

**REPORT TO THE
GOVERNOR AND
GENERAL ASSEMBLY**

ECONOMIC OPPORTUNITY INVESTMENTS



August 29, 2018

**Illinois State Board of Investment
180 N. LaSalle St., Suite 2015
Chicago, IL 60601**

As Required by Public Act 096-0753 for the period ending June 30, 2018



VIA STATE MESSENGER

August 29, 2018

The Honorable Bruce Rauner
Governor of Illinois
207 State House
Springfield, IL 62706

Dear Governor Rauner:

On behalf of the Illinois State Board of Investment ("ISBI"), I am providing this report to you and the General Assembly disclosing ISBI's economic opportunity investments as of June 30, 2018.

Under Public Act 96-0753, Illinois encourages its pension funds to promote the economy of Illinois through the use of economic opportunity investments to the greatest extent feasible within the bounds of financial and fiduciary prudence.

To compile the report, ISBI Staff identified Illinois businesses that are public companies using the Bloomberg Illinois Index. The index consisted of 150 companies, as of June 30, 2018, headquartered in Illinois. This report lists the investments made by ISBI's investment managers into Illinois-based businesses. ISBI's economic opportunity investments, consisting of private equity, real estate, equity and fixed income investments, total \$405,751,995 or 2.21% of the total fund. ISBI also utilizes several investment managers that are based in Illinois. As of June 30, 2018, Illinois based firms managed 13.01% of the total fund with assets totaling \$2.4 billion. This report sets forth these managers, along with the assets under management.

It is the goal of ISBI, subject to its fiduciary responsibility, to continue to increase its participation in economic opportunity investments in order to improve the State's economic condition. Please do not hesitate to contact Dipesh Mehta, ISBI's General Counsel, at 312.793.1486 with any questions or concerns regarding this report.

Sincerely,

ILLINOIS STATE BOARD OF INVESTMENT

A handwritten signature in blue ink that reads "Johara Farhadieh".

Johara Farhadieh
Executive Director & Chief Investment Officer
Enclosure

**Illinois Based Private Equity Fund Investments
As of March 31, 2018***

Illinois Based PE Partnership	Location	ISBI Market Value*
GTCR Fund IX/A, LP	Chicago	\$3,641,710
Hopewell Ventures, LP	Chicago	\$3,152,165
JK&B Capital Fund IV, LP	Chicago	\$111,665
Madison Dearborn Capital Partners (IV, V, VI)	Chicago	\$19,899,663
Sterling Capital Partners Fund III, LP	Chicago	\$5,991,162
Valor Equity partners (II, III)	Chicago	\$61,672,429
Wind Point Partners V, LP	Chicago	\$3,453,127
Total Private Equity Managers:		\$97,921,921

*The market values for Private Equity investments are best estimates as of March 31, 2018, due to the inability to obtain second quarter performance figures given the timing of this report

Real Estate Investments in Illinois
As of March 31, 2018*

No.	Property	Location	State	ISBI Exposed Property Value
1	River North Park Apartments	Chicago	IL	\$ 1,043,324
2	Streets of Woodfield	Chicago	IL	\$ 1,461,275
3	Equity Office Properties Trust	Chicago	IL	\$ 1,299,257
4	Project Diamond	Various	IL	\$ 2,135,423
5	Joliet & DuPage	Chicago	IL	\$ 6,875,967
6	Shops at Glen Pointe	Chicago	IL	\$ 7,079,340
7	140 North Mitchell Court	Addison	IL	\$ 142,501
8	600 North Michigan Avenue	Chicago	IL	\$ 4,595,662
9	Mariano's Park Ridge	Park Ridge	IL	\$ 192,590
10	Mariano's Sheridan Road	Chicago	IL	\$ 158,069
11	Whole Foods Chicago	Chicago	IL	\$ 145,957
12	Mariano's Chicago Ave	Chicago	IL	\$ 97,506
13	Trader Joe's Evanston	Evanston	IL	\$ 72,070
14	1111 Chicago Avenue	Evanston	IL	\$ 63,591
15	Trader Joe's Libertyville	Libertyville	IL	\$ 47,239
16	Railway Plaza	Naperville	IL	\$ 1,292,010
17	The Pointe at Moline	Moline	IL	\$ 495,108
18	Clarendale of Addison	Addison	IL	\$ 372,262
19	Andrew Corporation	Chicago	IL	\$ 403,693
20	10-30 S. Wacker	Chicago	IL	\$ 3,853,631
21	111 North Canal	Chicago	IL	\$ 2,439,242
22	850 Lake Shore Drive	Chicago	IL	\$ 717,733
23	Gateway 673	Pontoon Beach	IL	\$ 386,293
24	Kraft Industrial Portfolio	Aurora	IL	\$ 1,568,610
25	Metro Chicago Industrial Portfolio	Chicago	IL	\$ 592,622
26	Procter & Gamble Distribution Center	Edwardsville	IL	\$ 1,141,049
27	2601 Internationale Parkway	Woodridge	IL	\$ 228,973
28	Darien - Self Storage	Darien	IL	\$ 167,491
29	Des Plaines - Self Storage	Des Plaines	IL	\$ 108,311
30	155 North Wacker	Chicago	IL	\$ 8,285,215
31	2312 Touhy Avenue	Chicago	IL	\$ 36,848
32	2316 Touhy Avenue	Chicago	IL	\$ 39,081
33	2320 Touhy Avenue	Chicago	IL	\$ 37,965
34	2324 Touhy Avenue	Chicago	IL	\$ 36,848
35	2445 Higgins Road	Chicago	IL	\$ 72,579
36	2447 Higgins Road	Chicago	IL	\$ 73,696

