NORTH Dakota | State Investment Board
Be Legendary. RETIREMENT & INVESTMENT

Audit, Risk, & Compliance Committee Meeting – Friday, November 20, 2026, 9:30 AM
RIO Conference Room - 1600 E Century Ave Suite 3, Bismarck, ND 58503
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AGENDA

I. **CALL TO ORDER AND ACCEPTENCE OF AGENDA** ***(Committee Action)***
   A. Roll Call & Conflict of Interest Disclosure
   B. New Staff Introduction

II. **ACCEPTANCE OF MINUTES (August 13, 2026)** ***(Committee Action)***

III. **GOVERNANCE (75 minutes)** ***(Committee Action)***
   A. Presentation of June 30, 2026, Financial Report of RIO and GASB 68 Schedule Audit Update – Thomas Rey, UHY, LLP
   B. Enterprise Risk Management – Ms. Smith
   C. Key Performance Metrics – Ms. Seiler
   D. Annual Attestation of Independence – Ms. Seiler
   E. Co-Sourcing Relationship – Ms. Seiler

IV. **REPORTS (45 minutes)** ***(Committee Action)***
   A. Neospin Testing – Retirements Report – Ms. Seiler
   B. Internal Audit Oversight Dashboard – Ms. Seiler
   C. Annual Internal Audit Findings Report – Ms. Seiler
      1. Outstanding Recommendations

V. **DISCUSSION**

VI. **OTHER**
   A. Committee Resolution for Dottie Thorsen *(Committee Action)*
   B. Next Meeting of the SIB ARCC:
      Thursday, February 11, 2027, 2:30 p.m.
      RIO Conference Room
      1600 E Century Ave Suite 3, Bismarck, ND 58503

VII. **ADJOURNMENT**

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STATE INVESTMENT BOARD
AUDIT COMMITTEE MEETING
MINUTES OF THE AUGUST 13, 2026, MEETING

MEMBERS PRESENT
Thomas Beadle, State Treasurer
Lisa Corbin, External Representative
John Mongeon, External Representative
Adam Miller, PERS Board

MEMBER ABSENT
Art Thompson, Director, WSI

STAFF PRESENT
Chase Kauffeld, CRO
Missy Kopp, Executive Assistant
Temi Osinaike, Internal Auditor
Sara Seiler, Director of Internal Audit
Jodi Smith, Executive Director
Dottie Thorsen, Internal Auditor
Susan Walcker, Sr. Financial Manager

GUESTS
Rick Funston, Funston Advisory
Bruce Mills, Weaver
Evan Norton, Funston Advisory

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Audit Committee meeting to order at 2:30 p.m. on Thursday, August 13, 2026. The meeting was held in The RIO Conference Room, 1600 E Century Ave., Bismarck, ND.

AGENDA

The agenda was considered for the August 13, 2026, meeting.

IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. MONGEON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE AUGUST 13, 2026, MEETING AS DISTRIBUTED.

AYES: MS. CORBIN, MR. MILLER, MR. MONGEON, AND TREASURER BEADLE
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

ACCEPTANCE OF MINUTES

The Committee considered the minutes of the June 3, 2026, meeting.

IT WAS MOVED BY MS. CORBIN AND SECONDED BY MR. MONGEON AND CARRIED BY A VOICE VOTE TO ACCEPT THE JUNE 3, 2026, MINUTES AS DISTRIBUTED.

AYES: MR. MONGEON, MR. MILLER, MS. CORBIN, AND TREASURER BEADLE
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

REPORTS

2025-26 Audit Charter Review of Responsibilities

Ms. Seiler presented the annual review of the Audit Committee Charter for fiscal year 2026, noting that the Committee became the Audit, Risk, and Compliance Committee on July 1, 2026, under the new Governance Policy System. She explained that reports now follow an exception-based format that elevates only significant risks, and she requested feedback on whether the new format meets the Committee's needs.

Ms. Seiler reported that the Committee fulfilled its charter responsibilities during fiscal year 2026. UHY completed the external audit and issued a clean, unmodified opinion. The Committee approved the internal audit plan, received quarterly updates, and reviewed and approved all audit reports. Compliance reviews considered applicable laws, policies, and best practices, and Committee activities were reported to the SIB and TFFR Board. Enterprise risk management, a required function under the new charter, is being developed.

The Committee discussed the flexibility of the annual audit plan, which may be adjusted during the year without formal amendment. It also noted that annual charter reviews are now a governance requirement for all committees.

2025-26 Year End Internal Audit Activities Report

Ms. Seiler presented the annual summary of Internal Audit activities for fiscal year 2026, which the charter requires to be reported annually. Internal Audit completed audits of investment fees, executive limitations, NEOSPIN user access, TFFR file maintenance, and external manager oversight. Controls were found to be operating effectively, and management agreed with all recommendations for process improvements. The status of outstanding recommendations will be reported separately.

Because of staffing shortages, Internal Audit took a more proactive role in coordinating the annual external financial statement audit. This work included coordinating the GASB 68 employer census audit and reconciling member records with UHY. UHY issued a clean, unmodified opinion with no findings, and the next external audit is underway.

Internal Audit also provided advisory services, including support for the new SIB governance manual, charter revisions, committee modernization, and internal policy development. Through the advisory provisions of its contract, Weaver temporarily shifted from audit work to advisory support for general ledger automation, rebalancing, financial disclosures, and month-end close processes. Ms. Seiler noted that Internal Audit completed its annual plan, supported enterprise risk management development, and maintained its organizational independence. She also noted that the division is returning to a regular schedule of assurance audits after several years of organizational change.

Internal Audit Oversight Dashboard

Ms. Seiler presented the new quarterly oversight dashboard, which combines current and quarterly Internal Audit activities in an exception-based format. Current work includes the public markets co-sourced audit with Weaver, a review of investment and fiscal user roles, NEOSPIN testing and benefit recalculations, the ongoing external audit, and tracking of audit recommendations. Many of these projects are expected to conclude in September and October. Upcoming work includes a procurement lifecycle audit co-sourced with Weaver, a data governance audit, a review of the TFFR governance rewrite, and continued support for agency policy development.

Ms. Seiler reported that a member of the Internal Audit staff will retire in January. Recruitment has begun early because of the limited supply of qualified auditors, and knowledge transfer is underway. Internal Audit is also preparing an IIA quality self-assessment as a step toward an external quality assessment, contingent on legislative approval. Internal Audit is on track with its approved audit plan, and no significant concerns were identified.

The new Audit, Risk, and Compliance Committee Charter was included for reference. Ms. Seiler requested feedback on the dashboard format. Committee members were encouraged to share suggestions, and the Committee noted that a board education platform is being developed. Internal Audit key performance indicators are being developed and are tentatively scheduled for Committee consideration in November, after which they will be incorporated into the dashboard.

Outstanding Recommendations

Ms. Seiler reviewed the outstanding audit recommendations tracker, noting that several recommendations came due in August and September. Outstanding recommendations are assigned to the Chief Financial and Operating Officer, Chief Investment Officer, and Chief Retirement Officer. Internal Audit will notify the executive team and follow up on all recommendations that have come due, and any items not completed will be escalated to Ms. Smith. Ms. Seiler expects to report in November on which recommendations have been resolved and which remain open for Committee discussion.

The Committee asked whether the fiscal year audit activities should be accepted before the outstanding recommendations are closed. Ms. Seiler confirmed that management has provided written agreement with all recommendations and corresponding action plans. She noted that many recommendations have likely been completed but still need to be verified by Internal Audit, while others require more time to implement.

IT WAS MOVED BY MR. MONGEON AND SECONDED BY MS. CORBIN TO APPROVE THE AUDIT CHARTER REVIEW, YEAR END IA ACTIVITIES, AND IA OVERSIGHT DASHBOARD REPORTS.

AYES: MR. MILLER, MS. CORBIN, MR. MONGEON, AND TREASURER BEADLE
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

GOVERNANCE

Co-Sourcing Internal Audit Presentation

Mr. Mills, Weaver, provided an overview of Weaver's work with RIO since 2022, which includes co-sourced internal audit, project management support, and investment compliance services. Weaver is auditing the internal public markets investment program, which has been in place for just over a year. The audit covers governance and reporting, portfolio construction, trade execution, and investment risk management. Testing is underway and is expected to conclude within one to two months. Weaver will also support upcoming procurement lifecycle and data governance audits. Mr. Mills noted that Weaver's investment compliance and internal audit functions are kept separate, with different staff and leadership.

Staff explained that Weaver's compliance team monitors trade alerts against the Investment Policy Statement and administers the investment Code of Ethics, including personal trading attestations and reviews. Ms. Seiler noted that RIO engaged Weaver because a prior assessment found the agency required approximately 6,000 audit hours annually, while fewer than 2,000 hours were available internally. In addition to the formal audit report, Weaver and staff are discussing a management letter with considerations for the internal program as it becomes more complex.

Enterprise Risk Management

Ms. Smith explained that the Committee's expanded role as the Audit, Risk, and Compliance Committee includes oversight of agency-wide risks beyond the existing investment risk monitoring program. Because RIO does not have a Chief Risk Officer position, Ms. Smith is serving in that role, and staff has been working with Funston Advisory Services to establish an enterprise risk management program. She also reported that RIO's legal counsel from the Attorney General's Office had resigned, effective at the end of August. Ms. Smith described the resignation as a significant risk, given the agency's heavy reliance on contracts and its history of frequent turnover in legal counsel. She has met with the Attorney General and the Governor, and a transition plan is in place. Ms. Smith noted that formal Committee acceptance of the program will be requested at a later date.

Mr. Funston and Mr. Norton, Funston Advisory Services, demonstrated the risk dashboard developed with staff over the past several weeks. Risks within the investment, retirement services, and operations functions are first scored for inherent risk based on relevance, severity, or velocity, then reassessed for residual risk after controls. A matrix plots each risk to indicate whether it should be audited, mitigated, optimized, or redesigned. Risks requiring mitigation will undergo root cause analysis to quantify their operational drag. Current high-priority risks include legal counsel, workforce turnover, as well as the pension administration system. AI-related risks will also be added.

The Committee discussed tracking trends over time, using the dashboard to guide audit coverage, resource allocation, and succession planning, and providing direct Committee access to risk information. Staff will follow up on access options, noting technology and accessibility constraints. Mr. Funston stated that quarterly interactive reports will be provided and that future work will identify risks outside RIO's direct control.

Board Smart

Ms. Smith provided an overview of BoardSmart, an education platform developed by Funston Advisory Services that RIO is using to deliver board and committee education with minimal staff time. Participants will include members of the SIB and its committees, the TFFR Board, the Legacy Fund Advisory Board, and the PERS Investment Committee. Education modules will be aligned with upcoming meeting agendas and delivered primarily as short videos before meetings. Each module will include suggested questions to help members prepare for agenda items such as the Annual Comprehensive Financial Report and audited financial statements. Additional training will also be available on the platform.

Ms. Smith reported that she recently reviewed the first modules and provided feedback to Funston. The SIB is expected to begin receiving modules this month, and the Committee's modules are expected before the November meeting. She advised members that emails from BoardSmart are legitimate and that access will require multifactor authentication.

The Committee expressed appreciation for the program, noting its importance in preparing the Board and its committees for increasing complexity as part of the agency's governance improvements.

OTHER

With no further business to come before the Audit Committee, Treasurer Beadle adjourned the meeting at 4:07 p.m.

Prepared by:

Missy Kopp, Assistant to the Board

North Dakota Retirement and Investment Office & TFFR

Year End Financial Statement Audit Presentation – June 30, 2026

November 20, 2026



Agenda



FINANCIAL HIGHLIGHTS



JUNE 30, 2026 AUDIT RESULTS



REQUIRED COMMUNICATIONS

FY2026 at a glance

$29.13B

Ending fiduciary net position

+13.6% year over year

$3.48B

Increase in net position

$4.93B additions less $1.45B deductions

15.35%

Pension pool return

Outperformed policy benchmark

80.51%

TFFR fair-value funded ratio

Up from 74.05% in FY2025

What shaped the year

Strong global equity markets lifted net investment income to $3.76B, up 42.3%.

The Legacy Fund contributed approximately 60% of the total FY2026 increase in fiduciary net position.

A $686.9M biennial Legacy Fund earnings distribution drove much of the increase in unit redemptions.

Source: RIO Financial Statements, June 30, 2026 and 2025

Financial position strengthened to $29.1B

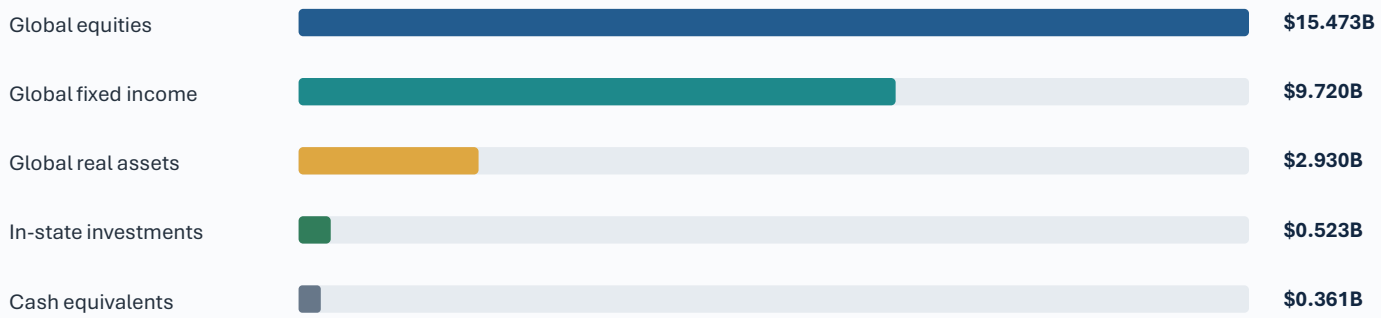
$29.53B
Total assets
+13.7% vs. FY2025

$29.13B
Fiduciary net position
+13.6% vs. FY2025

$395.8M
Total liabilities
+23.0% vs. FY2025

$29.01B
Investments at fair value
+13.5% vs. FY2025

Investment portfolio composition | June 30, 2026



Investments totaled $29.007B; collateral and receivables are reported separately.

Source: RIO Financial Statements, June 30, 2026 and 2025

Financial Highlights

North Dakota Retirement and Investment Office
Net Position – Fiduciary Funds
(in Millions)

Assets	2026	2025	Total % Change
Investments	$29,006.8	$25,546.0	13.5%
Securities Lending Collateral	373.7	267.9	39.5%
Receivables	111.2	124.1	-10.3%
Cash & Other	36.6	34.7	5.4%
Total Assets	29,528.3	25,972.7	13.7%
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	1.5	2.6	-41.1%
Liabilities			
Obligations Under Securities Lending	373.7	267.9	39.5%
Accounts Payable & Accrued Expenses	22.1	53.9	-59.0%
Total Liabilities	395.8	321.8	23.0%
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	1.6	2.0	-19.0%
Total Net Position	$29,132.4	$25,651.5	13.6%

Investment income drove the FY2026 increase

$4.93B
Total additions
+21.3% vs. FY2025

$3.76B
Net investment income
+42.3% vs. FY2025

$1.45B
Total deductions
+88.2% vs. FY2025

$3.48B
Net position increase
+5.8% vs. FY2025

FY2026 additions

- Net investment income: $3,757.2M
- Purchases of units: $944.8M
- Contributions: $222.3M
- Net securities lending income: $2.7M

FY2026 deductions

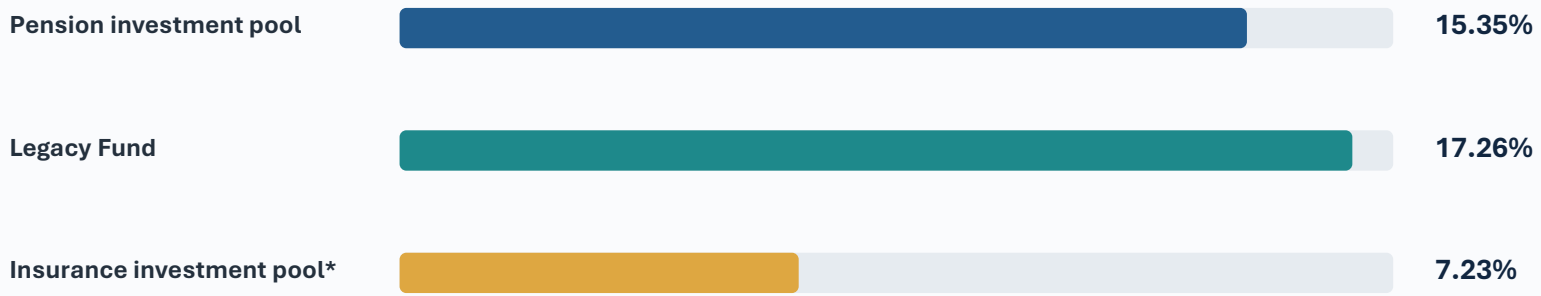
- Redemption of units: $1,141.9M
- Payments to TFFR members: $291.1M
- Administrative expenses: $13.0M

Net position moved from $25.65B at the start of the year to $29.13B at June 30, 2026.

Source: RIO Financial Statements, June 30, 2026 and 2025

Investment returns were strong across the major pools

Net time-weighted return for year ended June 30, 2026



Public equities led

Global public equities gained approximately 26.1%–26.8% across the three pools.

All three pools outperformed

Each reported pool return exceeded its corresponding policy benchmark.

* Insurance pool return excludes the Legacy Fund.

Source: RIO Financial Statements, June 30, 2026 and 2025

Financial Highlights, cont'd.

North Dakota Retirement and Investment Office
Changes in Net Position – Fiduciary Funds
(in Millions)

Additions	2026	2025	Total % Change
Contributions	$222.3	$214.9	3.5%
Net Investment Income	3,757.2	2,640.6	42.3%
Net Securities Lending Income	2.7	1.9	42.4%
Purchase of Units	944.8	1,202.8	-21.4%
Total Additions	4,926.9	4,060.2	21.3%
Deductions			
Payments to TFFR Members	291.1	283.9	2.5%
Administrative Expenses	13.0	10.3	26.7%
Redemption of Units	1,141.9	474.3	140.7%
Total Deductions	1,446.0	768.5	88.2%
Total Change in Net Position	3,480.9	3,291.6	5.8%
Total Net Position Beginning of Year	25,651.5	22,359.9	14.7%
Total Net Position End of Year	$29,132.4	$25,651.5	13.6%

TFFR funding metrics improved materially

$4.09B

Plan fiduciary net position

Up $444.3M year over year

$0.99B

Net pension liability

Down from $1.28B

80.51%

Fair-value funded ratio

74.05% at June 30, 2025

14.52%

Money-weighted return

Assumed return: 7.15%

Two funded-ratio measures — do not conflate

Fair-value measure: 80.51%

Based on plan assets measured at fair value; total pension liability was $5.084B.

Actuarial measure: 74.70%

At July 1, 2026; actuarial asset value recognizes investment gains and losses over five years.

At current contribution rates and assuming actuarial assumptions are met, full actuarial funding is projected in 2042.

Source: RIO Financial Statements, June 30, 2026 and 2025

TFFR Net Pension Liability

Net Pension Liability

The components of the net pension liability of TFFR at June 30, 2026 and 2025 (expressed in thousands), were as follows:

	June 30, 2026	June 30, 2025
Total Pension Liability	$5,083,635	$4,927,219
Plan Fiduciary Net Position	(4,093,080)	(3,648,749)
Net Pension Liability (NPL)	$990,555	$1,278,470
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.51%	74.05%

2026 Audit Results



Independent Auditors' Report - Unmodified "clean" opinions that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).



Limited procedures were performed, and no opinion was rendered on management's discussion and analysis and required supplemental information.



Limited procedures were performed, and an in relation to opinion was rendered on the supplemental schedules.



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No material weaknesses or significant deficiencies were identified.

No significant deficiencies were identified



Letter to the Board providing required communications with those charged with governance.

Required Governing Body Communications

Auditor’s responsibility under U.S. Generally Accepted Auditing Standards

Significant accounting policies

No new accounting policies adopted in 2026 nor any other transactions lacking authoritative guidance.

Management judgments and accounting estimates

Valuation of alternative investments

Actuarial assumptions and methods – Teachers’ Fund for Retirement

Financial statement disclosures

Other Communications



MANAGEMENT WAS VERY COOPERATIVE AND PROFESSIONAL DURING THE AUDIT PROCESS



NO DISAGREEMENTS WITH MANAGEMENT



MANAGEMENT DID NOT CONSULT WITH OTHER ACCOUNTANTS ON THE APPLICATION OF GAAP OR GAAS

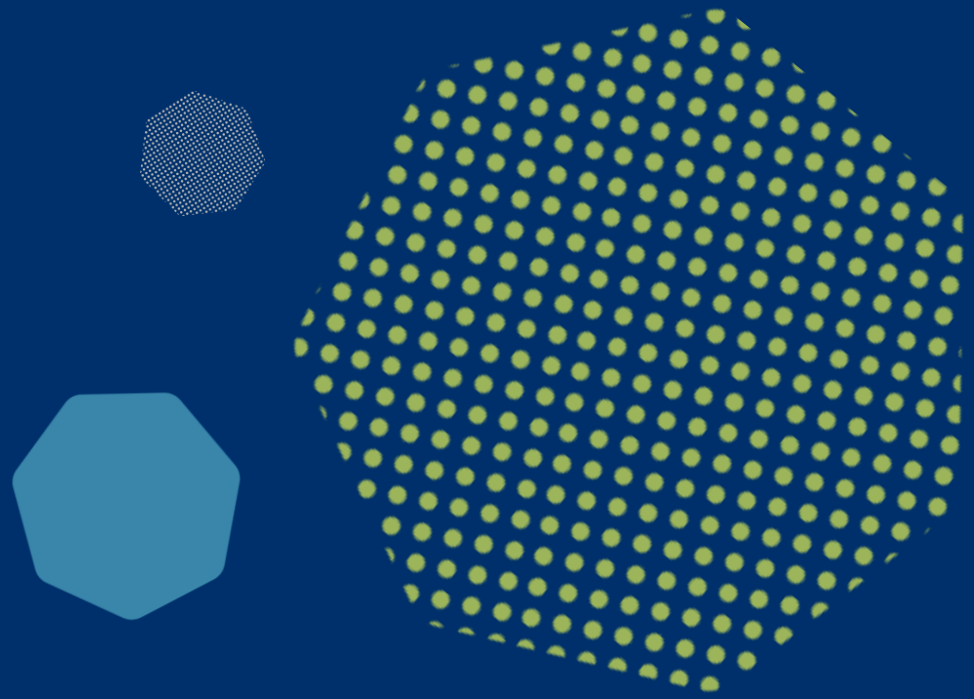


NO MAJOR ISSUES WERE DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION



MANAGEMENT REPRESENTATIONS

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NORTH Dakota | Retirement & Investment
Be Legendary.

FINANCIAL STATEMENTS
June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

Governor Kelly Armstrong
The Legislative Assembly
Jodi Smith, Executive Director
State Investment Board
Teachers' Fund for Retirement Board
North Dakota Retirement and Investment Office

Opinions

We have audited the accompanying financial statements of the North Dakota Retirement and Investment Office (RIO), a department of the State of North Dakota, which comprises the statement of net position - fiduciary funds as of June 30, 2026 and 2025, and the related statement of changes in net position - fiduciary funds for the year then ended, and the related notes to the financial statements, which collectively comprise RIO's basic financial statements, and the combining and individual fund financial statements as of and for the years ended June 30, 2026 and 2025, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of RIO, as of June 30, 2026 and 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the respective financial position of each fund of the individual funds of RIO as of June 30, 2026 and 2025, and the changes in financial position of such funds for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of RIO are intended to present the financial position and the changes in financial position of only that portion of the State of North Dakota that is attributable to the transactions of RIO. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2026 and 2025, and the changes in its financial position for the years ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RIO, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RIO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RIO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RIO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in NPL and related ratios - ND Teachers' Fund for Retirement and employer contributions - ND Teachers' Fund for Retirement, investment returns - ND Teachers' Fund for Retirement, employer's share of NPL and NOL - ND Public Employees Retirement System and employer contributions - ND Public Employees Retirement System and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RIO's basic financial statements and the combining and individual nonmajor fund financial statements. The schedules of administrative expenses, consultant expenses, investment expenses and appropriations - budget basis – fiduciary funds (schedules), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2026, on our consideration of RIO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of RIO's internal control over financial reporting or on compliance. That report is an integral part of an audit performance in accordance with *Government Auditing Standards* in considering RIO's internal control over financial reporting and compliance.

