

Investment Committee
Friday, July 11, 2025, 9:00 a.m.
Virtual Only
[Click here to join the meeting](#)

AGENDA

- I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA – (Committee Action)**
- II. **ACCEPTANCE OF MINUTES (June 13, 2025) – (Committee Action)**
- III. **FEE STUDY¹ (30 minutes) – (Committee Action) – Ms. Neill, Verus**
- IV. **MANAGER RECOMMENDATION² (30 minutes) – (Committee Action)**
 - A. Private Markets – *Mr. Collins, Mr. Zietlow*
- (Break)
- V. **STRATEGY REVIEW (75 minutes) – (Information Only)**
 - A. Private Markets – *Mr. Collins, Mr. Zietlow*
 - B. Internal Investment Performance – *Mr. Anderson, Mr. Gandhi, Mr. Moss*
- VI. **INVESTMENT POLICY STATEMENT UPDATES (15 minutes) – (Committee Action)**
 - A. Fire and Tornado – *Mr. Chin*
 - B. State Bonding – *Mr. Chin*
- VII. **DISCUSSION**
- VIII. **ADJOURNMENT**

¹ Executive Session pursuant to N.D.C.C. 44-04-18.4(2)(b) as financial information that has not been previously publicly disclosed and that if the information were to be disclosed would impair the public entity's future ability to obtain necessary information or would cause substantial competitive injury to the person from which the information was obtained.

² Executive Session pursuant to N.D.C.C. 44-04-19.2, 44-04-18.4 (2)(a) and N.D.C.C. 44-04-18.4(2)(d) to review and discuss confidential commercial information and trade secrets

**STATE INVESTMENT BOARD
INVESTMENT COMMITTEE
MEETING MINUTES OF THE
JUNE 16, 2025, MEETING**

MEMBERS PRESENT: Thomas Beadle, State Treasurer, Chair
Joseph Heringer, Trust Lands Commissioner, Vice Chair
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
Pete Jahner, External Representative
Dr. Prodosh Simlai, External Representative

STAFF PRESENT: Jin Xi Chen, Investment Intern
Jac Collins, Senior Investment Analyst
Cory Cox, Investment Analyst
Derek Dukart, Senior Investment Analyst
Jennifer Ferderer, Fiscal Investment Admin
Chirag Gandhi, Portfolio Manager
Shiv Khare, Investment Intern
Robbie Morey, Investment Accountant
George Moss, Portfolio Manager
Sarah Mudder, Communications/Outreach Director
Chad Roberts, Deputy Executive Director/Chief Retirement Officer
Jodi Smith, Executive Director
Nitin Vaidya, Chief Risk Officer
Alexander Weissman, Investment Analyst
Lance Zietlow, Portfolio Manager

GUESTS: Michael Barakat, Weaver
Members of the Public

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:05 a.m. on Friday, June 13, 2025. The meeting was held virtually.

The following members were present representing a quorum: Mr. Anderson, Treasurer Beadle, Mr. Chin, Commissioner Heringer, and Mr. Jahner.

AGENDA

The agenda was considered for the June 13, 2025, meeting.

IT WAS MOVED BY MR. ANDERSON AND SECONDED BY MR. CHIN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE JUNE 13, 2025, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, COMMISSIONER HERINGER, MR. JAHNER, AND TREASURER BEADLE

NAYS: NONE

ABSENT: DR. SIMLAI

MOTION CARRIED

MINUTES

Dr. Simlai joined the meeting at 9:05 a.m.

The minutes were considered for the May 9, 2025, meeting.

IT WAS MOVED BY MR. ANDERSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE MAY 9, 2025, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, COMMISSIONER HERINGER, MR. JAHNER, DR. SIMLAI, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

COMMITTEE DUTIES

Mr. Barakat from Weaver presented the Committee with forms the covered employees relating to the internal investment program signed. The forms included Conflicts of Interest Disclosure, Gifts and Entertainment Disclosure, Initial and Annual Outside Business Activities Disclosure, Quarterly Adherence to the Code Attestation – Personal Trading, Acknowledgement of Receipt and Review of Code of Ethics, and Initial and Annual Account Disclosure. Committee discussion followed.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE CONFLICTS OF INTEREST ATTESTATION DISCLOSURES FOR THE AGENCY STAFF AS PRESENTED.

AYES: MR. CHIN, COMMISSIONER HERINGER, MR. JAHNER, MR. ANDERSON, DR. SIMLAI, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

STRATEGY REVIEW

Mr. Moss provided the Committee with an update on internal investment management, including updates on an assets under management, preliminary performance, program savings, and a staffing update.

MANAGER RECOMMENDATION

IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. SIMLAI AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. 44-04-19.2, 44-04-18.4 (2)(A) AND N.D.C.C. 44-04-18.4(2)(D) TO REVIEW AND DISCUSS CONFIDENTIAL COMMERCIAL INFORMATION AND TRADE SECRETS.

AYES: COMMISSIONER HERINGER, MR. ANDERSON, DR. SIMLAI, MR. CHIN, MR. JAHNER, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

The executive session began at 9:57 a.m. and ended at 10:47 a.m. The session was attended by Committee members, Ms. Chen, Mr. Collins, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Gandhi, Mr. Khare, Mr. Morey, Mr. Moss, Ms. Mudder, Ms. Smith, Mr. Vaidya, Mr. Weissman, and Mr. Zietlow.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO DIRECT STAFF TO PROCEED WITH CONTRACT NEGOTIATIONS AND DUE DILIGENCE FOR THE PRIVATE MARKET MANAGER PRESENTED AND REPORT BACK AT A FUTURE COMMITTEE MEETING.

AYES: COMMISSIONER HERINGER, MR. ANDERSON, DR. SIMLAI, MR. CHIN, MR. JAHNER, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

MANAGER UPDATE

Mr. Zietlow provided an update on a new in-state manager. A commitment of \$150 million has been made to GCM Grosvenor with a focus on real asset opportunities in the state of North Dakota. The anticipated pace of deployment is \$30 million to \$50 million annually.

DISCUSSION

Treasurer Beadle offered congratulations to Jodi Smith for her appointment as Executive Director of the Retirement and Investment Office.

ADJOURNMENT

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 10:46 a.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



JULY 11, 2025

Fiscal Year 2024 Fee Study

North Dakota State Investment Board

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VERUSINVESTMENTS.COM

SEATTLE 206-622-3700

CHICAGO 312-815-5228

LOS ANGELES 310-297-1777

PITTSBURGH 412-996-8854

SAN FRANCISCO 415-362-3484

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Executive Summary

Executive Summary and Overall Assessment

- Verus has performed an analysis of the investment management fees for the investments in the ND SIB investment program relative to representative market comparable strategies/products.
- This executive summary provides a high-level overview of our findings. Summary fee evaluations for public investment, and private investments are included in the following slides.
- Greater fee analysis detail for each of the individual investments can be found in the subsequent sections of this report.
- Overall, Verus finds the investment management fees being paid by the NDSIB to be reasonable and typically lower than comparable fees available in the market.
 - While there are a few instances of the fees for individual mandates being marginally above their respective market medians, our overall assessment is the investment management fees being paid are largely below market.

Fee Study Assumptions

- This study utilizes 6/30/24 market values for the SIB individual accounts/mandates
- To provide apples-to-apples comparisons, performance fees and rebates are not considered
- Individual mandate fee data reflects actual fees paid as provided by RIO
 - A full year of actual fees was not available for a few new mandates, so those mandates will appear in the next study
- All data extracted from eVestment is maintained/defined by managers
 - Styles are often broadly defined and may not be a perfect fit for each strategy

Confidential materials will be sent separately to
Committee members via secure link.



PRIVATE MARKETS UPDATE

SIB INVESTMENT COMMITTEE
JULY 11, 2025

NORTH
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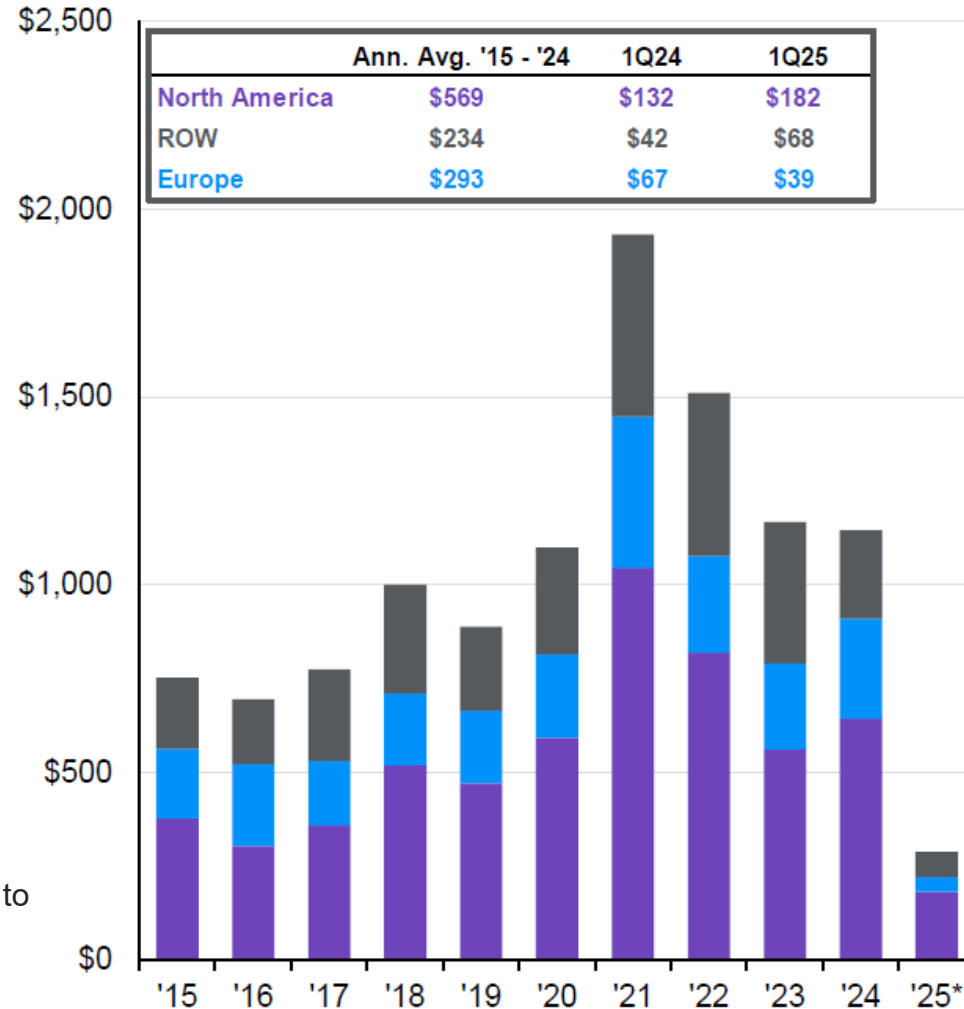
AGENDA

