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

**Investment Committee**
**Friday September 11, 2026, 10:30 a.m.**
**The open portions of this meeting are livestreamed. Join the meeting now**

## AGENDA

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

II. **ACCEPTANCE OF MINUTES (August 14, 2026)** – *(Committee Action)*

III. **COMPLIANCE AND EXCEPTION REPORT (10 minutes)** – *(Committee Action)*
   A. Public Markets Waiver – Mr. Anderson, Mr. Posch

IV. **STRATEGY REVIEW (60 minutes)** – *(Information Only)*
   A. Public Markets – *Mr. Chin, Mr. Posch*
   B. Capital Development Pacing – Mr. Ziettlow

V. **DISCUSSION**

VI. **OTHER**
   Investment Committee Schedule *(Committee Action)* – Mr. Anderson

VII. **ADJOURNMENT**

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# STATE INVESTMENT BOARD INVESTMENT COMMITTEE MEETING
# MINUTES OF THE AUGUST 14, 2026, MEETING

## MEMBERS PRESENT
Thomas Beadle, State Treasurer, Chair
Rick Thoreson, Investment Professional
Todd Van Orman, Investment Professional

## MEMBERS ABSENT
Pete Jahner, Investment Professional
Prodosh Simlai, Investment Professional, Vice Chair

## STAFF PRESENT
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
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, Senior Investment Operations Manager
Adam Otteson, Chief Financial/Operating Officer
Matthew Posch, Portfolio Manager
Sam Suchy, Investment Analyst
Alexander Weissman, Investment Analyst
Lance Ziettlow, Portfolio Manager

## GUESTS
Rick Funston, Funston Advisory
Evan Norton, Funston Advisory
Joe Nankof, NEPC
Bruce Mills, Weaver
Members of the Public

## CALL TO ORDER
Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 10:32 a.m. on Friday August 14, 2026. The meeting was held virtually.

**The following members were present representing a quorum: Mr. Van Orman, Mr. Thoreson, and Treasurer Beadle.**

## AGENDA

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

**IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MR. THORESON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE AUGUST 14, 2026, MEETING AS DISTRIBUTED.**

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

## MINUTES

The minutes were considered for the July 10, 2026, meeting.

**IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE JULY 10, 2026, MEETING AS DISTRIBUTED.**

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

## COMPLIANCE UPDATE

Mr. Mills provided an overview of Weaver’s investment compliance services and its work with RIO. He discussed Weaver’s role in compliance program management, including policy and procedure development, Code of Ethics administration, personal trading and disclosure requirements, compliance training, and ongoing advisory support. Mr. Mills also reviewed investment guideline monitoring for internally managed portfolios through Aladdin and external managers through Northern Trust’s RADAR system, including the review, escalation, and documentation of compliance exceptions and breaches. Committee discussion followed.

## REVIEW IPS SCORECARD

Mr. Funston and Mr. Norton, Funston Advisory Services, demonstrated a new interactive, exception-based reporting dashboard being developed to support the Board’s investment governance and oversight. Mr. Norton reviewed the dashboard’s organization and functionality, including its ability to highlight areas performing as expected, exceptional results, and items warranting additional attention.

Mr. Funston and Mr. Norton noted that the dashboard remains a work in progress and will continue to be refined based on Board and Committee feedback. The Committee discussed future access to the dashboard, quarterly data updates, and its use as an interactive resource for reviewing investment performance, risk, and other governance-related information.

## STRATEGY REVIEW

WSI ASSET ALLOCATION

Mr. Nankof reviewed NEPC's strategic asset allocation study for Workforce Safety & Insurance (WSI). The study evaluated WSI's current investment policy and alternative asset mixes in relation to investment returns, reserves and available surplus, investment income, dividends, and downside risk. WSI has maintained a healthy surplus relative to required reserves, and its investment objectives have historically emphasized capital preservation and the ability to continue paying dividends to policyholders.

NEPC recommended an allocation consisting of 75% fixed income, including 69% U.S. fixed income and 6% high-yield fixed income; 15% equity; 4% infrastructure/timber; 5% real estate; and 1% cash, with the existing TIPS allocation eliminated. NEPC noted that the recommended allocation was expected to preserve outcomes in the median case while providing improved downside protection. The recommended allocation has a 10-year expected compound return of 5.4%, a 30-year expected compound return of 6.1%, and an expected annual standard deviation of 6.3%. Committee discussion followed.

**IT WAS MOVED BY MR. THORESON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND FOR APPROVAL TO THE FULL BOARD.**

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

The Committee recessed at 11:58 a.m. and reconvened at 12:04 p.m.

STRATEGY AND PERFORMANCE REVIEW

Mr. Anderson reviewed investment performance and portfolio positioning as of May 31, 2026. The Legacy Fund, PERS, TFFR, and WSI each outperformed their respective policy benchmarks over the five- and ten-year periods presented. Five-year tracking error remained approximately 1.0% or less across the four funds.

Mr. Anderson also reviewed asset allocation, market stress, and liquidity measures for the funds. WSI had a market value of approximately $2.41 billion as of May 31, 2026, and returned 3.4% over five years and 5.4% over ten years, compared with corridor target index returns of 2.8% and 4.6%, respectively. Committee discussion followed.

GOVERNANCE POLICY REVIEW

Mr. Anderson reviewed proposed investment governance key decisions, including the Board's investment beliefs, performance evaluation measures, and tracking error parameters. The investment beliefs establish foundational principles regarding investment objectives, asset allocation, market efficiency, active management, implementation, and decision quality and are intended to be reviewed as part of a five-year governance cycle. Committee discussion followed.

**IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MR. THORESON AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND APPROVAL TO THE FULL BOARD.**

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

## INVESTMENT POLICY STATEMENT UPDATE

Mr. Chin reviewed proposed updates to the Investment Policy Statements (IPS) for the Workforce Safety & Insurance Fund and the Water Projects Stabilization Fund. The WSI IPS was updated to incorporate the proposed new asset allocation and transition the document to RIO's new IPS template. The Water IPS was transitioned to the new template with no changes proposed to its asset allocation. Staff explained that the new template was developed to improve clarity and consistency across client policies and modernize policy language and structure.

**IT WAS MOVED BY MR. THORESON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND APPROVAL TO THE FULL BOARD.**

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

## ADJOURNMENT

With no further business to come before the committee, Treasurer Beadle adjourned the meeting at 1:20 p.m.

Prepared by:
Jennifer Ferderer, Assistant to the Board

# Compliance and Exception Report

Scott M. Anderson, CFA – Chief Investment Officer

North Dakota Retirement and Investment Office

August 31, 2026

# Compliance and Exceptions Report - September 30, 2026

## Compliance and exceptions report

| | |
|---|---|
| A. Investment guideline breaches — internal and external managers[1] | ✓ |
| B. Asset allocation outside policy corridor | ✓ |
| C. Risk limit and tracking error exceptions | ✓ |
| D. Execution errors and operational incidents | ✓ |
| E. Liquidity coverage below threshold | ✓ |
| F. Manager watch list changes | ✓ |
| G. Delegated authority and compliance matters referred to the Committee | ✓ |

1. There is one minor temporary waiver that has been signed that would be voted upon to recommended to approve by the board.

▲ Exceptional

✓ As Expected

▼ Caution

■ Alert

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# MEMORANDUM

**TO:** **Investment Committee**

**FROM:** **Matt Posch, Portfolio Manager**

**DATE:** **September 11, 2026**

**RE:** **Barings – Guideline Waiver Request**

Barings notified staff of a passive guideline breach following S&P Global Ratings' downgrade of an [redacted] bond from BB- to B+. The account guidelines permit up to 10% of the portfolio to be invested in non-investment-grade securities rated Ba3 by Moody's or BB- by S&P or higher. The bond's new B+ rating is below the permitted minimum.

The account holds $1.3 million par value of the bond, representing approximately 0.26% of the portfolio. The bond is trading at approximately 99% of par, for a market value of approximately $1.287 million, and matures on May 15, 2027. Barings has requested a temporary waiver to hold the bond through maturity and believes doing so offers better value for the portfolio than selling it prior to maturity.

The bond was purchased on [redacted] of par and did not decline in price following the downgrade. Barings also reported asset coverage of approximately 1.5 times on [redacted] debt and expressed no concerns regarding the issuer's ability to refinance or repay the bond at maturity.

Given the small position, short remaining maturity, and Barings' assessment of the credit and relative value, staff recommends approving a temporary waiver to hold the bond through May 15, 2027. The waiver will expire upon the bond's sale, repayment, or maturity, whichever occurs first.

Scott M Anderson

| | |
|---|---|
| Investment Committee<br>Chair or Vice Chair | Chief Investment Officer<br>or Executive Director |