UHY LLP

Columbia, Maryland
November 13, 2026

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE *WITH GOVERNMENT AUDITING STANDARDS*

Governor Kelly Armstrong
The Legislative Assembly
Jodi Smith, Executive Director
State Investment Board
Teachers' Fund for Retirement
North Dakota Retirement and Investment Office

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Dakota Retirement and Investment Office (RIO), a department of the State of North Dakota, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise RIO's basic financial statements, and the combining and individual fund financial statements, and have issued our report thereon dated November 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RIO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RIO's internal control. Accordingly, we do not express an opinion on the effectiveness of RIO's internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbia, Maryland
November 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the ND Retirement and Investment Office's (RIO) financial performance provides an overview of RIO's financial activities for the fiscal years ended June 30, 2026 and 2025. Please read this in conjunction with the basic financial statements, which follow this discussion. This management's discussion and analysis is presented as required supplementary information and provides an objective and easily readable analysis of RIO's financial activities based on currently known facts, decisions, and conditions, with emphasis on the current fiscal year.

RIO administers two fiduciary funds, a pension trust fund for the ND Teachers' Fund for Retirement (TFFR) and an investment trust fund for the ND State Investment Board (SIB). As of June 30, 2026 the SIB oversees investments for 28 clients, including TFFR, through two investment pools and two individual investment accounts.

Questions about this report may be directed to RIO at PO Box 7100, Bismarck, ND 58507-7100, (701) 328-9885, or rio@nd.gov.

Overview of the Financial Statements

This report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and additional supplementary information that presents combining statements for the investment trust funds. The basic financial statements include fund financial statements that focus on individual parts of RIO's activities (fiduciary funds).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included additional supplementary information, including combining statements that provide details about our investment trust funds, each of which are added together and presented in single columns in the basic financial statements.

Fund Financial Statements

RIO's activities are entirely fiduciary; therefore, its basic financial statements consist of fiduciary fund financial statements, and government-wide financial statements are not presented.

RIO is a state agency that administers TFFR, a defined benefit pension plan, and supports the SIB in investing assets for the governmental units and funds that have placed investments under its management. TFFR's assets are held in trust and reported in a pension trust fund; assets invested for the SIB's clients are reported in investment funds.

The statement of net position – fiduciary funds reports, as of June 30, the assets held in trust for pension and investment trust participants, together with related liabilities and deferred outflows and inflows of resources. The statement of changes in net position – fiduciary funds reports the additions and deductions during the year; the resulting change reconciles beginning net position to ending net position. These assets may be used only to pay pension benefits and refunds, fund participant redemptions, and pay the investment and administrative expenses authorized to be charged to the funds.

Financial Summary

This section presents condensed financial information comparing the current and prior year and provides key data to assess the financial position and operating results for the fiscal years ended June 30, 2026 and 2025.

North Dakota Retirement and Investment Office
Net Position – Fiduciary Funds
(in Millions)

Assets	2026	2025	Total % Change
Investments	$29,006.8	$25,546.0	13.5%
Securities Lending Collateral	373.7	267.9	39.5%
Receivables	111.2	124.1	-10.3%
Cash & Other	36.6	34.7	5.4%
Total Assets	29,528.3	25,972.7	13.7%
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	1.5	2.6	-41.1%
Liabilities			
Obligations Under Securities Lending	373.7	267.9	39.5%
Accounts Payable & Accrued Expenses	22.1	53.9	-59.0%
Total Liabilities	395.8	321.8	23.0%
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	1.6	2.0	-19.0%
Total Net Position	$29,132.4	$25,651.5	13.6%

Assets	2025	2024	Total % Change
Investments	$25,546.0	$22,295.6	14.6%
Securities Lending Collateral	267.9	212.1	26.3%
Receivables	124.1	101.2	22.6%
Cash & Other	34.7	36.9	-6.0%
Total Assets	25,972.7	22,645.8	14.7%
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	2.6	4.0	-34.8%
Liabilities			
Obligations Under Securities Lending	267.9	212.1	26.3%
Accounts Payable & Accrued Expenses	53.9	74.6	-27.7%
Total Liabilities	321.8	286.7	12.2%
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	2.0	3.2	-37.9%
Total Net Position	$25,651.5	$22,359.9	14.7%

North Dakota Retirement and Investment Office
Changes in Net Position – Fiduciary Funds
(in Millions)

Additions	2026	2025	Total % Change
Contributions	$222.3	$214.9	3.5%
Net Investment Income	3,757.2	2,640.6	42.3%
Net Securities Lending Income	2.7	1.9	42.4%
Purchase of Units	944.8	1,202.8	-21.4%
Total Additions	4,926.9	4,060.2	21.3%
Deductions			
Payments to TFFR Members	291.1	283.9	2.5%
Administrative Expenses	13.0	10.3	26.7%
Redemption of Units	1,141.9	474.3	140.7%
Total Deductions	1,446.0	768.5	88.2%
Total Change in Net Position	3,480.9	3,291.6	5.8%
Total Net Position Beginning of Year	25,651.5	22,359.9	14.7%
Total Net Position End of Year	$29,132.4	$25,651.5	13.6%

Additions	2025	2024	Total % Change
Contributions	$214.9	$209.0	2.8%
Net Investment Income	2,640.6	1,888.1	39.9%
Net Securities Lending Income	1.9	1.4	36.8%
Purchase of Units	1,202.8	1,487.6	-19.1%
Total Additions	4,060.2	3,586.1	13.2%
Deductions			
Payments to TFFR Members	283.9	277.7	2.2%
Administrative Expenses	10.3	7.4	39.5%
Redemption of Units	474.3	496.9	-4.6%
Total Deductions	768.5	782.0	-1.7%
Total Change in Net Position	3,291.6	2,804.1	17.4%
Total Net Position Beginning of Year	22,359.9	19,555.8	14.3%
Total Net Position End of Year	$25,651.5	$22,359.9	14.7%

Detailed Analyses

Changes in Net Position – Fiduciary Funds

Net position of the fiduciary funds increased $3.5 billion (13.6%) in FY2026, from $25,651.5 million to $29,132.4 million, as additions of $4,926.9 million exceeded deductions of $1,446.0 million. Net investment and securities lending income of $3,759.8 million, contributions of $222.3 million and purchases of units of $944.8 million were partially offset by redemptions of units of $1,141.9 million, payments to TFFR members of $291.1 million and administrative expenses of $13.0 million. In FY2025, fiduciary net position increased $3,291.6 million (14.7%).

The Legacy Fund accounted for approximately 60% of the FY2026 increase. Under a 2010 constitutional amendment, 30% of oil and gas gross production and extraction taxes on oil produced after June 30, 2011, is transferred to the Legacy Fund. Those transfers totaled $654.3 million in FY2026 and $717.5 million in FY2025, and the Legacy Fund's net investment income exceeded $2.1 billion in FY2026 and $1.4 billion in FY2025. These additions were partially offset by the $686.9 million earnings distribution on July 1, 2025, discussed under Deductions from Fiduciary Net Position.

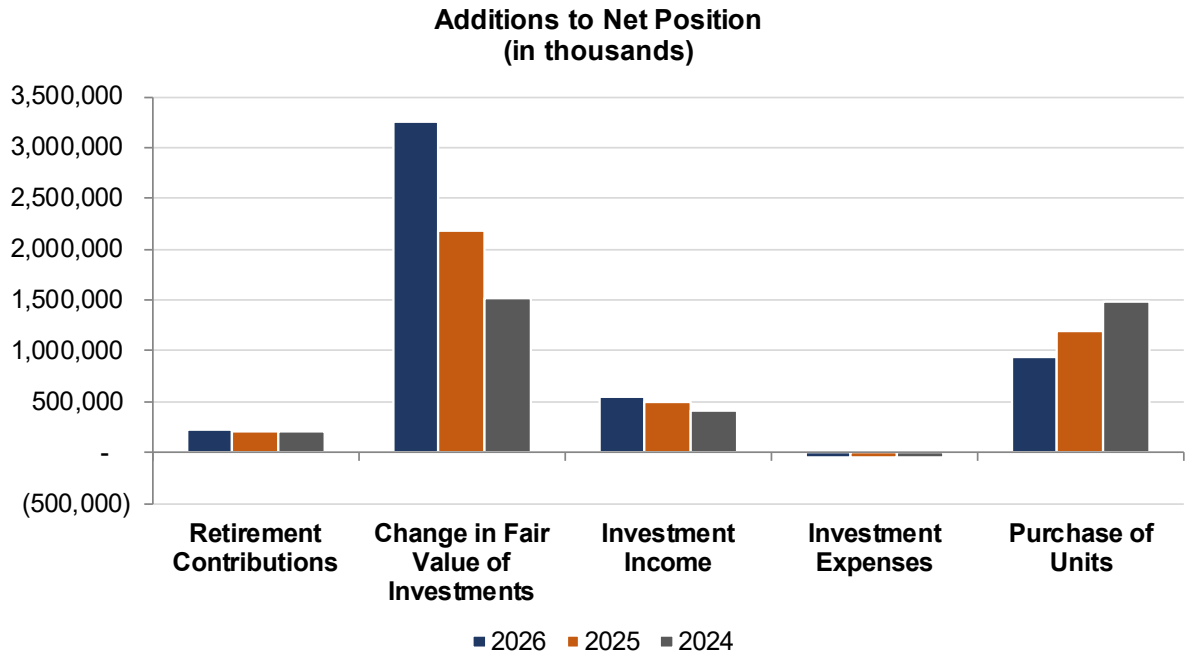
Additions to Fiduciary Net Position

Total additions to the fiduciary funds were $4.9 billion in FY2026, compared with $4.1 billion in FY2025. The increase was driven primarily by higher net investment income, partially offset by lower purchases of units.

Contributions collected by the pension trust fund increased by $7.4 million (3.5%) in FY2026, following an increase of $5.9 million (2.8%) in FY2025. The FY2026 increase reflects growth in the average salary of active members, partially offset by a slight decrease in the number of active members. The FY2025 increase reflects growth in both the number of active members contributing to the fund and the average salary of active members.

Net investment income (including net securities lending income) was $3.8 billion in FY2026, compared with $2.6 billion in FY2025, an increase of $1.1 billion (42.3%). The FY2026 increase primarily reflects strong global equity returns, as discussed under Investment Performance.

Purchases of units decreased by $258.0 million in FY2026. This reflects lower purchases by investment trust participants. Purchases by investment trust participants decreased by $175.5 million, from $1,120.3 million to $944.8 million. Contributions from the Water Project Stabilization Fund decreased by $103.7 million; purchases by the Public Employees Retirement System decreased by $65.0 million because there was no legislative cash infusion in FY2026; and Legacy Fund deposits from oil and gas gross production and extraction taxes decreased by $63.2 million, from $717.5 million to $654.3 million. These decreases were partially offset by higher purchases by other participants. In FY2025, purchases of units decreased by $284.9 million, primarily due to lower deposits to the Legacy Fund and the Budget Stabilization Fund.



Deductions from Fiduciary Net Position

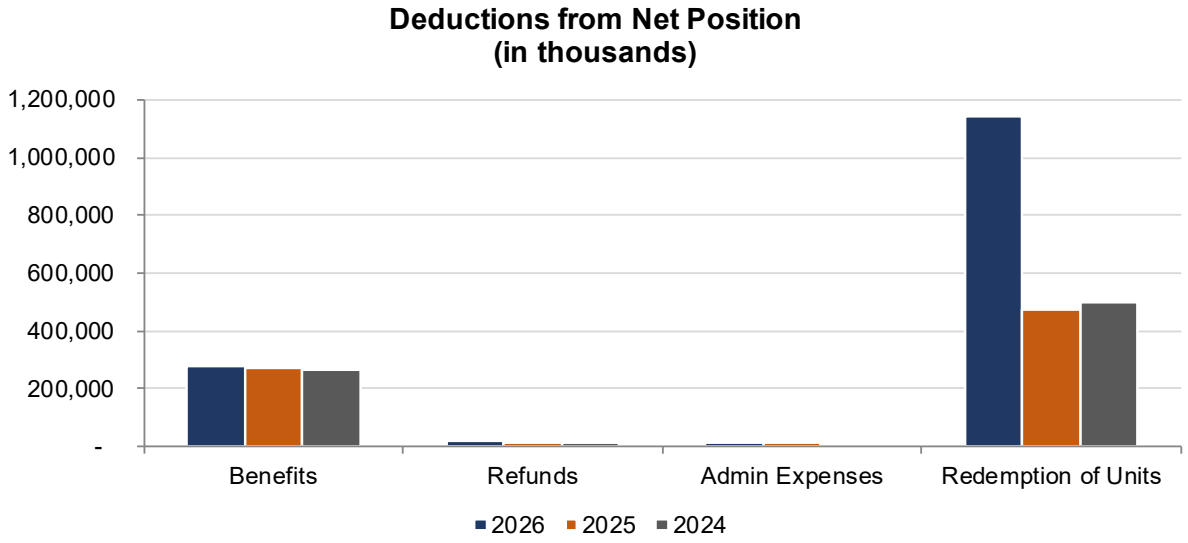
Total deductions from the fiduciary funds were $1.4 billion in FY2026, compared with $768.5 million in FY2025. The increase was driven primarily by the biennial Legacy Fund earnings distribution on July 1, 2025, along with higher benefit payments and administrative expenses.

Total redemption of units increased by $667.6 million in FY2026 and decreased by $22.6 million in FY2025. The $686.9 million Legacy Fund earnings distribution on July 1, 2025 more than accounts for the FY2026 increase; all other redemptions together decreased by approximately $19.3 million. These redemptions are driven by the constitutionally mandated earnings transfers from the Legacy Fund, which occur every two years. The State Constitution was amended by voters in November 2024 and provides for a distribution to the Legacy Earnings Fund as provided by law. NDCC §54-27-32 provides that the distribution be made on July 1, the day after the end of the biennium; a transfer of $686.9 million was made on July 1, 2025 and is reflected in FY2026 redemptions; the next distribution is scheduled for July 1, 2027. Because these transfers are biennial, this line item will continue to show significant swings between years.

Benefits paid to TFFR plan participants, including partial lump-sum distributions, increased by $5.4 million (2.0%) in FY2026 and $4.4 million (1.7%) in FY2025. Refunds increased by $1.8 million (12.7%) in FY2026 and $1.8 million (14.7%) in FY2025. In total, payments to TFFR members increased by $7.2 million (2.5%) in FY2026 and $6.2 million (2.2%) in FY2025. These increases reflect a rise in the total number of retirees drawing benefits from the pension fund, together with higher retirement salaries on which the benefits of new retirees are based.

Administrative expenses increased by $2.7 million (26.7%) in FY2026 after increasing by $2.9 million (39.5%) in FY2025. The FY2026 increase was mainly due to depreciation and ongoing costs associated with the Pension Administration System (PAS) that went live in FY2025 along with increased salary expenses associated with FY2026 being the first full year of the in-house investment program. The

FY2025 increase was mainly due to costs associated with the Pension Administration System (PAS) modernization project that went live in FY2025. Also, in FY2025 the agency fully implemented phase 1 of its in-house investment program.



Investment Performance

For the fiscal year ended June 30, 2026, the pension investment pool (which includes the TFFR pension plan), the Legacy Fund and the insurance investment pool (excluding Legacy Fund) generated net time weighted investment returns of 15.35%, 17.26% and 7.23%, respectively, all outperforming their corresponding policy benchmarks. Global public equities for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were up 26.14%, 26.84%, and 26.11%, respectively. Total fixed income for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were also up 4.82%, 4.22%, and 5.68%, respectively. Real asset performance for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were up 3.88%, 3.29%, and 6.09%. Private equity investments in the pension pool and Legacy Fund returned 11.56% and 3.16% for the fiscal year.

For the fiscal year ended June 30, 2025, the pension investment pool (which includes the TFFR pension plan), the Legacy Fund and the insurance investment pool (excluding Legacy Fund) generated net time weighted investment returns of 11.76%, 12.70% and 7.95%, respectively, all outperforming their corresponding policy benchmarks. Global public equities for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were up 16.72%, 17.00%, and 16.72%, respectively. Total fixed income for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were also up 7.58%, 6.98%, and 8.01%, respectively. Real asset performance for pension pool, insurance pool (excluding Legacy Fund), and Legacy Fund were up 4.06%, 5.20%, and 6.15%. Private equity investments in the pension pool and Legacy Fund returned 10.30% and 17.44% for the fiscal year.

TFFR Funding

TFFR's net pension liability, measured using the fair value of plan assets, decreased from $1.28 billion at June 30, 2025, to $0.99 billion at June 30, 2026, and plan fiduciary net position as a percentage of the total pension liability increased from 74.05% to 80.51%. Plan fiduciary net position grew by $444.3 million, to $4,093.1 million. Net investment income was $518.7 million, a money-weighted return of

14.52% compared with the assumed 7.15%. This more than covered the $74.4 million by which benefit payments and administrative expenses exceeded contributions. The total pension liability increased by $156.4 million, to $5,083.6 million, because benefits earned and interest on the liability outpaced benefit payments; a $6.1 million actuarial gain, primarily from lower-than-assumed salary increases, partially offset the increase. There were no changes in actuarial assumptions or benefit provisions during the year.

Significant Capital Asset and Long-Term Financing Activity

At June 30, 2026, RIO reported approximately $5.6 million of capital assets, net of accumulated depreciation, compared with approximately $7.1 million at June 30, 2025. Capital assets consist of software and office equipment, the latter of which is fully depreciated.

Net capital assets decreased by approximately $1.5 million, or 21.43%, during fiscal year 2026. The decrease resulted from depreciation of existing software, as there were no capital asset additions or retirements during the year. RIO did not enter into any new long-term financing arrangements during the year ended June 30, 2026.

Currently Known Facts, Decisions, or Conditions

The following currently known facts, decisions, and conditions are expected to have a significant effect on RIO's financial position or on results of operations in future periods:

- **Legacy Fund earnings distributions.** As discussed in Detailed Analyses, Legacy Fund earnings distributions occur biennially. The next distribution is scheduled for July 1, 2027, which falls in fiscal year 2028. Accordingly, no distribution will occur in fiscal year 2027, and redemptions of units are expected to decrease significantly compared with fiscal year 2026, when the $686.9 million distribution was made.

- **In-house investment program.** Administrative expenses will continue to reflect the phased expansion of this program, through which RIO is bringing additional investment management functions in-house rather than relying solely on external managers.

- **TFFR contribution rates and funding outlook.** Under NDCC Section 15-39.1-09, member and employer contribution rates of 11.75% and 12.75% remain in effect until TFFR is 100% funded on an actuarial basis, at which time both rates revert to 7.75%. TFFR's actuarial funded ratio, which uses an actuarial value of assets that recognizes investment gains and losses over five years and therefore differs from the fair-value measures in the financial statements, was 74.70% at July 1, 2026. Based on the July 1, 2026 actuarial valuation, current contribution rates are projected to achieve full funding in 2042, assuming all actuarial assumptions are met, including the 7.15% investment return. Net investment gains of $295.4 million not yet recognized in the actuarial value of assets are expected to have a favorable effect on future valuation results.

North Dakota Retirement and Investment Office
Statement of Net Position – Fiduciary Funds
June 30, 2026 and 2025

Statement of Net Position – Fiduciary Funds

	Pension Trust		Investment Trust		Total	
Assets:	2026	2025	2026	2025	2026	2025
Investments, at Fair Value						
Global Equities	$2,374,216,674	$2,041,571,056	$13,098,851,790	$10,717,837,710	$15,473,068,464	$12,759,408,766
Global Fixed Income	$1,024,045,436	$942,304,828	$8,695,537,275	7,580,944,688	9,719,582,711	8,523,249,516
Global Real Assets	577,195,900	551,735,421	2,352,648,325	2,209,095,781	2,929,844,225	2,760,831,202
In-State Investments	-	-	523,058,393	468,022,144	523,058,393	468,022,144
Cash Equivalents	39,829,798	33,257,703	321,371,947	1,001,248,211	361,201,745	1,034,505,914
Total Investments	4,015,287,808	3,568,869,008	24,991,467,730	21,977,148,534	29,006,755,538	25,546,017,542
Invested Securities Lending Collateral	28,379,562	38,180,469	345,297,877	229,677,672	373,677,439	267,858,141
Receivables:						
Investment Income	13,879,922	13,434,315	64,077,704	72,057,507	77,957,626	85,491,822
Contributions	33,123,131	38,429,181	-	-	33,123,131	38,429,181
Miscellaneous	45,901	73,466	116,356	66,331	162,257	139,797
Total Receivables	47,048,954	51,936,962	64,194,060	72,123,838	111,243,014	124,060,800
Due from Other State Agency	1,808	460	1,355	2,717	3,163	3,177
Cash and Cash Equivalents	30,395,498	26,473,012	602,144	1,141,527	30,997,642	27,614,539
Equipment (net of depreciation)	-	-	-	-	-	-
Software (net of depreciation)	5,561,324	7,078,049	-	-	5,561,324	7,078,049
Total Assets	4,126,674,954	3,692,537,960	25,401,563,166	22,280,094,288	29,528,238,120	25,972,632,248
Deferred Outflows of Resources Related to Pensions	1,171,911	1,529,328	364,747	1,081,288	1,536,658	2,610,616
Liabilities:						
Accounts Payable	164,196	192,280	749,007	672,179	913,203	864,459
Investment Expenses Payable	2,072,815	2,334,499	10,728,705	12,639,752	12,801,520	14,974,251
Securities Lending Collateral	28,379,562	38,180,469	345,297,877	229,677,672	373,677,439	267,858,141
Accrued Expenses	3,158,832	3,501,086	1,747,741	2,392,335	4,906,573	5,893,421
Miscellaneous Payable	-	-	77,554	77,554	77,554	77,554
Due to Other State Funds	-	-	3,357,960	32,022,977	3,357,960	32,022,977
Due to Other State Agencies	31,942	34,124	31,670	25,073	63,612	59,197
Total Liabilities	33,807,347	44,242,458	361,990,514	277,507,542	395,797,861	321,750,000
Deferred Inflows of Resources Related to Pensions	959,390	1,075,393	658,593	923,264	1,617,983	1,998,657
Fiduciary Net Position:						
Restricted for Pensions	4,093,080,128	3,648,749,437	-	-	4,093,080,128	3,648,749,437
Held in Trust for Investment Pool Participants:						
Pension Pool	-	-	5,919,670,953	5,155,354,899	5,919,670,953	5,155,354,899
Insurance Pool	-	-	18,800,084,291	3,546,537,369	18,800,084,291	3,546,537,369
Held in Trust for Individual Investment Accounts	-	-	319,523,562	13,300,852,502	319,523,562	13,300,852,502
Total Fiduciary Net Position	$4,093,080,128	$3,648,749,437	$25,039,278,806	$22,002,744,770	$29,132,358,934	$25,651,494,207
Each Participant Unit is Valued at $1.00						
Participant Units Outstanding			25,039,278,806	22,002,744,770		

North Dakota Retirement and Investment Office
Statement of Changes in Net Position – Fiduciary Funds
Years Ending June 30, 2026 and 2025

Statement of Changes in Net Position – Fiduciary Funds

	Pension Trust		Investment Trust		Total	
Additions:	2026	2025	2026	2025	2026	2025
Contributions:						
Employer Contributions	$114,538,831	$110,989,217	$ -	$ -	$114,538,831	$110,989,217
Member Contributions	105,539,025	102,186,364	-	-	105,539,025	102,186,364
Purchased Service Credit	2,199,568	1,143,232	-	-	2,199,568	1,143,232
Interest, Penalties and Other	20,998	564,370	-	-	20,998	564,370
Total Contributions	222,298,422	214,883,183	-	-	222,298,422	214,883,183
Investment Income:						
Net Change in Fair Value of Investments	457,665,099	316,150,319	2,795,510,949	1,869,655,467	3,253,176,048	2,185,805,786
Interest, Dividends and Other Income	67,213,138	60,333,140	482,839,495	433,793,910	550,052,633	494,127,050
	524,878,237	376,483,459	3,278,350,444	2,303,449,377	3,803,228,681	2,679,932,836
Less Investment Expenses	6,554,663	5,905,682	39,494,010	33,429,536	46,048,673	39,335,218
Net Investment Income	518,323,574	370,577,777	3,238,856,434	2,270,019,841	3,757,180,008	2,640,597,618
Securities Lending Activity:						
Securities Lending Income	450,989	330,485	2,864,542	2,003,557	3,315,531	2,334,042
Less Securities Lending Expenses	(88,991)	(66,023)	(567,097)	(400,324)	(656,088)	(466,347)
Net Securities Lending Income	361,998	264,462	2,297,445	1,603,233	2,659,443	1,867,695
Purchase of Units ($1 per unit)	-	82,475,000	944,767,837	1,120,277,195	944,767,837	1,202,752,195
Total Additions	740,983,994	668,200,422	4,185,921,716	3,391,900,269	4,926,905,710	4,060,100,691
Deductions:						
Benefits Paid to Participants	275,026,792	269,614,981	-	-	275,026,792	269,614,981
Partial Lump-Sum Distributions	248,077	256,007	-	-	248,077	256,007
Refunds	15,804,209	14,025,843	-	-	15,804,209	14,025,843
Administrative Expenses	5,574,225	4,086,995	7,471,059	6,210,313	13,045,284	10,297,308
Redemption of Units ($1 per unit)	-	82,475,000	1,141,916,621	391,843,958	1,141,916,621	474,318,958
Total Deductions	296,653,303	370,458,826	1,149,387,680	398,054,271	1,446,040,983	768,513,097
Change in Fiduciary Net Position	444,330,691	297,741,596	3,036,534,036	2,993,845,998	3,480,864,727	3,291,587,594
Fiduciary Net Position:						
Beginning of Year	$3,648,749,437	$3,351,007,841	$22,002,744,770	$19,008,898,772	$25,651,494,207	$22,359,906,613
End of Year	$4,093,080,128	$3,648,749,437	$25,039,278,806	$22,002,744,770	$29,132,358,934	$25,651,494,207

Note 1 - Summary of Significant Accounting Policies

RIO is an agency of the State of North Dakota operating through the legislative authority of North Dakota Century Code (NDCC) Chapter 54-52.5 and is considered part of the State of North Dakota financial reporting entity and included in the State of North Dakota's Annual Comprehensive Financial Report.

