

**State Investment Board Meeting – Tuesday, June 23, 2026, 1:00 p.m.**  
**WSI Board Room (In-Person) – 1600 E Century Ave, Bismarck, ND**  
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## 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 (SIB April 27, 2026) & (Securities Litigation Committee March 17, 2026) (Board Action)**
  
- III. **INVESTMENTS (30 minutes)**
  - A. Quarterly Performance Update (Board Action) – Cerity
  
- IV. **QUARTERLY MONITORING REPORTS (15 minutes) (Board Action)**
  - A. Quarterly Audit Activities Report – Ms. Seiler
  
- V. **GOVERNANCE (90 minutes)**
  - A. Governance & Policy Review Committee Update – Dr. Lech, Ms. Smith
    1. Second Reading & Final Adoption of Governance Policy System (Board Action) – Rick Funston
  - B. Investment Committee Update – Treasurer Beadle, Mr. Anderson
    1. Pension Pool Private Credit Benchmark Update (Board Action) – Verus
    2. City of Bismarck Deferred Sick Leave IPS (Board Action) – Mr. Chin

(Break)

  - C. Audit Committee Update (Information) – Treasurer Beadle, Ms. Seiler
  - D. SIB Client Satisfaction Survey (Board Action) – Ms. Mudder, Ms. Smith
  - E. SIB Meeting Schedule FY27 (Board Action) – Ms. Smith
  - F. Executive Director Update (Information) – Ms. Smith
  - G. Executive Review & Compensation Committee Update – Dr. Lech, Ms. Smith
    1. Executive Director Job Description (Board Action) – Ms. Smith
    2. Executive Director Legislative Increase Recommendation (Board Action) – Mr. Otteson
    3. FY 2026 Incentive Compensation Plan (10 Minutes) (Board Action) – Ms. Smith
    4. Introduction & First Reading of FY 2027 Incentive Compensation Policy (Board Action) – Ms. Smith
  
- VI. **OTHER**
  - A. Next Meetings:
    - Investment Committee - Friday, July 10, 2026, at 9:00 a.m.
    - State Investment Board – Wednesday, July 29, 2026, at 8:30 a.m.
  
- VII. **ADJOURNMENT**

# **NORTH DAKOTA STATE INVESTMENT BOARD**

## **MINUTES OF THE APRIL 27, 2026, BOARD MEETING**

### **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  
Joe Heringer, Commissioner Univ. & School Lands  
Pete Jahner, Investment Professional  
Sen. Jerry Klein, LBSFAB  
Cody Mickelson, TFFR Board  
Adam Miller, PERS Board  
Joe Morrissette, Director of OMB  
Dr. Prodosh Simlai, Investment Professional  
Art Thompson, Director of WSI

### **GUESTS**

Rick Funston, Funston Advisory  
Marc Gesell, Verus  
Sowmya Karumanchi, State Procurement  
Chad Keech, State Procurement  
Eileen Neill, Verus  
Evan Norton, Funston Advisory  
Kirsten Tuntland, Assistant Attorney General  
Aaron Weber, Governor's Office  
Members of the Public

### **STAFF PRESENT**

Scott M. Anderson, CIO  
Eric Chin, Deputy CIO  
Jac Collins, Sr. Investment Analyst  
Cory Cox, Investment Analyst  
Derek Dukart, Sr. Investment Analyst  
Jennifer Ferderer, Fiscal/Investment Admin  
Tim Forsythe, Deputy CFOO  
Chirag Gandhi, Portfolio Mgr.  
Deneen Gathman, Retirement Accountant  
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  
Temi Osinaike, Internal Auditor  
Adam Otteson, CFOO  
Daphne Pfeleger, Investment Accountant  
Emmalee Riegler, Procurement/Records Coord.  
Sara Seiler, Supervisor of Internal Audit  
Jodi Smith, Executive Director  
Dottie Thorsen, Internal Auditor  
Susan Walcker, Sr. Financial Manager  
Alex Weissman, Investment Analyst  
Lance Zietlow, Portfolio Mgr.

### **CALL TO ORDER**

Governor Kelly Armstrong, Chair, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Monday, April 27, 2026. 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, Rep. Bosch, Mr. Thompson, Dr. Simlai, Mr. Mickelson, Sen. Klein, Dr. Lech, Mr. Morrissette, Mr. Jahner, and Gov. Armstrong**

### **AGENDA**

The Board considered the agenda for the April 27, 2026, SIB meeting.

**IT WAS MOVED BY DR. LECH AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 27, 2026, AGENDA AS PRESENTED.**

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

**NAYS: NONE**

**MOTION CARRIED**

## **MINUTES**

The Board considered the minutes of the March 20, 2026, SIB meeting.

**IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 20, 2026, MINUTES AS DISTRIBUTED.**

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

**NAYS: NONE**

**MOTION CARRIED**

## **INVESTMENTS**

### [Quarterly Performance Update](#)

Ms. Neill and Mr. Gesell, Verus, provided an update on investment performance through February 2026. The primary risks identified were geopolitical uncertainty related to the Iran conflict and elevated market valuations, which could increase volatility if conditions change.

Market performance remained strong through early 2026, with domestic equities, international equities, and small-cap stocks posting positive returns. Fixed income generated modest gains, while real estate continued to lag other asset classes. Despite these conditions, portfolio implementation outperformed policy benchmarks across the major funds.

The Legacy Fund, PERS, TFFR, and WSI portfolios all reported strong fiscal year-to-date, one-year, and long-term returns that exceeded their respective benchmarks and actuarial return assumptions. The update highlighted that active management continued to add value, with excess returns generally remaining in top-quartile ranges while portfolio volatility remained comparable to or lower than benchmark levels.

Board members discussed asset allocation reporting and requested that future performance reports include both actual portfolio allocations and target policy allocations to provide clearer visibility into progress toward long-term asset allocation objectives. Staff agreed to incorporate that information into future reports.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY REP. BOSCH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY PERFORMANCE UPDATE.**

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

## **GOVERNANCE**

### **Governance & Policy Review (GPR) Committee Update**

Dr. Lech provided an update from the GPR Committee meeting on April 7, 2026. The committee reviewed the updates to the Governance Policy System (GPS). Two enhancements were highlighted: a decision framework that clearly defines board, committee, and staff responsibilities, and a multi-year governance calendar that establishes the timing and cadence of recurring governance activities. Together, these tools are intended to improve clarity, consistency, and accountability in governance processes.

The committee also reviewed a draft web-based version of the GPS. Members found the format easier to navigate and more user-friendly than the current manual, with improved searchability and accessibility for board members, staff, and the public.

Discussion also focused on implementation. The committee acknowledged that adoption of the new governance framework will require operational changes, including updates to reporting, information flow, and board processes. While implementation remains targeted for July 1, not all components will be fully developed by that date. Members emphasized the importance of allowing staff flexibility and support as the organization transitions to the new governance model.

### **Investment Committee Update**

Treasurer Beadle provided an update on the Investment Committee meeting held on April 9, 2026. The meeting primarily focused on private market investment recommendations. The committee reviewed and approved a private equity opportunity, which adds diversification to the portfolio and supports progress toward long-term private market allocation targets.

The committee also approved a North American private credit fund with a real estate focus. This investment aligns with existing portfolio strategies and supports the continued buildout of private credit allocations within both the Legacy Fund and pension plans.

The committee reviewed and approved revisions to the Legacy Fund Investment Policy Statement (IPS), which had also been approved by the Legacy and Budget Stabilization Fund Advisory Board and was included in the meeting materials for consideration by the full board.

Mr. Chin reviewed the updates to the Legacy Fund IPS.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY REP. BOSCH AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE LEGACY FUND IPS.**

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

## **MOTION CARRIED**

### Executive Review & Compensation Committee (ERCC) Update

Dr. Lech provided an update from the ERCC meetings on April 9, 2026, and April 15, 2026. The Committee focused primarily on completing the Executive Director's (ED) annual performance evaluation. The evaluation process included feedback from the SIB, client boards, and agency staff, as well as consideration of audit results, financial reports, quarterly monitoring reports, and other performance information. Committee members expressed appreciation for the thoughtful and detailed feedback provided through the stakeholder surveys, particularly the narrative comments that helped provide context and perspective.

After reviewing the survey results and performance information, the committee discussed the Executive Director's performance and developed a summative evaluation, which was reviewed and approved by the ERCC before being recommended to the board.

The evaluation found strong and consistent performance across stakeholder groups. Key strengths identified included collaborative and respectful leadership, integrity and professionalism, approachability, genuine concern for staff, organizational stability during a period of significant transition, and effective legislative and external advocacy. Opportunities for continued growth included strengthening feedback loops and two-way communication, further operationalizing the agency's strategic vision, and continuing to delegate responsibilities to support long-term organizational sustainability and staff development.

Overall, the committee concluded that Ms. Smith demonstrated strong performance during her first 18 months leading the agency and recommended approval of the evaluation.

**IT WAS MOVED BY DR. LECH AND SECONDED BY MR. THOMPSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE ED PERFORMANCE EVALUATION.**

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

**NAYS: NONE**

**MOTION CARRIED**

### Board Governance Consultant

Ms. Smith reviewed a recommendation to retain Funston Advisory Services as an ongoing governance consultant following the completion of the GPS rewrite. The recommendation is to maintain Funston in an advisory role to assist with the implementation and change management as the board transitions to the new governance structure.

Potential areas of support include board education, governance training, executive director evaluations, board self-assessments, and helping the agency transition toward exception-based reporting and other governance best practices.

Staff emphasized that approval of the master services agreement would not authorize any specific projects or expenditures. Any future work would require a separate statement of work and board approval before proceeding.

Board members also discussed procurement and legal considerations, requesting confirmation that the proposed engagement complies with applicable procurement requirements and statutory authority before any future work is authorized. Staff agreed to work with legal counsel to ensure compliance and bring any necessary approvals back to the board.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE STAFF TO CONTINUE ENGAGEMENT WITH FUNSTON ADVISORY SERVICES IN A GOVERNANCE CONSULTANT ROLE TO SUPPORT IMPLEMENTATION OF THE GRS AND RELATED GOVERNANCE INITIATIVES WITH SPECIFIC SCOPE OF WORK TO BE BROUGHT FORWARD AS NEEDED FOR REVIEW AND APPROVAL.**

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

**NAYS: NONE**

**MOTION CARRIED**

#### [Legacy Fund Website Procurement Update & Performance Measurement Consultant Recommendation](#)

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2, 44-04-18.4(6)(b), AND 54-44.4-10(2) TO DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.**

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

**NAYS: NONE**

**MOTION CARRIED**

The executive session began at 9:15 a.m. and ended at 10:02 a.m. The session was attended by board members, RIO staff, Ms. Tuntland, Mr. Weber, Mr. Keech, and Ms. Karumanchi.

The Board recessed at 10:02 a.m. and reconvened at 10:12 a.m.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO DIRECT STAFF TO MOVE FORWARD WITH CONTRACT NEGOTIATIONS WITH THE OFFEROR MOST SUSCEPTIBLE TO AWARD FOR THE LEGACY FUND WEBSITE PROCUREMENT.**

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

**ABSENT: MR. BUCK**

**NAYS: NONE**

**MOTION CARRIED**

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO DIRECT STAFF TO MOVE FORWARD WITH CONTRACT NEGOTIATIONS WITH THE OFFEROR MOST SUSCEPTIBLE TO AWARD FOR THE PERFORMANCE MEASUREMENT CONSULTANT PROCUREMENT.**

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

**ABSENT: MR. BUCK**

**NAYS: NONE**

**MOTION CARRIED**

## **REPORTS**

### **Investment Ends Report**

Mr. Posch provided the Investment Ends Report for the quarter ending March 31, 2026. The funds management team completed the onboarding of a new international small-cap strategy managed by Principal, funded through the termination of an underperforming manager. Work also continued on finalizing contracts for several previously approved investment strategies. In addition, the team completed recruitment for a new investment analyst position that will support quantitative risk and funds management activities.

The investment team presented a long-term roadmap for funds management to the Investment Committee and began work on "Fixed Income 2.0," a comprehensive review of the fixed income portfolio structure similar to the Equity 2.0 initiative. The objective is to evaluate current managers and portfolio construction to ensure the fixed income program remains optimized and aligned with long-term objectives.

Within private markets, staff completed due diligence on a private equity manager that was approved by the Investment Committee and continued evaluating future opportunities. The team reported conducting approximately 96 introductory meetings with potential private market managers as part of ongoing sourcing and portfolio development efforts.

Staff also noted that the internal investment management program recently reached its one-year anniversary and is now managing more than \$3 billion in assets internally.

### **Budget Update**

Mr. Otteson provided the Budget Update for the quarter ending March 31, 2026. RIO remains under budget across all major categories, continuing the trend from the previous quarter. Salary expenditures remain below budget due to vacancies that have only recently been filled, including a new internal auditor and investment analyst. As these positions become fully staffed, salary variances are expected to narrow. Through the third quarter of the biennium, salary expenses were approximately 8% below budget.

No funds had been drawn from the new and vacant FTE pool through the reporting period, although the agency recently submitted its first request related to the newly hired internal auditor position that was authorized during the last legislative session.

Operating expenses remain below budget as well, though costs are expected to increase as the TFFR pension administration system has transitioned out of its warranty period and ongoing maintenance expenses begin. Despite these anticipated costs, the agency has not yet needed to utilize additional operating budget authority. Staff also provided an update on continuing appropriation expenditures. Expenses remain approximately \$11 million higher than the prior year, primarily due to performance-based fees paid to private market investment managers. Spending levels during the quarter generally followed the same trend observed throughout the year and remain within expectations.

## Outreach Report

Ms. Mudder provided the Outreach Report for the quarter ending March 31, 2026. Staff spent increased time responding to open record and media requests during the quarter. The agency processed approximately 43 requests during the quarter, compared to about 110 requests during the entire previous year. Many of the requests originated from national organizations and covered topics such as expenditures, proxy voting activity, investment holdings, and calendar records.

Additional staff time was devoted to the Legacy Fund website procurement process and planning for the upcoming investment seminar.

An update was also provided on website accessibility efforts. The agency has achieved ADA compliance for its website and has completed extensive staff training related to accessibility requirements. Some older content remains under review because staff chose not to archive potentially non-compliant materials in the middle of the fiscal year. Instead, notices have been added to the website directing users to request assistance if needed, with plans to complete content archiving and cleanup at fiscal year-end. Staff emphasized their commitment to balancing accessibility requirements with maintaining access to information for users.

## Executive Limitations/Staff Relations

Ms. Smith provided the Executive Limitations/Staff Relations report for the quarter ending March 31, 2026. There is one remaining open position. A Multimedia Specialist will be hired to support public records requests, website management, outreach efforts, and member and employer education.

An update on the current strategic plan was provided. Efforts have included succession planning, modernization of records management systems, and development of future staffing and budget proposals. Staff recently completed agency-wide strategic planning session, with recommendations expected to be presented at a future board meeting.

Staff have made significant progress improving reporting timeliness with financial statements and investment performance reports now being issued on schedule.

Ms. Smith discussed key organizational risks including staffing shortages, aging technology systems, cybersecurity threats, and operational capacity constraints. The investment and operations teams remain below industry staffing benchmarks which limits RIO's ability to implement certain investment strategies internally and increasing reliance on external service providers. Replacing legacy accounting systems, strengthening cybersecurity protections, and pursuing additional staffing resources are expected to be key priorities in future strategic and budget discussions.

**IT WAS MOVED BY REP. BOSCH AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE INVESTMENT ENDS, BUDGET UPDATE, OUTREACH REPORT, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

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

**NAYS: NONE**

**MOTION CARRIED**

## ADJOURNMENT

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 10:32 a.m.

Prepared by: Missy Kopp, Assistant to the Board

**NORTH DAKOTA STATE INVESTMENT BOARD  
SECURITIES LITIGATION COMMITTEE  
MINUTES OF THE MARCH 17, 2026, MEETING**

**MEMBERS PRESENT**

Joseph Heringer, Commissioner of Univ. & School Lands, Chair  
Rep. Glenn Bosch, LBSFAB  
Art Thompson, Director of WSI

**STAFF PRESENT**

Adam Otteson, CFOO  
Emmalee Riegler, Procurement/Records Coord.  
Jodi Smith, Executive Director

**GUESTS**

Kirsten Tuntland, Assistant Attorney General

**CALL TO ORDER**

Commissioner Heringer called the State Investment Board (SIB) Securities Litigation Committee (SLC) special meeting to order at 10:02 a.m. on Tuesday, March 17, 2026. The meeting was held virtually.

**AGENDA**

**IT WAS MOVED BY REP. BOSCH AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE MARCH 17, 2026, MEETING.**

**AYES: REP. BOSCH, MR. THOMPSON AND COMMISSIONER HERINGER**

**NAYS: NONE**

**ABSENT: NONE**

**MOTION CARRIED**

**MINUTES**

**IT WAS MOVED BY MR. THOMPSON AND SECONDED BY REP. BOSCH AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE SEPTEMBER 16, 2025, MEETING AS DISTRIBUTED.**

**AYES: REP. BOSCH, MR. THOMPSON AND COMMISSIONER HERINGER**

**NAYS: NONE**

**ABSENT: NONE**

**MOTION CARRIED**

**SECURITIES LITIGATION CASE UPDATES**

Ms. Smith provided an overview of the cases and SIB's claims.

### Danske Bank Case

The case concerns a major anti money laundering failure in which approximately 200 billion euros in suspicious transaction flowed through the Estonian branch between 2007 and 2015. The case exposed significant weaknesses in the compliance, internal controls and board and senior management oversight resulting in major fines, leadership changes and lasting reputational damages. SIB's claim is approximately \$1,360,000 and SIB has been involved in this litigation since June of 2019.

### Volkswagen Case

The case is a major corporate misconduct case in which Volkswagen installed software designed to cheat emission testing, making certain diesel vehicles appear compliant while admitting pollutants above legal limits in real-world driving. The case exposed a serious failure in ethics, internal controls and management oversight, resulting in billions of fines, settlements, criminal and civil actions, leadership changes and significant reputational damages. SIB's exposure is approximately \$1,358,000. SIB has been involved in this case since July of 2016.

### Nissan Case

The case is a major corporate governance case centered on allegations that the former chairman underreported compensation and misused company assets alongside broader findings of weak internal checks and excess concentration of authority. The case exposed significant failures in oversight disclosure in Board governance, which has resulted in leadership upheaval, regulatory and legal actions, and substantial reputational damages. SIB's exposure is approximately \$525,800 and SIB has been involved in this case since June of 2020.

### Philip's Action

This is a major product safety and compliance case centered on the recalled millions of sleep and respiratory devices due to concerns that sound abatement foam could degrade and create health risks. The matter exposed significant weaknesses in quality controls, regulatory compliance and management oversight resulting in large settlement and regulatory scrutiny and leadership pressure and substantial reputational damage. SIB's exposure is estimated as \$3,552,000 and SIB has been involved since March of 2023.

### Daimler Case

This is a major corporate bribery and compliance case in which certain subsidiaries were found to have made improper payments to foreign officials doing business in multiple countries. The case exposed serious failures in internal controls, books and records, compliance oversight and management supervision, resulting in United States criminal and civil resolutions totaling more than \$185 million. SIB's exposure is approximately \$2,757,000. SIB has been involved in this case since February of 2021.

Committee discussion followed.

## **Securities Litigation Monitoring Report**

Ms. Smith reviewed a summary report with information as of February 28, 2026. The full report from FRT can be sent to the committee members upon request. 21 new claims have been filed and there are 58 cases with 242 claimants being monitored. SIB has recovered just under \$194,000, paid \$34 in

fees, which is a net recovery of \$193,873. At the last SLC meeting, Representative Bosch asked a question about where the recovery funds go when received. It depends on how the funds are received. When recoveries are received directly from an investment manager, they're reported as investment income within the fund. However, when they are received through FRT, the proceeds are deposited into the appropriate fund, whether that's pension insurance, legacy, et cetera, where the original loss had occurred.

### **SIB Governance Manual Rewrite update**

Ms. Smith provided an update on a governance manual rewrite recommendation concerning the SLC. The recommendation is that the SLC be disbanded. The full draft of the governance manual will be presented to the SIB on March 20, 2026. SIB's governance consultant believes that SIB is the only investment agency within the nation that has this committee. In its place, the Executive Director will bring a comprehensive annual report to the full board and will bring actions forward as needed for board consideration.

Committee discussion followed. Ms. Smith stated the first reading of the updated governance manual will be on March 20, 2026. The goal is to have the second reading in May so that board members will have a full six weeks to consider the draft. Staff will ask the board members to provide comments or feedback to Mr. Funston and Ms. Smith by May 1, 2026. That will allow staff time to make changes as necessary. If the second reading occurs in May, the new manual would go into effect July 1, 2026, aligning with the new fiscal year.

### **Upcoming Meetings**

Commissioner Heringer stated the June meeting may or may not be needed and will keep the committee informed.

### **ADJOURNMENT**

With no further business to come before the SLC, Commissioner Heringer adjourned the meeting at 10:15 a.m.

Prepared by: Emmalee Riegler, Assistant to the Board



# North Dakota State Investment Board

Investment Performance Review

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Period Ending: March 31, 2026



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## Executive Summary 1Q26

### Capital Markets

- Public equities nearly all experienced negative returns during 1Q26 with the exception of Value stocks. International developed equities and emerging market equities led during Q1 (-1.2% and -0.2% respectively), while domestic equities lagged (-4.0%). Domestic equities also lagged over the one-year period ended March 31, 2026, although absolute returns were strongly positive across all regions including the US with a return of 18.1%. Chinese equities were down again in 1Q26 relative to other markets. Expectations for U.S. domestic earnings growth remained high with 2026 year-end earnings growth forecasted at 17.4%.
- In public fixed income markets, riskier sectors delivered relatively flat to slightly negative returns during Q1 as Core investment grade bonds returned 0.0%, high yield and bank loans returned -0.5% and -0.6%, respectively for the quarter. Over the one-year period, Core bonds returned 4.3%, high yield bonds returned 7.0% and Long bonds earned the only negative one-year return of 0.3%. The Fed left rates unchanged at its recent meeting after two rate cuts in the fourth quarter of 2025, leaving the target range at 3.50%-3.75%. Market inflation fears jumped as a result of the Iran War as the 2-year TIPS breakeven rate rose from 2.26% to 2.81%. However, the 5-Year forward inflation rate fell from 2.24% to 2.06% reflecting expectations of the war's inflation effect to be short-lived.

### Consolidated Pension Trust

- The Total Fund return of -0.3% exceeded the Corridor Target (-1.0%) in the first quarter by 70 basis points and was ahead by 50 basis points for the fiscal year to date (6.2% vs. 5.6% for the Target). The Funds were ahead of the Corridor Target by 120 basis points for the one-year period ended 3/31/2026. The Funds also outperformed the Corridor Target for all relevant longer-term measurement periods.
- Importantly, Fund returns exceed the discount rate assumption in most 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 3/31/2026.
- Compared to peers, the Funds have earned higher returns at a lower level of risk for the 5-year period ended 3/31/2026.
- Public Equities exceeded their respective benchmarks for both the first quarter and longer-term measurement periods. Investment grade fixed income modestly lagged its benchmark for the quarter, -0.2% vs. 0.0% for the benchmark, Bloomberg Aggregate Bond Index.

### Legacy Fund

- The Legacy Fund return exceeded the Corridor Target for the quarter ended 3/31/2026, -0.5% vs. -1.3%. The Fund also 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 3/31/2026.

- The Public Equities return exceeded the benchmark for both the first quarter (-1.6% vs. -2.5% for the benchmark) and longer-term measurement periods. The Total Income return also exceeded its benchmark for both the first quarter (0.4% vs. -0.2% for the custom blended benchmark) and longer-term measurement periods.
- Real Assets exceeded its custom blended benchmark for the quarter (2.8% vs. 0.8% for the benchmark), and is well ahead of the benchmark for the 1-year period ended 3/31/2026 (6.6% vs. 3.5% for the benchmark).

### Consolidated Insurance Trust

- The Trust return of 0.2% for the quarter ended 3/31/2026 exceeded the Corridor Target return (-0.2%) by 40 basis points. The Trust is ahead of the Corridor Target return for all longer-term periods of interest.
- The return of the Total Equity asset class exceeded its benchmark for the first quarter (-1.2% vs. -2.6% for the custom blended global equity benchmark) and relevant longer-term measurement periods.
- Domestic Fixed Income very modestly lagged the return of its benchmark (-0.2% vs. 0.0% for the Bloomberg Aggregate Bond Index).
- Real Assets exceeded its custom blended benchmark return for the quarter (1.4% vs. 0.6%). Real assets now exceeds its one-year return as of 3/31/2026 by 120 basis points (4.4% vs. 3.2% for the benchmark).

