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

Investment Committee
Friday May 8, 2026, 9:00 a.m.
Virtual Only
Click here to join the meeting

AGENDA

I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA** – ***(Committee Action)***
   A. Roll Call & Conflict of Interest Disclosure

II. **ACCEPTANCE OF MINUTES (April 9, 2026 & April 14, 2026)** – ***(Committee Action)***

III. **STRATEGY REVIEW (75 minutes)** – ***(Information Only)***
   A. Asset and Risk Allocation – *Mr. Chin, Mr. Hambrick*
   B. Country Risk – *Mr. Hambrick*

(Break)

IV. **INVESTMENT EXPANSION[1] (10 minutes)** – ***(Committee Action)***
   A. Private Markets – *Mr. Collins, Mr. Ziettlow*

V. **BENCHMARK UPDATE (10 minutes)** – ***(Committee Action)***
   A. Private Credit Benchmark Update – *Mr. Chin*

VI. **MANAGER UPDATE (5 minutes)** – ***(Information Only)***
   A. Private Markets – *Mr. Collins, Mr. Ziettlow*

VII. **ALLSPRING AND PIMCO - TEMPORARY GUIDELINE WAIVER (10 minutes)** – *Mr. Anderson* ***(Information Only)***

VIII. **DISCUSSION**

IX. **ADJOURNMENT**

[1] 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.

Any individual requiring an auxiliary aid or service, please contact the Retirement and Investment Office (701) 328-9885 at least three (3) days prior to the scheduled meeting.

STATE INVESTMENT BOARD INVESTMENT COMMITTEE MEETING
MINUTES OF THE APRIL 9, 2026, MEETING

MEMBERS PRESENT

Thomas Beadle, State Treasurer, Chair
Prodosh Simlai, External Representative, Vice Chair
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
Pete Jahner, External Representative
Todd Van Orman, External Representative

STAFF PRESENT

Jac Collins, Senior Investment Analyst
Cory Cox, Investment Analyst
Derek Dukart, Senior Investment Analyst
Jennifer Ferderer, Fiscal Operations Admin
Timothy Forsythe, Deputy Chief Financial Officer
Chirag Gandhi, Portfolio Manager
Ross Hambrick, Portfolio Manager
Erik Jodock, Investment Analyst
Robbie Morey, Investment Operations Analyst
George Moss, Portfolio Manager
Sarah Mudder, Communications & Outreach Director
Chuck Napp, Sr Investment Operations Manager
Adam Otteson, Chief Financial Officer
Matthew Posch, Portfolio Manager
Jodi Smith, Executive Director
Alexander Weissman, Investment Analyst
Lance Ziettlow, Portfolio Manager

GUESTS

Members of the Public

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 2:02 p.m. on Thursday, April 9, 2026. The meeting was held virtually.

The following members were present representing a quorum: Mr. Van Orman, Mr. Anderson, Dr. Simlai, Mr. Chin, Mr. Jahner, and Treasurer Beadle.

AGENDA

The agenda was considered for the April 9, 2026, meeting.

IT WAS MOVED BY MR. DR. SIMLAI AND SECONDED BY MR. ANDERSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE APRIL 9, 2026, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, DR. SIMLAI, MR. JAHNER, MR. VAN ORMAN, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

MINUTES

The minutes were considered for the March 13, 2026, meeting.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE MARCH 13, 2026, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, MR. VAN ORMAN, DR. SIMLAI, MR. VAN ORMAN, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

MANAGER RECOMMENDATIONS

IT WAS MOVED BY MR. VAN ORMAN 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: DR. SIMLAI, MR. CHIN, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

The executive session began at 2:05 p.m. and ended at 3:24 p.m. The session was attended by Committee members, Mr. Collins, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Forsythe, Mr. Gandhi, Mr. Hambrick, Mr. Jodock, Mr. Morey, Mr. Moss, Ms. Mudder, Mr. Otteson, Mr. Posch, Ms. Smith, Mr. Weissman, and Mr. Ziettlow.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO APPROVE STAFF RECOMMENDATION TO HIRE THE FIRST PRIVATE MARKET MANAGER, PENDING LEGAL REVIEW, AND TO REPORT BACK AT A FUTURE COMMITTEE MEETING.

AYES: MR. ANDERSON, MR. JAHNER, MR. CHIN, MR. VAN ORMAN, DR. SIMLAI, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO APPROVE STAFF RECOMMENDATION TO HIRE THE SECOND PRIVATE MARKET MANAGER, PENDING LEGAL REVIEW, AND TO REPORT BACK AT A FUTURE COMMITTEE MEETING.

