



**Thursday, June 5, 2025  
Private Markets Committee**

**9:00 A.M.**

**Virtual Meeting**

The link to view the meeting virtually can be found at [www.sib.wa.gov/meetings.html](http://www.sib.wa.gov/meetings.html)

**OR**

Members of the public may view the virtual meeting in person at the Washington State Investment Board Olympia Office located at 2100 Evergreen Park Drive SW, Olympia, WA, 98502  
**Main Governing Board**

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

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

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A. Adoption of the February 6, 2025, meeting minutes.

**3. 2026 Private Markets Committee Meeting Schedule (9:05-9:10)**

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A. 2026 Private Markets Committee Meeting Schedule

**4. Education Session (9:10-9:40)**

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A. What Makes a Good Limited Partner

**5. Education Session (9:40-10:25)**

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A. Benchmark Education Private Markets Committee

**6. Break (10:25-10:35)**

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**7. Education Session (10:35-12:35)**

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A. State of the Market - Private Equity

B. State of the Market - Tangible Assets

C. State of the Market - Real Estate

**8. Lunch (12:35-1:05)**

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**9. Education Session (1:05-1:50)**

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A. Venture Capital Investing

**10. Closing Log (1:50-1:55)**

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A. Closing Log

**11. Other Items (1:55-2:00)**

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**12. Executive Session (2:00-2:45)**

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A. Private Equity Model Portfolio Review

**13. Adjourn (2:45)**

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**WASHINGTON STATE INVESTMENT BOARD  
Private Markets Committee Meeting Minutes  
June 5, 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: 233 838 058 769 1 Passcode: Vo7Ys7a5, Dial-In Number: 1-564-999-2000, Phone Conference ID: 631 688 727#.

Members Present: Joel Sacks, Chair  
Yona Makowski  
Greg Markley  
Treasurer Mike Pellicciotti  
David Nierenberg  
Tracy Stanley

Other Board  
Members Present:

Members Absent: Ada Healey  
Heather Redman

Also Present: Allyson Tucker, Chief Executive Officer  
Christopher Hanak, Chief Investment Officer  
Fabrizio Natale, Senior Investment Officer – Private Equity  
Aaron Dailey, Assistant Senior Investment Officer – Private Equity  
Julia Ferreira, Assistant Senior Investment Officer – RMAA, Innovation Portfolio  
Bjorn Seebach, Assistant Senior Investment Officer – Private Equity  
Paul Chapman, Assistant Senior Investment Officer – Real Estate  
Lichen Bu, Investment Officer - Tangible Assets  
Erin Bell, Administrative Assistant  
  
Tor Jernudd, Assistant Attorney General  
James Walsh, Albourne  
Tom Cawkwell, Albourne  
Lisa Bacon, Meketa  
Adam Toczyłowski, Meketa  
John Haggerty, Meketa  
Richard O'Neill, Meketa  
Dan Schulte, Partners Enterprise Capital  
Trishul Thakore, Evergreen Real Estate Partners  
Aimee Kish, Albourne

**CALL TO ORDER**

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

**ADOPTION OF THE FEBRUARY 6, 2025, MINUTES**

**Chair Sacks moved to adopt the February 6, 2025, meeting minutes.**

**Yona Makowski seconded, and the motion carried unanimously.**

**PRIVATE MARKETS COMMITTEE MEETING SCHEDULE**

**Presenter: Joel Sacks, Private Markets Committee Chair**

The proposed meeting dates are February 5, April 3, June 4, September 3, November 5, and December 3.

**Chair Sacks moved that the Private Markets Committee adopt the proposed 2026 Private Markets Committee meeting dates as presented. Tracy Stanley seconded, and the motion carried unanimously.**

Chair Sacks summarized the meeting education sessions to be presented and noted that the goal for the meeting was to focus on continued education and understanding of private markets in preparation for the upcoming strategic asset allocation. He thanked staff for their work in creating the presentations and encouraged Committee members to ask questions.

**EDUCATION SESSION**

**What Makes a Good Limited Partner (LP)**

**Presenters: Fabrizio Natale, Senior Investment Officer – Private Equity  
Aaron Dailey, Assistant Senior Investment Officer – Private Equity**

Staff provided an education session on the desirable attributes of an LP, noting that the presentation is a follow-up to the information Board members received in the Institutional Limited Partners Association (ILPA) Private Equity for the Trustee education sessions. The presentation addressed partner selection, deal sourcing and financing, broader industry engagement to achieve successful outcomes, and the importance of organizational culture and compatibility with the WSIB.

Discussion ensued regarding staff's desire for strong two-way communication with general partners (GPs) allowing direct communication and transparency and the WSIB's philosophy

of not rotating assigned investment staff partner relationships for continuity purposes. Staff noted that the WSIB's GPs appreciate the consistency, preparedness, and active monitoring of relationships, and the WSIB also benefits from consistency.