For financial reporting purposes, RIO has included all funds, and has considered all potential component units for which RIO is financially accountable, and other organizations for which the nature and significance of their relationship with RIO are such that exclusion would cause RIO's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of RIO to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on RIO.

Based upon these criteria, there are no component units to be included within RIO as a reporting entity and RIO is part of the State of North Dakota as a reporting entity.

Fund Financial Statement

All activities of RIO are accounted for within the pension and investment trust funds and are shown, by fund, in the fiduciary fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of RIO are reported using the economic resources measurement focus and the accrual basis of accounting.

This measurement focus includes all assets and liabilities associated with the operations of the fiduciary funds on the statements of net position. Additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

New Accounting Pronouncements

In fiscal year 2026, RIO implemented GASB Statement No. 103, Financial Reporting Model Improvements. Statement No. 103 modifies certain requirements for Management's Discussion and Analysis, establishes presentation requirements for unusual or infrequent items, and revises certain other financial reporting presentation requirements. Implementation affected the presentation of Management's Discussion and Analysis and certain note disclosures and did not affect the amounts reported in RIO's financial statements.

Fiduciary Fund

A pension trust fund and investment trust funds have been established to account for the assets held by RIO in a trustee capacity for TFFR and as an agent for other governmental units or funds which have placed certain investment assets under the management of the SIB. The SIB manages two external investment pools and two individual investment accounts. The two external investment pools consist of a pension pool and insurance pool. The SIB manages the investments of the North Dakota Public Employees Retirement System, Bismarck City Employees and Police, City of Grand Forks Employees and City of Grand Forks Park District Employees pension plans in the pension pool. The investments of Workforce Safety & Insurance, State Fire and Tornado, State Bonding, Petroleum Tank Release Compensation Fund, Insurance Regulatory Trust, North Dakota Association of Counties Fund, Risk Management, Risk

Management Workers Comp, PERS Group Insurance, City of Bismarck Deferred Sick Leave, City of Fargo FargoDome Permanent Fund, Cultural Endowment Fund, ND State Board of Medicine, Lewis and Clark Interpretive Center Endowment Fund, Attorney General Settlement Fund, Veterans' Cemetery Trust Fund, ND University System Capital Building Fund, Budget Stabilization Fund, Arts Across the Prairie Maintenance Endowment fund, Water Projects Stabilization Fund, Opioid Settlement Fund, the ND State Historical Society and the Legacy Fund are managed in the insurance pool. The Job Service of North Dakota, and PERS Retiree Health investments are managed by the SIB in individual investment accounts. During fiscal year 2026, the North Dakota Association of Counties Fund, the Attorney General Settlement Fund, and the ND University System Capital Building Fund withdrew all of their investments from the insurance pool. Their activity through the date of withdrawal is included in the combining statements, and none had a balance at June 30, 2026. During fiscal year 2026, the Legacy Fund, previously managed as an individual investment account, began transitioning into the insurance pool. As a result of this transition, the Legacy Fund's entire net position is reported in the insurance pool at June 30, 2026 and in individual investment accounts at June 30, 2025.

RIO has no statutory authority over, nor responsibility for, these investment trust funds other than the investment responsibility provided for by statute or through contracts with the individual agencies. The funds that are required to participate according to statute are: Public Employees Retirement System, Workforce Safety & Insurance, State Fire and Tornado, State Bonding, Petroleum Tank Release Compensation Fund, Insurance Regulatory Trust, Risk Management, Risk Management Workers Comp, Cultural Endowment Fund, Legacy Fund, Budget Stabilization Fund, Opioid Settlement Fund and Water Projects Stabilization Fund.

RIO follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities.

Pension and Investment Trust Funds are accounted for using the accrual basis of accounting. Member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the NDCC.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RIO utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position.

Budgetary Process

RIO operates through a biennial appropriation, which represents appropriations recommended by the Governor and presented to the General Assembly (the Assembly) at the beginning of each legislative session. The Assembly enacts RIO's budget through passage of a specific appropriation bill. The State of North Dakota's budget is prepared principally on a modified accrual basis. The Governor has line-item veto

power over all legislation, subject to legislative override.

Once passed and signed, the appropriation bill becomes RIO's financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, or referendum action. The Emergency Commission can authorize receipt of federal or other moneys not appropriated by the Assembly if the Assembly did not indicate intent to reject the money. The Emergency Commission may authorize pass-through federal funds from one state agency to another. The Emergency Commission may authorize the transfer of expenditure authority between appropriated line items; however, RIO has specific authority as a special fund to transfer between the contingency line item and other line items. Unexpended appropriations lapse at the end of each biennium, except certain capital expenditures covered under NDCC section 54-44.1-11.

RIO does not use encumbrance accounting. The legal level of budgetary control is at the agency, appropriation and expenditure line-item level. RIO does not formally budget revenues and does not budget by fund. The statement of revenues, expenditures and changes in fund balances — budget and actual — is not prepared because revenues are not budgeted.

Capital Assets and Depreciation

Capital assets are reported at cost. Assets with an initial individual cost of $10,000 or more are capitalized. Prior to July 1, 2025, the capitalization threshold was $5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Years
Office Equipment	5
Furniture & Fixtures	5
Software	5

Investments

NDCC Section 21-10-07 states that the SIB shall apply the prudent investor rule when investing funds under its supervision. The prudent investor rule means that in making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

The pension fund belonging to TFFR and investment trust funds attributable to the City of Bismarck Employee Pension Plan, the City of Bismarck Police Pension Plan, Job Service of North Dakota, City of Grand Forks Employee Pension Plan, City of Grand Forks Park District Pension Plan and the Public Employees Retirement System (PERS) must be invested exclusively for the benefit of their members. All investments are made in accordance with the respective fund's long-term investment objectives and performance goals.

Pooled Investments

Many funds whose investments are under the supervision of the SIB participate in pooled investments. The agencies transfer money into the investment pools and receive an appropriate percentage ownership of the pooled portfolio based upon fair value. All activities of the investment pools are allocated to the agencies based upon their respective ownership percentages. Each participant unit is valued at $1.00 per unit.

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair values for securities that have no quoted market price represent estimated fair value. International securities are valued based upon quoted foreign market prices and translated into US dollars at the exchange rate in effect at June 30. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments, including timberland, is based on appraisals plus fiscal year-to-date capital transactions.

Publicly traded alternative investments are valued based on quoted market prices.

When not readily available, alternative investment securities are valued using current estimates of fair value from the investment manager. Such valuations consider variables such as financial performance of the issuer, comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, withdrawal restrictions, and other pertinent information. Because of the inherent uncertainty of the valuation for these other alternative investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

The net change in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the ND Public Employees Retirement System (NDPERS) defined benefit pension and OPEB plans, and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Cash and Cash Equivalents

Custodial Credit Risk

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-01 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "[a]ll state funds … must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions.

Pension Trust Fund

Deposits held by the Pension Trust Fund at June 30, 2026 and 2025 were deposited in the Bank of North Dakota. At June 30, 2026 and 2025, the carrying amount of TFFR's deposits was $30,395,498 and $26,473,012 respectively, and the bank balance was $29,367,441 and $25,468,093, respectively. The difference results from outstanding checks or deposits not yet processed by the bank. These deposits are exposed to custodial credit risk as uninsured and uncollateralized. However, these deposits at the Bank of North Dakota are guaranteed by the State of North Dakota through NDCC Section 6-09-10.

Investment Trust Funds

Certificates of deposit, an infrastructure loan fund, an insurance pool cash account, a pension pool cash account and a Legacy Fund cash account are recorded as investments and have a cost and carrying value of $460,614,087 and $457,575,964 at June 30, 2026 and 2025, respectively. In addition, these funds carry cash and cash equivalents totaling $602,144 and $1,141,527 at June 30, 2026 and 2025, respectively. These deposits are exposed to custodial credit risk as uninsured and uncollateralized. However, these deposits held at the Bank of North Dakota are guaranteed by the State of North Dakota through NDCC Section 6-09-10.

Note 3 - Investments

The investment policy of the SIB is governed by NDCC 21-10. The SIB shall apply the prudent investor rule in investing funds under its supervision. The "prudent investor rule" means that in making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees' retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The SIB does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

At June 30, 2026 and 2025, the following tables show the investments by investment type and maturity (expressed in thousands).

2026	Total Fair Value	Less than 1 Year	1-6 Years	6-10 Years	More than 10 Years
Asset Backed Securities	$592,635	$ -	$183,452	$134,113	$275,070
Bank Loans	7,398	-	4,535	2,863	-
Commercial Mortgage-Backed	201,845	-	1,123	3,770	196,952
Commercial Paper	18,297	18,297	-	-	-
Corporate Bonds	2,716,860	83,060	1,746,399	562,790	324,611
Corporate Convertible Bonds	3,085	-	151	-	2,934
Funds - Corporate Bond	408,726	288,808	7,057	-	112,861
Funds - Fixed Income ETF	720,765	701,227	-	-	19,538
Funds - Government Agencies	19,493	0	-	19,493	-
Funds - Other Fixed Income	1,122,297	1,106,294	16,003	-	-
Government Agencies	44,659	4,622	33,448	3,901	2,687
Government Bonds	1,947,589	6,846	913,397	308,380	718,966
Government Mortgage-Backed Securities	1,005,124	1,013	19,375	32,064	952,672
Gov't-issued Commercial Mortgage-Backed	3,281	-	2,942	-	339
Index Linked Government Bonds	222,625	15,008	86,622	65,150	55,845
Municipal/Provincial Bonds	24,603	-	2,453	10,285	11,866
Non-Government Backed C.M.O.s	103,932	0	-	609	103,323
Real Estate	261,520	261,520	-	-	-
Repurchase Agreements	(1,855)	(1,855)	-	-	-
Sukuk	-	-	-	-	-
Total Debt Securities	$9,422,879	$2,484,839	$3,016,957	$1,143,418	$2,777,665

2025	Total Fair Value	Less than 1 Year	1-6 Years	6-10 Years	More than 10 Years
Asset Backed Securities	$509,185	$504	$194,360	$106,785	$207,535
Bank Loans	7,824	-	3,028	4,796	-
Commercial Mortgage-Backed	268,588	-	3,183	5,069	260,336
Commercial Paper	109,006	109,006	-	-	-
Corporate Bonds	2,919,619	102,955	1,855,033	610,091	351,540
Corporate Convertible Bonds	7,511	-	2	-	7,509
Funds - Corporate Bond	316,469	217,477	12,771	86,222	-
Funds - Fixed Income ETF	37,652	37,652	-	-	-
Funds - Government Agencies	23,362	0	12,554	-	10,807
Funds - Other Fixed Income	1,442,210	1,428,792	13,418	-	-
Government Agencies	57,974	3,934	32,501	14,617	6,922
Government Bonds	787,685	23,228	332,000	99,006	333,451
Government Mortgage-Backed Securities	1,198,163	828	28,772	37,285	1,131,278
Gov't-issued Commercial Mortgage-Backed	10,618	30	4,222	669	5,697
Index Linked Government Bonds	218,449	18,489	96,052	59,333	44,575
Municipal/Provincial Bonds	32,225	831	3,028	10,525	17,842
Non-Government Backed C.M.O.s	112,470	0	-	702	111,768
Real Estate	534,680	534,680	-	-	-
Repurchase Agreements	(9,904)	(9,904)	-	-	-
Sukuk	2,588	1,296	1,292	-	-
Total Debt Securities	$8,586,373	$2,469,796	$2,592,217	$1,035,099	$2,489,260

In the tables above, the fair values of inflation indexed bonds are reflected in the columns based on their stated maturity dates. The principal balances of these bonds are adjusted every six months based on the inflation index for that period.

Certain 2025 amounts in the tables above have been reclassified to conform to the 2026 presentation, including the separate presentation of corporate bond, fixed income ETF, other fixed income and government agency funds.

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMOs), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Interest-only (IO) and principal-only (PO) strips are transactions which involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The SIB held POs valued at $3.3 million and $7.8 million and IOs valued at $17.6 million and $21.2 million at June 30, 2026 and 2025, respectively. The SIB has no policy regarding IO or PO strips.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Investment Board maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Although the SIB has no overall policy regarding credit risk, each debt securities manager is given a specific set of guidelines to invest within based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and below investment grade categories. The following tables present the SIB's ratings as of June 30, 2026 and 2025, (expressed in thousands).

2026		Credit Rating*										
	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	N/A & NR
Asset Backed Securities	$592,635	$382,487	$42,799	$35,969	$1,931	$483	$1	$1,102	$ -	$165	$3	$127,695
Bank Loans	7,398	-	-	-	2,158	1,130	1,364	967	-	-	-	1,779
Commercial Mortgage-Backed	201,845	153,434	14,061	2,424	866	-	-	676	-	-	-	30,384
Commercial Paper	18,297	-	-	-	-	-	-	-	-	-	-	18,297
Corporate Bonds	2,716,860	6,604	37,338	470,718	1,189,680	592,088	334,671	68,044	666	-	933	16,119
Corporate Convertible Bonds	3,085	-	-	-	2,934	-	-	-	-	-	-	151
Funds - Corporate Bond	408,726	4,514	75,617	10,157	13,896	2,752	2,047	635	-	-	-	299,107
Funds - Fixed Income ETF	720,765	-	-	19,538	-	-	-	-	-	-	-	701,227
Funds - Government Agencies	19,493	2,022	2,123	4,101	4,433	2,159	1,126	375	-	-	-	3,155
Funds - Other Fixed Income	1,122,297	-	407,252	-	-	-	-	-	-	-	-	715,045
Government Agencies	44,659	-	17,761	3,561	20,523	2,326	489	-	-	-	-	-
Government Bonds	1,947,589	3,908	1,830,431	17,249	47,377	18,979	2,915	-	-	-	-	26,730
Government Mortgage-Backed Securities	1,005,124	-	1,003,472	1,408	41	-	-	-	-	-	-	203
Gov't-issued Commercial Mortgage-Backed	3,281	173	3,108	-	-	-	-	-	-	-	-	-
Index Linked Government Bonds	222,625	-	197,221	-	1,810	-	-	-	-	-	-	23,595
Municipal/Provincial Bonds	24,603	4,238	12,156	7,914	-	296	-	-	-	-	-	-
Non-Government Backed C.M.O.s	103,932	34,887	3,321	-	730	273	-	434	35	-	-	64,251
Real Estate	261,520	-	-	-	-	-	-	-	-	-	-	261,520
Repurchase Agreements	(1,855)	-	-	-	-	-	-	-	-	-	-	(1,855)
Sukuk	-	-	-	-	-	-	-	-	-	-	-	-
Total Credit Risk of Debt Securities	$9,422,879	$592,267	$3,646,659	$573,038	$1,286,379	$620,486	$342,613	$72,234	$701	$165	$936	$2,287,402

2025	Total Fair Value	Credit Rating*										
		AAA	AA	A	BBB	BB	B	CCC	CC	C	D	N/A & NR
Asset Backed Securities	$509,185	$254,461	$71,706	$43,216	$7,570	$505	$477	$1,729	$ -	$281	$569	$128,671
Bank Loans	7,824	-	-	-	-	1,974	288	-	-	-	-	5,562
Commercial Mortgage-Backed	268,588	202,085	17,803	4,307	4,942	835	874	797	-	-	-	36,946
Commercial Paper	109,006	-	-	-	-	-	-	-	-	-	-	109,006
Corporate Bonds	2,919,619	10,407	46,013	478,601	1,214,929	645,889	402,030	96,236	137	-	3,860	21,518
Corporate Convertible Bonds	7,511	-	-	-	1,766	5,242	501	2	-	-	-	-
Funds - Corporate Bond	316,469	5,050	58,262	8,518	9,257	3,313	4,135	1,466	-	-	-	226,469
Funds - Fixed Income ETF	37,652	-	-	-	-	-	-	-	-	-	-	37,652
Funds - Government Agencies	23,362	2,772	2,575	4,114	4,875	1,965	1,232	1,092	-	-	-	4,738
Funds - Other Fixed Income	1,442,210	1,677	389,710	2,482	1,194	54	27	27	-	-	-	1,047,039
Government Agencies	57,974	1,377	25,359	2,361	17,744	10,387	546	-	-	-	-	200
Government Bonds	787,685	-	694,296	13,258	33,099	15,791	2,443	1,017	-	-	-	27,782
Government Mortgage-Backed Securities	1,198,163	-	1,186,374	5,356	4,943	1,260	-	-	-	-	-	231
Gov't-issued Commercial Mortgage-Backed	10,618	316	10,302	-	-	-	-	-	-	-	-	-
Index Linked Government Bonds	218,449	-	198,216	-	1,827	-	-	-	-	-	-	18,406
Municipal/Provincial Bonds	32,225	4,868	15,118	10,613	-	440	-	1,185	-	-	-	-
Non-Government Backed C.M.O.s	112,470	29,114	4,496	3,524	2,628	1,256	-	492	134	-	-	70,827
Real Estate	534,680	-	-	-	-	-	-	-	-	-	-	534,680
Repurchase Agreements	(9,904)	-	-	-	-	-	-	-	-	-	-	(9,904)
Sukuk	2,588	-	-	-	2,588	-	-	-	-	-	-	-
Total Credit Risk of Debt Securities	$8,586,373	$512,126	$2,720,230	$576,350	$1,307,360	$688,910	$412,552	$104,043	$271	$281	$4,429	$2,259,822

Certain 2025 amounts in the tables above have been reclassified to conform to the 2026 presentation, including the separate presentation of corporate bond, fixed income ETF, other fixed income and government agency funds.

Ratings are determined in the following order:

1. S&P rating
2. Moody's rating
3. Fitch rating
4. Manager-determined rating (internal rating)
5. If no ratings available using steps 1-4, then shown as not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of June 30, 2026 and 2025, the SIB's portfolio has no single issuer exposure that comprises 5% or more of the overall portfolio, excluding investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Although the SIB does not have a formal investment policy governing foreign currency risk, the SIB manages its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. The SIB's exposure to foreign currency risk is presented in the following tables as of June 30, 2026 and 2025 (expressed in thousands).

2026

Currency	Short-Term	Debt	Equity	Real Estate	Venture Capital & Partnerships	Total
Argentine Peso	$1	$ -	$ -	$ -	$ -	$1
Australian Dollar	(24,794)	24,750	59,198	-	-	59,154
Brazilian Real	4,957	5,026	9,246	-	-	19,229
British Pound Sterling	(58,392)	56,299	165,527	-	-	163,434
Canadian Dollar	(29,703)	22,320	178,396	-	-	171,013
Chilean Peso	(5)	-	6	-	-	1
Chinese Yuan Renminbi	-	-	37	-	-	37
Colombian Peso	(8,488)	7,973	2	-	-	(513)
Czech Koruna	-	-	181	-	-	181
Danish Krone	26	-	17,500	-	-	17,526
Euro	(56,164)	49,484	510,006	-	25,914	529,240
HK Offshore Chinese Yuan Renminbi	(1,883)	-	14,947	-	-	13,064
Hong Kong Dollar	-	-	120,482	-	-	120,482
Hungarian Forint	1	-	27	-	-	28
Indian Rupee	9,126	-	-	-	-	9,126
Indonesian Rupiah	(604)	-	2,401	-	-	1,797
Japanese Yen	(1,746)	4,729	303,893	-	-	306,876
Malaysian Ringgit	(6)	-	2,102	-	-	2,096
Mexican Peso	9,445	-	2,286	-	-	11,731
New Israeli Shekel	(5,788)	-	4,658	-	-	(1,130)
New Taiwan Dollar	(6,013)	-	65,748	-	-	59,735
New Zealand Dollar	(4,317)	-	4,646	-	-	329
Norwegian Krone	79	-	12,259	-	-	12,338
Peruvian Nuevo Sol	(10,278)	10,670	1	-	-	393
Philippine Peso	(106)	-	2,015	-	-	1,909
Polish Zloty	4,033	-	3,399	-	-	7,432
Russian Ruble	1,436	-	2,888	-	-	4,324
Singapore Dollar	(10,039)	-	13,589	-	-	3,550
South African Rand	(7,498)	12,041	620	-	-	5,163
South Korean Won	3,692	-	122,320	-	-	126,012
Swedish Krona	366	-	33,721	-	-	34,087
Swiss Franc	(5,549)	-	115,462	-	-	109,913
Thai Baht	(4,463)	-	7,076	-	-	2,613
Turkish Lira	8,682	-	5,081	-	-	13,763
International Commingled Funds (various currencies)	-	9,386	2,202,360	-	-	2,211,746
Total International Investment Securities:	**($193,992)**	**$202,678**	**$3,982,080**	**$ -**	**$25,914**	**$4,016,680**

Negative amounts represent short positions.

2025

Currency	Short-Term	Debt	Equity	Real Estate	Venture Capital & Partnerships	Total
Argentine Peso	$1	$ -	$ -	$ -	$ -	$1
Australian Dollar	(1,110)	673	9,667	-	-	9,230
Brazilian Real	(11,062)	18,096	-	-	-	7,034
British Pound Sterling	(15,164)	14,235	65,823	-	-	64,894
Canadian Dollar	(22,707)	20,303	38,073	-	-	35,669
Chilean Peso	(277)	-	-	-	-	(277)
Chinese Yuan Renminbi	280	-	-	-	-	280
Danish Krone	(34)	-	-	-	-	(34)
Euro	(63,982)	64,868	174,240	-	22,886	198,012
HK Offshore Chinese Yuan Renminbi	(3,342)	-	-	-	-	(3,342)
Hong Kong Dollar	-	-	54,217	-	-	54,217
Hungarian Forint	1	-	-	-	-	1
Indian Rupee	2,992	-	-	-	-	2,992
Indonesian Rupiah	1,146	-	-	-	-	1,146
Japanese Yen	(762)	3,994	41,699	-	-	44,931
Mexican Peso	3,916	84	-	-	-	4,000
New Israeli Shekel	(850)	-	-	-	-	(850)
New Taiwan Dollar	(5,216)	-	-	-	-	(5,216)
New Zealand Dollar	1	-	-	-	-	1
Norwegian Krone	42	-	-	-	-	42
Peruvian Nuevo Sol	(6,914)	8,421	-	-	-	1,507
Polish Zloty	2,043	-	-	-	-	2,043
Russian Ruble	1,070	-	2,903	-	-	3,973
Singapore Dollar	(5,683)	-	-	-	-	(5,683)
South African Rand	(3,216)	5,896	-	-	-	2,680
South Korean Won	(1,675)	-	13,689	-	-	12,014
Swedish Krona	77	-	-	-	-	77
Swiss Franc	(954)	-	27,238	-	-	26,284
Thai Baht	(895)	-	-	-	-	(895)
Turkish Lira	9,207	-	-	-	-	9,207
International Commingled Funds (various currencies)	-	10,808	2,253,653	-	-	2,264,461
Total International Investment Securities:	**($123,067)**	**$147,378**	**$2,681,202**	**$ -**	**$22,886**	**$2,728,399**

Negative amounts represent short positions.

