



**Thursday, February 6, 2025**  
**Private Markets Committee**

**1. Call to Order/Roll Call (9:00a)**

---

**2. Adoption Minutes (9:00-9:05)**

---

A. Adoption of December 5, 2024, Minutes

**3. Education Session (9:05-11:55)**

---

A. Stonepeak Infrastructure Partners (9:05-9:55)

B. Break (9:55-10:05)

C. Warburg Pincus, LLC (10:05-10:55)

D. Break (10:55-11:05)

E. Hellman & Friedman Capital Partners (11:05-11:55)

**4. Closing Log (11:55-12:00)**

---

A. Closing Log

**5. Other Items (12:00-12:05)**

---

**6. Adjourn (12:05p)**

---

**WASHINGTON STATE INVESTMENT BOARD  
Private Markets Committee Meeting Minutes  
February 6, 2025**

The Private Markets Committee met in open public session via Microsoft Teams video conferencing available to participants and members of the public at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>, Meeting ID: 214 837 531 33#, Passcode: rZ6vf2Q4, Dial-In Number: 1-564-999-2000, Phone Conference ID: 815 558 319#.

Members Present: Joel Sacks, Chair  
Yona Makowski  
Greg Markley  
Treasurer Mike Pellicciotti  
Ada Healey  
Heather Redman

Other Board Members Present: Liz Lewis

Members Absent: David Nierenberg

Also Present: Allyson Tucker, Chief Executive Officer  
Christopher Hanak, Chief Investment Officer  
Leshon Simmons, Administrative Assistant  
  
Tor Jernudd, Assistant Attorney General  
Michael Dorrell, Stonepeak Infrastructure Partners  
Luke Taylor, Stonepeak Infrastructure Partners  
Dan Schmitz, Stonepeak Infrastructure Partners  
Jeffrey Perlman, Warburg Pincus  
Chip Kaye, Warburg Pincus  
Philip Hammariskjold, Hellman & Friedman Capital Partners

**CALL TO ORDER**

Chair Sacks called the meeting to order at 9:01 a.m. and took a roll call. All Committee members listed as present were able to participate fully in the meeting.

**ADOPTION OF THE DECEMBER 5, 2024, MINUTES**

**Chair Sacks moved to adopt the December 5, 2024, meeting minutes.  
Yona Makowski seconded, and the motion carried unanimously.**

**EDUCATION SESSION**

Chair Sacks explained that three of the WSIB's private markets partners would provide an overview of their respective firms, giving the Committee members the opportunity to

engage in dialogue to better understand the firms' models, their current activities, their future plans, and their specific investment approaches. The information sessions will assist the Committee and the Board in decision-making over the coming year.

## **Stonepeak Infrastructure Partners**

**Presenters: Michael Dorrell, Luke Taylor, and Dan Schmitz,**

### **Stonepeak Infrastructure Partners**

Stonepeak Infrastructure Partners (Stonepeak) staff focused on the firm's investment strategy in infrastructure and real assets, highlighting its 12-year partnership with the WSIB and the firm's track record of delivering differentiated returns and its focus on sectors like energy transition, supply chain logistics, and real estate. Stonepeak's global presence, spanning North America, Asia-Pacific, and Europe, allows access to unique regional opportunities. The firm emphasized its commitment to renewable energy and sustainability, utilizing a deal-sourcing strategy focused on "off-the-run" transactions for favorable valuations, and shared specific operational value-add case studies. Stonepeak's hands-on operational approach, with a team of 23 operating partners, drives portfolio growth. Their long-term, patient investment philosophy aims to create sustainable value underpinned by responsible, materiality-driven investing.

Discussion ensued regarding the firm's preference to invest in operating assets, while being open to acquiring pre-development assets with clear paths to entitlements and permits; the increasing complexity of regulatory processes, particularly in sectors like renewable energy, which requires a deep understanding of local political and industry dynamics; and the firm's adaptable investment philosophy, factoring in potential regulatory shifts under different administrations and incorporating these into its risk mitigation strategies.

