**Section 800.210 Functions**

a) The functions of the Board are limited to investment management and such other duties and responsibilities as are directed or permitted by statute. With respect to investment management more specifically:

*To invest, reinvest, exchange and perform all investment functions with regard to reserves, funds, assets, securities and moneys which the Board is authorized to invest, and to preserve and protect such reserves, funds, assets, securities and moneys, including, but not limited to, authority to vote any stocks, bonds or other securities and to give general or special proxies or powers of attorney with or without power of substitution* [40 ILCS 5/22A-106].

1) The Board shall manage investments by executing procedures that include, but are not limited to:

A) Performing due diligence on the investment portfolio. (Examples of due diligence include monitoring the performance of current investment portfolios, selecting new investment portfolios, determining the asset allocation per portfolio and selecting investment managers to invest portfolio assets.)

B) Adopting an asset allocation policy to achieve efficiently the Board's long-term investment objective. (Examples of policy considerations include examining all asset classes and their appropriate benchmarks and allocating specific percentages of assets to specific asset classes.)

C) Managing Board expenses. (Examples of such management include negotiating competitive asset management fees with investment managers and monitoring the Board's operating budget.)

D) Complying with the Illinois Pension Code [40 ILCS 5]. (Examples of compliance include adhering to statutory directives such as the prudent utilization of emerging investment managers in managing assets (see 40 ILCS 5/1-109.1(4)) and refraining from prohibited transactions.)

2) The Board's general policy governing investments shall require that, as fiduciaries, the Board discharge its duties, with respect to pension fund assets it manages, solely in the interest of the participants and beneficiaries. (Examples of general investment policy include maintaining the long-term investment objective established by the Board; investing with the care, skill, prudence and diligence that a prudent person would use in the conduct of an enterprise of like character with like aims; and diversifying investments to reduce risk, enhance returns and commit meaningful investment positions.)

b) State Employees Deferred Compensation Plan (Plan)

1) The Board shall be responsible for developing and establishing the Plan (see 40 ILCS 5/24-104).

2) With respect to developing and establishing the Plan, the Board shall:

A) Review investment offerings and offer acceptable investment offerings as investment options for the Plan; and

B) Supervise the Department of Central Management Services' administration of the Plan.

3) Further explanation regarding the Board's responsibilities with respect to the development and establishment of the Plan are found in the following Board regulations: 80 Ill. Adm. Code 2700: Subpart A (Introduction and Purpose of Plan); Subpart B (Definitions); Subpart C (the Board's general supervision of the administration of the Plan); Subpart G (distributions in the event of an unforeseeable emergency); Subpart I (ability to amend or terminate Plan).

c) These functions shall not encompass any duties or responsibilities related to the operation and administration of the pension funds in any other area than that of investments.

(Source: Amended at 42 Ill. Reg. 19060, effective October 3, 2018)