- Board Functions and Planning Program (Unaudited)
- Number of Employees (Unaudited)
- Proceeds from General Obligation Bonds and Member System Contributions (Unaudited)
- Third-Party Marketing Fees Paid (Unaudited)
- Service Efforts and Accomplishments (Unaudited)
- Overall Rates of Return (Unaudited)
- Investment Returns – Benchmark and Actual (Unaudited)
- Net Position Allocation as of June 30, 2020 (Unaudited)
- Schedules of Investment Commissions (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The accountants' report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis

Year ended June 30, 2020

Schedule 1

Comparative Schedules of Operations

	2020	2019	Increase (decrease)
Investment income:			
Interest	\$ 156,121,730	188,699,335	(32,577,605)
Dividends	63,503,954	122,301,887	(58,797,933)
Securities lending	—	102	(102)
Realized gain on investments	515,484,853	1,097,480,189	(581,995,336)
Unrealized gain (loss) on investments	169,998,698	(198,234,113)	368,232,811
Total investment income	905,109,235	1,210,247,400	(305,138,165)
Administrative expenses:			
Salaries and benefits	2,327,879	2,425,766	(97,887)
Operating expenses	1,047,952	996,123	51,829
External support	23,187,560	22,790,220	397,340
Total expenses	26,563,391	26,212,109	351,282
Excess of investment income over			
administrative expenses	\$ 878,545,844	1,184,035,291	(305,489,447)

See accompanying independent accountants' report.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis

Year ended June 30, 2020

Schedule 2

	Schedules of Investment Portfolio			
	2020		2019	
	Amount	Percentage of portfolio	Amount	Percentage of portfolio
Measured at fair value:				
Fixed income securities:				
U.S. Government and agency obligations:				
U.S. Treasury	\$ 64,308,682	0.32 %	\$ 137,474,273	0.72 %
Federal agencies and other U.S. governments	171,718,409	0.87	111,736,905	0.58
Municipal obligations	1,676,185	0.01	2,174,758	0.01
International government obligations	113,781,709	0.57	145,836,447	0.76
Bank loans ¹	251,140,241	1.27	392,020,733	2.05
Corporate obligations ²	895,942,130	4.52	687,426,898	3.60
Commingled funds - Fixed Income	4,629,437,148	23.37	4,521,009,685	23.67
Total fixed-income securities	6,128,004,504	30.93	5,997,679,699	31.39
Equities:				
Common stocks:				
Domestic equities:				
Consumer discretionary	320,657,913	1.62	290,912,762	1.53
Consumer staples	208,699,608	1.06	234,162,507	1.23
Energy	71,726,477	0.36	143,397,226	0.75
Financials	309,828,480	1.56	397,937,201	2.08
Healthcare	413,952,580	2.09	438,948,486	2.30
Industrials	187,016,996	0.94	253,207,406	1.33
Information technology	832,731,861	4.20	678,912,713	3.55
Materials	54,073,642	0.28	63,967,025	0.33
Telecommunication services	338,661,076	1.71	343,526,354	1.80
Utilities	53,367,363	0.27	58,685,893	0.31
Other	61,891,408	0.31	58,052,081	0.30
Commingled funds - Equity	6,289,294,561	31.75	6,270,630,122	32.83
International equities	235,312,041	1.19	233,224,060	1.22
Total equities	9,377,214,006	47.34	9,465,563,836	49.56
Hedge funds	46,354,758	0.23	141,715,793	0.74
Opportunistic debt	822,484,844	4.15	506,150,801	2.65
Real estate funds	1,960,846,320	9.90	1,737,430,583	9.10
Private equity	942,875,216	4.76	779,475,084	4.08
Infrastructure Funds	279,399,854	1.41	316,264,251	1.66
Restricted Cash (Subscription Advance)	40,000,000	0.20	—	—
Measured at amortized cost:				
Money market instruments	212,665,371	1.08	156,715,534	0.82
Total investments	\$ 19,809,844,873	100.00 %	19,100,995,581	100.00 %

¹ Bank loans category moved into Fixed Income grouping from alternative investment fund section below to better align financial statement presentation with the nature and structure of current portfolio positions held

² Prior period corporate obligations subcategories consolidated into single category to align with all other fixed income asset category presentations

See accompanying independent accountants' report.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis

