



Minutes State Board of Investment Meeting March 21, 2025

The State Board of Investment (SBI) met at 9:13 a.m. Friday, March 21, 2025 in the Retirement Systems Building, 60 Empire Drive, Room 106, 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
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 December 10, 2024, SBI 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 December 31, 2024:

AUM: The SBI was responsible for \$149.7 billion in assets, of which the Combined Funds represented \$96.6 billion.

Performance: The Combined Funds returned -0.4% for the quarter and 11.3% for the 12-month period ending December 31, 2024. 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 45th percentile for the quarter and the 10th percentile for the year.

Executive Director's Administrative Report

Executive Director/CIO Jill Schurtz referred members to Tab B of the meeting materials for the Executive Director's Administrative Report. Ms. Schurtz reported that the annual audit conducted by the Office of the Legislative Auditor (OLA) issued an unqualified opinion with no written findings or recommendations. Ms. Schurtz stated that the SBI Annual Report had been completed and was available on the website. Other important items highlighted in the report for review was the annual budget, and the status of any action with respect to Russia, Belarus and Iran restrictions.

Ms. Schurtz referred members to Tab C and Tab D for two recommendations reauthorizing the SBI Administrative Committee and Proxy Committee.

On the motion of Secretary of State Simon, the following recommendations were approved:

Adopt Resolution to Reauthorize the SBI Administrative Committee. The Executive Director recommends that the Board adopt a resolution which reauthorizes the SBI Administrative Committee to review and make recommendations regarding the SBI's fiscal year budget, the Executive Director's yearly goals and objectives, the Executive Director's performance evaluation process, and any other administrative items necessary for the administration of the SBI that are referred by the SBI Administrative Committee or Executive Director.

Adopt Resolution to Reauthorize the Proxy Voting Committee. The Executive Director recommends that the Board adopt a resolution reauthorizing the SBI Proxy Committee and delegating proxy voting responsibilities according to established guidelines.

Legislative Priorities

Ms. Schurtz referred members to Tab E of the meeting materials and gave a brief update on legislative priorities that SBI will be working towards during the current legislative session.

Private Markets Investment Program Report

Mr. Martin referred members to Tab F of the meeting materials and reviewed three private markets recommendations: Blackstone Capital Partners Asia III L.P.; Sixth Street Opportunities Partners VI, LP; and Trident X US Fund, L.P.

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 Capital Partners Asia III L.P.

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 Blackstone Capital Partners Asia III L.P.

Sixth Street Opportunities Partners VI, L.P.

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 Sixth Street Opportunities Partners VI, L.P.

Trident X US Fund, L.P.

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 \$100 million to Trident X US Fund, L.P.

Public Testimony

Individuals listed below were recognized to speak before the SBI.

- Steven Smith
- Joe Klug, Krista Romanish, and Mariah Mantz
- Alison Thorson and Sebastiana Cervantes
- Mary Jean Mulherin, Ray Himmelman, Katie Nicholson, and Daniel Kalani Matus
- Naveen Borojerdi, Tony Aarts, Iiya Garelik, Tracy Waterman, and Jon VanOeveren
- Julie Elhard, Abir Ismail, Cedar Larson, and Charley Underwood

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

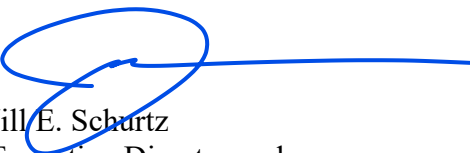
Meketa Capital Markets Outlook & Risk Report

SBI Comprehensive Performance Report

Adjournment of Meeting

A motion was made to adjourn the meeting. The motion passed and the meeting adjourned at 10:03 a.m.

Respectfully submitted,



Jill E. Schurtz
Executive Director and
Chief Investment Officer