



State of New Jersey

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July 24, 2024

MEMORANDUM TO: The State Investment Council

FROM: Shoaib Khan
Director

SUBJECT: **Private Equity Investment – Collier International Partners IX-G L.P.**

The Division of Investment (the “Division”) is proposing an investment of up to \$150 million in Collier International Partners IX-G L.P. (“Collier IX-G L.P.”) and up to \$50 million in a co-investment vehicle managed by Collier Capital (the “Firm”). This memorandum is presented to the State Investment Council (the “Council”) pursuant to N.J.A.C. 17:16-69.9.

The Division is recommending this investment based on the following factors:

Strong Overall Performance & Portfolio Fit: A commitment to Collier International Partners IX allows the Division to make a commitment to a new, high-conviction secondary investment firm that can help drive vintage year and fund manager diversification for the private equity portfolio. The manager has a strong track record and nearly 35-year history of secondary expertise. Since Collier V, the manager has generated a Realized/Unrealized Net IRR of 12%, Net TVPI of 1.6x, and DPI of 1.07x. When benchmarked against secondary firms of similar vintages mature Collier funds have regularly produced first and second quartile rankings.

Experienced Team & Secondary Expertise: Collier partners have worked together for an average of 16 years. The firm has built a large investment team focused on originating differentiated deal flow in a mix of LP-led and GP-led secondaries. Investment professionals dedicated to origination and completing transactions in the private equity secondary market include: Investment Partners (19), Investment Principals (17), Vice Presidents, Senior Associates & Associates (39).

A report of the Investment Policy Committee (“IPC”) summarizing the details of the proposed investment is attached.

Division Staff and its private equity consultant, Aksia LLC, undertook extensive due diligence on the proposed investment in accordance with the Division’s Alternative Investment Due Diligence Procedures.

As part of its due diligence process, staff determined that the Fund has not engaged a third-party solicitor (“placement agent”).

The Firm has a formal ESG Policy. Collier Capitals’s current ESG Policy and related diligence disclosures were reviewed by the Corporate Governance team in accordance with the Council’s ESG Policy. Collier incorporates ESG considerations into its investment process and will continue to monitor ESG factors post investment.

Staff will work with representatives of the Division of Law and outside counsel to review and negotiate specific terms of the legal documents to govern the investment. A preliminary Disclosure Report of Political Contributions has been obtained in accordance with the Council’s regulation governing political contributions (N.J.A.C. 17:16-4), and no political contributions have been disclosed. An updated Disclosure Report will be obtained at the time of closing.

Note that the investment is authorized pursuant to Articles 69 and 90 of the Council’s regulations. Collier International Partners IX-G L.P. is considered a private equity investment, as defined under N.J.A.C. 17:16-90.1.

A formal written due diligence report for the proposed investment was sent to each member of the IPC and a meeting of the IPC was held on July 12, 2024. In addition to the formal written due diligence report, all other information obtained by the Division on the investment was made available to the IPC.

We look forward to discussing the proposed investment at the Council’s July 24, 2024 meeting.

Attachment

Coller International Partners IX - G, LP

- **DOI Commitment:** \$150 million to Coller International Partners IX - G, LP and \$50 million to a co-investment vehicle managed by Coller Capital
- **Strategy:** private equity secondary
- **Investment Focus:** Coller International Partners IX (“CIP IX”) will follow an investment strategy consistent with prior Coller funds, completing both LP-led and GP-led transactions across the secondary market. CIP IX will be approximately 45% LP-led / 55% GP-led and will provide diversified exposure across vintage, manager, sector and geography. Fund IX will make 50-55 investments with deal sizes ranging from ~\$180 - \$220 million.
- **Target Returns:** 1.80x Net MOIC / Mid to High Teens Net IRR
- **Investments Thesis:**
 - Largest dedicated secondary investment team
 - Exclusive focus on secondaries
 - Consistent returns using low leverage
 - Attractive fee structure