Year ended June 30, 2020

Schedule 3

Schedules of Investment Manager Fees

	<u>2020</u>	<u>2019</u>
Ariel Investments	\$ 1,054,242	1,387,021
Blackrock	3,013,192	1,332,117
Brigade	1,561,480	1,147,896
Channing	647,443	884,440
Crescent Capital	327,797	860,611
Garcia Hamilton	649,682	602,321
Hamilton Lane	961,274	1,300,000
High Vista	3,682,127	2,039,792
ING Clarion	4,244	341,921
LSV Asset Management	652,710	2,065,836
Macquarie ¹	(192,714)	1,357,897
Marathon	467,113	—
Nomura	116,949	868,957
Northern Trust Emerging Markets ¹	(443)	307,804
Northern Trust EAFE	—	95,794
Oak Hill Advisors	2,929,804	324,820
Payden Rygel	185,919	240,556
Rhumblin	236,947	248,725
Rockcreek	3,532,586	3,113,520
SSgA Russell Midcap	—	30,951
SSgA Russell 1000	—	81,610
SSgA (Cash Overlay) ¹	(30,137)	60,274
SSgA Barclays US Aggregate	—	314,278
SSgA EAFE	—	213,594
SSgA Separately Managed MSCI EAFE Index	—	48,701
SSgA Passive Emerging Markets Local Currency Bond	—	115,718
SSgA Emerging Markets Hard Currency Bond	44,192	101,079
SSgA S&P 600	—	25,274
SSgA TIPS	—	34,942
SSgA Treasury	—	69,110
THL Credit	28,140	523,914
Wellington	248,922	—
William Blair	360,778	977,229
	<u>\$ 20,482,247</u>	<u>21,116,702</u>

Investment manager fees are related to fees paid to various investment managers. Fees are negotiated primarily on market values. A graduated rate is used for most managers based upon various increments per million dollars of market value.

¹ Negative current year fee expense pertains to favorable difference between accrued estimated final manager fees payable for ending manager relationships as of June 30, 2019 and final negotiated expenses paid subsequent to June 30, 2019.

See accompanying independent accountants' report.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis

Year ended June 30, 2020

Schedule 4

Schedule of Changes in Property

	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
Cost	\$ 120,635	2,507	—	123,142
Less accumulated depreciation	(64,818)	(6,703)	—	(71,521)
Net property and equipment	\$ <u>55,817</u>	<u>(4,196)</u>	<u>—</u>	<u>51,621</u>
	<u>Balance at June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>
Cost	\$ 117,329	3,306	—	120,635
Less accumulated depreciation	(61,355)	(3,463)	—	(64,818)
Net property and equipment	\$ <u>55,974</u>	<u>(157)</u>	<u>—</u>	<u>55,817</u>

Note: Amounts reported in the schedule of property and equipment have been reconciled to property reports submitted to the Illinois Office of the Comptroller

See accompanying independent accountants' report.

Schedule 5

Reconciliation of the State Treasurer's Cash Balance with that of ISBI

	<u>2020</u>		
	<u>Illinois State Board of Investment</u>	<u>Illinois Power Agency Trust Fund</u>	<u>Total</u>
Balance per State Treasurer at June 30	\$ 993,049	—	993,049
Vouchers in transit	—	—	—
Balance per ISBI at June 30	\$ <u>993,049</u>	<u>—</u>	<u>993,049</u>
	<u>2019</u>		
	<u>Illinois State Board of Investment</u>	<u>Illinois Power Agency Trust Fund</u>	<u>Total</u>
Balance per State Treasurer at June 30	\$ 515,822	—	515,822
Vouchers in transit	(26,913)	—	(26,913)
Balance per ISBI at June 30	\$ <u>488,909</u>	<u>—</u>	<u>488,909</u>

See accompanying independent accountants' reports.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis

Year ended June 30, 2020

Schedule 6

Schedules of Analysis of Accounts Receivable

Schedule of Analysis of Accounts Receivable

A summary of ISBI's receivables are as follows:

	<u>2020</u>	<u>2019</u>
Receivables		
Foreign taxes	\$ 8,181,743	9,812,259
Accounts receivable	683,310	338,911
Investments sold	9,516,450	131,260,631
Interest and dividends	<u>16,764,720</u>	<u>17,343,433</u>
Total receivables	\$ <u>35,146,223</u>	<u>158,755,234</u>

