



## Minutes State Board of Investment Meeting August 14, 2024

The State Board of Investment (SBI) met at 10:10 A.M. Wednesday, August 14, 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:**

State Auditor Julie Blaha  
Secretary of State Steve Simon  
Attorney General Keith Ellison

### **Member Absent:**

Governor Tim Walz

### **Call to Order**

State Auditor Julie Blaha Chaired the meeting, and called the meeting to order.

### **Approval of Minutes**

The minutes of the May 21, 2024 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 June 30, 2024:

AUM: The SBI was responsible for \$146 billion in assets. Of the assets under management, the Combined Funds represented \$93.7 billion.

Performance: The Combined Funds returned 1.7% for the quarter and 12.3% for the fiscal year ending June 30, 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 17<sup>th</sup> percentile for the year.

The Executive Director's Administrative Report and Asset Allocation Update, which were included in the meeting materials at Tabs B and C, were information items.

## **Private Markets Investment Program Report**

Gary Martin, Chair of the Investment Advisory Council, reviewed the four private market recommendations listed in Tab D of the meeting materials. Mr. Martin stated that all are with existing managers: BlackRock LTFC II; Summit Partners Growth Equity Fund XII; Thoma Bravo Fund XVI; and Thomas H. Lee Equity Fund X.

On the motion of Secretary of State Simon, 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.

### **BlackRock LTFC II**

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 \$300 million to BlackRock LTFC II.

### **Summit Partners Growth Equity Fund XII**

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 \$250 million to Summit Partners Growth Equity Fund XII.

### **Thoma Bravo Fund XVI**

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 Thoma Bravo Fund XVI.

### **Thomas H. Lee Equity Fund X**

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 \$200 million to Thomas H. Lee Equity Fund X.

## **Public Testimony**

Individuals listed below were recognized to speak before the SBI.

- Jean Buckley
- Stacy Gurian-Sherman, Neil Radford, Paul Kinion, and Omari Hoover
- Sonja Ausen, Emma Fletcher, Elle Talsma, Michael Yost, and Azra Thakur
- Michael Runyon, Kyle Feldhake, and Karen Redleaf Schraufnagel
- Imogen Page, Jim Deluca, and Barry Kleider
- Jordan Ash

## **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 11:15 a.m.

Respectfully submitted,



Jill E. Schurtz  
Executive Director and  
Chief Investment Officer