*The market value for Real Estate investments is as of March 31, 2018 due to the inability to obtain second quarter valuations given the timing of this report.

*ISBI Exposed Property Value represents the portion of the market value of each property that is owned by ISBI given ISBI's percent ownership in each Real Estate fund.

Real Estate Investments in Illinois
As of March 31, 2018*

35	2445 Higgins Road	Chicago	IL	\$ 72,579
36	2447 Higgins Road	Chicago	IL	\$ 73,696
37	695 Touhy Avenue	Chicago	IL	\$ 131,759
38	Addison	Dupage	IL	\$ 112,777
39	AMLI at 900 South Clark	Chicago	IL	\$ 618,600
40	AMLI at Museum Gardens	Vernon Hills	IL	\$ 531,504
41	AMLI at River North	Chicago	IL	\$ 2,320,307
42	AMLI at Seven Bridges	Woodridge	IL	\$ 1,287,447
43	AMLI Lofts	Chicago	IL	\$ 1,044,026
44	AMLI Operating Company	Chicago	IL	\$ 1,267,348
45	Palatine	Palatine	IL	\$ 109,427
46	McCook	Chicago	IL	\$ 130,643
47	Lyons	Lyons	IL	\$ 87,095
48	AMLI Deerfield	Deerfield	IL	\$ 904,451
49	Uptown	Chicago	IL	\$ 107,194
50	West Rogers Park	Chicago	IL	\$ 80,396
51	AMLI Evanston	Evanston	IL	\$ 378,529
52	Hermosa	Chicago	IL	\$ 97,145
53	2317 Landmeier Road	Chicago	IL	\$ 99,378
54	669 N Michigan Avenue	Chicago	IL	\$ 3,450,312
55	Lombard	Lombard	IL	\$ 123,943
56	151 N. Franklin	Chicago	IL	\$ 1,770,937
57	Lake View	Chicago	IL	\$ 125,060
58	South Loop	Chicago	IL	\$ 174,191
59	1780 Birchwood Avenue	Des Plaines	IL	\$ 222,205
60	2475 Touhy Avenue	Elk Grove Village	IL	\$ 193,173
61	4800 S. Vernon Avenue	McCook	IL	\$ 236,720
62	8401 West 47th Street	McCook	IL	\$ 307,067
63	Bridgeview	Bridgeview	IL	\$ 137,343
64	10501 Seymour Avenue	Franklin Park	IL	\$ 510,289
65	11600 Grand Street	Northlake	IL	\$ 305,950
66	1701 Nicholas Boulevard	Elk Grove Village	IL	\$ 257,936
67	3400 Wolf Road	Franklin Park	IL	\$ 714,628
68	9555 Soreng Avenue	Schiller Park	IL	\$ 110,544
69	9655 Soreng Avenue	Schiller Park	IL	\$ 140,692
70	3701 Centrella Street	Franklin Park	IL	\$ 107,194
71	550 West North Frontage	Bolingbrook	IL	\$ 706,085
72	Chicago Portfolio	Chicago	IL	\$ 1,966
73	Thompson Chicago	Chicago	IL	\$ 676,568
74	Hoffman Village	Hoffman Estates	IL	\$ 6,342
	ISBI Exposure to IL Property Mkt Value			\$ 67,346,205

3

*The market value for Real Estate investments is as of March 31, 2018 due to the inability to obtain second quarter valuations given the timing of this report.

*ISBI Exposed Property Value represents the portion of the market value of each property that is owned by ISBI given ISBI's percent ownership in each Real Estate fund.

