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

Friday, January 16, 2026, 8:30 a.m.
WSI Board Room (In-Person)
1600 E Century Ave, Bismarck, ND
Click here to join the meeting

AGENDA

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA *(Board Action)*
- A. Pledge of Allegiance
- B. Roll Call & Conflict of Interest Disclosure
- C. Introduction of New Staff

II. ACCEPTANCE OF MINUTES (November 22, 2025) *(Board Action)*

III. INVESTMENTS (30 minutes)
- A. Quarterly Performance Update *(Board Action)* – Verus

IV. QUARTERLY MONITORING REPORTS (30 minutes) *(Board Action)*
- A. Quarterly Investment Ends – Mr. Posch
- B. Quarterly Outreach Report – Ms. Mudder
- C. Quarterly Budget Update – Mr. Otteson
- D. Quarterly Executive Limitations/Staff Relations – Ms. Smith

(Break)

V. GOVERNANCE (90 minutes)
- A. Governance & Policy Review Committee Update *(Information)* – Dr. Lech, Ms. Smith
- B. Investment Committee Update *(Information)* – Treasurer Beadle, Mr. Chin
    1. Investment Policy Statements *(Board Action)* – Mr. Chin
        i. TFFR, PERS, Grand Forks Employees, Grand Forks Parks, Bismarck Police, Bismarck Employees
- C. Executive Review & Compensation Committee Update *(Information)* – Dr. Lech, Ms. Smith
    1. Incentive Compensation FY25 Payout Approval *(Board Action)* – Ms. Smith
    2. Incentive Compensation FY26 Plan Approval *(Information)* – Ms. Smith

VI. OTHER
- A. Next Meetings:
    - Investment Committee – February 13, 2026, at 9:00 a.m.
    - SIB GPR Committee – February 19, 2026, at 2:00 p.m.
    - Audit Committee – February 18, 2026, at 2:30 p.m.

VII. ADJOURNMENT

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.

NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
NOVEMBER 21, 2025, BOARD MEETING (IN-PERSON)

MEMBERS PRESENT:	Kelly Armstrong, Governor, Chair Dr. Rob Lech, TFFR Board, Vice Chair Thomas Beadle, State Treasurer, Parliamentarian Rep. Glenn Bosch, LBSFAB Gerald Buck, PERS Board Joseph Heringer, Commissioner of Unv. & School Lands Pete Jahner, Investment Professional Sen. Jerry Klein, LBSFAB Cody Mickelson, TFFR Board Adam Miller, PERS Board Joe Morrissette, Director of OMB Art Thompson, Director of WSI
MEMBERS ABSENT:	Dr. Prodosh Simlai, Investment Professional
STAFF PRESENT:	Scott M. Anderson, CIO Eric Chin, Deputy CIO Jac Collins, Sr. Investment Analyst Cory Cox, Investment Analyst Derek Dukart, Sr. Investment Analyst Tim Forsythe, Deputy CFOO Chirag Gandhi, Portfolio Mgr. Ross Hambrick, Portfolio Mgr. Erik Jodock, Investment Analyst Missy Kopp, Executive Assistant Robbie Morey, Investment Operations Analyst George Moss, Portfolio Mgr. Sarah Mudder, Communications/Outreach Dir. Chuck Napp, Sr. Investment Operations Manager Adam Otteson, CFOO Daphne Pfleiger, Investment Accountant Emmalee Riegler, Procurement/Records Coord. Sara Seiler, Supervisor of Internal Audit Jodi Smith, Executive Director Susan Walcker, Sr. Financial Manager Alex Weissman, Investment Analyst Lance Ziettlow, Portfolio Mgr.
GUESTS:	Rick Funston, Funston Advisory Services Mark Morgan, SEI Evan Norton, Funston Advisory Services Kirsten Tuntland, Assistant Attorney General Jonathan Waite, SEI Members of the Public

CALL TO ORDER:

Gov. Armstrong, Chair, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, November 21, 2025. The meeting was held in the WSI Boardroom, 1600 E Century Ave., Bismarck, ND.

The following members were present representing a quorum: Commissioner Heringer, Treasurer Beadle, Mr. Miller, Mr. Buck, Mr. Thompson, Mr. Mickelson, Sen. Klein, Dr. Lech, Mr. Morrissette, Mr. Jahner, and Gov. Armstrong

AGENDA:

The Board considered the agenda for the November 21, 2025, SIB meeting. Agenda item III. E was moved to the beginning of the agenda.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT THE NOVEMBER 21, 2025, AGENDA AS PRESENTED.

AYES: COMMISSIONER HERINGER, TREASURER BEADLE, MR. MILLER, MR. BUCK, MR. THOMPSON, MR. MICKELSON, SEN. KLEIN, DR. LECH, MR. MORRISSETTE, MR. JAHNER, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: REP. BOSCH AND DR. SIMLAI
MOTION CARRIED

MINUTES:

The Board considered the minutes of the October 24, 2025, SIB meeting.

IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE OCTOBER 24, 2025, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, COMMISSIONER HERINGER, MR. MORRISSETTE, MR. THOMPSON, TREASURER BEADLE, MR. BUCK, DR. LECH, MR. JAHNER, SEN. KLEIN, MR. MILLER, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: REP. BOSCH AND DR. SIMLAI
MOTION CARRIED

GOVERNANCE:

Governance & Policy Review (GPR) Committee Update:

Dr. Lech provided an update on the GPR Committee's work and noted that Mr. Funston was present to offer an overall review of the governance audit and related recommendations. The discussion acknowledged significant changes over the past decade, including substantial growth in assets under management, which have increased organizational complexity and informed the need for a comprehensive governance review.

Mr. Funston outlined a proposed timeline to complete the governance review work by May, allowing the board sufficient time—prior to a targeted July 1 decision point—to review, digest, and evaluate proposed changes. He recommended an incremental approach to delivering the work, providing sections of the governance framework in stages (e.g., purpose and mission, followed by subsequent components), rather than presenting a single comprehensive document at the end. Board members expressed support for receiving governance materials incrementally for review and discussion. The incremental approach was also viewed as beneficial for early stakeholder communication and, if necessary, preparing for potential legislative changes in a thoughtful and transparent manner. Mr. Funston confirmed his willingness to work closely with the Governance and Policy Review Committee and the full board throughout the process, provide interim deliverables, and address questions either during meetings or through follow-up communication.

Some changes to the report were discussed and will be completed by Funston and sent to staff.

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY MR. MILLER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE GOVERNANCE ASSESSMENT REPORT WITH THE DISCUSSED CHANGES AND TO MOVE FORWARD WITH PHASE 2.

AYES: SEN. KLEIN, COMMISSIONER HERINGER, MR. BUCK, MR. MORRISSETTE, MR. MICKELSON, MR. MILLER, TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, DR. LECH, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: REP. BOSCH AND DR. SIMLAI
MOTION CARRIED

Rep. Bosch joined the meeting at 9:36 a.m.

Investment Committee Update:

Treasurer Beadle provided an update from the November 14, 2025, Investment Committee (IC) meeting. The committee reviewed a private real estate manager in executive session and discussed a potential investment in a North America–focused real estate infrastructure fund. Staff also finalized a $60 million commitment to the BVP Forge II private equity fund, split between the pension and legacy portfolios. Private markets allocations remain below the long-term 7% target as part of a phased implementation approach.

The committee reviewed proposed asset allocation adjustments developed by NEPC and SEI, noting modest improvements to expected returns with minimal impact on risk, including glide path adjustments for mature pension funds. The Investment Committee recommended these asset allocation changes for full board approval. Updates to the Investment Policy Statement and progress on the performance consultant search were also reviewed, with related action items to follow on the board agenda.

Pension Asset Allocation:

Mr. Goldthorpe and Mr. Nankof, NEPC, reviewed the continuous asset allocation process used to rotate through the organization's 31 client funds. For several pension plans with similar characteristics and discount rates, staff identified an opportunity to harmonize asset allocations to improve efficiency and consistency. Asset allocation recommendations were presented for PERS, TFFR, Bismarck Employee, Bismarck Police, Grand Forks Employee and Grand Forks Parks plans.

The asset allocation process included review and discussion by the Investment Committee, followed by engagement with each client fund's investment committee and board prior to advancing recommendations. For more mature and closed plans, including Grand Forks and Grand Forks Parks, a glide path approach was incorporated to gradually reduce portfolio risk as funded status improves, increasing allocations to fixed income to better match liabilities over time.

The analysis considered liquidity needs, stress testing across market scenarios, and risk-return impacts on funding levels and contribution requirements. It was noted that recent investment performance and asset allocation decisions have contributed to improved funded status for certain plans, accelerating projected timelines to full funding. The board expressed appreciation for the depth of analysis and work performed by staff and consultants.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE PERS, TFFR, BISMARCK EMPLOYEES, BISMARCK POLICE, GRAND FORKS, AND GRAND FORKS PARKS ASSET ALLOCATION.

AYES: TREASURER BEADLE, MR. JAHNER, REP. BOSCH, MR. THOMPSON, COMMISSIONER HERINGER, MR. MORRISSETTE, DR. LECH, MR. MILLER, MR. BUCK, SEN. KLEIN, MR. MICKELSON, AND GOV. ARMSTRONG

NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

Job Service Asset Allocation:

Mr. Morgan, SEI, presented asset allocation recommendations for the Job Service Fund, noting the plan is approximately 120% funded and therefore considered overfunded. Given the surplus, SEI recommended reducing portfolio risk by lowering equity exposure and increasing fixed income.

Two alternative portfolios were reviewed. Portfolio A focused on modest adjustments within fixed income to reduce credit risk and increase duration, taking advantage of higher yields and providing greater protection against declining interest rates. Portfolio B represented the next step in the fund's long-standing glide path, further reducing return-seeking assets and increasing high-quality fixed income to continue de-risking the plan.

Monte Carlo analysis and funded-status projections demonstrated that while Portfolio B reduces expected returns, returns remain well above actuarial and hurdle rates, volatility is meaningfully reduced, and downside risk is improved. Even under adverse scenarios, funded status was projected to remain strong.

SEI recommended Portfolio B, which reduces equity exposure from 26% to 13% and reallocates to higher-quality fixed income, as an appropriate next step to manage risk while maintaining a strong funded position.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE JOB SERVICE ASSET ALLOCATION.

AYES: MR. MORRISSETTE, MR. MILLER, SEN. KLEIN, MR. MICKELSON, DR. LECH, MR. JAHNER, MR. BUCK, MR. THOMPSON, COMMISSIONER HERINGER, TREASURER BEADLE, REP. BOSCH, AND GOV. ARMSTRONG.
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

Job Service Investment Policy Statement (IPS):

Following approval of the Job Service Fund asset allocation, Mr. Chin presented a redlined and updated IPS reflecting the revised allocation. Updates include revised risk and return metrics consistent with the reduced equity exposure and increased allocation to fixed income, as well as updated CPI-related assumptions.

The IPS was revised to reflect the new asset allocation and includes an additional provision clarifying the timing of withdrawals. Upon approval, the updated IPS will be forwarded to the PERS Investment Subcommittee and the PERS Board for final approval.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE JOB SERIVCE IPS.

AYES: SEN. KLEIN, MR. BUCK, REP. BOSCH, COMMISSIONER HERINGER, DR. LECH, MR. MILLER, TREASURER BEADLE, MR. MICKELSON, MR. JAHNER, MR. THOMPSON, MR. MORRISSETTE, AND GOV. ARMSTRONG.
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

Performance Consultant Search:

Ms. Smith reviewed the Investment Committee's recommendation to authorize a performance consultant search. The committee noted that efforts to modernize benchmarking and performance evaluation began in 2023 in response to expanded internal investment management and alignment with incentive compensation. A prior RFP for a standalone benchmark consultant yielded no respondents, resulting in the selection of Verus through a noncompetitive procurement process, with Verus currently serving as both benchmarking and performance consultant.

Staff explained that industry practice supports either separate or combined benchmarking and performance consulting models. Given the organization's expanded internal investment structure and focus on governance alignment and operational efficiency, staff and the Investment Committee recommended procuring a single integrated consultant to provide both benchmarking and performance services.

The current performance consultant contract expires June 30, with limited extension options, while the benchmarking contract runs through June 30, 2027. Staff outlined a proposed procurement approach to align contract timelines and transition to an integrated consulting model without disrupting existing contractual obligations.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE RIO STAFF TO INITIATE A PROCUREMENT PROCESS FOR A COMBINED PERFORMANCE AND BENCHMARK CONSULTANT.

AYES: MR. THOMPSON, MR. BUCK, MR. MORRISSETTE, MR. MILLER, MR. JAHNER, MR. MICKELSON, REP. BOSCH, COMMISSIONER HERINGER, DR. LECH, SEN. KLEIN, TREASURER BEADLE, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

Executive Review & Compensation Committee (ERCC) Update:

Dr. Lech provided an update from the November 5, 2025, ERCC meeting. The Committee reviewed incentive compensation calculations, including refinement of the 20% qualitative component of the incentive program. Under the policy, 80% of incentive compensation is based on quantitative performance relative to board-approved benchmarks, and 20% is based on individual goals and qualitative factors. Staff outlined efforts to add more objective indicators to the qualitative portion.

Staff reported that investment performance exceeded the board-approved benchmark by approximately 83 basis points, generating an estimated $190 million in excess returns, and that the resulting incentive compensation calculations align with board policy and statutory authority. The benchmark used for these calculations was established by the board, and performance and benchmarking consultants serve the board independently of staff.

The qualitative component was applied using defined criteria, including years of service and role, with prorated adjustments for partial-year employment. Maximum incentive percentages were applied in accordance with policy, and no employee received the full qualitative allocation. The final incentive compensation recommendations were presented for board review, and questions were invited regarding policy provisions, including the requirement that participants be employed on the payment date.

A recommendation from the ERCC was presented for a special waiver related to incentive compensation eligibility for a former Chief Risk Officer. The individual notified staff of retirement in March due to health concerns but remained in the role through the end of the fiscal year and an additional six months to ensure continuity of investment risk oversight during a period of staff transition.

Staff explained that the current incentive compensation policy requires employees to be actively employed on the payment date, which may create unintended timing and retention risks. The waiver was recommended to recognize the individual's service through the performance period and to avoid gaps in risk management coverage.

Board discussion included questions regarding the calculation of excess returns, the scope of internally managed funds, and statutory requirements governing the incentive compensation program. Given outstanding legal and policy questions, and the absence of counsel, staff recommended tabling the item until the next State Investment Board meeting to allow additional review and responses.

IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. MORRISSETTE AND CARRIED BY A ROLL CALL VOTE TO TABLE THE INCENTIVE COMPENSATION APPROVAL.

AYES: DR. LECH, TREASURER BEADLE, COMMISSIONER HERINGER, REP. BOSCH, MR. MILLER, MR. BUCK, MR. JAHNER, MR. MICKELSON, MR. MORRISSETTE, MR. THOMPSON, SEN. KLEIN, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

Audit Committee Update:

Treasurer Beadle provided an update from November 18, 2025, Audit Committee meeting. The external auditor, engaged through the State Auditor's Office, issued an unmodified (clean) audit opinion for the financial statement for the fiscal year ended June 30, 2025. The committee reviewed funding and net position results, including an increase in the PERS/TFFR funded status reflecting strong investment performance.

The committee reviewed the FY2025–26 Internal Audit Work Plan, noting it remains a living document due to current staffing constraints while recruitment for a vacant position continues. Several internal audit reports were discussed, including an external investment oversight audit conducted by Weaver. Weaver concluded that controls are generally well designed and operating effectively, with minor improvement items identified. Staff agreed to corrective actions, including completing missing Investment Policy Statement signatures by January 30, 2026 (or no later than June 30, 2026), and enhancing documentation of external manager selection processes.

Additional updates included progress on internal audit advisory services through the co-sourcing arrangement with Weaver, which continues to support operational improvements, and results from the TFFR file maintenance audit, which identified minor historical documentation issues. Staff noted that the new system in place prevents similar errors going forward and that spot checks and corrective updates are underway. The committee also reviewed current quarter audit activities.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE FINANCIAL STATEMENT AUDIT REPORT.

AYES: MR. BUCK, MR. THOMPSON, COMMISSIONER HERINGER, MR. MICKELSON, MR. MORRISSETTE, REP. BOSCH, MR. MILLER, MR. JAHNER, DR. LECH, SEN. KLEIN, TREASURER BEADLE, AND GOV. ARMSTRONG

REPORTS:

Quarterly Audit Activities Report:

Ms. Seiler reviewed the Audit Activities Report for the quarter ended September 30, 2025, noting that many audits reported earlier to the Audit Committee were in progress during the quarter and have since been

completed. The external investment oversight audit has been finalized and presented, the annual external financial audit process is ongoing, and the GASB 68 census data audit was recently issued, with the actuarial valuation expected by year end.

Staff reported continued work on major initiatives, including process mapping and procurement activities related to replacing the general ledger system ahead of its planned 2029 sunset. The co-sourcing arrangement with Weaver continues to provide internal audit and advisory support during fiscal staffing transitions, and the file maintenance audit has been completed and reported. Implementation of the new system under the Pioneer Project is complete, with limited post-implementation tuning and reporting still underway. Recruitment for an internal audit position remains ongoing.

Quarterly Outreach Report:

Ms. Mudder reviewed the Outreach Report. She highlighted the recent investment seminar, which was well attended, including approximately 21 legislators, representing a substantial increase fromthe previous year. Plans are underway to host the seminar again at the same location next year. Staff also noted approval of a new video production tool and plans to use it in the coming quarter to enhance board education materials.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY AUDIT ACTIVITIES AND QUARTERLY OUTREACH REPORTS.

AYES: MR. MICKELSON, MR. MORRISSETTE, TREASURER BEADLE, DR. LECH, MR. BUCK, COMMISSIONER HERINGER, REP. BOSCH, SEN. KLEIN, MR. JAHNER, MR. THOMPSON, MR. MILLER, AND GOV. ARMSTRONG
NAYS: NONE
ABSENT: DR. SIMLAI
MOTION CARRIED

ADJOURNMENT:

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 11:03 a.m.

Prepared by: Missy Kopp, Assistant to the Board

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



PERIOD ENDING: September 30, 2025

Investment Performance Summary for

North Dakota State Investment Board

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SEATTLE 206.622.3700
CHICAGO 312.815.5228
PITTSBURGH 412.784.6678
LOS ANGELES 310.297.1777
SAN FRANCISCO 415.362.3484

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Executive Summary

Economics and Capital Markets

- GDP growth was strong for the quarter with an estimated 3.9% growth rate. Second quarter GDP was revised upwards from 3.0% to 3.8%. Strong GDP growth boosted equity capital markets in the U.S. as U.S. stocks returns 8.2% for the quarter and 17.4% for the 1-year period ended 9/30/2025.
- Inflation remains above the Fed's 2% target as inflation rose from 2.7% to 3% year over year as of 9/30/2025. Wage growth continues to be ahead of inflation growth, so consumer spending remained robust heading into the 4th quarter holiday shopping season, although a bifurcation in spending patterns is becoming evident between high income and lower income earners.
- The Fed cut rates in September; the new target range is 4.0% to 4.25%. This action was widely anticipated and also had a stimulative effect on the economy for the quarter.
- Continued strong public market performance means that private markets continue to lag due to less frequent valuations and the inability to write-up good performing companies quickly coupled with the requirement to reflect write-downs in poor performing companies quickly.

Consolidated Pension Trust

- The Funds slightly underperformed the Corridor Target by 10 basis points for the third quarter (4.2% vs. 4.3%) and fiscal year to date. However, the Funds were ahead of the Corridor Target by 180 basis points for the one year period ended 9/30/2025. The Funds are also outperforming the Corridor Target for all relevant longer term measurement periods.
- Importantly, Fund returns exceed the discount rate assumption in all longer term measurement periods.
- Risk-adjusted Fund returns are strong and exceed the Corridor Target risk-adjusted return (i.e., Sharpe Ratio) for the 5-year period ended 9/30/2025.
- Compared to peers, the Funds have earned higher returns at a lower level of risk for the 5-year period ended 9/30/2025.
- Public Equities and Investment Grade Fixed Income exceeded their respective benchmarks for both the third quarter and longer term measurement periods. Private Equities and Real Assets both lagged their respective benchmarks for the quarter but are both ahead of benchmark for the 1-year period ended 9/30/2025.

Legacy Fund

- The Legacy Fund tied its Corridor Target return for the quarter ended 9/30/2025 at 5.4%. The Fund exceeds the Corridor Target return for all longer-term measurement periods.

- Risk-adjusted Fund returns are strong and exceed the Corridor Target risk-adjusted return (i.e., Sharpe Ratio) for the 5-year period ended 9/30/2025.
- Public Equities exceeded its respective benchmark for both the third quarter (7.8% vs. 7.7% for the benchmark) and longer term measurement periods. Global fixed income slightly lagged its benchmark 10 basis points for the quarter (2.0% vs. 2.1%). Private Equities and Real Assets both lagged their respective benchmarks for the quarter but are both ahead of benchmark for the 1-year period ended 9/30/2025.

Consolidated Insurance Trust

- The Trust slightly exceeded the Corridor Target return by 10 basis points (2.6% vs. 2.5%) for the quarter ended 9/30/2025. The Trust is also ahead of the Corridor Target return for all relevant longer term measurement periods.
- All public markets asset classes exceed their respective benchmarks for the third quarter and relevant longer term measurement periods. Real Assets lagged their benchmark return for the quarter (1.1% vs. 1.5%), but is ahead for the 1-year period (4% vs. 3.5%).

U.S. economics summary

— The Q3 real GDP growth report was not released on October 30th as previously scheduled, due to the government shutdown which continued to hamper the publication of a wide swath of data that informs investors about the health of the economy. The Atlanta Fed GDPNow indicator estimated a 3.9% quarterly annualized growth rate as of October 27th. Second quarter growth was revised upwards from 3.0% to 3.8% on updated consumer spending data that was stronger than initially reported.

— Unemployment rose slightly from 4.1% to 4.3% in August and job creation has slowed to nearly zero. We believe that this easing of the labor market is happening for a fairly unique reason—a decline in immigration. Immigration enforcement and deportations are having a notable impact on the number of available workers, meaning the job market is likely slowing primarily for immigration reasons rather than due to weakening U.S. business conditions or layoffs.

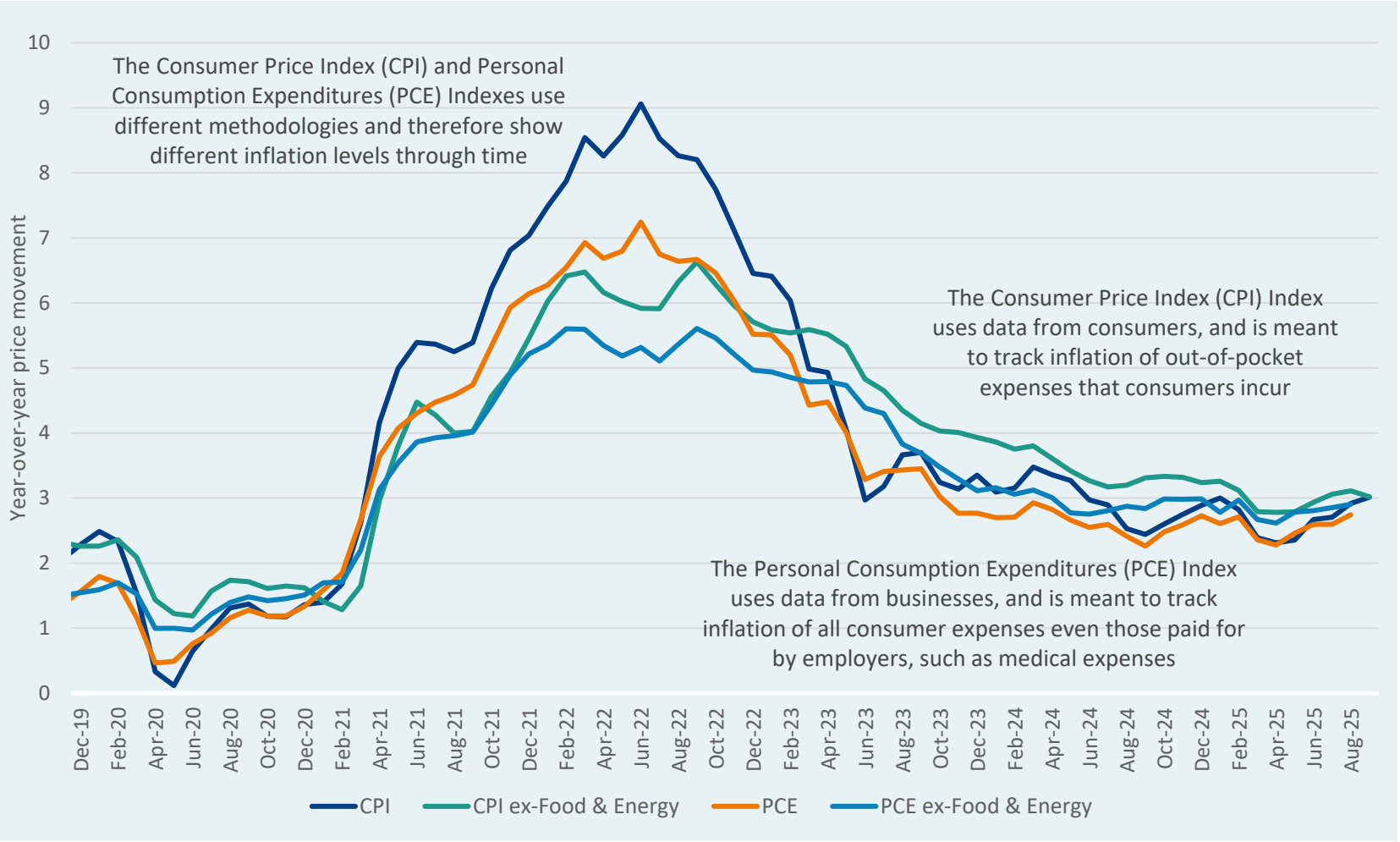
— The Federal Reserve cut rates in September to a range of 4.00%-4.25%, citing concerns over a slowing job market. Chair Jerome Powell at the meeting described the move as a "risk management" rate cut, emphasizing the Fed's dual mandate of maximum employment and price stability.

— U.S. inflation remained above the Fed's target during Q3, rising from 2.7% year-over-year to 3.0%. Core inflation rose slightly from 2.9% to 3.0%. Although inflation has increased, price rises have been much more subdued relative to the forecasts of many economists and experts following the shift in U.S. trade policy. The types of prices that were expected to be highly exposed to tariffs, such as new cars, apparel, shoes, televisions, household furnishings, and appliances, have not overall seen broad material price rises (some category prices have fallen).

— Very poor consumer sentiment continues to be a key story of 2025, with households concerned about job prospects and personal finances. Confidence dipped in Q3 but remained above the April lows. Households expressed concerns about high prices, future job prospects, and the broader business environment.

	Most Recent	12 Months Prior
Real GDP *(YoY)*	2.1% *6/30/2025*	3.1% *6/30/2024*
Inflation *(CPI YoY, Core)*	3.0% *9/30/2025*	3.3% *9/30/2024*
Expected Inflation *(5yr-5yr forward)*	2.3% *9/30/2025*	2.3% *9/30/2024*
Fed Funds Target Range	4.00% - 4.25% *9/30/2025*	4.75% - 5.00% *9/30/2024*
10-Year Rate	4.2% *9/30/2025*	3.8% *9/30/2024*
U-3 Unemployment	4.3% *8/31/2025*	4.2% *8/31/2024*
U-6 Unemployment	8.1% *8/31/2025*	7.8% *8/31/2024*

Has inflation settled above the Fed target?



Inflation increased slightly to 3.0%, above the Fed's 2% target

So far, there is little evidence of broad tariff-fueled price rises

Source: FRED, Verus, as of 9/30/25 or most recent release

GDP growth

The Q3 real GDP growth figure was not released on October 30th as previously scheduled, due to the government shutdown which continued to hamper the publication of a wide swath of data that informs investors about the health of the economy. The Atlanta Fed GDPNow indicator estimates a 3.9% quarterly annualized growth rate (as of October 27th).

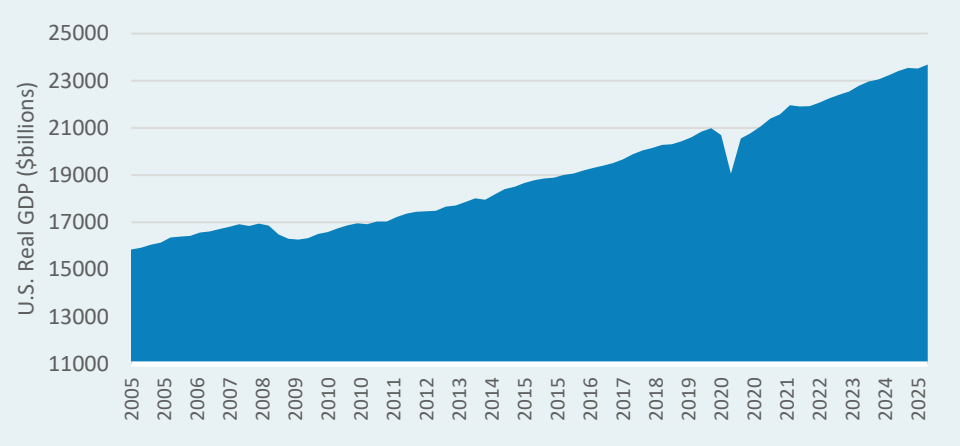
Second quarter growth was revised upwards from 3.0% to 3.8% on updated consumer spending data that was stronger than initially reported. Growth has been surprisingly resilient despite very poor consumer sentiment since April. Business investment has also been relatively strong as businesses continued to spend and invest despite trade policy uncertainty.

An interesting dynamic in the U.S. economy has occurred across inventory purchases and import activity (see bottom right chart). The first and second quarters were nearly mirror opposite images of one another in this respect. In Q1, businesses dramatically increased their foreign purchases (imports) in an effort to avoid incoming tariffs. Imports often occur to the detriment of domestic purchases, which means imports dragged growth significantly lower in Q1. In Q2, this reversed as fewer imports were needed after such large Q1 purchases, meaning fewer imports greatly boosted growth in Q2. Inventories showed a similar effect but in opposite order—big inventory purchases occurred in Q1 as businesses avoided tariffs which boosted the economy and then in Q2 fewer inventories were needed which created a drag on the economy.

Economic growth has been stronger than expected

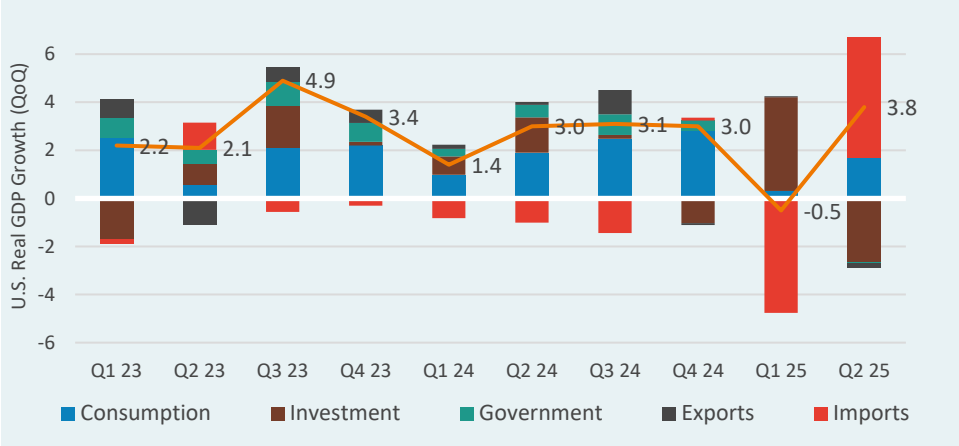
Q3 real GDP growth is expected to once again show strength

U.S. GDP GROWTH



Source: FRED, as of 6/30/25

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 6/30/25

International economics summary

— Economic growth expectations for calendar year 2025 remain weak, ranging from 0.2% real GDP growth in Germany, to 0.9% in Japan, 1.0% in the Eurozone, 1.5% in the U.S., and 4.8% in China. These estimates initially moved lower alongside new trade conflicts and barriers but then modestly improved amidst some recent trade de-escalations and recognition that frictions from trade negotiations have been less than feared.

— After seven consecutive rate cuts, the ECB held rates steady at 2.00%. While central bankers have messaged the potential for a prolonged pause given a more resilient economic situation than many investors expected, sub-2% inflation expectations could lead to further cuts.

— The BOE cut rates in Q3 to 4.00%, and continued to act cautiously despite holding a restrictive monetary stance. Inflationary pressures have created hesitance, but weaker growth prospects could lead to additional rate cuts.

— The U.S. and Russia continued negotiations focused on addressing the Ukraine war, with the U.S. shifting focus towards a ceasefire rather than ramping up military aid to Ukraine. On October 16, President Trump and President Putin reportedly held a "productive" discussion and announced plans for a summit in Budapest. However, concerns that neither side is ready for serious peace talks left the summit on hold.

— Since April's implementation of tariffs, the U.S. has reduced trade barriers on many trade partners, but this mainly has come in the form of temporary relief and pauses. Policy uncertainty remains a major global concern for investors and central banks.

— A ceasefire agreement between Iran and Israel was achieved after the U.S. executed a direct attack on Iranian nuclear facilities. The ceasefire has largely held since taking effect in June. In October, the U.S. then also brokered a ceasefire between Israel and Hamas. Through mid-October, that agreement remained fragile with violations from each side reported.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.1% *6/30/2025*	3.0% *9/30/2025*	4.3% *8/31/2025*
Eurozone	1.3% *9/30/2025*	2.2% *9/30/2025*	6.3% *9/30/2025*
Japan	1.7% *6/30/2025*	2.9% *9/30/2025*	2.6% *8/31/2025*
Canada	0.9% *7/31/2025*	2.4% *9/30/2025*	7.1% *9/30/2025*
BRICS Nations	4.9% *6/30/2025*	1.3% *9/30/2025*	5.0% *9/30/2025*
Brazil	2.2% *6/30/2025*	5.2% *9/30/2025*	5.6% *8/31/2025*
Russia	1.1% *6/30/2025*	8.0% *9/30/2025*	2.2% *9/30/2025*
India	7.8% *6/30/2025*	1.5% *9/30/2025*	8.5% *12/31/2017*
China	4.8% *9/30/2025*	-0.3% *9/30/2025*	5.2% *9/30/2025*

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

Fixed income environment

— The 10-year U.S. Treasury yield fell slightly from 4.23% to 4.14% during the quarter, although yields temporarily reached 4.00% as recession fears grew and commentary from the Federal Reserve suggested a series of rate cuts was forthcoming.

— The Federal Reserve cut rates in September to a target range of 4.00%-4.25%, signaling concerns about a softening job market and persistent but contained inflation. Fed Chair Powell described the move as a "risk management cut". The FOMC appears to be placing more emphasis on the jobs side of their *maximum employment and price stability* mandate.

— Despite possible future tariff-fueled inflation, talk amongst investors of U.S. dollar debasement due to the fiscal path of the country, and possible inflationary impacts if the Federal Reserve were to lose some independence, the market appears not to be pricing any longer-run excess inflation. This is indicated by the 10-year TIPS breakeven inflation rate that is effectively unchanged year-to-date, as well as the 5-year, 5-year forward inflation rate.

— The U.S. yield curve showed further steepening, now reflecting a more normal upward sloping shape. The 10-year Treasury minus 2-year Treasury yield was 0.56% as of September 30th. Both the 10-year and 2-year yields fell slightly during the quarter.

— Longer duration credit performed in line with shorter duration credit as the market priced interest rate cuts into the curve. Long duration corporate bonds returned +2.4%, while high yield bonds added +2.5% and bank loans added +1.8%.

— Credit spreads tightened evenly across asset classes, with BB- and B-rated credits seeing the most compression. High yield bond spreads tightened by 17 bps to 2.7%, while investment grade spreads fell to 0.7%. Leveraged loan spreads likewise tightened 17 bps to 4.3%. As of quarter end, BB- and B-rated bonds neared pre-Liberation Day tights while bank loans were at seven-month lows.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	2.0%	2.9%
Core Plus Fixed Income (Bloomberg U.S. Universal)	2.1%	3.4%
U.S. Treasuries (Bloomberg U.S. Treasury)	1.5%	2.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	2.4%	-4.8%
U.S. High Yield (Bloomberg U.S. Corporate HY)	2.5%	7.4%
Bank Loans (Morningstar LSTA Leveraged Loan)	1.8%	7.0%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	2.8%	7.4%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	4.8%	8.5%
Mortgage-Backed Securities (Bloomberg MBS)	2.4%	3.4%

Source: Standard & Poor's, J.P. Morgan, Bloomberg, as of 9/30/25

Equity environment

— Emerging market equities led during Q3 (MSCI EM +10.6%) followed by domestic equities (S&P 500 +8.1%) and international developed (MSCI EAFE +4.8%). Emerging markets (+27.5%) and international developed (+25.1%) have substantially outpaced the U.S. (+14.8%) year-to-date although much of this was due to currency movements.

— U.S. valuation multiples climbed even higher, generating fears that A.I. optimism may be overdone. Historically, this level of valuations has coincided with zero or negative returns over the subsequent five years. However, valuations may be a product of the environment, given very strong earnings forecasts, possible A.I. productivity gains, and evolving index sector composition which implies naturally higher multiples.

— Business investment in artificial intelligence has been massive, and a large portion of economic growth year-to-date has been driven by data center buildouts. Microsoft, Alphabet, Amazon, and Meta plan to spend $320 billion on A.I. in 2025. The U.S. is leading in A.I. investment by a significant margin though Chinese competition has been strong.

— Chinese equities roared back to life over the past year (MSCI China +31.0% vs. MSCI EM ex-China +12.2%), fueled by significant advancements in artificial intelligence, semiconductors, and robotics. Beijing has enacted interest rate cuts, relaxed bank reserve requirements, and injected liquidity into the economy which has helped support asset prices.

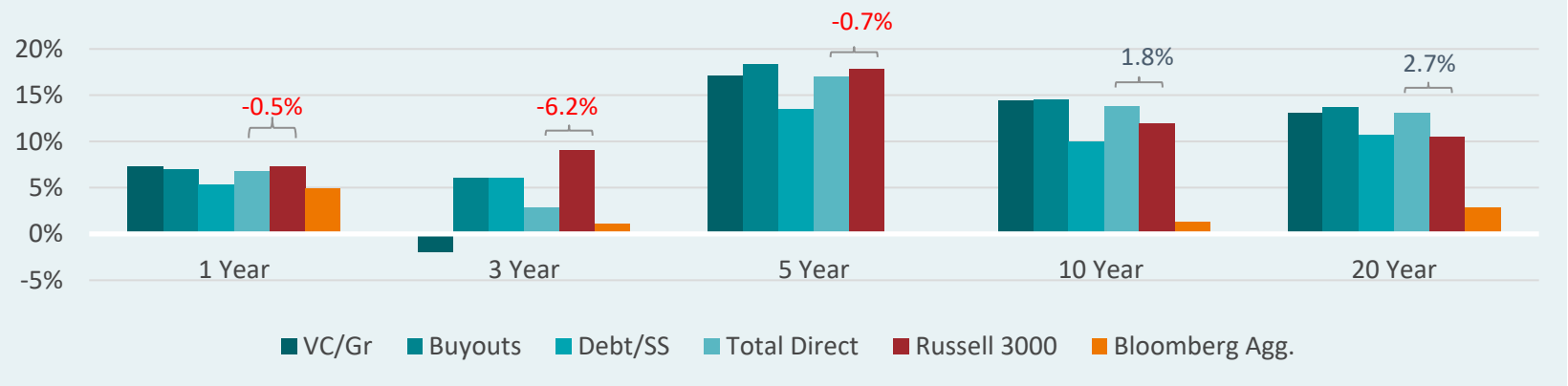
— Market-priced volatility remained low and stable, mostly in a 14-17% range. This was consistent with an upward trending equity market, sanguine economic conditions that far exceeded expectations earlier in the year, positive earnings surprise, and investor optimism.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	8.1%		17.6%	
U.S. Small Cap (Russell 2000)	12.4%		10.8%	
U.S. Equity (Russell 3000)	8.2%		17.4%	
U.S. Large Value (Russell 1000 Value)	5.3%		9.4%	
U.S. Large Growth (Russell 1000 Growth)	10.5%		25.5%	
Global Equity (MSCI ACWI)	7.6%	8.2%	17.3%	17.6%
International Large (MSCI EAFE)	4.8%	6.1%	15.0%	15.5%
Eurozone (EURO STOXX 50)	4.6%	5.1%	19.3%	15.3%
U.K. (FTSE 100)	5.6%	7.5%	17.9%	17.4%
Japan (TOPIX)	8.4%	12.2%	17.7%	26.8%
Canada (S&P/TSX)	9.2%	11.8%	22.1%	27.8%
Emerging Markets (MSCI Emerging Markets)	10.6%	12.4%	17.3%	19.0%

Source: Standard & Poor's, FTSE, MSCI, STOXX, JPX, as of 9/30/25 – performance quoted from perspective of U.S. dollar investor

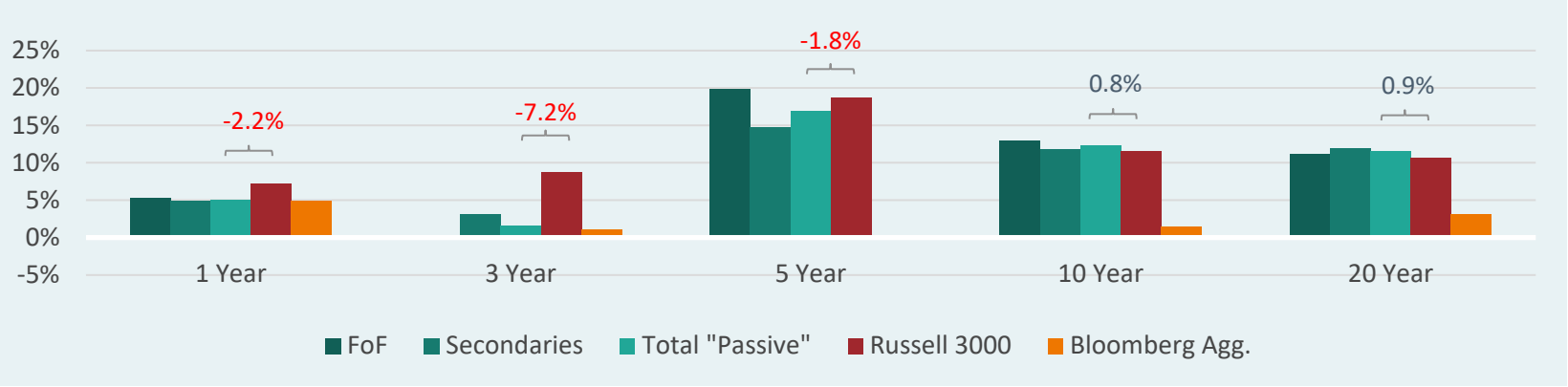
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments vs. public equites has been mixed

"PASSIVE" STRATEGIES

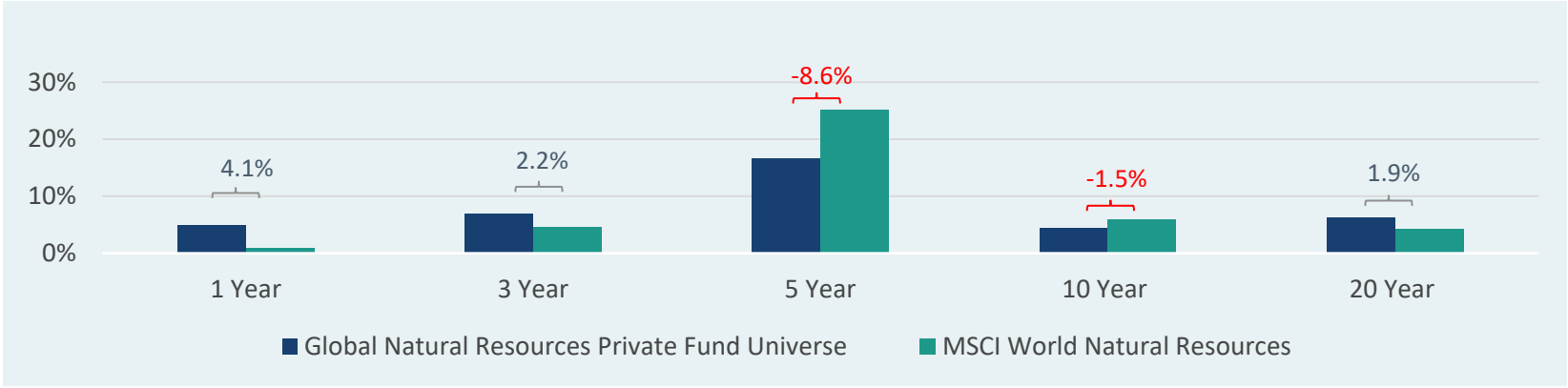


"Passive" strategies vs public equities has been mixed

Sources: FTSE PME: U.S. Direct Private Equity and "Passive" returns are as of March 31, 2025. Public Market Equivalent returns resulted from "Total Passive" and Total Direct's identical cash flows invested into and distributed from respective traditional asset comparable.

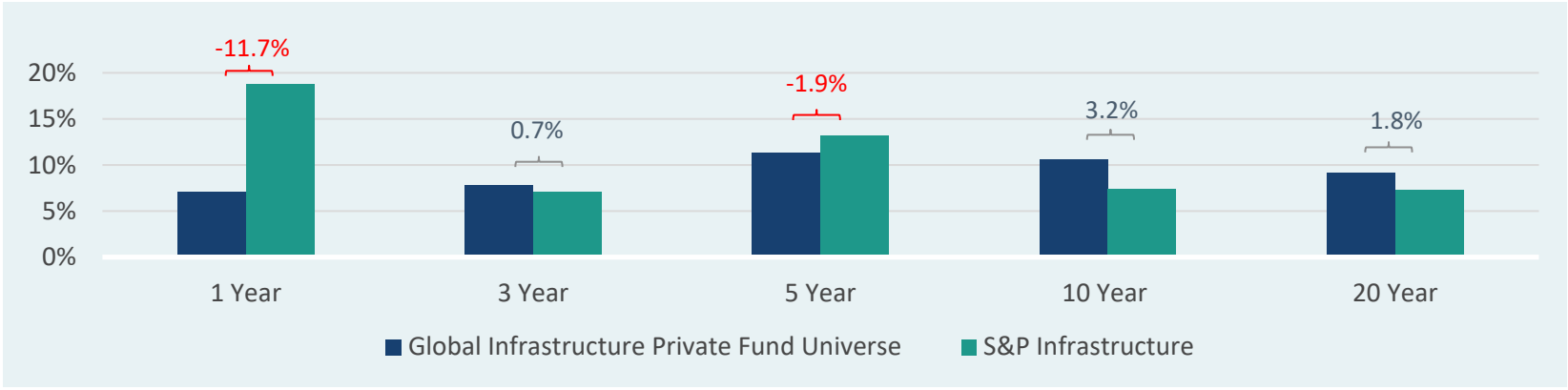
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds vs. the MSCI World Natural Resources has been mixed

GLOBAL INFRASTRUCTURE FUNDS

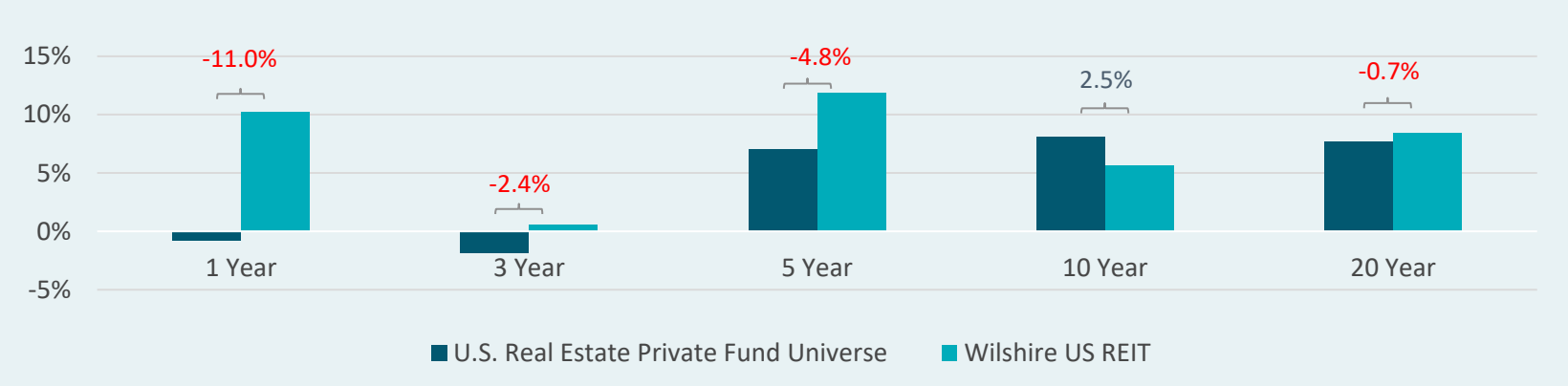


Infra. funds vs S&P Infra. has been mixed

Sources: FTSE PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of March 31, 2025. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

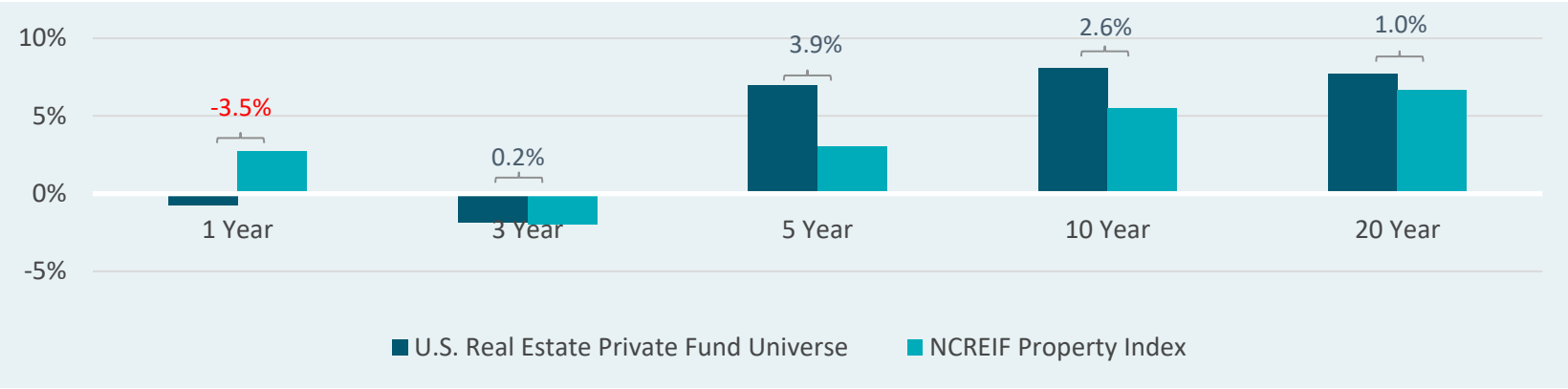
Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds underperformed the Wilshire U.S. REIT across most time periods

U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



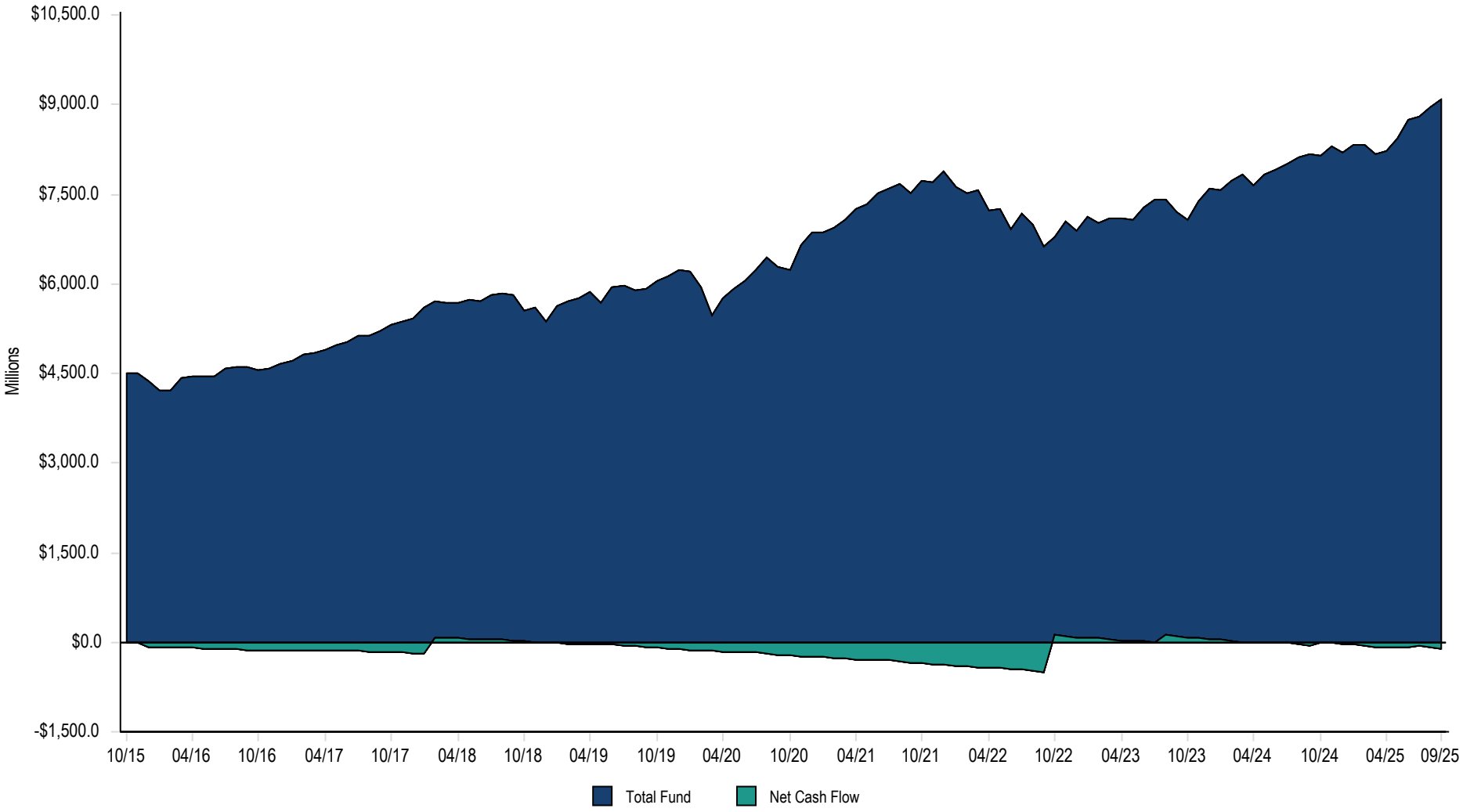
U.S. Private R.E. Funds outperformed the NCREIF Property Index across most time periods

Sources: FTSE PME: U.S. Real Estate universes as of March 31, 2025. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

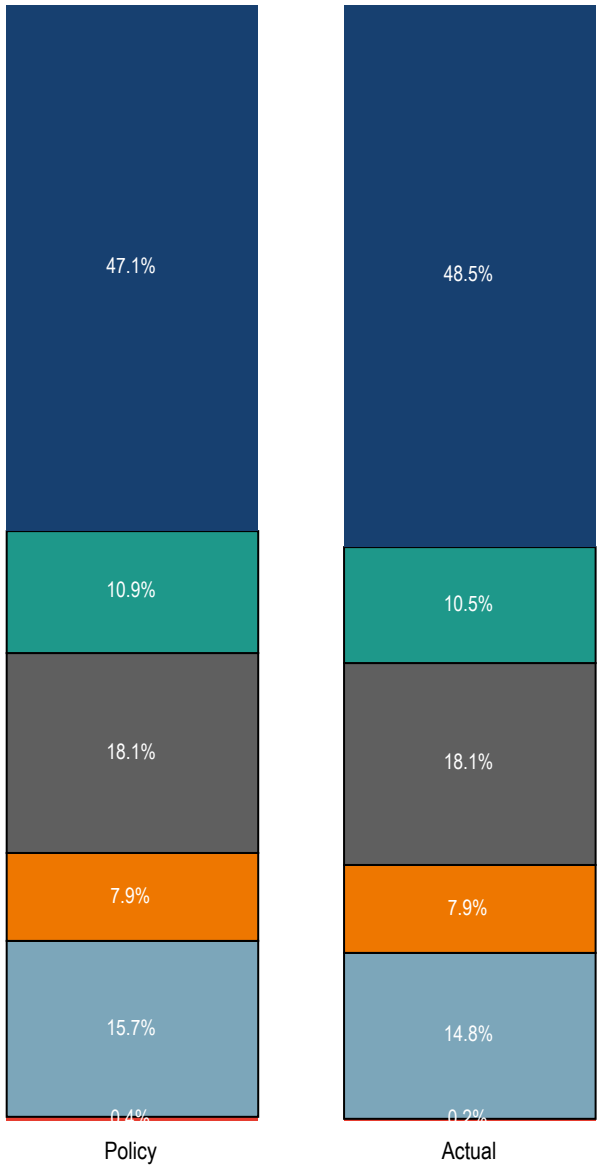
Consolidated Pension Trust

Investment Performance Review

Period Ending: September 30, 2025

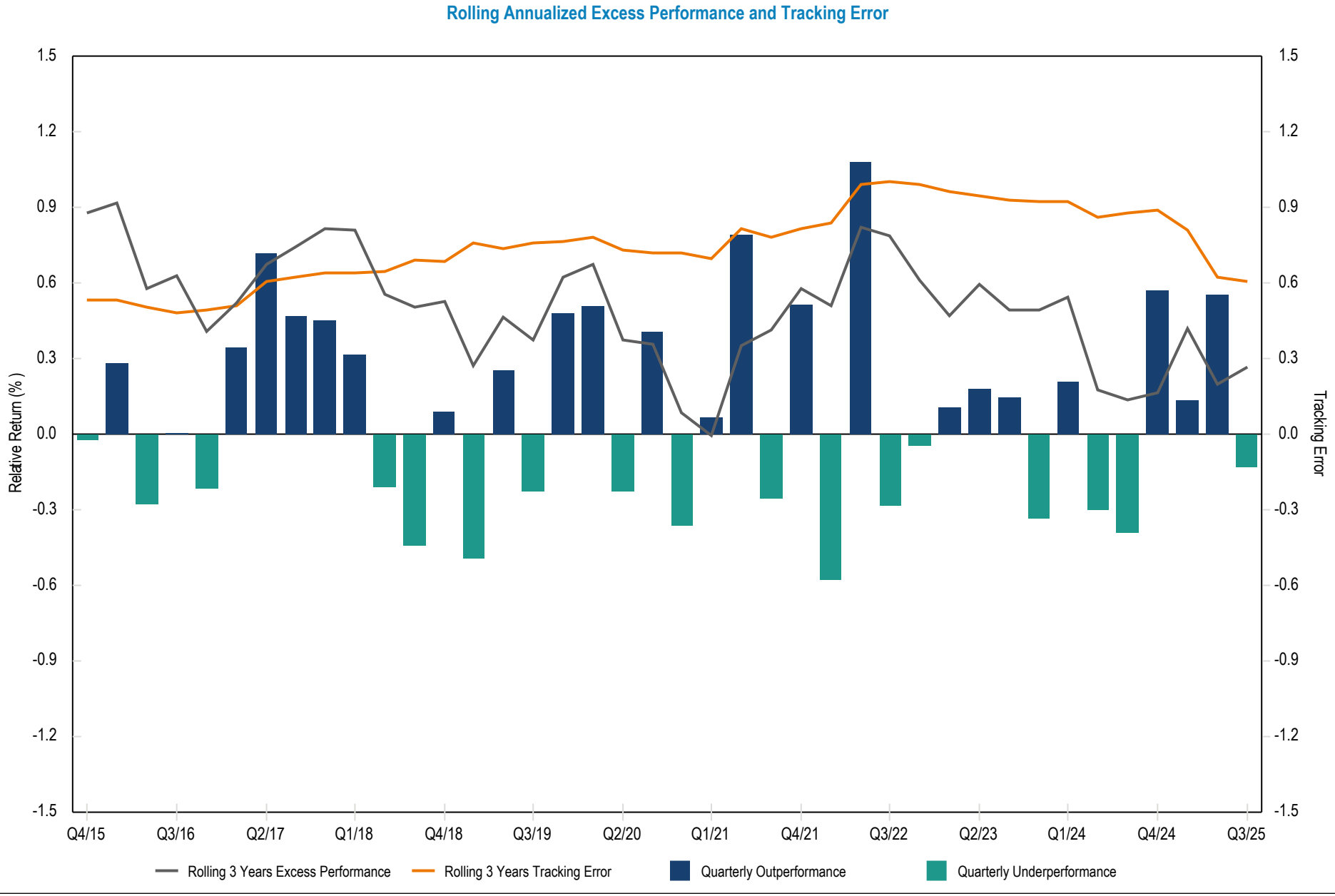


Net Cash Flow is Cumulative.

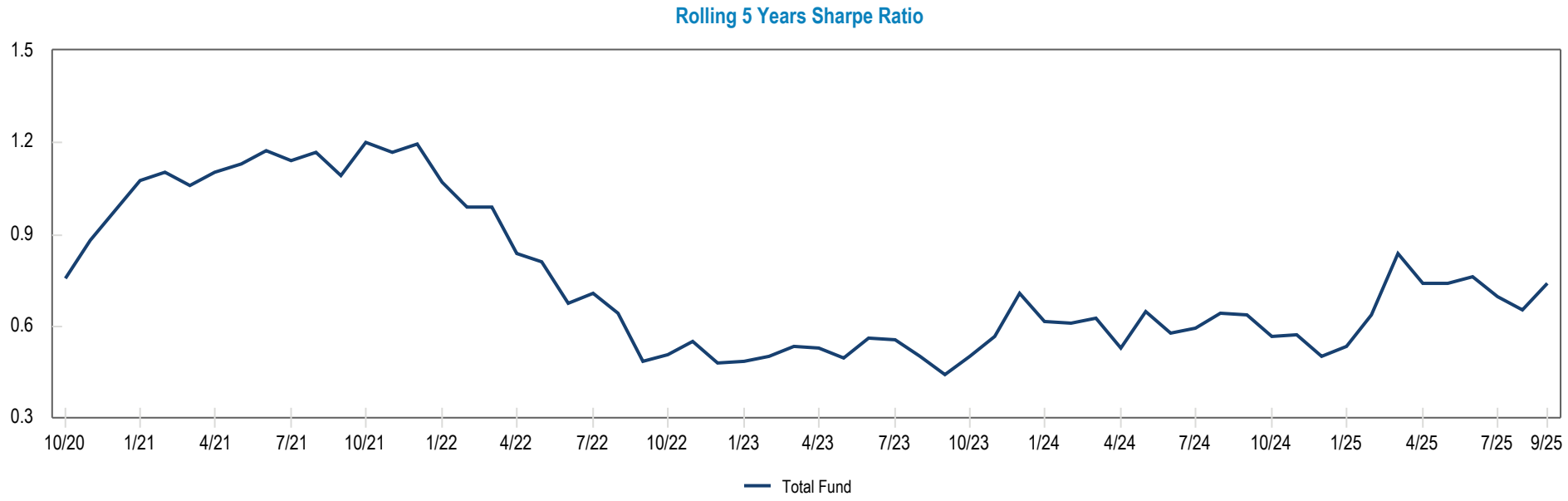


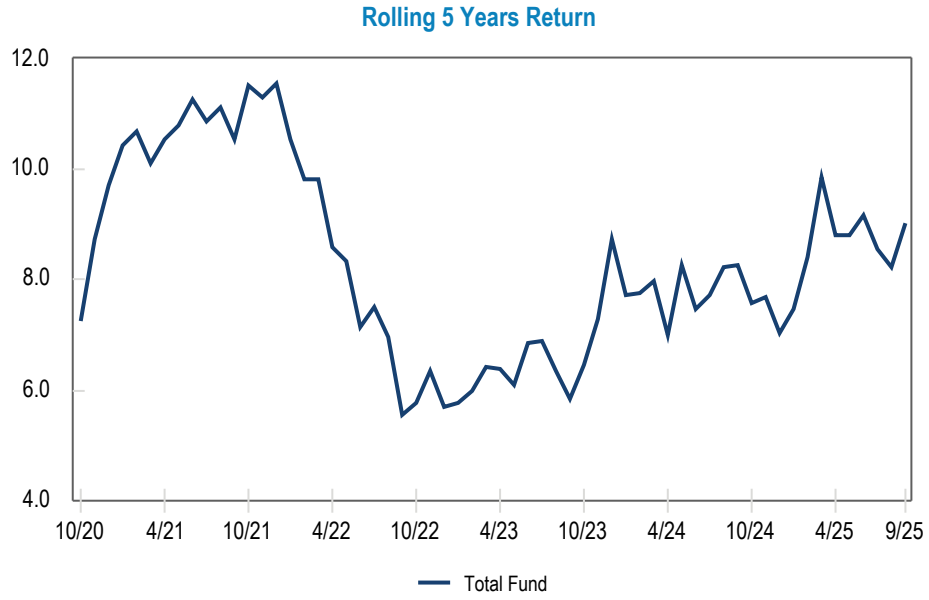
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	4,416,885,749	48.5	47.1	129,442,609
Private Equity	952,708,409	10.5	10.9	-37,513,663
Investment Grade Fixed Income	1,643,511,228	18.1	18.1	-93,588
Below Investment Grade	716,641,830	7.9	7.9	2,189,324
Diversified Real Assets	1,348,932,717	14.8	15.7	-78,516,086
Cash and Equivalents	22,625,875	0.2	0.4	-15,508,596
Total	**9,101,305,808**	**100.0**	**100.0**	

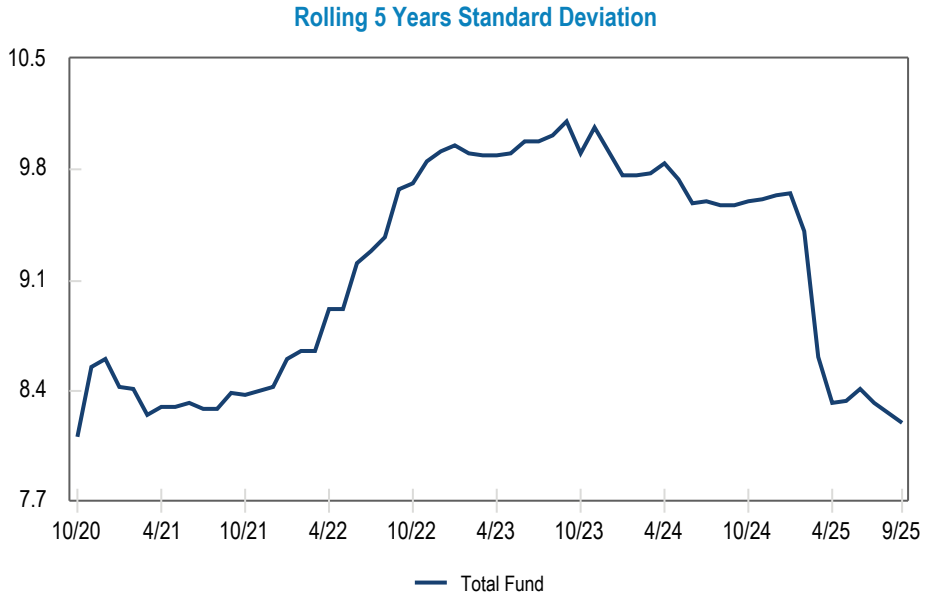
Residual Holdings value of $1,932,900, Sanctioned Residual Holdings value of $3,149,707, and Transition Account value of $299,035 included in Global Public Equity value for styling purposes.
Policy Asset Allocation based upon 8/31/2025 data.



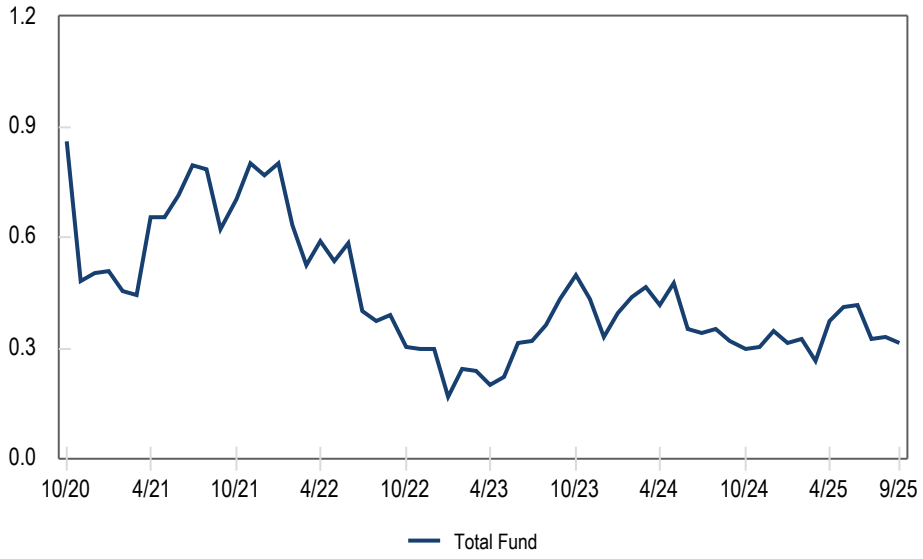
Analytic is using the Corridor Target Index


Rolling 5 Years Sharpe Ratio
1.5
1.2
0.9
0.6
0.3
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
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10/23
1/24
4/24
7/24
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1/25
4/25
7/25
9/25
Total Fund

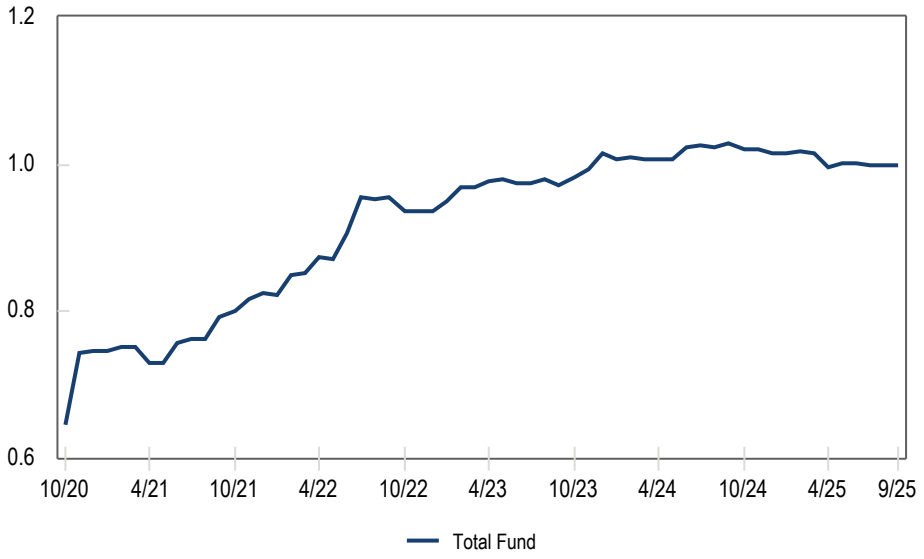

Rolling 5 Years Return
12.0
10.0
8.0
6.0
4.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
10.5
9.8
9.1
8.4
7.7
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

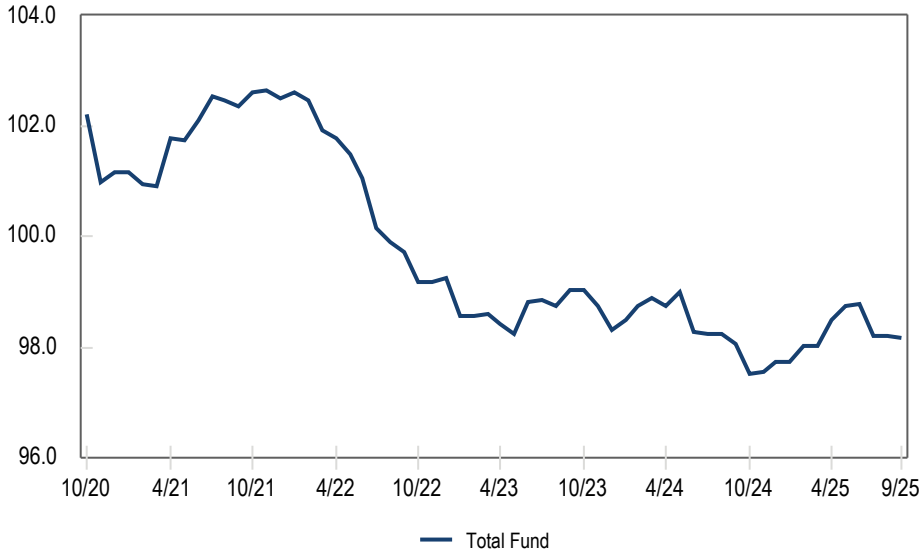
Rolling 5 Years Information Ratio



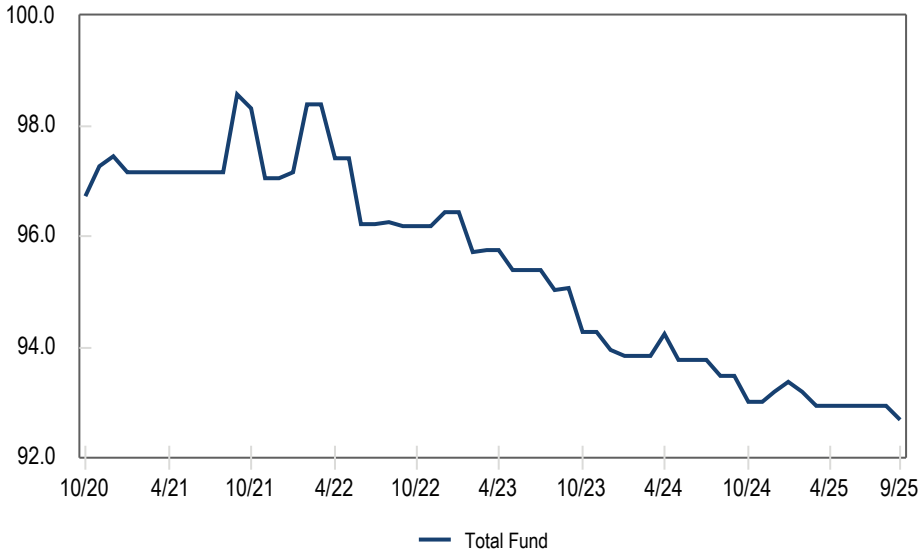
Rolling 5 Years Tracking Error



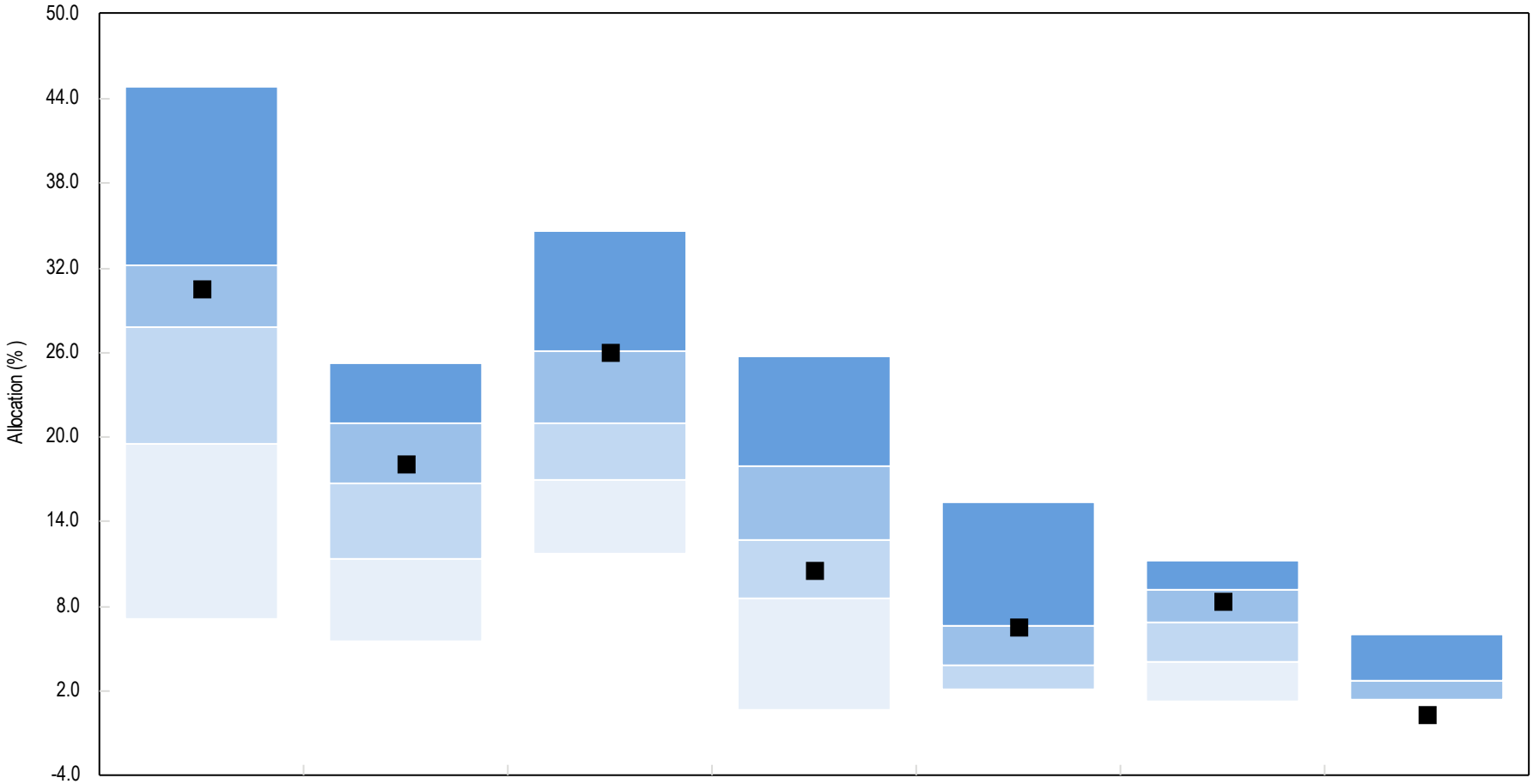
Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

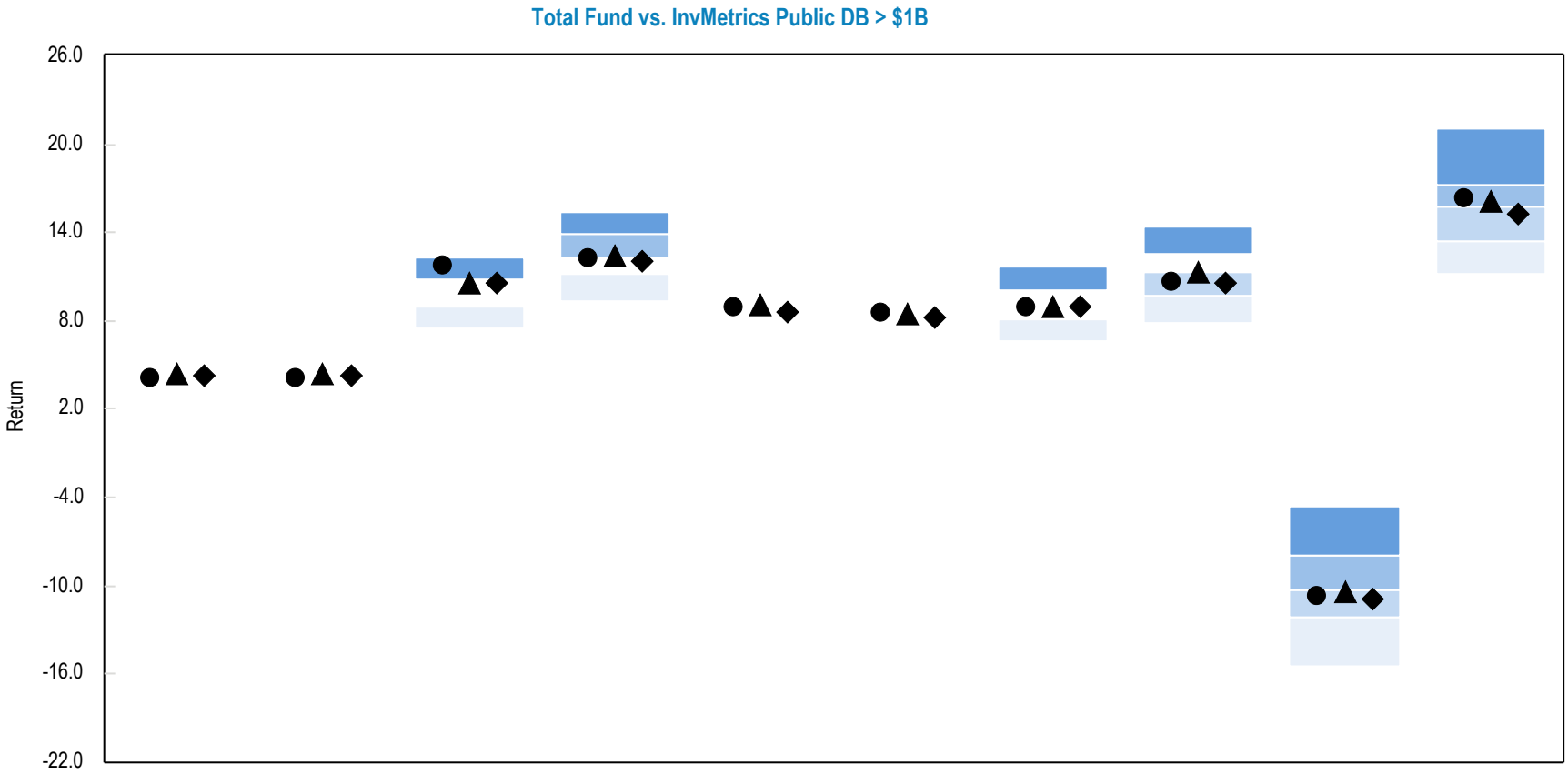


Analytic is using the Corridor Target Index



	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	30.5 (32)	18.0 (38)	25.9 (26)	10.5 (64)	6.5 (26)	8.3 (31)	0.2 (93)
5th Percentile	44.9	25.3	34.6	25.7	15.3	11.3	6.0
1st Quartile	32.2	21.0	26.1	17.9	6.6	9.2	2.8
Median	27.8	16.7	21.0	12.7	3.8	6.8	1.3
3rd Quartile	19.5	11.4	16.9	8.6	2.1	4.1	0.6
95th Percentile	7.1	5.5	11.7	0.7	0.9	1.2	0.2
Population	106	107	111	98	69	89	107

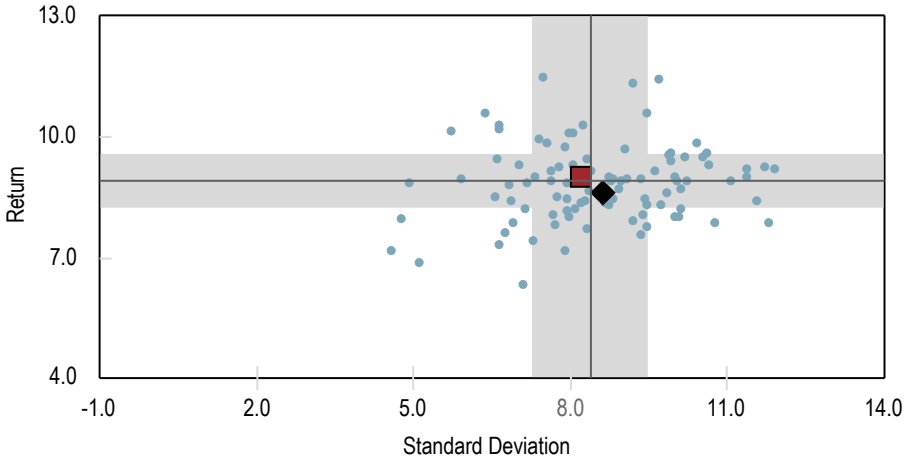
Residual Holdings, Sanctioned Residual Holdings, and Transition Account included in US Equity for styling purposes. InvMetrics Public DB > $1B is the Plan Sponsor Peer Group.



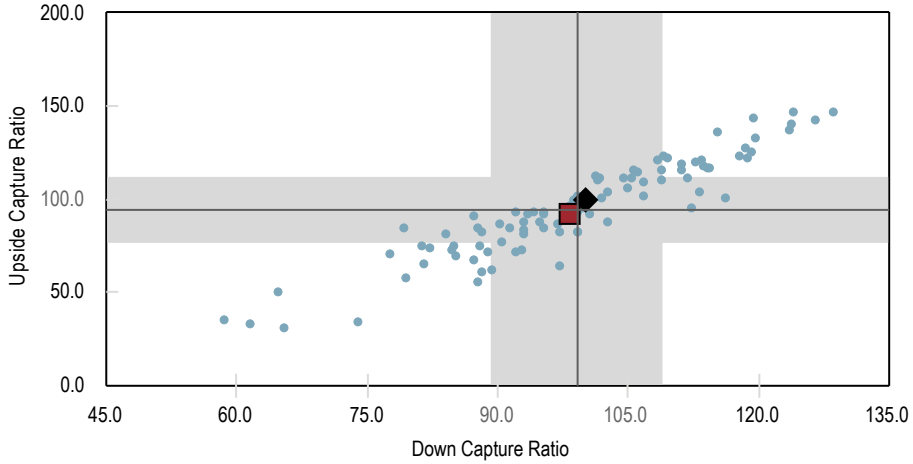
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021
● Total Fund	4.2 (56)	4.2 (56)	11.8 (7)	12.3 (51)	9.0 (39)	8.7 (20)	9.0 (51)	10.7 (62)	-10.7 (59)	16.4 (40)
▲ Policy Index	4.4 (44)	4.4 (44)	10.6 (30)	12.4 (48)	9.1 (36)	8.4 (32)	8.9 (54)	11.3 (50)	-10.4 (56)	16.1 (43)
◆ Corridor Target Index	4.3 (50)	4.3 (50)	10.6 (30)	12.0 (59)	8.6 (60)	8.2 (48)	8.9 (54)	10.5 (66)	-10.9 (61)	15.2 (55)
5th Percentile	5.6	5.6	12.3	15.4	10.4	9.4	11.7	14.4	-4.7	21.1
1st Quartile	4.9	4.9	10.8	13.8	9.3	8.6	10.1	12.5	-8.0	17.2
Median	4.3	4.3	9.9	12.3	8.9	8.2	9.0	11.3	-10.3	15.7
3rd Quartile	3.8	3.8	8.9	11.1	8.2	7.7	8.1	9.7	-12.2	13.5
95th Percentile	2.9	2.9	7.5	9.4	7.4	7.1	6.6	7.9	-15.4	11.2
Population	105	105	100	99	96	91	176	187	180	210

	Anlzd Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	R-Squared	Up Mkt Capture Ratio	Down Mkt Capture Ratio	Information Ratio	Tracking Error	Sharpe Ratio
Total Fund	9.02	8.19	0.79	0.95	0.99	98.18	92.70	0.31	1.00	0.74
Corridor Target Index	*8.65*	*8.62*	*0.00*	*1.00*	*1.00*	*100.00*	*100.00*	-	*0.00*	*0.67*

Return vs. Standard Deviation



Down Capture vs. Up Capture



InvMetrics Public DB > $1B

	Return	Standard Deviation
Total Fund	9.02	8.19
Corridor Target Index	8.65	8.62
Median	8.92	8.38
Population	96	96

InvMetrics Public DB > $1B

	Down Capture	Up Capture
Total Fund	92.70	98.18
Corridor Target Index	100.00	100.00
Median	94.65	99.17
Population	96	96

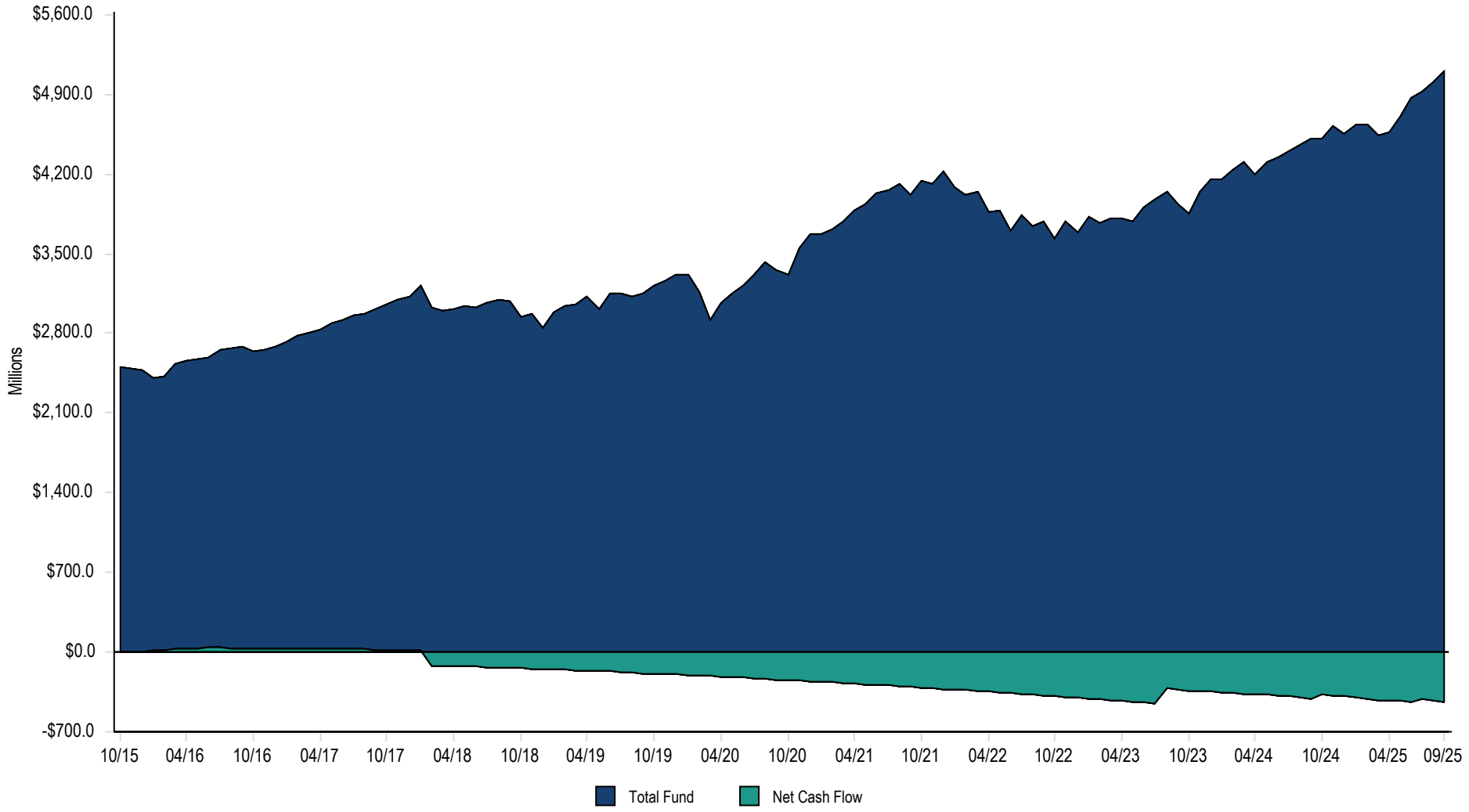
	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**9,101,305,808**	**100.0**	**4.2**	**4.2**	**12.1**	**11.8**	**12.3**	**9.0**	**8.1**	**8.7**
Policy Index			*4.4*	*4.4*	*11.6*	*10.6*	*12.4*	*9.1*	*8.1*	*8.4*
Corridor Target Index			*4.3*	*4.3*	*11.5*	*10.6*	*12.0*	*8.6*	*7.7*	*8.2*
Total Equity	**5,364,511,551**	**58.9**	**6.2**	**6.2**	**16.9**	**16.8**	**19.8**	**13.6**	**11.0**	**11.7**
Total Equity Blend			*6.2*	*6.2*	*16.2*	*15.6*				
Public Equity	**4,411,803,142**	**48.5**	**7.9**	**7.9**	**19.5**	**18.8**	**23.1**	**13.8**	**11.2**	
MSCI AC World IMI Index (Net)			*7.7*	*7.7*	*18.3*	*16.8*	*22.5*	*13.3*	*10.8*	-
Domestic Equity	**2,772,271,424**	**30.5**	**8.1**	**8.1**	**14.7**	**18.6**	**24.0**	**15.6**	**13.7**	**14.8**
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	*13.7*	*14.7*
International Equity	**1,639,232,683**	**18.0**	**7.7**	**7.7**	**28.9**	**19.6**	**21.9**	**10.3**	**8.5**	**9.4**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*7.4*	*8.2*
Private Equity	**952,708,409**	**10.5**	**-1.1**	**-1.1**	**5.9**	**8.2**	**6.6**	**15.5**	**12.5**	**9.5**
Private Equity Benchmark			*0.0*	*0.0*	*6.8*	*9.4*				-
Total Income	**2,360,153,058**	**25.9**	**2.1**	**2.1**	**6.5**	**5.0**	**6.8**	**2.2**	**3.9**	**4.2**
Total Income Blend			*2.2*	*2.2*	*6.5*	*4.3*				-
Investment Grade Fixed Income	**1,643,511,228**	**18.1**	**2.3**	**2.3**	**6.8**	**4.0**	**5.8**	**0.2**	**2.8**	**2.9**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*2.1*	*1.8*
Below Investment Grade	**716,641,830**	**7.9**	**1.6**	**1.6**	**5.8**	**7.4**	**9.0**	**7.5**	**6.7**	**7.1**
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.5*	*2.5*	*7.2*	*7.4*	*11.1*	*5.5*	*5.3*	*6.2*
Total Real Assets	**1,348,932,717**	**14.8**	**0.3**	**0.3**	**4.1**	**5.4**	**-2.0**	**4.0**	**4.0**	**4.7**
Total Real Assets Blend			*0.9*	*0.9*	*3.0*	*3.2*				-
Other Real Assets	**595,515,140**	**6.5**	**0.3**	**0.3**	**7.5**	**10.6**	**8.3**	**8.8**	**7.6**	
Other Real Assets Blend			*1.1*	*1.1*	*3.5*	*3.9*	-	-	-	-
Cash & Equivalents	**22,625,875**	**0.2**	**3.1**	**3.1**	**5.9**	**7.2**	**5.8**	**3.6**	**3.0**	**2.4**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 included in Total Fund value. Transition Account value of $299,035 included in Public Equity value.

