

New Jersey State Investment Council November 18, 2020 Regular Meeting

Minutes of the Regular Meeting

Due to public health considerations related to COVID-19, this meeting was held remotely via videoconference on November 18, 2020.

Council Members in Attendance:

Deepak Raj, Chair

Adam Liebtag, Vice-Chair

Theodore Aronson

Wasseem Boraie

Michael Cleary

Michael Greaney

James Hanson

Timothy McGuckin

Eric Richard

Jerome St. John

Edward Yarusinsky

Thomas Bruno, Vaughn Crowe and Samir Pandiri were unable to attend.

Roll Call and Meeting Notice

The Regular Meeting was called to order by Deepak Raj, Council Chair, at 10:03 a.m. Ernestine Jones-Booker, Council Secretary, performed roll call and reported that a quorum was present. Ms. Jones-Booker announced that notice of the Council's 2020 Regular Meeting schedule was posted on the website of the Division of Investment (Division); mailed to the Times of Trenton, the Star Ledger, the Bergen Record, and the Courier Post; and e-mailed to the Secretary of State on January 10, 2020. A copy of the notice is on file at the Division.

Minutes of September 30, 2020 Regular Meeting

Theodore Aronson made a motion to approve the minutes of the regular meeting held on September 30, 2020, with Michael Cleary seconding the motion. All Council Members present voted in favor.

Audit Committee Report on Fiscal Year 2020 Cash Management Fund Audit

Vice-Chair Adam Liebtag reported that the Audit Committee met with KPMG on October 22, 2020 regarding the audit of the State of New Jersey Cash Management Fund financial statements for fiscal year 2020. Mr. Liebtag announced that KPMG issued an unmodified opinion. Mr. Liebtag thanked his fellow audit committee members, Division staff and the auditor for all of their work.

2021 Council Meeting Dates

Mr. Raj asked members of the Council to review the proposed State Investment Council meeting dates for calendar year 2020. James Hanson stated that he had a scheduling conflict with the July 21, 2021 meeting date.

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Report from the State Treasurer

Assistant Treasurer Dini Ajmani discussed Fiscal Year 2021 revenues, including general obligation bond revenues and lottery revenues.

Director's Report/Updates

Director Corey Amon presented the Director's Report, outlining the Pension Fund's asset allocation and net returns as of October 31, and reviewing capital market trends and valuations. He also provided an update on the United States and global economy.

Mr. Amon notified the Council of a modification to the Division's investment in Winton Futures Fund LP.

Fiscal Year 2020 Proxy Voting Summary

Jeff Warshauer, the Division's Corporate Governance Officer, reported to the Council regarding the Division's proxy voting for fiscal year 2020 with respect to U.S. and non-U.S. corporations. Mr. Warshauer reviewed the Division's voting record and overall proxy voting trends.

Opportunistic Investment

Mr. Raj introduced Jessie Choi of the Division, Daniel Stern of Cliffwater, and William Connors, the Division's new Head of Fixed Income. Ms. Choi provided an overview of the reinsurance market and presented a commitment of up to \$100 million in a separately managed investment vehicle to be managed by Nephila Capital Ltd. focused on reinsurance investments. Ms. Choi and Mr. Connors discussed the Division's investment rationale, described the fund manager's investment experience and underwriting process, and briefly summarized the investment's terms and risk/return profile. Mr. Raj reported that the Investment Policy Committee reviewed the investment staff's due diligence and recommended presentation of the investment to the full Council.

Real Estate Investment

Kevin Higgins and John Panebianco of the Division, along with Sean Barber and Bob Flanigan of Hamilton Lane, presented a commitment of up to \$150 million in IPI Partners II, L.P., a non-core real estate fund targeting the technology sector with a focus on data centers. Messrs. Higgins and Panebianco described the fund's management team, investment strategy and key investment terms. In response to Council member questions, Mr. Higgins and Mr. Flanigan summarized the fund's governance and the Division's rationale for selecting the fund. Mr. Raj reported that the Investment Policy Committee reviewed the investment staff's due diligence and recommended presentation of the investment to the full Council.

Public Comment

Hannah Reynolds of Divest Princeton, Samantha DiFalco of the Sunrise Movement of Morris County, and Tina Weishaus of the DivestNJ Coalition, spoke regarding fossil fuel investments.

Adjournment

Mr. Cleary made a motion to adjourn the meeting, with Mr. Aronson seconding the motion. All Council members present voted in favor of the motion. The meeting was adjourned at 11:56 a.m.