

MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL Conference Call March 8, 2017

1) Roll Call

The meeting was called to order at 9:30 a.m. on March 8, 2017 by Chair David Hillard. Council members in attendance were Lorin Brass, Ryan Brunner, David Hillard, Laura McNally, Jeff Nelson, Rich Sattgast, and Rob Wylie. Steve Kirby was absent.

Others attending all or part of the meeting included Matt Clark, Brett Fligge, Chris Nelson, Tammy Otten, and Laurie Riss from the Investment Office; and Doug Fiddler, Travis Almond, Jane Beers, and Michelle Mikkelsen from the South Dakota Retirement System.

(Note: For sake of continuity, the following minutes are not necessarily in chronological order. Documents referenced are on file in the Investment Office, and public access is subject to the provisions of SDCL 1-27.)

AGENDA ITEMS:

- 1) Roll Call
- 2) Blackstone Energy Partners II
Secondary Transaction
- 3) Future Meeting Dates
- 4) Adjournment

2) Blackstone Energy Partners II – Secondary Transaction

Matt Clark discussed a secondary market opportunity for an additional investment in the Blackstone Energy Partners (BEP) II fund. He reviewed the original commitment amount in BEP II, the percentage of the fund invested by BEP to date, and the level of pending investments. He then discussed staff's view of Blackstone's capabilities in the energy investing area.

Clark explained the bid process and staff's considerations in determining the bid amount.

Clark updated the Council about the overall exposure to private equity and commitments to Blackstone partnerships in total. Council discussion continued.

JEFF NELSON MOVED, SECONDED BY LAURA MCNALLY, TO AUTHORIZE THE STATE INVESTMENT OFFICER TO SUBMIT A BID TO ACQUIRE, IN A SECONDARY TRANSACTION FOR THE SOUTH DAKOTA RETIREMENT SYSTEM, A \$35 MILLION ORIGINAL COMMITMENT AMOUNT OF THE BLACKSTONE ENERGY PARTNERS II FUND. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE.

3) Future Meeting Dates

The next Investment Council meeting will be held in Rapid City on April 20, 2017 at the South Dakota School of Mines & Technology.

4) Adjournment

Chair Hillard declared the meeting adjourned at 9:55 a.m.