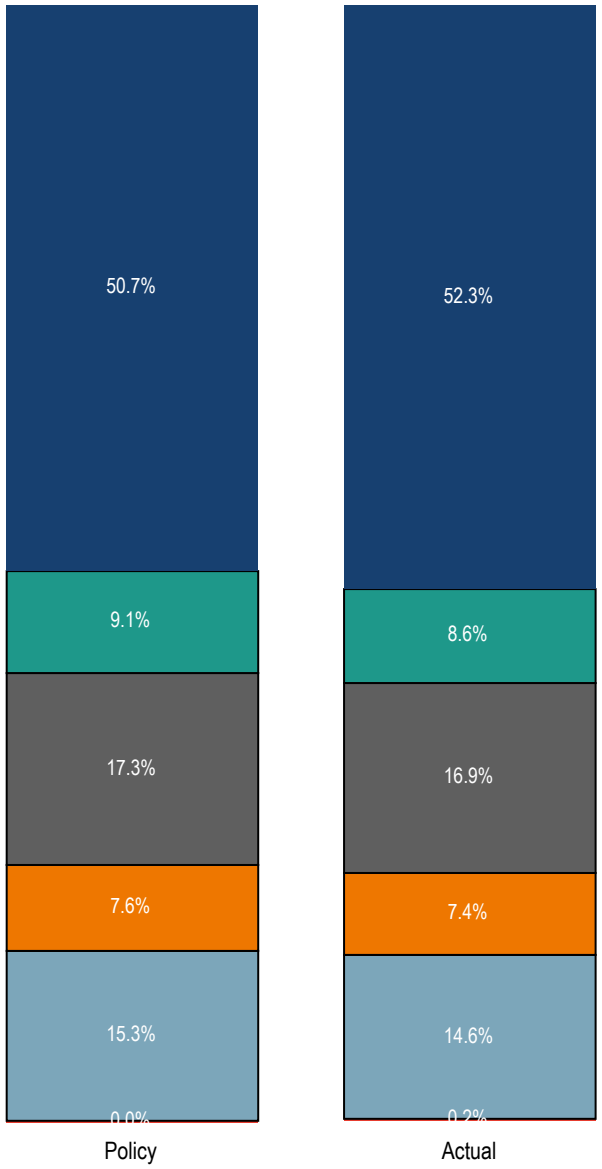
Public Employees Retirement System

Investment Performance Review

Period Ending: September 30, 2025

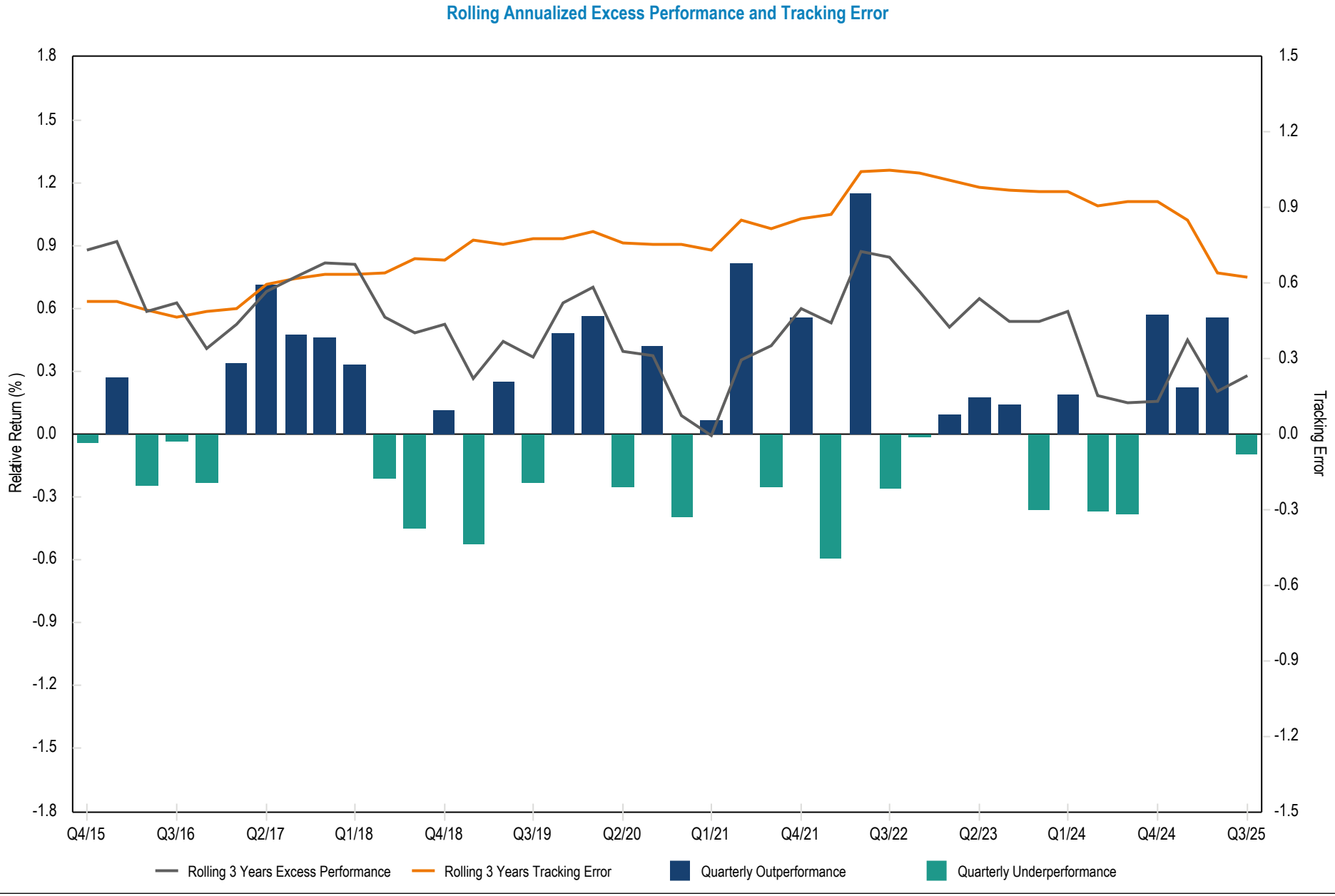


Net Cash Flow is Cumulative.

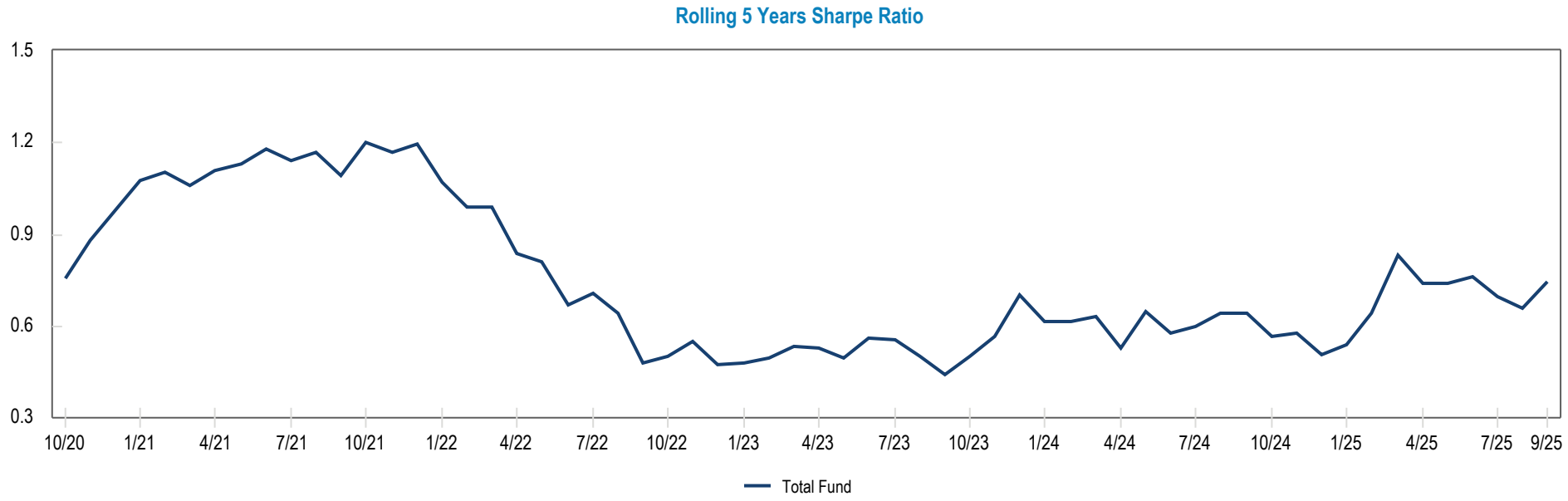


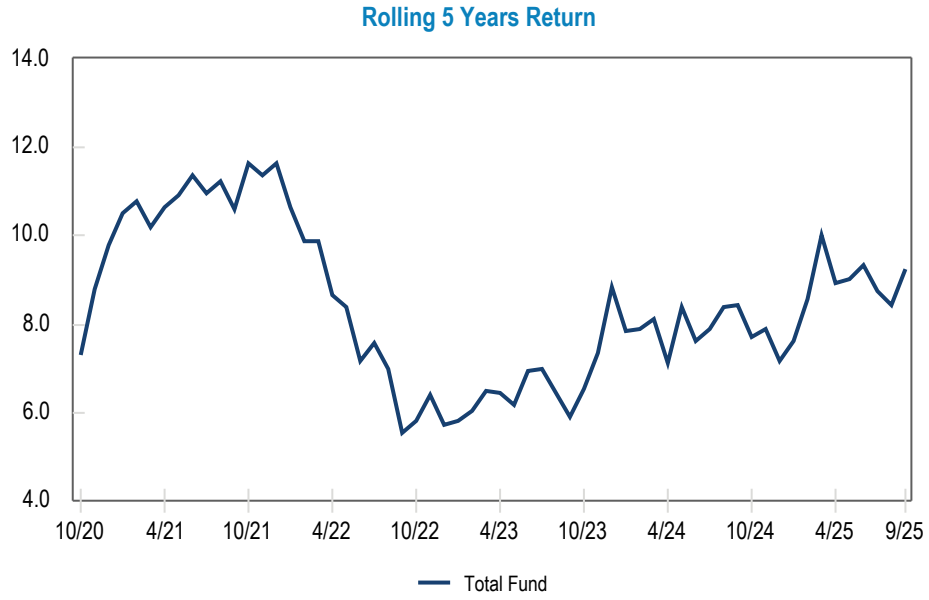
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	2,666,870,105	52.3	50.7	77,002,266
Private Equity	437,761,937	8.6	9.1	-27,063,891
Investment Grade Fixed Income	863,730,844	16.9	17.3	-18,560,428
Below Investment Grade	377,169,664	7.4	7.6	-8,807,250
Diversified Real Assets	745,387,758	14.6	15.3	-35,139,933
Cash and Equivalents	12,569,236	0.2	0.0	12,569,236
Total	**5,103,489,544**	**100.0**	**100.0**	

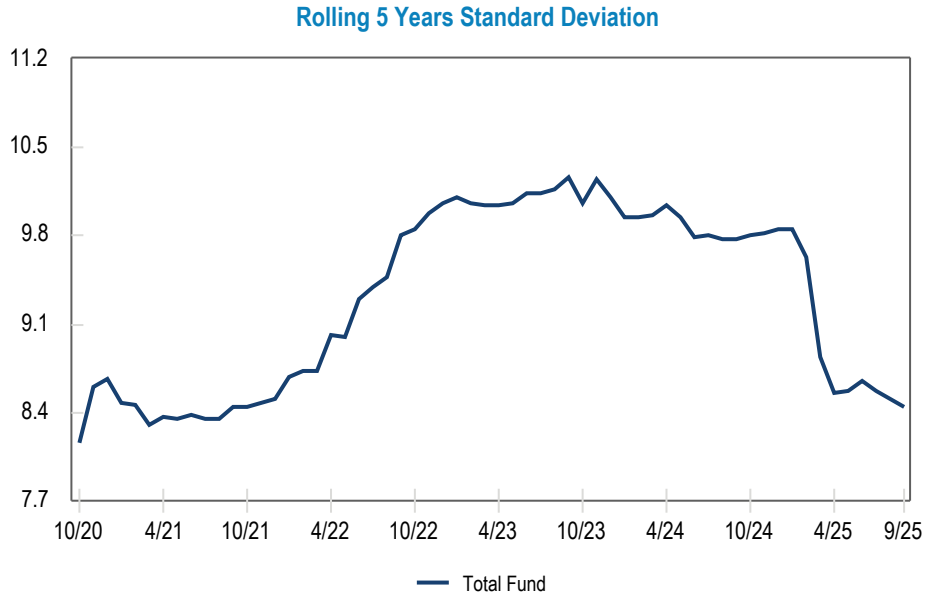
Residual Holdings value of $499,024 & Transition Account value of $29,360 included in Global Public Equity value for styling purposes.



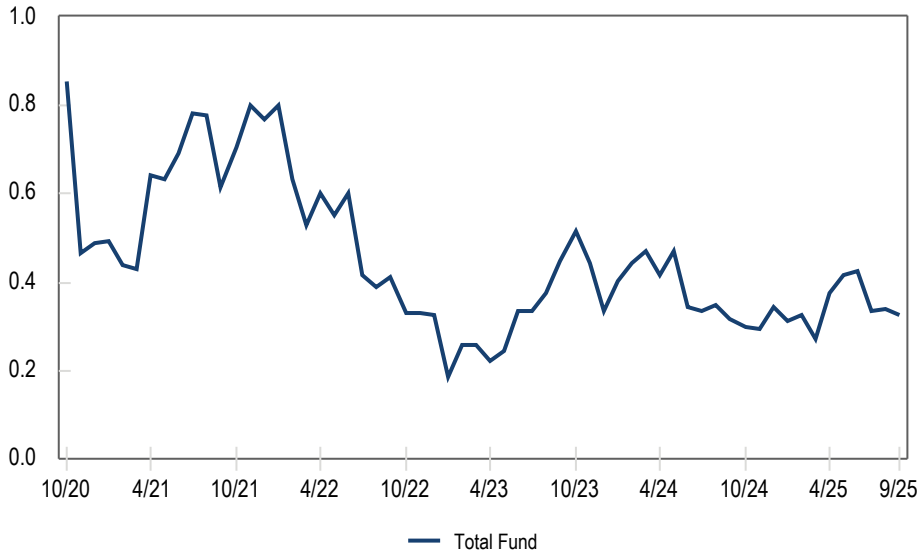
Analytic is using the Corridor Target Index


Rolling 5 Years Sharpe Ratio
1.5
1.2
0.9
0.6
0.3
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
7/23
10/23
1/24
4/24
7/24
10/24
1/25
4/25
7/25
9/25
Total Fund

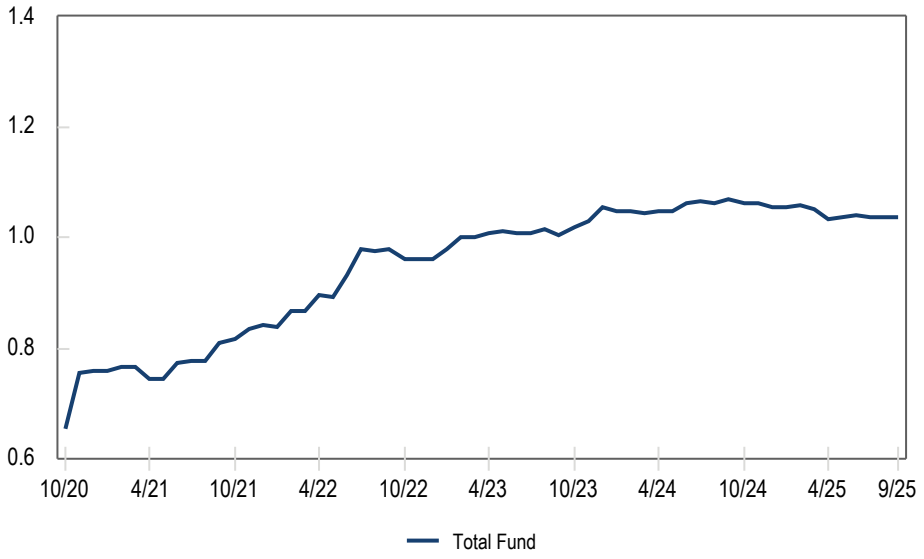

Rolling 5 Years Return
14.0
12.0
10.0
8.0
6.0
4.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
11.2
10.5
9.8
9.1
8.4
7.7
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

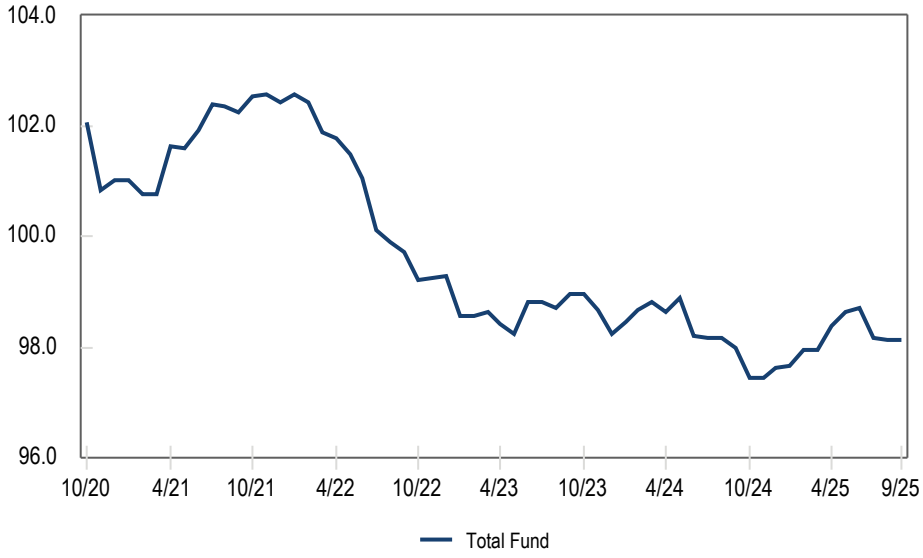
Rolling 5 Years Information Ratio



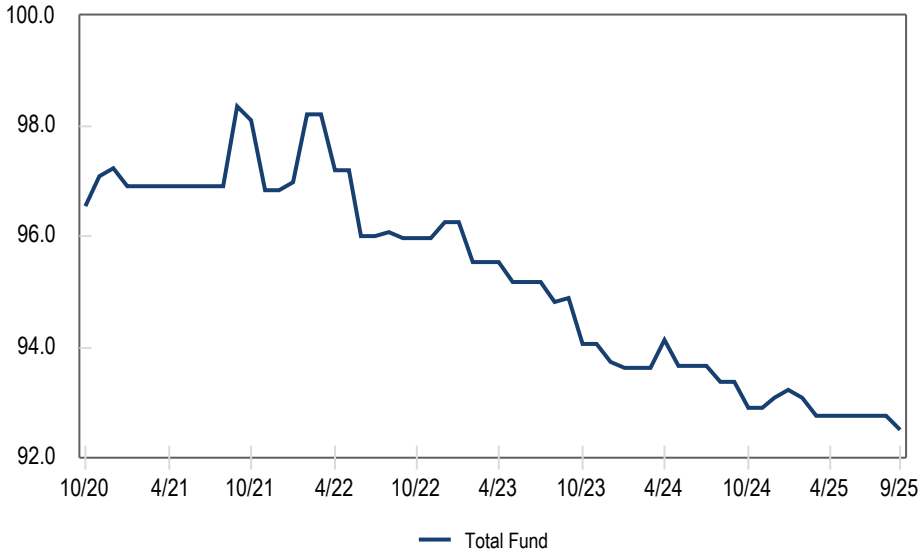
Rolling 5 Years Tracking Error



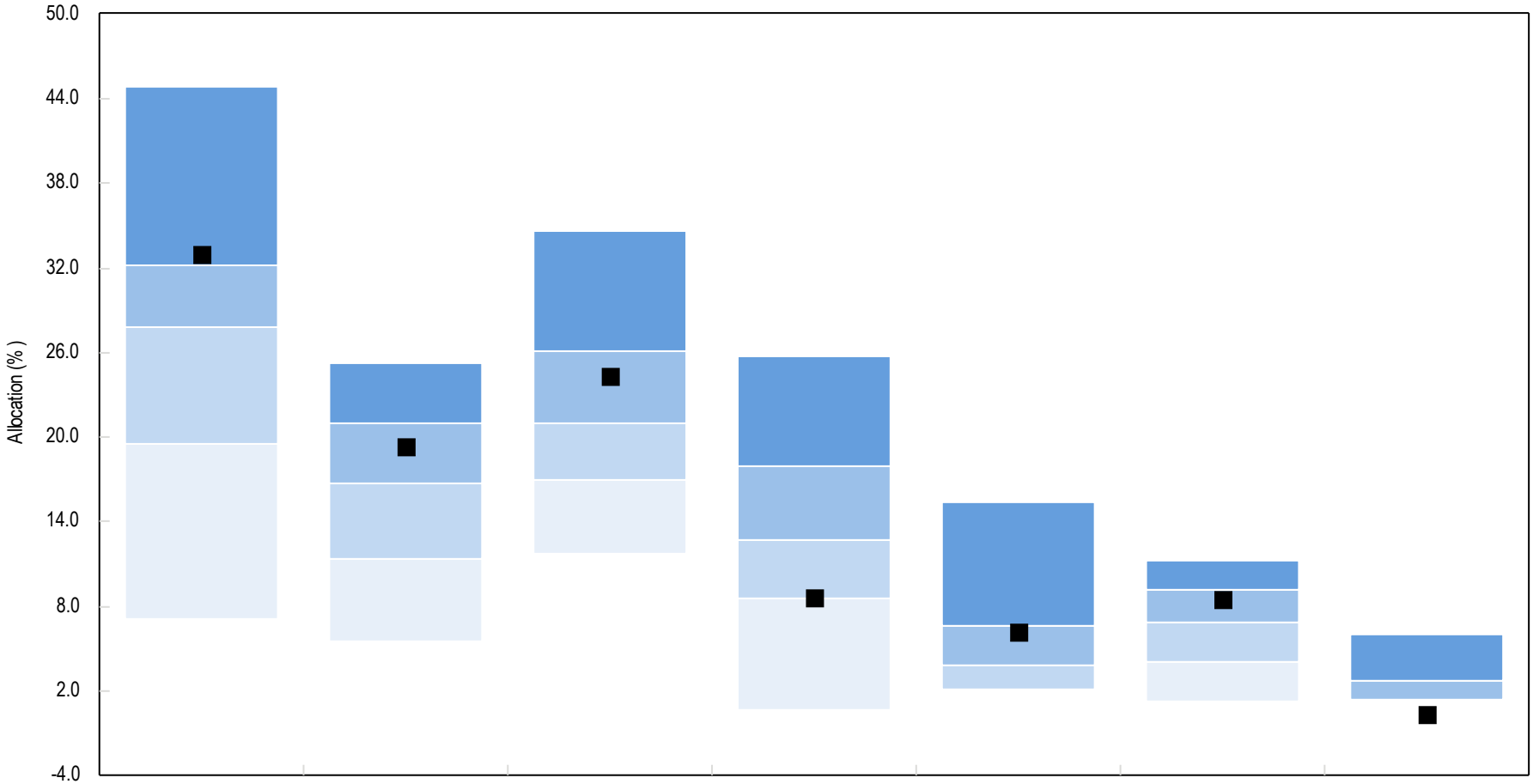
Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

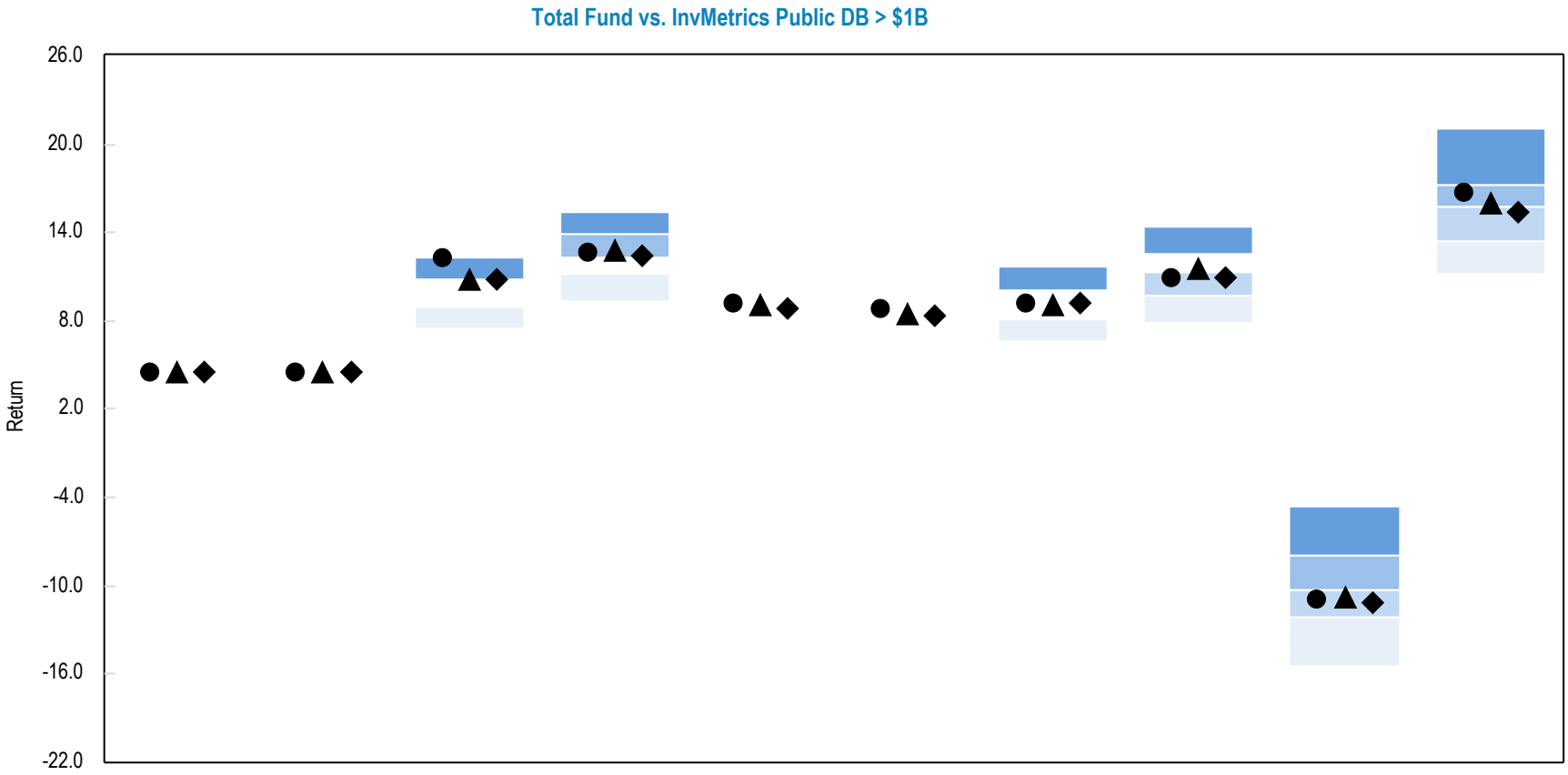


Analytic is using the Corridor Target Index



	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	33.0 (24)	19.3 (35)	24.3 (33)	8.6 (75)	6.1 (27)	8.5 (30)	0.2 (93)
5th Percentile	44.9	25.3	34.6	25.7	15.3	11.3	6.0
1st Quartile	32.2	21.0	26.1	17.9	6.6	9.2	2.8
Median	27.8	16.7	21.0	12.7	3.8	6.8	1.3
3rd Quartile	19.5	11.4	16.9	8.6	2.1	4.1	0.6
95th Percentile	7.1	5.5	11.7	0.7	0.9	1.2	0.2
Population	106	107	111	98	69	89	107

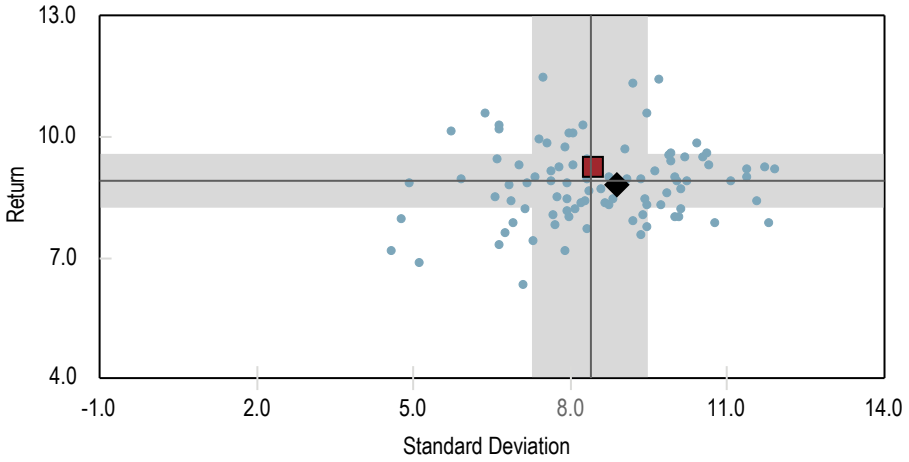
Residual Holdings included in US Equity for styling purposes. InvMetrics Public DB > $1B is the Plan Sponsor Peer Group.



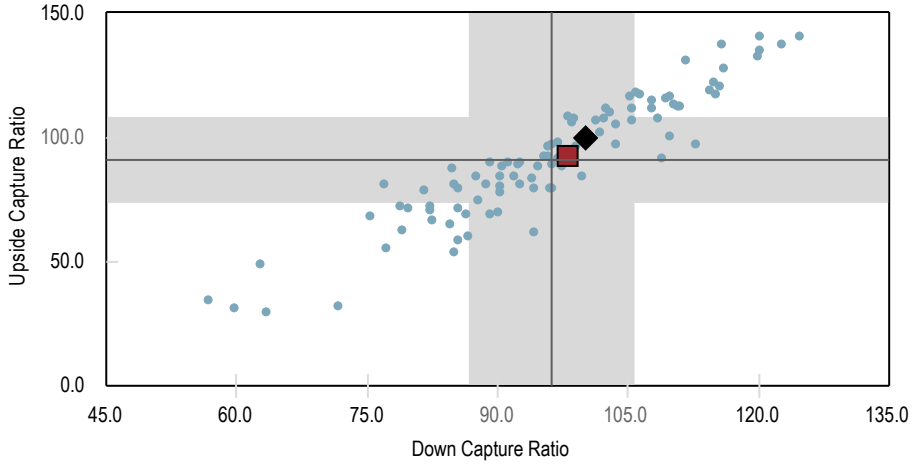
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021
● Total Fund	4.5 (37)	4.5 (37)	12.3 (5)	12.7 (41)	9.3 (30)	8.8 (18)	9.2 (45)	11.0 (54)	-10.9 (61)	16.7 (34)
▲ Policy Index	4.6 (36)	4.6 (36)	10.8 (26)	12.7 (40)	9.1 (36)	8.5 (31)	9.1 (49)	11.6 (40)	-10.7 (60)	16.1 (46)
◆ Corridor Target Index	4.6 (36)	4.6 (36)	10.9 (25)	12.4 (49)	8.8 (55)	8.4 (37)	9.2 (47)	10.9 (56)	-11.2 (64)	15.4 (53)
5th Percentile	5.6	5.6	12.3	15.4	10.4	9.4	11.7	14.4	-4.7	21.1
1st Quartile	4.9	4.9	10.8	13.8	9.3	8.6	10.1	12.5	-8.0	17.2
Median	4.3	4.3	9.9	12.3	8.9	8.2	9.0	11.3	-10.3	15.7
3rd Quartile	3.8	3.8	8.9	11.1	8.2	7.7	8.1	9.7	-12.2	13.5
95th Percentile	2.9	2.9	7.5	9.4	7.4	7.1	6.6	7.9	-15.4	11.2
Population	105	105	100	99	96	91	176	187	180	210

	Anlzd Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	R-Squared	Up Mkt Capture Ratio	Down Mkt Capture Ratio	Information Ratio	Tracking Error	Sharpe Ratio
Total Fund	9.26	8.44	0.84	0.94	0.99	98.14	92.50	0.33	1.04	0.75
Corridor Target Index	*8.85*	*8.89*	*0.00*	*1.00*	*1.00*	*100.00*	*100.00*	-	*0.00*	*0.67*

Return vs. Standard Deviation



Down Capture vs. Up Capture



InvMetrics Public DB > $1B

	Return	Standard Deviation
Total Fund	9.26	8.44
Corridor Target Index	8.85	8.89
Median	8.92	8.38
Population	96	96

InvMetrics Public DB > $1B

	Down Capture	Up Capture
Total Fund	92.50	98.14
Corridor Target Index	100.00	100.00
Median	91.07	96.14
Population	96	96

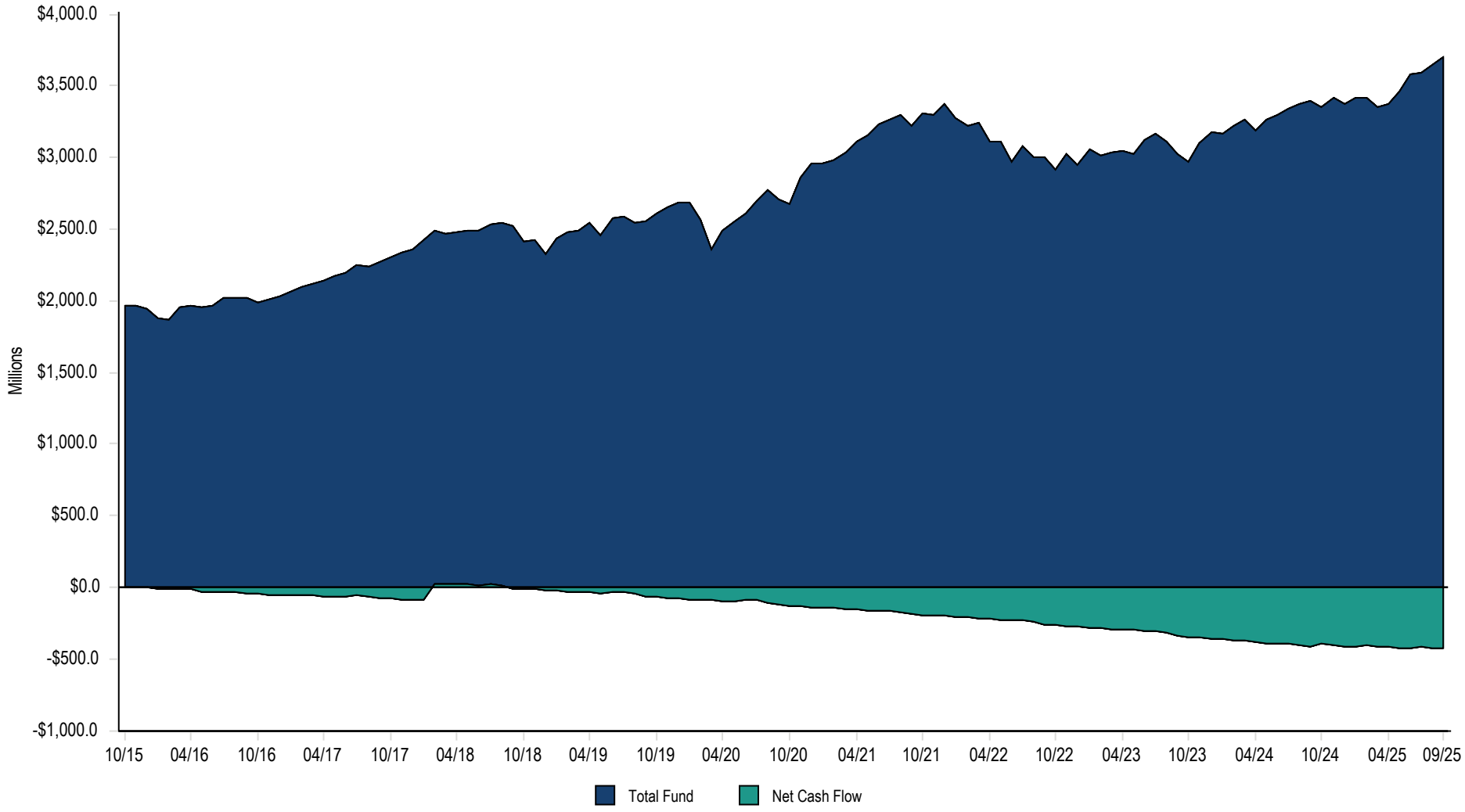
	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**5,103,489,544**	**100.0**	**4.5**	**4.5**	**12.6**	**12.3**	**12.7**	**9.3**	**8.2**	**8.8**
Policy Index			*4.6*	*4.6*	*11.8*	*10.8*	*12.7*	*9.1*	*8.1*	*8.5*
Corridor Target Index			*4.6*	*4.6*	*11.9*	*10.9*	*12.4*	*8.8*	*7.8*	*8.4*
Total Equity	**3,104,133,018**	**60.8**	**6.6**	**6.6**	**17.5**	**17.2**	**20.3**	**13.7**	**11.1**	**11.8**
Total Equity Blend			*6.5*	*6.5*	*16.5*	*15.7*				
Public Equity	**2,666,371,081**	**52.2**	**7.9**	**7.9**	**19.6**	**18.8**	**23.0**	**13.8**	**11.2**	
MSCI AC World IMI Index (Net)			*7.7*	*7.7*	*18.3*	*16.8*	*22.5*	*13.3*	*10.8*	-
Domestic Equity	**1,681,879,097**	**33.0**	**8.1**	**8.1**	**14.8**	**18.5**	**23.9**	**15.6**	**13.7**	**14.8**
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	*13.7*	*14.7*
International Equity	**984,462,624**	**19.3**	**7.7**	**7.7**	**28.9**	**19.5**	**21.9**	**10.2**	**8.5**	**9.4**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*7.4*	*8.2*
Private Equity	**437,761,937**	**8.6**	**-1.1**	**-1.1**	**5.9**	**8.2**	**6.6**	**15.5**	**12.5**	**9.5**
Private Equity Benchmark			*0.0*	*0.0*	*6.8*	*9.4*				-
Total Income	**1,240,900,508**	**24.3**	**2.0**	**2.0**	**6.5**	**5.0**	**6.8**	**2.3**	**4.0**	**4.3**
Total Income Blend			*2.2*	*2.2*	*6.5*	*4.3*				-
Investment Grade	**863,730,844**	**16.9**	**2.3**	**2.3**	**6.8**	**4.0**	**5.8**	**0.2**	**2.9**	**2.9**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*2.1*	*1.8*
Below Investment Grade	**377,169,664**	**7.4**	**1.6**	**1.6**	**5.7**	**7.4**	**9.0**	**7.6**	**6.7**	**7.1**
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.5*	*2.5*	*7.2*	*7.4*	*11.1*	*5.5*	*5.3*	*6.2*
Total Real Assets	**745,387,758**	**14.6**	**0.3**	**0.3**	**3.9**	**5.2**	**-2.3**	**3.9**	**3.9**	**4.7**
Total Real Assets Blend			*0.9*	*0.9*	*3.0*	*3.2*				-
Other Real Assets	**313,063,688**	**6.1**	**0.3**	**0.3**	**7.5**	**10.6**	**8.3**	**8.9**	**7.7**	
Other Real Assets Blend			*1.1*	*1.1*	*3.5*	*3.9*	-	-	-	-
Cash and Equivalents	**12,569,236**	**0.2**	**3.0**	**3.0**	**5.8**	**7.2**	**5.7**	**3.6**	**3.0**	**2.4**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value of $499,024 included in Total Fund value. Transition Account value of $29,360 included in Public Equity value.

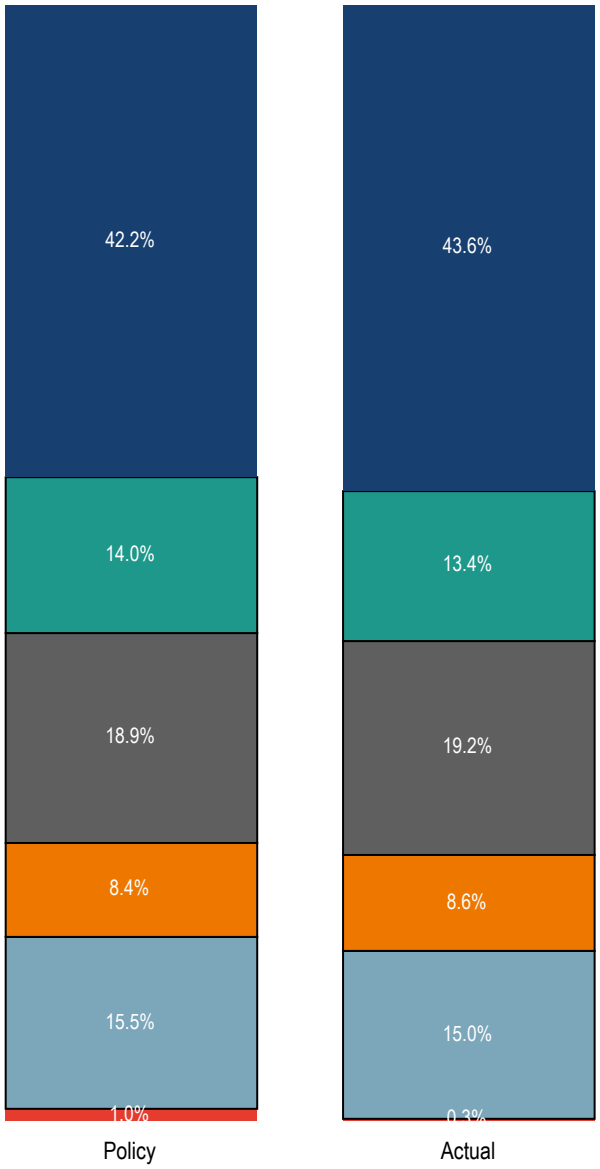
Teachers' Fund For Retirement

Investment Performance Review

Period Ending: September 30, 2025

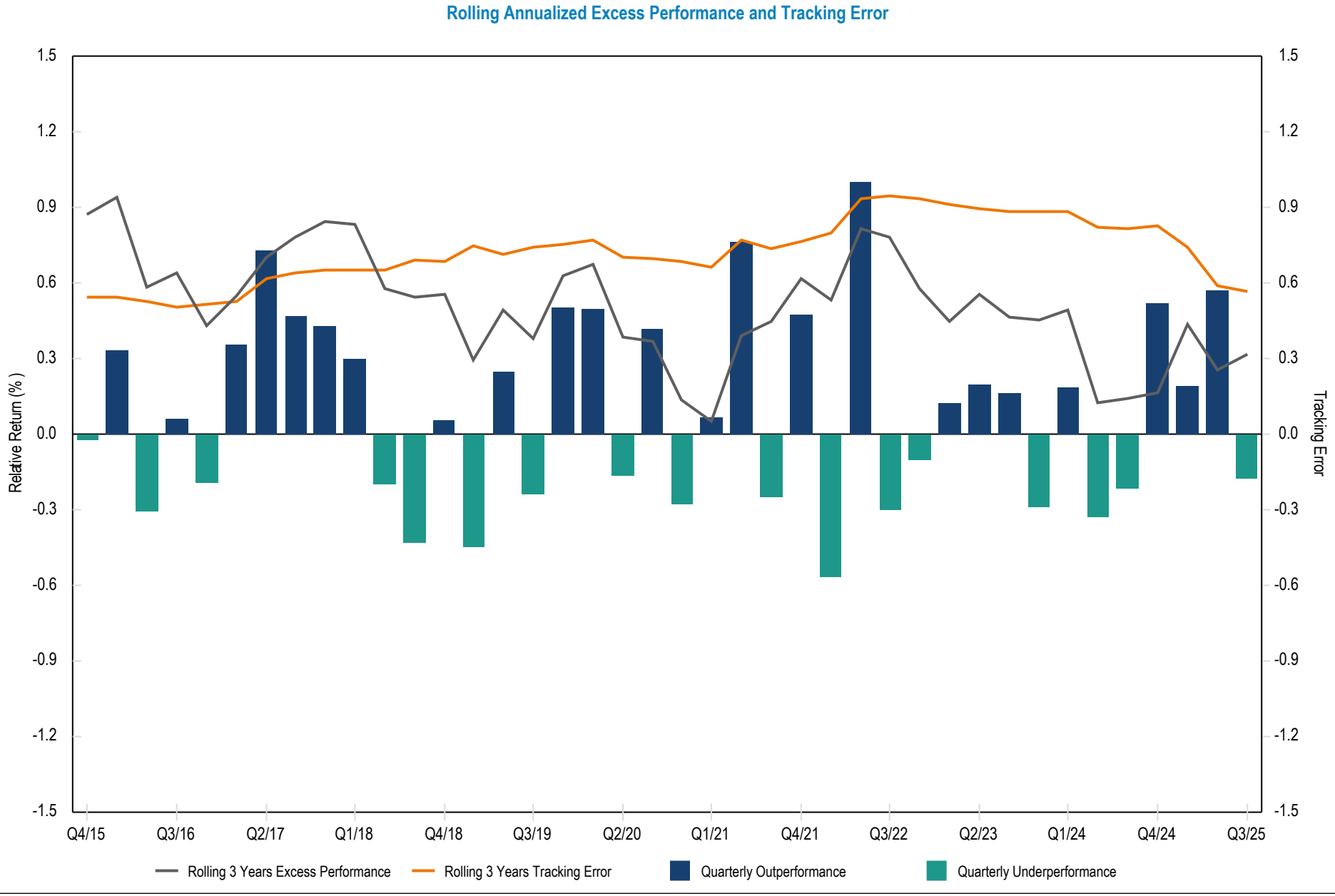


Net Cash Flow is Cumulative.

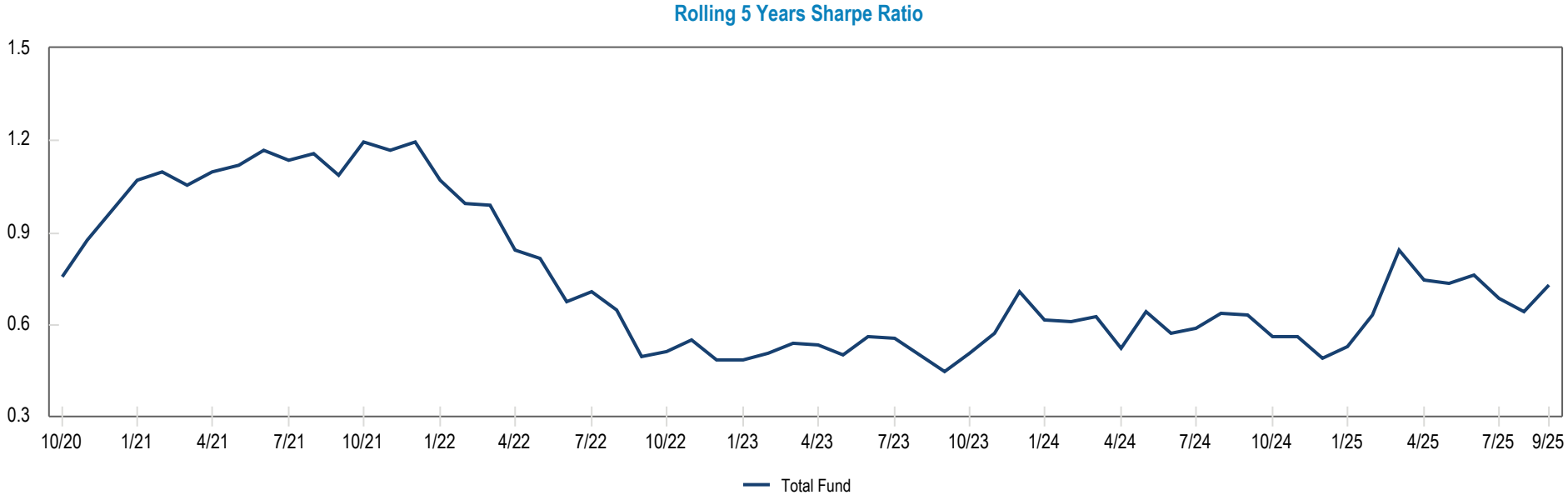


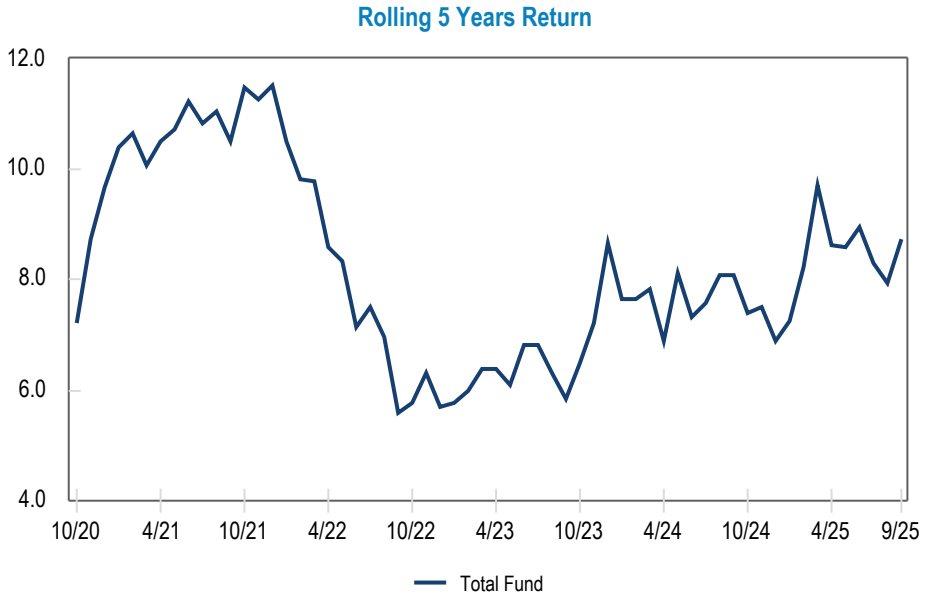
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	1,609,919,957	43.6	42.2	49,423,703
Private Equity	496,426,440	13.4	14.0	-22,248,321
Investment Grade Fixed Income	707,897,076	19.2	18.9	10,528,253
Below Investment Grade	316,772,764	8.6	8.4	6,839,278
Diversified Real Assets	555,353,821	15.0	15.5	-17,058,513
Cash and Equivalents	9,474,041	0.3	1.0	-27,484,400
Total	**3,695,844,099**	**100.0**	**100.0**	

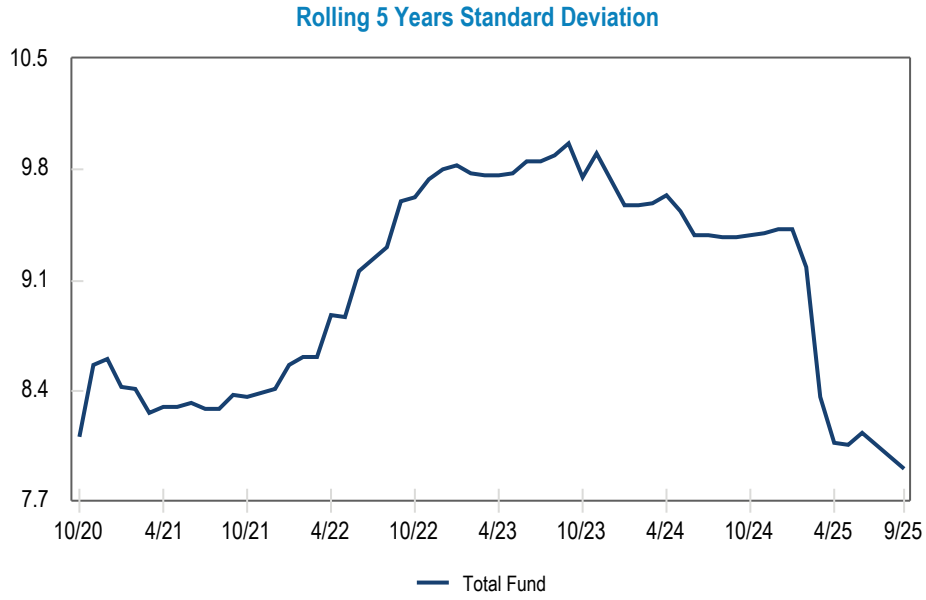
Residual Holdings value of $4,538,822 & Transition Account value of $267,042 included in Global Public Equity value for styling purposes.



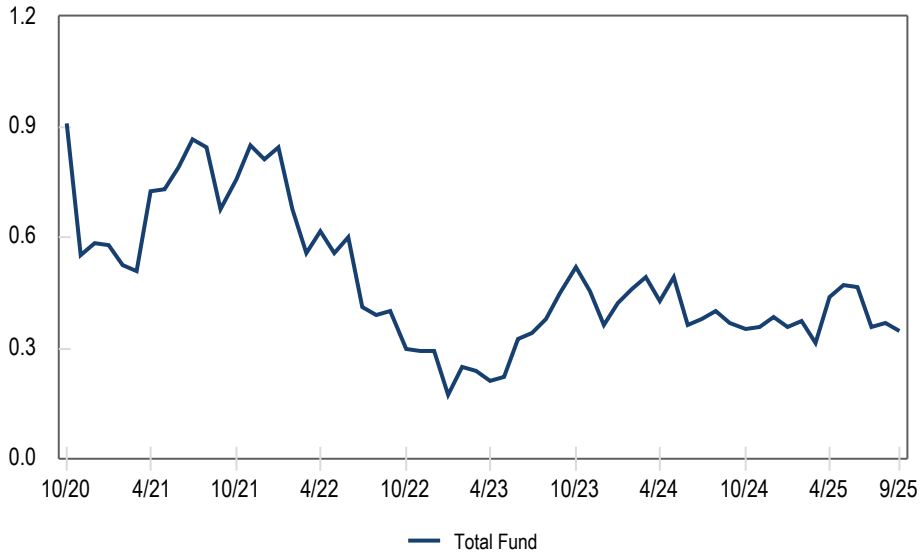
Analytic is using the Corridor Target Index


Rolling 5 Years Sharpe Ratio
1.5
1.2
0.9
0.6
0.3
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
7/23
10/23
1/24
4/24
7/24
10/24
1/25
4/25
7/25
9/25
Total Fund

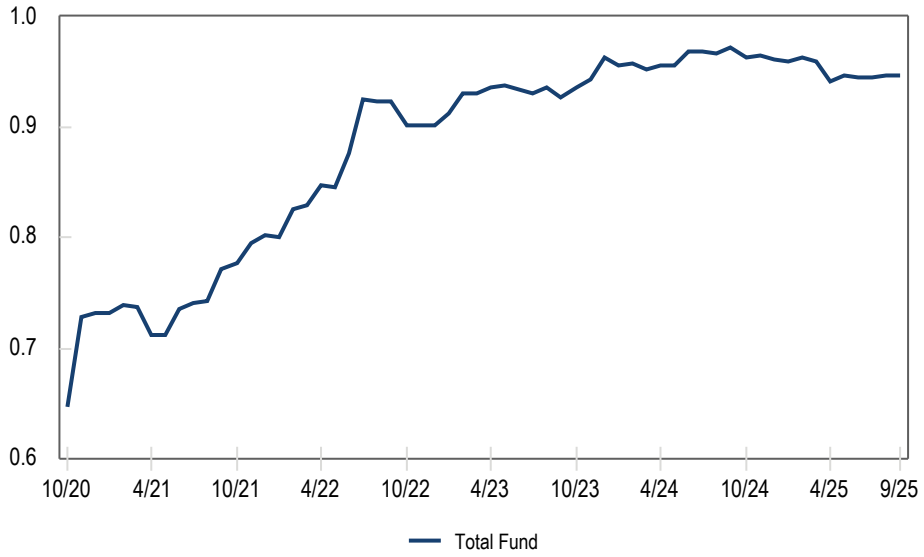

Rolling 5 Years Return
12.0
10.0
8.0
6.0
4.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
10.5
9.8
9.1
8.4
7.7
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

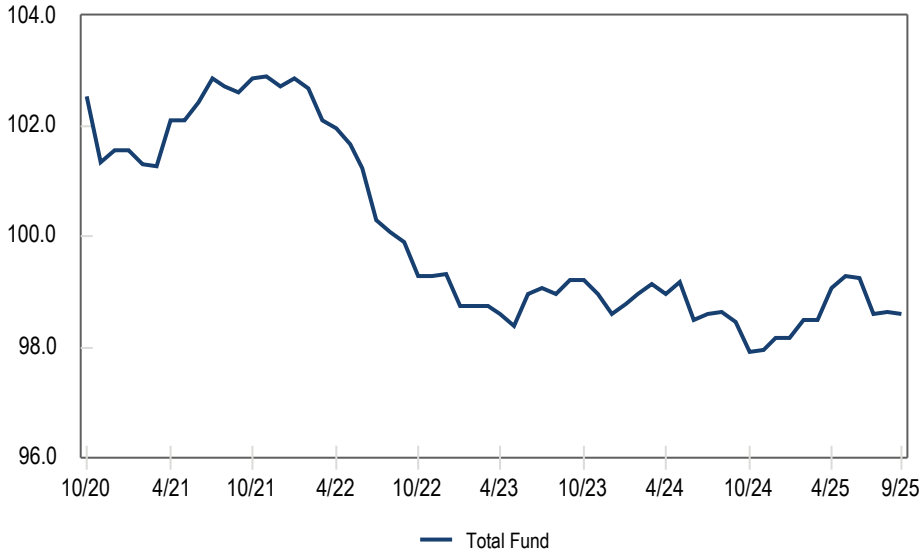
Rolling 5 Years Information Ratio



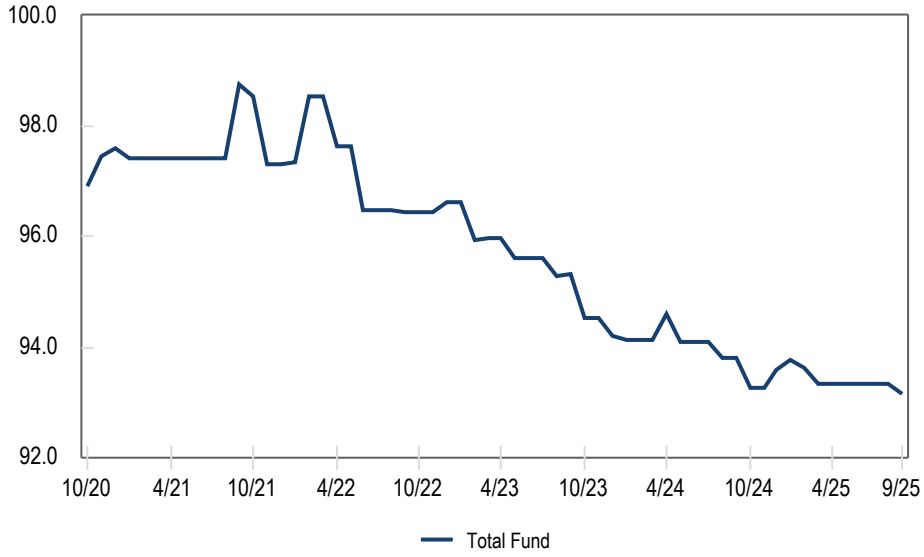
Rolling 5 Years Tracking Error



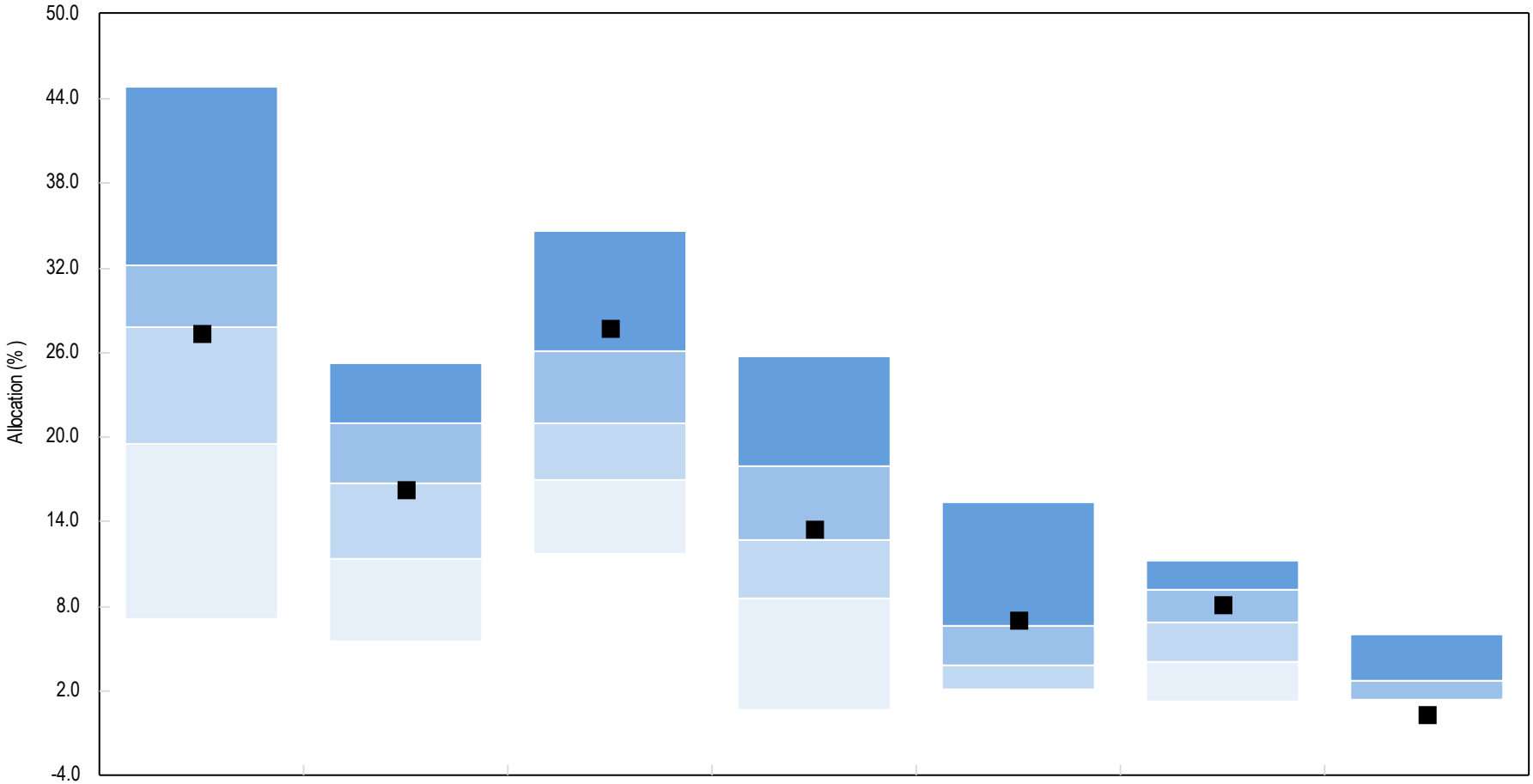
Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

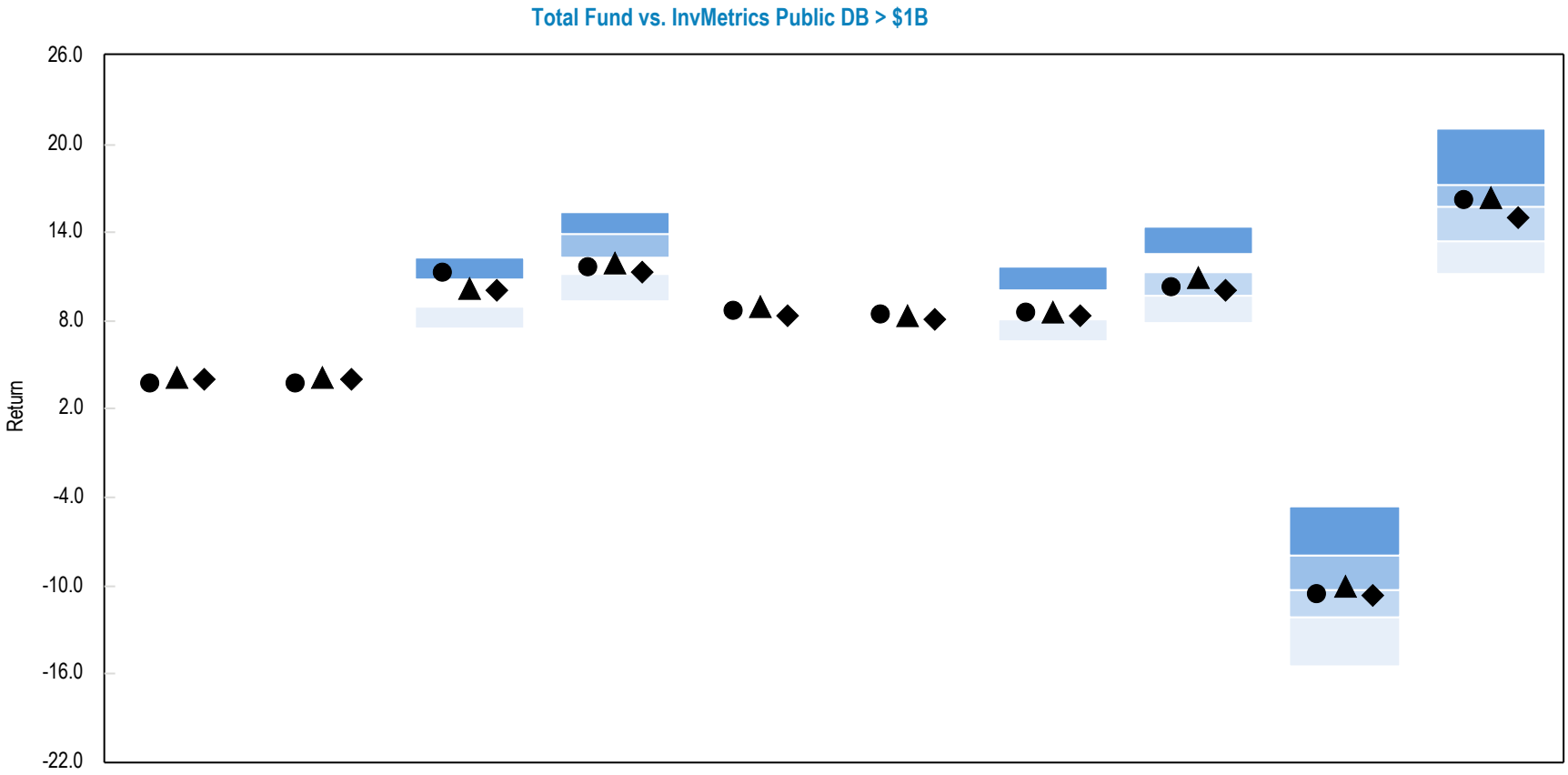


Analytic is using the Corridor Target Index



	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	27.3 (53)	16.2 (55)	27.7 (20)	13.4 (46)	7.0 (22)	8.0 (34)	0.3 (93)
5th Percentile	44.9	25.3	34.6	25.7	15.3	11.3	6.0
1st Quartile	32.2	21.0	26.1	17.9	6.6	9.2	2.8
Median	27.8	16.7	21.0	12.7	3.8	6.8	1.3
3rd Quartile	19.5	11.4	16.9	8.6	2.1	4.1	0.6
95th Percentile	7.1	5.5	11.7	0.7	0.9	1.2	0.2
Population	106	107	111	98	69	89	107

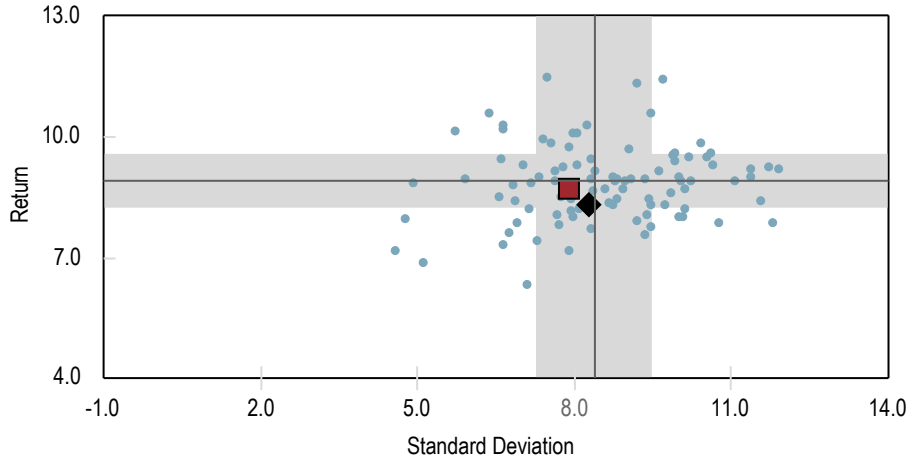
Residual Holdings included in US Equity for styling purposes. InvMetrics Public DB > $1B is the Plan Sponsor Peer Group.



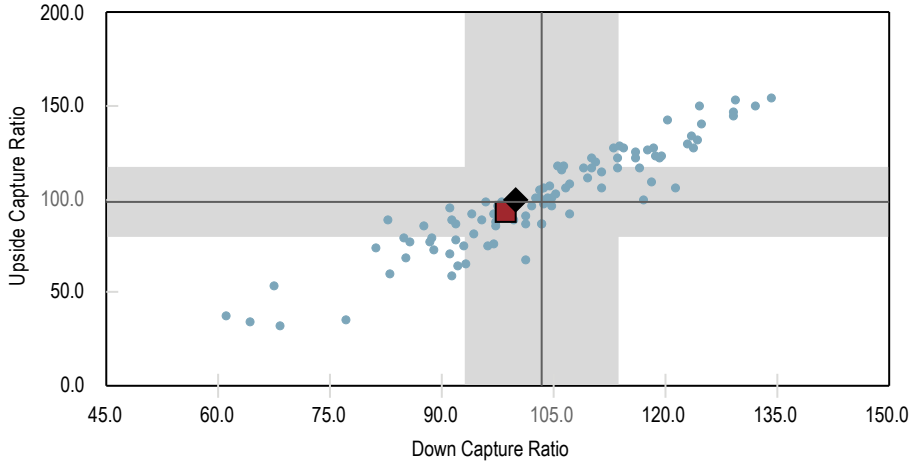
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021
● Total Fund	3.8 (75)	3.8 (75)	11.3 (16)	11.7 (62)	8.7 (58)	8.5 (28)	8.6 (65)	10.3 (69)	-10.5 (57)	16.2 (43)
▲ Policy Index	4.2 (56)	4.2 (56)	10.2 (46)	12.0 (59)	9.0 (39)	8.4 (34)	8.6 (65)	10.9 (56)	-10.0 (47)	16.4 (40)
◆ Corridor Target Index	4.0 (63)	4.0 (63)	10.1 (48)	11.4 (71)	8.3 (73)	8.1 (58)	8.4 (70)	10.0 (72)	-10.6 (58)	15.1 (56)
5th Percentile	5.6	5.6	12.3	15.4	10.4	9.4	11.7	14.4	-4.7	21.1
1st Quartile	4.9	4.9	10.8	13.8	9.3	8.6	10.1	12.5	-8.0	17.2
Median	4.3	4.3	9.9	12.3	8.9	8.2	9.0	11.3	-10.3	15.7
3rd Quartile	3.8	3.8	8.9	11.1	8.2	7.7	8.1	9.7	-12.2	13.5
95th Percentile	2.9	2.9	7.5	9.4	7.4	7.1	6.6	7.9	-15.4	11.2
Population	105	105	100	99	96	91	176	187	180	210

	Anlzd Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	R-Squared	Up Mkt Capture Ratio	Down Mkt Capture Ratio	Information Ratio	Tracking Error	Sharpe Ratio
Total Fund	8.73	7.91	0.76	0.95	0.99	98.59	93.16	0.35	0.95	0.73
Corridor Target Index	*8.34*	*8.29*	*0.00*	*1.00*	*1.00*	*100.00*	*100.00*	-	*0.00*	*0.66*

Return vs. Standard Deviation



Down Capture vs. Up Capture



InvMetrics Public DB > $1B

	Return	Standard Deviation
Total Fund	8.73	7.91
Corridor Target Index	8.34	8.29
Median	8.92	8.38
Population	96	96

InvMetrics Public DB > $1B

	Down Capture	Up Capture
Total Fund	93.16	98.59
Corridor Target Index	100.00	100.00
Median	99.41	103.51
Population	96	96

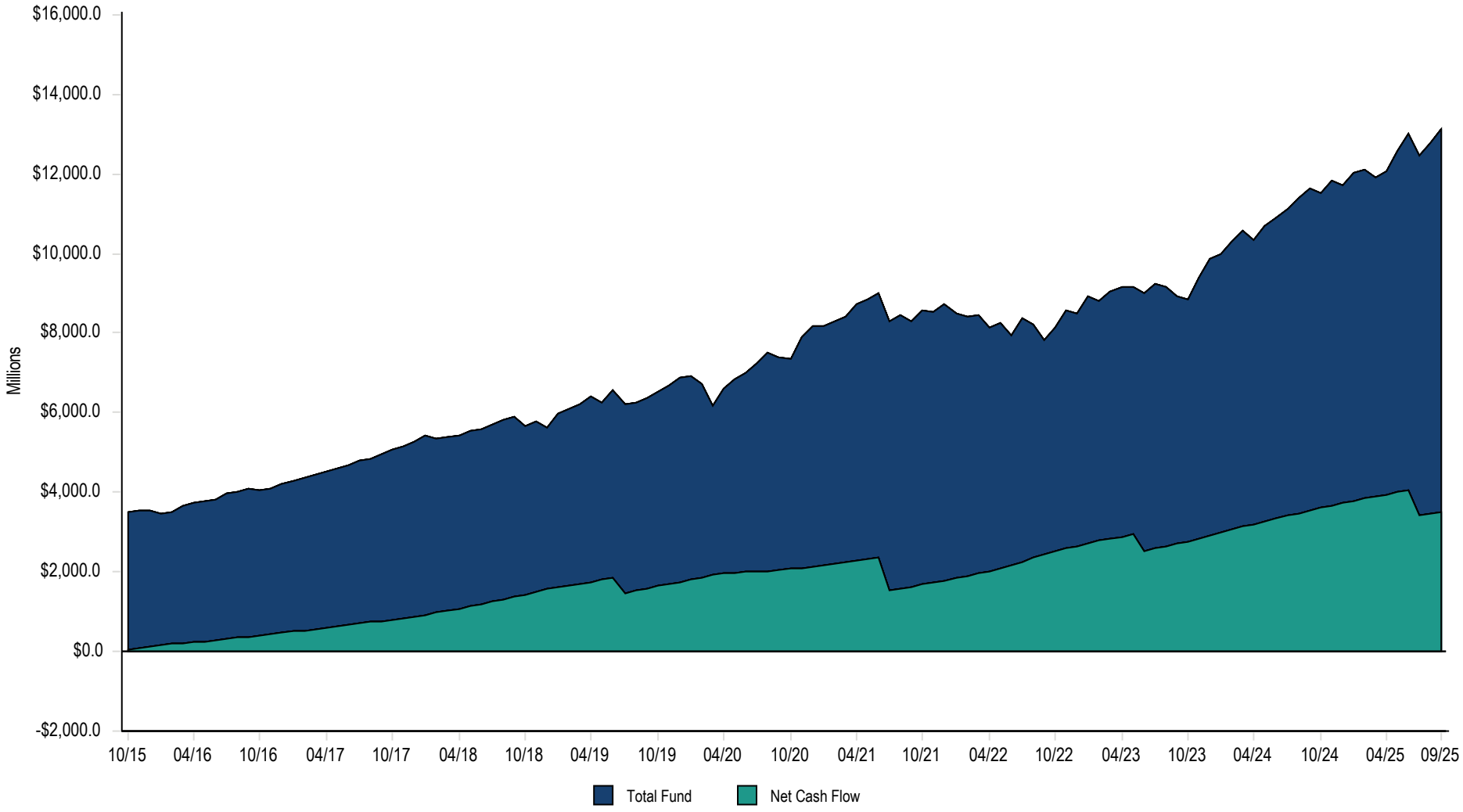
	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**3,695,844,099**	**100.0**	**3.8**	**3.8**	**11.5**	**11.3**	**11.7**	**8.7**	**7.9**	**8.5**
Policy Index			*4.2*	*4.2*	*11.1*	*10.2*	*12.0*	*9.0*	*8.0*	*8.4*
Corridor Target Index			*4.0*	*4.0*	*10.9*	*10.1*	*11.4*	*8.3*	*7.4*	*8.1*
Total Equity	**2,101,807,575**	**56.9**	**5.7**	**5.7**	**16.1**	**16.1**	**18.7**	**13.4**	**10.9**	**11.6**
Total Equity Blend			*5.8*	*5.8*	*15.4*	*15.0*				
Public Equity	**1,605,381,135**	**43.4**	**7.9**	**7.9**	**19.5**	**18.7**	**22.9**	**13.8**	**11.2**	
MSCI AC World IMI Index (Net)			*7.7*	*7.7*	*18.3*	*16.8*	*22.5*	*13.3*	*10.8*	*11.6*
Domestic Equity	**1,004,566,718**	**27.2**	**8.0**	**8.0**	**14.8**	**18.5**	**24.0**	**15.6**	**13.7**	**14.8**
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	*13.7*	*14.7*
International Equity	**600,547,375**	**16.2**	**7.6**	**7.6**	**29.0**	**19.6**	**21.8**	**10.2**	**8.4**	**9.3**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*7.4*	*8.2*
Private Equity	**496,426,440**	**13.4**	**-1.1**	**-1.1**	**5.9**	**8.2**	**6.6**	**15.5**	**12.5**	**9.5**
Private Equity Benchmark			*0.0*	*0.0*	*6.8*	*9.4*				*-*
Total Income	**1,024,669,840**	**27.7**	**2.1**	**2.1**	**6.6**	**5.1**	**6.9**	**2.1**	**3.8**	**4.1**
Total Income Blend			*2.2*	*2.2*	*6.5*	*4.3*				*-*
Investment Grade	**707,897,076**	**19.2**	**2.3**	**2.3**	**6.8**	**4.0**	**5.8**	**0.2**	**2.8**	**2.9**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*2.1*	*1.8*
Below Investment Grade	**316,772,764**	**8.6**	**1.7**	**1.7**	**5.9**	**7.4**	**9.2**	**7.5**	**6.6**	**7.1**
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.5*	*2.5*	*7.2*	*7.4*	*11.1*	*5.5*	*5.3*	*6.2*
Total Real Assets	**555,353,821**	**15.0**	**0.3**	**0.3**	**4.2**	**5.6**	**-1.6**	**4.2**	**4.2**	**4.8**
Total Real Assets Blend			*0.9*	*0.9*	*3.0*	*3.2*				*-*
Other Real Assets	**258,798,799**	**7.0**	**0.3**	**0.3**	**7.5**	**10.5**	**8.3**	**8.8**	**7.6**	
Other Real Assets Blend			*1.1*	*1.1*	*3.5*	*3.9*	*-*	*-*	*-*	*-*
Cash and Equivalents	**9,474,041**	**0.3**	**3.4**	**3.4**	**6.1**	**7.4**	**5.9**	**3.6**	**3.1**	**2.4**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value of $4,538,822 included in Total Fund value. Transition Account value of $267,042 included in Public Equity value.

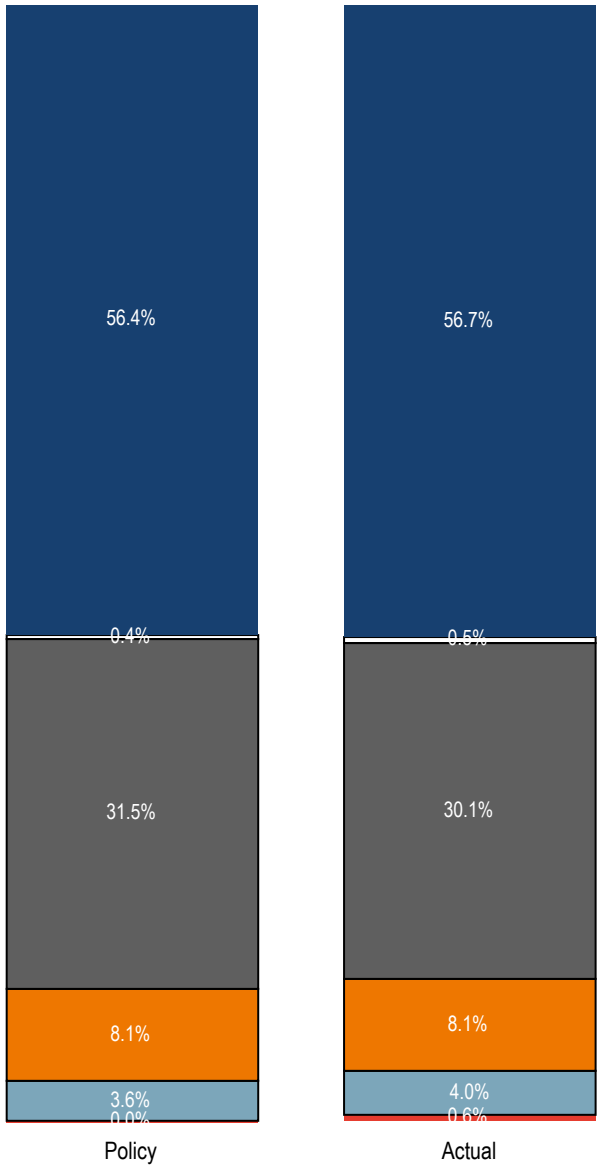
Legacy Fund

Investment Performance Review

Period Ending: September 30, 2025

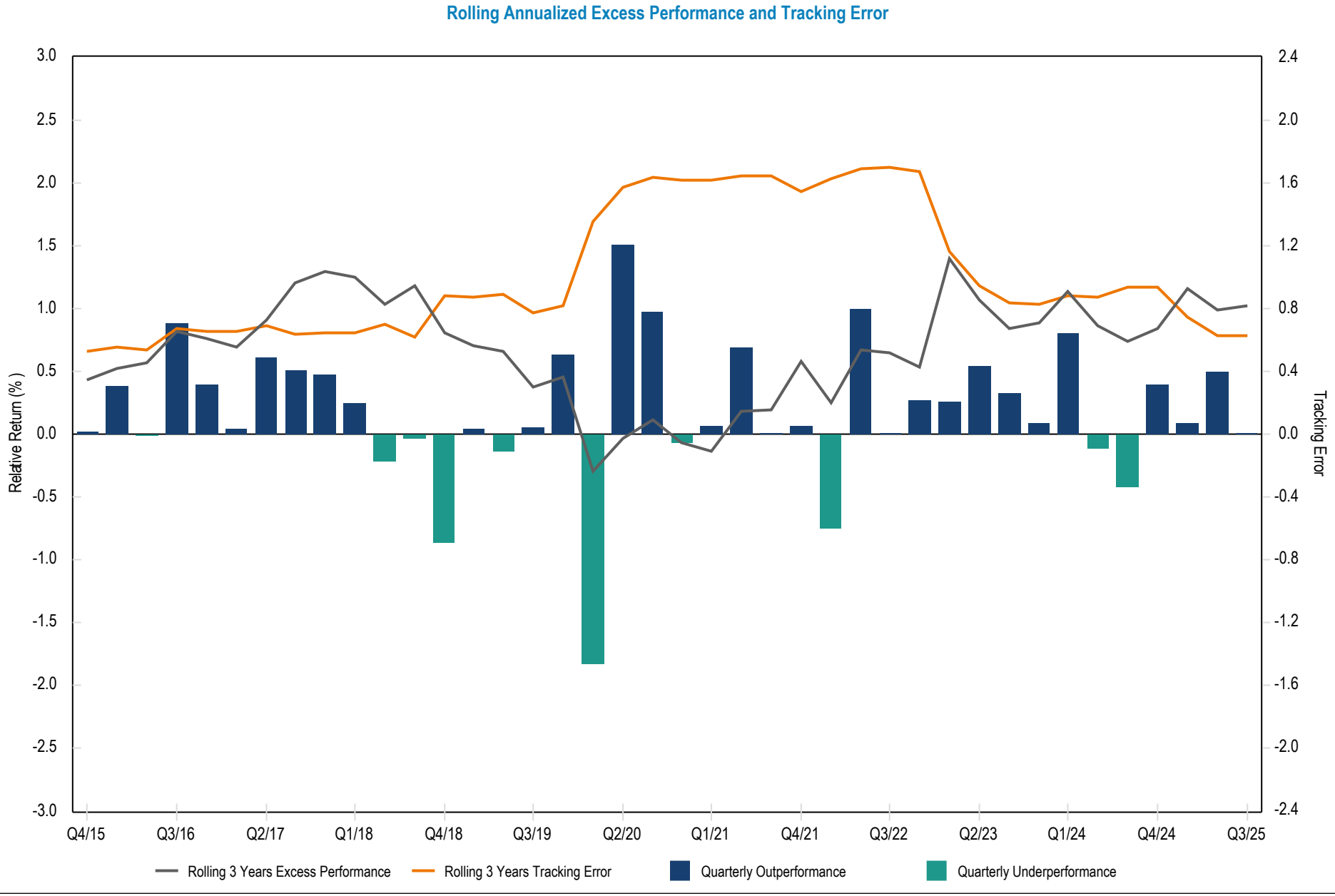


Net Cash Flow is Cumulative.

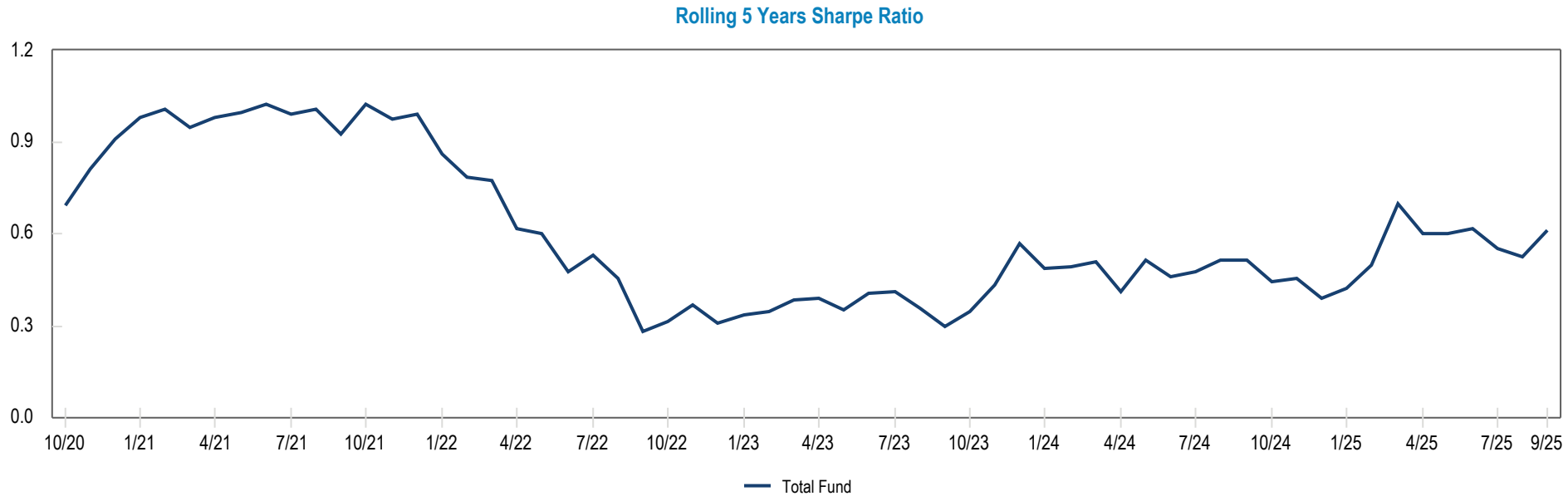


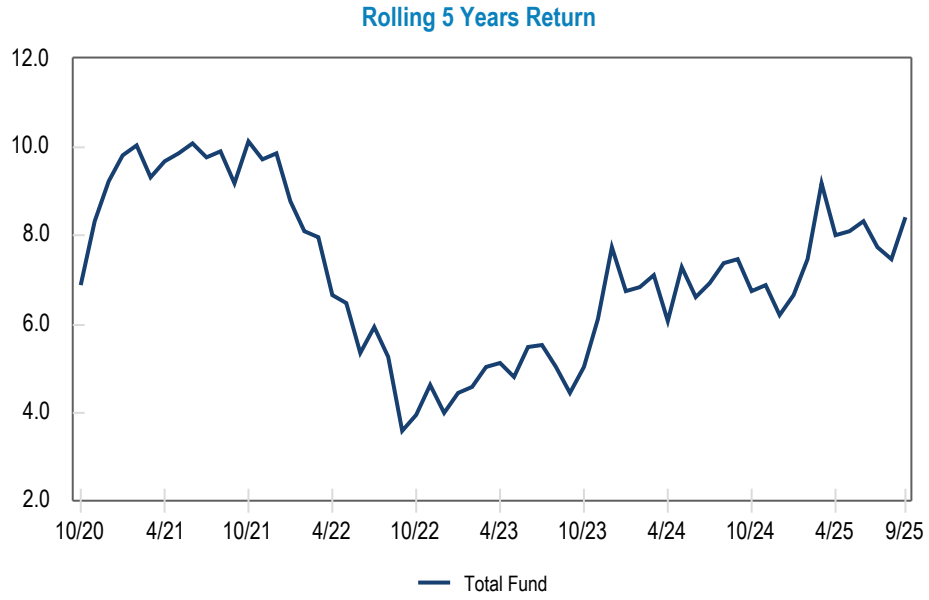
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	7,433,362,322	56.7	56.4	36,708,866
Private Equity	67,401,075	0.5	0.4	14,924,861
Global Fixed Income	3,953,249,726	30.1	31.5	-175,709,928
Diversified Real Assets	1,067,654,145	8.1	8.1	287,967
In-State Investments	521,823,690	4.0	3.6	48,225,864
Cash and Equivalents	75,562,369	0.6	0.0	75,562,369
Total	**13,119,053,327**	**100.0**	**100.0**	

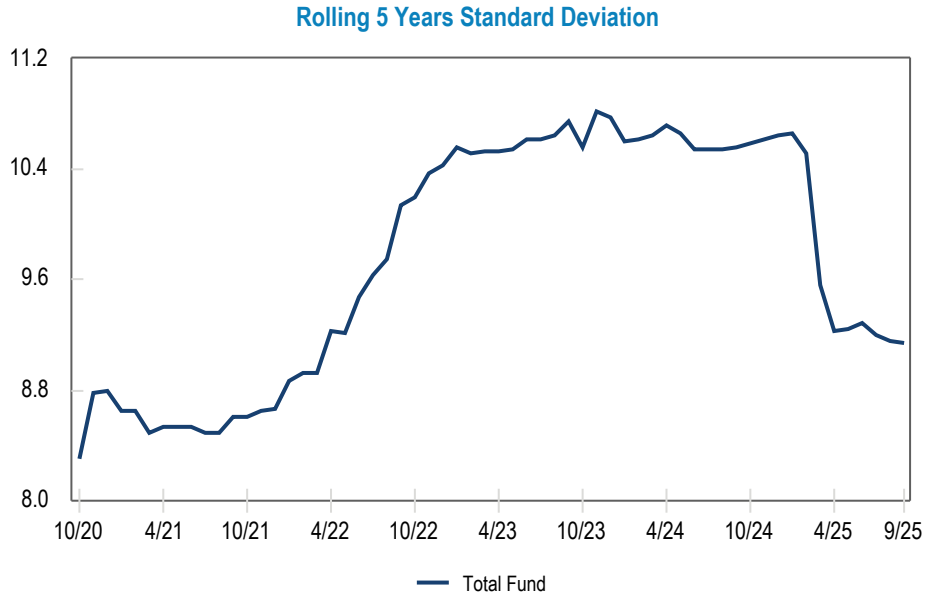
Residual Holdings value of $1,176,170 included in Global Public Equity value for styling purposes.



Analytic is using the Corridor Target Index


Rolling 5 Years Sharpe Ratio
1.2
0.9
0.6
0.3
0.0
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
7/23
10/23
1/24
4/24
7/24
10/24
1/25
4/25
7/25
9/25
Total Fund

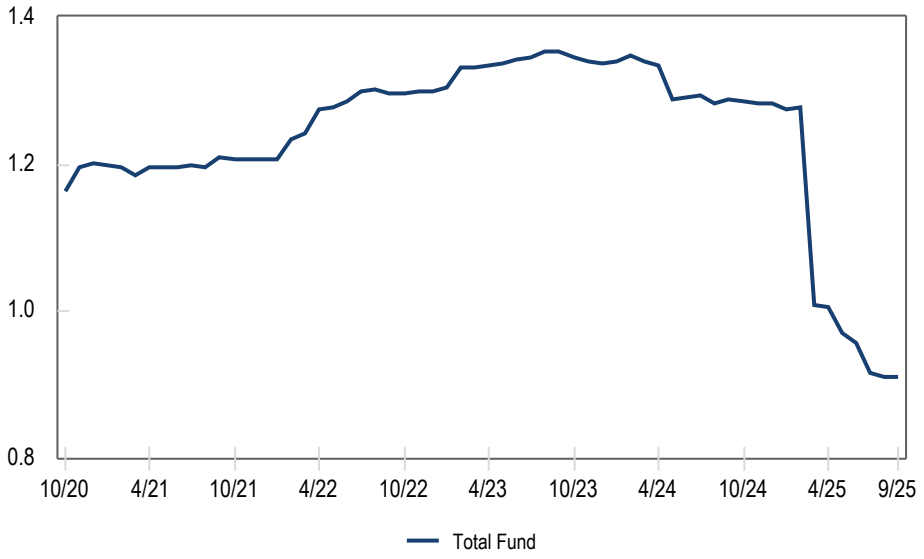

Rolling 5 Years Return
12.0
10.0
8.0
6.0
4.0
2.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
11.2
10.4
9.6
8.8
8.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

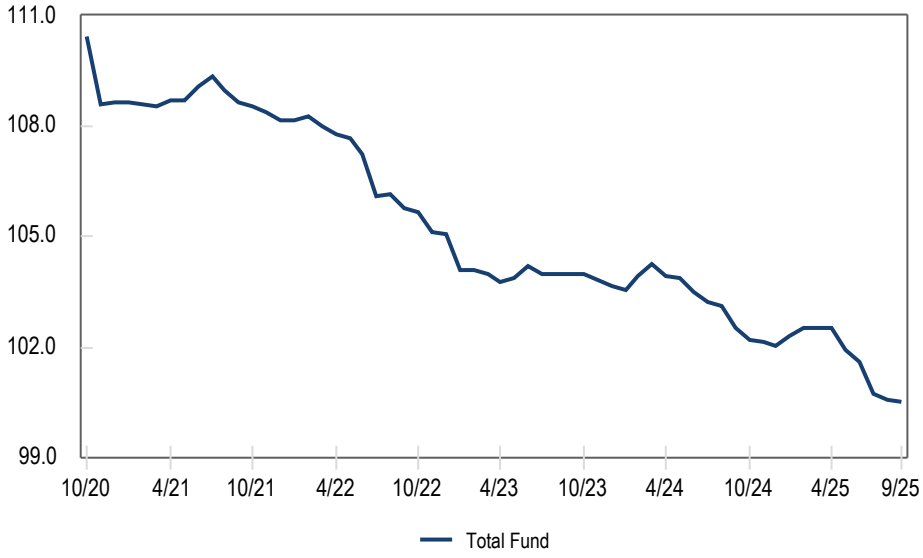
Rolling 5 Years Information Ratio



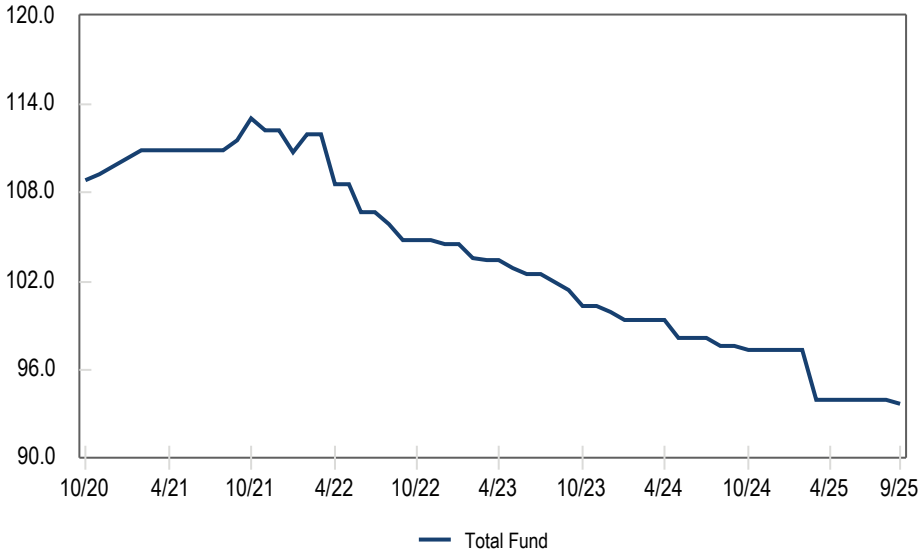
Rolling 5 Years Tracking Error



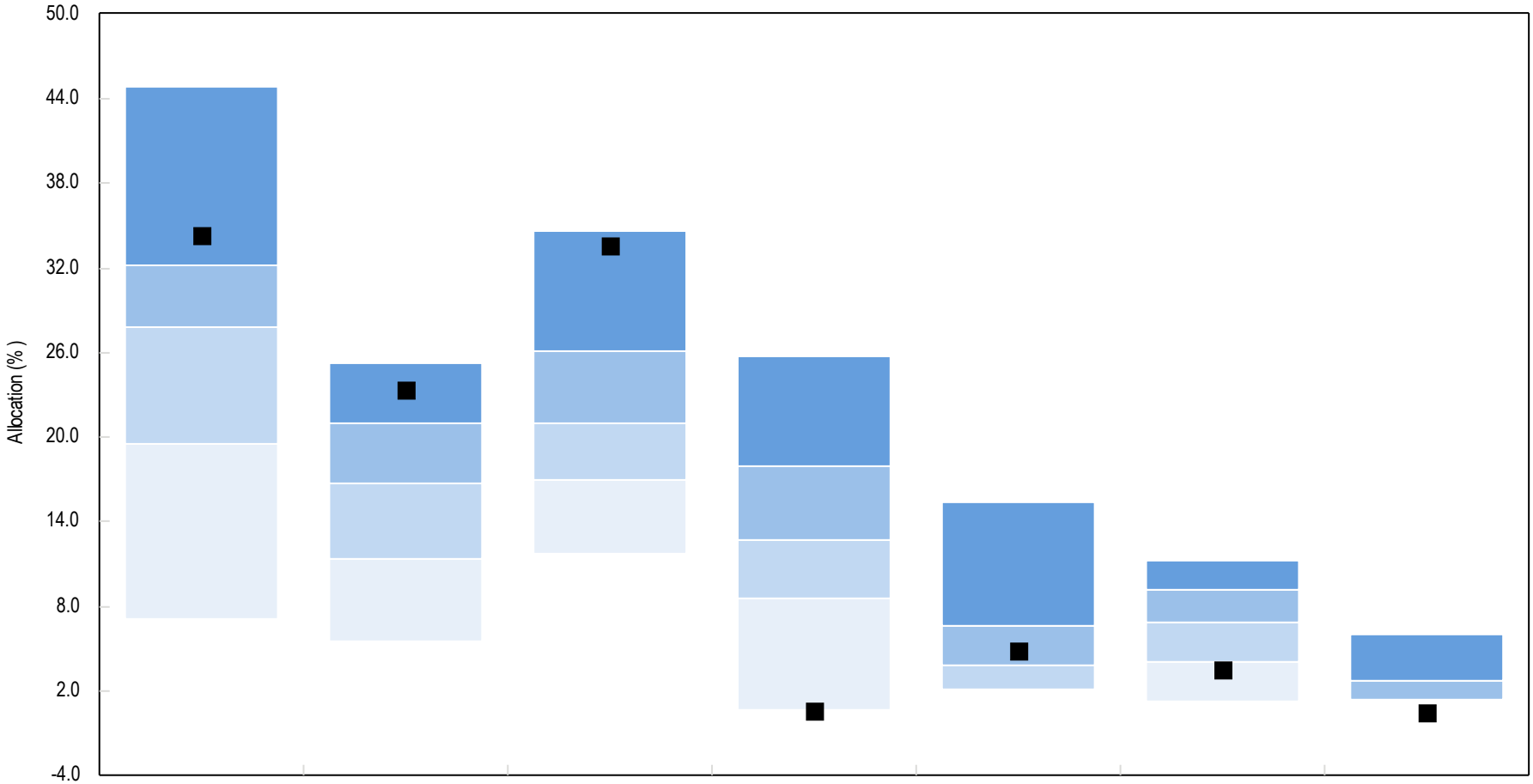
Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

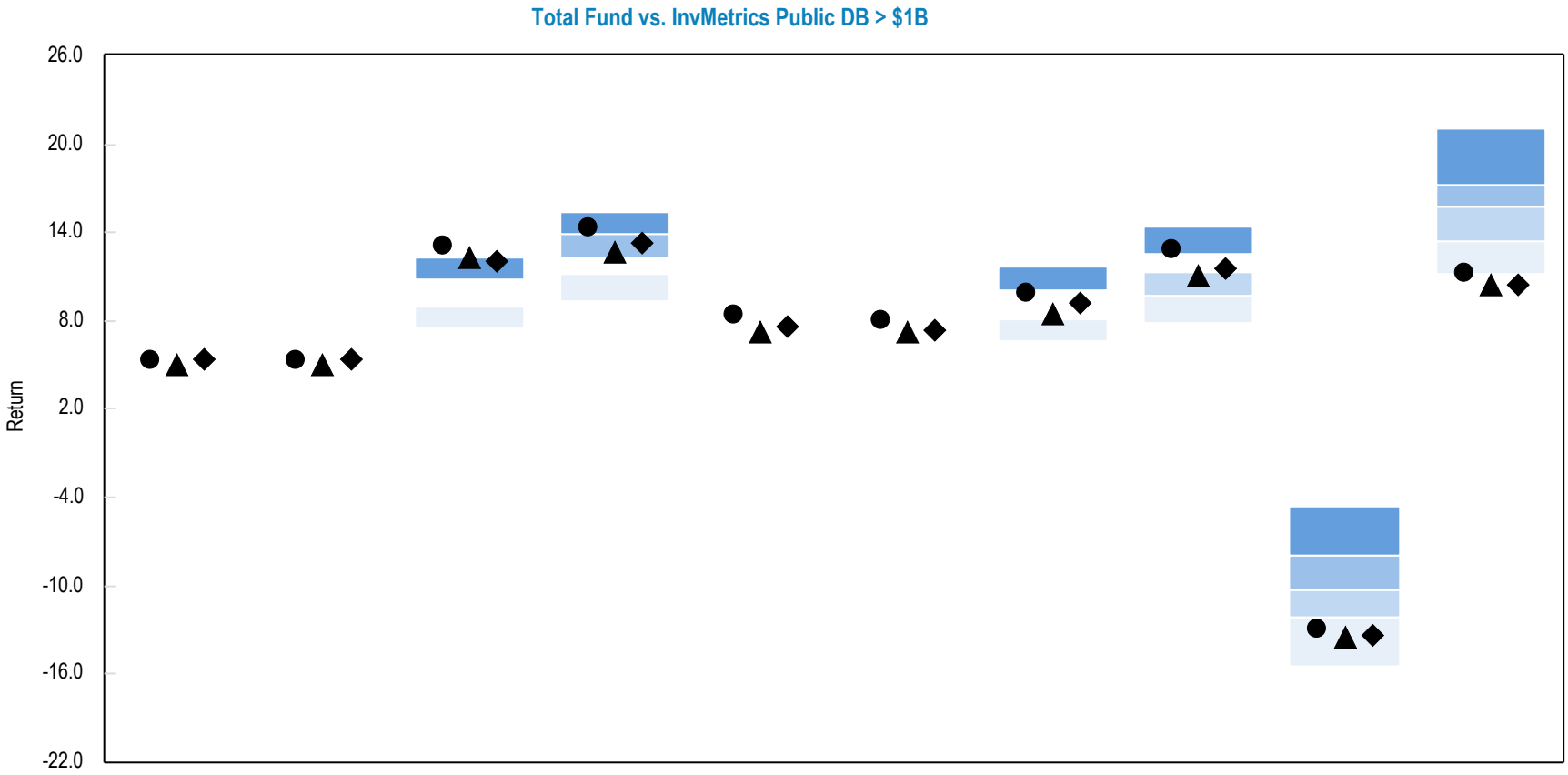


Analytic is using the Corridor Target Index



	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	34.2 (19)	23.2 (12)	33.5 (6)	0.5 (100)	4.7 (42)	3.4 (80)	0.3 (91)
5th Percentile	44.9	25.3	34.6	25.7	15.3	11.3	6.0
1st Quartile	32.2	21.0	26.1	17.9	6.6	9.2	2.8
Median	27.8	16.7	21.0	12.7	3.8	6.8	1.3
3rd Quartile	19.5	11.4	16.9	8.6	2.1	4.1	0.6
95th Percentile	7.1	5.5	11.7	0.7	0.9	1.2	0.2
Population	106	107	111	98	69	89	107

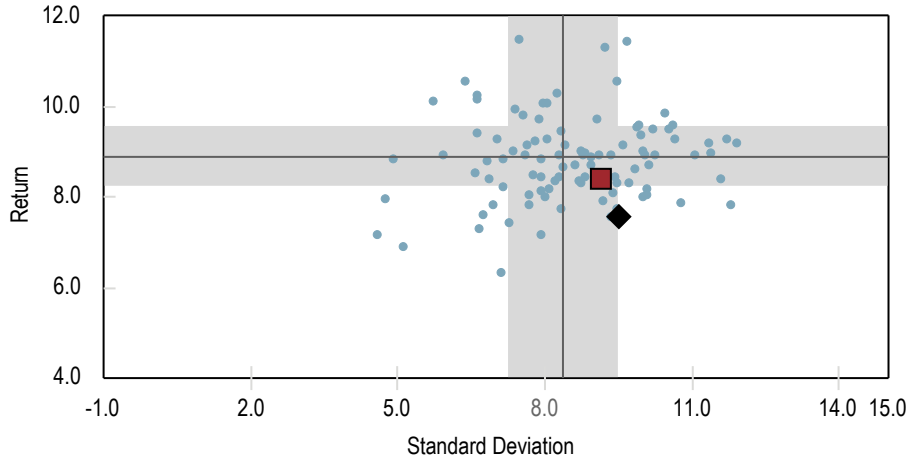
In-State Equity included in US equity & In-State Fixed Income included in US Fixed for styling purposes. InvMetrics Public DB > $1B is the Plan Sponsor Peer Group.



