JUDGES RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 371

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES

May 1, 2026

A regular meeting of the Board of Trustees of the Judges' Retirement System of Illinois was held on Friday, May 1, 2026, at 10 a.m. in Room S200 of the Michael Bilandic Building, 160 North LaSalle Street, Chicago, Illinois with a videoconference location at the System's Springfield Office, 2101 South Veterans Parkway, Springfield, Illinois.

Roll Call was taken with the following trustees in attendance:

Justice Debra Walker, Chairperson and Proxy for Chief Justice P. Scott Neville, Jr. (Chicago location)
Judge Karen Wall (Springfield location)
Justice Amy Lannerd (Springfield location)
Catherine Shannon, Proxy for State Treasurer Michael Frerichs (Springfield location)

Others present:

Timothy B. Blair, Secretary (Chicago location)
Jeff Houch, Associate Secretary (Springfield location)
Angie Ackerson, JRS Division Manager (Springfield location)
Jacob Schlosser, General Counsel (Springfield location)
Mary Cahill, Director of Business Operations & Legislative Affairs, IL State Board of Investment
Jennifer Koelle, Senior Investment Officer, Illinois State Board of Investment

With a quorum present, Chairperson Walker called the meeting to order at 10:00 a.m.

PUBLIC COMMENTS

Chairperson Walker asked if any members of the public wished to address the Board. There were no members of the public in attendance, and no public comments were submitted.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

Mary Cahill, ISBI Director of Business Operations & Legislative Affairs, provided a brief economic review and reported that market volatility was driven by macro disruptions such as military action, political tensions and trade disputes which can cause short-term uncertainty. She reminded trustees that ISBI remains focused on long-term market return and risk forecast.

Ms. Cahill addressed the Fund's asset allocation policy and indicated all allocations are within policy guidelines. She noted that modest changes to the asset allocation policy will be implemented January 1, 2027, and then turned the presentation over to Jennifer Koelle, ISBI Senior Investment Officer, to review the performance of select asset classes.

Ms. Koelle began by noting that the portfolio's market value totaled $30.2 billion on December 31, 2025, and increased by more than $600 million in 2026, adding the value on April 30, 2026, was $30.7 billion. She stated the portfolio returned 2% in calendar year 2025, trailing the benchmark by 20 basis points.

Ms. Koelle noted the Fund returned 12.6% for the one-year period ended December 31, 2025, trailing the policy benchmark by 0.8% and the allocation benchmark by 1.3%. She noted that while the Fund has trailed the policy benchmark over the 1- year and 3-year periods, long term results have remained strong with outperformance over the 5- and 10-year periods.

Ms. Koelle reviewed the performance of several asset classes. She reported that the Global Public Equity portfolio returned 10.5% in the fiscal year-to-date but underperformed the benchmark by 0.6% while the Private Equity portfolio gained 0.9% in the fiscal year-to-date but lagged the benchmark by 6.3%. Ms. Koelle noted the Fixed Income portfolio gained 7.7% for the 1-year period, beating the benchmark by 0.1%, while the Credit portfolio gained 9.7% for the 1-year period, outperforming the benchmark return of 8.3%.

Ms. Koelle concluded her report by noting that while the Real Assets portfolio slightly trailed its benchmark during the 4th quarter, it outperformed the benchmark over all periods 3 years or longer, with positive relative performance contributions from both real estate and infrastructure. She concluded her report by stating the Infrastructure portfolio returned 10.4% over the 1-year period and outperformed the benchmark of 6.3%.

Following the presentation, Chairperson Walker asked if there were any questions. Seeing none, she asked for a motion to approve the ISBI report. Trustee Wall moved to approve, and the motion was seconded by Trustee Lannerd. All voted in the affirmative. A copy of the December 31, 2025, Performance Report is maintained in the SERS office, and made part of these minutes as *Exhibit A*.

MINUTES OF PREVIOUS MEETING

The minutes of Meeting No. 370 held on January 9, 2026, were presented by Chairperson Walker for approval. Copies of these minutes were previously submitted to all trustees for preliminary review. Trustee Lannerd moved to approve the minutes. The motion was seconded by Trustee Shannon and passed unanimously. A copy of the January 9, 2026, minutes is maintained in the SERS office, and made part of these minutes as *Exhibit B*.