- Private equity market environment
- Private equity investment strategy
- Private market investment activity since investment strategy was implemented
- Private market allocations vs. policy targets
- Private equity allocations by geography and sector
- Private equity commitment history and cash flow activity
- Private equity performance

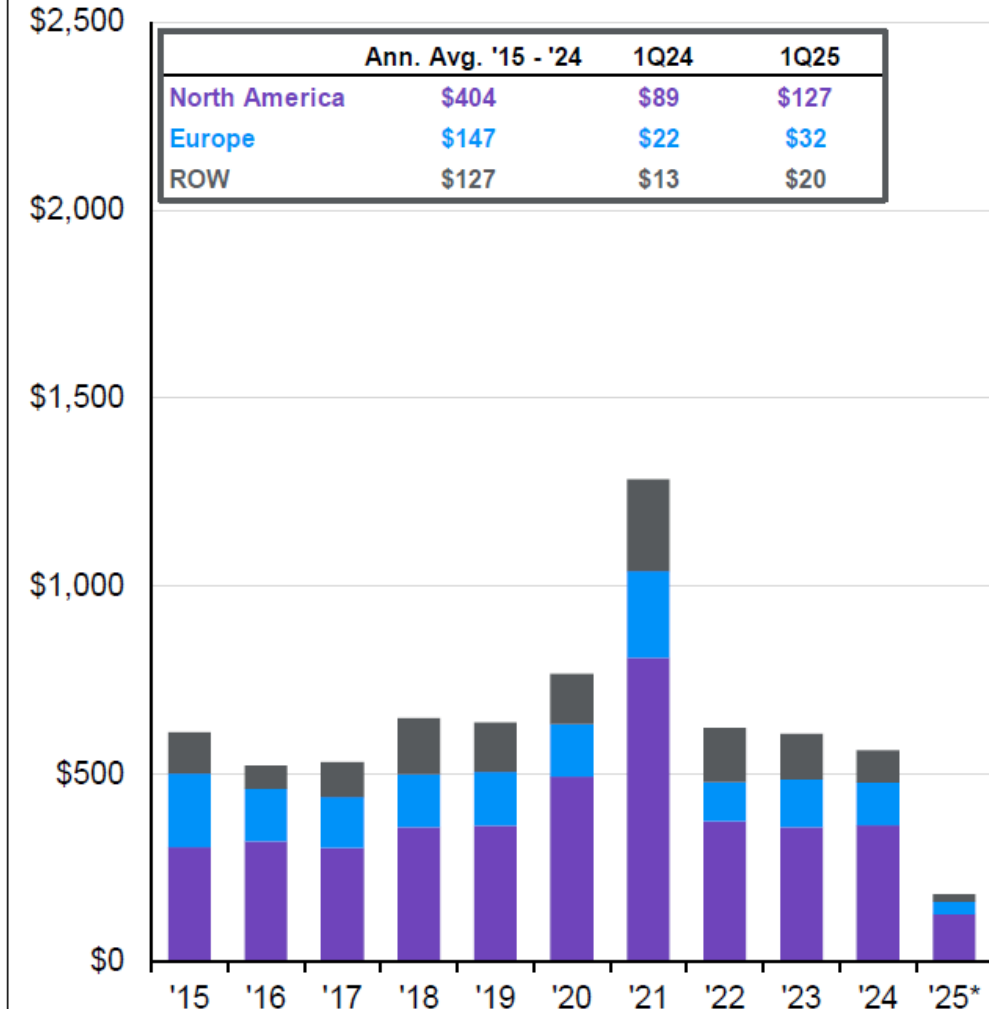
PRIVATE EQUITY INVESTMENT AND EXITS

- The rise in global interest rates in 2022 and 2023 continues to impact private equity investment and exit activity.

Private equity investments by value
USD billions, 2015 – 2025*



Private equity exits by value
USD billions, 2015 – 2025*



Source: Preqin, J.P. Morgan Guide to Alternatives.

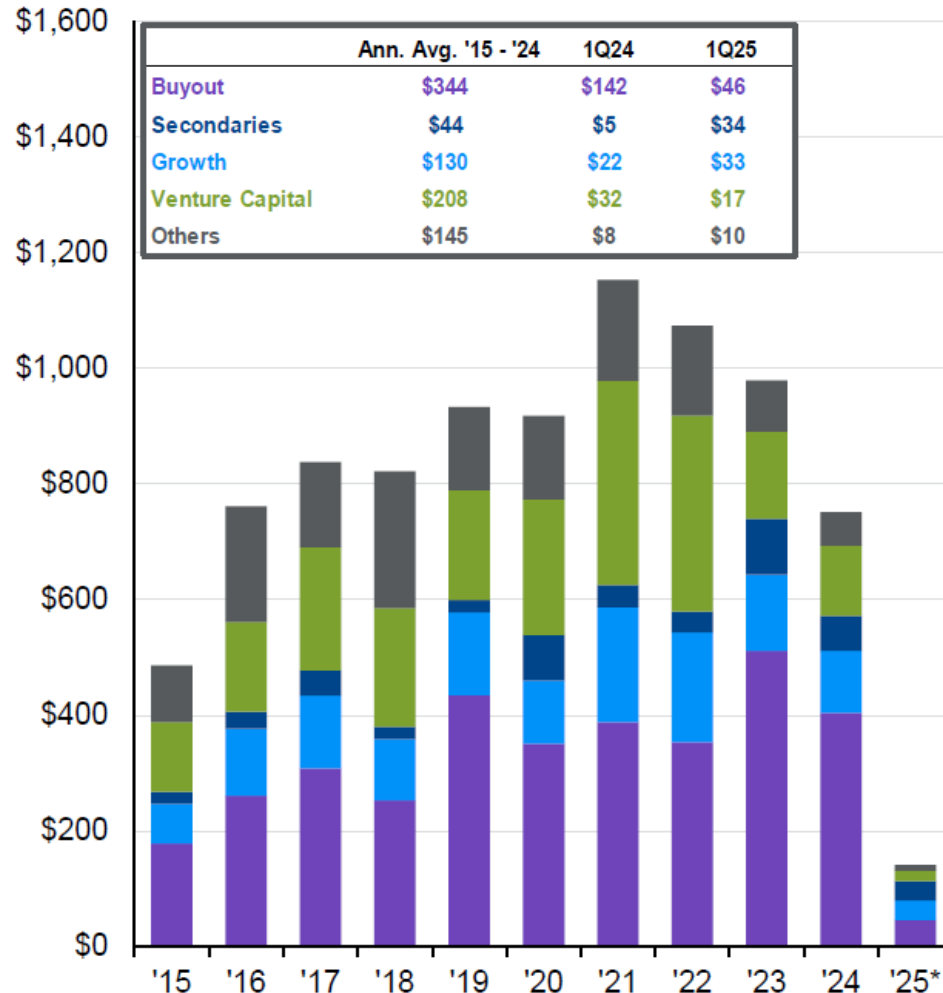
2025 Data are as of Q12025

GLOBAL PRIVATE EQUITY FUND RAISING

- Private equity fund raising will likely remain challenged until exit activity improves.