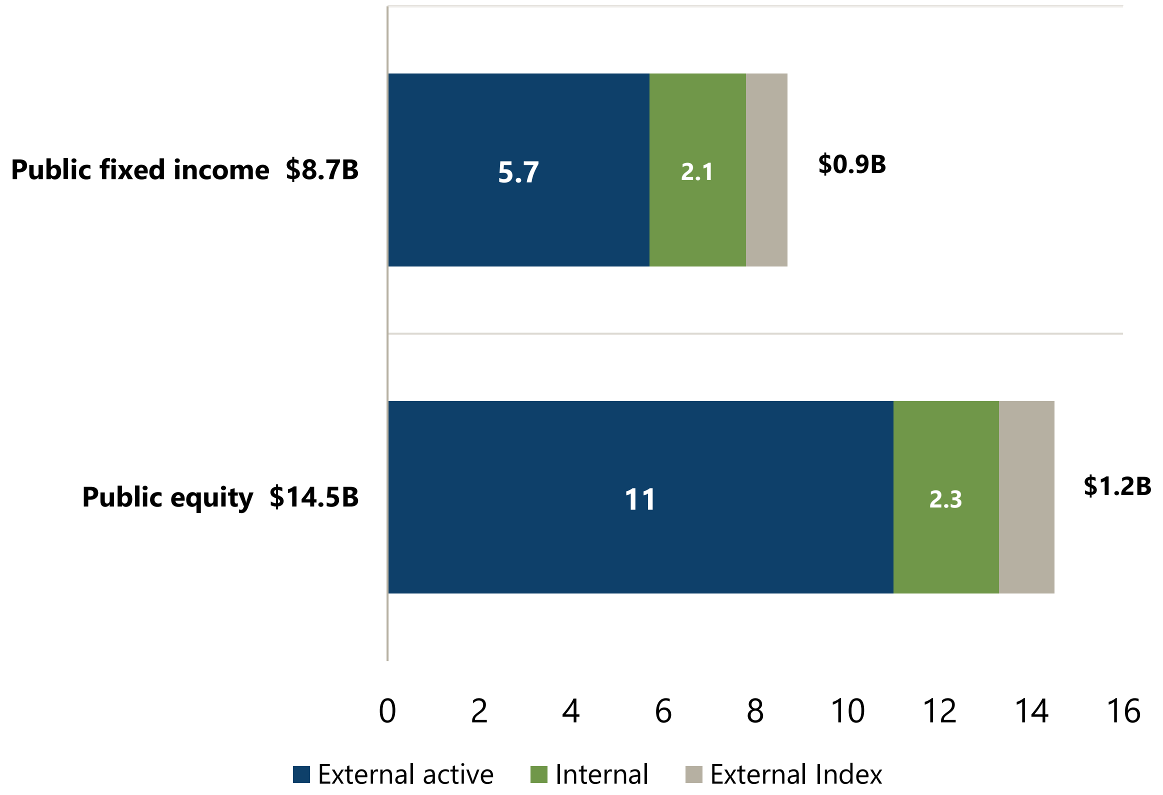
# Public Markets Performance Update

Funds Management

# Public Markets: $23.2B Across 33 Strategies

**Data as of Aug. 31, 2026.**

## AUM by asset class




## Program overview

**$23.2B** total public markets AUM

**$14.5B** public equity | **$8.7B** public fixed income

**$18.8B** external strategies | **$4.4B** internal strategies

**$16.7B** active | **$6.5B** passive

**20** investment managers

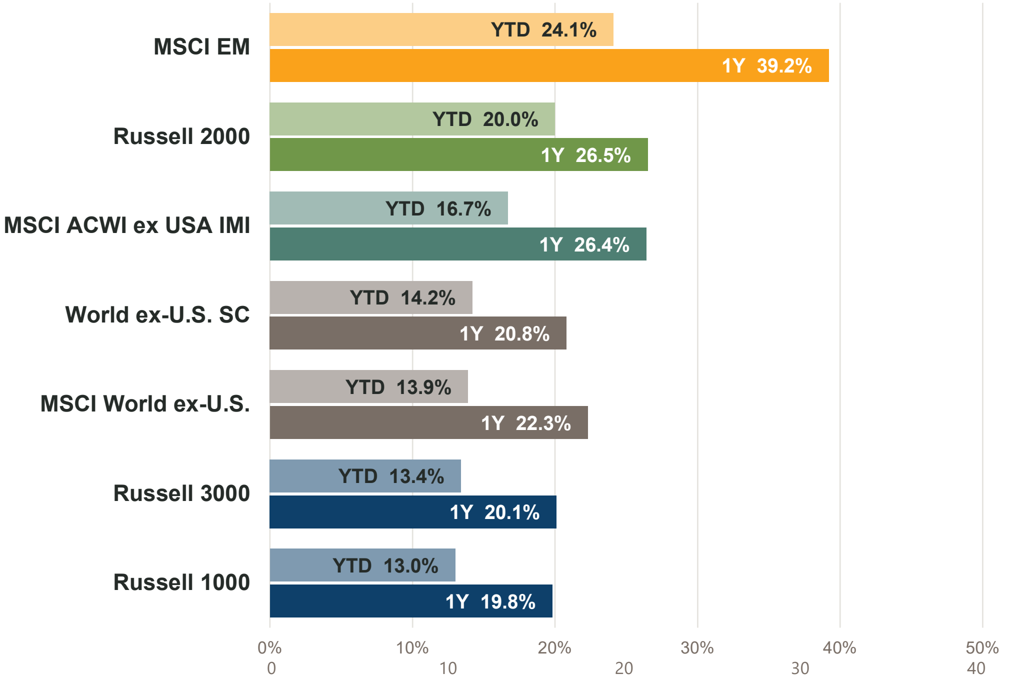
**33** strategies

# Public Equity Performance

**Returns through Aug. 31, 2026.**

### Short-Term Market Performance

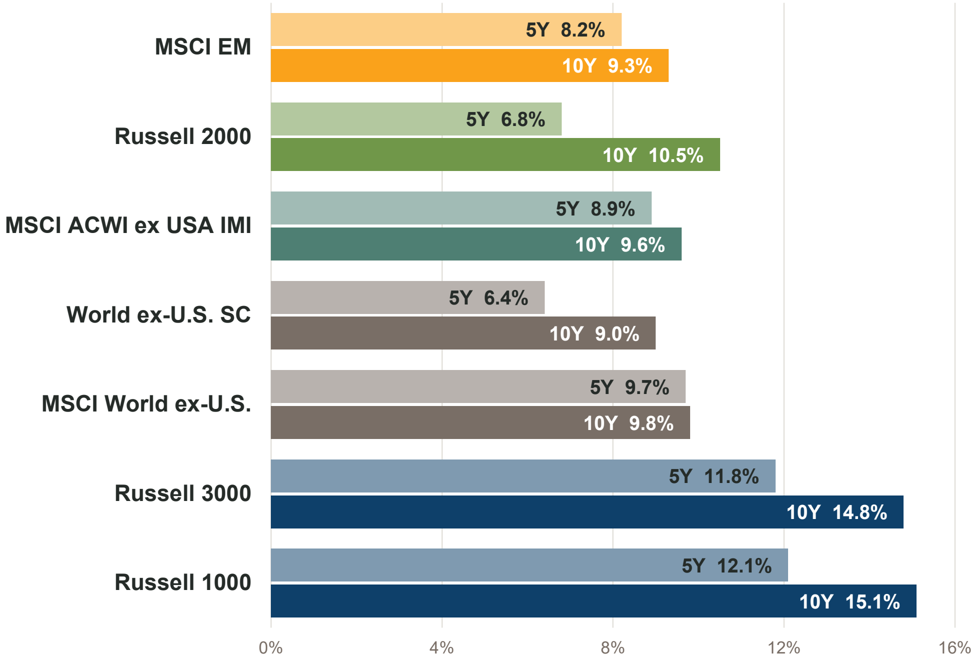
Total return · sorted by YTD return




2026 leader: MSCI EM (+24.1% YTD; +39.2% 1Y)

### Long-Term Market Performance

Annualized total return · same benchmark order




Long-term leader: Russell 1000 (+15.1% annualized over 10Y)

**Near-term leadership has rotated; long-term leadership has not.**

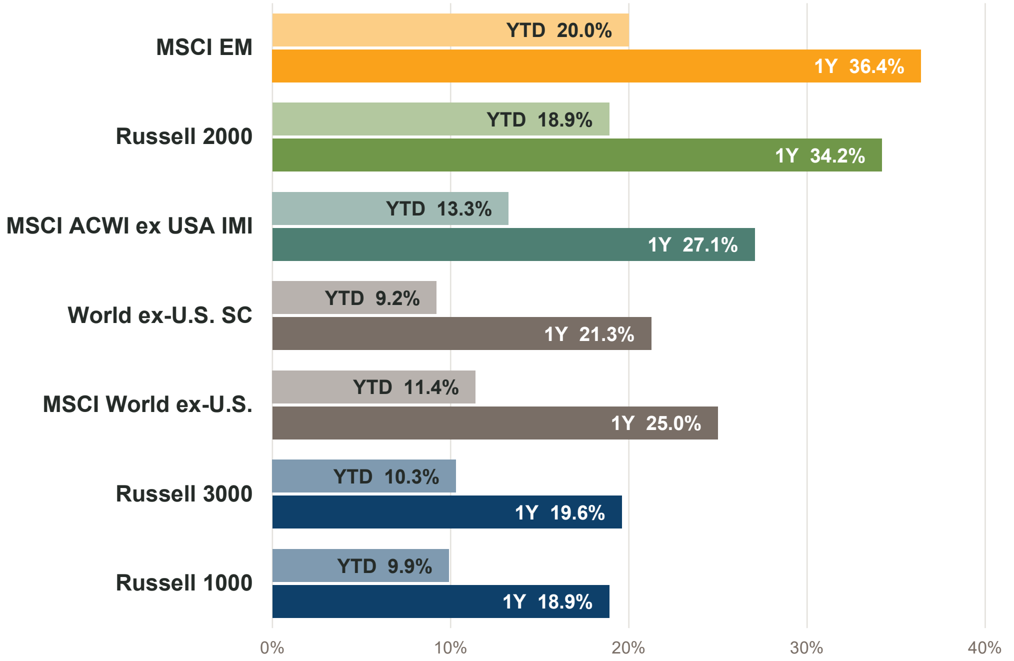
Source: Bloomberg as of 8/31/2026

# Public Equity Performance

**Returns through Jul. 31, 2026.**

### Short-Term Market Performance

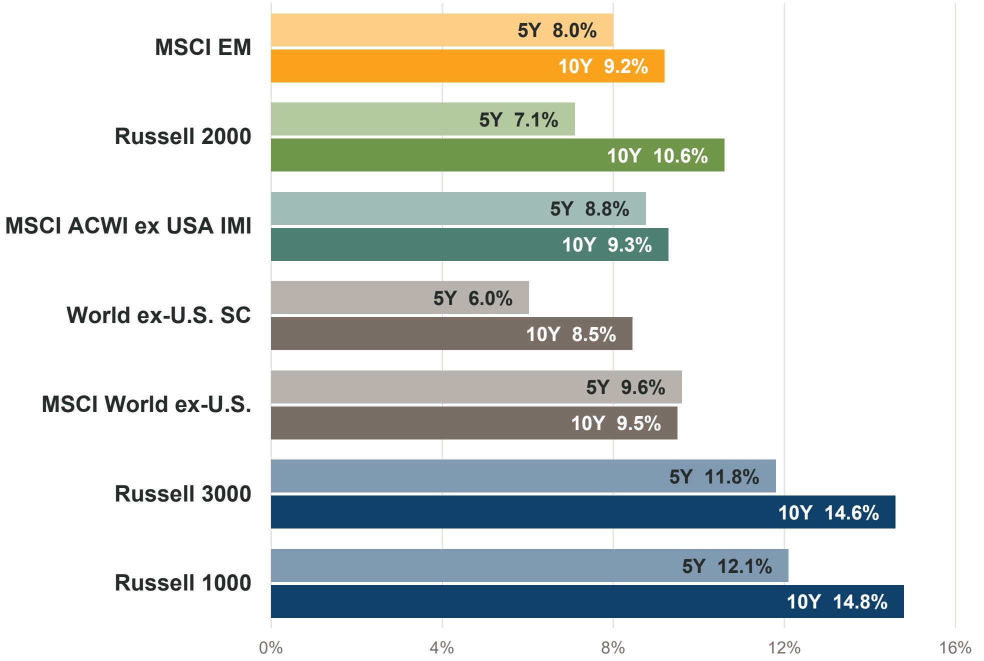
Total return · sorted by YTD return




2026 leader: MSCI EM (+20.0% YTD; +36.4% 1Y)

### Long-Term Market Performance

Annualized total return · same benchmark order




Long-term leader: Russell 1000 (+14.8% annualized over 10Y)

**Near-term leadership has rotated; long-term leadership has not.**

Source: Bloomberg as of 7/31/2026

# Emerging Markets Rally

**Returns through Aug. 31, 2026.**

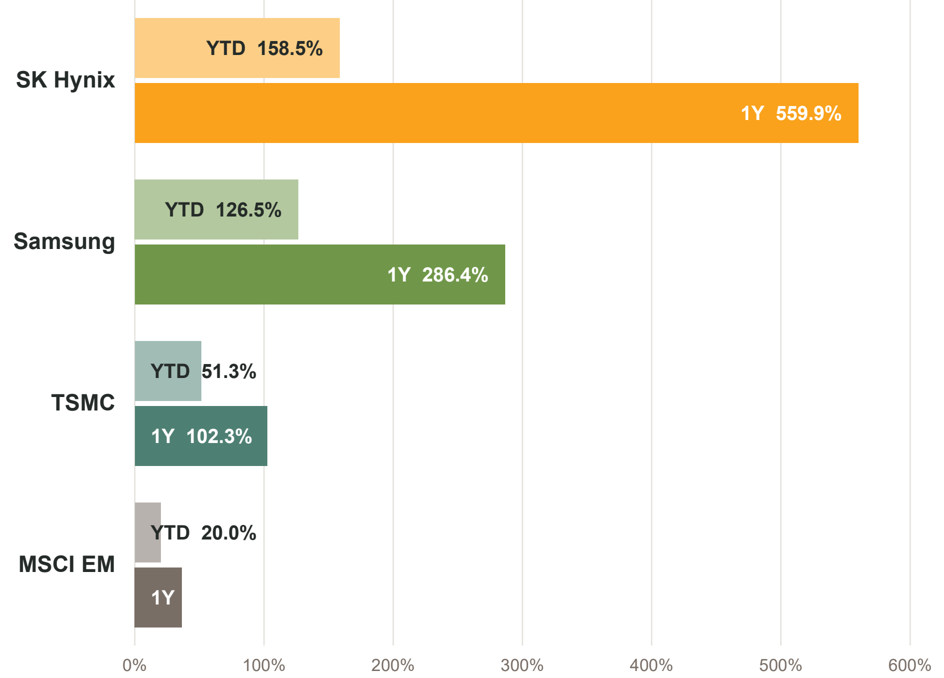
**Strong recent EM performance has been driven by Taiwan/Korea semiconductors.**

## Concentration amplified the rally

**41.6%**
Information Technology weight

**48.3%**
Taiwan + South Korea weight

**28.7%**
TSMC + Samsung + SK Hynix weight




Source: Bloomberg as of 8/31/2026

## What drove the semiconductor re-rating

1. **AI infrastructure demand**
   Hyperscaler spending lifted demand for advanced-node logic and high-bandwidth memory.

