

New Jersey State Investment Council January 29, 2025 Regular Meeting

Minutes of the Regular Meeting

This meeting was held remotely via videoconference on January 29, 2025.

Council Members in Attendance:

Adam Liebttag, Vice-Chair

Thomas Bruno

Michael Cleary

Michael Greaney

James Hanson

Timothy McGuckin

Samir Pandiri

Eric Richard

Jerome St. John

Edward Yarusinsky

Theodore Aronson, Wasseem Boraie, Leonard Carr, Vaughn Crowe, and Deepak Raj were unable to attend.

Roll Call and Meeting Notice

The regular meeting was called to order by Adam Liebttag, Vice-Chair of the State Investment Council (Council), at 11:42 a.m. Rubin Weiner, Senior Legal Specialist for the Division of Investment (Division) performed roll call. Mr. Weiner announced that notice of the regular meeting schedule for 2025 was posted on the Division's public website; mailed to the Star Ledger, the Bergen Record, Courier Post, and the Trenton Times; and e-mailed to the Secretary of State on December 3, 2024. A copy of the notice is on file at the Division.

Minutes of the Regular Meeting held October 30, 2024

Mr. Liebttag presented the minutes of the open session of the regular meeting held on October 30, 2024. Thomas Bruno made a motion to approve the minutes, with Timothy McGuckin seconding the motion. On a roll call vote, all Council members present voting in favor of the motion.

Mr. Liebttag presented the minutes of the executive session of the regular meeting held on October 30, 2024. Mr. Bruno made a motion to approve the minutes, with Mr. McGuckin seconding the motion. On a roll call vote, all Council members present voting in favor of the motion.

State Investment Council Fiscal Year 2024 Annual Report

Shoaib Khan, Director of the Division, presented a draft of the State Investment Council Annual Report for Fiscal Year 2024. Mr. Bruno made a motion to approve the report as presented, with

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Michael Greaney seconding the motion. A roll call vote was taken, with all Council members present voting in favor of the motion.

Director's Report

Mr. Khan summarized the Director's Report, describing the Pension Fund's asset allocation and unaudited performance results for Fiscal Year 2024 and as of December 31, 2024 and providing an update on capital markets. Mr. Khan notified the Council of modifications to IPI Partners II-A, L.P.; KSL Capital Partners Tactical Opportunities Fund II, L.P.; HPS Garden Private Credit Fund L.P.; and ICG Europe Fund VIII SCSp and its related Co-Investment Fund. Mr. Khan also updated the Council on recent alternative investment commitments that closed between October 30, 2024 and January 23, 2025. Lastly, Mr. Khan notified the Council of a proposed transfer of the Pension Fund's investment in Elliott Associates, L.P. from Common Pension Fund E to Common Pension Fund A and the Police and Firemen's Retirement System of New Jersey.

Fiscal Year 2024 Proxy Voting Summary

Jeff Warshauer, the Division's Corporate Governance Officer, reported to the Council regarding the Division's proxy voting for fiscal year 2024 with respect to U.S. and non-U.S. corporations. Mr. Warshauer reviewed the Division's voting record and overall proxy voting trends. Mr. St. John inquired about the success rate for proposals on which the Division voted. In response to a question from James Hanson, Mr. Warshauer summarized the differences between the Division's custom proxy voting policy and the Glass Lewis benchmark proxy voting policy.

NJ State Employees Deferred Compensation Plan

Lisa Walker, Deputy Director of the Division, updated the Council on the New Jersey State Employees Deferred Compensation Plan ("DCP"). Ms. Walker reported that the International Blend II Fund managed by Schroders Investment Management N.A. Inc. had replaced the International Blend II Fund managed by Lazard Asset Management as an investment option.

Report on Northern Ireland

Lynn Jahn of the Division presented the Division's annual report to the Governor and the Legislature with respect to U.S. corporations doing business in Northern Ireland and their adherence to the MacBride principles of nondiscrimination in employment.

Private Equity Investments

Bain Capital Fund XIV, L.P.