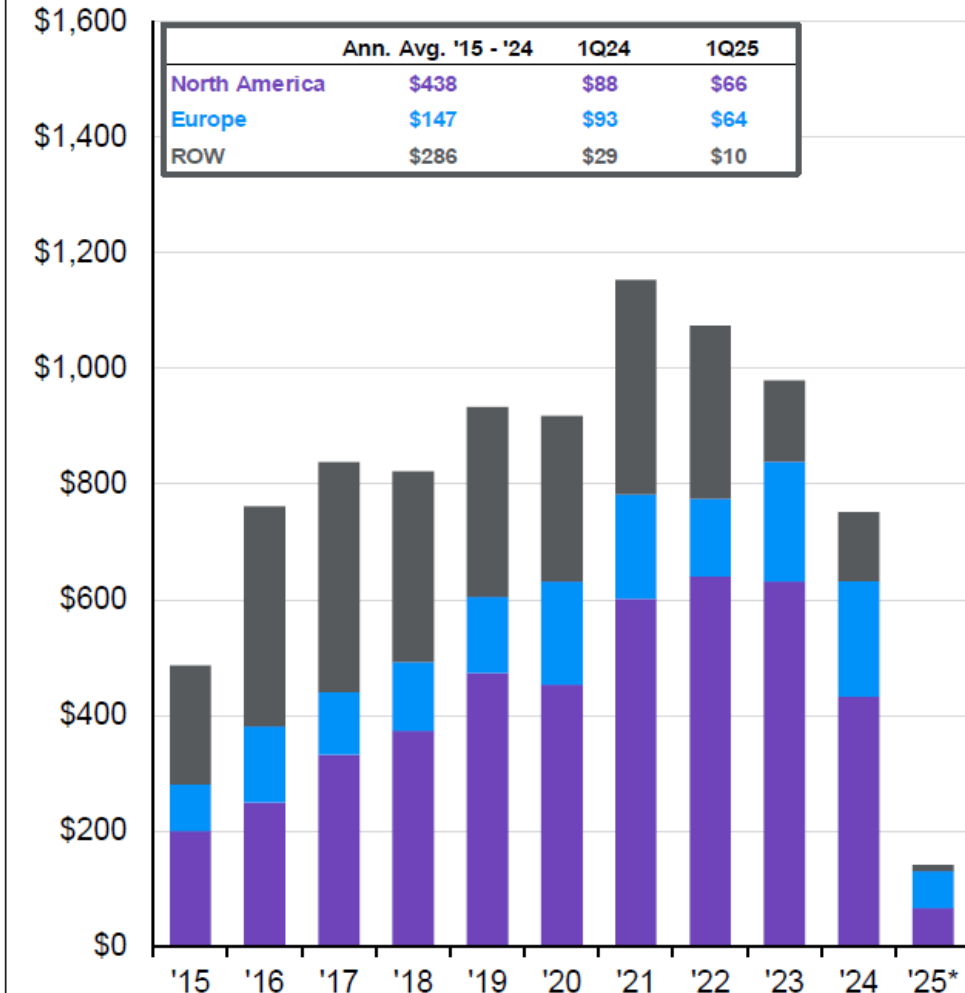
Global private equity fundraising by type

USD billions, 2015 – 2025*



Global private equity fundraising by region

USD billions, 2015 – 2025*



Source: Preqin, J.P. Morgan Guide to Alternatives.

2025 data are as of Q12025

PRIVATE EQUITY INVESTMENT STRATEGY

- Moving from a fund-of-funds program (e.g., Adams Street & BlackRock) to a direct to General Partner (GP) program.
- Due to the scale of the investments in the direct to GP program, it may require RIO to continue working with our fund-of-fund managers strategically to assist with manager access, sourcing and due diligence.

Benefits of Direct to GP Program:

- Ability custom tailor allocations across the three pools of capital.
- Better management of investment pacing across the three pools of capital.
- Lower fees by removing the fees charged by fund of funds managers.
 - Equates to management fees savings to date of over \$1.4 million/year with the potential save over \$5.5 million/year when the program is more mature.
 - An additional potential fee savings of over \$18 million if you make conservative assumptions on our fund of fund managers' ability to earn carried interest.

DIRECT TO GP INVESTMENT STRATEGY

- Through bottoms up analysis, seek to partner with the best managers globally that we can access.
- Primarily lower-middle-market and middle-market buyout.
- Limit venture capital exposure ($\leq 25\%$) because manager access is a challenge.
- Seek consistency while also being cognizant of prevailing conditions.
- Develop valuable investment trade-offs of return, risk and liquidity with buy-versus-sell decisions as drivers.
- Geographic exposures would roughly equate to the opportunity set.
- In the Legacy Fund, targeting a commitment pace the gets the plan to its policy target over 5-7 years.
- In the Pension Pool, commitments are needed to account for the roll off of the large fund of fund commitments.

INVESTMENT ACTIVITY

Fund	IC Approval	Vintage ¹	Geography	Sector	Subsector	(\$ millions)		
						Pension Pool Commitment	Legacy Fund Commitment	Total Commitment
Altor VI ²	8/11/2023	2022	Nordics & DACH	PE-Buyout	Middle Market	\$26.28	\$28.47	\$54.75
Kelso XI	9/8/2023	2021	North America	PE-Buyout	Middle Market	\$24.00	\$26.00	\$50.00
Portfolio Advisors GP Solutions	1/12/2024	2021	N.A. & Western Europe	PE-Secondaries	GP-led	\$20.00	\$30.00	\$50.00
H.I.G. Advantage II	2/9/2024	2022	North America	PE-Buyout	Middle Market	\$14.00	\$20.00	\$34.00
H.I.G. Capital Partners VII	2/9/2024	2024	North America	PE-Buyout	Lower Middle Market	\$7.00	\$10.00	\$17.00
Peak Rock Capital Fund IV	6/14/2024	2024	N.A. & Western Europe	PE-Buyout	Lower Middle Market	\$15.00	\$35.00	\$50.00
Horsley Bridge Growth XIV	8/9/2024	2024	N.A. & Western Europe	PE-Buyout	Growth Equity	\$20.00	\$40.00	\$60.00
TOTAL Private Equity						\$126.28	\$189.47	\$315.75
Cerberus NPL Fund II	4/12/2024	2022	Global	Private Credit	NPLs	\$0.00	\$35.00	\$35.00
Fortress Credit Opportunities VI	5/10/2024	2024	Global	Private Credit	Multi-Strategy	\$0.00	\$50.00	\$50.00
Castlelake Asset-Based III	3/10/2025	2023	North America	Private Credit	Asset Backed	\$0.00	\$50.00	\$50.00
TOTAL Private Credit						\$0.00	\$135.00	\$135.00
Carlyle Realty Partners X	9/13/2024	2025	North America	Real Assets	Real Estate	\$40.00	\$60.00	\$100.00
PRISA III	10/17/2024	2024	North America	Real Assets	Real Estate	\$35.00	\$50.00	\$85.00
Total Real Assets						\$75.00	\$110.00	\$185.00
TOTAL Private Markets ³						\$201.28	\$434.47	\$635.75

1. Vintage year refers to the year in which the fund made its first capital call.

2. The commitment shown is calculated based on the €/\$ exchange rate of 1.0949 on 8/11/2023.

3. Total does not include managers that were approved by the Investment Committee meeting where the legal review is pending.

ALLOCATIONS VS. POLICY TARGET

- Given the relatively new asset allocation for the Legacy Fund, much of the work in the private market program has focused on Private Equity and Private Credit in the Legacy Fund.
- Private Equity remains overweight in the Pension Pool, however, as public markets have rebounded this has subsided. New commitments are still needed to maintain the allocation in the future.
- Regarding the In-State Equity Program, ND RIO hired GCM Grosvenor to focus on real asset investment opportunities which compliments 50 South's private equity focus.
- The In-State Fixed income component is included as the remainder that the portion does not flow to the two BND programs (\$150 million) may be invested in In-State Private Credit.
- Private Credit does not have an explicit allocation within the Pension Pool nor the Insurance Pool and reside within each Pool's broader Non-Investment Grade allocation.
- Over 50% of the NAV is in open-end or separate accounts strategies which we have some control over the return of the capital.