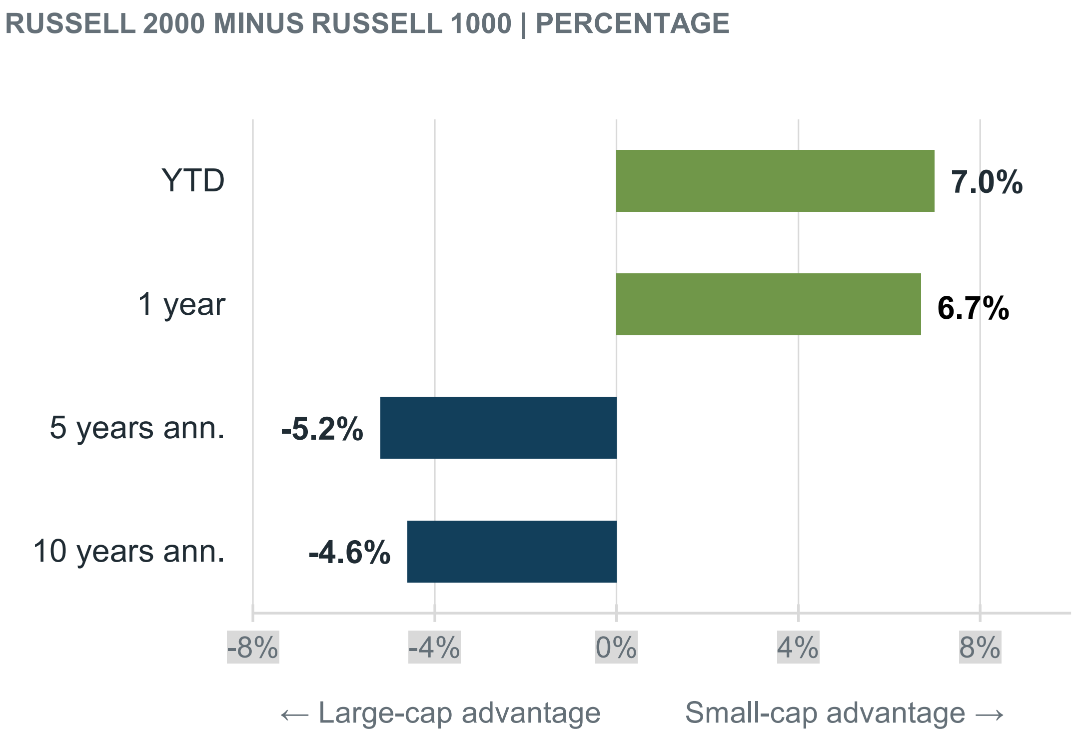
2. **Supply couldn't keep pace**
   Rapid AI demand ran ahead of available chip and memory capacity, tightening supply and supporting higher pricing and margins.

3. **Earnings estimates surged**
   FY27 revenue forecasts rose

# US Equities Small vs Large

**Returns through Aug. 31, 2026.**

Small caps led recently; the large-cap advantage remains substantial over longer periods.




## Large caps led the past decade

Scaled earnings, cash generation and technology exposure supported the long-run advantage.

## Why participation widened

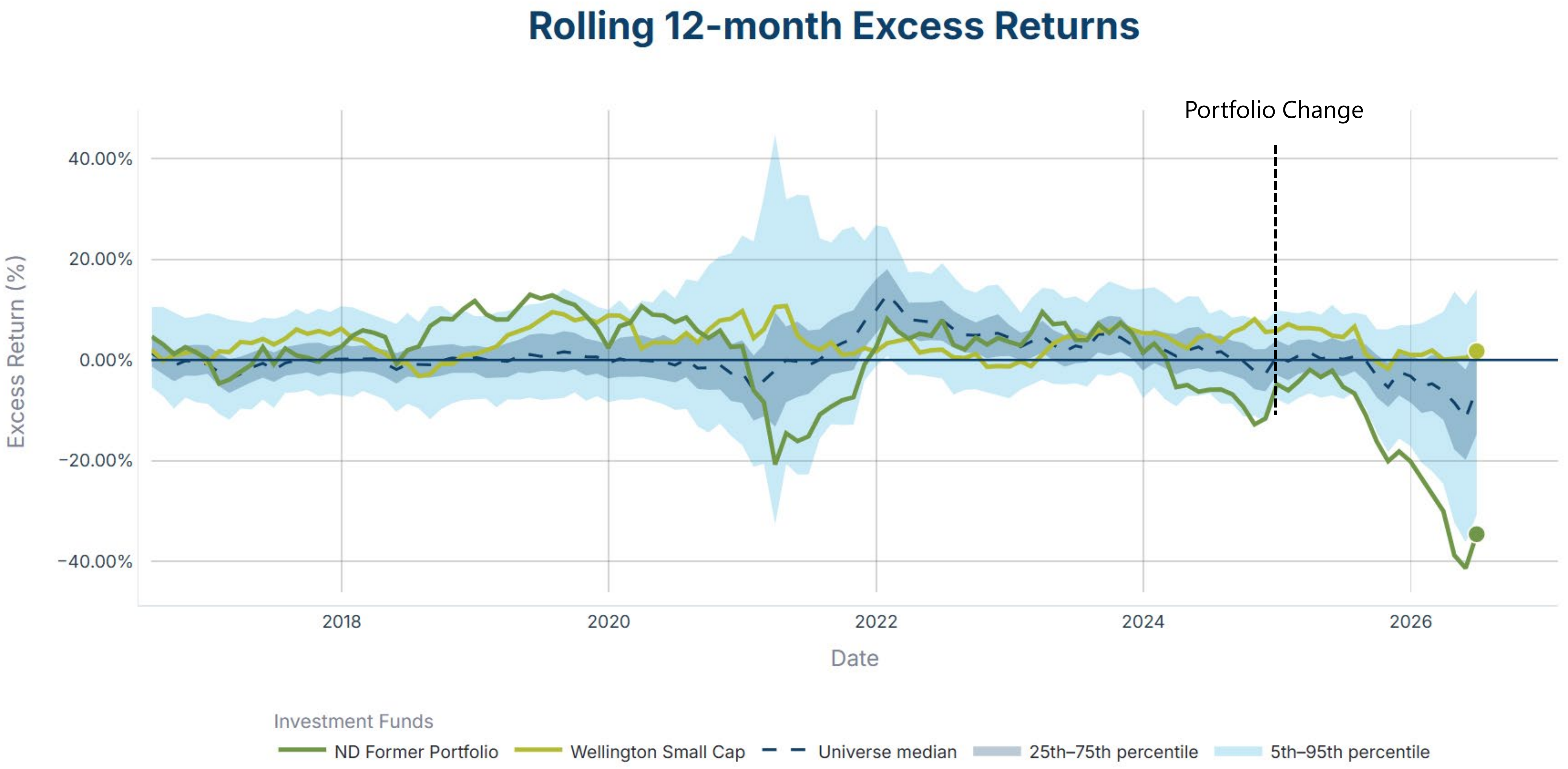
AI-linked spending and risk appetite reached smaller firms.

## Active small cap managers have underperformed

Much of the small cap performance was driven by momentum and unprofitable companies

