

New Jersey State Investment Council

July 24, 2024 Regular Meeting

Agenda Item 1

Minutes of the Regular Meeting

This meeting was held remotely via video conference on July 24, 2024.

Council Members in Attendance:

Deepak Raj, Chair
Adam Liebttag, Vice-Chair joined the meeting in progress
Theodore Aronson
Wasseem Boraie joined the meeting in progress
Thomas Bruno
Michael Cleary
Michael Greaney
James Hanson
Timothy McGuckin
Samir Pandiri
Eric Richard
Edward Yarusinsky

Leonard Carr, Vaughn Crowe, and Jerome St. John were unable to attend.

Roll Call and Meeting Notice

The regular meeting was called to order by Deepak Raj, Chair of the State Investment Council (Council), at 10:05 a.m. Ernestine Jones-Booker, Council Secretary, performed roll call. Ms. Jones-Booker announced that notice of the regular meeting schedule for the 2024 calendar year was posted on the public website of the State of New Jersey Department of the Treasury, Division of Investment (Division); mailed to the Star Ledger, the Bergen Record, the Trenton Times, and the Courier Post; and e-mailed to the Secretary of State on December 12, 2023. A copy of the notice is on file at the Division.

Minutes of the Regular Meeting held April 24, 2024

Chair Raj presented the minutes of the regular meeting held on April 24, 2024. A motion to approve the minutes was made by Theodore Aronson, with Michael Cleary seconding the motion. On a roll call vote, all Council members present voted in favor of the motion. A motion to approve the minutes of the executive session of the meeting was made by Mr. Aronson, with Mr. Cleary seconding the motion. On a roll call vote, all Council members present voted in favor of the motion.

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Election of Nominating Committee

Mr. Raj called for nominations for Council members to serve on the Nominating Committee. Thomas Bruno nominated Timothy McGuckin, Michael Greaney, and Mr. Aronson as candidates to serve on the Council's nominating committee. Mr. Raj asked the Council if there were any additional nominations. Hearing none, Mr. Raj asked for motions to elect the nominated candidates. Mr. Cleary made a motion to elect Mr. McGuckin which was seconded by Mr. Bruno. On a roll call vote, all Council members present voted in favor of the motion. Mr. Bruno made a motion to elect Mr. Aronson which was seconded by Mr. McGuckin. On a roll call vote, all Council members present voted in favor of the motion (with the exception of Mr. Aronson, who abstained from voting). Lastly, Mr. Bruno made a motion to elect Mr. Greaney which was seconded by Mr. Aronson. On a roll call vote, all Council members present voted in favor of the motion.

Treasurer's Report

Assistant Treasurer Michael Kanef congratulated the Division for its leadership in engaging up and coming fund managers, citing the Division's second annual Emerging Managers Virtual Symposium in June. Mr. Kanef provided an update on the State's Anchor Tax and Senior Freeze tax reimbursement programs and announced the launch of the State's Retire Ready savings program. Mr. Kanef also described the State's efforts in creating a Social Impact Investment Fund. Finally, Mr. Kanef updated the Council on State revenues for the fiscal year.

Wasseem Boraie joined the meeting at this point.

Director's Report

Director Shoaib Khan summarized the Director's Report, providing an update on capital markets and reporting on the Pension Fund's asset allocation and net returns. Mr. Raj congratulated the Division for outperforming its benchmark over the fiscal year. In response to a question from Mr. Cleary, Mr. Khan explained that final Fiscal Year 2024 performance numbers were still being calculated and would be provided as soon as they were available. In response to a question from Mr. Raj regarding the Division's cash strategy in a lower interest rate environment, Mr. Khan stated that he expected significant amounts of cash to be redeployed into private market opportunities.

Mr. Khan notified the Council of recent alternative investment fund commitments that closed since the Council's last meeting. Mr. Khan also notified the Council of a modification to the Division's methodology used to calculate the Total Value Paid-In (TVPI) multiple for the Pension Fund's alternative investments. Finally, Mr. Khan updated the Council on the transfer of assets to the Police and Firemen's Retirement System of New Jersey.

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2024 First Quarter Performance Update

Tony Johnson of RVK presented a quarterly review for the Pension Fund as of March 31, 2024, including a discussion of the Pension Fund's asset allocation and pension fund performance relative to peers and an attribution of such performance.