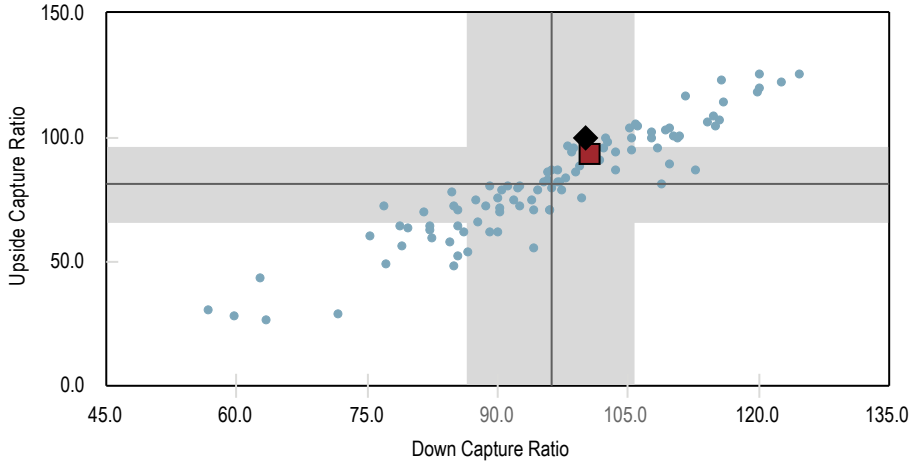
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021
● Total Fund	5.4 (7)	5.4 (7)	13.2 (2)	14.4 (13)	8.4 (69)	8.2 (52)	9.9 (28)	12.9 (19)	-12.9 (81)	11.3 (95)
▲ Policy Index	5.1 (20)	5.1 (20)	12.3 (4)	12.7 (40)	7.2 (97)	7.2 (90)	8.5 (65)	11.1 (52)	-13.5 (87)	10.4 (98)
◆ Corridor Target Index	5.4 (7)	5.4 (7)	12.1 (6)	13.3 (30)	7.6 (94)	7.4 (86)	9.2 (45)	11.6 (40)	-13.4 (85)	10.4 (98)
5th Percentile	5.6	5.6	12.3	15.4	10.4	9.4	11.7	14.4	-4.7	21.1
1st Quartile	4.9	4.9	10.8	13.8	9.3	8.6	10.1	12.5	-8.0	17.2
Median	4.3	4.3	9.9	12.3	8.9	8.2	9.0	11.3	-10.3	15.7
3rd Quartile	3.8	3.8	8.9	11.1	8.2	7.7	8.1	9.7	-12.2	13.5
95th Percentile	2.9	2.9	7.5	9.4	7.4	7.1	6.6	7.9	-15.4	11.2
Population	105	105	100	99	96	91	176	187	180	210

	Anlzd Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	R-Squared	Up Mkt Capture Ratio	Down Mkt Capture Ratio	Information Ratio	Tracking Error	Sharpe Ratio
Total Fund	8.42	9.14	1.05	0.96	0.99	100.53	93.72	0.80	0.91	0.61
Corridor Target Index	*7.60*	*9.49*	*0.00*	*1.00*	*1.00*	*100.00*	*100.00*	-	*0.00*	*0.51*

Return vs. Standard Deviation



Down Capture vs. Up Capture



InvMetrics Public DB > $1B

	Return	Standard Deviation
Total Fund	8.42	9.14
Corridor Target Index	7.60	9.49
Median	8.92	8.38
Population	96	96

InvMetrics Public DB > $1B

	Down Capture	Up Capture
Total Fund	93.72	100.53
Corridor Target Index	100.00	100.00
Median	81.06	96.11
Population	96	96

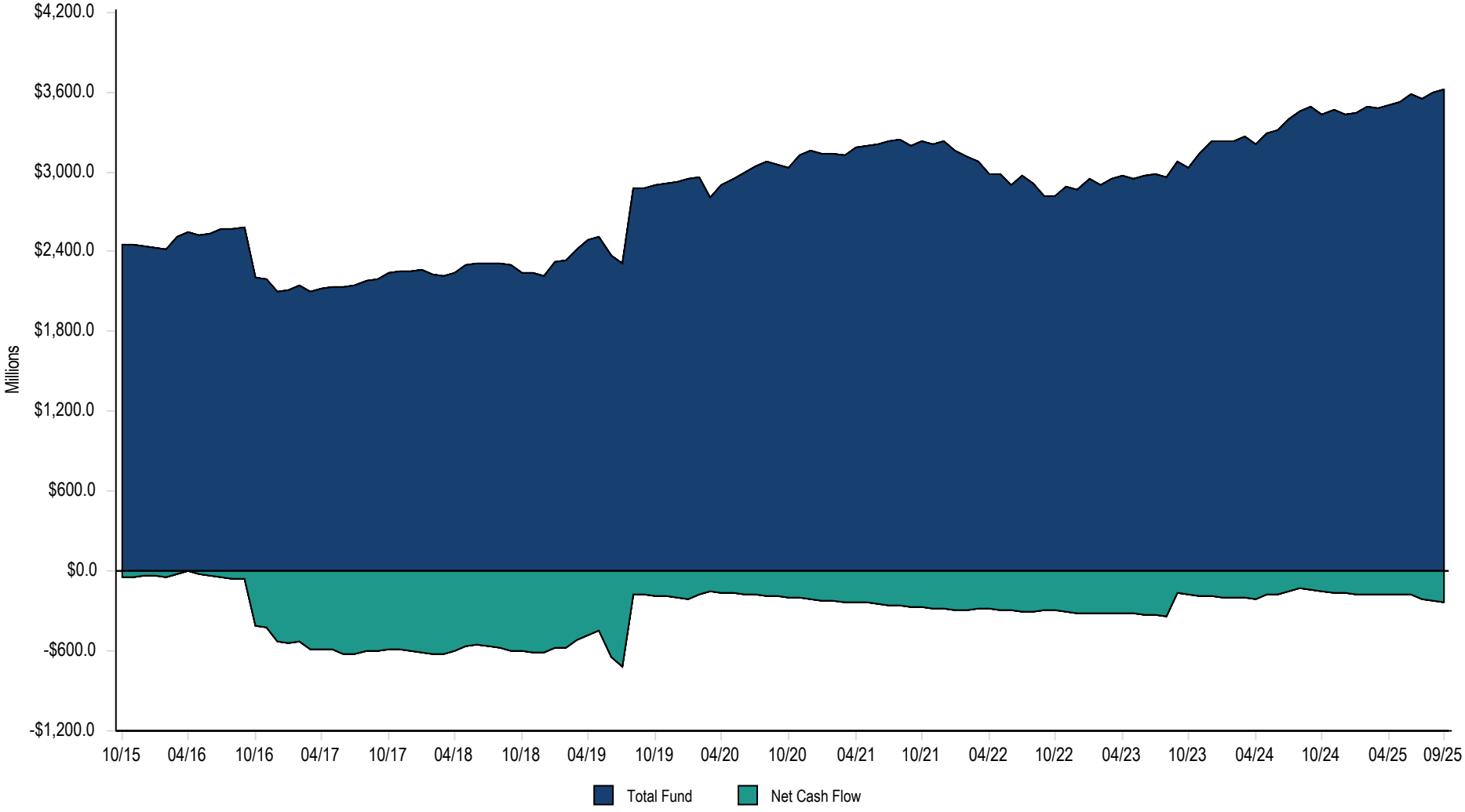
	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**13,119,053,327**	**100.0**	**5.4**	**5.4**	**14.2**	**13.2**	**14.4**	**8.4**	**7.7**	**8.2**
Policy Index			*5.1*	*5.1*	*13.0*	*12.3*	*12.7*	*7.2*	*6.9*	*7.2*
Corridor Target Index			*5.4*	*5.4*	*13.5*	*12.1*	*13.3*	*7.6*	*7.2*	*7.4*
Total Equity	**7,499,622,566**	**57.2**	**7.8**	**7.8**	**19.8**	**18.5**	**22.8**	**13.7**	**10.7**	
Total Equity Blend			*7.6*	*7.6*	*19.1*	*17.2*	*22.3*	*13.8*	*10.7*	
Public Equity	**7,432,221,491**	**56.7**	**7.8**	**7.8**	**19.9**	**18.6**	**23.0**			
MSCI AC World IMI Index (Net)			*7.7*	*7.7*	*18.3*	*16.8*	*22.5*			
Domestic Equity	**4,382,147,428**	**33.4**	**8.1**	**8.1**	**14.8**	**18.5**	**24.1**	**16.1**	**12.6**	**13.8**
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	*13.7*	*14.7*
International Equity	**3,050,074,063**	**23.2**	**7.4**	**7.4**	**27.5**	**18.2**	**21.3**	**10.2**	**7.8**	**8.8**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*7.4*	*8.2*
Private Equity	**67,401,075**	**0.5**	**-0.3**	**-0.3**	**11.5**	**11.4**	**8.0**	**7.8**		
Private Equity Benchmark			*0.0*	*0.0*	*12.3*	*16.0*				-
Global Fixed Income	**3,953,214,387**	**30.1**	**2.0**	**2.0**	**6.7**	**5.4**	**6.6**	**1.4**	**3.5**	**3.6**
Global Fixed Income Blend			*2.1*	*2.1*	*6.3*	*4.9*	*5.4*	*-0.2*	*2.3*	*2.0*
Total Real Assets	**1,067,654,145**	**8.1**	**0.5**	**0.5**	**4.4**	**6.0**	**1.2**	**3.7**	**4.4**	
Total Real Asset Blend			*1.0*	*1.0*	*3.1*	*3.3*				-
In-State Investments	**521,823,690**	**4.0**	**10.3**	**10.3**	**15.3**	**16.3**				
In-State Investments			*10.3*	*10.3*	*15.3*	*16.3*	-	-	-	-
Cash and Equivalents	**75,562,369**	**0.6**	**3.2**	**3.2**	**9.9**	**11.2**	**7.0**	**4.3**	**3.5**	**2.6**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value $1,176,170 included in Total Fund value.

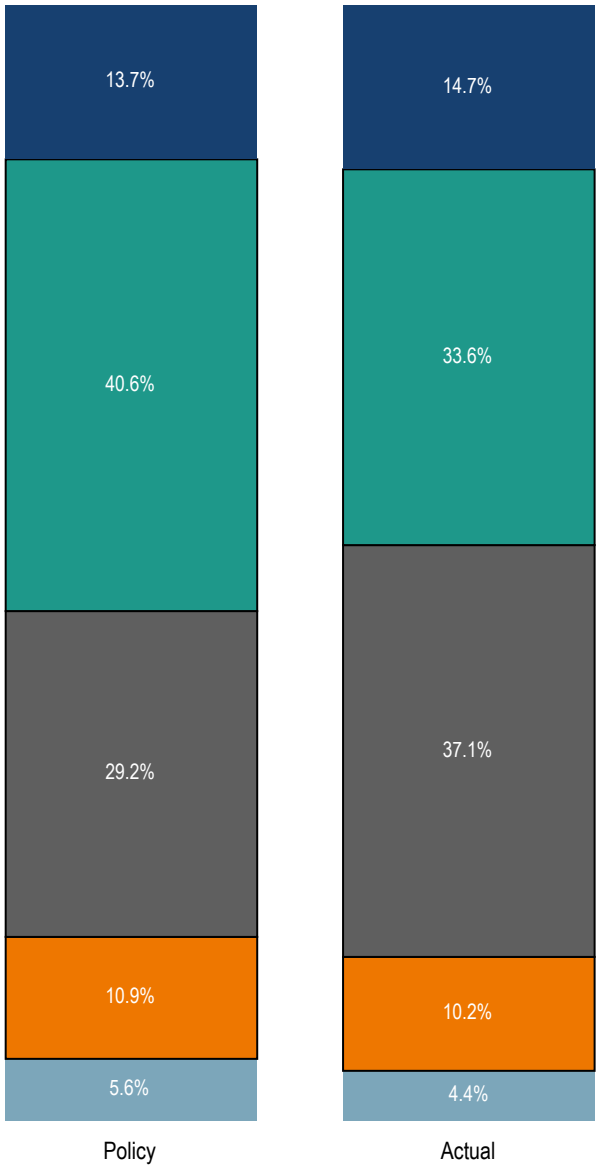
Consolidated Insurance Trust

Investment Performance Review

Period Ending: September 30, 2025

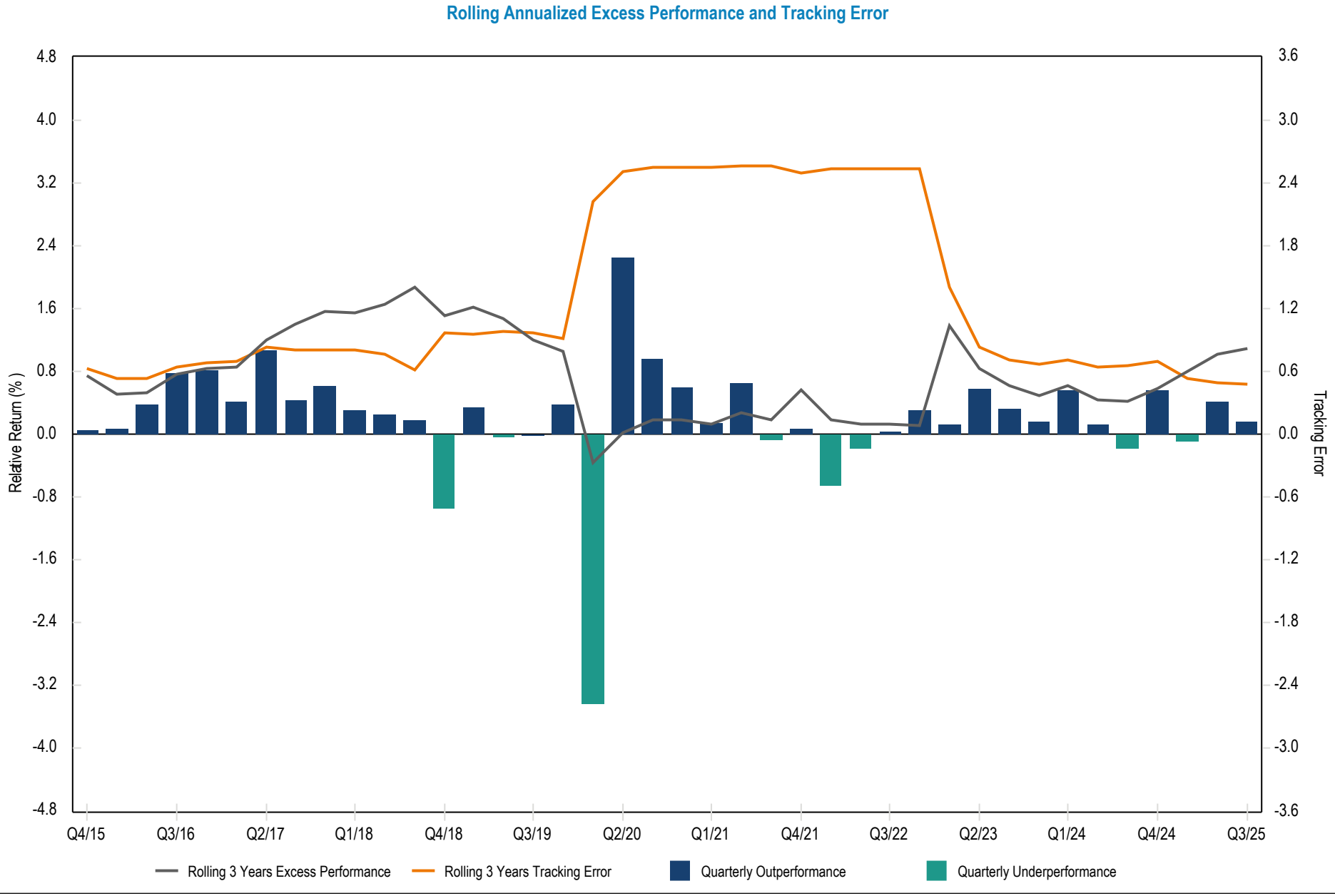


Net Cash Flow is cumulative.

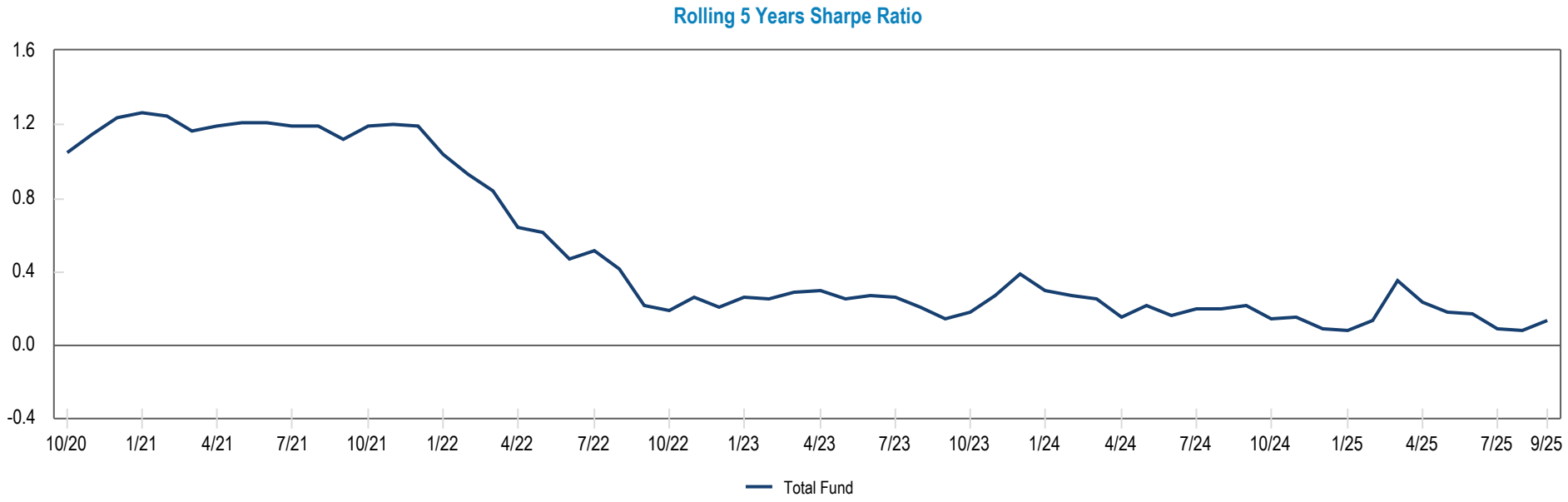


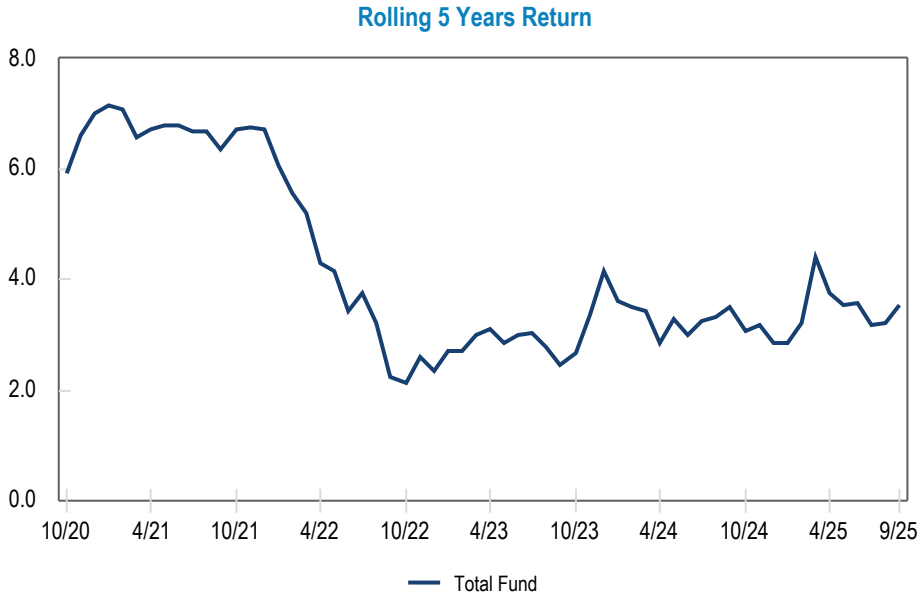
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	531,054,097	14.7	13.7	34,833,714
Domestic Fixed Income	1,216,555,976	33.6	40.6	-251,601,097
Short Term Fixed Income	1,339,933,381	37.1	29.2	284,823,184
Diversified Real Assets	369,236,048	10.2	10.9	-25,476,493
Cash and Equivalents	159,459,993	4.4	5.6	-42,579,307
Total	**3,616,239,495**	**100.0**	**100.0**	

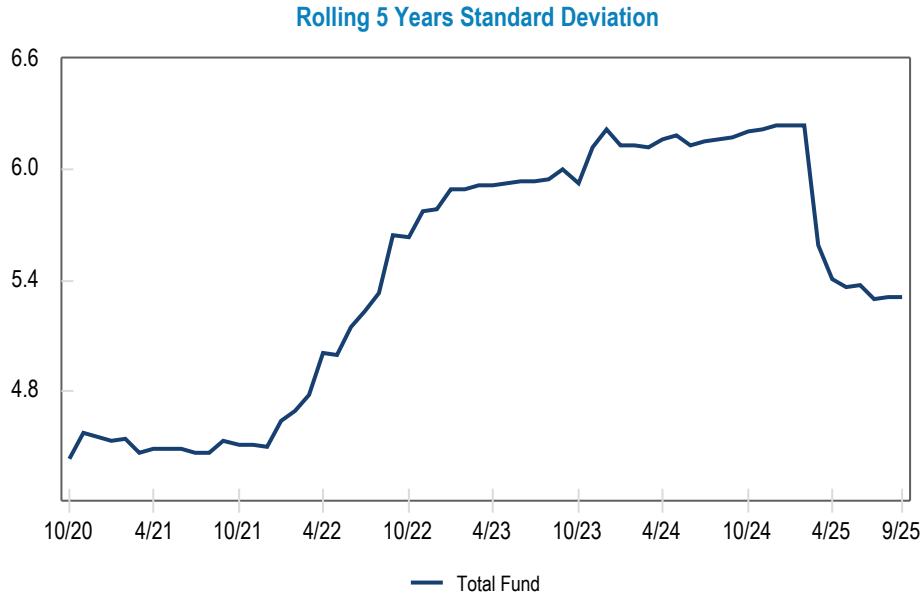
Residual Holdings value of $124,655 included in Global Public Equity value for styling purposes. Policy Asset Allocation based upon 8/31/2025 data.



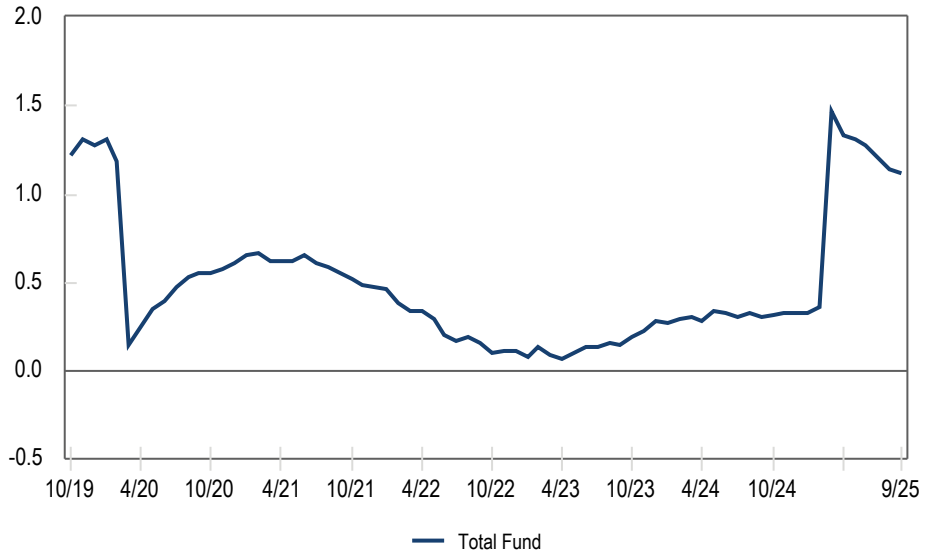
Analytic is using the Corridor Target Index


Rolling 5 Years Sharpe Ratio
1.6
1.2
0.8
0.4
0.0
-0.4
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
7/23
10/23
1/24
4/24
7/24
10/24
1/25
4/25
7/25
9/25
Total Fund

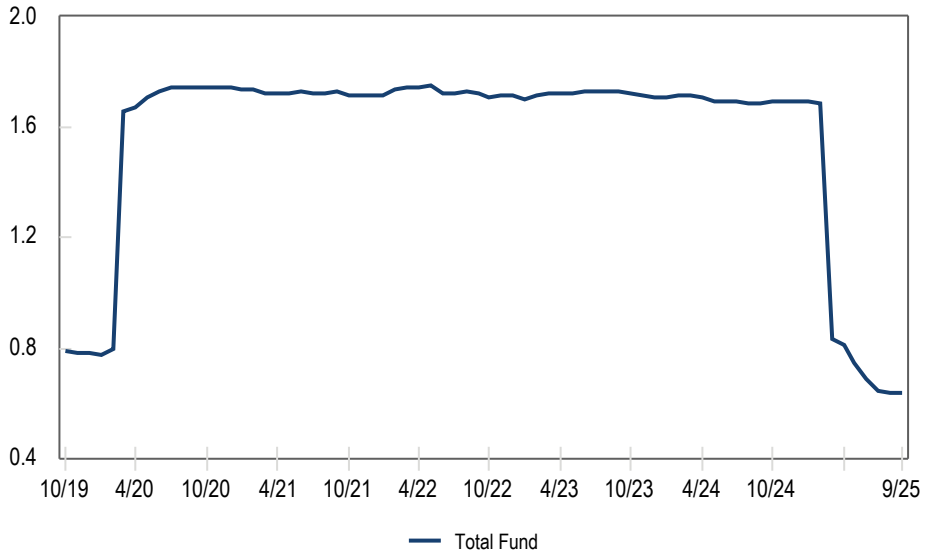

Rolling 5 Years Return
8.0
6.0
4.0
2.0
0.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
6.6
6.0
5.4
4.8
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

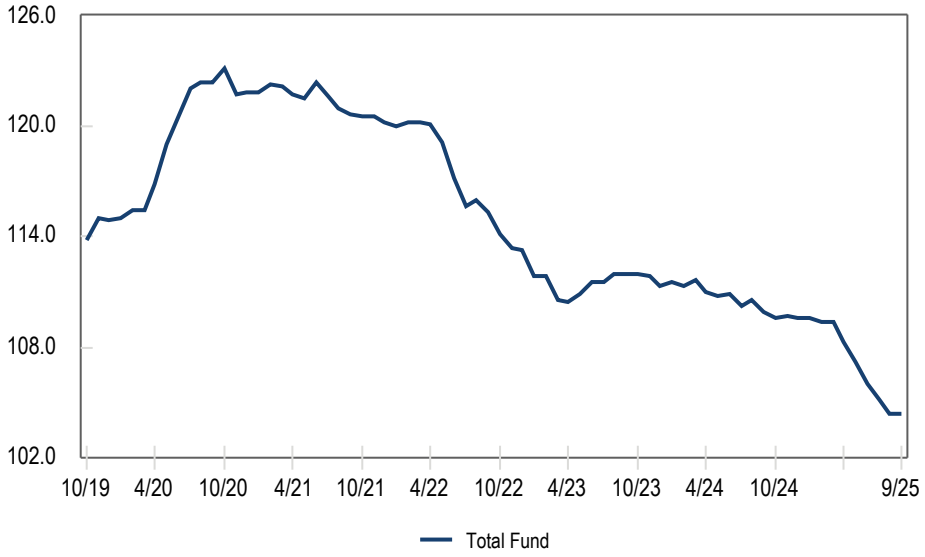
Rolling 5 Years Information Ratio



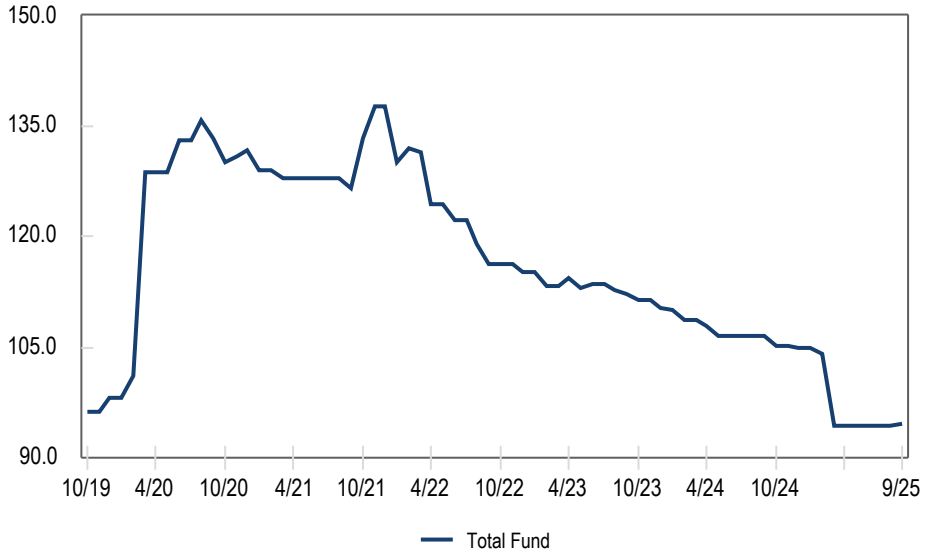
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture



Analytic is using the Corridor Target Index

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**3,616,239,495**	**100.0**	**2.6**	**2.6**	**7.5**	**6.5**	**7.9**	**3.5**	**4.4**	**5.0**
Corridor Target Index			*2.5*	*2.5*	*7.0*	*5.4*	*6.8*	*2.8*	*4.0*	*4.1*
Total Equity	**530,929,442**	**14.7**	**8.0**	**8.0**	**20.1**	**19.1**	**23.1**	**14.2**	**11.1**	
Domestic Equity	**318,068,925**	**8.8**	**7.9**	**7.9**	**14.6**	**18.5**	**23.9**	**16.1**	**12.9**	**13.9**
International Equity	**212,860,517**	**5.9**	**7.9**	**7.9**	**28.9**	**19.6**	**22.3**	**11.1**	**8.2**	**9.2**
					26.0	*16.4*	*20.5*	*10.2*	*7.4*	
Domestic Fixed Income	**1,508,235,214**	**41.7**	**2.3**	**2.3**	**6.9**	**4.0**	**6.2**	**0.5**	**2.8**	**3.3**
			2.0	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*2.1*	
Short Term Fixed Income	**1,048,254,142**	**29.0**	**1.5**	**1.5**	**4.5**	**5.4**	**6.4**	**2.9**	**3.2**	**2.5**
			1.2	*1.2*	*4.1*	*4.1*	*4.7*	*1.8*	*2.5*	
Total Real Assets	**369,236,048**	**10.2**	**1.1**	**1.1**	**4.4**	**4.0**	**1.7**	**2.7**	**3.4**	
			1.5	*1.5*	*4.8*	*3.5*				
Diversified Real Assets	**275,332,623**	**7.6**	**1.3**	**1.3**	**6.5**	**6.0**	**6.3**	**3.4**	**4.0**	**4.2**
Cash & Equivalents	**159,459,993**	**4.4**	**1.1**	**1.1**	**3.2**	**4.4**	**4.8**	**3.0**	**2.6**	**2.0**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value of $124,655 included in Total Fund value.

Workforce Safety & Insurance Fund

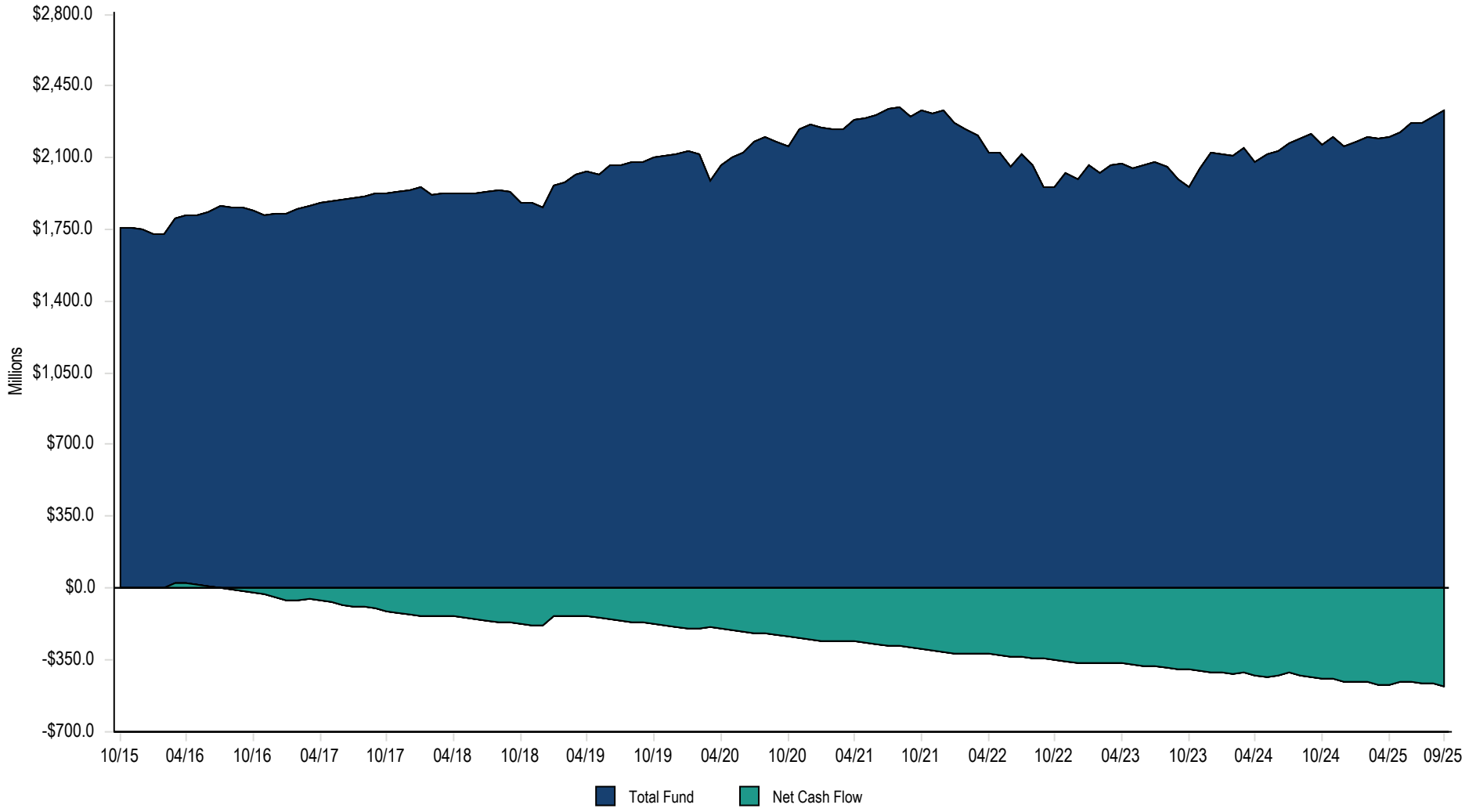
Investment Performance Review

Period Ending: September 30, 2025

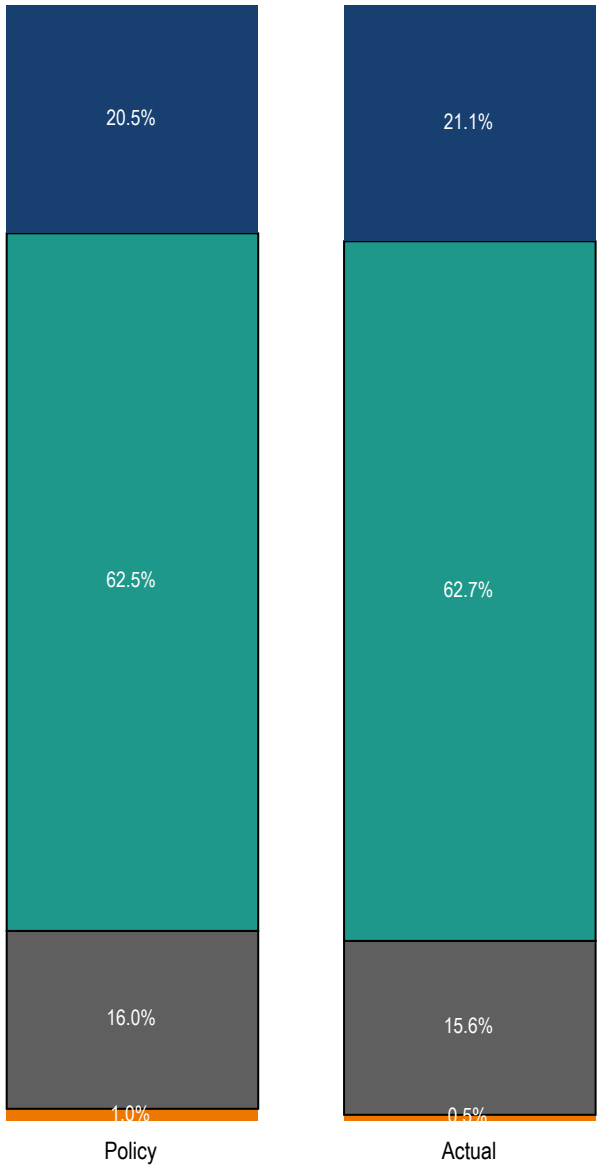
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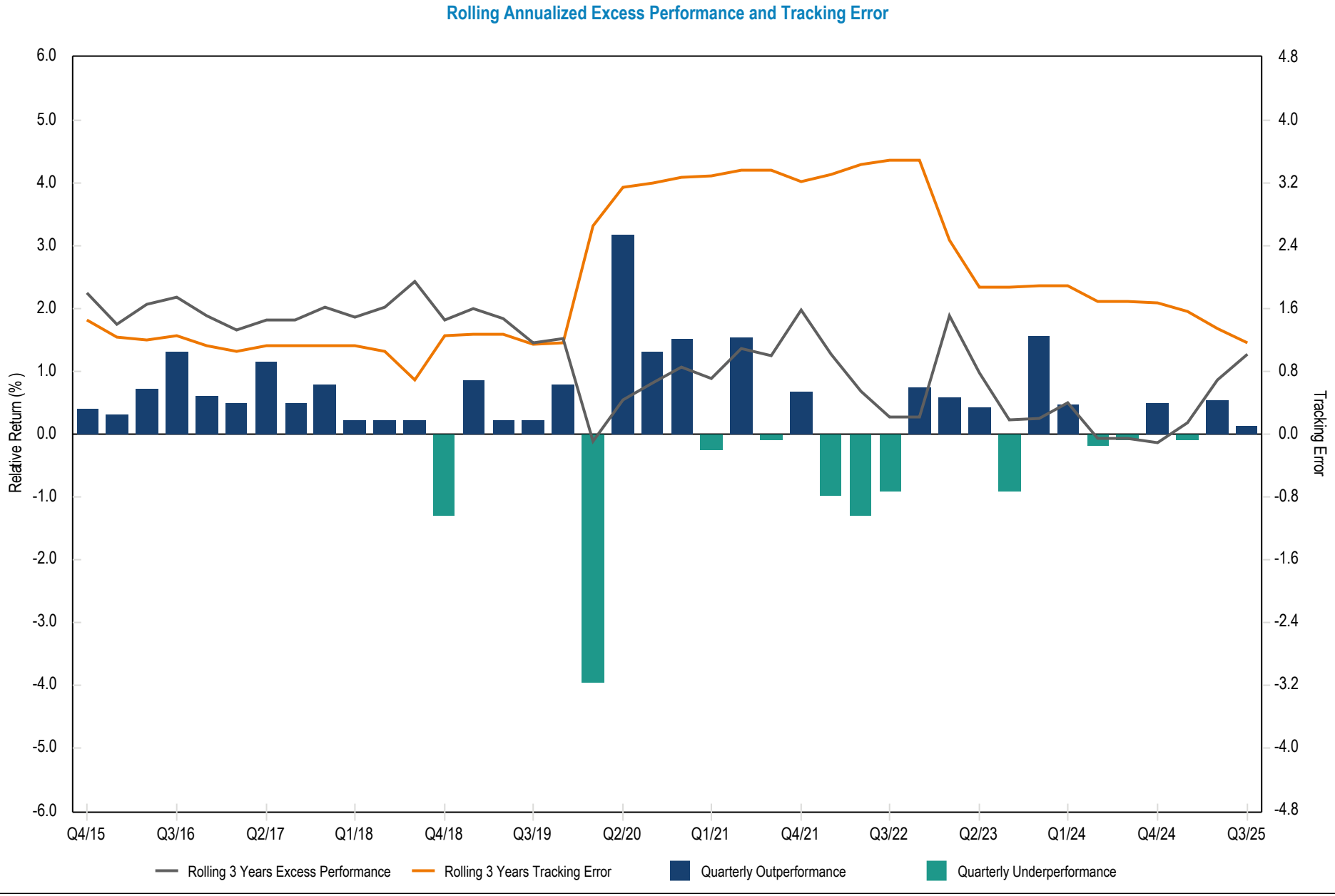


Net Cash Flow is Cumulative.



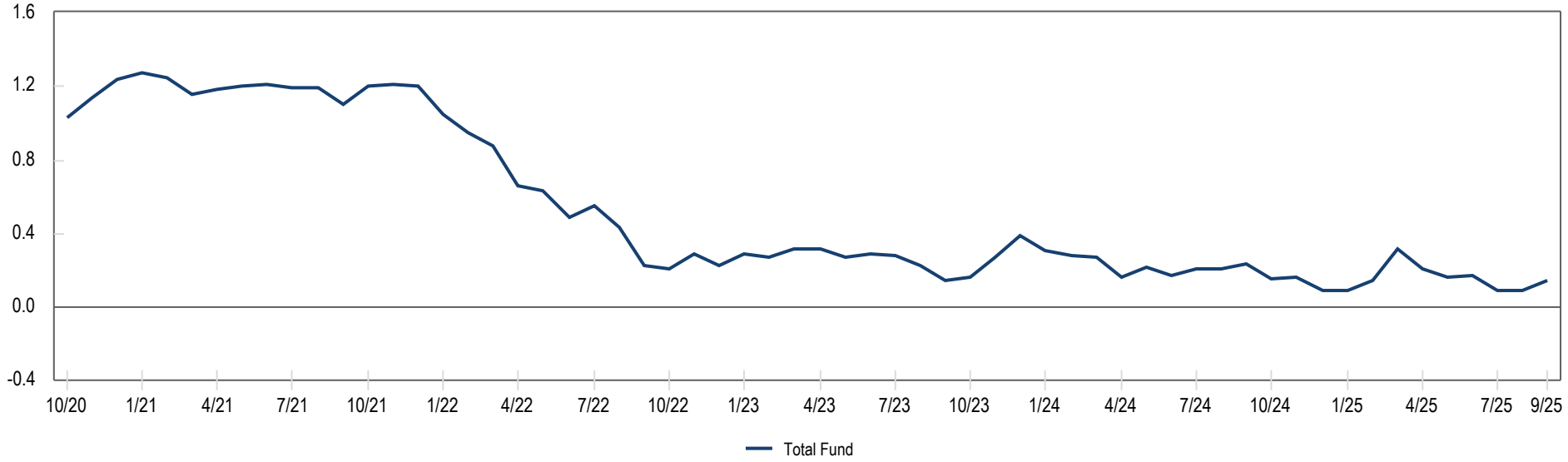
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Global Public Equity	491,935,080	21.1	20.5	15,048,475
Domestic Fixed Income	1,460,952,471	62.7	62.5	6,051,288
Diversified Real Assets	363,772,657	15.6	16.0	-9,814,520
Cash and Equivalents	12,001,373	0.5	1.0	-11,285,242
Total	**2,328,661,582**	**100.0**	**100.0**	

Residual Holdings value of $117,526 included in Global Public Equity value for styling purposes.

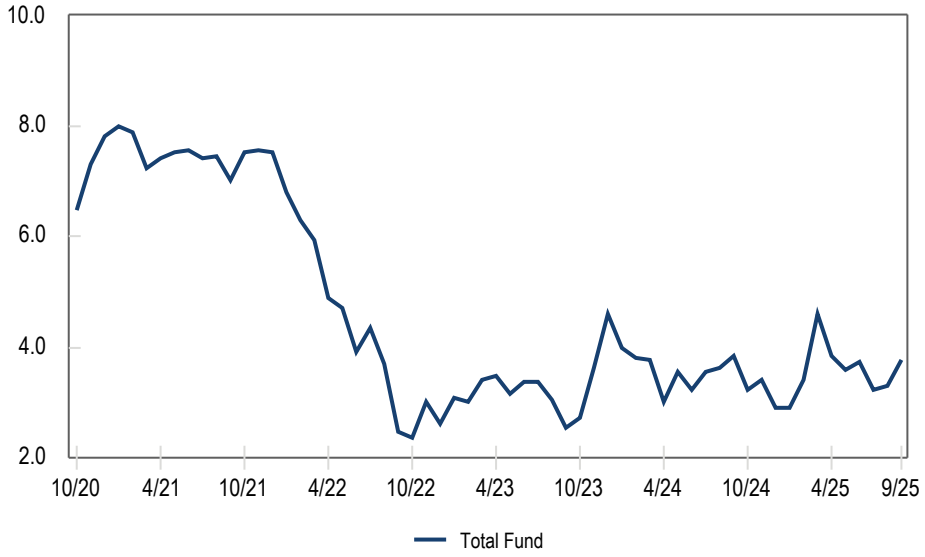


Analytic is using the Corridor Target Index

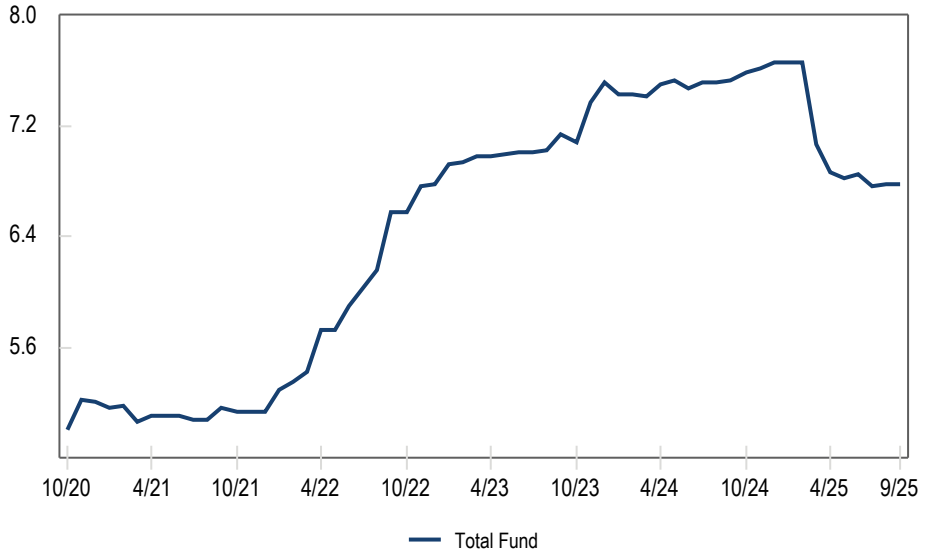
Rolling 5 Years Sharpe Ratio



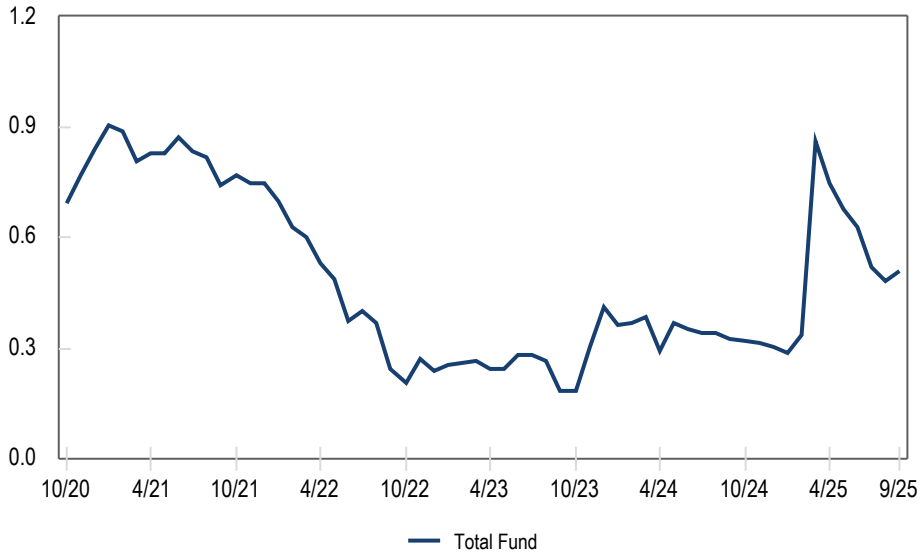
Rolling 5 Years Return



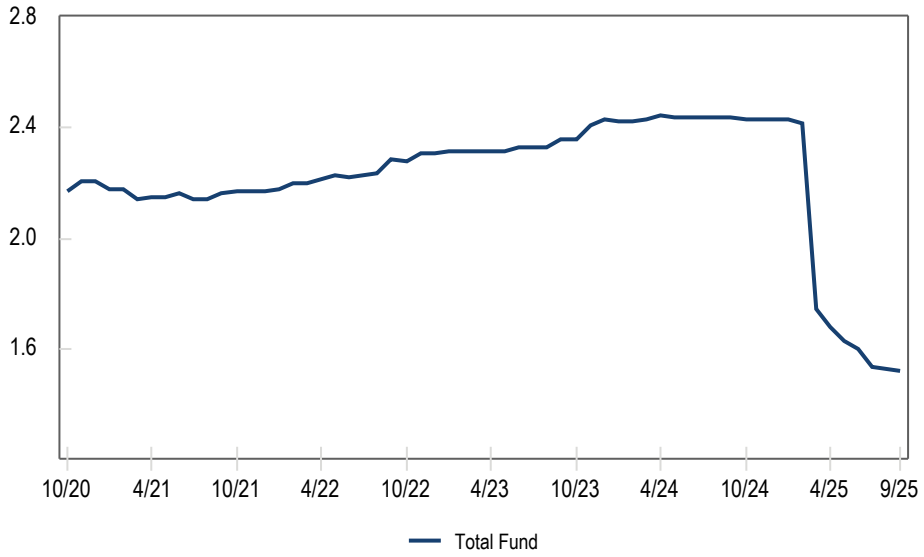
Rolling 5 Years Standard Deviation



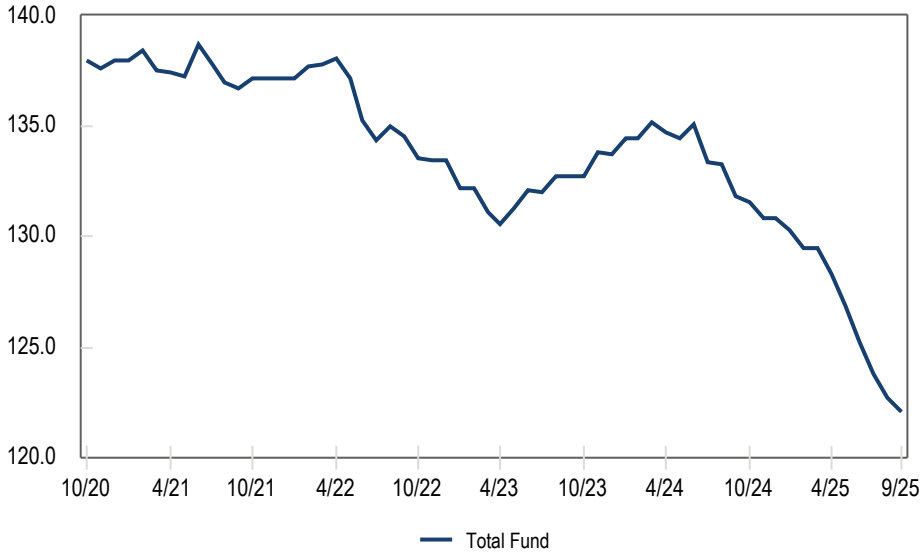
Rolling 5 Years Information Ratio



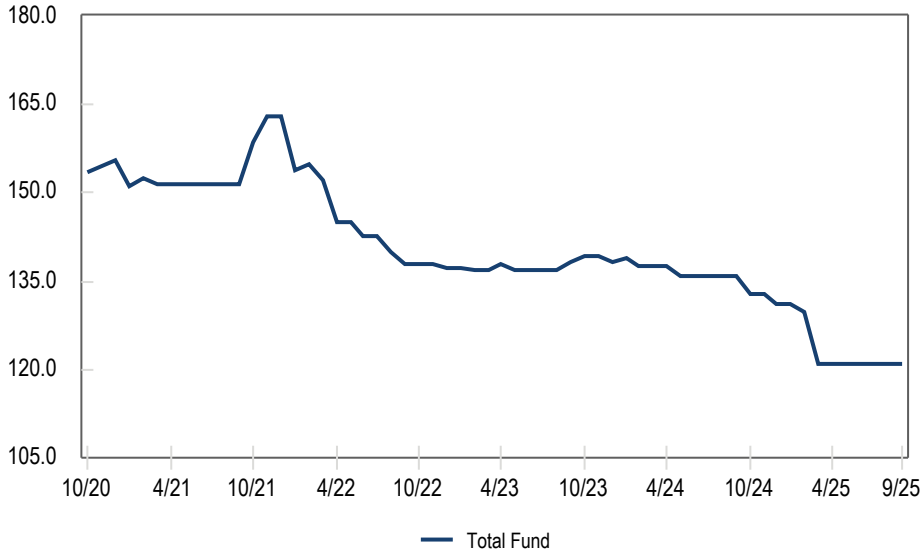
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture



Analytic is using the Corridor Target Index

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**2,328,661,582**	**100.0**	**3.2**	**3.2**	**9.1**	**7.0**	**8.5**	**3.8**	**4.8**	**5.4**
Policy Index			*3.0*	*3.0*	*8.4*	*5.8*	*7.7*	*3.1*	*4.3*	*4.5*
Corridor Target Index			*3.1*	*3.1*	*8.5*	*5.9*	*7.2*	*3.0*	*4.1*	*4.2*
Total Equity	**491,817,554**	**21.1**	**7.9**	**7.9**	**20.2**	**19.3**	**23.2**	**14.2**	**11.1**	
Total Equity Blend			*7.7*	*7.7*	*19.0*	*17.2*				
Fixed Income	**1,460,952,471**	**62.7**	**2.3**	**2.3**	**6.9**	**4.0**	**6.2**	**0.5**	**2.9**	**3.2**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*2.1*	*1.8*
Total Real Assets	**363,772,657**	**15.6**	**1.1**	**1.1**	**4.4**	**4.0**	**1.7**	**2.7**	**3.4**	
Total Real Assets Blend			*1.5*	*1.5*	*4.8*	*3.5*	-	-	-	-
Cash Equivalents	**12,001,373**	**0.5**	**1.1**	**1.1**	**3.2**	**4.4**	**4.8**	**3.0**	**2.6**	**2.0**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

Residual Holdings value of $117,526 included in Total Fund value. Fiscal year 06/30.

Budget Stabilization Fund

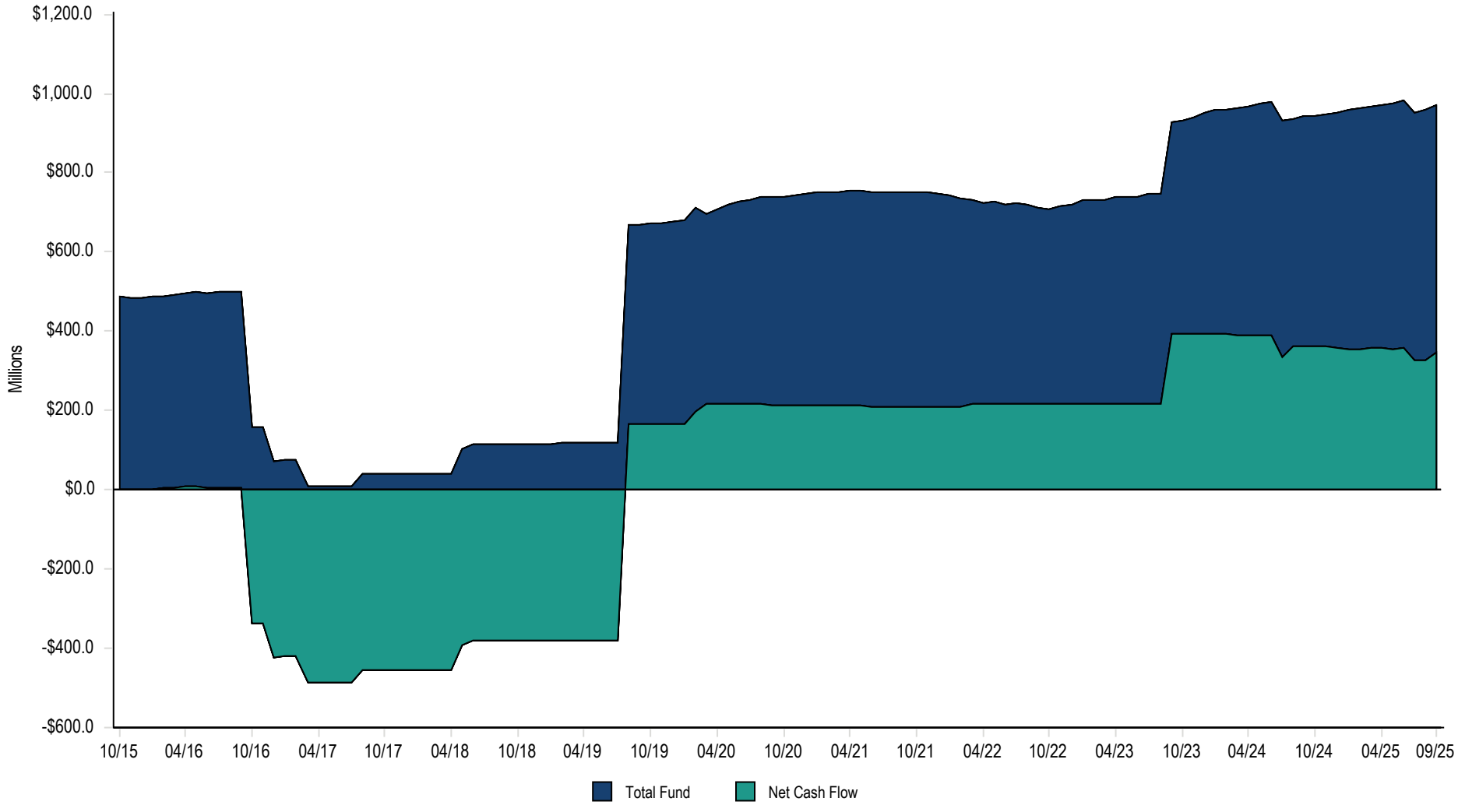
Investment Performance Review

Period Ending: September 30, 2025

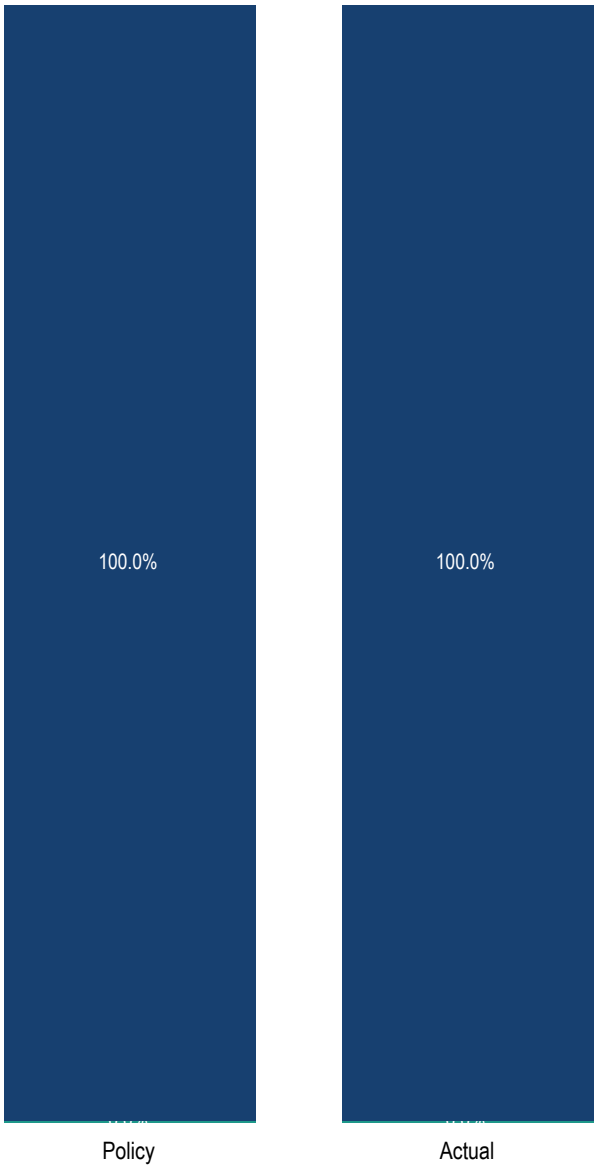
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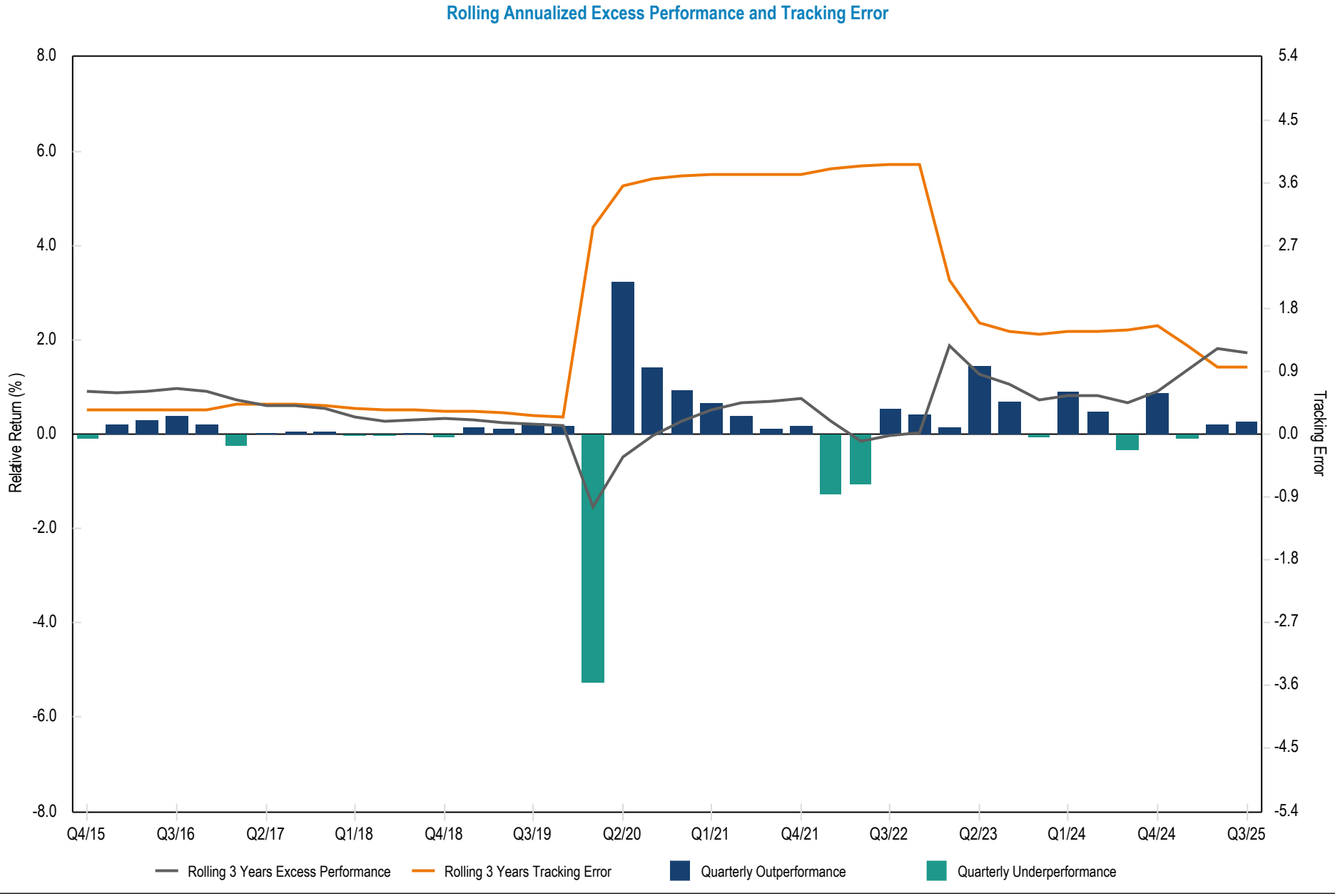
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PITTSBURGH 412.784.6678
LOS ANGELES 310.297.1777
SAN FRANCISCO 415.362.3484



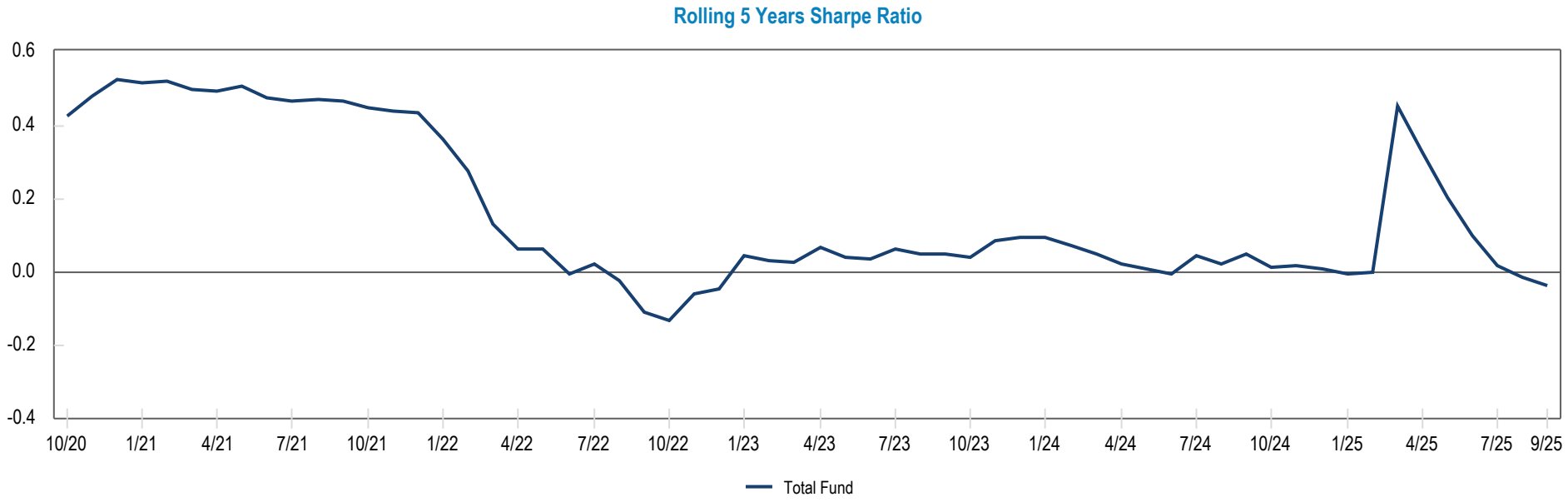
Net Cash Flow is Cumulative.

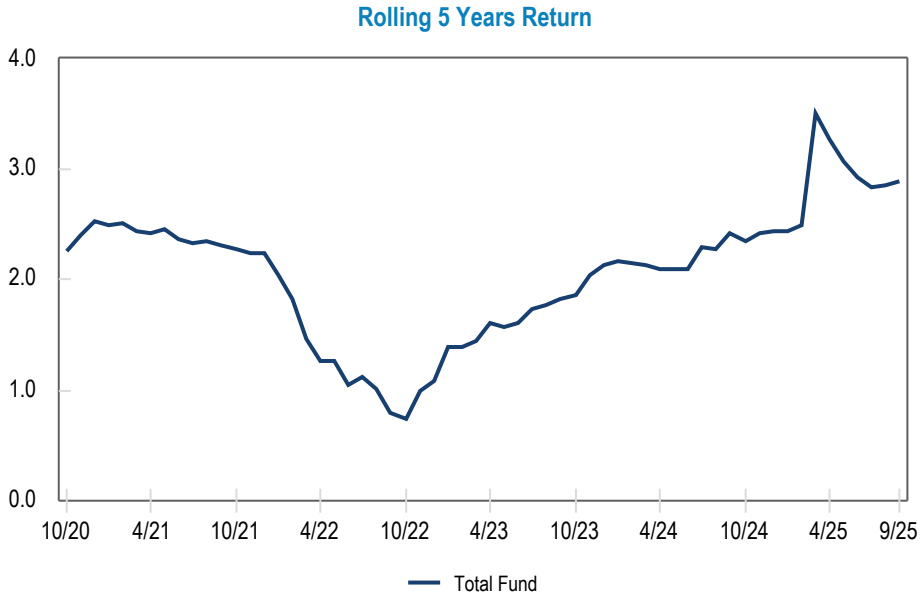


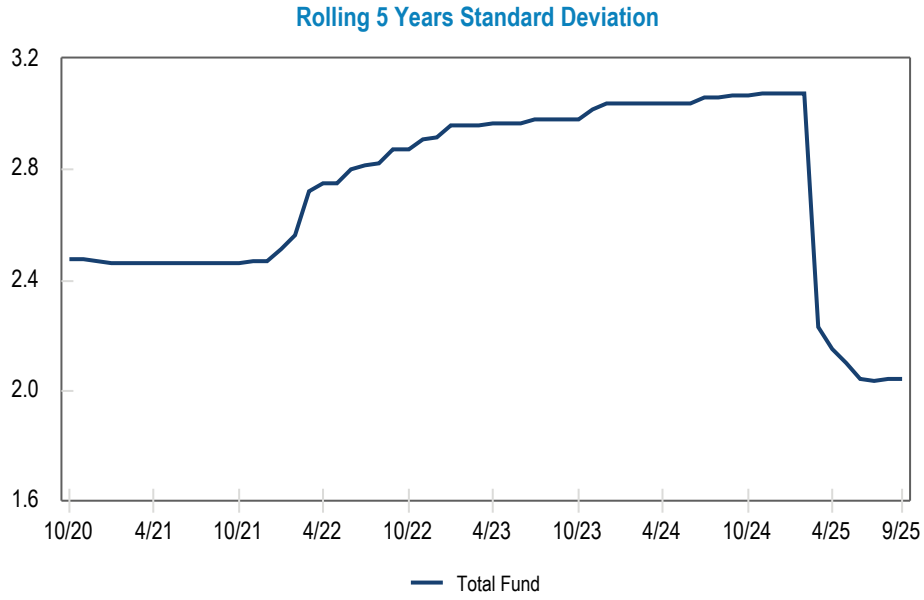
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Differences ($)
Short Term Fixed Income	971,578,129	100.0	100.0	-1,897
Cash and Equivalents	254,573	0.0	0.0	1,897
Total	**971,832,702**	**100.0**	**100.0**	



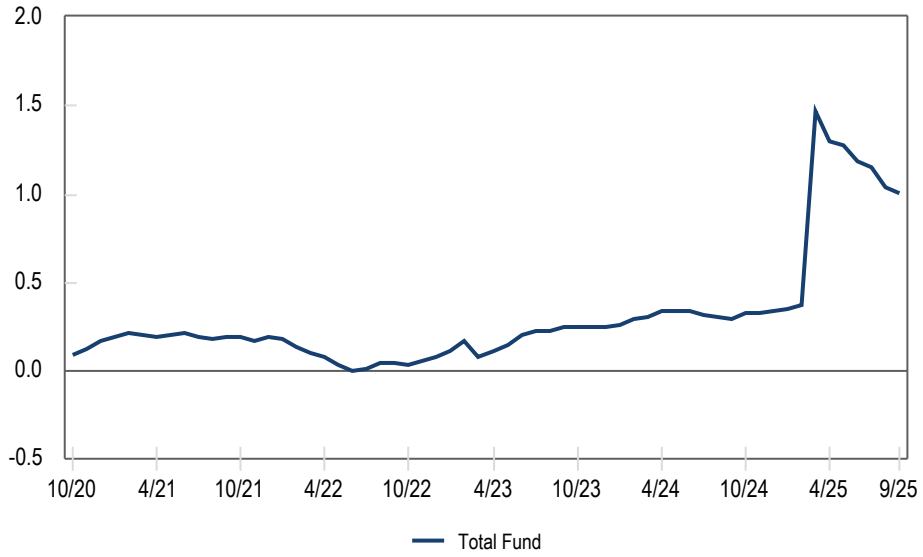
Analytic is using the Policy Index


Rolling 5 Years Sharpe Ratio
0.6
0.4
0.2
0.0
-0.2
-0.4
10/20
1/21
4/21
7/21
10/21
1/22
4/22
7/22
10/22
1/23
4/23
7/23
10/23
1/24
4/24
7/24
10/24
1/25
4/25
7/25
9/25
Total Fund

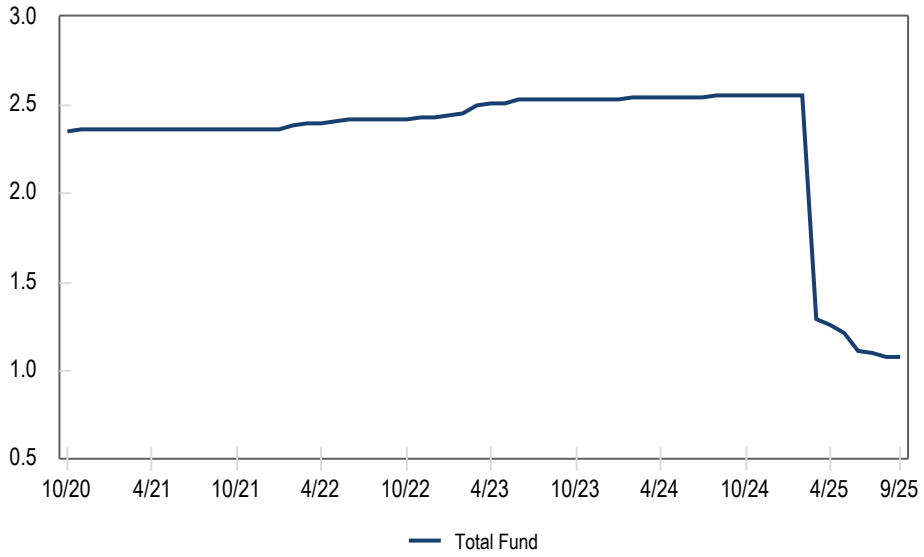

Rolling 5 Years Return
4.0
3.0
2.0
1.0
0.0
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund


Rolling 5 Years Standard Deviation
3.2
2.8
2.4
2.0
1.6
10/20
4/21
10/21
4/22
10/22
4/23
10/23
4/24
10/24
4/25
9/25
Total Fund

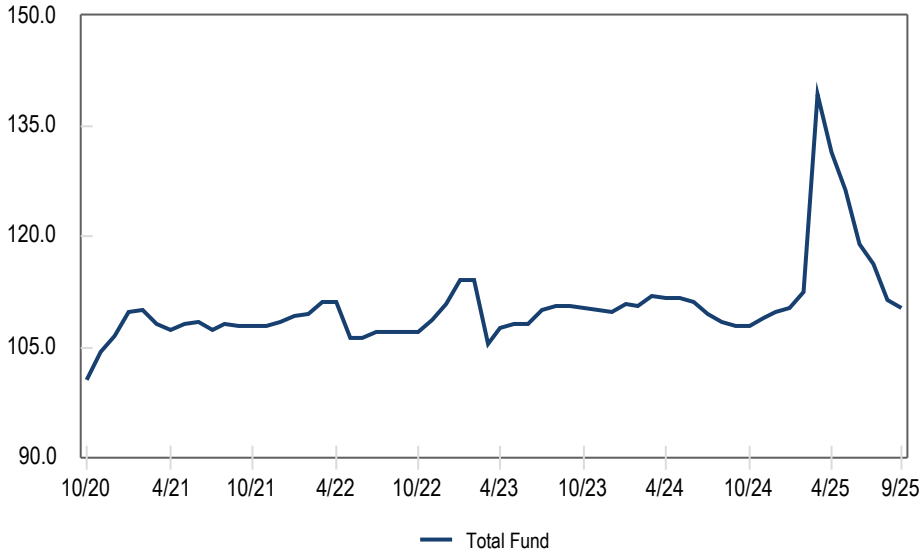
Rolling 5 Years Information Ratio



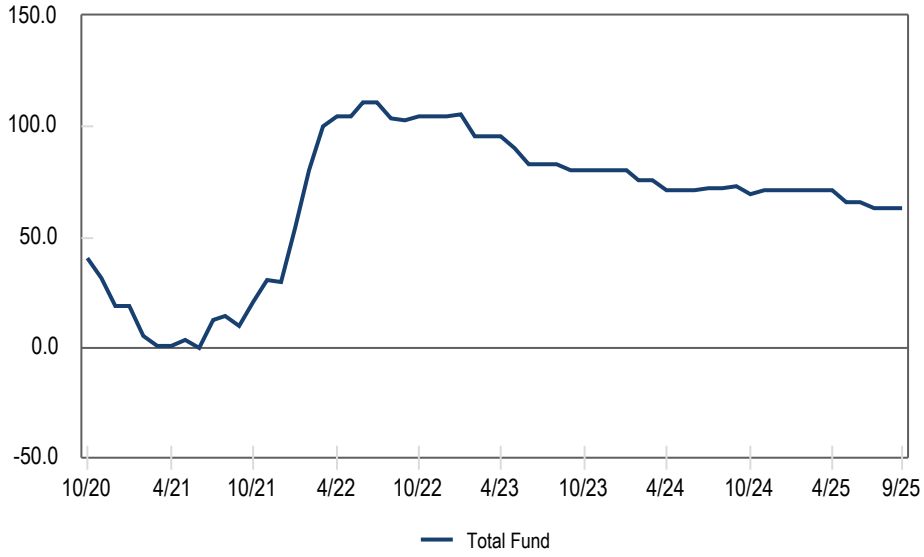
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture



Analytic is using the Policy Index.

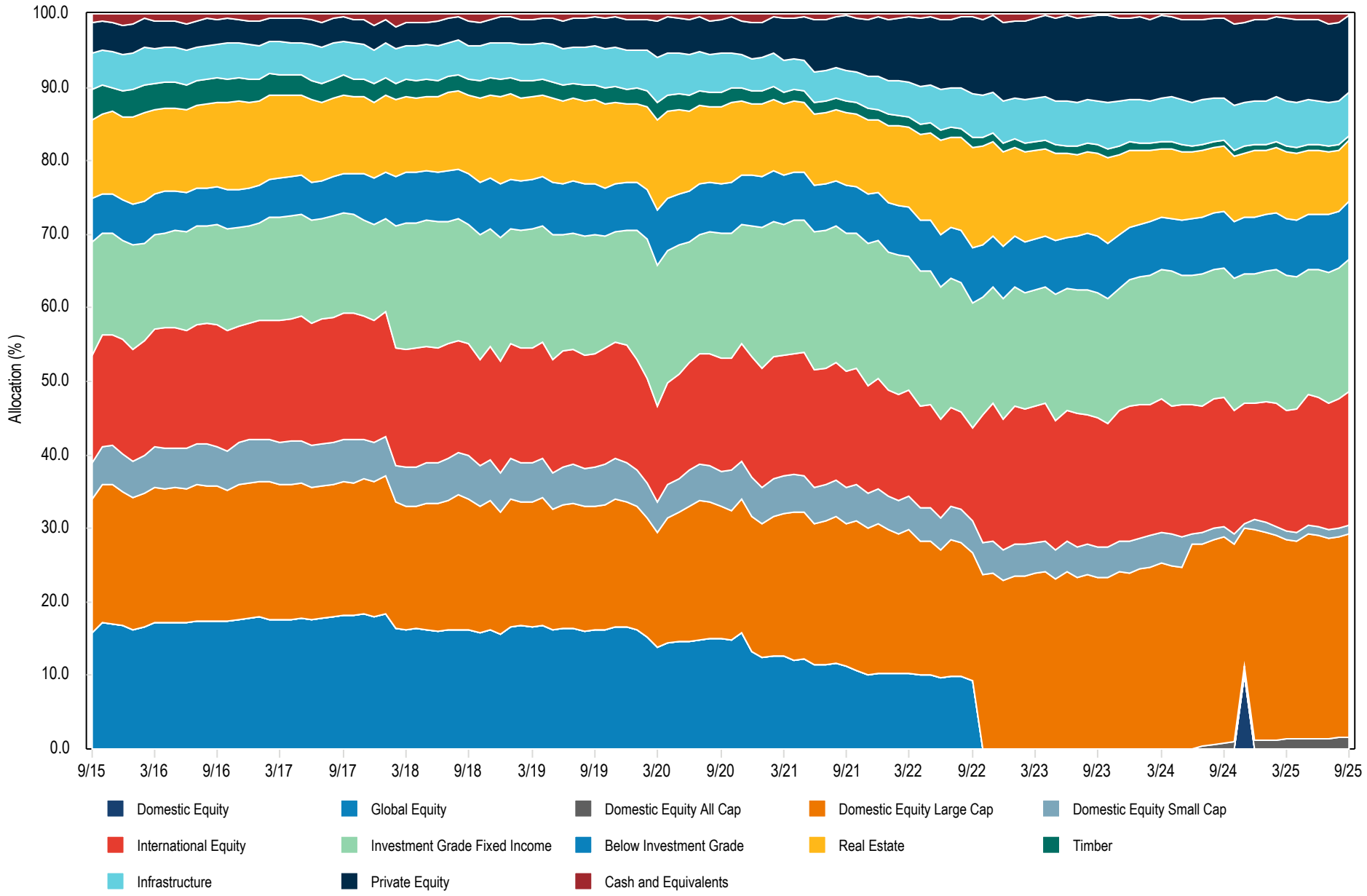
	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**971,832,702**	**100.0**	**1.5**	**1.5**	**4.5**	**5.4**	**6.4**	**2.9**	**3.2**	**2.6**
Policy Index			*1.2*	*1.2*	*4.1*	*4.1*	*4.7*	*1.8*	*2.5*	
Short Term Fixed Income	**971,578,129**	**100.0**	**1.5**	**1.5**	**4.5**	**5.4**	**6.4**	**2.9**	**3.2**	**2.5**
									2.5	*1.9*
Cash & Equivalents	**254,573**	**0.0**	**1.1**	**1.1**	**3.2**	**4.4**	**4.8**	**3.0**	**2.5**	**2.0**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.6*	*2.1*

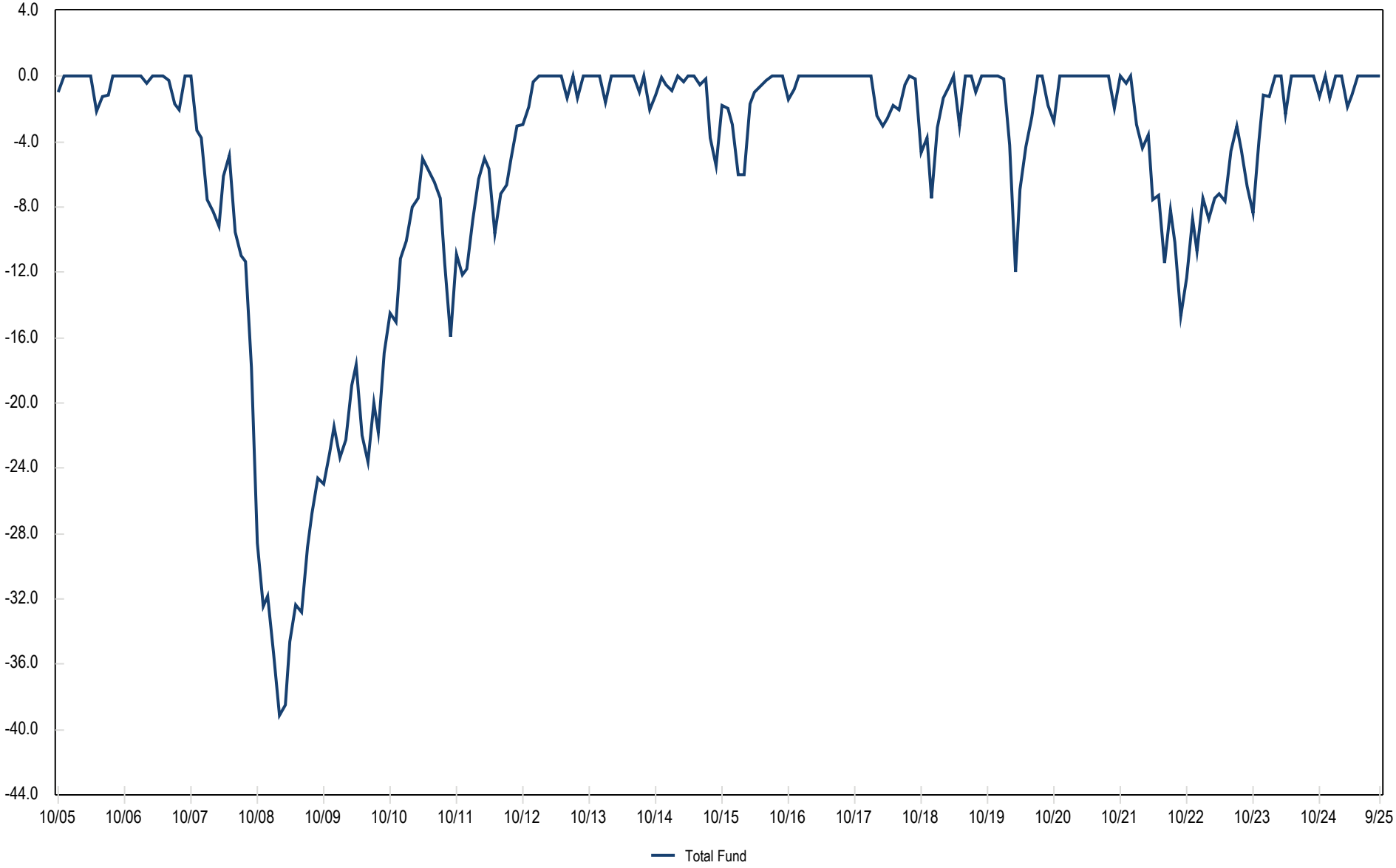
Fiscal year 06/30.