Illinois Based Real Estate Fund Investments
As of March 31, 2018*

<u>Illinois Based Managers</u>	<u>Location</u>	<u>ISBI Market Value</u>
Harrison Street Real Estate Partners VI, LP	Chicago	\$ 19,496,627.00
Oak Street Real Estate Capital (III, IV)	Chicago	\$ 16,488,177.03
RREEF Global Opportunity Fund II	Chicago	\$ 225,413.00
Walton Street Real Estate (III, IV, V, VI)	Chicago	\$ 20,324,389.00
Total Real Estate Managers:		\$ 56,534,606.03

*The market value for Real Estate investments is as of March 31, 2018 due to the inability to obtain second quarter valuations given the timing of this report.

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
AAR Corp One AAR Place 1100 N. Wood Dale Road Wood Dale, IL	\$376,569.00	
Abbott Laboratories 100 Abbott Park Road Abbott Park, IL 60064	\$19,129,208.55	\$1,946,391.59
AbbVie Inc 1 North Waukegan Road North Chicago, IL 60064	\$26,410,994.30	\$2,434,057.05
Allstate Corp/The 2775 Sanders Road Northbrook, IL 60062	\$5,823,938.70	\$499,059.70
Anixter International Inc 2301 Patriot Boulevard Glenview, IL 60025	\$462,090.00	\$665,445.00
AptarGroup Inc 475 W. Terra Cotta Ave., Ste. E Crystal Lake, IL 60014	\$948,647.42	
Archer-Daniels-Midland Co 4666 Faries Parkway PO Box 1470 Decatur, IL 62525	\$5,696,669.00	\$323,333.25
Arthur J Gallagher & Co 2850 Golf Road Rolling Meadows, IL 60008	\$2,631,893.76	
Baxter International Inc One Baxter Parkway Deerfield, IL 60015	\$6,664,724.56	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
Boeing Co/The 100 North Riverside Plaza Chicago, IL 60606	\$33,544,625.31	\$1,797,689.90
Brunswick Corp/DE 1 North Field Court Lake Forest, IL 60045	\$927,931.68	
Cabot Microelectronics Corp 870 North Commons Drive Aurora, IL 60504	\$699,140.00	
Career Education Corp 2895 Greenspoint Parkway, Ste. 600 Hoffman Estates, IL 60169	\$266,805.00	
Caterpillar Inc 501 Southwest Jefferson Avenue Peoria, IL 61630	\$14,489,148.99	\$1,499,323.40
Cboe Global Markets Inc 400 South LaSalle Street Chicago, IL 60605	\$2,616,944.22	\$48,248.05
CDK Global Inc 1950 Hassell Rd Hoffman Estates, IL 60169	\$1,339,834.85	\$229,275.00
CDW Corp/DE 200 N. Milwaukee Ave Vernon Hills, IL 60061	\$1,879,175.40	
Century Aluminum Co 1 S. Wacker Dr #1000 Chicago, IL 60606	\$196,875.00	
CF Industries Holdings Inc 4 Parkway North, Ste. 400 Deerfield, IL 60015	\$2,299,120.80	\$361,843.75