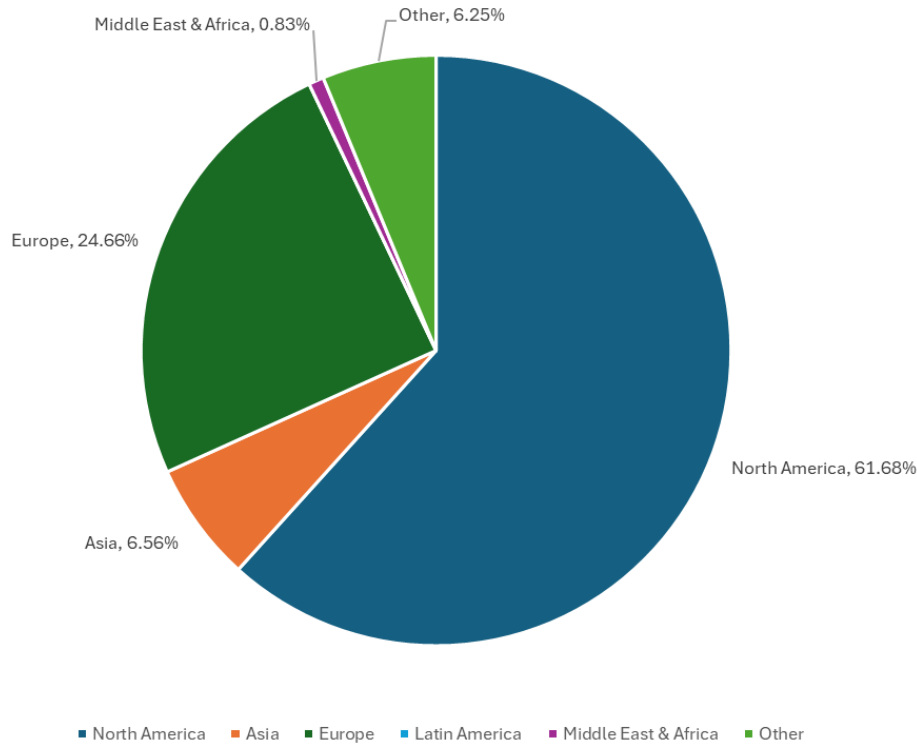
Adjusted Values as of April 30, 2025

	NDSIB Legacy Fund			NDSIB Pension Trust			NDSIB Insurance Trust		
	Actual	Policy	+/-	Actual	Policy	+/-	Actual	Policy	+/-
Private Equity	0.51%	7.00%	-6.49%	10.09%	8.20%	1.89%	n/a	n/a	n/a
In-State Equity¹	0.70%	3.00%	-2.30%	n/a	n/a	n/a	n/a	n/a	n/a
Private Credit	7.71%	10.00%	-2.29%	5.50%	n/a	n/a	1.80%	n/a	n/a
In-State Fixed Income²	4.03%	5.00%	-0.97%	n/a	n/a	n/a	n/a	n/a	n/a
Real Assets³	10.54%	10.00%	0.54%	16.05%	18.50%	-2.45%	11.04%	11.20%	-0.16%
Real Estate	4.46%	n/a	n/a	9.05%	10.10%	-1.05%	2.86%	3.30%	-0.44%
Infrastructure	6.08%	n/a	n/a	7.00%	8.40%	-1.40%	8.18%	7.90%	0.28%
(\$ millions)									
Private Equity	49.71	684.01	-634.30	828.84	673.55	155.29	n/a	n/a	n/a
In-State Equity¹	68.82	293.15	-224.32	n/a	n/a	n/a	n/a	n/a	n/a
Private Credit	753.68	977.16	-223.48	451.57	n/a	n/a	59.82	n/a	n/a
In-State Fixed Income²	393.50	488.58	-95.08	n/a	n/a	n/a	n/a	n/a	n/a
Real Assets³	1,030.37	977.16	53.22	1,318.31	1,519.60	-201.28	366.62	371.91	-5.30
Real Estate	436.28	n/a	n/a	743.54	829.62	-86.08	94.89	109.58	-14.69
Infrastructure	594.10	n/a	n/a	574.77	689.98	-115.21	271.73	262.33	9.39

- The statutory target for In-State Private Equity is \$600 million, however, the current policy target was set at 3% with the expectation that such percentage would equate to the statutory amount within the time period required to fulfill the mandate.
- The statutory target for In-State Fixed Income is \$700 million, comprised of \$150 million for the Bank of North Dakota's Infrastructure Loan Program and at least \$400 million for the Bank of North Dakota's CD match program. The remainder may be used for other qualified fixed income investments within the state.
- The Real Estate and Infrastructure components of the Real Assets allocation within the Legacy Fund do not have explicit policy targets.

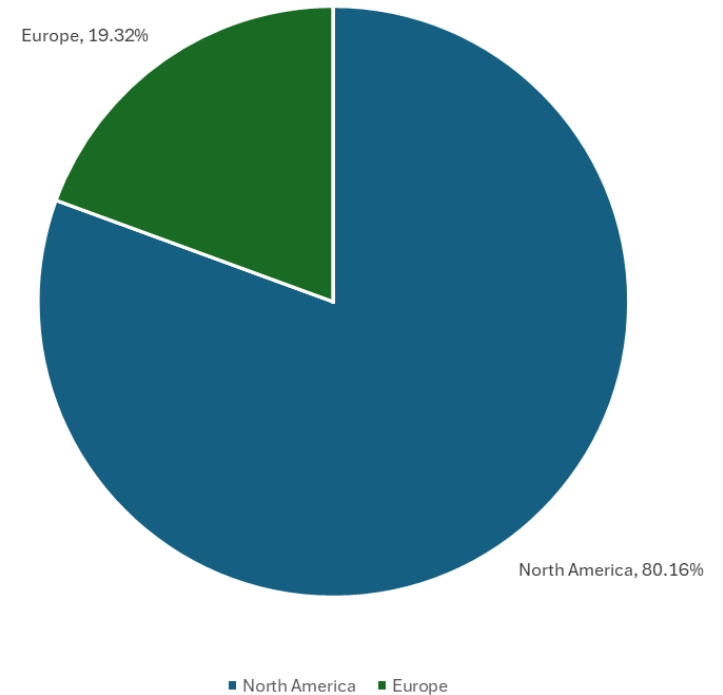
PRIVATE EQUITY ALLOCATION BY GEOGRAPHY

Historical Pension Pool PE by Region (NAV)



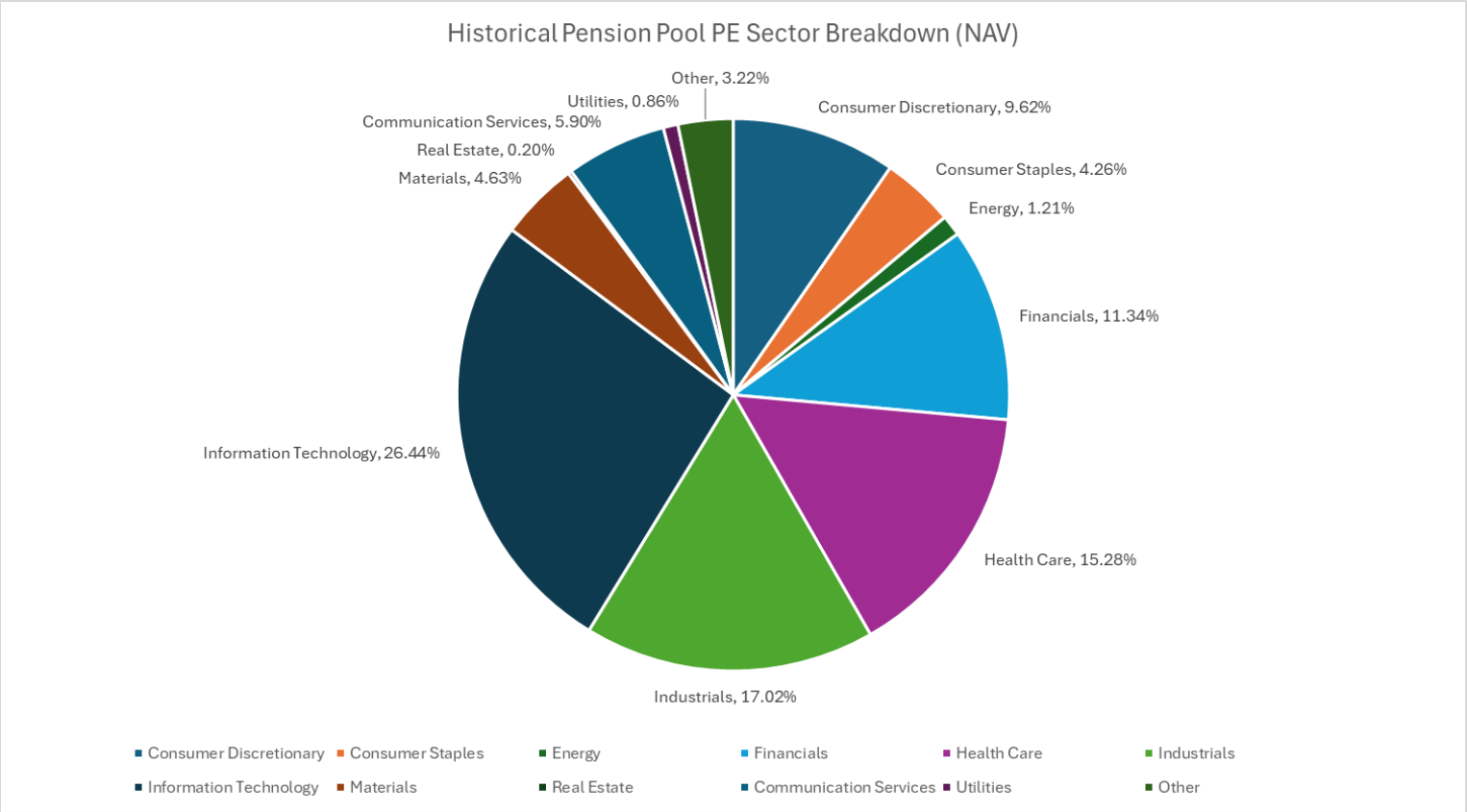
- The Pension Pool's private equity program had around a 4.3% exposure to China (Total Fund exposure of 0.43%).

Historical Legacy Fund PE Region Breakdown (NAV)

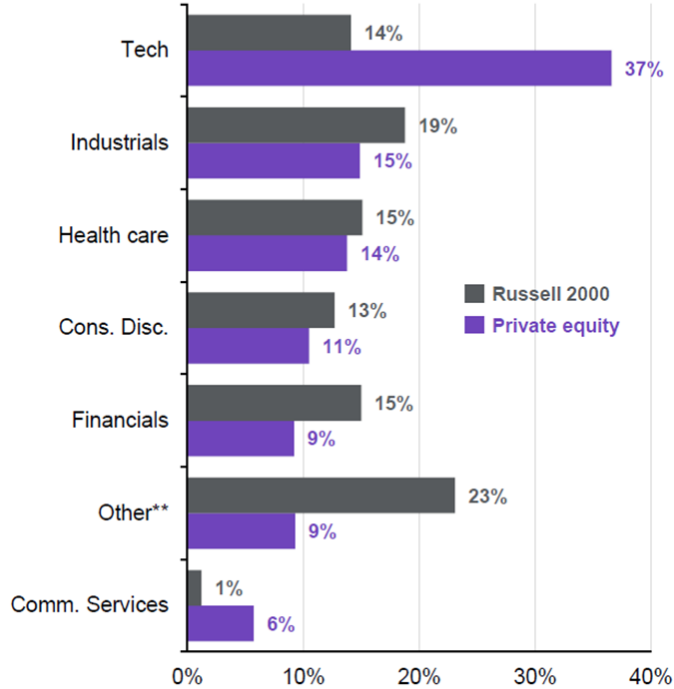


- The Legacy Fund private equity program is in its build out phase. We expect the geographic allocations will fluctuate as the program matures.

