



## Minutes State Board of Investment Meeting February 29, 2024

The State Board of Investment (SBI) met at 10:04 A.M. Thursday, February 29, 2024, in the Minnesota Senate Building, Room 1200, 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  
Attorney General Keith Ellison

### **Call to Order**

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

### **Approval of Minutes**

The minutes of the November 29, 2023, SBI meeting were approved.

### **Performance Summary**

Executive Director Jill Schurtz referred members to the Quarterly Performance Summary in Tab A of the meeting materials and outlined the following items from the report as of December 31, 2023:

AUM: The SBI was responsible for \$138.2 billion in assets. Of the assets under management, the Combined Funds represented \$89.3 billion.

Performance: The Combined Funds returned 7.5% for the quarter and fiscal year to date. The Combined Funds returned 14.6% for the one-year period ending December 31, 2023. 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 was in-line with asset allocation targets. When compared to other public pension plans with assets greater than \$20 billion in the Trust Universe Comparison Service (TUCS), the Combined Funds return ranked in the 21st percentile for the quarter and the 5th percentile for the year.

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

Ms. Schurtz referred members to Tab B of the meeting materials for the Executive Director's Administrative Report. She stated the annual audit conducted by the Office of the Legislative Auditor (OLA) has been completed and reflected the highest possible rating with no written findings or recommendations.

### **Minnesota College Savings Plan (529 Plan)**

Ms. Schurtz referred members to Tab D of the meeting materials for the Minnesota College Saving Plan (529 Plan). Ms. Schurtz stated that the IAC endorsed Staff's recommendation to the Board that the Executive Director, with assistance from Legal Counsel, work with the Office of Higher Education (OHE) to negotiate and execute a new five year contract to be entered into with TIAA CREF Tuition Financing Inc. (TFI) as Program Manager for the Minnesota 529 College Savings Plan.

On the motion of Secretary of State Simon, the recommendation was approved.

### **Participant-Directed Plans**

Ms. Schurtz referred members to Tab E of the meeting materials for the Participant-Directed Plans. Ms. Schurtz stated that the IAC endorsed the Staff's recommendation for approval by the Board to transition the current Dodge & Cox Income Fund Investment for the Participant-Directed Plans to a dedicated separately managed account in the same strategy.

On the motion of State Auditor Julie Blaha, the recommendation was approved.

### **Private Markets Investment Program Report**

Gary Martin, Chair of the Investment Advisory Council, reviewed the five private market recommendations listed in Tab C of the meeting materials. Mr. Martin stated that all are with existing managers: Blackstone Energy Transition Partners IV; Bridgepoint Development Capital V; Oaktree Real Estate Opportunities Fund IX; and Whitehorse Liquidity Partners VI.

On the motion of Attorney General Ellison, the recommendations listed below were approved.

The following terms apply to these recommendations: It is understood that 1) such a commitment will not exceed 20% of the Fund and 2) an additional amount not to exceed one percent of the total commitment for the payment of required charges at closing may be required and is approved. Approval of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligations on the State Board of Investment and none of the State of Minnesota, the Investment Advisory Council, the State Board of Investment or its Executive Director have any liability for reliance by the Fund upon this approval. Until the Executive Director, on behalf of the SBI, executes a formal agreement, further due diligence and negotiations may result in the imposition of additional terms and conditions on the Fund or a reduction or termination of the commitment.

#### **Blackstone Energy Transition Partners IV**

The Investment Advisory Council concurs with Staff's recommendation that the SBI authorize the Executive Director, with assistance from SBI's legal counsel, to negotiate and execute a commitment of up to \$150 million to Blackstone Energy Transition Partners IV.

#### **Bridgepoint Development Capital V**

The Investment Advisory Council concurs with Staff's recommendation that the SBI authorize the Executive Director, with assistance from SBI's legal counsel, to negotiate and execute a commitment of up to \$125 million to Bridgepoint Development Capital V.

### **Oaktree Real Estate Opportunities Fund IX**

The Investment Advisory Council concurs with Staff's recommendation that the SBI authorize the Executive Director, with assistance from SBI's legal counsel, to negotiate and execute a commitment of up to \$175 million to Oaktree Real Estate Opportunities Fund IX.

### **Whitehorse Liquidity Partners VI**

The Investment Advisory Council concurs with Staff's recommendation that the SBI authorize the Executive Director, with assistance from SBI's legal counsel, to negotiate and execute a commitment of up to \$125 million to Whitehorse Liquidity Partners VI.

### **Public Testimony**

Individuals listed below were recognized to speak before the SBI.

- Jordan Ash and Janet Anderson
- Michael Angulo, Fernando Perez, and Edward Diaz
- Carolyn Ham, Jean Ross
- Frances Bell, Rajan Nayar, and Zhu Sarah Gong
- Jess Sundin, Brittney Caspian Worth-Petrik, Tara Durney, and Tressa Cassey
- Samatha Alsadi, Stephen Vizenor, Kade Robb, Bara Berg, and Deb Konechne

### **Informational Reports included in Quarterly Meeting Material**

*Public Markets Investment Report*

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

*Aon Market Environmental Report*

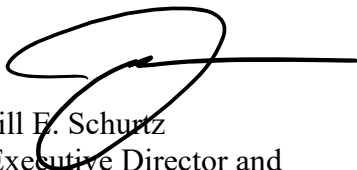
*Meketa Capital Markets Outlook & Risk Report*

*SBI Comprehensive Performance Report*

### **Adjournment of Meeting**

A motion was made to adjourn the meeting. The motion passed and the meeting adjourned at 10:54 a.m.

Respectfully submitted,



Jill E. Schurtz  
Executive Director and  
Chief Investment Officer