Adam Liebttag joined the meeting at this point.

Verbal Report on Qualified Independent Representative (QIR) Policy

Lynn Jahn of the Division reported on the Division's Qualified Independent Representative (QIR) Policy, stating that the Division received all of the required representations from the relevant QIRs and that the Division was in compliance with the QIR Policy.

James Hanson departed the meeting at this point.

Verbal Report on Treasury Supplemental Code of Ethics

Ms. Jahn reported on the State of New Jersey Department of the Treasury's Supplemental Code of Ethics, which governs personal investing by Division employees. Ms. Jahn noted that there were no violations of the Supplemental Ethics Code during calendar year 2023.

Eric Richard departed the meeting at this point.

Coller International Partners IX-G & Co-Investment Vehicle

Dana Johns and Guy Piserchia of the Division presented an investment of up to \$150 million in Coller International Partners IX- G L.P., a private equity fund managed by Coller Capital focused on secondary investments, and up to \$50 million in a co-investment vehicle also managed by Coller Capital. Mr. Piserchia described the fund manager's investment team and investment strategy, and the funds' fit within the Pension Fund portfolio. In response to a question from Mr. Raj, Ms. Johns discussed the Division's rationale for seeking secondary investment opportunities in the private equity portfolio. Mr. Raj announced that the Investment Policy Committee reviewed the Division's due diligence with respect to the investment and recommended its presentation to the full Council.

Summit Partners Growth Equity Fund XII A, L.P.

Dana Johns of the Division presented an investment of up to \$100 million in Summit Partners Growth Equity Fund XII A, L.P., a private equity growth fund managed by Summit Partners. Ms. Johns described the fund manager's investment team and investment strategy, and the Division's investment rationale. Mr. Raj announced that the Investment Policy Committee reviewed the

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Division's due diligence with respect to the investment and recommended its presentation to the full Council.

Capula Tail Risk Fund Limited Dynamic Class and Capula Global Relative Value Fund Limited

Jessie Choi and Johnathan Weeast of the Division presented an investment of up to \$100 million in Capula Tail Risk Fund-Dynamic Class and up to \$100 million in Capula Global Relative Value Fund Limited, risk management strategy funds managed by Capula Investment Management. Ms. Choi and Mr. Weeast described the fund manager's investment team and track record, the funds' respective strategies and investment terms, and the Division's investment thesis. Mr. Raj announced that the Investment Policy Committee reviewed the Division's due diligence with respect to the investment and recommended its presentation to the full Council.

GCM Grosvenor Emerging Manager Separately Managed Account

Brad Johnson and Vitaly Smirnov of the Division presented an investment of up to \$300 million in a separately managed account managed by GCM Grosvenor focused on emerging private credit fund managers. Mr. Johnson and Mr. Smirnov described the fund manager's investment team, and the fund's investment focus and target returns. Mr. Khan described the Division's efforts to access emerging managers across various asset classes. Mr. Raj announced that the Investment Policy Committee reviewed the Division's due diligence with respect to the investment and recommended its presentation to the full Council.

Public Comment

Rachel Davis of Waterspirit, Benjamin Dziobek of Climate Revolution Action Network, and Celeste Racano spoke regarding fossil fuel energy investments.

Executive Session

Mr. Raj presented a motion to adopt the following resolution to go into closed session:

In accordance with the provisions of N.J.S.A. 10:4-12(b)(5) and N.J.S.A. 10:4-13, BE IT RESOLVED THAT the State Investment Council go into closed (executive) session under the Open Public Meetings Act to discuss a matter involving investments of public funds where disclosure of the discussion could adversely affect the public interest. The minutes of such meeting shall remain confidential until after such time as the Council determines that the need for confidentiality no longer exists and the matters discussed can be disclosed.

Mr. Aronson made the motion, with Mr. Cleary seconding the motion. On a roll call vote, all Council members present voted in favor. The Council entered into closed (executive) session.

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Mr. Bruno departed the meeting at this point.

Adjournment

Upon reconvening in public session, Mr. Aronson made a motion to adjourn the meeting, with Mr. Liebttag seconding the motion. On a roll call vote, all Council members present voted in favor of the motion. The meeting was adjourned at 11:47 a.m.