AYES: MR. JAHNER, MR. CHIN, MR. ANDERSON, DR. SIMLAI, MR. VAN ORMAN, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

INVESTMENT POLICY STATEMENT UPDATES

Mr. Chin presented an updated Investment Policy Statement (IPS) for the North Dakota Legacy Fund. The updates reflect asset allocation changes previously approved by the SIB and the respective client boards and incorporates a new IPS template designed to improve clarity and consistency.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND TO APPROVE THE INVESTMENT POLICY STATEMENT UPDATES AS PRESENTED.

AYES: MR. VAN ORMAN, MR. ANDERSON, DR. SIMLAI, MR. CHIN, MR. JAHNER, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

ADJOURNMENT

With no further business to come before the committee, Treasurer Beadle adjourned the meeting at 3:30 p.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board

STATE INVESTMENT BOARD INVESTMENT COMMITTEE MEETING MINUTES OF THE APRIL 14, 2026, MEETING

MEMBERS PRESENT

Thomas Beadle, State Treasurer, Chair
Prodosh Simlai, External Representative, Vice Chair
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
Pete Jahner, External Representative
Todd Van Orman, External Representative

STAFF PRESENT

Jac Collins, Senior Investment Analyst
Cory Cox, Investment Analyst
Derek Dukart, Senior Investment Analyst
Jennifer Ferderer, Fiscal Operations Admin
Timothy Forsythe, Deputy Chief Financial Officer
Chirag Gandhi, Portfolio Manager
Ross Hambrick, Portfolio Manager
Erik Jodock, Investment Analyst
Robbie Morey, Investment Operations Analyst
George Moss, Portfolio Manager
Sarah Mudder, Communications & Outreach Director
Chuck Napp, Sr Investment Operations Manager
Adam Otteson, Chief Financial Officer
Matthew Posch, Portfolio Manager
Jodi Smith, Executive Director
Alexander Weissman, Investment Analyst
Lance Ziettlow, Portfolio Manager

GUESTS

Chad Keech, Senior Procurement Officer
Members of the Public

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) special meeting to order at 10:33 a.m. on Tuesday April 14, 2026. The meeting was held virtually.

The following members were present representing a quorum: Mr. Van Orman, Mr. Anderson, Dr. Simlai, Mr. Chin, Mr. Jahner, and Treasurer Beadle.

AGENDA

The agenda was considered for the April 14, 2026, meeting.

IT WAS MOVED BY MR. DR. SIMLAI AND SECONDED BY MR. ANDERSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE APRIL 14, 2026, MEETING AS DISTRIBUTED.

AYES: MR. CHIN, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON, AND TREASURER BEADLE
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

EXECUTIVE SESSION 1

IT WAS MOVED BY MR. ANDERSON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. 44-04-19.2(6) AND 54-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

AYES: MR. ANDERSON, MR. JAHNER, MR. CHIN, MR. VAN ORMAN, AND TREASURER BEADLE
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

The executive session began at 10:38 a.m. and ended at 11:25 a.m. The session was attended by Committee members, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Forsythe, Mr. Gandhi, Mr. Jodock, Mr. Keech, Mr. Moss, Ms. Mudder, Mr. Napp, Mr. Otteson, Ms. Riegler, Ms. Smith, Mr. Weissman, and representatives from offeror.

Dr. Simlai joined the meeting at 10:50 a.m.

EXECUTIVE SESSION 2

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. CHIN AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. 44-04-19.2(6) AND 54-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

AYES: DR. SIMLAI, MR. CHIN, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

The executive session began at 11:28 a.m. and ended at 12:14 p.m. The session was attended by Committee members, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Forsythe, Mr. Gandhi, Mr. Jodock, Mr. Keech, Mr. Moss, Ms. Mudder, Mr. Napp, Mr. Otteson, Ms. Riegler, Ms. Smith, Mr. Weissman, and representatives from offeror.

The committee recessed at 12:18 p.m. and reconvened at 12:25 p.m.

EXECUTIVE SESSION 3

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. 44-04-

19.2(6) AND 54-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

AYES: MR. VAN ORMAN, MR. ANDERSON, DR. SIMLAI, MR. CHIN, MR. JAHNER, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED

The executive session began at 12:26 p.m. and ended at 1:10 p.m. The session was attended by Committee members, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Forsythe, Mr. Gandhi, Mr. Jodock, Mr. Keech, Mr. Moss, Ms. Mudder, Mr. Napp, Mr. Otteson, Ms. Riegler, Ms. Smith, and Mr. Weissman.

ADJOURNMENT

With no further business to come before the committee, Treasurer Beadle adjourned the meeting at 1:10 p.m.