Derivative Securities

Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed upon benchmark. The investment policies of the SIB’s clients allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative instruments. The fair value of all derivative securities is reported in the statement of net position. At June 30, 2026 and 2025, the SIB had four types of derivative

securities: futures, options, swaps and forwards. Forwards consist of currency forwards in both years and, beginning in fiscal year 2026, bond forwards.

Futures

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specific price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the SIB's counterparty risk. The net change in the futures contracts' value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included in net change in fair value of investments in the statement of changes in net position and totaled ($6.6) million and $41.6 million for fiscal years 2026 and 2025, respectively. At June 30, 2026 and 2025, the SIB investment portfolio had the notional futures balances shown below (expressed in thousands).

Futures	Notional Value	
	June 30, 2026	June 30, 2025
Cash & Cash Equivalent Derivative Futures		
Long	$ -	$ -
Short	-	-
Commodity Derivative Futures		
Short	-	-
Equity Derivative Futures		
Long	226,825	-
Fixed Income Derivative Futures		
Long	727,585	499,407
Short	(13,444)	(32,487)
Total Futures	$940,966	$466,920

Options

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Options are traded on organized exchanges (exchange traded) thereby minimizing the SIB's counterparty credit risk. The option's price is usually a small percentage of the underlying asset's value. As a seller of a financial option, the SIB, through its investment manager, receives a premium at the beginning of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a buyer of a financial option, the SIB, through its investment manager, pays a premium at the beginning of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Gains and losses on options are determined based on fair values and recorded with the net change in fair value of investments in the statement of changes in net position and totaled $1.6 million and $3.9 million in fiscal years 2026 and 2025, respectively. At June 30, 2026 and 2025, the SIB investment portfolio had the following option balances (expressed in thousands).

Options	Fair Value	
	June 30, 2026	June 30, 2025
Cash & Other Options		
Call	$4	($155)
Put	(2)	72
Equity Options		
Call	-	-
Fixed Income Options		
Call	(22)	(22)
Put	(23)	(8)
Total Options	($43)	($113)

Swaps

A swap is a derivative in which counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument. Specifically, the two counterparties agree to exchange one stream of cash flows for another stream. The SIB, through its investment managers, has entered into various swap agreements in an attempt to manage its exposure to interest rate, inflation, credit and total return risk.

Gains and losses on swaps are determined based on fair values and are recorded with the net change in fair value of investments in the statement of changes in net position and totaled ($1.3) million and ($2.8) million for fiscal years 2026 and 2025, respectively. The maximum loss that would be recognized at June 30, 2026 and 2025, if all counterparties failed to perform as contracted is $3.3 million and $4.0 million, respectively. Swap fair values are determined by a third-party pricing source. At June 30, 2026 and 2025, the SIB's investment portfolio had the swap fair value balances as shown below (expressed in thousands).

Credit Default Swaps

Credit risk represents the exposure to fair value losses arising from a credit event such as default, failure to pay, restructuring or bankruptcy. In a credit default swap (CDS) contract, the protection buyer of the CDS makes a series of payments to the protection seller and, in exchange, receives a payoff if the credit instrument experiences a credit event. CDS contracts are also used to establish exposure to a desired credit instrument.

Counterparty/Moody's Rating	Notional Amount June 30, 2026	Notional Amount June 30, 2025	Expiration Date Range	Fair Value June 30, 2026	Fair Value June 30, 2025
Bank of America Intl/Aa2 (14 contracts)	($115,116)	$ -	2028 - 2031	$2,943	$ -
Bank of America/Aa2 (9 contracts)	-	(43,100)	2028 - 2030	-	1,059
Barclays Capital Inc/A1 (8 contracts)	(4,444)	-	2026 - 2031	45	-
Barclays Capital Inc/A1 (1 contract)	-	(2,600)	2030	-	31
BNP Paribas Sa Paris/A1 (11 contracts)	(4,788)	-	2027 - 2030	873	-
BNP Paribas Sa Paris/A1 (10 contracts)	-	(5,184)	2027 - 2029	-	936
Citibank/Aa3 (8 contracts)	(2,482)	-	2026 - 2030	385	-
Citibank/Aa3 (1 contract)	-	(300)	2027	-	(1)
Citigroup Global Markets/A2 (1 contract)	-	2,009	2030	-	(45)
Deutsche Bank London/A1 (1 contract)	(18)	-	2026	-	-
Deutsche Bank London/A1 (1 contract)	-	(229)	2026	-	4
Goldman Sachs/A2 (8 contracts)	(2,815)	-	2026 - 2030	97	-
Goldman Sachs/A2 (8 contracts)	-	(3,009)	2026 - 2029	-	139
JP Morgan Chase/Aa2 (14 contracts)	(4,628)	-	2029 - 2030	852	-
JP Morgan Chase/Aa2 (7 contracts)	-	(24,160)	2029 - 2030	-	1,045
Morgan Stanley/Aa3 (3 contracts)	(656)	-	2026	3	-
Morgan Stanley/Aa3 (10 contracts)	-	(30,500)	2026 - 2030	-	664
Morgan Stanley Cap. SVC/Aa3 (1 contract)	(160)	-	2030	30	-
Wells Fargo Bank/Aa2 (13 contracts)	(29,536)	-	2026 - 2031	688	-
Wells Fargo Bank/Aa2 (13 contracts)	-	(19,450)	2025 - 2030	-	473
Total Credit Default Swaps	**($164,643)**	**($126,523)**		**$5,916**	**$4,305**

The notional amount may be positive or negative, depending on whether the position is long or short, respectively.

Interest Rate Swaps

Interest rate risk represents the exposure to fair value losses arising from future changes in prevailing market interest rates. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty, who in turn agrees to make return interest payments that float with some reference rate.

Counterparty/Moody's Rating	Notional Amount June 30, 2026	Notional Amount June 30, 2025	Expiration Date Range	Fair Value June 30, 2026	Fair Value June 30, 2025
Bank of America/Aa2 (78 contracts)	$187,813	$ -	2026 - 2056	$3,891	$ -
Bank of America/Aa2 (55 contracts)	-	161,725	2025 - 2055	-	829
Barclays Capital Inc/A1 (3 contracts)	12,248	-	2031 - 2039	180	-
BNP Paribas Sa/A1 (3 contracts)	3,076	-	2032 - 2055	(35)	-
Citigroup Global Markets/A2 (23 contracts)	-	45,816	2026 - 2054	-	241
JP Morgan Chase/Aa2 (14 contracts)	-	33,620	2025 - 2054	-	583
Morgan Stanley/Aa3 (54 contracts)	-	89,255	2025 - 2055	-	1,894
Wells Fargo Bank/Aa2 (62 contracts)	110,203	-	2026 - 2056	4,698	-
Wells Fargo Bank/Aa2 (52 contracts)	-	112,841	2026 - 2055	-	3,519
Total Interest Rate Swaps	**$313,340**	**$443,257**		**$8,734**	**$7,066**

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Inflation Swaps

Inflation risk represents the exposure to fair value losses arising from future changes in prevailing market

inflation. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI).

	Notional Amount			Fair Value	
Counterparty/Moody's Rating	June 30, 2026	June 30, 2025	Expiration Date Range	June 30, 2026	June 30, 2025
Bank of America/Aa2 (2 contracts)	$13,225	$ -	2027	($70)	$ -
Goldman Sachs/A2 (2 contracts)	-	18,322	2025	-	252
JP Morgan Chase/Aa2 (1 contract)	-	2,158	2025	-	29
Total Inflation Swaps	**$13,225**	**$20,480**		**($70)**	**$281**

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Total Return Swaps

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset (income and capital gains). The underlying asset, or reference asset, is owned by the party receiving the set rate payment.

	Notional Amount			Fair Value	
Counterparty/Moody's Rating	June 30, 2026	June 30, 2025	Expiration Date Range	June 30, 2026	June 30, 2025
Bank of America/Aa2 (1 contract)	$ -	$26,255	2025	$ -	($1,192)
JP Morgan Chase/Aa2 (2 contracts)	-	10,680	2025	-	139
Total – Total Return Swaps	**$ -**	**$36,935**		**$ -**	**($1,053)**

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Forwards

A forward is a commitment to purchase or sell a specified asset at a future date at a price agreed at the trade date. Forwards are negotiated directly with a counterparty (over the counter) rather than traded on an organized exchange, and the SIB is therefore exposed to counterparty credit risk on open positions. The SIB, through its investment managers, holds two types of forwards: currency forwards, entered into to manage exposure to changes in currency exchange rates on currency denominated portfolio holdings, and bond forwards.

Gains and losses on forwards are determined based on fair values and are included in the net change in fair value of investments in the statements of changes in net position and totaled $3.5 million and ($8.9) million for fiscal years 2026 and 2025, respectively.

The two types of forwards are presented differently below. Currency forwards are presented by currency, reflecting positions held across multiple counterparties. Bond forwards are presented by counterparty and contract.

Currency Forwards

A forward exchange contract is a commitment to purchase (positive) or sell (negative) a currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net change in fair value of investments in the statements of changes in net position and totaled $3.5 million and ($8.9) million for fiscal years 2026 and 2025, respectively. At June 30, 2026 and 2025, the SIB's investment portfolio included the currency forwards balances shown below (expressed in thousands).

					Fair Value	
	Currency	**Cost**	**Purchases**	**Sales**	**June 30, 2026**	**June 30, 2025**
AUD	Australian Dollar	($16,941)	$5,234	($22,176)	($16,675)	($2,140)
BRL	Brazilian Real	5,189	17,877	(12,688)	4,547	(11,404)
GBP	British Pound Sterling	(12,361)	13,624	(25,985)	(12,201)	(13,190)
CAD	Canadian Dollar	(17,893)	16,726	(34,619)	(17,401)	(14,351)
CLP	Chilean Peso	-	-	-	-	(277)
CNH	Chinese Offshore Yuan	(1,457)	1,958	(3,415)	(1,453)	(3,342)
CNY	Chinese Yuan	-	-	-	-	280
COP	Colombian Peso	(7,745)	3,635	(11,380)	(8,611)	-
DKK	Danish Krone	-	-	-	-	(48)
EUR	Euro	(67,506)	66,354	(133,860)	(66,321)	(83,728)
IDR	Indonesian Rupiah	(184)	8,228	(8,412)	(188)	1,146
INR	Indian Rupee	9,100	11,203	(2,103)	9,126	2,992
JPY	Japanese Yen	(3,815)	5,763	(9,579)	(3,730)	(957)
MXN	Mexican Peso	9,769	14,911	(5,142)	9,621	3,845
ILS	New Israeli Shekel	(5,659)	998	(6,657)	(5,541)	(1,229)
NZD	New Zealand Dollar	(10,462)	696	(11,158)	(10,269)	-
NOK	Norwegian Krone	271	426	(155)	257	-
PEN	Peruvian Sol	(10,153)	884	(11,037)	(10,278)	(6,987)
PLN	Polish Zloty	3,843	4,020	(177)	3,735	2,045
SGD	Singapore Dollar	(10,178)	10,042	(20,220)	(10,039)	(6,334)
ZAR	South African Rand	(7,546)	-	(7,546)	(7,502)	(3,218)
KRW	South Korean Won	2,286	3,116	(830)	2,172	(1,675)
SEK	Swedish Krona	508	716	(208)	492	-
CHF	Swiss Franc	(5,849)	5,696	(11,544)	(5,707)	-
THB	Thai Baht	(4,334)	423	(4,757)	(4,277)	(901)
TWD	New Taiwan Dollar	4	294	(290)	3	(5,216)
TRY	Turkish Lira	8,611	8,611	-	8,682	9,421
USD	United States Dollar	142,501	343,938	(201,438)	142,501	131,040
	Total Forwards Subject to Currency Risk				**$943**	**($4,228)**

Bond Forwards

A bond forward is a commitment to purchase (positive) or sell (negative) a specified debt security at a future date at a price agreed at the trade date. The SIB, through its investment managers, uses bond forwards to obtain or modify exposure to a debt security without transacting in the underlying.

Bond forwards are carried at fair value, determined using the quoted price of the underlying security adjusted for the financing cost at the settlement date. The gain or loss is included in the net change in fair value of investments in the statements of changes in net position and totaled $88 thousand for the year ended June 30, 2026. At June 30, 2026, the SIB's investment portfolio included the bond forward balance shown below, presented by counterparty and contract, with counterparty credit ratings (expressed in thousands).

	Notional Value			Fair Value	
Counterparty/Moody's Rating	June 30, 2026	June 30, 2025	Settlement Date	June 30, 2026	June 30, 2025
JP Morgan Chase/Aa2 (1 contract)	$5,490	$ -	11/4/2026	$88	$ -

Derivative Interest Rate Risk

Derivative interest rate risk is the risk that changes in interest rates will adversely affect the value of an interest rate-based derivative investment. The SIB does not have a formal investment policy regarding such derivative investments. At June 30, 2026 and 2025, the tables below show the SIB's derivative investments subject to interest rate risk (expressed in thousands).

2026	Total Notional Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 years	5-10 years	Greater than 10 Years
Futures-Interest Rate Contracts	$940,966	$575,381	$365,585	$ -	$ -	$ -	$ -
Futures-Commodity Contracts	-	-	-	-	-	-	-
Total	**$940,966**	**$575,381**	**$365,585**	**$ -**	**$ -**	**$ -**	**$ -**

	Total Fair Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 years	5-10 years	Greater than 10 Years
Options - Interest Rate Contracts	$1	($5)	$ -	$6	$ -	$ -	$ -
Options on Futures	(44)	(44)	-	-	-	-	-
Options - Foreign Exchange Contracts	-	-	-	-	-	-	-
Options - Credit Contracts	-	-	-	-	-	-	-
Forwards - Bond Forwards	88	88	-	-	-	-	-
Swaps - Interest Rate Contracts	8,664	(4)	(9)	(16)	886	514	7,293
Swaps - Credit Contracts	5,916	1	14	9	5,892	-	-
Total	**$14,625**	**$36**	**$5**	**($1)**	**$6,778**	**$514**	**$7,293**

2025	Total Notional Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 years	5-10 years	Greater than 10 Years
Futures-Interest Rate Contracts	$466,920	$229,206	$237,714	$ -	$ -	$ -	$ -
Futures-Commodity Contracts	-	-	-	-	-	-	-
Total	**$466,920**	**$229,206**	**$237,714**	**$ -**	**$ -**	**$ -**	**$ -**

	Total Fair Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 years	5-10 years	Greater than 10 Years
Options - Interest Rate Contracts	($175)	($175)	$ -	$ -	$ -	$ -	$ -
Options on Futures	(27)	(27)	-	-	-	-	-
Options - Foreign Exchange Contracts	92	-	92	-	-	-	-
Options - Credit Contracts	(3)	(3)	-	-	-	-	-
Forwards - Bond Forwards	-	-	-	-	-	-	-
Swaps - Interest Rate Contracts	6,012	(32)	(1,053)	(89)	(508)	(310)	8,004
Swaps - Credit Contracts	4,305	-	5	17	4,283	-	-
Total	**$10,204**	**($237)**	**($956)**	**($72)**	**$3,775**	**($310)**	**$8,004**

Fair Value Measurement

The SIB categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The following tables show the fair value leveling of the SIB's investment portfolio at June 30, 2026 and 2025 (expressed in thousands).

		Fair Value Measures Using		
2026	**Fair Value 6/30/26**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Short Term Securities				
Commercial Paper	$12,886	$ -	$12,886	$ -
Short Term Bills and Notes	-	-	-	-
Total Short Term Securities	12,886	-	12,886	-
Fixed Income Investments				
Asset Backed Securities	$980,086	$ -	$980,086	$ -
Bank Loans	7,398	-	7,398	-
Commercial Mortgage-Backed	181,384	-	181,384	-
Corporate Bonds	2,612,046	-	2,612,046	-
Corporate Convertible Bonds	3,085	-	3,085	-
Forwards	88	-	88	-
Funds - Fixed Income ETF	720,765	720,765	-	-
Government Agencies	45,958	-	45,958	-
Government Bonds	1,777,696	-	1,777,696	-
Government Mortgage-Backed Securities	928,898	-	928,898	-
Gov't-issued Commercial Mortgage-Backed	3,281	-	3,281	-
Index Linked Government Bonds	222,625	-	222,625	-
Municipal/Provincial Bonds	24,603	-	24,603	-
Non-Government Backed C.M.O.s	92,097	-	92,097	-
Sukuk	-	-	-	-
Total Fixed Income Investments	7,600,011	720,765	6,879,246	-
Equity Investments				
Common Stock	$8,611,508	$8,607,459	$ -	$4,049
Funds - Equities ETF	150,223	150,223	-	-
Preferred Stock	6,227	6,227	-	-
Stapled Securities	-	-	-	-
Total Equity Investments	8,767,958	8,763,909	-	4,049
Derivative Investments				
Exchange Cleared Swaps	$11,912	$ -	$11,912	$ -
Options	(43)	(13)	(30)	-
Swaps	2,668	-	2,668	-
Total Derivative Investments	14,537	(13)	14,550	-
Total Investments by Fair Value Level	**$16,395,392**	**$9,484,661**	**$6,906,682**	**$4,049**

2026

Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Funds-Debt	$695,819	$ -	Daily, monthly	1-15 days
Commingled Funds-Equities	3,916,426	-	Daily, monthly	1-15 days
Distressed Debt	263,707	-	Quarterly, Not eligible	60 days
Long/Short	517,566	-	Monthly	15 days
Private Credit	1,089,898	352,664	Not eligible	Not eligible
Private Equity	2,991,092	677,704	Not eligible	Not eligible
Real Assets	2,567,416	296,927	Quarterly, Not eligible	30-90 days
Total Investments Measured at the NAV	12,041,925	1,327,296		
Investments at Other Than Fair Value				
Cash and Adjustments to Cash	$162,124			
Bank Certificates of Deposit	271,900			
Other Miscellaneous Securities	135,414			
Repurchase Agreements	-			
Total Investments at Other Than Fair Value	569,438			
Total Investments	**$29,006,756**			

		Fair Value Measures Using		
2025	**Fair Value 6/30/25**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Short Term Securities				
Commercial Paper	$109,006	$ -	$109,006	$ -
Short Term Bills and Notes	-	-	-	-
Total Short Term Securities	109,006	-	109,006	-
Fixed Income Investments				
Asset Backed Securities	$509,185	$ -	$509,185	$ -
Bank Loans	7,824	-	7,824	-
Collateralized Bonds	-	-	-	-
Commercial Mortgage-Backed	268,588	-	268,588	-
Corporate Bonds	2,919,619	-	2,919,619	
Corporate Convertible Bonds	7,511	-	7,511	-
Funds - Fixed Income ETF	37,652	37,652	-	-
Government Agencies	57,974	-	57,974	-
Government Bonds	787,685	-	787,685	-
Government Mortgage-Backed Securities	1,198,163	-	1,198,163	-
Gov't-issued Commercial Mortgage-Backed	10,618	-	10,618	-
Index Linked Government Bonds	218,449	-	218,449	-
Municipal/Provincial Bonds	32,225	-	32,225	-
Non-Government Backed C.M.O.s	111,965	-	110,056	1,910
Sukuk	2,588	-	2,588	-
Total Fixed Income Investments	6,170,046	37,652	6,130,485	1,910
Equity Investments				
Common Stock	$3,942,864	$3,939,372	$ -	$3,492
Convertible Equity	-	-	-	-
Funds - Equities ETF	12,713	12,713	-	-
Preferred Stock	621	601	-	19
Stapled Securities	-	-	-	-
Total Equity Investments	3,956,198	3,952,687	-	3,511
Derivative Investments				
Exchange Cleared Swaps	$9,717	$ -	$9,717	$ -
Options	(113)	(27)	(86)	-
Swaps	883	-	883	-
Total Derivative Investments	10,487	(27)	10,514	-
Total Investments by Fair Value Level	**$10,245,737**	**$3,990,311**	**$6,250,005**	**$5,420**

2025

Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Funds-Debt	$1,782,041	$ -	Daily, monthly	1-15 days
Commingled Funds-Equities	5,832,662	-	Daily, monthly	1-15 days
Distressed Debt	253,548	-	Quarterly, Not eligible	60 days
Long/Short	436,995	-	Monthly	15 days
Mezzanine Debt	-	-	Not eligible	Not eligible
Private Credit	626,431	269,143	Not eligible	Not eligible
Private Equity	3,060,776	872,053	Not eligible	Not eligible
Real Assets	2,586,888	564,734	Quarterly, Not eligible	30-90 days
Total Investments Measured at the NAV	14,579,341	1,705,930		
Investments at Other Than Fair Value				
Cash and Adjustments to Cash	$355,710			
Bank Certificates of Deposit	292,519			
Other Miscellaneous Securities	72,711			
Repurchase Agreements	-			
Total Investments at Other Than Fair Value	720,940			
Total Investments	**$25,546,018**			

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share (or its equivalent) have been classified separately in the tables above and include investments considered to be *alternative investments* as defined by the AICPA. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ). These types of investments can be held within any of the asset classes used by the SIB based on underlying portfolio holdings and analysis of risk and return relationships. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts and mutual funds. Some are closed-ended with a specific life and capital commitment while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination upon proper notice.

Commingled/Mutual Funds - These types of funds are open-ended funds and may be utilized in equity or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded stocks or bonds). The SIB owns units of these funds rather than the individual securities. Contributions or withdrawals from these funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to fifteen days. Because they are liquid funds, there are no unfunded commitments for these types of investments.

Distressed Debt - these include investments in the debt instruments of companies which may be publicly traded or privately held that are financially distressed and are either in bankruptcy or likely candidates for bankruptcy. Typical holdings are senior and subordinated debt instruments, mortgages and bank loans. The SIB is including these types of investments in its global fixed income allocations.

As of June 30, 2026 and June 30, 2025, all unfunded commitments in the SIB distressed debt portfolios had been released. One of the funds in this category is not eligible for redemptions, while the other fund is eligible for redemptions with quarterly liquidity and 60 days' notice.

Equity Long/Short - This strategy is a combination of long and short positions, primarily in publicly traded equities. The SIB utilizes this strategy, through a limited partnership structure, within its global equity allocations. This is an open-ended fund with monthly liquidity with a notice period of 15 days. There was no unfunded commitment as of June 30, 2026 and 2025.

Private Credit - These investments include loans to private companies, privately placed debt of public companies, or loans backed by real assets. Loan repayment can be derived from either cash flows from an operating company or cash flows generated by a physical or esoteric asset. Private debt is typically secured and has various protections/covenants in place. The debt is customized to the borrower's requirement, thus rendering it illiquid. The SIB includes these strategies within its global fixed income allocation through limited partnership-type structures. Private credit issuers may be investment grade but are typically below-investment grade and similar in some respect to the syndicated bank loan and high yield markets. The SIB participates in two senior private credit funds, commonly referred to as direct lenders, which are structured as custom managed accounts and are not eligible for redemptions during their investment lives. Due to the perpetual nature of the funds, the remaining investment lives fluctuate based on timing of new commitments, and the unfunded commitments totaled $352.7 million and $269.1 million as of June 30, 2026 and 2025, respectively.

Private Equity - Private Equity investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Equity investments are illiquid and long term in nature (10-12 years), typically held until maturity. Private Equity portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, Private Equity investments are made across business cycles, vintage years, and different strategies. The SIB has a dedicated sub-asset class for private equity investments within its global equity allocation in the pension pool and Legacy Fund. The SIB does not have the option to request redemptions from its private equity funds. The General Partner distributes earnings and proceeds from the sale of the underlying investments as transactions occur. The SIB has $677.7 million and $872.1 million in unfunded private equity commitments as of June 30, 2026 and 2025, respectively.

Venture Capital - these include investments in companies in a range of stages of development from start-up/seed stage, early stage, and later/expansion stage. Investments are typically made in years one through six and returns typically occur in years four through ten.

Buyouts - these include investments in funds that seek out and purchase underperforming or undervalued companies in order to improve them and sell them or take them public many years later. These funds are also often involved in management buyouts, which are buyouts conducted by the management of the company being purchased, and they often play key roles in leveraged buyouts, which are buyouts that are funded with borrowed money.

