



**Minutes**  
**State Board of Investment Meeting**  
**November 30, 2022**

The State Board of Investment (SBI) met at 10:05 a.m. Wednesday, November 30, 2022 in G23 Senate Committee Room, State Capitol, St. Paul, Minnesota. Prior to the quarterly meeting, each Board member reviewed and discussed the material with the Executive Director and investment consultants retained by the SBI.

**Members Present:**

Governor Tim Walz (Chair)  
State Auditor Julie Blaha  
Secretary of State Steve Simon

**Member Absent:**

Attorney General Keith Ellison

**Call to Order**

Governor Tim Walz, Chair, called the meeting to order.

**Approval of Minutes**

The minutes of the August 24, 2022 SBI meeting were approved.

**SBI Executive Director and Chief Investment Officer**

Governor Walz acknowledged Jill Schurtz as the new Executive Director and Chief Investment Officer of the SBI.

**Performance Summary**

Executive Director Schurtz referred members to the Quarterly Performance Summary in Tab A of the meeting materials. Ms. Schurtz outlined the following items from the report as of September 30, 2022:

AUM: The SBI was responsible for \$117.9 billion in assets, of which the Combined Funds represented \$77.1 billion.

Performance: The Combined Funds exceeded its long-term objectives by outperforming its Composite Index for the ten-year time period and provided a real rate of return above inflation over a 20 year time-period.

Asset Allocation and TUCS Ranking: The Combined Funds asset mix is in-line with asset allocation targets and the Combined Funds return compared to other public pension plans with assets greater than \$20 billion in the Trust Universe Comparison Service (TUCS) ranked in the 75<sup>th</sup> and 70<sup>th</sup> percentile for the quarter and the year, respectively.

### **Private Markets Allocation**

Ms. Schurtz and Mr. Gary Martin, Investment Advisory Council (IAC) Chair, discussed the work Staff is undertaking, in conjunction with its private market consultant, Albourne. This work includes liquidity stress testing, capital commitment pacing models, and analysis of appropriate policy ranges. Katie Comstock, Aon Investments, commented that the portfolio is benefiting from the private markets diversification and endorsed the work Staff has done around management of the private market allocation. Ms. Schurtz informed the Board that, based upon the analysis discussed, Staff would bring specific recommendations to the Board at the next meeting.

### **Executive Director's Administrative Report**

Ms. Schurtz referred members to Tab B of the meeting materials for the Executive Director's Administrative Report, in which the following items were reviewed:

Executive Director's First Thirty Days Overview: Ms. Schurtz reported that her initial focus has been on the team and culture; infrastructure and operational needs of the organization; and the work ahead to outline a plan and approach to consider the risks and opportunities inherent in the global energy transition.

Budget and Travel: An increase in the Administrative Budget is expected as the SBI continues to invest in talent and infrastructure.

FY2022 Audit Report: The legislative auditors continue to work on the SBI's audit and will provide a report when completed.

Unauthorized Holdings Updates: The Russia/Belarus, Iran, Sudan and Thermal Coal updates were provided. With regard to thermal coal, additional companies have been identified that require inclusion on the unauthorized holding list and will be added next quarter.

Litigation Update: There was no litigation to report during the quarter.

### **Administrative Committee Report**

Governor Walz referred to the amendment to the Executive Director's FY23 workplan and evaluation process in Tab D of the meeting material. State Auditor Blaha moved approval of the following recommendation: **"The State Board of Investment hereby approves the proposed amendments to the SBI Executive Director's Fiscal Year 2023 Work Plan as set forth in Attachment A and the amended SBI Administrative Budget as set forth in Attachment B."** The motion passed.

### **Other Items**

Governor Walz recognized Janet Anderson and Ian Buck, representatives of the Minnesota Divestment Coalition, to speak before the SBI.

### **Adjournment of Meeting**

Secretary of State Simon moved approval to adjourn the meeting. The motion passed and the meeting adjourned at 10:37 a.m.

**Informational Reports included in Quarterly Meeting Material**

*Public Markets Investment Report*

*Participant Directed Investment Program and Non-Retirement Investment Program Report*

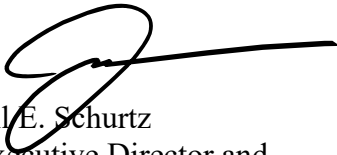
*SBI ESG Report*

*Aon Market Environmental Report*

*Meketa Capital Markets Outlook & Risk Report*

*SBI Comprehensive Performance Report*

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a horizontal line extending to the right.

Jill E. Schurtz  
Executive Director and  
Chief Investment Officer