Total Fund  
Executive Summary (Net of Fees)

North Dakota State Investment Board  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Pension Consolidated</b>	<b>9,192,232,236</b>		<b>-0.3</b>	<b>6.2</b>	<b>14.0</b>	<b>10.0</b>	<b>6.8</b>	<b>8.4</b>
<i>Policy Index</i>			-1.0	5.7	12.8	9.7	6.6	8.2
<i>Corridor Target Index</i>			-1.0	5.6	12.8	9.5	6.2	8.0
<b>PERS</b>	<b>5,159,396,965</b>		<b>-0.4</b>	<b>6.4</b>	<b>14.4</b>	<b>10.2</b>	<b>6.9</b>	<b>8.6</b>
<i>Policy Index</i>			-1.1	5.7	13.1	9.8	6.7	8.2
<i>Corridor Target Index</i>			-1.2	5.7	13.2	9.7	6.3	8.1
<b>TFFR</b>	<b>3,734,111,625</b>		<b>-0.2</b>	<b>5.8</b>	<b>13.3</b>	<b>9.6</b>	<b>6.5</b>	<b>8.3</b>
<i>Policy Index</i>			-0.8	5.5	12.4	9.4	6.6	8.1
<i>Corridor Target Index</i>			-0.8	5.4	12.2	9.1	6.0	7.8
<b>Legacy</b>	<b>13,668,962,395</b>		<b>-0.5</b>	<b>7.6</b>	<b>16.1</b>	<b>11.4</b>	<b>6.6</b>	<b>7.9</b>
<i>Policy Index</i>			-0.9	6.5	13.9	9.8	5.3	7.0
<i>Corridor Target Index</i>			-1.3	6.5	14.4	10.2	5.6	7.1
<b>Insurance Consolidated</b>	<b>3,647,996,806</b>		<b>0.1</b>	<b>4.3</b>	<b>7.4</b>	<b>6.5</b>	<b>3.1</b>	<b>4.8</b>
<i>Policy Index</i>			-0.2	3.7	6.4	5.4	2.5	4.0
<i>Corridor Target Index</i>			-0.2	3.7	6.4	5.4	2.5	4.0
<b>WSI</b>	<b>2,336,239,811</b>		<b>-0.1</b>	<b>4.7</b>	<b>8.6</b>	<b>6.7</b>	<b>3.2</b>	<b>5.2</b>
<i>Policy Index</i>			-0.4	4.1	7.4	5.8	2.6	4.3
<i>Corridor Target Index</i>			-0.4	4.1	7.5	5.8	2.6	4.3
<b>Budget</b>	<b>978,893,067</b>		<b>0.6</b>	<b>3.2</b>	<b>4.7</b>	<b>6.0</b>	<b>2.9</b>	<b>2.7</b>
<i>Policy Index</i>			0.3	2.7	4.0	4.3	2.0	2.0

# Recent Cerity Partners research

## Thought Leadership

### TOP TEN THOUGHTS FOR 2026

Every year Verus identifies a series of topics that we believe will be important for investors to consider during the coming year. Some of those tend to be economics or markets focused, while others tend to focus on geopolitics or other broader issues. The paper also looks back at the past years' forecasts.

### LDI FOR PUBLIC SPONSORS

We explore the dichotomy in LDI adoption between sponsor types. We discuss the characteristics of pension plans that make LDI strategies beneficial. We assess the current environment, to illustrate why LDI may appear relatively attractive today.

### STATE OF THE CORE REAL ESTATE FUND UNIVERSE

Verus addresses the state of the core real estate fund universe. Discussion includes the mixed fundamental conditions facing the asset class and the heavy redemption queues that continue to challenge certain funds and frustrate investors who are seeking liquidity.

### THIS MATTERS, AND THIS DOESN'T

We offer perspectives regarding what we watch out for to acknowledge or even avoid biases where possible. Deciding what matters most to the portfolio by ensuring a balanced set of information sources, keeping a watchful eye for biases and carefully thinking about incentives, and also determining what doesn't matter.

# U.S. economics summary

- › U.S. Q4 GDP growth was revised down to 0.7% QoQ annualized. Less government spending was a notable contributor to poor growth, caused by the government shutdown. Growth in Q1 is also expected to be weak at 1.3% QoQ annualized, according to the Atlanta Fed GDPNow estimate, as of April 9<sup>th</sup>. The U.S. trade deficit has persisted as an ongoing drag on growth, despite aggressive tariff hikes and other implemented measures.
- › The US-Israel war with Iran began on February 28 with surprise airstrikes on Iranian sites and cities. While damage to Iranian military capabilities has been severe, the IRGC has held onto power and showed little willingness to negotiate. The disruption of the Strait of Hormuz triggered the largest oil supply disruption in history, pushing oil (WTI) to \$119 in overnight trading, fueling global inflation fears and risking central banks tightening. On April 17<sup>th</sup> Iran announced the Strait of Hormuz was “completely open” following a ceasefire agreement between Israel and Lebanon, sending energy prices lower.
- › U.S. inflation jumped to 3.3% while core CPI rose to 2.6%. This report reflected a very large increase overall, though

energy prices were effectively the sole cause, with other goods and service prices showing mild or flat movement. Food price inflation was 0% during the month and services (excluding energy services) rose only 0.2%. Shelter inflation continued to cool as rent growth moderated, reinforcing a disinflation trend.

- › The rate of unemployment fell from 4.5% to 4.3%, though this appears to be due to workers leaving the job market rather than a strengthening of labor conditions. Hiring activity is extremely low—at a level last seen during the depths of COVID and during 2011 as the economy began to recover from the 2008-2009 Global Financial Crisis.
- › Poor consumer sentiment continued, with the University of Michigan sentiment survey dropping to 47.6, and the Expectations component of the survey falling to the lowest level since 1980. The report indicated poor sentiment across all age, income, and political affiliations. One-year inflation expectations jumped from 3.8% to 4.8%, though it is worth noting that consumer inflation expectations tend to overshoot relative to actual inflation trends.

	Most Recent	12 Months Prior
Real GDP (YoY)	2.0% 12/31/2025	2.4% 12/31/2024
Inflation (CPI YoY, Core)	2.6% 3/31/2026	2.8% 3/31/2025
Expected Inflation (5yr-5yr forward)	2.1% 3/31/2026	2.2% 3/31/2025
Fed Funds Target Range	3.50% - 3.75% 3/31/2026	4.25% - 4.50% 3/31/2025
10-Year Rate	4.3% 3/31/2026	4.2% 3/31/2025
U-3 Unemployment	4.3% 3/31/2026	4.2% 3/31/2025
U-6 Unemployment	8.0% 3/31/2026	7.9% 3/31/2025

# International economics summary

- › Eurozone GDP growth was 1.2% YoY in Q4, while Japan and Canada grew at a 0.4% and 0.6% rate, respectively. International growth and forecasts had exceeded expectations since the U.S. trade policy shift last April, but the Middle East war has since weighed on expectations and reignited inflation concerns.
  - › The U.S.-Israel war with Iran triggered severe energy supply disruptions following the effective closure of the Strait of Hormuz, pushing Brent crude oil above \$115/barrel in late March. On April 17th Iran announced the Strait of Hormuz was “completely open” following a ceasefire agreement between Israel and Lebanon, sending energy prices sharply lower. Economies most dependent on gulf energy exports, including Japan, Europe, and China, face greater risks if disruptions persist.
  - › The tariff environment continued to ease, with no major U.S. trade actions implemented and several threatened tariff increases deferred. Early-April’s enactment of the Supreme Court’s ruling invalidating IEEPA-based tariffs introduced partial relief. Some progress toward bilateral agreements—notably momentum toward a U.S. EU trade deal and the signing of a U.S. Ecuador agreement—pointed to selective
- normalization amid ongoing legal and policy uncertainty.
- › The U.S. led talks between Russia and Ukraine in January and February produced a brief pause of attacks on energy infrastructure, though this later collapsed as hostilities re-intensified toward quarter-end. Core disagreements over territory and security guarantees remain unresolved.
  - › Following a series of rate cuts, the ECB and BOE held rates steady at 2.00% and 3.75%, respectively, citing persistent underlying inflationary pressures even prior to the Middle East conflict. Markets now expect possible rate hikes later in 2026 as energy-related inflation uncertainty clouds the outlook.
  - › By contrast, growth risks have emerged in Japan and China. Japan paused interest rate hikes due to war-related economic growth concerns. China entered the year with an already accommodative stance amid weak growth and low inflation, and the war has reinforced the case for continued or additional policy support.
  - › U.S. tensions with NATO have persisted, as many European allies who are very reliant on gulf energy exports have now banned U.S. use of local air bases for operations connected to the Iran war.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.0% 12/31/2025	3.3% 3/31/2026	4.3% 3/31/2026
Eurozone	1.2% 12/31/2025	2.5% 3/31/2026	6.2% 2/28/2026
Japan	0.4% 12/31/2025	1.3% 2/28/2026	2.6% 2/28/2026
Canada	0.6% 1/31/2026	1.8% 2/28/2026	6.7% 3/31/2026
BRICS Nations	4.4% 12/31/2025	1.9% 3/31/2026	5.3% 3/31/2026
Brazil	1.8% 12/31/2025	4.1% 3/31/2026	5.8% 2/28/2026
Russia	1.0% 12/31/2025	5.9% 3/31/2026	2.1% 2/28/2026
India	7.8% 12/31/2025	3.4% 3/31/2026	8.5% 12/31/2017
China	4.5% 12/31/2025	1.0% 3/31/2026	5.3% 2/28/2026

**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

- › During Q1, short duration higher-quality assets outperformed longer duration assets and lower-quality credit. In contrast, shorter-duration high yield and leveraged loans experienced sharper drawdowns tied to spread widening following headline risk in March, sector-specific stress in Technology & Software, and fund outflows, resulting in uneven performance even as floating-rate structures benefitted bank loans.
- › The 10-year U.S. Treasury yield moved upward from 4.16% to 4.32% during the quarter. The Iran war and subsequent energy supply shock led to fears of inflation and pushed rates higher. These shifting conditions translated to a sudden reversal in the expected Federal Reserve rate path, with investors now expecting Fed rate cuts to remain on hold.
- › Market inflation expectations jumped during Q1 as represented by the U.S. TIPS 2-year Breakeven Inflation Rate, which rose from 2.26% to 2.81%. However, markets seem to expect price rises to be short-lived. The 5-year 5-year forward inflation rate fell from 2.24% to 2.06%.
- › Fears of a private credit crisis continued to circulate, although there seems to be little evidence so far of widespread credit defaults or stress. The liquidity issues that are currently a concern are apparent in a small segment of the overall market in funds that have the ability to limit redemption requests at 5% per quarter. Most private fund loans mature at least a year or two from now, which suggests credit stress could remain muted in 2026.
- › Including distressed exchanges, par-weighted U.S. high yield bond default rates increased to 2.1%, low by historical standards but the highest level in two years. Leveraged loan default rates declined to 3.0%, falling meaningfully from early-2025 highs but still above historical norms. While aggregate activity remained elevated relative to Q1 2025, a slowing in March shows that stress remains episodic and issuer-specific rather than systemic, with credit markets continuing to absorb defaults and restructurings without material disruption.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	0.0%	4.3%
Core Plus Fixed Income (Bloomberg U.S. Universal)	-0.1%	4.6%
U.S. Treasuries (Bloomberg U.S. Treasury)	0.0%	3.3%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	-0.3%	-0.3%
U.S. High Yield (Bloomberg U.S. Corporate HY)	-0.5%	7.0%
Bank Loans (Morningstar LSTA Leveraged Loan)	-0.6%	4.8%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	-2.2%	11.8%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	-1.3%	10.4%
Mortgage-Backed Securities (Bloomberg MBS)	0.4%	5.8%

Source: Standard & Poor's, J.P. Morgan, Bloomberg, as of 3/31/26

# Equity environment

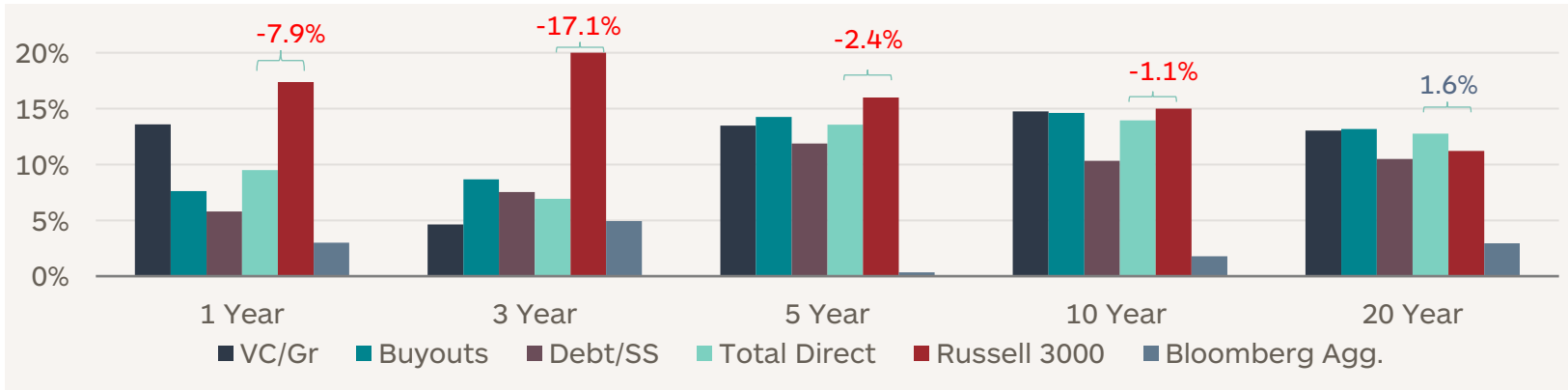
- › U.S. equities led markets lower during the quarter, losing -4.3% (S&P 500), most of which occurred since the beginning of the Iran conflict. Emerging market equities outpaced other markets overall during Q1 (MSCI EM - 0.2%), followed by international developed (MSCI EAFE -1.2%).
- › ‘Size’ and ‘style’ domestic equity behavior shifted during Q1. Mega-cap growth stocks took a breath during 2025, with most of the Magnificent 7 stocks underperforming, and in 2026 all of those stocks underperformed. Fears around AI contributed to a broad selloff in Tech and Software, negatively impacting Growth. Additionally, the Iran war led to an extreme spike in energy and commodity prices due to supply concerns, which boosted the performance of Value.
- › Year-over-year Q1 S&P 500 earnings growth is expected to come in at +13.2%, according to FactSet, as of April 2nd. Full year 2026 corporate earnings growth is expected to come in at an incredible rate of +17.4%.
- › Chinese equities once again faced dramatic underperformance relative to broader emerging markets. MSCI China fell -8.9% during Q1 which compared to +3.2% from MSCI EM ex-China. China gained +3.9% over the past year relative to +41.3% from emerging markets ex-China.
- › Market-priced volatility (Cboe VIX Index) rose markedly from 14 to a peak of 31 in late March as the Iran conflict expanded and neither President Trump nor Iranian leadership appeared willing to deescalate. The VIX fell to 17 on April 17th after Iran announced the Strait of Hormuz was “completely open” following a ceasefire agreement between Israel and Lebanon.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	-4.3%		17.8%	
U.S. Small Cap (Russell 2000)	0.9%		25.7%	
U.S. Equity (Russell 3000)	-4.0%		18.1%	
U.S. Large Value (Russell 1000 Value)	2.1%		15.9%	
U.S. Large Growth (Russell 1000 Growth)	-9.8%		18.8%	
Global Equity (MSCI ACWI)	-3.2%	-2.3%	20.0%	20.0%
International Large (MSCI EAFE)	-1.2%	0.8%	21.3%	20.1%
Eurozone (EURO STOXX 50)	-5.4%	-2.9%	15.9%	11.1%
U.K. (FTSE 100)	1.4%	3.5%	25.2%	22.6%
Japan (TOPIX)	-0.1%	2.3%	27.0%	39.5%
Canada (S&P/TSX)	1.1%	3.4%	33.9%	32.4%
Emerging Markets (MSCI Emerging Markets)	-0.2%	2.7%	29.6%	31.8%

**Source:** Standard & Poor's, FTSE, MSCI, STOXX, JPX, as of 3/31/26 – performance quoted from perspective of U.S. dollar investor

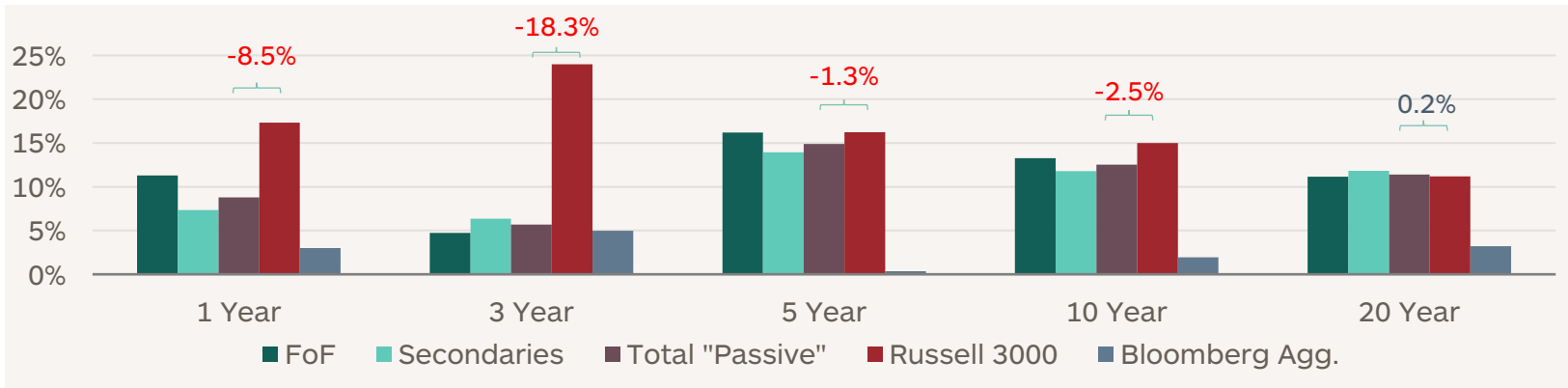
# Private equity vs. traditional assets performance

## DIRECT PRIVATE EQUITY AND CREDIT FUND INVESTMENTS



› Direct P.E Fund Investments underperformed public equities in most time periods.

## “PASSIVE” STRATEGIES

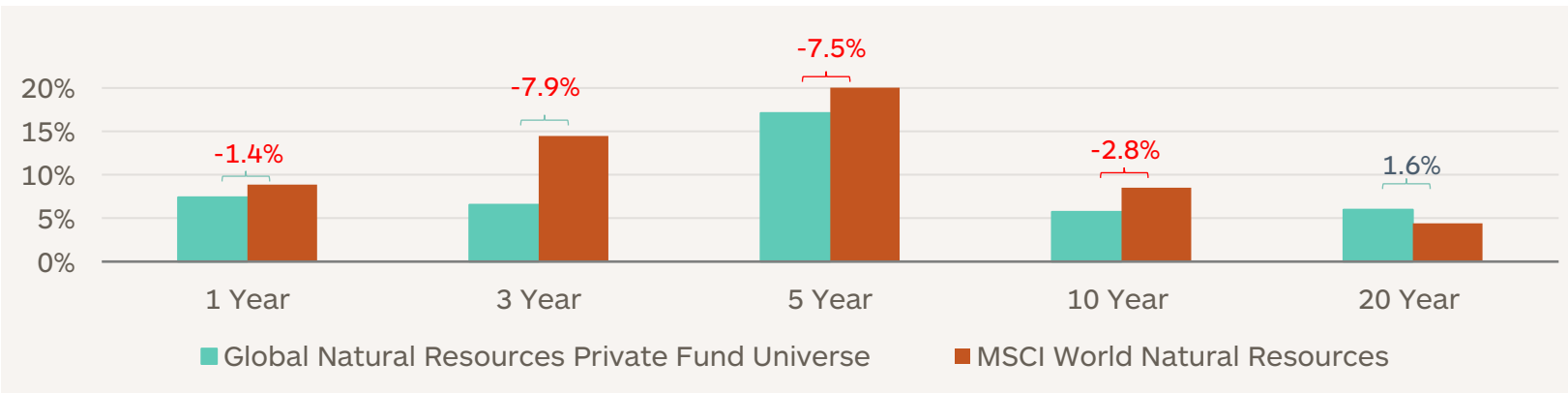


› “Passive” strategies have underperformed public equities in most time periods.

**Sources:** FTSE PME: U.S. Direct Private Equity and “Passive” returns are as of September 30, 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.

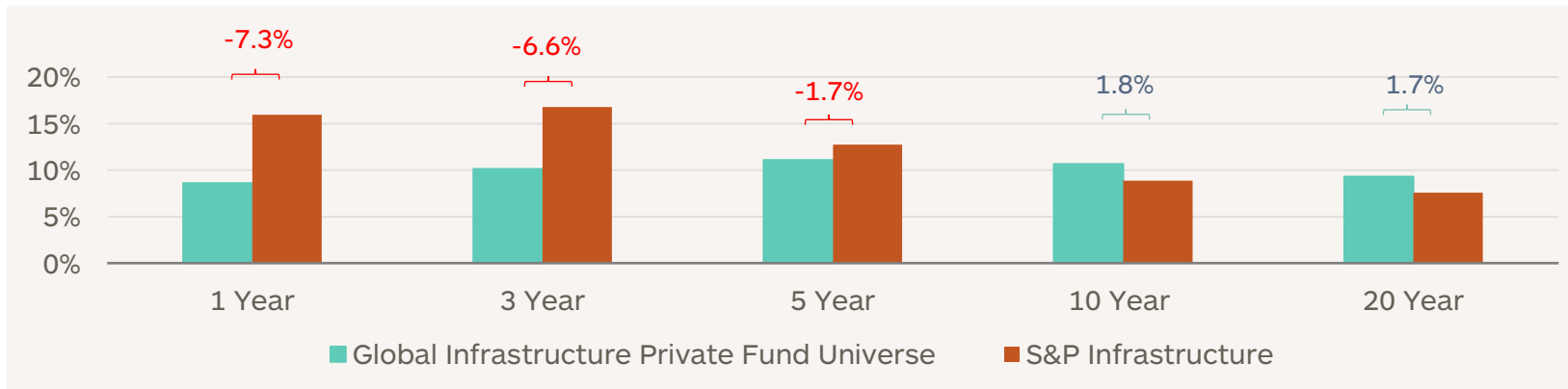
# Private vs. liquid real assets performance

## GLOBAL NATURAL RESOURCES FUNDS



› N.R. funds underperformed MSCI World Natural Resources across most time periods.

## GLOBAL INFRASTRUCTURE FUNDS

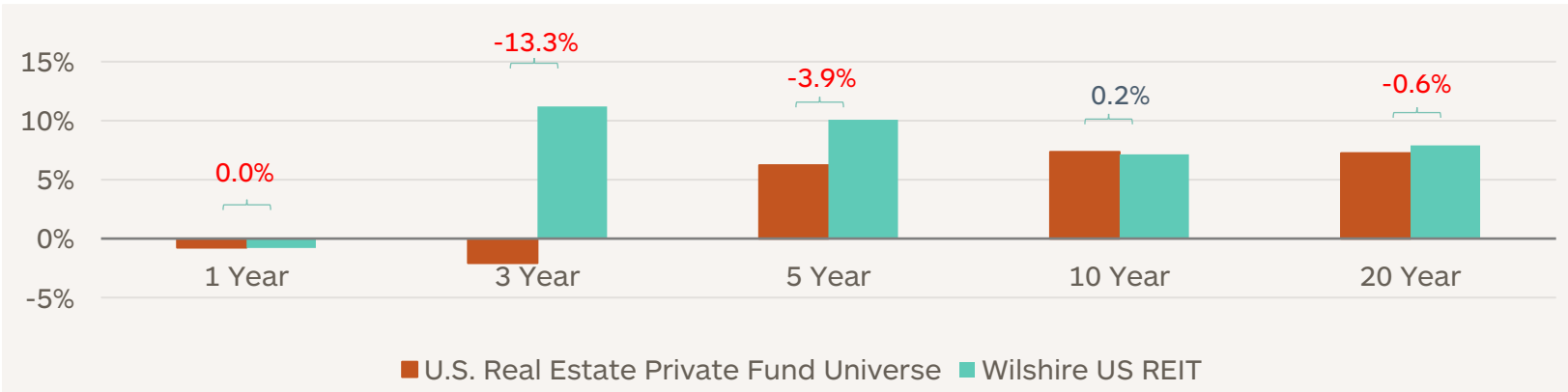


› Infra. funds outperformed S&P Infra. across longer periods.