Appendix - Pension

Investment Performance Review

Period Ending: September 30, 2025


100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Global Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Investment Grade Fixed Income
Below Investment Grade
Real Estate
Timber
Infrastructure
Private Equity
Cash and Equivalents



	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-39.2	63 Months	26

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.8	1.7	6.9	7.3	7.2	7.5	6.9	7.0
Downside Risk	2.6	2.8	3.2	3.5	4.8	5.1	5.1	5.2
Risk/Return Summary Statistics								
Standard Deviation	5.8	5.7	6.8	7.3	8.2	8.7	8.2	8.4
Alpha	1.1	0.0	0.8	0.0	0.5	0.0	0.4	0.0
Sharpe Ratio	1.2	1.0	1.1	1.0	0.7	0.7	0.8	0.8
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.6	0.0	1.0	0.0	1.1	0.0	1.0	0.0
Information Ratio	1.9	-	-0.2	-	-0.1	-	0.2	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	66.7	100.0	50.0	100.0	50.0	100.0	50.8	100.0

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.8	1.7	6.9	7.0	7.2	7.4	6.9	7.0
Downside Risk	2.6	2.7	3.2	3.4	4.8	5.1	5.1	5.4
Risk/Return Summary Statistics								
Standard Deviation	5.8	5.7	6.8	7.0	8.2	8.6	8.2	8.5
Alpha	1.0	0.0	0.7	0.0	0.8	0.0	0.7	0.0
Sharpe Ratio	1.2	1.1	1.1	1.0	0.7	0.7	0.8	0.7
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.5	0.0	0.8	0.0	1.0	0.0	0.8	0.0
Information Ratio	2.0	-	0.3	-	0.3	-	0.4	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	58.3	100.0	50.0	100.0	53.3	100.0	56.7	100.0

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	**9,101,305,808**	**100.0**	**4.2**	**4.2**	**12.1**	**11.8**	**12.3**	**9.0**	**8.7**
Policy Index			*4.4*	*4.4*	*11.6*	*10.6*	*12.4*	*9.1*	*8.4*
Corridor Target Index			*4.3*	*4.3*	*11.5*	*10.6*	*12.0*	*8.6*	*8.2*
Total Equity	**5,364,511,551**	**58.9**	**6.2**	**6.2**	**16.9**	**16.8**	**19.8**	**13.6**	**11.7**
Total Equity Blend			*6.2*	*6.2*	*16.2*	*15.6*			
Public Equity	**4,411,803,142**	**48.5**	**7.9**	**7.9**	**19.5**	**18.8**	**23.1**	**13.8**	
Domestic Equity	**2,772,271,424**	**30.5**	**8.1**	**8.1**	**14.7**	**18.6**	**24.0**	**15.6**	**14.8**
Domestic All Cap Equity	**137,811,359**	**1.5**	**8.0**	**8.0**	**18.3**	**23.6**			
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*			
Large Cap	**2,522,932,282**	**27.7**	**8.0**	**8.0**	**14.8**	**18.4**	**25.5**	**16.4**	**15.9**
Small Cap	**111,526,203**	**1.2**	**10.4**	**10.4**	**10.3**	**8.2**	**12.7**	**9.3**	**9.1**
International Equity	**1,639,232,683**	**18.0**	**7.7**	**7.7**	**28.9**	**19.6**	**21.9**	**10.3**	**9.4**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*8.2*
International All Cap	**720,259,237**	**7.9**	**8.5**	**8.5**	**31.4**	**22.2**	**23.5**		
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	-	-
William Blair Int'l Leaders	211,285,167	2.3	3.1	3.1	19.2	9.5	15.5	4.4	-
Arrowstreet ACWI ex US	508,974,070	5.6	11.0	11.0	37.5	28.8	28.0	-	-

Domestic Equity Transition value of $1,579, Wellington International Small Cap value of $88,460, Adams St 2002 Partnership value of $1, EIG Energy Fund XIV value of $1, Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 are included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Developed International Equity	**643,141,964**	**7.1**	**5.9**	**5.9**	**27.5**	**17.8**	**22.5**	**11.2**	**9.5**
Developed International Large Cap	**550,913,989**	**6.1**	**5.4**	**5.4**	**26.1**	**16.5**	**22.8**		
Developed International Small Cap	**92,227,975**	**1.0**	**8.9**	**8.9**	**35.5**	**25.7**	**23.9**		
							20.0		
	46,394,253	0.5	10.6	10.6	41.6	32.4	28.9	17.6	
Emerging Markets	**275,831,482**	**3.0**	**9.8**	**9.8**	**25.8**	**16.7**	**16.7**	**5.5**	**8.0**
			10.6	*10.6*	*27.5*	*17.3*	*18.2*	*7.0*	
	299,035	0.0							
Private Equity	**952,708,409**	**10.5**	**-1.1**	**-1.1**	**5.9**	**8.2**	**6.6**	**15.5**	**9.5**
			0.0	*0.0*	*6.8*	*9.4*			
Total Adams Street 2010 Funds	**6,038,892**	**0.1**	**-2.2**	**-2.2**	**6.5**	**7.2**	**-1.0**	**10.8**	**12.3**
Total ASP (Brinson) Fds 1998-2003	**207,353**	**0.0**	**0.2**	**0.2**	**1.4**	**2.5**	**16.9**	**9.1**	**5.5**
Total ASP (Brinson) Non-US 1999-2004	**34,194**	**0.0**	**-4.8**	**-4.8**	**-7.1**	**-3.9**	**11.9**	**6.1**	**5.3**
Adams St 2000 Non-US Partnership	34,194	0.0	-4.8	-4.8	-4.5	-3.7	-3.9	-8.3	-1.9
Adams St 2008 Non-US Partnership	115,290	0.0	2.6	2.6	-8.4	29.1	-5.4	1.1	7.6
Adams St 2015 Global Fund	33,261,713	0.4	-4.3	-4.3	6.8	10.2	2.5	14.7	18.9
Adams St 2016 Global Fund	32,683,868	0.4	0.0	0.0	9.6	11.2	3.9	15.6	-
Adams St 2017 Global Fund	67,683,455	0.7	-4.1	-4.1	3.8	6.4	1.6	16.0	-
Adams St 2018 Global Fund	76,598,447	0.8	-3.6	-3.6	6.9	11.1	5.2	18.9	-
Adams St 2019 Global Fund	72,802,111	0.8	-3.8	-3.8	8.3	11.3	3.6	29.4	-
Adams St 2020 Global Fund	59,349,166	0.7	-4.8	-4.8	6.9	9.9	6.4	-	-
Adams St 2021 Global Fund	50,535,457	0.6	-2.5	-2.5	10.2	15.3	12.4	-	-

Domestic Equity Transition value of $1,579, Wellington International Small Cap value of $88,460, Adams St 2002 Partnership value of $1, EIG Energy Fund XIV value of $1, Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 are included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Private Equity Misc Funds	**11,105,391**	**0.1**	**-13.4**	**-13.4**	**-9.0**	**-8.6**	**5.2**	**1.5**	**-0.5**
Total Income	**2,360,153,058**	**25.9**	**2.1**	**2.1**	**6.5**	**5.0**	**6.8**	**2.2**	**4.2**
Total Income Blend			*2.2*	*2.2*	*6.5*	*4.3*	-	-	-
Investment Grade Fixed Income	**1,643,511,228**	**18.1**	**2.3**	**2.3**	**6.8**	**4.0**	**5.8**	**0.2**	**2.9**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*1.8*
Allspring Med Quality Credit	126,039,751	1.4	3.0	3.0	7.5	4.8	-	-	-
PIMCO DiSCO II	64,964,180	0.7	1.4	1.4	5.8	7.8	8.7	6.6	7.5
PIMCO Core Plus Constrained	415,894,039	4.6	2.6	2.6	7.7	5.2	6.4	0.4	3.3
Prudential Core	411,846,392	4.5	2.2	2.2	6.6	3.4	5.9	0.0	-
State Street Gov Index	77,612,708	0.9	1.5	1.5	5.4	2.1	-	-	-
State Street Securitized Index	40,687,728	0.4	2.4	2.4	-	-	-	-	-
Western Asset Core Plus	168,329,927	1.8	2.2	2.2	7.3	3.8	-	-	-
Internal Fixed Income	337,877,790	3.7	1.8	1.8	-	-	-	-	-
Fixed Income Transition Account	258,713	0.0							

Domestic Equity Transition value of $1,579, Wellington International Small Cap value of $88,460, Adams St 2002 Partnership value of $1, EIG Energy Fund XIV value of $1, Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 are included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Below Investment Grade	**716,641,830**	**7.9**	**1.6**	**1.6**	**5.8**	**7.4**	**9.0**	**7.5**	**7.1**
Total Real Assets	**1,348,932,717**	**14.8**	**0.3**	**0.3**	**4.1**	**5.4**	**-2.0**	**4.0**	**4.7**
Total Real Assets Blend			*0.9*	*0.9*	*3.0*	*3.2*			
Global Real Estate	**753,417,578**	**8.3**	**0.3**	**0.3**	**1.4**	**1.5**	**-8.3**	**0.8**	**3.7**
Other Real Assets	**595,515,140**	**6.5**	**0.3**	**0.3**	**7.5**	**10.6**	**8.3**	**8.8**	
Other Real Assets Blend			*1.1*	*1.1*	*3.5*	*3.9*			
Infrastructure	**532,578,537**	**5.9**	**0.3**	**0.3**	**8.1**	**11.4**	**9.4**	**10.1**	**7.8**
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag			*1.1*	*1.1*	*3.4*	*3.7*	*-5.3*	*3.6*	*5.5*
ISQ Global Infrastructure II	78,425,476	0.9	-0.4	-0.4	3.7	9.5	10.0	12.4	-
ISQ Global Infrastructure III	53,477,665	0.6	-1.2	-1.2	8.3	12.8	21.5	-	-
The Rohatyn Group	11,879,673	0.1	0.2	0.2	-3.0	-3.7	2.2	0.6	-2.0
JP Morgan IIF Infrastructure	140,908,130	1.5	0.0	0.0	9.4	14.2	11.8	9.5	7.6
Grosvenor CIS Fund I	5,049,675	0.1	-5.4	-5.4	3.4	2.8	11.2	10.9	8.5
Grosvenor CIS Fund II	13,534,532	0.1	-0.2	-0.2	-7.9	-5.5	3.8	9.2	8.7
Grosvenor CIS Fund III	58,682,742	0.6	0.0	0.0	8.0	10.1	8.7	-	-
Macquarie Infrastructure Fund IV	94,014,615	1.0	2.5	2.5	11.6	13.8	6.9	11.3	-
Macquarie Infrastructure Fund V	76,606,029	0.8	0.8	0.8	12.0	12.7	7.2	-	-

Domestic Equity Transition value of $1,579, Wellington International Small Cap value of $88,460, Adams St 2002 Partnership value of $1, EIG Energy Fund XIV value of $1, Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 are included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Timber	**62,936,603**	**0.7**	**0.0**	**0.0**	**3.1**	**4.3**	**2.2**	**3.7**	**2.0**
Cash & Equivalents	**22,625,875**	**0.2**	**3.1**	**3.1**	**5.9**	**7.2**	**5.8**	**3.6**	**2.4**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.1*
Northern Trust Cash Account	2,650,340	0.0	1.1	1.1	3.4	4.7	5.0	3.1	2.2
BND Cash	41,210	0.0	1.1	1.1	3.3	4.5	4.9	3.1	-
Cash Overlay Equities	12,227,276	0.1	8.1	8.1	-	-	-	-	-
Cash Overlay Fixed	7,707,048	0.1	0.3	0.3	-	-	-	-	-

Domestic Equity Transition value of $1,579, Wellington International Small Cap value of $88,460, Adams St 2002 Partnership value of $1, EIG Energy Fund XIV value of $1, Residual Holdings value of $1,932,900 and Sanctioned Residual Holdings value of $3,149,707 are included in Total Fund value. Fiscal year 06/30.

BARRA RISK FACTORS[3]

EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	5.87
Dividend Yield	(15.90)
Earnings Yield	(9.68)
Growth	10.73
Leverage	(8.68)
Liquidity	13.10
Mid Cap	(11.73)
Momentum	(2.02)
Residual Volatility	5.81
Size	(2.72)
Value	(5.81)

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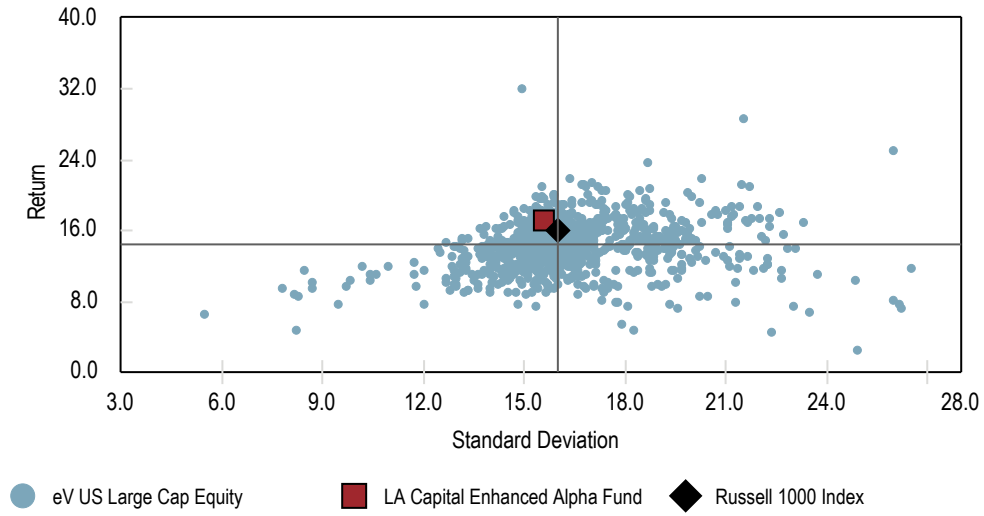
FUNDAMENTAL STATISTICS[3,6]

	Fund	Benchmark Index
Active Share (%)	74.87	—
Position Count	2,970	2,983
Dividend Yield (%)	0.98	1.22
Long Term Debt-to-Equity Ratio	0.86	0.86
Price-to-Book Ratio	4.87	4.37
Price-to-Earnings Ratio (trailing)	26.92	26.04
Weighted Average Market Cap ($m)	276,134	275,659

Characteristics

	Portfolio	Benchmark
Number of Stocks	348	1,011
Wtd. Avg. Mkt. Cap $M	1,002,337.1	1,234,783.7
Median Mkt. Cap $M	16,561.4	15,516.8
Price/Earnings ratio	23.6	28.5
Price/Book ratio	5.3	5.1
Return on Equity (%)	-2.0	5.5
Current Yield (%)	1.3	1.2
Beta (5 Years, Monthly)	1.0	1.0

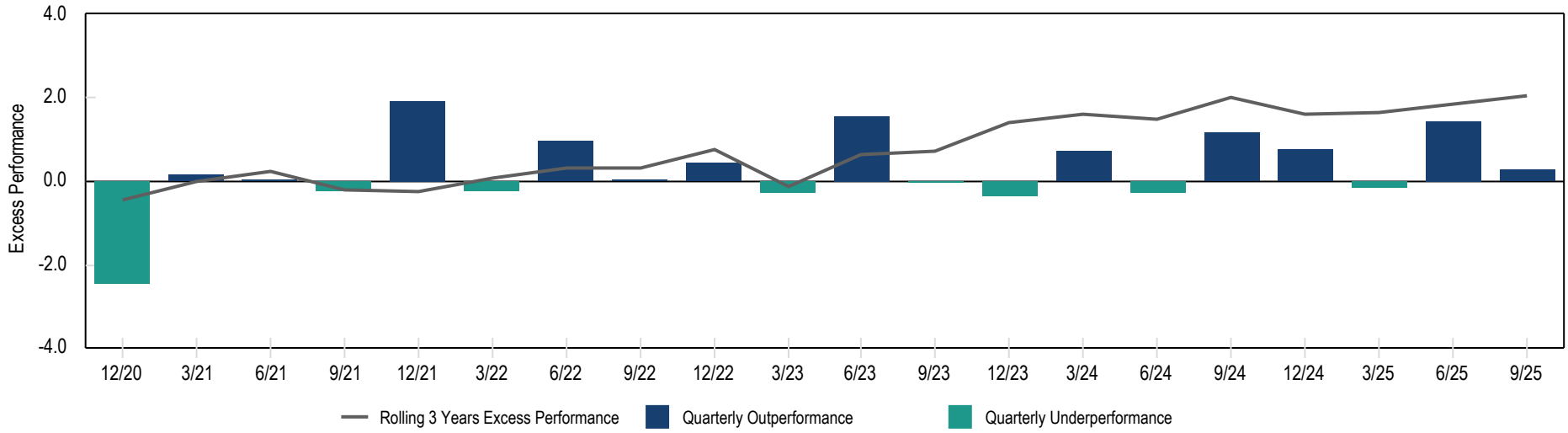
Risk vs. Return - 5 Years



Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	13.44	15.59	14.95
Tracking Error	2.15	2.35	2.33
Alpha	2.05	1.61	1.39
Information Ratio	0.77	0.43	0.27
Beta	0.98	0.96	0.95
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.49	0.92	0.93
Positive Months Ratio	69.44	65.00	68.33
Up Capture	102.44	100.23	98.65
Down Capture	92.50	94.18	92.97
Up Market Periods	25	38	85
Down Market Periods	11	22	35

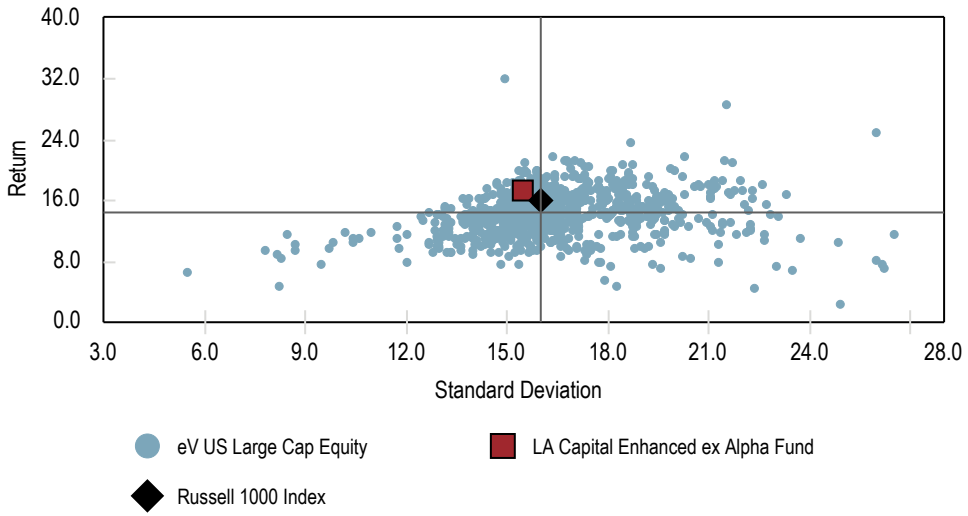
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	145	1,011
Wtd. Avg. Mkt. Cap $M	1,092,650.2	1,234,783.7
Median Mkt. Cap $M	40,078.2	15,516.8
Price/Earnings ratio	27.9	28.5
Price/Book ratio	6.0	5.1
Return on Equity (%)	-1.1	5.5
Current Yield (%)	0.9	1.2
Beta (5 Years, Monthly)	1.0	1.0

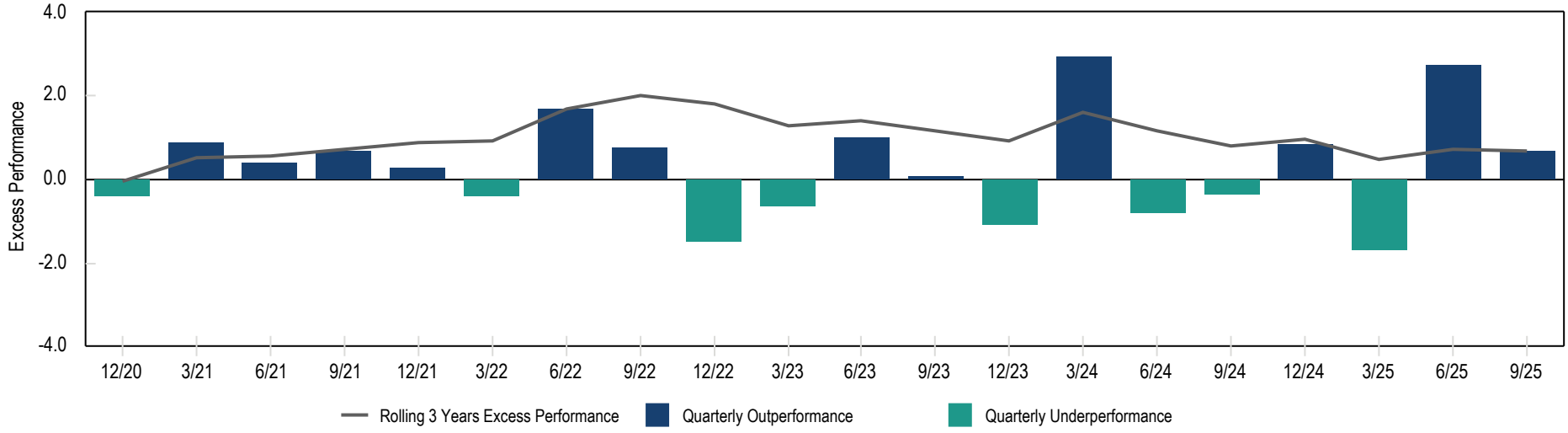
Risk vs. Return - 5 Years



Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	13.58	15.46	15.17
Tracking Error	2.34	2.22	2.17
Alpha	0.75	1.79	0.62
Information Ratio	0.24	0.49	0.05
Beta	0.99	0.96	0.97
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.40	0.93	0.88
Positive Months Ratio	72.22	66.67	68.33
Up Capture	100.30	99.44	97.92
Down Capture	95.76	92.15	95.06
Up Market Periods	25	38	85
Down Market Periods	11	22	35

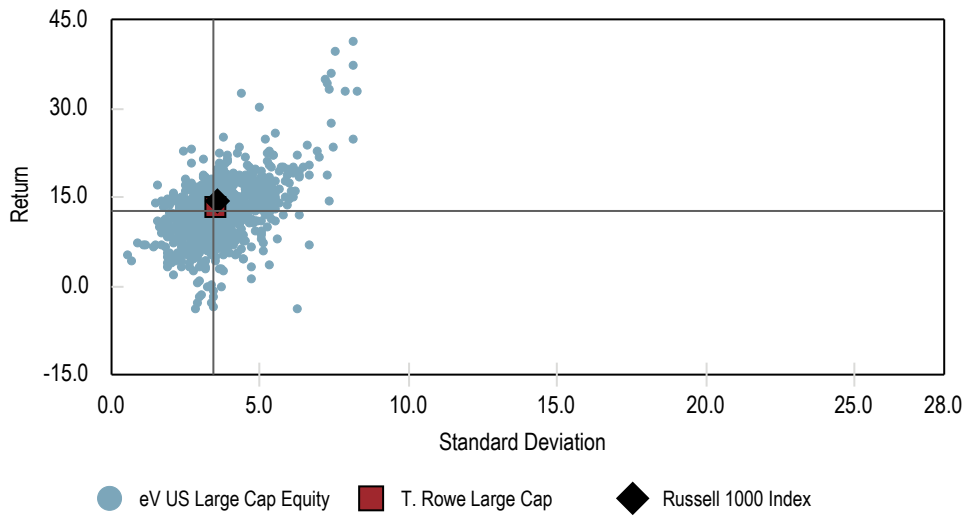
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	305	1,011
Wtd. Avg. Mkt. Cap $M	1,388,152.4	1,234,783.7
Median Mkt. Cap $M	61,117.7	15,516.8
Price/Earnings ratio	29.8	28.5
Price/Book ratio	5.6	5.1
Return on Equity (%)	6.3	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

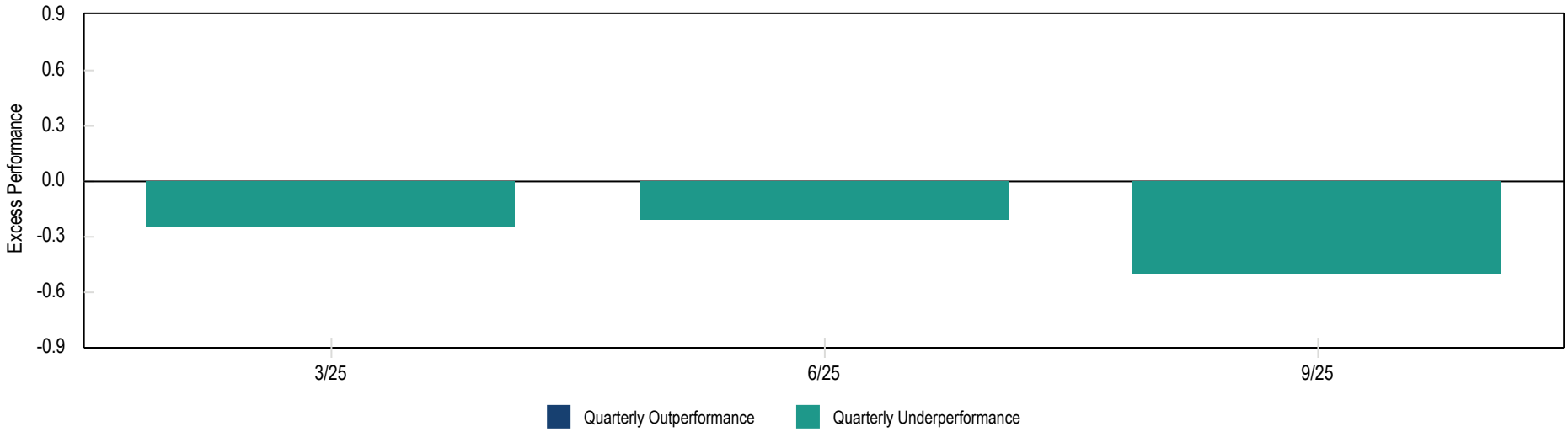
Risk vs. Return - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	0.65	3.46
Tracking Error	0.16	0.16
Alpha	-0.21	-0.07
Information Ratio	-1.01	-0.67
Beta	1.02	0.98
R-Squared	0.94	1.00
Sharpe Ratio	3.12	0.33
Positive Months Ratio	100.00	66.67
Up Capture	93.89	95.20
Down Capture	-	98.46
Up Market Periods	3	6
Down Market Periods	0	3

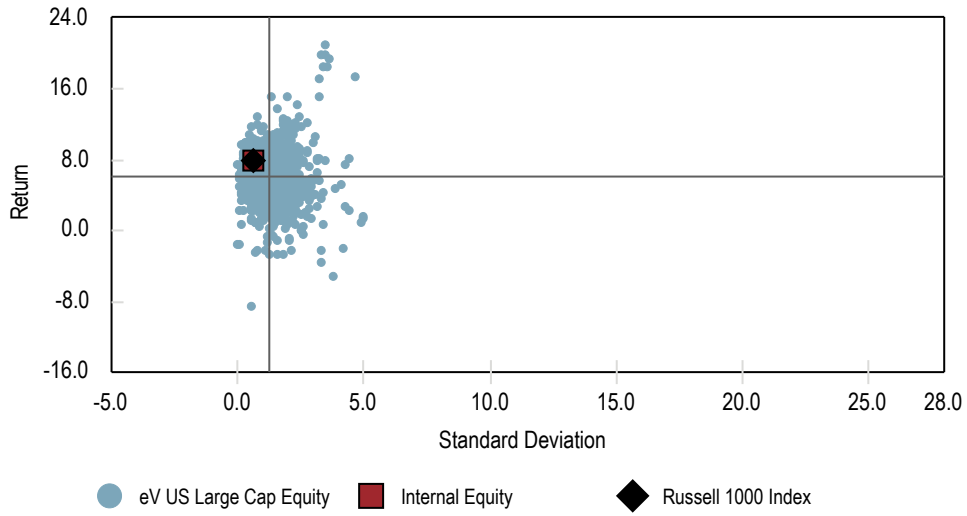
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,014	1,011
Wtd. Avg. Mkt. Cap $M	1,212,779.0	1,234,783.7
Median Mkt. Cap $M	15,576.0	15,516.8
Price/Earnings ratio	28.5	28.5
Price/Book ratio	5.1	5.1
Return on Equity (%)	5.5	5.5
Current Yield (%)	1.2	1.2
Beta	-	1.0

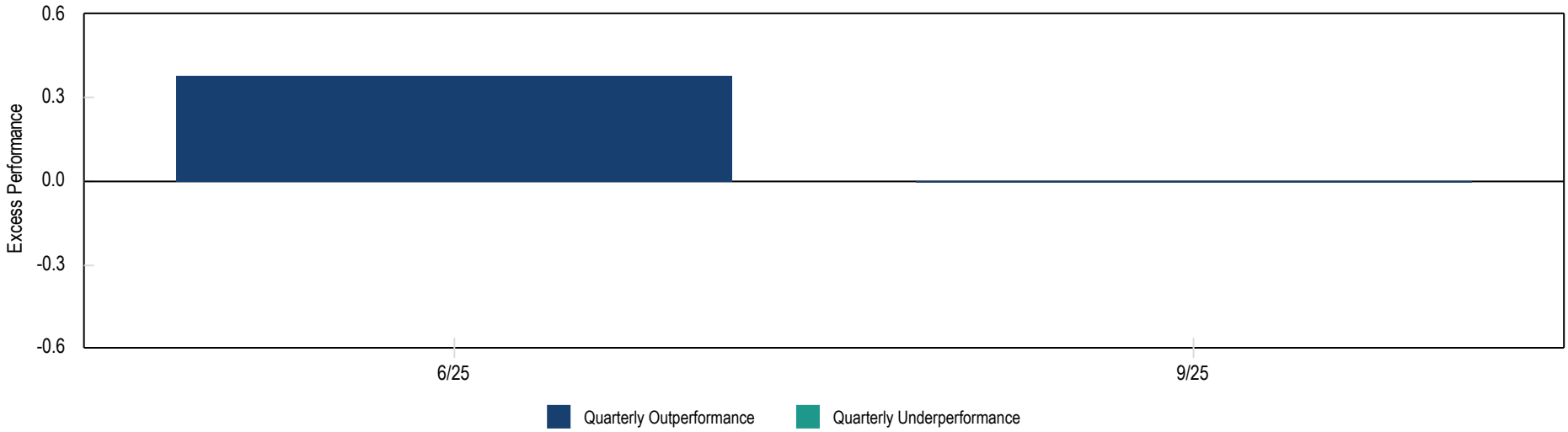
Risk vs. Return - 1 Quarter



Additional Calculations

	3 Mo
Standard Deviation	0.61
Tracking Error	0.01
Alpha	0.03
Information Ratio	0.11
Beta	0.99
R-Squared	1.00
Sharpe Ratio	3.57
Positive Months Ratio	100.00
Up Capture	100.03
Down Capture	-
Up Market Periods	3
Down Market Periods	0

Quarterly Excess Performance vs. Russell 1000 Index



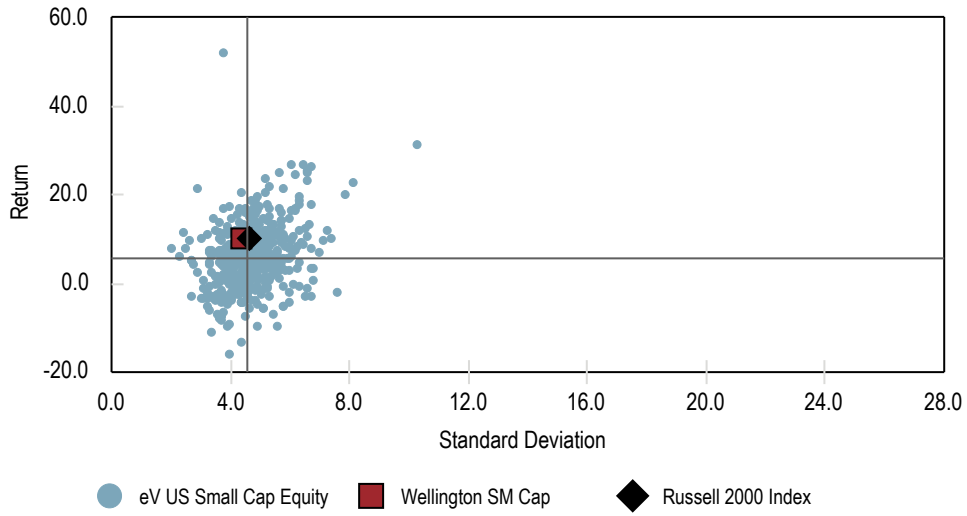
Characteristics

	Portfolio	Benchmark
Number of Stocks	321	1,011
Wtd. Avg. Mkt. Cap $M	1,209,463.8	1,234,783.7
Median Mkt. Cap $M	29,847.6	15,516.8
Price/Earnings ratio	27.5	28.5
Price/Book ratio	5.7	5.1
Return on Equity (%)	5.0	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

Characteristics

	Portfolio	Benchmark
Number of Stocks	286	1,972
Wtd. Avg. Mkt. Cap $M	5,436.0	4,266.9
Median Mkt. Cap $M	3,205.6	939.6
Price/Earnings ratio	18.1	18.9
Price/Book ratio	2.7	2.5
Return on Equity (%)	0.6	0.6
Current Yield (%)	1.1	1.3
Beta	-	1.0

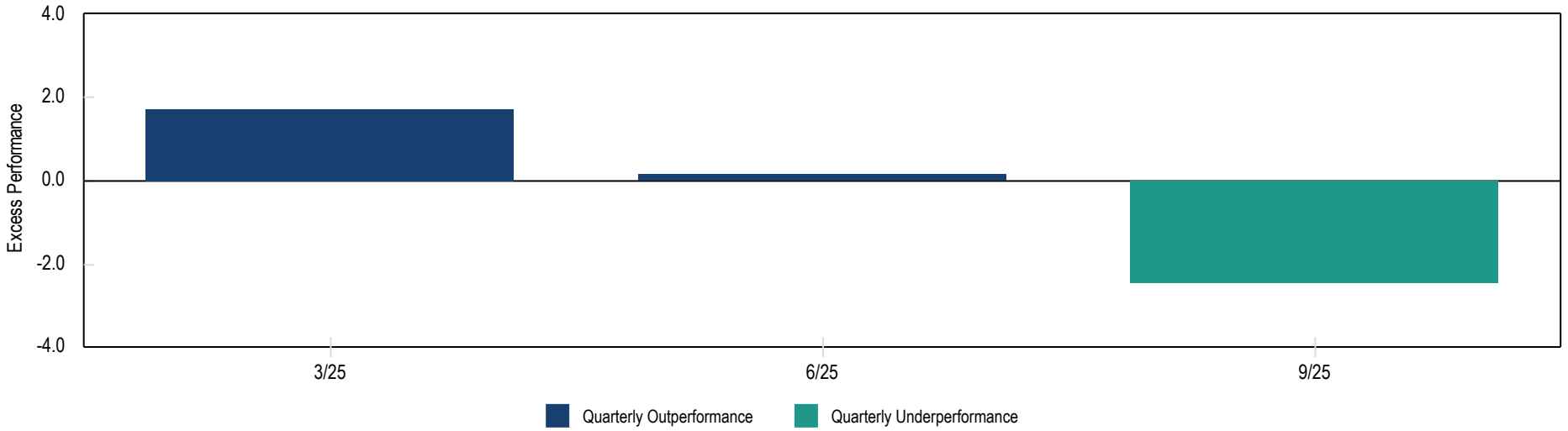
Risk vs. Return - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	1.29	4.36
Tracking Error	1.06	0.95
Alpha	1.01	0.07
Information Ratio	-0.74	-0.04
Beta	0.55	0.92
R-Squared	0.97	0.96
Sharpe Ratio	2.26	0.19
Positive Months Ratio	100.00	66.67
Up Capture	80.42	96.44
Down Capture	-	95.90
Up Market Periods	3	6
Down Market Periods	0	3

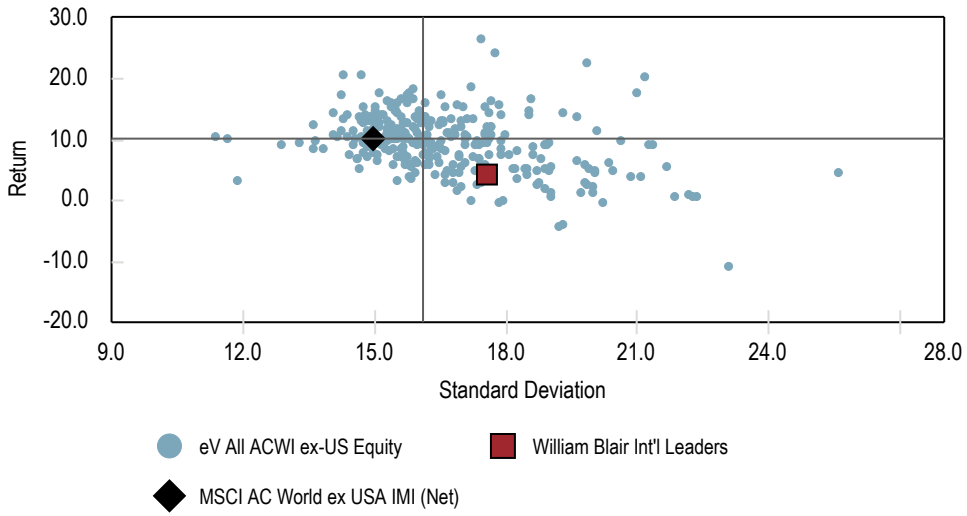
Quarterly Excess Performance vs. Russell 2000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	73	6,102
Wtd. Avg. Mkt. Cap $M	145,483.4	120,575.8
Median Mkt. Cap $M	77,659.7	2,539.0
Price/Earnings ratio	20.1	16.9
Price/Book ratio	3.7	2.6
Return on Equity (%)	6.4	4.8
Current Yield (%)	1.6	2.7
Beta (5 Years, Monthly)	1.1	1.0

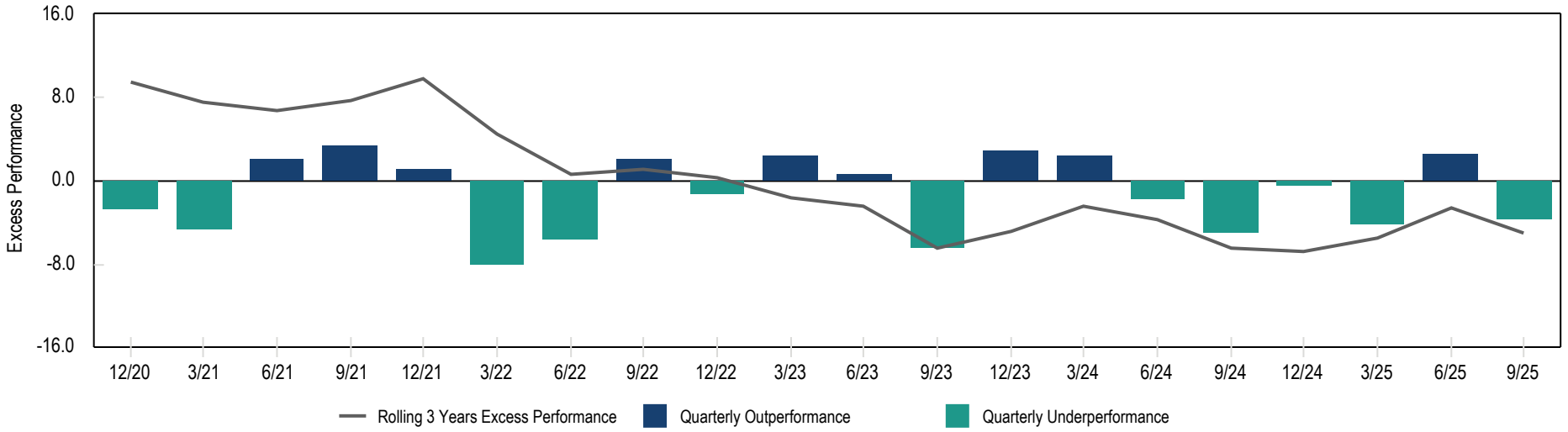
Risk vs. Return - 5 Years



Additional Calculations

	1 Yr	3 Yrs	5 Yrs
Standard Deviation	12.04	14.39	17.57
Tracking Error	4.86	6.23	7.74
Alpha	-7.55	-4.11	-5.46
Information Ratio	-1.22	-0.66	-0.65
Beta	1.12	1.00	1.06
R-Squared	0.85	0.81	0.81
Sharpe Ratio	0.46	0.75	0.17
Positive Months Ratio	50.00	61.11	55.00
Up Capture	97.01	95.01	97.48
Down Capture	164.20	125.92	128.20
Up Market Periods	7	22	35
Down Market Periods	5	14	25

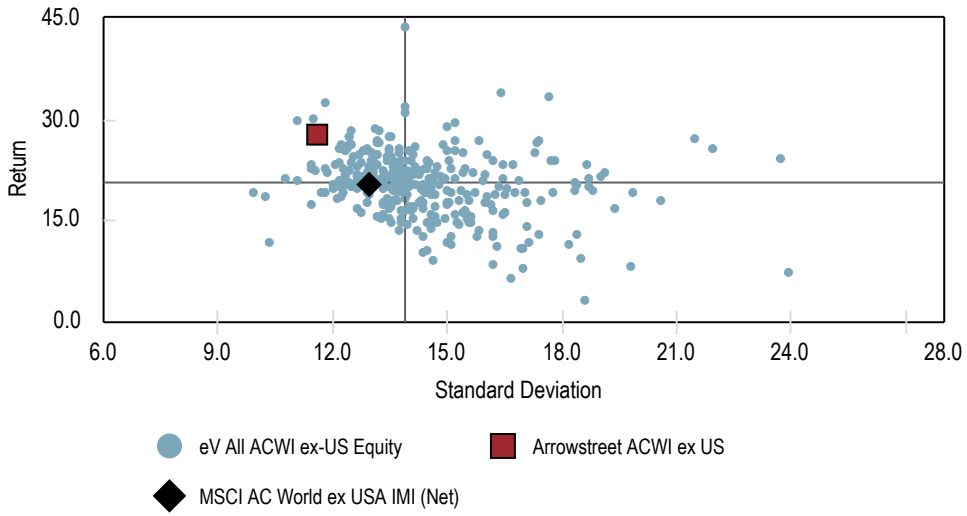
Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,678	6,102
Wtd. Avg. Mkt. Cap $M	81,442.2	120,575.8
Median Mkt. Cap $M	3,948.8	2,539.0
Price/Earnings ratio	13.5	16.9
Price/Book ratio	2.4	2.6
Return on Equity (%)	4.4	4.8
Current Yield (%)	2.9	2.7
Beta (3 Years, Monthly)	0.8	1.0

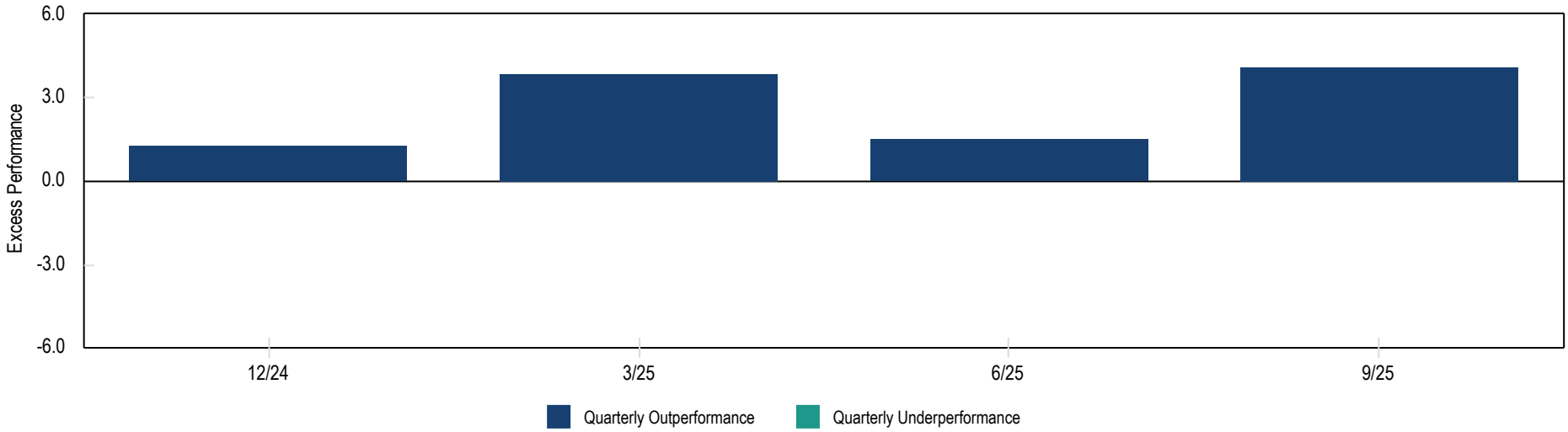
Risk vs. Return - 3 Years



Additional Calculations

	YTD	1 Yr	3 Yrs
Standard Deviation	1.64	10.20	11.59
Tracking Error	0.78	2.58	4.51
Alpha	1.43	10.87	9.47
Information Ratio	1.29	4.01	1.32
Beta	0.83	1.00	0.84
R-Squared	0.81	0.94	0.88
Sharpe Ratio	2.01	2.13	1.79
Positive Months Ratio	100.00	75.00	69.44
Up Capture	124.26	124.26	102.12
Down Capture	-776.35	44.22	47.72
Up Market Periods	7	7	22
Down Market Periods	2	5	14

Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



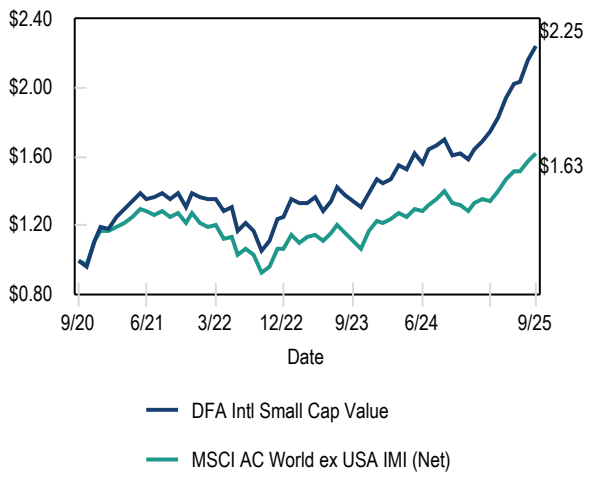
Description:

The investment seeks long-term capital appreciation.
The advisor intends to purchase securities of small value companies associated with developed market countries that the Advisor has designated as approved markets. As a non-fundamental policy, under normal circumstances, the fund will invest at least 80% of its net assets in securities of small companies in the particular markets in which it invests. It may gain exposure to companies associated with approved markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	13,745.46 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	15 Years 7 Months
Expense Ratio	0.43 %

Growth of a Dollar



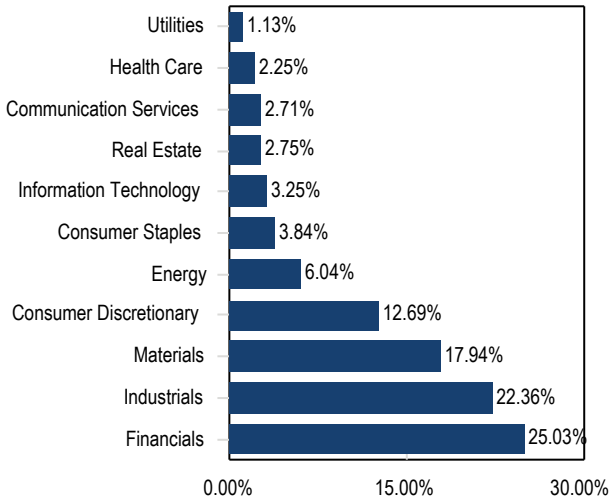
Fund Characteristics as of 09/30/2025

Total Securities	1,864
Avg. Market Cap	2,465.81 Million
P/E	10.66
P/B	0.97
Div. Yield	4.53%

3 Year Statistics as of September 30, 2025

R-Squared	0.84
Alpha	7.47
Beta	0.99
Sharpe Ratio	1.57

Sector Allocation as of 08/31/2025

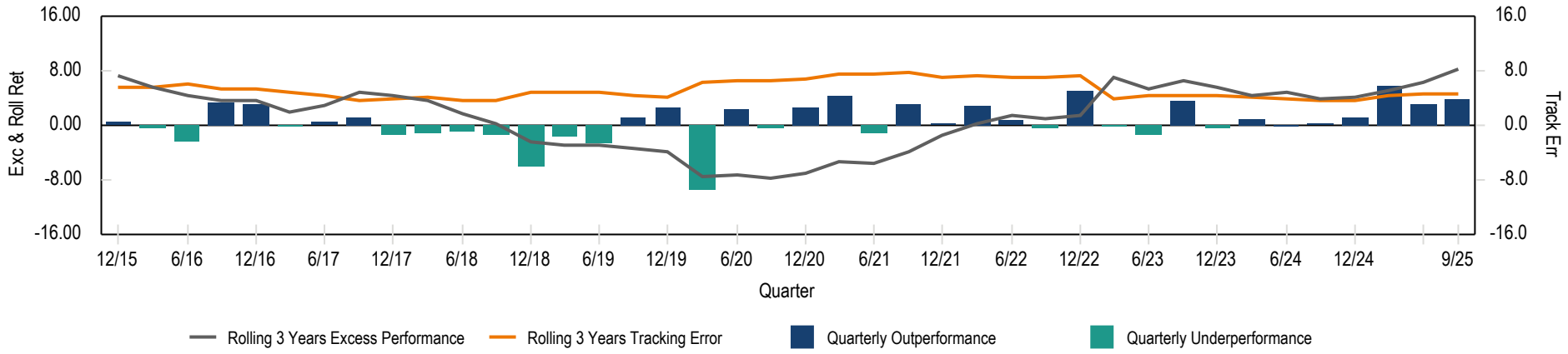


Top Holdings as of 08/31/2025

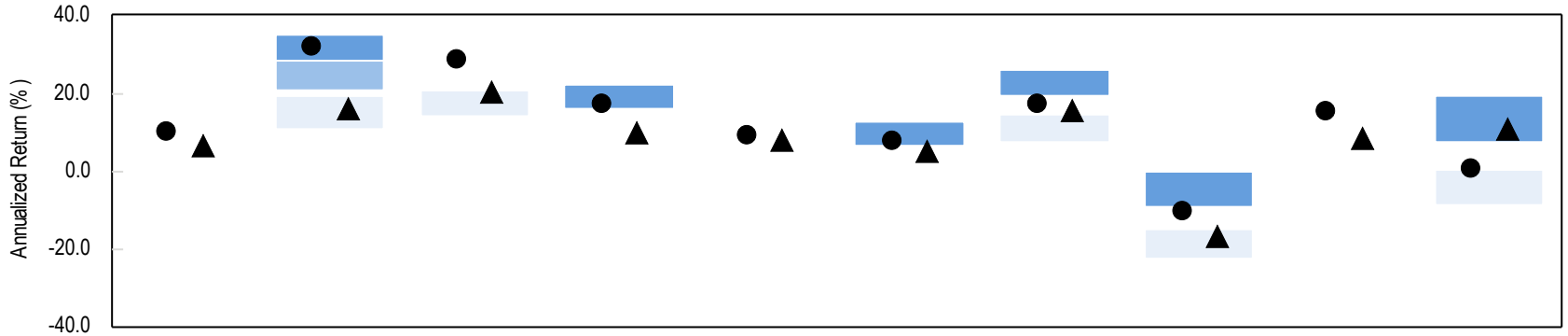
BPER Banca SpA	2.18 %
Banco de Sabadell SA	1.30 %
Whitecap Resources Inc	0.98 %
Bankinter SA	0.95 %
Banca Monte dei Paschi di Siena	0.89 %
Sydbank A/S	0.86 %
Jyske Bank AS	0.86 %
Unipol Assicurazioni SpA	0.85 %
Banco Comercial Portugues SA R	0.66 %
SBM Offshore NV	0.63 %
Total	**10.15 %**

Source: Morningstar

Rolling Annualized Excess Performance and Tracking Error



DFA Intl Small Cap Value vs. Foreign Small/Mid Value



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA Intl Small Cap Value	10.65 (16)	32.43 (10)	28.92 (7)	17.61 (11)	9.71 (16)	7.89 (20)	17.57 (33)	-9.78 (31)	15.89 (38)	0.81 (75)
▲ MSCI AC World ex USA IMI (Net)	6.86 (67)	16.39 (83)	20.50 (85)	10.22 (88)	8.24 (60)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)	11.12 (17)
5th Percentile	12.20	35.00	29.96	22.58	11.48	12.67	26.42	-0.20	20.46	19.65
1st Quartile	9.45	28.39	26.95	16.34	9.60	6.52	19.54	-8.85	17.05	7.70
Median	7.48	21.02	23.83	13.81	8.54	4.47	16.70	-11.44	15.45	4.99
3rd Quartile	5.67	19.67	21.03	11.11	7.88	1.49	15.00	-14.64	11.25	0.53
95th Percentile	2.52	10.74	14.36	9.54	7.14	-2.17	7.39	-22.16	6.67	-8.41
Population	34	33	32	30	20	32	32	31	30	28

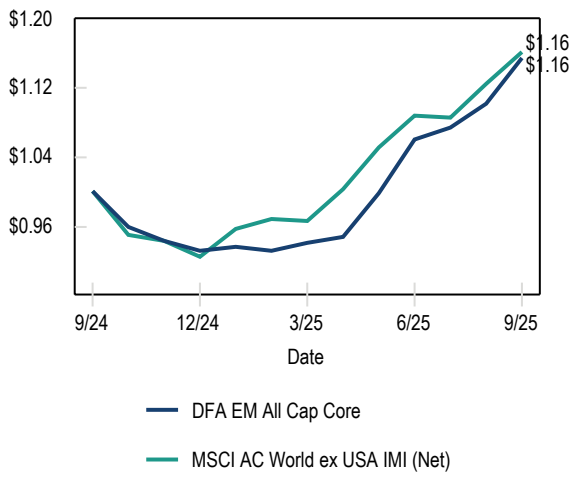
Description:

The investment seeks long-term capital appreciation.
The Portfolio purchases a broad and diverse group of securities associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee ("Approved Markets"). It may gain exposure to companies in Approved Markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	32,761.02 Million
Manager Name	Team Managed
Manager Tenure	15 Years 7 Months
Expense Ratio	0.40 %

Growth of a Dollar



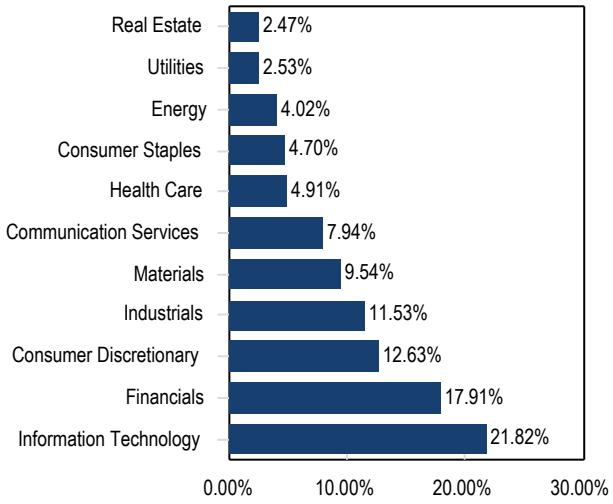
Fund Characteristics as of 09/30/2025

Total Securities	7,641
Avg. Market Cap	16,018.85 Million
P/E	12.43
P/B	1.44
Div. Yield	3.29%

3 Year Statistics as of September 30, 2025

No data found.

Sector Allocation as of 09/30/2025

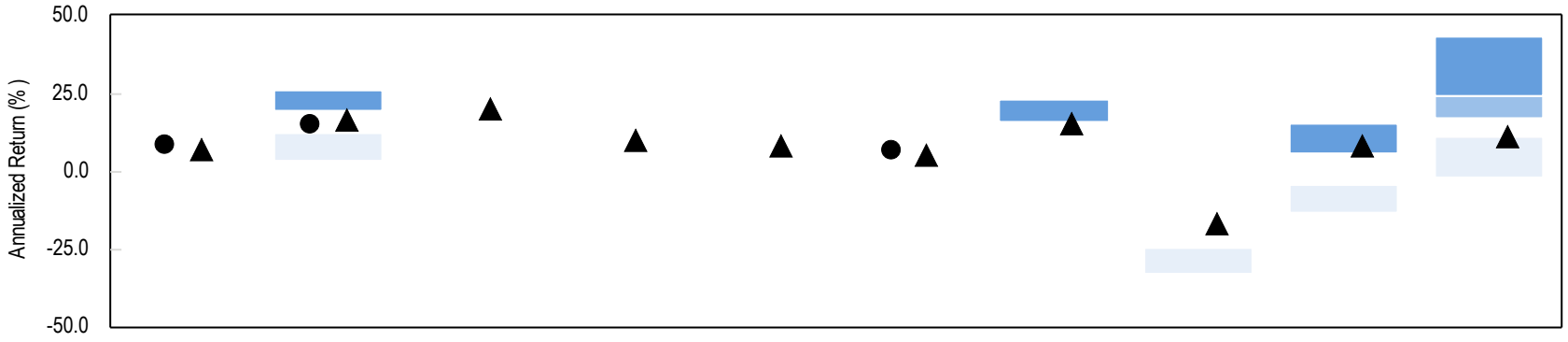


Top Holdings as of 09/30/2025

Taiwan Semiconductor Manufacturing	5.22 %
Tencent Holdings Ltd	3.08 %
Taiwan Semiconductor Manufacturing	1.98 %
Samsung Electronics Co Ltd	1.96 %
Alibaba Group Holding Ltd Ordinary	1.63 %
SK Hynix Inc	0.75 %
China Construction Bank Corp Class	0.54 %
PDD Holdings Inc ADR	0.49 %
Ping An Insurance (Group) Co. of	0.48 %
Reliance Industries Ltd	0.48 %
Total	**16.60 %**

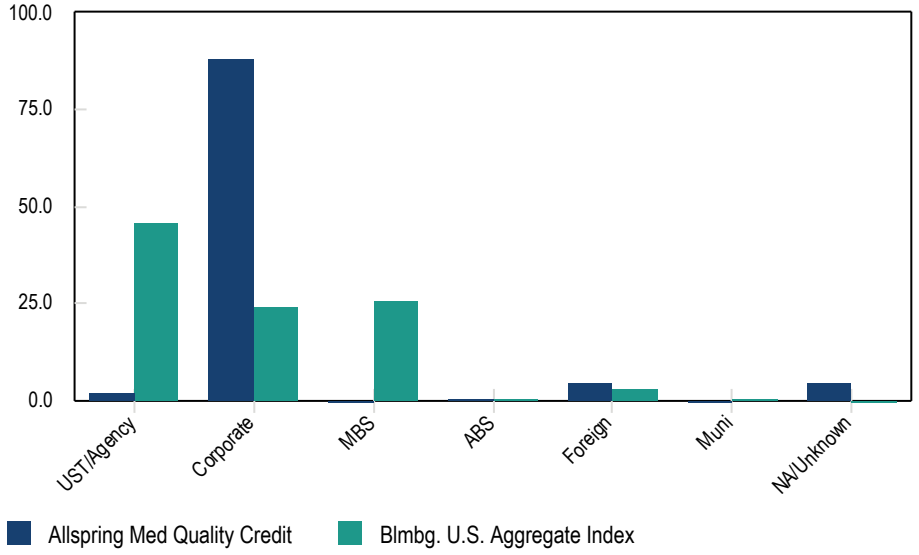
Source: Morningstar

DFA EM All Cap Core vs. Diversified Emerging Mkts

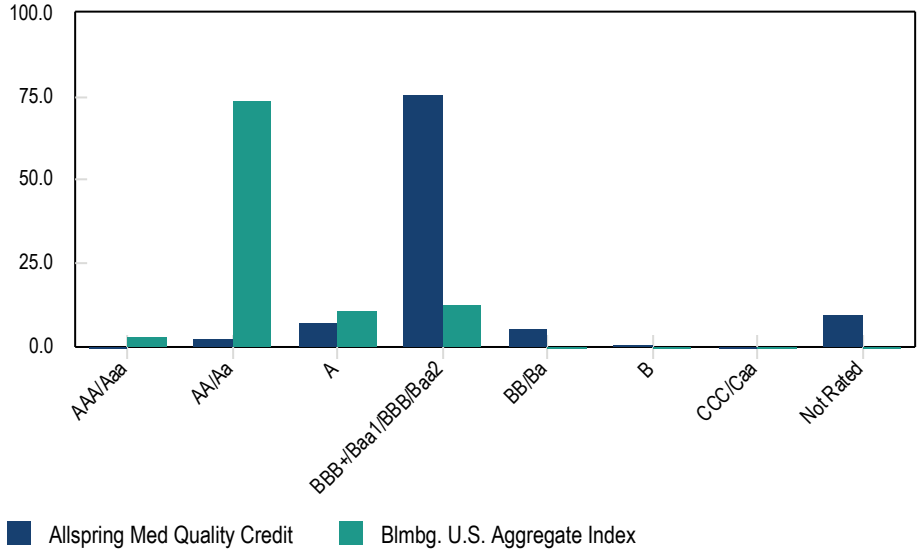


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA EM All Cap Core	8.90 (58)	15.55 (60)	-	-	-	7.32 (38)	-	-	-	-
▲ MSCI AC World ex USA IMI (Net)	6.86 (74)	16.39 (52)	20.50 (19)	10.22 (20)	8.24 (36)	5.23 (63)	15.62 (28)	-16.58 (24)	8.53 (19)	11.12 (76)
5th Percentile	14.03	25.97	24.27	13.44	10.38	13.96	22.96	-11.31	15.55	43.25
1st Quartile	10.95	19.93	19.60	9.51	8.84	8.65	16.08	-16.88	5.98	24.53
Median	9.53	16.55	18.07	7.23	7.75	6.48	11.46	-20.72	-0.24	17.37
3rd Quartile	6.68	12.79	16.01	5.27	6.78	3.45	8.45	-24.50	-3.89	11.43
95th Percentile	1.60	3.66	12.26	1.31	4.99	-2.60	3.81	-32.46	-13.35	-1.97
Population	320	306	273	237	176	309	311	310	291	273

Sectors
Allspring Med Quality Credit



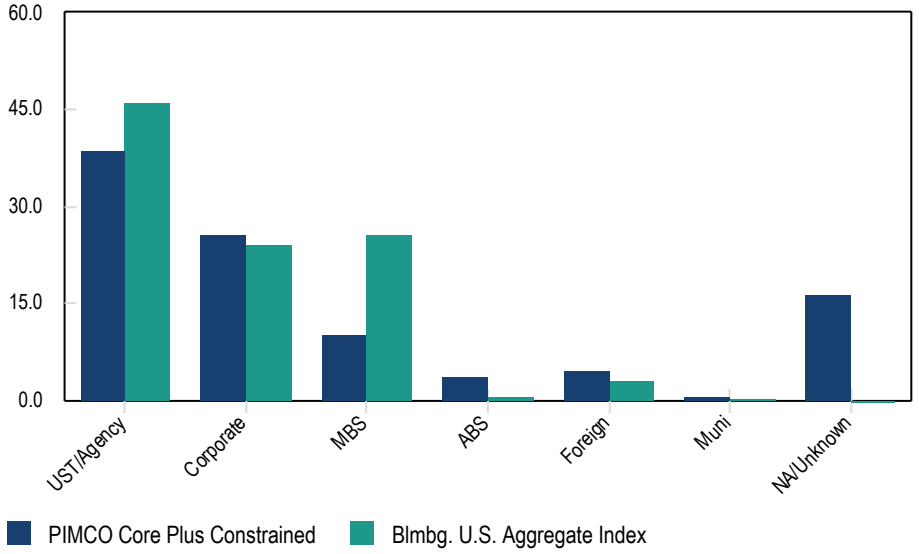
Quality Ratings
Allspring Med Quality Credit



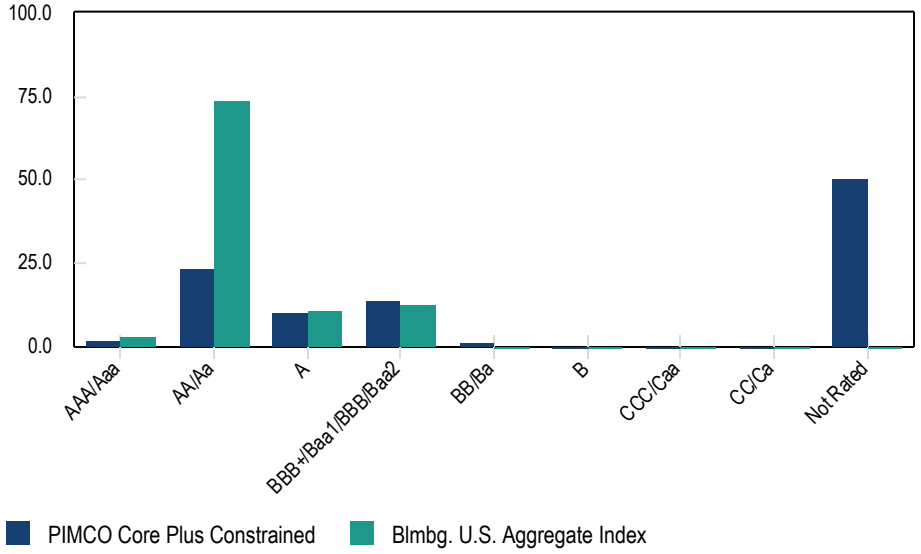
Characteristics
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.3	4.3
Avg. Maturity	11.6	8.2
Avg. Duration	7.3	5.9
Avg. Quality	BBB	AA

Sectors
PIMCO Core Plus Constrained



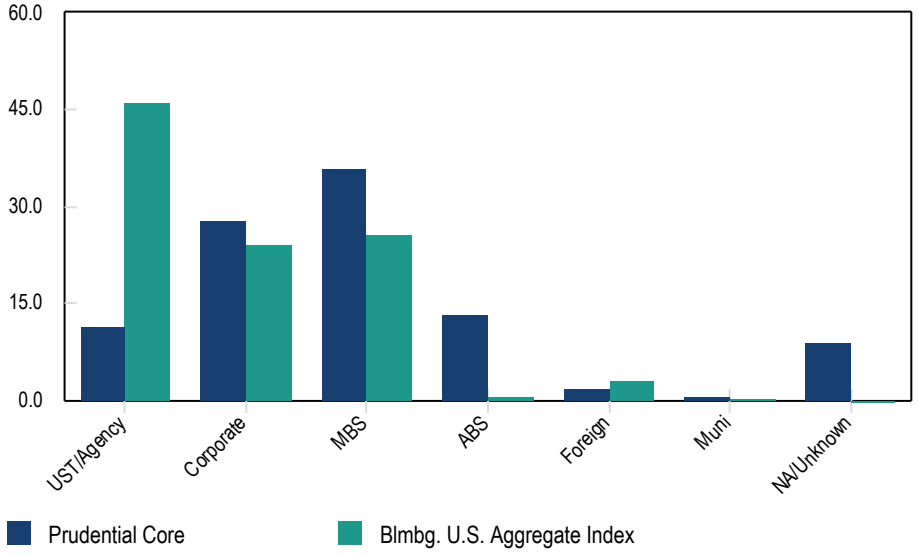
Quality Ratings
PIMCO Core Plus Constrained



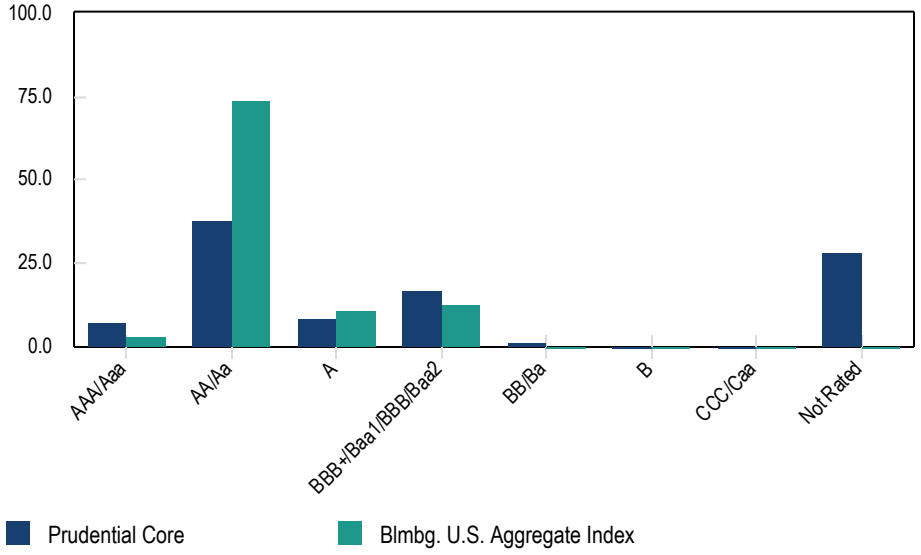
Characteristics
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	5.2	4.3
Avg. Maturity	8.2	8.2
Avg. Duration	5.9	5.9
Avg. Quality	A	AA

Sectors
Prudential Core



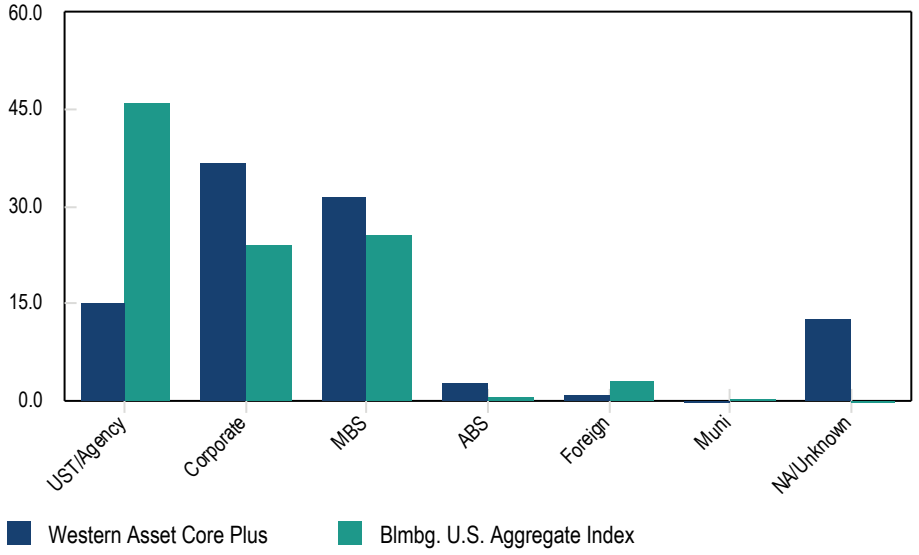
Quality Ratings
Prudential Core



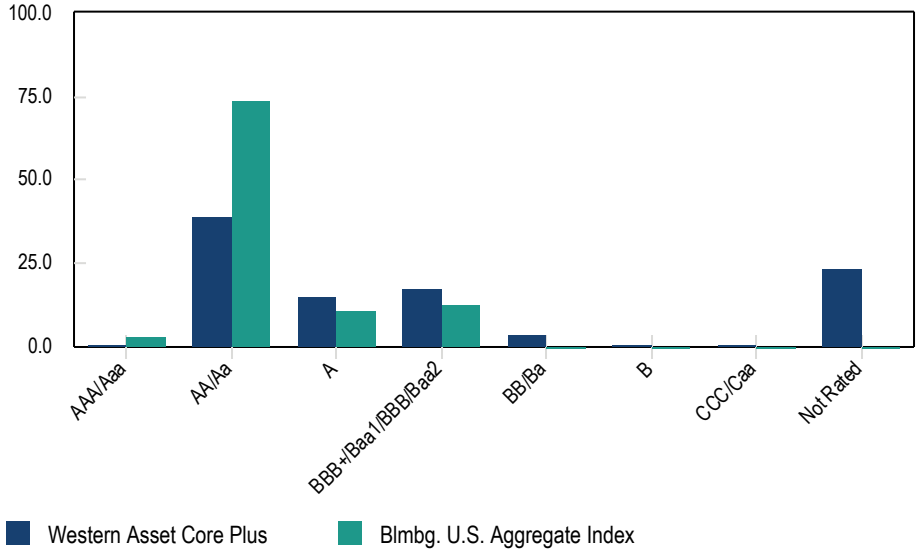
Characteristics
Prudential Core

	Portfolio	Benchmark
Yield To Maturity (%)	4.8	4.3
Avg. Maturity	8.3	8.2
Avg. Duration	6.0	5.9
Avg. Quality	A	AA

Sectors
Western Asset Core Plus



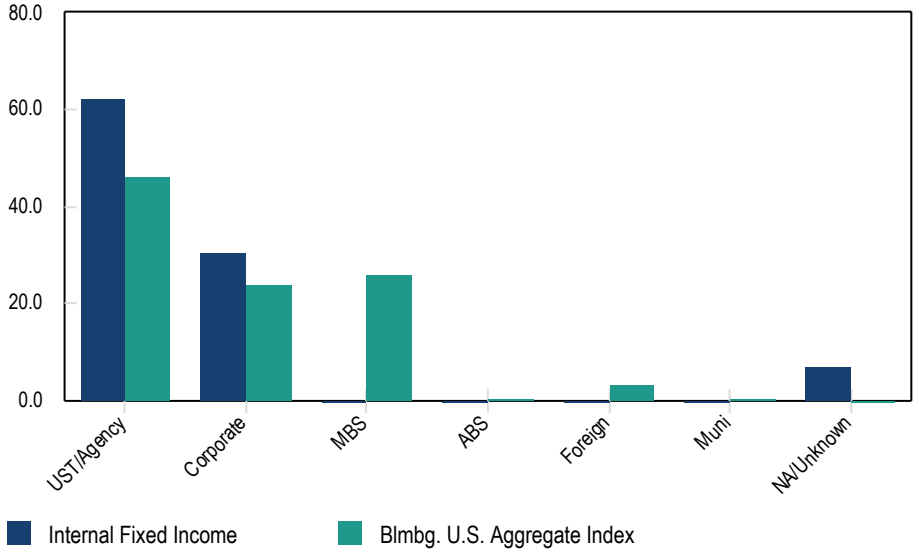
Quality Ratings
Western Asset Core Plus



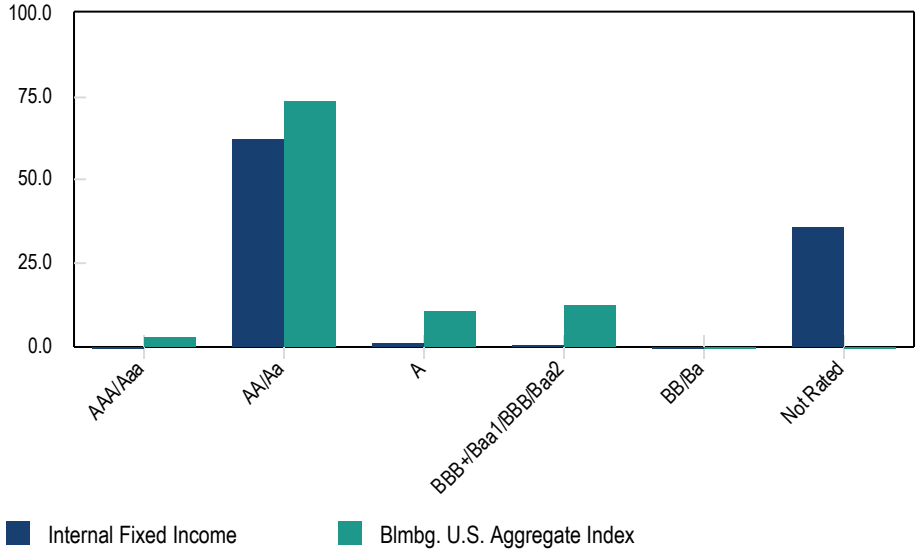
Characteristics
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	4.9	4.3
Avg. Maturity	8.4	8.2
Avg. Duration	5.9	5.9
Avg. Quality	A	AA

Sectors
Internal Fixed Income



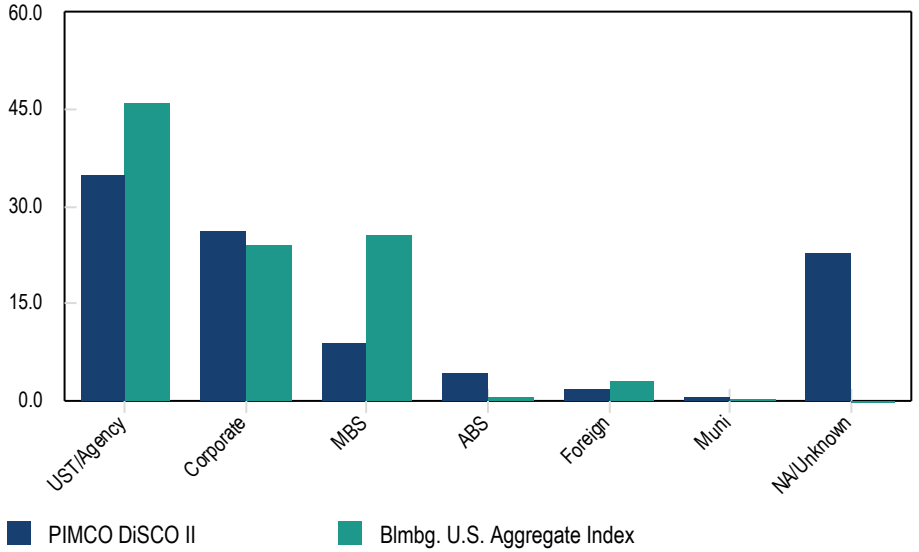
Quality Ratings
Internal Fixed Income



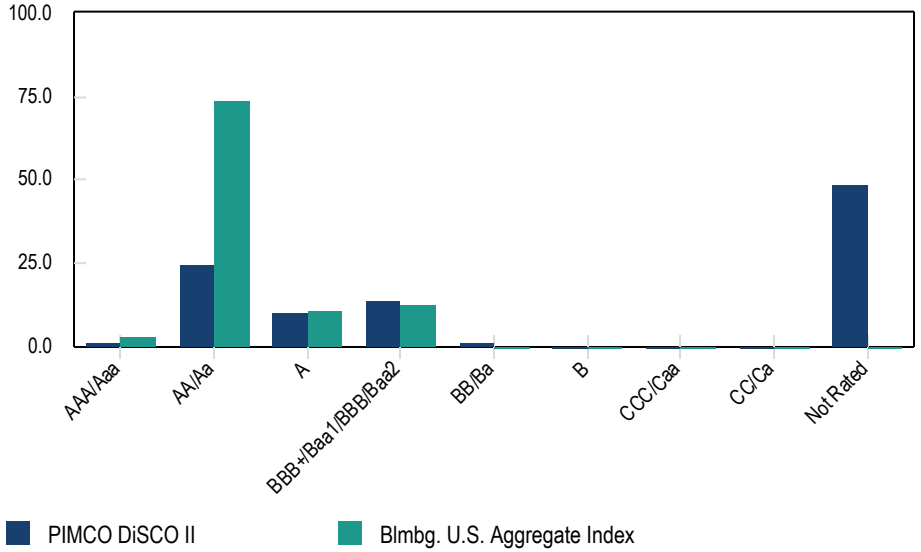
Characteristics
Internal Fixed Income

	Portfolio	Benchmark
Yield To Maturity (%)	3.9	4.3
Avg. Maturity	8.0	8.2
Avg. Duration	5.8	5.9
Avg. Quality	AA	AA

Sectors
PIMCO DiSCO II



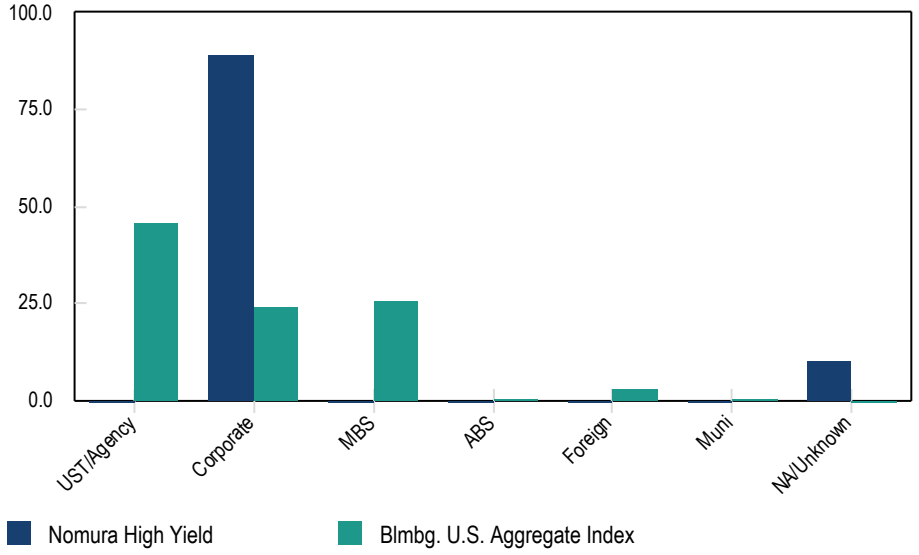
Quality Ratings
PIMCO DiSCO II



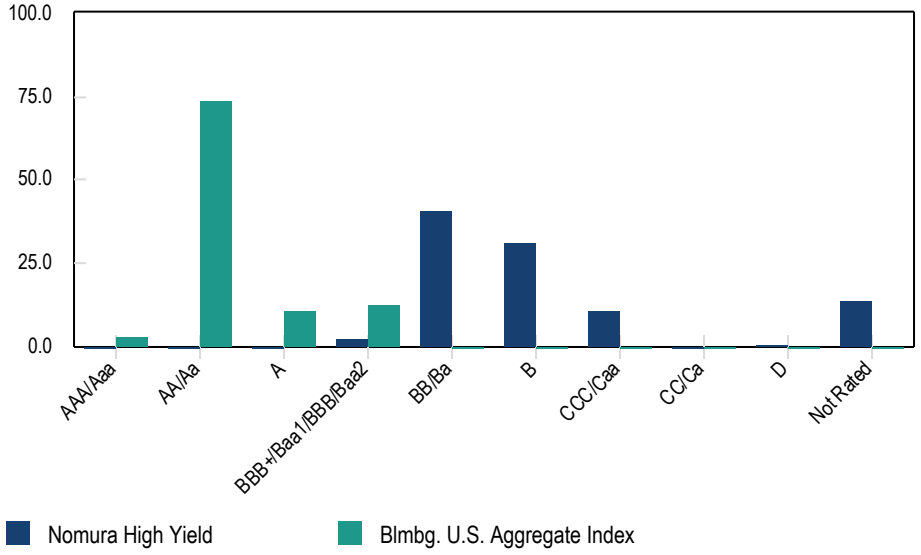
Characteristics
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	5.2	4.3
Avg. Maturity	8.7	8.2
Avg. Duration	6.2	5.9
Avg. Quality	A	AA

Sectors
Nomura High Yield



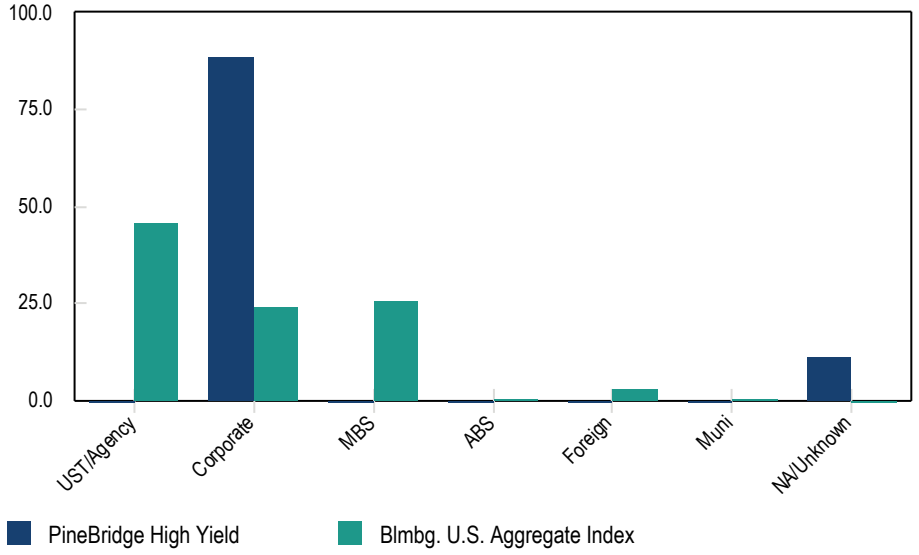
Quality Ratings
Nomura High Yield



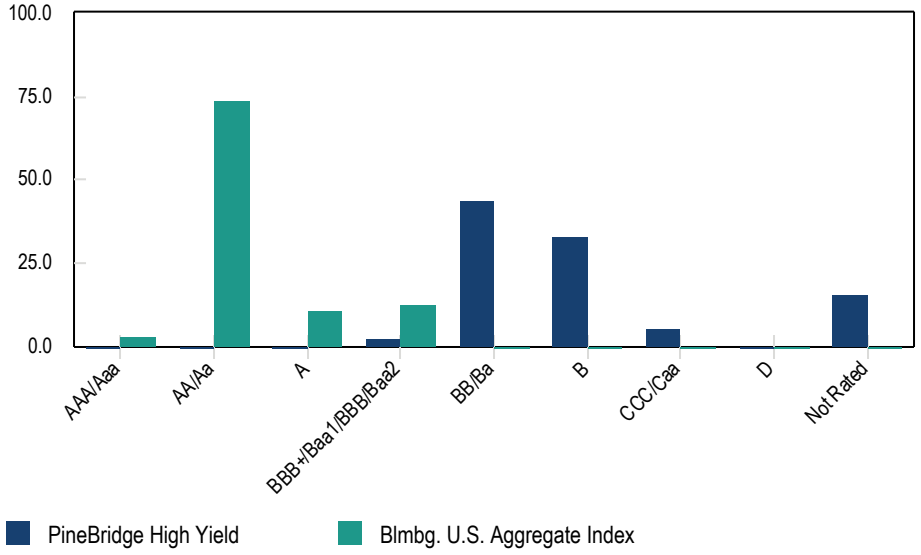
Characteristics
Nomura High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.3	4.3
Avg. Maturity	5.1	8.2
Avg. Duration	3.9	5.9
Avg. Quality	B	AA

Sectors
PineBridge High Yield

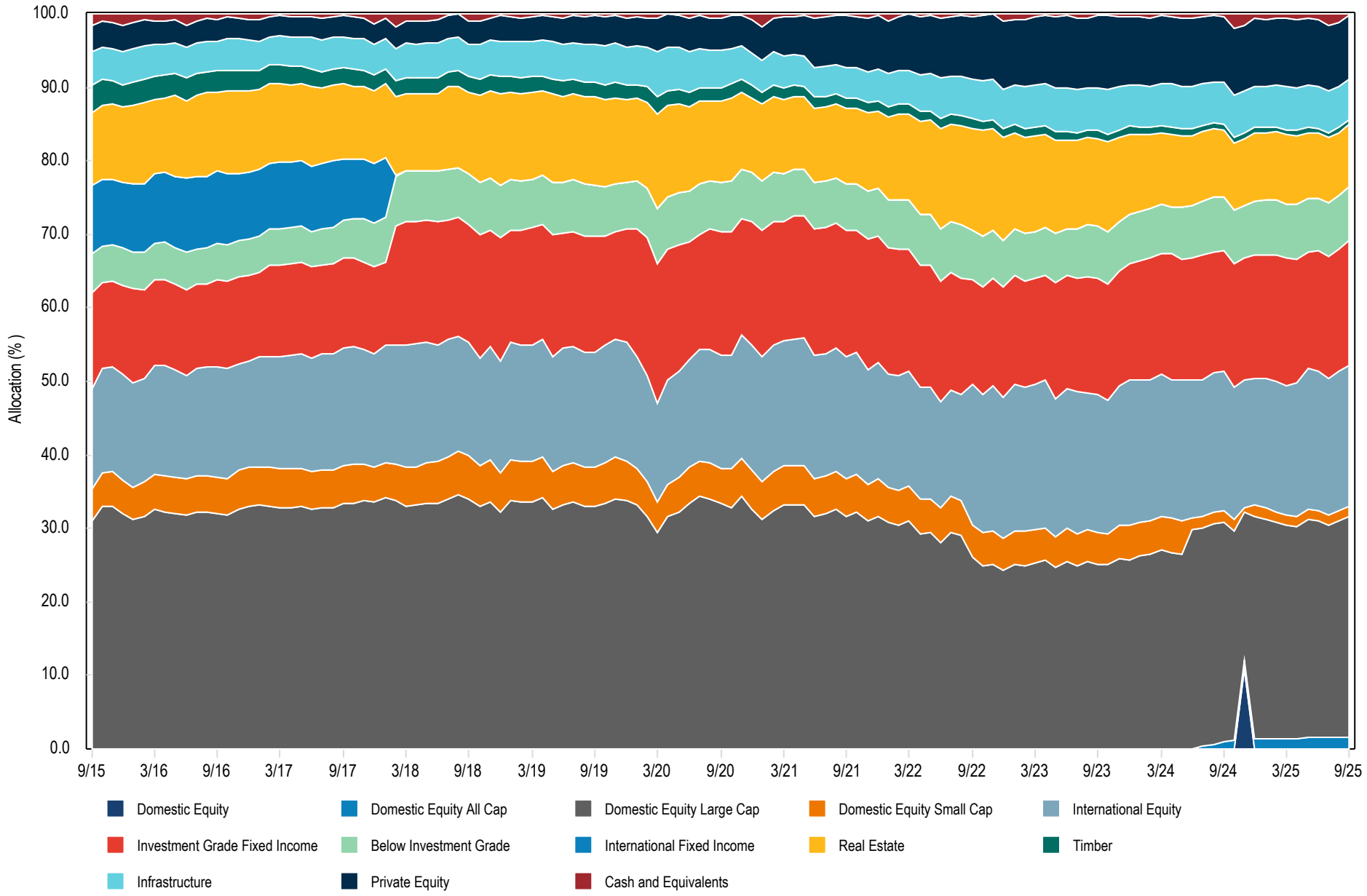


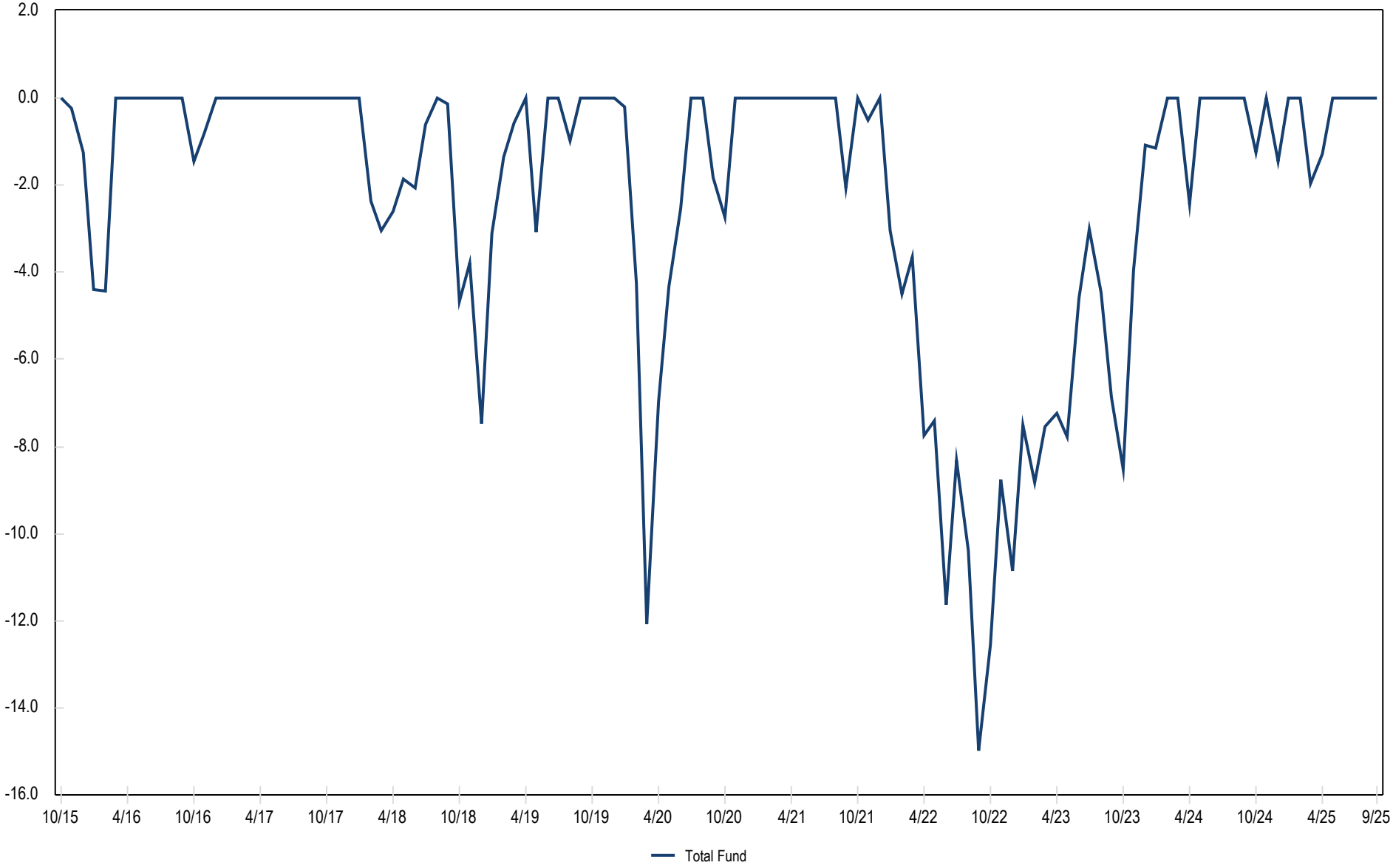
Quality Ratings
PineBridge High Yield



Characteristics
PineBridge High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.1	4.3
Avg. Maturity	4.9	8.2
Avg. Duration	4.0	5.9
Avg. Quality	B	AA

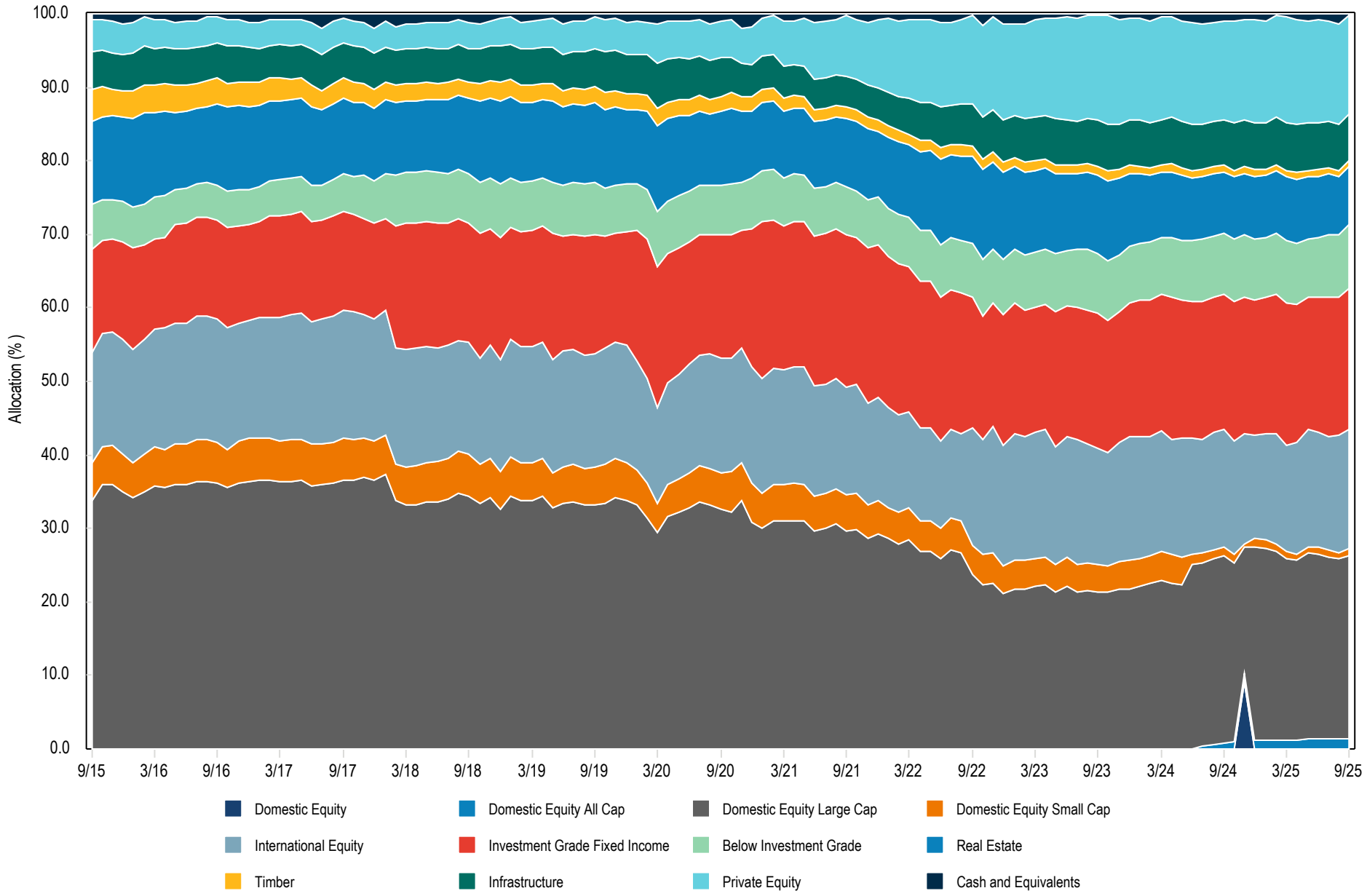

100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Investment Grade Fixed Income
Below Investment Grade
International Fixed Income
Real Estate
Timber
Infrastructure
Private Equity
Cash and Equivalents