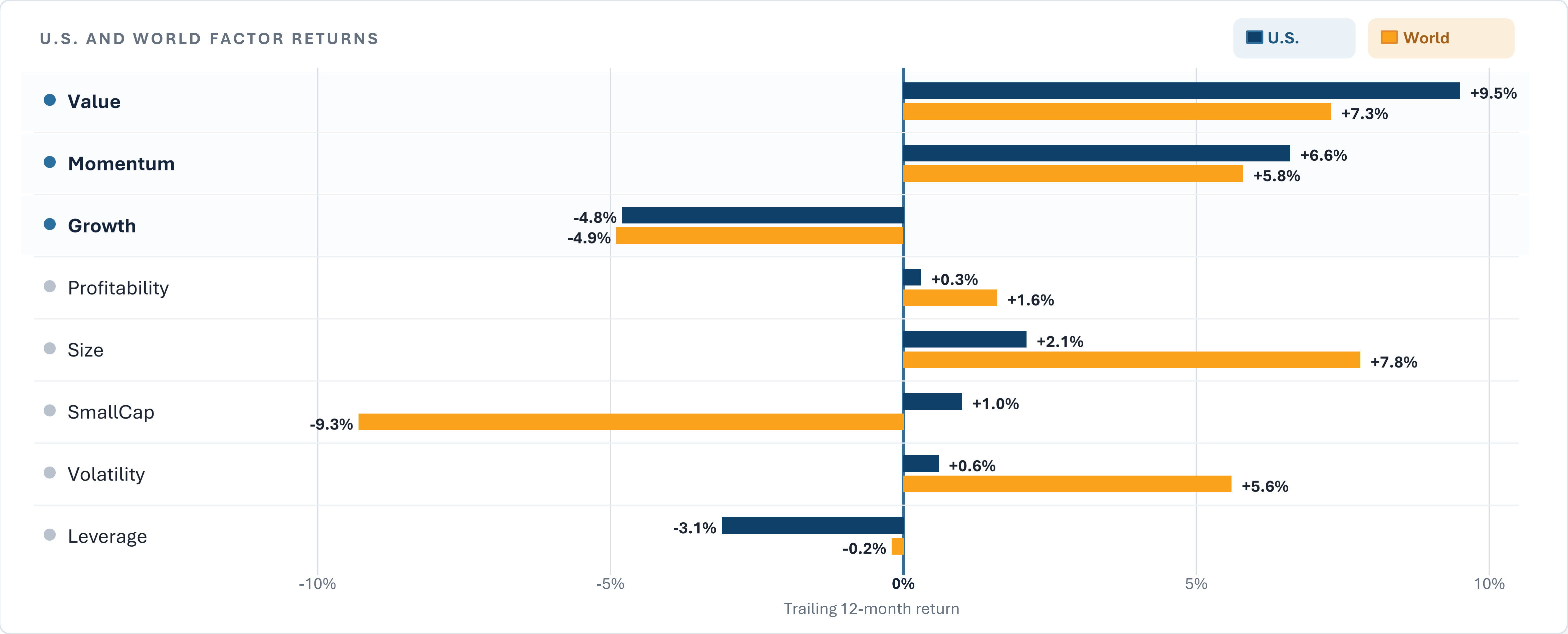
Source: Bloomberg as of 8/31/2026

# Small Cap Universe



# Aladdin Factor Returns

**Returns through Aug. 31, 2026.**



# Public Equity Strategy Performance

**Returns through Jul. 31, 2026.**

| MANAGER | INCEPTION | POLICY BENCHMARK | 1Y / SI TERM | 1Y / SI RETURN | 1Y / SI EXCESS | 5Y / SI TERM | 5Y / SI RETURN | 5Y / SI EXCESS | 5Y / SI TE | 5Y / SI IR |
|---|---|---|---|---|---|---|---|---|---|---|
| **DOMESTIC EQUITY** | | | | | | | | | | |
| **Arrowstreet U.S. All Cap** | Jan 2026 | Russell 3000 | SI | 11.25% | +3.30% | | | | | |
| **Two Sigma** | Aug 2024 | Russell 3000 | 1Y | 20.20% | +0.61% | SI | 21.00% | +3.38% | 3.10% | 1.09 |
| **LA Capital 130/30** | May 2015 | Russell 1000 | 1Y | 20.89% | +1.97% | 5Y | 13.77% | +1.66% | 3.02% | 0.55 |
| **T. Rowe Price Structured Equity** | Dec 2024 | Russell 1000 | 1Y | 18.79% | -0.13% | SI | 14.67% | +0.12% | 1.23% | 0.10 |
| **WorldQuant Millennium** | May 2025 | Russell 1000 | 1Y | 22.87% | +3.94% | SI | 29.74% | +1.94% | 1.78% | 1.09 |
| **Wellington U.S. Small Cap** | Jan 2025 | Russell 2000 | 1Y | 33.82% | -0.37% | SI | 21.38% | +1.03% | 3.12% | 0.33 |
| **INTERNATIONAL EQUITY** | | | | | | | | | | |
| **Principal** | Mar 2026 | MSCI ACWI ex-U.S. IMI | SI | 8.57% | -1.59% | | | | | |
| **Arrowstreet International** | Mar 2022 | MSCI ACWI ex-U.S. IMI | 1Y | 43.82% | +16.75% | SI | 20.27% | +8.86% | 4.80% | 1.85 |
| **CC&L** | Jun 2026 | MSCI ACWI ex-U.S. IMI | SI | -0.73% | -1.57% | | | | | |
| **RS International** | Jun 2026 | MSCI World ex-U.S. | SI | 2.90% | +0.16% | | | | | |
| **DFA International Small Cap Value** | Feb 2015 | MSCI World ex-U.S. Small Cap | 1Y | 31.66% | +10.41% | 5Y | 14.42% | +8.38% | 5.08% | 1.65 |
| **DFA EM All Cap Core** | Jul 2023 | MSCI Emerging Markets | 1Y | 27.34% | -9.09% | SI | 18.22% | -2.89% | 5.16% | -0.56 |

**Returns and performance statistics are based on manager-reported data and have not been independently calculated or verified by RIO’s third-party performance consultant. Results are unaudited and subject to change. Returns are net of fees. “Inception” is the ND mandate inception/handoff month. Current-period SI under 12 months is cumulative; long-term SI and 5Y are annualized.**

# Manager Assessment

## DOMESTIC EQUITY

7 managers · 1 yellow overall

| MANAGER | PERFORMANCE | EVENT RISK | OVERALL |
|---|---|---|---|
| **ALL CAP** | | | |
| Arrowstreet US | ✓ | ✓ | ✓ |
| Two Sigma | ▲ | ▼ | ▼ |
| **LARGE CAP** | | | |
| LA Capital | ✓ | ✓ | ✓ |
| T. Rowe Price | ✓ | ✓ | ✓ |
| WorldQuant | ▲ | ✓ | ✓ |
| **SMALL CAP** | | | |
| Northern Trust | ✓ | ✓ | ✓ |
| Wellington | ✓ | ✓ | ✓ |

## INTERNATIONAL EQUITY

10 managers · 1 red overall

| MANAGER | PERFORMANCE | EVENT RISK | OVERALL |
|---|---|---|---|
| **ALL CAP** | | | |
| Arrowstreet International | ▲ | ✓ | ✓ |
| CC&L Q International Equity | ✓ | ✓ | ✓ |
| Principal | ✓ | ✓ | ✓ |
| **LARGE CAP** | | | |
| RS World ex US Equity | ✓ | ✓ | ✓ |
| State Street MSCI World ex USA | ✓ | ✓ | ✓ |
| **SMALL CAP** | | | |
| Dimensional DFA International Small Cap | ▲ | ✓ | ✓ |
| State Street MSCI World ex-USA Small Cap | ✓ | ✓ | ✓ |
| **EMERGING MARKETS** | | | |
| Dimensional DFA EM Core | ■ | ✓ | ■ |
| State Street EM ex China | ✓ | ✓ | ✓ |
| State Street MSCI China | ✓ | ✓ | ✓ |

**STATUS SCALE**

- ▲ Exceptional — Materially exceeds approved expectation
- ✓ As Expected — Meets approved expectation
- ▼ Caution — Below expectation · monitor and assess
- ■ Alert — Material shortfall or breach · escalate promptly

# Equity Portfolio Changes

## ADDITIONS

| | | |
|---|---|---|
| + | Arrowstreet US | JAN 2026 |
| + | Principal International | FEB 2026 |
| + | CC&L International | JUNE 2026 |
| + | RS International | JUNE 2026 |

## TERMINATED

| | | |
|---|---|---|
| – | William Blair International Leaders | FEB 2026 |

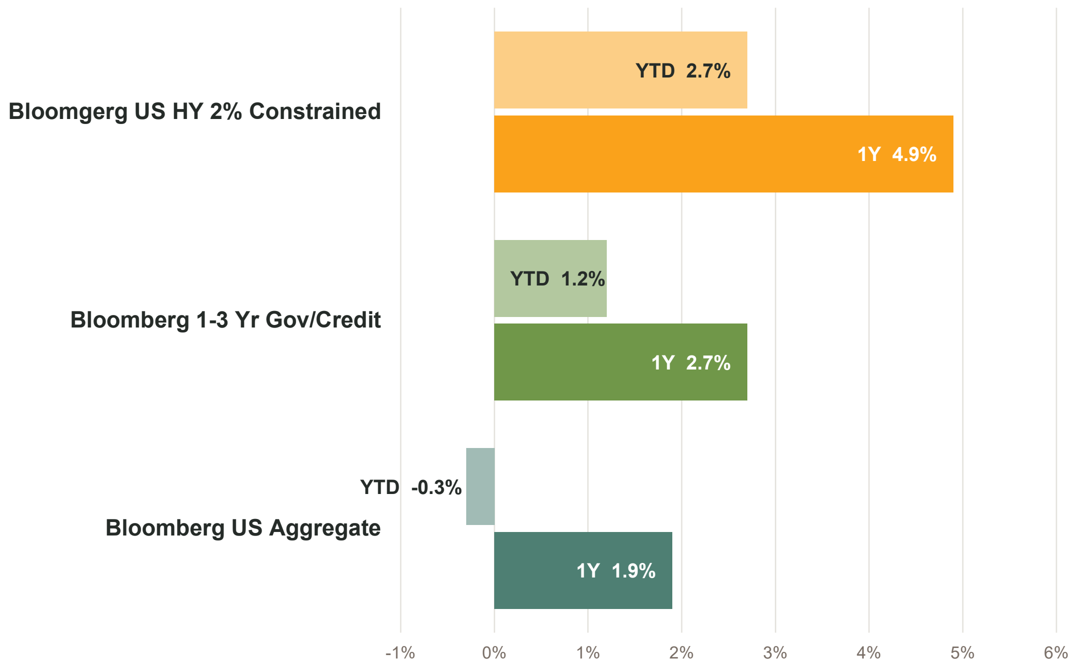
# Fixed Income

# Public Fixed Income Performance

**Returns through Aug. 31, 2026.**

### Short-Term Market Performance

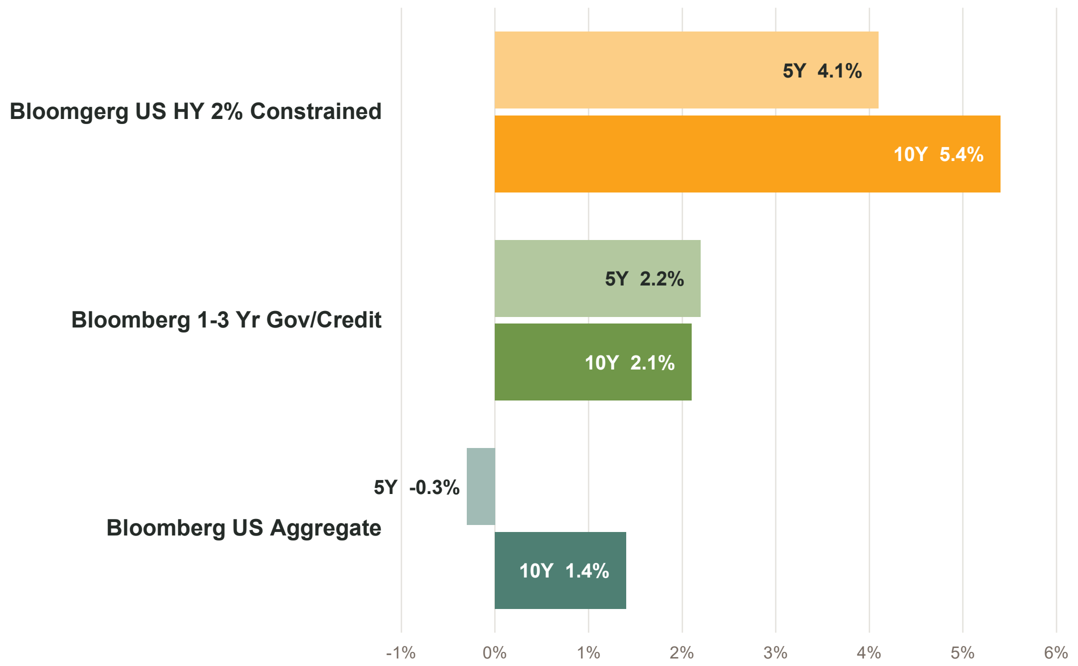
Total return · sorted by YTD return




2026 leader: Bloomberg US HY 2% Constrained (+2.7% YTD; +4.9% 1Y)

### Long-Term Market Performance

Annualized total return · same benchmark order




Long-term leader: Bloomberg US HY 2% Constrained (+5.4% annualized over 10Y)