Prepared by:

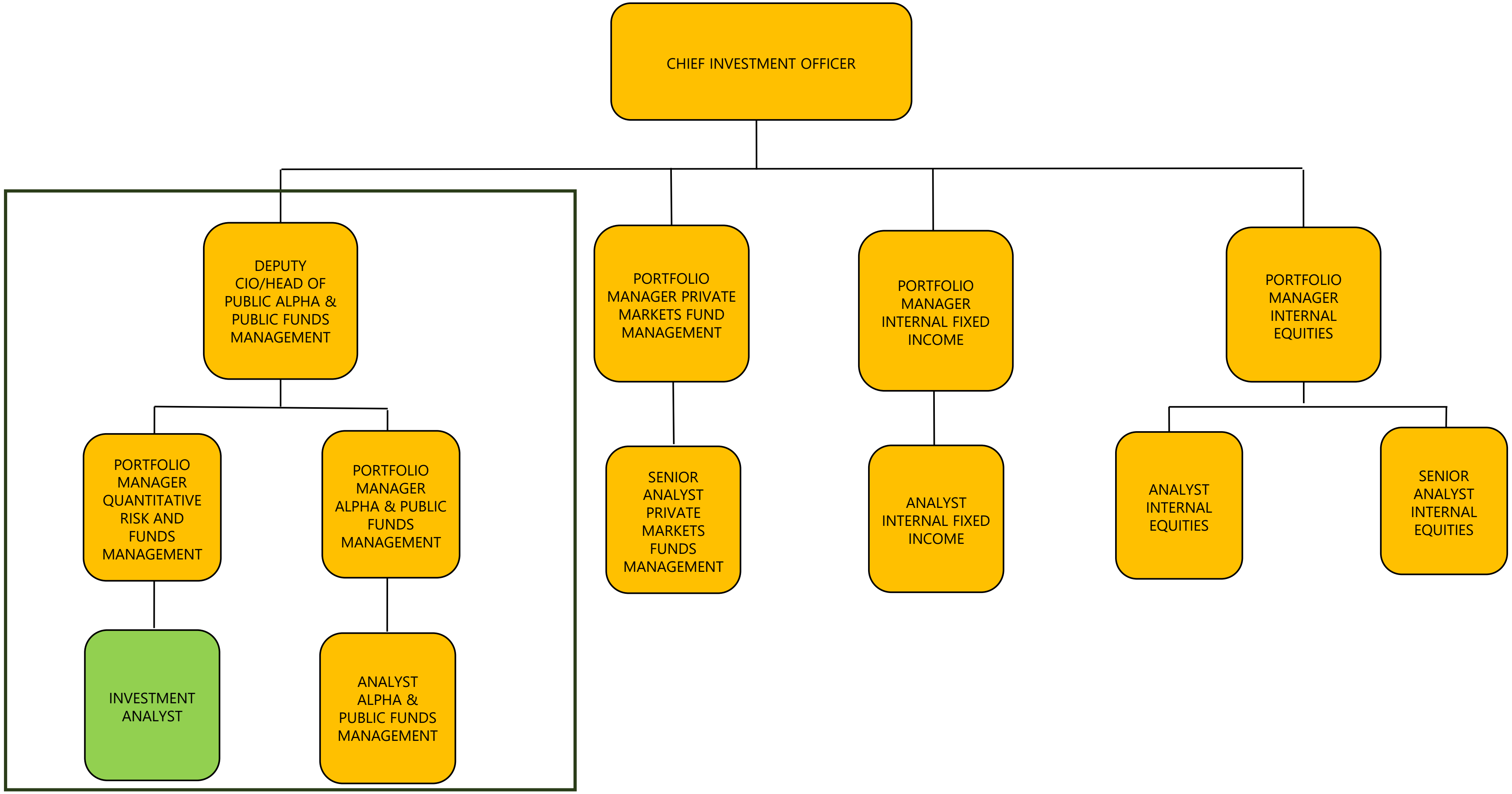
Jennifer Ferderer, Assistant to the Board

Asset & Risk Allocation Strategy

Advanced Funds Management

Funds Management

- Report risks to team and governance bodies
- Initiate action when risk exceeds desired risk
- Manage portfolio of external managers
- Rebalance client funds to target
- Manage policy exposures and liquidity
- Allocate active risk to managers (external and internal)
- Lead asset allocation activities
- Stress test portfolios and create contingency plans



From Risk Oversight to Asset & Risk Allocation

Expanding from backward-looking risk monitoring to forward-looking portfolio construction

Traditional Risk Function (CRO)