Dana Johns of the Division presented an investment of up to \$200 million in Bain Capital Fund XIV, L.P., a fund that will pursue buyout investments primarily based in North America with a focus on consumer and retail, financial & business services, industrials, TMT, and healthcare sectors. Ms. Johns described the fund's management team's experience and performance as well as the fund's economic terms, investment strategies and portfolio fit.

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Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended their presentation to the full Council.

BPEA Private Equity Fund IX, SCSp

Guy Piserchia of the Division presented an investment of up to \$200 million in BPEA Private Equity Fund IX, SCSp, a buyout fund investing across Asia in five core sectors including services, technology, technology services, healthcare and industrial technology. Mr. Piserchia described the investment team's experience and operational capabilities as well as its performance history. He also discussed the fund's targeted returns and investment strategy.

Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended their presentation to the full Council.

Hg Saturn 4 Fund, L.P.

Tanner Doverspike of the Division presented an investment of up to \$150 million in Hg Saturn 4 Fund L.P., a specialty software and tech-services investment fund, primarily targeting European-focused buyouts. Mr. Doverspike described the investment team's experience and performance record and highlighted the fund's investment strategy and portfolio fit.

Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended their presentation to the full Council.

Strategic Value Special Situations Feeder Fund VI, L.P.

Jessie Choi and Peterson Lenard of the Division presented an investment of up to \$100 million in Strategic Value Special Situations Feeder Fund VI, L.P., a fund focused on identifying investment opportunities within the distressed market. Mr. Lenard described the fund manager's experience and performance record, as well as the Fund's investment strategy and portfolio fit.

Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended their presentation to the full Council.

Real Estate Investment

Stepstone RE SMA

Mr. Liebttag reported that Vaughn Crowe recused himself from discussion of this investment.

Kevin Higgins and Adam Wielebinski of the Division presented an investment of up to \$400 million in a real estate separately managed account managed by the StepStone Group focused on middle market funds, secondaries and co-investments. Mr. Higgins described the fund's investment strategy and its portfolio fit. Mr. Wielebinski summarized the experience and capabilities of the fund's management team, and outlined the fund's investment terms.

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Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended its presentation to the full Council.

Private Credit Investments

Blue Torch SMA and Blue Torch Co-Invest

Brad Johnson and Jesse Izworski of the Division presented an investment of up to \$400 million in a separately managed private credit fund to be managed by Blue Torch Capital and up to an additional \$200 million in a related co-investment vehicle. Mr. Izworski discussed the fund manager's experience and past performance and described the funds' investment strategies and portfolio fit.

Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to the investment and had recommended their presentation to the full Council.

TCW SMA and TCW Co-Invest

Vitaly Smirnov of the Division presented an investment of up to \$150 million in a separately managed middle-market private credit fund managed by TCW and up to an additional \$150 million in a co-investment sleeve or vehicle to invest alongside the fund. Mr. Smirnov described the fund manager's investment team and the funds' investment strategy, targeted returns and portfolio fit.

Mr. Liebttag reported that the IPC reviewed the Division's due diligence with respect to both private credit investments and had recommended their presentation to the full Council.

Public Comment

There were no speakers registered for public comment.

Executive Session

Mr. Liebttag asked for a motion to adopt the following resolution:

In accordance with the provisions of N.J.S.A. 10:4-12(b)(5) and N.J.S.A. 10:4-13, BE IT RESOLVED THAT the State Investment Council go into closed (executive) session under the Open Public Meetings Act to discuss a matter involving investments of public funds where disclosure of the discussion could adversely affect the public interest. The minutes of such meeting shall remain confidential until after such time as the Council determines that the need for confidentiality no longer exists and the matters discussed can be disclosed.

Mr. Liebttag made a motion to adopt the above resolution, with Mr. Bruno seconding the motion. On a roll call vote, all Council members present voted in favor. The Council entered into closed (executive) session.

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Adjournment

Mr. Bruno made a motion to adjourn the meeting, with Mr. Greaney seconding the motion. On a roll call vote, all Council members present voted in favor of the motion. The meeting was adjourned at 1:04 p.m.