**Rising rates have been challenging for core fixed income**

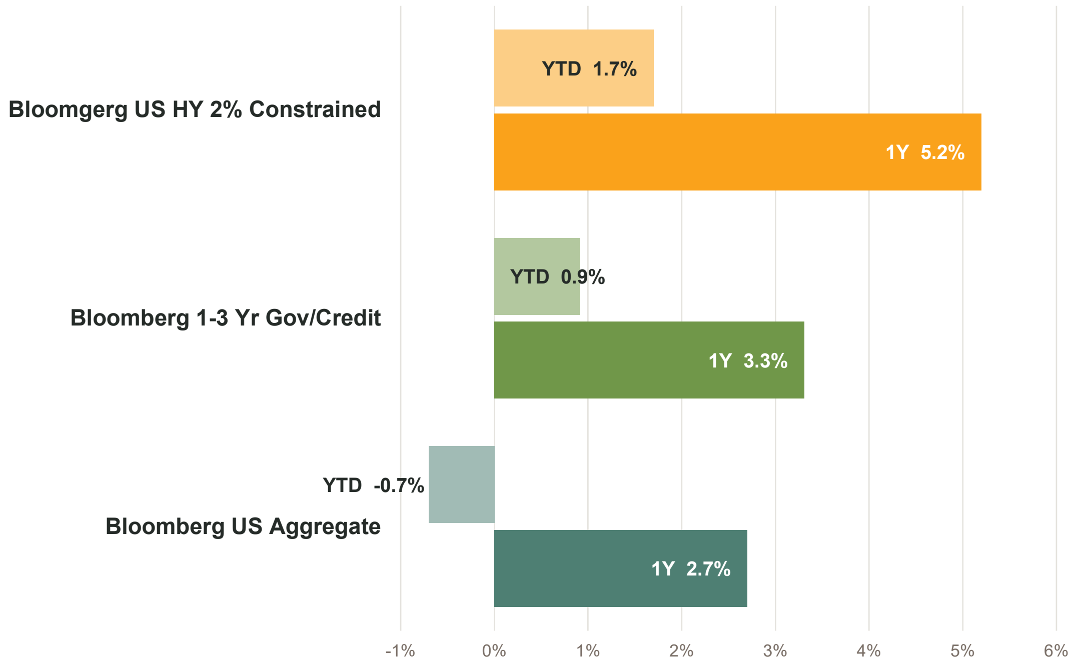
Source: Bloomberg as of 8/31/2026

# Public Fixed Income Performance

**Returns through Jul. 31, 2026.**

### Short-Term Market Performance

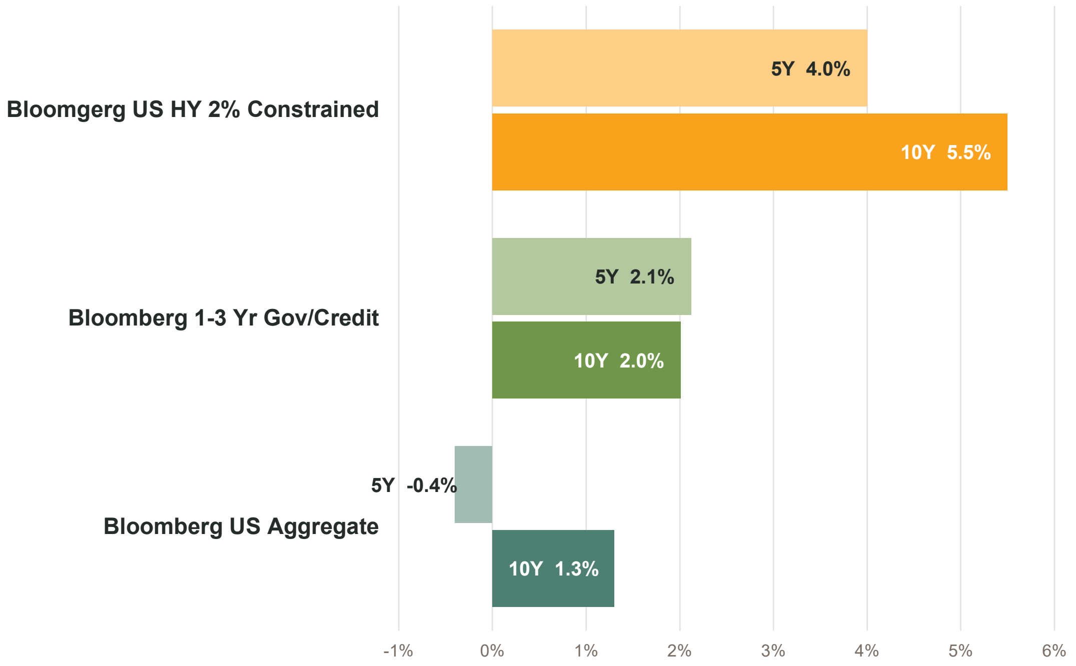
Total return · sorted by YTD return




2026 leader: Bloomberg US HY 2% Constrained (+1.7% YTD; +5.2% 1Y)

### Long-Term Market Performance

Annualized total return · same benchmark order

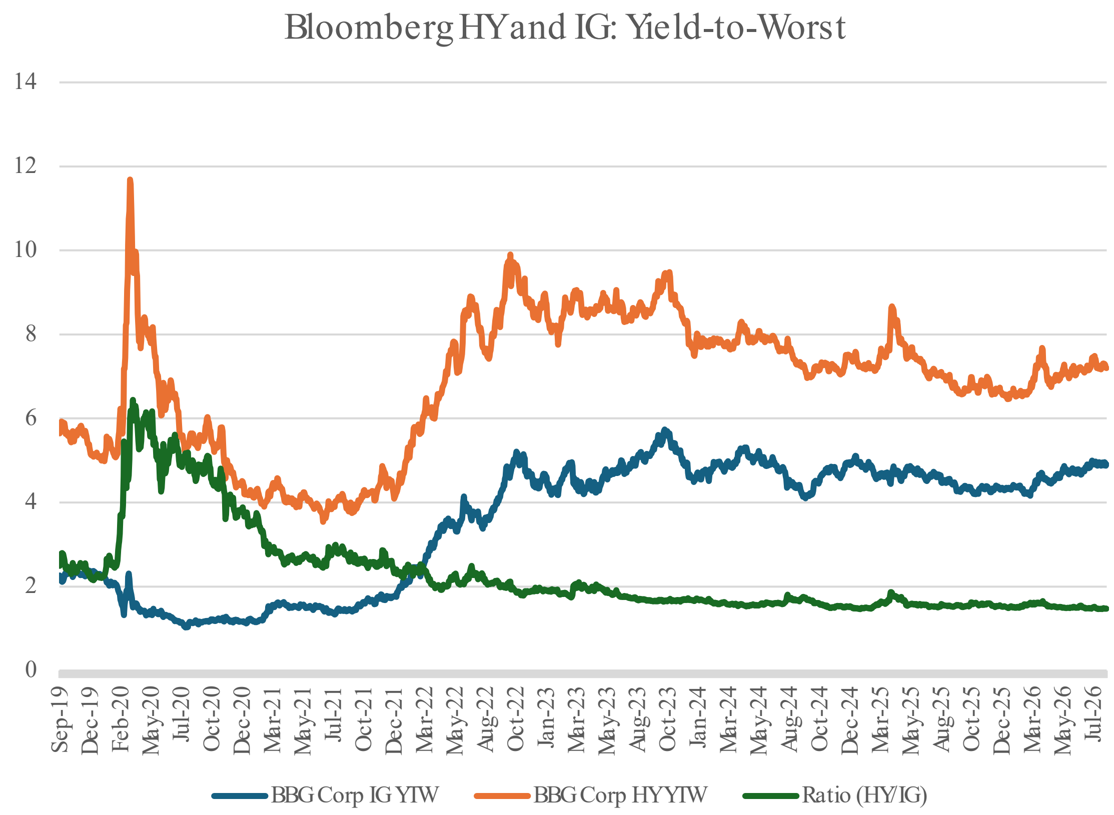


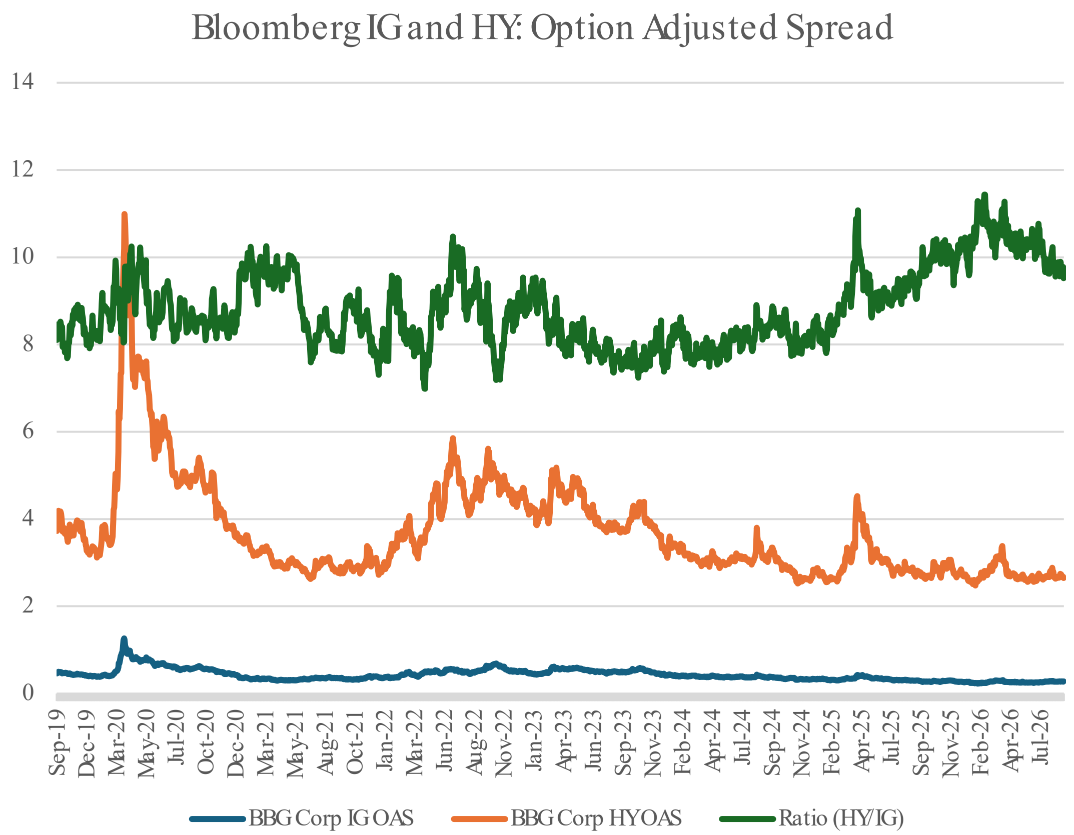

Long-term leader: Bloomberg US HY 2% Constrained (+5.5% annualized over 10Y)

**Rising rates have been challenging for core fixed income**

Source: Bloomberg as of 7/31/2026

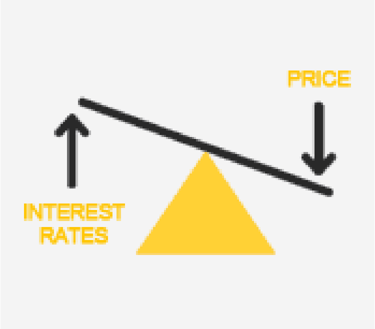
# Fixed Income – Corporate IG & HY OAS and YTW



