

# New Jersey State Investment Council

## November 29, 2018 Regular Meeting

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### **Minutes of the Regular Meeting**

Held November 29, 2018 at the War Memorial, George Washington Ballroom, 1 Memorial Drive, Trenton, New Jersey.

### **Council Members in Attendance:**

Adam Liebttag, Acting Chair  
Marty Barrett (participated via telephone)  
Thomas Bruno  
Michael Cleary  
Vaughn Crowe  
Michael Greaney  
James Hanson  
Timothy McGuckin  
Samir Pandiri

James Joyner and Eric Richard were not in attendance.

### **Roll Call and Meeting Notice**

The Regular Meeting was called to order by Adam Liebttag, Acting Chair, at 10:10 a.m. Ernestine Jones-Booker, Council Secretary, performed roll call and announced that notice of the Regular Meeting scheduled for November 29, 2018 was posted on the website of the Division of Investment (Division); faxed to the Times of Trenton, the Star-Ledger, the Bergen Record, and the Courier Post; and e-mailed to the Secretary of State on November 14, 2018. Ms. Jones-Booker stated that a copy of the notice was posted at the Division and was on file.

### **Minutes of the Regular Meeting held October 25, 2018**

Mr. Liebttag presented for adoption the minutes for the special meeting held October 25, 2018. Marty Barrett proposed amending the time that the meeting adjourned from "11:50 p.m." to "11:50 a.m." Thomas Bruno made a motion to approve the minutes as so amended, with Mr. Liebttag seconding the motion. All Council Members present voted in favor.

### **Audit Committee Report on Fiscal Year 2018 Audit**

Timothy McGuckin reported that the Audit Committee met with the audit team from KPMG regarding the audit of the State of New Jersey Cash Management Fund. Mr. McGuckin announced that KPMG issued an unmodified opinion, with no management letter comments related to the Division. Mr. McGuckin noted that the audit of pension fund assets was still underway.

### **Appointment of Members to the Executive, Investment Policy, and Audit Committees**

Mr. Liebttag deferred action on appointments to State Investment Council committees, because several Council nominees were still awaiting Senate confirmation.

### **2019 Council Meeting Dates**

Mr. Liebttag asked members of the Council to review the proposed State Investment Council meeting dates for calendar year 2019. Mr. Bruno commented that certain of the proposed meeting dates may conflict with PERS board meetings. Mr. Liebttag asked Mr. Bruno to let the Division know the conflicting dates so alternative dates could be considered.

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### **Director's Report**

Acting Director Corey Amon presented the Director's Report, providing updates on the capital markets and the performance of the portfolio on an absolute basis and relative to the policy benchmarks. Mr. Amon discussed allocations to, and performance of, various asset classes, and described factors affecting performance. Mr. Amon advised the Council on changes to Division staff, including the solicitation and hiring of new employees, and reported on the status of pending procurements. Mr. Amon notified the SIC of modifications to the Division's prior presentations with respect to the following alternative investments: Aermont Capital Real Estate Fund IV SCSp and Owl Rock Technology Finance Corp.

### **Private Equity Investments**

#### ***The Rise Fund II***

Robin Clifford of the Division, with Michelle Davidson and Matt Coyne of TorreyCove, presented an investment of up to \$125 million in The Rise Fund II, part of the TPG Growth platform of funds focused on small- and middle-market buyout and growth equity stage investments across a number of sectors. Ms. Clifford explained the Division's rationale for the investment and described the terms of the investment. In response to a question from Mr. Liebttag, Mr. Coyne described the Division's overall relationship with TPG. Mr. Liebttag reported that the IPC had extensively discussed the investment and recommended presentation to the Council.

#### ***TSG 8, L.P.***

Ms. Clifford of the Division, with Ms. Davidson and Mr. Coyne, presented an investment of up to \$150 million in TSG 8, L.P., a private equity fund focused on middle-market buyout investments. Ms. Clifford described the performance of prior TSG funds, the Division's investment rationale, and the terms of the investment. Mr. Liebttag commented on the fund's fee structure, expressing his desire to see a higher hurdle rate for these types of investments. Ms. Davidson provided additional details regarding the fee structure. Mr. Liebttag reported that the IPC had reviewed the investment and recommended presentation to the Council.

### **Report from the Treasurer**

Sirfaraz Piracha reported on the State's economy, including the State's labor and housing markets and tax collections.

### **Public Comment**

Tina Weishaus and Jerome Wagner of the Divest NJ Coalition spoke about fossil fuel divestment.

Joseph Ryan and Louann Crawford, former Toys "R" Us employees, spoke about the Division's investment in Solus Opportunities Fund 3 LP.

### **Adjournment**

Michael Cleary made a motion to adjourn the meeting, with Mr. Barrett seconding the motion. All Council Members present voted in favor. The meeting was adjourned at 11:05 a.m.