New Jersey State Investment Council
July 22, 2020 Regular Meeting

Minutes of the Regular Meeting
Due to public health considerations related to COVID-19, this meeting was held remotely via conferencing on July 22, 2020.

Council Members in Attendance:
Deepak Raj, Chair
Adam Liebtag, Vice-Chair
Theodore Aronson
Wasseem Boraie
Thomas Bruno
Michael Cleary
Vaughn Crowe
Michael Greaney
James Hanson
Timothy McGuckin
Samir Pandiri
Eric Richard
Jerome St. John
Edward Yarusinsky

Roll Call and Meeting Notice
The Regular Meeting was called to order by Deepak Raj, Council Chair, at 10:03 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 Council’s 2020 Regular Meeting schedule was posted on the website of the Division of Investment (Division); mailed to the Times of Trenton, the Star Ledger, the Bergen Record, and the Courier Post; and e-mailed to the Secretary of State on January 10, 2020. A copy of the notice was posted on the Division’s website and is on file.

Minutes of the Regular Meeting held May 27, 2020
Theodore Aronson made a motion to approve the minutes of the regular meeting held on May 27, 2020, with Adam Liebtag, Council Vice Chair, seconding the motion. All Council Members present voted in favor.

Election of Nominating Committee
Mr. Raj presented Eric Richard, Michael Cleary and Timothy McGuckin as candidates to serve on the Council’s nominating committee and asked the Council for additional candidates. Hearing none, Mr. Liebtag made a motion to approve the candidates which was seconded by Thomas Bruno. Separately, Mr. Bruno made a motion to approve the nomination of Mr. McGuckin which was seconded by Michael Greaney; Mr. Bruno made a motion to approve the nomination of Mr. Richard which was seconded by Mr. Aronson; Mr. Bruno made a motion to approve the nomination of Mr. Cleary which was seconded by Mr. Greaney. All members of the Council who were present voted in favor of the three candidates.
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Treasurer’s Report
Assistant Treasurer Dini Ajmani discussed the status of contributions to the Pension Fund. Ms. Ajmani also reported on Fiscal Year 2020 revenues and the long-term impact of COVID-19 closures on the Fiscal Year 2021 budget.

Director’s Report
Division Director Corey Amon summarized the Director’s Report, reporting on pension fund performance, providing an update on capital markets, and describing asset class allocations. Mr. Amon indicated that a full picture of pension fund performance for Fiscal Year 2020 would be available once valuations were updated. Mr. Amon also provided an update of the Real Estate Portfolio.

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.

Asset Allocation and Benchmark Recommendations
Mr. Amon proposed the establishment of Pension Fund asset class targets, ranges and recommended benchmarks. Corey Amon presented capital market assumptions, risk vs returns by asset class and strategy, and valuations. Mr. Aronson made a motion to approve the asset allocation recommendation (attached hereto) which was seconded by Mr. Bruno. All members of the Council who were present voted in favor of the motion. Wasseem Boraie made a motion to approve the recommended benchmarks (attached hereto) which was seconded by Mr. Bruno. All members of the Council who were present voted in favor of the motion.

Investments

Owl Rock Diversified Lending 2020 Fund
Jared Speicher of the Division, along with Kevin Hitchen of Aksia TorreyCove, presented an investment of up to $150 million in Owl Rock Diversified Lending 2020 Fund, a private equity fund that will primarily invest in directly originated, senior secured loans to upper middle market companies owned by private equity sponsors. Mr. Speicher described the fund’s investment team, origination platform, risk/return profile and key investment terms. Mr. Raj reported that the IPC reviewed the investment and recommended presentation to the Council.

Stonepeak Renewables Fund
Kevin Higgins and Ryan Goodwin of the Division, along with Nic Diloretta of Aksia TorreyCove, presented an investment of up to $100 million in Stonepeak Renewables Fund, a private equity fund that will pursue renewable energy assets in developed markets, primarily in North America and Asia. Mr. Higgins described the fund’s management team, investment strategy and key investment terms. Mr. Raj reported that the IPC reviewed the investment and recommended presentation to the Council.

