

New Jersey State Investment Council

October 30, 2024 Regular Meeting

Minutes of the Regular Meeting

This meeting was held remotely via videoconference on October 30, 2024.

Council Members in Attendance:

Deepak Raj, Chair

Adam Liebttag, Vice-Chair

Theodore Aronson

Thomas Bruno

Leonard Carr

Michael Cleary

Vaughn Crowe

Michael Greaney

James Hanson

Timothy McGuckin

Samir Pandiri

Eric Richard

Jerome St. John

Edward Yarusinsky

Wasseem Boraie was not in attendance.

Roll Call and Notice of Meeting

The regular meeting was called to order by Deepak Raj, Chair of the State Investment Council (Council), at 10:02 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 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.

Approval of Minutes for Regular Meeting held July 24, 2024

Mr. Raj presented for approval minutes of the regular meeting held on July 24, 2024. Mr. Raj proposed amending the meeting minutes to correct the appointment of Mr. Cleary instead of Mr. Greaney to the Nominating Committee. Mr. Liebttag, Vice Chair of the Council, made a motion to approve the minutes as amended, with Mr. Aronson seconding the motion. On a roll call vote, all Council Members present voted in favor of the motion.

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Approval of Minutes for Executive Session held July 24, 2024

Mr. Raj presented for approval the minutes of the Executive Session held during the regular meeting on July 24, 2024. Mr. Cleary made a motion to approve the minutes, which motion was seconded by Mr. Liebttag. On a roll call vote, all Council Members present voted in favor of the motion, with the exception of Mr. Hanson who abstained.

Report from the State Treasurer

Assistant Treasurer Michael Kanef provided a report from the State Treasurer, giving an update on ANCHOR property tax rebates, State tax revenues, and the improvement of New Jersey's Moody's credit rating from stable to positive.

2025 Proposed State Investment Council Meeting Dates

Mr. Raj presented the proposed State Investment Council meeting dates for calendar year 2025. There were no comments to the proposed schedule.

Election of State Investment Council Chair and Vice Chair

Mr. McGuckin reported that the Nominating Committee met and decided to nominate Mr. Raj to serve as Chair of the Council and Mr. Liebttag to serve as Vice Chair of the Council. Mr. Liebttag asked if there were any other nominations for Chair of the Council. Hearing none, Mr. Bruno made a motion to elect Mr. Raj as Chair, with Mr. Greaney seconding the motion. On a roll call vote, all Council members present voted in favor of the motion, with the exception of Mr. Raj who abstained. Mr. Raj asked if there were any other nominations for Vice Chair of the Council. Hearing none, Mr. Richard made a motion to elect Mr. Liebttag as Vice Chair, with Mr. Aronson seconding the motion. On a roll call vote, all Council members present voted in favor of the motion.

Appointment of Members to Council Committees

Mr. Raj made the following appointments to Council Committees: Mr. Cleary, Mr. Greaney, and Mr. McGuckin to the Audit Committee; Mr. Bruno, Mr. Carr, Mr. Hanson, Mr. Liebttag, Mr. Raj and Mr. Richard to the ESG Policy Committee; Mr. Aronson, Mr. Boraie, Mr. Carr, Mr. Crowe, Mr. Liebttag, Mr. McGuckin and Mr. Raj to the Investment Policy Committee; Mr. Crowe, Mr. Hanson, Mr. Liebttag, Mr. Pandiri, Mr. Raj, and Mr. St. John to the Governance and Operations Committee; and Mr. Carr, Mr. Liebttag, Mr. McGuckin, Mr. Pandiri, and Mr. Raj to the Executive Committee.

Director's Report/Update

Shoaib Khan, Director of the Division, summarized the Director's Report, describing the Pension Fund's asset allocation and unaudited performance results for Fiscal Year 2024 and as of September 30, 2024 and providing an update on capital markets. Mr. Khan notified the Council of a modification to a co-investment vehicle related to the Brookfield Global Transition Fund and updated the Council on recent private market investment closings.

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Quarterly Performance Review as of June 30, 2024

Jordan Cipriani of RVK reviewed the Pension Fund's quarterly performance as of June 30, 2024, including a discussion of the Fund's relative performance against its peer group as well as a risk analysis.

