Minutes
Investment Advisory Council Meeting
May 13, 2025

The Investment Advisory Council (IAC) met at 12:00 p.m. on Tuesday, May 13, 2025, in Room 106 of Retirement Systems Building, 60 Empire Drive, St. Paul, MN 55103.

MEMBERS PRESENT: Denise Anderson, Doug Anderson, Kim Faust, Jennifer Hassemer (for Erin Campbell), Peggy Ingison, Amy Jensen, Erin Leonard, Gary Martin, Dan McConnell, Ify Onyiah, Carol Peterfeso, Tim Maurer, and Jen Wilson.

MEMBERS ABSENT: Nancy Orr, Dennis Santos, Sunil Swami, and Shawn Wischmeier.

SBI STAFF: Jill Schurtz, Andy Christensen, Erol Sonderegger, Andrew Krech, Cassie Boll, Jonathan Stacy, Mercy Ndungu, Jeff Weber, and Samir Zahar.

OTHER ATTENDEES: Katie Comstock and Dan Gordon, Aon Investments; Stephanie Sorg, Gordon Latter, and Steve Voss, Meketa Investment Group; Jake Smith, Governor's Office; Dana Mitchell, Attorney General's Office; Ramona Advani, State Auditor's Office; and Ramona Advani, State Auditor's Office.

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

Comments and Announcements
Executive Director/CIO Jill Schurtz thanked two IAC members for their many years of service, time, and talent spent with the SBI and the IAC colleagues: Kim Faust, President, Treasurer at Fairview Health Service, and a member of the IAC since 2012, and Carol Peterfeso, Managing Director of Investment at the Bush Foundation, and a member of the IAC since 2016.

Election of IAC Chair and Vice Chair
Mr. Martin called for the election of the Chair and Vice Chair of the Investment Advisory Council. Kim Faust entertained a motion for nomination for the role of IAC Chair. Erin Leonard made a motion to nominate Gary Martin for the position. The motion passed.

Mr. Martin entertained a motion for nomination for the role of Vice Chair of the IAC. Jen Wilson made a motion to nominate Nancy Orr for the position. The motion passed.

Approval of IAC Minutes
The minutes of February 25, 2025, meeting were approved.

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, 2025:

> AUM: The SBI was responsible for $147.2 billion in assets, of which the Combined Funds represented $96 billion.
>
> Performance: The Combined Funds returned 0.1% for the quarter and 6.3% for the 12-month period ending March 31, 2025. The Combined Funds exceeded its long-term objectives by outperforming its Composite Index for the ten-year period and providing 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 84th percentile for the quarter and the 35th percentile for the tracking 12 months.

Executive Director's Administrative Report
Ms. Schurtz referred members to Tab B of the meeting materials for the Executive Director's Administrative Report. Items highlighted in the report for review were the annual budget, as well the status of Russia, Belarus and Iran restrictions.

Deputy Chief Investment Officer Erol Sonderegger gave an update on the asset allocation study that will be presented to the IAC and Board at the next meeting.

Vice President, Director of Stewardship, Nate Blumenshine gave an update on the corporate engagement request for proposal process and how events are proceeding.

Private Markets Investment Program Report
Ms. Schurtz referred members to Tab C of the meeting materials for the Private Markets Investment Program Report. Co-Directors of Private Markets, Cassie Boll and Jon Stacy, and other members of the Private Markets team presented five private market recommendations: Advent International GPE XI SCSP; Blackstone Supplemental Account – M, L.P.; ECP VI, L.P.; TA Realty Value-Add Fund XIV, L.P.; and TPG Partners X, L.P.

A motion was made that the IAC endorse staff's recommendation to invest in the five private markets investment funds. The motion passed.

Market Overview Presentation
Ms. Schurtz introduced Ronald Templeton, Chief Market Strategist of Lazard to share his perspective on the economic and investment environment.

Informational Reports Included in the Quarterly Meeting Materials
Public Markets Investment Program 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

Adjournment of Meeting
The motion to adjourn the meeting was approved. The meeting adjourned at 1:42 p.m.

Respectfully submitted,

Jill E. Schurtz
Executive Director and
Chief Investment Officer