Primary Role:

Independent investment risk oversight

Focus:

Risk identification and monitoring

Approach:

- Primarily backward-looking analysis
- Manager and asset-class level focus
- Risks evaluated largely in isolation
- Emphasis on limits, controls, and compliance

Role in Decisions:

- Provides input and challenge
- Limited role in portfolio construction

Asset & Risk Allocation

Primary Role:

Portfolio construction and risk allocation

Focus:

Integrating return and risk into decision-making

Approach:

- Forward-looking, scenario-based analysis
- Total portfolio perspective across assets and managers
- Explicit consideration of interactions and correlations
- Incorporates macro, valuation, and liquidity considerations

Role in Decisions:

- Directly informs allocation and positioning
- Risk allocated intentionally alongside capital

These are not enterprise risk roles

Integrated Alpha and Risk Allocation

Manager Selection

Portfolio Construction & Optimization
- Public Markets & Private Markets
- Manager & Strategy Interactions

Rebalancing
- Overweights & Underweights
- Conviction Based

Manager Selection
- Quantitative & Qualitative Underwriting
- Structural Assessments (i.e. Capacity)

Manager Monitoring
- Current Conviction
- Style Drift & Risk Drift

Advanced Implementation

Portfolio Construction
Manager and Risk & Exposure Inputs

Rebalancing
Conviction, Exposure, Efficiency

Risk/Exposure Management
Maximize Alpha
Implement Exposure Mgmt.

Asset & Risk Allocation

Portfolio Construction & Optimization
- Total Portfolio
- Asset & Sub Asset Class
- Cross-Asset Optimization

Rebalancing
- Exposure Based
- Efficient: Reduce Costs
- Client Level

Risk & Exposure Management
- Risk Quantification
- Exposure Management
- Dynamic Tilts
- Regime Analyses

Overall Objective & Strategy

Objective: To deliver superior after-cost returns while maintaining prudent risk levels consistent with the long-term needs of the client funds.

Strategy: RIO shall pursue strategies that balance return, risk, and cost through efficient, technology-enabled implementation consistent with existing policies and operations.

Why: RIO shall improve decisions by leveraging diverse information sources and differentiating its approach through integrated investment optimization.

From Asset Class Silos to Total Portfolio Discipline

Traditional

- Asset-class centric management
- Periodic rebalancing
- Accounting value focus

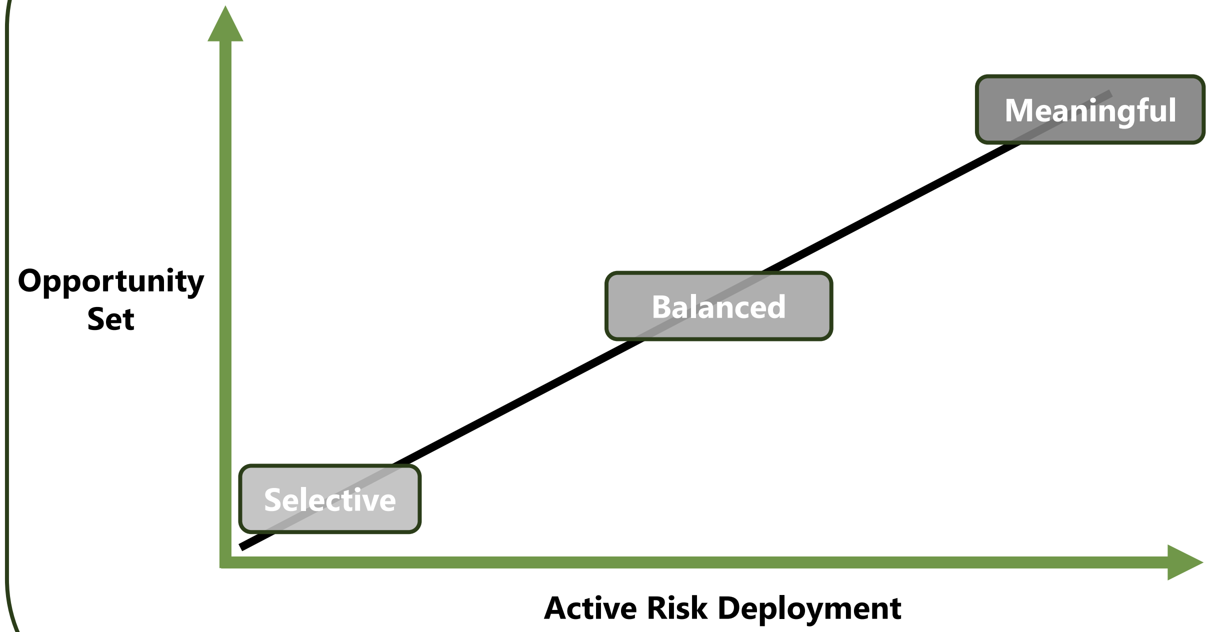
Evolving

- Total portfolio risk budgeting
- Integrated exposure management
- Liquidity-aware positioning
- Daily exposure transparency