PRIVATE EQUITY ALLOCATION BY SECTOR (PENSION)

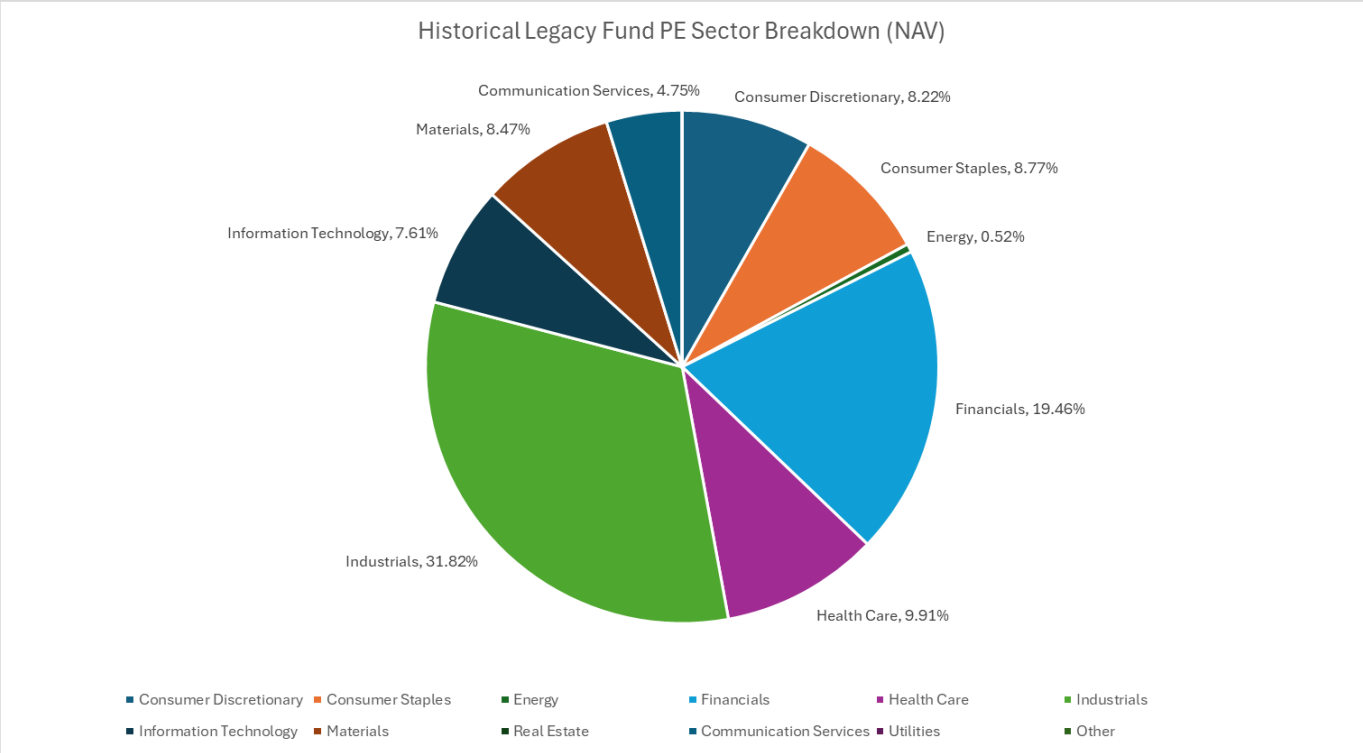


Private equity vs. small cap sector weights
2Q24

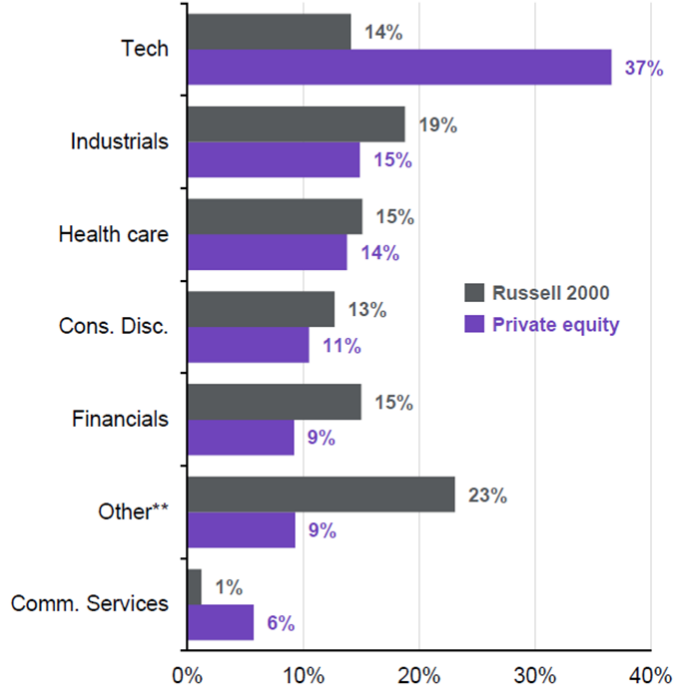


Source: J.P. Morgan Guide to Alternatives

PRIVATE EQUITY ALLOCATION BY SECTOR (LEGACY FUND)



Private equity vs. small cap sector weights
2Q24

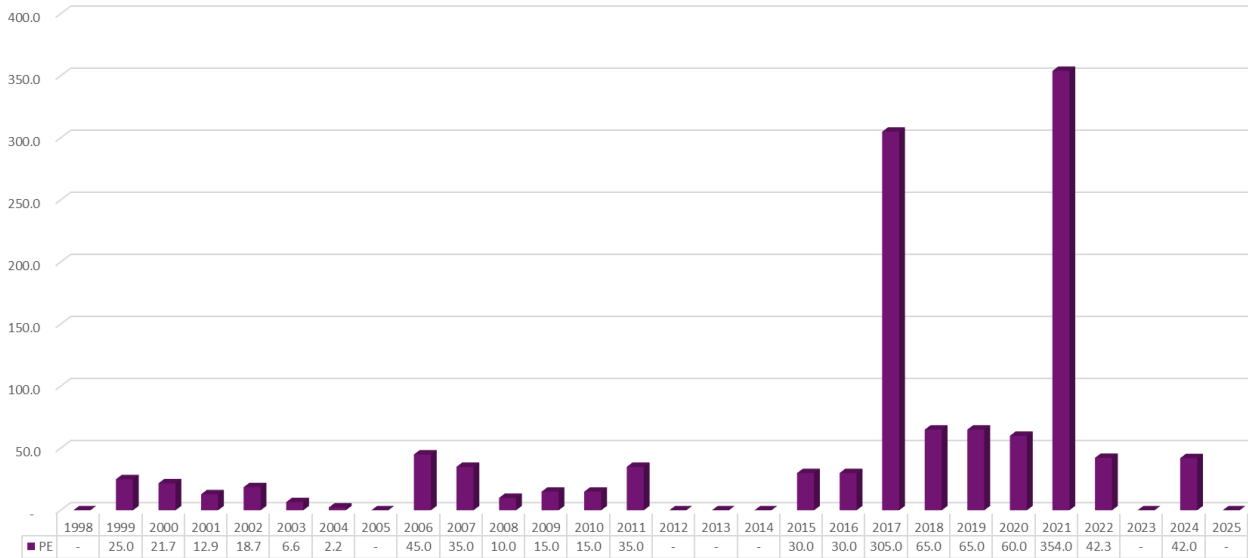


- The Investment Team expects the sector allocations will fluctuate as the private equity program matures.