Real Assets - These investments are intended to provide allocations to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments are generally structured as limited partnerships or limited liability companies. Investments in Real Assets include:

Real Estate - includes investments in private vehicles through limited partnerships or commingled

vehicles that have an ownership interest in direct real estate properties. The investment strategies may include “value added” strategies, which derive their return from both income and appreciation, “opportunistic”, which derive their return primarily through appreciation, and “alternative” which invest in less traditional types of property. Both domestic and international real estate funds are utilized. The SIB has a dedicated sub-asset class for these types of investments within global real assets. There are currently 11 real estate funds in the portfolio. Five of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. There were no unfunded commitments in the open-ended funds as of June 30, 2026 and 2025. The remaining six funds are closed-ended limited partnerships that are not eligible for redemptions. Those six funds have a combined unfunded commitment of $176.8 million and $241.4 million as of June 30, 2026 and 2025, respectively.

Timberland - includes investments in limited liability companies that have an ownership interest in properties where the value of the property is derived mainly from income-producing timber but also from the “higher and better use” value of the underlying land. The SIB includes these assets within its global real assets allocations. There are three funds in the portfolio, and they have no unfunded commitments. The funds are not eligible for redemption other than distributions of income and/or proceeds as determined by the investment manager. The funds have remaining lives of 1-4 years.

Infrastructure - includes investments in limited partnerships that have an ownership interest in transportation assets such as toll roads, tunnels and bridges; and regulated assets such as electricity transmission, gas and oil distribution and wastewater collection. Other possible investments would include communication assets and social infrastructure. The SIB includes these assets within its global real assets allocations. The infrastructure investments in the portfolio as of June 30, 2026 and 2025, include both open and closed-ended funds. The three open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days’ notice. There may be a 3-12 month queue for receiving redemptions. The 17 closed-ended funds have unfunded commitments of $120.2 million and $323.3 million at June 30, 2026 and 2025, respectively, and are not eligible for redemptions.

Securities Lending

State statutes permit and the SIB has authorized the use of securities lending – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Northern Trust is the securities lending agent for the SIB. Securities are loaned versus collateral that may include cash, US government securities and irrevocable letters of credit. US securities are loaned versus collateral valued at 102% of the fair value of the securities plus any accrued interest. Non-US securities are loaned versus collateral valued at 105% of the fair value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of SIB loans was approximately 42 and 58 days as of June 30, 2026 and 2025, respectively. Cash open collateral is invested in a short-term investment pool, which had an interest sensitivity of 1 day as of both June 30, 2026 and 2025. This pool is valued based on amortized cost. There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending

of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

For securities loaned at fiscal year end, the SIB has no credit risk exposure to borrowers because the amounts the SIB owes the borrowers exceed the amounts the borrowers owe the SIB.

The following represents the balances relating to the securities lending transactions at June 30, 2026 and 2025 (expressed in thousands).

2026

	Securities Lent	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for Cash Collateral:			
US Agency Securities	$1,263	$ -	$1,292
US Government Securities	6,268	-	6,413
US Corporate Fixed Income Securities	191,142	-	196,100
Global Agency Securities	-	-	-
Global Government Securities	347	-	372
Global Corporate Fixed Income Securities	-	-	-
US Equities	165,330	-	169,500
Global Equities	-	-	-
Lent for Non-Cash Collateral:			
US Agency Securities	$1,512	$1,551	$ -
US Government Securities	175,046	179,206	-
US Corporate Fixed Income Securities	220,318	226,333	-
Global Agency Securities	315	349	-
US Equities	264,292	272,570	-
Global Equities	2,971	3,184	-
Global Corporate Fixed Income Securities	3,556	3,948	-
Total	**$1,032,360**	**$687,141**	**$373,677**

2025

	Securities Lent	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for Cash Collateral:			
US Agency Securities	$2,070	$ -	$2,110
US Government Securities	11	-	11
US Corporate Fixed Income Securities	220,593	-	225,467
Global Agency Securities	824	-	888
Global Government Securities	208	-	219
Global Corporate Fixed Income Securities	337	-	351
US Equities	38,063	-	38,812
Global Equities	-	-	-
Lent for Non-Cash Collateral:			
US Agency Securities	$1,394	$1,427	$ -
US Government Securities	8,557	8,771	-
US Corporate Fixed Income Securities	219,682	225,147	-
US Equities	123,738	126,552	-
Global Equities	5,843	6,253	-
Global Corporate Fixed Income Securities	554	616	-
Total	**$621,874**	**$368,766**	**$267,858**

Note 4 - Capital Assets

	June 30, 2024	Additions	Retirements	June 30, 2025	Additions	Retirements	June 30, 2026
Office Equipment	$16,879	$ -	$ -	$16,879	$ -	$ -	$16,879
Less Accumulated Depreciation on Office Equipment	(16,879)	-	-	(16,879)	-	-	(16,879)
Software	6,219,316	2,577,807	-	8,797,123	-	-	8,797,123
Less Accumulated Depreciation on Software	(1,213,500)	(505,574)	-	(1,719,074)	(1,516,725)	-	(3,235,799)
Capital Assets, Net	**$5,005,816**	**$2,072,233**	**$ -**	**$7,078,049**	**($1,516,725)**	**$ -**	**$5,561,324**

Note 5 - State Agency Transactions

Due To/From Other State Agencies and Other State Funds

Amounts due from/to other state agencies and other state funds are as follows as of June 30, 2026 and 2025:

Due To Other State Agencies	2026	2025
Information Technology Department	$50,306	$55,724
Health Department	-	-
Department of Transportation	-	15
Office of Attorney General	4,152	3,401
Office of Management and Budget	9,153	57
Total Due to Other State Agencies	$63,612	$59,197
Due From Other State Agencies		
Public Employees Retirement System	$3,163	$ -
Office of Management and Budget	-	3,177
Total Due from Other State Agencies	$3,163	$3,177
Due To Other State Funds		
Budget Stabilization Fund	$3,357,960	$32,022,977
General Fund	-	-
Total Due to Other State Funds	$3,357,960	$32,022,977

Due to other state agencies balances are a result of a time lag between the dates that services are provided, the payments are made, and the transactions are entered into the accounting system.

Note 6 - Changes in Noncurrent Liabilities

Changes in noncurrent liabilities are included in accrued expenses in the statements of net position. The changes for the years ended June 30, 2026 and 2025 are summarized as follows:

	Beginning Balance 7/1/2025	Additions	Reductions	Ending Balance 6/30/2026	Amounts Due Within One Year
Accrued Leave	$472,766	$45,982*	$ -	$518,748	$149,152

	Beginning Balance 7/1/2024	Additions	Reductions	Ending Balance 6/30/2025	Amounts Due Within One Year
Accrued Leave	$316,229	$156,537*	$ -	$472,766	$94,131

** The change in the compensated absences liability is presented as a net change.*

Pension and Investment Trust Funds liquidate the accrued annual leave.

Note 7 - North Dakota Teachers' Fund for Retirement

Administration

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Membership

As of June 30, 2026 and 2025, the number of participating employer units was 200 and 204, consisting of the following:

	June 30, 2026	June 30, 2025
Public School Districts	165	167
County Superintendents	3	3
Special Education Units	20	20
Vocational Education Units	5	5
Other	7	9
Total	200	204

TFFR's membership consisted of the following:

	2026	2025
Retirees and Beneficiaries Currently Receiving Benefits	9,727	9,664
Terminated Employees - Vested	2,425	2,308
Terminated Employees - Nonvested	2,114	1,954
Total	14,266	13,926
Current Employees		
Vested	8,746	8,612
Nonvested	3,207	3,400
Total	11,953	12,012

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible

teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of their contributions before reaching the age established by Congress for federal Required Minimum Distributions (RMDs). Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Investment Rate of Return

The annual money-weighted rate of return on TFFR pension plan investments, net of pension plan investment expense, was 14.52% and 11.32% for the years ended June 30, 2026 and 2025, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of TFFR at June 30, 2026 and 2025 (expressed in thousands), were as follows:

	June 30, 2026	June 30, 2025
Total Pension Liability	$5,083,635	$4,927,219
Plan Fiduciary Net Position	(4,093,080)	(3,648,749)
Net Pension Liability (NPL)	$990,555	$1,278,470
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.51%	74.05%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2026 and 2025, using the following actuarial assumptions:

Valuation Date	July 1, 2026	July 1, 2025
Inflation	2.40%	2.40%
Salary Increases	Composed of 3.40% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.	Composed of 3.40% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.
Cost-of-Living Adjustments	None	None
Investment Rate of Return	7.15% net of investment expenses, including inflation	7.15% net of investment expenses, including inflation

For the July 1, 2026 and 2025, valuations, the post-retirement healthy mortality table was 104% of the PubT-2010 Retiree table for retirees and 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2020. The disabled mortality table was the Pub-2010 General Disabled Retiree mortality table projected with generational improvement using Scale MP-2020.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

The long-term expected rate of return on TFFR investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TFFR target asset allocation as of July 1, 2026 and 2025 are summarized in the following tables:

2026

	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	55.0%	5.2%
Global Fixed Income	26.0%	3.1%
Global Real Assets	19.0%	3.8%
Cash Equivalents	0.0%	0.5%

2025	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	55.0%	5.4%
Global Fixed Income	26.0%	2.3%
Global Real Assets	18.0%	6.1%
Cash Equivalents	1.0%	1.2%

As part of the most recent asset/liability study, the total fund real rate of return was adjusted upward by 0.3% to reflect a longer investment time horizon than is assumed in the investment consultant's expected returns and to account for above benchmark returns achieved through active management. In order to estimate the nominal rate of return, the real rate of return was adjusted upward by 2.5% for expected inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% as of June 30, 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at rates equal to those based on the July 1, 2026 and 2025 Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, TFFR's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of July 1, 2026 and 2025. Therefore, the long-term expected rate of return on TFFR investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2026 and 2025.

Sensitivity of Net Pension Liability

The following presents the net pension liability of the TFFR employers calculated using the discount rate of 7.15% for June 30, 2026 and 2025, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

2026	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Employers' net pension liability	$1,612,092	$990,555	$476,625

2025	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Employers' net pension liability	$1,882,776	$1,278,470	$778,474

Note 8 - ND Public Employees Retirement System (NDPERS)

Permanent employees of RIO participate in the pension and other post-employment benefit (OPEB) plans of NDPERS, which is also an agency of the State of North Dakota financial reporting entity and is included in the State of North Dakota's Annual Comprehensive Financial Report. The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS pension (Main System) and OPEB plans are cost-sharing multiple-employer defined benefit plans that cover employees/retirees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS pension plan provides for pension, death and disability benefits. NDPERS OPEB plan provides a credit toward the monthly health insurance premium of members receiving retirement benefits from the PERS, HPRS and Judges retirement under Chapter 27-17 of the North Dakota Century Code. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the credit is expanded to also include any eligible health, prescription drug plan, dental, vision, and long-term care plan premium expense. The cost to administer the pension plan is financed through the contributions and investment earnings of the plan. The Retiree Health Insurance Credit Fund is advance funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Board consists of a Chairman, who is appointed by the Governor; three members appointed by the Governor; four members of the legislative assembly appointed by the chairman of the legislative management; and three members elected by the active membership of the NDPERS system.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit

if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Contributions

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 8.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 9.26% of covered compensation

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is $25 and the maximum may not exceed the following:

1 to 12 months of service – Greater of one percent of monthly salary or $25
13 to 24 months of service – Greater of two percent of monthly salary or $25
25 to 36 months of service – Greater of three percent of monthly salary or $25
Longer than 36 months of service – Greater of four percent of monthly salary or $25

OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased

annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to $5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

Pension & OPEB Liabilities, Pension & OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions & OPEB

At June 30, 2026 and 2025, RIO reported a liability of $3,307,618 and $4,399,786, respectively, for its proportionate share of the net pension and OPEB liability. These amounts are included in the accrued liabilities in the statements of net position. The net pension and OPEB liability were measured as of June 30, 2025 and 2024, and the total pension and OPEB liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation as of that date. RIO's proportion of the net pension liability was based on RIO's share of covered payroll in the pension and OPEB plans relative to the covered payroll of all participating NDPERS Main System and OPEB employers. At June 30, 2025, RIO's pension plan proportion was 0.203303 percent and as of June 30, 2024, was 0.228109 percent. RIO's OPEB plan proportion was 0.114425 percent as of June 30, 2025 and was 0.154314 percent as of June 30, 2024.

RIO recognized pension and OPEB income of $398,884 for the year ended June 30, 2026 and pension and OPEB expense of $594,185 for the year ended June 30, 2025. At June 30, 2026 and 2025, RIO reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Description	**2026**	**2025**	**2026**	**2025**
Differences Between Expected and Actual Experience	$175,023	$204,215	$1,094	$1,025
Changes in Assumptions	342,261	1,048,490	901,711	1,945,169
Net Differences Between Projected and Actual Earnings on Plan Investments	-	-	300,114	43,997
Changes in proportion and differences between employer contributions and proportionate share of contributions	638,245	1,059,589	415,064	8,466
Employer Contributions Subsequent to the Measurement Date	381,129	298,322	-	-
Total	**$1,536,658**	**$2,610,616**	**$1,617,983**	**$1,998,657**

Deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date in the amount of $381,129 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30	Amount
2027	$207,528
2028	(284,088)
2029	(261,938)
2030	(123,957)
Thereafter	-
Total	**($462,455)**

Actuarial assumptions

The total pension and OPEB liabilities in the July 1, 2025 and 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

2025 – Pension Plan

Inflation	2.40%
Salary Increase (Payroll Growth)	3.5% to 17.75%, including inflation
Investment Rate of Return	6.50%, net of investment expense
Cost-of-Living Adjustments	None

2024 – Pension Plan

Inflation	2.25%
Salary Increase (Payroll Growth)	3.5% to 17.75%, including inflation
Investment Rate of Return	6.50%, net of investment expense
Cost-of-Living Adjustments	None

For active members, inactive members and healthy retirees in both 2025 and 2024, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

2025 – OPEB Plan

Inflation	2.40%
Salary Increase (Payroll Growth)	Not applicable.
Investment Rate of Return	5.75%, net of investment expense
Cost-of-Living Adjustments	None

2024 – OPEB Plan

Inflation	2.25%
Salary Increase (Payroll Growth)	Not applicable.
Investment Rate of Return	5.75%, net of investment expense
Cost-of-Living Adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the sex-distinct Pub-2010 mortality tables for General Employees, adjusted as follows. For 2025, rates under the Healthy Retiree table were multiplied by 107% for males and 101% for females, rates under the Disabled Retiree table by 117% for males and 113% for females, and rates under the Employee table by 87% for males and 88% for females, with mortality rates projected from 2010 using the MP-2021 scale. For 2024, rates under the Healthy Retiree table were multiplied by 103% for males and 101% for females, rates under the Disabled Retiree table by 117% for males and 112% for females, and rates under the Employee table by 92% for both males and females, with mortality rates projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2025 and 2024 are summarized in the following tables:

Pension Plan – 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.9%	5.40%
International Equity	19.1%	7.00%
Private Equity	7.0%	8.50%
Domestic Fixed Income	23.0%	2.88%
Global Real Assets	19.0%	6.10%
Total	**100.0%**	

Pension Plan – 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58.0%	5.6%
Global Fixed Income	23.0%	2.9%
Global Real Assets	19.0%	6.1%
Total	**100.0%**	

RHIC (OPEB) – 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	37.0%	4.00%
Small Cap Domestic Equity	7.0%	6.00%
Domestic Fixed Income	27.0%	3.29%
International Equity	29.0%	7.00%
Total	**100.0%**	

RHIC (OPEB) – 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	33.0%	4.0%
Small Cap Domestic Equity	6.0%	6.0%
International Equity	26.0%	7.0%
Core-Plus Fixed Income	35.0%	3.3%
Total	**100.0%**	

Discount rate

For pension plans, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate (SDR) that reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For 2025, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 5.20% (based on the most recent date available on or before the measurement date of the “20-year Municipal GO Index” from Fidelity); and the resulting Single Discount Rate is 6.50%.

For 2024, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97% (based on the most recent date available on or before the measurement date of the “20-year Municipal GO Index” from Fidelity); and the resulting Single Discount Rate is 6.50%.

The discount rate used to measure the total OPEB liability for 2025 and 2024 was 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved

employer contributions will be made at rates equal to those based on the July 1, 2025 OPEB actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current OPEB members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability for both years.

Sensitivity of the Employer's proportionate share of the net pension and OPEB liability to changes in the discount rate

The following presents RIO's proportionate share of the net pension and OPEB liability calculated using the current discount rate, as well as what RIO's proportionate share of the net pension and OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2026	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
RIO's Net Pension Liability	$4,821,491	$3,232,355	$1,912,306

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RIO's Net OPEB Liability	111,220	75,263	44,947

2025	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
RIO's Net Pension Liability	$6,029,504	$4,266,450	$2,804,231

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RIO's Net OPEB Liability	182,237	133,336	92,149

Sensitivity for Healthcare Cost Trend Rates

The benefit provided by the North Dakota retiree health insurance credit fund is a fixed dollar subsidy and is not affected by the healthcare cost trend. Therefore, a sensitivity analysis was not performed.

Pension and OPEB plan fiduciary net position

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued NDPERS Annual Comprehensive Financial Report. This report can be accessed on the NDPERS website at https://www.ndpers.nd.gov/about/financial-actuarial-reports

Note 9 - Related Parties

As stated in Note 1, RIO is an agency of the State of North Dakota; as such, other agencies of the state are related parties.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years
(Dollars in Thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability										
Service Cost	$107,729	$107,903	$100,869	$96,101	$92,336	$87,088	$80,591	$77,756	$78,041	$75,476
Interest	345,852	338,717	325,552	318,879	311,929	300,698	306,791	296,876	287,375	276,412
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(6,086)	(38,086)	32,437	(55,450)	(8,505)	8,366	(20,732)	(23,495)	(27,939)	(10,749)
Changes of Assumptions	-	44,164	-	-	-	-	51,813	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(291,079)	(283,897)	(277,661)	(262,282)	(251,847)	(241,128)	(230,851)	(221,228)	(207,979)	(196,516)
Net Change in Total Pension Liability	156,416	168,801	181,197	97,248	143,913	155,024	187,612	129,909	129,498	144,623
Total Pension Liability - Beginning	4,927,219	4,758,418	4,577,221	4,479,973	4,336,060	4,181,036	3,993,424	3,863,515	3,734,017	3,589,394
Total Pension Liability - Ending (a)	$5,083,635	$4,927,219	$4,758,418	$4,577,221	$4,479,973	$4,336,060	$4,181,036	$3,993,424	$3,863,515	$3,734,017
Plan Fiduciary Net Position										
Contributions - Employer	$114,539	$110,989	$108,088	$102,308	$100,331	$98,264	$93,032	$89,445	$86,676	$86,059
Contributions - Member	105,539	102,186	99,610	94,284	92,462	90,557	85,735	82,429	79,878	79,309
Contributions - Purchased Service Credit	2,200	1,143	1,196	1,109	2,017	2,559	2,175	1,917	2,181	2,553
Contributions - Other	21	564	88	(10)	25	126	159	159	194	236
Net Investment Income	518,685	370,842	249,092	217,471	(198,881)	684,173	86,206	135,043	211,345	266,688
Benefit Payments, Including Refunds of Member Contributions	(291,079)	(283,897)	(277,661)	(262,282)	(251,847)	(241,128)	(230,851)	(221,228)	(207,979)	(196,516)
Administrative Expenses	(5,574)	(4,087)	(3,313)	(2,891)	(2,592)	(2,678)	(2,095)	(2,251)	(2,129)	(2,173)
Net Change in Plan Fiduciary Net Position	444,331	297,740	177,100	149,989	(258,485)	631,873	34,361	85,514	170,166	236,156
Plan Fiduciary Net Position - Beginning *	3,648,749	3,351,009	3,173,909	3,023,920	3,282,405	2,650,532	2,616,171	2,530,657	2,360,491	2,124,335
Plan Fiduciary Net Position - Ending (b)	$4,093,080	$3,648,749	$3,351,009	$3,173,909	$3,023,920	$3,282,405	$2,650,532	$2,616,171	$2,530,657	$2,360,491
Plan's Net Pension Liability - Ending (a) - (b)	$990,555	$1,278,470	$1,407,409	$1,403,312	$1,456,053	$1,053,655	$1,530,504	$1,377,253	$1,332,858	$1,373,526
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.5%	74.1%	70.4%	69.3%	67.5%	75.7%	63.4%	65.5%	65.5%	63.2%
Covered Payroll	898,344	870,522	847,923	802,413	786,912	770,700	729,661	701,528	679,809	674,971
Plan's Net Pension Liability as a Percentage of Covered Payroll	110.3%	146.9%	166.0%	174.9%	185.0%	136.7%	209.8%	196.3%	196.1%	203.5%

Notes to Schedule

Changes of assumptions:

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the investment return assumption from 7.75% to 7.25%, the inflation assumption was lowered from 2.75% to 2.3%, lower individual salary increases, and an updated mortality improvement scale.

In 2025, amounts reported as changes of assumptions resulted from the assumptions adopted by the Board in April 2025, first effective with the July 1, 2025 actuarial valuation, including a decrease in the investment return assumption from 7.25% to 7.15%, an increase in the inflation assumption from 2.30% to 2.40%, a decrease in wage inflation from 3.80% to 3.40%, and an updated mortality improvement scale.

Schedule of Employer Contributions
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years
(Dollars in Thousands)

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2026	$108,700	$114,539	($5,839)	$898,344	12.75%
2025	108,815	110,989	(2,174)	870,522	12.75%
2024	105,990	108,088	(2,098)	847,923	12.75%
2023	97,252	102,308	(5,056)	802,413	12.75%
2022	97,341	100,331	(2,990)	786,912	12.75%
2021	101,655	98,264	3,391	770,700	12.75%
2020	93,688	93,032	656	729,661	12.75%
2019	90,778	89,445	1,333	701,528	12.75%
2018	88,307	86,676	1,631	679,809	12.75%
2017	89,231	86,059	3,172	674,971	12.75%

Notes to Schedule

Valuation Date: Actuarially determined contributions for each fiscal year are based on the actuarial valuation as of the beginning of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years as of July 1, 2025
Asset valuation method	5-year smoothed market
Inflation	2.40%
Salary increases	Composed of 3.40% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.
Investment rate of return	7.15%
Retirement age	Experience-based tables of rates based on age and gender
Mortality	Post-retirement non-disabled: 104% of the Pub T-2010 Retiree Table and 95% of the Pub T-2010 Contingent Survivor Table with generational mortality improvement using Scale MP-2020. Disabled: Pub NS-2010 Retiree Table with generational mortality improvement using Scale MP-2020.