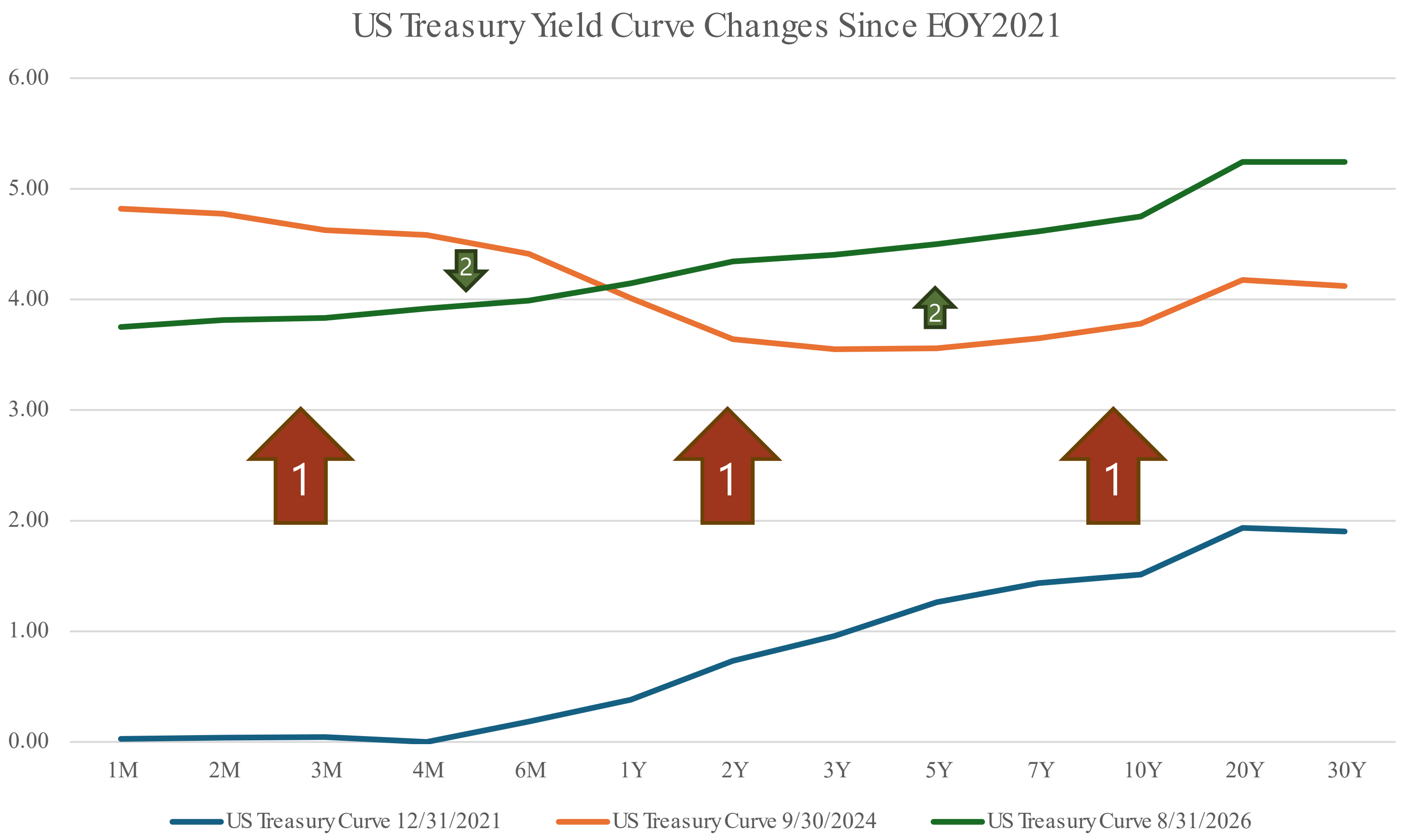



# Fixed Income – US Treasury Yield Curve

1. Inverted curve from rate hikes.
2. Short end decreases, while the long end increases.




3. As of 8/31/2026, the US yield curve >320bps higher across the entire curve since 2021



# Fixed Income Strategy Performance

**Returns through Jul. 31, 2026.**

| MANAGER | INCEPTION | POLICY BENCHMARK | 1Y TERM | 1Y RETURN | 1Y EXCESS | 5Y / SI TERM | 5Y / SI RETURN | 5Y / SI EXCESS | 5Y / SI TE | 5Y / SI IR |
|---|---|---|---|---|---|---|---|---|---|---|
| **INVESTMENT GRADE FIXED INCOME** | | | | | | | | | | |
| **PGIM Core Fixed Income** | Apr 2015 | Bloomberg U.S. Aggregate | 1Y | 3.21% | **+0.50%** | **5Y** | -0.16% | **+0.24%** | 0.85% | 0.29 |
| **PIMCO Core Plus** | Apr 2014 | Bloomberg U.S. Aggregate | 1Y | 3.92% | **+1.21%** | **5Y** | 0.39% | **+0.79%** | 0.95% | **0.83** |
| **PIMCO DiSCO II** | Nov 2011 | Bloomberg U.S. Aggregate | 1Y | 3.20% | **+0.49%** | **5Y** | 5.86% | **+6.26%** | 5.54% | **1.13** |
| **Allspring U.S. Corporate Plus** | Apr 2015 | Bloomberg U.S. Aggregate | 1Y | 3.29% | **+0.58%** | **5Y** | 0.55% | **+0.96%** | 2.49% | 0.38 |
| **BELOW INVESTMENT GRADE FIXED INCOME** | | | | | | | | | | |
| **PineBridge High Yield** | May 2024 | Bloomberg U.S. Corporate HY 2% Cap | 1Y | 4.96% | **-0.22%** | **SI** | 7.62% | **-0.38%** | 0.79% | -.48 |
| **Nomura High Yield** | May 2024 | Bloomberg U.S. Corporate HY 2% Cap | 1Y | 5.80% | **+0.62%** | **SI** | 8.10% | +0.10% | 0.33% | 0.29 |
| **SHORT-TERM FIXED INCOME** | | | | | | | | | | |
| **Barings Active Short Duration** | Sep 2019 | Bloomberg U.S. Gov/Credit 1–3 Year | 1Y | 5.07% | **+1.76%** | **5Y** | 3.36% | **+1.25%** | 1.97% | **0.63** |
| **J.P. Morgan Short Bond** | Sep 2011 | Bloomberg U.S. Gov/Credit 1–3 Year | 1Y | 3.58% | **+0.27%** | **5Y** | 2.72% | **+0.60%** | 0.36% | **1.64** |

**Returns and performance statistics are based on manager-reported data and have not been independently calculated or verified by RIO's third-party performance consultant. Results are unaudited and subject to change. Returns are net of fees. "Inception" is the ND mandate inception/handoff month. Current-period SI under 12 months is cumulative; long-term SI and 5Y are annualized.**

# Fixed Income Manager Assessment

## INVESTMENT GRADE FIXED INCOME

5 managers · all green overall

| MANAGER | PERFORMANCE | EVENT RISK | OVERALL |
|---|---|---|---|
| Allspring | ▲ | ✓ | ✓ |
| PGIM | ▲ | ✓ | ✓ |
| PIMCO Core Plus Constrained | ▲ | ✓ | ✓ |
| PIMCO DISCO II | ▲ | ✓ | ✓ |
| State Street | ✓ | ✓ | ✓ |

## SHORT DURATION FIXED INCOME

2 managers · all green overall

| MANAGER | PERFORMANCE | EVENT RISK | OVERALL |
|---|---|---|---|
| Barings Active Short Duration | ▲ | ✓ | ✓ |
| JP Morgan Short Duration | ▲ | ✓ | ✓ |

## HIGH YIELD FIXED INCOME

2 managers · 1 yellow overall

| MANAGER | PERFORMANCE | EVENT RISK | OVERALL |
|---|---|---|---|
| NCRAM High Yield | ✓ | ✓ | ✓ |
| PineBridge US High Yield | ▼ | ✓ | ▼ |

**STATUS SCALE**

- ▲ **EXCEPTIONAL** — Materially exceeds approved expectation
- ✓ **AS EXPECTED** — Meets approved expectation
- ▼ **CAUTION** — Below expectation · monitor and assess
- ■ **ALERT** — Material shortfall or breach · escalate promptly

# Fixed Income Portfolio Changes

## ADDITIONS

+ None

## TERMINATED

– Western Asset APRIL 2026

# Investment Guideline Monitoring

Weaver monitors investment guidelines for all external managers using the Northern Trust Radar System using custodian holdings and transaction data. These are reviewed daily and Weaver works with ND RIO, Northern Trust, and the managers to identify potential breaches of the SMA or investment guidelines by the Investment Manager.

Potential breaches are raised to the ND RIO Investment team to review and obtain manager explanations or mitigation actions.

All issues are tracked by Weaver until resolution

## Q3 Monitoring Results

### External Managers

| | |
|---|---|
| **Exceptions Reviewed** | **661** |
| Warnings | 75 |
| Alerts | 586 |
| Identified Breaches | 2 |

## Breach Details

| Details | Resolution | Status |
|---|---|---|
| **Barings**<br>Passive guideline breach due to downgrade of a bond to B+ | Investments is recommending a temporary waiver from the IC through maturity date in May 2027. | Open |
| **Wellington Small Cap**<br>Breach of aggregate exposure to benchmark securities (Russell 2000) due to reconstitution of the index in July. | ND RIO has provided a temporary waiver to Wellington for thirty days.<br><br>This has been resolved by the manager. | Resolved |

North Dakota | Retirement & Investment
Be Legendary.

# Private Markets

Capital Deployment Pacing Projections

# Commitment Plan Considerations

**A well-structured commitment plan should balance persistence with flexibility and align with strong manager selection and account for liquidity needs and market cycles.**

- Time diversification is important to minimize the sensitivity to market events and performance fluctuations.
- It is important to not sacrifice manager quality to meet the annual commitment pace.
- Open-end funds and separately managed accounts are commonly used in private credit, real estate and infrastructure and do not require pacing to manage policy allocations (e.g., Insurance Pool).
- Market events can have a significant impact on future commit plans.

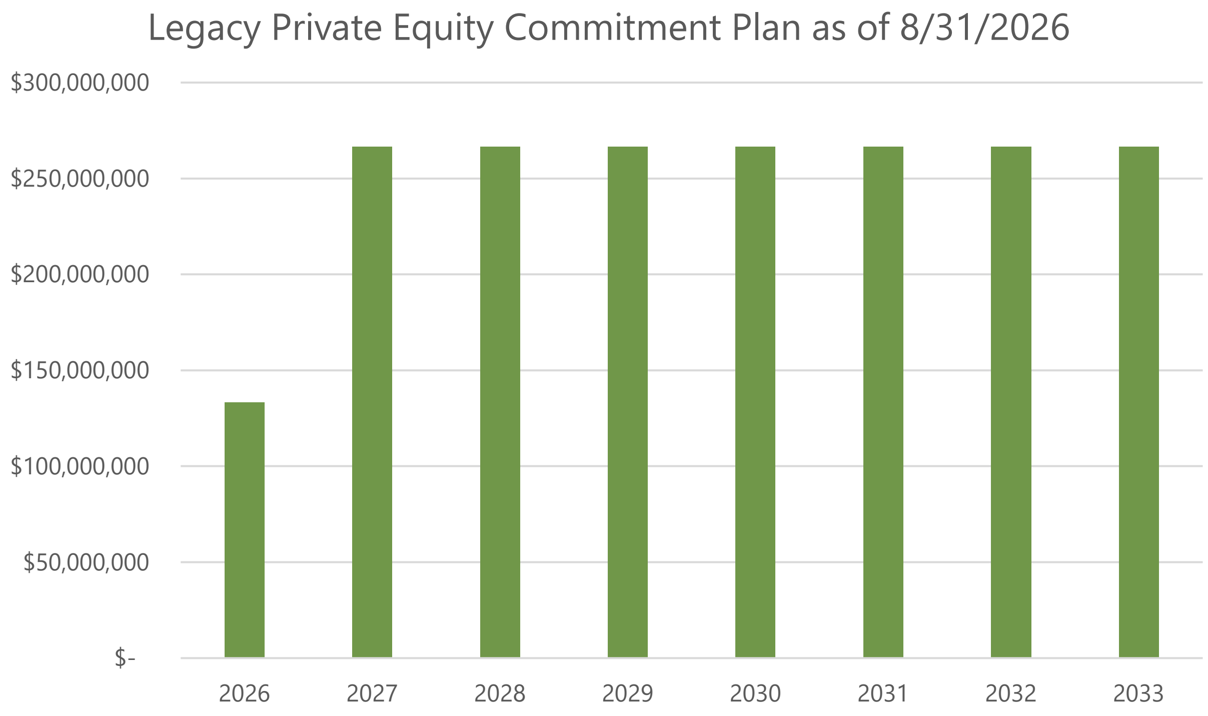
Utilized Hamilton Lane and internal commitment pacing tools to construct the following pacing analysis. Other vendors also provided an analysis that confirms RIO’s commitment plan.

