



## Minutes State Board of Investment Meeting December 10, 2024

The State Board of Investment (SBI) met at 10:13 a.m. Tuesday, December 10, 2024. The Governor, Chair of the State Board of Investment, determined that the requirements of Minnesota Statutes § 13D.015 had been met and the meeting would be conducted via interactive technology. All votes were conducted with a roll call. 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  
State Auditor Julie Blaha  
Secretary of State Steve Simon  
Attorney General Keith Ellison

### Call to Order

Governor Tim Walz called the meeting to order.

### Approval of Minutes

The minutes of the August 14, 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, each as of September 30, 2024:

AUM: The SBI was responsible for \$149.9 billion in assets. Of the assets under management, the Combined Funds represented \$97.6 billion.

Performance: The Combined Funds returned 5.0% for the quarter and 20.2% for the 12-month period ending September 30, 2024. The Combined Funds exceeded its long-term objectives by outperforming its Composite Index for the ten-year period and provided a real rate of return above inflation over a 20-year 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 10<sup>th</sup> percentile for the quarter and the 15<sup>th</sup> percentile for the year.

### Executive Director's Administrative Report

Ms. Schurtz referred members to Tab B of the meeting materials and highlighted that the annual audit of the Office of Legislative Auditor is currently underway and that the annual report would be distributed as soon as practicable thereafter,

### **Public Markets Investment Program Report**

Gary Martin, Chair of the Investment Advisory Council (IAC) referred members to Tab C of the meeting materials for the Public Markets Investment Program Report. Mr. Martin stated that the IAC unanimously endorsed Staff's recommendation for approval by the Board to retain Fidelity Institutional Asset Management to implement its Concentrated Emerging Markets Strategy.

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

The following terms apply to this recommendation: Approval of this recommendation is not intended to be, and does not constitute in any way, a binding or legal agreement and does not impose any legal obligations on the State Board of Investment. Neither the State of Minnesota, the Investment Advisory Council, the State Board of Investment, nor its Executive Director, have any liability for reliance by Fidelity Institutional Asset Management upon this approval. Until the Executive Director, on behalf of the SBI, executes a formal agreement, further due diligence and negotiations may result in (1) the imposition of additional terms and conditions on Fidelity Institutional Asset Management or (2) the Executive Director declining to execute the subject Investment Management Agreement.

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

Mr. Martin referred members to Tab D of the meeting materials and reviewed six private markets recommendations: Blackstone Energy Transition Partners IV; HPS Strategic Investment Partners VI; IK Small Cap IV Fund; KKR North America Fund XIV; Nordic Capital Evolution Fund II; and EQT Infrastructure VI.

On the motion of State Auditor Julie Blaha, 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 an additional commitment of up to \$50 million to Blackstone Energy Transition Partners IV.

#### **HPS Strategic Investment 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 \$200 million to HPS Strategic Investment Partners VI.

**IK Small Cap IV Fund**

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 IK Small Cap IV Fund.

**KKR North America Fund XIV**

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 \$400 million to KKR North America Fund XIV.

**Nordic Capital Evolution Fund 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 \$125 million to Nordic Capital Evolution Fund II.

**EQT Infrastructure 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 EQT Infrastructure VI.

**Public Testimony**

Members of the public submitted written testimony to the Board. Governor Walz expressed appreciation for each of the submissions.

**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 10:26 a.m.

Respectfully submitted,



Jill E. Schurtz  
Executive Director and  
Chief Investment Officer

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