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
CME Group Inc 20 South Wacker Drive Chicago, IL 60606	\$10,141,566.48	\$302,726.90
CNA Financial Corp 333 S. Wabash Chicago, IL 60604	\$210,584.80	
Coeur Mining Inc 104 S. Michigan Avenue, Suite 900 Chicago, IL 60603		\$48,250.00
Conagra Brands Inc 222 W. Merchandise Mart Plaza Suite 1300 Chicago, IL 60654	\$3,038,336.28	
Deere & Co One John Deere Place Moline, IL 61265	\$8,255,609.40	\$2,816,663.85
Discover Financial Services 2500 Lake Cook Rd Riverwoods, IL 60015	\$5,506,695.69	\$911,223.85
Donnelley Financial Solutions Inc 35 West Wacker Drive Chicago, IL 60601	\$147,645.00	\$52,375.00
Dover Corp 3005 Highland Parkway Downers Grove, IL 60515	\$2,475,697.20	
Echo Global Logistics Inc 600 W. Chicago Avenue #725 Chicago, IL 60610	\$193,050.00	
Enova International Inc 175 W. Jackson Blvd Chicago, IL 60604	\$310,675.00	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
Equity LifeStyle Properties Inc 2 N Riverside Plaza #800 Chicago, IL 60606	\$1,194,700.00	
Equity Residential Two North Riverside Plaza, Suite 400 Chicago, IL 60606	\$5,116,217.70	\$524,261.48
Essendant Inc One Parkway N. Boulevard Deerfield, IL 60015	\$126,912.00	
Exelon Corp 10 South Dearborn Street Chicago, IL 60680	\$7,447,800.60	\$1,485,405.20
Federal Signal Corp 1416 West 22nd Street Oak Brook, IL 60523	\$349,350.00	
First Industrial Realty Trust Inc One North Wacker Drive Suite 4200 Chicago, IL 60606	\$90,842.68	
First Midwest Bancorp Inc/IL One Pierce Place, Ste. 1500 Itasca, IL 60143	\$667,314.00	
Fortune Brands Home & Security Inc 520 Lake Cook Rd Deerfield, IL 60015	\$1,773,112.25	
FTD Cos Inc 3113 Woodcreek Drive Downers Grove, IL 60515	\$18,560.00	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
GGP Inc 110 North Upper Wacker Dr. Chicago, IL 60606	\$2,820,504.51	
Great Lakes Dredge & Dock Corp 2122 York Road Oak Brook, IL 60523		\$127,812.50
GrubHub Inc 111 W Washington St, Ste 2100 Chicago, IL 60602	\$1,573,650.00	
Heidrick & Struggles International Inc 233 S Wacker Dr. Ste. 4200 Chicago, IL 60606	\$164,500.00	
Hill-Rom Holdings Inc 130 E. Randolph St., Suite 1000 Chicago, IL 60601	\$962,748.82	
Hub Group Inc 3050 Highland Parkway Downers Grove, IL 60515	\$428,280.00	
Hyatt Hotels Corp 71 South Wacker Dr 12th Floor Chicago, IL 60606	\$581,556.70	
IDEX Corp 630 Dundee Road, Ste. 400 Northbrook, IL 60062	\$1,730,156.96	
Illinois Tool Works Inc 3600 West Lake Avenue Glenview, IL 60025	\$8,251,165.32	
Ingredion Inc 5 Westbrook Corporate Center Westchester, IL 60154	\$1,306,924.20	

**Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018**

Company Name/Location	Equity Holdings	Fixed Income
John B Sanfilippo & Son Inc 1703 North Randall Rd. Elgin, IL 60123	\$163,790.00	
John Bean Technologies Corp 70 West Madison, Suite 4400 Chicago, IL 60602	\$711,200.00	
Jones Lang LaSalle Inc 2300 East Randolph Drive Chicago, IL 60601	\$1,234,799.61	
KapStone Paper and Packaging Corp 1101 Skokie Blvd, Suite 300 Northbrook, IL 60062	\$769,350.00	
Kemper Corp 1 E. Upper Wacker Dr. Chicago, IL 60601	\$4,405,931.65	\$34,809.43
Knowles Corp 1151 Maplewood Drive Itasca, IL 60143	\$350,370.00	
Kraft Heinz Co/The 3 Lakes Drive Northfield, IL 60093	\$6,864,152.94	\$2,564,021.75
Littelfuse Inc O'Hare Plaza 8755 West Higgins Road Chicago, IL 60631	\$5,828,401.74	
LKQ Corp 120 North LaSalle Street, Ste. 3300 Chicago, IL 60602	\$2,156,440.00	
LSC Communications Inc 191 North Wacker Drive Chicago, IL 60606	\$137,808.00	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
McDonald's Corp 211 McDonald's Drive Oak Brook, IL 60523	\$22,456,654.11	\$1,663,063.69
Methode Electronics Inc 7401 West Wilson Avenue Chicago, IL 60706	\$378,820.00	
Middleby Corp/The 1400 Toastmaster Drive Elgin, IL 60120	\$965,258.48	
Mondelez International Inc Three Parkway North Deerfield, IL 60015	\$10,863,729.00	\$295,380.80
Morningstar Inc 22 West Washington Street Chicago, IL 60602	\$387,828.00	
Motorola Solutions Inc 1303 East Algonquin Road Schaumburg, IL 60196	\$4,119,381.63	\$147,942.60
MYR Group Inc 1701 Golf Rd #1012 Rolling Meadows, IL 60008	\$148,932.00	
Navigant Consulting Inc 30 South Wacker Drive, Suite 3550 Chicago, IL 60606	\$254,610.00	
Navistar International Corp 2710 Navistar Drive Lisle, IL 60532		\$1,915,825.87
NiSource Inc 801 E. 86th Ave Merrillville, IN	\$2,056,226.04	\$1,157,923.72