Fiscal Year 2024 Performance Review

Deputy Director Lisa Walker and Deputy CIO William Connors, along with Melanie Lomas, Todd Rowohlt, Kevin McGrath, Dana Johns, Vitaly Smirnov, Kevin Higgins, Niraj Agarwal, and Jessie Choi of the Division, presented performance overviews for Fiscal Year 2024 with respect to their respective asset class portfolios. In response to a question from Mr. Raj regarding cash portfolio returns, Mr. Connors and Mr. McGrath discussed interest rate changes relative to growth expectations. Mr. Raj also asked about the pension fund's exposure to alternative energy, in response to which Mr. Agarwal explained the pension fund's progress in investing in renewables.

Mr. Bruno left the meeting at this point.

Approval of Change to New Jersey Better Educational Savings Trust Investment Plan

Mr. Khan introduced Brandan Burns of Franklin Templeton, investment manager of the New Jersey Better Educational Savings Trust (NJBEST), who summarized proposed enhancements to the NJBEST investment plan. A motion to approve the amended investment plan was made by Mr. Aronson and seconded by Mr. Liebtag. On a roll call vote, Messrs. Aronson, Cleary, Crowe, Greaney, Hanson, Liebtag, McGuckin, Pandiri, and Richard approved the motion and Mr. Carr voting against, with Mr. Raj, Mr. St. John and Mr. Yarusinski abstaining.

Real Assets Investment - EQT Infrastructure VI & Co-Invest Side Car

Niraj Agarwal and Ryan Goodwin of the Division presented an investment of up to \$200 million in EQT Infrastructure VI, L.P. and up to \$200 million to a co-investment sidecar vehicle. Mr. Goodwin described the Division's investment thesis, including the fund's investment strategy, including the fund's geographic focus, and portfolio fit. He outlined the fund manager's experience and track record, as well as its ESG process. Mr. Raj reported that the Investment Policy Committee reviewed the Division's due diligence with respect to the investment and recommended its presentation to the full Council.

Private Equity Investment – NB / NJ Custom Investment Fund IV

Mr. Crowe and Mr. Hanson recused from this discussion and left the meeting.

Ms. Johns introduced Chris Goodman of the Division. Ms. Johns and Mr. Goodman presented an investment of up to \$300 million in NB /NJ Custom Investment Fund IV, L.P., a separately managed account managed by Neuberger Berman focused on private equity co-investments. Mr. Goodman described the terms of the investment and discussed the fund manager's track record and experience with co-investments. 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.

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Mr. Crowe and Mr. Hanson rejoined the meeting.

Private Equity Investment – JLL Partners Fund IX

Dana Johns and Guy Piserchia of the Division presented an investment of up to \$200 million in JLL Partners Fund IX, L.P., a middle-market buyout private equity fund. Mr. Piserchia described the fund's investment strategy and the manager's experience and track record. Mr. Raj expressed concern regarding the relative magnitude of the pension fund's investment relative to other investors in the fund. In response, Mr. Khan and Ms. Johns noted the Division's past experience with the manager, both directly and through co-investments, as well as the fund's favorable investment terms. 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.

Private Credit Investment – ICG Europe Fund IX

Jessie Choi introduced Peterson Lenard of the Division. Ms. Choi and Mr. Lenard presented an investment of up to €200 million into the ICG Europe Fund IX SCSp, a private credit fund investing throughout the capital structure of European mid-market and upper mid-market companies. Mr. Lenard described the fund manager's investment team and track record, as well as the fund's investment strategy and terms. 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.

Real Estate Investment - Carlyle Realty Partners X

Mr. Crowe recused from this discussion and left the meeting.

Kevin Higgins introduced Adam Wielebinski of the Division. Mr. Higgins and Mr. Wielebinski presented an investment of up to \$300 million in Carlyle Realty Partners X, L.P. Mr. Wielebinski provided background on the fund's management team, including its track record. Mr. Wielebinski also described the fund's investment strategy and key terms of the investment. 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.

Mr. Crowe rejoined the meeting.

Public Comment

There were no registered speakers for the meeting.

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Executive Session

Mr. Raj asked for a motion to adopt the following resolution:

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

Adjournment

Upon reconvening in public session, Mr. Aronson made a motion to adjourn the meeting, with Mr. Greaney seconding the motion. On a roll call vote, all Council members present voted in favor of the motion. The meeting was adjourned at 12:35 p.m.