ISBI's receivable balance at June 30, 2020 and 2019 amounted to \$35,146,223 and \$158,755,234 respectively. The balance consisted of \$25,629,773 and \$27,494,603 of dividends, interest, foreign taxes, and accounts receivable on investments held as of June 30, 2020 and 2019, respectively, and included receivables of \$9,516,450 and \$131,260,631 for investments sold prior to June 30, 2020 and 2019, respectively, but settled after year-end. Because the collection of this interest is relatively assured and the sale of investments is merely an issue of timing, ISBI does not maintain a reserve for uncollectible receivables or age the receivable detail.

See accompanying independent accountants' report.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

Board Functions and Planning Program (Unaudited)

The Illinois State Board of Investment (ISBI) was created on October 10, 1969, by Article 22A of the Illinois Pension Code to manage and invest the assets and reserves of any pension fund or retirement system that transfers this responsibility to ISBI. In accordance with Article 22A, the Trustees of the State Employees' Retirement System, the General Assembly Retirement System, and the Judges' Retirement System transferred all of their investment assets to ISBI as of June 30, 1970. Since that date, all additional funds available for investment for those three systems have been transferred to ISBI.

In 1978, in accordance with Article 24, ISBI became responsible for developing and establishing the State Employees' Deferred Compensation Plan (the Plan). Initial enrollment began in 1979, at which time the Department of Personnel (now Department of Central Management Services) was named as the Administrator of the Plan. With respect to developing and establishing the Plan, ISBI reviews investment offering options for the Plan and supervises the Department of Central Management Services' administration of the Plan.

Beginning July 1, 1978, ISBI merged the Illinois Board Fund, Illinois Equity Fund, and Illinois Segregated Fund into the Illinois State Board of Investment Commingled Fund (the Commingled Fund). The purpose of this consolidation was to enhance control over investment policy through increased flexibility in the allocation of cash reserves between fixed income and equity investments. ISBI's investment policy and strategy can be more uniformly applied to each member system irrespective of cash flow. In addition, it simplified ISBI's accounting and reporting systems. The result is that the Commingled Fund now represents all of the assets under ISBI's supervision.

ISBI's ongoing investment decisions are made in alignment with its established, Board approved, Investment Policy. The Investment Policy formally documents ISBI's investment objectives and details ISBI's investment philosophy for the portfolio. Additionally, the Board approves the Strategic Asset Allocation, with input from ISBI's retained investment consultant, which sets percentage targets for each asset class across ISBI's investment portfolio. These asset class targets reaffirm the broadly diversified investment strategy that ISBI continues to pursue with the belief that, over a period of time, this approach will maximize investment return within a prudent level of risk. The Investment Policy also documents review and evaluation criteria for investment managers ISBI utilizes in pursuing alignment with the established Strategic Asset Allocation.

Members of the Board of Trustees as of June 30, 2020 include:

Justice Mary Seminara Schostok	Elizabeth Sanders
Comptroller Susana Mendoza	Jaye Williams
Treasurer Michael Frerichs	Michael Tarnoff
Senator Robert Martwick	Gisela Attlan

At June 30, 2020, one appointed board trustee seat was unfilled. This open trustee seat was filled by Terrence Healy prior to ISBI's September 2020 board meetings.

ISBI has established both long-term and short-term goals with the intention of maximizing earnings for Member Retirement Systems' investments. These goals are reviewed in accordance with ISBI's Investment Policy.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

Number of Employees (Unaudited)

ISBI had 12 full-time employees at June 30, 2020 and had 13 full-time employees at June 30, 2019.

Proceeds from Outstanding General Obligation Bonds and Member System Contributions (Unaudited)

Public Act 93-0002 (the Act) became effective on April 7, 2003 and authorized the State of Illinois to issue \$10 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System are "designated retirement systems" for the purpose of this law.

On June 12, 2003, the State of Illinois issued \$10 billion of General Obligation Bonds, Pension Funding Series June 2003. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System (member systems) received an allocation of bond proceeds equal to \$1,554,924,744 on July 1, 2003. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment on July 2, 2003. ISBI initially approved investing the pension bond proceeds in separate index funds. These index funds were subsequently liquidated and combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2004. ISBI estimates the annualized return of the remaining 2003 pension bond series is 6.9% as of June 30, 2020.