Staff explained the fundamental differences between private equity and public equity investing and reiterated the importance of having more than one investment officer focused on a particular relationship.

Discussion ensued regarding the effectiveness of representation by LPs on Limited Partner Advisory Committees (LPACs) and the benefit of strong communication and long-term relationships in ensuring feedback is heard and often acted upon. It was noted that effectiveness is maintained through staff knowledge of industry standards and trends.

Allyson Tucker commented that the WSIB's private equity team is widely recognized and respected by peers, trustees, and GPs within the industry.

Chris Hanak reaffirmed the importance of supporting GPs through underperforming funds, emphasizing that continuing support is contingent on deep understanding of the GP's investment process and whether poor outcomes are due to market factors versus investment philosophy, highlighting that long-term relationships and conviction are built on steady implementation and transparency in investment approach.

Staff shared an update on ILPA's efforts to support limited partners through education, standard-setting, and advocacy, highlighting the WSIB's active involvement in developing reporting templates, participating in industry discussions, and strengthening LP influence in private markets.

Discussion ensued regarding the alignment of interest between GPs and LPs as a result of ILPA's engagement activity. Staff noted that ILPA is fostering a broad alignment around core values, such as transparency and alignment of interests, and is also adapting to the growing roles of the various LP types, and the organization plays a crucial role in promoting transparency across a diverse industry.

## EDUCATION SESSION

### Benchmark Education Private Markets Committee

**Presenters: Julia Ferreira, Assistant Senior Investment Officer – RMAA, Innovation Portfolio**

**Bjorn Seebach, Assistant Senior Investment Officer - Private Equity**

**Paul Chapman, Assistant Senior Investment Officer - Real Estate**

**Lichen Bu, Investment Officer - Tangible Assets**

Staff presented a benchmark education session, focusing on private market benchmarks. The presentation included the definition and purpose of benchmarks and addressed the various types of benchmarks, the ideal characteristics of a benchmark, and challenges of benchmarking private assets. Staff presented the current CTF benchmarks for each asset class, explaining the lagged nature of the private equity and tangible assets benchmarks, considered best practice.

Discussion ensued regarding the 2016 change to the private equity benchmark from the Russell 3000 plus 300 basis points (bps) to the MSCI ACWI IMI plus 300 bps to better reflect the global nature of the program and the 2010 adoption of an 8 percent long-term return target for the real estate program with the NCREIF NPI used as a secondary reference point for comparative analysis.

Allyson Tucker explained that when the Board selects a benchmark, it is making a decision as to the appropriate forward-looking benchmark as well as the timeframe in which it makes sense to implement a benchmark, and she described the process and resulting implications of such changes.

Discussion ensued regarding the potential implications of utilizing ILPA's identified practice of setting private equity benchmarks to anticipated returns. Staff emphasized that private equity is typically benchmarked relative to public equity due to volatility and valuation alignment, and a fixed return benchmark is less common, as long-term data supports a consistent premium over public markets to reflect illiquidity and risk.

Additional discussion ensued regarding the correlation of an assigned benchmark to the WSIB's investment approach, primarily in terms of a shift in the overall risk and return profile indicated by a higher or lower spread, as the WSIB does not have a compensation structure tied to performance and the strength of private company board governance and the ability of private companies to attract top talent that enhances continued value creation.

Allyson Tucker noted that staff could explore the use of an absolute benchmark versus an equity benchmark plus a premium for private equity at its next review and come back with a more thorough analysis. She explained that the Board selected the current benchmark due to its alignment with program implementation and fiduciary goals, aiming to achieve risk-adjusted returns above those of public equity. Any changes in strategy should prompt a benchmark reassessment, and she emphasized the importance of measuring long-term performance thoughtfully rather than against static or short-term metrics.

Staff discussed the CTF passive and Implementation Value Added (IVA) benchmarks, highlighting that unlike some funds that benchmark solely against passive reference portfolios, the WSIB uses an IVA benchmark that captures both passive performance and Board-driven implementation decisions. The use of Wilshire TUCS to provide a peer analysis of alternative approaches was also addressed.

Private Equity, Tangible Assets, and Real Estate staff representatives discussed in additional detail specific aspects of their respective asset class benchmark considerations, including peer comparisons and alternative approaches.

Discussion ensued regarding the self-reporting of data by GPs, which may limit the availability of data.

[The Committee recessed at 10:40 a.m. and reconvened in open session at 10:50 a.m.]

## **EDUCATION SESSION**

### **State of the Market – Private Equity**

**Presenters: James Walsh and Tom Cawkwell, Albourne**

Albourne staff presented a private equity market outlook, addressing macroeconomics and the implications for private equity investing, global growth expectations, U.S. asset overweight, diminished “safe haven” status of the U.S. dollar, and a private equity strategy-level outlook.