**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 September 30, 2025. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

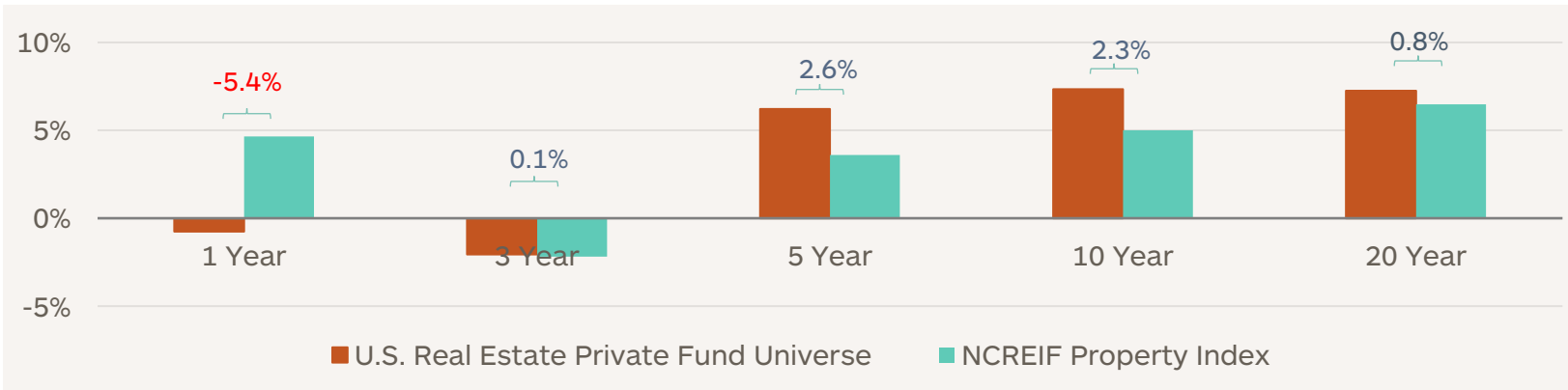
# Private vs. liquid and core real estate performance

## 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 September 30, 2025. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

# Detailed index performance

DOMESTIC EQUITY	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
S&P 500	-5.0%	-4.3%	-4.3%	17.8%	18.3%	12.1%	14.2%
S&P 500 Equal Weighted	-6.0%	0.7%	0.7%	12.9%	11.9%	8.2%	11.4%
DJ Industrial Average	-5.2%	-3.2%	-3.2%	12.2%	13.8%	9.1%	12.5%
Russell Top 200	-4.9%	-5.5%	-5.5%	18.2%	19.7%	12.7%	15.0%
Russell 1000	-5.0%	-4.2%	-4.2%	17.7%	18.1%	11.3%	14.0%
Russell 2000	-5.0%	0.9%	0.9%	25.7%	13.0%	3.8%	9.9%
Russell 3000	-5.0%	-4.0%	-4.0%	18.1%	17.8%	10.9%	13.7%
Russell Mid Cap	-5.3%	1.3%	1.3%	16.0%	13.3%	7.3%	10.9%
<b>Style Index</b>							
Russell 1000 Growth	-5.2%	-9.8%	-9.8%	18.8%	21.2%	12.8%	16.8%
Russell 1000 Value	-4.8%	2.1%	2.1%	15.9%	14.3%	9.4%	10.6%
Russell 2000 Growth	-6.3%	-2.8%	-2.8%	23.6%	12.3%	1.6%	9.8%
Russell 2000 Value	-3.6%	5.0%	5.0%	28.1%	13.8%	5.8%	9.6%

INTERNATIONAL EQUITY	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
MSCI ACWI	-7.2%	-3.2%	-3.2%	20.0%	16.6%	9.5%	11.3%
MSCI ACWI ex US	-10.8%	-0.7%	-0.7%	24.9%	14.5%	7.0%	8.4%
MSCI EAFE	-10.3%	-1.2%	-1.2%	21.3%	13.6%	7.9%	8.4%
MSCI EM	-13.1%	-0.2%	-0.2%	29.6%	14.8%	3.7%	7.8%
MSCI EAFE Small Cap	-10.9%	-1.3%	-1.3%	25.6%	12.6%	4.4%	7.4%
<b>Style Index</b>							
MSCI EAFE Growth	-11.8%	-4.7%	-4.7%	12.7%	7.5%	3.5%	7.1%
MSCI EAFE Value	-8.9%	2.0%	2.0%	30.1%	19.8%	12.2%	9.3%
<b>Regional Index</b>							
MSCI UK	-7.7%	2.0%	2.0%	25.7%	16.8%	12.4%	8.3%
MSCI Japan	-12.4%	1.4%	1.4%	25.9%	15.7%	6.6%	8.5%
MSCI Euro	-11.1%	-5.0%	-5.0%	17.8%	13.4%	8.7%	8.7%
MSCI EM Asia	-14.4%	-1.5%	-1.5%	28.4%	14.4%	2.8%	8.5%
MSCI EM Latin America	-4.3%	14.6%	14.6%	57.4%	18.6%	12.9%	8.4%

Source: Bloomberg, HFRI, as of 3/31/26

FIXED INCOME	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg US TIPS	-1.3%	0.3%	0.3%	3.0%	3.2%	1.5%	2.7%
Bloomberg US Treasury Bills	0.3%	0.9%	0.9%	4.1%	4.8%	3.4%	2.3%
Bloomberg US Agg Bond	-1.8%	0.0%	0.0%	4.3%	3.6%	0.3%	1.7%
Bloomberg US Universal	-1.8%	-0.1%	-0.1%	4.6%	4.2%	0.7%	2.1%
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	-0.5%	0.3%	0.3%	3.8%	4.0%	1.8%	1.8%
Bloomberg US Treasury 20+ Yr	-4.2%	-0.3%	-0.3%	-0.3%	-2.6%	-5.5%	-1.3%
Bloomberg US Treasury	-1.7%	0.0%	0.0%	3.3%	2.6%	-0.1%	1.0%
<b>Issuer</b>							
Bloomberg US MBS	-1.6%	0.4%	0.4%	5.8%	4.2%	0.4%	1.4%
Bloomberg US Corp. High Yield	-1.2%	-0.5%	-0.5%	7.0%	8.6%	4.2%	6.1%
Bloomberg US Agency Interm	-0.8%	0.2%	0.2%	4.1%	4.2%	1.5%	1.7%
Bloomberg US Credit	-2.0%	-0.5%	-0.5%	4.8%	4.6%	0.8%	2.7%

OTHER	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	11.5%	24.4%	24.4%	32.3%	13.9%	14.0%	8.0%
FTSE NAREIT Equity REITS	-5.8%	4.8%	4.8%	6.8%	9.1%	5.8%	5.6%
Morningstar LSTA US LL	0.6%	-0.6%	-0.6%	4.8%	8.0%	5.9%	5.6%
S&P Global Infrastructure	-4.1%	8.3%	8.3%	26.9%	16.2%	12.1%	9.4%
Alerian MLP Infrastructure	1.3%	17.2%	17.2%	12.9%	24.3%	24.7%	10.5%
<b>Emerging Market Debt</b>							
JPM EMBI Global Div	-3.3%	-1.3%	-1.3%	10.4%	9.4%	2.5%	3.8%
JPM GBI-EM Global Div	-5.5%	-2.2%	-2.2%	11.8%	6.8%	2.1%	2.6%
<b>Hedge Funds</b>							
HFRI Composite	0.0%	3.9%	3.9%	17.2%	11.0%	6.7%	7.1%
HFRI FOF Composite	0.0%	3.0%	3.0%	14.1%	9.3%	5.3%	5.5%
<b>Currency (Spot vs. USD)</b>							
Euro	-2.2%	-1.6%	-1.6%	6.8%	2.1%	-0.3%	0.2%
Pound Sterling	-1.9%	-1.8%	-1.8%	2.4%	2.3%	-0.8%	-0.8%
Yen	-1.7%	-1.3%	-1.3%	-5.5%	-5.8%	-7.0%	-3.4%

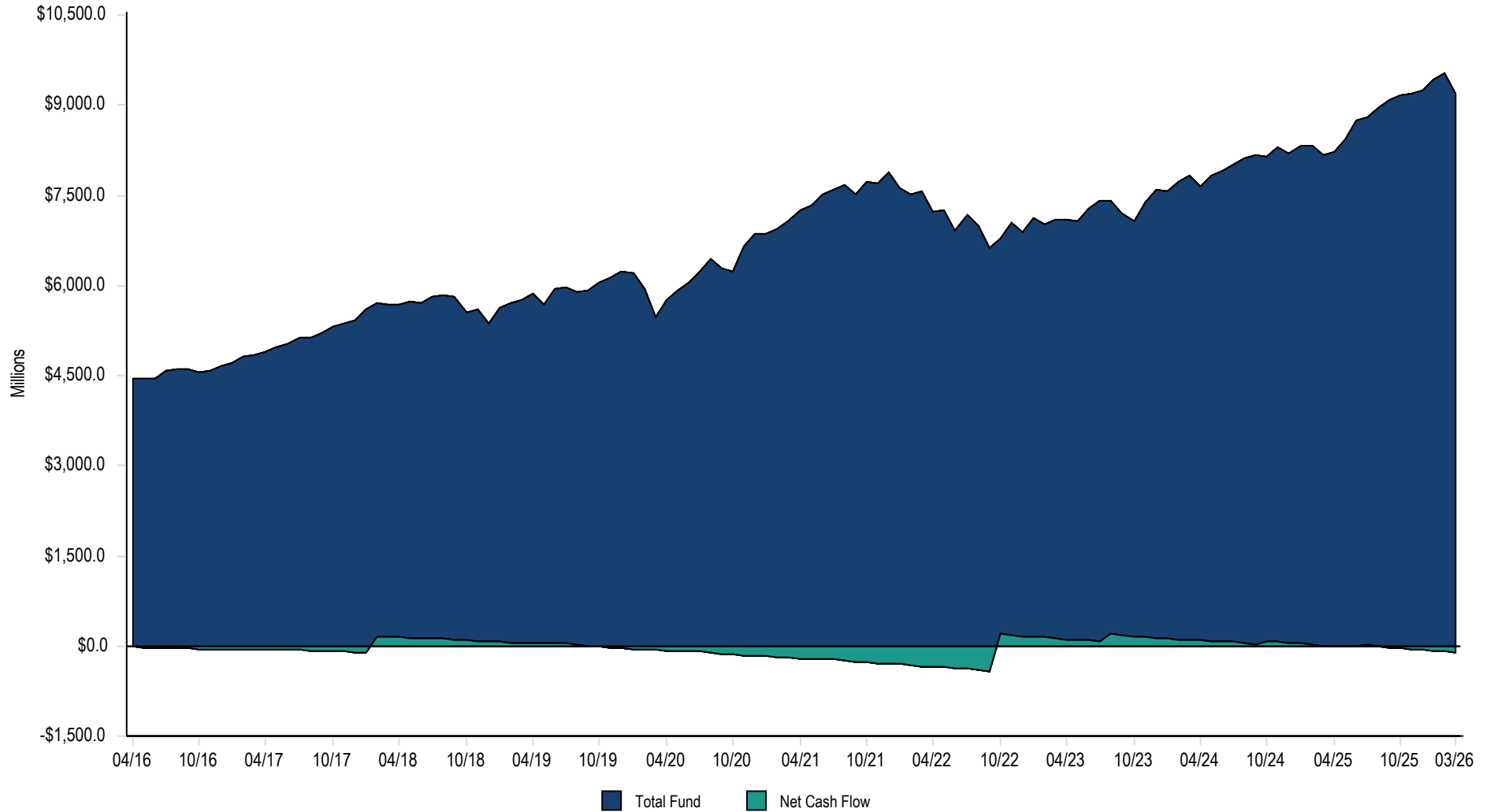
# Consolidated Pension Trust

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



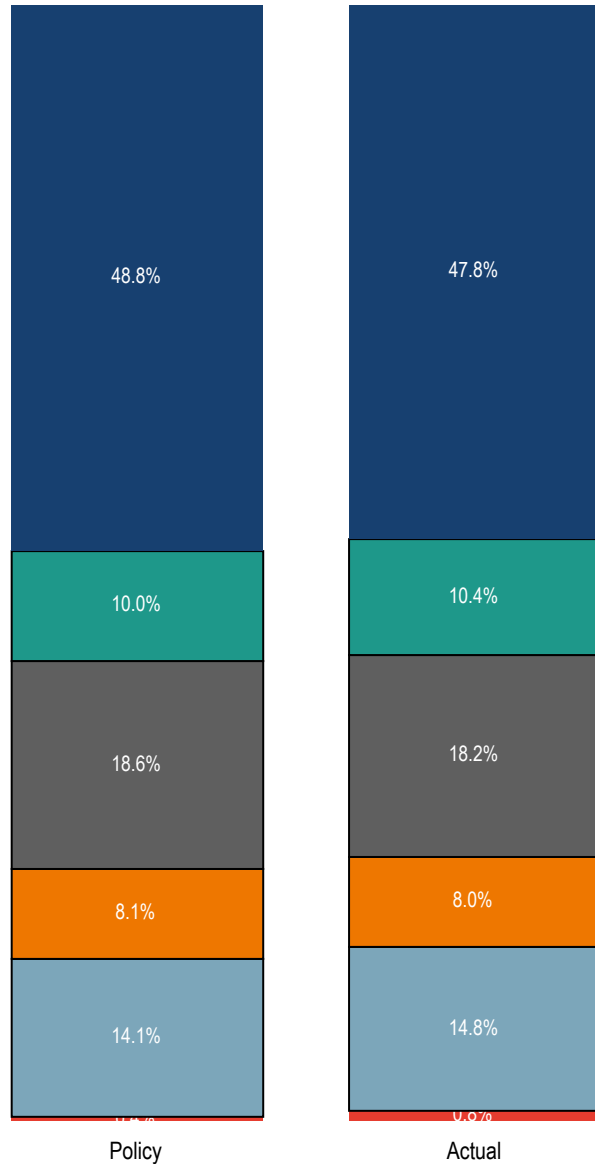
Net Cash Flow is Cumulative.

# Total Fund

## Asset Allocation vs Policy

# NDSIB - Consolidated Pension Trust

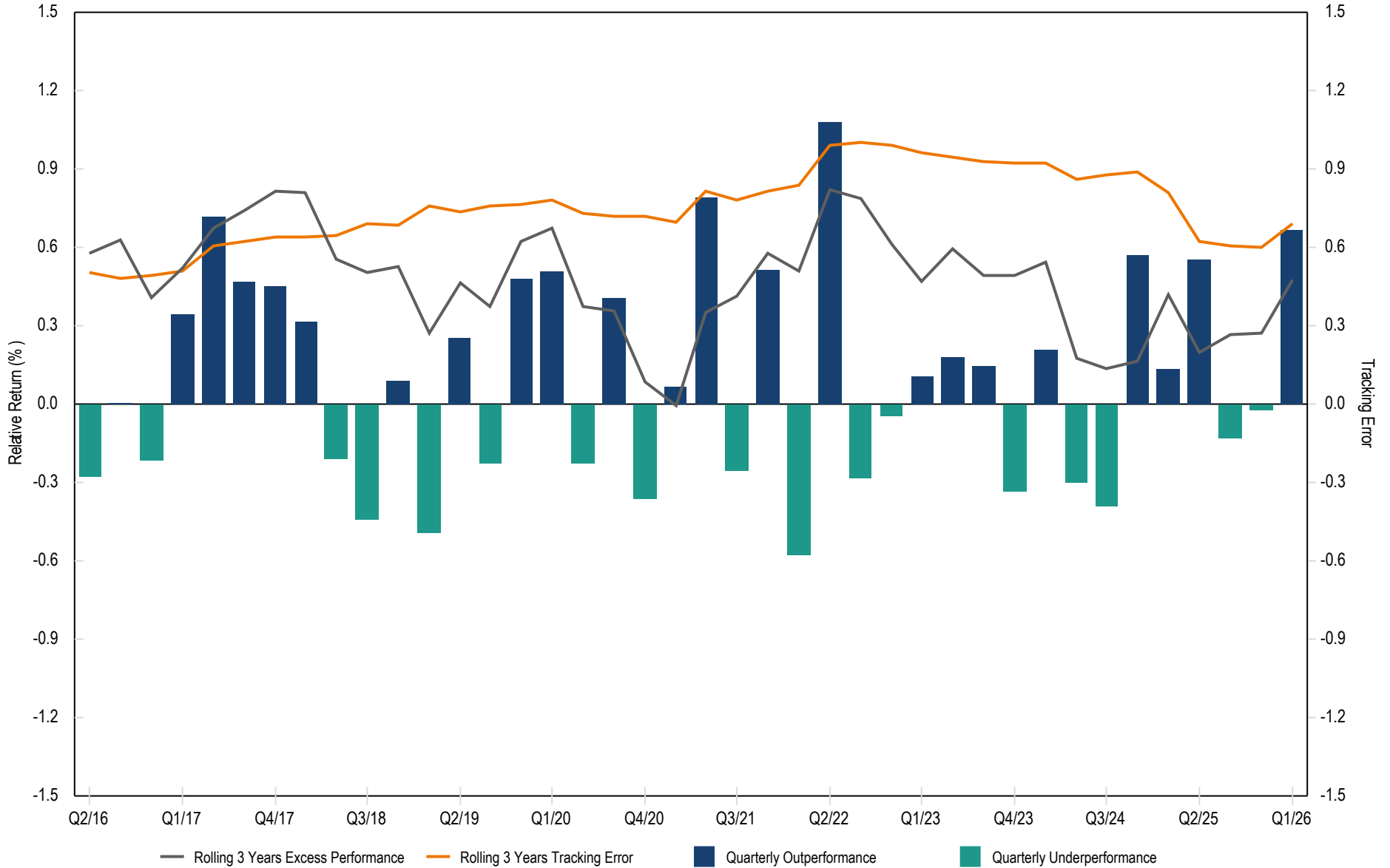
## Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	4,392,724,880	47.8	48.4	48.8	-96,485,577
Private Equity	956,778,017	10.4	8.1	10.0	39,209,395
Investment Grade Fixed Income	1,673,561,315	18.2	17.0	18.6	-37,296,948
Below Investment Grade	732,901,342	8.0	7.4	8.1	-11,026,013
Diversified Real Assets	1,360,067,741	14.8	18.6	14.1	67,547,966
Cash and Equivalents	76,198,940	0.8	0.4	0.4	38,051,177
<b>Total</b>	<b>9,192,232,236</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

Residual Holdings value of \$2,149,072 and Sanctioned Residual Holdings value of \$3,348,112 included in Global Public Equity value for styling purposes. Policy Asset Allocation based upon 2/28/2026 data.

Rolling Annualized Excess Performance and Tracking Error

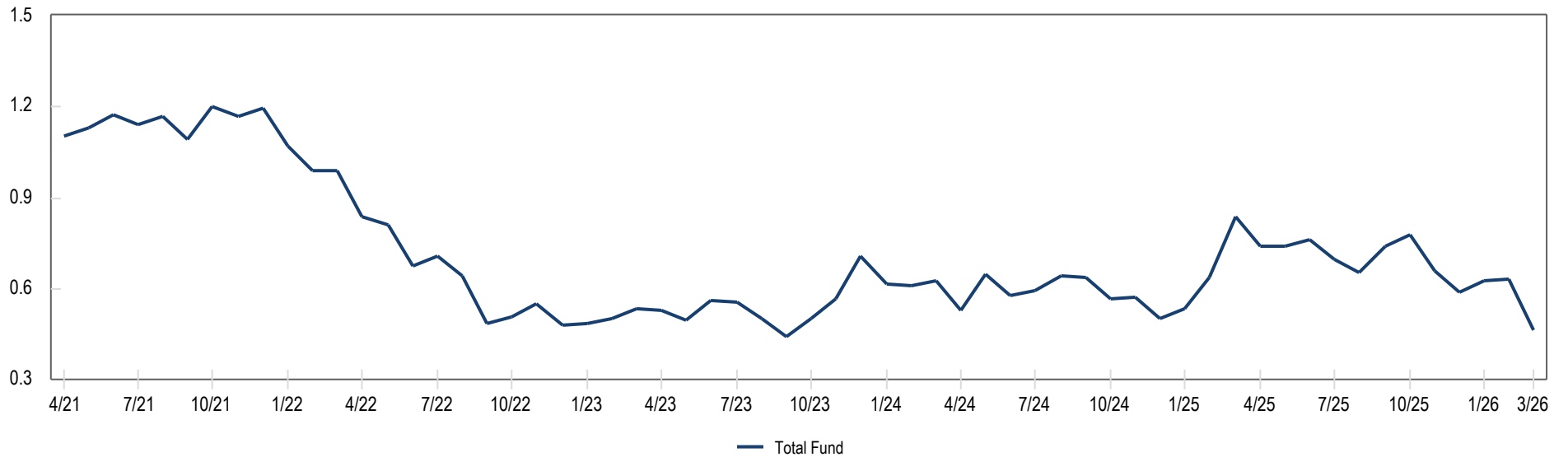


Analytic is using the Corridor Target Index

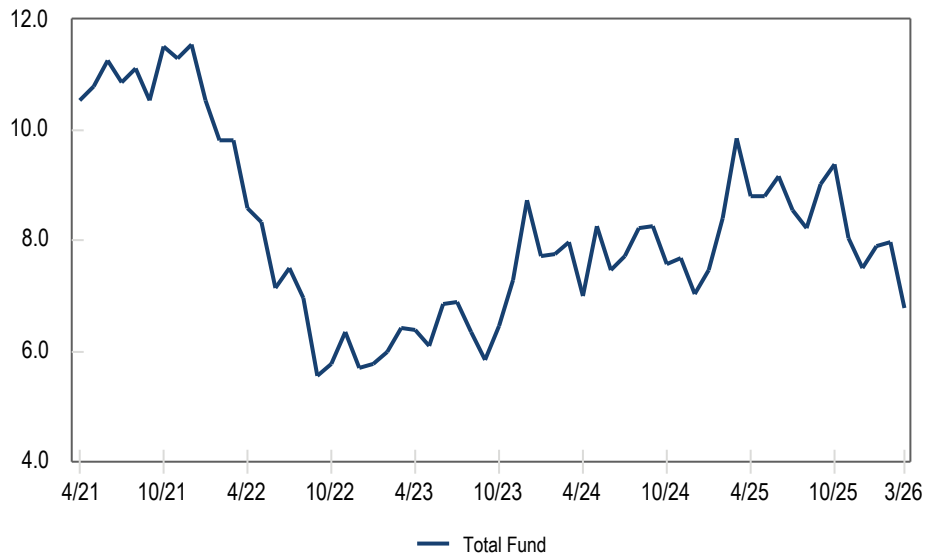
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

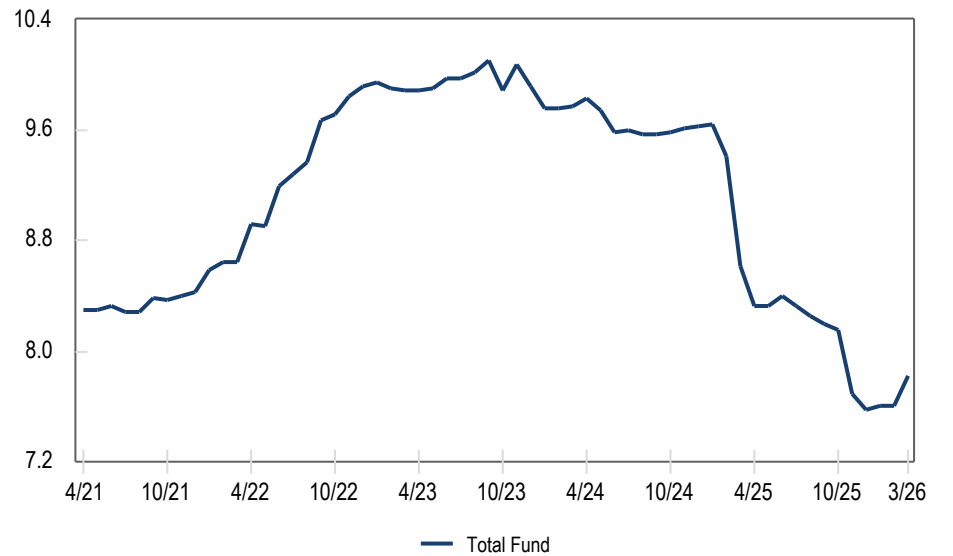
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



