

# NJ DIVISION OF INVESTMENT

## Director's Report

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State Investment Council  
January 31, 2024

***“The mission of the New Jersey Division of Investment is to achieve the best possible return at an acceptable level of risk using the highest fiduciary standards.”***



# State of New Jersey

**PHILIP D. MURPHY**  
*Governor*

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**ELIZABETH MAHER MUOIO**  
*State Treasurer*

**SHOAIB KHAN**  
*Director*

January 26, 2024

**To:** State Investment Council

**From:** Shoaib Khan  
Director

**Subject:** Recent Alternative Investment Fund Commitments

N.J.A.C. 17:16-69.9, as amended as of November 1, 2021, requires the Division to provide an informational memorandum to the Council on each binding commitment made by the Division as part of its Alternative Investment Program.

This memorandum provides information regarding the following binding commitments which were made between October 20, 2023 and January 31, 2024:

Name	Closing Date	Asset Class	Commitment Amount
New Jersey Asia Investors Evergreen, LP	October 31, 2023	Private Equity	\$50,000,000 Core \$50,000,000 Co-Investments*
Altaris Health Partners VI L.P.	December 21, 2023	Private Equity	150,000,000
GCM Grosvenor NJ RE Emerging Manager Program, LP	December 28, 2023	Real Estate	\$250,000,000

\*The General Partner also may call for investment additional amounts equal to a portion of portfolio investment proceeds distributed from New Jersey Asia Investors, L.P., New Jersey Asia Investors II, L.P. and New Jersey Asia Investors III, L.P., up to a maximum of \$500,000,000.

## Notification: Modification to Cerberus Institutional Real Estate Partners VI, L.P.

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**Background:** During the October 2023 Council meeting, the Division presented a commitment of \$200 million to Cerberus Institutional Real Estate Partners VI, L.P. (the “Fund” or “CIREP VI”). Fund closing is pending.

CIREP VI is a global, multi-strategy, debt and equity fund focused on opportunistic, undervalued and/or distressed real estate. The Fund’s strategy presents a compelling opportunity to capitalize on market conditions.

**Modification:** The Division proposes to increase the Pension Fund’s commitment from \$200 million to \$350 million.

**Impact on Pension Fund:** The modification will enable the Division to benefit from lower negotiated management fees. The increased commitment will remain within the Division’s exposure limits for risk management (ex-PFRS). For the same reasons set forth in its October 2023 presentation to the Council, the Division believes the commitment of an additional \$150 million will be beneficial to the Pension Fund.

**The Director is notifying the SIC of this modification in accordance with the  
Alternative Investment Modification Procedures**

## Notification: Modification to Sculptor Capital Management Funds

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**Background:** The Pension Fund has made commitments to a Platform investment totaling \$3.8 billion across four vehicles plus \$200 million to two commingled funds sponsored by Sculptor Capital Management (“Sculptor”). The investments are as follows:

Platform Funds:

- Sculptor SC I, L.P. (\$300 million in 2010, \$200 million in 2011, and \$200 million in 2013)
- Sculptor SC II, L.P. (\$500 million in 2013, \$300 million in 2015, and \$700 million in 2018)
- Sculptor NJ Private Opportunities, L.P. (\$400 million in 2013, \$200 million in 2015, and \$500 million in 2018)
- Sculptor NJ Real Estate Opportunities, L.P. (\$200 million in 2013, \$100 million in 2015, and \$200 million in 2018)

Commingled Funds:

- Sculptor RE Parallel Fund III E, L.P. (\$100 million in 2014)
- Sculptor RE Credit Parallel Fund B, L.P. (\$100 million in 2016)

**Modification:**

In November 2023, Sculptor entered into an agreement with Rithm Capital (“Rithm”) whereby Rithm would acquire a 100% interest in the firm. The Division consented to the change in control and transfer of carried interest, and the deal between Sculptor and Rithm was closed on November 17, 2023.

**Impact on Pension Fund:** The Division believes that the change in control and transfer of carried interest will be beneficial to the Pension Fund. The senior management team at Sculptor remains the same with no changes being made to the operation and management of the funds and underlying investments. There is also no change to the investment committees or how Sculptor makes investment, leasing, and other operating decisions.

**The Director is notifying the SIC of this modification in accordance with the  
Alternative Investment Modification Procedures**

## Notification: Modification to HitecVision VII, L.P.

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**Background:** The Division committed \$100 million to HitecVision VII, L.P. (the “Fund”) in 2014. The Fund primarily invests in real assets in Europe. In 2023, the General Partner of Fund VII sought a strategic exit of one of its portfolio companies. For tax and other business reasons, the General Partner proposed to transfer the portfolio company to a newly formed fund, HitecVision SpringPoint, L.P. (“SpringPoint”) and distribute limited partner interests in SpringPoint pro rata to the Limited Partners of the Fund. The General Partner sought Limited Partner consent to the transaction. The Division declined to consent, but a supermajority of Limited Partners of the Fund did consent. The transaction was subsequently consummated on October 31, 2023, and the common pension fund received limited partner interests in SpringPoint.

**Modification:** The Division’s interest in the portfolio company was moved from the Fund into SpringPoint.

**Impact on Pension Fund:** HitecVision’s management team for the portfolio company has not changed. SpringPoint’s term is limited to 2 years with reduced fees. The transaction also provided a liquidity event and the Division has received a distribution. The Division does not anticipate a material impact on the Pension Fund from this change.

The Director is notifying the SIC of this modification in accordance with the  
Alternative Investment Modification Procedures