

**WASHINGTON STATE INVESTMENT BOARD  
Private Markets Committee Meeting Minutes  
January 7, 2010**

The Private Markets Committee met in open public session at 9:09 a.m. at the Tyee Center in Tumwater, Washington.

Members Present: George Masten, Chair  
Steve Hill  
Treasurer Jim McIntire  
David Nierenberg  
Representative Sharon Tomiko Santos  
Jeff Seely

Members Absent: Patrick McElligott

Other Board Members Present: Robert Nakahara  
Judi Owens  
Mason Petit

Others Present: Theresa Whitmarsh, Executive Director  
Gary Bruebaker, Chief Investment Officer  
Liz Mendizabal, Public Affairs Director  
Steve Lerch, Research Director  
Tom Ruggels, Senior Investment Officer – Private Equity  
Isabelle Fowler, Investment Officer – Private Equity  
Gary Holt, Investment Officer – Private Equity  
Janet Kruzel, Investment Officer – Private Equity  
Morian Mooers, Investment Officer – Private Equity  
Brian Roberts, Investment Officer – Private Equity  
Chris Green, Risk Analyst  
Linda Buchanan, Administrative Assistant  
  
Steve Dietrich, Assistant Attorney General  
Thomas Kubr, Capital Dynamics  
John Gripton, Capital Dynamics  
David Woolford, Capital Dynamics  
Ivan Herger, Capital Dynamics

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

The meeting convened at 9:09 a.m. with Chair Masten identifying members present.

## **ADOPTION OF THE DECEMBER 3, 2009, MINUTES**

**Mr. Hill moved to adopt the minutes of December 3, 2009. Mr. Masten seconded, and the motion carried unanimously.**

## **PRIVATE EQUITY ANNUAL PLAN**

The Chair announced that the Committee would go into executive session to discuss financial and commercial information relating to an investment since public knowledge regarding the discussion would result in loss to the funds managed by the WSIB or would result in private loss to the providers of the information. The executive session was expected to last approximately seven hours, at which time the Committee would reconvene in open public session.

[The Committee convened in executive session at 9:11 a.m.]

[Treasurer McIntire was in attendance at 9:19 a.m.]

[The Committee recessed at 10:50 a.m. and reconvened at 11:02 a.m.]

[Mr. Nakahara was no longer in attendance at 12:02 p.m.]

[The Committee recessed at 12:16 p.m. and reconvened at 12:38 p.m.]

[The Committee recessed at 2:42 p.m. and reconvened at 2:56 p.m.]

[The Committee recessed at 5:45 p.m. and reconvened in open public session at 5:56 p.m.]

**Treasurer McIntire moved that the Private Markets Committee recommend that the Board adopt the private equity model portfolio that was discussed in executive session. Mr. Hill seconded.**

Treasurer McIntire commented that he would emphasize the “maximum” part of the term “targeted maximum.”

Mr. Nierenberg suggested a reduction of the maximum allocated to any one partner to 10 percent.

**Representative Santos moved to amend the motion to reduce the maximum allocation to a single partner to 10 percent. Mr. Hill seconded.**

The Committee discussed market volatility, concentration risk, and the amount of time required to reduce concentration.

Mr. Hill recommended that the concentration analysis provided by Capital Dynamics be discussed at the Board meeting.

**The amendment to the motion failed.**

**The motion carried unanimously.**

**Mr. Hill moved that the Private Markets Committee recommend that the Board adopt the benchmark of Russell 3000 + 300 basis points for the private equity portfolio. Treasurer McIntire seconded, and the motion carried unanimously.**

**Mr. Hill moved that the Private Markets Committee recommend that the Board adopt the confidential 2010 Private Equity Annual Plan that was discussed in executive session. Treasurer McIntire seconded, and the motion carried unanimously.**

**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 6:06 p.m.