Dynamic Deployment of Active Risk

The opportunity set determines how broadly and how fully active risk should be deployed across the portfolio

Opportunity Set and Active Risk Deployment



Decision Framework

- Opportunity is assessed through both **return potential and risk**
- Active risk should expand or contract with the opportunity set rather than remain static
- Risk is deployed across **assets, managers, and factors** in the context of the total portfolio
- Positioning reflects relative opportunity, liquidity conditions, and portfolio interactions

Risk is a scarce resource that should be deployed when and where it is most effectively compensated

Asset & Risk Allocation Functions

Total Portfolio Asset & Risk Allocation

Integrated capital and risk allocation across the entire portfolio

Core Portfolio Management Functions

Portfolio Architecture & Risk Governance

Defines risk intent and capital allocation authority

Exposure & Risk Alignment

Ensures portfolio exposures reflect intended risk posture

Liquidity, Beta & Rebalancing Implementation

Ensures disciplined and efficient execution of exposure decisions

Capital Efficiency & Overlay Architecture

Improves capital efficiency while maintaining intended risk posture

Foundation

Research

- Expected return modeling framework
- Regime identification & macro factor mapping
- Signal design & disciplined tilt sizing
- Scenario & stress testing frameworks
- Volatility-aware positioning rules

Data & Infrastructure

- Daily exposure data
- Exposure aggregation across public & private assets
- Risk dashboard automation
- Monitoring systems & data governance

Research and data enable disciplined portfolio management, which delivers an integrated total portfolio

Asset & Risk Allocation Impact

	How these functions improve the portfolio
Portfolio Architecture & Risk Governance Defines risk intent and capital allocation authority	**Sets the portfolio's risk budget** Defines risk targets, allocation guardrails, and decision rules that anchor portfolio construction and capital deployment
Exposure & Risk Alignment Ensures portfolio exposures reflect intended risk posture	**Improves the precision of portfolio exposures** Keeps actual exposures aligned with intended risk posture through more accurate sizing, monitoring, and adjustment
Liquidity, Beta & Rebalancing Implementation Ensures disciplined and efficient execution of exposure decisions	**Maintains target exposures efficiently** Supports disciplined rebalancing and liquidity management so targets can be maintained with lower transaction costs
Capital Efficiency & Overlay Architecture Improves capital efficiency while maintaining intended risk posture	**Enhances capital efficiency** Uses overlays and implementation architecture to preserve beta, improve flexibility, and free capital for higher-value uses

Portfolio Impact: More accurate risk positioning, lower implementation drag, better use of capital, and stronger after-cost return per unit of risk

How Asset & Risk Allocation Integrates Across the Investment Platform

The function connects governance, portfolio construction, and implementation across the total portfolio

CIO / Deputy CIO

- Governance alignment
- IPS implementation
- Risk budget and portfolio decisions within delegated authority

Asset & Risk Allocation

- Total portfolio construction
- Risk and exposure management
- Rebalancing design
- Cross-asset allocation support

AFM/Public Manager Selection

- Manager-level portfolio construction inputs
- Manager-level exposures
- Rebalancing coordination

Internal Equity & FI

- Research integration
- Public market implementation support
- Overlay / efficient beta coordination

Operations

- Execution support
- Rebalancing coordination
- Data integrity and reconciliation

Private Markets

- Pacing
- Liquidity considerations
- Manager-level exposures
- Public-private balance sheet effects

Aligns decision-making and execution so the portfolio operates as an integrated whole

Governance Alignment

New IC governance responsibilities require enhanced risk, exposure, and reporting infrastructure

Investment Committee Governance Responsibilities

- Recommend Total Fund Risk Budget
- Oversee Total Portfolio Risk & Active Risk Governance
- Recommend Active Risk Allocation Strategy
- Oversee Long-Term Policy & Strategic Asset Allocation
- Oversee Performance Measurement & Reporting

Asset & Risk Allocation Capabilities Being Implemented

- Total Portfolio Risk Budget Framework
- Daily Risk, Exposure, & Active Risk Measurement
- Active Risk Allocation & Portfolio Construction Analytics
- Strategic Asset Allocation Decision Support
- Advanced Performance & Exposure Reporting