Source: J.P. Morgan Guide to Alternatives

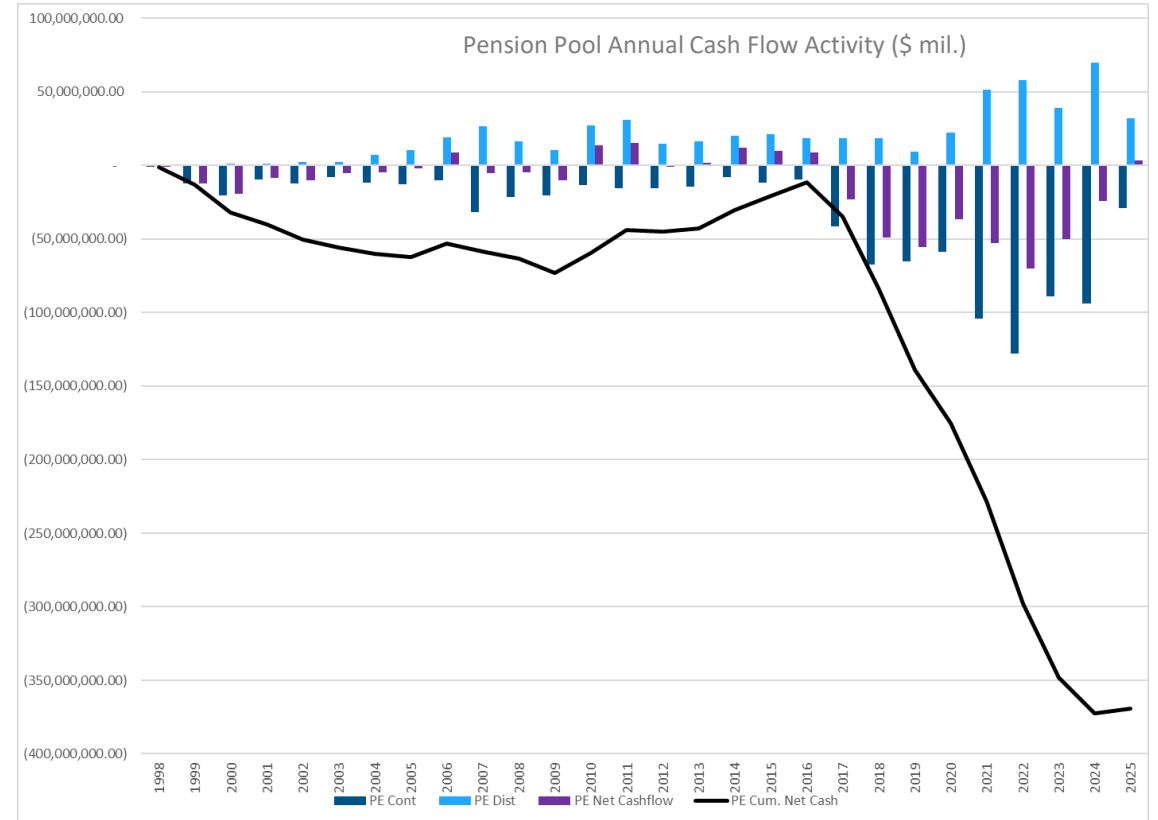
PENSION POOL PE COMMITMENT HISTORY AND CASH FLOW ACTIVITY

Pension Pool Commitments by Vintage and Strategy (\$ mil)



- Historical commitments were lumpy. Going forward, we are planning to have a more consistent commitment pace to diversify vintage year exposure.

Pension Pool Annual Cash Flow Activity (\$ mil.)

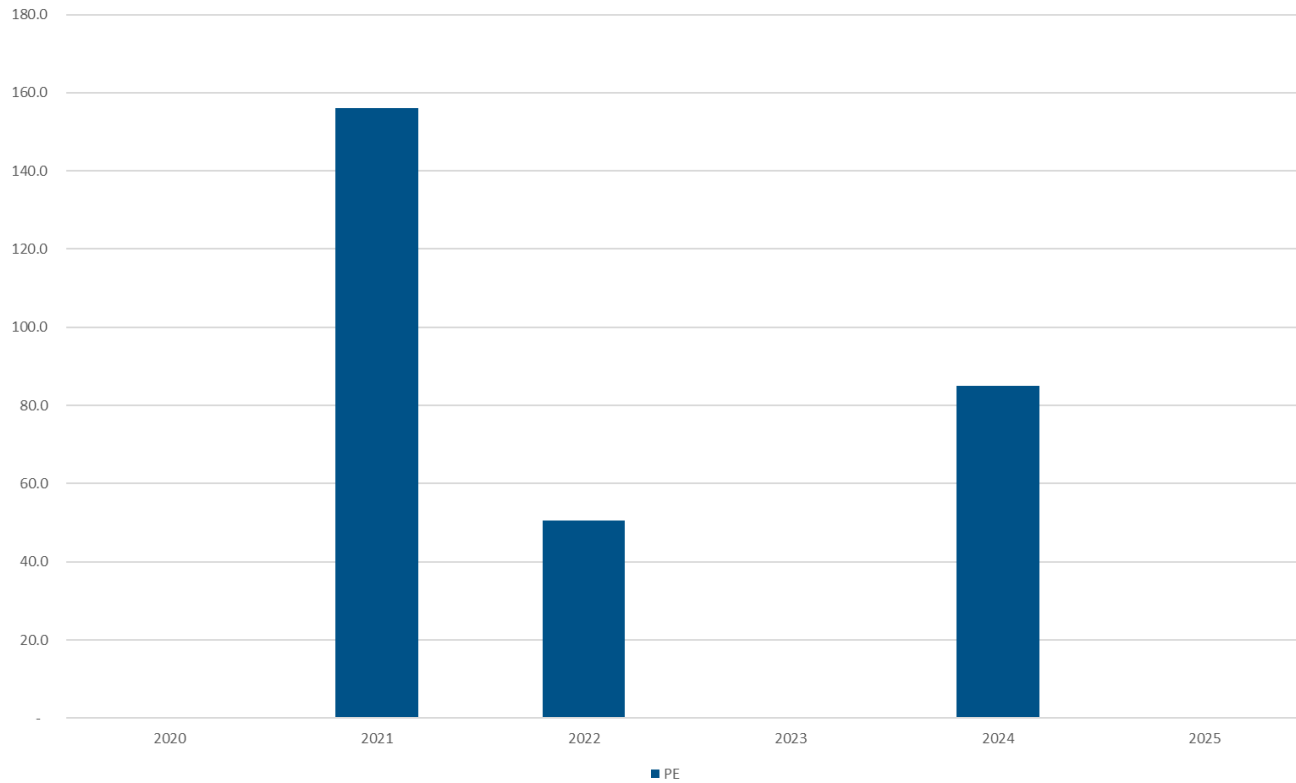


- Pension Pool's private equity program was moving towards a neutral net cash position before the large commitments in 2017 and 2021.

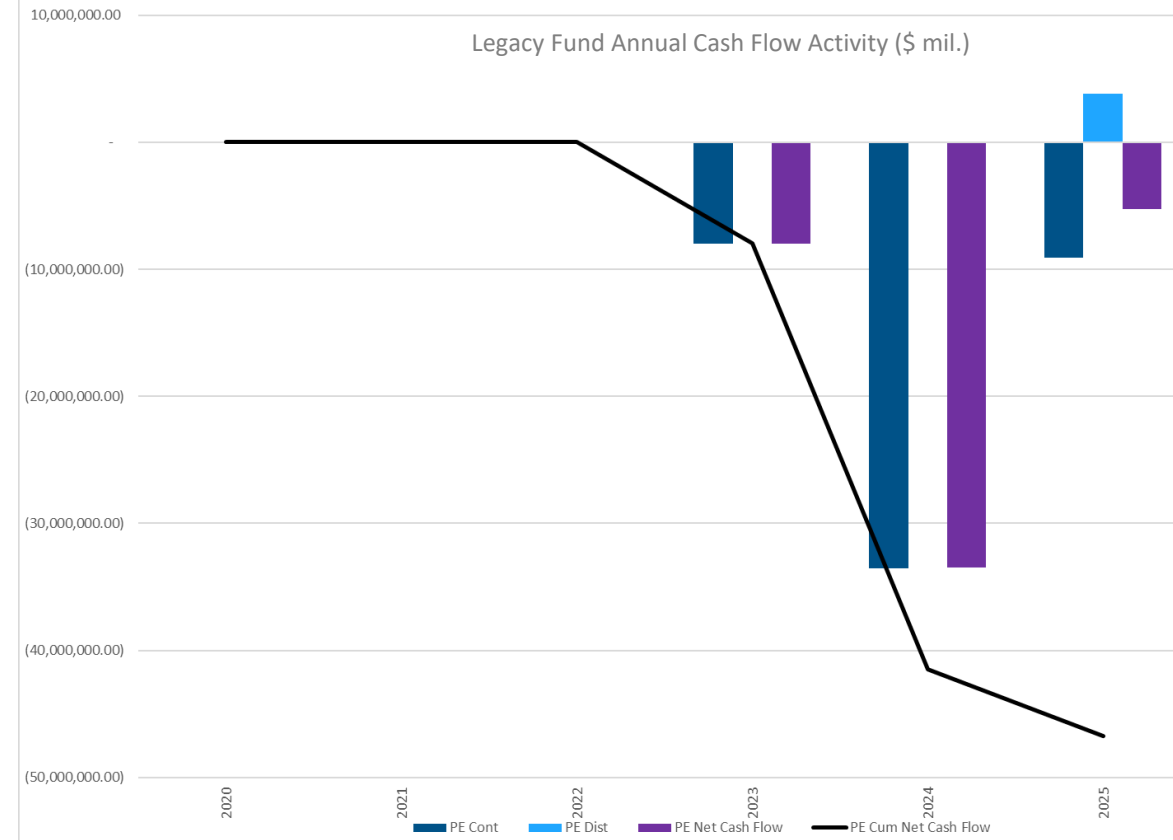
2025 is as of June 30, 2025.

LEGACY FUND PE COMMITMENT HISTORY AND CASH FLOW ACTIVITY

Legacy Fund Private Equity Commitments by Vintage Year(\$Mil.)



Legacy Fund Annual Cash Flow Activity (\$ mil.)



- The commitment activity looks a bit lumpy because some of the initial investments were 2021 or 2022 vintage year funds that were approved in 2023 (e.g., PA GP Solutions and Kelso XI).
- Going forward, we expect the commitment pace to be more consistent to diversify vintage year exposures.