Schedule of Investment Returns
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years

ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSES

2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
14.52%	11.32%	8.02%	7.35%	(6.17%)	26.36%	3.37%	5.46%	9.15%	12.81%

Schedule of Employer's Share of Net Pension and OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*
(Dollars in Thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
RIO's Proportion of NDPERS Net Pension Liability (asset)	0.203303%	0.228109%	0.214521%	0.150263%	0.141582%	0.140747%	0.151523%	0.153507%	0.156317%	0.152969%
RIO's Proportion of NDPERS Net OPEB Liability (asset)	0.114425%	0.154314%	0.144851%	0.105029%	0.132262%	0.122537%	0.141245%	0.144121%	0.147503%	-
RIO's Proportionate Share of NDPERS Net Pension Liability (asset)	$3,232	$4,266	$4,137	$4,328	$1,476	$4,428	$1,776	$2,591	$2,513	$1,491
RIO's Proportionate Share of NDPERS Net OPEB Liability (asset)	75	133	145	126	74	103	113	114	117	-
RIO's Covered Payroll	$3,229	$2,977	$2,286	$1,605	$1,843	$1,631	$1,584	$1,567	$1,596	$1,507
RIO's Proportionate Share of NDPERS Net Pension Liability (asset) as a Percentage of its Covered Payroll	100.10%	143.31%	180.95%	269.64%	80.07%	271.49%	112.12%	165.35%	157.46%	98.94%
RIO's Proportionate Share of NDPERS Net OPEB Liability (asset) as a Percentage of its Covered Payroll	2.33%	4.48%	6.33%	7.85%	3.99%	6.32%	7.16%	7.28%	7.31%	-
NDPERS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.63%	68.02%	65.31%	54.47%	78.26%	48.91%	71.66%	62.80%	61.98%	70.46%
NDPERS Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.94%	68.35%	62.74%	56.28%	76.63%	63.38%	63.13%	61.89%	59.78%	-

**Complete data for this schedule is not available prior to 2018 for OPEB liability.*

Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Schedule of Employer Pension and OPEB Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years
(Dollars in Thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
RIO's Statutorily Required Pension Contributions	$362	$280	$244	$174	$119	$131	$116	$113	$112	$114
RIO's Statutorily Required OPEB Contributions	19	18	18	15	14	21	19	18	18	18
RIO's Pension Contributions in Relation to the Statutory Required Contribution	362	280	244	174	119	131	116	113	112	114
RIO's OPEB Contributions in Relation to the Statutory Required Contribution	19	18	18	15	14	21	19	18	18	18
Contribution Deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RIO's Covered Payroll	$4,737	$3,229	$2,977	$2,286	$1,605	$1,843	$1,631	$1,584	$1,567	$1,596
RIO's Pension Contributions as a Percentage of Covered Payroll	7.64%	8.68%	8.19%	7.62%	7.40%	7.12%	7.12%	7.12%	7.12%	7.12%
RIO's OPEB Contributions as a Percentage of Covered Payroll	0.41%	0.56%	0.61%	0.65%	0.86%	1.14%	1.14%	1.14%	1.14%	1.14%

Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds

	Pension Pool Participants					Insurance Pool Participants				
	Public Employees Retirement System	Bismarck City Employee Pension Plan	Bismarck City Police Pension Plan	City of Grand Forks Employee Pension Plan	City of Grand Forks Park District Pension Plan	Workforce Safety & Insurance	State Fire & Tornado	State Bonding	Petroleum Tank Release Comp. Fund	Insurance Regulatory Trust Fund
Assets:										
Investments										
Global Equities	$3,329,456,353	$90,716,292	$40,188,020	$34,943,765	$3,848,069	$497,307,109	$8,536,938	$ -	$ -	$3,702,349
Global Fixed Income	1,453,054,824	38,854,587	17,304,786	40,052,192	4,836,247	1,503,578,050	13,356,909	2,282,614	3,299,774	4,292,531
Global Real Assets	773,157,758	25,668,847	10,579,834	12,063,032	1,904,438	373,315,776	-	-	-	-
In-State Investments	-	-	-	-	-	-	-	-	-	-
Cash Equivalents	31,840,865	329,774	141,235	1,638,390	307,908	23,012,937	2,527,485	1,959,313	3,479,381	3,736,580
Total Investments	5,587,509,800	155,569,500	68,213,875	88,697,379	10,896,662	2,397,213,872	24,421,332	4,241,927	6,779,155	11,731,460
Invested Sec Lending Collateral	40,952,953	1,123,119	497,967	15,047,828	1,965,555	53,452,874	490,192	78,998	114,758	194,512
Investment Income Receivable	11,447,687	392,904	145,735	506,146	78,091	10,300,363	131,606	10,077	26,248	(23,843)
Operating Cash	150,081	-	-	-	-	86,789	1,626	741	1,047	1,298
Miscellaneous Receivable	26,968	-	-	-	-	12,190	124	22	35	11
Due from Other State Agencies	313	-	-	-	-	142	1	0	0	0
Total Assets	5,640,087,802	157,085,523	68,857,577	104,251,353	12,940,308	2,461,066,230	25,044,881	4,331,765	6,921,243	11,903,438
Deferred Outflows of Resources										
Related to Pensions	122,789	-	-	-	-	106,587	1,271	177	350	159
Liabilities:										
Investment Expenses Payable	3,014,030	106,040	47,771	36,755	6,800	1,177,859	14,436	2,341	3,090	7,509
Securities Lending Collateral	40,952,953	1,123,119	497,967	15,047,828	1,965,555	53,452,874	490,192	78,998	114,758	194,512
Accounts Payable	172,400	-	-	-	-	76,756	775	138	220	120
Accrued Expenses	468,508	-	-	-	-	305,986	3,830	559	1,091	219
Miscellaneous Payable	-	15,407	6,560	8,768	1,068	-	-	-	-	-
Due to Other State Funds	-	-	-	-	-	-	-	-	-	-
Due to Other State Agencies	7,308	-	-	-	-	3,309	34	6	10	5
Total Liabilities	44,615,199	1,244,566	552,298	15,093,351	1,973,423	55,016,784	509,267	82,042	119,169	202,365
Deferred Inflows of Resources										
Related to Pensions	195,562	-	-	-	-	127,446	1,331	213	359	226
Fiduciary Net Position Held in Trust for External Investment Pool Participants	$5,595,399,830	$155,840,957	$68,305,279	$89,158,002	$10,966,885	$2,406,028,587	$24,535,554	$4,249,687	$6,802,065	$11,701,006
Each Participant Unit is Valued at $1.00										
Participant Units Outstanding	5,595,399,830	155,840,957	68,305,279	89,158,002	10,966,885	2,406,028,587	24,535,554	4,249,687	6,802,065	11,701,006

North Dakota Retirement and Investment Office

Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds

June 30, 2026 (with Summarized Comparative Totals for 2025)

	Insurance Pool Participants											
	Cultural Endowment Fund	Risk Mgmt	Risk Mgmt Workers' Comp	ND Veterans' Cemetery Trust Fund	ND Ass'n. of Counties Fund	PERS Group Insurance	Budget Stabilization Fund	City of Bismarck Deferred Sick Leave	City of Fargo FargoDome Fund	State Board of Medicine	Lewis & Clark Interpretive Center Endowment	Arts Across the Prairie Maintenance Endowment
Assets:												
Investments												
Global Equities	$410,391	$1,569,404	$1,125,746	$319,199	$ -	$ -	$ -	$307,363	$25,313,683	$1,669,539	$392,196	$1,028,376
Global Fixed Income	277,913	3,339,291	1,815,067	223,015	-	57,113,498	929,226,664	662,069	19,596,697	4,092,184	718,313	438,550
Global Real Assets	30,462	-	-	80,899	-	-	-	-	5,030,673	298,768	-	-
In-State Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash Equivalents	22,768	270,019	90,997	3,344	-	2,132,152	11,155,610	52,712	532,352	712,346	12,084	2,928
Total Investments	741,534	5,178,714	3,031,810	626,457	-	59,245,650	940,382,274	1,022,144	50,473,405	6,772,837	1,122,593	1,469,854
Invested Sec Lending Collateral	10,760	123,198	68,586	8,882	-	1,204,803	19,621,634	23,856	1,055,504	146,784	26,931	18,624
Investment Income Receivable	(499)	52,620	10,236	(189)	-	447,843	7,511,973	2,335	64,640	643	1,361	(146)
Operating Cash	594	1,331	1,108	-	-	-	47,433	-	-	-	-	3,678
Miscellaneous Receivable	4	27	16	-	-	-	5,083	-	-	-	-	7
Due from Other State Agencies	-	0	0	-	-	-	59	-	-	-	-	-
Total Assets	752,393	5,355,890	3,111,756	635,150	-	60,898,296	967,568,456	1,048,335	51,593,549	6,920,264	1,150,885	1,492,017
Deferred Outflows of Resources												
Related to Pensions	23	254	253	-	-	-	6,002	-	-	-	-	(15)
Liabilities:												
Investment Expenses Payable	2,836	4,952	3,720	3,015	-	32,478	427,359	3,103	37,445	6,383	2,992	2,807
Securities Lending Collateral	10,760	123,198	68,586	8,882	-	1,204,803	19,621,634	23,856	1,055,504	146,784	26,931	18,624
Accounts Payable	23	163	94	-	-	-	31,981	-	-	-	-	44
Accrued Expenses	73	822	751	-	-	-	61,944	-	-	-	-	94
Miscellaneous Payable	-	-	-	194	-	6,964	-	250	5,150	619	250	-
Due to Other State Funds	-	-	-	-	-	-	3,357,960	-	-	-	-	-
Due to Other State Agencies	1	7	4	-	-	-	1,387	-	-	-	-	2
Total Liabilities	13,693	129,142	73,155	12,091	-	1,244,245	23,502,265	27,209	1,098,099	153,786	30,173	21,571
Deferred Inflows of Resources												
Related to Pensions	30	275	212	-	-	-	40,910	-	-	-	-	(49)
Fiduciary Net Position Held in Trust for External Investment Pool Participants	$738,693	$5,226,727	$3,038,642	$623,059	$ -	$59,654,051	$944,031,283	$1,021,126	$50,495,450	$6,766,478	$1,120,712	$1,470,480
Each Participant Unit is Valued at $1.00												
Participant Units Outstanding	738,693	5,226,727	3,038,642	623,059	-	59,654,051	944,031,283	1,021,126	50,495,450	6,766,478	1,120,712	1,470,480

North Dakota Retirement and Investment Office
Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds
June 30, 2026 (with Summarized Comparative Totals for 2025)

	Insurance Pool Participants						Individual Investment Accounts		Totals	
	Attorney General Settlement Fund	ND University System Capital Building Fund	Water Project Stabilization Fund	OPIOID Settlement Fund	ND State Historical Society	Legacy Fund	Job Service of North Dakota	PERS Retiree Health Credit Fund	2026	2025
Assets:										
Investments										
Global Equities	$ -	$ -	$ -	$ -	$ -	$8,893,685,834	$10,870,450	$153,460,714	$13,098,851,790	$10,717,837,710
Global Fixed Income	-	-	-	17,684,991	914,797	4,423,107,344	73,279,463	82,134,905	8,695,537,275	7,580,944,688
Global Real Assets	-	-	-	-	-	1,150,517,838	-	-	2,352,648,325	2,209,095,781
In-State Investments	-	-	-	-	-	523,058,393	-	-	523,058,393	468,022,144
Cash Equivalents	-	-	149,838,559	20,834	2,435	87,501,968	25,518	21,453	321,371,947	1,001,248,211
Total Investments	-	-	149,838,559	17,705,825	917,232	15,077,871,377	84,175,431	235,617,072	24,991,467,730	21,977,148,534
Invested Sec Lending Collateral	-	-	-	370,898	-	208,698,661	-	-	345,297,877	229,677,672
Investment Income Receivable	-	-	625,139	22,477	249	32,322,458	78	1,472	64,077,704	72,057,507
Operating Cash	-	-	18,888	3,694	-	283,836	-	-	602,144	1,141,527
Miscellaneous Receivable	-	-	774	91	-	71,006	-	-	116,356	66,331
Due from Other State Agencies	-	-	9	1	-	828	-	-	1,355	2,717
Total Assets	-	-	150,483,369	18,102,986	917,481	15,319,248,166	84,175,509	235,618,544	25,401,563,166	22,280,094,288
Deferred Outflows of Resources										
Related to Pensions	-	-	(10,544)	(1,188)	-	138,629	-	-	364,747	1,081,288
Liabilities:										
Investment Expenses Payable	(89)	-	8,336	8,554	716	5,528,961	67,962	170,544	10,728,705	12,639,752
Securities Lending Collateral	-	-	-	370,898	-	208,698,661	-	-	345,297,877	229,677,672
Accounts Payable	-	-	4,875	573	-	460,844	-	-	749,007	672,179
Accrued Expenses	-	-	(71)	(17)	-	903,952	-	-	1,747,741	2,392,335
Miscellaneous Payable	89	-	-	-	250	-	9,762	22,223	77,554	77,554
Due to Other State Funds	-	-	-	-	-	-	-	-	3,357,960	32,022,977
Due to Other State Agencies	-	-	211	25	-	19,362	-	-	31,670	25,073
Total Liabilities	-	-	13,351	380,033	966	215,611,780	77,724	192,767	361,990,514	277,507,542
Deferred Inflows of Resources										
Related to Pensions	-	-	(7,757)	(868)	-	300,703	-	-	658,593	923,264
Fiduciary Net Position Held in Trust for External Investment Pool Participants	$ -	$ -	$150,467,231	$17,722,633	$916,515	$15,103,474,312	$84,097,785	$235,425,777	$25,039,278,806	$22,002,744,770
Each Participant Unit is Valued at $1.00										
Participant Units Outstanding	-	-	150,467,231	17,722,633	916,515	15,103,474,312	84,097,785	235,425,777	25,039,278,806	22,002,744,770

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Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds

	Pension Pool Participants					Insurance Pool Participants				
	Public Employees Retirement System	Bismarck City Employee Pension Plan	Bismarck City Police Pension Plan	City of Grand Forks Employee Pension Plan	City of Grand Forks Park District Pension Plan	Workforce Safety & Insurance	State Fire & Tornado	State Bonding	Petroleum Tank Release Comp. Fund	Insurance Regulatory Trust Fund
Additions:										
Investment Income:										
Net Change in Fair Value of Investments	$695,211,979	$16,889,478	$7,838,549	$11,333,879	$1,294,188	$131,170,703	$1,866,471	$19,293	$28,339	$341,880
Interest, Dividends and Other Income	87,392,088	2,914,900	1,186,303	1,738,254	253,523	66,097,088	593,043	155,499	249,033	119,051
	782,604,067	19,804,378	9,024,852	13,072,133	1,547,711	197,267,791	2,459,514	174,792	277,372	460,931
Less Investment Expenses	9,576,919	332,155	149,396	156,034	27,370	3,697,871	35,375	5,152	6,689	14,304
Net Investment Income	773,027,148	19,472,223	8,875,456	12,916,099	1,520,341	193,569,920	2,424,139	169,640	270,683	446,627
Securities Lending Activity:										
Securities Lending Income	577,396	18,407	7,725	11,330	1,971	277,248	2,446	401	584	351
Less Securities Lending Expenses	(114,008)	(3,611)	(1,521)	(2,242)	(391)	(55,407)	(489)	(79)	(116)	(69)
Net Securities Lending Income	463,388	14,796	6,204	9,088	1,580	221,841	1,957	322	468	282
Purchase of Units ($1 per unit)	40,000,000	-	-	3,255,514	456,066	2,000,000	3,750,000	-	-	10,851,000
Total Additions	813,490,536	19,487,019	8,881,660	16,180,701	1,977,987	195,791,761	6,176,096	169,962	271,151	11,297,909
Deductions:										
Administrative Expenses	1,745,809	-	-	-	-	765,464	7,310	1,408	2,191	1,034
Redemption of Units ($1 per unit)	80,100,000	3,900,000	500,000	8,738,444	717,596	56,000,000	1,000,000	-	-	3,000,000
Total Deductions	81,845,809	3,900,000	500,000	8,738,444	717,596	56,765,464	1,007,310	1,408	2,191	3,001,034
Change in Fiduciary Net Position	731,644,727	15,587,019	8,381,660	7,442,257	1,260,391	139,026,297	5,168,786	168,554	268,960	8,296,875
Fiduciary Net Position:										
Beginning of Year	4,863,755,103	140,253,938	59,923,619	81,715,745	9,706,494	2,267,002,290	19,366,768	4,081,133	6,533,105	3,404,131
End of Year	$5,595,399,830	$155,840,957	$68,305,279	$89,158,002	$10,966,885	$2,406,028,587	$24,535,554	$4,249,687	$6,802,065	$11,701,006

North Dakota Retirement and Investment Office

Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds

Year Ended June 30, 2026 (with Summarized Comparative Totals for 2025)

	Insurance Pool Participants											
	Cultural Endowment Fund	Risk Mgmt	Risk Mgmt Workers' Comp	ND Veterans' Cemetery Trust Fund	ND Ass'n. of Counties Fund	PERS Group Insurance	Budget Stabilization Fund	City of Bismarck Deferred Sick Leave	City of Fargo FargoDome Fund	State Board of Medicine	Lewis & Clark Interpretive Center Endowment	Arts Across the Prairie Maintenance Endowment
Additions:												
Investment Income:												
Net Change in Fair Value of Investments	$88,318	$345,151	$269,965	$68,355	$ -	$119,790	$1,867,667	$77,432	$6,591,930	$366,185	$90,410	$226,870
Interest, Dividends and Other Income	14,644	138,945	88,611	11,695	(1)	2,809,473	40,310,356	27,786	986,512	164,113	29,560	23,501
	102,962	484,096	358,576	80,050	(1)	2,929,263	42,178,023	105,218	7,578,442	530,298	119,970	250,371
Less Investment Expenses	8,364	12,191	10,062	8,991	-	92,240	1,201,608	9,001	113,876	18,487	8,577	8,073
Net Investment Income	94,598	471,905	348,514	71,059	(1)	2,837,023	40,976,415	96,217	7,464,566	511,811	111,393	242,298
Securities Lending Activity:												
Securities Lending Income	73	688	439	49	-	8,284	137,900	133	6,789	733	139	106
Less Securities Lending Expenses	(16)	(137)	(88)	(9)	-	(1,657)	(27,568)	(27)	(1,356)	(147)	(29)	(20)
Net Securities Lending Income	57	551	351	40	-	6,627	110,332	106	5,433	586	110	86
Purchase of Units ($1 per unit)	-	750,000	-	-	-	224,875,000	-	-	-	854,000	-	-
Total Additions	94,655	1,222,456	348,865	71,099	(1)	227,718,650	41,086,747	96,323	7,469,999	1,366,397	111,503	242,384
Deductions:												
Administrative Expenses	988	1,623	1,158	-	-	-	319,564	-	-	-	-	984
Redemption of Units ($1 per unit)	10,000	700,000	500,000	-	580	227,850,000	45,117,239	-	4,000,000	-	-	156,250
Total Deductions	10,988	701,623	501,158	-	580	227,850,000	45,436,803	-	4,000,000	-	-	157,234
Change in Fiduciary Net Position	83,667	520,833	(152,293)	71,099	(581)	(131,350)	(4,350,056)	96,323	3,469,999	1,366,397	111,503	85,150
Fiduciary Net Position:												
Beginning of Year	655,026	4,705,894	3,190,935	551,960	581	59,785,401	948,381,339	924,803	47,025,451	5,400,081	1,009,209	1,385,330
End of Year	$738,693	$5,226,727	$3,038,642	$623,059	$ -	$59,654,051	$944,031,283	$1,021,126	$50,495,450	$6,766,478	$1,120,712	$1,470,480

North Dakota Retirement and Investment Office

Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds

Year Ended June 30, 2026 (with Summarized Comparative Totals for 2025)

	Insurance Pool Participants						Individual Investment Accounts		Totals	
	Attorney General Settlement Fund	ND University System Capital Building Fund	Water Project Stabilization Fund	OPIOID Settlement Fund	ND State Historical Society	Legacy Fund	Job Service of North Dakota	PERS Retiree Health Credit Fund	2026	2025
Additions:										
Investment Income:										
Net Change in Fair Value of Investments	$981	$ -	$ -	$33,700	$24,188	$1,890,097,740	$1,611,581	$27,635,927	$2,795,510,949	$1,869,655,467
Interest, Dividends and Other Income	8,495	-	5,525,497	722,019	147	260,890,680	3,637,878	6,750,802	482,839,495	433,793,910
	9,476	-	5,525,497	755,719	24,335	2,150,988,420	5,249,459	34,386,729	3,278,350,444	2,303,449,377
Less Investment Expenses	132	-	18,000	22,634	2,441	22,966,242	292,555	699,271	39,494,010	33,429,536
Net Investment Income	9,344	-	5,507,497	733,085	21,894	2,128,022,178	4,956,904	33,687,458	3,238,856,434	2,270,019,841
Securities Lending Activity:										
Securities Lending Income	5	-	-	2,487	-	1,808,858	-	-	2,864,542	2,003,557
Less Securities Lending Expenses	(1)	-	-	(498)	-	(357,611)	-	-	(567,097)	(400,324)
Net Securities Lending Income	4	-	-	1,989	-	1,451,247	-	-	2,297,445	1,603,233
Purchase of Units ($1 per unit)	-	-	2,376	-	-	654,318,881	-	3,655,000	944,767,837	1,120,277,195
Total Additions	9,348	-	5,509,873	735,074	21,894	2,783,792,306	4,956,904	37,342,458	4,185,921,716	3,391,900,269
Deductions:										
Administrative Expenses	-	-	48,189	5,701	-	4,569,636	-	-	7,471,059	6,210,313
Redemption of Units ($1 per unit)	249,795	57	10,000,000	-	-	686,881,086	5,295,574	7,200,000	1,141,916,621	391,843,958
Total Deductions	249,795	57	10,048,189	5,701	-	691,450,722	5,295,574	7,200,000	1,149,387,680	398,054,271
Change in Fiduciary Net Position	(240,447)	(57)	(4,538,316)	729,373	21,894	2,092,341,584	(338,670)	30,142,458	3,036,534,036	2,993,845,998
Fiduciary Net Position:										
Beginning of Year	240,447	57	155,005,547	16,993,260	894,621	13,011,132,728	84,436,455	205,283,319	22,002,744,770	19,008,898,772
End of Year	$ -	$ -	$150,467,231	$17,722,633	$916,515	$15,103,474,312	$84,097,785	$235,425,777	$25,039,278,806	$22,002,744,770

Pension and Investment Trust Funds – Schedule of Administrative Expenses

	Pension Trust		Investment Trust	
	2026	2025	2026	2025
Salaries and Wages:				
Salaries and Wages	$1,276,925	$1,174,527	$4,066,817	$2,787,762
Fringe Benefits	363,779	589,562	1,004,423	1,161,349
Total Salaries and Wages	1,640,704	1,764,089	5,071,240	3,949,111
Operating Expenses:				
Travel	38,687	35,139	97,658	106,234
Supplies	3,794	1,170	4,000	2,626
Postage and Mailing Services	16,999	36,902	2,595	2,728
Printing	11,173	11,462	373	401
Small Office Equipment and Furniture	388	17,953	964	18,994
Insurance	842	630	1,598	907
Rent/Lease of Building Space	48,781	47,939	78,379	67,744
Repairs	-	50	-	96
Information Technology & Communications	1,094,151	182,970	1,299,809	1,621,930
Professional Development	18,582	35,157	10,548	25,487
Operating Fees and Services	48,949	48,326	228,346	204,807
Professional Fees and Services	57,960	125,928	68,538	124,430
Consultant Services	432,621	682,688	1,250,884	675,833
Total Operating Expenses	1,772,926	1,226,314	3,043,692	2,852,217
Pension Trust Portion of Investment Program Expenses	643,872	591,017	(643,872)	(591,017)
Depreciation	1,516,725	505,575	-	-
Total Administrative Expenses	$5,574,226	$4,086,996	$7,471,060	$6,210,311
Capital Assets Purchased	-	2,577,807	-	-
Less - Nonappropriated Items:				
Salaries and Wages	182,966	-	1,075,522	-
Fringe Benefits	36,257	-	213,130	-
Consultant Services	367,871	296,867	1,082,098	675,833
Other Operating Fees Paid Under Continuing Appropriation	253,791	317,254	1,491,851	1,840,747
Depreciation	1,516,725	505,575	-	-
Retainage Payable	-	(401,087)	-	-
Accrual Adjustments to Employee Benefits	(133,978)	172,122	(218,924)	280,968
Total Nonappropriated Items	2,223,631	890,731	3,643,677	2,797,548
Total Appropriated Administrative Expenses	$3,350,595	$5,774,072	$3,827,383	$3,412,763

The accompanying notes are an integral part of these statements.