Public Act 96-0043 (the Act) became effective on July 15, 2009 and authorized the State of Illinois to issue \$3.466 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System are "designated retirement systems" for the purpose of this law.

On January 7, 2010, the State of Illinois issued \$3.466 billion of General Obligation Bonds, Taxable Bond Series January 2010. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System received an allocation of bond proceeds equal to \$809,401,372 on January 20, 2010. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment the same day. The monies were combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2010. The General Obligation Bonds issued in 2010 matured in 2015.

Public Act 96-1497 (the Act) became effective on January 14, 2011 and authorized the State of Illinois to issue up to \$4.1 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. On March 10, 2011, the State of Illinois issued \$3.7 billion of General Obligation Bonds, Taxable Bond Series February 2011. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System received an allocation of bond proceeds equal to \$745,546,496 on March 14, 2011. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment the same day. The monies were combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2011. The General Obligation Bonds issued in 2011 matured on March 1, 2019.

ILLINOIS STATE BOARD OF INVESTMENT
 (An Internal Investment Pool of the State of Illinois)
 Analysis of Operations (Unaudited)
 Year ended June 30, 2020

During fiscal years 2020 and 2019, respectively, employer and employee funding transfers were sent directly by the State of Illinois to Member systems, rather than to ISBI. As a result, ISBI reports no contributions from the State of Illinois in fiscal years 2020 and 2019.

Third-Party Marketing Fees Paid (Unaudited)

ISBI discloses whether investment managers hired marketing groups to assist with promoting their investment product to ISBI. There were no third party marketing fees paid by investment managers as of June 30, 2020 and 2019, respectively.

Service Efforts and Accomplishments (Unaudited)

For purposes of evaluating service efforts and accomplishments, three different measures have been included. One measure presents a historical perspective of overall annual and compound rates of return, another compares benchmark rates of return with actual rates of return by fund, and the last presents asset allocations by fund type.

Overall Rates of Return (Unaudited)

	2020	2019	2018	2017	2016
Annual total return	4.6%	7.1%	7.6%	12.3%	(0.8%)
Compound annual rate of return since July 1, 1982	8.9%	9.0%	9.1%	9.1%	9.0%

Investment Returns – Benchmark and Actual (Unaudited)

ISBI operates under a long-range investment plan with the objective to maximize the total rate of return. The objectives set forth are as follows:

- At least equal to 6.75%, the actuarially assumed interest rate of return for one of ISBI’s member systems, the State Employees’ Retirement System (SERS). The GARS and JRS return assumptions were both 6.50% at June 30, 2020. ISBI has assumed the same rate of return as SERS (6.75% as of June 30, 2020), as SERS’s net assets represent approximately 94% of ISBI’s net position as of June 30, 2020.
- At least equal to the return of a composite benchmark of market indices in the same proportions as ISBI’s asset allocation policy targets.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

ISBI earned a total rate of return of 4.6% for the year ended June 30, 2020.

	(Annualized)											
	2020	2019	2018	2017	2016	2015	2014	2013	2012	3 Yrs.	5 Yrs.	10 Yrs.
	%	%	%	%	%	%	%	%	%	%	%	%
Total Fund	4.6	7.1	7.6	12.3	(0.8)	4.7	17.9	14.1	0.1	6.4	6.1	8.7
Composite Benchmark*	4.9	7.0	7.4	12.0	0.7	4.0	16.3	11.8	0.9	6.4	6.3	8.3
Consumer Price Index	0.7	1.7	2.9	1.6	1.0	0.1	2.1	1.8	1.7	1.7	1.6	1.7
Domestic Equities	6.4	10.3	14.3	18.7	(1.7)	6.4	24.1	23.3	1.3	10.3	9.3	13.1
Russell 3000 Index	6.5	9.0	14.8	18.5	2.1	7.3	25.2	21.5	3.8	10.0	10.0	13.7
International Equities	(2.9)	1.2	7.6	22.1	(7.1)	(1.0)	23.8	16.8	(10.7)	1.9	3.6	7.1
MSCI-ACWI ex US Index	(4.7)	0.3	7.7	20.5	(9.2)	(4.6)	22.8	14.4	(14.4)	1.0	2.3	5.1
Fixed Income	7.8	7.5	0.9	0.9	1.6	(1.4)	6.5	2.4	6.8	5.3	3.6	3.7
Barclays Capital U.S. Universal Index	7.9	8.1	(0.3)	0.9	5.8	1.6	5.2	0.2	7.4	5.2	4.4	4.1
Real Estate	2.3	5.4	7.3	7.1	12	16.3	14.5	13	5.3	5.0	6.5	9.4
Real Estate CB	3.9	6.6	7.1	6.9	10.8	13.4	11.7	11.1	11.3	5.9	7.0	9.9
Private Equity	7.9	19.8	20.6	17.9	7.9	21.5	24.7	16.2	7.6	16.0	14.3	16.1