2025 is as of June 30, 2025

PENSION POOL PRIVATE EQUITY PERFORMANCE

NDSIB Pension Trust						Adjusted Values March 31, 2025					Since Inception as of March 31, 2025		
Investment Name	Vintage	Rpt. Currency	Geography	Strategy	Report Date	Commitment	Unfunded	Paid-In Capital	Distributions	NAV	IRR	TVPI	DPI
Private Equity						1,273.9	346.7	927.2	549.1	837.6	8.62%	1.50x	0.59x
Adams Street 2010 Direct Fund, L.P.	2010	USD	Global	Co/Direct Investment	3-31-2025	1.5	0.1	1.4	2.4	0.4	11.83%	1.96x	1.65x
Adams Street 2015 Global Fund	2015	USD	Global	Fund-of-Funds	3-31-2025	30.0	3.0	27.0	27.3	34.3	18.65%	2.28x	1.01x
Adams Street 2016 Global Fund LP	2016	USD	Global	Fund-of-Funds	3-31-2025	30.0	2.8	27.0	18.4	32.8	15.15%	1.90x	0.68x
Adams Street 2017 Global Fund	2017	USD	Global	Fund-of-Funds	3-31-2025	60.0	8.5	51.4	28.8	68.9	15.33%	1.90x	0.56x
Adams Street 2018 Global Fund	2018	USD	Global	Fund-of-Funds	3-31-2025	65.0	10.7	54.3	17.2	77.7	16.64%	1.75x	0.32x
Adams Street 2019 Global Fund	2019	USD	Global	Fund-of-Funds	3-31-2025	65.0	10.4	54.6	7.6	73.3	14.99%	1.48x	0.14x
Adams Street 2020 Global Fund	2020	USD	Global	Fund-of-Funds	3-31-2025	60.0	12.9	47.1	4.5	56.0	11.08%	1.28x	0.09x
Adams Street 2021 Global Fund	2021	USD	Global	Fund-of-Funds	3-31-2025	60.0	19.9	40.1	1.2	46.1	10.19%	1.18x	0.03x
Adams Street Partnership Fund - 2008 Non-U.S. Fund	2008	USD	Global	Fund-of-Funds	3-31-2025	10.0	0.9	9.1	16.6	0.1	10.08%	1.83x	1.82x
Adams Street Partnership Fund - 2010 Non-U.S. Develop	2010	USD	Global	Fund-of-Funds	3-31-2025	4.5	0.4	4.1	6.4	1.4	12.32%	1.93x	1.58x
Adams Street Partnership Fund - 2010 Non-U.S. Emergin	2010	USD	Emerging Markets	Fund-of-Funds	3-31-2025	1.5	0.2	1.3	1.8	0.8	9.06%	1.94x	1.31x
Adams Street Partnership Fund - 2010 U.S. Fund, L.P.	2010	USD	North America	Fund-of-Funds	3-31-2025	7.5	0.9	6.6	13.1	3.3	15.65%	2.48x	1.98x
Altor Fund VI	2022	EUR	Western Europe	Corporate Finance/Buyout	3-31-2025	28.3	17.5	8.5	0.0	10.7	39.38%	1.27x	0.00x
BlackRock NDSIB Private Opportunities Fund (2017)	2017	USD	Global	Fund-of-Funds	3-31-2025	245.0	63.2	179.1	91.7	221.9	14.09%	1.75x	0.51x
BlackRock NDSIB Private Opportunities Fund (2020)	2021	USD	Global	Fund-of-Funds	3-31-2025	250.0	112.8	137.2	0.0	171.8	11.24%	1.25x	0.00x
Brinson Partnership Fund Trust - 2000 Primary Fund	2000	USD	North America	Fund-of-Funds	3-31-2025	17.2	0.8	15.7	26.4	0.1	9.91%	1.69x	1.69x
Brinson Partnership Fund Trust - 2001 Primary Fund	2001	USD	North America	Fund-of-Funds	3-31-2025	9.5	0.4	9.1	14.6	0.1	7.13%	1.61x	1.60x
Brinson Partnership Fund Trust - 2002 Primary Fund	2002	USD	North America	Fund-of-Funds	12-31-2024	5.3	0.2	5.2	9.5	0.0	12.97%	1.84x	1.85x
Capital International Private Equity Fund VI, L.P.	2011	USD	Global	Corporate Finance/Buyout	3-31-2025	35.0	3.3	43.0	44.0	1.2	0.92%	1.05x	1.02x
Corsair III Financial Services Capital Partners, L.P.	2006	USD	North America	Corporate Finance/Buyout	3-31-2025	25.0	0.8	35.3	18.0	3.5	(7.74%)	0.61x	0.51x
Kelso Investment Associates XI, L.P.	2021	USD	North America	Corporate Finance/Buyout	3-31-2025	24.0	14.2	10.2	0.0	12.0	15.57%	1.18x	0.00x
H.I.G. Advantage Buyout Fund II, L.P.	2022	USD	North America	Corporate Finance/Buyout	3-31-2025	14.0	11.4	3.0	0.4	3.4	25.71%	1.25x	0.13x
H.I.G. Capital Partners VII, L.P.	2024	USD	North America	Corporate Finance/Buyout	3-31-2025	7.0	6.8	0.2	0.0	0.2	-	0.86x	0.00x
Horsley Bridge Growth 14, L.P.	2024	USD	North America	Corporate Finance/Buyout	3-31-2025	20.0	18.8	1.2	0.0	1.2	(0.51%)	0.99x	0.00x
PA GP Solutions Fund, L.P.	2021	USD	Global	Secondaries	3-31-2025	20.0	8.7	12.7	0.0	11.8	(6.86%)	0.93x	0.00x
Peak Rock Capital Fund IV LP	2024	USD	North America	Corporate Finance/Buyout	7-31-2024	15.0	15.0	0.0	0.0	0.0	-	0.00x	0.00x
Lewis and Clark Fund I	2002	USD	North America	Venture Capital	3-31-2025	7.5	0.7	6.8	7.5	1.1	2.09%	1.26x	1.10x
Lewis and Clark Fund II	2009	USD	North America	Venture Capital	10-31-2024	15.0	1.4	13.6	16.9	3.5	4.58%	1.50x	1.25x

Consolidated Pension Trust Performance as of 3/31/2025 (Verus) (Time Weighted Returns)

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Private Equity	0.7	3.7	7.3	3.0	14.1	11.7	8.7
<i>Private Equity Benchmark</i>	<i>0.2</i>	<i>3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

LEGACY FUND PRIVATE EQUITY PERFORMANCE

NDSIB Legacy Fund							Adjusted Values March 31, 2025				Since Inception as of March 31, 2025		
Investment Name	Vintage	Rpt. Currency	Geography	Strategy	Report Date	Commitment	Unfunded	Paid-In Capital	Distributions	NAV	IRR	TVPI	DPI
Private Equity						0.0	146.0	46.2	0.6	49.9	10.20%	1.09x	0.01x
Altor Fund VI	2022	EUR	Western Europe	Corporate Finance/Buyout	3-31-2025	0.0	18.9	9.2	0.0	11.6	40.31%	1.27x	0.00x
H.I.G. Advantage Buyout Fund II, L.P.	2022	USD	North America	Corporate Finance/Buyout	3-31-2025	0.0	16.3	4.4	0.6	4.9	25.71%	1.25x	0.13x
H.I.G. Capital Partners VII, L.P.	2024	USD	North America	Corporate Finance/Buyout	3-31-2025	0.0	9.8	0.3	0.0	0.2	-	0.86x	0.00x
Horsley Bridge Growth 14, L.P.	2024	USD	North America	Corporate Finance/Buyout	3-31-2025	0.0	37.6	2.4	0.0	2.4	(0.51%)	0.99x	0.00x
PA GP Solutions Fund, L.P.	2021	USD	Global	Secondaries	12-31-2024	0.0	13.0	19.0	0.0	17.8	(6.86%)	0.93x	0.00x
Peak Rock Capital Fund IV LP	2024	USD	North America	Corporate Finance/Buyout	7-31-2024	0.0	35.0	0.0	0.0	0.0	-	0.00x	0.00x
Kelso Investment Associates XI, L.P.	2021	USD	North America	Corporate Finance/Buyout	3-31-2025	0.0	15.4	11.0	0.0	13.0	15.57%	1.18x	0.00x

Vintage year refers to the year in which a fund made its first capital call.

Legacy Fund Performance as of 3/31/2025 (Verus) (Time-Weighted Returns)

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Private Equity	2.7	7.9	8.5	4.6	-	-	-
<i>Private Equity Benchmark</i>	<i>4.2</i>	<i>11.0</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

- The Legacy Fund's 10% private equity allocation was approved in July 2023 (3% is dedicated to the In-State investment program). The first private equity commitment (Altor) was approved by the Investment Committee in August 2023.
- According to the Verus Custom Private Equity Benchmark Recommendation, new or start up fund are benchmarked against themselves for the first three years.
- The Verus Custom Private Equity Benchmark is also lagged one quarter.