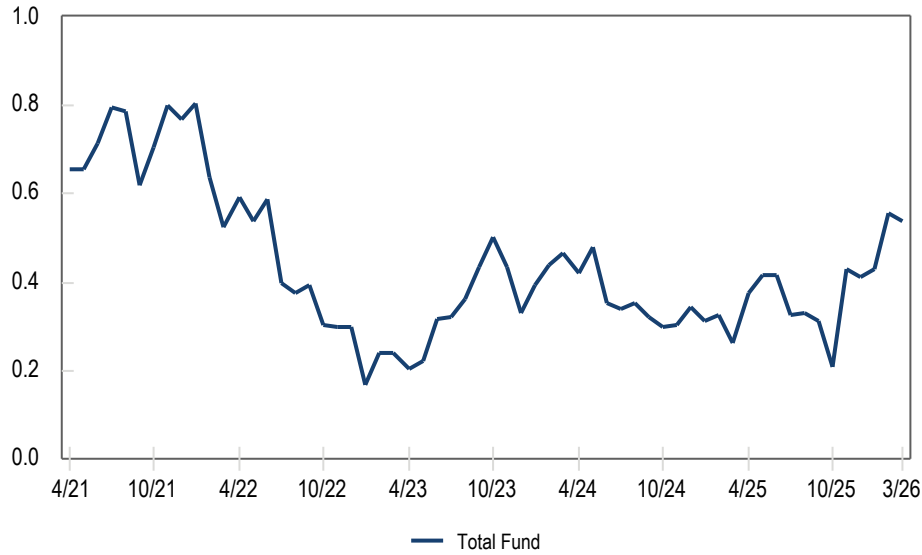
Rolling 5 Years Standard Deviation



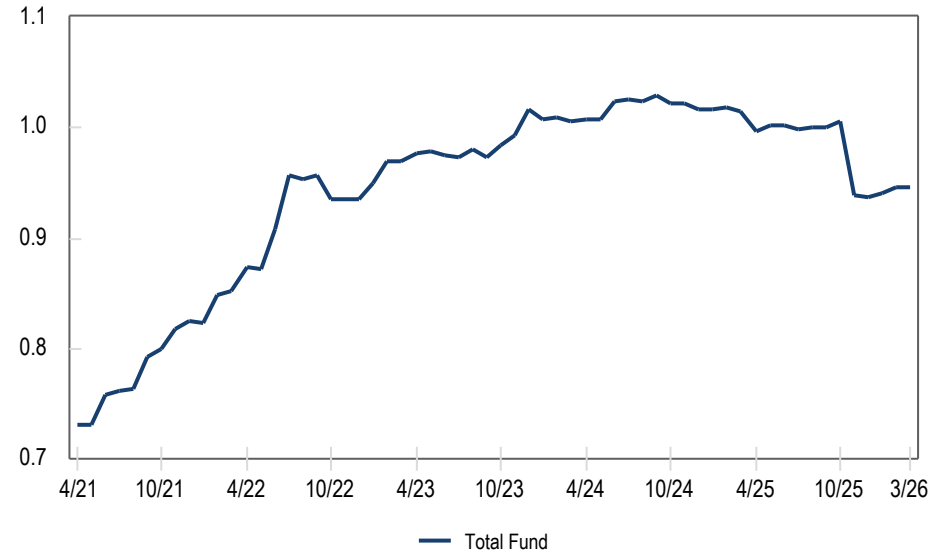
**Total Fund**  
**Risk Analysis - 5 Years (Net of Fees)**

**NDSIB - Consolidated Pension Trust**  
**Period Ending: March 31, 2026**

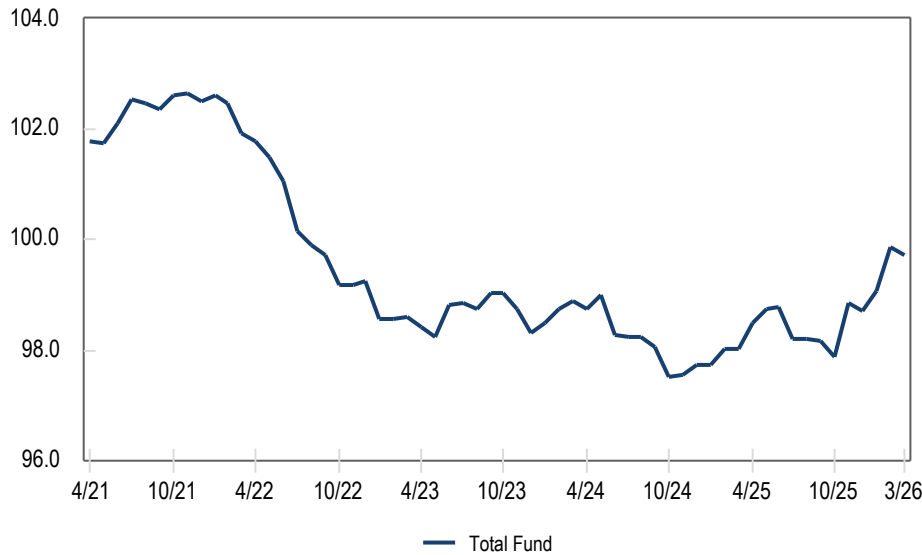
**Rolling 5 Years Information Ratio**



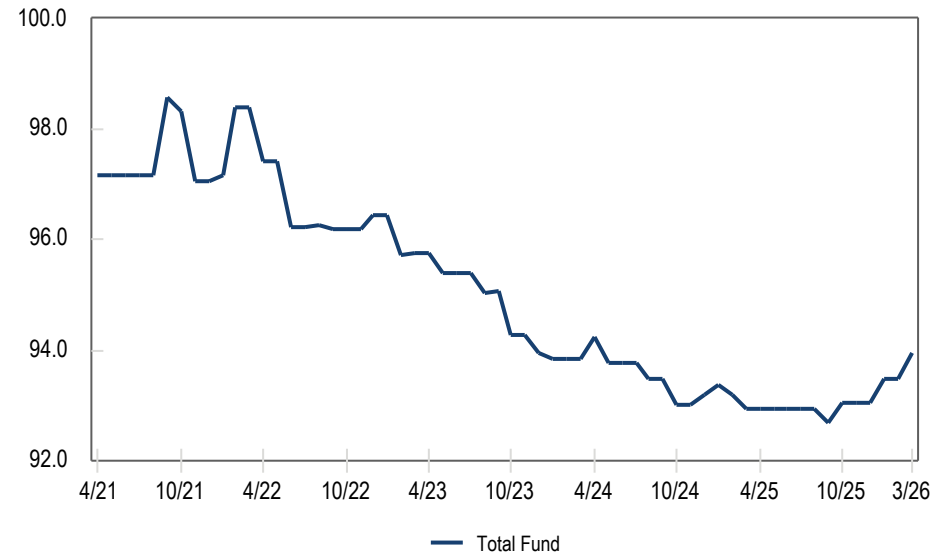
**Rolling 5 Years Tracking Error**



**Rolling 5 Years Up Capture**



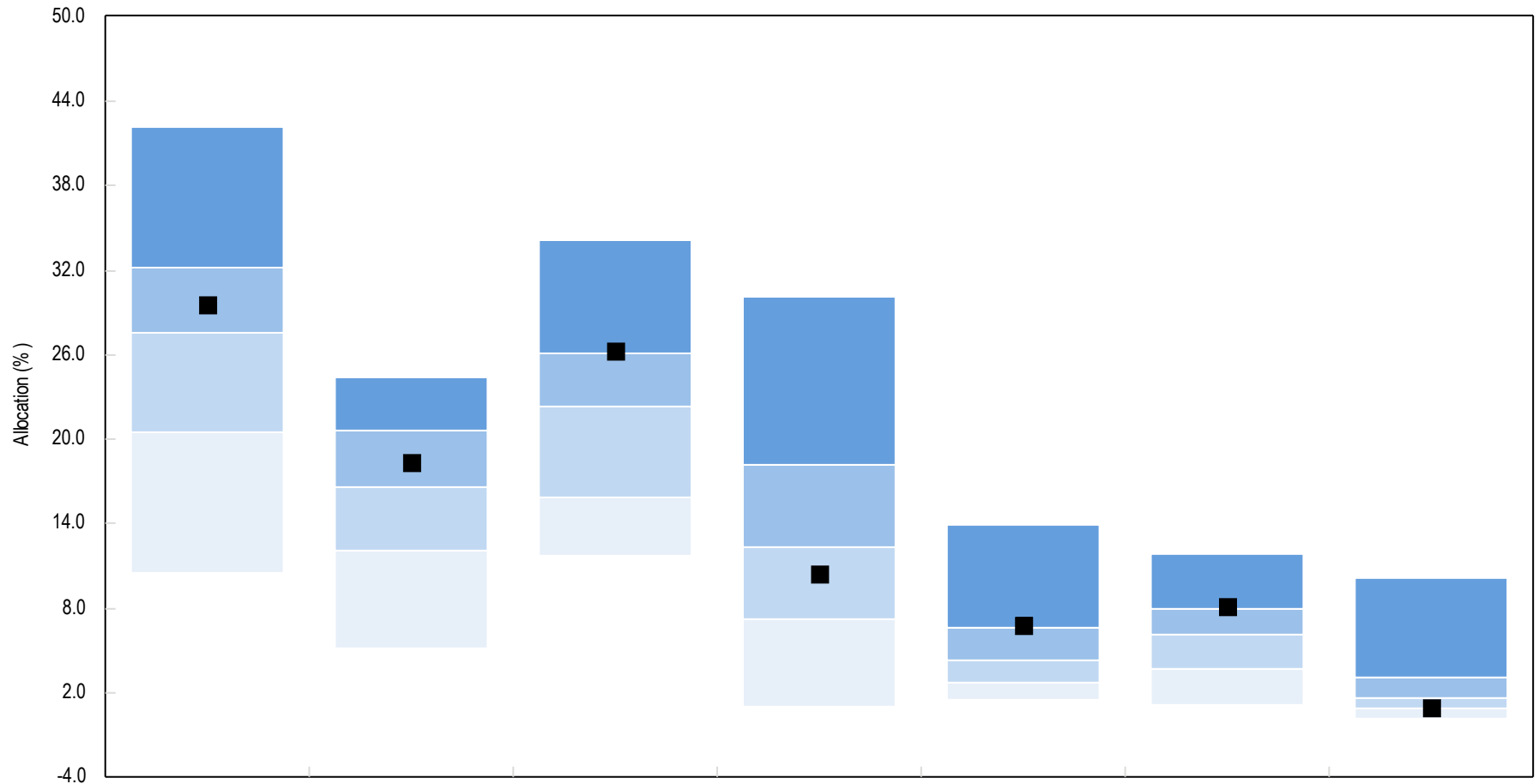
**Rolling 5 Years Down Capture**



*Analytic is using the Corridor Target Index*

Total Fund  
Peer Universe Comparison: Asset Allocation

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

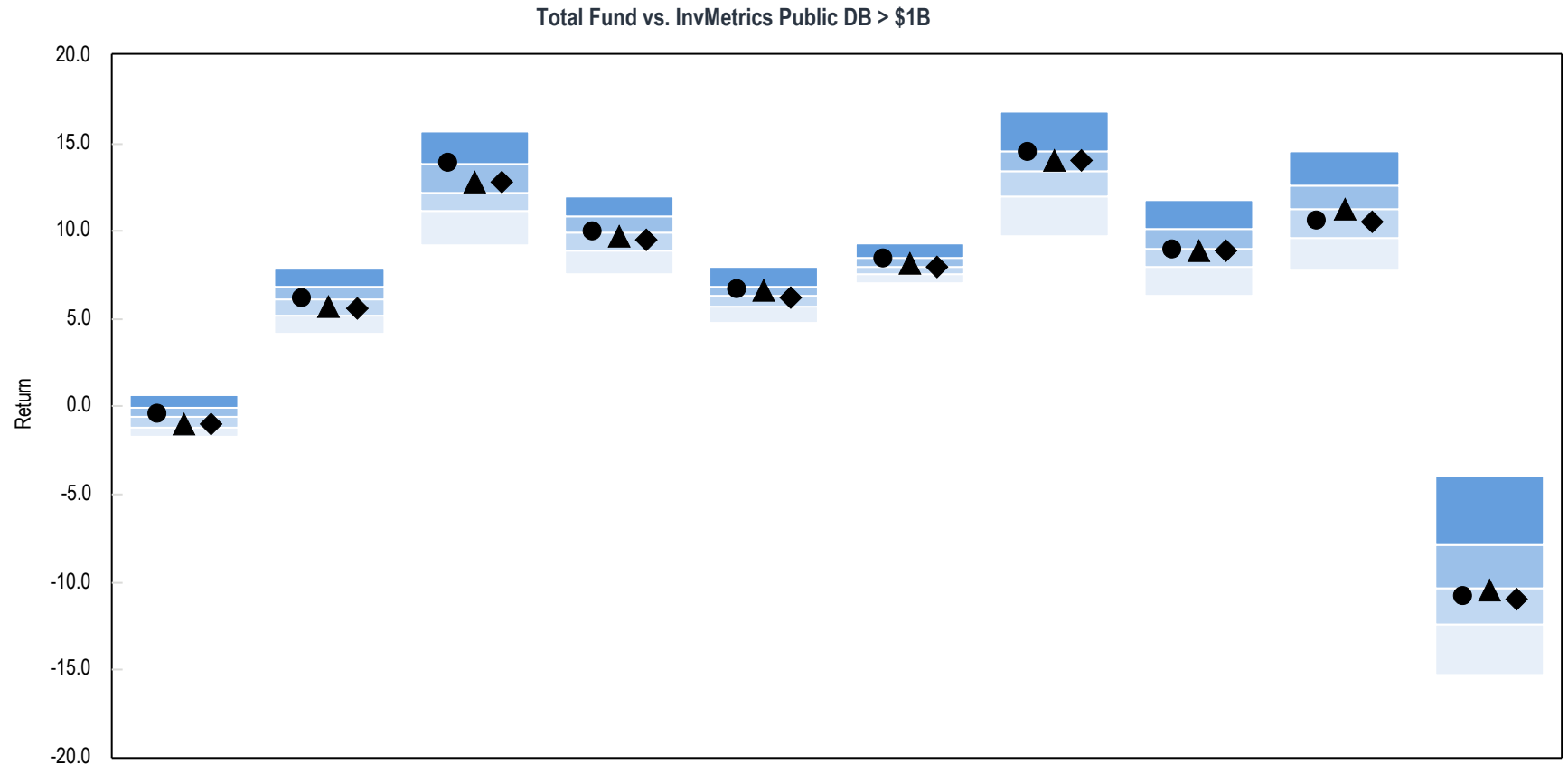


	US Equity 29.5 (38)	Global ex-US Equity 18.3 (36)	US Fixed 26.2 (25)	Private Equity 10.4 (64)	Real Assets/Commod 6.8 (25)	Real Estate - Private 8.0 (24)	Cash & Equivalents 0.8 (78)
■ Total Fund							
5th Percentile	42.2	24.4	34.2	30.2	14.0	11.9	10.1
1st Quartile	32.2	20.6	26.1	18.2	6.6	7.9	3.1
Median	27.6	16.6	22.4	12.3	4.2	6.1	1.6
3rd Quartile	20.5	12.0	15.9	7.2	2.7	3.7	0.9
95th Percentile	10.5	5.1	11.7	1.0	1.5	1.1	0.1
Population	76	78	79	71	48	66	77

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.

Total Fund  
Peer Universe Comparison: Cumulative Perf (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



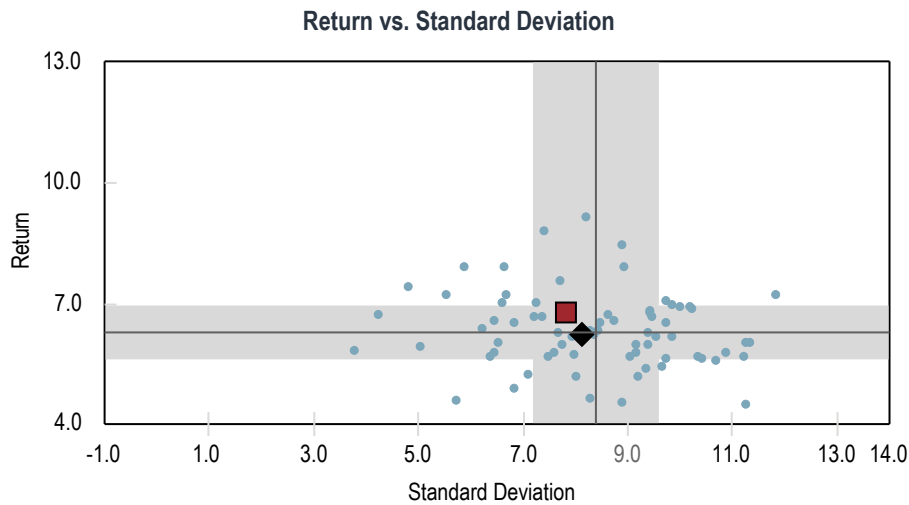
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022
● Total Fund	-0.3 (38)	6.2 (50)	14.0 (23)	10.0 (49)	6.8 (27)	8.4 (28)	14.6 (23)	9.0 (51)	10.7 (62)	-10.7 (59)
▲ Policy Index	-1.0 (68)	5.7 (61)	12.8 (40)	9.7 (57)	6.6 (37)	8.2 (43)	14.0 (35)	8.9 (54)	11.3 (50)	-10.4 (56)
◆ Corridor Target Index	-1.0 (71)	5.6 (65)	12.8 (40)	9.5 (63)	6.2 (54)	8.0 (57)	14.0 (35)	8.9 (54)	10.5 (65)	-10.9 (61)
5th Percentile	0.7	7.9	15.7	12.0	7.9	9.3	16.8	11.7	14.6	-4.0
1st Quartile	0.0	6.9	13.8	10.8	6.8	8.5	14.5	10.1	12.5	-7.9
Median	-0.6	6.1	12.2	9.9	6.3	8.0	13.5	9.0	11.3	-10.3
3rd Quartile	-1.2	5.2	11.2	8.9	5.7	7.6	12.0	8.0	9.7	-12.3
95th Percentile	-1.7	4.2	9.2	7.6	4.8	7.0	9.7	6.3	7.8	-15.3
Population	74	74	74	74	72	70	170	185	195	186

# Total Fund

## Risk Analysis 5 Years (Net of Fees)

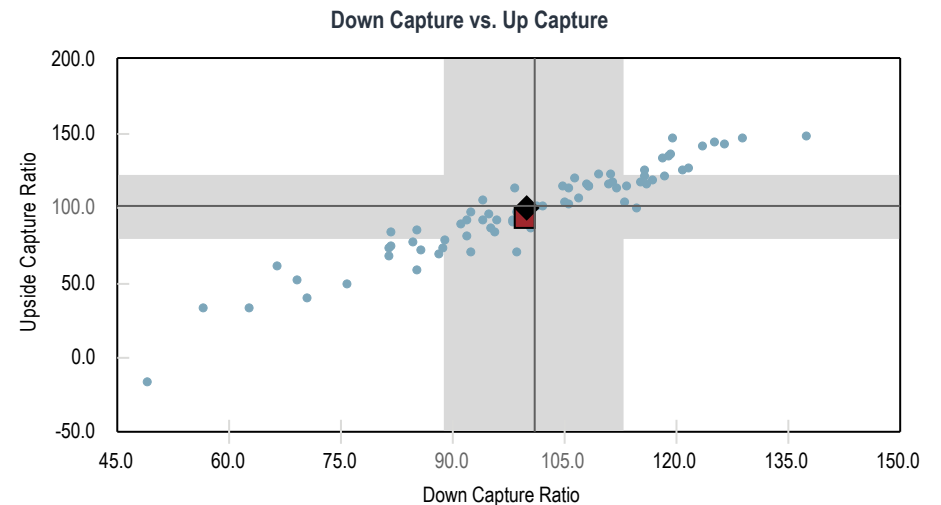
NDSIB - Consolidated Pension Trust  
 Period Ending: March 31, 2026

	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	6.78	7.82	0.78	0.96	0.99	99.73	93.96	0.54	0.95	0.46
Corridor Target Index	6.22	8.12	0.00	1.00	1.00	100.00	100.00	-	0.00	0.38



**InvMetrics Public DB > \$1B**

	Return	Standard Deviation
■ Total Fund	6.78	7.82
◆ Corridor Target Index	6.22	8.12
— Median	6.29	8.39
Population	72	72



**InvMetrics Public DB > \$1B**

	Down Capture	Up Capture
■ Total Fund	93.96	99.73
◆ Corridor Target Index	100.00	100.00
— Median	101.73	100.91
Population	72	72

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>9,192,232,236</b>	<b>100.0</b>	<b>-0.3</b>	<b>6.2</b>	<b>-0.3</b>	<b>14.0</b>	<b>10.0</b>	<b>6.8</b>	<b>8.4</b>	<b>8.4</b>
<i>Policy Index</i>			-1.0	5.7	-1.0	12.8	9.7	6.6	8.2	8.2
<i>Corridor Target Index</i>			-1.0	5.6	-1.0	12.8	9.5	6.2	7.9	8.0
<b>Total Equity</b>	<b>5,344,005,712</b>	<b>58.1</b>	<b>-1.2</b>	<b>8.8</b>	<b>-1.2</b>	<b>20.9</b>	<b>15.3</b>	<b>9.7</b>	<b>11.9</b>	<b>11.5</b>
<i>Total Equity Blend</i>			-1.9	7.5	-1.9	19.0	-	-	-	-
<b>Public Equity</b>	<b>4,387,227,696</b>	<b>47.7</b>	<b>-1.6</b>	<b>10.1</b>	<b>-1.6</b>	<b>23.6</b>	<b>17.3</b>	<b>9.8</b>	<b>12.1</b>	<b>-</b>
<i>MSCI AC World IMI Index (Net)</i>			-2.7	8.1	-2.7	20.6	16.2	9.0	11.3	-
<b>Domestic Equity</b>	<b>2,708,232,248</b>	<b>29.5</b>	<b>-3.6</b>	<b>7.1</b>	<b>-3.6</b>	<b>19.7</b>	<b>17.9</b>	<b>11.2</b>	<b>14.1</b>	<b>13.9</b>
<i>Russell 3000 Index</i>			-4.0	6.4	-4.0	18.1	17.9	10.9	13.8	13.7
<b>International Equity</b>	<b>1,678,995,448</b>	<b>18.3</b>	<b>1.8</b>	<b>15.3</b>	<b>1.8</b>	<b>30.6</b>	<b>16.6</b>	<b>7.8</b>	<b>10.1</b>	<b>9.7</b>
<i>MSCI AC World ex USA IMI (Net)</i>			-0.7	11.2	-0.7	25.3	14.4	6.8	8.5	8.3
<b>Private Equity</b>	<b>956,778,017</b>	<b>10.4</b>	<b>0.9</b>	<b>3.1</b>	<b>0.9</b>	<b>9.6</b>	<b>7.4</b>	<b>12.2</b>	<b>13.1</b>	<b>10.8</b>
<i>Private Equity Benchmark</i>			2.1	4.8	2.1	11.7	-	-	-	-
<b>Total Income</b>	<b>2,406,462,657</b>	<b>26.2</b>	<b>0.1</b>	<b>3.4</b>	<b>0.1</b>	<b>5.4</b>	<b>5.7</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>
<i>Total Income Blend</i>			-0.2	3.2	-0.2	5.2	-	-	-	-
<b>Investment Grade Fixed Income</b>	<b>1,673,561,315</b>	<b>18.2</b>	<b>-0.2</b>	<b>3.3</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.6</b>	<b>0.9</b>	<b>2.3</b>	<b>2.8</b>
<i>Bimbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.6	1.7
<b>Below Investment Grade</b>	<b>732,901,342</b>	<b>8.0</b>	<b>0.9</b>	<b>3.5</b>	<b>0.9</b>	<b>6.6</b>	<b>8.2</b>	<b>6.4</b>	<b>6.5</b>	<b>7.3</b>
<i>Bimbg. U.S. High Yield - 2% Issuer Cap</i>			-0.5	3.4	-0.5	7.0	8.6	4.2	5.1	6.1
<b>Total Real Assets</b>	<b>1,360,067,741</b>	<b>14.8</b>	<b>1.9</b>	<b>0.9</b>	<b>1.9</b>	<b>3.6</b>	<b>-0.9</b>	<b>3.2</b>	<b>3.8</b>	<b>4.3</b>
<i>Total Real Assets Blend</i>			0.8	2.4	0.8	3.4	-	-	-	-
<b>Other Real Assets</b>	<b>620,868,840</b>	<b>6.8</b>	<b>3.3</b>	<b>7.0</b>	<b>3.3</b>	<b>12.9</b>	<b>9.5</b>	<b>8.9</b>	<b>8.5</b>	<b>-</b>
<i>Other Real Assets Blend</i>			1.0	2.9	1.0	4.0	-	-	-	-
<b>Cash &amp; Equivalents</b>	<b>76,198,940</b>	<b>0.8</b>	<b>0.0</b>	<b>4.6</b>	<b>0.0</b>	<b>6.2</b>	<b>5.6</b>	<b>3.9</b>	<b>3.1</b>	<b>2.5</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

Residual Holdings value of \$2,149,072 and Sanctioned Residual Holdings value of \$3,348,112 included in Total Fund value.