Fund Name: Collier International Partners IX-G L.P. **July 24, 2024**

Contact Info: Paige Brotherton 950 3rd Avenue, New York, New York

Fund Details:	\$33 billion (as of 03-2024)	Key Investment Professionals:
Total Firm Assets:	Private Equity Secondaries Fund	<p>Jeremy Collier: (CIO & Managing Partner) Mr. Collier founded Collier Capital in 1990. Prior to founding the firm, he spent five years at ICI Pension Plan, where he pioneered the acquisition of private equity secondaries and was previously Head of Research at Fidelity International Investment Management in London.</p> <p>Francois Aguerre: (Partner, Co-Head of Investment and Global Head of Origination) Mr. Aguerre is Co-Head of Investment and Global Head of Origination and has joint responsibility for the investment team. Mr. Aguerre joined Collier Capital in 2007. Prior to joining, he worked in the Investment Banking division of UBS London.</p> <p>Steven Stolk: (Partner, Co-Head of Investment and Head of CIO Office) Mr. Stolk is Co-Head of Investment and Head of CIO Office, Mr. Stolk has joint responsibility for Collier's investment team and investment process globally. Prior to joining Collier Capital in 2013, Steven was a Partner at Plane Tree Capital, where he focused on clean energy investments in Latin America.</p> <p>David Jolly: (Investment Partner) Mr. Jolly is a Partner responsible for origination, execution, and is a voting member of CIP IX's Investment Committee. Prior to joining Collier Capital in 2007, Mr. Jolly was a Manager in the Corporate Finance team at PricewaterhouseCoopers.</p> <p>Paul Lanna: (Investment Partner) Mr. Lanna is a Partner responsible for origination, execution, and is a voting member of CIP IX's Investment Committee. Prior to joining Collier Capital in 2010, Mr. Lanna was a Vice President in the Investment Banking Group at EarlyBirdCapital in New York.</p> <p>Joe Mahon: (Partner and Chief Financial Officer) Mr. Mahon is the firm's CFO, responsible for fund structuring, accounting and administration and is a voting member of CIP IX's Investment Committee. He has been a Director of Collier Investment Management since 1998. Prior to joining Collier Capital in 2001, Mr. Mahon was at Guernsey International Fund Managers Limited ("GIFM"), a specialized fund administration and accounting firm where he was responsible for Collier Capital's fund accounting.</p> <p>Ed Goldstein: (Partner, CIO of Credit Secondaries) Mr. Goldstein is Chief Investment Officer for Collier Credit Secondaries, beyond his day-to-day origination activity, and is also a voting member of CIP IX's Investment Committee. Prior to joining Collier Capital in 2009, Mr. Goldstein was a Managing Director at GSO Capital Partners' London and New York offices where he had responsibility for debt origination.</p>
Strategy:	1990	
Year Founded:	London, England	
Headquarters:	5%+ of total fund size	
GP Commitment:		

Investment Summary
 Collier Capital will focus on originating differentiated deal flow in a mix of LP-led and GP-led secondaries. The firm will use selective portfolio construction as regards to diversification, correlation and other deal dynamics. Investments are made with a blend of quantitative and qualitative analysis and a data driven review of key macro trends and indicators. The Collier International Partners IX-G fund will invest parallel to the Collier International IX Flagship Fund.

Existing and Prior Funds			
<i>Funds (as of 03-2023)</i>	<i>Vintage Year</i>	<i>Strategy</i>	<i>Returns: Net IRR, Net TVPI, Net DPI</i>
Collier International Partners V	2007	Private Equity Secondaries	7.6%, 1.4x, 1.4x
Collier International Partners VI	2012	Private Equity Secondaries	14.8%, 1.8x, 1.6x
Collier International Partners VII	2015	Private Equity Secondaries	13.9%, 1.7x, 1.1x
Collier International Partners VIII	2020	Private Equity Secondaries	27%, 1.5x, 0.1x
Source of Returns - Aksia			*Net as of 09/30/2023
IRR = Internal Rate of Return; TVPI = Total Value to Paid-In; DPI = Distributions to Paid-In			

Vehicle Information:

Collier International Partners IX-G, L.P.

Inception: 2023

Fund* Size : \$10 billion (\$12.5 billion hard cap)
 Series A: 1.5% on Committed Capital;
 Series C: 0% on Committed Capital

Management Fee: Series A: 10%; Series C: 0%

Performance Fee: 7%

Hurdle: Partnership Expenses

Additional Expenses: Partnership Expenses

* Collier International Partners IX L.P. (Flagship Fund)

Auditor: Pricewaterhouse Coopers

Legal Counsel: Simpson, Thacher & Bartlett LLP

Co-Investment SMA

Inception: 2024

Fund Size : \$50 million

Management Fee: 0.3% on Invested Capital

Performance Fee: No Fee

Additional Expenses: Partnership Expenses

NJ AIP Program			
Recommended Allocation (\$mil.):	up to \$150 million	LP Advisory Board Membership:	YES
% of Fund*:	1.20%	Consultant Recommendation:	YES
		Placement Agent:	NO
		Compliance w/ Division Placement Agent Policy:	N/A
		Compliance w/ SIC Political Contribution Reg:	YES

*This review memorandum was prepared in accordance with the State Investment Council rules governing the Alternatives Investment Program and the policies and procedures related thereto.