



## Minutes Investment Advisory Council Meeting May 15, 2024

The Investment Advisory Council (IAC) met at 12:00 p.m. on Wednesday, May 15, 2024, in Room 106 of the Retirement Systems Building, 60 Empire Drive, St. Paul, MN 55103.

**IAC Members Present:** Doug Anderson, Kim Faust, Jennifer Hassemer (for Erin Campbell), Peggy Ingison, Amy Jensen, Erin Leonard, Gary Martin, Dan McConnell, Nancy Orr, Dennis Santos, Jay Stoffel, Jen Wilson, and Shawn Wischmeier.

**IAC Members Absent:** Denise Anderson, Ify Onyiah, Carol Peterfeso, and Sunil Swami.

**SBI Staff Present:** Jill Schurtz, Grace Aas, Hamze Aden, PatC Ammann, Paul Anderson, Nate Blumenshine, Cassie Boll, Sara Bruggeman, Tammy Bruschaver, Andy Christensen, Aaron Griga, Preston Guttenberg, Ben Harris, Tim Johnson, Andrew Krech, Melissa Mader, Akhil Madurai John Mulé, Irene Murphree, Mercy Ndungu, Charlene Olson, Rachel Pastick-Malm, Emily Pechacek, Narmada Ramaswami, Cal Redemske, Iryna Shafir, Erol Sonderegger, Jonathan Stacy, Adam Sorenson, Ryan Tucker, Jeff Weber, Alex Wolsky, and Samir Zahar.

**Others Present:** Katie Comstock and Dan Gordon, Aon Investments; Sarah Bernstein, Nahom Kebede, and Gordon Latter, Meketa Investment Group; Jake Smith, Governor's Office; Dana Mitchell, Attorney General's Office; Ramona Advani, State Auditor's Office; Bibi Black and Justin Erickson, Secretary of State's Office; Andrew Higginson, Schroders; Bonnie Beckel and Steve Smith, Minnesota Divestment Coalition; Lucia Smith, TRA pensioner; Karen Redleaf and Slyvia Schwarz, private citizens.

### Call to Order

Gary Martin, Chair of the Investment Advisory Council, called the meeting to order.

### Approval of IAC Minutes

The minutes of the February 21, 2024, meeting were approved.

### IAC Member

Executive Director Schurtz welcomed Jen Wilson, Senior Managing Director of Private Markets at Thrivent Financial as a new member to the Investment Advisory Council.

### Organizational Updates

Ms. Schurtz and Andy Christensen announced a number of organizational updates, which included the addition of new staff members, and the summer internship program. Mr. Christensen gave an update on the office space planning and construction project.

## **Performance Summary**

Ms. 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 March 31, 2024:

AUM: The SBI was responsible for \$142.1 billion in assets. Of the assets under management, the Combined Funds represented \$92.8 billion.

Performance: The Combined Funds returned 4.8% for the quarter and 10.5% for the fiscal year to date. The Combined Funds returned 14.6% for the one-year period ending March 31, 2024. 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 25<sup>th</sup> percentile for the quarter and the 9<sup>th</sup> 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 reported that the organization is significantly under budget due to the delayed commencement of the office renovations and relocation project.

## **Climate Roadmap Presentation**

Ms. Schurtz and Nate Blumenshine referred members to Tab D and E and presented the Climate Roadmap to the Investment Advisory Council. Ms. Schurtz stated that a number of stakeholders and community members contributed to the roadmap, including Board members, their Designees, SBI Consultants, a working group of the IAC, and SBI Staff, and expressed appreciation to everyone for their contributions. Ms. Schurtz and Mr. Blumenshine requested the IAC's endorsement of a resolution modifying the Investment Beliefs to include the following:

**As long-term institutional investors, our fiduciary duty requires us to consider all material risks and opportunities.**

A motion was made that the IAC endorse the Executive Director's resolution to recommend that the Board amend the SBI's Investment Beliefs to add the proposed language. The motion passed.

## **Private Markets Investment Program Report**

Ms. Schurtz referred members to Tab C of the meeting materials for the Private Markets Investment Program Report. Cassie Boll, Jon Stacy, and members of the Private Markets team presented four investment recommendations: Angelo Gordon Realty Fund IV; Blue Owl GP Stakes VI; KKR Global Infrastructure Investors V; and Permira Strategic Opportunities I.

A motion was made that the IAC endorse Staff's recommendation to invest in the four private market investment funds. The motion passed.

**Informational Reports included in Quarterly Meeting Materials:**

*Public Markets Investment Report*

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

*Aon Market Environmental Report*

*Meketa Capital Markets Outlook & Risk Metrics Report*

*SBI Comprehensive Performance Report*

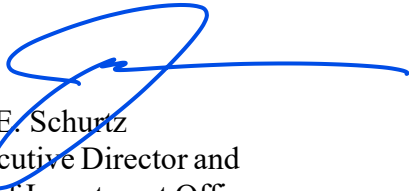
**Recognition of Ms. Bibi Black**

Ms. Schurtz recognized and thanked Ms. Black for her dedication and decades of exceptional service to the State of Minnesota. Members of the IAC expressed their deep gratitude and respect.

**Adjournment of Meeting**

The motion to adjourn the meeting was approved. The meeting adjourned at 1:22 p.m.

Respectfully submitted,



Jill E. Schurtz  
Executive Director and  
Chief Investment Officer

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