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
Northern Trust Corp 50 South LaSalle Street Chicago, IL 60603	\$4,801,567.63	\$117,427.25
Old Republic International Corp 307 North Michigan Avenue Chicago, IL 60601	\$919,304.43	\$192,382.40
OneSpan Inc 121 W Wacker Dr., Suite 2050 Chicago, IL 60601	\$153,270.00	
Packaging Corp of America 1900 West Field Court Lake Forest, IL 60045	\$2,251,785.97	\$647,255.70
Retail Properties of America Inc 2021 Spring Rd #200 Oak Brook, IL 60523	\$463,453.92	
RLI Corp 9025 North Lindbergh Drive Peoria, IL 61615	\$655,281.00	
RR Donnelley & Sons Co 111 South Wacker Drive Chicago, IL 60606	\$101,376.00	\$1,664,625.00
Stepan Co 2900 Millsdale Road, Suite 2900 Joliet, IL 60611	\$390,050.00	
Stericycle Inc 28161 North Keith Drive Lake Forest, IL 60045	\$1,212,892.33	
SunCoke Energy Inc 1011 Warrensville Rd, 6th Floor Lisle, IL 60532	\$217,080.00	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
Telephone & Data Systems Inc 30 North LaSalle Street, Ste. 4000 Chicago, IL 60602	\$432,084.36	
Tenneco Inc 500 N Field Dr. Lake Forest, IL 60045	\$821,515.58	\$273,258.00
TransUnion 555 W. Adams Street Chicago, IL 60661	\$2,179,575.36	
TreeHouse Foods Inc 2021 Spring Rd Ste 600 Oak Brook, IL 60523	\$4,161,154.95	\$683,760.00
Tribune Media Co 435 N. Michigan Avenue Chicago, IL 60611	\$532,833.21	\$2,502,727.96
Ulta Beauty Inc 1000 Remington Boulevard, Suite 120 Bolingbrook, IL 60440	\$2,921,751.90	
United Continental Holdings Inc 233 South Wacker Drive Chicago, IL 60606	\$3,807,676.38	\$3,291,530.45
United States Cellular Corp 8410 West Bryn Mawr Ave., Ste. 700 Chicago, IL 60631	\$76,413.52	
Univar Inc 3075 Highland Pkwy Suite 300 Downers Grove, IL 60515	\$510,787.84	

Equity and Fixed Income Investments in Illinois Based Companies
As of June 30, 2018

Company Name/Location	Equity Holdings	Fixed Income
US Foods Holding Corp 9399 W. Higgins Rd. Suite 500 Rosemont, IL 60018	\$1,266,667.44	
USG Corp 550 West Adams Street Chicago, IL 60661	\$572,633.60	
Ventas Inc 353 North Clark Street, Suite 3300 Chicago, IL 60654	\$4,520,235.40	\$474,575.10
Walgreens Boots Alliance Inc 200 Wilmot Road Deerfield, IL 60015	\$9,260,554.56	\$567,421.00
Wintrust Financial Corp 9700 W Higgins Rd. FL 8 Rosemont, IL 60018	\$789,978.75	
WW Grainger Inc 100 Grainger Parkway Lake Forest, IL 60045	\$3,220,004.40	\$774,454.80
Total Public Equity	\$303,001,018.11	
Total Fixed Income		\$35,041,770.99
Total Public Equity and Fixed Income	\$338,042,789.10	

Illinois Based Investment Managers (Public Markets)
As of June 30, 2018

Firm Name/Location	ISBI Market Value
Ariel Investments 200 East Randolph, Suite 2900 Chicago, IL 60601	\$281,199,896.68
Channing Capital Management 10 South LaSalle, Ste. 2650 Chicago, IL 60603	\$184,012,120.77
LSV Asset Management 155 N. Wacker Dr., Suite 4600 Chicago, IL 60606	\$300,094,977.14
Northern Trust Asset Management 50 S. LaSalle Street Chicago, IL 60603	\$1,160,285,067.74
THL Credit 1515 West 22nd Street, 11th Floor Oak Brook, IL 60523	\$187,196,082.94
William Blair & Company, LLC 222 West Adams Street Chicago, IL 60606	\$117,833,274.54
Total Investment Managers:	<u>\$2,230,621,419.81</u>

Total Economic Opportunity Investments in Illinois

Total Investments in Illinois Based Companies

Total Real Estate:	\$67,709,205.43
Total Public Equity and Fixed Income:	\$338,042,789.10

Total ISBI Investments in Illinois:	\$405,751,994.53
ISBI Investments in IL as % of Fund Assets:	2.21%

Total Investments in Illinois Based Managers

Total Private Equity	\$97,921,921.04
Total Real Estate	\$56,534,606.03
Total Public Equity and Fixed Income	\$2,230,621,419.81

Total ISBI Illinois Managers:	\$2,385,077,946.88
ISBI Illinois Managers as % of Fund Assets:	13.01%