TPG Growth V Fund
Jared Speicher and Ting Yang of the Division, along with Heidi Poon of Aksia TorreyCove, presented an investment of up to $100 million in TPG Growth V Fund, a fund that will primarily pursue growth equity and control growth buyout opportunities as well as later-stage venture investments, primarily in North America and selectively across India, China, and Southeast Asia. Ms. Yang described the fund manager’s investment experience and track record, and summarized the fund’s key investment terms and investment strategy. Mr. Raj reported that the IPC reviewed the investment and recommended presentation to the Council.

Public Comment
Tina Weishaus of Divest New Jersey and Barbara Peabody of the Middlesex County Retiree Education Association spoke regarding fossil fuel divestment.

Adjournment
Mr. Greaney made a motion to adjourn the meeting, with Mr. Bruno seconding the motion. All Council Members present voted in favor. The meeting was adjourned at 12:20 p.m.
### Asset Allocation Recommendation

**Portfolio Expected Return** 6.72%

**Portfolio Volatility** 11.05%

**Return per unit of Risk** 0.608

<table>
<thead>
<tr>
<th>Recommended Target Asset Allocation</th>
<th>Recommended Ranges</th>
<th>Recommended Benchmarks</th>
<th>Recommended Benchmark Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBAL GROWTH</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 U.S. Equity</td>
<td>27.00%</td>
<td>22-32%</td>
<td>MSCI USA IMI</td>
</tr>
<tr>
<td>2 Non-U.S. Developed Market Equity</td>
<td>13.50%</td>
<td>11-16%</td>
<td>MSCI EAFE + Canada (ex-prohibited)</td>
</tr>
<tr>
<td>3 Emerging Market Equity</td>
<td>5.50%</td>
<td>3-8%</td>
<td>MSCI Emerging Markets (ex-prohibited)</td>
</tr>
<tr>
<td>4 Private Equity</td>
<td>13.00%</td>
<td>10-16%</td>
<td>Cambridge Associates Buyouts, Growth, Distressed for Control, Subordinated Debt and Credit (one-quarter lag)</td>
</tr>
<tr>
<td><strong>REAL RETURN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Real Assets</td>
<td>3.00%</td>
<td>1-5%</td>
<td>NCREIF ODCE (one-quarter lag)</td>
</tr>
<tr>
<td>6 Real Estate</td>
<td>8.00%</td>
<td>5-11%</td>
<td>Cambridge Private Equity Energy, Upstream Energy &amp; Royalties &amp; Infrastructure, Timber (one-quarter lag)</td>
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<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
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<tr>
<td>7 High Yield</td>
<td>2.00%</td>
<td>1-5%</td>
<td>Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index</td>
</tr>
<tr>
<td>8 Private Credit</td>
<td>8.00%</td>
<td>5-11%</td>
<td>Bloomberg Barclays U.S. Corp High Yield Index (one-month lag) + 100 bps</td>
</tr>
<tr>
<td>9 Investment Grade Credit</td>
<td>8.00%</td>
<td>5-11%</td>
<td>Bloomberg Barclays U.S. Credit Index, A or better</td>
</tr>
<tr>
<td><strong>DEFENSIVE</strong></td>
<td></td>
<td></td>
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<tr>
<td>10 Cash Equivalents</td>
<td>4.00%</td>
<td>3-7%</td>
<td>91-day T-Bills</td>
</tr>
<tr>
<td>11 U.S. Treasuries</td>
<td>5.00%</td>
<td>3-8%</td>
<td>Bloomberg Barclays U.S. Treasury Index</td>
</tr>
<tr>
<td>12 Risk Mitigation Strategies</td>
<td>3.00%</td>
<td>1-6%</td>
<td>91-day T-Bills +300 bps</td>
</tr>
</tbody>
</table>

Source: Aon, Aksia TorreyCove, Cliffwater, Division of Investment, and Hamilton Lane