

New Jersey State Investment Council

July 24, 2019 Regular Meeting

Minutes of the Regular Meeting

Held July 24, 2019 at the Trenton War Memorial, George Washington Ballroom, 1 Memorial Drive, Trenton, New Jersey.

Council Members in Attendance:

Adam Liebttag, Acting Chair

Theodore Aronson

Wasseem Boraie (arrived at 10:25 a.m.)

Thomas Bruno

Michael Cleary

Vaughn Crowe

Michael Greaney

James Hanson

Timothy McGuckin (via telephone)

Deepak Raj

Eric Richard

Edward Yarusinsky

Samir Pandiri was not in attendance.

Roll Call and Meeting Notice

The meeting was called to order by Adam Liebttag, Acting Chair, at 10:02 a.m. Ernestine Jones-Booker, Council Secretary, performed roll call and reported that a quorum was present. Ms. Jones-Booker announced that notice of the regular meeting scheduled for July 24, 2019 was posted on the public website of the Division of Investment (Division); faxed to the Times of Trenton, the Star Ledger, the Bergen Record, and the Courier Post; and e-mailed to the Secretary of State on June 25, 2019. A copy of the notice was posted at the Division and is on file.

Opening Remarks by Acting Chair

Mr. Liebttag recognized and thanked Investment Officer Brian Arena for his many years of service at the NJ Division of Investment. The Council gave Mr. Arena a standing ovation.

Minutes of the Regular Meeting held May 29, 2019

Mr. Liebttag presented minutes of the regular meeting held May 29, 2019 for adoption. Theodore Aronson made a motion to approve the minutes, with Thomas Bruno seconding the motion. All members of the Council who were present voted in favor of the motion.

Minutes of the Regular Meeting (Executive Session) held May 29, 2019

Mr. Liebttag presented minutes of the regular meeting executive session held May 29, 2019 for adoption. Mr. Bruno made a motion to approve the minutes, with Michael Cleary seconding the motion. All members of the Council who were present voted in favor of the motion, with the exception of Eric Richard and Vaughn Crowe who abstained.

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Election of Nominating Committee

Mr. Liebtag presented Mr. Richard, Mr. Cleary and Timothy McGuckin as candidates to serve on the Council's nominating committee and asked the Council for additional nominations. All members of the Council who were present voted in favor of the candidates presented by Mr. Liebtag.

Appointment to Investment Policy Committee

Mr. Liebtag appointed Deepak Raj to serve on the Council's Investment Policy Committee. Mr. Crowe made a motion to ratify the appointment, which motion was seconded by Mr. Richard. All members of the Council who were present voted in favor of the motion.

Report from the State Treasurer

Dini Ajmani of the Treasurer's office provided an update on State tax revenues and expenditures.

Director's Report/Updates

Director Corey Amon presented the Director's Report, discussed pension fund returns, capital market trends, and allocations to various asset classes. Mr. Amon also discussed staffing changes and provided an update on pending procurements.

Asset Class Ranges and U.S. Equity Benchmark Recommendations

Mr. Amon proposed the establishment of asset class ranges and recommended a change in the U.S. equity benchmark, replacing the S&P 1500 index with the MSCI USA IMI Index.

Wasseem Boraie joined the meeting at this time.

Mr. Aronson made a motion to approve the recommended asset class ranges and U.S. equity benchmark, with Mr. Crowe seconding the motion. On a roll call vote, all members of the Council who were present voted in favor of the motion.

Overview of Alternative Investment Program Sourcing and Due Diligence Process

Mr. Amon introduced Jared Speicher and Kevin Higgins of the Division, along with Sean Barber of Hamilton Lane and Michelle Davidson of Torrey Cove, who explained in detail the sourcing and due diligence process for alternative investments. In response to questions from Council members, Division staff and consultants described the Division's efforts to identify MWBE fund managers and the unique qualities used to differentiate fund managers. Mr. Barber and Ms. Davidson discussed the Division's approach to opportunistic real estate investments and talked about the benefits and liquidity constraints of investing in private equity. Mr. Amon provided details with respect to sourcing and fee negotiations, and Division staff and consultants discussed fund performance and ongoing due diligence and monitoring.

Verbal Report on Qualified Independent Representative (QIR) Policy

Susan Sarnowski of the Division reported to the Council regarding the Division's Qualified Independent Representative (QIR) Policy, stating that the Division received all of the required representations from the relevant QIRs and that the Division was in compliance with the QIR Policy.

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Public Comment

Tina Weishaus of the DivestNJ Coalition, Barbara Pal of the Climate Reality Project, and Ted Glick of 350 New Jersey spoke about fossil fuel investments.

Adjournment

Mr. Crowe made a motion to adjourn the meeting, with Mr. Cleary seconding the motion. All Council members present voted in favor. The meeting was adjourned at 12:20 p.m.