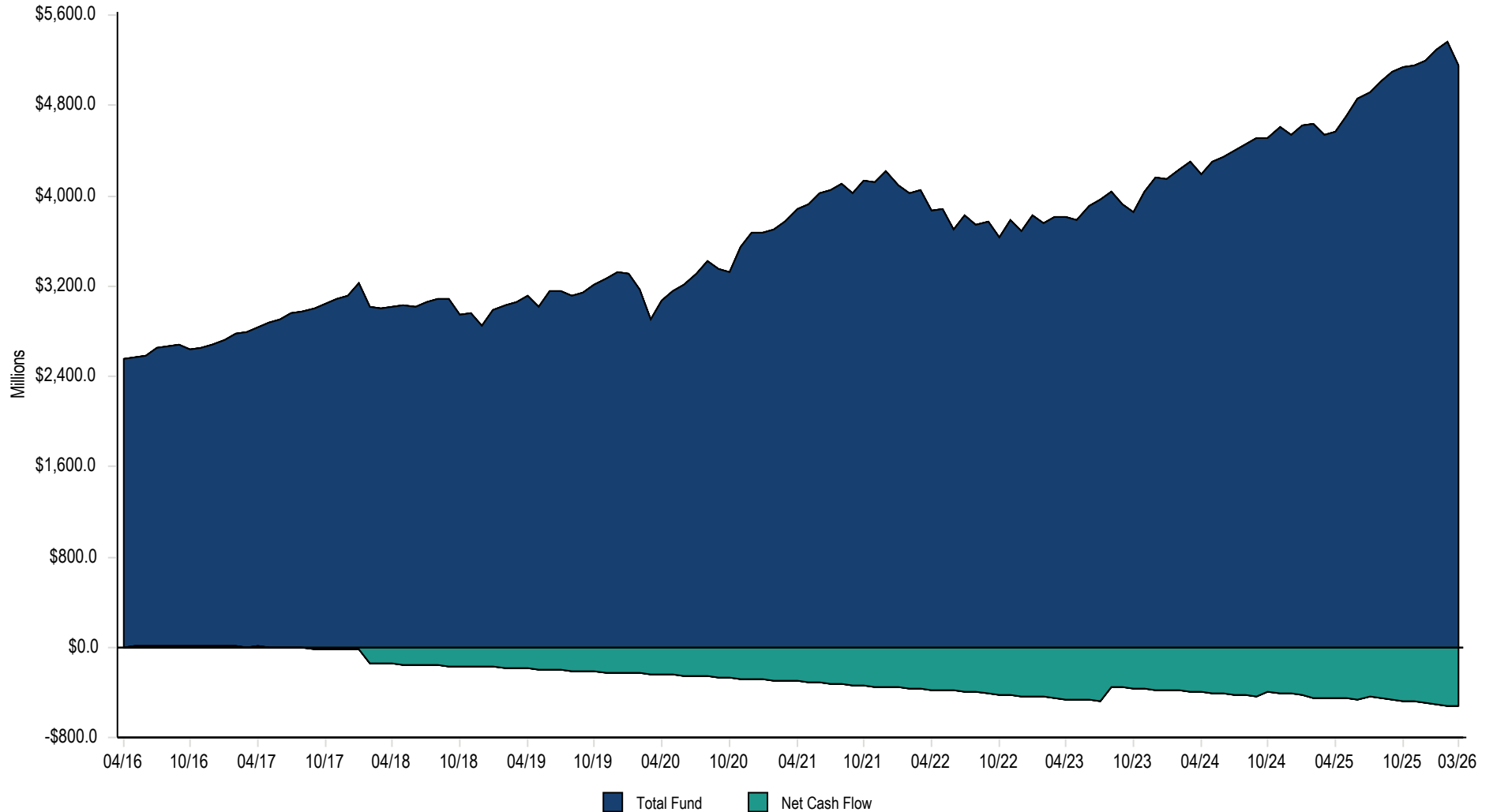
# Public Employees Retirement System

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

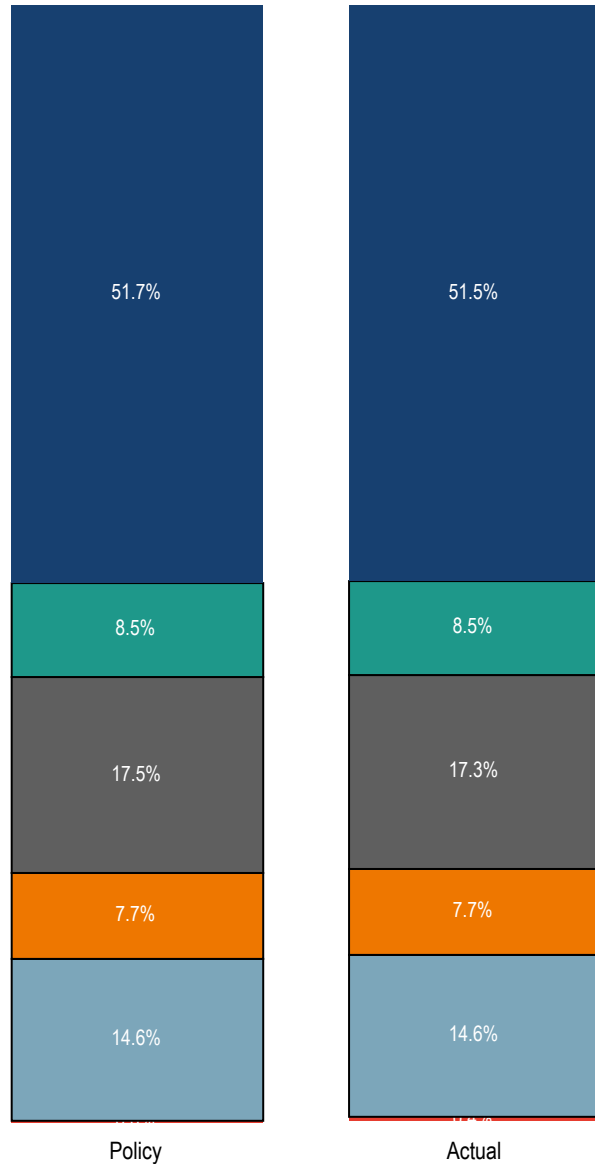
NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026



Net Cash Flow is Cumulative.

Total Fund  
Asset Allocation vs Policy

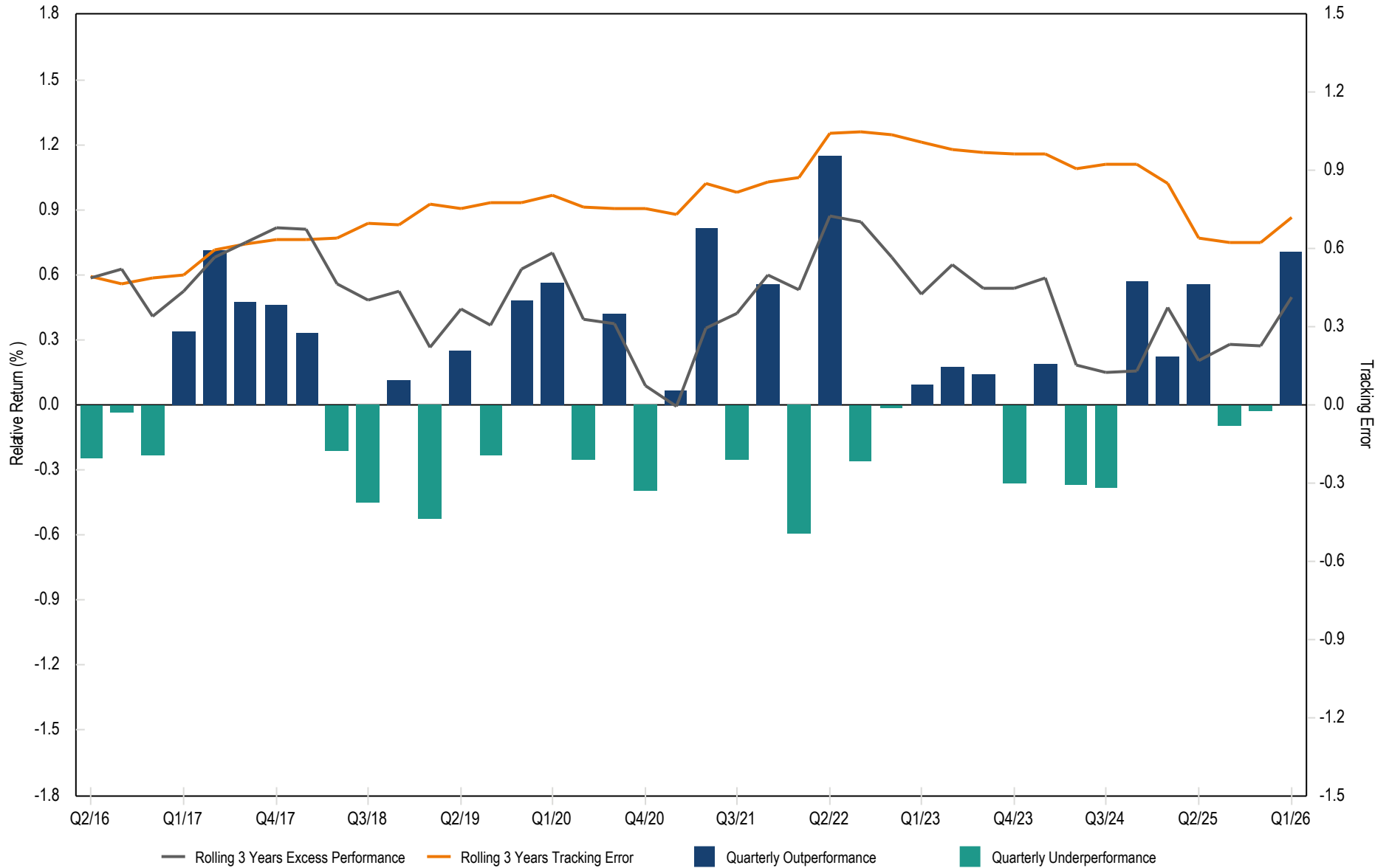
NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	2,659,517,750	51.5	51.0	51.7	-8,045,263
Private Equity	439,631,883	8.5	7.0	8.5	-332
Investment Grade Fixed Income	892,788,385	17.3	16.0	17.5	-12,531,000
Below Investment Grade	396,580,954	7.7	7.0	7.7	494,049
Diversified Real Assets	750,783,428	14.6	19.0	14.6	-12,019
Cash and Equivalents	20,094,565	0.4	0.0	0.0	20,094,565
<b>Total</b>	<b>5,159,396,965</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

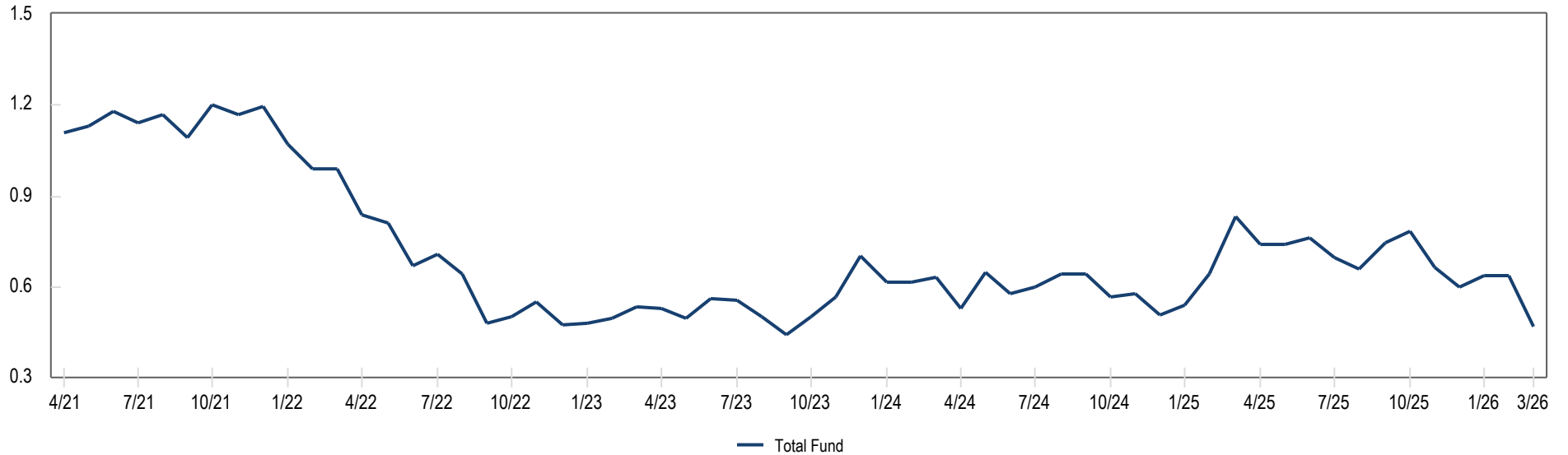
Residual Holdings value of \$539,736 included in Global Public Equity value for styling purposes.

Rolling Annualized Excess Performance and Tracking Error

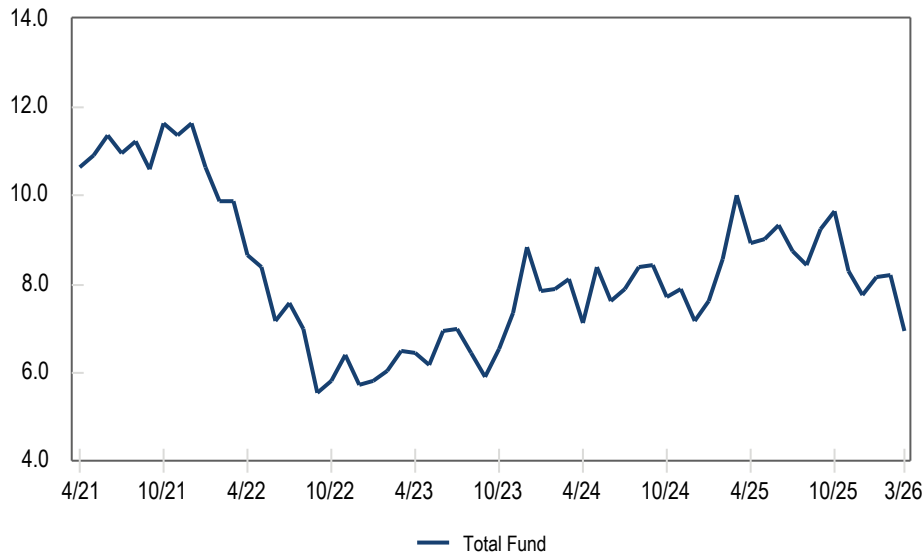


Analytic is using the Corridor Target Index

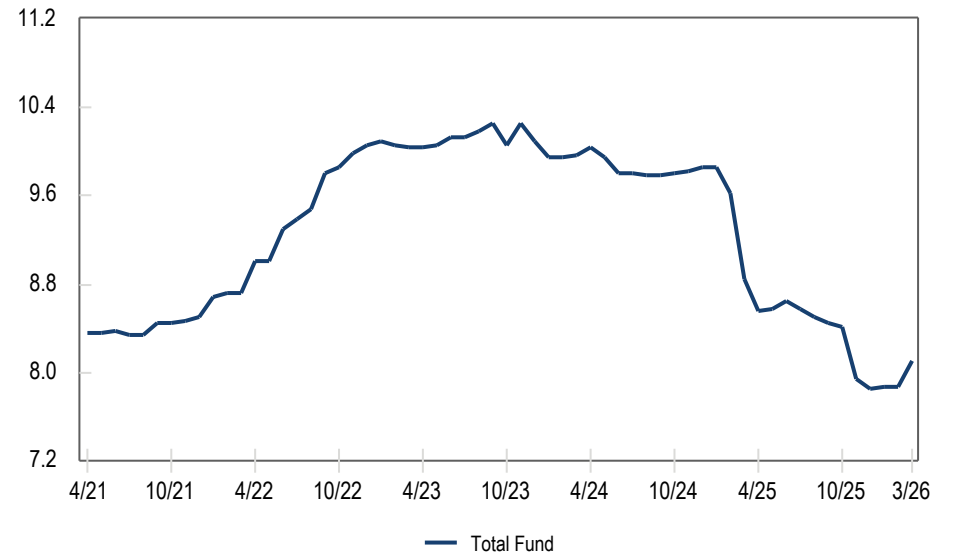
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



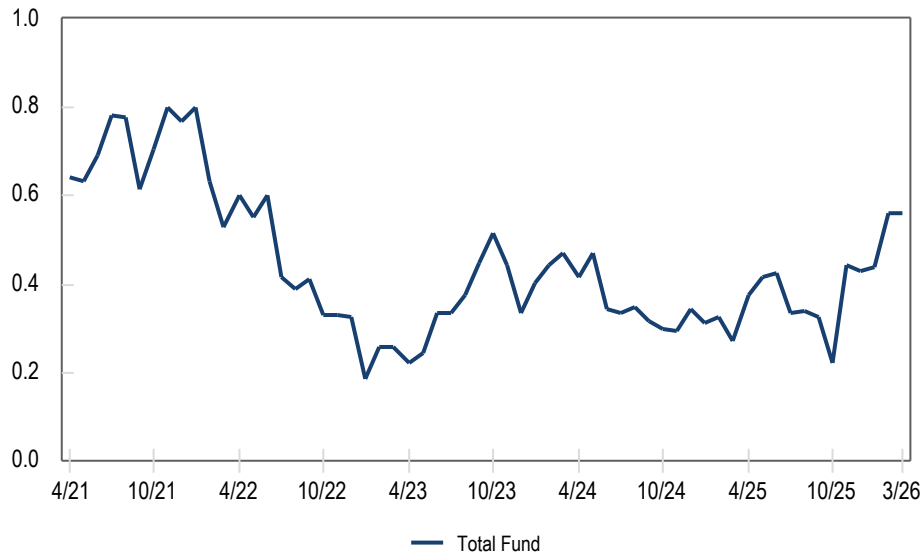
Rolling 5 Years Standard Deviation



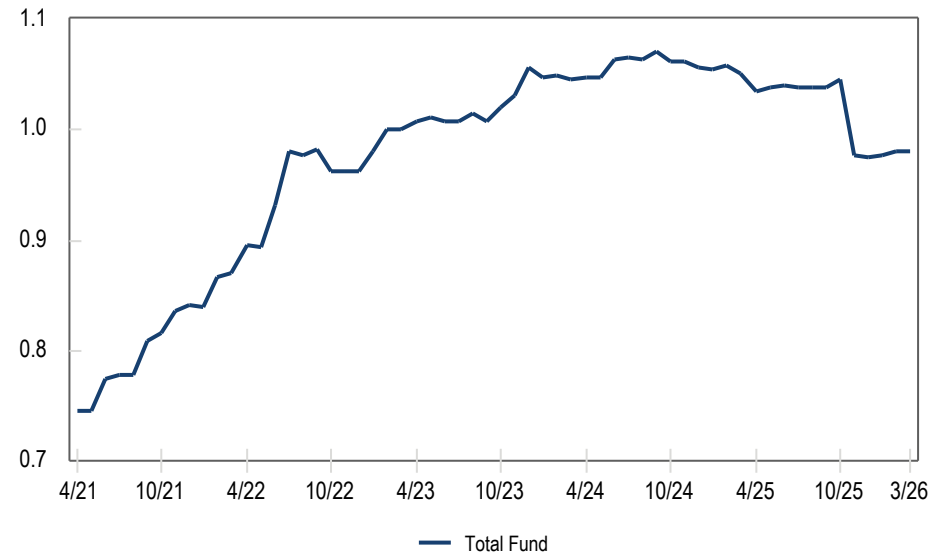
**Total Fund**  
**Risk Analysis - 5 Years (Net of Fees)**