Aligned Governance & Portfolio Construction

Key Benefits

Governance Benefits

- Better oversight of total portfolio and active risk
- More informed and disciplined governance decisions
- Stronger transparency, accountability, and consistency

Portfolio Benefits

- More precise risk positioning and portfolio construction
- Better rebalancing, liquidity, and exposure management
- Improved implementation and portfolio optimization

The function aligns governance and portfolio construction by building the risk, exposure, and reporting capabilities needed for both oversight and implementation

Strategic Evolution Roadmap

Phase 1
Disciplined Foundation

Phase 2
Integrated Execution & Risk Control

Phase 3
Total Portfolio Optimization & Capital Efficiency

Visibility and Controls

- Daily portfolio, risk, and exposure data
- Reconciliation and validation processes for daily data
- Rebalance Process 1.0
- Portfolio construction compliant with risk budget governance
- Foundational liquidity oversight framework
- Research framework established

Precise Implementation

- Risk budget guides implementation decisions
- Exposure alignment integrated across asset classes
- Dynamic risk-aware rebalancing
- Liquidity tier framework institutionalized
- Beta management improves implementation precision

Optimization and Capital Efficiency

- Risk allocated deliberately at total portfolio level
- Research fully integrated into allocation and positioning decisions
- Volatility-aware positioning and sizing
- Capital-efficient exposure management developed
- Overlay and portable alpha framework established

Enabling Capabilities

Building people, data, and technology capabilities in sequence to support integrated execution and total portfolio outcomes

People

Building capability in sequence to support disciplined portfolio execution

Core Competencies

- Research and quantitative decision support
- Total portfolio risk and exposure management
- Liquidity, rebalancing, and capital efficiency
- Data, systems, and automation integration
- Investment operations capabilities including portfolio implementation and portfolio data

Data

Evolving from accounting-based views to decision-focused exposure transparency

Data Evolution

- From accounting-based reporting to exposure-based decision framework

Core Data Capabilities

- Daily Data
- Position-level exposure transparency
- Public and private asset integration
- Factor and total portfolio risk decomposition
- Risk budget monitoring
- Collateral and overlay exposure visibility
- Accounting vs exposure reconciliation controls

Technology

Enabling scalable execution, monitoring, and decision support

Core Systems & Tools

- Research and quantitative decision support
- Integrated exposure and risk dashboards
- Risk budget monitoring and decision tools
- Liquidity and stress testing analytics
- Rebalancing and execution support systems
- Overlay and collateral tracking capability
- Automated IC and Board reporting

Risks of Not Evolving

1. **Unintended factor drift**
2. **Costlier rebalancing**
3. **Suboptimal utilization of risk budgets (lower return per unit of risk)**
4. **Inability to scale alpha efficiently**
5. **Operational bottlenecks delaying opportunity**

Total Portfolio Discipline

Target Operating Model

Operate as a fully integrated total portfolio institution where:

- Risk is allocated **intentionally**, aligned with long-term objectives
- Total fund **risk budgets** are embedded in governance and investment processes
- Investment **research and analysis** inform portfolio positioning
- **Exposure transparency** supports informed decision-making
- **Liquidity resilience** is actively monitored and maintained
- Capital is directed toward **high-conviction opportunities** within policy guidelines
- **Efficient implementation** supports improved outcomes per unit of risk

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Retirement & Investment

Country Risk Review

May 2026 Update

Country Risk Framework

A Public-Data Screen for Country-Level Risk Conditions

Objective

Provide a consistent, informational view of country-level risk conditions across the investment universe using public and third-party data.

How to Interpret the Risk Levels

Risk Level	Interpretation
Low	Limited evidence of near-term country-risk pressure
Moderate	Some risk indicators are present, but conditions appear broadly contained
Elevated	Risk indicators are above normal relative to the framework
High	Multiple or material risk indicators are present
Severe	Risk indicators point to significant country-level stress

Important Context

Scores summarize relative country-risk conditions and are not standalone investment recommendations or indications of portfolio action.