In addition, the Committee discussed risks from potential changes in tax-exempt municipal bonds as Congress considers measures to fund tax cuts, including the potential for increased cost of capital for municipalities and impacts to infrastructure project financing. Also addressed were ways that institutional investors with long-term liabilities, such as pensions, can engage in infrastructure investments with stable, predictable cash flows, such as focusing on long-duration assets, considering direct investments or co-investment opportunities, and building deeper partnerships with firms that prioritize long-term value creation, ensuring assets are managed for sustainable growth rather than short-term returns.

[The Committee recessed at 10:05 a.m. and reconvened in open session at 10:15 a.m.]

## **Warburg Pincus, LLC**

### **Presenters: Jeffrey Perlman and Chip Kaye, Warburg Pincus**

Warburg Pincus, LLC (Warburg) staff highlighted the WSIB's 30-year relationship with the firm, noting the importance and value of the relationship. Additional discussion centered on current market conditions and challenges; the firm's strategic direction; and current and future drivers of investment performance, including inflation and interest rates, the digital technology revolution, and globalization. As a result of market conditions, the firm plans to focus on earnings growth, while remaining sensitive to potential changes in multiples and leverage, recognizing that these factors may sometimes negatively affect value creation. Warburg staff emphasized that discipline in investing will remain crucial moving forward, commenting that the disruption caused by the 2021 investing burst and subsequent lower realizations is expected to affect limited partner responses and upcoming fundraising. The firm has continued to perform strongly and its unique private partnership model, where partners are significant investors in its funds, continues to drive its success. The firm remains focused on its core global industries, including technology, healthcare, and industrials, and maintains a disciplined, consistent investment pacing strategy.

Warburg plans to prioritize liquidity management, particularly considering the current economic environment, and its disciplined investment strategy will continue, emphasizing portfolio diversification to mitigate risks. The firm also intends to monitor geopolitical risks and explore potential exits and liquidity events as market conditions evolve. In conclusion, Warburg remains committed to its focus on growing earnings, adjusting strategies based on changing multiples and leverage, and maintaining consistent investment pacing.

Discussion ensued regarding the evolution and consumerization of healthcare; Warburg's industry outperformance over the last 5 years, during a period when private equity was experiencing a slow pace of transaction realizations; Initial Public Offering (IPO) volume and exit strategies; the firm's value adds and improvements to portfolio companies; and differentiators between Warburg and the private equity industry in general regarding areas of concern for pension funds and stakeholders.

[The Committee recessed at 11:05 a.m. and reconvened in open session at 11:10 a.m.]

## **Hellman & Friedman Capital Partners**

### **Presenter: Philip Hammarskjold, Hellman & Friedman Capital Partners**

Hellman & Friedman (H&F) staff noted the firm's 20-year partnership with the WSIB and the support that the WSIB has offered H&F over the years. H&F staff shared background on the firm, highlighting the firm's assets under management of \$100 billion across 100+ companies, focusing on high-quality, scalable investments in key sectors including technology, healthcare, consumer services, retail, and financial services. H&F's investment strategy centers on a concentrated portfolio of the best ideas, typically making three to five annual investments ranging from \$400 million to \$4 billion. With a strong emphasis on operational excellence and value creation, H&F has a history of delivering outstanding returns. The firm's approach includes deep sector expertise in areas like FinTech and MedTech alongside a collaborative, long-term focus on improving portfolio companies. H&F operates with a global strategy that minimizes risk and maximizes opportunity, and its team of 180 professionals ensures alignment across the investment process. With a portfolio of 31 active companies, H&F's disciplined approach and leadership continuity continue to drive its success, positioning it as a top player in the private equity landscape.

Discussion ensued regarding the firm's active quarterly portfolio review and investment exits through sponsor sales, strategic sales, or public market options like IPOs or secondary offerings. Warburg staff noted that the firm remains optimistic about IPO and secondary market opportunities for companies valued between \$20 billion and \$50 billion, especially in technology and healthcare. However, strategic sales still make up about one-third of exits. Also addressed was the impact of economic conditions on the upcoming Commingled Trust Fund strategic asset allocation decision-making.

## **PRIVATE MARKETS CLOSING LOG**

The Private Markets Closing Log was presented for informational purposes.

## **OTHER ITEMS**

There were no other items to come before the Committee, and the meeting adjourned at 12:00 p.m.