

**ILLINOIS SECURE CHOICE BOARD**

**Secure Choice Investment Subcommittee Meeting  
Tuesday, November 7, 2017  
James R. Thompson Center  
100 West Randolph, Room #15-600, Chicago, Illinois**

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**MEETING MINUTES**

The November 7, 2017 meeting of the Secure Choice Investment Subcommittee (“Subcommittee”) was called to order at 3:30 p.m. CT.

**BOARD MEMBERS PRESENT**

Jay Rowell  
*Designee for the Illinois State Treasurer*

Kim Fowler  
*Designee for the Governor’s Office of Management and Budget*

John Gay  
*Designee for the Illinois State Comptroller*

David Rappaport  
*Rappaport Reiches Capital Management, LLC - Co-Managing Partner*

**TREASURER’S STAFF**

Joe Aguilar, *Deputy Director – Investment Analysis and Due Diligence*

Courtney Eccles, *Invest in Illinois Program Manager*

Julian Federle, *Chief Policy and Programs Officer*

Rodrigo Garcia, *Chief Investment Officer*

**APPROVAL OF SEPTEMBER 21, 2016 MEETING MINUTES AND SEPTEMBER 26, 2017 MEETING MINUTES**

Subcommittee members reviewed the September 21, 2016 Meeting Minutes and the September 26, 2017 Meeting Minutes, which were provided in advance of the meeting. Mr. Gay noted that he was not present at either meeting but was confident in the draft minutes, and Ms. Fowler

noted that she was not present at the September 21, 2016 meeting. There was no additional discussion and no changes were proposed.

*Mr. Rappaport made a motion to approve the September 21, 2016 Meeting Minutes. Mr. Gay seconded the motion. The motion was approved.*

*Mr. Rappaport made a motion to approve the September 26, 2017 Meeting Minutes. Mr. Gay seconded the motion. The motion was unanimously approved.*

### **DISCUSSION – SECURE CHOICE INVESTMENT POLICY STATEMENT**

The Subcommittee reviewed the newest version of the draft Investment Policy Statement (IPS), which included edits based on feedback and comments from Mr. Rappaport and Ms. Martinez. Mr. Rowell stated that the draft IPS would go to the full Board for approval after the subcommittee meeting, and pointed out that a section referencing specific funds would be updated as soon as the Board selected the underlying investment funds for Secure Choice.

Mr. Rowell also noted updated language clarifying the limited circumstances under which the Treasurer's Office could act on behalf of the Board to investment changes, should the Board be unable to convene. Based on a recommendation by Ms. Martinez, these emergency powers would take effect only for "material events" and only if the Board was unable to meet. Mr. Aguilar added that the language also makes clear that any action taken by the Treasurer's Office would need to be reviewed and approved within thirty days.

Ms. Fowler thanked the staff, Ms. Martinez, and Mr. Rappaport for all their work on the IPS.

*Mr. Gay made a motion to approve the Investment Policy Statement and send it to the full Board for consideration. Mr. Rappaport seconded the motion. The motion was unanimously approved.*

### **DISCUSSION – CAPITAL PRESERVATION FUND**

Mr. Aguilar and Mr. Gerlings provided the Subcommittee with an update on the recommendation for the capital preservation fund. The recommendation to the Board would be to use a government money market fund for the 90-day hold period that is considered part of the default investment option, and to use a prime money market fund as the stand-alone capital preservation option that will be available to Secure Choice participants.

The subcommittee discussed the recommendation and supported the decision to use the different capital preservation fund options. Mr. Rowell added that staff would move forward with the

process and would bring specific fund recommendations to the subcommittee and Board in December, along with recommendations for the other fund options.

### **OLD OR NEW BUSINESS**

There was no old or new business.

### **PUBLIC COMMENT**

There were no public comments.

### **ADJOURNMENT**

With no further business before the Subcommittee, Mr. Gay made a motion to adjourn the meeting. Mr. Rappaport seconded the motion. The motion was unanimous and Mr. Rowell adjourned the meeting at 4:00 p.m. CT.