

APPROVED

STATE OF WASHINGTON
STATE INVESTMENT BOARD

Private Markets Committee Meeting
Minutes

January 6, 2005

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: Debbie Brookman, Chair
 Jeff Hanna (via teleconference)
 John Magnuson
 Patrick McElligott
 Senator Zarelli

Members Absent: John Charles
 Treasurer Murphy
 Jeff Seely

Other Board Members
Present: George Masten

Others Present: Joe Dear, Executive Director
 Gary Bruebaker, Chief Investment Officer
 Tom Ruggels, Senior Investment Officer – Private Equity
 Steve Draper, Senior Investment Officer – Real Estate
 Isabelle Fowler, Investment Officer – Private Equity
 Linda Buchanan, Administrative Secretary

 Eric Becker, Pacific Corporate Group
 Tara Blackburn, 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 Brookman identifying members present.

REVIEW AND APPROVAL OF MINUTES – DECEMBER 2, 2004

Mr. McElligott moved to adopt the minutes of December 2, 2004. Ms. Brookman seconded, and the motion carried unanimously.

PRIVATE MARKETS COMMITTEE 2005 MEETING SCHEDULE

Mr. Bruebaker stated that due to the number of investments being brought before the Committee in April, staff proposes that the Committee meet on two consecutive days, April 6 and 7. The investment proposals to be considered in April could not be ready for March and can not wait until May. Transaction volume is really heavy for the first part of the year, especially for private equity where the fund raising windows for quality funds are the shortest we have seen for some time. The remaining proposed meeting dates are as stated in the transmittal.

Mr. McElligott moved that the Private Markets Committee schedule its 2005 meeting dates as indicated in the transmittal, but adding April 6 as an additional meeting date. Ms. Brookman seconded, and the motion carried unanimously.

PRIVATE EQUITY CONSULTANT REQUEST FOR PROPOSAL CONCEPT DOCUMENT

Ms. Fowler introduced the proposed concept document and explained that the current contract expires on December 31, 2005. If approved, the Request for Proposal will be released in February with responses due in March. Staff will bring recommendations to the Committee in May.

Discussion ensued regarding the requirements of the current contract and the concept document, the benchmark analysis being worked on with Pacific Corporate Group, and the number of bidders expected to respond.

Ms. Brookman moved that the Private Markets Committee recommend that the Board authorize the issuance of a Request for Proposal for general private equity consulting services, and that the Request for Proposal reflect scope of services and terms consistent with the Concept Document. Senator Zarelli seconded, and the motion carried unanimously.

Chair Brookman announced that the Committee would go into executive session under the provisions of RCW 42.30.110(1)(k) to discuss financial and commercial information relating to the investment of retirement funds since public knowledge regarding the discussion would result in loss to the funds managed by the Board or would result in private loss to the providers of the information. The executive session was expected to last until about 11:40 A.M., at which time the Committee would reconvene in open session and adjourn. The Committee expected to take no further action.

[The executive session convened at 9:19 A.M.]

PRIVATE EQUITY ANNUAL PLAN

[The Committee recessed at 10:43 A.M. and the executive session reconvened at 10:54 A.M.]

REAL ESTATE ANNUAL PLAN

[The regular session reconvened at 11:47 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 11:48 A.M.