Risk Category	Measures	Relevance
Economic Growth Risk	Growth versus trend, PMI, unemployment level, and unemployment trend	Identifies whether growth conditions may pressure earnings, fiscal revenues, labor markets, or policy flexibility
Inflation Risk	CPI relative to target, inflation trend, and real policy rate	Identifies whether inflation may constrain policy, pressure currencies, or contribute to rates volatility
Financial Risk	CDS, sovereign rating, fiscal surplus/deficit, public and private debt-to-GDP, and one-year REER change	Identifies sovereign funding conditions, fiscal sustainability, economy-wide leverage, credit quality, and market-implied stress
External Financing Vulnerability	Current account, international reserves, and country FX/funding regime	Identifies vulnerability to external financing shocks, sudden stops in capital flows, FX pressure, and balance-of-payments stress
Political and Governance Risk	World Bank Governance Indicators: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption	Identifies institutional quality, policy capacity, rule-of-law strength, and political stability

Largest Exposures

Relatively benign risk environment for major economies

- Most countries screen Low or Moderate across the framework.
- Growth and inflation are the most common elevated macro indicators.
- External Financing Vulnerability screens Low for most developed and reserve-currency markets.
- Elevated political risk in China and India, consistent with prior reviews

	Economic Growth Risk	Inflation Risk	Financial Risk	External Financing Vulnerability	Political Risk
United States	Low	Moderate	Moderate	Low	Moderate
Japan	Low	Low	Moderate	Low	Low
United Kingdom	Elevated	Elevated	Moderate	Low	Low
Canada	Elevated	Low	Moderate	Low	Low
Taiwan	Low	Low	Low	Low	Low
China	Low	Low	Moderate	Low	Elevated
South Korea	Low	Low	Moderate	Low	Low
France	Low	Elevated	Moderate	Low	Moderate
Switzerland	Low	Low	Low	Low	Low
Germany	Low	Elevated	Low	Low	Low
Australia	Low	Elevated	Low	Low	Low
India	Low	Low	Moderate	Moderate	Elevated
Netherlands	Low	Elevated	Low	Low	Low
Spain	Low	Elevated	Low	Low	Moderate
Sweden	Low	Low	Low	Low	Low

Sources: Bloomberg, IMF, World Bank Group

Forces That May Shape Country Risk

Structural forces that may not be fully reflected in current indicators

Strategic Fragmentation (China vs U.S.)

- Geopolitics is reshaping trade, technology, energy, and capital flows
- Industrial policy and economic security are becoming more important
- Strategic assets now include AI, semiconductors, and critical minerals

Security Fragmentation

- Regional conflicts are creating broader macro and market spillovers (Russian/Ukraine and Middle East impacts on Europe/Asia)
- Energy, trade routes, shipping, and sanctions remain key transmission channels
- The global security environment is becoming less stable

Developed Market Policy Volatility

- Political and fiscal strains are rising in developed markets
- Policy uncertainty can affect credibility, regulation, and trade
- Country risk is increasingly relevant across developed as well as emerging markets

Appendix

Emerging Market Country Risk

Higher Risk -> Lower Exposure

- On Average, EM Countries score with a higher risk across all five risk categories
- After subtracting out the top four EM countries, only 2.6% of the global equity universe is captured by the rest of the EM countries

	MSCI ACWI Weight
Developed Markets	**87.9%**
Emerging Markets	**12.1%**
China	*2.8%*
India	*1.4%*
South Korea	*2.3%*
Taiwan	*3.0%*
Others	*2.6%*

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

CERITY PARTNERS®

Memorandum

To: Investment Committee
North Dakota State Investment Board

From: Cerity Partners

Date: April 30, 2026

RE: Private Credit asset class benchmark recommendation

Verus has been asked to provide a recommendation regarding the benchmark for the recently approved strategic allocation to Private Credit for the pension funds. Verus recommends the SIB adopt the **Morningstar LSTA Leveraged Loan Index** (FIGI: F00001EACT, Bloomberg ticker: SPBDALB) **+ 100 basis points,** the same benchmark currently being employed within the Legacy Fund for its similar strategic allocation to Private Credit.

Benchmarks serve important functions in the realm of investment program oversight for fiduciaries. In a performance monitoring and evaluation context, benchmarks provide insight into the effectiveness of active management. If a benchmark is precise, it can help identify the sources of excess return, thereby illuminating the strengths and weaknesses of the portfolio management team. If portfolio returns do not consistently meet or exceed the benchmark, passive alternatives can be utilized.

The qualities that are desirable in benchmarks used to evaluate investment performance include:

- Reflective of asset class or portfolio objectives
- Representative of the opportunity set of the portfolio
- Investable and known *ex ante* (i.e., beforehand)
- Transparent, measurable, and unambiguous
- Available in a timely, cost-efficient manner
- Commonly used by similar investors

The **Morningstar LSTA US Leveraged Loan Index** is a broad-based, widely recognized and employed flagship benchmark that includes over 1,400 syndicated term leveraged loans (i.e., "bank" loans). Its inception date is 12/31/2000. The recommended benchmark includes senior secured loans with a minimum term of 1 year, an initial minimum spread of base rate + 125 basis points and a minimum initial issue size of $50 million. All loans must also be USD denominated although issuers may be of any country origin. The index is market value weighted and is priced daily using bid prices from LSTA/Refinitive Mark-to-Market Pricing Service. It is rebalanced weekly. Loans are removed from the index after repayment, loans are no longer priced, or they no longer meet the eligibility requirements. Loans in default, however, do remain in the index unless they no longer meet the eligibility requirements.