**NDSIB - Public Employees Retirement System**  
**Period Ending: March 31, 2026**

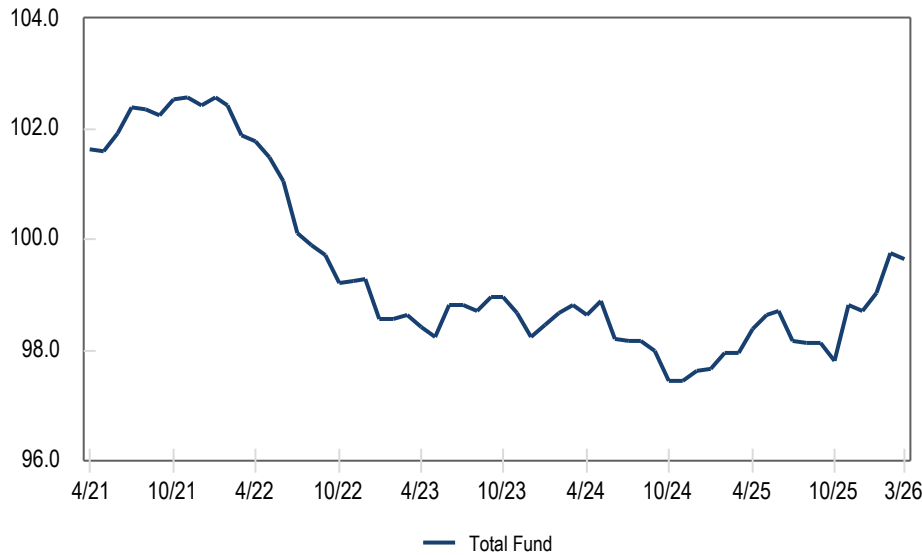
**Rolling 5 Years Information Ratio**



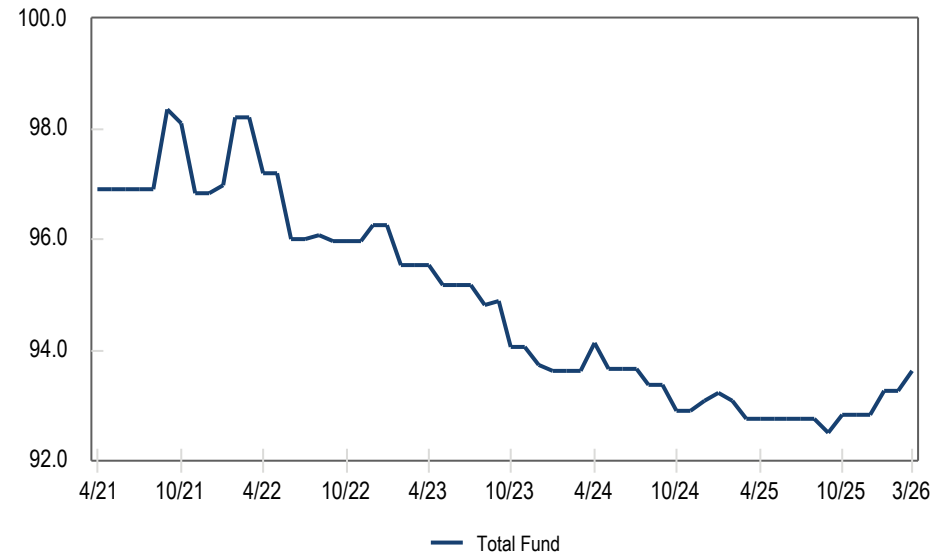
**Rolling 5 Years Tracking Error**



**Rolling 5 Years Up Capture**



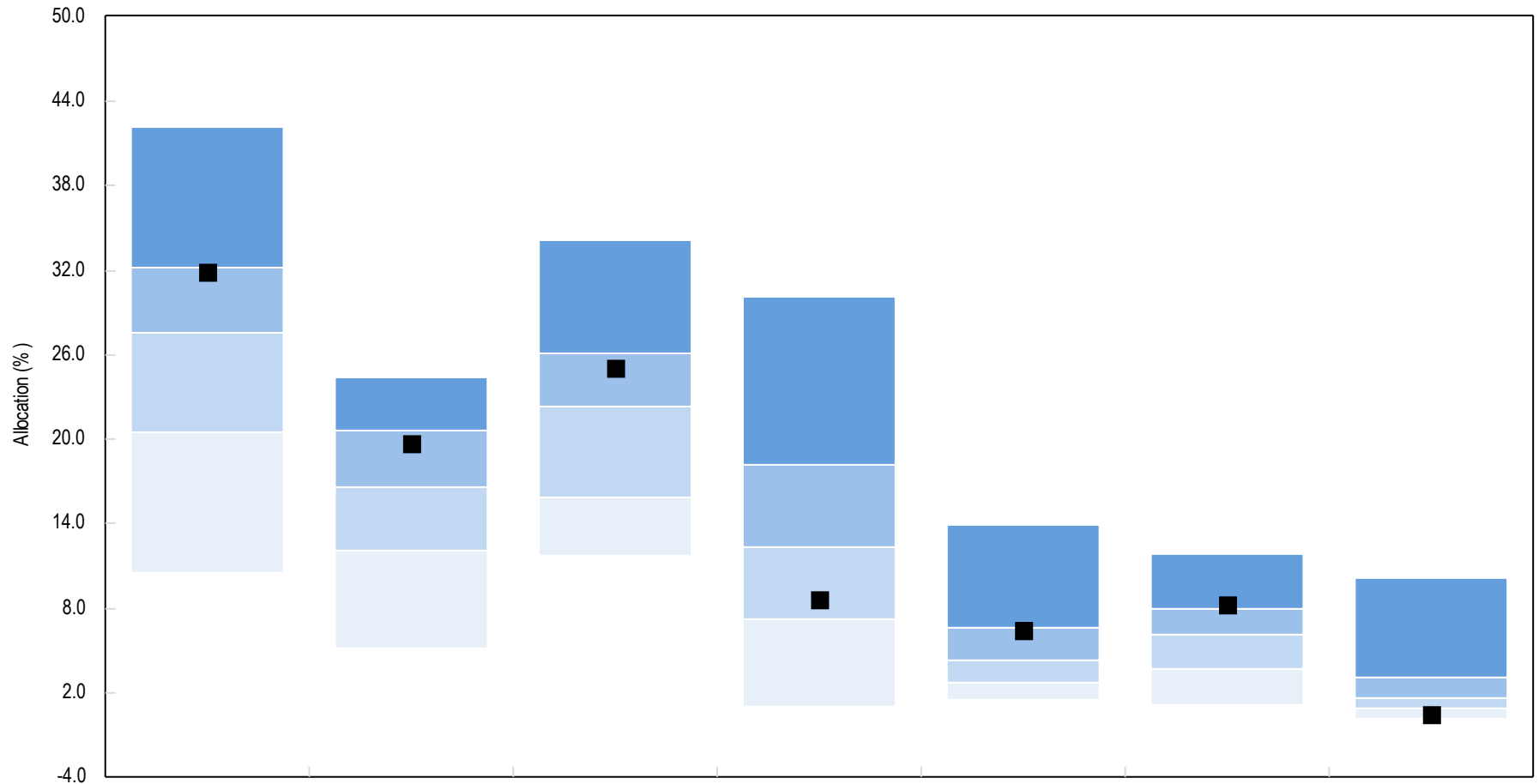
**Rolling 5 Years Down Capture**



*Analytic is using the Corridor Target Index*

Total Fund  
Peer Universe Comparison: Asset Allocation

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

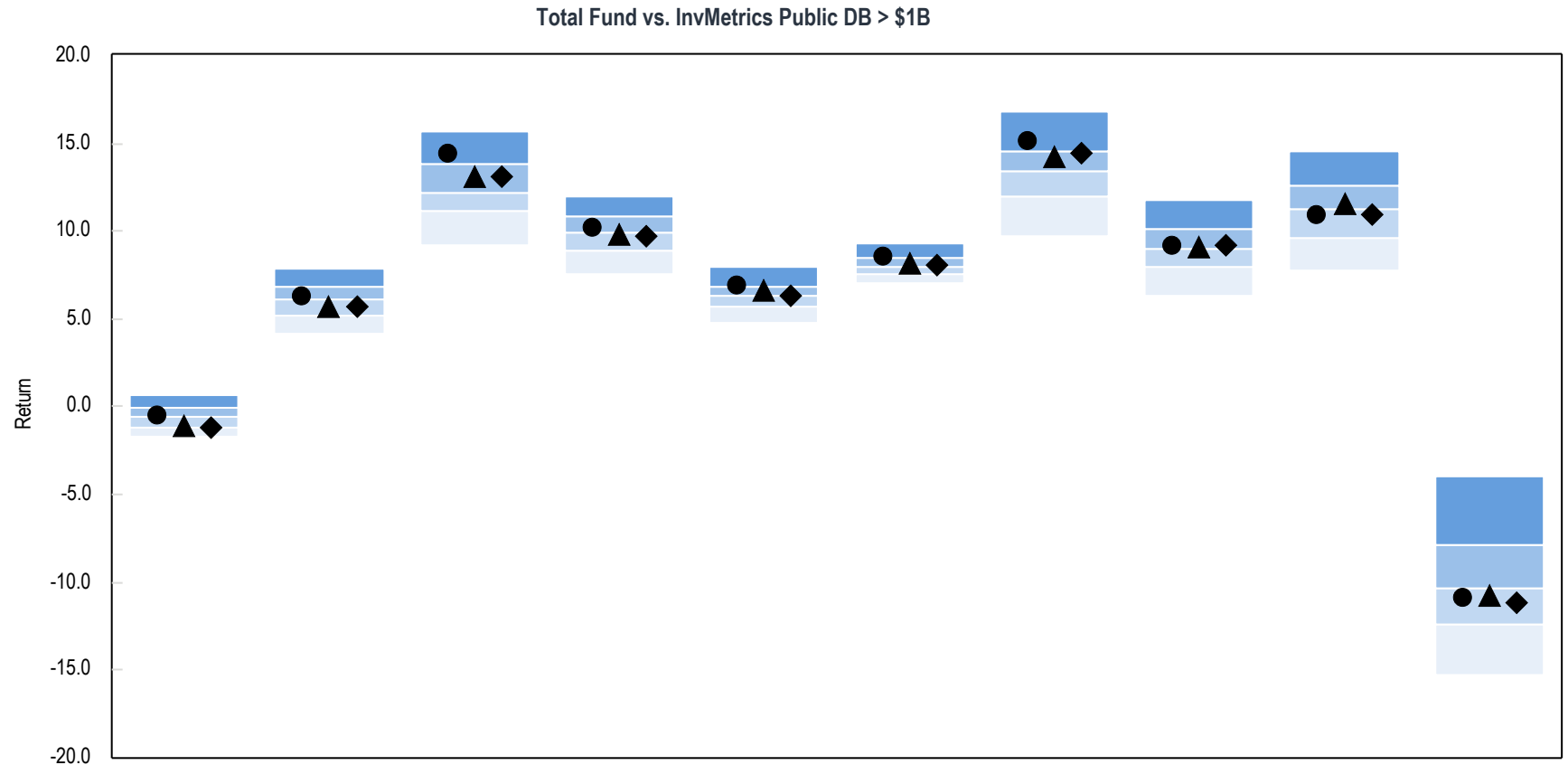


	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	31.8 (27)	19.7 (33)	25.0 (33)	8.5 (70)	6.3 (30)	8.2 (22)	0.4 (89)
5th Percentile	42.2	24.4	34.2	30.2	14.0	11.9	10.1
1st Quartile	32.2	20.6	26.1	18.2	6.6	7.9	3.1
Median	27.6	16.6	22.4	12.3	4.2	6.1	1.6
3rd Quartile	20.5	12.0	15.9	7.2	2.7	3.7	0.9
95th Percentile	10.5	5.1	11.7	1.0	1.5	1.1	0.1
Population	76	78	79	71	48	66	77

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

Total Fund  
Peer Universe Comparison: Cumulative Perf (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

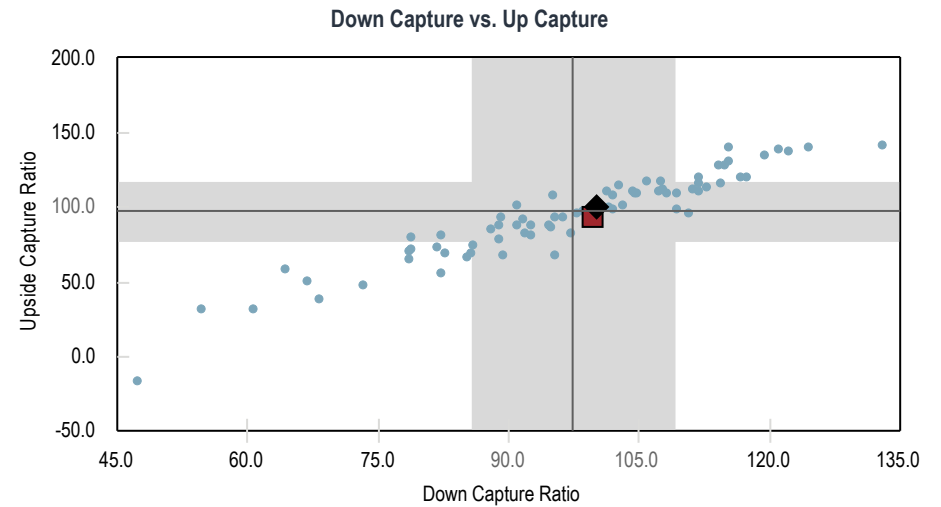
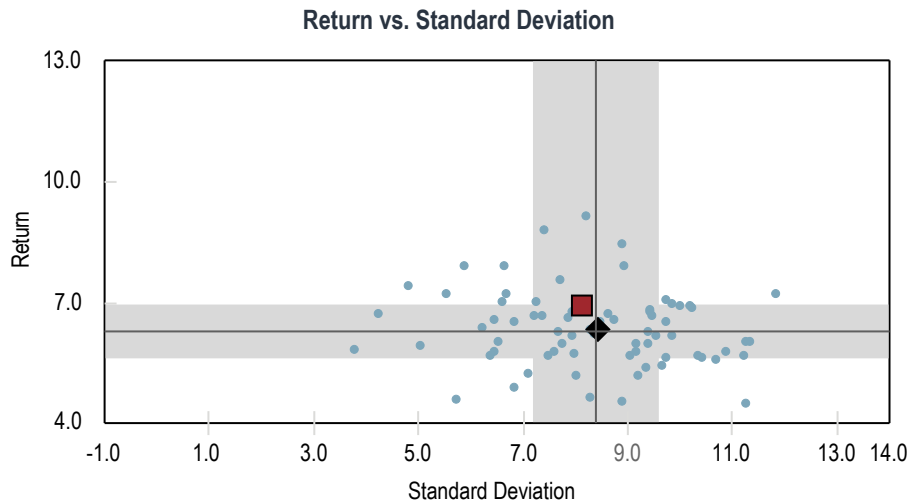


	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022
● Total Fund	-0.4 (40)	6.4 (43)	14.4 (14)	10.2 (43)	6.9 (22)	8.6 (25)	15.1 (15)	9.2 (44)	11.0 (55)	-10.9 (61)
▲ Policy Index	-1.1 (73)	5.7 (58)	13.1 (38)	9.8 (52)	6.7 (36)	8.2 (40)	14.2 (31)	9.1 (49)	11.6 (41)	-10.7 (60)
◆ Corridor Target Index	-1.2 (75)	5.7 (58)	13.2 (35)	9.7 (56)	6.3 (49)	8.1 (45)	14.4 (27)	9.2 (46)	10.9 (57)	-11.2 (63)
5th Percentile	0.7	7.9	15.7	12.0	7.9	9.3	16.8	11.7	14.6	-4.0
1st Quartile	0.0	6.9	13.8	10.8	6.8	8.5	14.5	10.1	12.5	-7.9
Median	-0.6	6.1	12.2	9.9	6.3	8.0	13.5	9.0	11.3	-10.3
3rd Quartile	-1.2	5.2	11.2	8.9	5.7	7.6	12.0	8.0	9.7	-12.3
95th Percentile	-1.7	4.2	9.2	7.6	4.8	7.0	9.7	6.3	7.8	-15.3
Population	74	74	74	74	72	70	170	185	195	186

Total Fund  
Risk Analysis 5 Years (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

	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	6.94	8.11	0.84	0.96	0.99	99.64	93.63	0.56	0.98	0.47
Corridor Target Index	6.33	8.44	0.00	1.00	1.00	100.00	100.00	-	0.00	0.38



**InvMetrics Public DB > \$1B**

	Return	Standard Deviation
Total Fund	6.94	8.11
Corridor Target Index	6.33	8.44
Median	6.29	8.39
Population	72	72

**InvMetrics Public DB > \$1B**

	Down Capture	Up Capture
Total Fund	93.63	99.64
Corridor Target Index	100.00	100.00
Median	97.33	97.46
Population	72	72

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>5,159,396,965</b>	<b>100.0</b>	<b>-0.4</b>	<b>6.4</b>	<b>-0.4</b>	<b>14.4</b>	<b>10.2</b>	<b>6.9</b>	<b>8.6</b>	<b>8.6</b>
<i>Policy Index</i>			-1.1	5.7	-1.1	13.1	9.8	6.7	8.3	8.2
<i>Corridor Target Index</i>			-1.2	5.7	-1.2	13.2	9.7	6.3	8.0	8.1
<b>Total Equity</b>	<b>3,098,609,898</b>	<b>60.1</b>	<b>-1.3</b>	<b>9.0</b>	<b>-1.3</b>	<b>21.3</b>	<b>15.6</b>	<b>9.8</b>	<b>12.0</b>	<b>11.5</b>
<i>Total Equity Blend</i>			-2.1	7.6	-2.1	19.2	-	-	-	-
<b>Public Equity</b>	<b>2,658,978,014</b>	<b>51.5</b>	<b>-1.7</b>	<b>10.0</b>	<b>-1.7</b>	<b>23.5</b>	<b>17.2</b>	<b>9.8</b>	<b>12.0</b>	<b>-</b>
<i>MSCI AC World IMI Index (Net)</i>			-2.7	8.1	-2.7	20.6	16.2	9.0	11.3	-
<b>Domestic Equity</b>	<b>1,642,479,230</b>	<b>31.8</b>	<b>-3.7</b>	<b>7.0</b>	<b>-3.7</b>	<b>19.6</b>	<b>17.8</b>	<b>11.1</b>	<b>14.1</b>	<b>13.9</b>
<i>Russell 3000 Index</i>			-4.0	6.4	-4.0	18.1	17.9	10.9	13.8	13.7
<b>International Equity</b>	<b>1,016,498,785</b>	<b>19.7</b>	<b>1.8</b>	<b>15.3</b>	<b>1.8</b>	<b>30.6</b>	<b>16.6</b>	<b>7.7</b>	<b>10.2</b>	<b>9.7</b>
<i>MSCI AC World ex USA IMI (Net)</i>			-0.7	11.2	-0.7	25.3	14.4	6.8	8.5	8.3
<b>Private Equity</b>	<b>439,631,883</b>	<b>8.5</b>	<b>0.9</b>	<b>3.1</b>	<b>0.9</b>	<b>9.6</b>	<b>7.4</b>	<b>12.2</b>	<b>13.1</b>	<b>10.8</b>
<i>Private Equity Benchmark</i>			2.1	4.8	2.1	11.7	-	-	-	-
<b>Total Income</b>	<b>1,289,369,340</b>	<b>25.0</b>	<b>0.2</b>	<b>3.4</b>	<b>0.2</b>	<b>5.4</b>	<b>5.7</b>	<b>2.6</b>	<b>3.6</b>	<b>4.1</b>
<i>Total Income Blend</i>			-0.2	3.2	-0.2	5.2	-	-	-	-
<b>Investment Grade</b>	<b>892,788,385</b>	<b>17.3</b>	<b>-0.2</b>	<b>3.3</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.6</b>	<b>1.0</b>	<b>2.3</b>	<b>2.9</b>
<i>Bimbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.6	1.7
<b>Below Investment Grade</b>	<b>396,580,954</b>	<b>7.7</b>	<b>0.9</b>	<b>3.5</b>	<b>0.9</b>	<b>6.5</b>	<b>8.2</b>	<b>6.5</b>	<b>6.6</b>	<b>7.3</b>
<i>Bimbg. U.S. High Yield - 2% Issuer Cap</i>			-0.5	3.4	-0.5	7.0	8.6	4.2	5.1	6.1
<b>Total Real Assets</b>	<b>750,783,428</b>	<b>14.6</b>	<b>1.8</b>	<b>0.7</b>	<b>1.8</b>	<b>3.2</b>	<b>-1.2</b>	<b>3.0</b>	<b>3.6</b>	<b>4.3</b>
<i>Total Real Assets Blend</i>			0.8	2.4	0.8	3.4	-	-	-	-
<b>Other Real Assets</b>	<b>326,618,282</b>	<b>6.3</b>	<b>3.3</b>	<b>7.1</b>	<b>3.3</b>	<b>12.9</b>	<b>9.5</b>	<b>9.0</b>	<b>8.5</b>	<b>-</b>
<i>Other Real Assets Blend</i>			1.0	2.9	1.0	4.0	-	-	-	-
<b>Cash and Equivalents</b>	<b>20,094,565</b>	<b>0.4</b>	<b>-0.7</b>	<b>3.7</b>	<b>-0.7</b>	<b>5.4</b>	<b>5.3</b>	<b>3.7</b>	<b>3.0</b>	<b>2.5</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

Residual Holdings value of \$539,736 included in Total Fund value.

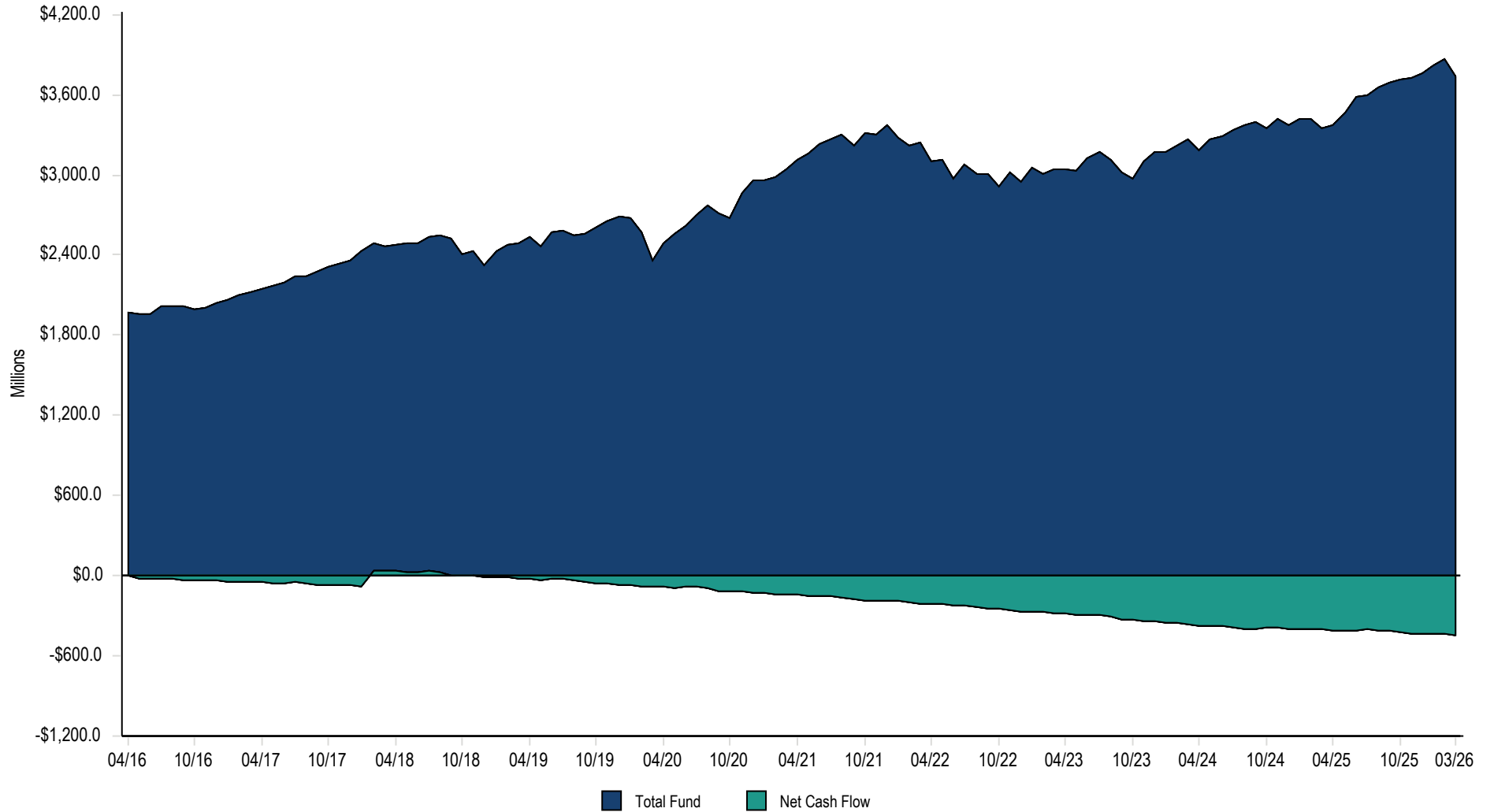
# Teachers' Fund For Retirement

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

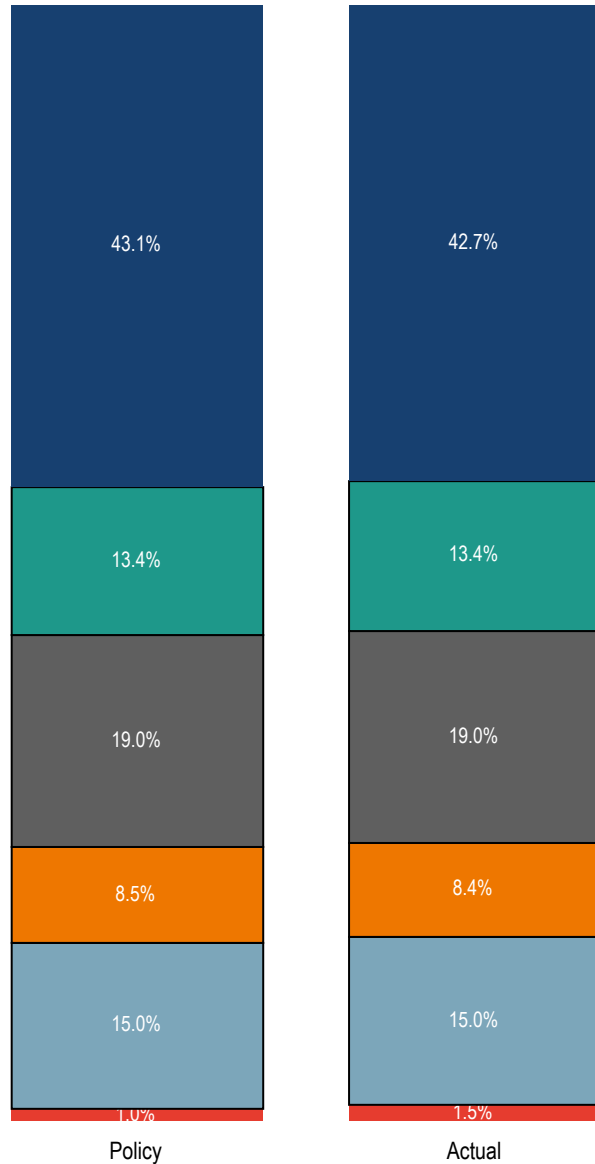
NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026



Net Cash Flow is Cumulative.