Pension and Investment Trust Funds – Schedule of Consultant Expenses

	Pension Trust		Investment Trust	
	2026	**2025**	**2026**	**2025**
Actuary Fees:				
GRS Consulting	$83,195	$111,899	$ -	$ -
Total Actuary Fees	83,195	111,899	-	-
Auditing/Accounting Fees:				
UHY LLP	89,670	81,474	80,505	42,126
Weaver	36,144	9,833	212,462	46,816
Total Auditing Fees	125,814	91,307	292,967	88,942
Project Management Fees:				
Segal Consulting	-	359,116	-	-
Vtech Solution	4,788	30,597	28,145	176,217
Funston Advisory	36,809	-	385,156	-
Voyage Advisory	94,753	36,096	176,364	63,904
Total Project Management Fees	136,349	425,808	589,665	240,121
Disability Consulting Fees:				
Sanford Health	700	350	-	-
Legal Fees:				
Nossaman LLP	2,880	-	16,929	-
Purrington Moody Weil LLP	2,503	6,699	14,714	38,580
Jackson Lewis PC	1,464	-	2,625	-
Jackson Walker LLP	60,944	37,433	297,904	284,599
ND Attorney General	18,771	9,191	36,081	23,592
Total Legal Fees	86,562	53,323	368,253	346,771
Total Consultant Expenses	$432,621	$682,688	$1,250,884	$675,833

Pension and Investment Trust Funds – Schedule of Investment Expenses

	Pension Trust		Investment Trust	
	2026	2025	2026	2025
Investment Managers' Fees:				
Domestic Large Cap and All Cap Equity Managers	$2,561,725	$2,882,644	$15,857,191	$16,241,988
Domestic Small Cap Equity Managers	246,830	226,616	1,598,274	1,567,210
International Equity Managers	1,234,138	1,013,441	8,892,369	7,581,940
Emerging Markets Equity Managers	220,400	141,548	425,251	286,105
Domestic Fixed Income Managers	1,206,586	1,335,453	7,321,462	7,954,966
Below Investment Grade Fixed Income Managers	450,809	3,049,442	621,532	4,181,996
Diversified Real Assets Managers	-	-	22,764,680	22,704,961
Real Estate Managers	1,174,206	1,901,527	5,667,594	5,751,202
Infrastructure Managers	7,191,955	7,106,620	9,433,278	9,321,349
Timber Managers	316,665	231,685	389,481	278,716
In-State Investments	-	-	995,488	1,091,081
High Yield Fixed Income Managers	-	-	2,716,640	2,131,677
Private Credit Managers	2,526,450	-	22,754,705	16,221,248
Private Equity Managers	5,455,086	5,197,594	9,381,825	7,044,073
Short Term Fixed Income Managers	-	-	1,120,614	1,097,112
Cash & Equivalents Managers	16,402	30,169	21,266	29,834
Balanced Account Managers	-	-	1,309,017	1,208,994
Total Investment Managers' Fees	$22,601,252	$23,116,740	$111,270,667	$104,694,451
Custodian Fees	252,024	282,463	1,485,476	1,400,037
Investment Consultant and Service Fees	317,547	171,050	1,911,147	865,172
SIB Service Fees	-	-	223,670	196,914
Total Investment Expenses	$23,170,823	$23,570,253	$114,890,960	$107,156,573

Reconciliation of Investment Expenses to Financial Statements

	Pension Trust		Investment Trust	
	2026	2025	2026	2025
Investment Expenses as Reflected in the Financial Statements	$6,554,663	$5,905,682	$39,494,010	$33,429,536
Plus Investment Management Fees Included in Investment Income				
Domestic Large Cap and All Cap Equity Managers	1,382,249	2,055,770	8,183,480	11,193,090
Domestic Small Cap Equity Managers	-	-	-	-
International Equity Managers	80,806	46,566	1,867,193	1,225,197
Emerging Markets Equity Managers	188,467	120,916	369,100	242,910
Domestic Fixed Income Managers	343,472	441,594	1,163,981	1,638,040
Below Investment Grade Fixed Income Managers	8,095	2,466,647	12,181	3,501,566
Diversified Real Assets Managers	-	-	21,152,497	21,153,265
Real Estate Managers	(103,628)	597,801	775,179	1,343,242
Infrastructure Managers	6,574,980	6,584,535	8,624,028	8,636,560
Timber Managers	160,183	153,148	194,678	186,129
In-State Investments	-	-	501,484	962,912
Private Credit Managers	2,526,450		22,754,705	16,221,248
Private Equity Managers	5,455,086	5,197,594	9,381,825	7,044,073
Short Term Fixed Income Managers			-	-
Cash Equivalents Managers	-	-	-	-
Balanced Account Managers	-	-	416,619	378,805
Investment Expenses per Schedule	$23,170,823	$23,570,253	$114,890,960	$107,156,573

Schedule of Appropriations – Budget Basis – Fiduciary Funds

	Approved 2025-2027 Appropriation	2025-2027 Appropriation Adjustment	Adjusted 2025-2027 Appropriation	Fiscal 2026 Expenses	Unexpended Appropriations
All Fund Types:					
Salaries and Wages	$12,091,995	$155,850	$12,247,845	$5,556,971	$6,690,874
New and Vacant FTE Pool	470,466	(155,850)	314,616	-	314,616
Operating Expenses	3,785,133	-	3,785,133	1,621,007	2,164,126
Contingency	200,000	-	200,000	-	200,000
Total	$16,547,594	$ -	$16,547,594	$7,177,978	$9,369,616

NOTE: Only those expenses for which there are appropriations are included in this statement.

Reconciliation of Administrative Expenses to Appropriated Expenditures

	2026
Administrative Expenses as Reflected in the Financial Statements	$13,045,284
Salaries and Wages*	(1,507,875)
Consulting Services*	(1,449,969)
Other Operating Fees Paid Under Continuing Appropriations*	(1,745,640)
Depreciation Expense	(1,516,725)
Changes in Benefit Accrual Amounts	352,902
Total Appropriated Expenses	$7,177,978

* North Dakota Century Code 15-39.1-05.2, 21-10-06.2 and 54-52.5-03 provide authorization for the continuing appropriation.

Summary of North Dakota Retirement and Investment Office Audit

For Fiscal Years ended June 30, 2026 and 2025

Prepared by UHY LLP

November 13, 2026

Purpose of Audit: To determine that the financial statements are free from material misstatement.

Type of Opinion: Unmodified.

Findings and recommendations: None.

Status of Prior Recommendations: There were no findings or recommendations in our previous year audit.

Explanation of significant audit adjustments and misstatements: None.

Disagreements with Management or Difficulties Encountered During the Audit: None.

Other Items to Highlight in the Report: None.

Cost of the Audit:

Current Year Audit: $136,350 **Prior Year Audit:** $130,175

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AUDIT, RISK & COMPLIANCE COMMITTEE · NOVEMBER 20, 2026

Enterprise Performance Risk Management

How we built it, and what the first assessment tells us about RIO

Jodi Smith, Executive Director · North Dakota Retirement and Investment Office

Preliminary results from management working sessions. Scores are subject to executive team validation.

WHY IT MATTERS

Why the ARCC is seeing this

The GPS assigns oversight

The ARCC oversees the enterprise risk framework: identifying, assessing, monitoring and escalating operational risk. Investment risk stays with the Investment Committee.

Different risk, different question

Investment risk is rewarded: is it sized right for the return? Operational risk is unrewarded: is it held within tolerance?

The cost is already measurable

The 2025 governance review found lean staffing, manual back-office work and limited authority, with about $139.5M in performance drag for FY24–25.

The ARCC's role is oversight. Management builds the framework, indicators and data. The committee reviews, verifies and escalates.

HOW WE BUILT IT

Six steps from review to working tool

1 2025

Governance review

Found lean staffing, manual back-office work and limited authority; about $139.5M in drag.

2 JUNE 23, 2026

GPS adopted

Assigned the ARCC oversight of enterprise risk; Decision Register and Calendar in place.

3 JULY 29, 2026

Framework to the ARCC

Introduced EPRM and the model that separates inherent from residual risk.

4 WORKING SESSIONS

Leaders scored their processes

Function leads rated inherent risk and KPRs. The 32-process prototype grew to 41.

5 WORKING SESSIONS

Root causes and benchmarks

Fishbone for each Mitigate process; TFFR compared with the CEM 2025 peer benchmark.

6 TODAY

Linked to the audit plan

Quadrant and coverage now decide what goes to internal audit versus management.

HOW A PROCESS IS SCORED

Four actions

↑ Higher inherent risk

Audit
High inherent · low residual

Controls appear to work. Verify and assure.

Mitigate
High inherent · high residual

Strengthen controls now. Priority oversight.

Optimize
Low inherent · low residual

Well controlled. Keep it efficient.

Redesign
Low inherent · high residual

Controls failing on a lower-risk process. Redesign it.

Higher residual risk →

Scoring the two separately tells a large, well-controlled exposure apart from a small, poorly controlled one.

WHAT WE ASSESSED

The first full assessment

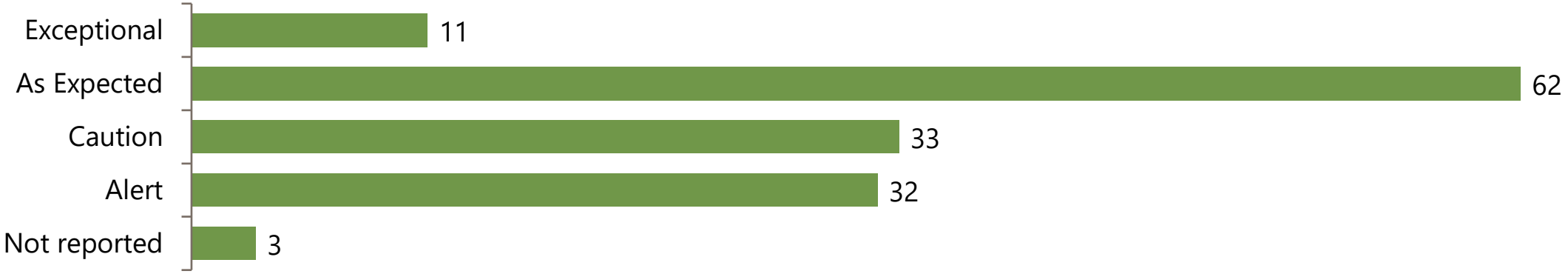
3
Functions
Investment
Benefits
Operations

41
Key processes

141
KPRs rated

85
Root causes

How the 141 KPRs were rated



WHAT IT TELLS US

Where the 41 processes land

↑ Higher inherent risk

Audit
14
INV 7 · BEN 2 · OPS 5

Mitigate
16
INV 1 · BEN 5 · OPS 10

Optimize
7
INV 3 · BEN 3 · OPS 1

Redesign
4
BEN 2 · OPS 2

Higher residual risk →

16 of 41 processes need management action now.

Mitigate items go to management and advisory work, not audit. The gap is already known.

The 14 Audit-quadrant processes look well controlled. Internal audit verifies them.

INV = Investment
BEN = Benefits
OPS = Operations

FINDING 1

Investment controls work. Operations and Benefits carry most of the risk.

INVESTMENT

1 of 11

9% of processes in Mitigate

The only one is investment risk management: stress tests are not run on schedule.

BENEFITS

5 of 12

42% of processes in Mitigate

Pressure shows in member data accuracy and retirement system cybersecurity, covered in Findings 2 and 3.

OPERATIONS

10 of 18

56% of processes in Mitigate

Investment accounting, unitization, IT, cybersecurity, HR, procurement, performance reporting, manager onboarding, Aladdin reconciliation and legal.

This matches the 2025 governance review: lean staffing, manual processing and limited authority.

FINDING 2

Benefits outperforms peers with a fraction of the staff

77 vs 72

Member service score vs peer median

$161 vs $384

Admin cost per member vs peer average

5.1 vs 18.5

FTE per 10,000 members vs peer average

The risk is building where the scores don’t show it yet

Member data accuracy and retroactive salary and service corrections are rated Alert. Errors post silently and surface at retirement. Formal employer audits have not been done in 7 years. Service won’t drop all at once; it erodes as those errors reach retirement.

Source: CEM 2025 DB Administration Benchmarking, TFFR, fiscal year ended Dec. 31, 2025; 10-fund peer group

FINDING 3

Cybersecurity is high risk on both sides of the agency

OPS-07

Cybersecurity and data governance

Residual 3.0 of 4



- Incident and phishing reporting is rated Alert.
- Vulnerability remediation and security incidents are rated Caution.

BEN-11

Retirement system cybersecurity

Residual 4.0 of 4

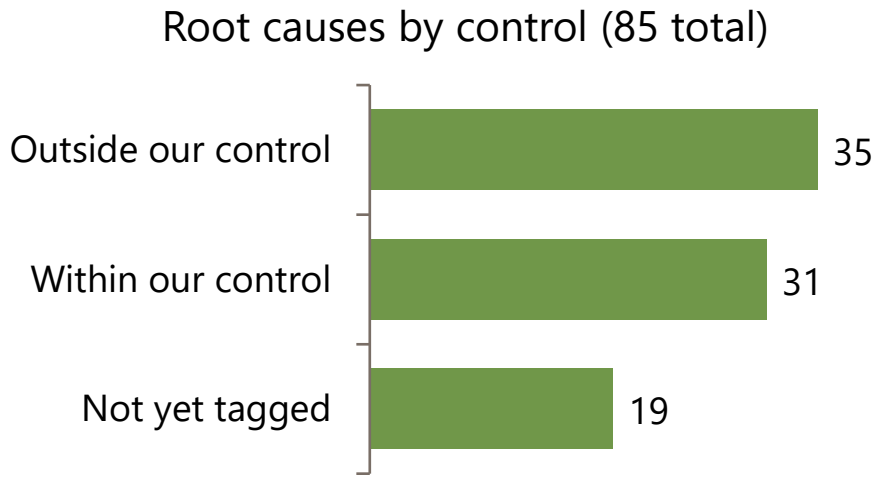


- Member portal MFA is in scoping, not deployed.
- NDIT owns security accountability; TFFR owns fiduciary duty for member data. No security reporting runs between them.

Several fixes are within our control: deploy MFA, name an NDIT point of contact and define the security reporting we need.

FINDING 4

About half the root causes sit outside RIO's direct control



By category: external factors 25 · systems 20 · people 17 · policies and processes 14 · governance 9

Outside our control

- Legislative approval of FTEs and budget
- NDIT shared IT and security services
- Reliance on the Attorney General's office for legal
- State procurement rules
- Sole-source vendors and vendor capacity

Within our control

- A standing data-quality review cycle
- An approved manager onboarding policy
- An inventory of delegations of authority
- MFA deployment and an NDIT point of contact
- Quality checks on employer reporting

AUDIT PLANNING

Two tracks for the audit plan

16

Management and advisory

Mitigate processes. The gap is known, so an audit would only reconfirm it. Management fixes it first, then the area returns to the regular audit cycle.

22

Internal audit

14 Audit-quadrant processes to verify, plus 8 lower-risk processes with significant coverage gaps: 4 Benefits, 2 Investment and 2 Operations.

Coverage recorded for all three functions: 29 of 41 processes have had no internal audit in more than four years. 10 of those are Mitigate processes routed to management.

WHAT'S NEXT

Committee action

Information only.

This is the first ERM framework; the Board has not seen it yet.

Feedback welcome on the quarterly report format.

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MEMORANDUM

TO: **Audit, Risk, and Compliance Committee**

FROM: **Sara Seiler, Director of Internal Audit**

DATE: **November 13, 2026**

RE: **Internal Audit Proposed KPIs**

To align with the Institute of Internal Auditors (IIA) standards, internal audit is proposing the following key performance indicators (KPIs) to be in compliance with standard 12.2 performance measurement which requires the director of internal audit to set performance objectives and method for measuring progress toward them, with input from the committee.

Each KPI supports the requirements and expectations established in the Institute of Internal Auditors' (IIA) Global Internal Audit Standards. The following KPIs are proposed:

#	KPI	How it's calculated	Target	Frequency
1	Audit plan completion	Engagements completed ÷ engagements in the approved plan	90% or more by fiscal year-end; on pace each quarter	Quarterly
2	Findings resolved on time	Findings closed by the agreed due date ÷ findings due in the period	85% or more closed on time: 0 high-risk findings	Quarterly
3	Conformance with the Standards	Result of the annual self-assessment and the external quality assessment	"Generally conforms"	Annually

KPI 1 – Audit Plan Completion

This KPI measures progress toward completing the risk-based internal audit plan approved by the ARCC, consistent with **IIA Standard 9.4 – Internal Audit Plan**. It provides the Committee with visibility into whether planned audit engagements are being completed as anticipated. Additionally, **Standard 8.2 – Resources** requires the Director of Internal Audit to communicate situations in which resource limitations, including staffing vacancies, affect the Internal Audit Division's ability to execute the approved plan and provide the intended audit coverage.

KPI 2 – Audit Recommendation Follow-Up

This KPI monitors management's progress in implementing agreed-upon corrective actions, supporting **IIA Standard 15.2 – Confirming the Implementation of Recommendations or Action Plans**. Tracking outstanding and overdue recommendations, particularly those classified as high risk, also supports **Standard 11.5 – Communicating the Acceptance of Risks**. When management's actions or inaction indicate that a risk exceeding established risk tolerance may have been accepted, the Director of Internal Audit is responsible for communicating and escalating the matter as appropriate, including to the ARCC when necessary.

KPI 3 – Quality Assurance and Improvement Program

This KPI provides the ARCC with information regarding the Internal Audit Division's ongoing commitment to quality, effectiveness, and conformance with the IIA Global Internal Audit Standards. It supports **Standard 12.1 – Internal Quality Assessment**, which establishes requirements for internal assessments of conformance and performance, and **Standard 8.4 – External Quality Assessment**, which requires an independent external quality assessment at least once every five years. Reporting on these activities provides the Committee with oversight of the Internal Audit Division's quality assurance and continuous improvement efforts.

A link to the Global IIA standards: https://www.theiia.org/globalassets/site/standards/editable-versions/globalinternalauditstandards_2024january9_editable.pdf

Committee Action Requested: Committee acceptance.

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MEMORANDUM

TO: **Audit, Risk and Compliance Committee**

FROM: **Sara Seiler, Director of Internal Audit**

DATE: **November 13, 2026**

RE: **Annual Attestation of Internal Audit Independence – FY 2026**

This memo provides the ARCC with my annual written confirmation that the Internal Audit function remains organizationally independent and that no undue influence has been exerted over its work during the period July 1, 2025, to June 30, 2026.

The attestation is made in accordance with the Institute of Internal Auditors (IIA) Global Internal Audit Standards, **Standard 7.1, Organizational Independence**, requires the chief audit executive to confirm to the board, at least annually, the organizational independence of the internal audit function. Within the Retirement and Investment Office, the Director of Internal Audit fulfills the role of chief audit executive as defined by the Standards, and the ARCC fulfills the role of the board for internal audit oversight purposes, as set out in the ARCC Charter.

Attestation

As Director of Internal Audit, I hereby attest to the ARCC that, for the period July 1, 2025, to June 30, 2026:

1. The Internal Audit function has been free from interference in determining its scope, performing its engagements, and communicating its results.
2. No undue influence has been exerted on me or on Internal Audit staff by management, the board, or any other party regarding audit planning, engagement selection, procedures, findings, ratings, or reporting.
3. I have had direct and unrestricted access to the ARCC Chair and members, including the opportunity to meet privately without management present.

4. Internal Audit has had full and unrestricted access to all records, physical properties, systems, and personnel necessary to carry out its work, as authorized by the Governance Policy System.
5. Internal Audit has not assumed operational responsibilities or management decision-making authority over activities subject to audit.
6. To the best of my knowledge, Internal Audit staff have maintained individual objectivity, and any potential conflicts of interest have been identified, disclosed, and managed.

Disclosures

No impairments to independence or objectivity, in fact or in appearance, occurred during the period, and no scope limitations or restrictions on access were imposed on Internal Audit.

Committee Action Requested: Committee acceptance.

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MEMORANDUM

TO: **Audit, Risk, and Compliance Committee**

FROM: **Sara Seiler, Director of Internal Audit**

DATE: **November 13, 2026**

RE: **Internal Audit Co-Sourcing Relationship Audit Approval Request**

This memorandum updates the Audit, Risk, and Compliance Committee (ARCC) on the funding authority applicable to Internal Audit's co-sourcing arrangement with Weaver. Legal guidance has now been received on whether co-sourced engagements may be funded under the continuing appropriation authority provided by NDCC § 21-10-06.2. This memorandum summarizes that guidance, proposes a process for applying it, presents four co-sourced engagements for the Committee's recommendation, and describes the effect on the approved FY2027 Internal Audit Plan.

The legal guidance provides that it is up to the State Investment Board (SIB) to decide whether an audit meets the requirements for funding under the continuing appropriation, and that the decision depends on the scope of the audit. As a result, the funding source for co-sourced engagements will be determined audit-by-audit rather than through a single standing determination. For each engagement, the ARCC will make a recommendation to the SIB on whether the continuing appropriation can be used, and the SIB will make the final decision.

This approach adds a step before co-sourced work can begin, and engagements the SIB determines do not qualify would need to be funded through the agency's operating appropriation, performed by Internal Audit staff, or deferred. Depending on those determinations, Internal Audit's ability to execute the approved plan could still be significantly affected.

Background of Co-Sourcing Arrangement

Internal Audit established a co-sourcing relationship with Weaver to supplement internal audit resources and provide specialized expertise in reviewing the State Investment Board's (SIB) investment programs, processes, and associated risks.

The arrangement was developed through discussions with previous executive management, including the former Executive Director, Chief Financial Officer, and legal counsel, and was presented and approved by the Audit Committee. On November 18, 2024, the Audit Committee approved the request for proposal for the co-

sourcing relationship. On February 5, 2025, the Committee selected Weaver for a two-year contract with options to renew. The co-sourcing arrangement was communicated to the SIB on February 21, 2025.

The understanding established through those discussions was that co-sourced engagements focused on investment activities and processes could be funded under the continuing appropriation authority provided by NDCC § 21-10-06.2. This included reviews of investment-related activities performed within the Fiscal Division when those activities directly support investment operations, accounting, reporting, or oversight. Conversely, audit activities associated with the administration of the Teachers' Fund for Retirement or general agency operations would be performed by Internal Audit staff or funded separately, as appropriate. This distinction was incorporated into the development of the risk-based Internal Audit Plan and the allocation of audit responsibilities between internal staff and Weaver.

The co-sourcing budget for FY 2026 was $465,000 and a total of $215,205 was spent, of that $49,220 was for advisory services for the fiscal and operations division. The FY2027 co-sourcing budget is $490,000, supporting audit coverage of investment-related and associated fiscal activities. To date $106,484.25 has been billed by Weaver.

Management Question and Legal Guidance Received

During recent discussions concerning the Procurement Lifecycle Audit, management raised questions about the application of NDCC § 21-10-06.2. Specifically, the question is whether certain co-sourced engagements involving procurement, vendor management, cash management, and disbursements qualify as investment costs or should be treated as administrative expenses funded through the agency's operating appropriation. As part of this review, management referenced a February 20, 1990, Attorney General letter addressing the distinction between investment costs and ordinary administrative expenses.

This question reflected a different interpretation from the understanding used to develop the co-sourcing arrangement and audit plan, and the Executive Director requested legal guidance to clarify the appropriate funding authority.

The guidance received establishes that the SIB determines whether a particular audit meets the requirements for funding under the continuing appropriation, based on the scope of that audit. Because the determination turns on scope, no type of engagement is automatically eligible or ineligible. An engagement reviewing investment-related activities performed in the Fiscal Division may qualify, while an engagement whose scope is primarily general agency administration may not.

Statutory and Fiduciary Considerations

NDCC § 21-10-06.2 provides continuing appropriation authority for investment costs incurred by the State Investment Board. The statute states “The amounts necessary to pay for investment costs, such as investment counseling fees, trustee fees, custodial fees, performance measurement fees, expenses associated with money manager searches, expenses associated with onsite audits and reviews of investment managers, and asset allocation expenses, incurred by the state investment board are hereby appropriated and must be paid

directly out of the funds listed in section 21-10-06 by the fund incurring the expense." In addition, NDCC § 21-10-07 establishes the prudent investor standard applicable to the SIB.

The February 20, 1990, Attorney General letter acknowledges that determining whether an expense qualifies as an investment cost involves a factual determination. It also cautions against using continuing appropriation authority for ordinary administrative expenses.

Consistent with the legal guidance, each engagement's eligibility will be evaluated based on the nature, objectives, and scope of the work and its direct relationship to the SIB's investment responsibilities, rather than solely the organizational division or administrative process reviewed. Engagements whose scope consists primarily of ordinary administrative functions would not be expected to qualify.

Proposed Engagement-by-Engagement Recommendation Process

To carry out the guidance, Internal Audit proposes the following process for each co-sourced engagement intended to be funded under the continuing appropriation:

- Internal Audit will prepare an engagement scope summary describing the objectives, the areas to be reviewed, the relationship of the work to the SIB's investment responsibilities, and the estimated co-sourcing cost.
- The ARCC will review the scope summary and decide whether to recommend to the SIB that the engagement be funded under the continuing appropriation. Where an engagement's scope includes both investment-related and general administrative areas, the recommendation may identify which portion of the work qualifies.
- The ARCC's recommendation will be presented to the SIB, which will make the final determination.
- Co-sourced work funded under the continuing appropriation will not begin until the SIB has made its determination. Work the SIB determines does not qualify will be performed by Internal Audit staff, funded through the operating appropriation if resources allow, or rescheduled or removed from the plan.
- Each recommendation and SIB determination will be documented to support a consistent approach for future engagements.

To limit delays, Internal Audit will bring recommendations for multiple engagements together where practical, such as alongside the annual audit plan. Engagements added or significantly re-scoped during the year will be brought to the Committee as they arise.