As of the most recent month end, the index comprises over 1,400 loans with a total market value of $1.4T, making it highly representative of the opportunity set for bank loan portfolio managers.

All characteristics of the recommended index are transparent and readily available to any fixed income team with access to the Bloomberg system. In summary, the recommended index satisfies all the desired benchmark criteria:

Portfolio	Current Benchmark	Recommended Benchmark	Opportunity Set / Investment Guideline Alignment	Investable and Known Ex-Ante	Transparent/ Measurable/ Unambiguous/ Timely/Cost Efficient	Reflective of Asset Class or Portfolio Risk/Return	Commonly Used by Similar Investors
Private Credit asset class	Bloomberg HY 2% Issuer Constrained	Morningstar LSTA US Leveraged Loan index + 100 basis points	Yes	Yes	Yes	Yes	Yes

Private Markets Manager Update

Investment Committee

May 8, 2026

Private Equity

Warren Equity Partners V, L.P.

- Targets middle market infrastructure services companies in North America and Europe.
- Total Commitment: $75 million
  - Pension Pool: $25 million
  - Legacy Fund: $50 million

Investindustrial Lower Mid-Market IV

- Targets lower to middle market companies in southern Europe.
- Total Commitment: €50 million
  - Pension Pool: €16.5 million
  - Legacy Fund: €33.5 million

Private Credit

S3 LB Real Estate Credit III, L.P.

- Provides first lien construction financing to middle market multifamily developers in the U.S.
- Total Commitment: $75 million
    - Pension Pool: $25 million
    - Legacy Fund: $50 million

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MEMORANDUM

TO: **Investment Committee**

FROM: **Matt Posch, Portfolio Manager**

DATE: **April 20, 2026**

RE: **Allspring – Temporary Guideline Waiver Request**

As part of the ongoing consolidation of the Insurance and Legacy accounts within the Non-Qualified Pool (NDNQ) at Allspring, futures positions will be transitioned from the Legacy account to the Insurance account beginning May 5, 2026. During this transition period, derivatives exposure in the Insurance account is expected to temporarily exceed the 5% maximum guideline limit until all assets from the Legacy account are fully transferred and combined, which is expected by May 8, 2026.

To facilitate an orderly and efficient transition, staff recommend granting a temporary waiver to increase the maximum allowable derivatives exposure to 12% for the period of May 5, 2026 through May 11, 2026. Exposure is expected to return to within guideline limits following completion of the transition.

This waiver request will be presented to the full Investment Committee at the next scheduled meeting.

Emergency Approval: *On an emergency basis when it is impractical to timely convene a meeting of the Committee, either the Chair or Vice Chair of the Committee with the concurrence of the Chief Investment Officer or the Executive Director, may approve a waiver. That waiver will be brought to the Committee for ratification at its next regularly scheduled meeting.*

Thomas Beadle 4/27/26
Investment Committee
Chair or Vice Chair

Scott M Anderson 4/27/2026
Chief Investment Officer or
Executive Director

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MEMORANDUM

TO: **Investment Committee**

FROM: **Matt Posch, Portfolio Manager**

DATE: **April 27, 2026**

RE: **PIMCO – Temporary Guideline Waiver Request**

As part of PIMCO's transition of assets from the Insurance account to the Legacy account within the Non-Qualified Pool (NDNQ), certain account-level guideline exposures may temporarily fall out of compliance due to the timing of asset movements and the application of guidelines at the individual account level. This realignment period is expected to occur from April 30 through May 2. This is an operational effect of the transition process and does not reflect a change in the aggregate portfolio positioning, risk profile, or investment strategy across the combined accounts. Staff expect any such deviations to be short-term and to normalize upon completion of the asset transfers.

This waiver request will be presented to the full Investment Committee at the next scheduled meeting.

Emergency Approval: On an emergency basis when it is impractical to timely convene a meeting of the Committee, either the Chair or Vice Chair of the Committee with the concurrence of the Chief Investment Officer or the Executive Director, may approve a waiver. That waiver will be brought to the Committee for ratification at its next regularly scheduled meeting.

Thomas Beadle 4/27/26

Investment Committee
Chair or Vice Chair

Scott M Anderson 4/27/2026

Chief Investment Officer
or Executive Director