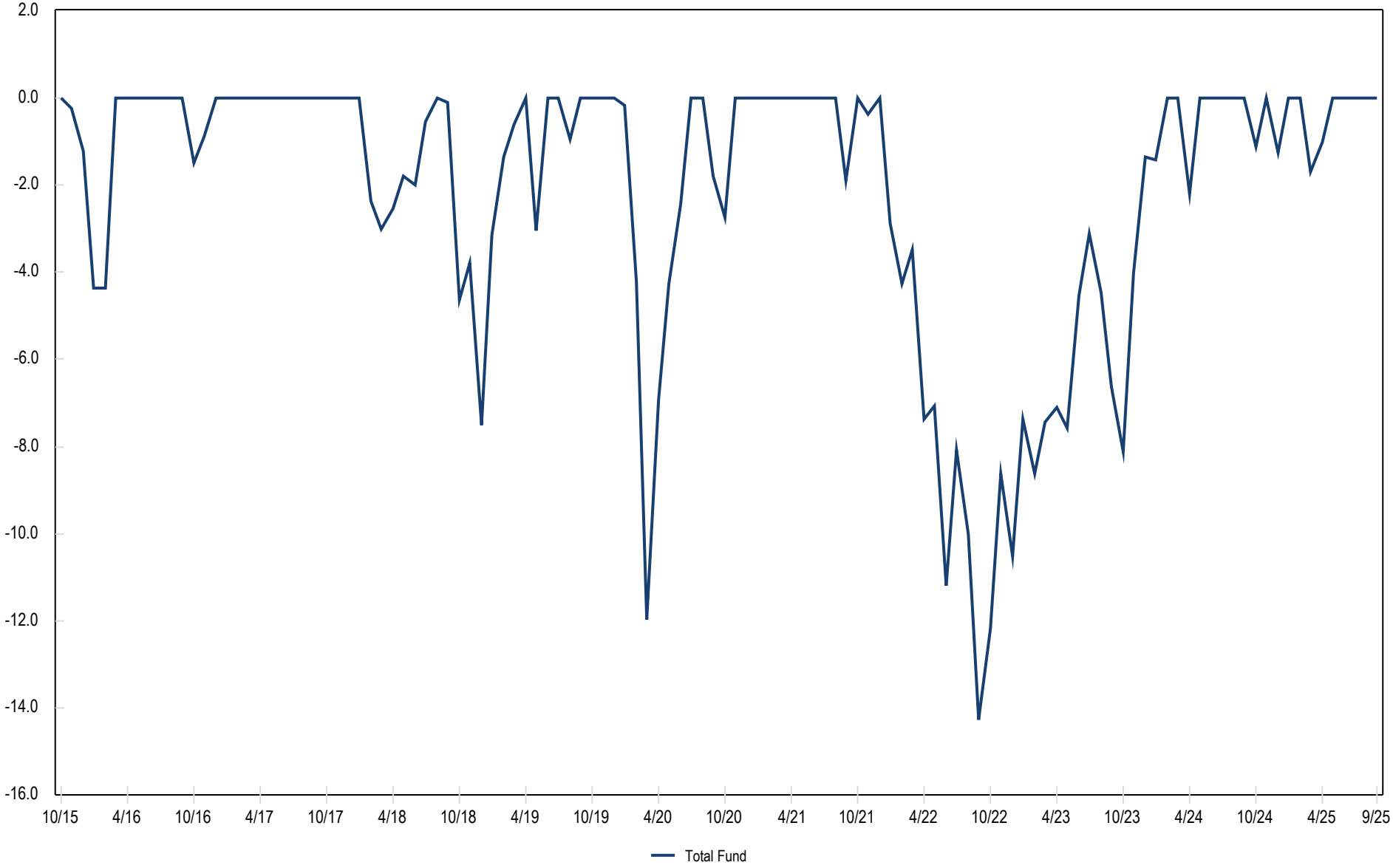


	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-15.0	26 Months	15

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.8	1.7	7.2	7.5	7.4	7.7	7.0	7.1
Downside Risk	2.7	2.9	3.3	3.6	4.9	5.3	5.2	5.3
Risk/Return Summary Statistics								
Standard Deviation	6.0	6.0	7.1	7.6	8.4	9.0	8.4	8.5
Alpha	1.3	0.0	0.8	0.0	0.7	0.0	0.5	0.0
Sharpe Ratio	1.2	1.0	1.1	1.0	0.7	0.7	0.8	0.8
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.5	0.0	1.0	0.0	1.1	0.0	1.0	0.0
Information Ratio	2.5	-	-0.1	-	0.1	-	0.3	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	66.7	100.0	47.2	100.0	48.3	100.0	51.7	100.0

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.8	1.8	7.2	7.3	7.4	7.6	7.0	7.1
Downside Risk	2.7	2.9	3.3	3.6	4.9	5.3	5.2	5.5
Risk/Return Summary Statistics								
Standard Deviation	6.0	6.0	7.1	7.4	8.4	8.9	8.4	8.6
Alpha	1.2	0.0	0.8	0.0	0.8	0.0	0.7	0.0
Sharpe Ratio	1.2	1.0	1.1	1.0	0.7	0.7	0.8	0.7
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.5	0.0	0.8	0.0	1.0	0.0	0.9	0.0
Information Ratio	2.4	-	0.3	-	0.3	-	0.4	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	66.7	100.0	55.6	100.0	56.7	100.0	58.3	100.0


100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Investment Grade Fixed Income
Below Investment Grade
Real Estate
Timber
Infrastructure
Private Equity
Cash and Equivalents



	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-14.3	26 Months	15

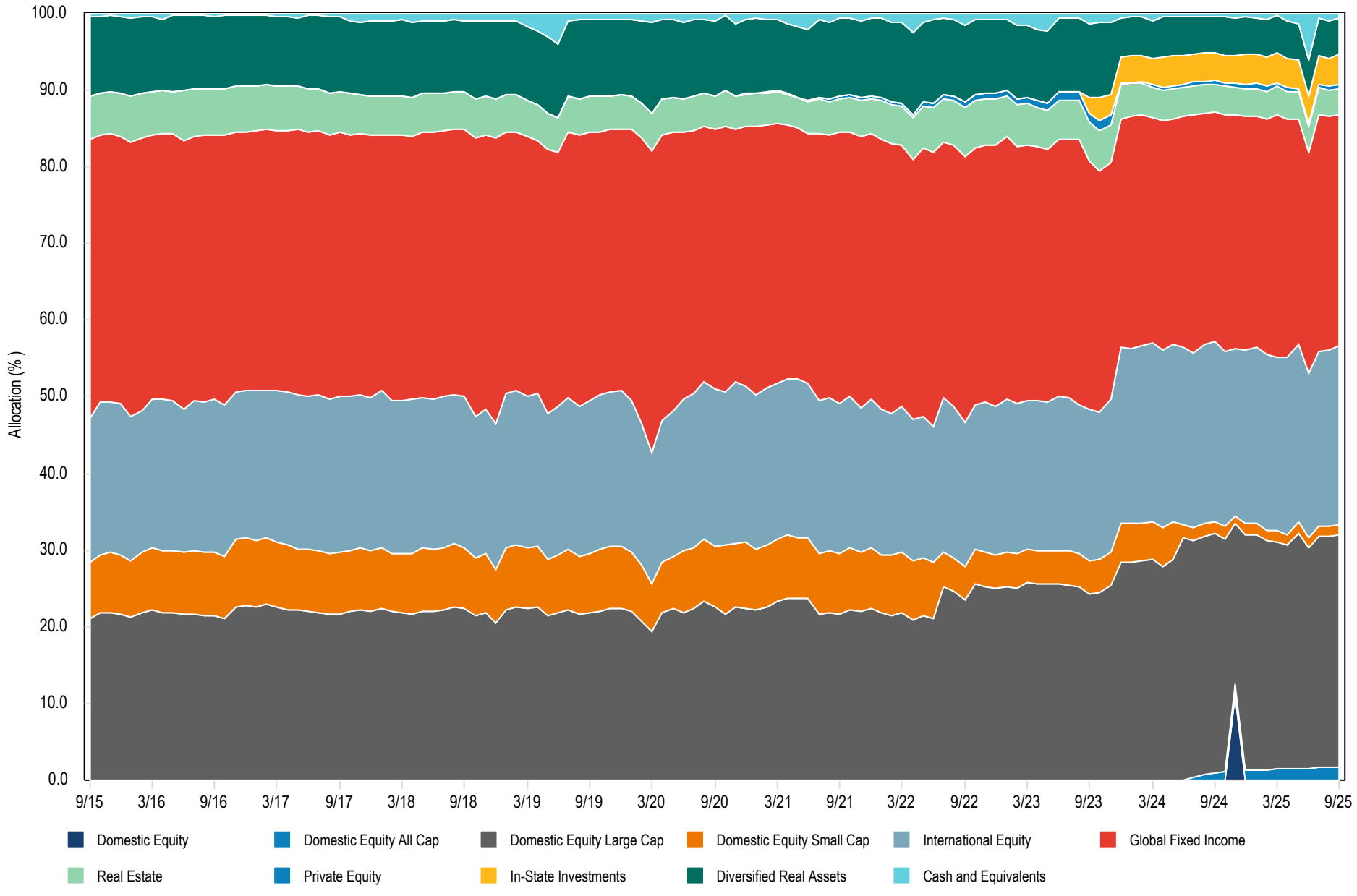
	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.7	1.6	6.6	7.0	6.9	7.4	6.8	6.9
Downside Risk	2.4	2.6	3.0	3.3	4.6	4.9	5.0	5.2
Risk/Return Summary Statistics								
Standard Deviation	5.4	5.5	6.4	7.0	7.9	8.5	8.1	8.3
Alpha	1.1	0.0	0.8	0.0	0.4	0.0	0.4	0.0
Sharpe Ratio	1.2	1.0	1.0	1.0	0.7	0.7	0.8	0.8
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.6	0.0	1.0	0.0	1.1	0.0	1.0	0.0
Information Ratio	1.5	-	-0.3	-	-0.3	-	0.1	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	75.0	100.0	52.8	100.0	50.0	100.0	51.7	100.0

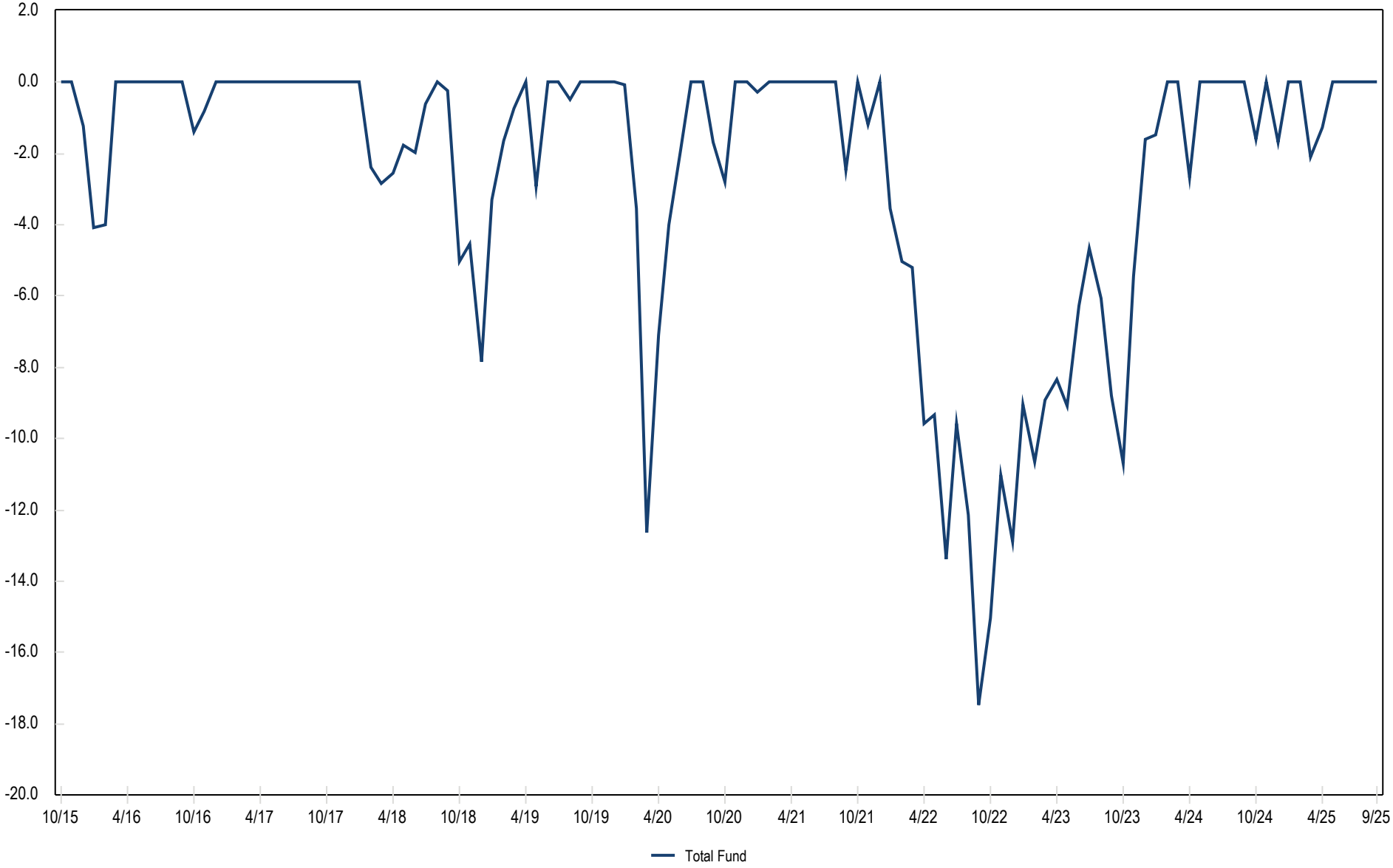
	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.7	1.6	6.6	6.6	6.9	7.1	6.8	6.8
Downside Risk	2.4	2.5	3.0	3.2	4.6	4.9	5.0	5.3
Risk/Return Summary Statistics								
Standard Deviation	5.4	5.3	6.4	6.6	7.9	8.3	8.1	8.3
Alpha	1.0	0.0	0.7	0.0	0.8	0.0	0.7	0.0
Sharpe Ratio	1.2	1.0	1.0	1.0	0.7	0.7	0.8	0.7
Active Return/Risk	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Tracking Error	0.6	0.0	0.7	0.0	0.9	0.0	0.8	0.0
Information Ratio	1.8	-	0.4	-	0.3	-	0.5	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	58.3	100.0	50.0	100.0	53.3	100.0	55.0	100.0

Appendix - Legacy

Investment Performance Review

Period Ending: September 30, 2025


100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Global Fixed Income
Real Estate
Private Equity
In-State Investments
Diversified Real Assets
Cash and Equivalents



	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-17.5	26 Months	16

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	2.0	1.8	8.0	7.6	7.7	7.6	7.1	6.8
Downside Risk	3.1	2.3	3.7	3.5	5.5	5.7	5.6	5.4
Risk/Return Summary Statistics								
Standard Deviation	6.6	5.5	7.8	7.6	9.1	9.2	8.8	8.4
Alpha	-1.2	0.0	1.3	0.0	1.2	0.0	0.7	0.0
Sharpe Ratio	1.3	1.4	1.2	1.0	0.6	0.5	0.7	0.6
Active Return/Risk	0.1	0.0	0.2	0.0	0.1	0.0	0.1	0.0
Tracking Error	1.3	0.0	1.3	0.0	1.3	0.0	1.2	0.0
Information Ratio	0.6	-	1.1	-	0.9	-	0.7	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	58.3	100.0	66.7	100.0	65.0	100.0	64.2	100.0

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	2.0	1.9	8.0	8.0	7.7	7.8	7.1	7.0
Downside Risk	3.1	3.2	3.7	4.0	5.5	5.8	5.6	5.5
Risk/Return Summary Statistics								
Standard Deviation	6.6	6.5	7.8	8.1	9.1	9.5	8.8	8.6
Alpha	0.8	0.0	1.4	0.0	1.1	0.0	0.6	0.0
Sharpe Ratio	1.3	1.1	1.2	1.0	0.6	0.5	0.7	0.6
Active Return/Risk	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Tracking Error	0.4	0.0	0.8	0.0	0.9	0.0	1.0	0.0
Information Ratio	2.6	-	1.2	-	0.8	-	0.7	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	75.0	100.0	61.1	100.0	61.7	100.0	62.5	100.0

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	**13,119,053,327**	**100.0**	**5.4**	**5.4**	**14.2**	**13.2**	**14.4**	**8.4**	**8.2**
Policy Index			*5.1*	*5.1*	*13.0*	*12.3*	*12.7*	*7.2*	*7.2*
Corridor Target Index			*5.4*	*5.4*	*13.5*	*12.1*	*13.3*	*7.6*	*7.4*
Total Equity	**7,499,622,566**	**57.2**	**7.8**	**7.8**	**19.8**	**18.5**	**22.8**	**13.7**	
Total Equity Blend			*7.6*	*7.6*	*19.1*	*17.2*	*22.3*	*13.8*	
Public Equity	**7,432,221,491**	**56.7**	**7.8**	**7.8**	**19.9**	**18.6**	**23.0**		
Public Equity Benchmark			*7.6*	*7.6*	*19.1*	*17.2*	*22.3*		
Domestic Equity	**4,382,147,428**	**33.4**	**8.1**	**8.1**	**14.8**	**18.5**	**24.1**	**16.1**	**13.8**
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	*14.7*
Domestic All Cap Equity	**217,709,263**	**1.7**	**8.0**	**8.0**	**18.0**	**23.6**			
Russell 3000 Index			*8.2*	*8.2*	*14.4*	*17.4*	-	-	-
Two Sigma Active Extension U.S. All Cap Equity	217,709,263	1.7	8.0	8.0	18.0	23.6	-	-	-
Large Cap	**3,984,949,528**	**30.4**	**8.0**	**8.0**	**14.8**	**18.3**	**25.6**	**17.1**	**15.1**
Russell 1000 Index			*8.0*	*8.0*	*14.6*	*17.7*	*24.6*	*16.0*	*15.0*
L.A. Capital Enhanced	958,335,927	7.3	8.5	8.5	16.2	20.3	25.9	17.3	15.4
T. Rowe Large Cap	1,434,815,975	10.9	7.5	7.5	13.6	-	-	-	-
Internal Equity	1,350,364,906	10.3	8.0	8.0	-	-	-	-	-
WorldQuant Mill	241,207,861	1.8	9.0	9.0	-	-	-	-	-
LA Capital Large Cap Growth	14,828	0.0							
NTAM Quant Enh R1000	38,289	0.0							
Parametric-Clifton Enh R1000	171,742	0.0							
Small Cap	**179,485,599**	**1.4**	**10.5**	**10.5**	**10.6**	**9.1**	**13.0**	**9.2**	**8.3**
Russell 2000 Index			*12.4*	*12.4*	*10.4*	*10.8*	*15.2*	*11.6*	*9.8*
Atlanta Capital	14,041	0.0							
NTAM R2000 Index	42,732,373	0.3	12.4	12.4	10.5	10.9	-	-	-
Wellington SM Cap	136,696,819	1.0	10.0	10.0	10.2	-	-	-	-
Riverbridge Small Cap Growth	7,027	0.0							
Sycamore Small Cap Value	35,339	0.0							
Domestic Equity Transition Account	3,039	0.0							
International Equity	**3,050,074,063**	**23.2**	**7.4**	**7.4**	**27.5**	**18.2**	**21.3**	**10.2**	**8.8**
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	*8.2*
International Equity All Cap	**976,594,215**	**7.4**	**8.3**	**8.3**	**30.0**	**20.6**	**22.5**		
MSCI AC World ex USA IMI (Net)			*6.9*	*6.9*	*26.0*	*16.4*	*20.5*	-	-
William Blair Int'l Leaders	314,052,412	2.4	3.0	3.0	19.0	9.3	15.2	4.2	-
Arrowstreet ACWI ex US	662,541,802	5.1	11.0	11.0	37.5	28.8	28.0	-	-

Residual Holdings value of $1,176,170 included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Developed International Equity	**1,449,384,419**	**11.0**	**5.8**	**5.8**	**26.6**	**17.2**			
MSCI World ex U.S. (Net)			*5.3*	*5.3*	*25.3*	*16.0*	*21.6*		
International Developed Large Cap	**1,239,042,324**	**9.4**	**5.3**	**5.3**	**25.4**	**16.1**	**21.0**		
MSCI World ex U.S. (Net)			*5.3*	*5.3*	*25.3*	*16.0*	*21.6*		
International Developed Small Cap	**210,342,094**	**1.6**	**8.8**	**8.8**	**34.7**	**24.8**	**23.4**		
Emerging Markets	**624,095,430**	**4.8**	**9.9**	**9.9**	**25.9**	**16.8**	**16.3**		
Private Equity	**67,401,075**	**0.5**	**-0.3**	**-0.3**	**11.5**	**11.4**	**8.0**	**7.8**	
Total Income	**3,953,214,387**	**30.1**	**2.0**	**2.0**	**6.7**	**5.4**	**6.6**	**1.4**	**3.6**
Total Income Blend			*2.1*	*2.1*	*6.3*	*4.9*	*5.4*	*-0.2*	*2.0*
Core Fixed Income	**2,386,806,008**	**18.2**	**2.3**	**2.3**	**6.9**	**3.8**			
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	-	-	-
Allspring Med Quality Credit	195,823,808	1.5	3.0	3.0	7.0	4.3	8.4	1.8	4.4
PIMCO Core Plus Constrained	648,149,642	4.9	2.6	2.6	7.8	4.8	-	-	-
Prudential Core Plus	646,841,290	4.9	2.3	2.3	6.8	3.7	6.1	0.1	3.0
State Street Gov Index	134,309,831	1.0	1.5	1.5	5.4	2.1	-	-	-
State Street Securitized Index	62,143,442	0.5	2.4	2.4	-	-	-	-	-
Western Asset Core Plus	240,967,794	1.8	2.3	2.3	7.3	3.7	6.0	-0.4	2.5
Internal Fixed Income Government	458,145,571	3.5	1.8	1.8	-	-	-	-	-

Residual Holdings value of $1,176,170 included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Private Credit	**767,674,877**	**5.9**	**0.4**	**0.4**	**5.2**	**8.0**			
High Yield	**798,733,502**	**6.1**	**2.7**	**2.7**	**7.6**	**7.9**			
Total Real Assets	**1,067,654,145**	**8.1**	**0.5**	**0.5**	**4.4**	**6.0**	**1.2**	**3.7**	
Total Real Assets Blend			*1.0*	*1.0*	*3.1*	*3.3*			
Real Estate	**446,965,402**	**3.4**	**0.6**	**0.6**	**-0.2**	**-0.6**	**-8.0**	**1.3**	**3.5**
Infrastructure	**620,688,743**	**4.7**	**0.4**	**0.4**	**7.9**	**11.1**	**8.1**	**6.0**	**5.5**
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag			*1.1*	*1.1*	*3.4*	*3.7*	*-5.3*	*3.6*	*5.5*
ISQ Global Infrastructure II	90,464,813	0.7	-0.4	-0.4	3.7	9.4	10.0	12.4	-
ISQ Global Infrastructure III	80,216,501	0.6	-1.2	-1.2	8.3	12.8	21.5	-	-
JP Morgan IIF Infrastructure	115,769,784	0.9	0.0	0.0	9.4	14.2	11.8	9.3	7.6
Grosvenor CIS Fund II	33,827,810	0.3	-0.2	-0.2	-7.9	-5.5	3.7	9.1	8.7
Grosvenor CIS Fund III	77,021,098	0.6	0.0	0.0	8.0	10.1	8.7	-	-
Macquarie Infrastructure Fund IV	108,478,403	0.8	2.5	2.5	11.6	13.8	6.9	11.3	-
Macquarie Infrastructure Fund V	114,909,044	0.9	0.8	0.8	11.9	12.7	7.2	-	-
Western US TIPS	1,290	0.0							

Residual Holdings value of $1,176,170 included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
In-State Investments	**521,823,690**	**4.0**	**10.3**	**10.3**	**15.3**	**16.3**			
In-State Investments			*10.3*	*10.3*	*15.3*	*16.3*			
In-State Fixed Income	**432,732,736**	**3.3**	**12.6**	**12.6**	**14.5**	**15.5**			
In-State Fixed Income			*12.6*	*12.6*	*14.5*	*15.5*	-	-	-
BND Legacy Infrastructure Loan Fund	138,762,687	1.1	49.4	49.4	50.6	51.6	-	-	-
BND CDs	293,970,049	2.2	0.9	0.9	2.8	3.8	3.5	3.2	-
In-State Equity	**89,090,954**	**0.7**	**0.0**	**0.0**	**21.0**	**21.7**			
In-State Equity			*0.0*	*0.0*	*21.0*	*21.7*	-	-	-
50 South Capital II	89,090,954	0.7	0.0	0.0	21.0	21.7	-	-	-
Cash and Equivalents	**75,562,369**	**0.6**	**3.2**	**3.2**	**9.9**	**11.2**	**7.0**	**4.3**	**2.6**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.1*
Northern Trust Cash Account	22,785,877	0.2	1.0	1.0	3.1	4.3	4.7	2.9	-
BND Cash	22,323,565	0.2	1.1	1.1	3.3	4.6	4.9	3.1	-
Cash Overlay Equities	18,544,347	0.1	8.0	8.0	-	-	-	-	-
Cash Overlay Fixed	11,908,580	0.1	1.0	1.0	-	-	-	-	-

Residual Holdings value of $1,176,170 included in Total Fund value. Fiscal year 06/30.

BARRA RISK FACTORS[3]

EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	5.87
Dividend Yield	(15.90)
Earnings Yield	(9.68)
Growth	10.73
Leverage	(8.68)
Liquidity	13.10
Mid Cap	(11.73)
Momentum	(2.02)
Residual Volatility	5.81
Size	(2.72)
Value	(5.81)

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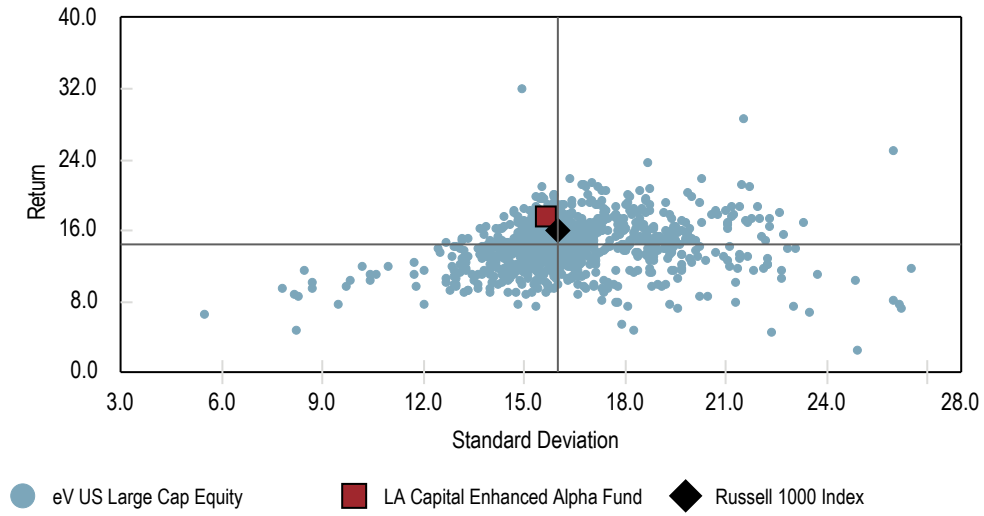
FUNDAMENTAL STATISTICS[3,6]

	Fund	Benchmark Index
Active Share (%)	74.87	—
Position Count	2,970	2,983
Dividend Yield (%)	0.98	1.22
Long Term Debt-to-Equity Ratio	0.86	0.86
Price-to-Book Ratio	4.87	4.37
Price-to-Earnings Ratio (trailing)	26.92	26.04
Weighted Average Market Cap ($m)	276,134	275,659

Characteristics

	Portfolio	Benchmark
Number of Stocks	348	1,011
Wtd. Avg. Mkt. Cap $M	1,002,337.1	1,234,783.7
Median Mkt. Cap $M	16,561.4	15,516.8
Price/Earnings ratio	23.6	28.5
Price/Book ratio	5.3	5.1
Return on Equity (%)	-2.0	5.5
Current Yield (%)	1.3	1.2
Beta (5 Years, Monthly)	1.0	1.0

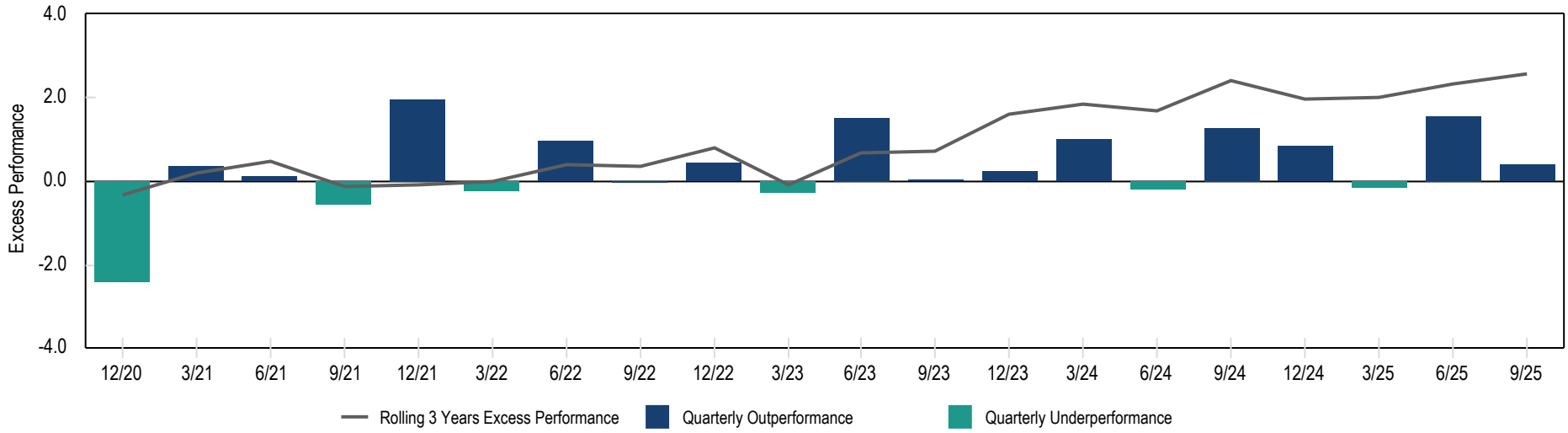
Risk vs. Reward - 5 Years



Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	13.48	15.65	14.98
Tracking Error	2.06	2.34	2.33
Alpha	2.40	1.81	1.54
Information Ratio	1.02	0.55	0.34
Beta	0.99	0.97	0.95
R-Squared	0.98	0.98	0.98
Sharpe Ratio	1.52	0.93	0.94
Positive Months Ratio	69.44	65.00	68.33
Up Capture	103.59	101.15	99.28
Down Capture	92.07	94.40	93.06
Up Market Periods	25	38	85
Down Market Periods	11	22	35

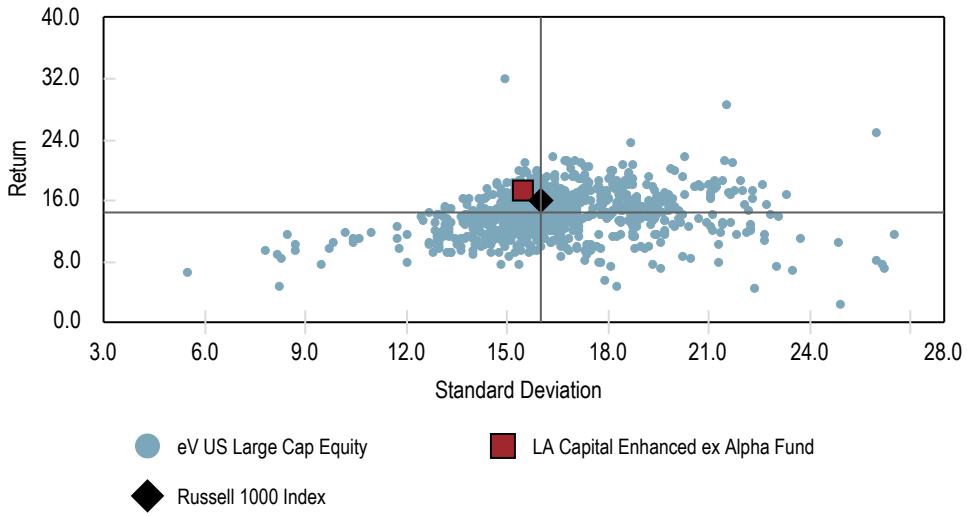
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	128	1,011
Wtd. Avg. Mkt. Cap $M	1,116,974.4	1,234,783.7
Median Mkt. Cap $M	37,054.8	15,516.8
Price/Earnings ratio	27.7	28.5
Price/Book ratio	6.0	5.1
Return on Equity (%)	-1.8	5.5
Current Yield (%)	1.0	1.2
Beta (5 Years, Monthly)	1.0	1.0

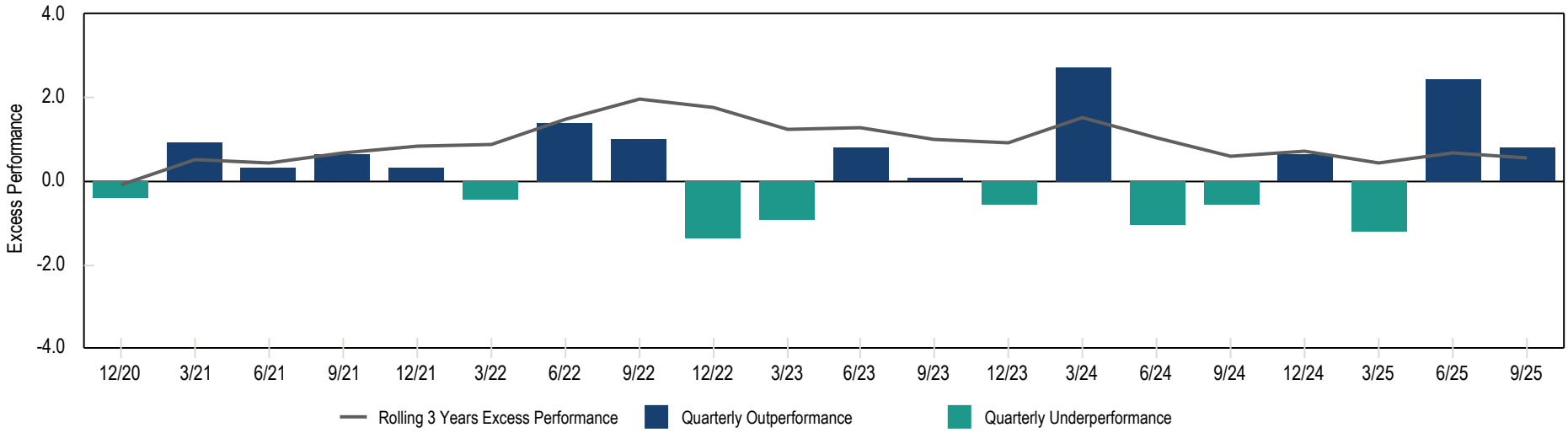
Risk vs. Reward - 5 Years



Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	13.55	15.47	15.19
Tracking Error	2.26	2.14	2.12
Alpha	0.69	1.71	0.55
Information Ratio	0.21	0.48	0.02
Beta	0.99	0.96	0.97
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.40	0.93	0.87
Positive Months Ratio	72.22	66.67	69.17
Up Capture	99.87	99.25	97.87
Down Capture	95.18	92.18	95.29
Up Market Periods	25	38	85
Down Market Periods	11	22	35

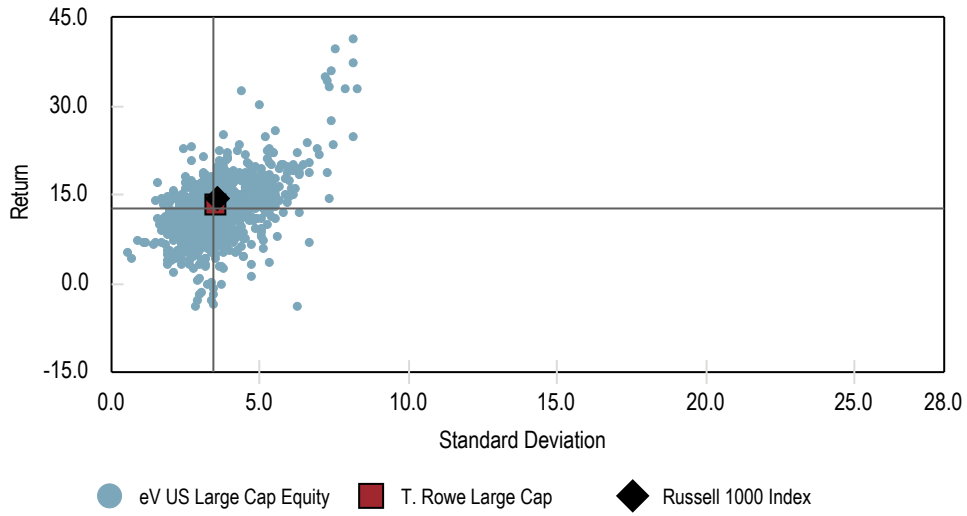
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	305	1,011
Wtd. Avg. Mkt. Cap $M	1,386,169.4	1,234,783.7
Median Mkt. Cap $M	61,117.7	15,516.8
Price/Earnings ratio	29.8	28.5
Price/Book ratio	5.6	5.1
Return on Equity (%)	6.3	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

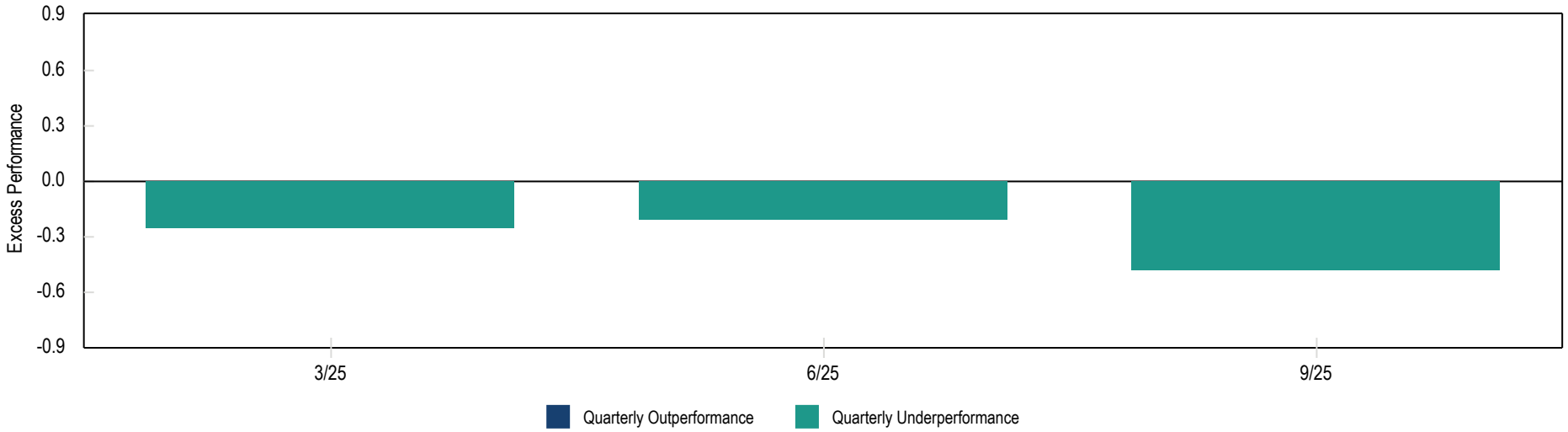
Risk vs. Reward - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	0.65	3.46
Tracking Error	0.16	0.16
Alpha	-0.19	-0.07
Information Ratio	-0.97	-0.66
Beta	1.02	0.98
R-Squared	0.94	1.00
Sharpe Ratio	3.13	0.33
Positive Months Ratio	100.00	66.67
Up Capture	94.11	95.32
Down Capture	-	98.52
Up Market Periods	3	6
Down Market Periods	0	3

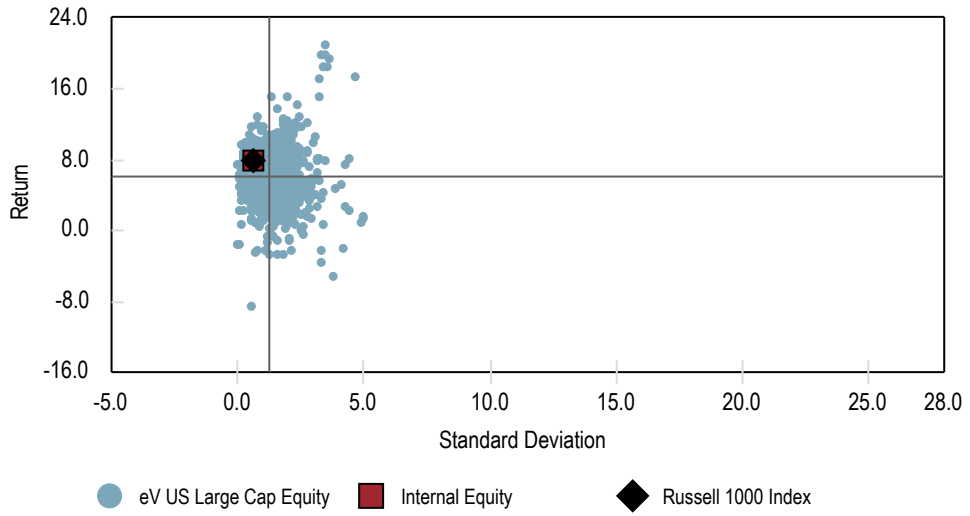
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,014	1,011
Wtd. Avg. Mkt. Cap $M	1,210,879.3	1,234,783.7
Median Mkt. Cap $M	15,576.0	15,516.8
Price/Earnings ratio	28.5	28.5
Price/Book ratio	5.1	5.1
Return on Equity (%)	5.5	5.5
Current Yield (%)	1.2	1.2
Beta	-	1.0

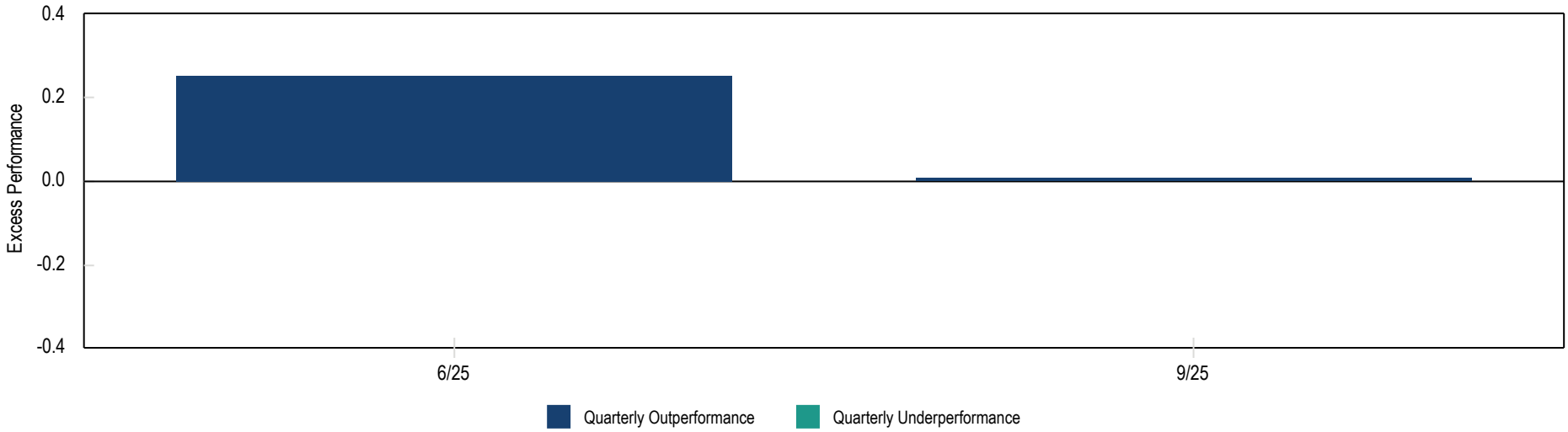
Risk vs. Reward - 1 Quarter



Additional Calculations

	3 Mo
Standard Deviation	0.61
Tracking Error	0.01
Alpha	0.03
Information Ratio	0.24
Beta	0.99
R-Squared	1.00
Sharpe Ratio	3.58
Positive Months Ratio	100.00
Up Capture	100.08
Down Capture	-
Up Market Periods	3
Down Market Periods	0

Quarterly Excess Performance vs. Russell 1000 Index



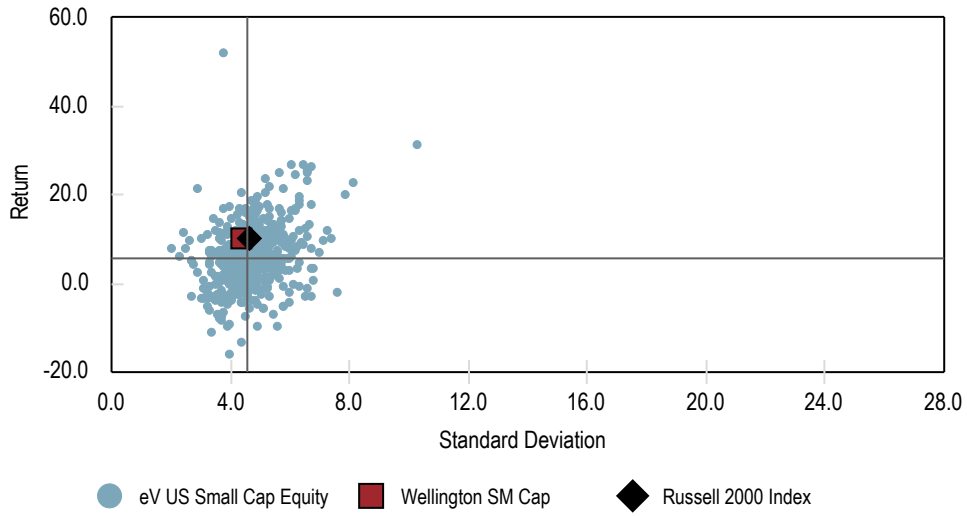
Characteristics

	Portfolio	Benchmark
Number of Stocks	325	1,011
Wtd. Avg. Mkt. Cap $M	1,208,892.8	1,234,783.7
Median Mkt. Cap $M	29,217.6	15,516.8
Price/Earnings ratio	27.5	28.5
Price/Book ratio	5.7	5.1
Return on Equity (%)	4.9	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

Characteristics

	Portfolio	Benchmark
Number of Stocks	287	1,972
Wtd. Avg. Mkt. Cap $M	5,278.3	4,266.9
Median Mkt. Cap $M	3,204.7	939.6
Price/Earnings ratio	18.1	18.9
Price/Book ratio	2.7	2.5
Return on Equity (%)	0.6	0.6
Current Yield (%)	1.1	1.3
Beta	-	1.0

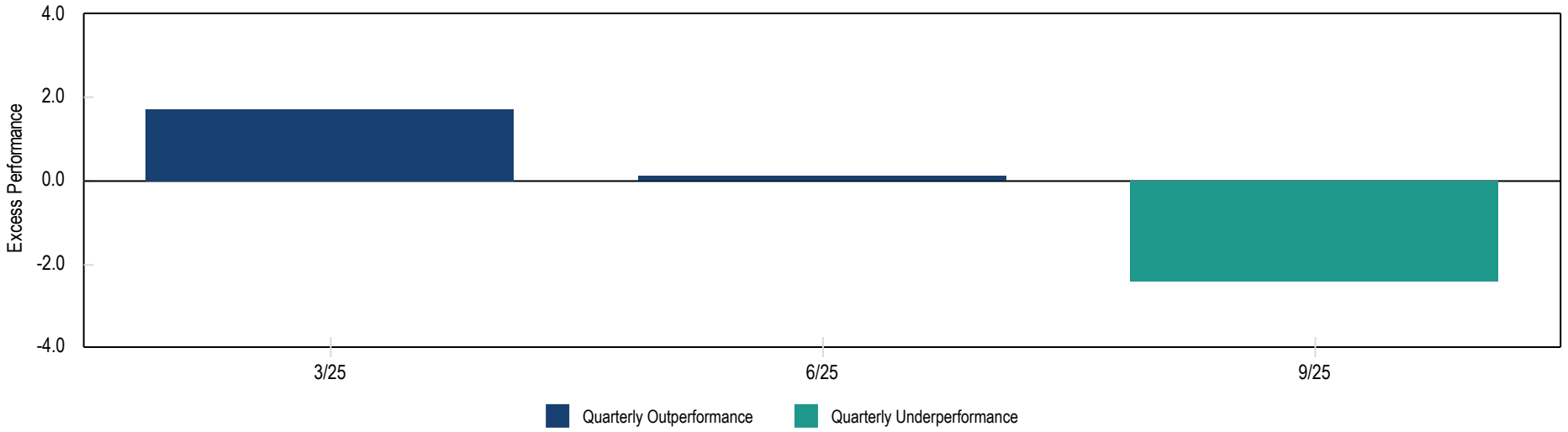
Risk vs. Reward - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	1.27	4.36
Tracking Error	1.07	0.95
Alpha	1.04	0.07
Information Ratio	-0.72	-0.04
Beta	0.55	0.92
R-Squared	0.97	0.96
Sharpe Ratio	2.29	0.19
Positive Months Ratio	100.00	66.67
Up Capture	80.67	96.38
Down Capture	-	95.87
Up Market Periods	3	6
Down Market Periods	0	3

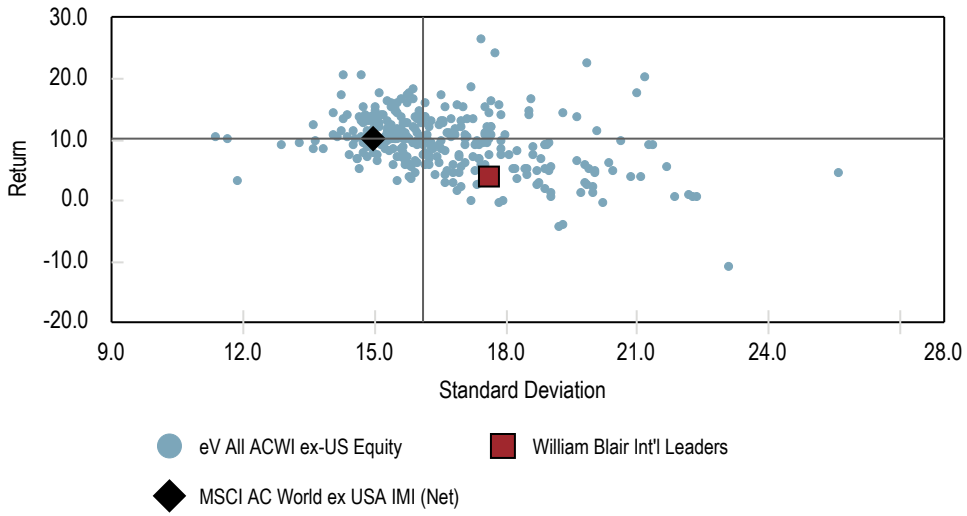
Quarterly Excess Performance vs. Russell 2000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	72	6,102
Wtd. Avg. Mkt. Cap $M	150,750.6	120,575.8
Median Mkt. Cap $M	77,659.7	2,539.0
Price/Earnings ratio	20.2	16.9
Price/Book ratio	3.7	2.6
Return on Equity (%)	6.4	4.8
Current Yield (%)	1.6	2.7
Beta (5 Years, Monthly)	1.1	1.0

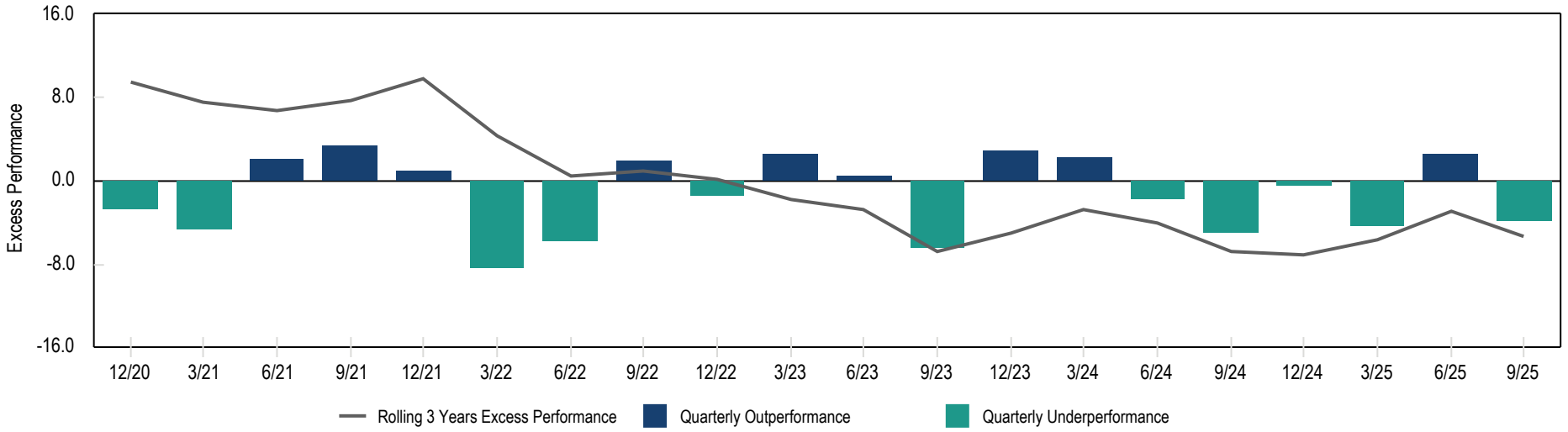
Risk vs. Reward - 5 Years



Additional Calculations

	1 Yr	3 Yrs	5 Yrs
Standard Deviation	12.11	14.45	17.59
Tracking Error	4.95	6.26	7.75
Alpha	-7.76	-4.41	-5.71
Information Ratio	-1.23	-0.70	-0.68
Beta	1.12	1.01	1.06
R-Squared	0.84	0.81	0.81
Sharpe Ratio	0.44	0.73	0.15
Positive Months Ratio	50.00	61.11	55.00
Up Capture	97.05	95.02	97.31
Down Capture	166.36	128.23	129.49
Up Market Periods	7	22	35
Down Market Periods	5	14	25

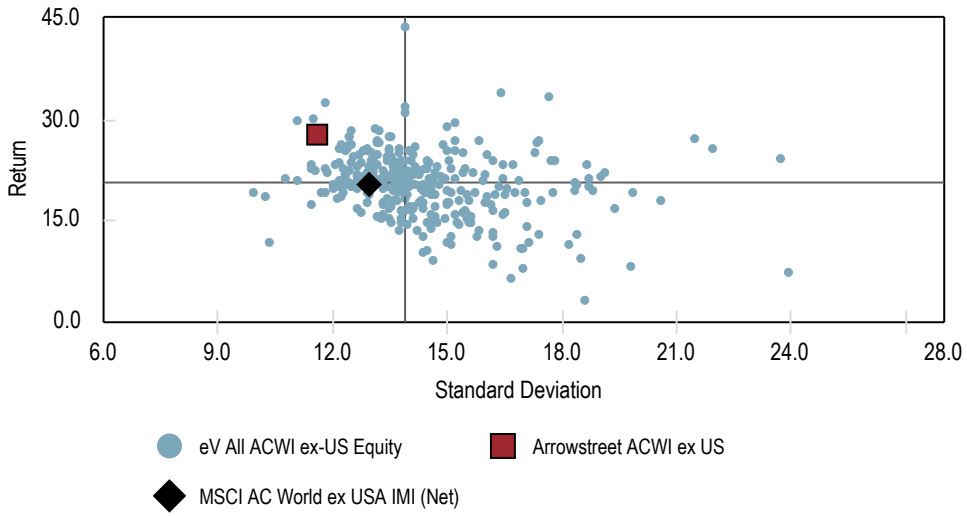
Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,678	6,102
Wtd. Avg. Mkt. Cap $M	81,442.2	120,575.8
Median Mkt. Cap $M	3,948.8	2,539.0
Price/Earnings ratio	13.5	16.9
Price/Book ratio	2.4	2.6
Return on Equity (%)	4.4	4.8
Current Yield (%)	2.9	2.7
Beta (3 Years, Monthly)	0.8	1.0

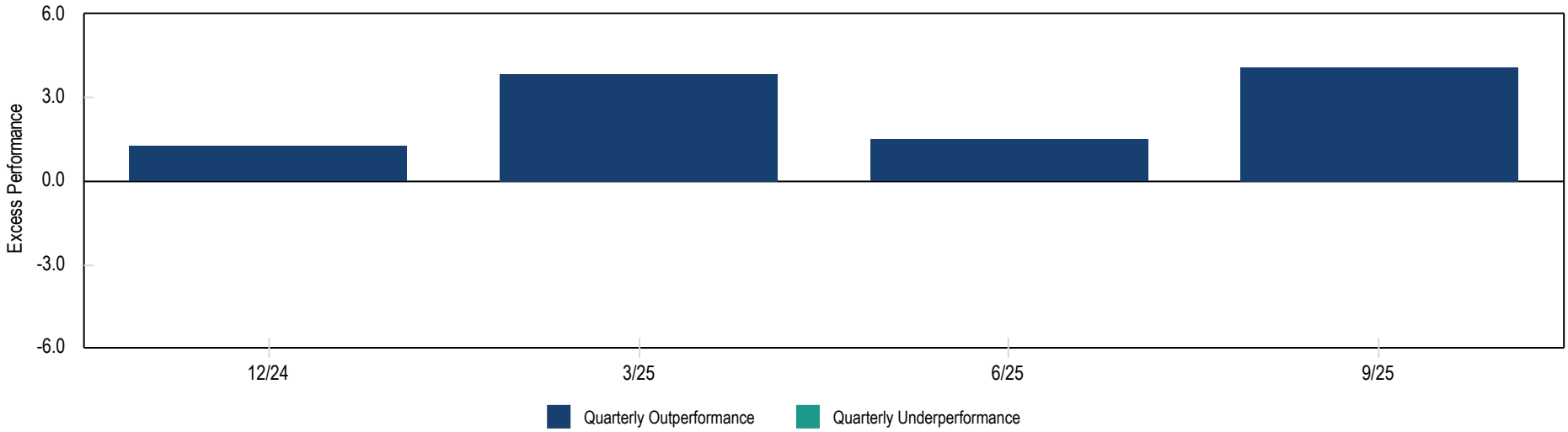
Risk vs. Reward - 3 Years



Additional Calculations

	YTD	1 Yr	3 Yrs
Standard Deviation	1.64	10.20	11.59
Tracking Error	0.78	2.58	4.51
Alpha	1.43	10.87	9.47
Information Ratio	1.29	4.01	1.32
Beta	0.83	1.00	0.84
R-Squared	0.81	0.94	0.88
Sharpe Ratio	2.01	2.13	1.79
Positive Months Ratio	100.00	75.00	69.44
Up Capture	124.26	124.26	102.12
Down Capture	-776.35	44.22	47.72
Up Market Periods	7	7	22
Down Market Periods	2	5	14

Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



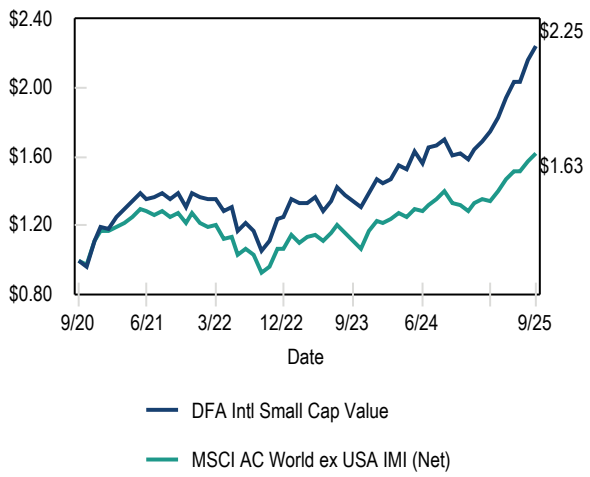
Description:

The investment seeks long-term capital appreciation.
The advisor intends to purchase securities of small value companies associated with developed market countries that the Advisor has designated as approved markets. As a non-fundamental policy, under normal circumstances, the fund will invest at least 80% of its net assets in securities of small companies in the particular markets in which it invests. It may gain exposure to companies associated with approved markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	13,745.46 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	15 Years 7 Months
Expense Ratio	0.43 %

Growth of a Dollar



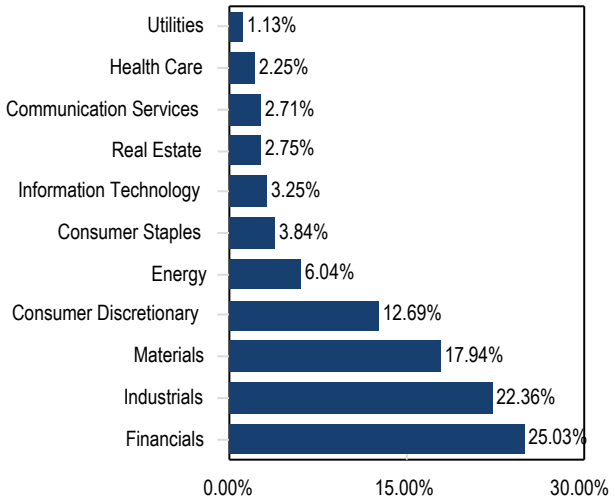
Fund Characteristics as of 09/30/2025

Total Securities	1,864
Avg. Market Cap	2,465.81 Million
P/E	10.66
P/B	0.97
Div. Yield	4.53%

3 Year Statistics as of September 30, 2025

R-Squared	0.84
Alpha	7.51
Beta	0.99
Sharpe Ratio	1.57

Sector Allocation as of 08/31/2025

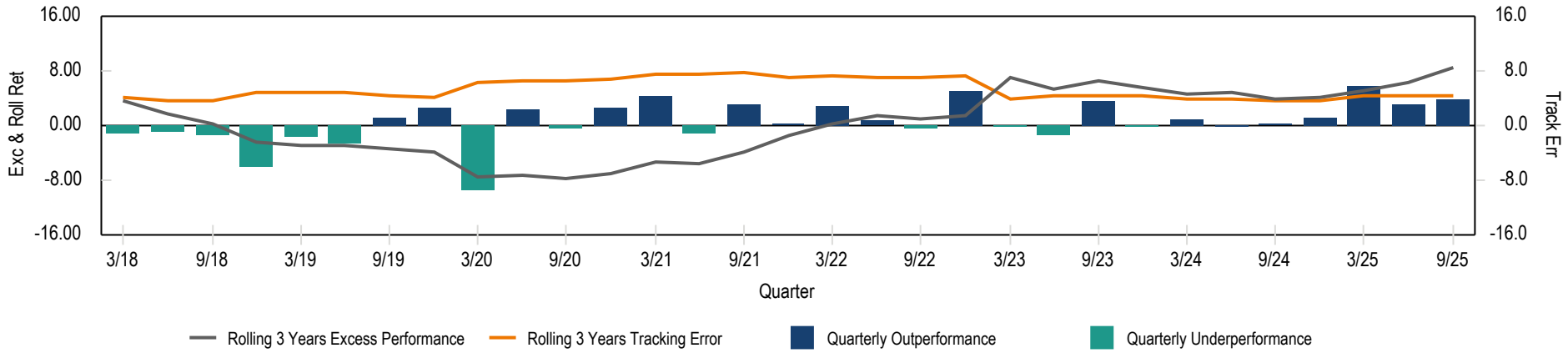


Top Holdings as of 08/31/2025

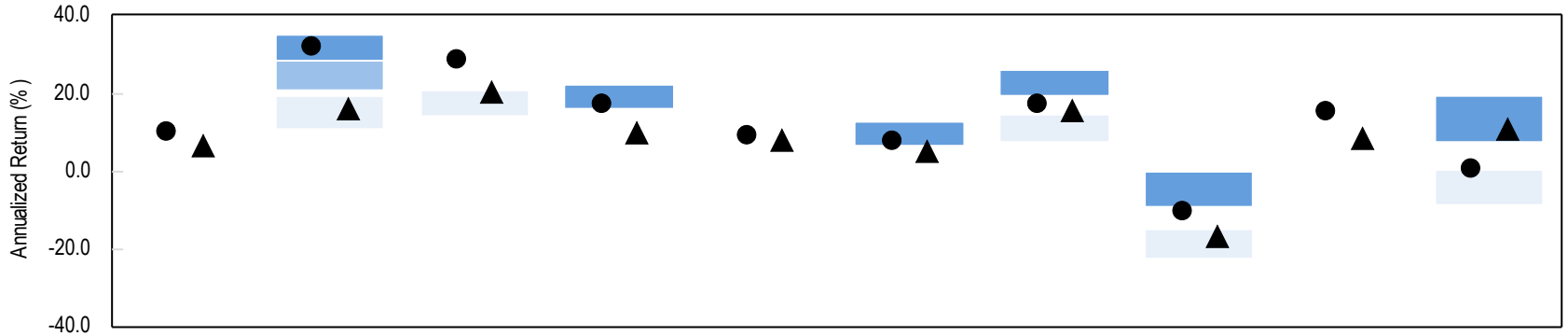
BPER Banca SpA	2.18 %
Banco de Sabadell SA	1.30 %
Whitecap Resources Inc	0.98 %
Bankinter SA	0.95 %
Banca Monte dei Paschi di Siena	0.89 %
Sydbank A/S	0.86 %
Jyske Bank AS	0.86 %
Unipol Assicurazioni SpA	0.85 %
Banco Comercial Portugues SA R	0.66 %
SBM Offshore NV	0.63 %
Total	**10.15 %**

Source: Morningstar

Rolling Annualized Excess Performance and Tracking Error



DFA Intl Small Cap Value vs. Foreign Small/Mid Value



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA Intl Small Cap Value	10.65 (16)	32.43 (10)	28.99 (7)	17.65 (11)	9.73 (16)	7.89 (20)	17.76 (32)	-9.78 (30)	15.89 (38)	0.81 (75)
▲ MSCI AC World ex USA IMI (Net)	6.86 (67)	16.39 (83)	20.50 (85)	10.22 (88)	8.24 (60)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)	11.12 (17)
5th Percentile	12.20	35.00	29.96	22.58	11.48	12.67	26.42	-0.20	20.46	19.65
1st Quartile	9.45	28.39	26.95	16.34	9.60	6.52	19.54	-8.85	17.05	7.70
Median	7.48	21.02	23.83	13.81	8.54	4.47	16.70	-11.44	15.45	4.99
3rd Quartile	5.67	19.67	21.03	11.11	7.88	1.49	15.00	-14.64	11.25	0.53
95th Percentile	2.52	10.74	14.36	9.54	7.14	-2.17	7.39	-22.16	6.67	-8.41
Population	34	33	32	30	20	32	32	31	30	28

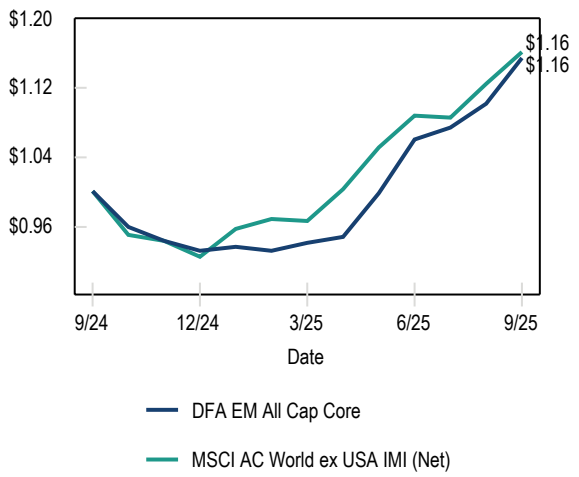
Description:

The investment seeks long-term capital appreciation.
The Portfolio purchases a broad and diverse group of securities associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee ("Approved Markets"). It may gain exposure to companies in Approved Markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	32,761.02 Million
Manager Name	Team Managed
Manager Tenure	15 Years 7 Months
Expense Ratio	0.40 %

Growth of a Dollar



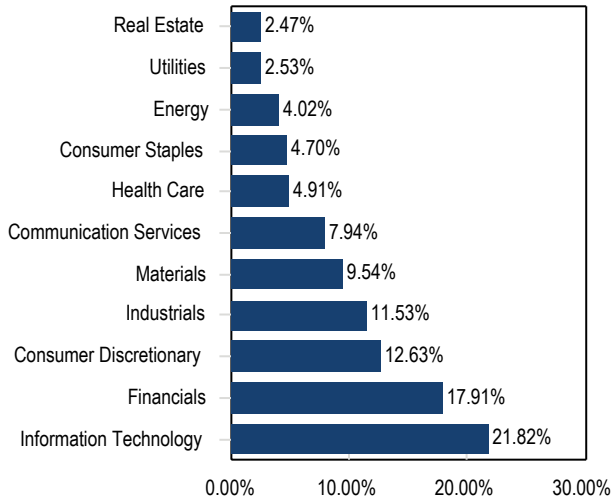
Fund Characteristics as of 09/30/2025

Total Securities	7,641
Avg. Market Cap	16,018.85 Million
P/E	12.43
P/B	1.44
Div. Yield	3.29%

3 Year Statistics as of September 30, 2025

No data found.

Sector Allocation as of 09/30/2025

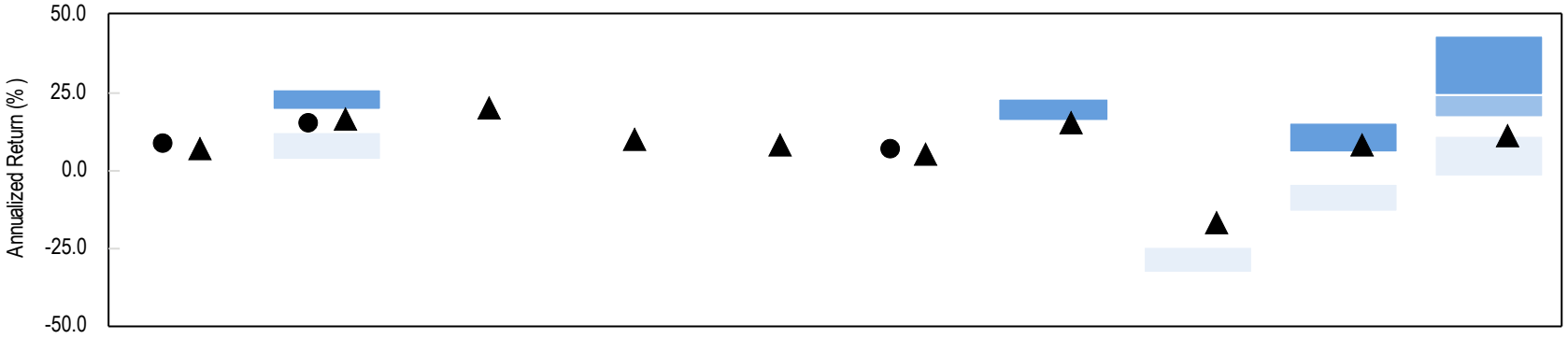


Top Holdings as of 09/30/2025

Taiwan Semiconductor Manufacturing	5.22 %
Tencent Holdings Ltd	3.08 %
Taiwan Semiconductor Manufacturing	1.98 %
Samsung Electronics Co Ltd	1.96 %
Alibaba Group Holding Ltd Ordinary	1.63 %
SK Hynix Inc	0.75 %
China Construction Bank Corp Class	0.54 %
PDD Holdings Inc ADR	0.49 %
Ping An Insurance (Group) Co. of	0.48 %
Reliance Industries Ltd	0.48 %
Total	**16.60 %**

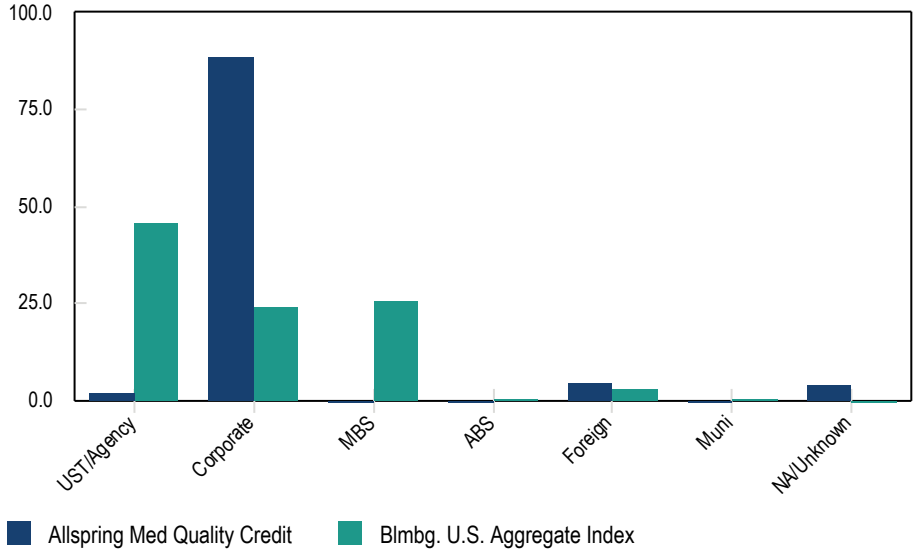
Source: Morningstar

DFA EM All Cap Core vs. Diversified Emerging Mkts

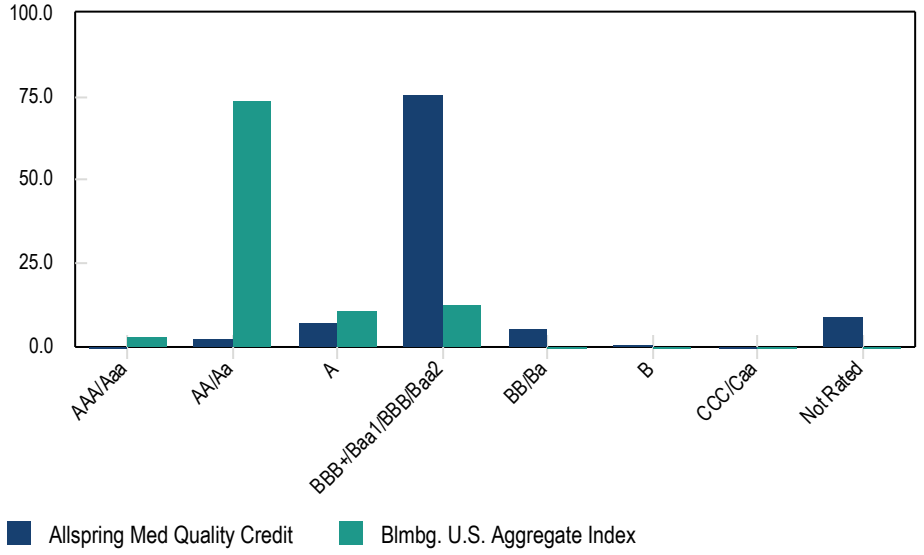


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA EM All Cap Core	8.90 (58)	15.55 (60)	-	-	-	7.31 (39)	-	-	-	-
▲ MSCI AC World ex USA IMI (Net)	6.86 (74)	16.39 (52)	20.50 (19)	10.22 (20)	8.24 (36)	5.23 (63)	15.62 (28)	-16.58 (24)	8.53 (19)	11.12 (76)
5th Percentile	14.03	25.97	24.27	13.44	10.38	13.96	22.96	-11.31	15.55	43.25
1st Quartile	10.95	19.93	19.60	9.51	8.84	8.65	16.08	-16.88	5.98	24.53
Median	9.53	16.55	18.07	7.23	7.75	6.48	11.46	-20.72	-0.24	17.37
3rd Quartile	6.68	12.79	16.01	5.27	6.78	3.45	8.45	-24.50	-3.89	11.43
95th Percentile	1.60	3.66	12.26	1.31	4.99	-2.60	3.81	-32.46	-13.35	-1.97
Population	320	306	273	237	176	309	311	310	291	273

Sectors
Allspring Med Quality Credit



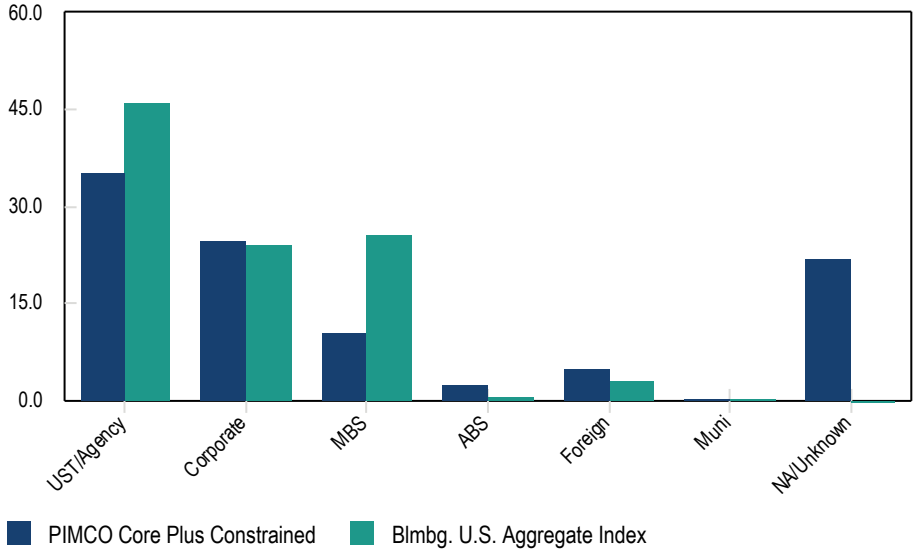
Quality Ratings
Allspring Med Quality Credit



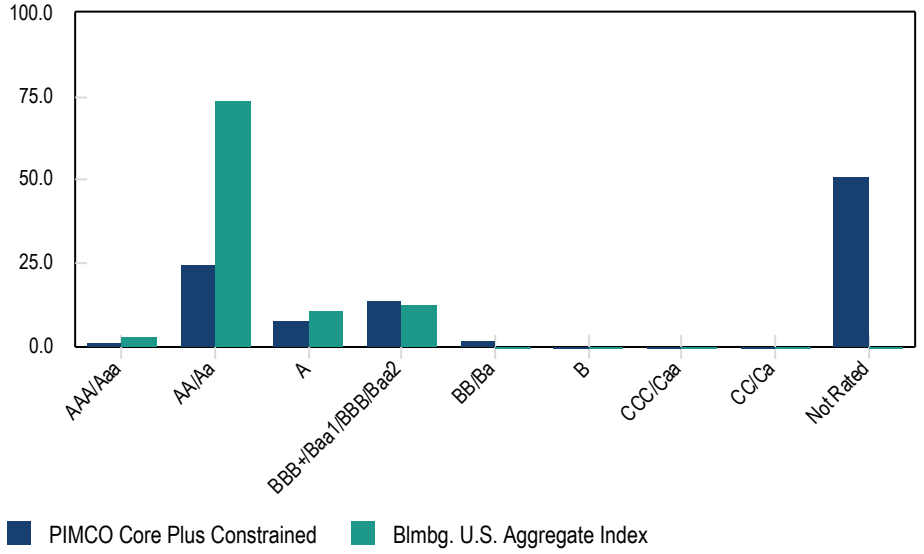
Characteristics
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.3	4.3
Avg. Maturity	11.8	8.2
Avg. Duration	7.4	5.9
Avg. Quality	BBB	AA

Sectors
PIMCO Core Plus Constrained



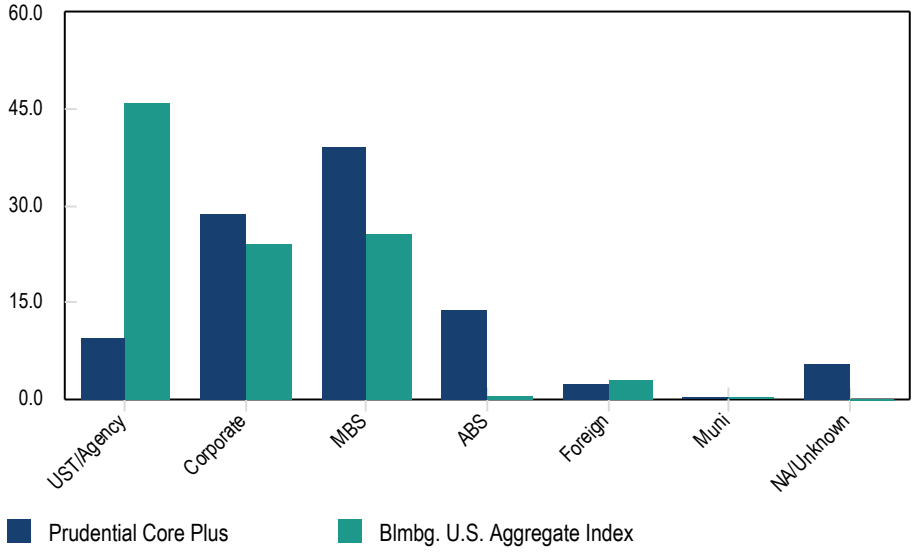
Quality Ratings
PIMCO Core Plus Constrained



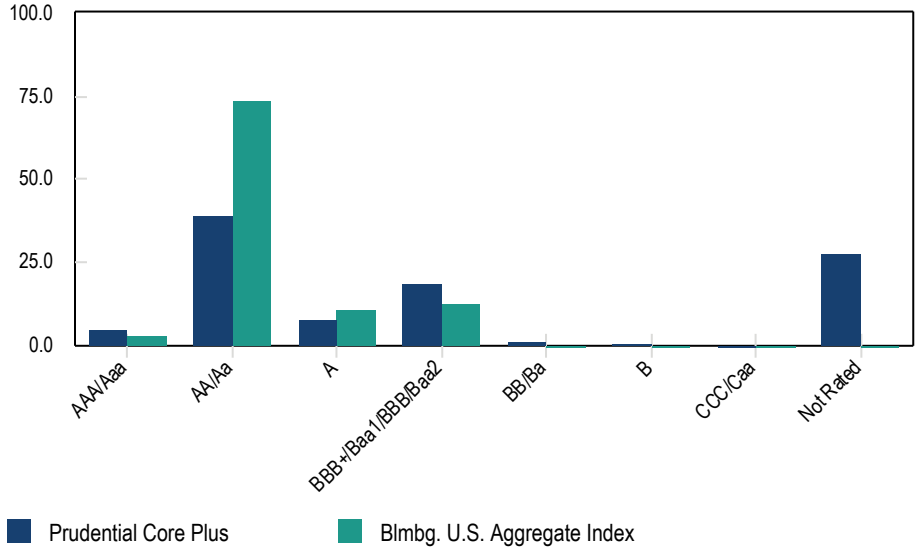
Characteristics
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	5.2	4.3
Avg. Maturity	8.1	8.2
Avg. Duration	5.9	5.9
Avg. Quality	A	AA

Sectors
Prudential Core Plus



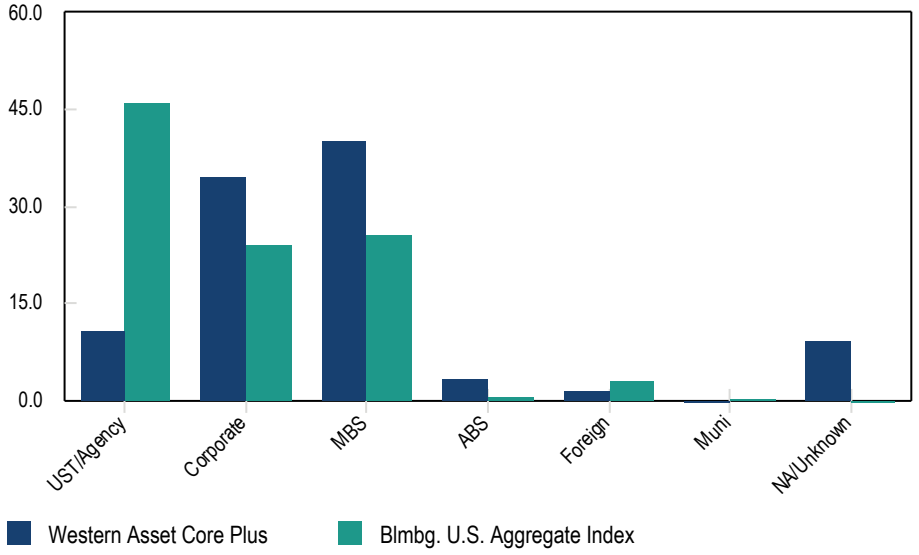
Quality Ratings
Prudential Core Plus



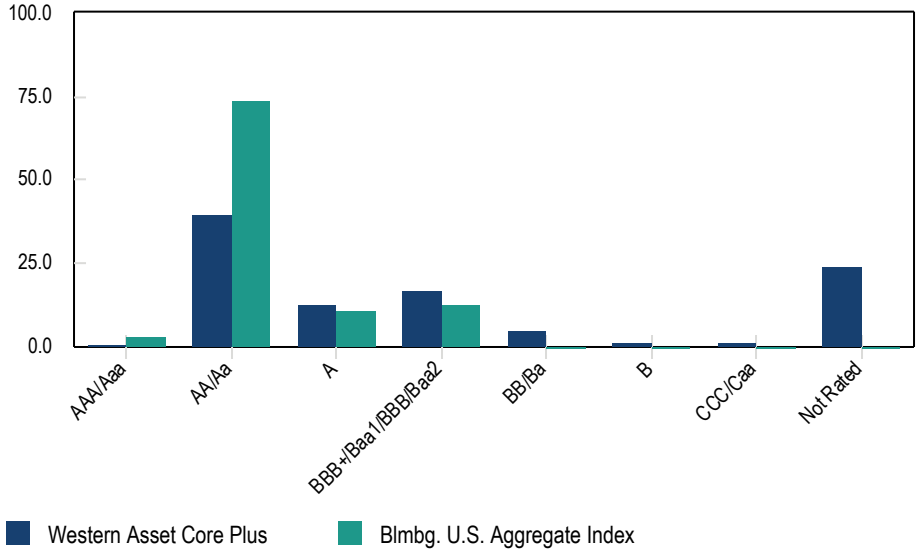
Characteristics
Prudential Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	4.8	4.3
Avg. Maturity	8.2	8.2
Avg. Duration	5.8	5.9
Avg. Quality	A	AA

Sectors
Western Asset Core Plus



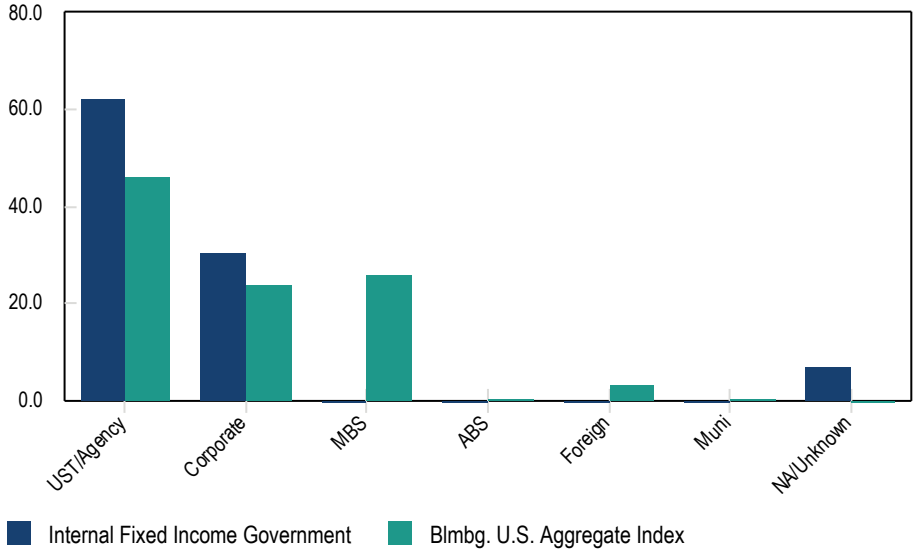
Quality Ratings
Western Asset Core Plus



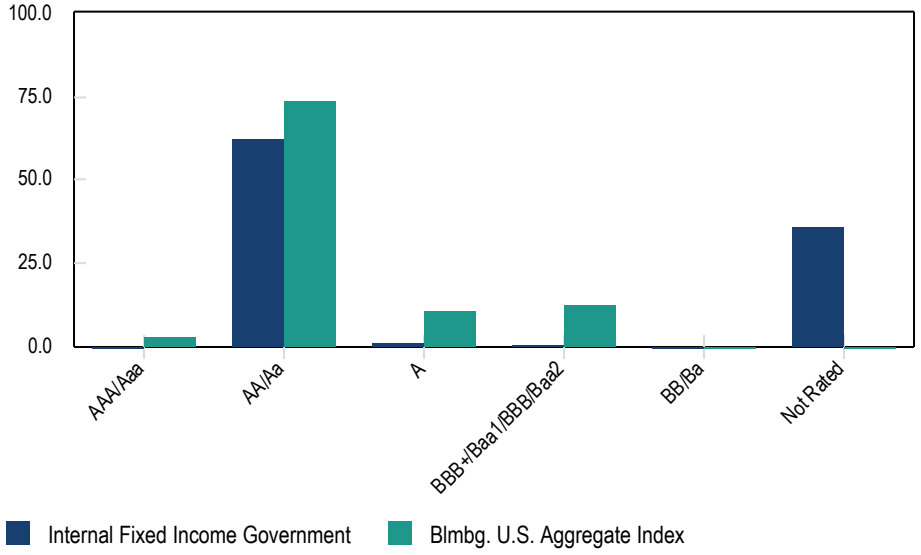
Characteristics
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	5.6	4.3
Avg. Maturity	8.5	8.2
Avg. Duration	5.7	5.9
Avg. Quality	A	AA

Sectors
Internal Fixed Income Government



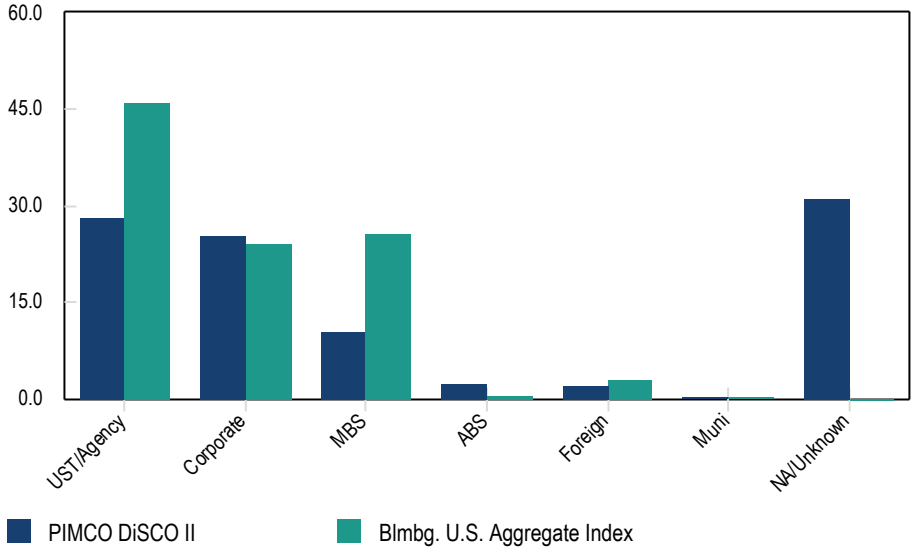
Quality Ratings
Internal Fixed Income Government



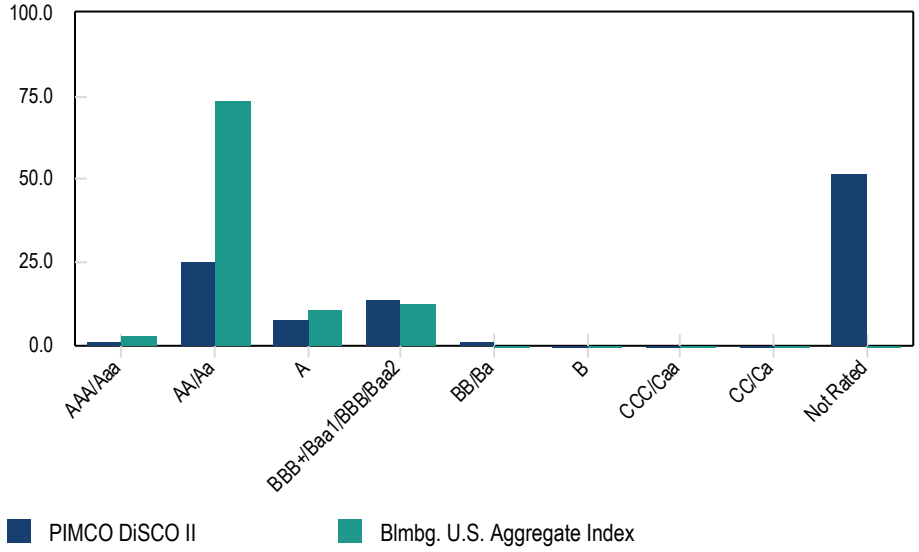
Characteristics
Internal Fixed Income Government

	Portfolio	Benchmark
Yield To Maturity (%)	4.0	4.3
Avg. Maturity	8.0	8.2
Avg. Duration	5.8	5.9
Avg. Quality	AA	AA

Sectors
PIMCO DiSCO II



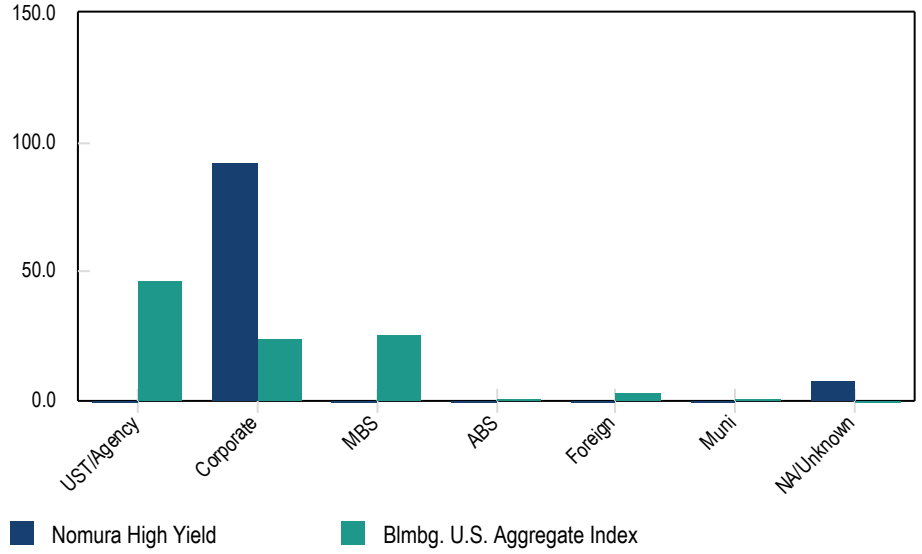
Quality Ratings
PIMCO DiSCO II



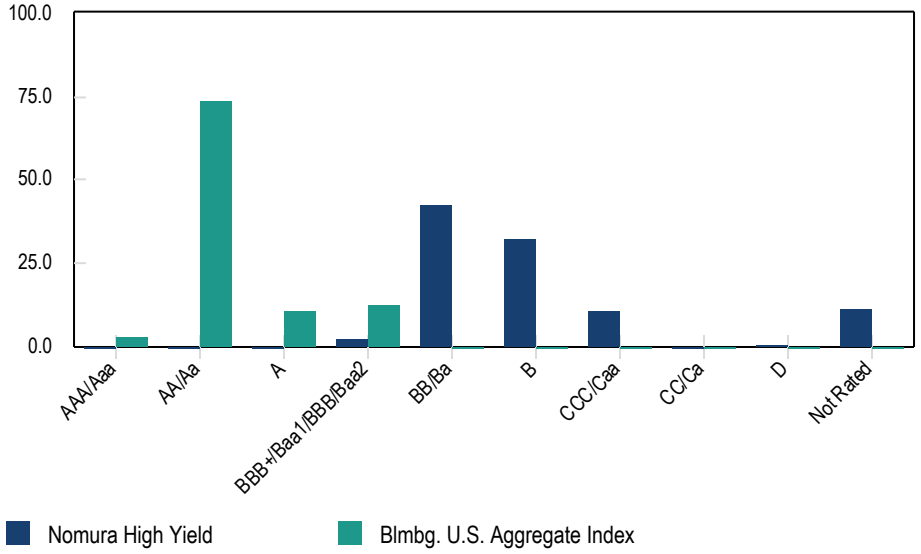
Characteristics
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	4.9	4.3
Avg. Maturity	8.3	8.2
Avg. Duration	6.0	5.9
Avg. Quality	A	AA

Sectors
Nomura High Yield



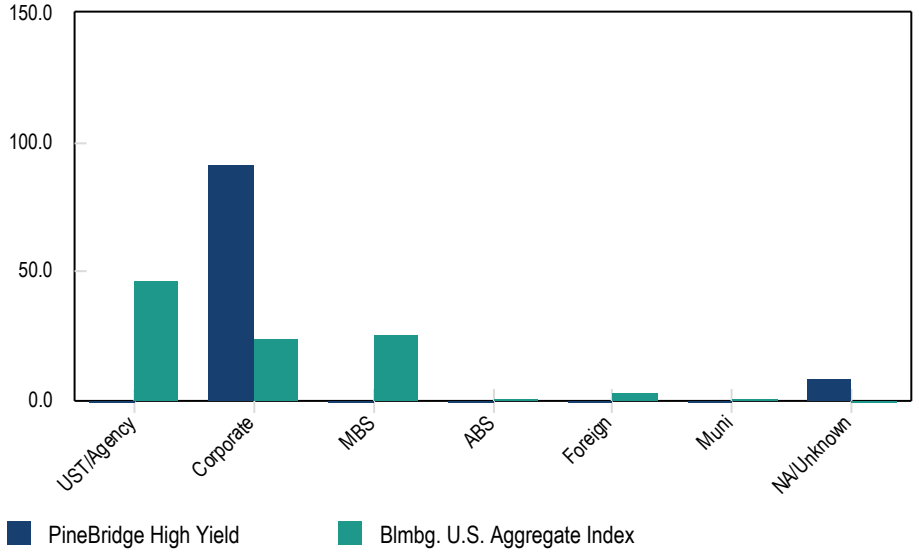
Quality Ratings
Nomura High Yield



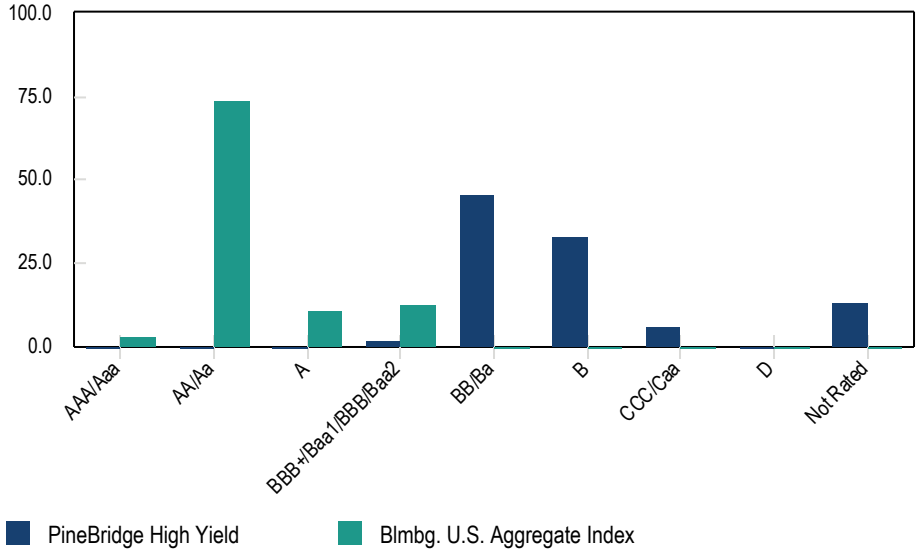
Characteristics
Nomura High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.4	4.3
Avg. Maturity	5.1	8.2
Avg. Duration	3.9	5.9
Avg. Quality	B	AA