# Legacy Fund Private Equity Commitment Pace

## 2026 Commitments to date of $238.25 million (89.4% of target); one more potential commitment planned by year end.

**Assumptions**:

- Market value: $15.15 B
- Growth Rate: 6.3%
- PE Target: 7%
- Meet target allocation by 12-31-2033

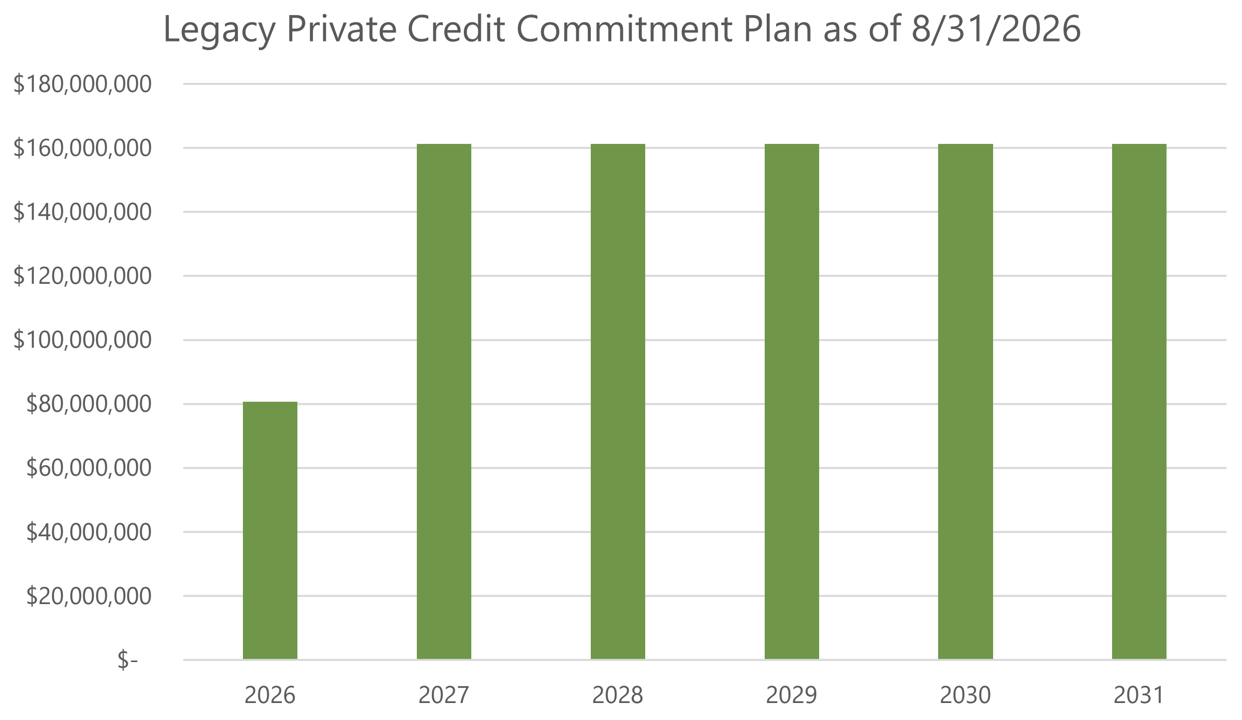


# Legacy Fund Private Credit Commitment Pace

## 2026 commitments to date of $50 million (31% of target); Plan to reach target by year end.

**Assumptions**:

- Market value: $15.15 B
- Growth Rate: 6.3%
- PC Target: 5% closed end strategies (10% total)
- 56% of the capital is in open end strategies where profits are reinvested and RIO can seek liquidity.
- Meet target allocation by 12-31-2031

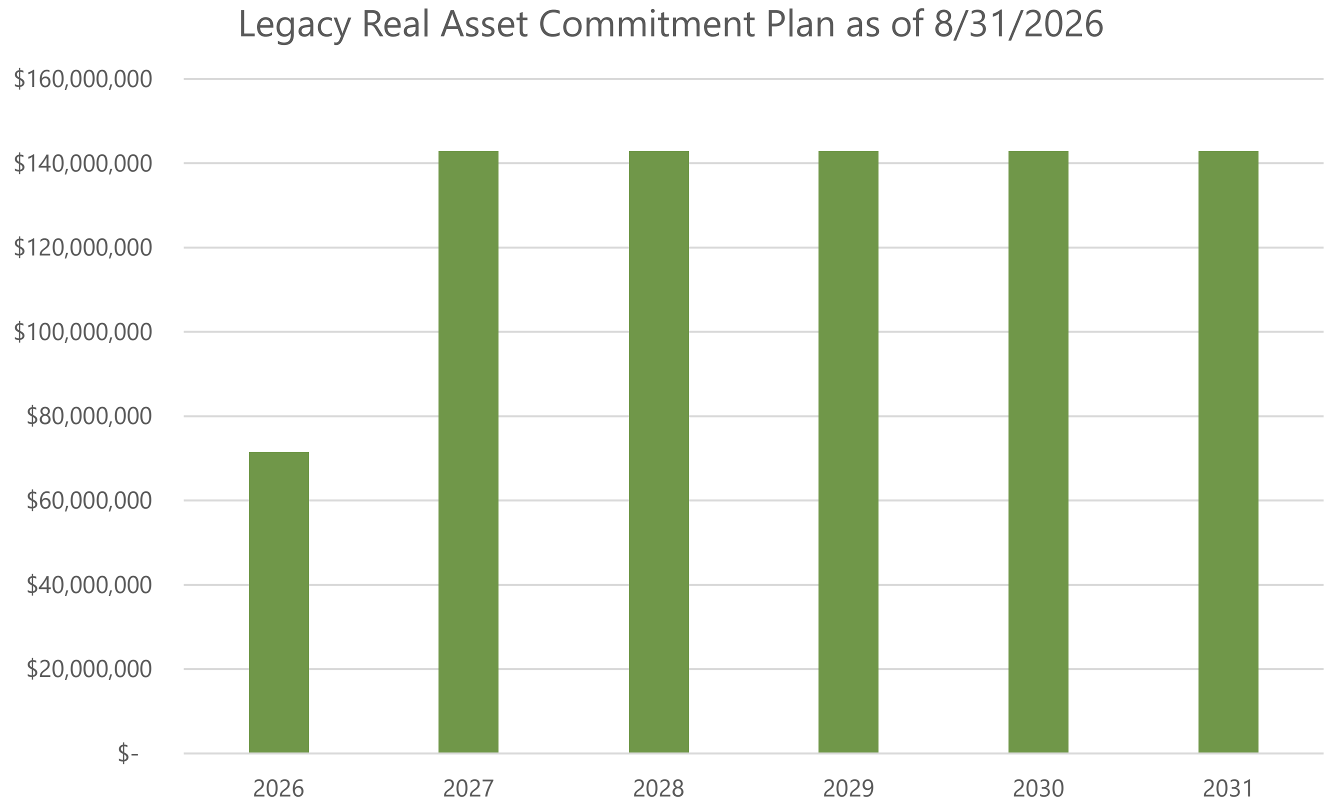


# Legacy Fund Real Asset Commitment Pace

## Plan to add a core real estate manager in 2026, which should close soon. Also evaluating a core infrastructure.

**Assumptions**:

- Market value: $15.15 B
- Growth Rate: 6.3%
- RA Target: 2.5% closed end strategies (10% total)
- Target 75% of the capital is in open end strategies where profits are reinvested and RIO can seek liquidity.
- Meet target allocation by 12-31-2031

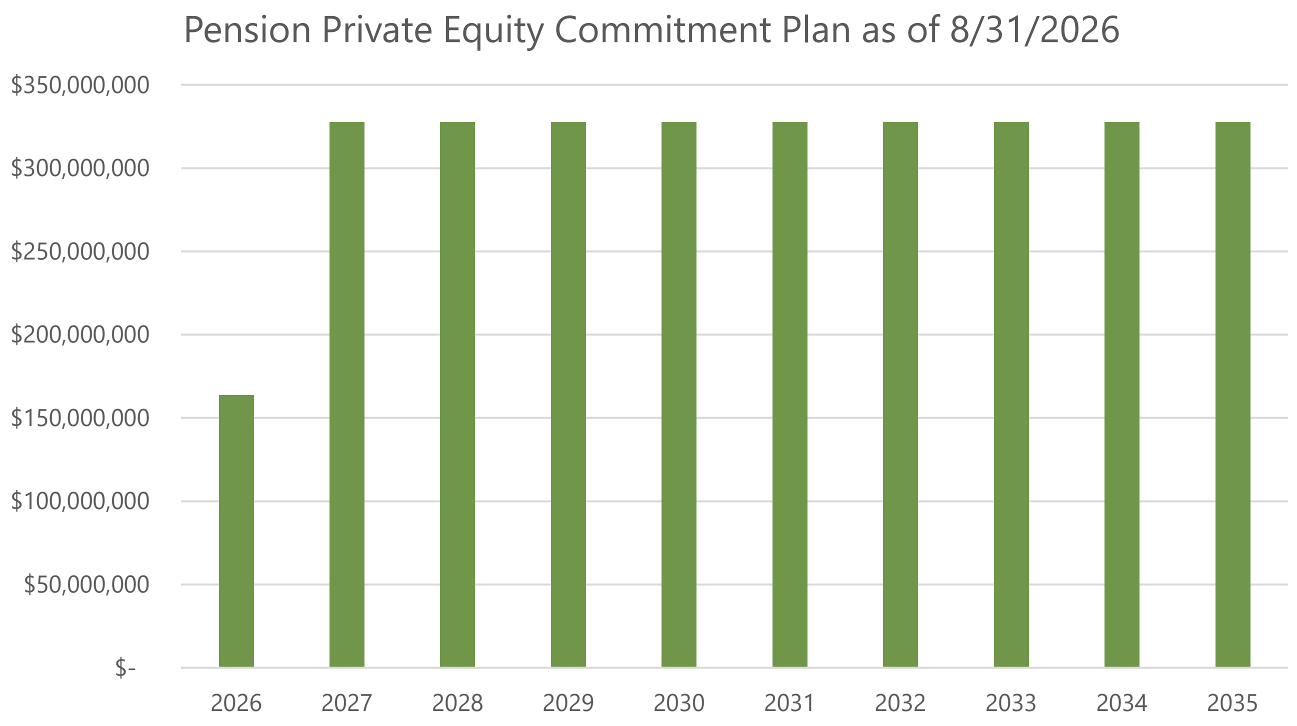


# Pension Pool Private Equity Commitment Pace

## 2026 commitments to date of $118.8 million (59% of adjusted target); one more potential commit planned by year end.

**Assumptions**:

- Market value: $9.8 B
- Growth Rate: 5.0%
- PE Target: 15%
- Program is currently 91% to Fund of Funds exposure. It will take roughly 10 years to transition to a direct to GP program.
- Due slower cash flow activity reduced commitment pace to around $150 - $200 million.
- Meet target allocation by 12-31-2035



