STATE INVESTMENT BOARD INVESTMENT COMMITTEE MEETING MINUTES OF THE SEPTEMBER 11, 2026, MEETING

MEMBERS PRESENT

Thomas Beadle, State Treasurer, Chair
Prodosh Simlai, Investment Professional, Vice Chair
Pete Jahner, Investment Professional
Rick Thoreson, Investment Professional
Todd Van Orman, Investment Professional

GUESTS

Allyson Hicks, Attorney General's Office
Members of the Public

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
Timothy Forsythe, Deputy Chief Financial Officer
Chirag Gandhi, Portfolio Manager
Ross Hambrick, Portfolio Manager
Erik Jodock, Investment Analyst
Missy Kopp, Executive Assistant
Robbie Morey, Investment Operations Analyst
George Moss, Portfolio Manager
Chuck Napp, Senior Investment Operations Manager
Adam Otteson, Chief Financial/Operating Officer
Matthew Posch, Portfolio Manager
Sam Suchy, Investment Analyst
Alexander Weissman, Investment Analyst
Rhi Wenzel, Multimedia Specialist
Lance Ziettlow, Portfolio Manager

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 10:33 a.m. on Friday September 11, 2026. The meeting was held virtually.

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

AGENDA

The agenda was considered for the September 11, 2026, meeting.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE SEPTEMBER 11, 2026, MEETING AS DISTRIBUTED.

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

MINUTES

The minutes were considered for the August 14, 2026, meeting.

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

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

COMPLIANCE AND EXCEPTION REPORT

Mr. Anderson introduced a new Compliance and Exception Report developed under the SIB's governance framework. The report uses a color-coded system to identify investment compliance and risk measures as exceptional, as expected, caution, or alert. It will be presented at each Investment Committee meeting and included in quarterly performance reports to the Board. Current measures were generally within established limits. Staff explained that items identified as caution or alert would receive additional explanation and discussion to determine whether further action is warranted.

Mr. Posch reviewed a temporary investment guideline waiver for Barings, a fixed-income manager for the Budget Stabilization Fund. A bond representing approximately 0.26% of the manager's portfolio was downgraded below the permitted credit rating. Staff recommended allowing the manager to retain the bond until its May 15, 2027, maturity, noting the limited financial impact. The waiver had received temporary approval and was presented to the Committee for consideration and recommendation to the Board for approval.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE GUIDELINE WAIVER REQUEST.

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

STRATEGY REVIEW

Public Markets

Mr. Posch and Mr. Cox presented an update on public equity and fixed-income investments, representing approximately $23 billion in assets under management. Equity markets experienced strong returns, with emerging markets and small-cap stocks benefiting from increased investment in artificial intelligence infrastructure. Staff reviewed individual manager performance and the ongoing implementation of the Equity 2.0 initiative, noting generally favorable results while identifying DFA's underperformance and Two Sigma's governance concerns as areas requiring continued monitoring.

The fixed-income review highlighted strong performance across most managers, with PineBridge

identified for closer monitoring due to underperformance. Staff also discussed the termination of Western Asset Management and the transfer of those assets to the internal fixed-income team. A comprehensive review of fixed-income strategies, referred to as Fixed Income 2.0, is underway, with potential changes anticipated in early 2027.

Staff concluded with an update on investment guideline compliance monitoring conducted by Weaver, including the previously discussed Barings waiver and a resolved Wellington guideline exception.

Capital Development Pacing

Mr. Ziettlow presented an update on private markets commitment pacing for the Legacy Fund and pension pool, using Hamilton Lane modeling to project capital commitments, distributions, and progress toward target allocations. He emphasized the importance of diversification, manager quality, and adjusting commitment levels in response to market conditions and cash flows.

For the Legacy Fund, projected annual commitments are approximately $250 million for private equity, $160 million for private credit, and $140 million for real assets. For the pension pool, staff is targeting $150–$200 million annually for private equity, approximately $80 million for private credit, $100 million for real estate, and $75 million for infrastructure. These commitments are intended to move portfolios toward their target allocations over the next five to ten years.

The Committee discussed the impact of slower private market distributions, Legacy Fund cash flows, and the transition from fund-of-funds investments toward direct manager relationships. Staff indicated that pacing assumptions will be reviewed regularly and adjusted as market conditions and liquidity needs change.

INVESTMENT COMMITTEE SCHEDULE

A revised schedule for the remainder of the FY was provided to the Committee.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE REVISED INVESTMENT COMMITTEE SCHEDULE FOR FY 2027.

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

ADJOURNMENT

With no further business to come before the committee, Treasurer Beadle adjourned the meeting at 11:59 a.m.

Prepared by: Missy Kopp, Assistant to the Board