Sectors
PineBridge High Yield



Quality Ratings
PineBridge High Yield



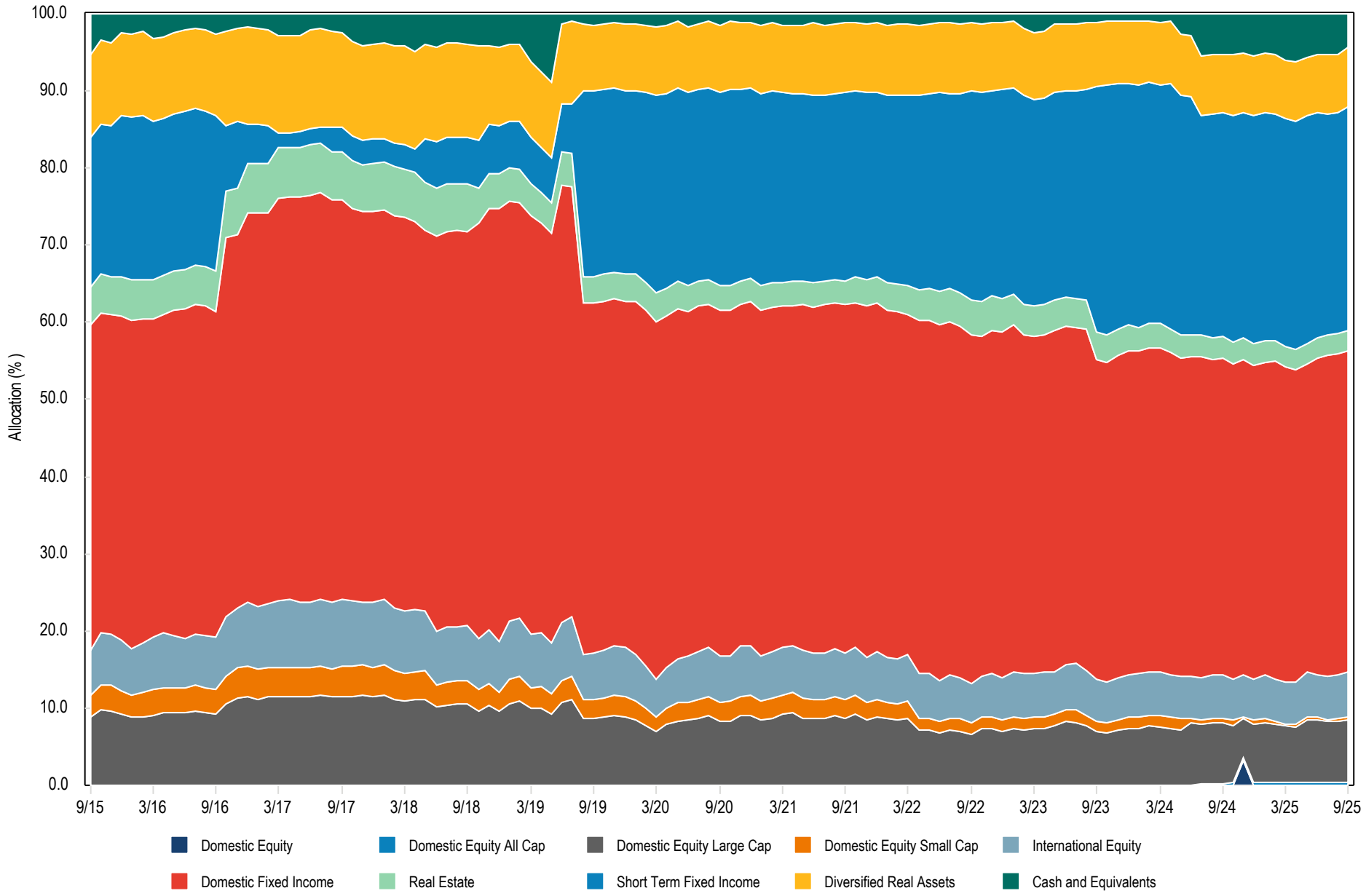
Characteristics
PineBridge High Yield

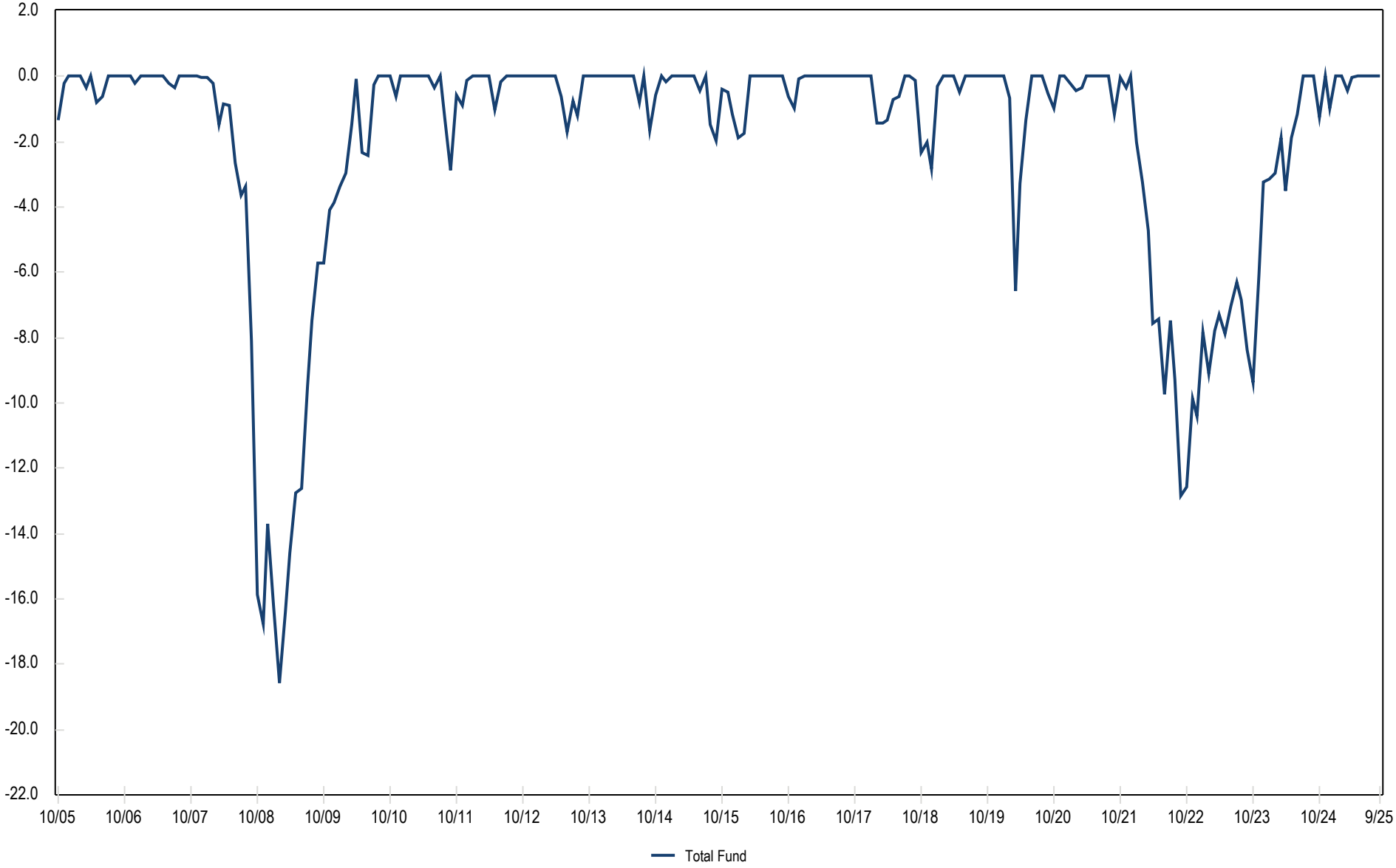
	Portfolio	Benchmark
Yield To Maturity (%)	7.1	4.3
Avg. Maturity	4.9	8.2
Avg. Duration	4.0	5.9
Avg. Quality	B	AA

Appendix - Insurance

Investment Performance Review

Period Ending: September 30, 2025


100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Domestic Fixed Income
Real Estate
Short Term Fixed Income
Diversified Real Assets
Cash and Equivalents



	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-18.6	33 Months	28

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	0.9	1.0	1.0	1.0	1.1	1.0
Upside Risk	0.9	0.9	4.7	4.6	4.2	4.1	4.0	3.7
Downside Risk	1.6	1.9	2.0	2.3	3.4	3.5	3.2	2.8
Risk/Return Summary Statistics								
Standard Deviation	3.2	3.2	4.6	4.8	5.3	5.4	4.9	4.4
Alpha	1.1	0.0	1.3	0.0	0.8	0.0	0.6	0.0
Sharpe Ratio	0.6	0.3	0.7	0.4	0.1	0.0	0.6	0.5
Active Return/Risk	0.3	0.0	0.2	0.0	0.1	0.0	0.2	0.0
Tracking Error	0.5	0.0	0.6	0.0	0.6	0.0	1.3	0.0
Information Ratio	2.0	-	1.6	-	1.1	-	0.6	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	83.3	100.0	72.2	100.0	68.3	100.0	71.7	100.0

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Upside Risk	0.9	0.9	4.7	4.6	4.2	4.1	4.0	3.6
Downside Risk	1.6	1.9	2.0	2.3	3.4	3.5	3.2	2.8
Risk/Return Summary Statistics								
Standard Deviation	3.2	3.2	4.6	4.7	5.3	5.3	4.9	4.4
Alpha	1.2	0.0	1.3	0.0	0.8	0.0	0.5	0.0
Sharpe Ratio	0.6	0.3	0.7	0.4	0.1	0.0	0.6	0.5
Active Return/Risk	0.3	0.0	0.2	0.0	0.1	0.0	0.2	0.0
Tracking Error	0.5	0.0	0.6	0.0	0.6	0.0	1.3	0.0
Information Ratio	2.0	-	1.8	-	1.1	-	0.6	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	83.3	100.0	77.8	100.0	70.0	100.0	72.5	100.0

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	**3,616,239,495**	**100.0**	**2.6**	**2.6**	**7.5**	**6.5**	**7.9**	**3.5**	**5.0**
Corridor Target Index			*2.5*	*2.5*	*7.0*	*5.4*	*6.8*	*2.8*	*4.1*
Total Equity	**530,929,442**	**14.7**	**8.0**	**8.0**	**20.1**	**19.1**	**23.1**	**14.2**	
				7.7	*18.9*	*17.2*	*22.8*	*13.7*	
Domestic Equity	**318,068,925**	**8.8**	**7.9**	**7.9**	**14.6**	**18.5**	**23.9**	**16.1**	**13.9**
			8.2	*8.2*	*14.4*	*17.4*	*24.1*	*15.7*	
Domestic Equity All Cap	**16,644,102**	**0.5**	**8.0**	**8.0**	**18.1**	**23.6**			
			8.2	*8.2*	*14.4*	*17.4*			
Large Cap	**287,382,485**	**7.9**	**7.8**	**7.8**	**14.6**	**18.3**	**25.6**	**17.2**	**15.1**
Small Cap	**14,041,999**	**0.4**	**10.7**	**10.7**	**10.6**	**8.5**	**12.6**	**9.2**	**8.1**
International Equity	**212,860,517**	**5.9**	**7.9**	**7.9**	**28.9**	**19.6**	**22.3**	**11.1**	**9.2**
			6.9	*6.9*	*26.0*	*16.4*	*20.5*	*10.2*	
International All Cap	**79,311,462**	**2.2**	**9.4**	**9.4**	**32.5**	**23.3**	**23.7**		
Developed International Large Cap	**79,470,110**	**2.2**	**5.3**	**5.3**	**25.4**	**16.1**	**20.9**		
MSCI World ex U.S. (Net)			*5.3*	*5.3*	*25.3*	*16.0*	*21.6*	-	-
State St MSCI World exUS	79,470,110	2.2	5.3	5.3	25.4	16.1	-	-	-
Developed International Small Cap	**13,546,262**	**0.4**	**8.8**	**8.8**	**35.3**	**25.5**	**23.6**		

Domestic Equity Transition account value of $338 and Residual Holdings value of $124,655 included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
MSCI World ex U.S. Small Cap Index (Net)			*7.2*	*7.2*	*29.5*	*19.4*	*20.0*	-	-
State St MSCI exUS Small	7,088,769	0.2	7.2	7.2	29.4	19.3			
Emerging Markets	**40,532,683**	**1.1**	**10.0**	**10.0**	**25.9**	**16.8**	**16.5**		
MSCI Emerging Markets (Net)			*10.6*	*10.6*	*27.5*	*17.3*	*18.2*		
		0.2	20.7	20.7	41.8	30.9			
State St MSCI EM ex China	13,642,917	0.4	6.9	6.9	22.2	12.9			
Domestic Fixed Income	**1,508,235,214**	**41.7**	**2.3**	**2.3**	**6.9**	**4.0**	**6.2**	**0.5**	**3.3**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*1.8*
Open Fixed Income	**1,446,320,056**	**40.0**	**2.3**	**2.3**	**6.9**	**3.8**	**6.1**	**0.3**	**3.0**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*1.8*
Allspring Med Quality Credit	119,663,436	3.3	3.0	3.0	7.0	4.4	8.6	1.9	4.5
PIMCO Core Plus Constrained	374,985,387	10.4	2.6	2.6	7.7	4.9	6.2	0.3	-
Prudential Core Plus	372,532,465	10.3	2.2	2.2	6.7	3.6	6.0	0.1	2.9
Western Asset Core Plus	173,554,256	4.8	2.2	2.2	7.2	3.7	6.1	-0.3	2.5
State Street Gov Index	70,950,210	2.0	1.5	1.5	5.4	2.1	-	-	-
State Street Gov Bond H	904,150	0.0	1.5	1.5	5.4	3.0	-	-	-
State Street Securitized Index	41,804,673	1.2	2.4	2.4	-	-	-	-	-
Internal Fixed Income Gov/Credit	291,679,239	8.1	1.8	1.8	-	-	-	-	-
Fixed Income Transition Account	246,241	0.0							
Closed Fixed Income	**61,915,158**	**1.7**	**1.4**	**1.4**	**5.9**	**7.9**	**8.0**	**6.8**	**6.9**
Blmbg. U.S. Aggregate Index			*2.0*	*2.0*	*6.1*	*2.9*	*4.9*	*-0.4*	*1.8*
PIMCO Bravo II	1,472,650	0.0	0.8	0.8	10.6	11.3	-6.6	0.6	1.1
PIMCO DiSCO II	60,442,508	1.7	1.4	1.4	5.8	7.8	8.7	6.6	7.6
Short Term Fixed Income	**1,048,254,142**	**29.0**	**1.5**	**1.5**	**4.5**	**5.4**	**6.4**	**2.9**	**2.5**
Bloomberg U.S. Gov/Credit 1-3 Year Index			*1.2*	*1.2*	*4.1*	*4.1*	*4.7*	*1.8*	*1.9*
Barings Active Short Duration	533,550,480	14.8	1.6	1.6	4.5	6.2	7.3	3.3	-
JP Morgan Short Term Bond	514,703,662	14.2	1.3	1.3	4.5	4.7	5.5	2.4	2.4

Domestic Equity Transition account value of $338 and Residual Holdings value of $124,655 included in Total Fund value. Fiscal year 06/30.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Real Assets	**369,236,048**	**10.2**	**1.1**	**1.1**	**4.4**	**4.0**	**1.7**	**2.7**	
Total Real Assets Blend			*1.5*	*1.5*	*4.8*	*3.5*			
Real Estate	**93,903,424**	**2.6**	**0.4**	**0.4**	**-1.6**	**-1.5**	**-8.4**	**1.0**	**3.4**
Diversified Real Assets	**275,332,623**	**7.6**	**1.3**	**1.3**	**6.5**	**6.0**	**6.3**	**3.4**	**4.2**
Cash & Equivalents	**159,459,993**	**4.4**	**1.1**	**1.1**	**3.2**	**4.4**	**4.8**	**3.0**	**2.0**
90 Day U.S. Treasury Bill			*1.1*	*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*2.1*
BND Cash	51,956,111	1.4	1.1	1.1	3.3	4.5	4.9	3.1	-
Northern Trust Cash Account	107,503,882	3.0	1.1	1.1	3.2	4.4	4.7	2.9	1.9

Domestic Equity Transition account value of $338 and Residual Holdings value of $124,655 included in Total Fund value. Fiscal year 06/30.

BARRA RISK FACTORS[3]

EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	5.87
Dividend Yield	(15.90)
Earnings Yield	(9.68)
Growth	10.73
Leverage	(8.68)
Liquidity	13.10
Mid Cap	(11.73)
Momentum	(2.02)
Residual Volatility	5.81
Size	(2.72)
Value	(5.81)

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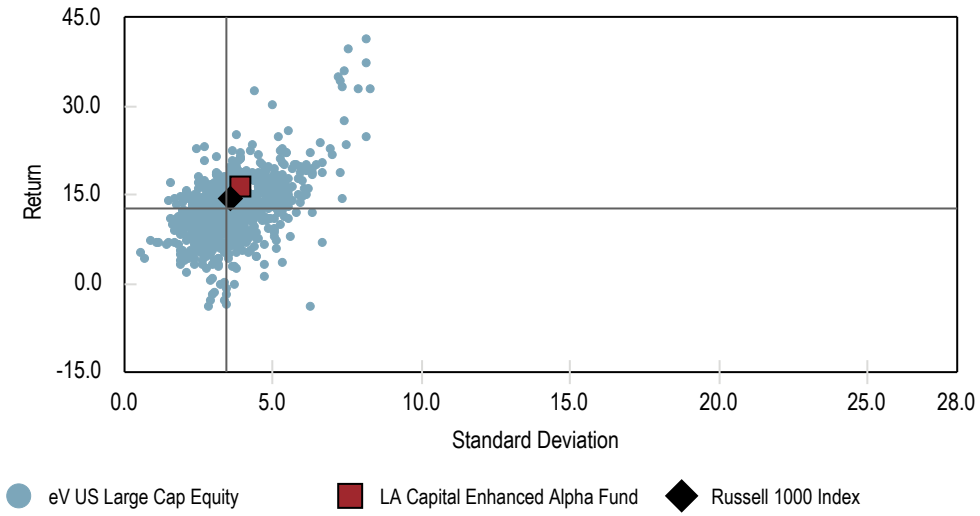
FUNDAMENTAL STATISTICS[3,6]

	Fund	Benchmark Index
Active Share (%)	74.87	—
Position Count	2,970	2,983
Dividend Yield (%)	0.98	1.22
Long Term Debt-to-Equity Ratio	0.86	0.86
Price-to-Book Ratio	4.87	4.37
Price-to-Earnings Ratio (trailing)	26.92	26.04
Weighted Average Market Cap ($m)	276,134	275,659

Characteristics

	Portfolio	Benchmark
Number of Stocks	348	1,011
Wtd. Avg. Mkt. Cap $M	1,206,803.1	1,234,783.7
Median Mkt. Cap $M	16,568.2	15,516.8
Price/Earnings ratio	24.7	28.5
Price/Book ratio	5.6	5.1
Return on Equity (%)	0.6	5.5
Current Yield (%)	1.2	1.2
Beta	-	1.0

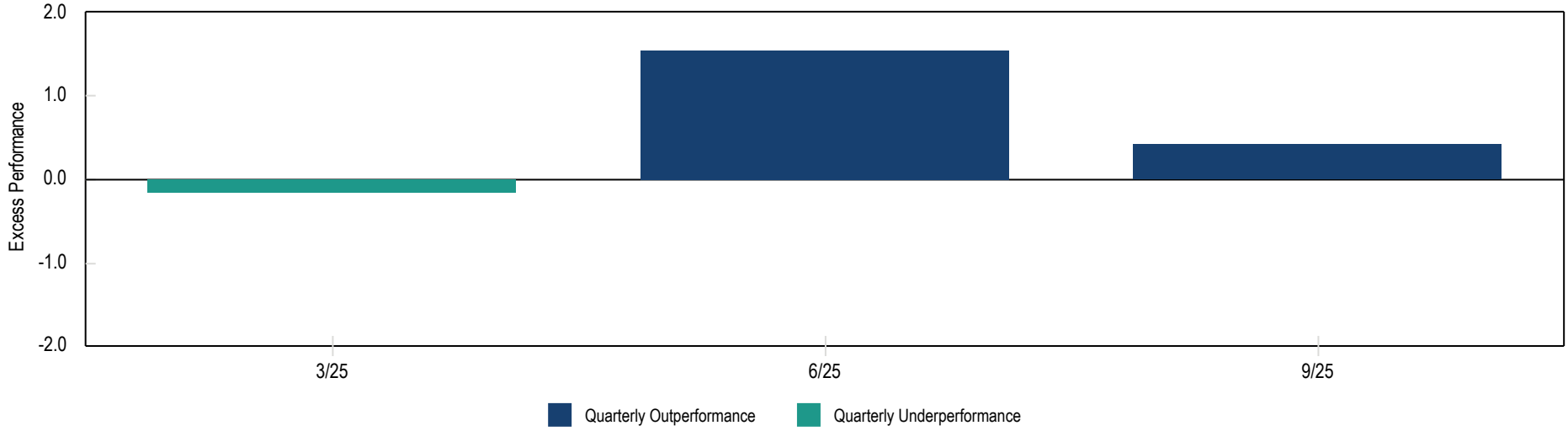
Risk vs. Reward - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	1.02	3.91
Tracking Error	0.76	0.75
Alpha	-0.17	0.05
Information Ratio	0.18	0.26
Beta	1.12	1.09
R-Squared	0.45	0.97
Sharpe Ratio	2.32	0.37
Positive Months Ratio	100.00	66.67
Up Capture	105.20	107.00
Down Capture	-	97.73
Up Market Periods	3	6
Down Market Periods	0	3

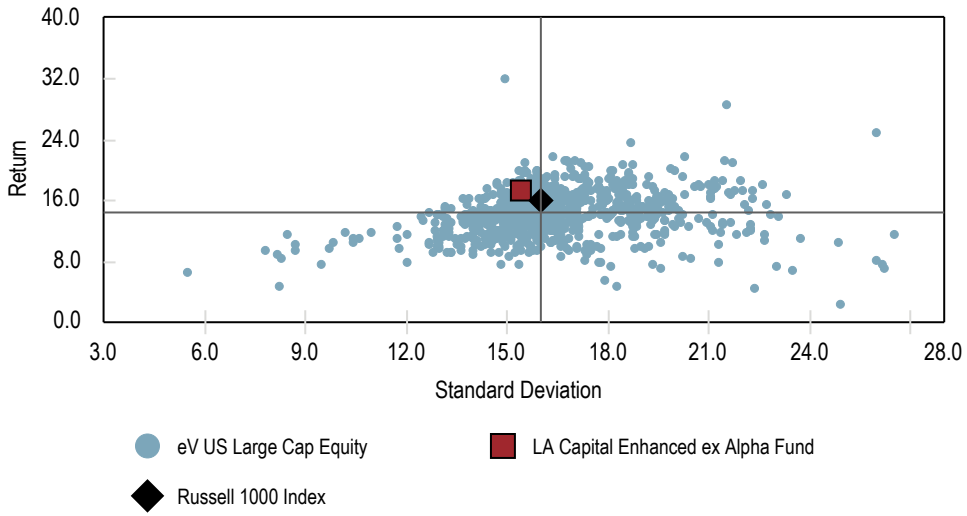
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	57	1,011
Wtd. Avg. Mkt. Cap $M	1,776,915.5	1,234,783.7
Median Mkt. Cap $M	66,626.5	15,516.8
Price/Earnings ratio	26.6	28.5
Price/Book ratio	6.1	5.1
Return on Equity (%)	-0.2	5.5
Current Yield (%)	1.0	1.2
Beta (5 Years, Monthly)	1.0	1.0

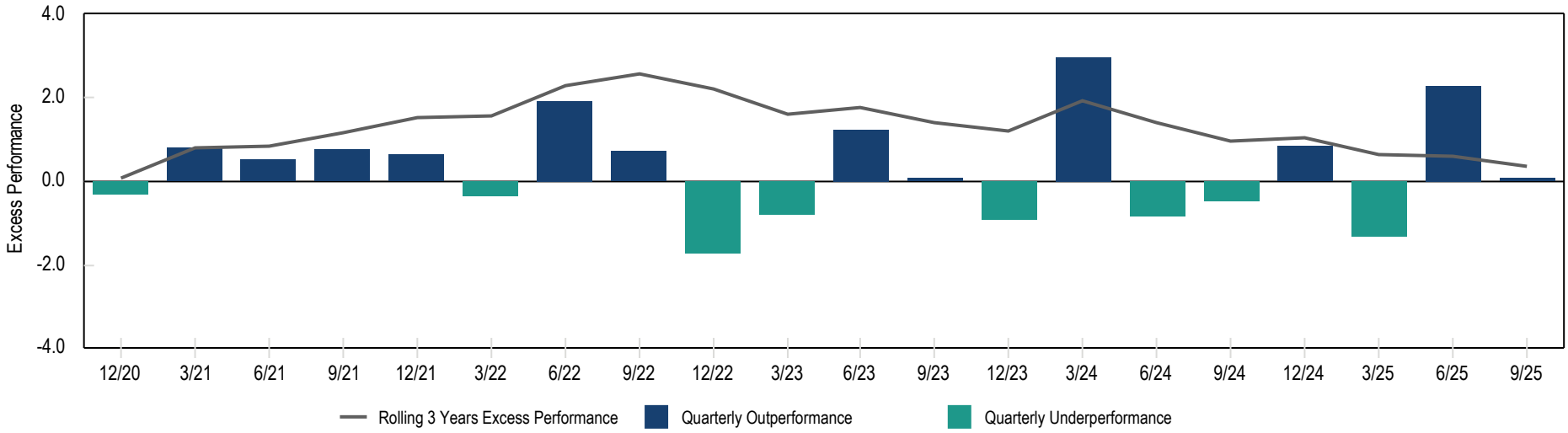
Risk vs. Reward - 5 Years



Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	13.47	15.44	15.12
Tracking Error	2.31	2.21	2.17
Alpha	0.66	1.83	0.83
Information Ratio	0.13	0.50	0.12
Beta	0.98	0.96	0.96
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.39	0.93	0.89
Positive Months Ratio	72.22	66.67	70.00
Up Capture	99.46	99.25	98.07
Down Capture	95.67	91.68	94.30
Up Market Periods	25	38	85
Down Market Periods	11	22	35

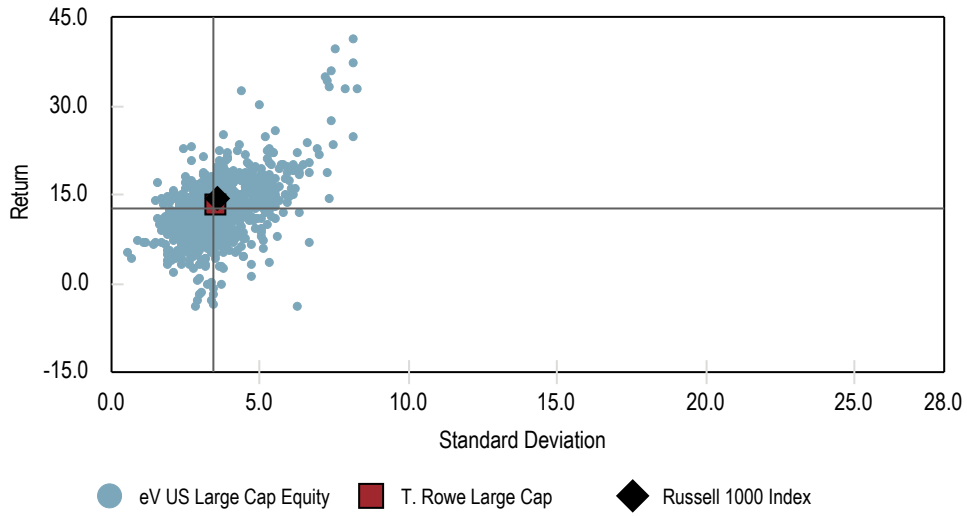
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	306	1,011
Wtd. Avg. Mkt. Cap $M	1,391,837.9	1,234,783.7
Median Mkt. Cap $M	61,117.7	15,516.8
Price/Earnings ratio	29.8	28.5
Price/Book ratio	5.6	5.1
Return on Equity (%)	6.3	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

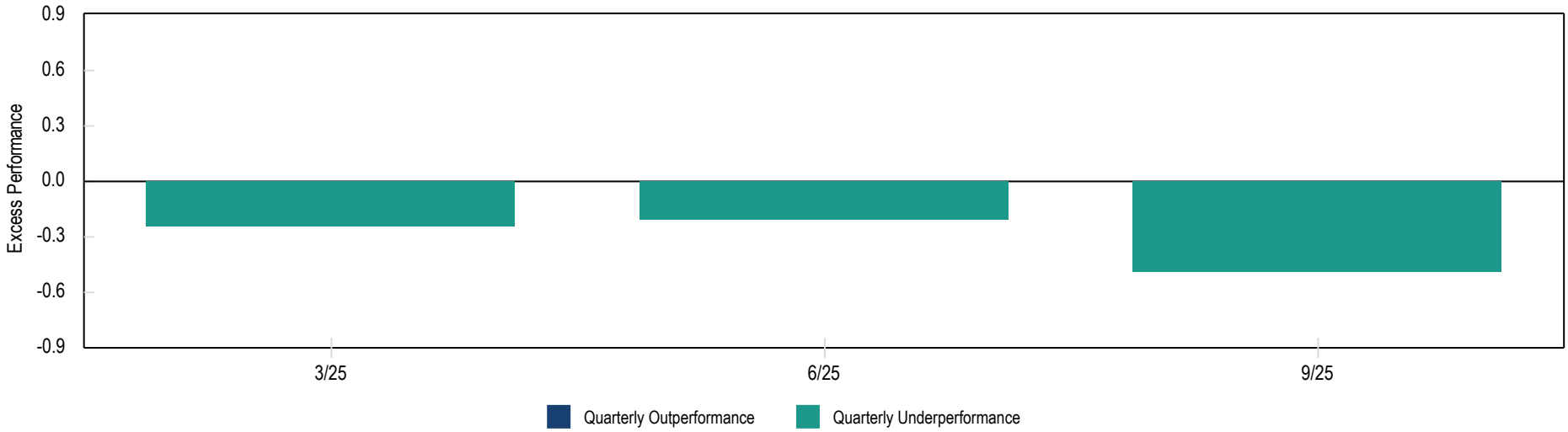
Risk vs. Reward - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	0.64	3.46
Tracking Error	0.16	0.16
Alpha	-0.19	-0.07
Information Ratio	-0.97	-0.66
Beta	1.01	0.98
R-Squared	0.94	1.00
Sharpe Ratio	3.14	0.33
Positive Months Ratio	100.00	66.67
Up Capture	94.06	95.30
Down Capture	-	98.52
Up Market Periods	3	6
Down Market Periods	0	3

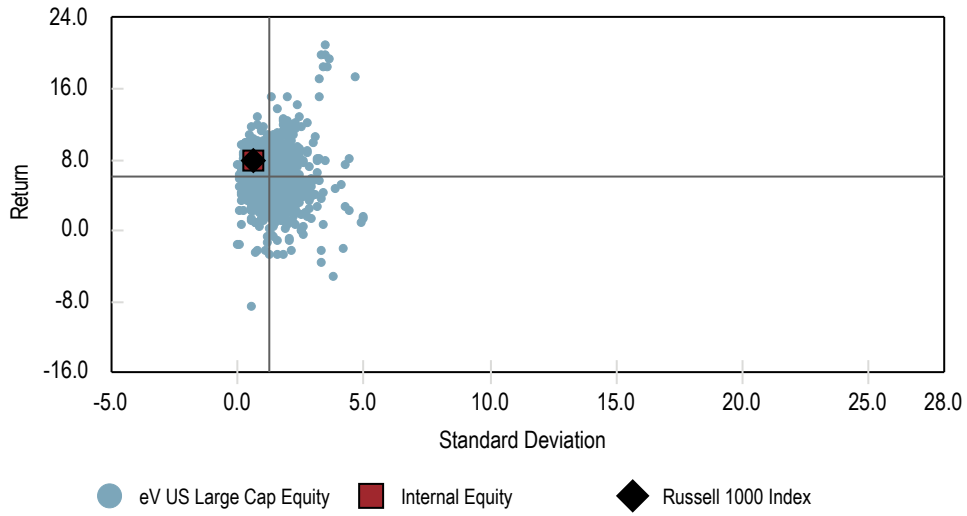
Quarterly Excess Performance vs. Russell 1000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,014	1,011
Wtd. Avg. Mkt. Cap $M	1,210,879.6	1,234,783.7
Median Mkt. Cap $M	15,576.0	15,516.8
Price/Earnings ratio	28.5	28.5
Price/Book ratio	5.1	5.1
Return on Equity (%)	5.5	5.5
Current Yield (%)	1.2	1.2
Beta	-	1.0

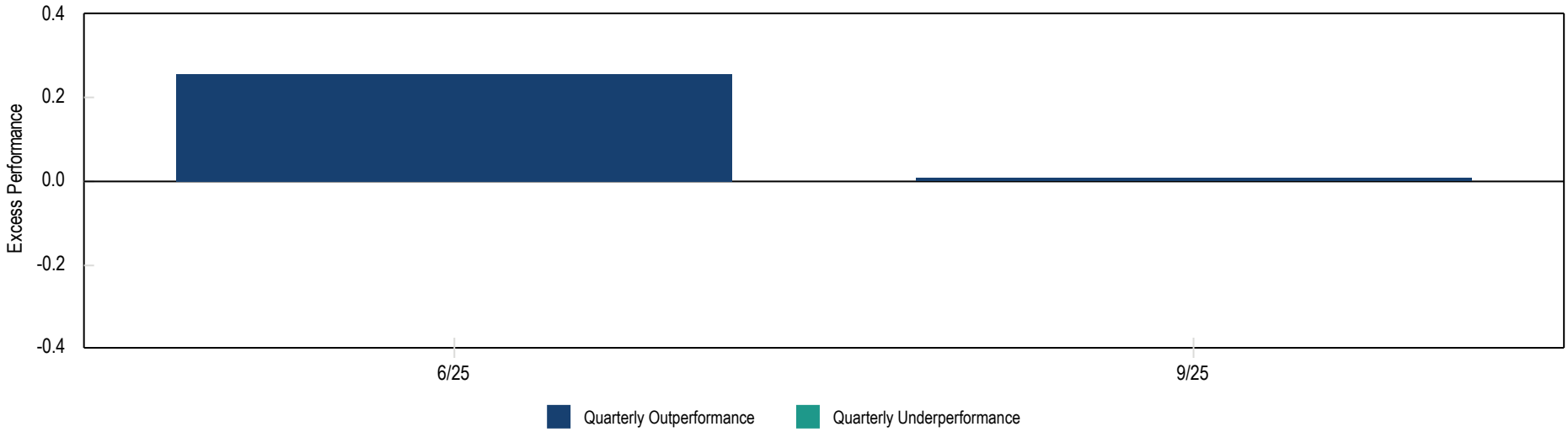
Risk vs. Reward - 1 Quarter



Additional Calculations

	3 Mo
Standard Deviation	0.61
Tracking Error	0.01
Alpha	0.03
Information Ratio	0.23
Beta	0.99
R-Squared	1.00
Sharpe Ratio	3.58
Positive Months Ratio	100.00
Up Capture	100.08
Down Capture	-
Up Market Periods	3
Down Market Periods	0

Quarterly Excess Performance vs. Russell 1000 Index



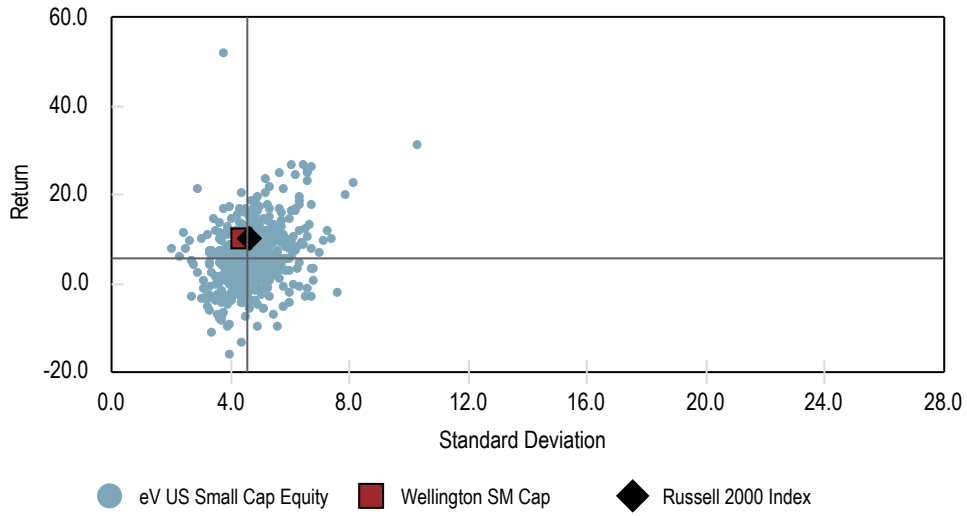
Characteristics

	Portfolio	Benchmark
Number of Stocks	325	1,011
Wtd. Avg. Mkt. Cap $M	1,208,909.3	1,234,783.7
Median Mkt. Cap $M	29,217.6	15,516.8
Price/Earnings ratio	27.5	28.5
Price/Book ratio	5.7	5.1
Return on Equity (%)	4.9	5.5
Current Yield (%)	1.1	1.2
Beta	-	1.0

Characteristics

	Portfolio	Benchmark
Number of Stocks	287	1,972
Wtd. Avg. Mkt. Cap $M	5,278.4	4,266.9
Median Mkt. Cap $M	3,204.7	939.6
Price/Earnings ratio	18.1	18.9
Price/Book ratio	2.7	2.5
Return on Equity (%)	0.6	0.6
Current Yield (%)	1.1	1.3
Beta	-	1.0

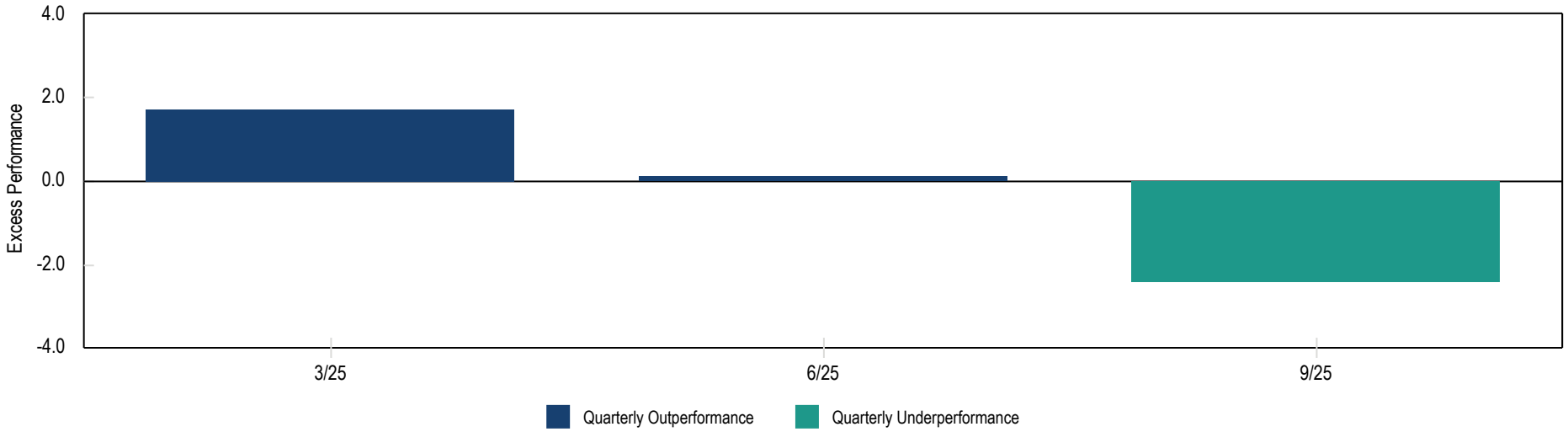
Risk vs. Reward - YTD



Additional Calculations

	3 Mo	YTD
Standard Deviation	1.27	4.36
Tracking Error	1.07	0.95
Alpha	1.04	0.07
Information Ratio	-0.72	-0.04
Beta	0.55	0.92
R-Squared	0.97	0.96
Sharpe Ratio	2.29	0.19
Positive Months Ratio	100.00	66.67
Up Capture	80.67	96.38
Down Capture	-	95.81
Up Market Periods	3	6
Down Market Periods	0	3

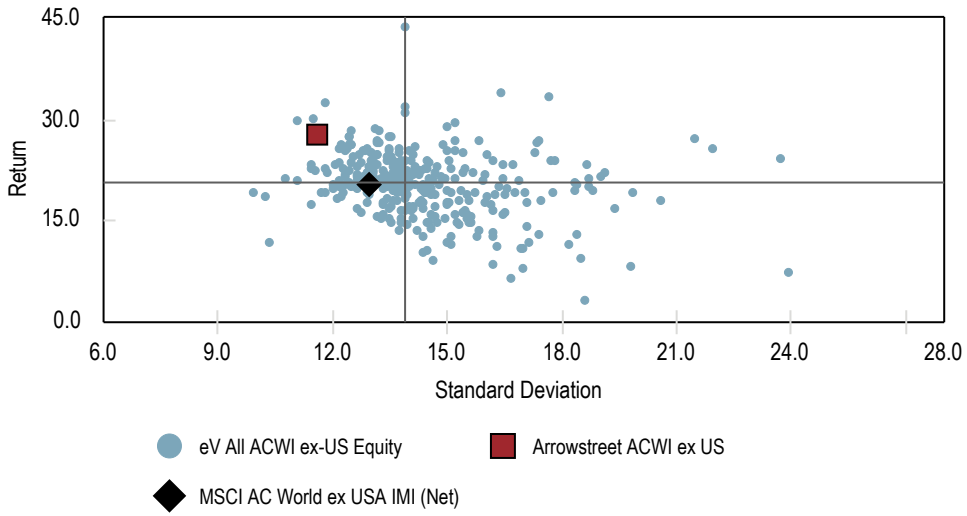
Quarterly Excess Performance vs. Russell 2000 Index



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,678	6,102
Wtd. Avg. Mkt. Cap $M	81,442.2	120,575.8
Median Mkt. Cap $M	3,948.8	2,539.0
Price/Earnings ratio	13.5	16.9
Price/Book ratio	2.4	2.6
Return on Equity (%)	4.4	4.8
Current Yield (%)	2.9	2.7
Beta (3 Years, Monthly)	0.8	1.0

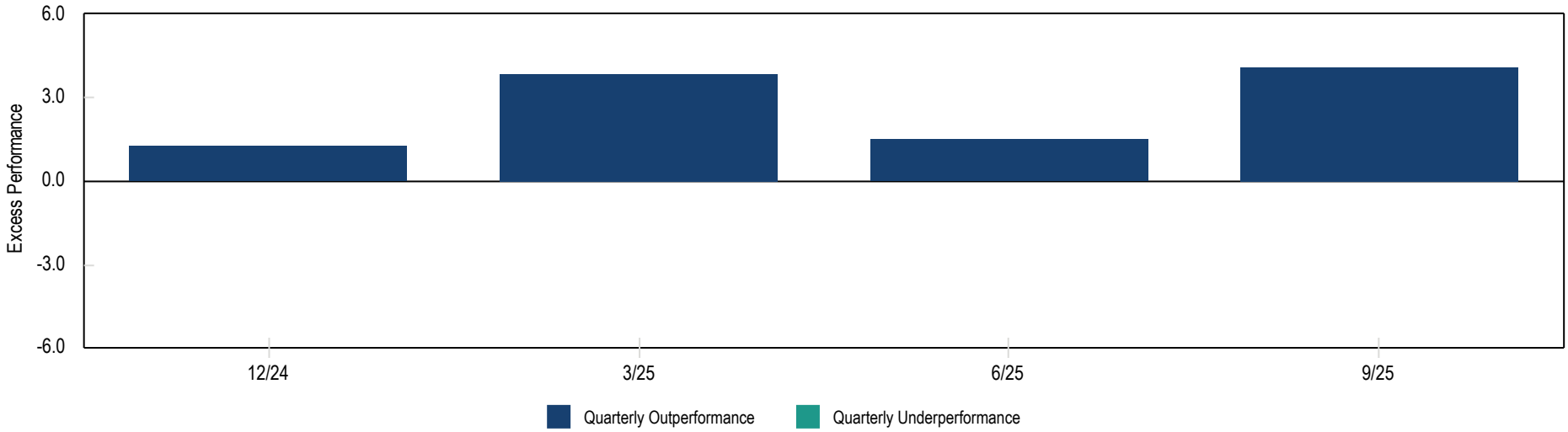
Risk vs. Reward - 3 Years



Additional Calculations

	YTD	1 Yr	3 Yrs
Standard Deviation	1.64	10.20	11.59
Tracking Error	0.78	2.58	4.51
Alpha	1.43	10.87	9.47
Information Ratio	1.29	4.01	1.32
Beta	0.83	1.00	0.84
R-Squared	0.81	0.94	0.88
Sharpe Ratio	2.01	2.13	1.79
Positive Months Ratio	100.00	75.00	69.44
Up Capture	124.26	124.26	102.12
Down Capture	-776.35	44.22	47.72
Up Market Periods	7	7	22
Down Market Periods	2	5	14

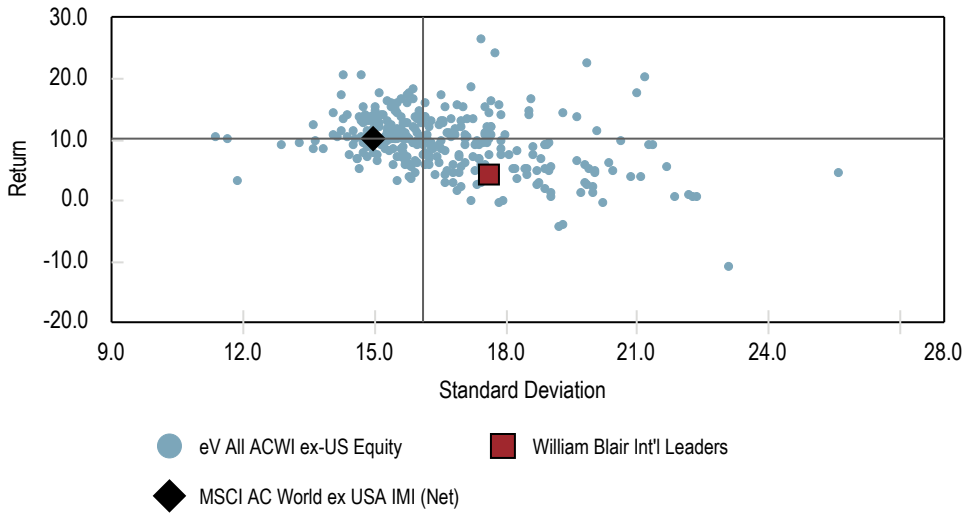
Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



Characteristics

	Portfolio	Benchmark
Number of Stocks	71	6,102
Wtd. Avg. Mkt. Cap $M	83,528.5	120,575.8
Median Mkt. Cap $M	80,780.2	2,539.0
Price/Earnings ratio	20.5	16.9
Price/Book ratio	3.7	2.6
Return on Equity (%)	6.4	4.8
Current Yield (%)	1.6	2.7
Beta (5 Years, Monthly)	1.1	1.0

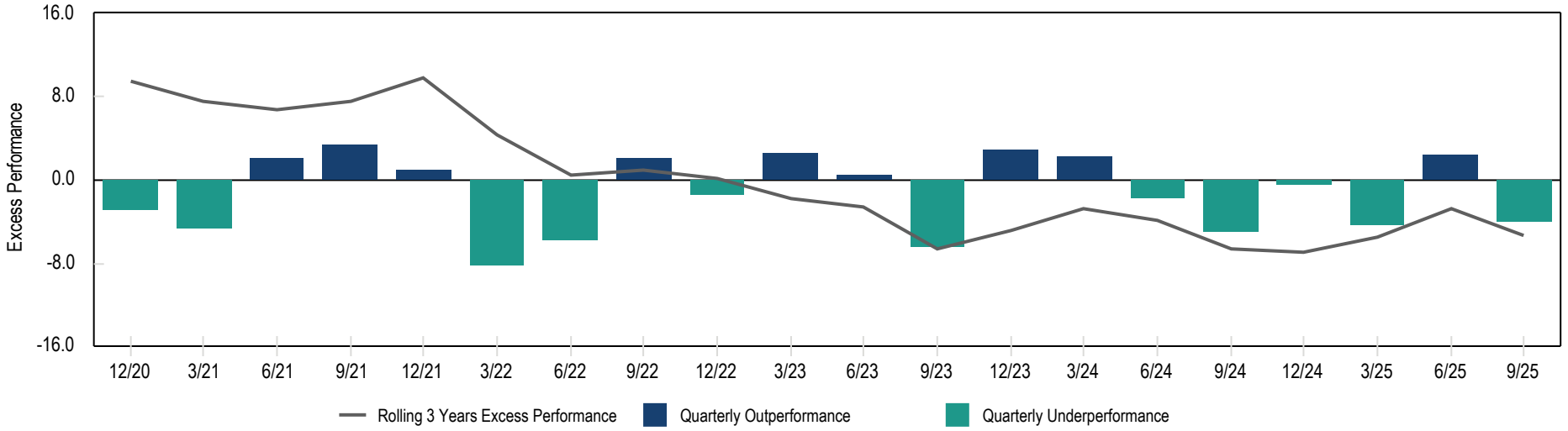
Risk vs. Reward - 5 Years



Additional Calculations

	1 Yr	3 Yrs	5 Yrs
Standard Deviation	11.98	14.42	17.59
Tracking Error	4.92	6.27	7.78
Alpha	-7.75	-4.35	-5.67
Information Ratio	-1.28	-0.70	-0.67
Beta	1.11	1.00	1.06
R-Squared	0.84	0.81	0.81
Sharpe Ratio	0.43	0.73	0.15
Positive Months Ratio	50.00	61.11	55.00
Up Capture	95.38	94.64	97.12
Down Capture	164.06	127.10	129.00
Up Market Periods	7	22	35
Down Market Periods	5	14	25

Quarterly Excess Performance vs. MSCI AC World ex USA IMI (Net)



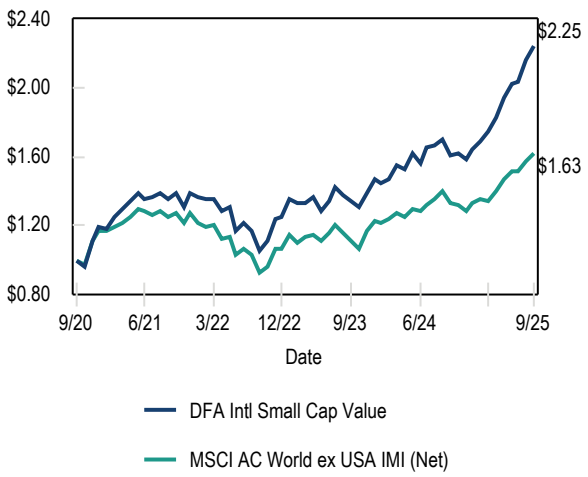
Description:

The investment seeks long-term capital appreciation.
The advisor intends to purchase securities of small value companies associated with developed market countries that the Advisor has designated as approved markets. As a non-fundamental policy, under normal circumstances, the fund will invest at least 80% of its net assets in securities of small companies in the particular markets in which it invests. It may gain exposure to companies associated with approved markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	13,745.46 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	15 Years 7 Months
Expense Ratio	0.43 %

Growth of a Dollar



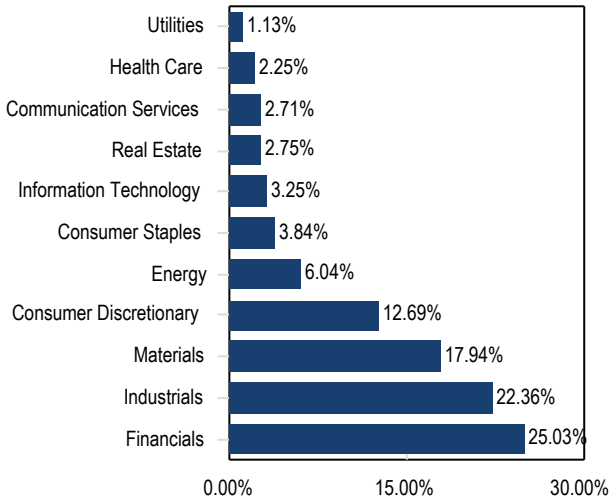
Fund Characteristics as of 09/30/2025

Total Securities	1,864
Avg. Market Cap	2,465.81 Million
P/E	10.66
P/B	0.97
Div. Yield	4.53%

3 Year Statistics as of September 30, 2025

R-Squared	0.84
Alpha	7.49
Beta	0.99
Sharpe Ratio	1.57

Sector Allocation as of 08/31/2025

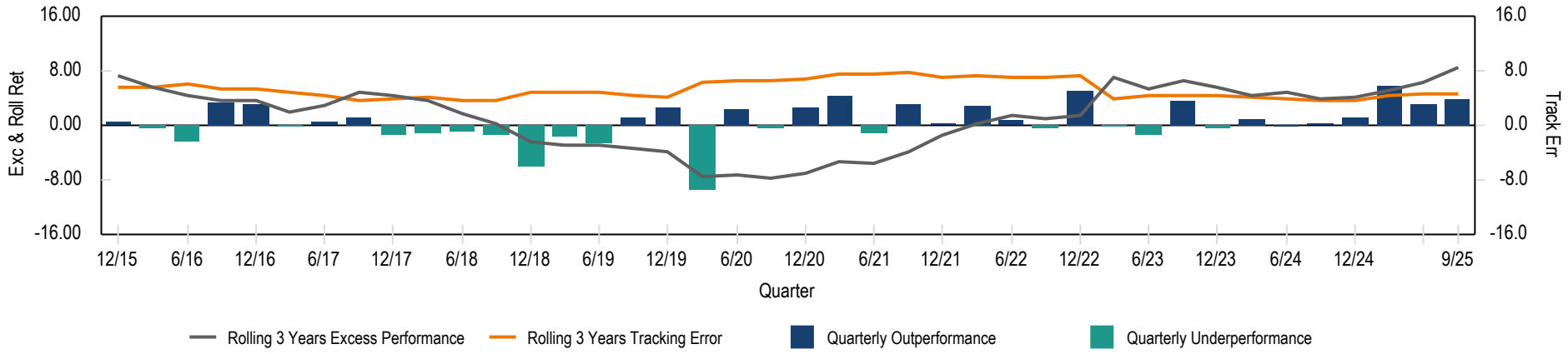


Top Holdings as of 08/31/2025

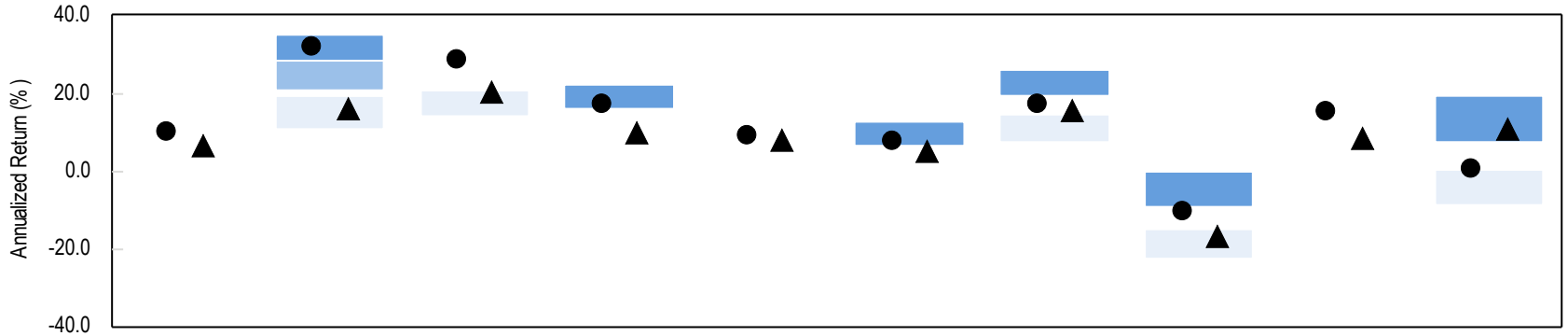
BPER Banca SpA	2.18 %
Banco de Sabadell SA	1.30 %
Whitecap Resources Inc	0.98 %
Bankinter SA	0.95 %
Banca Monte dei Paschi di Siena	0.89 %
Sydbank A/S	0.86 %
Jyske Bank AS	0.86 %
Unipol Assicurazioni SpA	0.85 %
Banco Comercial Portugues SA R	0.66 %
SBM Offshore NV	0.63 %
Total	**10.15 %**

Source: Morningstar

Rolling Annualized Excess Performance and Tracking Error



DFA Intl Small Cap Value vs. Foreign Small/Mid Value



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA Intl Small Cap Value	10.65 (16)	32.43 (10)	28.94 (7)	17.62 (11)	9.72 (16)	7.93 (20)	17.58 (33)	-9.78 (31)	15.89 (38)	0.81 (75)
▲ MSCI AC World ex USA IMI (Net)	6.86 (67)	16.39 (83)	20.50 (85)	10.22 (88)	8.24 (60)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)	11.12 (17)
5th Percentile	12.20	35.00	29.96	22.58	11.48	12.67	26.42	-0.20	20.46	19.65
1st Quartile	9.45	28.39	26.95	16.34	9.60	6.52	19.54	-8.85	17.05	7.70
Median	7.48	21.02	23.83	13.81	8.54	4.47	16.70	-11.44	15.45	4.99
3rd Quartile	5.67	19.67	21.03	11.11	7.88	1.49	15.00	-14.64	11.25	0.53
95th Percentile	2.52	10.74	14.36	9.54	7.14	-2.17	7.39	-22.16	6.67	-8.41
Population	34	33	32	30	20	32	32	31	30	28

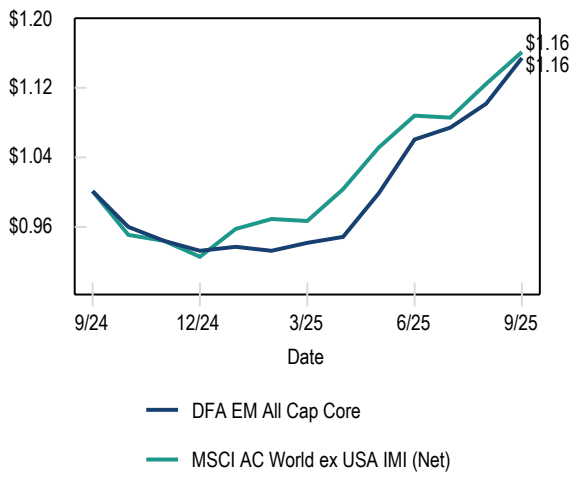
Description:

The investment seeks long-term capital appreciation.
The Portfolio purchases a broad and diverse group of securities associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee ("Approved Markets"). It may gain exposure to companies in Approved Markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country.

Portfolio Fund Information as of September 30, 2025

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	32,761.02 Million
Manager Name	Team Managed
Manager Tenure	15 Years 7 Months
Expense Ratio	0.40 %

Growth of a Dollar



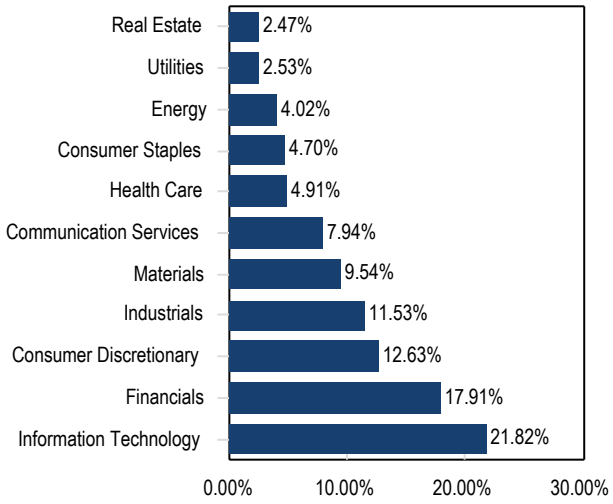
Fund Characteristics as of 09/30/2025

Total Securities	7,641
Avg. Market Cap	16,018.85 Million
P/E	12.43
P/B	1.44
Div. Yield	3.29%

3 Year Statistics as of September 30, 2025

No data found.

Sector Allocation as of 09/30/2025

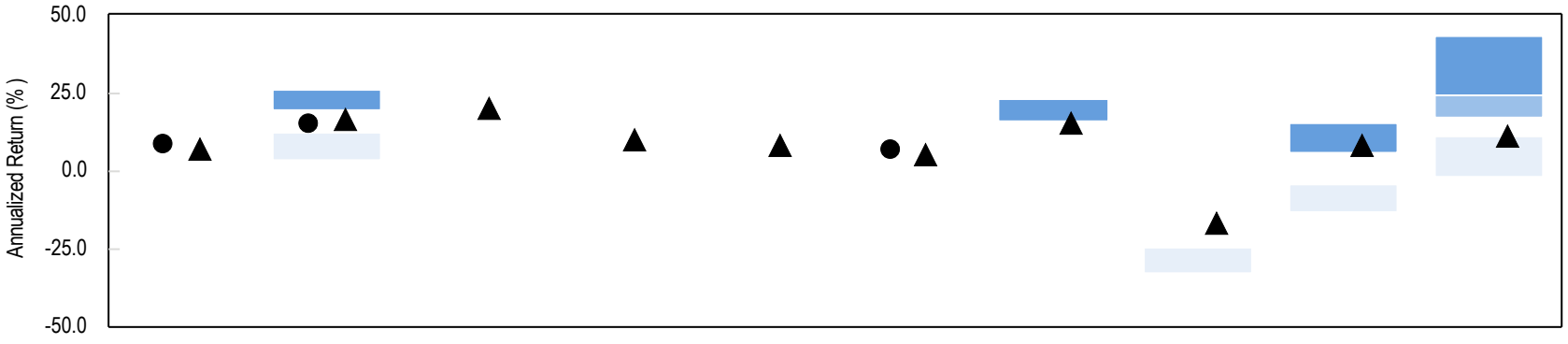


Top Holdings as of 09/30/2025

Taiwan Semiconductor Manufacturing	5.22 %
Tencent Holdings Ltd	3.08 %
Taiwan Semiconductor Manufacturing	1.98 %
Samsung Electronics Co Ltd	1.96 %
Alibaba Group Holding Ltd Ordinary	1.63 %
SK Hynix Inc	0.75 %
China Construction Bank Corp Class	0.54 %
PDD Holdings Inc ADR	0.49 %
Ping An Insurance (Group) Co. of	0.48 %
Reliance Industries Ltd	0.48 %
Total	**16.60 %**

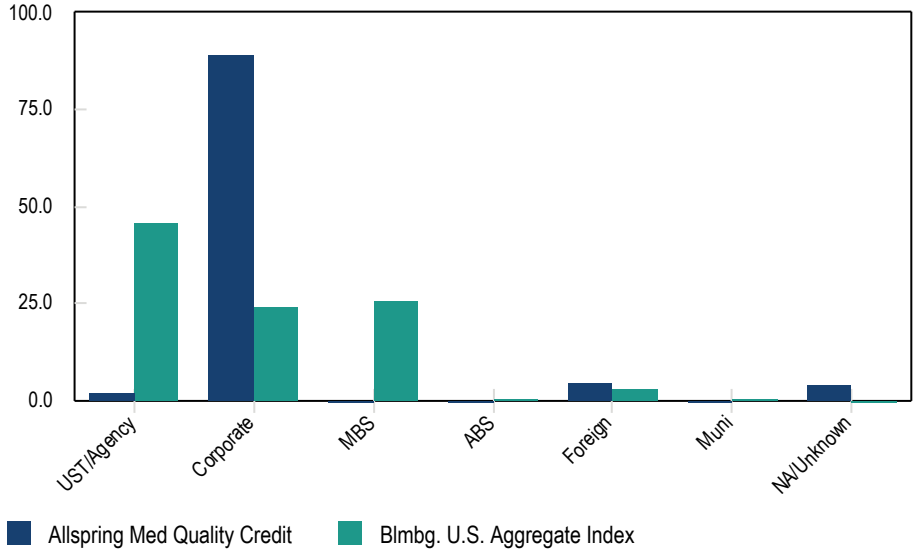
Source: Morningstar

DFA EM All Cap Core vs. Diversified Emerging Mkts

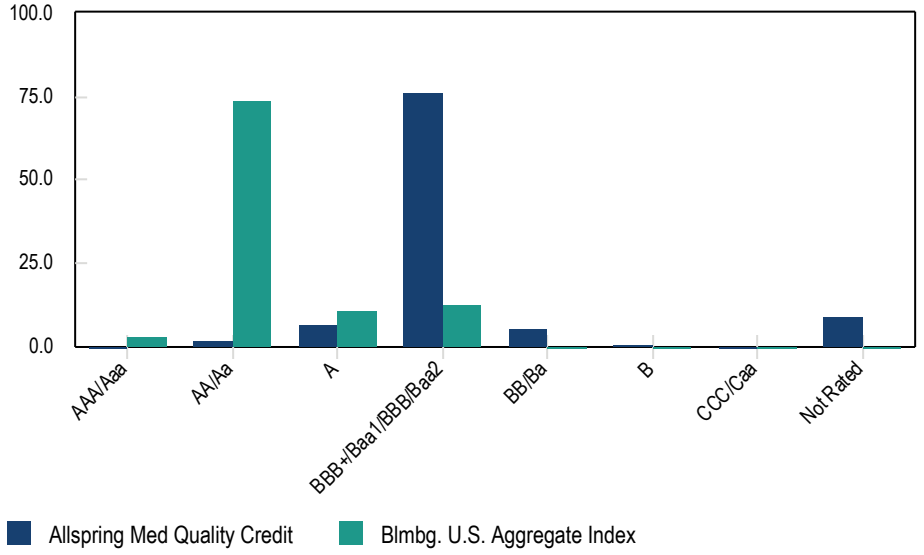


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
● DFA EM All Cap Core	8.90 (58)	15.55 (60)	-	-	-	7.32 (39)	-	-	-	-
▲ MSCI AC World ex USA IMI (Net)	6.86 (74)	16.39 (52)	20.50 (19)	10.22 (20)	8.24 (36)	5.23 (63)	15.62 (28)	-16.58 (24)	8.53 (19)	11.12 (76)
5th Percentile	14.03	25.97	24.27	13.44	10.38	13.96	22.96	-11.31	15.55	43.25
1st Quartile	10.95	19.93	19.60	9.51	8.84	8.65	16.08	-16.88	5.98	24.53
Median	9.53	16.55	18.07	7.23	7.75	6.48	11.46	-20.72	-0.24	17.37
3rd Quartile	6.68	12.79	16.01	5.27	6.78	3.45	8.45	-24.50	-3.89	11.43
95th Percentile	1.60	3.66	12.26	1.31	4.99	-2.60	3.81	-32.46	-13.35	-1.97
Population	320	306	273	237	176	309	311	310	291	273

Sectors
Allspring Med Quality Credit



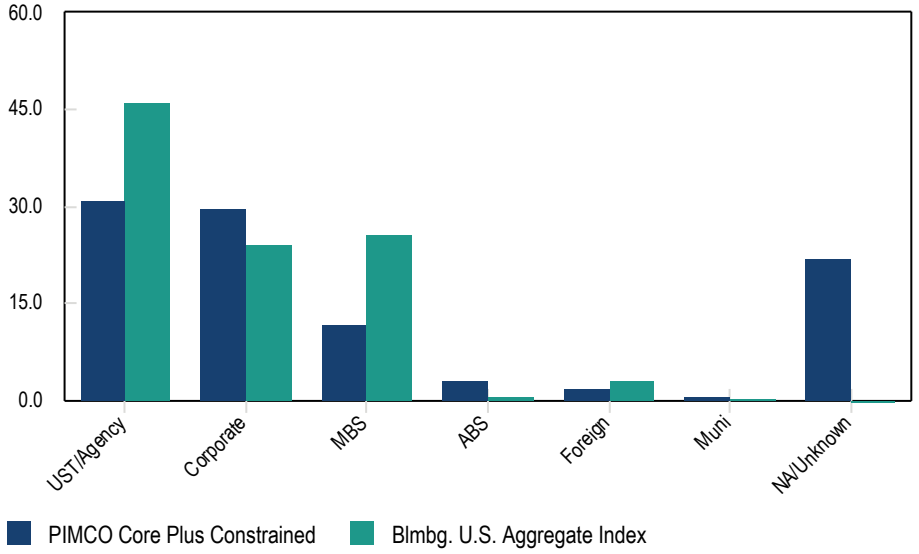
Quality Ratings
Allspring Med Quality Credit



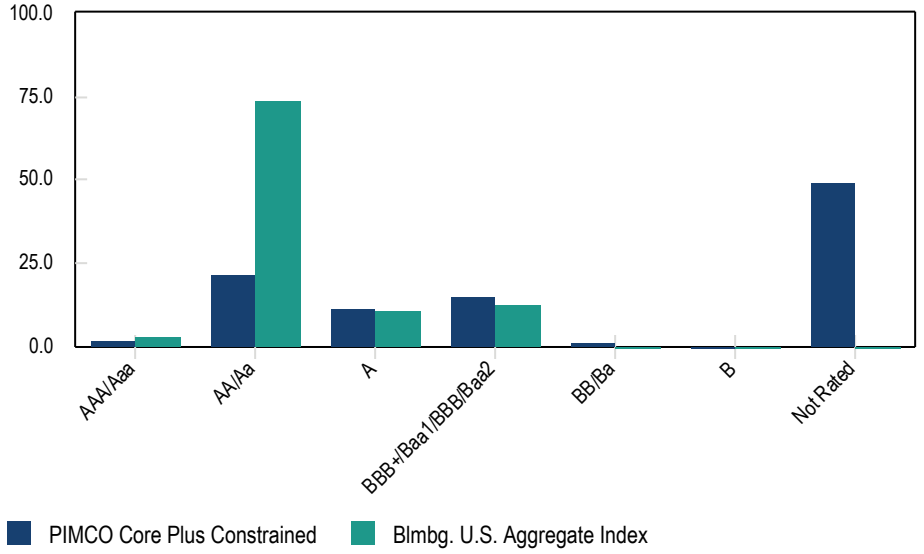
Characteristics
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.3	4.3
Avg. Maturity	11.7	8.2
Avg. Duration	7.3	5.9
Avg. Quality	BBB	AA

Sectors
PIMCO Core Plus Constrained



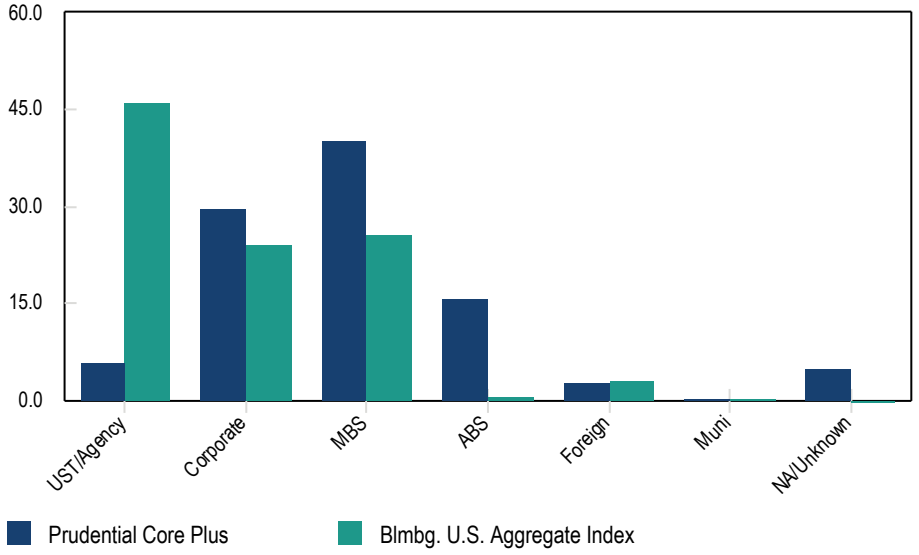
Quality Ratings
PIMCO Core Plus Constrained



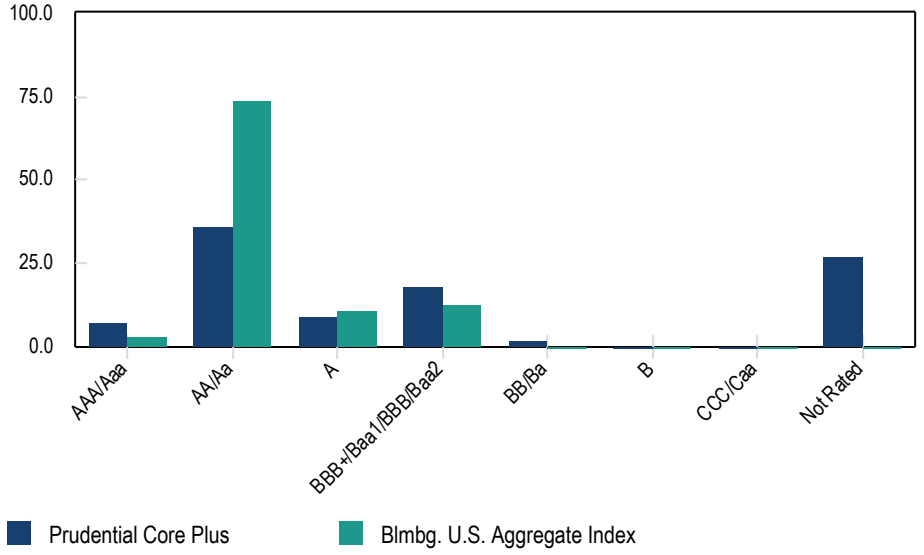
Characteristics
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	4.7	4.3
Avg. Maturity	7.4	8.2
Avg. Duration	5.4	5.9
Avg. Quality	A	AA

Sectors
Prudential Core Plus



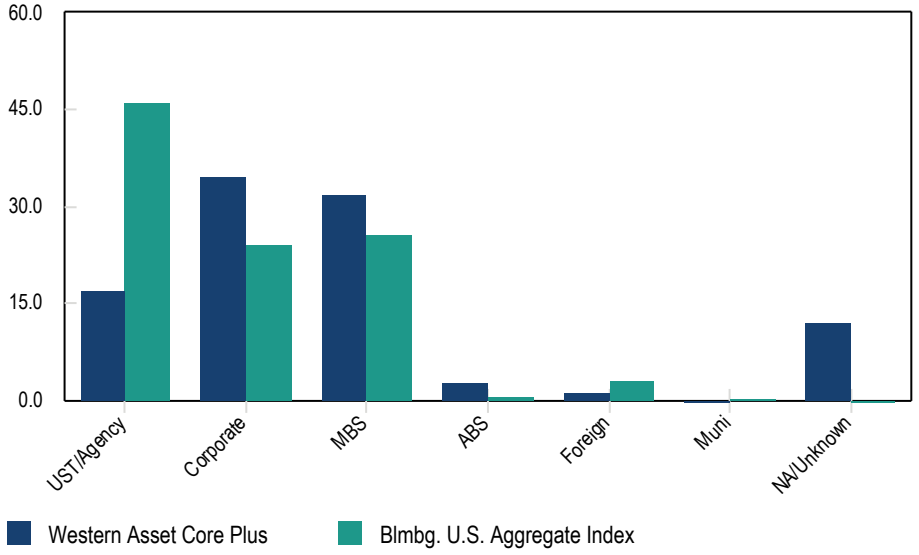
Quality Ratings
Prudential Core Plus



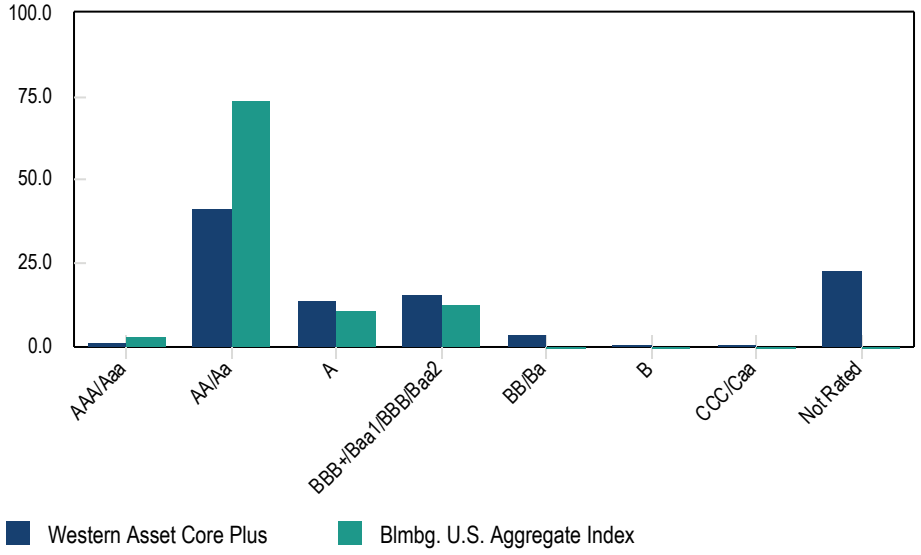
Characteristics
Prudential Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	4.8	4.3
Avg. Maturity	8.0	8.2
Avg. Duration	5.6	5.9
Avg. Quality	A	AA

Sectors
Western Asset Core Plus



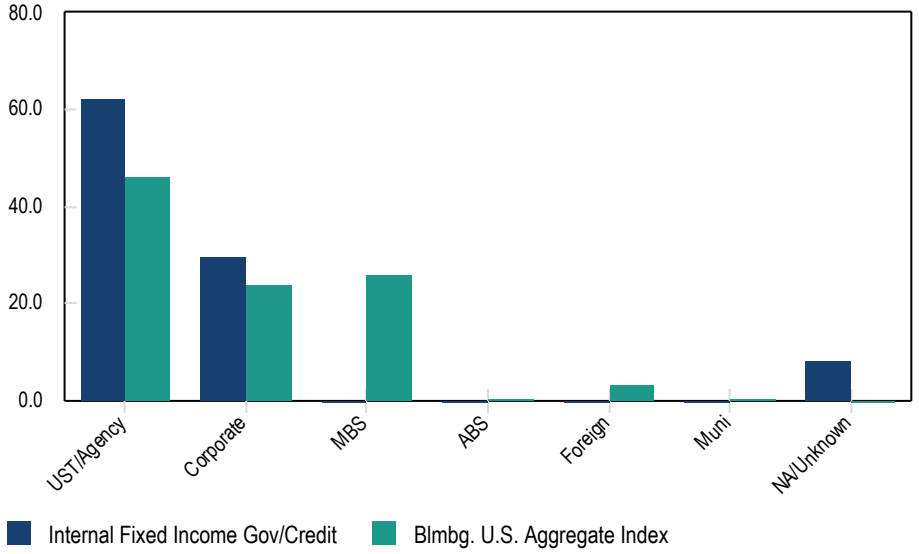
Quality Ratings
Western Asset Core Plus



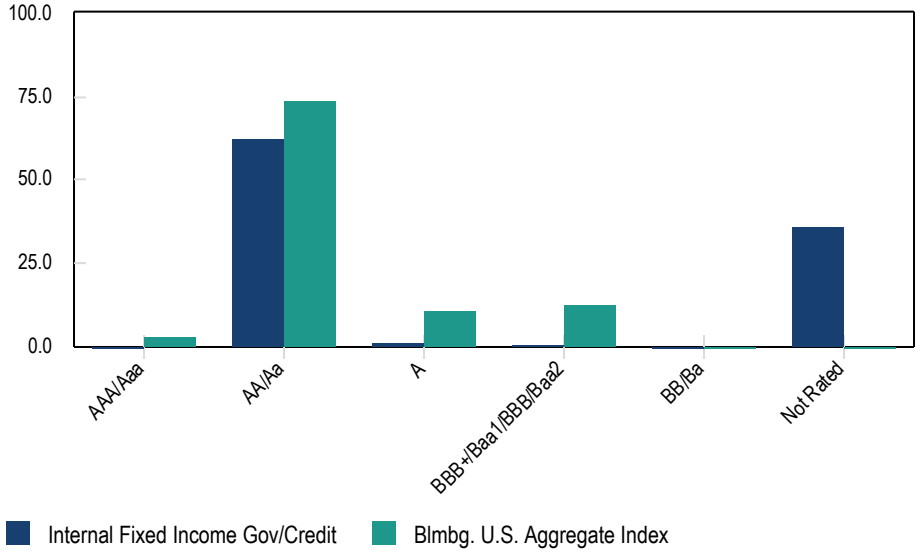
Characteristics
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	5.2	4.3
Avg. Maturity	9.7	8.2
Avg. Duration	6.6	5.9
Avg. Quality	A	AA

Sectors
Internal Fixed Income Gov/Credit



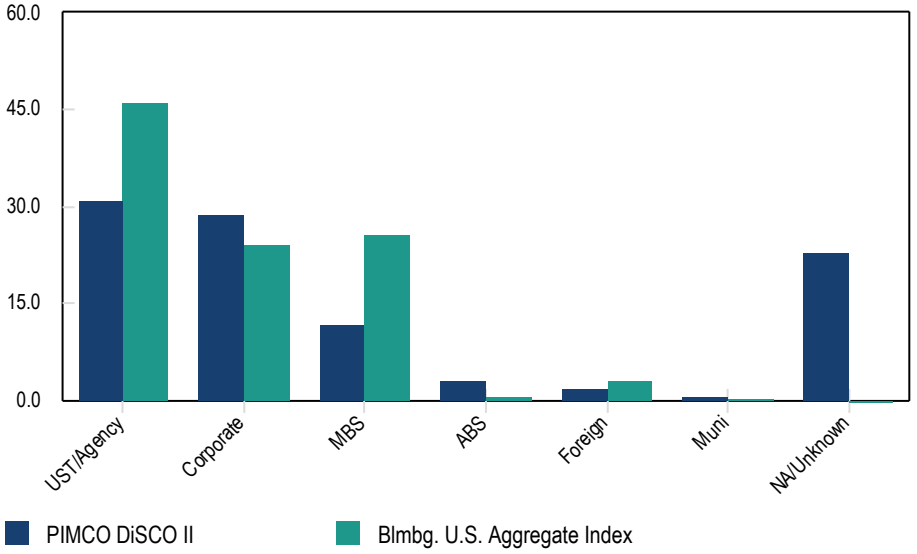
Quality Ratings
Internal Fixed Income Gov/Credit



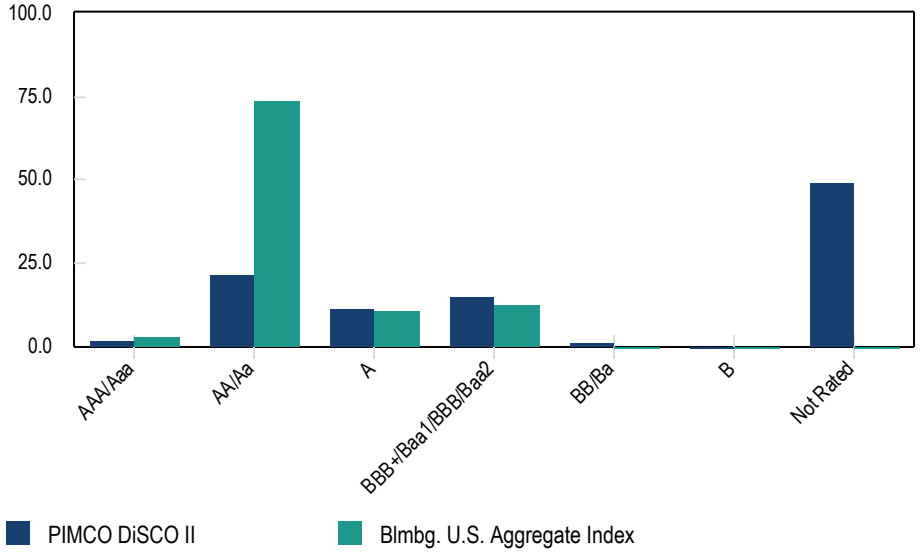
Characteristics
Internal Fixed Income Gov/Credit

	Portfolio	Benchmark
Yield To Maturity (%)	4.0	4.3
Avg. Maturity	7.9	8.2
Avg. Duration	5.8	5.9
Avg. Quality	AA	AA

Sectors
PIMCO DiSCO II



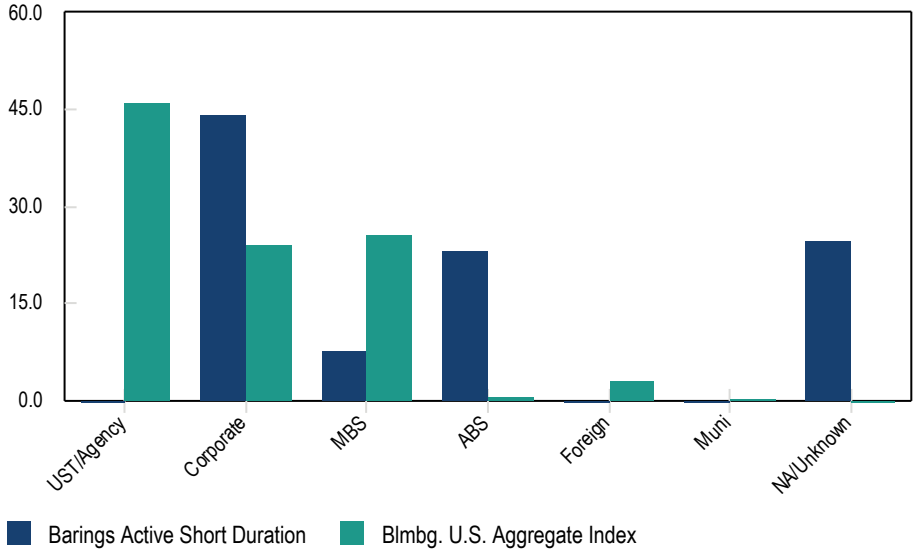
Quality Ratings
PIMCO DiSCO II



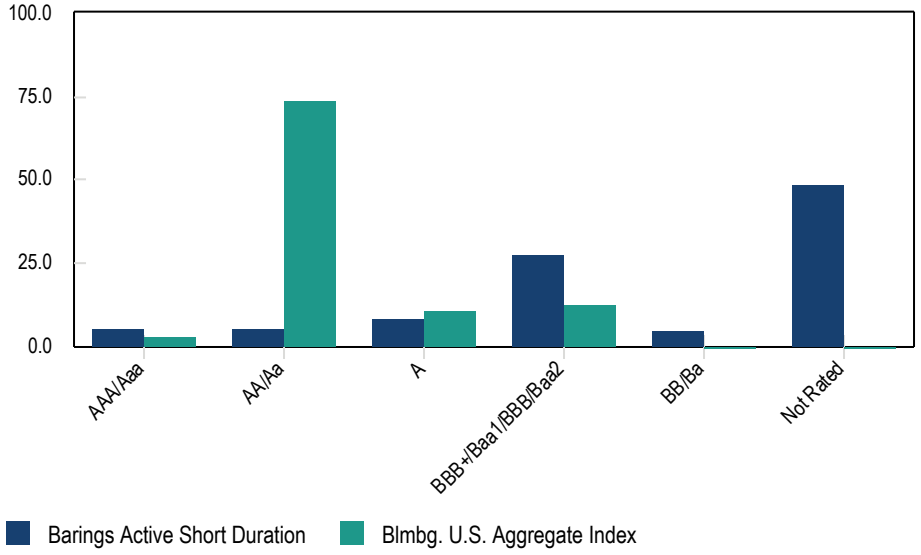
Characteristics
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	4.7	4.3
Avg. Maturity	7.4	8.2
Avg. Duration	5.4	5.9
Avg. Quality	A	AA

Sectors
Barings Active Short Duration



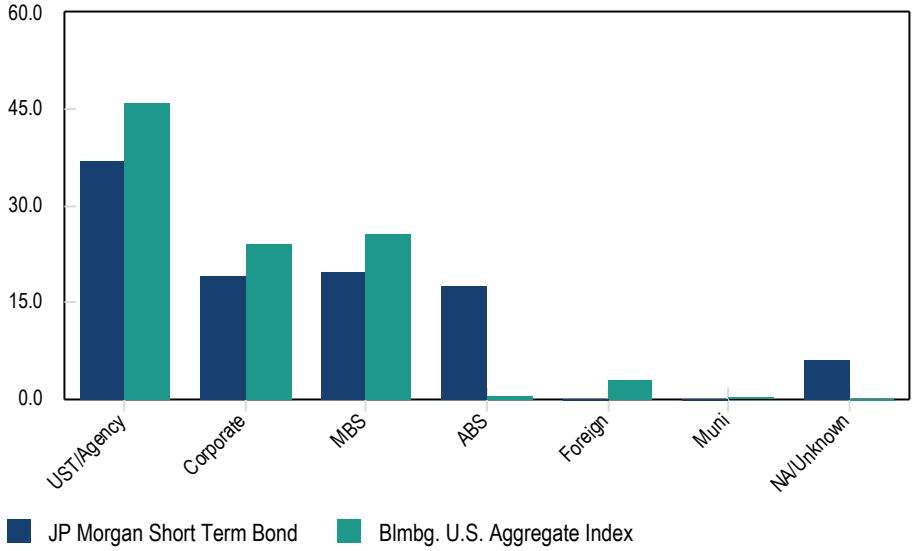
Quality Ratings
Barings Active Short Duration



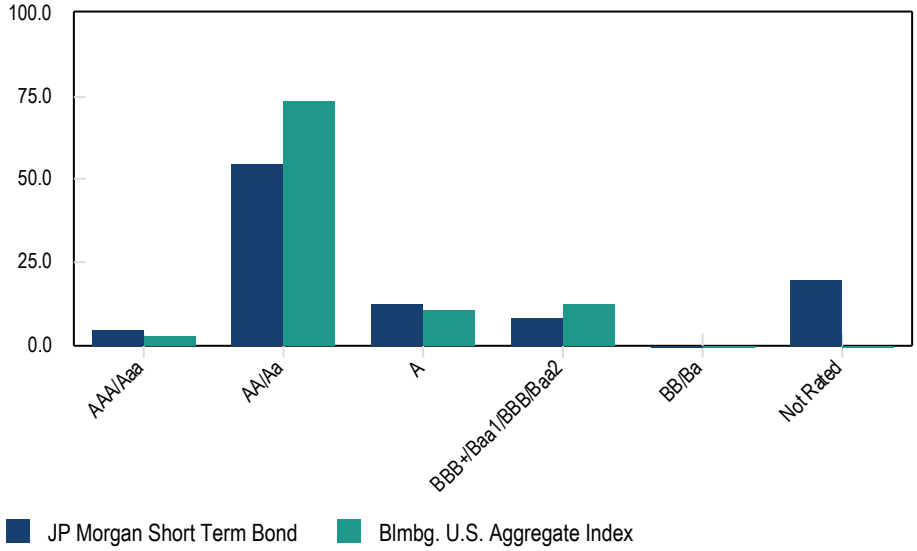
Characteristics
Barings Active Short Duration

	Portfolio	Benchmark
Yield To Maturity (%)	5.6	4.3
Avg. Maturity	2.7	8.2
Avg. Duration	2.2	5.9
Avg. Quality	A	AA

Sectors
JP Morgan Short Term Bond

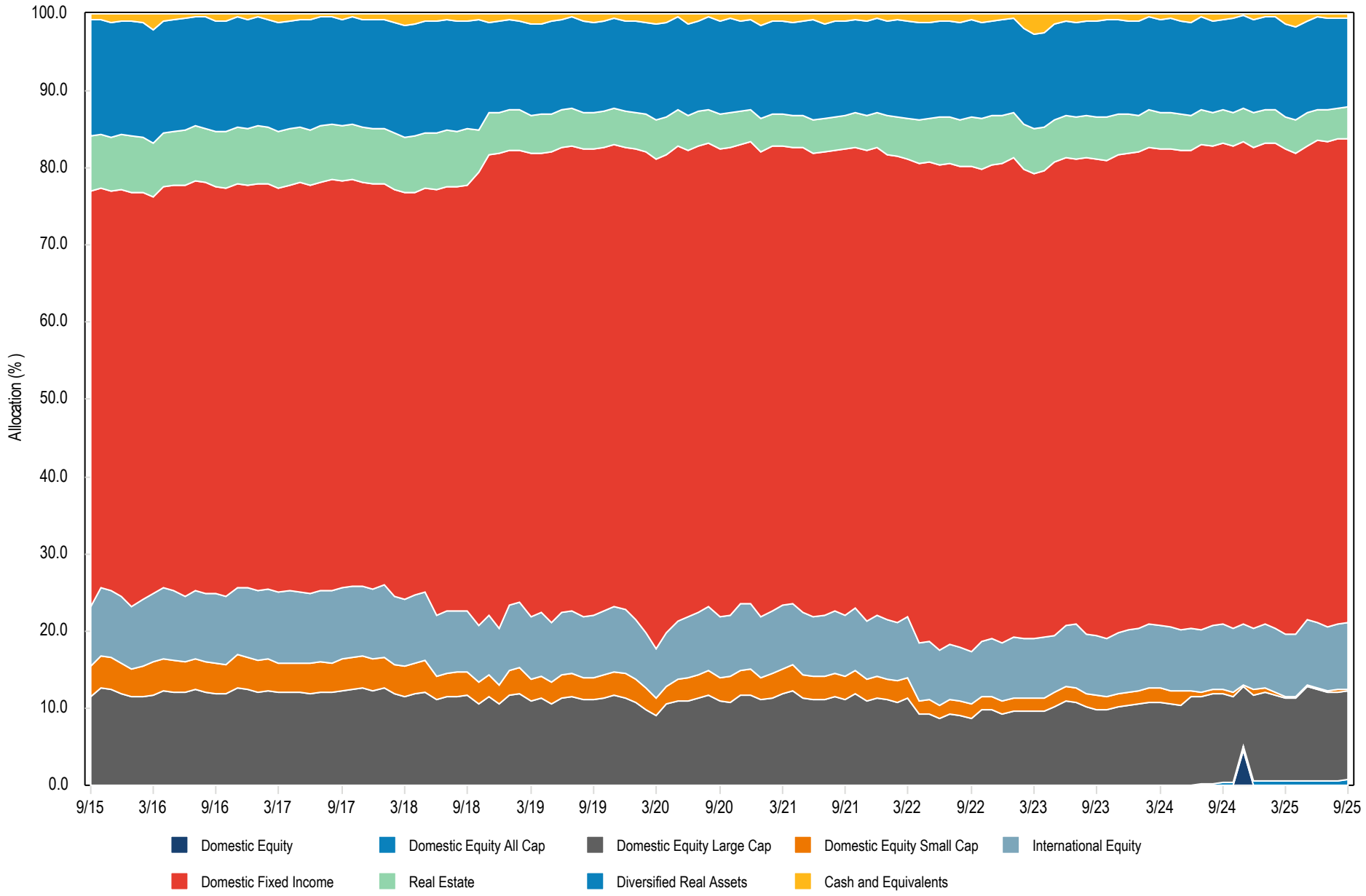


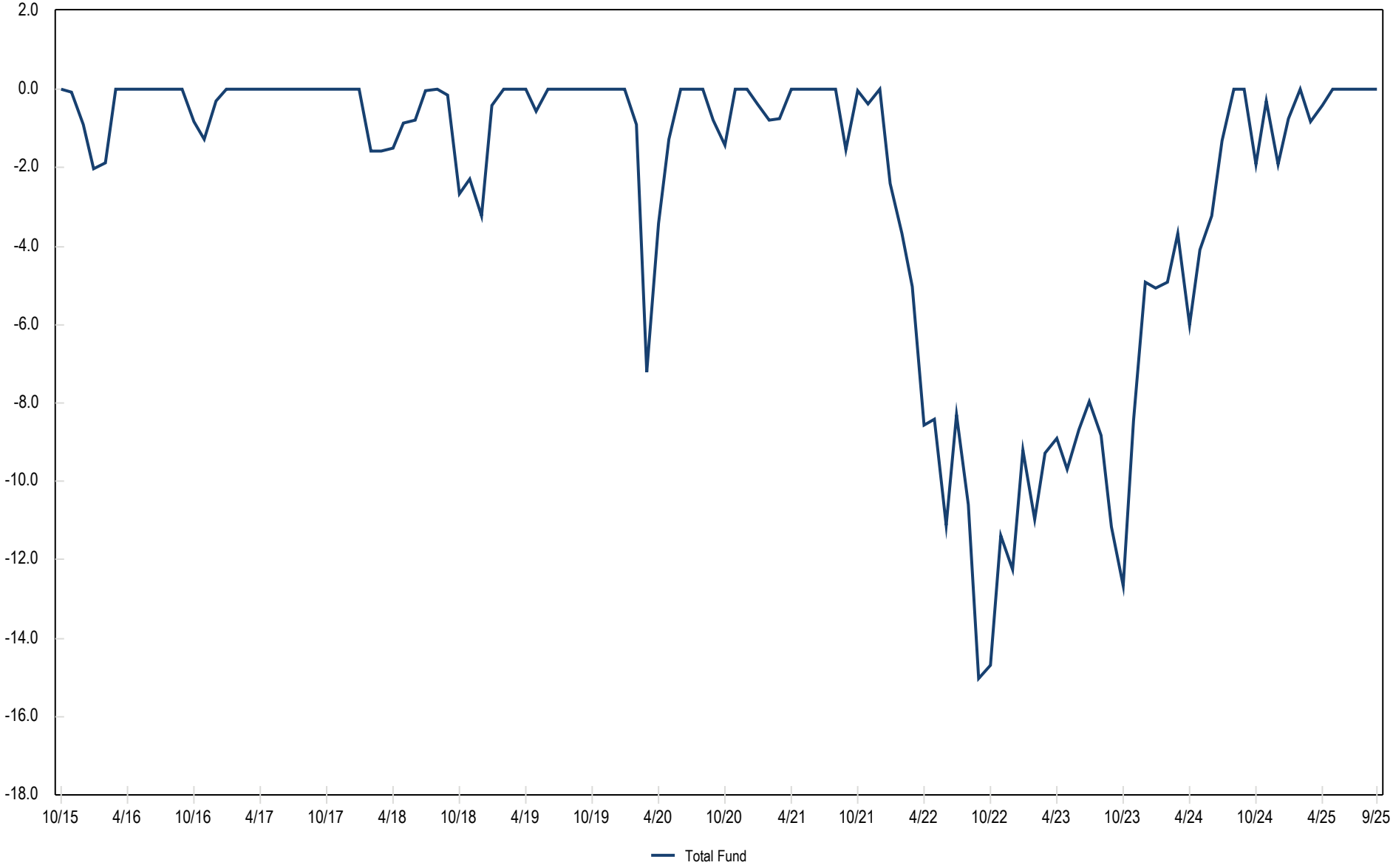
Quality Ratings
JP Morgan Short Term Bond