Discussion ensued regarding financial pressure on major universities that could drive sales of illiquid assets, creating a potential near-term secondary market opportunity for well-

capitalized investors; the difference between secondaries and co-investments and the WSIB's approach to these investments; the anticipated market liquidity shortfall experienced by both LPs and GPs; pan-regional European and Asian leveraged buy-out (LBO) markets; explanation of "40 Act" funds; and overall positive outlook for private equity for new capital deployment.

Albourne staff addressed the drivers of the North American Buyout activity, U.S. private equity deal activity, and LP liquidity in private equity.

Discussion ensued regarding the impact of extended hold periods on GP behavior; potential risks associated with private equity firms taking on more leverage or beginning to call capital commitments from investors to meet obligations and LPs not being able to meet capital call obligations; the WSIB's inclusion of comparisons to endowments with similar exposure in previous and the upcoming asset allocation study; and staff's assessment of LP default scenarios and potential exposure.

## **State of the Market – Tangible Assets**

**Presenters: Lisa Bacon, Adam Toczykowski, John Haggerty, and Richard O'Neill, Meketa**

Meketa staff presented a real assets review, addressing attributes and investibility; trends in demographics and food, digital infrastructure, power generation, and critical minerals; a near-term economic and market outlook; historical inflationary scenarios; and key takeaways.

Discussion ensued regarding the geographic distribution of tangible assets over the next 5 to 10 years; the growth in demographics, food demand, shipping logistics, the role of maritime transport and digital infrastructure; and sustainability of the current enthusiasm for energy-generating investments driven by artificial intelligence (AI) and electric vehicle (EV) demand.

## **State of the Market – Real Estate**

**Presenters: Dan Schulte, Partners Enterprise Capital**

**Trishul Thakore, Evergreen Real Estate Partners**

Dan Schulte and Trishul Thakore introduced the presentation sharing key takeaways and addressing key U.S. policy considerations, economic uncertainty, real estate operational fundamentals, real estate valuations, debt markets, capital markets transaction volumes, the long-term view, and an overall real estate outlook. They discussed the impact of tariffs on industrial properties, along with operational fundamentals and forward expectations; residential investment rationale, operational fundamentals, capital availability/liquidity, and forward expectations; retail investment rationale, operational fundamentals, supply dynamics, and forward expectations; self-storage investment rationale, institutional appetite, and forward expectations; and office market dynamics, obsolescent assets, and rents and asset values. They closed with a summary of key real estate risks and presentation takeaways.

[David Nierenberg left the meeting at 1:00 p.m.]

[The Committee recessed at 1:06 p.m. and reconvened in open session at 1:33 p.m.]

## **EDUCATION SESSION**

### **Venture Capital Investing**

**Presenter: Aimee Kish, Albourne**

Aimee Kish presented key aspects of venture capital investments, including a description of venture capital, a history of venture capital investment performance as compared to that of LBOs, venture capital trends and amount of capital raised over the last 25 years, noting that in each cycle there have been companies who came out as winners and companies that did not make it. She discussed the various options for LPs to gain venture exposure and the strengths and weaknesses of each; venture challenges including illiquidity, dispersion, and access and scale; venture capital outlook for new commitments,

Discussion ensued regarding the lower volatility of fund-of-funds compared to direct investments in early- and late-stage funds; the ability of institutional investors to access



venture capital investments through alternative strategies such as secondary investments, late-stage venture, and co-investments, which offer varied timelines and risk-return profiles compared to traditional venture funds; the benefit to long-term investors of deployment of capital consistently over time, rather than seeking longer duration fund structures; the nature of venture-backed companies to evolve through various stages, from startup to initial public offering (IPO) or buyout, potentially appearing in a portfolio multiple times through different investment vehicles; the shrinking public markets and companies staying private longer and continuing to raise capital in later-stage funding rounds; venture capital investment in technology-based industries, from telecom infrastructure in the early 2000s to AI most recently, life sciences, and funding of early-stage drug development, playing a vital role in funding innovation across a wide range of sectors.

## **PRIVATE MARKETS CLOSING LOG**

The Private Markets Closing Log was presented for informational purposes.

## **OTHER ITEMS**

There were no additional items to come before the Committee in open session.

## **EXECUTIVE SESSION**

Chair Sacks 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 45 minutes, after which time the Committee would reconvene in open session to adjourn.

[The Committee went into executive session at 2:02 p.m.]

[The executive session was extended for 5 minutes at 2:54 p.m.]

[The Committee reconvened in open session at 2:59 p.m.]

## **ADJOURNMENT**

There was no further business to come before the Committee, and the meeting adjourned at 3:00 p.m.