

**WASHINGTON STATE INVESTMENT BOARD**

**Private Markets Committee Meeting  
Minutes**

January 9, 2003

The Private Markets Committee met in open public session at 9:07 A.M. in the boardroom at the Washington State Investment Board in Olympia, Washington.

Members Present: George Masten, Chair  
John Charles  
Mike Colleran (designated representative for Treasurer Murphy)  
Charles Kaminski  
John Magnuson  
Gary Moore  
Jeff Seely

Other Members Present: Debbie Brookman  
Robert Nakahara  
Lee Ann Prielipp

Others Present: Joseph Dear  
Gary Bruebaker  
Tom Ruggels  
Linda Buchanan

Jeff Lane, Senior Assistant Attorney General  
Steve Johnson, Perennial Ventures  
Craig Wright, Perennial Ventures  
Dave Maki, Perennial Ventures  
Tara Blackburn, Pacific Corporate Group  
Eric Becker, Pacific Corporate Group

[Names of other individuals attending the meeting are not included in the minutes, but are listed in the permanent record.]

The meeting convened at 9:07 A.M. with Chair Masten identifying members present.

**ADOPTION OF MINUTES – December 5, 2002**

**Mr. Charles moved to adopt the December 5, 2002, minutes. Mr. Moore seconded, and the motion carried unanimously.**

## **PRIVATE EQUITY – LIFE SCIENCES PRESENTATION**

Mr. Kaminski explained that the MIT Enterprise Forum has researched several areas of life sciences. He introduced Mr. Wright, Mr. Johnson, and Mr. Maki, all of Perennial Ventures.

Mr. Johnson introduced himself and his colleagues, Mr. Wright and Mr. Johnson. Mr. Johnson explained that they were here to present an overview of the life sciences arena. He described the industry segments of life sciences, fundamental drivers of the industry, and the process and cost of drug discovery. Mr. Johnson described the strengths and challenges of the Northwest for this industry. He presented data on venture capital activity in the United States, in the Northwest, and in Washington state from 1995 to 2002.

Mr. Maki stated that the Northwest has proven it can build successful companies in life sciences. He discussed market opportunities.

Mr. Johnson described requirements for successful life sciences investment and potential returns.

[Mr. Magnuson was in attendance at 9:29 A.M.]

Discussion ensued regarding information sources and the timeframe covered by the source, other investors in the field, other SIB partners in the industry, manufacturing locations, and the potential impact on employment in the Washington area. The Committee also discussed the advantages and disadvantages of focusing investments in a specific geographic location, duration of investments, and expected returns.

## **PRIVATE EQUITY – PORTFOLIO REVIEW**

Chair Masten announced that the Committee would go into executive session under the provisions of RCW 42.30.110(k) to discuss the Board's staff's recommended strategy addressing possible private equity investments expected to be presented to the Committee this year. Public knowledge of that strategy, and information underlying this discussion, would result in loss to the funds which the WSIB invests and, with respect to some of the information, competitive disadvantage and loss to persons furnishing such information to the Board.

The Committee expected the executive session to last one hour. At the end of the executive session, the Committee resumed its regular open session. The Committee did not expect to take any final action regarding the topic discussed in the executive session.

[Recess was called at 9:58 A.M. and the executive session resumed at 10:03 A.M.]

[The regular open session reconvened at 11:39 A.M.]

## **PRIVATE MARKETS CLOSING LOG**

The Private Markets Closing Log was presented for informational purposes.

## **OTHER ITEMS**

There being no further business to come before the Committee, the meeting adjourned at 11:40 A.M.