Characteristics
JP Morgan Short Term Bond

	Portfolio	Benchmark
Yield To Maturity (%)	4.1	4.3
Avg. Maturity	2.2	8.2
Avg. Duration	2.0	5.9
Avg. Quality	AA	AA

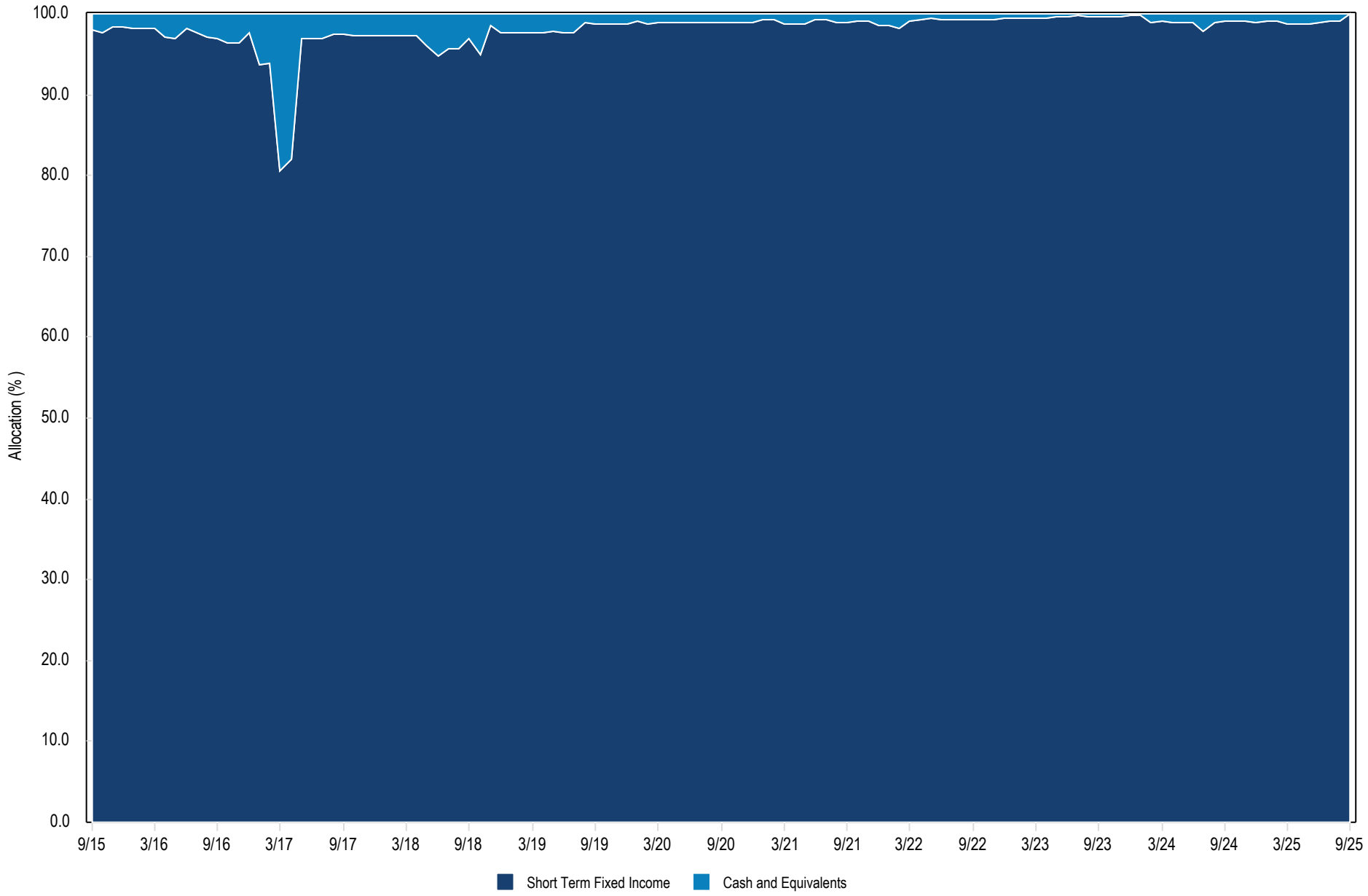

100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Domestic Equity
Domestic Equity All Cap
Domestic Equity Large Cap
Domestic Equity Small Cap
International Equity
Domestic Fixed Income
Real Estate
Diversified Real Assets
Cash and Equivalents

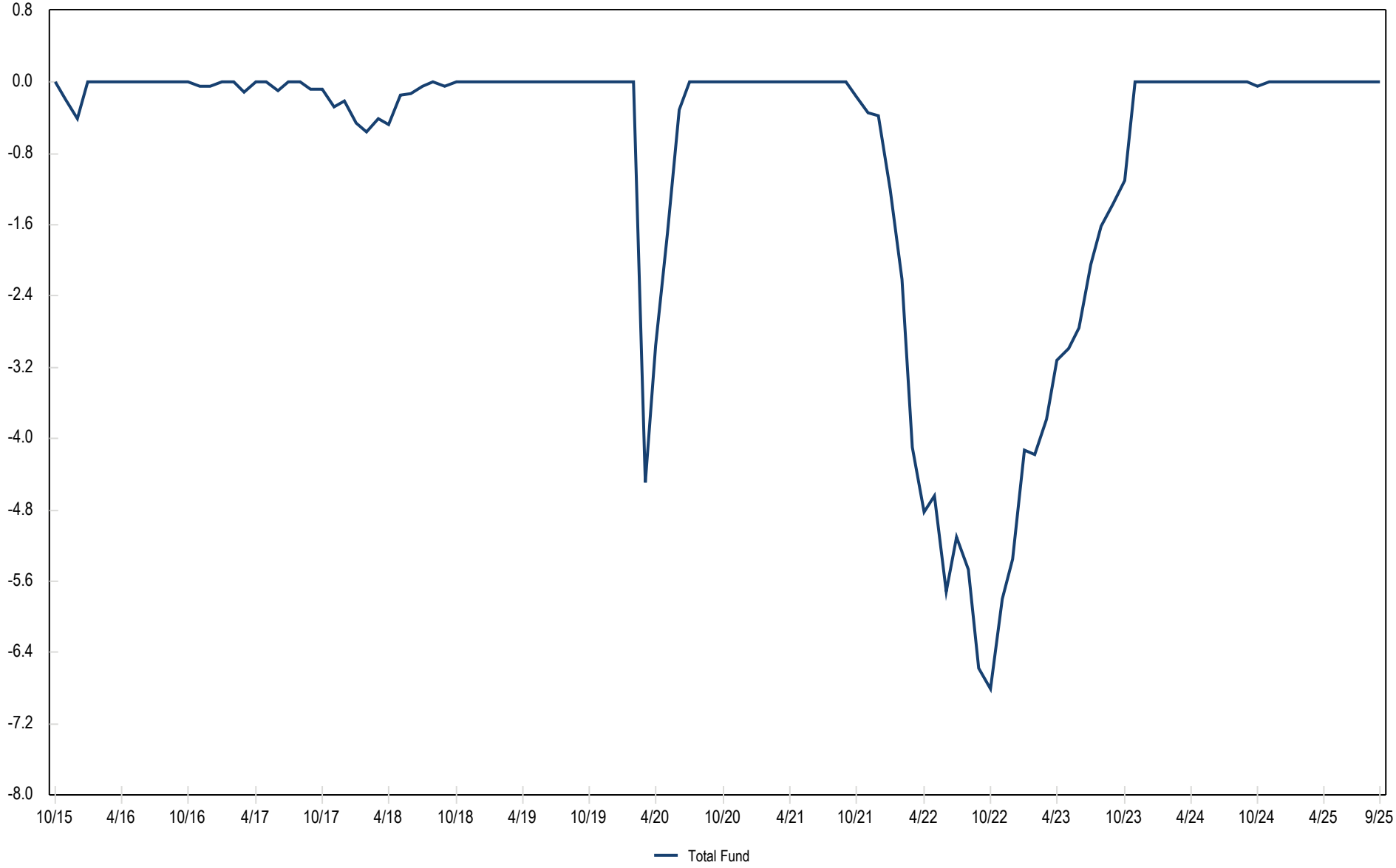


	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-15.0	32 Months	12

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Upside Risk	1.2	1.1	5.9	5.8	5.3	5.2	4.8	4.5
Downside Risk	2.6	2.8	3.1	3.3	4.3	4.5	3.9	3.6
Risk/Return Summary Statistics								
Standard Deviation	4.5	4.4	6.2	6.3	6.8	6.8	6.0	5.6
Alpha	1.0	0.0	0.9	0.0	0.7	0.0	0.6	0.0
Sharpe Ratio	0.6	0.3	0.6	0.5	0.1	0.1	0.6	0.5
Active Return/Risk	0.3	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Tracking Error	0.5	0.0	0.5	0.0	0.6	0.0	1.2	0.0
Information Ratio	2.2	-	1.5	-	1.0	-	0.7	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	83.3	100.0	66.7	100.0	65.0	100.0	69.2	100.0

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index	Total Fund	Corridor Target Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	1.0	1.0	1.2	1.0	1.2	1.0	1.3	1.0
Upside Risk	1.2	1.1	5.9	4.8	5.3	4.3	4.8	3.7
Downside Risk	2.6	2.8	3.1	2.6	4.3	3.6	3.9	2.9
Risk/Return Summary Statistics								
Standard Deviation	4.5	4.4	6.2	5.1	6.8	5.5	6.0	4.5
Alpha	1.0	0.0	-0.1	0.0	0.1	0.0	0.0	0.0
Sharpe Ratio	0.6	0.3	0.6	0.5	0.1	0.0	0.6	0.5
Active Return/Risk	0.2	0.0	0.2	0.0	0.1	0.0	0.2	0.0
Tracking Error	0.5	0.0	1.4	0.0	1.5	0.0	1.9	0.0
Information Ratio	2.1	-	0.9	-	0.5	-	0.6	-
Correlation Statistics								
R-Squared	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Actual Correlation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Consistency	75.0	100.0	55.6	100.0	51.7	100.0	62.5	100.0


100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Allocation (%)
9/15
3/16
9/16
3/17
9/17
3/18
9/18
3/19
9/19
3/20
9/20
3/21
9/21
3/22
9/22
3/23
9/23
3/24
9/24
3/25
9/25
Short Term Fixed Income
Cash and Equivalents



	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-6.8	26 Months	9

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
Return Summary Statistics								
Risk Summary Statistics								
Beta	0.4	1.0	0.5	1.0	0.9	1.0	0.9	1.0
Upside Risk	0.5	0.5	2.2	2.1	1.8	1.7	1.7	1.4
Downside Risk	0.0	0.6	0.1	0.7	1.3	1.2	1.7	0.8
Risk/Return Summary Statistics								
Standard Deviation	0.7	1.4	1.2	1.8	2.0	2.0	2.3	1.6
Alpha	3.6	0.0	3.8	0.0	1.3	0.0	0.9	0.0
Sharpe Ratio	1.4	-0.2	1.3	0.0	0.0	-0.6	0.2	-0.1
Active Return/Risk	1.8	0.0	1.3	0.0	0.5	0.0	0.3	0.0
Tracking Error	0.8	0.0	1.1	0.0	1.1	0.0	1.8	0.0
Information Ratio	1.5	-	1.5	-	1.0	-	0.3	-
Correlation Statistics								
R-Squared	0.7	1.0	0.6	1.0	0.7	1.0	0.4	1.0
Actual Correlation	0.9	1.0	0.8	1.0	0.9	1.0	0.6	1.0
Consistency	66.7	100.0	66.7	100.0	66.7	100.0	67.5	100.0

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
MSCI World Index (Net)	7.2703	7.2703	17.2480	23.7158	14.4110	11.9512	12.4259
MSCI World Minimum Volatility Index (Net)	0.5961	0.5961	6.7943	13.3108	7.5832	6.9266	8.4412
MSCI USA Minimum Volatility Index	1.7580	1.7580	5.9426	14.8690	10.1569	9.5919	11.3215
MSCI AC World IMI Index (Net)	7.6724	7.6724	16.7880	22.4896	13.3040	10.8438	11.6261
Russell 1000 Growth Index	10.5099	10.5099	25.5327	31.6123	17.5750	18.1014	18.8315
Russell 1000 Value Index	5.3299	5.3299	9.4419	16.9638	13.8750	9.5320	10.7223
Russell 1000 Index	7.9920	7.9920	17.7482	24.6379	15.9873	14.1774	15.0370
S&P 500 Index	8.1246	8.1246	17.5977	24.9352	16.4670	14.4521	15.3017
S&P SmallCap 600 Index	9.1141	9.1141	3.6382	12.8158	12.9366	6.2391	10.0298
Russell 2000 Index	12.3948	12.3948	10.7576	15.2136	11.5577	6.7565	9.7659
Russell 2000 Growth Index	12.1937	12.1937	13.5574	16.6846	8.4101	6.6155	9.9050
Russell 2000 Value Index	12.6040	12.6040	7.8848	13.5622	14.5944	6.3960	9.2250
MSCI EAFE (Net)	4.7671	4.7671	14.9886	21.7028	11.1549	7.7149	8.1683
MSCI World ex U.S. (Net)	5.3341	5.3341	16.0336	21.6043	11.5964	8.0304	8.4142
MSCI AC World ex USA IMI (Net)	6.8613	6.8613	16.3892	20.4963	10.2178	7.4407	8.2448
MSCI AC World ex USA (Net)	6.8912	6.8912	16.4455	20.6740	10.2587	7.4887	8.2266
MSCI World ex U.S. Small Cap Index (Net)	7.2403	7.2403	19.3530	19.9818	9.2361	6.6466	8.2911
MSCI EAFE Small Cap (Net)	6.2022	6.2022	17.6544	19.6499	8.4673	6.0535	7.9155
MSCI Emerging Markets (Net)	10.6431	10.6431	17.3227	18.2118	7.0167	6.1670	7.9881
Blmbg. U.S. Aggregate Index	2.0301	2.0301	2.8836	4.9282	-0.4494	2.0638	1.8377
Blmbg. U.S. Government Index	1.5104	1.5104	2.0841	3.5834	-1.2718	1.6064	1.1994
Blmbg. U.S. Treasury: Long	2.4873	2.4873	-3.4660	0.4298	-7.7874	-0.4641	-0.1104
Bloomberg U.S. Government/Credit Index	1.9059	1.9059	2.6678	4.8730	-0.6078	2.2242	1.9904
Blmbg. U.S. Corp: BAA Bond	2.8434	2.8434	4.2934	7.8903	0.9793	3.5274	3.6613
Morningstar LSTA U.S. Leveraged Loan	1.7690	1.7690	7.0008	9.8539	6.9603	5.5412	5.4746
Morningstar LSTA U.S. B Ratings Loan	1.8518	1.8518	7.3485	10.5973	7.2761	5.9412	5.8146
Blmbg. U.S. High Yield - 2% Issuer Cap	2.5357	2.5357	7.4071	11.0865	5.5424	5.3194	6.1606
90 Day U.S. Treasury Bill	1.0767	1.0767	4.3806	4.7686	2.9751	2.6210	2.0720
Blmbg. U.S. Govt Infl. Linked All Maturities	2.1276	2.1276	3.6199	4.8385	1.2173	3.3774	3.0046
Bloomberg U.S. Government 1-3 Year Index	1.1175	1.1175	3.8938	4.3655	1.5440	2.2447	1.6819
Bloomberg U.S. Gov/Credit 1-3 Year Index	1.1918	1.1918	4.1211	4.6784	1.7774	2.4588	1.9356
Russell 3000 Index	8.1762	8.1762	17.4090	24.1180	15.7419	13.7120	14.7101
JPM EMBI Global Diversified	4.7505	4.7505	8.5156	12.2906	2.2699	3.4077	4.1896
JPM GBI-EM Global Diversified	2.8045	2.8045	7.3510	11.2541	2.3236	2.8517	3.5422
ICE BofA 1-3 Years U.S. Treasury Index	1.1171	1.1171	3.8721	4.3455	1.5734	2.2517	1.6877
Blmbg. U.S. Treasury: 9-12 Month Index	1.1984	1.1984	4.2227	4.7173	2.5747	2.5889	2.0631
ICE BofA US High Yield Master II Constrained Index	2.3997	2.3997	7.2267	10.9756	5.5345	5.1627	6.0637

Fiscal year 06/30.

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
MSCI AC World ex USA (Net)	6.8912	6.8912	16.4455	20.6740	10.2587	7.4887	8.2266
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	1.4357	1.4357	5.3175	8.7359	8.2241	6.2994	5.4316
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	0.8125	0.8125	2.6737	-6.2131	2.5377	2.7757	4.4244
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	1.0636	1.0636	3.7005	-5.2752	3.5631	3.8035	5.4687

Fiscal year 06/30.

Pension Corridor Target Index	Weight (%)
Sep-2025	
Russell 3000 Index	30.08
MSCI AC World ex USA IMI (Net)	17.67
Private Equity Benchmark	10.60
Blmbg. U.S. Aggregate Index	18.29
Blmbg. U.S. High Yield - 2% Issuer Cap	7.95
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	8.37
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.70
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	5.94
90 Day U.S. Treasury Bill	0.42

Pension Policy Index	Weight (%)
Sep-2025	
Russell 3000 Index	30.50
MSCI AC World ex USA IMI (Net)	17.92
Private Equity Benchmark	8.14
Blmbg. U.S. Aggregate Index	17.04
Blmbg. U.S. High Yield - 2% Issuer Cap	7.41
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	10.17
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.70
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	7.71
90 Day U.S. Treasury Bill	0.42

Pension Total Equity Blend	Weight (%)
Sep-2025	
Russell 3000 Index	51.57
MSCI AC World ex USA IMI (Net)	30.28
Private Equity Benchmark	18.16

Pension Total Income Blend	Weight (%)
Sep-2025	
Blmbg. U.S. Aggregate Index	69.70
Blmbg. U.S. High Yield - 2% Issuer Cap	30.30

Pension Total Real Assets	Weight (%)
Sep-2025	
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	55.77
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	4.68
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	39.55

Pension Other Real Assets Blend	Weight (%)
Sep-2025	
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	89.42
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	10.58

Pension Private Equity Benchmark	Weight (%)
Jul-2025	
Private Equity	0.00
Hamilton Lane Private Equity Benchmark	100.00

PERS Corridor Target Index	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	51.38
Private Equity Benchmark	8.71
Blmbg. U.S. Aggregate Index	17.45
Blmbg. U.S. High Yield - 2% Issuer Cap	7.64
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	8.58
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.64
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	5.61

PERS Policy Index	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	51.00
Private Equity Benchmark	7.00
Blmbg. U.S. Aggregate Index	16.00
Blmbg. U.S. High Yield - 2% Issuer Cap	7.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	11.00
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.64
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	7.36

PERS Total Equity Blend	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	85.50
Private Equity Benchmark	14.50

PERS Total Income Blend	Weight (%)
Sep-2025	
Blmbg. U.S. Aggregate Index	69.57
Blmbg. U.S. High Yield - 2% Issuer Cap	30.43

PERS Total Real Assets Blend	Weight (%)
Sep-2025	
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	57.91
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	37.81
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	4.29

PERS Other Real Assets Blend	Weight (%)
Sep-2025	
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	10.18
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	89.82

PERS Private Equity Benchmark	Weight (%)
Jul-2025	
Private Equity	0.00
Hamilton Lane Private Equity Benchmark	100.00

TFFR Corridor Target Index	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	42.86
Private Equity Benchmark	13.56
Blmbg. U.S. Aggregate Index	18.98
Blmbg. U.S. High Yield - 2% Issuer Cap	8.44
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	8.08
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.78
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	6.30
90 Day U.S. Treasury Bill	1.00

TFFR Policy Index	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	45.00
Private Equity Benchmark	10.00
Blmbg. U.S. Aggregate Index	18.00
Blmbg. U.S. High Yield - 2% Issuer Cap	8.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	9.00
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	8.22
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.78
90 Day U.S. Treasury Bill	1.00

TFFR Total Equity Blend	Weight (%)
Sep-2025	
MSCI AC World IMI Index (Net)	75.97
Private Equity Benchmark	24.03

TFFR Total Income Blend	Weight (%)
Sep-2025	
Blmbg. U.S. Aggregate Index	69.23
Blmbg. U.S. High Yield - 2% Issuer Cap	30.77

TFFR Total Real Assets Blend	Weight (%)
Sep-2025	
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	53.30
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	41.56
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	5.13

TFFR Other Real Assets Blend	Weight (%)
Sep-2025	
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	89.01
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	10.99

TFFR Private Equity Benchmark	Weight (%)
Jul-2025	
Private Equity	0.00
Hamilton Lane Private Equity Benchmark	100.00

Legacy Corridor Target Index	Weight (%)
Sep-2025	
Russell 3000 Index	33.26
Legacy - Total International Equity Benchmark	22.98
Private Equity Benchmark	0.44
Legacy - Corridor Global FIxed Income	31.33
Legacy - Corridor DRA Blend	4.85
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	3.44
In-State Investments	3.70

Legacy Policy Index	Weight (%)
Jul-2024	
Russell 3000 Index	27.50
MSCI AC World ex USA IMI (Net)	19.00
Private Equity Benchmark	7.00
Blmbg. U.S. Aggregate Index	13.50
Blmbg. U.S. High Yield - 2% Issuer Cap	5.00
Morningstar LSTA Leveraged Loan Index + 100 bps	10.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	5.00
Legacy - Corridor DRA Blend	5.00
In-State Investments	8.00

Legacy Corridor Global Equity Blend	Weight (%)
Sep-2025	
Russell 3000 Index	58.69
MSCI AC World ex USA IMI (Net)	40.55
Legacy - Corridor Private Equity Blend	0.77

Legacy Corridor Global Fixed Income	Weight (%)
Sep-2025	
Blmbg. U.S. Aggregate Index	58.94
Blmbg. U.S. High Yield - 2% Issuer Cap	21.83
Morningstar LSTA Leveraged Loan Index + 100 bps	19.23

Legacy Total Real Asset Blend	Weight (%)
Sep-2025	
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	41.53
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	58.47

Legacy Private Equity Benchmark	Weight (%)
Jul-2025	
Private Equity	0.00
Hamilton Lane Private Equity Benchmark	100.00

Insurance Corridor Target Index	Weight (%)
Sep-2025	
Russell 3000 Index	8.70
MSCI AC World ex USA IMI (Net)	5.61
Blmbg. U.S. Aggregate Index	41.63
Blmbg. U.S. Government Index	0.03
Bloomberg U.S. Gov/Credit 1-3 Year Index	28.94
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	2.63
Insurance - Diversified Real Assets Blend [As of 2024.07.01]	7.68
90 Day U.S. Treasury Bill	4.79

Insurance Policy Index	Weight (%)
Sep-2025	
Russell 3000 Index	8.48
MSCI AC World ex USA IMI (Net)	5.45
Blmbg. U.S. Aggregate Index	41.23
Blmbg. U.S. Government Index	0.03
Bloomberg U.S. Gov/Credit 1-3 Year Index	28.93
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	3.23
Insurance - Policy Diversified Real Assets Blend [As of 2024.07.01]	7.86
90 Day U.S. Treasury Bill	4.79

Insurance Total Equity Blend	Weight (%)
Sep-2025	
Russell 3000 Index	60.81
MSCI AC World ex USA IMI (Net)	39.19

Insurance Total Real Assets	Weight (%)
Sep-2025	
Insurance - Diversified Real Assets Blend [As of 2024.07.01]	74.50
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	25.50

Insurance Diversified Real Assets Blend	Weight (%)
Sep-2025	
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	6.57
NFI-ODCE Equal-Weighted +1% (Smoothed Monthly Return) 1Q Lag	0.00
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	27.36
Blmbg. U.S. Govt Infl. Linked All Maturities	66.07

WSI Corridor Target Index	Weight (%)
Sep-2025	
Russell 3000 Index	12.37
MSCI AC World ex USA IMI (Net)	8.25
Blmbg. U.S. Aggregate Index	62.62
WSI - Corridor Diversified Real Assets	11.70
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	4.06
90 Day U.S. Treasury Bill	1.00

WSI Policy Index	Weight (%)
Jul-2024	
Russell 3000 Index	12.00
MSCI AC World ex USA IMI (Net)	8.00
Blmbg. U.S. Aggregate Index	62.00
Diversified Real Assets Benchmark	0.00
Diversified Real Assets - Policy Index	12.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	5.00
90 Day U.S. Treasury Bill	1.00

WSI Total Equity Blend	Weight (%)
Jul-2024	
Russell 3000 Index	60.00
MSCI AC World ex USA IMI (Net)	40.00

WSI Total Real Assets	Weight (%)
Sep-2025	
WSI - Corridor Diversified Real Assets	74.22
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	25.78

WSI Diversified Real Assets Blend	Weight (%)
Sep-2025	
Blmbg. U.S. Govt Infl. Linked All Maturities	65.62
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	27.70
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	6.68

Budget Policy Index	Weight (%)
Sep-2025	
Bloomberg U.S. Gov/Credit 1-3 Year Index	99.97
90 Day U.S. Treasury Bill	0.03

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

Disclosure

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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management,(c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Net-of-Fees Returns mean gross-of-fees returns reduced by fees and expenses charged by third-party investment managers on the products of such managers held by client. Net-of-Fees Returns does not include a reduction of returns for Verus' investment management and consulting fees, or other expenses incurred by the asset owner, fund or plan.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Quarterly Report on Ends
Quarter Ending December 31, 2025

Investment Program

Funds Management:

The Funds Management team continued to advance initiatives aimed at strengthening the structure and effectiveness of the public markets portfolio. During the quarter, the team completed contracting with Arrowstreet for a U.S. all-cap mandate, expected to fund in January, and with Principal for an international all-cap mandate. In addition, the Investment Committee approved a new developed international large-cap mandate, with contract negotiations to commence next quarter. The team also conducted portfolio reviews with existing managers to assess positioning, performance, and forward-looking outlooks.

To support the continued evolution of the public markets program, the organization posted a new position for an Investment Analyst – Quantitative Risk & Funds Management. The role reflects an expansion of the former Risk Analyst position to better align with the team's growing quantitative, portfolio construction, and funds management responsibilities. The posting closed at the end of the year, with candidate review and interviews to follow.

Private Markets:

The team completed due diligence on one private equity manager and one real estate manager, both of which were recommended and approved by the Investment Committee. One of which recently held its fund closing and the other is in legal due diligence. The team also conducted approximately 85 introductory, due diligence, and monitoring meetings with prospective and current managers and strategies.

Internal Management:

During the quarter, both the equity and fixed income teams began enhancing their respective index portfolios following approval from the Investment Committee. Internal portfolios also began participating regularly in rebalancing activities. As of December 31, total internally managed assets amounted to $3.61 billion.

The Public Markets Investment Analyst position was filled, and employment commenced during the quarter.

Other:

- Staff continues to conduct due diligence on prospect managers/products for future consideration.
- Staff continues to monitor each client's asset allocation monthly and makes rebalancing decisions based on rebalancing policy and cash flow requirements.
- Staff attended meetings with many SIB client boards, sub-committees and/or legislative committees or representatives including TFFR, PERS, and WSI.

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MEMORANDUM

TO: **State Investment Board**

FROM: **Sarah Mudder, communications and outreach director**

DATE: **Jan. 16, 2026**

RE: **FY2026, Q2 Communications and Outreach Report**

MEDIA INQUIRIES – Date, Subject, and Publication

- Oct. 7, 2025, quantitative portfolio manager, With Intelligence
- Oct. 17, 2025, governance review, ND Monitor
- Oct. 23, 2025, in-state investment program, ND Monitor
- Oct. 24, 2025, governance review, ND Monitor
- Nov. 11, 2025, open records opinion, InForum
- Nov. 13, 2025, open records opinion, Tribune
- Nov. 20, 2025, manager selection, Pensions & Investments
- Nov. 21, 2025, incentive compensation, ND Monitor
- Nov. 21, 2025, performance and consultant search, Fin News
- Nov. 24, 2025, pension system COLAs, ND Monitor
- Nov. 28, 2025, incentive compensation, Tribune
- Dec. 3, 2025, open records opinion, InForum
- Dec. 10, 2025, pension award, KX News

MEETINGS – Date and Activity

- Oct. 10, 2025, SIB Investment Committee
- Oct. 15, 2025, SIB Executive Review & Compensation Committee
- Oct. 22, 2025, Legacy and Budget Stabilization Fund Advisory Board
- Oct. 24, 2025, SIB Board
- Oct. 24, 2025, SIB Governance & Policy Review Committee
- Oct. 29, 2025, Grand Forks Park District Board
- Oct. 30, 2025, Employee Benefits Program Committee
- Nov. 5, 2025, SIB Executive Review & Compensation Committee

- Nov. 6, 2025, SIB Governance & Policy Review Committee
- Nov. 6, 2025, TFFR Governance & Policy Review Committee
- Nov. 14, 2025, SIB Investment Committee
- Nov. 18, 2025, SIB Audit Committee
- Nov. 20, 2025, TFFR Board
- Nov. 21, 2025, SIB Board
- Nov. 25, 2025, Public Employees Retirement System Subcommittee
- Dec. 2, 2025, Emergency Commission
- Dec. 9, 2025, Public Employees Retirement System Board
- Dec. 17, 2025, SIB Investment Committee

OUTREACH – Date, Activity and Attendance

SIB Stakeholders

- Oct. 23, 2025, Investment Seminar, 111 registered

TFFR Member

- Oct. 7, 2025, Group Benefit Presentation, Fargo, 47 attended
- Oct. 8, 2025, Group Benefit Presentation, Grand Forks, 30 attended
- Nov. 5, 2025, Group Benefit Presentation, Virtual, 75 attended

TFFR Business Partner

- Oct. 1, 2025, MyTFFR Office Hours: Open Forum, 52 attended
- Nov. 19, 2025, TFFR Reporting 101, 42 attended
- Dec. 3, 2025, MyTFFR Office Hours: Open Forum, 30 attended

Partner Event

- Oct. 8, 2025, Scott Anderson (presenter), UND: Burgum Alternative Assets Seminar, Grand Forks, ND
- Oct. 9-10, 2025, Tami Volkert and Deneen Gathman (tradeshow), NDSBA Conference, Bismarck, ND
- Oct. 16, 2025, Jayme Heick (tradeshow), NDCEL Conference, Bismarck, ND
- Oct. 18-21, 2025, Denise Weeks and Denise Leingang-Sargent, NPEA Conference, Salt Lake City, UT
- Oct. 26-29, 2025, Tami Volkert (presenter) and Deneen Gathmen, P2F2 Conference, Phoenix, AZ
- Nov. 17-19, 2025, Scott Anderson and Chirag Ghandhi (presenters), Markets Group Institutional Fall Retreat, Amelia Island, FL

PUBLICATIONS – Date, Bulletin and open rate

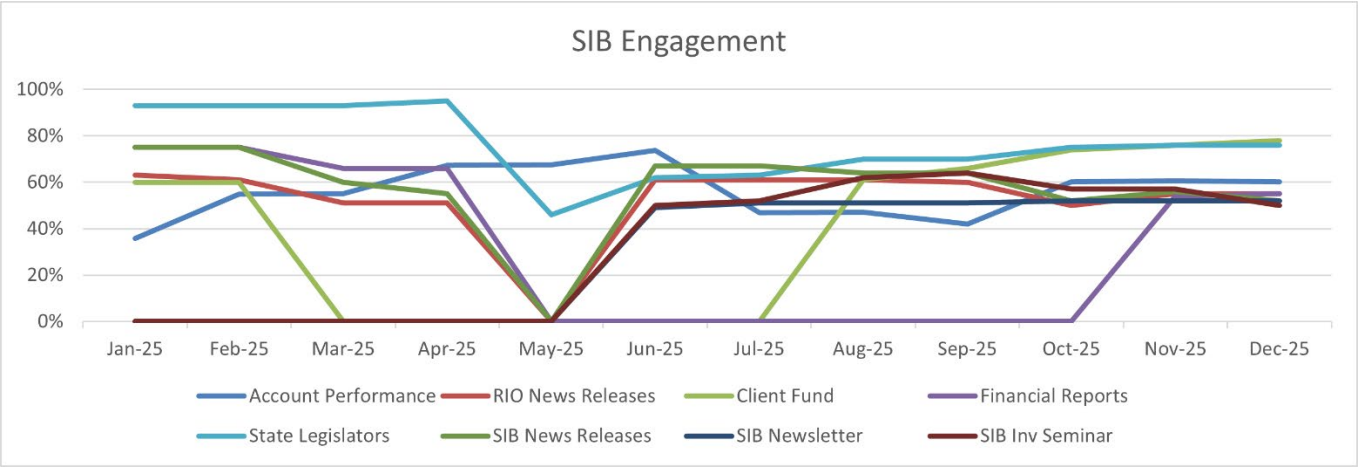
GovDelivery

SIB/Fiscal News Releases, Newsletters and Updates

- Oct. 1, 2025, “Investment Newsletter,” 907 recipients (52% open rate)

- Oct. 7, 2025, “The Insights… Investment Seminar” to 933 recipients (36% open rate)
- Oct. 17, 2025, “Last Chance… Investment Seminar” to 934 recipients (35% open rate)
- Nov. 21, 2025, “SIB… modernize governance Press Release,” 1,171 recipients (40% open rate)

SIB/Fiscal Engagement Rate Monthly Metrics



From Oct. 1 to Dec. 31, most to least engaged SIB topics were Client Funds 78%, State Legislators at 76%, RIO News Releases and Financial Reports at 55% and SIB News Releases 52%. Per GovDelivery, the median engagement rate for Finance & Commerce communications in 2024 was 53%. The median engagement rate for government emails overall was 61%.

TFFR News Releases and Reports

- Nov. 25, 2025, “TFFR Actuarial Valuation Report Released” to 623 recipients (50% open rate)
- Dec. 10, 2025, “TFFR earns national recognition” to 980 recipients (40% open rate)

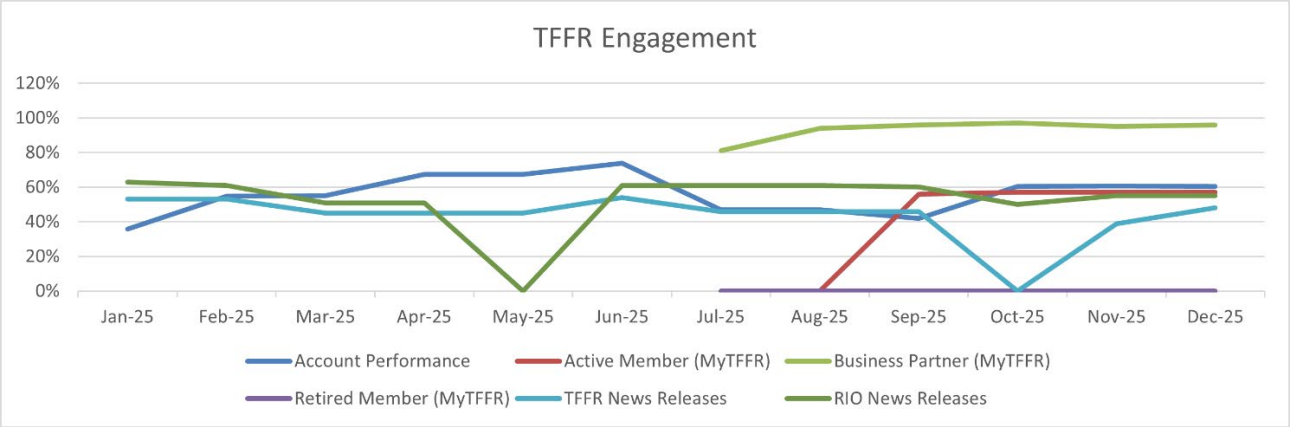
TFFR Business Partner Newsletters and Updates

- Nov. 5, 2025, “Are you new… TFFR Reporting 101” to 621 recipients (63% open rate)
- Nov. 13, 2025, “Business Partner Newsletters” to 622 recipients (63% open rate)
- Nov. 18, 2025, “Register Now… TFFR Reporting 101” to 633 recipients (59% open rate)
- Nov. 19, 2025, “MyTFFR Office Hours: Open Forum” to 633 recipients (60% open rate)
- Dec. 2, 2025, “Last chance… MyTFFR Open Forum,” to 633 recipients (56% open rate)
- Dec. 3, 2025, “TFFR Reporting 101 Recap,” to 631 recipients (64% open rate)
- Dec. 17, 2025, “MyTFFR Office Hours: Open Forum” to 631 recipients (59% open rate)

TFFR Active Member Newsletters and Events

- Oct. 28, 2025, “Last chance for live… Group Benefit Presentation” to 2,249 recipients (42% open rate)

TFFR Engagement Rate Monthly Metrics



From Oct. 1 to Dec. 31, the most to least engaged topics were Business Partner at 96%, Active Members at 57% and TFFR News Releases at 48%. Retired Members have dropped off due to lack of communication. Per GovDelivery, the median engagement rate for education communications in 2024 was 65%. The median engagement rate for government emails overall was 61%.

SOCIAL MEDIA

LinkedIn

Page Views	Unique Visitors	New Followers
841	370	68

Most Popular Posts (Engagement Rate)

	Impressions	Clicks	Likes
Thank you…Investment Seminar 2025	907	93	80
NDRIO is hiring Investment Analyst	2047	169	30
Market Group's Retreat – Anderson and Gandhi	2716	241	28

YouTube

Views	Watch Hours	New Subscribers
427	23.8	2

Top Content

	Views	Average Duration
MyTFFR Member Login Instructions	111	2:15
TFFR Program Overview	46	10:32
MyTFFR: How to update beneficiaries		

Board Action Requested: Board acceptance

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MEMORANDUM

TO: **SIB**
FROM: **Adam Otteson, Chief Financial/Operating Officer**
DATE: **January 16, 2025**
RE: **Quarterly Budget Report**

The following is the budget and expense report for the quarter ending December 31, 2025.

Budget Status
December 2025

Appropriated

	Q2 FY 26				Biennium to Date			
Category	Budget	Actual	Variance	Variance Percent	Budget	Actual	Variance	Variance Percent
Salaries	$1,490,598	$1,412,104	$78,494	5.27%	$2,981,197	$2,686,932	$294,265	9.87%
New and Vacant Pool	57,939	0	57,939	100.00%	115,878	0	115,878	100.00%
Operating Expenses	473,142	378,254	94,888	20.05%	946,283	672,044	274,239	28.98%
Contingency	25,000	0	25,000	100.00%	50,000	0	50,000	100.00%
Total	**$2,046,679**	**$1,790,358**	**$256,321**	**12.52%**	**$4,093,358**	**$3,358,976**	**$734,383**	**17.94%**

Continuing Authority

	Q2 FY 26 *				Year to Date *			
	Q2 FY 26	Q2 FY 25	Variance	Variance Percent	FY 26	FY 25	Variance	Variance Percent
Expenditures	$17,303,042	$10,753,032	$6,550,010	37.85%	$54,039,310	$41,679,884	$12,359,426	22.87%

*Includes fees paid directly (through Q2) and fees netted from managed accounts (through Q1)

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Executive Limitations

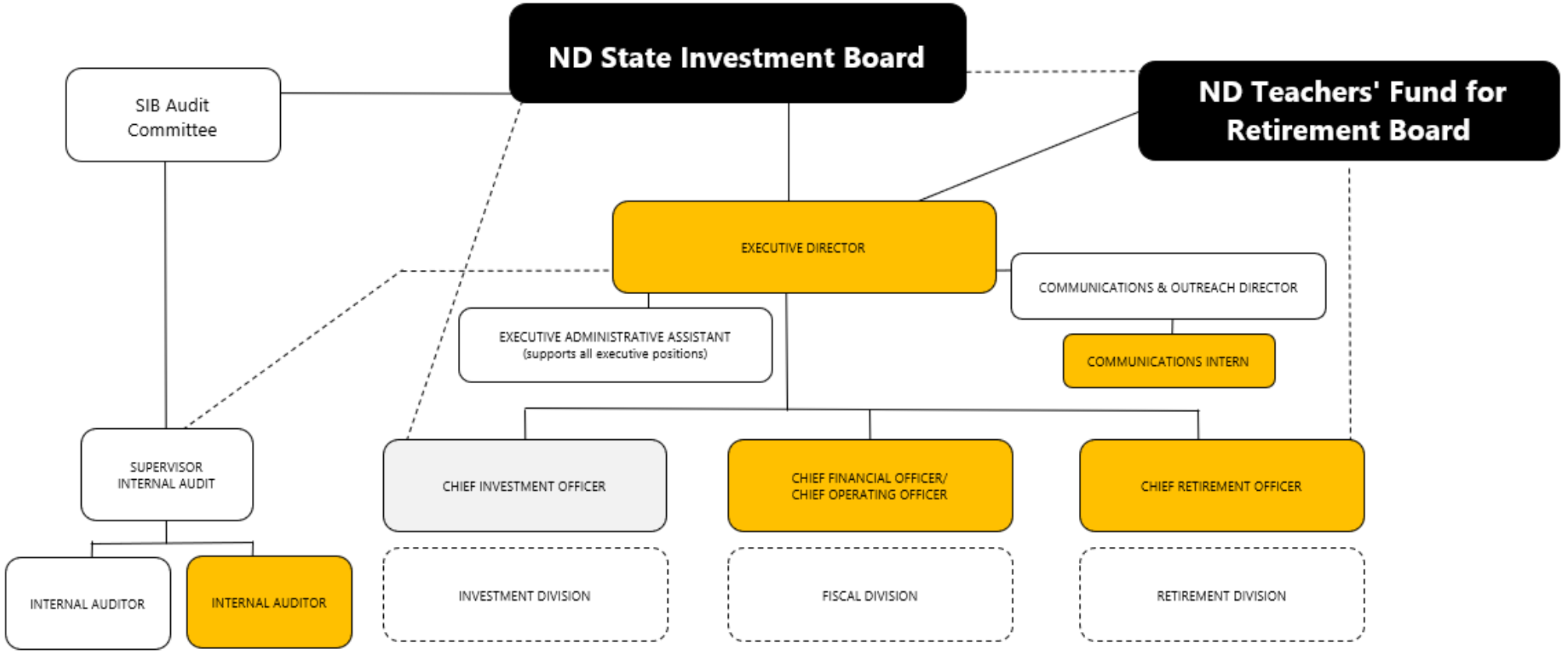
Jodi Smith – Executive Director

January 16, 2026

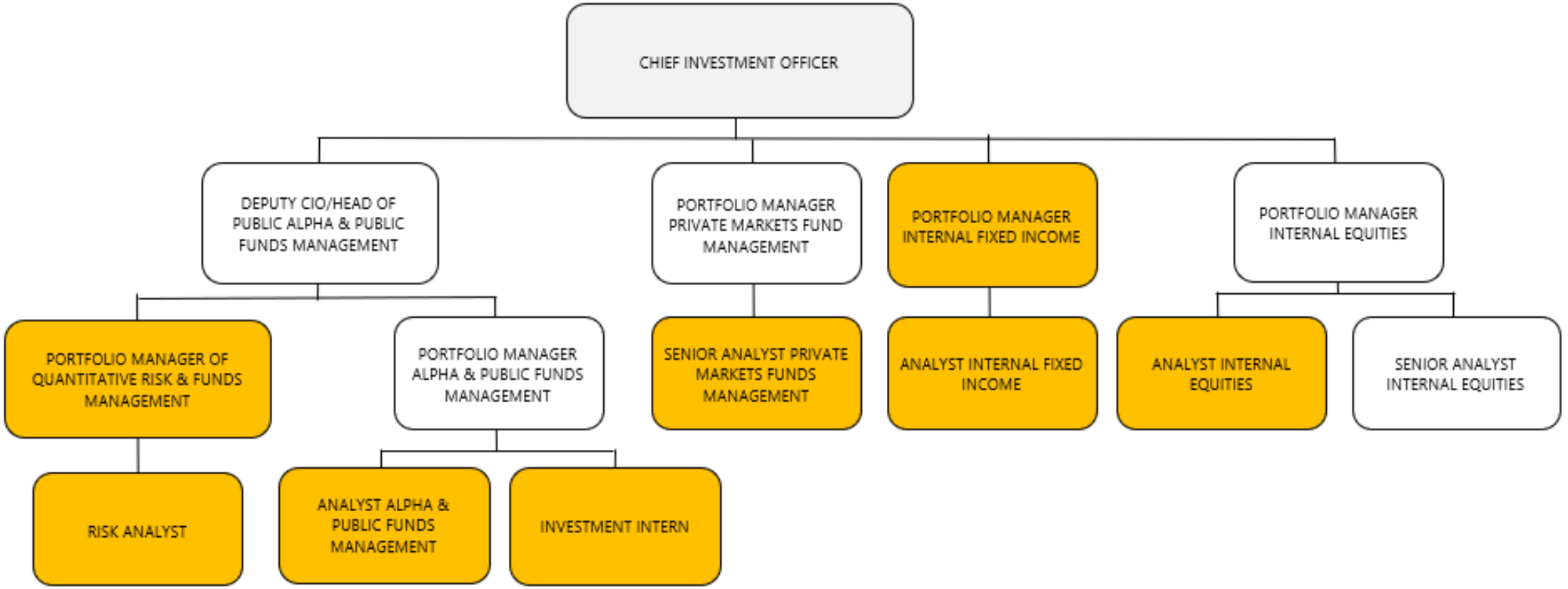
Workforce Changes & Staffing Status

Position Title	Status
Internal Auditor	Posted
Investment Analyst	Interviewing
Administrative Assistant	Posting Pending

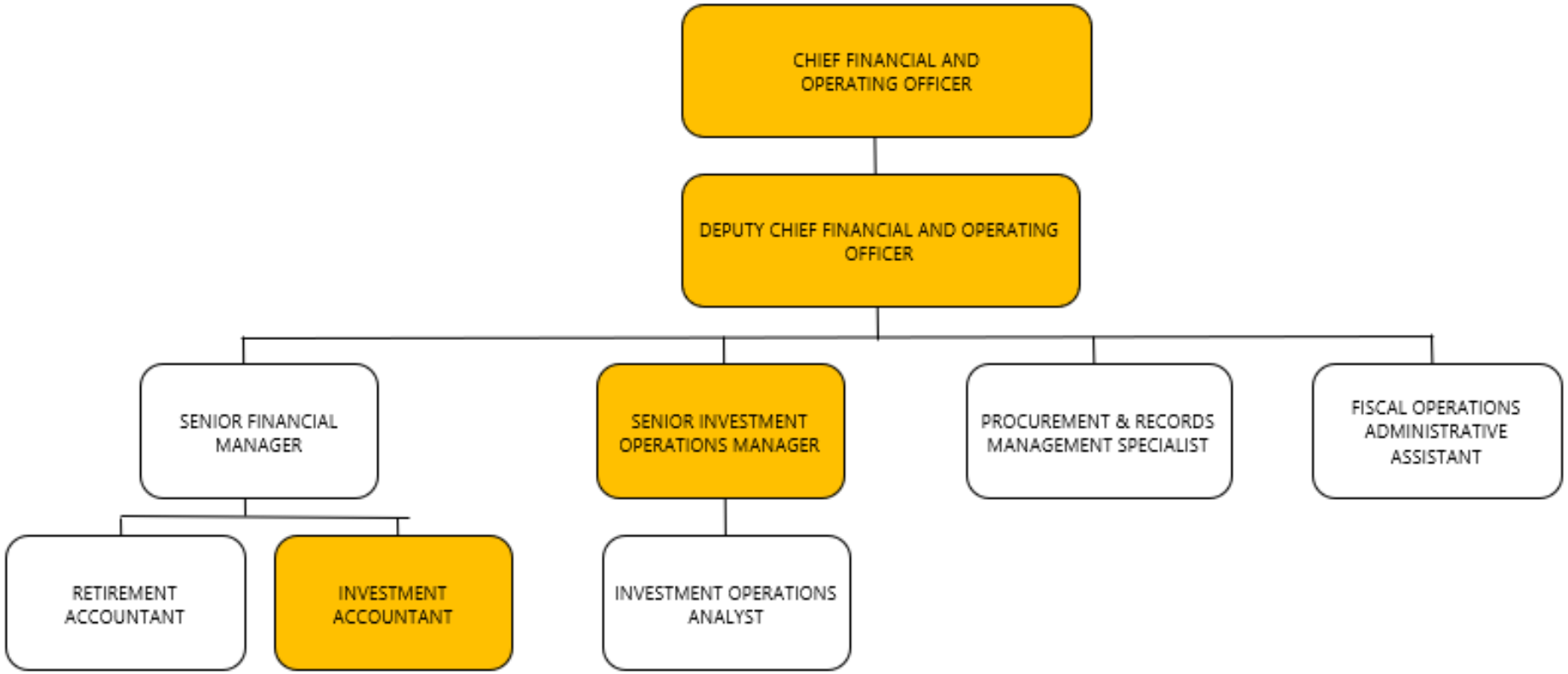
Executive Organization Chart



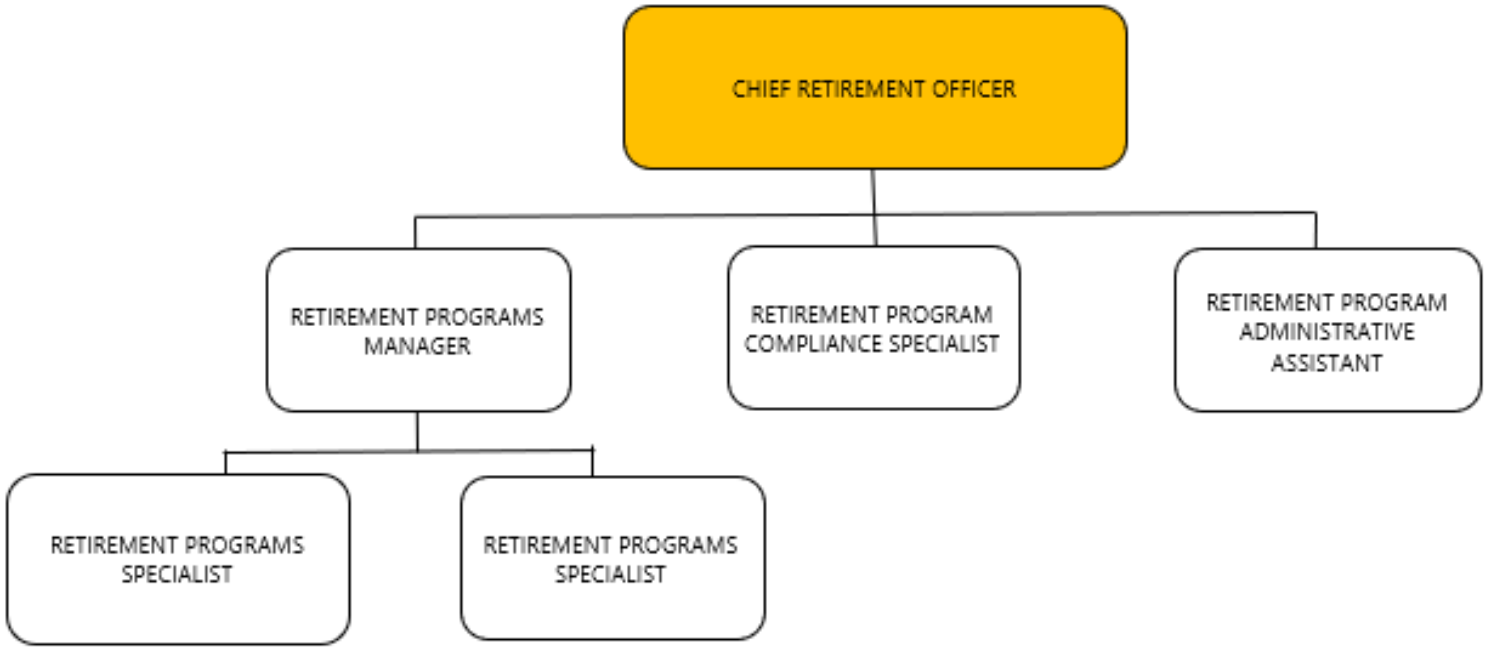
Investments Organization Chart



Fiscal & Operations Organization Chart



Retirement Organization Chart



2025 Strategic Goals

Industry Leader Initiative – Innovation in operations to excel in education, technology, and talent

Succession & Business Continuity Planning

Alignment thru Continuous Improvement

Strategic Implementation of New Statues

Industry Leader Initiative

Recruitment and Onboarding of ED & CFOO

Executive Director – Hired 06/2025

Chief Financial Officer – Hired 09/2025

Chief Retirement Officer – Hired 01/2026

Status: Complete

Transition from network folders and Teams to SharePoint

Status: Not started

Implementation of investment operations compliance plan

Code of Ethics Policy

Attestations Forms Adopted

Trade Errors Procedure Implemented

Rebalancing Policy being Drafted

Status: In Progress

Succession & Business Continuity Planning

Create Succession Plans for the ED, CFOO, and CIO

Status: Complete

Create a business continuity plan

Status: In Progress

Alignment thru Continuous Improvement

Identify pockets of innovation across the organization during regular check-ins. Small, compounding changes and innovations add up to outsized results over time.

Business Process Mapping

RFP Development for new accounting system (Bold & the Balanced)

Status: Complete

Identification and Implementation of Quick Wins

Status: Complete

Strategic Planning Sessions with TFFR Team

Realignment of job descriptions

Status: Complete

Alignment thru Continuous Improvement cont.

Identify pockets of innovation across the organization during regular check-ins. Small, compounding changes and innovations add up to outsized results over time.

Strategic Planning with Investment and Fiscal Teams

Status: Complete

Month	Custodian Close	Actual Close	Financial Stmts	Performance
July	15 Aug	27 Oct (50)	4 Nov (45)	19 Nov (55)
August	16 Sep	7 Nov (37)	20 Nov (36)	18 Dec (56)
September	15 Oct	28 Nov (30)	11 Dec (29)	9 Jan (48)
October	18 Nov	15 Dec (18)	9 Jan (24)	[24]
November	15 Dec	23 Dec (6)	[7]	[7]
December	16 Jan			

AI Team Meeting

Process documentation

Vyond video

Status: In Progress

Governance Review

Status: In Progress

Strategic Implementation Of New Statutes

HB 1319 – Creation of Legacy Fund Transparency Website

Status: In Progress

RFP posted

Responded to 168 questions

Responses due January 28th

Contract award expected in April 2026

Attorney General Opinions

2025-O-22 CONCLUSIONS

1. RIO did not violate the open records law by denying a request for records containing certain investment manager specific information provided to RIO as confidential financial information under N.D.C.C. § 44-04-18.4.
2. RIO did not violate the open records law when it did not provide a breakdown of investments by country as RIO is not obligated under N.D.C.D. § 44-04-18 to create records that do not exist.

2025-O-23 CONCLUSION

RIO did not violate open records law when it was unable to provide a record that no longer exists

NEW Attorney General Opinion Request

Guidance on whether RIO has legal authority to provide incentive compensation payments to its employees without a specific legislative appropriation

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
www.attorneygeneral.nd.gov
(701) 328-2210

Drew H. Wrigley
ATTORNEY GENERAL

OPEN RECORDS AND MEETINGS OPINION
2025-O-22

DATE ISSUED: December 5, 2025

ISSUED TO: Retirement and Investment Office

CITIZEN'S REQUEST FOR OPINION

Tory Jackson requested an opinion from this office under N.D.C.C. § 44-04-21.1 asking whether the Retirement and Investment Office (RIO) violated N.D.C.C. § 44-04-18 by improperly responding to a request for records.

FACTS PRESENTED

On January 15, 2024, Mr. Jackson requested records regarding Legacy Fund investment holdings from RIO.[1] He specifically requested:

> The current list of all foreign holdings in the Legacy Fund listed in alphabetical order by country:
>
> The current list of all domestic holdings in the Legacy Fund listed in alphabetical order by company.
>
> The current list of all foreign investments in the Legacy Fund sorted by each asset/money manager.
>
> The current list of all domestic investments in the Legacy Fund sorted by each asset/money manager.
>
> The current amount of Legacy Fund monies that has been distributed to date to 50 South Capitol.
>
> The amount of money that 50 South Capitol has then invested in each of the following five companies/managers:
>
> Lewis & Clark Agrifood
>
> Homegrown Capital
>
> Longwater Opportunities

[1] Letter from Tory Jackson, Jackson Law Firm, to Off. of Att'y Gen. (Feb. 9, 2024).

Gener8tor

Badlands Captial [sic]

The investments that have been made by the five firms listed above with money from the Legacy Fund provided to 50 South Capital.[2]

That same day, Ms. Murtha responded to Mr. Jackson, confirmed receipt of his request, and informed him that due to the state holiday that day, RIO's Communications Director, Sarah Mudder, would contact with him within the next few days to provide a time and cost estimate related to his request.[3] On January 17, 2024, Ms. Mudder replied to Mr. Jackson's request.[4] In response to his requests for "[t]he current list of all foreign holdings in the Legacy Fund listed in alphabetical order by country" and "[t]he current list of all domestic holdings in the Legacy Fund listed in alphabetical order by company" Ms. Mudder sent Mr. Jackson "a link to the Legacy Fund's webpage where monthly performance reports are posted that list the fund's foreign holdings . . . and domestic holdings. . . ."[5] In response to Mr. Jackson's requests for "[t]he current list of all foreign investments in the Legacy Fund sorted by each asset/money manager" and "[t]he current list of all domestic investments in the Legacy Fund sorted by each asset/money manager" Ms. Mudder "informed Mr. Jackson where to find information on RIO's asset/money managers . . . and informed him that manager-specific position information . . . is confidential commercial and financial information under NDCC 44-04-18.4."[6] Ms. Mudder did provide Mr. Jackson with the "current commitment, i.e., the current amount of [Legacy Fund] mon[ies] distributed to the ND Growth Fund, as managed by 50 South Capitol."[7] Ms. Mudder denied Mr. Jackson's last two requests for "the specific dollar amounts . . . invested in the five companies/manager because, while holding level data for some funds is publicly available, these private market investments . . . are confidential commercial and financial information under NDCC 44-04-18.4."[8]

Ms. Mudder also informed Mr. Jackson that RIO could run a "position query" for Legacy Fund holdings by name and country, however, it would require RIO to perform a search for which they

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[2] Email from Tory Jackson, Jackson Law Firm, to Janilyn Murtha, Exec. Dir., RIO (Jan. 15, 2024, 10:33 AM) (emphasis in original).
[3] Email from Janilyn Murtha, Exec. Dir., RIO, to Tory Jackson, Jackson Law Firm (Jan. 15, 2024, 4:58 PM).
[4] Email from Sarah Mudder, Commc'ns & Outreach Dir., RIO, to Tory Jackson, Jackson Law Firm (Jan. 17, 2024, 11:44 AM); Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024).
[5] Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024).
[6] *Id.*
[7] *Id.*
[8] *Id.*

would need to charge a fee.[9] On January 29, 2025, Emmalee Riegler, Procurement/Records Coordinator for RIO, acknowledged the receipt of payment of Mr. Jackson's fee, and provided an additional response to Mr. Jackson.[10]

According to Mr. Jackson, RIO did provide lists of the Legacy Fund's foreign and domestic holdings.[11] However, RIO denied Mr. Jackson's request for foreign and domestic holdings records by asset/money manager, "claiming that 'manager specific position information is confidential commercial and financial information under NDCC 44-04-18.4.'"[12] Mr. Jackson also questions the responsiveness of the records provided on January 29, 2024.[13] He had requested "a breakdown of investments by country, "[14] however, the provided records include investments in the "Emerging Market Region," "Global Region," and "International Region"[15] but with no additional breakdowns provided.

ISSUES

1. Whether RIO violated the open records laws by denying a request for records containing certain investment manager specific information provided to RIO as confidential under N.D.C.C. § 44-04-18.4.

2. Whether RIO violated the open records law by failing to provide a breakdown of its investments by country.

ANALYSIS

Issue 1

RIO is a public entity and is subject to the open record law.[16] "Except as otherwise specifically provided by law, all records of a public entity are public records, open and accessible for inspection during reasonable office hours."[17] Confidential records are "prohibited from being open to the public."[18]

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[9] *Id.*
[10] Email from Emmalee Riegler, Procurement/Recs. Coordinator, RIO, to Tory Jackson, Jackson Law Firm (Jan. 29, 2024, 1:56 PM).
[11] Letter from Tory Jackson, Jackson Law Firm, to Off. of Att'y Gen. (Feb. 9, 2024).
[12] *Id.*
[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] N.D.C.C. § 44-04-17.1(13)(a). *See* N.D.C.C. ch. 54-52.5 (establishing RIO).
[17] N.D.C.C. § 44-04-18(1). *See also* N.D.A.G. 2013-O-18; N.D.A.G. 2011-O-10.
[18] N.D.C.C. § 44-04-17.1(3).

Financial information and commercial information are "confidential if it is of a privileged nature and it has not been previously publicly disclosed."[19] Financial information means (1) information pertaining to monetary resources of a person (2) that has not been previously publicly disclosed and (3)(a) that if the information were to be disclosed would impair the public entity's future ability to obtain necessary information or (3)(b) would cause substantial competitive injury to the person from which the information was obtained.[20] Financial information "is defined broadly to include all information pertaining to finances or monetary resources."[21] Commercial information means (1) information pertaining to buying or selling of goods and services that (2) has not been previously publicly disclosed and (3)(a) that if the information were to be disclosed would impair the public entity's future ability to obtain necessary information or (3)(b) would cause substantial competitive injury to the person from which the information was obtained.[22]

"Information is of a privileged nature only if disclosing the records is likely to impair the public entity's ability to obtain necessary information in the future, or if it is likely to cause substantial harm to the competitive position of the entity supplying the information."[23] Whether a record contains commercial or financial information of a privileged nature is "generally a factual decision to be made by the public entity,."[24] because the public entity "is in the best position to determine the effect of disclosure."[25] This office is required to base an open records opinion on "the facts given by the public entity" and generally defers to those "findings of fact unless the finding is unsupported."[26]

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[19] N.D.C.C. § 44-04-18.4(1). This office has occasionally looked to federal case law to interpret the meaning of this statute because the definition in statute followed the language set out by the D.C. Circuit when interpreting the federal Freedom of Information Act, which did not have a statutory definition of "commercial or financial information." *See Nat'l Parks & Conservation Ass'n v. Morton*, 498 F.2d 765 (D.C. Cir. 1974), *abrogated by Food Mktg. Inst. v. Argus Leader Media*, 588 U.S. 427 (2019). The change of the federal approach has not changed the statutory definitions in N.D.C.C. § 44-04-18.4 and so does not impact the meaning of "commercial or financial information" under state law.

[20] N.D.C.C. § 44-04-18.4(2)(b).

[21] N.D.A.G. 2000-L-107, *citing* N.D.A.G. 1998-L-17.

[22] N.D.C.C. § 44-04-18.4(2)(a).

[23] N.D.A.G. 2019-O-12, *citing* N.D.C.C. § 44-04-18.4(2).

[24] N.D.A.G. 2019-O-12.

[25] N.D.A.G. 2019-O-12, *citing* N.D.A.G. 2014-O-02; N.D.A.G. 2005-O-06; N.D.A.G. 2004-O-01; N.D.A.G. 2002-O-08; N.D.A.G. 2000-L-107; N.D.A.G. 98-O-22; N.D.A.G. 98-L-17.

[26] N.D.C.C. § 44-04-21.1(1); N.D.A.G. 2019-O-12, *citing* N.D.A.G. 2014-O-02; N.D.A.G. 2005-O-06; N.D.A.G. 2004-O-01; N.D.A.G. 2002-O-08; N.D.A.G. 2000-L-107; N.D.A.G. 98-O-22; N.D.A.G. 98-L-17.

Here, RIO has asserted that the requested information was privileged and that the information has not previously publicly disclosed,[27] the latter of which Mr. Jackson does not dispute.[28] The privileged nature of the information is a factual determination made by the agency.[29] Therefore, this opinion will focus on whether the requested records contained financial or commercial information as defined in N.D.C.C. § 44-04-18.4.

First, to be considered financial information, the information must be "information pertaining to monetary resources of a person."[30] The requests by Mr. Jackson were for the investments and moneys invested by each asset/money manager.[31] The requested records clearly fall within the broad definition of "financial information."[32] Because the requested information is obviously "financial information," and "financial information" and "commercial information" have identical additional elements, this office need not address whether the information may also constitute "commercial information."[33]

Second, we must determine whether disclosure of the information would either (a) "impair the public entity's future ability to obtain necessary information" or (b) "cause substantial competitive injury to the person from which the information was obtained."[34] As RIO assessed:

> Manager-specific positions constitute confidential . . . financial information because it is financial information relating to the buying and selling of securities that illustrate the manager's investment strategies and have not been previously publicly disclosed. This information has commercial value that RIO on behalf of

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[27] Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024).
[28] *See* Letter from Tory Jackson, Jackson Law Firm, to Off. of Att'y Gen. (Feb. 9, 2024) (focusing on the substantial competitive injury question).
[29] N.D.A.G. 2019-O-12.
[30] N.D.C.C. § 44-04-18.4(2)(b).
[31] Letter from Tory Jackson, Jackson Law Firm to Off. of Att'y Gen. (Feb. 9, 2024).
[32] *See* N.D.A.G. 2000-L-107, *citing* N.D.A.G. 1998-L-17.
[33] *Compare* N.D.C.C. § 44-04-18.4(2)(a) (defining commercial information) *with* N.D.C.C. § 44-04-18.4(2)(b) (defining financial information). RIO assumes in its response to this office that the information is also commercial information. Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024). N.D.C.C. § 44-04-18.4 does not define "goods" and "services," and this office's prior opinions have not specifically addressed the definitions of these terms. *See, e.g.*, N.D.A.G. 2014-O-02 (customer list of North Dakota Mill and Elevator Association is commercial information); N.D.A.G. 2004-L-25 (textbook list at UND Barnes & Noble Bookstore is a commercial information); N.D.A.G. 2002-O-09 (consultant's strategies or plans are trade secrets or commercial information). Because this opinion can be resolved without addressing the definitions of "goods" and "services" under N.D.C.C. § 44-04-18.4, these issues are not addressed at this time.
[34] N.D.C.C. § 44-04-18.4(2)(b).

> the state pays up to $100 million in manager fees every year to receive. Releasing such information has the potential to cause substantial competitive injury to both the investment manager from the public disclosure of its investment strategy as well as the potential to negatively impact the performance of the public funds invested by those managers. . . . Disclosure would also greatly impair RIO's ability to obtain such information in the future because investment managers can terminate a client relationship if the client is unable to maintain the confidentiality of its investment strategy.[35]

In other words, RIO states that the investment managers would suffer substantial competitive injury by disclosure of that information, and RIO's ability to obtain the information in the future would be impaired by disclosing the information. Additionally, RIO found that the funds it invests would be negatively impacted by disclosing how much it has invested in any given fund manager because:

> The ability for the Fund to make investments in underlying funds without (i) other fund managers or (ii) other investors knowing the fact that the Fund has invested in any given fund manager and/or the size of the Fund's investment in any such manager directly impacts the Fund's negotiating power in connection with such investments, which the Fund is able to utilize to negotiate favorable terms. If the investment information is made publicly available, the Fund and any other co-investors would suffer substantial competitive injury, as the Fund may lose negotiating leverage with underlying managers or potentially lose investment opportunities altogether.[36]

In essence, RIO itself would be suffering both an impairment of its future ability to obtain the necessary information, but also substantial competitive injury as a result of the information's disclosure. Even the disclosure of aggregate information regarding a fund manager's position can result in the need for confidentiality.[37] RIO's assessment of the privileged nature of the requested records is reasonable, and I therefore conclude that RIO substantially complied with N.D.C.C. § 44-04-18 by denying a request for financial information which is confidential under N.D.C.C. § 44-04-18.4.

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[35] Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024).
[36] *Id.*
[37] *See, e.g.*, 15 U.S.C. § 78m(f)(3) (authorizing Securities and Exchange Commission to exempt institutional investment managers or security from the reporting of aggregate information).

Issue 2

"Upon a request for a copy of specific public records," a public entity "shall furnish the requester one copy of the public records requested."[38] The public entity must either provide or deny the record in a reasonable time.[39] A public entity does not have to "create or compile a record that does not exist" and only has to search the records in its possession.[40] In addressing such matters, an attorney general opinion issued under N.D.C.C. § 44-04-21.1 shall be based on "the facts given by the public entity."[41]

Mr. Jackson requested "a breakdown of investments by country."[42] The records RIO provided included investments organized by "Emerging Market Region," "Global Region," and "International Region."[43] According to RIO, the records including investments in the Emerging Market, Global, and International Regions provided to Mr. Jackson were "comingled or mutual funds and therefore not limited to a single country."[44] RIO's position is that they do not "have a view into these holdings, meaning the Country(ies) of Risk are not a part of the holdings' records" and they simply provided Mr. Jackson with "the unaltered record from [their] custodian bank."[45]

Based on the information provided to this office, requested breakdown by country for the Emerging Market, Global, and International Regions does not exist.[46] While there may have been clearer ways for RIO to explain the regional breakdown to Mr. Jackson, RIO was under no legal obligation to create records that did not exist. I conclude that RIO complied with N.D.C.C. § 44-04-18 because the requested records do not exist.

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[38] N.D.C.C. § 44-04-18(2). *See also* N.D.A.G. 2023-O-09, *citing* N.D.C.C. § 44-04-18(2); N.D.A.G. 2023-O-08, *citing* N.D.C.C. § 44-04-18(2); N.D.A.G. 2013-O-18, *citing* N.D.C.C. § 44-04-18(2); N.D.A.G. 2007-O-06, *citing* N.D.C.C. § 44-04-18(2).
[39] N.D.C.C. § 44-04-18. *See also* N.D.A.G. 2023-O-09, *citing* N.D.C.C. § 44-04-18; N.D.A.G. 2023-O-08, *citing* N.D.C.C. 44-04-18.
[40] N.D.C.C. § 44-04-18(4). *See also* N.D.A.G. 2023-O-09, *citing* N.D.C.C. § 44-04-18(4); N.D.A.G. 2023-O-08, *citing* N.D.C.C. § 44-04-18(4); N.D.A.G. 2023-O-07, *citing* N.D.C.C. § 44-04-18(4).
[41] N.D.C.C. § 44-04-21.1(1). *See also* N.D.A.G. 2024-O-02; N.D.A.G. 2015-O-14; N.D.A.G. 2007-O-06, *citing* 44-04-21.1(1).
[42] Letter from Tory Jackson, Jackson Law Firm, to Off. of Att'y Gen. (Feb. 9, 2024).
[43] *Id.*
[44] Letter from Janilyn Murtha, Exec. Dir., RIO, to Annique M. Lockard, Assistant Att'y Gen., Off. of Att'y Gen. (Apr. 4, 2024).
[45] *Id.*
[46] *Id.*

CONCLUSIONS

1. RIO did not violate the open records law by denying a request for records containing certain investment manager specific information provided to RIO as confidential financial information under N.D.C.C. §44-04-18.4.

2. RIO did not violate the open records law when it did not provide a breakdown of investments by country as RIO is not obligated under N.D.C.C. § 44-04-18 to create records that do not exist.

Drew H. Wrigley
Attorney General

wdw

cc: Tory Jackson

STATE OF NORTH DAKOTA
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Drew H. Wrigley
ATTORNEY GENERAL

OPEN RECORDS AND MEETINGS OPINION
2025-O-23

DATE ISSUED: December 5, 2025

ISSUED TO: Retirement and Investment Office

CITIZEN'S REQUEST FOR OPINION

Masaki Ova, a reporter for the Jamestown Sun, requested an opinion from this office under N.D.C.C. § 44-04-21.1 asking whether the Retirement and Investment Office (RIO) violated N.D.C.C. § 44-04-18 by failing to provide a record.

FACTS PRESENTED

On November 18, 2024, Mr. Ova requested the video of the State Investment Board (SIB)'s February 23, 2024, meeting.[1] Sarah Mudder, RIO's Communications and Outreach Director, responded to Mr. Ova's request the same day.[2] Ms. Mudder stated "[t]he recording is no longer available" and provided a link to the February 23, 2024, meeting minutes.[3] Mr. Ova responded asking why the recording was no longer available.[4] Ms. Mudder promptly responded explaining RIO's record retention schedule only requires retention of SIB's meeting recordings for six months.[5]

According to RIO, "SIB meeting recordings are retained by RIO for a period of six month to allow the agency's administrative staff time to complete meeting minutes. Meetings are

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[1] Email from Masaki Ova, Rep., Jamestown Sun, to Sarah Mudder, Commc'n & Outreach Dir., Ret. & Inv. Off. (Nov. 18, 2024, 1:26 PM); Email from Masaki Ova, Rep., Jamestown Sun, to Office of Att'y Gen. (Dec. 17, 2024, 12:49 PM).

[2] Email from Sarah Mudder, Commc'n & Outreach Dir., Ret. Inv. Off., to Masaki Ova, Rep., Jamestown Sun (Nov. 18, 2024, 1:34 PM).

[3] *Id.*

[4] Email from Masaki Ova, Rep., Jamestown Sun, to Sarah Mudder, Commc'n & Outreach Dir., Ret. Inv. Off. (Nov. 18, 2024, 1:40 PM).

[5] Email from Sarah Mudder, Commc'n & Outreach Dir., Ret. Inv. Off., to Masaki Ova, Rep., Jamestown Sun (Nov. 18, 2024, 1:51 PM). Ms. Mudder provided a screenshot of the record retention schedule to Mr. Ova. The schedule she provided is for "audio recordings of the open portion of the meetings of the State Investment Board and its committees." N.D. Info. Tech., 220109 – State Inv. Bd. Recordings Open, Ret. & Inv. Office – Inv. (1900 – 002) https://apps.nd.gov/itd/recmgmt/rm/recSer/confirmMaintain/3919?divId=98&divSelected=false.

conducted using Microsoft Teams and the recordings are saved to the cloud. When a request is received, if the recording is available, a link to the recording is provided."[6]

In correspondence with this office, RIO provided a copy of its disposal log, titled "Board and Committee Recordings Disposal," for Fiscal Year 2025 (July 1, 2024 through June 30, 2025) which shows the requested record had been deleted on October 15, 2024.[7]

ISSUE

Whether RIO violated the open records law by failing to provide a record.

ANALYSIS

"Except as otherwise specifically provided by law, all records of a public entity are public records, open and accessible for inspection during reasonable office hours."[8] Upon a request for a copy of specific public records, a public entity shall furnish the requester one copy of the public records requested.[9] The public entity must either provide or deny the record in a reasonable time.[10] A public entity does not have to "create or compile a record that does not exist" and only has to search the records in its possession.[11] Any attorney general opinion issued under N.D.C.C. § 44-04-21.1 shall be based on the facts given by the public entity.[12]

RIO's record retention schedule allows for deletion of SIB meeting recordings after six months. Mr. Ova's request was made almost nine months from the date of the meeting. RIO promptly explained to Mr. Ova that it no longer had the meeting recording he requested. RIO had no duty to create records it had properly disposed of in accordance with its record retention schedule. The requested record was deleted in accordance with RIO record keeping policy and was, therefore, not in the possession of RIO. It is my opinion RIO properly responded to this request for records.

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[6] Letter from Jodi Smith, Interim Exec. Dir., Ret. Inv. Off., to Annique M. Lockard, Assistant Att'y Gen., Office of Att'y Gen. (Feb. 12, 2025).
[7] *Id.*
[8] N.D.C.C. § 44-04-18(1). *See also* N.D.A.G. 2013-O-18; 2011-O-10.
[9] N.D.C.C. § 44-04-18(2). *See also* N.D.A.G. 2023-O-09; 2023-O-08; 2013-O-18; 2007-O-06.
[10] N.D.C.C. § 44-04-18. *See also* N.D.A.G. 2023-O-09; 2023-O-08.
[11] N.D.C.C. § 44-04-18(4). *See also* N.D.A.G. 2023-O-09; 2023-O-08; 2023-O-07.
[12] N.D.C.C. § 44-04-21.1(1). *See also* N.D.A.G. 2024-O-02; 2015-O-14; 2007-O-06.

CONCLUSION

RIO did not violate open records law when it was unable to provide a record that no longer exists.

Drew H. Wrigley
Attorney General

cc: Masaki Ova

Legislative Assembly

North Dakota Senate

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Senator Sean Cleary
District 35
924 East Capitol Avenue
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COMMITTEES:
Appropriations
Appropriations - Human Resources Division

December 29, 2025

Honorable Drew H. Wrigley
Attorney General
State Capitol
Bismarck, ND 58505

Dear Mr. Wrigley:

At the State Investment Board (SIB) meeting on Friday, November 21, 2025, SIB discussed a policy to provide incentive compensation payments to employees of the Retirement and Investment Office (RIO) under North Dakota Century Code Section 54-52.5-04. The board delayed voting on the approval of the payments to address unresolved legal questions concerning the board's authority to issue the payments.

Following the November meeting, RIO requested approval from the Emergency Commission of a proposal to issue approximately $1.3 million in incentive compensation payments. However, at December 2, 2025, Emergency Commission meeting, RIO withdrew its request, indicating the Attorney General's office advised the incentive compensation payments could be paid under the agency's continuing appropriation authority. This appears to be contrary to the discussion that occurred at the SIB meeting.

Section 54-52.5-04 allows RIO to create an incentive compensation program and provides "any amounts paid under this program must be considered compensation." Section 21-10-06.2 provides a continuing appropriation for investment costs, such as fees for outside investment managers and related expenses, but does not explicitly provide continuing appropriation authority for items relating to the incentive program or compensation of RIO staff. Section 54-52.5-03 provides the administrative expenses of RIO must be paid pursuant to specific legislative appropriations. House Bill No. 1022 (2025) provides an appropriation for salaries and wages, but does not appropriate funds for incentive compensation payments.

Given the outstanding legal questions, we respectfully request an Attorney General's opinion for guidance on whether RIO has legal authority to provide incentive compensation payments to its employees without a specific legislative appropriation.

Sincerely,

Senator Sean Cleary
District 35

Mitch Ostlie

Representative Mitch Ostlie
District 12

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MEMORANDUM

TO: **SIB**

FROM: **Jodi Smith, Executive Director**

DATE: **January 16, 2026**

RE: **Governance & Policy Review Committee Update**

The Governance and Policy Review Committee met virtually on January 13, 2026. The meeting was called to order by Chair Dr. Lech, with a quorum present. The Committee reviewed and approved the agenda as distributed and approved the minutes from October 24, 2025, and November 6, 2025, meetings.

Governance Manual Rewrite – Status Update

The Committee received a comprehensive update on the SIB Governance Manual Rewrite initiative, authorized by the Board on March 28, 2025. This effort stems from the governance audit conducted by Funston Advisory Services LLC, which was formally contracted in August 2025.

Project 1 – Governance Audit (Completed)

Funston completed a comprehensive governance assessment that included:

- Review of the SIB Program Manual and governance structure.
- Interviews with Board members, committees, and executive staff.
- Compliance review with applicable statutes and rules.
- Evaluation of reporting practices and decision-making frameworks.
- Benchmarking against peer institutional investors.
- Development of a governance risk heat map.
- Delivery of governance education to the Board.

The Final Governance Model Review Report was approved by the Board on November 21, 2025, and distributed to all Board members on December 9, 2025.

Project 2 – Governance Manual Rewrite (In Progress)

Following Board authorization in November 2025, Funston began Phase 2 to modernize the Governance Manual. Funston presented the Committee with the first full draft of the revised governance system ("Governance Policy System" or "GPS") in its entirety to support holistic review and feedback. The Committee discussed that future iterations should clearly show how the new system compares to the prior manual (including prior language versus revised language), using tracked changes and/or annotations to improve transparency and help Board members understand how the revisions were developed.

Funston emphasized that the prior manual's primary pain point was navigation and usability; in response, the draft is designed as an interactive, purpose-first policy system that can function like a website, including hyperlinks, searchable structure, and layered "progressive disclosure" so users can access high-level guidance quickly and drill down when needed. The revised draft also separates governance policies from investment policies (investment policy content removed from the governance manual scope), with the intent that investment policy and operations remain in a separate manual that can be linked as needed.

The Committee reviewed and discussed the proposed governance framework and delegation model, including:

- A "lines of accountability" structure clarifying the relationship among the Legislature/statutory framework, the Board, committees, the Executive Director, staff, and assurance providers (internal audit, external audit, and external advisors).
- A clear delegation and powers framework reinforcing that the Board is the approval authority; committees research/recommend, oversee, and verify/report.
- The use of delegation matrices and simplified charts to clarify who recommends, approves, delegates, executes, oversees, and verifies—supporting accountability and reducing ambiguity in decision-making.

Key Improvements in the Draft Manual

- Identifies and fills content gaps (including additional clarity on beneficiaries and fiduciary duties where prior language was limited)
- Strengthens alignment with statutory framework and governance best practices
- Establishes a clearer delegation structure and accountability model
- Rewrites policies using clearer, positive, plain-language drafting
- Embeds hyperlinks to Century Code and related governing documents
- Consolidates "conducting business" provisions (e.g., authority, composition, independence, meetings, quorum/voting, records, appointments) into a single table to reduce redundancy and improve usability
- Proposes standardized committee appointment language for consistency (committee members and chairs appointed by the Board Chair)

Governance and Committee Charter Discussion

The Committee reviewed the updated Governance & Policy Review Committee (GPRC) Charter and discussed broader charter updates underway across all committees. Staff noted the GPRC was the first committee to receive the full draft, and that the ERCC, Audit Committee, and Investment Committee will review their respective charters in upcoming meetings to provide feedback and confirm long-term alignment. The Committee highlighted that the proposed Budget & Finance Committee charter is a priority area for review because it does not have an existing committee body for initial review.

Next Steps

- Continue Committee review of the draft Governance Policy System and provide detailed feedback to Funston for incorporation into the next iteration.
- Committee charter reviews by each standing committee (ERCC, Audit/Risk, Investment), with feedback routed back to the GPRC for governance alignment and recommendations.

Board Action Requested: Information only.

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MEMORANDUM

TO: **State Investment Board**

FROM: **Scott Anderson, CFA – Chief Investment Officer**

DATE: **January 16, 2026**

RE: **Investment Committee Update**

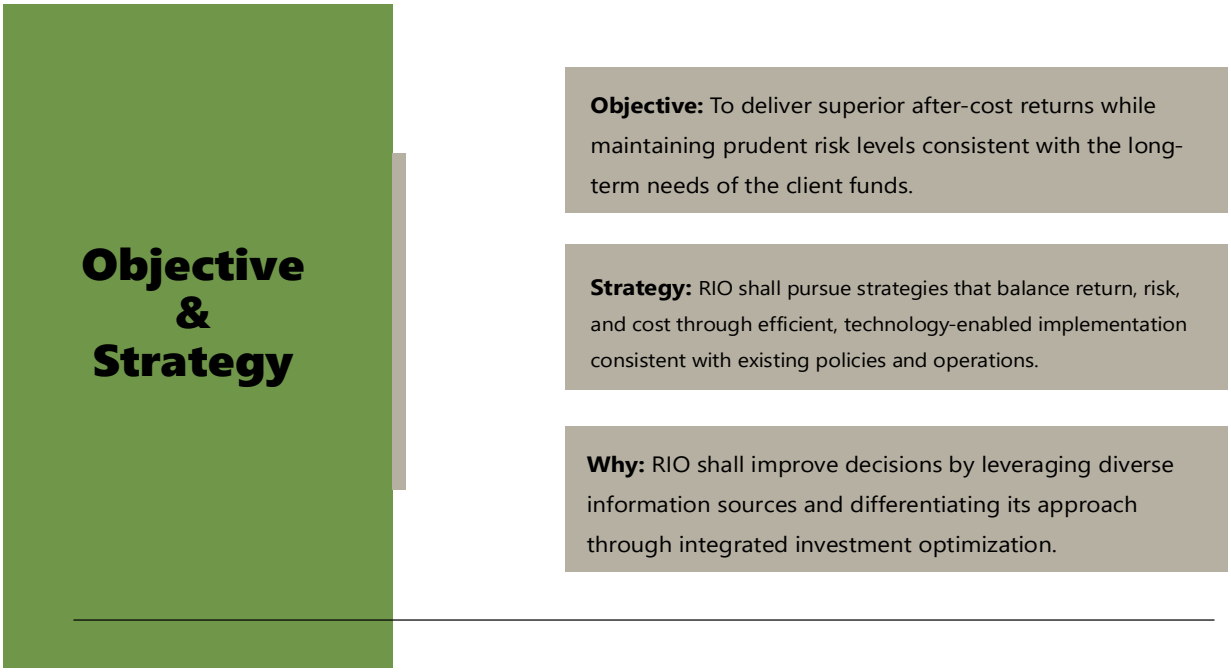
The Investment Committee met virtually on December 17, 2025, and January 6, 2026. Both meetings were called to order by Treasurer Thomas Beadle with a quorum present; each meeting's agenda was reviewed and approved as distributed and the committee accepted the standing minutes from the prior meeting (the November 14, 2025, minutes were approved at the December 17th meeting, and the December 17th minutes were approved at the January 6th meeting). Each meeting opened with the customary procedural items and moved promptly into substantive business, with the committee balancing strategic policy discussion, operational preparedness, and confidential private markets matters handled in executive sessions as appropriate.

Agenda summaries: December 17, 2025

Strategy Review — Investment Strategy (Information Only) Mr. Anderson presented an overview of the investment strategy framework used to guide investment management across client funds. The presentation emphasized asset allocation as the primary driver of long-term outcomes, the selective and disciplined use of active risk, and the importance of cost-efficient implementation. The roadmap for success was outlined, detailing the evolution from simple indexing toward enhanced indexing, active internal management, and ultimately advanced funds management. The Committee received the report outlining the return framework, portfolio construction principles, integrated risk management approach, and organizational structure supporting investment decision-making.

- Our **goal** is to deliver high returns per unit of risk at a prudent risk level and efficient cost.
- **Asset allocation** is the primary driver of long-term return and risk efficiency.
- **Markets are generally efficient**, but short-term inefficiencies create opportunities for selective active return.

- **Active management** can improve outcomes, but persistent active return is rare; active risk is used sparingly and intentionally.
- **Effective implementation** lowers cost and risk, enhancing overall return efficiency.
- **Strong investment decisions** rely on fact-based, disciplined judgment informed by experience, research, and an analyst-driven culture.



Strategy Review — Internal Direct Equity Update (Information Only) Mr. Moss provided an internal direct equity update stating the previously approved index enhancement strategy began as of December 3, 2025.

Manager Recommendation — Private Markets (Committee Action; Executive Session) The Committee met in executive session to review a private market manager's recommendation by Mr. Collins and Mr. Ziettlow and related confidential commercial information. Following the closed session, the Committee approved the staff recommendation to hire a private market manager pending legal review and directed staff to report back at a future meeting.

Manager Recommendation — Public Markets (Committee Action) Mr. Cox, Mr. Hambrick, and Mr. Posch presented a recommendation regarding public markets management. The Committee approved staff to move forward with the public markets manager and voted to increase commitment to an existing manager.

Quarterly Reports — Contracts (Information Only) Mr. Anderson provided the Quarter 3 contract report, summarizing executed vendor agreements, amendments, and associated costs. Notable items included:

- Morgan Stanley for commodity futures and electronic transactions
- Hamilton Lane for portfolio administration and technology
- Funston Advisory Services for governance assessment
- With Intelligence for a journal subscription

Investment Service Contracts

July 1, 2025 – September 30, 2025

Vendor	Execution Date	Description	Cost
Morgan Stanley	7/25/2025	Commodity Futures Account Documents - Amendment	Transactional
Hamilton Lane	7/25/2025	Portfolio Admin & Technology Services – Amendment 2 Customized Reporting	$2,000/initial commitment; additional charges for added commitments
Morgan Stanley	7/31/2025	Electronic Transactions Agreement	Transactional
Funston Advisory Services	8/27/2025	Governance Assessment Services	$421,965.00
With Intelligence	9/10/2025	Journal Subscription	$9,833.35

Report provided pursuant to Section IV Exhibit 2 of the SIB Program Manual.

Agenda summaries: January 6, 2026

Strategy Review — September Performance (Information Only) Mr. Anderson reviewed performance benchmark indices and market risks, noting that while stocks appear expensive and high-yield spreads are low, growth remains resilient. The presentation covered asset allocation and performance for PERS, TFFR, Legacy, and WSI funds. The PERS fund returned 12.3% over the past year through September outperforming its policy benchmark of 10.9%, the TFFR returned 11.3% over the past year through September outperforming its policy benchmark of 10.1%, the WSI fund returned 7.0% over the past year through September outperforming its policy benchmark of 5.9%, and the Legacy Fund returned 13.2% year-to-date against a benchmark of 12.1%.

Risks – December 2025

Macro & Economic Risks	Market Risks	Geopolitical & Policy Risks
• Core CPI sticky: 2.6% YoY (Nov 2025)	• Stocks Expensive Shiller CAPE ~39	• Europe & Middle East conflicts
• Fed policy rate restrictive: ~3.5–3.75%	• Top 10 Stocks = ~40% of S&P 500	• Western Hemisphere geopolitical tensions
• Powell term ends May 15, 2026	• HY spreads low ~280–300 bps	• Tariffs & industrial policy
• Growth resilient but uneven	• Earnings translation risk: ➢ DXY ~98–99 (~-9% YTD)	• Fiscal deficits & issuance

Rebalance Execution Error (Information Only) Mr. Anderson and Mr. Otteson reported on a short-term fixed income rebalancing error resulting from a spreadsheet formula issue that caused cash intended to remain uninvested to be temporarily allocated to a short-term investment fund. Upon identification, staff promptly corrected the allocations and evaluated the matter in accordance with the Trade Error Identification and Resolution Procedure. Although the gross transaction amount was approximately $36 million, the net financial impact was a gain of approximately $12,794 relative to cash returns. To reduce the risk of recurrence, staff proposed segregating the affected funds' cash accounts from the broader Insurance Pool and will return to the Board with a rebalancing policy that addresses rebalance errors, along with updates to the trade error policy reflecting lessons learned.

Investment Policy Statement Updates (Committee Action) Mr. Chin presented updated Investment Policy Statements (IPS) for PERS, TFFR, the City of Grand Forks Pension Plan, the Park District of the City of Grand Forks, the City of Bismarck Police Pension Plan, and the City of Bismarck Employee Pension Plan. The updates reflect new asset allocations previously approved by the SIB and client boards and utilize a new IPS template designed to enhance clarity and consistency. The Committee recommended approval of the updated statements to the SIB.

RFP Review — Investment Performance Consultant (Information Only) Ms. Smith and staff briefed the Committee on the procurement of a combined Performance and Benchmark Consultant, authorized by the SIB in November 2025. This consolidation is intended to modernize the performance governance framework, streamline reporting, and enhance data integration. The RFP contemplates investment performance measurement services effective July 1, 2026, and benchmark consulting services effective July 1, 2027. The proposed procurement timeline includes issuance of the RFP by the end of January, an RFP amendment to address questions and answers in mid-February, proposal submission by the end of February, initial staff review in March, presentations to the Investment Committee in April, and a presentation and/or recommendation to the State Investment Board in April.

Manager Update — Private Markets (Information Only) Mr. Collins and Mr. Ziettlow provided an update on recent activity, including an increased commitment to Guidepost Growth Equity IV, L.P. (totaling $75 million across the Pension Pool and Legacy Fund) and a $75 million commitment to Ares US Real Estate Fund XI, L.P.

December Investment Committee Materials

January Investment Committee Materials

Board Action Requested: Information only. Staff request that the Committee accept this summary and advise if any additional material or follow-up is required for presentation to the full SIB or the client boards.

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MEMORANDUM

TO: **State Investment Board**

FROM: **Scott Anderson, Chief Investment Officer and Eric Chin, Deputy Chief Investment Officer**

DATE: **January 16, 2026**

RE: **Updated Investment Policy Statements**

Background:

Staff is bringing updated Investment Policy Statements (IPS) for the following six clients for review and approval by the State Investment Board (SIB):

- North Dakota Public Employees Retirement System (PERS)
- North Dakota Teachers' Fund for Retirement (TFFR)
- City of Grand Forks Pension Plan
- Park District of the City of Grand Forks
- City of Bismarck Police Pension Plan
- City of Bismarck Employee Pension Plan

The updated IPS documents reflect the new asset allocations as presented by NEPC and RIO, which have been approved by the SIB and the respective client boards.

The Investment Committee has reviewed the updated IPS and recommends approval by the State Investment Board.

Client Board Approvals

To date, the updated IPS documents have been approved by the following client boards:

- North Dakota Public Employees Retirement System (PERS)
- City of Grand Forks Pension Plan
- Park District of the City of Grand Forks
- City of Bismarck Police Pension Plan
- City of Bismarck Employee Pension Plan

RIO will present the updated IPS for the Teachers' Fund for Retirement (TFFR) at the January 22, 2026 TFFR Board meeting.

Document Overview:

For each client, both a redline version and a clean version of the IPS are included. While the redline documents may reflect numerous changes, the majority of edits are attributable to RIO's development of a new IPS template designed to enhance clarity and promote consistency across client IPS documents. Substantive changes primarily relate to the incorporation of the newly approved asset allocations.

Board Action Requested:

Approve the updated Investment Policy Statements for North Dakota Public Employees Retirement System (PERS), TFFR, City of Grand Forks Pension Plan, Park District of the City of Grand Forks, City of Bismarck Police Pension Plan and the City of Bismarck Employee Pension Plan.

~~**Policy Type:** TFFREnds~~ ~~**Policy Title:** Investment Policy Statement~~

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

INVESTMENT POLICY STATEMENT

North Dakota Teachers' Fund for Retirement

I. Plan and Fund Overview

The North Dakota Teachers' Fund for Retirement (TFFR) is a ~~successor~~ pension benefit plan ~~to the Teachers' Insurance and Retirement Fund (TIRF). TIRF was~~ established ~~in 1913, 24 years after North Dakota became a state,~~ to provide retirement income to ~~all~~ public school ~~and certain state teachers and administrators in the state of North Dakota. TIRF became TFFR in 1971.~~educators. The plan is administered by a ~~seven-member~~ Board of Trustees ~~comprised of: two active teachers, two retired teachers and one school administrator appointed by the Governor of North Dakota and two elected officials - the State Treasurer and the State Superintendent of Public Instruction.~~(the "Board").