Note: Calculations are based on a time series of linked monthly returns (IRR), producing a time weighted effect.

Total fund return is presented net of fees. All other return information is presented gross of fees.

* Composite Benchmark:

- Effective 07/17: 23% Russell 3000; 13% MSCI-EAFE Index; 8% MSCI Emerging Markets Index; 7% Cambridge Private Equity Index (1Q lagged); 10% Barclays Aggregate; 4% Barclays Intermediate Treasuries; 4% Barclays Long Term Treasury Index; 4% Barclays US TIPS Index; 2.5% Barclays High Yield Index; 2.5% CSFB Leveraged Loan Index; 1.0% JPM GBI EM Global Diversified (unhedged); 1.0% JPM EMBI Global Diversified (hedged); 8% S&P/LSTA US Levered Loan 100 Index; 10% NCREIF ODCE (1Q lagged); 2% CPI + 3.5%
- Effective 07/16: 23% Russell 3000; 13% MSCI-EAFE Index; 7% MSCI Emerging Markets Index; 10% Cambridge Private Equity Index; 11% Barclays Aggregate; 3% Barclays Long Term Treasury Index; 5% Barclays US TIPS Index; 3% Barclays High Yield Index; 3% CSFB Leveraged Loan Index; 1.5% JPM GBI EM Global Diversified (unhedged); 1.5% JPM EMBI Global Diversified (hedged); 11% NCREIF; 5% CPI + 4.0%; 3% HFRI Fund of Fund Composite
- Effective 06/14: 30% Russell 3000; 20% MSCI-ACWI ex US IMI Gross; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Custom Private Equity Benchmark, which is based on preliminary data subject to change; 10% HFRI Fund of Funds Index. The Custom Private Equity benchmark is based on peer universe return data compiled and published by Cambridge Associates, LLC. The custom benchmark returns are calculated as pooled internal rates of return (IRR).

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)
Analysis of Operations (Unaudited)
Year ended June 30, 2020

- Effective 01/14: 30% Russell 3000; 20% MSCI-ACWI ex US; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Venture Economics Pooled Average Periodic IRR, which is based on preliminary data subject to revision on a quarterly basis; 10% HFRI Fund of Funds Index.
- Effective 07/11: 30% Russell 3000; 20% MSCI-ACWI ex US; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Venture Economics Pooled Average Periodic IRR, which is based on preliminary data subject to revision on a quarterly basis; 10% HFRX Equity Hedged Index.
- Effective 07/07: 30% Russell 3000; 20% MSCI-EAFE; 25% Lehman Universal; 10% NCREIF; 5% Venture Economics Pooled Average Periodic IRR, which is based on preliminary data subject to revision on a quarterly basis; 10% HFRX Equity Hedged Index.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

Net Position Allocation as of June 30, 2020 (Unaudited)

The investment policy of ISBI establishes asset allocation targets and ranges for each asset class, selected to accomplish the long-range investment plan. The actual asset mix is roughly in line with the policy target, with modest over allocations to U.S. equity and unallocated cash with offsetting under allocations to private equity, opportunistic debt and real estate.

	Fair Value	Actual Asset Mix	Policy Target
	\$	%	%
Domestic equity	\$ 2,852,607,404	15	
Commingled funds - Domestic equity	2,413,447,459	12	
Total Domestic equity	5,266,054,863	27	23
International equity	235,312,041	1	
Commingled funds - International equity	3,915,847,102	20	
Total International equity	4,151,159,143	21	21
Fixed income ¹	1,498,567,356	8	
Commingled funds - Fixed income	4,629,437,148	23	
Total Fixed income	6,128,004,504	31	29
Real estate ²	1,960,846,320	10	10
Private equity ²	942,875,216	5	7
Infrastructure ²	279,399,854	1	2
Opportunistic Debt ²	822,484,844	4	8
Hedge funds	46,354,758	0	-
Cash ³	212,665,371	1	-
Total	<u>\$ 19,809,844,873</u>	<u>100%</u>	<u>100%</u>

¹ Maturities of one year or longer, including convertible bonds.