Total Fund  
Asset Allocation vs Policy

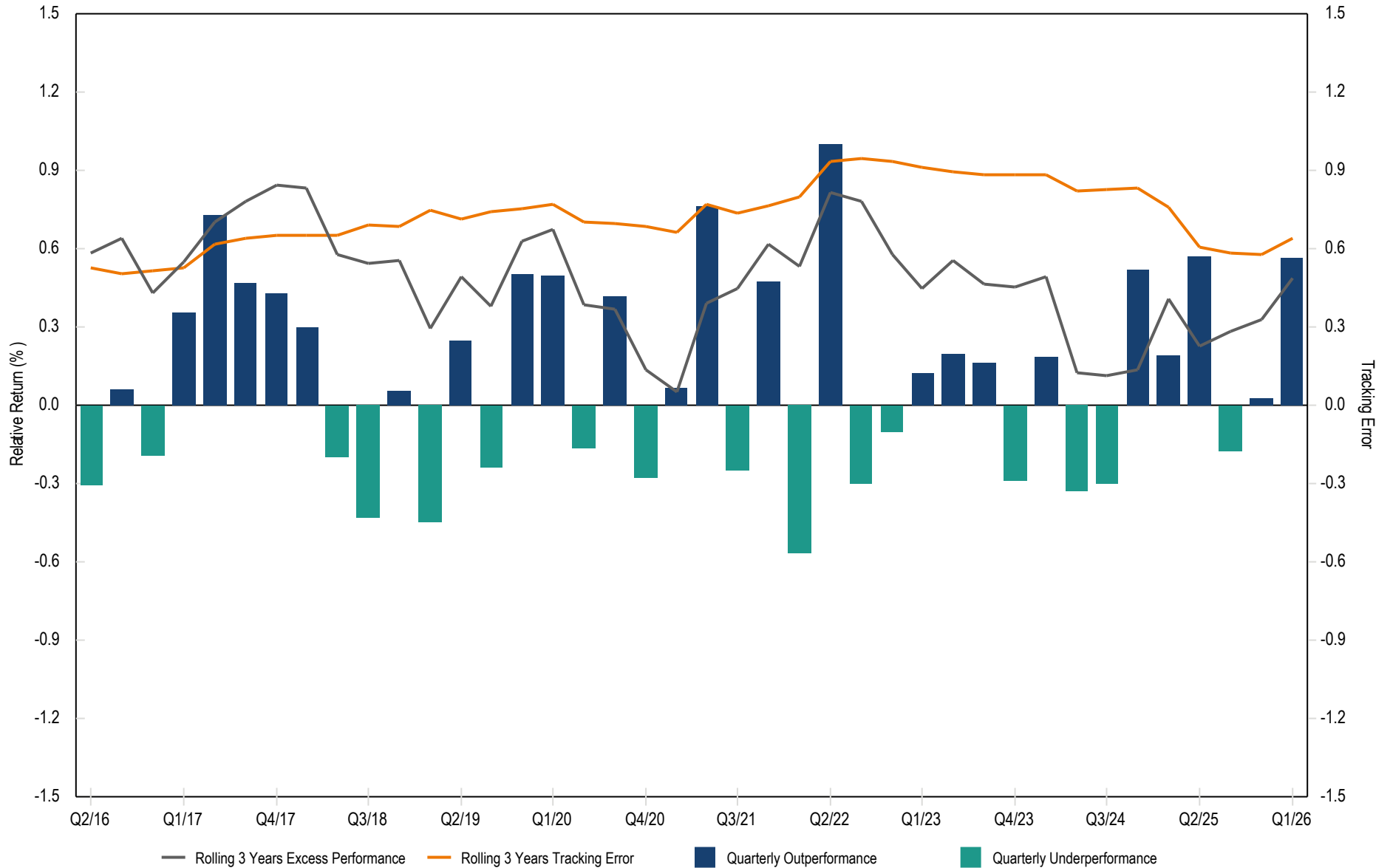
NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	1,594,908,540	42.7	45.0	43.1	-16,061,897
Private Equity	498,546,991	13.4	10.0	13.4	5,748
Investment Grade Fixed Income	710,299,523	19.0	18.0	19.0	-451,284
Below Investment Grade	314,403,583	8.4	8.0	8.5	-1,502,261
Diversified Real Assets	560,585,400	15.0	18.0	15.0	-16,778
Cash and Equivalents	55,367,587	1.5	1.0	1.0	18,026,471
<b>Total</b>	<b>3,734,111,625</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

Residual Holdings value of \$4,909,037 & Transition Account value of \$44,734 included in Global Public Equity value for styling purposes.

Rolling Annualized Excess Performance and Tracking Error

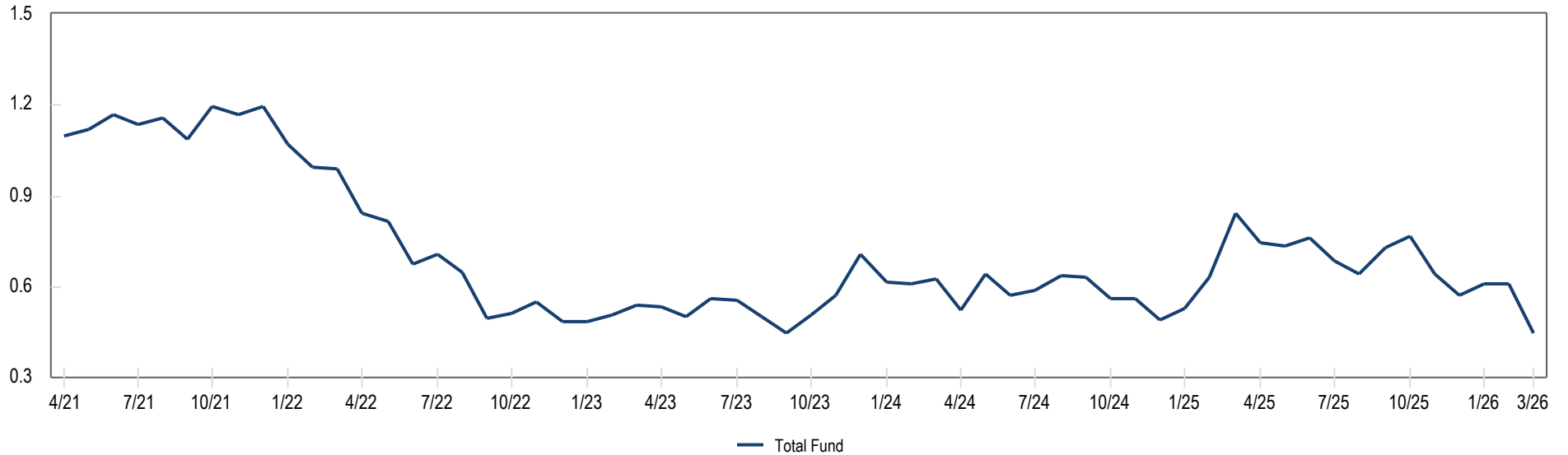


Analytic is using the Corridor Target Index

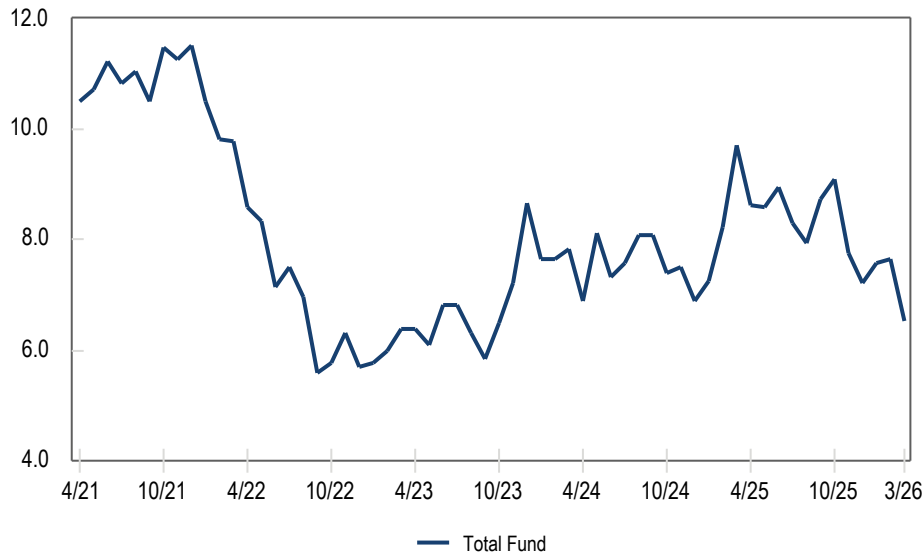
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

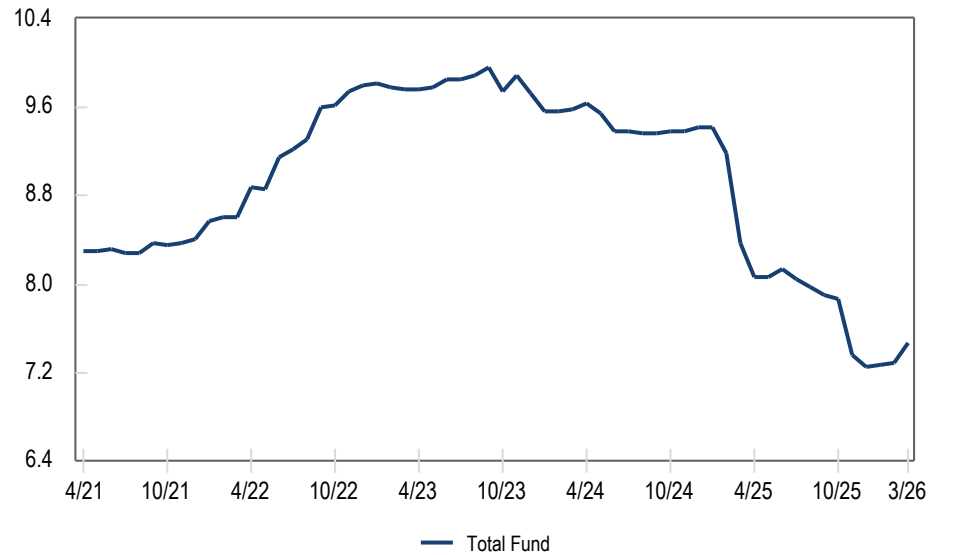
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



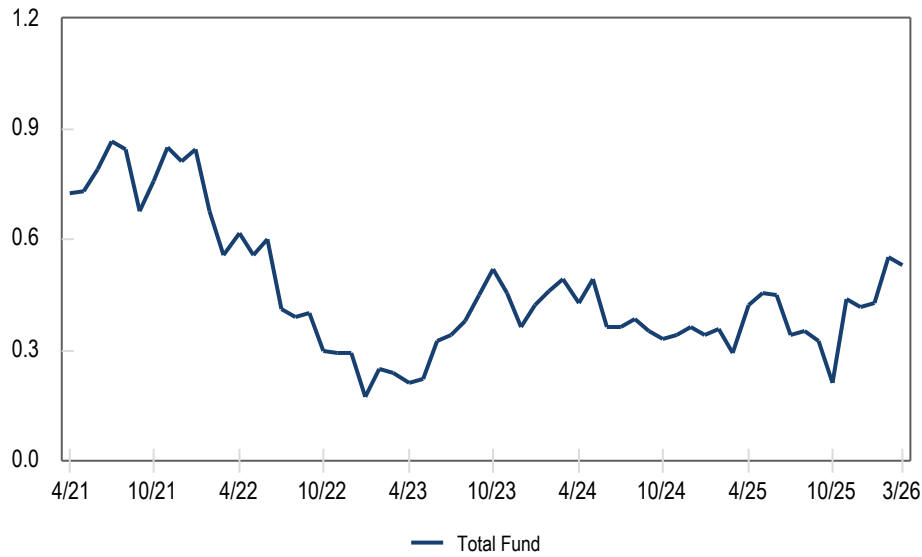
Rolling 5 Years Standard Deviation



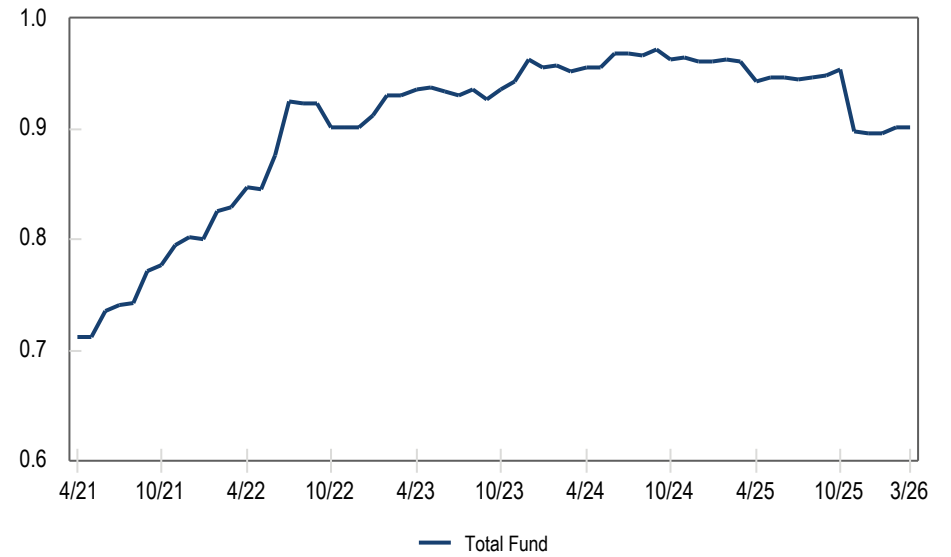
**Total Fund**  
**Risk Analysis - 5 Years (Net of Fees)**

**NDSIB - Teachers Fund For Retirement**  
**Period Ending: March 31, 2026**

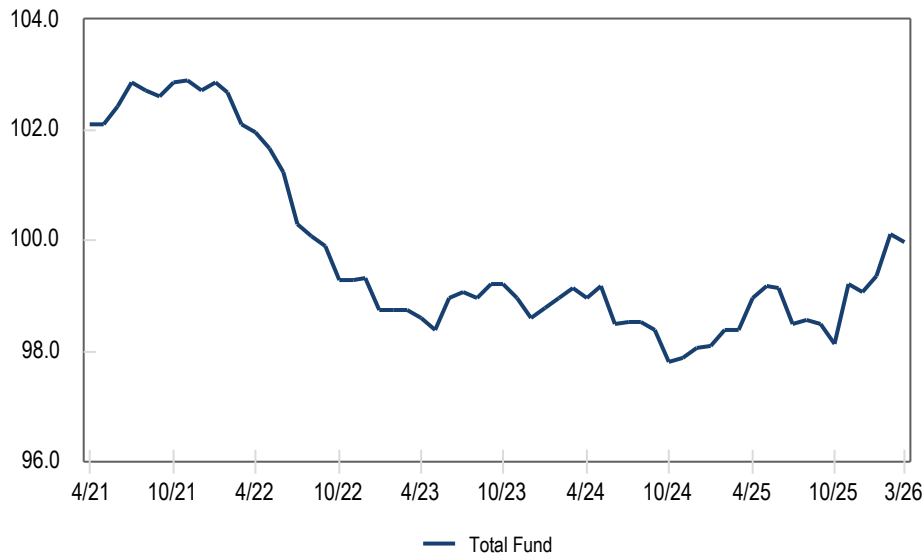
**Rolling 5 Years Information Ratio**



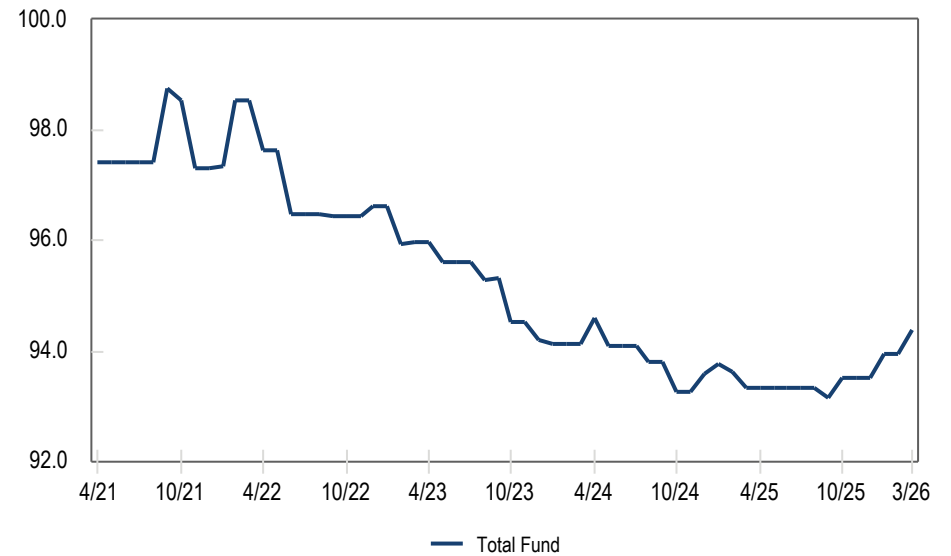
**Rolling 5 Years Tracking Error**



**Rolling 5 Years Up Capture**



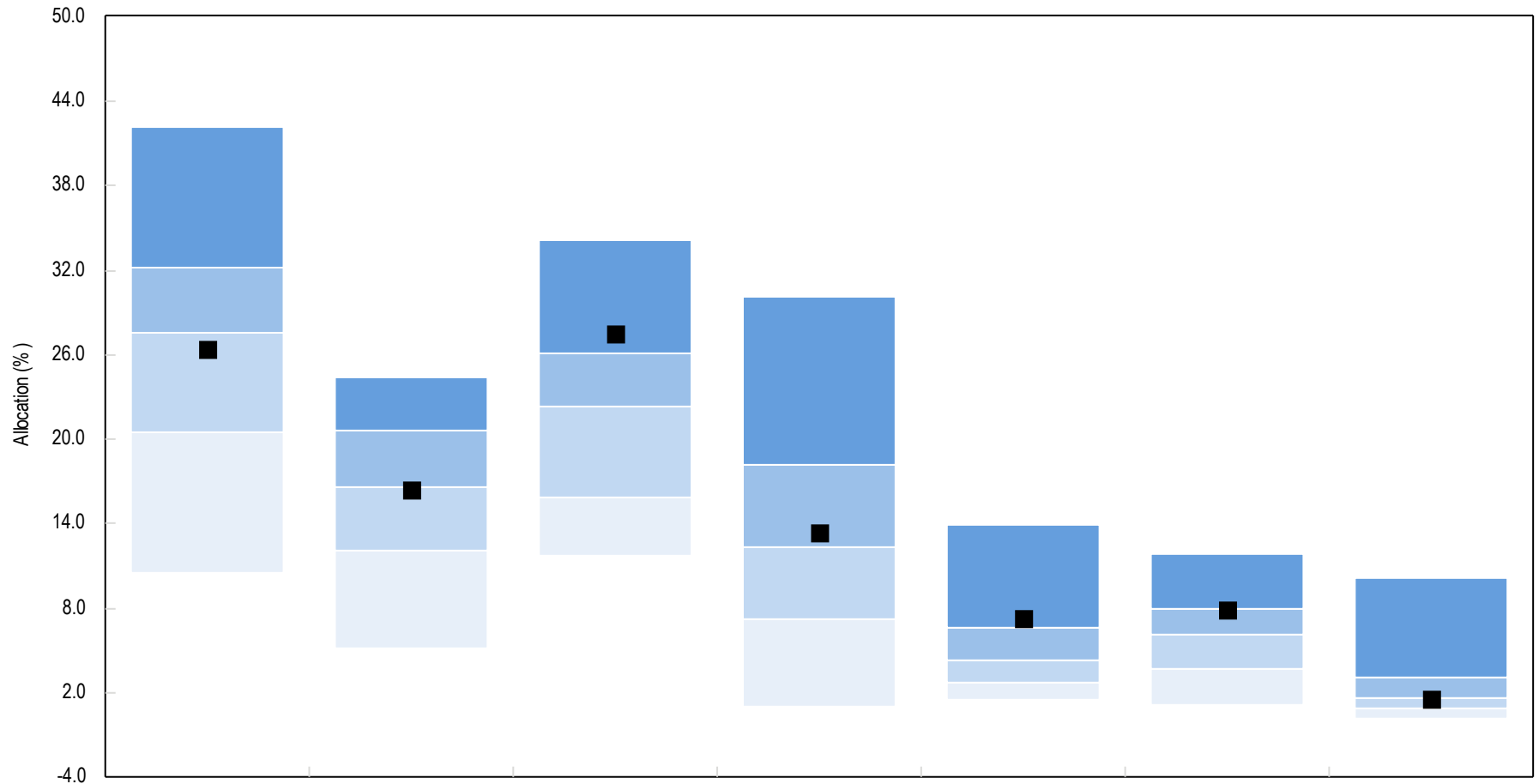
**Rolling 5 Years Down Capture**



Analytic is using the Corridor Target Index

Total Fund  
Peer Universe Comparison: Asset Allocation

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

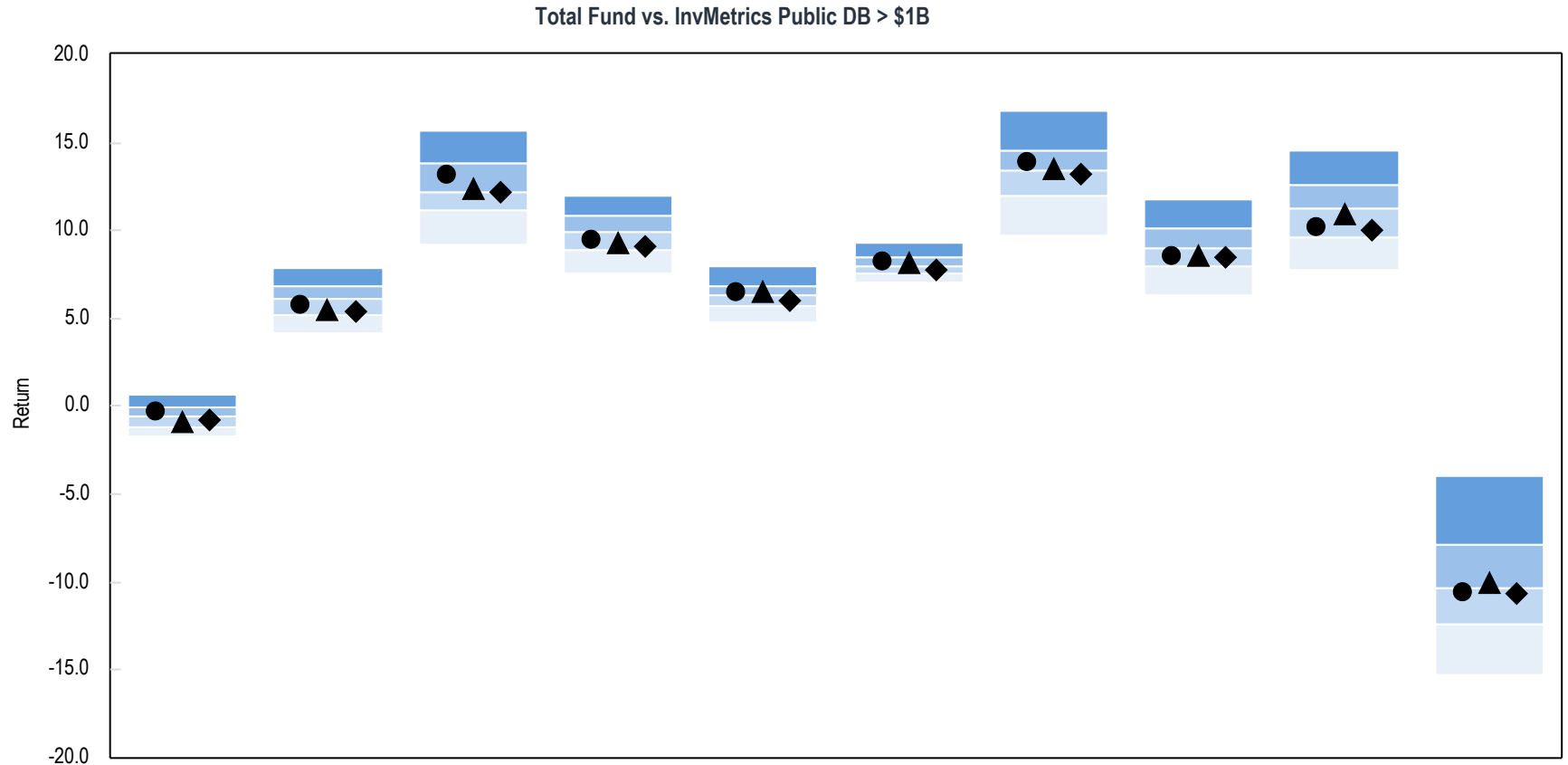


	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	26.4 (57)	16.3 (52)	27.4 (23)	13.4 (44)	7.2 (21)	7.8 (27)	1.5 (52)
5th Percentile	42.2	24.4	34.2	30.2	14.0	11.9	10.1
1st Quartile	32.2	20.6	26.1	18.2	6.6	7.9	3.1
Median	27.6	16.6	22.4	12.3	4.2	6.1	1.6
3rd Quartile	20.5	12.0	15.9	7.2	2.7	3.7	0.9
95th Percentile	10.5	5.1	11.7	1.0	1.5	1.1	0.1
Population	76	78	79	71	48	66	77

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

Total Fund  
Peer Universe Comparison: Cumulative Perf (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026