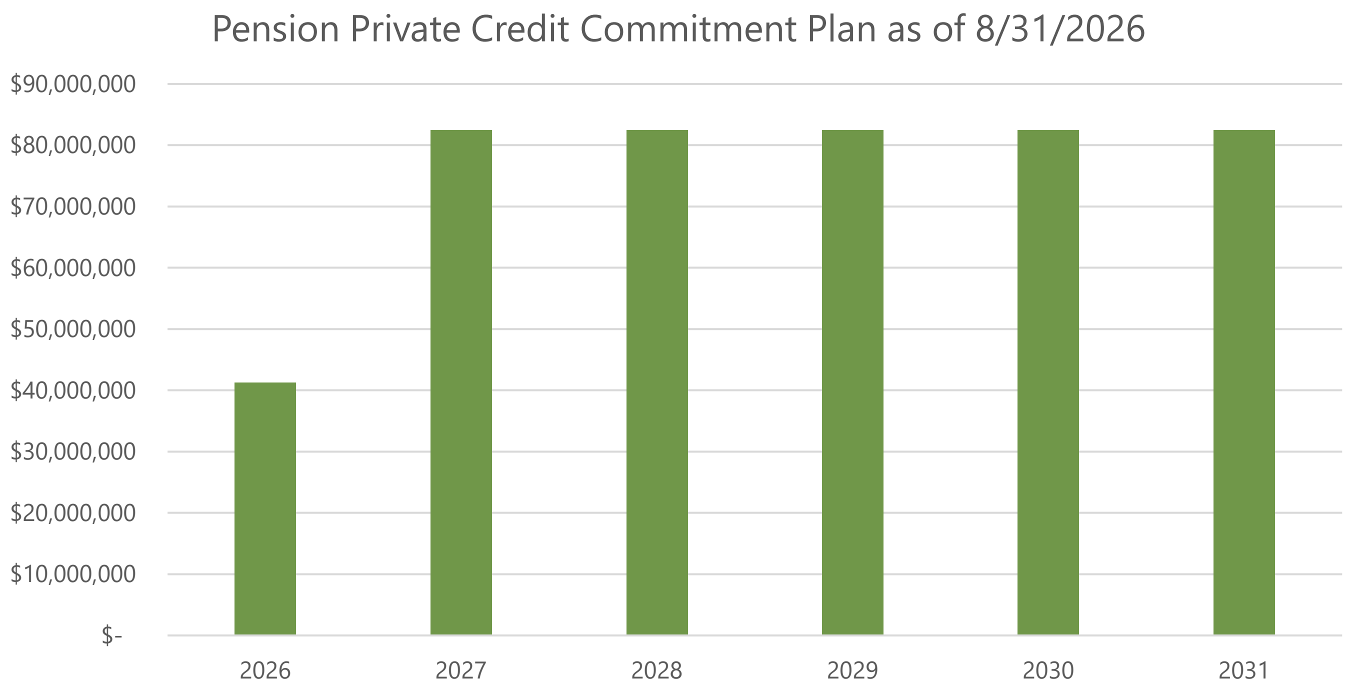

Adjustments have been made for individual pension plan allocations.

# Pension Pool Private Credit Commitment Pace

## Commitments to date of $25 million (30% of target); Commitment plans to meet to target by year end.

**Assumptions**:

- Market value: $9.9 B
- Growth Rate: 5.0%
- PC Target: 2.5% closed end strategies (7.5% total)
- 65% of the capital is in open end strategies where profits are reinvested and RIO can seek liquidity.
- Meet target allocation by 12-31-2031



# Pension Pool Real Estate Commitment Pace

## Plan to add core real estate manager in 2026, which should close soon.

**Assumptions:**

Market value: $9.9 B

Growth Rate: 5%

RE Target: 2.75% closed end strategies (11% total)

Target 75% of the capital is in open end strategies where profits are reinvested and RIO can seek liquidity.

Meet target allocation by 12-31-2031

# Pension Plan Infrastructure Commitment Pace

## Evaluating a couple of potential commitments; Also evaluating core infrastructure as the strategy evolves.

**Assumptions:**

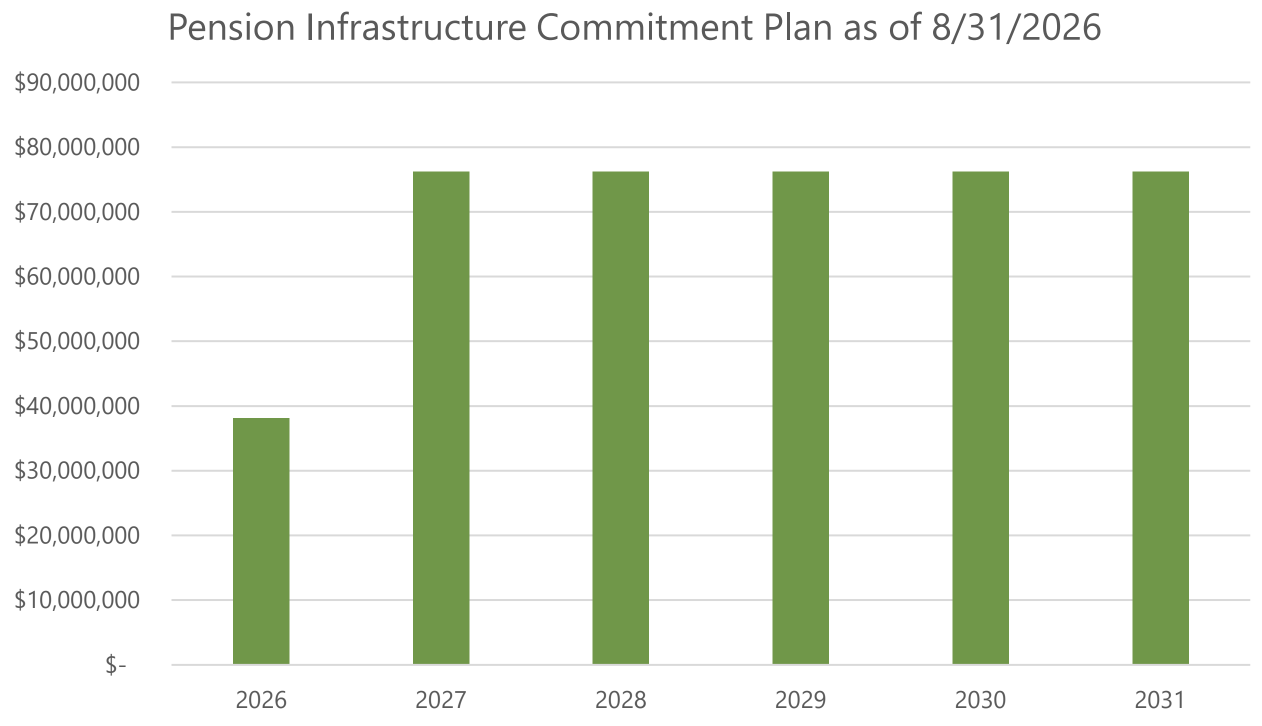
Market value: $9.9 B

Growth Rate: 5%

RE Target: 2% closed end strategies (8% total)

Target 75% of the capital is in open end strategies where profits are reinvested and RIO can seek liquidity.

Meet target allocation by 12-31-2031



# SIB & TFFR Board/Committee Calendar 2026-27

**July 2026**
July 10, 2026: Investment Comm - 9:00 a.m.
July 29, 2026: SIB - 8:30 a.m.
July 29, 2026: TFFR - 1:00 p.m.

**August 2026**
August 4, 2026: TFFR – 10:00 a.m.
August 10, 2026: Budget & Finance Comm - 11:00 a.m.
August 11, 2026: SIB ERCC - 10:00 a.m.
August 11, 2026: TFFR GPR Comm - 3:30 p.m.
August 12, 2026: SIB GPR Comm - 3:00 p.m.
August 13, 2026: SIB ARCC - 2:30 p.m.
August 14, 2026: Investment Comm - 10:30 a.m.
August 26, 2026: SIB – 8:30 a.m.

**September 2026**
September 8, 2026: TFFR GPRC – 3:30 p.m.
September 11, 2026: Investment Comm - 10:30 a.m.
September 30, 2026: SIB - 8:30 a.m.

**October 2026**
October 13, 2026: TFFR GPRC – 3:30 p.m.
October 28, 2026: SIB - 8:30 a.m.
October 28, 2026: TFFR – 1:00 p.m.

**November 2026**
November 9, 2026: Budget & Finance Comm - 11:00 a.m.
November 10, 2026: TFFR GPR Comm - 3:00 p.m.
November 12, 2026: SIB ERCC - 9:30 a.m.
November 13, 2026: Investment Comm - 10:30 a.m.
November 16, 2026: SIB GPR Comm - 3:00 p.m.
November 18, 2026: TFFR - 3:30 p.m. (Tentative)
November 19, 2026: SIB ARCC - 2:30 p.m.

**December 2026**
December 7, 2026: SIB - 8:30 a.m.
December 8, 2026: TFFR GPRC – 3:30 p.m.
December 11, 2026: Investment Comm - 10:30 a.m.

**January 2027**
January 27, 2027: SIB - 8:30 a.m.
January 27, 2027: TFFR - 1:00 p.m.

**February 2027**
February 8, 2027: Budget & Finance Comm - 11:00 a.m.
February 9, 2027: SIB ERCC - 10:00 a.m.
February 9, 2027: TFFR GPR Comm - 3:30 p.m.
February 10, 2027: SIB GPR Comm - 3:00 p.m.
February 11, 2027: SIB ARCC - 2:30 p.m.
February 12, 2027: Investment Comm - 10:30 a.m.
February 24, 2027: SIB – 8:30 a.m.
February 24, 2027: TFFR – 3:30 p.m. (Tentative)

**March 2027**
March 12, 2027: Investment Comm - 10:30 a.m.
March 31, 2027: SIB - 8:30 a.m.
March 31, 2027: TFFR - 3:30 p.m. (Tentative)

**May 2027**
May 10, 2027: Budget & Finance Comm - 11:00 a.m.
May 11, 2027: SIB ERCC - 10:00 a.m.
May 11, 2027: TFFR GPR Comm - 3:30 p.m.
May 12, 2027: SIB GPR Comm - 3:00 p.m.
May 13, 2027: SIB ARCC - 2:30 p.m.
May 14, 2027: Investment Comm - 10:30 a.m.
May 26, 2027: SIB – 8:30 a.m.
May 26, 2027: TFFR – 1:00 p.m.

**June 2027**
June 11, 2027: Investment Comm - 10:30 a.m.
June 30, 2027: SIB – 8:30 a.m.