² Interests in limited partnerships and other entities which have limited liquidity.

³ Includes money market instruments (at amortized cost) and other assets, less liabilities.

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

Schedules of Investment Commissions (Unaudited)

	2020	2019
Academy Securities	—	\$ 43,113
Alamo Capital	—	6,268
Bank of America Corp	12,918	—
Bank of America Merrill Lynch	15,002	—
Barclays Capital	7,813	—
BNP Paribas Securities	9,499	—
BNY Convergenx Execution Solutions	16,949	—
BNY Mellon Capital	6,430	11,230
Cabrera Capital Markets	186,813	94,693
Calyon Securities	30,991	—
Cantella & Co., Inc.	10,950	—
Capis	17,384	—
CastleOak Securities	5,943	16,170
CIRIC Secs	5,466	—
Citigroup Inc.	16,913	7,837
CL King & Associates	7,895	—
CLSA Singapore PTE Ltd.	18,518	—
Credit Suisse Securities (USA) LLC	5,227	9,882
Daiwa Capital	11,775	—
Deutsche Bank AG	12,260	—
Deutsche Bank Securities	25,063	—
Falcon Square Capital	5,144	—
FHN Financial	220,065	—
FTN Financial	—	33,363
Fidelity Global Brok	10,230	—
First Analysis Securities	17,980	—
Goldman Sachs International	18,820	—
Great Pacific Securities	35,753	34,781
Handelsbanken AB	24,988	—
ITG Canada Corp.	5,355	—
INTL FCStone Partners	5,219	7,125
Investment Technology Group LTD	27,738	—
Jane Street	6,500	—
Jefferies & Company	16,160	5,969
Jefferies LLC	7,407	—
JMP Securities	213,593	70,140
Jones Treading	37,623	—
JP Morgan Chase	12,252	5,783
JP Morgan Securities PLC	32,516	—
Keefe Bruyette	11,168	5,264
Key Banc Capital Markets	13,525	—
King M Ramsey	32,209	—

ILLINOIS STATE BOARD OF INVESTMENT
(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Year ended June 30, 2020

Schedules of Investment Commissions (Unaudited) (cont)

	<u>2020</u>	<u>2019</u>
Liquidnet Inc.	5,234	5,119
Loop Capital	281,454	111,409
Macquarie Bank Limited	10,205	—
MarketAxess	28,397	—
Merrill Lynch International Limited	7,891	—
Mesirow Financial	14,528	—
MFR Securities	14,119	25,425
Mischler Financial	71,206	—
Mizuho Securities, USA	22,853	102,085
Morgan Stanley	55,176	9,270
Morgan Stanley Group	23,117	—
Morgan Stanley & Co., LLC	23,989	—
Morgan Stanley & Co. International PLC	5,794	—
Nomura	—	5,139
Oppenheimer & Co Inc.	30,573	—
Pavilion Global	23,150	—
Penserra Securities	31,570	—
Pershing LLC	31,502	—
RBC Capital Markets	—	8,825
Robert W. Baird	15,761	7,841
Seaport Global	8,529	—
Siebert Williams Shank & Co.	7,136	—
Stiffel, Nicolaus	20,439	—
Suntrust Robinson Humphrey	9,079	—
UBS	10,432	5,055
UBS AG London Branch	28,043	—
UBS Securities Canada Inc.	9,704	—
US Bancorp	13,544	—
Wells Fargo	135,761	15,445
Wells Fargo Securities	9,053	—
William Blair	58,868	—
William Cos Inc	117,810	—
Williams Capital Group, L.P.	66,177	35,693
Wood & Co	21,600	—
Yuanta Core Pacific	34,196	—
Other (including under \$5,000)	1,257,099	102,585
Total	<u>\$ 3,682,043</u>	<u>\$ 785,509</u>

Commissions relate to fees paid to investment brokerage firms for the purchase and sale of investments. See accompanying independent accountants' reports.