READING OF COMMUNICATIONS

Chairperson Walker asked Secretary Blair if there were any communications to be presented to the Board. Secretary Blair reported there were none.

REPORT OF ANY TRUSTEE

Chairperson Walker asked if there were any trustee reports. No reports were offered.

REPORT OF SECRETARY

<u>Preliminary approval of the FY 27 Operations Budget</u>**.** Secretary Blair presented the FY 27 Operations Budget Request of $1,148,340, an increase of $28,280 or 2.52%, from the FY 26 budget. He noted that the request includes contractual AFSCME steps and a 3.5% COLA in July 2026 for all employees. He reviewed the items having a cost impact on the request, including an increase of $32,800 in the Personal Services line, an increase of $1,520 in the Retirement line, an increase of $2,480 in the FICA line

and an increase of $8,000 in the Group Insurance line. Secretary Blair noted a $1,000 decrease in the travel line and a $16,000 decrease in the Contractual line for the Auditor General Fee, as there will only be a financial audit in FY 26. He noted the FY 26 audit fee is paid from the FY 27 JRS operations budget.

Following discussion of the proposed FY 27 budget, Trustee Wall moved to approve the FY 27 operations budget of $1,148,340. The motion was seconded by Trustee Lannerd, and all voted in favor.

December 31, 2025 Financial Statements. Secretary Blair reviewed the financial statements for the first 6 months of FY 26, noting that the System's total YTD receipts were $111.9 million and $106.9 million in expenses were incurred, including the payment of $105.7 million in benefits. He noted that the System disburses $18 million per month in benefits and receives $15.4 million in employee and employer contributions, requiring monthly withdrawals from ISBI to pay benefits. Secretary Blair noted that $40 million was transferred from the ISBI investment portfolio in the first 3 quarters of FY 26 and he anticipates $12 million will be needed in the 4th quarter.

Trustee Shannon moved to approve the December 31, 2025, financial statements. The motion was seconded by Trustee Wall, and all voted in the affirmative. Official copies of these financial statements have been made a part of these minutes as *Exhibit C*.

FY 26 Funding Update. Secretary Blair stated that the Comptroller's Office continues to make the State contributions in an expedient manner and that JRS is up to date on receiving contributions. He stated the Comptroller's Office paid several months in advance in the first quarter.

Update on Administrative Review Complaints. Secretary Blair noted the Kievlan plaintiffs filed a petition for rehearing with the Third Appellate District but that the petition was recently denied. He added that he expected the plaintiffs to file a Petition for Leave to Appeal with the Illinois Supreme Court. Secretary Blair noted that the briefing schedule had not yet been set for the Otto administrative review complaint recently filed in Cook County.

REPORT OF DIVISION MANAGER

Annuities and Refunds for Approval. Angie Ackerson, JRS Division Manager, reported that since the last meeting, 18 retirement annuities totaling $230,848.24 per month, 7 survivor annuities totaling $63,378.95 per month, and 1 temporary disability totaling $6,068.75 per month were processed. Three survivor annuity refunds and one termination refund were processed, totaling $338,778.64, and 5 error refunds totaling $18,995.09 were processed. Trustee Wall moved to approve the annuities and refunds as presented. Trustee Lannerd seconded the motion, and all were in favor. Trustee Lannerd moved to approve the temporary disability benefit, Trustee Wall seconded the motion, and all were in favor.

Deaths of Members. Ms. Ackerson reported the deaths of 10 JRS members since the January Board meeting.

OLD BUSINESS

No old business was reported.

NEW BUSINESS

No new business was reported.

ADJOURNMENT

There being no further business to be brought before the Board, Trustee Lannerd moved to adjourn at 10:35 a.m. Her motion was seconded by Trustee Wall.

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Timothy B. Blair, Secretary

Date: ______________________________________

APPROVED:

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Justice Debra Walker, Chairperson