

MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL Conference Call November 25, 2014

1) Roll Call

The conference call meeting was called to order at 9 a.m. by Chair Jon Hunter. Council members in attendance were David Hillard, Jon Hunter, Vern Larson, Jim Means, Steve Kirby, Rich Sattgast and Rob Wylie. Council member Lorin Brass was absent. Also present were Matt Clark, Brett Fligge, Chris Nelson, Tammy Otten, and Laurie Riss of the Investment Office, and Ryan Brunner of the Office of School and Public Lands.

AGENDA ITEMS:

- 1) Roll Call
- 2) Starwood X Co-Investment in TMI Hospitality
- 3) Adjournment

2) Starwood X Co-Investment in TMI Hospitality

Jon Hunter noted that the Council had received information from the Investment Office regarding a co-investment opportunity with Starwood X in TMI Hospitality. The investment would be slightly more than the percentage allocation already authorized by the SDIC Co-Investment Policy, so consideration and approval is required by the Investment Council.

Matt Clark provided some background on Starwood and the relationship with the Investment Council. Chris Nelson reviewed the assets that are included in the TMI portfolio. He discussed the size of the co-investment being offered to SDIC, and the timeframe for the closing. The maximum percentage and current allocation to real estate was discussed. Clark noted that this investment would be for SDRS and would not include the trust funds because of the size of the investment.

Investment Council discussion continued on Starwood and the co-investment opportunity.

JIM MEANS MOVED, SECONDED BY RICH SATTGAST, TO AUTHORIZE THE STATE INVESTMENT OFFICER TO INVEST \$15 MILLION FOR THE SOUTH DAKOTA RETIREMENT SYSTEM IN STARWOOD GLOBAL OPPORTUNITY FUND X, L.P. CO-INVESTMENT IN TMI HOSPITALITY. MOTION PASSED BY ROLL CALL VOTE WITH SEVEN VOTING IN FAVOR AND ZERO OPPOSED.

3) Adjournment

Chair Hunter declared the meeting adjourned at 9:10 a.m.