



December 30, 2019

The Honorable Michael J. Madigan
Speaker, Illinois House of Representatives
300 State House
Springfield, IL 62706

RE: Chicago Stock Exchange Reporting

Dear Speaker Madigan,

The Illinois House of Representatives adopted House Resolution 725 on May 31, 2004 “to prevent the expenditure of Illinois public pension funds with out-of-state financial services providers when there are Illinois financial service providers that provide the same returns and risk on investments” This resolution directed all Illinois pension systems to use the Chicago Stock Exchange (“CSX”), whenever possible without violation of fiduciary responsibilities, rather than using a stock exchange based outside of Illinois.

Displayed in the chart below is the CSX utilization data for ISBI’s Fiscal Year 2019:

Year	# of Shares traded on CSX	Executed Value on CSX
Third Quarter - 2018	-	-
Fourth Quarter - 2018	-	-
First Quarter - 2019	4,866	\$ 286,047
Second Quarter - 2019	-	-
Total	4,866	286,047

Pursuant to ISBI’s Diversity Policy, ISBI continues to encourage its investment advisers to direct 25% of their trades to Illinois-based broker/dealers subject to obtaining best price execution and fiduciary prudence. ISBI Staff reports its Illinois-based broker utilization to the Board’s Emerging Manager Committee on a quarterly basis.

Please do not hesitate to contact me with questions or concerns regarding this matter.

Sincerely,

ILLINOIS STATE BOARD OF INVESTMENT

Johara Farhadieh
Executive Director and Chief Investment Officer