Procurement Lifecycle Audit

The Procurement Lifecycle Audit, which is currently suspended, is one of four engagements presented for the Committee's recommendation at this time. The audit focuses on investment procurement and vendor management and illustrates the distinction between an agency-wide administrative audit and an investment-focused assurance engagement. The audit is broader than a traditional procurement compliance review. It

evaluates whether appropriate controls exist throughout the investment procurement and vendor management lifecycle, including:

- Whether investment-related procurements meet the requirements for applicable statutory exemptions.
- Whether procurement exemptions are applied consistently and appropriately documented.
- Whether investment vendor selection, approvals, and contracting practices comply with applicable requirements.
- Whether contract renewals and amendments are adequately addressed.
- Whether investment-related service providers are monitored for performance, cost, compliance, and contractual obligations.
- Whether appropriate controls exist over related accounts payable, purchasing card, and disbursement activities.

As the Investment Division has expanded its use of consultants, specialized service providers, and other contractual arrangements, independent oversight of these activities has become increasingly important. The engagement was developed to evaluate the investment-specific risks associated with these activities, including the appropriate use of procurement exemptions and oversight of third-party investment service providers.

The audit is therefore intended to provide assurance regarding investment governance, compliance, and fiduciary oversight rather than solely the effectiveness of general administrative procurement functions. Internal Audit believes this scope supports a recommendation to the SIB that the engagement be funded under the continuing appropriation.

Cash Management and Disbursements Audit

This co-sourced engagement will review the controls and processes for cash management and disbursements within the Investment Division, as supported by the Fiscal Division. The scope includes:

- Daily and monthly cash forecasting provided to the investment teams.
- Liquidity management at the portfolio level.
- Disbursement approvals and controls over investment allocations to public fund managers.
- Private fund capital commitments and capital calls, including payment authorizations and the systematic controls in place.

Testing will include the allocation of received capital through fund disbursements. The co-sourced approach includes a testing approach shared between Weaver and ND RIO Internal Audit.

Although some of these activities are performed by the Fiscal Division, the work directly supports investment operations, including the funding of manager allocations and private fund capital calls. Internal Audit believes this scope supports a recommendation to the SIB that the engagement be funded under the continuing appropriation.

Data Governance Audit

This co-sourced engagement will evaluate the controls and processes of the data governance framework supporting investment activities. Its objective is to determine whether investment data is accurate, complete, timely, secure, and appropriately governed to support fiduciary decision-making, regulatory reporting, risk management, and operational efficiency.

Because the engagement is limited to the data governance framework supporting investment activities, rather than agency-wide information systems, Internal Audit believes this scope supports a recommendation to the SIB that the engagement be funded under the continuing appropriation.

Public Markets Internal Investing Audit

This co-sourced engagement will evaluate the controls and oversight over the Public Equity investment processes, including:

- Portfolio construction
- Trading
- Rebalancing
- Investment restrictions
- Risk and allocation monitoring
- Segregation of duties

The engagement is focused entirely on the SIB's internally managed investment activities, which fall directly within the SIB's investment responsibilities and fiduciary oversight. Internal Audit believes this scope supports a recommendation to the SIB that the engagement be funded under the continuing appropriation.

Potential Impact on the FY2027 Internal Audit Plan

The FY2027 Internal Audit Plan was developed using a risk-based approach and incorporates both internal staff capacity and the specialized expertise and additional resources provided through the Weaver co-sourcing arrangement.

Because funding will now be determined engagement by engagement, the amount of co-sourcing support available under the continuing appropriation will not be known until the SIB acts on each recommendation. If the SIB determines that certain engagements do not qualify, available operating funds and internal staff capacity may not be sufficient to maintain the originally planned level of audit coverage, and material revisions to the plan, including deferral or removal of engagements may be necessary.

Potential implications include:

- Delays or changes to scheduled audit engagements.
- Additional lead time in the audit schedule to obtain ARCC recommendations and SIB determinations before co-sourced work begins.
- Reallocation of responsibilities between Weaver and Internal Audit staff.

- Reduced capacity to complete other planned audits.
- Reassessment of the timing, scope, and prioritization of certain engagements.
- A need to identify alternative funding or modify the co-sourcing arrangement.

Internal Audit temporarily suspended the Procurement Lifecycle Audit work with Weaver and delayed initiation of other co-sourced engagements while the funding question was unresolved. These engagements will remain on hold until the SIB has made a determination on each. Internal Audit continues to evaluate whether certain procedures could be performed internally; however, reallocating work may affect staff capacity and other planned engagements.

The agency's operating budget constraints may limit the feasibility of shifting co-sourced audit costs to appropriated funds without affecting other planned activities.

Any material changes to the audit plan or allocation of resources will be communicated to the ARCC for consideration.

Next Steps

If the Committee approves the proposed process and recommends funding of the Procurement Lifecycle Audit, the Cash Management and Disbursements Audit, the Data Governance Audit, and the Public Markets Internal Investing Audit under the continuing appropriation, Internal Audit will present those recommendations to the SIB at its next regular meeting. Work with Weaver on each engagement will begin or resume once the SIB has made its determination.

Internal Audit will prepare scope summaries for the remaining FY2027 co-sourced engagements and bring them to the ARCC for recommendation, grouping them where practical to limit delays.

Internal Audit will also work with management to document the recommendation and determination process, so funding treatment is applied consistently to future investment-related audit engagements.

As SIB determinations are made, Internal Audit will evaluate the implications for the FY2027 Internal Audit Plan. Depending on the outcomes and their effect on available resources, a special Committee meeting may be appropriate to consider proposed revisions. Any material changes in planned audit coverage, scope, or timing will be presented to the Committee for consideration and approval.

Committee Action Requested: (1) Approve the proposed process for recommending to the SIB, for each co-sourced engagement, whether the continuing appropriation under NDCC § 21-10-06.2 may be used; and (2) consider recommending to the SIB that each of the following engagements be funded under the continuing appropriation: the Procurement Lifecycle Audit, the Cash Management and Disbursements Audit, the Data Governance Audit, and the Public Markets Internal Investing Audit.

North Dakota Retirement & Investment Office

Internal Audit Report: Neospin Testing - Retirements
Final Report – November 10, 2026
Fiscal Year 2025/26

The Internal Audit Division of the North Dakota Retirement and Investment Office (RIO) completed a review of the process for service retirements for the 2025/26 fiscal year. The purpose of the review was to determine whether service retirements were accurately processed in the Neospin pension administration system (PAS) and whether internal controls instituted in the PAS were operating as planned.

This report presents the results of our review, including observations, conclusions, and recommendations. Internal Audit appreciates the cooperation and assistance provided by the Retirement Services Division during the review.

Background
Neospin went into production in February 2025. This review was performed to verify that the controls and benefit calculations built into Neospin for processing service retirements are operating as intended. Internal Audit tested the retiree files against the following criteria: vesting, retirement eligibility, accuracy of the benefit calculation, and fluctuations in the benefit paid. Internal Audit also verified that required documents were on file in the imaging system. Internal Audit randomly selected a sample of retired members that were processed during fiscal year 2025/26.

A member is eligible for normal retirement upon reaching age 65 with the required years of service, or upon meeting the Rule of 85 (Tier 1 grandfathered) or the Rule of 90 with a minimum age of 60 (Tier 1 non-grandfathered and Tier 2). For early retirement, the member must be at least age 55 and vested. Early retirement benefits are reduced by six percent per year (Tier 1 grandfathered) or eight percent per year (Tier 1 non-grandfathered and Tier 2) for each year the member retirees before normal retirement. Retirees may elect one of the following benefit options: Single Life, 100% Joint and Survivor, 50% Joint and Survivor, Ten-Year Term Certain and Life, Twenty-Year Term Certain and Life, or a Partial Lump Sum Distribution. Internal Audit reviewed all different benefit options.

The examination included a review of documentation that verifies age, retirement type and options, beneficiary age where applicable, years of service, salary history, as well as other pertinent information.

Scope
The review covered the period July 1, 2025, through June 30, 2026. Internal audit selected a sample of retirements to test the controls and accuracy of Neospin. For each of the retirees sampled, Internal Audit examined the member's Neospin account and FileNet imaging records, including the retirement application, benefit option election, documentation verifying the age of the member and beneficiary where applicable,

beneficiary designation, years of service, and salary history. Internal Audit recalculated vesting, age, benefit amount, account value, and total benefits paid during the fiscal year.

Audit Objective
The objective of this review was to determine whether service retirements were accurately processed in Neospin and whether internal controls within Neospin were operating as planned.

The review included the following:

- A sample selected from the list of retirees.
- The retiree's Neospin account.
- The retiree's FileNet account (imaging system).

Observations, Conclusions, and Recommendations
Internal Audit selected a sample from the retiree report generated within Neospin. Internal Audit completed a template with information from each retiree's Neospin account to determine vesting and to recalculate age, benefit amount, account value, and total benefits paid during the year in review. Internal Audit also reviewed the documents required for retirement in the retiree's FileNet account. Internal Audit confirmed the accuracy of the information in Neospin to the documents and applications found on the imaging system. Internal Audit also determined that the beneficiary on file in Neospin agreed to the supporting documentation.

Conclusion
After comparing the information found in Neospin and the imaging system, Internal Audit noted no exceptions for the accounts tested. The Internal Audit recalculations of the vesting, age, benefit amount, account value, and total benefit paid during the fiscal year agreed to the calculations in Neospin. All retirees tested met the eligibility requirements for the retirement type elected, no unexplained fluctuations in benefits paid were noted, and required documents were on file in the imaging system.

Internal Audit identified one systemic display error on a Neospin accounting screen that affected all accounts tested. The error did not affect benefit calculations.

Findings and Recommendations
1. Incorrect payroll dates displayed on the Neospin check header screen (moderate risk)
The check header (payroll) screen in Neospin is designed to display the actual date of each monthly payroll. For all accounts tested, the screen displayed every monthly payroll date as the current date. The error is systemic and did not affect benefit calculations; however, staff and auditors relying on this screen cannot readily confirm when each payment was issued, which reduces the reliability of the payment history and audit trail.

Recommendation
Internal Audit recommends that management submit a PIR to Sagitec to correct the date field on the check header screen, verify the correction through testing once it is deployed, and determine whether any other Neospin screens or reports use the same field.

Management Response
Retirement Services will submit a PIR to Sagitec Solutions LLC (Sagitec) to correct the date field on the check header screen. Retirement Services will also:

- Ask Sagitec to identify all other Neospin screens and reports that use the same field.
- Test the correction after Sagitec deploys it, including any other screens or reports Sagitec identifies.
- Provide Internal Audit with a brief written summary of the test results when verification is complete.

Until the correction is verified, staff will not rely on the check-header screen to confirm payment dates.

Target Completion Date: The completion date is dependent on the Sagitec PIR workflow. Retirement Services will provide an update to Internal Audit once Sagitec provides clarification.

Responsible Party: Chase Kauffeld, Chief Retirement Officer

Please provide a written response to the recommendation within fifteen days of the report date, including any corrective actions planned or implemented.

Appendix A – Summary of Procedures Performed

Focus Area	Testing Coverage	Results
Service Retirements	Sample of service retirements processed in Neospin during FY 2025/26	No calculation, eligibility, or documentation exceptions; one systemic screen display error (Finding 1)

Appendix B – Risk Rating Definitions

High Risk: Significant control deficiencies that may impact financial integrity or regulatory compliance.
Moderate Risk: Issues that may affect operational effectiveness or documentation integrity.
Low Risk: Minor issues with minimal impact on controls or operations.

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Internal Audit Oversight Dashboard

Sara Seiler, Director of Internal Audit

Internal Audit Dashboard

- On Schedule
- Watch
- Attention
- Ongoing

Current Quarter

Audit Activity	Status	Schedule Completion	Committee Action/IA Comments
Public Markets Audit	Watch	September 2026	Staffing turnover on Weaver.
Investment & Fiscal User Role Review	Watch	September 2026	Staffing turnover resulted in the delay.
Neospin Testing - Retirements	On Schedule	November 2026	Completed
External Audit Coordination	On Schedule	November 2026	Completed
Operational Knowledge Transfer	Continuous	January 2027	None
Audit Recommendations Follow-Up	Continuous	Ongoing	None

Internal Audit Dashboard, Cont'd

- On Schedule
- Watch
- Attention
- Ongoing

Current Quarter

Audit Activity	Status	Schedule Completion	Committee Action
Procurement Lifecycle Audit	Watch	January 2027	On Pause.
Records Retention	On Schedule	November 2026	None
IIA Quality Assessment	On Schedule	March 2027	None
TFFR Governance Manual	On Schedule	November 2026	None
New Employee Recruitment	On Schedule	Start Date January 4, 2027	None
Audit Recommendations Follow-Up	Continuous	Ongoing	None

Internal Audit Dashboard

Upcoming Quarter

Audit Activity	Plan Start Date	Division	Type
Cash Management and Disbursement (co-sourced)	Pause	Fiscal	Assurance
Data Governance Audit (co-sourced)	Pause	Investment/Fiscal	Assurance
Onboarding New Employee	January 4, 2027	Internal Audit	Operational

Level of Effort

The estimated level of effort and audit hours are determined based on the scope of the engagement, complexity of the areas being reviewed, number of processes and controls involved, and extent of testing required. Additional considerations include the availability and reliability of documentation, level of risk, coordination with management, and resources necessary to complete the engagement.

High: 600-800 hours

Moderate: 400-500 hours

Low Under: 400 hours

Public Markets Internal Investment Audit

Co-Sourced with Weaver

Scope: Internal Audit over the controls and oversight over the Public Equity investment processes including portfolio construction, trading, rebalancing, investment restrictions, risk and allocation monitoring, and segregation of duties.

Processes: Equity Investments, Fixed Income, Internal Investment Program

Budgeted Hours: Internal Audit: 200 hours Weaver: 400 hours

Cost: $120,000

Procurement Lifecycle Audit

Co-Sourced with Weaver

Scope: Evaluate internal controls over investment-related procurement, contracting, and vendor management, including compliance with statutory procurement exemptions, vendor selection and approvals, contract administration, ongoing vendor oversight, and related purchasing card, accounts payable, and disbursement activities.

Processes: Vendor Management, Procurement, Purchasing

Budgeted Hours: Internal Audit: 200 hours Weaver: 360 hours

Cost: $110,000

Data Governance Audit

Co-Sourced with Weaver

Scope: Internal Audit over the controls and processes of the data governance framework supporting investment activities to determine whether investment data is accurate, complete, timely, secure, and appropriately governed to support fiduciary decision-making, regulatory reporting, risk management, and operational efficiency.

Processes: Governance – Investment Data Quality and Integrity

Budgeted Hours: Internal Audit: 200 hours Weaver: 250 hours

Cost: $75,000

Cash Management & Disbursements Audit

Co-Sourced with Weaver

Scope: Co-Sourced Internal Audit of the controls and processes for cash management and disbursements within Investments and supported by Fiscal. Includes daily & monthly cash forecasting to the investment teams, liquidity management at the portfolio level, disbursement approval and controls for investment allocations to public fund managers and private fund capital commitment and capital calls including payment authorizations and systematic controls in place. Testing would include the allocation of received capital through fund disbursements, and the co-sourced approach would include a testing approach that is shared with ND RIO Internal Audit.

Processes: Cash Disbursements, Cash Management and Processing

Budgeted Hours: Internal Audit: 200 hours Weaver: 200 hours

Cost: $60,000

Executive Summary

Overall Status

Internal Audit activities are not on schedule due to staffing turnover and now with a pause on starting new audits until approval from the Committee and SIB on the proposed co-sourced audits is attained.



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MEMORANDUM

TO: **Audit, Risk, and Compliance Committee**

FROM: **Sara Seiler, Director of Internal Audit**

DATE: **November 13, 2026**

RE: **Annual Internal Audit Findings Report**

This memo presents the annual internal audit findings report. It fulfills the governance requirement to receive annual audit results and escalate any significant findings to the SIB.

Status of Findings

All internal audit findings that were due for correction during the reporting period have been corrected. Management has completed the agreed corrective actions, and the status of each finding is documented on the attached Outstanding Recommendations Tracker.

Any findings with remediation dates that fall after the reporting period remain open and will continue to be monitored through the tracker until they are closed.

Escalation to the State Investment Board

No findings require escalation to the SIB. None of the findings identified during the year were assessed as significant, and all items due for correction have been resolved.

Committee Action Requested: Committee acceptance.

Audit / Engagement	Report Date	Risk Rating	Recommendation	Responsible Party	Target Completion Date	Status	Follow-Up Notes / Evidence Required	Date Closed
TFFR File Maintenance Review	2025-11-01	Moderate	Conduct a targeted review of 25 deaths from FY 2023-24 to verify death certificates are on file and appropriately scanned to the correct member FileNet account. Expand testing if exceptions exceed isolated instances.	Chase Kauffeld Chief Retirement Officer	04/30/2026	Closed	The CRO directed us to the L: drive for procedures during a meeting held on 10/26/26, which we reviewed. We received the response in correspondance dated 10/23/2026 which included the remaining procedures.	11/02/2026
TFFR File Maintenance Review	2025-11-01	Moderate	Ensure Retirement Services develops concise written procedures supplementing NeoSpin process flowcharts for key activities (e.g., retirements, purchases, refunds, deaths, and member data updates).	Chase Kauffeld Chief Retirement Officer	05/31/2026	Closed	The CRO directed us to the L: drive for procedures during a meeting held on 10/26/26, which we reviewed. We received the response in correspondance dated 10/23/2026 which included the remaining procedures.	11/02/2026
TFFR User Role Review	2026-03-2026	Moderate	Internal Audit recommends that RIO develop a formal written procedure governing the assignment, modification, and removal of Neospin user roles, including guidance for NDIT staff responsible for administering access.	Chase Kauffeld Chief Retirement Officer.	06/30/2026	Closed	The ED and CRO drafted a policy explaining procedures for adjusting user roles for staff, adding new staff, and deleting staff. IA received a copy of the policy from Administrative staff.	10/19/2026
TFFR User Role Review	2026-03-2026	Moderate	Internal Audit recommends that management adjust user roles for identified staff members and Sagitec users to better align access permissions with job responsibilities and segregation of duties expectations.	Chase Kauffeld Chief Retirement Officer.	06/30/2026	Closed	IA requested a copy of the user roles from NDIT RIO staff. The updated document was received Sep 30, 2026. IA completed the review of the document and all revisions were noted.	10/19/2026
Model 2 Partial Review	2024-04-22	Moderate	Implement corrective actions and process improvements identified in the Model 2 Partial Review Report. (See original April 22, 2024 report for full recommendation detail.)	Chase Kauffeld Chief Retirement Officer	06/30/2026	Closed	CRO forwarded responses to each query from the IA team. Issues have been resolved.	10/22/2026
External Investment Oversight (Weaver)	2025-11-13	Moderate	Investment Policy Statements (IPS) for all clients under ND RIO management should be reviewed annually. Obtain executed copies of four missing IPS and update IPS not reviewed/approved within the last year.	Scott Anderson Chief Investment Officer	01/30/2026	Closed	All four missing IPS have been updated and executed. A review of IPS statements is underway. Pension IPS have been updated and insurance is underway.	07/01/2026

Audit / Engagement	Report Date	Risk Rating	Recommendation	Responsible Party	Target Completion Date	Status	Follow-Up Notes / Evidence Required	Date Closed
External Investment Oversight (Weaver)	2025-11-13	**Moderate**	Establish a formal process and annual schedule for periodic review and approval of key governance documents, including Investment Policies in the SIB Program Manual and key committee charters. Define ownership, frequency, approval authority, and documentation standards.	Scott Anderson Chief Investment Officer	06/30/2026	**Closed**	The SIB GPS that went into effect on July 2026 establishes a calendar candance when committie charters and governance items will be reviewed.	07/01/2026
External Investment Oversight (Weaver)	2025-11-13	**Moderate**	Develop and implement detailed written desk-top procedures for the investments team's critical activities, including the external manager selection, monitoring, and termination lifecycle, to ensure consistency, transparency, and alignment with investment program objectives.	Eric Chin Deputy Chief Investment Officer	03/31/2026	**Closed**	An investment manager lifecycle process was implemented. Outlining the selection, monitoring, and termination of both public and private market process.	10/07/2026
External Investment Oversight (Weaver)	2025-11-13	**Moderate**	Implement a standardized manager selection due diligence and onboarding checklist documenting all key activities (DDQ, performance review, legal review of IMA/LPA/side letters, IC approval, account setup). Checklist should be workflow-specific to public vs. private markets with clear ownership and centralized documentation retention.	Eric Chin Deputy Chief Investment Officer	03/31/2026	**Closed**	A manager selection checklist for both private and public markets was implemented. This due diligence will be linked to the investment manger lifecycle process.	10/07/2026
External Investment Oversight (Weaver)	2025-11-13	**Moderate**	Implement an annual manager scorecard process synthesizing performance, risk, and compliance data for IC presentation. Define and document formal triggers for enhanced review (e.g., sustained underperformance, compliance breach, loss of key personnel) with escalation and remediation plans.	Eric Chin Deputy Chief Investment Officer	06/30/2026	**Closed**	Implemented a formalized manager monitoring, where information on managers will be documented, reviewed, and retained.	10/07/2026
External Investment Oversight (Weaver)	2025-11-13	**Moderate**	Update the SIB Program Manual to specifically reflect what is required of the SIB for new manager selection, removing the requirement for the Board to conduct manager interviews to align with the delegation of that responsibility to the ND RIO Investment team.	Eric Chin Deputy Chief Investment Officer	06/30/2026	**Closed**	This items was resolved with the approval of the SIB Governance Policy System.	07/01/2026

Audit / Engagement	Report Date	Risk Rating	Recommendation	Responsible Party	Target Completion Date	Status	Follow-Up Notes / Evidence Required	Date Closed
Investment Fees Audit (Weaver)	2026-05-21	Moderate	Implement a formal, risk-based internal investment fee assessment process applied consistently across all fee types within public and private investments. Include periodic independent recalculation or documented reasonableness reviews (including fees derived from capital calls and LP waterfalls), performed on a sample basis, with retained documentation evidencing the reviews and the resolution of any identified variances.	Adam Otteson (CFOO) & Tim Forsythe (Deputy CFOO)	12/31/2026	Open		
Investment Fees Audit (Weaver)	2026-05-21	Moderate	Implement and document a periodic independent review/recalculation of investment management fees deducted directly from fund balances (e.g., PIMCO Performance – Fixed Inc. (DiSCO II)), on a sample basis. Formalize and maintain policies and procedures over the investment fee lifecycle, including standardized onboarding documentation to capture contractual fee terms and defined processes for identifying and recording fee-related items such as clawbacks and receivables.	Adam Otteson (CFOO) & Tim Forsythe (Deputy CFOO)	12/31/2026	Open		
Investment Fees Audit (Weaver)	2026-05-21	Low	Formally review and restrict access to spreadsheets and tools used to calculate and record investment fees (Master Fee Spreadsheet) to individuals with a documented business need; implement version control, periodic access reviews, and documented ownership. Over the longer term, evaluate interfacing the Master Fee Spreadsheet with Great Plains and Northern Trust to automate fee-data transfer and reduce manual error.	Adam Otteson (CFOO) & Tim Forsythe (Deputy CFOO)	06/30/2026	Closed	The drive that the spreadsheet is held on restricted access to only fiscal staff members, with other staff members as read only access.	09/01/2026

ND State Investment Board
Audit, Risk, & Compliance Committee Resolution
In Recognition of Dottie Thorsen

WHEREAS, Dottie Thorsen has served as a valued and dedicated member of the Retirement & Investment Office for 28 years; and

WHEREAS, Dottie Thorsen has diligently carried out her duties and responsibilities as Internal Auditor in support of the Retirement and Investment Office; and

WHEREAS, Dottie Thorsen provided independent and objective assurance to the SIB Audit Committee, strengthening internal controls, risk management, and accountability throughout the organization; and

WHEREAS, Dottie Thorsen has consistently demonstrated the highest standards of integrity, professionalism, and sound judgment, earning the trust and respect of the Board, the ARCC, and her colleagues; and

WHEREAS, Dottie Thorsen has helped safeguard the assets entrusted to the Retirement & Investment Office, contributing to the financial integrity and stability of the programs serving the public employees, teachers, and citizens of North Dakota.

NOW THEREFORE, BE IT RESOLVED that the SIB Audit, Risk, & Compliance Committee duly recognizes Dottie Thorsen for her 28 years of dedicated service to the State of North Dakota through the Retirement & Investment Office and extends its sincere gratitude and best wishes for a rewarding retirement.

ADOPTED this 20th day of November 2026, by the State Investment Board Audit, Risk, & Compliance Committee.

Treasurer Thomas Beadle, Chair

Votes

Date