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