CONCLUSION

- The rise in global interest rates continues to impact private equity investment and exit activity. Fund raising will likely remain challenged until exit activity improves.
- Based on the private investment strategy, the Investment Team will continue to commit capital to high quality general partners.
- In the Legacy Fund, targeting a commitment pace that gets the plan to its private equity policy target over 5-7 years.
- In the Pension Pool, private equity commitments are needed to account for the roll off of the significant fund of funds exposure.
- Since implementing the direct to GP investment strategy, the Investment Team has made \$315.75 million in private equity commitments (\$635.75 million in total private market commitments).
- The Consolidated Pension Plan's private equity performance is in line with custom private equity benchmark performance for the fiscal year to date period ending March 31, 2025.
- The Legacy Fund's private equity program is new and most of the managers are benchmarked to themselves based on the Verus Private Equity Benchmark Recommendation.

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Retirement & Investment

INTERNAL INVESTMENT MANAGEMENT UPDATE

Scott Anderson, CFA – Chief Investment Officer
Chirag Gandhi, CFA – Portfolio Manager, Internal Fixed Income
George Moss – Portfolio Manager, Internal Equity
July 11, 2025

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CASH OVERLAY PERFORMANCE

04/01/25 - 06/30/25	Average Daily Market Value *	Current Market Value	Portfolio	Total P&L Cash Bench	Difference
Cash Overlay	99,784,875	10,503,951	9,057,099	1,097,603	7,959,496
Pension Pool	5,066,908	5,352,968	363,075	55,102	307,973
Legacy Fund	94,717,967	5,150,982	8,694,024	1,042,501	7,651,523

* Cash Overlay reached a peak of \$312 million invested in preparation for the Legacy Fund distribution, which has been withdrawn.

FEE SAVINGS

04/01/25 - 06/30/25	Current Market Value	Period Fee Savings	Annualized Fee Savings
Internal Equity	54,635,026	315	1,259
Internal Fixed Income	340,009,261	77,365	309,460
TOTAL	394,644,287	77,680	310,719

Other sources of savings:

- Securities lending
- Transaction costs
- Rebalancing and transition management
- Enhanced / active management
- Implementation of more sophisticated strategies at the plan level

NORTH DAKOTA FIRE AND TORNADO FUND

INVESTMENT POLICY STATEMENT

1. FUND CHARACTERISTICS AND CONSTRAINTS.

The State Fire and Tornado Fund (the Fund) was established in 1919 to insure the various state industries and political subdivisions against direct physical loss to public buildings, fixtures, and permanent contents due to the perils named in 26.1-22-02 of the North Dakota Century Code (NDCC). All state buildings and universities must be covered by the Fund. School districts and counties may participate at their option. Funding is primarily provided by annual premiums charged to policy holders in accordance with NDCC 26.1-22.

Effective August 1993, the state's boiler inspection program was placed under the direction of the Insurance Department. The costs of this program are appropriated from the Fund. Fees collected for boiler inspections and licensing will be the primary source of funding for the program. The 1995 Legislature added anhydrous ammonia storage facilities to the Fund's inspection responsibilities.

A minimum balance of \$12.0 million must be maintained at all times. If reserves drop below this statutory minimum, additional premiums, as specified under NDCC 26.1-22, would be assessed. This situation must be avoided.

The Fund retains liability for the first \$1 million on each and every loss. Any loss over this amount, up to a maximum of \$100 million, is covered by reinsurance through a commercial reinsurance carrier. Reinsurance coverage is bid by the North Dakota Insurance Reserve Fund at least once every two years.

Claims paid from the Fund are highly unpredictable. Weather damage accounts for the majority of claims. Fires generally result in the most extensive damage. Generally, there is a two-week lead time to prepare for a claim payment. Large claim payments have a longer lead time and are spread out in multiple payments whenever possible.

Operating expenses are paid from the Fund as incurred. These include Fund administration, boiler inspection program, anhydrous ammonia storage facility inspections, State Fire Marshall's Office, and the North Dakota Firefighter's Association.

2. FUND MISSION

The primary mission of the Fund is to maintain an adequate balance in the fund to avoid the necessity of assessing additional premiums to policy holders.

3. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing policies and asset allocation and investing the assets of the Fund in the manner provided in Section 21-10-07 the prudent institutional investor rule. 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.

Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

The SIB may delegate investment responsibility to professional money managers, which are also required to employ investment strategies consistent with the investment policy. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pool.

The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, retaining, and terminating money managers. The SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

The SIB shall notify the board within 30 days of any substantial or notable changes in money managers; performance measurement services; and consultants, including hiring or terminating a money manager, performance measurement service, or a consultant.

The SIB will implement necessary changes to this policy in an efficient and prudent manner.

4. RISK TOLERANCE

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

5. INVESTMENT OBJECTIVES.

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mixed weights of appropriate asset class benchmarks as set by the SIB:

- a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
- b. The Fund's risk, measured by the standard deviation of net returns, should be within 1% of the policy benchmark over a minimum evaluation period of five years. For example, if the policy benchmark is 4%, the Fund's risk should range between 3% and 5% over a five-year period.

- c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

6. POLICY ASSET MIX

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Global Public Equity	35.00%
Fixed Income	55.00%
Real Estate	0%
Cash Equivalents	10.00%

Rebalancing the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

7. RESTRICTIONS

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that:

- a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
- b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
- c. No transaction may be made that would threaten the tax-exempt status of the Fund.
- d. All assets will be held in custody by the State Investment Board's master custodian, or such other custodians as are acceptable to the State Investment Board.
- e. No unhedged short sales or speculative margin purchases shall be made.
- f. Social investing is prohibited unless it meets the Exclusive Benefit Rule, and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

- g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

For the purpose of this document economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk

involved, as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

- (1) The cost does not exceed the fair market value at the time of investment.
- (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
- (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
- (4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Fund's policy favors investments which will have a positive impact on the economy of North Dakota.

8. INTERNAL CONTROLS

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

9. EVALUATION AND REVIEW

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

1. A list of the advisory services managing investments for the board.
2. A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in market value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
5. All material legal or legislative proceedings affecting the SIB.
6. Compliance with this investment policy statement.

Approved by:

OMB-RISK MANAGEMENT

STATE INVESTMENT BOARD



Tag Anderson
Director of Risk Management

Scott Anderson
Chief Investment Officer

Date: 07/08/2025

Date:

Approved by SIB

July 25, 2025 (**Target**)

NORTH DAKOTA STATE BONDING FUND

INVESTMENT POLICY STATEMENT

1. FUND CHARACTERISTICS AND CONSTRAINTS.

The State Bonding Fund (the Fund) was established for bonding public employees and public officials in accordance with Chapter 26.1-21 of the North Dakota Century Code (NDCC). Annual collections to the Fund are in the form of fees and restitution. However, the primary funding source for the Fund is investment return.

A minimum balance of \$2.0 million must be maintained at all times. If reserves drop below this statutory minimum, premiums will be assessed against all bondholders in accordance with NDCC 26.1-21-02. Such premiums will continue to be charged until the Fund balance reaches \$3.0 million. This situation must be avoided.

Claims paid from the Fund are on an as-needed basis and are highly unpredictable. A judgment against the guilty party is required prior to the Fund making a claim payment. Generally, there is a 60-90 day lead-time to prepare for a claim payment. Appropriations from the Fund are exclusively for administrative costs.

2. FUND MISSION

The primary mission of the Fund is to maintain an adequate balance in the fund to avoid the necessity of assessing premiums to bond holders.

3. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing policies and asset allocation and investing the assets of the legacy fund in the manner provided in Section 21-10-07--the prudent institutional investor rule. 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.

Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

The SIB may delegate investment responsibility to professional money managers, which are also required to employ investment strategies consistent with the investment policy. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pool.

The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, retaining, and terminating money managers. The SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

The SIB shall notify the board within 30 days of any substantial or notable changes in money managers; performance measurement services; and consultants, including hiring or terminating a money manager, performance measurement service, or a consultant.

The SIB will implement necessary changes to this policy in an efficient and prudent manner.

4. RISK TOLERANCE The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

5. INVESTMENT OBJECTIVES.

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mixed weights of appropriate asset class benchmarks as set by the SIB:

- a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
- b. The Fund's risk, measured by the standard deviation of net returns, should be within 1% of the policy benchmark over a minimum evaluation period of five years. For example, if the policy benchmark is 4%, the Fund's risk should range between 3% and 5% over a five-year period.
- c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

6. POLICY ASSET MIX

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Large Cap Domestic Equity	0%
Small Cap Domestic Equity	0%
International Equity	0%
Fixed Income	55%
Real Estate	0%
Cash Equivalents	45%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

7. RESTRICTIONS

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that:

- a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
- b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
- c. No transaction may be made that would threaten the tax-exempt status of the Fund.
- d. All assets will be held in custody by the State Investment Board's master custodian or such other custodians as are acceptable to the State Investment Board.
- e. No unhedged short sales or speculative margin purchases shall be made.
- f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

- g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

For the purpose of this document economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved, as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

- (1) The cost does not exceed the fair market value at the time of investment.
- (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
- (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
- (4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Fund's policy favors investments which will have a positive impact on the economy of North Dakota.

8. INTERNAL CONTROLS

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

9. EVALUATION AND REVIEW

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

1. A list of the advisory services managing investments for the board.
2. A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in market value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
5. All material legal or legislative proceedings affecting the SIB.
6. Compliance with this investment policy statement.

Approved by:

OMB-RISK MANAGEMENT

STATE INVESTMENT BOARD



Tag Anderson
Director of Risk Management

Scott Anderson
Chief Investment Officer

Date: 07/08/2025

Date:

Approved by SIB

July 25, 2025 (Target)