The TFFR plan is a multi-employer defined benefit public pension plan that provides retirement, disability, and death benefits in accordance with ~~Chapter 15-39.1 of the North Dakota Century Code (NDCC). Monthly retirement benefits are based on the formula: Number of Years of service X 2.0% X Final Average Salary. Adjustments to the basic formula are made depending on the retirement option selected.~~North Dakota Century Code (NDCC) § 15-39.1.

~~Funding is provided by monthly employee and employer contributions scheduled to increase as follows:~~

	~~7/1/11~~	~~7/1/12~~	~~7/1/14~~
~~Employee~~	~~7.75%~~	~~9.75%~~	~~11.75%~~
~~Employer~~	~~8.75%~~	~~10.75%~~	~~12.75%~~

~~Employee and employer contributions will be reduced to 7.75% each when TFFR reaches 100% funded level on an actuarial value basis.~~

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every ~~five~~5 years. ~~The~~As of July 1, 2025, the actuarial assumed rate of return on assets ~~was reduced to~~is 7.~~25% from 7.75% as of July 1, 2020.~~15%. Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment ~~office~~Office (RIO).

~~2. FUND GOALS~~

~~The~~ **Client Investment Objectives**

Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund.

The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- ~~As a result, the Fund goals are to:~~Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State/School District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places a greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important state/local projects.

II. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARDResponsibilities and Discretion of the State Investment Board

3. The State Investment Board (SIB)

The TFFR Board is charged by lawestablished under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB § 21-10 and is charged with implementing these policies and investing and managing the assets of the Fund in the manner providedfunds enumerated in NDCC § 21-10-07,06, including the prudent investor rule. Underfunds of this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion,Plan. The SIB acts as a fiduciary 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. The Fund must be invested exclusively for the benefit of the membersinvest, reinvest, and their beneficiariesmanage such assets in accordance with this investment policythe Prudent Investor Rule and the policies adopted by each fund's governing body.

Management responsibility for the Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment program not assigned to the SIB in Chapter 21-10policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establishsecurities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies for the operation of the investment program, consistent with thison investment policygoals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers. Where a money manager has been retained that meet established qualifications. When such delegation occurs, the SIB's SIB's role in determining investment strategy and security selection is supervisory, not rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

At the discretion of the SIB, the Fund's The SIB may also pool assets may be pooled of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fundsfund assets, the SIB may establish whatever asset class pools it deems necessarymust ensure compliance with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rulethe Prudent Investor Rule and the objectives of the fundsall participating in the poolsfunds.

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

The SIB will implement changes to this policy as promptly as is prudent.

4. RISK TOLERANCE

The Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants.

However, funding the pension promise in an economical manner is critical to the State/School Districts ability to continue to provide pension benefits to plan participants. Thus, the Board actively seeks to lower the cost of funding the Plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The Board understands that a prudent investment approach to risk taking can result in periods of under performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the Board believes that such an approach, prudently implemented, best serves the long run interests of the State/School District and, therefore, of plan participants.

5. INVESTMENT OBJECTIVES

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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 five5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five5 years.

IV. Asset Allocation

1) 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

Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and Board establishes the Fund's asset allocation policy for, with input from consultants and RIO, based on an asset-liability study. Based on the most recent study, the management of fund assets. Asset following allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets arewas established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal. The asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and

contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves thewill be reviewed periodically and updated when appropriate policy asset mix for the Fund.

~~**Policy Type:** TFFREnds~~ ~~**Policy Title:** Investment Policy Statement~~

~~Asset Class~~	~~Policy~~ **Target** ~~(%)~~**Allocation**	**Minimum Allocation**	**Maximum Allocation**
Global Equity	**55%**	**45%**	**65%**
~~-~~Public Equity	~~45~~40%	34%	46%
~~-~~Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
~~-~~Investment Grade Fixed Income	~~18~~16%	11%	21%
~~-~~Non-Investment Grade Fixed Income	~~8~~2.5%	0%	6%
~~**Global Real Assets**~~Private Credit	~~**18**~~7.5%	5%	10%
~~-~~**Global Real** ~~Estate~~**Assets**	~~9~~**19%**	**10%**	**25%**
~~- Other~~Real Estate	~~9~~11%	5%	15%
~~**Cash & Equivalents**~~Other (Infrastructure/ Timber)	~~**1**~~8%	0%	10%
~~Total~~**Cash and Cash Equivalents**	~~100~~**0%**	**0%**	**2%**

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~~An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro-rata. The Board does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.~~

~~7. RESTRICTIONS~~

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

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

1. ~~Futures and options~~ Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not~~systematic exposures, for fund rebalancing, and for ~~speculation.~~risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.

~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers~~.

~~3.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~4.~~5. All assets ~~will~~must be held ~~in custody~~ by the ~~SIB's~~SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.

~~a. No unhedged short sales or speculative margin purchases shall be made.~~

~~5.~~6. Social ~~investing~~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.~~(NDCC § 21-10-08.1).

~~Policy Type:~~ ~~TFFREnds~~ **~~Policy Title:~~** ~~Investment Policy Statement~~

~~B-5.3~~

a. For the purpose of this document, Social InvestingInvestment is defined as "*The*the investment or commitment of public *pension fund money*funds for the purpose of obtaining an effect other than a maximized return *to the intended beneficiaries."*at a prudent level of risk to the state." (NDCC § 21-10-08.1)

6.7. Economically targeted investingTargeted Investing is prohibited unless the investmentit meets the Exclusive Benefit Rule.

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

Also, for**Exclusive Benefit Rule**

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 ofinvestmentof 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 taskrisk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the planPlan.
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 Board's policy favors investments whichthat will have a positive impact on the economy of North Dakota.

8. INTERNAL CONTROLS

A All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls must be in place by the SIB designed to prevent lossesloss of public funds arising from fraud or employee, error. Such, or mismanagement.

Key controls deemed most important are the separation of include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases from the, recording of and reconciling investment activity, and custodial safekeeping; of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written confirmation of or electronic confirmations of all investment transactions; and establishedestablishing formal criteria for broker relationships. The annual and trading

counterparties. Annual financial audit mustaudits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with the investment policythis Investment Policy.

9. EVALUATION ANDREVIEW

VII. Investment management of the Fund Evaluation and Review

The Fund's performance will be evaluated against the Fund'sits investment objectives. Emphasis will be placed, with emphasis on five rolling 5-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 providedReports to the TFFR Board periodically, but not(no less than annually. Such reports will include asset returns and allocation data as well as information regarding all) will include:

~~**Policy Type:** TFFREnds~~ ~~**Policy Title:** Investment Policy Statement~~

~~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.~~

1. A list of investment managers and their performance relative to benchmarks net of fees.

~~1.~~2. Earnings, percentage earned~~,~~ and change in market value of each ~~fund's investments~~mandate.

~~3) 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.~~

3. Current portfolio allocations and performance summaries by asset class.

~~2.~~4. All material legal or legislative proceedings affecting the SIB.

~~3.~~5. Compliance with ~~this~~these investment ~~policy statement~~goals, objectives and policies. A general market overview and market expectations.

~~**TFFR Board Adopted:** May 25, 1995.~~

~~**Amended:** November 30, 1995; August 21, 1997; July 15, 1999; July 27, 2000; September 18, 2003; July 14, 2005; September 21, 2006; September 20, 2007; October 27, 2011; September 26, 2013; January 21, 2016; September 21, 2017; January 25, 2018; November 19, 2020; April 22, 2021; July 22, 2021.~~

~~**Approved by SIB:** November 18, 2011; February 26, 2016; September 22, 2017;~~

~~February 23, 2018; November 20, 2020; May 21, 2021; October 28, 2022.~~

~~ND Teachers' Fund for Retirement~~ ~~ND State Investment Board~~

~~**11/07/2022**~~

~~Date:~~

~~**11/07/2022**~~

~~Date:~~

~~Deputy Executive Director/ Chief Retirement Officer~~

~~Chad Roberts~~

~~**Policy Type:** TFFREnds~~

~~*Janilyn K. Murtha*~~

~~Janilyn K. Murtha (Nov 7, 2022 13:20 CST)~~

~~**Policy Title:** Investment Policy Statement~~

~~Jan Murtha~~
~~Executive Director~~

Policy Type: TFFR Ends

Policy Title: Investment Policy Statement

TFFR IPS Update 22-10-28

Final Audit Report 2022-11-07

Created:	2022-11-01
By:	Emmalee Riegler (eriegler@nd.gov) Signed
Status:	CBJCHBCAABAAuaJS6FJM_PIJodDrEwpdxKKXKIts0z-j

"TFFR IPS Update 22-10-28" History

Document created by Emmalee Riegler (eriegler@nd.gov)
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Document emailed to chad.roberts@nd.gov for signature
2022-11-01 - 2:29:44 PM GMT

Email viewed by chad.roberts@nd.gov
2022-11-07 - 4:01:44 PM GMT

Signer chad.roberts@nd.gov entered name at signing as Chad R Roberts
2022-11-07 - 4:35:47 PM GMT

Document e-signed by Chad R Roberts (chad.roberts@nd.gov)
Signature Date: 2022-11-07 - 4:35:49 PM GMT - Time Source: server

Document emailed to janilynmurtha@nd.gov for signature
2022-11-07 - 4:35:50 PM GMT

Email viewed by janilynmurtha@nd.gov
2022-11-07 - 7:19:55 PM GMT

Signer janilynmurtha@nd.gov entered name at signing as Janilyn K. Murtha

~~2022-11-07 - 7:20:24 PM GMT~~

~~Document e-signed by Janilyn K. Murtha (janilynmurtha@nd.gov)~~

~~Signature Date: 2022-11-07 - 7:20:26 PM GMT - Time Source: server~~

~~Agreement completed.~~

~~2022-11-07 - 7:20:26 PM GMT~~

6. A review of fund progress and its asset allocation strategy.

Adobe Acrobat Sign

7. Provide details of fees and costs (annually).
8. Changes/additions to benchmarks utilized to monitor the funds.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.55% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.55% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

North Dakota Teachers' Fund for Retirement	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office

Policy Type: TFFR Ends

Policy Title: Investment Policy Statement

Date:

Date:

INVESTMENT POLICY STATEMENT

North Dakota Teachers' Fund for Retirement

I. Plan and Fund Overview

The North Dakota Teachers' Fund for Retirement (TFFR) is a pension benefit plan established to provide retirement income to public school educators. The plan is administered by a Board of Trustees (the "Board").

The TFFR plan is a multi-employer defined benefit public pension plan that provides retirement, disability, and death benefits in accordance with North Dakota Century Code (NDCC) § 15-39.1.

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every 5 years. As of July 1, 2025, the actuarial assumed rate of return on assets is 7.15%. Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment Office (RIO).

Client Investment Objectives

Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund.

The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State/School District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places a greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most

consistent with the long-term goal of conserving money to apply to other important state/local projects.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10 and is charged with investing and managing the assets of the funds enumerated in NDCC § 21-10-06, including the funds of this Plan. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The TFFR Board establishes the Fund's asset allocation, with input from consultants and RIO, based on an asset-liability study. Based on the most recent study, the following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	**55%**	**45%**	**65%**
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	**19%**	**10%**	**25%**
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	**0%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid

nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).

    a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the TFFR Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with these investment goals, objectives and policies. A general market overview and market expectations.
6. A review of fund progress and its asset allocation strategy.
7. Provide details of fees and costs (annually).
8. Changes/additions to benchmarks utilized to monitor the funds.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.55% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.55% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

North Dakota Teachers' Fund for Retirement	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

North Dakota Public Employees Retirement System

~~# STATEMENT OF INVESTMENT GOALS, OBJECTIVES AND POLICIES FOR THE NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM~~

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

I. Plan and Fund Overview

The North Dakota Public Employees Retirement System (NDPERS) and the Highway Patrol Retirement System (HPRS) are pension benefit plans established to provide retirement income to state employees and employees of participating political subdivisions. The plans are administered by ~~a nine member Board of Trustees (the Board). The Chair is appointed by the governor, three members are elected by the active members of the plans, one member is elected by the retired members, one is appointed by the Attorney General, one member is the State Health Officer or their designee and two are legislative appointees.~~the NDPERS Board of Trustees (the PERS Board).

The NDPERS plan is a multi-employer hybrid benefit public pension plan that provides retirement benefits, disability retirement benefits, and survivor benefits, in accordance with Chapter 54-52 of the North Dakota Century Code (NDCC). ~~Monthly retirement benefits for the Main, State Law Enforcement (BCI) and Public Safety Plans are based on the formula: number of Years of Service times 2.0% times the final average salary. For the Main 2020 Plan the retirement formula is: number of Years of Service times 1.75% times the final average salary. For the NDPERS Judges Plan the retirement formula is: for the first ten years of service of the formula is final average salary times 3.5%, for the second ten years of service the formula is final average salary times 2.80% and for all remaining years of service the formula is final average salary times 1.25%.~~The NDPERS plan consists of the Main, State Law Enforcement (BCI) and Public Safety Plans, and the NDPERS Judges Plan.

The Highway Patrol plan is also part of the NDPERS plan a single-employer plan that provides retirement benefits, disability benefits, and survivor benefits in accordance with Chapter 39-03.1 of the North Dakota Century Code. ~~Monthly retirement benefits are based upon on the formula: first 25 years of credit service times 3.25% and all remaining years of service times 1.75%.~~

Funding for the NDPERS plan is provided by monthly employee contributions and employer contributions with the amount varying based upon which NDPERS plan the member participates in. ~~For the Main NDPERS plan the employee contribution is 7% and the employer contribution is 7.12%, for the Main 2020 NDPERS plan the employee contribution is 7% and the employer contribution is 8.26%, for the Judges Plan the employee contribution is 8% and employer contribution is 17.52%, for the BCI employee contribution is 6.0% and employer contribution is 9.81%, for the Public Safety Plan with prior service the employee contribution is 5.5% and the employer contribution is 9.81% and for the Public Safety Plan without prior service the employee contribution rate is 5.5% and the employer rate is 7.93%.~~

~~Funding for the Highway Patrol plan is provided by a monthly employee contribution of 13.8% and an employer contribution of 20.2% for 2022, 14.3% employee and 20.7% employer contribution for 2023, and a 14.8% employee and 21.2% employer contribution for 2024.~~

Each year, the Board has an actuarial valuation performed. The current actuarial assumed rate of return on assets for all plans is 6.5%.

~~2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)~~

~~Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-01, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with the Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:~~

~~*Fund 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. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)*~~

~~The SIB may delegate investment responsibility of the Fund or any portion of the Fund to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy is supervisory not advisory.~~

~~The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools.~~

~~The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.~~

~~3. DELEGATION OF AUTHORITY~~

~~Management responsibility for NDPERS funds not assigned to the North Dakota State Investment Board (SIB) in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, which must establish written policies and procedures for the operation of the NDPERS funds, consistent with this investment policy.~~

~~Such procedures must provide for:~~

1. ~~The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).~~

2. ~~Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies it is understood:~~

   a. ~~Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.~~
   b. ~~The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.~~
   c. ~~All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.~~

3. ~~Guidelines for selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).~~

4. ~~The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.~~

~~All participants in the investment process must seek to act responsibly as custodians of the public trust.~~

~~4. INVESTMENT GOALS~~

Client Investment Objectives

The investment goals of the Fund have been established by the ~~NDPERS~~PERS Board based upon consideration of the Board's strategic objectives and a comprehensive review of the current and projected financial requirements. These goals are to be viewed over the long term.

Goal# 1

~~Goal #2~~

- Accumulate sufficient wealth through a diversified portfolio of investments, which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.
- Goal #2 To obtain an investment return in excess of that needed to allow for increases in a retiree's annuity to maintain the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State's financial performance. To enable the State to continue offering secure pension benefits to plan participants, the Board believes that the Fund should pursue the following secondary goals:

- Stabilize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid both substantial volatility in contributions and sizable fluctuations in the funding status of the Plan.

These two secondary goals affect the Fund's investment strategies and often represent conflicting goals. That is, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places greater emphasis on the strategy of stabilizing the employee and employer contribution needed to fund the plan over the long term as it assists our participating employers by having a predictable contribution for budgeting.

~~5. INVESTMENT PERFORMANCE OBJECTIVE~~

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10 and is charged with investing and managing the assets of the funds enumerated in NDCC § 21-10-06, including the funds of this Plan. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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~~5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of ~~five~~5 years.

IV. Asset Allocation

~~1.~~ The ~~risk-adjusted performance of~~PERS Board establishes the ~~fund, net of fees~~Fund's asset allocation, with input from consultants and ~~expenses, should at least match that of~~ the ~~policy benchmark over a minimum evaluation period of five years.~~

~~6. ASSET ALLOCATION~~

~~In recognition of the plan's performance objectives, benefit projections,~~Retirement and ~~capital market expectations~~Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the ~~NDPERS Board has~~following allocation was established ~~the following asset allocation:~~.

~~Asset Class Policy Target(%) Rebalancing Range(%)~~

	Target Allocation	Minimum Allocation	Maximum Allocation	
Global Equity	~~58~~**55%**	~~46-66~~**45%**	**65%**	Inserted Cells
Public Equity	~~51~~40%	~~42-57~~34%	46%	
Private Equity	~~7~~15%	~~4-9~~10%	20%	
Global Fixed Income	~~23~~**26%**	~~16-30~~**19%**	**33%**	
Investment Grade Fixed Income	16%	11-~~21~~%	21%	
Non-Investment Grade Fixed Income ~~7~~	2.5-~~9~~%	0%	6%	Inserted Cells
Private Credit	7.5%	5%	10%	
Global Real Assets	**19%**	**10-~~25~~%**	**25%**	Inserted Cells
~~Global~~ Real Estate	11%	5%	~~5~~-15%	Inserted Cells
Other (Infrastructure/ Timber)	8%	0%	~~0~~-10%	
~~Global Alternatives~~		~~0-10~~		
Cash and Cash Equivalents	**0%**	**0-~~2~~%**	**2%**	Inserted Cells

~~The Board does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing re-balancing costs. Any allocation to Global Alternatives shall not increase the expected volatility of the portfolio as measured in Section #5, and all other targets will be adjusted pro-rata.~~

~~PERS requires that in implementing this asset allocation that the State Investment Board seek to maximize return within the scope of these policies while limiting investment costs.~~

~~7. RESTRICTIONS~~

~~Futures and options~~**Corridor Benchmark/Allocations:** Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding

public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not for speculation.~~systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).

2. ~~Use of derivatives~~Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.

~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers.~~

~~3.~~4. No ~~transaction~~investment may ~~be made which threatens~~jeopardize the tax-exempt status of the Fund.

~~A. No unhedged short sales or speculative margin purchases may be made.~~

5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).

a. Social Investing is defined as "~~*The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return to the ~~*intended beneficiaries."*~~state." (NDCC § 21-10-08.1)

~~4.~~7. ~~Social investing~~Economically Targeted 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~~.

a. Economically ~~*targeted investing*~~Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved~~*, as well as to*~~ and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Economically targeted investing is prohibited unless**Exclusive Benefit Rule**

B. For the investment meetspurpose of this document, the Exclusive Benefit Rule.

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 Board's policy favors investments whichthat will have a positive impact on the economy of North Dakota.

8. INTERNAL CONTROLS

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB must haveshall maintain a system of internal controls designed to prevent lossesloss of public funds arising from fraud or employee, error. The, or mismanagement.

Key controls deemed most important are the separation of include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases from the, recording of and reconciling investment activity, and custodial safekeeping, of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written confirmation of or electronic confirmations of all investment transactions, and establishedestablishing formal criteria for broker relationships. The annual and trading counterparties. Annual financial audit mustaudits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with the investment policythis Investment Policy.

9. EVALUATION

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives ~~and~~, with emphasis on rolling 5-year results. Reports to the PERS Board (no less than annually) will include:

1. A list of investment managers and their performance ~~standards.~~relative to benchmarks net of fees

~~An annual performance report must be provided to the Board by the State Investment Officer at a regularly scheduled NDPERS Board meeting. The annual performance report must include asset returns and allocation data as well as information regarding all significant or material matters and changes pertaining to the investment of the Fund, including:~~

2. ~~Changes in~~ Earnings, percentage earned, and change in market value of each mandate

~~2.~~3. Current portfolio allocations and performance summaries by asset class

~~3.~~4. ~~portfolio structures, tactical approaches and market values;~~ All pertinent legal or legislative proceedings affecting the SIB~~.~~

~~4.~~5. Compliance with these investment goals, objectives and policies. A general market overview and market expectations.

~~5.~~6. A review of fund progress and its asset allocation strategy.

~~A report on investment fees and the SIB's effort relating to Section 6. To measure investment cost PERS requires as part of the annual review information from Callan, CEM or other acceptable source showing the value added versus the cost.~~

7. Provide details of fees and costs (annually).

~~6.~~8. Changes/additions to benchmarks utilized to monitor the funds.

~~In addition, the State Investment Officer shall review with the Board the procedures and policies established by the SIB relating to this statement of investment goals, objectives, and policies.~~

~~Scott Miller~~
~~Executive Director~~

~~North Dakota Public Employees Retirement System~~

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.25% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.25% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System Date:	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office Date:

~~Scott Anderson~~

~~Chief Investment Officer~~

~~Date: December 13, 2022~~

~~North Dakota Retirement and Investment Office~~

~~Date: 02/08/2023~~

INVESTMENT POLICY STATEMENT

North Dakota Public Employees Retirement System

I. Plan and Fund Overview

The North Dakota Public Employees Retirement System (NDPERS) and the Highway Patrol Retirement System (HPRS) are pension benefit plans established to provide retirement income to state employees and employees of participating political subdivisions. The plans are administered by the NDPERS Board of Trustees (the PERS Board).

The NDPERS plan is a multi-employer hybrid benefit public pension plan that provides retirement benefits, disability retirement benefits, and survivor benefits, in accordance with Chapter 54-52 of the North Dakota Century Code (NDCC). The NDPERS plan consists of the Main, State Law Enforcement (BCI) and Public Safety Plans, and the NDPERS Judges Plan.

The Highway Patrol plan is also part of the NDPERS plan a single-employer plan that provides retirement benefits, disability benefits, and survivor benefits in accordance with Chapter 39-03.1 of the North Dakota Century Code.

Funding for the NDPERS plan is provided by monthly employee contributions and employer contributions with the amount varying based upon which NDPERS plan the member participates in.

Each year, the Board has an actuarial valuation performed. The current actuarial assumed rate of return on assets for all plans is 6.5%.

Client Investment Objectives

The investment goals of the Fund have been established by the PERS Board based upon consideration of the Board's strategic objectives and a comprehensive review of the current and projected financial requirements. These goals are to be viewed over the long term.

- Goal# 1 Accumulate sufficient wealth through a diversified portfolio of investments, which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.
- Goal #2 To obtain an investment return in excess of that needed to allow for increases in a retiree's annuity to maintain the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State's financial performance. To enable the State to continue offering secure pension benefits to plan participants, the Board believes that the Fund should pursue the following secondary goals:

- Stabilize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid both substantial volatility in contributions and sizable fluctuations in the funding status of the Plan.

These two secondary goals affect the Fund's investment strategies and often represent conflicting goals. That is, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places greater emphasis on the strategy of stabilizing the employee and employer contribution needed to fund the plan over the long term as it assists our participating employers by having a predictable contribution for budgeting.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10 and is charged with investing and managing the assets of the funds enumerated in NDCC § 21-10-06, including the funds of this Plan. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is

supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The PERS Board establishes the Fund’s asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	**55%**	**45%**	**65%**
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	**19%**	**10%**	**25%**
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	**0%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investing is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund’s performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the PERS Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees
2. Earnings, percentage earned, and change in market value of each mandate
3. Current portfolio allocations and performance summaries by asset class
4. All pertinent legal or legislative proceedings affecting the SIB
5. Compliance with these investment goals, objectives and policies. A general market overview and market expectations.
6. A review of fund progress and its asset allocation strategy.
7. Provide details of fees and costs (annually).
8. Changes/additions to benchmarks utilized to monitor the funds.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.25% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.25% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System Date:	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office Date:

~~CITY OF GRAND FORKS PENSION PLAN~~ INVESTMENT POLICY STATEMENT

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

City of Grand Forks Pension Plan

I. Plan and Fund Overview

The City of Grand Forks Pension Fund (the "Fund~~")~~) is operated by the Grand Forks City Council (the City Council) pursuant to the authority granted in the Grand Forks City Code Chapter 7.

The City of Grand Forks, North Dakota, Pension Plan (the "Plan~~")~~) is a cost-sharing multiple employer public employee pension plan. All classified employees who earned at least ~~one~~1 hour of service prior to January 1, 1996, are eligible to participate in the Plan. Some participants have elected to cease benefit accruals under the Plan as of June 30, 2008, and to participate in the North Dakota Public Employees Retirement System.

Benefit provisions are established by the City Council. The employers contribute such amounts as necessary to provide the promised benefits. The contribution amounts are determined by the annual actuarial valuation report and approved by the City Council.

~~2.~~ FUND GOALS

~~The plan~~**Client Investment Objectives**

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The City Council recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- ~~As a result, the Fund goals are to:~~Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.

- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The City Council acknowledges the material impact that funding the pension plan has on the City's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The City Council places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

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

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The City Council has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The City Council is responsible for establishing policies on investment goals and asset allocation of the Fund. ~~The SIB is charged with implementing these policies~~The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

~~and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this 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. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.~~

~~Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy.~~

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers~~. Where a money manager has been retained~~ that meet established qualifications. When such delegation occurs, the ~~SIB's~~SIB's role ~~in determining investment strategy and security selection~~ is supervisory~~, not~~ rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

~~At the discretion of the SIB, the Fund's~~The SIB may also pool assets ~~may be pooled~~ of this Fund with other funds~~:~~ having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling ~~funds~~fund assets, the SIB ~~may establish whatever asset class pools it deems necessary~~must ensure compliance with ~~specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule~~the Prudent Investor Rule and the objectives of ~~the funds~~all participating ~~in the pools~~funds.

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

~~The SIB will implementchanges to this policy as promptly as is prudent.~~

~~4. RISK TOLERANCE~~

~~The City Council is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants. However, funding the pension promise in an economical manner is critical to the City Council's ability to continue to provide pension benefits to plan participants. Thus, the City Council actively seeks to lower the cost of funding the plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The City Council understands that a prudent investment approach to risk taking can result in periods of under-performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the City Council believes that such an approach, prudently implemented, best serves the long-run interests of the City and, therefore, of plan participants.~~

~~5. INVESTMENT OBJECTIVES~~

III. ~~The City Council's~~Investment Performance Objective

The City Council'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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~~5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of ~~five~~5 years.

IV. Asset Allocation

The ~~risk~~ City Council establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established.

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Global Equity	**39.7%**	**30%**	**50%**
Public Equity	34.7%	29%	41%
Private Equity	5%	0%	10%
Global Fixed Income	**45.3%**	**39%**	**51%**
Long Duration Fixed Income	42.5%	38.5%	47.5%
Private Credit	2.8%	0.5%	5.5%
Global Real Assets	**14%**	**8%**	**20%**
Real Estate	5.8%	0%	11%
Other (Infrastructure/ Timber)	8.2%	3%	13%

Cash and Cash Equivalents	**1%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted ~~performance~~ due to the illiquid nature of the ~~fund, net~~assets will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of ~~fees and expenses, should at least match that of~~ assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy ~~benchmark over a~~ statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum ~~evaluation period~~and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

Glide Path: The overall goal of ~~five years~~the Plan shall be to manage the assets relative to the liability stream. Since the surplus/deficit of a Plan defines its risk and return characteristics, control of the Plan's asset mix is the principal means of defining the Plan's risk and return parameters. A liability-driven investment (LDI) glide path has been developed. The LDI glide path provides a systematic process for how the allocation of the Plan's assets should evolve as the Plan's funded status changes. As funded status triggers in the chart below are achieved, the allocation of the Plan's assets should be transitioned to the corresponding asset allocation in the chart. The asset allocation ranges will also be adjusted to reflect the adjusted allocations. The

monitoring of the funded status of the Plan and these funded status triggers will be reviewed on at least an annual basis.

6. POLICY ASSET MIX

Benefit payments are projected to occur over a long period of time. This allows the City Council to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the City Council in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the City Council approves the appropriate policy asset mix for the Fund.

ASSET CLASS	POLICY TARGET %
GLOBAL EQUITY	**60**
Public Equity	55
Private Equity	5
GLOBAL FIXED INCOME	**24**
Investment Grade	17
Non-Investment Grade	7
GLOBAL REAL ASSETS	**15**
Global Real Estate	7
Other	8

An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro-rata. The City Council does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicaqle while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the S1B's rebalancing policy.

7. RESTRICTIONS

	70-79% Funding	80-84% Funding	85-89% Funding	90-94% Funding	95-99% Funding	>100% Funding
Global Equity	**39.7%**	**38.5%**	**32%**	**25.5%**	**17.3%**	**10%**
Public Equity	34.7%	34.1%	29.1%	24%	16.6%	10%
Private Equity	5%	4.4%	2.9%	1.5%	0.7%	0%
Global Fixed Income	**45.3%**	**52.1%**	**61.4%**	**70.7%**	**80.4%**	**89%**
Intermediate Duration Fixed Income	0%	0%	10%	20%	30%	39%
Long Duration Fixed Income	42.5%	50%	50%	50%	50%	50%
Private Credit	2.8%	2.1%	1.4%	0.7%	0.4%	0%
Global Real Assets	**14%**	**8.4%**	**5.6%**	**2.8%**	**1.4%**	**0%**
Real Estate	5.8%	3.5%	2.4%	1.2%	0.6%	0%
Other (Infra-structure/Timber)	8.2%	4.9%	3.2%	1.6%	0.8%	0%
Cash and Cash Equivalents	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**

V. General Restrictions and Guidelines

While the SIB ~~is responsible for establishing specific~~determines quality, diversification, ~~restrictions,~~ and performance ~~objectives~~standards for investments, the ~~investment vehicles~~following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).

~~1.~~2. Derivatives, short selling, and security margining may be used in ~~which the Fund's assets will be invested, it is understood that:~~a manner consistent with approved manager guidelines.

~~a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.~~

~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money.~~

~~managers.~~

~~3.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~4.~~5. All assets ~~will~~must be held ~~in custody~~ by the ~~SIB's~~SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.

~~b. No unhedged short sales or speculative margin purchases shall be made.~~

~~5.~~6. Social ~~investing~~Investing is prohibited unless it meets the ~~exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.~~Exclusive Benefit Rule (NDCC § 21-10-08.1).

a. ~~For the purpose of this document, social investing~~ Social Investment is defined as the ~~consideration of socially responsible criteria in the~~ investment or commitment of public ~~fund money~~funds for the purpose of obtaining an effect other than a maximized return ~~to the Fund.~~at a prudent level of risk to the state. (NDCC § 21-10-08.1)

~~6.~~7. Economically ~~targeted investing~~Targeted Investing is prohibited unless ~~the investment~~it meets the Exclusive Benefit Rule.

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

~~Also, for~~**Exclusive Benefit Rule**

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~~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 City Council's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~8. INTERNAL CONTROLS~~

~~A~~ All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls ~~must be in place by the SIB~~ designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud ~~or employee~~, error~~. Such~~, or mismanagement.

Key controls ~~deemed most important are~~ include the ~~separation~~segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases ~~from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation~~or confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for ~~investment manager selection and monitoring. The annual~~broker relationships and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~9. EVALUATION AND REVIEW~~

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~. Emphasis will be placed~~, with emphasis on rolling 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~~Reports to the City Council ~~periodically, but not~~(no 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~~) will include:

~~1.~~ A list of ~~the advisory services managing investments for the SIB.~~

1. ~~A list of investments at market value, compared~~investment managers and their performance relative to ~~previous reporting period, of each account managed by each advisory service.~~benchmarks
2. Earnings, percentage earned, and change in market value of each ~~account's investments~~mandate.

~~2. Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.~~

3. Current portfolio allocations and performance summaries by asset class

~~3.~~4. All material legal or legislative proceedings affecting the SIB.

~~4.~~5. Compliance with this investment policy statement.

~~City of Grand Forks Pension Fund~~

~~By~~

~~Date:~~

~~David Hunter, Executive Director/CIO~~

~~ByJ¼JQsr~~

~~Date:~~

~~ATTEST: IA A(µ).}\tJA~~

~~Accepted: M':uJ'en Storstad~~

~~City Auditor~~

~~Grand Forks City Pension and Insurance Committee - March 19, 2018~~

VIII. ~~State Investment Board - March 23, 2018 Grand Forks City Council - April 2, 2018~~Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 1.25% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 1.25% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

City of Grand Forks Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

City of Grand Forks Pension Plan

I. Plan and Fund Overview

The City of Grand Forks Pension Fund (the Fund) is operated by the Grand Forks City Council (the City Council) pursuant to the authority granted in the Grand Forks City Code Chapter 7.

The City of Grand Forks, North Dakota, Pension Plan (the Plan) is a cost-sharing multiple employer public employee pension plan. All classified employees who earned at least 1 hour of service prior to January 1, 1996, are eligible to participate in the Plan. Some participants have elected to cease benefit accruals under the Plan as of June 30, 2008, and to participate in the North Dakota Public Employees Retirement System.

Benefit provisions are established by the City Council. The employers contribute such amounts as necessary to provide the promised benefits. The contribution amounts are determined by the annual actuarial valuation report and approved by the City Council.

Client Investment Objectives

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The City Council recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The City Council acknowledges the material impact that funding the pension plan has on the City's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The City Council places greater emphasis on the strategy of improving the funding status and

reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The City Council has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The City Council is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The City Council'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The City Council establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	**39.7%**	**30%**	**50%**
Public Equity	34.7%	29%	41%
Private Equity	5%	0%	10%
Global Fixed Income	**45.3%**	**39%**	**51%**
Long Duration Fixed Income	42.5%	38.5%	47.5%
Private Credit	2.8%	0.5%	5.5%
Global Real Assets	**14%**	**8%**	**20%**
Real Estate	5.8%	0%	11%
Other (Infrastructure/ Timber)	8.2%	3%	13%
Cash and Cash Equivalents	**1%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

Glide Path: The overall goal of the Plan shall be to manage the assets relative to the liability stream. Since the surplus/deficit of a Plan defines its risk and return characteristics, control of the Plan's asset mix is the principal means of defining the Plan's risk and return parameters. A liability-driven investment (LDI) glide path has been developed. The LDI glide path provides a systematic process for how the allocation of the Plan's assets should evolve as the Plan's funded status changes. As funded status triggers in the chart below are achieved, the allocation of the Plan's assets should be transitioned to the corresponding asset allocation in the chart. The asset allocation ranges will also be adjusted to reflect the adjusted allocations. The monitoring of the funded status of the Plan and these funded status triggers will be reviewed on at least an annual basis.

	70-79% Funding	**80-84% Funding**	**85-89% Funding**	**90-94% Funding**	**95-99% Funding**	**>100% Funding**
Global Equity	**39.7%**	**38.5%**	**32%**	**25.5%**	**17.3%**	**10%**
Public Equity	34.7%	34.1%	29.1%	24%	16.6%	10%
Private Equity	5%	4.4%	2.9%	1.5%	0.7%	0%
Global Fixed Income	**45.3%**	**52.1%**	**61.4%**	**70.7%**	**80.4%**	**89%**
Intermediate Duration Fixed Income	0%	0%	10%	20%	30%	39%

Long Duration Fixed Income	42.5%	50%	50%	50%	50%	50%
Private Credit	2.8%	2.1%	1.4%	0.7%	0.4%	0%
Global Real Assets	**14%**	**8.4%**	**5.6%**	**2.8%**	**1.4%**	**0%**
Real Estate	5.8%	3.5%	2.4%	1.2%	0.6%	0%
Other (Infra-structure/Timber)	8.2%	4.9%	3.2%	1.6%	0.8%	0%
Cash and Cash Equivalents	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state. (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 City Council's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund’s performance will be evaluated against its investment objectives, with emphasis on rolling five-year results. Reports to the City Council (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks
2. Earnings, percentage earned, and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with this investment policy statement.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 1.25% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 1.25% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

City of Grand Forks Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

~~PARK DISTRICT OF THE CITY OF GRAND FORKS~~ INVESTMENT POLICY STATEMENT

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

Park District of the City of Grand Forks

I. Plan and Fund Overview

The Park District of the City of Grand Forks, North Dakota, Pension Plan (the ~~"~~Plan~~")~~) is a cost-sharing public employee pension plan operated by the Park District of the City of Grand Forks, North Dakota (the ~~"~~District~~")~~, which serves as the Plan Administrator ~~("~~(Administrator~~")~~) and Plan Sponsor ~~("Sponsor"~~(Sponsor). All employees are required to participate in the Plan. Some participants have elected to cease benefit accruals under the Plan as of January 1, 2010, and to participate in the North Dakota Public Employees Retirement System ~~("~~(NDPERS~~")~~) pension plan. All future hires after December 31, 2009, ~~will be~~are required to participate in the NDPERS plan.

The investment assets of the Plan are held within the Plan Fund ("Fund").

Benefit provisions are established by the Park Board ~~("~~(Board~~")~~) of the Sponsor. The employers contribute such amounts as necessary to provide the promised benefits. The contribution amounts are determined by the annual actuarial valuation report and approved by the Board.

~~2. FUND GOALS~~

~~The plan~~**Client Investment Objectives**

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. ~~The Board recognizes that a sound investment program is essential to meet the pension obligations.~~

The Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.

- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

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

II. Responsibilities and Discretion of the State Investment Board (SIB)

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The Board is responsible for establishing policies on investment goals and asset allocation of the Fund. ~~The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing.~~The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

~~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. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.~~

~~Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy.~~

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers~~. Where a money manager has been retained~~ that meet established qualifications. When such delegation occurs, the ~~SIB's~~SIB's role ~~in determining investment strategy and security selection~~ is supervisory~~, not~~ rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

~~At the discretion of the SIB, the Fund's~~The SIB may also pool assets ~~may be pooled~~ of this Fund with other funds~~.~~ having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling ~~funds~~fund assets, the SIB ~~may establish whatever asset class pools it deems necessary~~must ensure compliance with ~~specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule~~the Prudent Investor Rule and the objectives of ~~the funds~~all participating ~~in the pools~~funds.

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

~~The SIB will implement changes to this policy as promptly as is prudent.~~

~~4. RISK TOLERANCE~~

~~The Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants. However, funding the pension promise in an economical manner is critical to the Board's ability to continue to provide pension benefits to plan participants. Thus, the Board actively seeks to lower the cost of funding the plan's pension obligations by taking on risk for which it expects to be compensated over the long term.~~

~~The Board understands that a prudent investment approach to risk taking can result in periods of under-performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the Board believes that such an approach, prudently implemented, best serves the long-run interests of the District and, therefore, of plan participants.~~

~~5. INVESTMENT OBJECTIVES~~

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

IV. Asset Allocation

~~1.~~ 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

Benefit payments are projected to occur over a long period of time. This allows the Board to adopt a long-term investment horizon and establishes the Fund's asset allocation policy for, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the management of fund assets. Asset following allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets arewas established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target (%) Allocation	Minimum Allocation	Maximum Allocation
Global Equity	54.535.3%	25%	45%
Domestic Public Equity Large	27.024.3%	22.018%	30%
Small International Equity Developed		20.0	5.0 10.0
Emerging Private Equity	7.511%	10.06%	16%
Global Fixed Income Investment Grade	25.5.45.1%	18.039%	51%
Long Duration Fixed Income	45%	40%	50%
Non-Investment Grade Private Credit	0.1%	0%	72.5%
Global Real Assets Infrastructurerrimber	20.018.6%	10.013%	25%
Private Real Estate	8.1%	10.02%	14%
Other (Infrastructure/Timber)	10.5%	5%	15%
Cash and Cash Equivalents	1%	0%	2%

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Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology.

Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The ~~Board does not endorse tactical~~proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation~~, therefore, it is anticipated the portfolio be managed as close to~~ or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy ~~target as~~ statement). Rigidly adhered to, such a policy is ~~prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's~~a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

~~7. RESTRICTIONS~~

Glide Path: The overall goal of the Plan shall be to manage the assets relative to the liability stream. Since the surplus/deficit of a Plan defines its risk and return characteristics, control of the Plan's asset mix is the principal means of defining the Plan's risk and return parameters. A liability-driven investment ("LDI") glide path has been developed. The LDI glide path provides a systematic process for how the allocation of the Plan's assets should evolve as the Plan's funded status changes. As funded status triggers in the chart below are achieved, the allocation of the Plan's assets should be transitioned to the corresponding asset allocation in the chart. The asset allocation ranges will also be adjusted to reflect the adjusted allocations. The monitoring of the funded status of the Plan and these funded status triggers will be reviewed on at least an annual basis.

	70-79% Funding	**80-84% Funding**	**85-89% Funding**	**90-94% Funding**	**95-99% Funding**	**>100% Funding**

Global Equity	**35.3%**	**34%**	**27.8%**	**21.5%**	**15.3%**	**10%**
Public Equity	24.3%	25.2%	21.2%	17.1%	13.1%	10%
Private Equity	11%	8.8%	6.6%	4.4%	2.2%	0%
Global Fixed Income	**45.1%**	**50.1%**	**60.1%**	**70%**	**80%**	**89%**
Intermediate Duration Fixed Income	0%	0%	10%	20%	30%	39%
Long Duration Fixed Income	45%	50%	50%	50%	50%	50%
Private Credit	0.1%	0.1%	0.1%	0%	0%	0%
Global Real Assets	**18.6%**	**14.9%**	**11.2%**	**7.4%**	**3.7%**	**0%**
Real Estate	8.1%	6.5%	4.8%	3.3%	1.6%	0%
Other (Infrastructure/ Timber)	10.5%	8.4%	6.4%	4.1%	2.1%	0%
Cash and Cash Equivalents	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**

V. General Restrictions and Guidelines

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

1. ~~Futures and options~~ Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not~~systematic exposures, for ~~speculation.~~fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.

~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers.~~

~~3.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~4.~~5. All assets ~~will~~must be held ~~in custody~~ by the ~~SIB's~~SIB's master custodian or ~~such other custodians as are acceptable to the SIB.~~ •an approved sub-custodian.

~~a. No unhedged short sales or speculative margin purchases shall be made.~~

~~5.~~6. Social ~~investing~~Investing is prohibited unless it meets the ~~exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.~~Exclusive Benefit Rule (NDCC § 21-10-08.1).

a. ~~For the purpose of this document, social investing~~Social Investment is defined as ~~the consideration of socially responsible criteria in the~~ "the investment or commitment of public ~~fund money~~funds for the purpose of obtaining an effect other than a maximized return ~~to the Fund.~~at a prudent level of risk to the state." (NDCC § 21-10-08.1)

~~6.~~7. Economically ~~targeted investing~~Targeted Investing is prohibited unless ~~the investment~~it meets the Exclusive Benefit Rule.

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

~~Also, for~~**Exclusive Benefit Rule**

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~~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 Board's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~8. INTERNAL CONTROLS~~

~~A.~~ All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls ~~must be in place by the SIB~~ designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud ~~or employee~~, error~~. Such~~, or mismanagement.

Key controls ~~deemed most important are the separation of~~ include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases ~~from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation~~or confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for ~~investment manager selection and monitoring. The annual~~broker relationships and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~9. EVALUATION AND REVIEW~~

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~. Emphasis will be placed~~, with emphasis on rolling 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~~Reports to the Board ~~periodically, but not~~(no 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~~) will include:

~~1.~~ A list of ~~the advisory services managing investments for the SIB.~~

1. ~~A list of investments at market value, compared~~investment managers and their performance relative to ~~previous reporting period, of each account managed by each advisory service~~benchmarks.
2. Earnings, percentage earned~~,~~ and change in market value of each ~~account's investments~~mandate.

~~2. Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.~~

3. Current portfolio allocations and performance summaries by asset class.

~~3.~~4. All material legal or legislative proceedings affecting the SIB.

~~4.~~5. Compliance with this investment policy statement.

Trustee for the Park District of the City of Grand Forks, North Dakota Pension Plan

By: _____

Date: _____

David J. Hunter Executive Director/Cio

Retirement Office

VIII. By: Date: [u/Lct/r #Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 1% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 1% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Trustee for the Park District of the City of Grand Forks, North Dakota Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

Park District of the City of Grand Forks

I. Plan and Fund Overview

The Park District of the City of Grand Forks, North Dakota, Pension Plan (the Plan) is a cost-sharing public employee pension plan operated by the Park District of the City of Grand Forks, North Dakota (the District), which serves as the Plan Administrator (Administrator) and Plan Sponsor (Sponsor). All employees are required to participate in the Plan. Some participants have elected to cease benefit accruals under the Plan as of January 1, 2010, and to participate in the North Dakota Public Employees Retirement System (NDPERS) pension plan. All future hires after December 31, 2009, are required to participate in the NDPERS plan.

The investment assets of the Plan are held within the Plan Fund ("Fund").

Benefit provisions are established by the Park Board (Board) of the Sponsor. The employers contribute such amounts as necessary to provide the promised benefits. The contribution amounts are determined by the annual actuarial valuation report and approved by the Board.

Client Investment Objectives

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund.

The Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places greater emphasis on the strategy of improving the funding status and

reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

II. Responsibilities and Discretion of the State Investment Board (SIB)

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

IV. Asset Allocation

The Board establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	**35.3%**	**25%**	**45%**
Public Equity	24.3%	18%	30%
Private Equity	11%	6%	16%
Global Fixed Income	**45.1%**	**39%**	**51%**
Long Duration Fixed Income	45%	40%	50%
Private Credit	0.1%	0%	2.5%
Global Real Assets	**18.6%**	**13%**	**25%**
Real Estate	8.1%	2%	14%
Other (Infrastructure/Timber)	10.5%	5%	15%
Cash and Cash Equivalents	**1%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income.

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

Glide Path: The overall goal of the Plan shall be to manage the assets relative to the liability stream. Since the surplus/deficit of a Plan defines its risk and return characteristics, control of the Plan's asset mix is the principal means of defining the Plan's risk and return parameters. A liability-driven investment ("LDI") glide path has been developed. The LDI glide path provides a systematic process for how the allocation of the Plan's assets should evolve as the Plan's funded status changes. As funded status triggers in the chart below are achieved, the allocation of the Plan's assets should be transitioned to the corresponding asset allocation in the chart. The asset allocation ranges will also be adjusted to reflect the adjusted allocations. The monitoring of the funded status of the Plan and these funded status triggers will be reviewed on at least an annual basis.

	70-79% Funding	**80-84% Funding**	**85-89% Funding**	**90-94% Funding**	**95-99% Funding**	**>100% Funding**
Global Equity	**35.3%**	**34%**	**27.8%**	**21.5%**	**15.3%**	**10%**
Public Equity	24.3%	25.2%	21.2%	17.1%	13.1%	10%
Private Equity	11%	8.8%	6.6%	4.4%	2.2%	0%
Global Fixed Income	**45.1%**	**50.1%**	**60.1%**	**70%**	**80%**	**89%**

Intermediate Duration Fixed Income	0%	0%	10%	20%	30%	39%
Long Duration Fixed Income	45%	50%	50%	50%	50%	50%
Private Credit	0.1%	0.1%	0.1%	0%	0%	0%
Global Real Assets	**18.6%**	**14.9%**	**11.2%**	**7.4%**	**3.7%**	**0%**
Real Estate	8.1%	6.5%	4.8%	3.3%	1.6%	0%
Other (Infrastructure/ Timber)	10.5%	8.4%	6.4%	4.1%	2.1%	0%
Cash and Cash Equivalents	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund’s performance will be evaluated against its investment objectives, with emphasis on rolling five-year results. Reports to the Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.

5. Compliance with this investment policy statement.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 1% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 1% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Trustee for the Park District of the City of Grand Forks, North Dakota Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

~~CITY OF BISMARCK POLICE PENSION PLAN~~ INVESTMENT POLICY STATEMENT

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

City of Bismarck Police Pension Plan

I. Plan and Fund Overview

The Bismarck, North Dakota City Police Pension Plan (BCPPP or the Plan) is the pension benefit plan (Fund) established for the ~~city~~City of Bismarck, North Dakota, police. The Fund is administered by the Bismarck City Police Pension Plan Board of Trustees~~.~~ (Board).

The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-08 of the ~~city~~City of Bismarck Code of Ordinance (1986 revised).

The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

~~2. FUND GOALS~~

~~The plan~~**Client Investment Objectives**

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCPPP Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- ~~As a result, the Fund goals are to:~~Improve the ~~Plan's~~Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the ~~Plan's~~Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The BCPPP Board acknowledges the material impact that funding the pension plan has on the ~~City's~~City's financial performance. These goals affect the ~~Fund's~~Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The BCPPP Board places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the

Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

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

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The BCPPP Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The BCPPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. ~~The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and~~The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

~~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. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.~~

~~Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy.~~

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers~~.~~ ~~Where a money manager has been retained~~ that meet established qualifications. When such delegation occurs, the ~~SIB's~~SIB's role ~~in determining investment strategy and security selection~~ is supervisory~~, not~~ rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

~~At the discretion of the SIB, the Fund's~~The SIB may also pool assets ~~may be pooled~~ of this Fund with other funds~~.~~ having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling ~~funds~~fund assets, the SIB ~~may establish whatever asset class pools it deems necessary~~must ensure compliance with ~~specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule~~the Prudent Investor Rule and the objectives of ~~the funds~~all participating ~~in the pools~~funds.

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

~~The SIB will implement changes to this policy as promptly as is prudent.~~

~~4. RISK TOLERANCE~~

~~The BCPPP Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants.~~

~~However, funding the pension promise in an economical manner is critical to the City's ability to continue to provide pension benefits to plan participants. Thus, the BCPPP Board actively seeks to lower the cost of funding the plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The BCPPP Board understands that a prudent investment approach to risk taking can result in periods of under-performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the BCPPP Board believes that such an approach, prudently implemented, best serves the long-run interests of the City and, therefore, of plan participants.~~

~~5. INVESTMENT OBJECTIVES~~

III. ~~The BC P PP Board's~~Investment Performance Objective

The BCPPP Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

~~1) 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~~

~~Benefit payments are projected to occur over a long period of time. This allows BCPPP Board to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the BCPPP Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the BCPPP Board approves the appropriate policy asset mix for the Fund.~~

~~Asset Class~~ ~~Public Equity Private Equity~~

~~Global Equity~~

	51
Policy Target(%)	46
	5
Global Fixed Income	29
Investment Grade	22
Non-Investment Grade	7
Global Real Assets	20
Global Real Estate	12
Other	8

An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro-rata. The BCPPP Board does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

~~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.~~

IV. Asset Allocation

The BCPPP Board establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Global Equity	**55%**	**45%**	**65%**
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	**19%**	**10%**	**25%**
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	**0%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity
- Private credit will be proxied with half public equity and half public investment grade fixed income
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.

~~1.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers.~~

~~2.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~3.~~5. All assets ~~will~~must be held ~~in custody~~ by the ~~SIB's~~SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.

~~b. No unhedged short sales or speculative margin purchases shall be made.~~

~~c. 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.~~

6. ~~For the purpose of this document,~~ Social Investing ~~is defined~~is prohibited unless it meets the Exclusive Benefit Rule (NDCC 21-10-08.1).

a. Social Investment is defined as ~~*"The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return ~~*to the intended beneficiaries."*~~at a prudent level of risk to the state. (NDCC 21-10-08.1)

~~4.~~7. Economically ~~targeted investing~~Targeted Investing is prohibited unless ~~the investment~~it meets the Exclusive Benefit Rule.

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

~~Also, for~~**Exclusive Benefit Rule**

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 ~~task~~risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~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 BCPPP Board's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~8. INTERNAL CONTROLS~~

~~A~~ All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls ~~must be in place by the SIB~~ designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud ~~or employee~~, error~~. Such~~, or mismanagement.

Key controls ~~deemed most important are the separation of~~ include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases ~~from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation~~or confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for broker relationships~~. The annual~~ and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~9. EVALUATION AND REVIEW~~

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~. Emphasis will be placed~~, with emphasis on rolling 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~~Reports to the ~~TFFR~~BCPPP Board ~~periodically, but not~~(no 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~~) will include:

~~1)~~ A list of ~~the advisory services managing investments for the board.~~

1. ~~A list of investments at market value, compared~~investment managers and their performance relative to ~~previous reporting period, of each fund managed by each advisory service.~~benchmarks

2. Earnings, percentage earned~~,~~ and change in market value of each ~~fund's investments~~mandate.

~~2) 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.~~

3. Current portfolio allocations and performance summaries by asset class

~~3.~~4. All material legal or legislative proceedings affecting the SIB.

~~4.~~5. Compliance with this investment policy statement.

~~Bismarck City Police Pension Board of Trustees~~

Date: 12-12-18

~~David Hunter, Executive Director/CIO~~

~~Date: --'("""""o - (-=8_--'-\8~~

VIII. ~~Approved by City of Bismarck: February 22, 2018 Approved by State Investment Board: March 23, 2018~~Withdrawals

1. **Standard Withdrawals:** The client may withdraw up to 5% of total fund assets per month with a minimum of 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
2. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

City of Bismarck Police Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

City of Bismarck Police Pension Plan

I. Plan and Fund Overview

The Bismarck, North Dakota City Police Pension Plan (BCPPP or the Plan) is the pension benefit plan (Fund) established for the City of Bismarck, North Dakota, police. The Fund is administered by the Bismarck City Police Pension Plan Board of Trustees (Board).

The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-08 of the City of Bismarck Code of Ordinance (1986 revised).

The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

Client Investment Objectives

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCPPP Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The BCPPP Board acknowledges the material impact that funding the pension plan has on the City's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The BCPPP Board places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) § 21-10. The BCPPP Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The BCPPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The BCPPP Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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.

- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

IV. Asset Allocation

The BCPPP Board establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	**55%**	**45%**	**65%**
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	**19%**	**10%**	**25%**
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	**0%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity
- Private credit will be proxied with half public equity and half public investment grade fixed income
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC 21-10-08.1).
    a. Social Investment is defined as the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state. (NDCC 21-10-08.1)

7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 BCPPP Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling five-year results. Reports to the BCPPP Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with this investment policy statement.

VIII. Withdrawals

1. **Standard Withdrawals:** The client may withdraw up to 5% of total fund assets per month with a minimum of 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
2. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

City of Bismarck Police Pension Plan	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

~~CITY OF BISMARCK EMPLOYEE PENSION PLAN~~ INVESTMENT POLICY STATEMENT

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

City of Bismarck Employee Pension Plan

I. Plan and Fund Overview

The Bismarck, North Dakota City Employee Pension Plan (BCEPP or the Plan) is the pension benefit plan (Fund) established for the ~~city~~City of Bismarck public employees. The Fund is administered by the Bismarck City Employee Pension Plan Board of Trustees.

The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-07 of the ~~city~~City of Bismarck Code of Ordinance (1986 revised).

The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

~~2. FUND GOALS~~

~~The plan~~**Client Investment Objectives**

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCEPP Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- ~~As a result, the Fund goals are to:~~Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The BCEPP Board acknowledges the material impact that funding the pension plan has on the City's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The BCEPP Board places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

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

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) Chapter § 21-10. The BCEPP Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The BCEPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. ~~The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the~~The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

~~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. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.~~

~~Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy.~~

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers~~. Where a money manager has been retained~~ that meet established qualifications. When such delegation occurs, the SIB's role ~~in determining investment strategy and security selection~~ is supervisory~~, not~~ rather than 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~~, ensuring that each manager operates within approved guidelines and performance ~~objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools~~expectations.

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

~~The SIB will implement changes to this policy as promptly as is prudent.~~

~~4. RISK TOLERANCE~~

~~The BCEPP Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants.~~

~~However, funding the pension promise in an economical manner is critical to the City's ability to continue to provide pension benefits to plan participants. Thus, the BCEPP Board actively seeks to lower the cost of funding the plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The BCEPP Board understands that a prudent investment approach to risk taking can result in periods of under-performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the BCEPP Board believes that such an approach, prudently implemented, best serves the long-run interests of the City and, therefore, of plan participants.~~

~~5. INVESTMENT OBJECTIVES~~

~~The BCEPP~~The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

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

~~1)~~ The ~~fund's~~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.
- The ~~fund's~~fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

IV. Asset Allocation

~~2)~~ 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~~

~~Benefit payments are projected to occur over a long period of time. This allows~~ BCEPP Board ~~to adopt a long-term investment horizon and~~ establishes the Fund's asset allocation ~~policy for~~, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the ~~management of fund assets. Asset~~ most recent study, the following allocation ~~policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are~~was established ~~using an asset-liability analysis designed to assist the BCEPP Board in determining an acceptable volatility target for the fund and an optimal~~. The asset allocation ~~policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the BCEPP Board approves the~~will be reviewed periodically and updated when appropriate ~~policy asset mix for the Fund~~.

~~Asset Class~~	~~Policy~~ Target~~(%)~~ Allocation	Minimum Allocation	Maximum Allocation
Global Equity	~~46~~55%	45%	65%
Public Equity	~~42~~40%	34%	46%
Private Equity	~~4~~15%	10%	20%
Global Fixed Income	~~34~~26%	19%	33%
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	19%	10%	25%
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	0%	0%	2%

~~Investment Grade 27~~

~~Non-Investment Grade 7~~

~~Global Real Assets~~	~~20~~
~~Global Real Estate~~	~~12~~
~~Other~~	~~8~~

~~An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro-rata. The BCEPP Board does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.~~

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~~7. RESTRICTIONS~~

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity
- Private credit will be proxied with half public equity and half public investment grade fixed income
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

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

1. ~~Futures and options~~ Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not~~systematic exposures, for fund rebalancing, and for ~~speculation.~~risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers~~.

~~3.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~4.~~5. All assets ~~will~~must be held ~~in custody~~ by the SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.

~~a. No unhedged short sales or speculative margin purchases shall be made.~~

~~5.~~6. Social ~~investing~~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.~~(NDCC § 21-10-08.1).

a. ~~For the purpose of this document,~~ Social ~~Investing~~Investment is defined as ~~*"The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return ~~*to the intended beneficiaries."*~~at a prudent level of risk to the state. (NDCC § 21-10-08.1)

~~6.~~7. Economically ~~targeted investing~~Targeted Investing is prohibited unless ~~the investment~~it meets the Exclusive Benefit Rule.

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

~~Also, for~~**Exclusive Benefit Rule**

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 ~~task~~risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~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 ~~Board's~~BCEPP Board's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~8. INTERNAL CONTROLS~~

~~A~~ All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls ~~must be in place by the SIB~~ designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud ~~or employee~~, error~~. Such~~, or mismanagement.

Key controls ~~deemed most important are the separation of~~ include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases ~~from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation~~or confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for broker relationships~~. The annual~~ and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~9. EVALUATION AND REVIEW~~

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~. Emphasis will be placed~~, with emphasis on rolling 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~~Reports to the ~~TFFR~~BCEPP Board ~~periodically, but not~~(no 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~~) will include:

~~1)~~ A list of ~~the advisory services managing investments for the board.~~

i. ~~A list of investments at market value, compared~~investment managers and their performance relative to ~~previous reporting period, of each fund managed by each advisory service~~benchmarks.
ii. Earnings, percentage earned~~,~~ and change in market value of each ~~fund's investments~~mandate.

~~2) 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.~~

iii. Current portfolio allocations and performance summaries by asset class.

~~iii.~~iv. All material legal or legislative proceedings affecting the SIB.

~~iv.~~v. Compliance with this investment policy statement.

~~Bismarck City Employee Pension Plan Board of Trustees~~

Date: 6-12-18

~~David Hunter, Executive Director/CIO~~

Date: 6-18-18

VIII. ~~Approved by City of Bismarck: February 22, 2018 Approved by State Investment Board: March 23, 2018~~Withdrawals

a. **Standard Withdrawals:** The client may withdraw up to 5% of total fund assets per month with a minimum of 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.

b. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Bismarck City Employee Pension Plan Board of Trustees	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

City of Bismarck Employee Pension Plan

I. Plan and Fund Overview

The Bismarck, North Dakota City Employee Pension Plan (BCEPP or the Plan) is the pension benefit plan (Fund) established for the City of Bismarck public employees. The Fund is administered by the Bismarck City Employee Pension Plan Board of Trustees.

The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-07 of the City of Bismarck Code of Ordinance (1986 revised).

The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

Client Investment Objectives

Plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCEPP Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The BCEPP Board acknowledges the material impact that funding the pension plan has on the City's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The BCEPP Board places greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important projects.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) Chapter § 21-10. The BCEPP Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The BCEPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The BCEPP Board'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 mix weights of appropriate asset class benchmarks as set by the SIB.

- 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.

- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.

IV. Asset Allocation

The BCEPP Board establishes the Fund's asset allocation, with input from consultants and the Retirement and Investment Office (RIO), based on an asset-liability study. Based on the most recent study, the following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Global Equity	**55%**	**45%**	**65%**
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	**26%**	**19%**	**33%**
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	**19%**	**10%**	**25%**
Real Estate	11%	5%	15%
Other (Infrastructure/ Timber)	8%	0%	10%
Cash and Cash Equivalents	**0%**	**0%**	**2%**

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity
- Private credit will be proxied with half public equity and half public investment grade fixed income
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional bets in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state. (NDCC § 21-10-08.1)

7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

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 BCEPP Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling five-year results. Reports to the BCEPP Board (no less than annually) will include:

i. A list of investment managers and their performance relative to benchmarks.
ii. Earnings, percentage earned and change in market value of each mandate.
iii. Current portfolio allocations and performance summaries by asset class.
iv. All material legal or legislative proceedings affecting the SIB.
v. Compliance with this investment policy statement.

VIII. Withdrawals

a. **Standard Withdrawals:** The client may withdraw up to 5% of total fund assets per month with a minimum of 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
b. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

Bismarck City Employee Pension Plan Board of Trustees Date:	Scott M. Anderson Chief Investment Officer North Dakota Retirement and Investment Office Date:

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MEMORANDUM

TO: **SIB**

FROM: **Jodi Smith, Executive Director**

DATE: **January 16, 2026**

RE: **Executive Review & Compensation Committee Update**

The Executive Review and Compensation Committee met virtually on January 14, 2026, and was called to order by Chair Dr. Lech with a quorum present. The Committee approved the agenda and approved the minutes from the November 5, 2025, meeting.

SIB Self-Assessment Survey – Committee Action

The Committee discussed whether to administer the annual SIB self-assessment survey given the recent, comprehensive governance survey completed in September 2025 as part of the Funston governance review. Committee members expressed that a separate self-assessment at this time would be duplicative and that the ERCC Charter requires assessments "periodically," not annually.

Action: The Committee voted to defer conducting a self-assessment this year.

ERCC Draft Committee Charter Review – Information Only

Staff reviewed the draft updated ERCC Charter as part of the broader Governance Manual Rewrite project. The Committee discussed key changes proposed including:

- **Shift of Board Self-Assessment Responsibility:** Board self-assessments would move from ERCC to the Governance & Policy Review Committee (GPRC).
- **Clarified Evaluation Roles:** ERCC would continue to evaluate the Executive Director, but would no longer evaluate other staff positions (e.g., CIO), consistent with the "lines of accountability" governance model; Internal Audit remains a direct-report function to the Board.
- **Succession and Continuity Planning:** The draft charter assigns ERCC responsibility for oversight of succession planning (Executive Director, CIO, CFO) and for ensuring a viable business continuity plan is maintained and reviewed.

- **Compensation Benchmarking:** The charter continues periodic compensation benchmarking and reinforces review of compensation competitiveness across the agency, not solely executive compensation.

Committee members were asked to review the draft charter and provide comments to staff within the two weeks for incorporation into the next iteration of the governance manual.

Incentive Compensation – Information Only

Staff provided context and addressed questions in advance of the full Board discussion. Key points included:

- The incentive compensation program was developed under legislative authority, supported by consultant input (Mercer), and implemented transparently through public meetings and legislative testimony.
- Staff emphasized that the program's design and intent have not changed since adoption; the primary change is that performance exceeded benchmarks, triggering the payout.
- The program is funded through the agency's continuing appropriation authority (not a specific salary line item), consistent with prior guidance.
- Staff highlighted performance outcomes, including significant excess returns above benchmark and savings associated with bringing investments in-house, noting these outcomes directly benefit client funds.
- Staff indicated possible future improvements may be brought forward after further review, but no amendments were proposed at this meeting.

Board Action Requested: Information only.

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MEMORANDUM

TO: **SIB**
FROM: **Jodi Smith, Executive Director**
DATE: **January 16, 2025**
RE: **Incentive Compensation Payment Recommendation**

I. INCENTIVE COMPENSATION PROGRAM AUTHORIZATION

The Incentive Compensation Program was authorized by North Dakota Century Code (NDCC) § 54-52.5.

> Incentive compensation program - Report to legislative management. The state retirement and investment office may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board. The program must promote profitability, productivity, and responsible fund management. The provisions of the program must be approved annually by the state investment board. The provisions must ensure that the payouts do not occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks. Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee. Each interim, the state retirement and investment office shall provide at least one report to the legislative management regarding the status of the program, including the provisions of the program; the total amount of incentives paid out to employees each year; and the minimum, maximum, and average payout per eligible full-time equivalent position.

II. INCENTIVE COMPENSATION POLICY HISTORY

68th Legislative Assembly

During the 68th Legislative Assembly, the Retirement and Investment Office (RIO) presented testimony outlining a phased internal investment management program supported by a performance-based incentive compensation framework. The testimony emphasized managing approximately 15% of assets internally to reduce external fees, improve cash management, and lower overall costs, with incentive compensation paid only when net investment performance exceeded benchmarks. In March 2023, the Legislature enacted amendments to NDCC § 54-52.5 authorizing the program for eligible investment and fiscal operations staff, requiring annual State Investment Board (SIB) approval and conditioning any payout on risk-adjusted outperformance of internally managed investments.

Program Development and Approval Timeline

Pursuant to this authority and following extensive legislative testimony during the 68th Legislative Assembly, RIO and the SIB conducted a year-long, public process from June 2023 through June 2024 to evaluate and implement an incentive compensation program (Incentive Compensation Plan attached). This process included a competitive consultant RFP, multiple public committee and Board meetings, adoption of governance manual amendments through a two-reading process, and presentation of the program to the Budget Section. The program ties compensation to risk-adjusted, above-benchmark performance, ensures the majority of value accrues to client funds, and includes strong Board oversight and annual approval requirements.

69th Legislative Assembly

House Bill 1348, sought to eliminate the statutorily authorized incentive compensation framework adopted by the SIB. The bill was defeated on the House floor by a vote of 1–90–3, reflecting broad legislative rejection of the proposal. Enactment of the bill would have dismantled the internal investment program approved by the Legislature and eliminated projected fee and transaction cost savings for the SIB's client funds.

III. ELIGIBLE POSITIONS

NDCC § 54-52.5-04 authorizes RIO to develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of funds under the SIB's control.

Eligible positions were clarified to the Budget Section on June 19, 2024, where RIO presented the Incentive Eligibility Metrics shown below identifying full-time equivalent investment and specialized fiscal operations positions whose duties directly support the management, performance measurement, and stewardship of funds under the SIB's control.

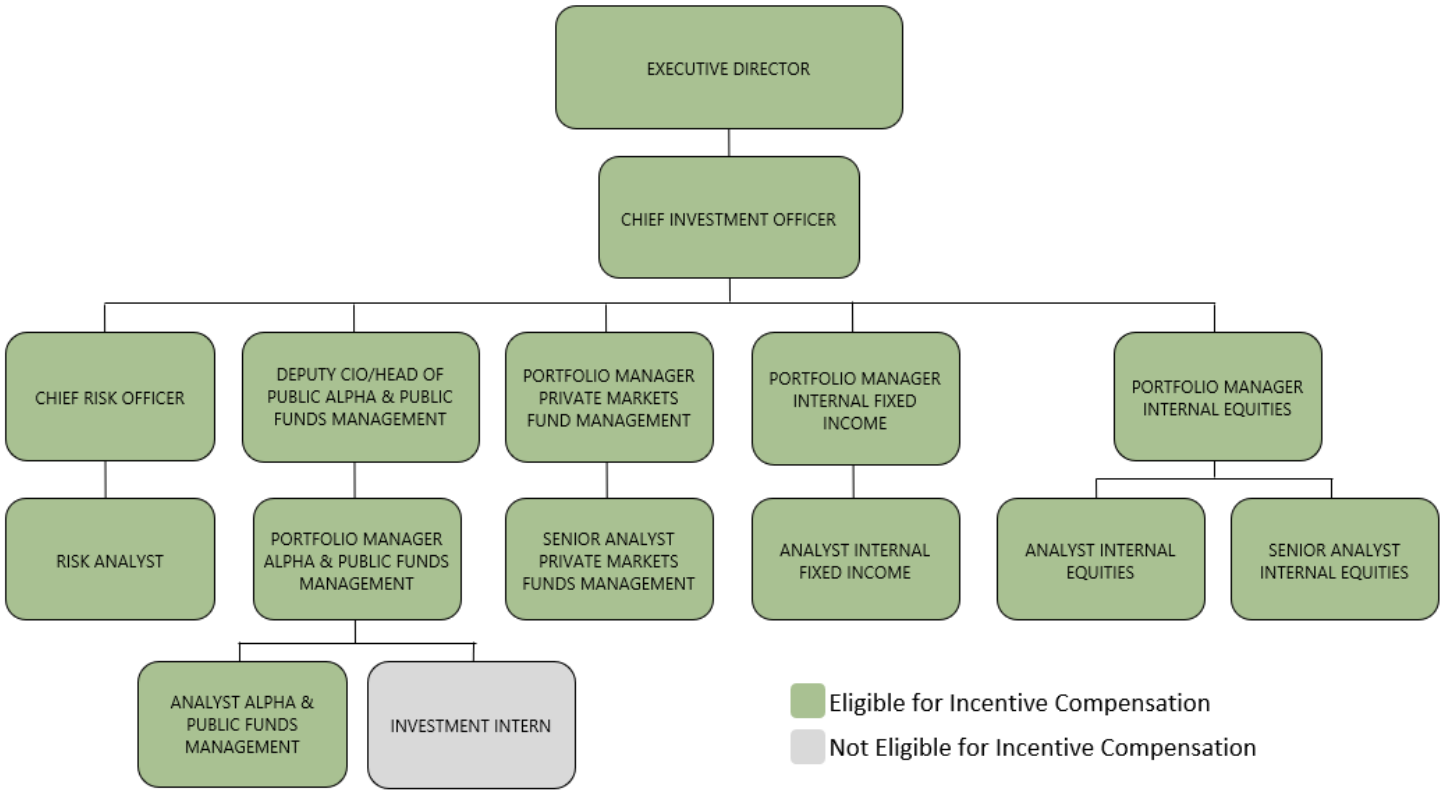
	Opportunity			
Tier	**Min** (% of Base)	**Target** (% of Base)	**Max** (% of Base)	**Positions**
1	0%	50%	100%	CIO Executive Director
2	0%	45%	90%	Deputy CIO
3	0%	37.5%	75%	Portfolio Manager Chief Risk Officer Senior Investment Officer
4	0%	30%	60%	Chief Financial Officer / Chief Operating Officer
5	0%	25%	50%	Investment Officer Risk Officer Accounting Manager
6	0%	12.5%	25%	Senior Investment Accountant Investment Accountant

In addition, the Investment Division and Fiscal Division Organizational Charts that follow were included in RIO's HB 1348 testimony, illustrating that eligibility under the incentive compensation plan is not limited to a narrow subset of team members, but instead includes investment, operations, and fiscal staff whose roles are necessary to managing the SIB's investment program as a whole. This includes investment professionals, risk management staff, and specialized fiscal staff who support investment operations, performance measurement, and oversight.

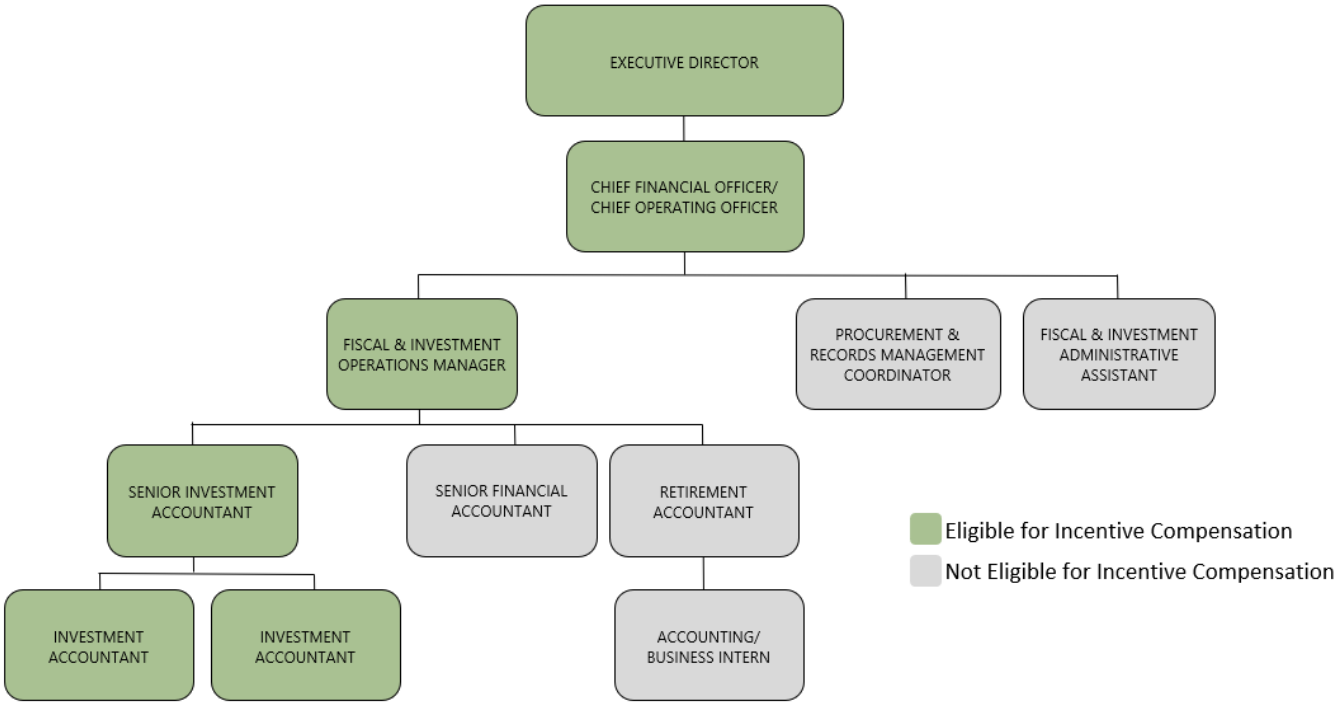
Specifically, the testimony RIO presented on HB 1348 states:

- Only certain RIO staff are eligible for incentive compensation (19 of the 34 employees):
    - 13 Investment Division Team Members.
    - 5 Fiscal Division Team Members who perform specialized investment operations and accounting that focuses on tracking and monitoring investment activity.
    - Executive Director who oversees the Investment and Fiscal Divisions.

RETIREMENT AND INVESTMENT OFFICE - INVESTMENT DIVISION



RETIREMENT AND INVESTMENT OFFICE - FISCAL DIVISION



Finally, at the October 2025 meeting, further clarification was requested from the SIB after certain position titles changed, to confirm both the revised titles and associated maximum payout opportunities.

Thus, the determination of eligible positions was based on NDCC § 54-52.5-04; the SIB's approval of the Incentive Compensation Plan; the related Budget Section presentation; testimony on HB 1348 that specifically identified eligible employees; and the Board's confirmation of employee titles and the associated maximum payout opportunities. Based on this framework, RIO determined that for Fiscal Year 2025 (FY2025), 12 employees are eligible for incentive compensation.

IV. CALCULATION OF INTERNALLY MANAGED FUNDS

NDCC § 54-52.5-04 requires that incentive payouts may occur **only** if the risk-based performance of internally managed investments exceeds the risk-based performance of policy benchmarks.

> The provisions must ensure that the payouts do not occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks.

The statute does not require that incentives be calculated solely on a narrow subset of internally traded assets; rather, it authorizes an incentive program aligned with overall fund stewardship, profitability, productivity, and responsible management.

Consistent with this authority, the SIB adopted an incentive compensation plan tied to the performance of its four largest client funds.

Statutory Requirement

The statutory requirement regarding internally managed investments establishes a condition precedent for any payout, **not** a limitation on the scope of the incentive program. While “internally managed” is not defined in statute, RIO manages all assets under the Board’s control, including assets implemented through external managers and those invested directly by staff.

Under a narrow interpretation limited to internal direct investments, RIO generated $7.9 million in excess returns in FY2025, satisfying the statutory performance requirement.

Direct Investment	Assets 6/30/25	FY 25 Return vs Benchmark
Indexed Investments	$394,676,562	$(30,361)
Cash Overlay	$10,503,950	$7,959,496
Total	$405,180,511	$7,929,135

Under a broader interpretation, “internally managed” refers to assets for which staff exercises investment discretion and oversight. This includes the internal direct program, as well as internal manager selection programs across both public and private markets under which staff is responsible for manager selection and termination, portfolio construction, and ongoing rebalancing.

Only two of the SIB’s client funds, the Job Service Employee Pension Fund and the PERS Retiree Health Insurance Fund, are externally managed.

Including all the SIB’s client funds in the calculation would have resulted in $205 million in excess returns.

Incentive Compensation Plan

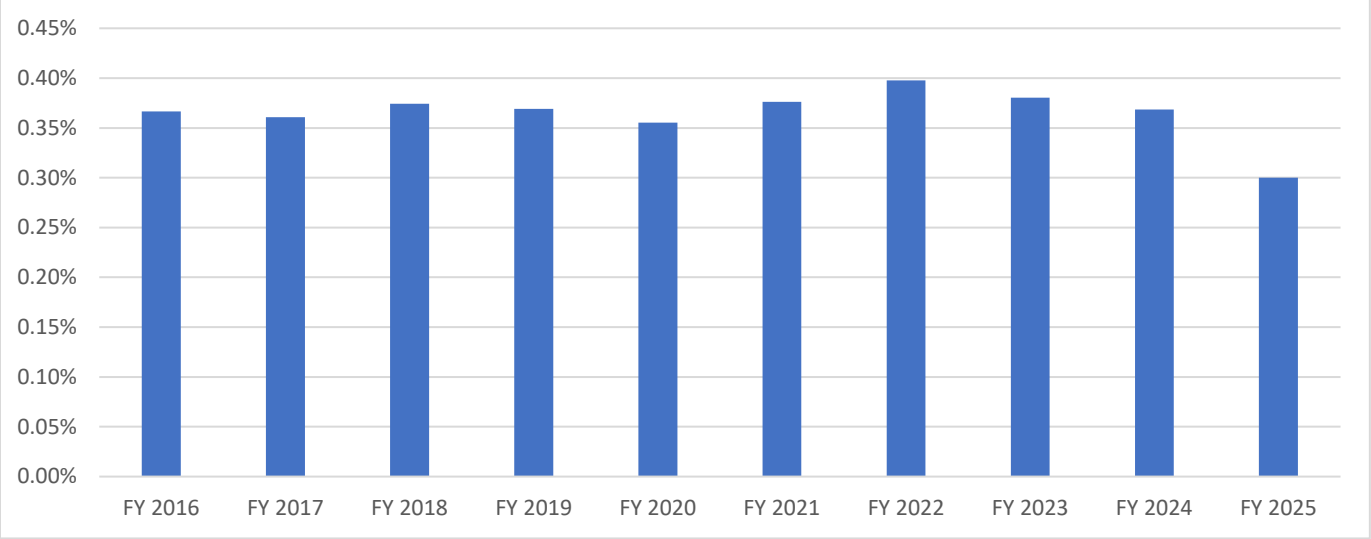
The Incentive Compensation Plan limits calculations to quantitative components and focuses on the weighted average of actual investment performance for the Legacy Fund, PERS pension fund, TFFR fund, and WSI fund, measured at the client fund level relative to SIB-approved benchmarks and verified by the SIB’s independent Benchmark and Hurdle Rate consultant.

Based on this limitation, RIO generated $191 million in excess returns in FY2025, satisfying the statutory performance requirement. This fund performance is illustrated in the table below.

Fund	Assets 6/30/25	FY 25 Return vs Benchmark
Legacy Fund	$13,018,872,768	$79,060,763
PERS	$4,867,527,021	$50,537,859
TFFR	$3,582,302,910	$41,078,211
WSI	$2,268,643,424	$20,681,252
Total	$23,737,346,123	$191,358,085

External Fees

Currently, the SIB is managing approximately 15% of assets in-house to reduce external fees, improve cash management, and lower overall costs. The following chart presents base investment fee trends over the most recent ten-year period, excluding incentive, performance, and carried interest fees. The fees for FY2025 were 30 basis points, representing a decline from a peak of 40 basis points in FY2022.



Based on Assets Under Manager as of November 30, 2025, the agency projects it will achieve approximately $13.2 million in annual investment management fee and transaction cost savings through internal management and direct investment strategies.

Forward Looking Fee and Transaction Cost Savings Based on AUM

($Mil)

Asset Class	AUM	Fee Savings	Transaction Cost Savings[4]	Carry Savings[5]	Total Savings
Fixed Income[1]	$ 1,400	0.19%	$ 1.8		$ 4.5
Equity[2]	$ 2,200	0.10%	$ 0.6		$ 2.8
Private Equity[3]	$ 435	0.32%		4.6	$ 6.0
	$ 4,035		$ 2.4	$ 4.6	$ 13.2

1. Fixed income fees for a Gov/Credit mandate
2. Equity fees for a fundamental equity manager for 1/2 capital and indexing for 1/2 of capital plus model portfolio fee for 6.25% of portfolio
3. Privte Equity fees for a Fund of Funds manager, that is now direct
4. Transaction cost savings of lower cost internal versus thru external manager equal to the bid/ask spread on securities versus using etfs or futures
5. Conservative cost of carry for a fund of funds arrangement estimate

V. CALCULATION OF BONUS

Quantitative Performance Framework

The Plan's quantitative components are based on the weighted average investment performance of the Legacy Fund, PERS pension fund, TFFR fund, and WSI fund. Performance is evaluated at the client fund level and measured on a net-of-all-cost basis, including both direct and indirect expenses.

Incentive Compensation Metric

For FY2025, performance results demonstrate outperformance relative to policy benchmarks for the key funds used in the Incentive Compensation Metric (ICM), producing $191 million in excess returns.

Fund	Total Fund Fiscal YTD Net Return (1 Year)	Corridor Index Fiscal YTD Return (1 Year)	Excess Performance (Net of Fees)
Legacy Fund	12.70%	12.07%	+0.63% (63 bps)
PERS	12.00%	10.94%	+1.06% (106 bps)
TFFR	11.42%	10.26%	+1.16% (116 bps)
WSI	8.71%	7.79%	+0.92% (92 bps)
		Weighted Excess Return	**+0.83% (83 bps)**

Calculation Methodology

The following team members are eligible for incentive compensation based on year-end base compensation, the maximum incentive percentages established in the SIB Incentive Compensation Plan, quantitative performance results, qualitative performance evaluations, and proration based on the portion of the fiscal year employed with RIO.

Title	Compensation Base ($)	Max Incentive	Quantitative	Qualitative	Year Start Date	% of Year	Incentive Bonus ($)
CIO	312,000	100%	100%	70%	7/1/2024	100%	293,280
Dep.CIO	197,600	90%	100%	80%	7/1/2024	100%	170,726
Sr Analyst	123,810	50%	100%	70%	12/16/2024	54%	31,407
Analyst	119,048	50%	100%	70%	1/21/2025	44%	24,680
Sr Analyst	136,694	50%	100%	70%	7/1/2024	100%	64,246
Portfolio Manager	205,000	75%	100%	65%	9/3/2024	82%	117,916
Operations Analyst	85,831	25%	100%	85%	7/1/2024	100%	20,814
Portfolio Manager	182,000	75%	100%	75%	7/1/2024	100%	129,675
Portfolio Manager	182,000	75%	100%	85%	7/1/2024	100%	132,405
CRO	182,000	75%	100%	70%	7/1/2024	100%	128,310
Analyst	75,000	50%	100%	60%	2/3/2025	41%	13,989
Portfolio Manager	182,000	75%	100%	80%	7/1/2024	100%	131,040
							1,258,488

VI. SPECIAL WAIVER REQUEST

The Incentive Compensation Program requires employees to be actively employed as of the date of payment. One team member remained with RIO for an additional seven months beyond their planned retirement to assist with the transition and onboarding of their successor. This individual retired in October 2025.

A special waiver is requested to authorize payment of the incentive compensation this individual would have earned had the award been paid within the first four months following fiscal year-end, consistent with the terms and intent of the plan.

Board Action:

Motion 1:

The State Investment Board approval of a total incentive compensation payment of $1,258,488 for FY2025.

Motion 2:

The State Investment Board approval of a special waiver for the employee who delayed retirement to support the leadership transition of the Chief Risk Officer role.

2. Incentive Compensation Program Policy

Executive Summary

North Dakota Century Code Chapter 54-52.5 provides that North Dakota RIO may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the SIB.

In carrying out its responsibilities, the Board has developed and administers an incentive compensation plan that reflects careful consideration of the following:

- To achieve its long-term strategic and investment objectives, RIO must have high-quality investment management staff.
- A reasonable and competitive incentive compensation plan is critical to attracting and retaining high quality staff.
- Staff should be motivated to earn the highest possible returns for RIO at reasonable costs and controlled levels of risk.
- Given that RIO needs to provide competitive pay to attract and retain qualified staff, a significant portion of total pay opportunities should be provided through performance-based incentives, a practice that is universally accepted in the financial marketplace. Under RIO's incentive compensation plan:
  - Investment-related awards should be earned only when net investment performance is above defined benchmarks (i.e., when value is created for client funds).
  - The greatest share of the excess value should accrue to the client funds, not to RIO staff.

The incentive compensation plan is rigorously managed by RIO's Executive Review and Compensation Committee (ERCC) to ensure compliance with all applicable statutes and related rules and guidelines.

Authority

North Dakota Century Code Chapter 54-52.5 provides that North Dakota RIO may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the SIB. This document specifies the policies and procedures related to the administration of annual incentive compensation.

This incentive compensation plan (the Plan) provides for payment of incentive compensation awards to full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the SIB (Participants) and supersedes all prior incentive compensation plans and/or arrangements for Participants. Participants under this Plan include all unclassified investment services related staff as may be determined by the SIB, ERCC, and Executive Director. The Effective Date of the Plan is July 1, 2024. Each plan year starts at the beginning of the fiscal year on July 1.

Plan Objectives

As developed and adopted by the Board, this Plan is designed to**:**

1. Help attract and retain talented investment professionals.
2. Help RIO earn the highest possible investment returns at a reasonable cost and at controlled levels of risk.
3. Reward long-term investment performance.
4. Reflect the RIO client fund above-benchmark, net of all performance.
5. Motivate staff to make good decisions for RIO client funds, including implementation decisions related to asset allocation.
6. Foster a collaborative approach to investing RIO's assets under management.
7. Reward measurable and achievable performance.
8. Be clear and easily communicated in terms of the Plan's objectives, design features and associated incentive compensation opportunities.
9. Be perceived as fair by RIO's employees and potential recruits.

Administration and Management

The SIB reserves the right to modify, terminate, and/or rescind any or all of the compensation schedules, provisions, policies, and procedures contained in this and all supporting documents at any time. This document describes a policy and does not provide a contract, guarantee of payment, guarantee of participation in the Plan in subsequent years, or guarantee of employment among RIO, the Board, and the Participants. Should an error in calculation or in data be discovered before or after the award distribution, RIO reserves the right to make an adjustment and recover any incentive compensation award distributed based on the erroneous data or calculation.

The Executive Director will administer the Plan with oversight by the ERCC. The Executive Director may delegate certain administrative responsibilities to other employees at RIO, including the Chief Investment Officer and the Chief Financial Officer/Chief Operating Officer.

Compensation plan participants may present questions related to the Plan to the Executive Director. The Executive Director will work with the appropriate persons to answer such questions. The Executive Director, ERCC, and SIB will have full discretion to conclusively decide all questions or matters relating to the interpretation of the provisions and administration of this Plan.

The SIB must approve any question or matter whose resolution requires a material modification to the Plan, such as a change to the performance standards or maximum award levels. Any such amendments or changes to the Plan may be proposed by the Executive Director or the ERCC but must be recommended by the ERCC and approved by the SIB.

Eligibility

Positions that are eligible for incentive compensation are full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the SIB as set forth in this plan. Any temporary employment or project positions are not eligible. Plan participation is determined based on employment status and the Executive Director's assessment of the position's impact on RIO's overall investment performance. Participants must have worked in a covered position at least three full consecutive calendar months during the year to be eligible for incentive compensation under the Plan, and incentive compensation will paid on a pro-rata basis if not employed the entire fiscal year. The Executive Director will confirm any new positions that will be

eligible under the Plan during the next fiscal year.

Employment at RIO in good standing on the day of payment is a pre-requisite for receiving any incentive compensation payment, except in the case of retirement, disability, death or otherwise as provided below. For purposes of this Plan, "employment in good standing" means (a) the Participant's performance is rated above "Developing" in the Participant's most recent performance review, (b) the Participant is not on a performance improvement plan.

Eligibility upon Separation

Generally, a Participant must be employed by RIO as of the date the incentive compensation is paid out in order to be eligible to receive the payment. In the case of disability or death occurring during the fiscal year, any Board-approved incentive compensation amount may be paid to the Participant, the amount to be determined by the Executive Director, subject to approval by the SIB, based on the time worked during the fiscal year and subject to the Participant's termination meeting the qualifications in the next paragraph, if not employed as of the date of payment. These payments will be made at the same time as any other incentive compensation award. No incentive compensation will be awarded if the Participant was employed for less than three consecutive months during the fiscal year in which the disability or death occurred.

If a Participant terminated employment prior to payment of an award, the full amount of the incentive compensation award will be paid to the Participant (or beneficiary in the case of death) only upon the following conditions:

- If the Participant's separation is due to the Participant's disability.
- If the Participant's separation is due to the Participant's death.
- If the Participant's termination is due to reasons other than the Participant's disability or death, and his/her last day of active employment is prior to the payment date then no incentive compensation award will be payable to the Participant.

Plan Concepts/Mechanics

The Plan's terms and conditions are described in this document. A summary of the Plan's overall mechanics is as follows:

- Prior to or near the beginning of each fiscal year, Participants will be assigned a maximum incentive compensation opportunity, which effective as of the Plan year will be expressed as a percentage of his or her base salary at the beginning of the fiscal year (or the Participant's start date if employed after the start of the fiscal year). Maximum incentive compensation opportunities will vary by position based on differing levels of accountability and responsibility.
- Maximum incentive compensation opportunities will be weighted or allocated to specific quantitative and discretionary Plan components. Several Plan components are based on Value Added. Value Added (VA) means the weighted average of outperformance of funds as described within the plan.
- After year-end, depending on performance, awards will be determined for each stand-alone Plan component.

- Notwithstanding any other provision in this Plan and regardless of any incentive compensation award calculations hereunder, no incentive compensation award shall be made unless and until approved by the SIB, in its sole discretion. The SIB may award, adjust (up or down), modify or deny any incentive compensation amounts calculated pursuant to the Plan. All incentive compensation awards hereunder are discretionary.

Step 1: Set Each Participant's Maximum Incentive Compensation Opportunity

Prior to or near the beginning of each fiscal year, or the Participant's start date if employed after the start of the fiscal year, Participants will be assigned a maximum incentive compensation opportunity, which will be expressed as a percentage of his or her base salary. Unless approved by the Executive Director, maximum incentive compensation opportunities will vary by the position held for most of the year (i.e., position held through June 30 for existing employees) and based on differing levels of accountability and responsibility.

Current maximum incentive compensation opportunities are set forth below.

Maximum Incentive Award	Position Title
100%	Chief Investment Officer
	Executive Director
90%	Deputy Chief Investment Officer
75%	Portfolio Manager (new FTE's) Chief Risk Officer Senior Investment Officer
60%	Chief Financial Officer/ Chief Operating Officer
50%	Investment Officer Risk Officer Accounting Manager
25%	Sr. Investment Accountant Investment Accountant

Step 2: Calculate the Maximum Incentive Compensation Opportunity for the Plan

The maximum incentive compensation opportunity for the entire Plan will be calculated by aggregating the maximum incentive compensation opportunities for each Participant.

Step 3: Allocate each Participant's Maximum Incentive Compensation Opportunity to Performance Components

Each Participant's maximum incentive compensation opportunity will be weighted or allocated among standalone quantitative and qualitative performance components.

All Roles		
Weight	*Performance Component*	*Allocation Method*
80%	Fund VA -3-year rolling	Minimum: (10%) >= 1 bp Maximum: (100%) 50 bps
20%	Individual Goals	Discretionary

Any proposed changes to incentive compensation weightings will be reviewed and approved by the Executive Director and the ERCC, and approved by the SIB, prior to the beginning of each fiscal year.

Step 4: Calculate the Performance Components

VA Performance Components

The Plan's quantitative components focus on weighted average of the Legacy Fund, PERS pension fund, TFFR fund, and the WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks. Client fund performance is measured on a net of all basis (i.e., net of all direct and indirect costs). Asset Class and Team performance is measured net of direct costs.

The SIB approves an Incentive Compensation Metric (ICM) performance verified by the SIB's independent Benchmark and Hurdle Rate consultant. The Incentive Compensation Metric represents the amount of outperformance of the applicable benchmark necessary to earn the full incentive compensation opportunity. Performance-award scales are derived from the ICM and define the linkage between RIO's actual, relative, net investment performance and a corresponding percentage of the maximum incentive compensation opportunity that is earned.

Prior to or near the beginning of each performance year, any requested changes to the ICM(s) or performance-award scales must be submitted, in writing, by the Executive Director to the ERCC and from the ERCC to the SIB for review and approval, and to the Hurdle Rate and Benchmark Consultant for review and verification. There will be a comprehensive review of the ICM(s) up to every three to five years at the discretion of the SIB.

Under RIO Plan:

The percentage of the maximum *quantitative* incentive compensation opportunity earned:

- Equals 0% when performance is at or below benchmark.
- Equals 10% when net performance exceeds the benchmark by one full basis point.
- Increases pro rata, from 10% to 100%, for net performance that is between one full basis point above the benchmark, and the ICM.

- Equals 100% when net performance equals or exceeds the benchmark by the full ICM[1]

Portfolio VA

In the first three years of the Plan, the first year Fund VA will be the one year weighted average Fund VA, the second year of the plan will be the two-year compound Fund VA and the third year will be the three-year compound average of the weighted average of the Legacy Fund, the PERS pension fund, TFFR fund, and WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks. Thereafter, the weighted average Fund VA applied to all participants is a rolling three-year average of the weighted average of the Legacy Fund, the PERS pension fund, TFFR fund, and WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks.

For Participants that join RIO on or after the beginning of the fiscal year, the weighted average Fund VA applied to all participants will be used. The payout will be made pro-rata based on the percentage of plan year time employed that starts with the beginning of the fiscal year on July 1.

For Participants that joined RIO prior to the plan year starting with the beginning of the fiscal year but have been employed for fewer than three years as of the start of the fiscal year, the weighted average Fund VA applied to all participants will be used.

Individual Goals Component

The Individual Goals component is set by the manager of the Participant as part of the performance evaluation process. The final performance evaluation of each Participant is approved by the Executive Director. In addition, such Participants will be evaluated on leadership/behavioral and organizational competence factors. Some factors that may be considered include training and mentoring of staff, contribution to organizational strategic planning, and participation in projects or initiatives to update business and/or analytical processes and tools and the associated technology applications. The Executive Director will determine the amounts awarded for Individual Goals in consultation with managers.

Step 5: Allocate Discretionary Components Among Relevant Participants

Quantitative components are allocated to Participants directly without modification. Discretionary components for Individual Goals components, will be allocated by the Executive Director.

Step 6: Present Final Award Recommendations to the Board of Trustees

The Executive Director's award recommendations will be made to the ERCC. The ERCC will make a recommendation regarding the incentive compensation awards to the SIB for approval. For all Participants, an incentive compensation award is contingent on approval of the award by the SIB, in its sole discretion.

Step 7: Payment of Awards

Incentive compensation awards will be determined and authorized as soon as practical

following the close of each fiscal year, with a target of within the first four months of each fiscal year for the previous fiscal year.

RIO shall be entitled to withhold or deduct, as applicable, from the amount of any payment under this Plan or any other compensation due to the Participant, all federal, state, city and other taxes and all other amounts, as applicable.

[1] ICMs are intended to reflect levels of net performance that are considered top quartile, based upon expected levels of risk and return.