	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022
● Total Fund	-0.2 (32)	5.8 (55)	13.3 (34)	9.6 (61)	6.5 (43)	8.3 (35)	13.9 (37)	8.6 (64)	10.3 (68)	-10.5 (56)
▲ Policy Index	-0.8 (61)	5.5 (68)	12.4 (47)	9.4 (66)	6.6 (41)	8.1 (44)	13.5 (50)	8.6 (64)	10.9 (56)	-10.0 (47)
◆ Corridor Target Index	-0.8 (61)	5.4 (73)	12.2 (53)	9.1 (71)	6.0 (62)	7.8 (62)	13.3 (56)	8.5 (67)	10.0 (71)	-10.6 (58)
5th Percentile	0.7	7.9	15.7	12.0	7.9	9.3	16.8	11.7	14.6	-4.0
1st Quartile	0.0	6.9	13.8	10.8	6.8	8.5	14.5	10.1	12.5	-7.9
Median	-0.6	6.1	12.2	9.9	6.3	8.0	13.5	9.0	11.3	-10.3
3rd Quartile	-1.2	5.2	11.2	8.9	5.7	7.6	12.0	8.0	9.7	-12.3
95th Percentile	-1.7	4.2	9.2	7.6	4.8	7.0	9.7	6.3	7.8	-15.3
Population	74	74	74	74	72	70	170	185	195	186

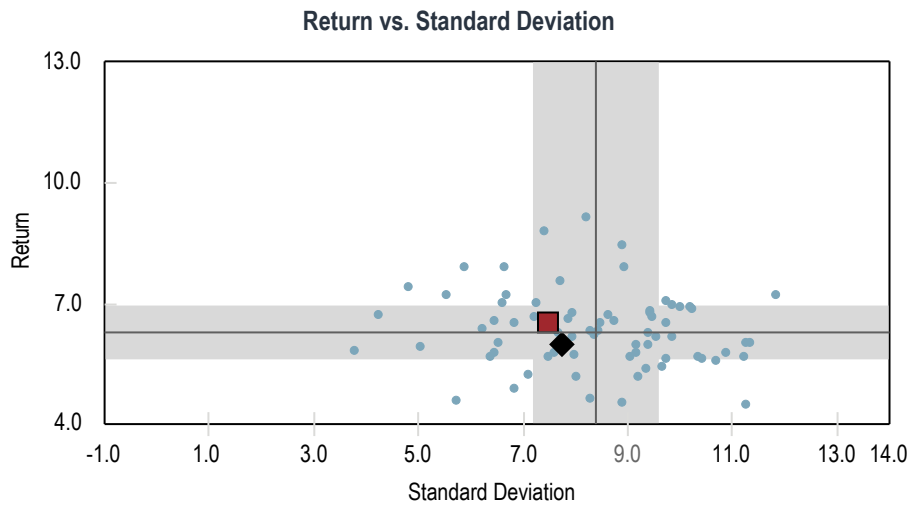
# Total Fund

## Risk Analysis 5 Years (Net of Fees)

# NDSIB - Teachers Fund For Retirement

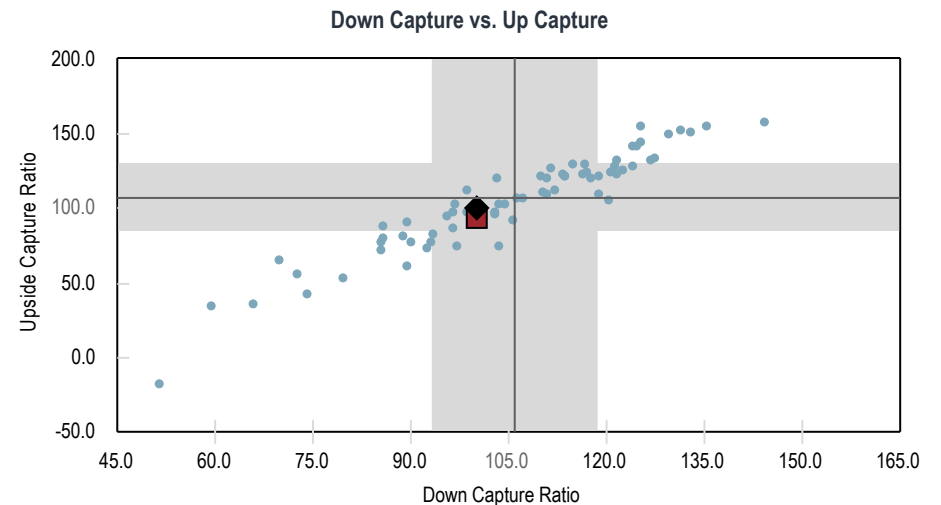
## Period Ending: March 31, 2026

	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	6.53	7.46	0.73	0.96	0.99	99.97	94.40	0.53	0.90	0.45
Corridor Target Index	6.00	7.73	0.00	1.00	1.00	100.00	100.00	-	0.00	0.37



**InvMetrics Public DB > \$1B**

	Return	Standard Deviation
■ Total Fund	6.53	7.46
◆ Corridor Target Index	6.00	7.73
— Median	6.29	8.39
Population	72	72



**InvMetrics Public DB > \$1B**

	Down Capture	Up Capture
■ Total Fund	94.40	99.97
◆ Corridor Target Index	100.00	100.00
— Median	107.49	105.88
Population	72	72

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>3,734,111,625</b>	<b>100.0</b>	<b>-0.2</b>	<b>5.8</b>	<b>-0.2</b>	<b>13.3</b>	<b>9.6</b>	<b>6.5</b>	<b>8.2</b>	<b>8.3</b>
<i>Policy Index</i>			-0.8	5.5	-0.8	12.4	9.4	6.6	8.2	8.1
<i>Corridor Target Index</i>			-0.8	5.4	-0.8	12.2	9.1	6.0	7.7	7.8
<b>Total Equity</b>	<b>2,088,546,495</b>	<b>55.9</b>	<b>-1.1</b>	<b>8.3</b>	<b>-1.1</b>	<b>19.9</b>	<b>14.6</b>	<b>9.5</b>	<b>11.8</b>	<b>11.4</b>
<i>Total Equity Blend</i>			-1.6	7.3	-1.6	18.4	-	-	-	-
<b>Public Equity</b>	<b>1,589,999,504</b>	<b>42.6</b>	<b>-1.7</b>	<b>10.0</b>	<b>-1.7</b>	<b>23.5</b>	<b>17.2</b>	<b>9.8</b>	<b>12.1</b>	<b>-</b>
<i>MSCI AC World IMI Index (Net)</i>			-2.7	8.1	-2.7	20.6	16.2	9.0	11.3	11.1
<b>Domestic Equity</b>	<b>980,561,806</b>	<b>26.3</b>	<b>-3.7</b>	<b>6.9</b>	<b>-3.7</b>	<b>19.6</b>	<b>17.8</b>	<b>11.1</b>	<b>14.1</b>	<b>13.9</b>
<i>Russell 3000 Index</i>			-4.0	6.4	-4.0	18.1	17.9	10.9	13.8	13.7
<b>International Equity</b>	<b>609,437,697</b>	<b>16.3</b>	<b>1.8</b>	<b>15.2</b>	<b>1.8</b>	<b>30.6</b>	<b>16.5</b>	<b>7.8</b>	<b>10.1</b>	<b>9.6</b>
<i>MSCI AC World ex USA IMI (Net)</i>			-0.7	11.2	-0.7	25.3	14.4	6.8	8.5	8.3
<b>Private Equity</b>	<b>498,546,991</b>	<b>13.4</b>	<b>0.9</b>	<b>3.1</b>	<b>0.9</b>	<b>9.6</b>	<b>7.4</b>	<b>12.2</b>	<b>13.1</b>	<b>10.8</b>
<i>Private Equity Benchmark</i>			2.1	4.8	2.1	11.7	-	-	-	-
<b>Total Income</b>	<b>1,024,703,106</b>	<b>27.4</b>	<b>0.1</b>	<b>3.4</b>	<b>0.1</b>	<b>5.5</b>	<b>5.8</b>	<b>2.4</b>	<b>3.4</b>	<b>4.0</b>
<i>Total Income Blend</i>			-0.2	3.2	-0.2	5.2	-	-	-	-
<b>Investment Grade</b>	<b>710,299,523</b>	<b>19.0</b>	<b>-0.2</b>	<b>3.3</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.6</b>	<b>1.0</b>	<b>2.3</b>	<b>2.9</b>
<i>Bimbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.6	1.7
<b>Below Investment Grade</b>	<b>314,403,583</b>	<b>8.4</b>	<b>0.8</b>	<b>3.5</b>	<b>0.8</b>	<b>6.7</b>	<b>8.3</b>	<b>6.3</b>	<b>6.5</b>	<b>7.2</b>
<i>Bimbg. U.S. High Yield - 2% Issuer Cap</i>			-0.5	3.4	-0.5	7.0	8.6	4.2	5.1	6.1
<b>Total Real Assets</b>	<b>560,585,400</b>	<b>15.0</b>	<b>1.9</b>	<b>1.2</b>	<b>1.9</b>	<b>3.9</b>	<b>-0.5</b>	<b>3.5</b>	<b>3.9</b>	<b>4.4</b>
<i>Total Real Assets Blend</i>			0.8	2.5	0.8	3.4	-	-	-	-
<b>Other Real Assets</b>	<b>269,627,035</b>	<b>7.2</b>	<b>3.2</b>	<b>7.0</b>	<b>3.2</b>	<b>12.8</b>	<b>9.5</b>	<b>8.9</b>	<b>8.5</b>	<b>-</b>
<i>Other Real Assets Blend</i>			1.0	2.9	1.0	4.0	-	-	-	-
<b>Cash and Equivalents</b>	<b>55,367,587</b>	<b>1.5</b>	<b>0.2</b>	<b>5.2</b>	<b>0.2</b>	<b>6.8</b>	<b>5.8</b>	<b>4.0</b>	<b>3.2</b>	<b>2.6</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

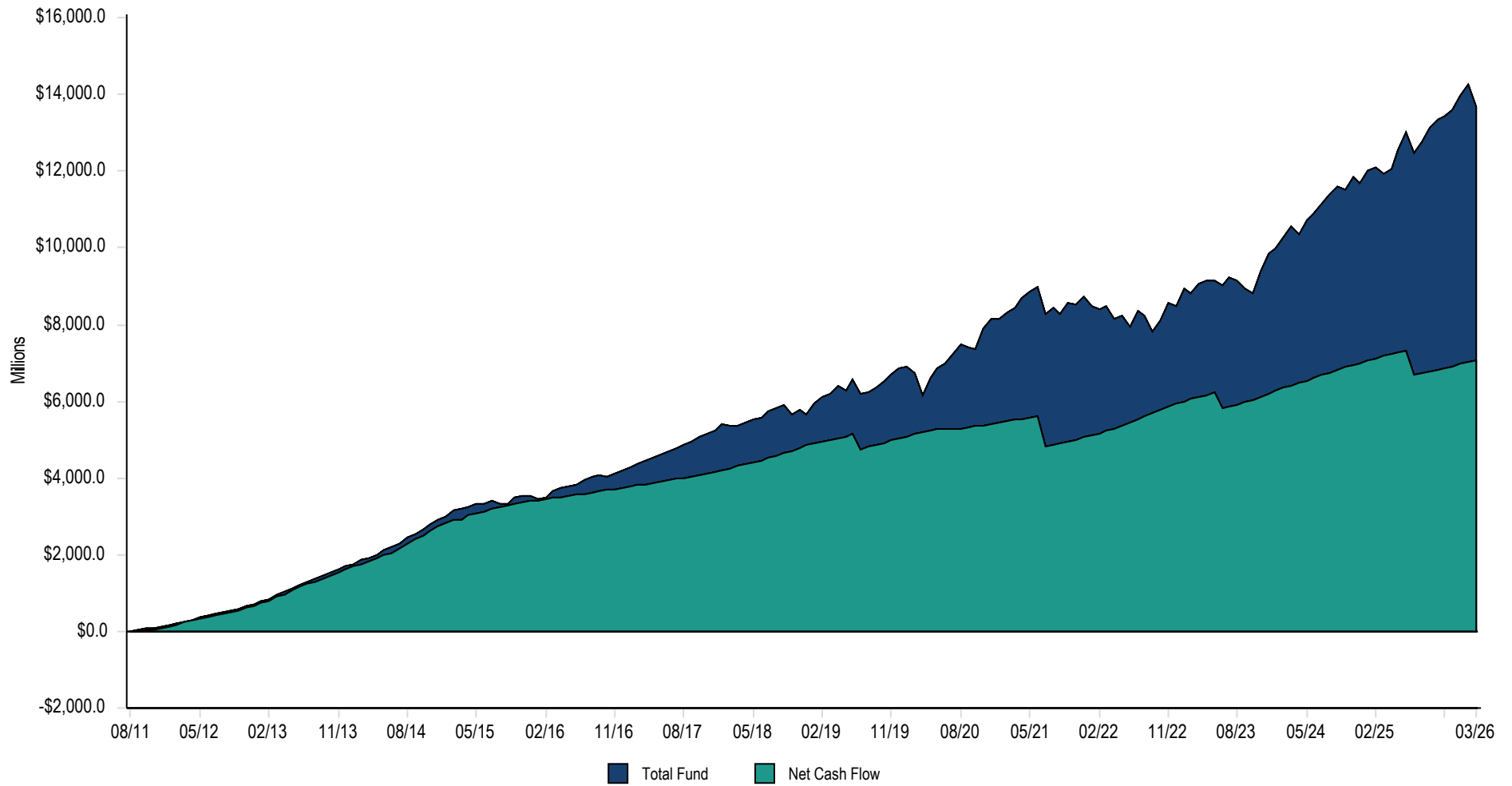
Residual Holdings value of \$4,909,037 included in Total Fund value.

# Legacy Fund

Investment Performance Review  
Period Ending: March 31, 2026

# Total Fund Asset Allocation History

NDSIB - Legacy Fund  
Period Ending: March 31, 2026



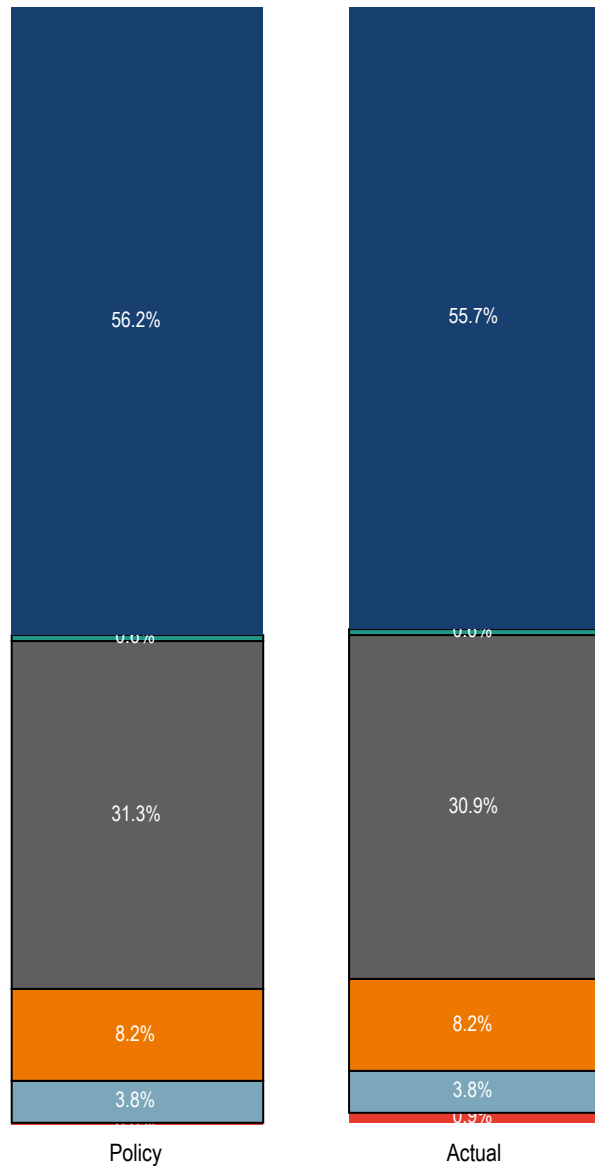
■ Total Fund ■ Net Cash Flow

Periods Ending	Beginning Market Value \$	Contributions \$	Distributions \$	Gain/Loss \$	Ending Market Value \$
Inception	34,311,020	28,918,875,907	-21,867,158,658	6,582,934,127	13,668,962,395

Net Cash Flow is Cumulative.

Total Fund  
Asset Allocation vs Policy

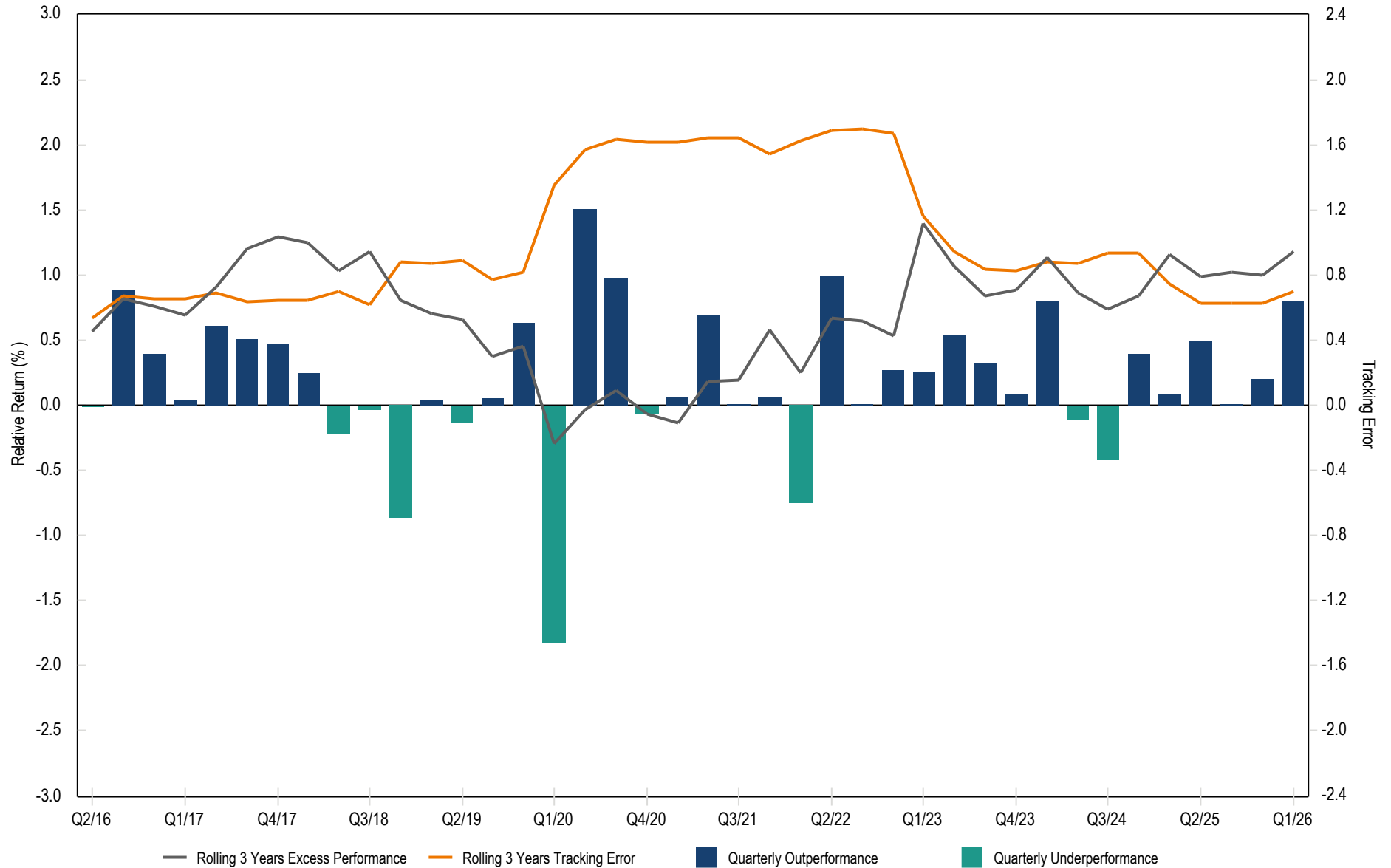
NDSIB - Legacy Fund  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	7,607,320,316	55.7	46.5	56.2	-73,132,965
Private Equity	76,199,649	0.6	7.0	0.6	-346,540
Global Fixed Income	4,229,129,278	30.9	28.5	31.3	-46,658,849
Diversified Real Assets	1,118,261,956	8.2	10.0	8.2	140,832
In-State Investments	518,957,437	3.8	8.0	3.8	903,762
Cash and Equivalents	119,093,760	0.9	0.0	0.0	119,093,760
<b>Total</b>	<b>13,668,962,395</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

Residual Holdings value of \$849,849 included in Global Public Equity value for styling purposes.

Rolling Annualized Excess Performance and Tracking Error

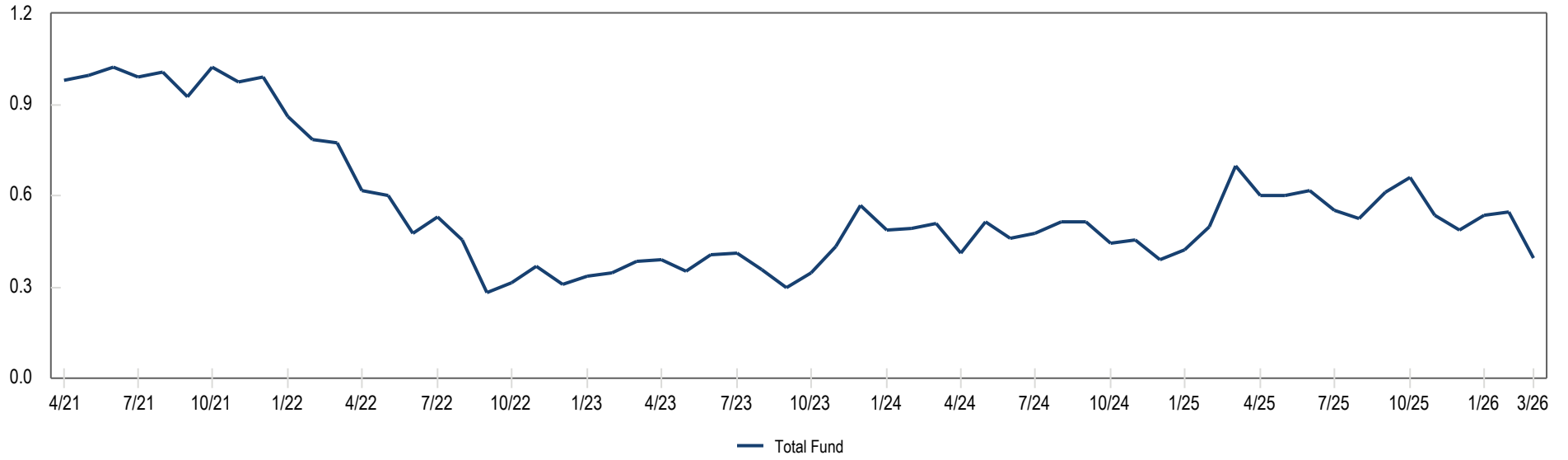


Analytic is using the Corridor Target Index

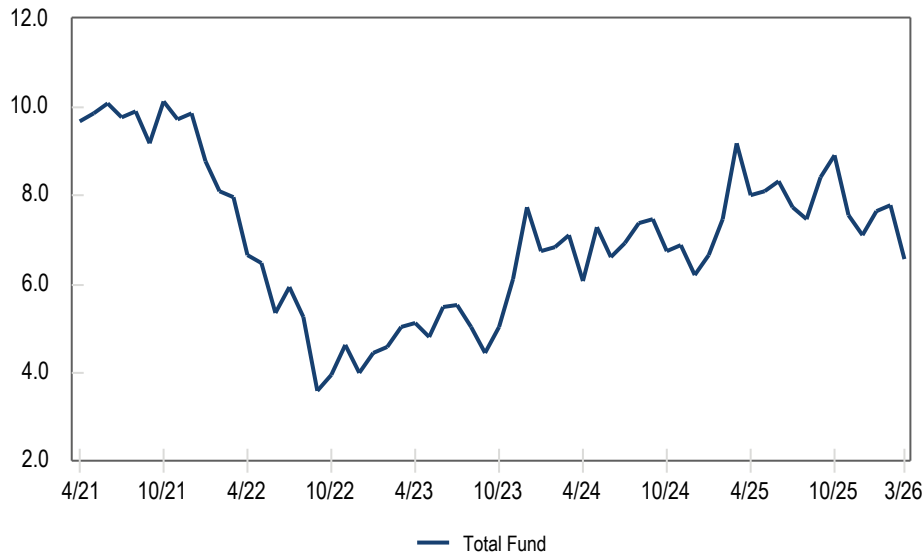
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

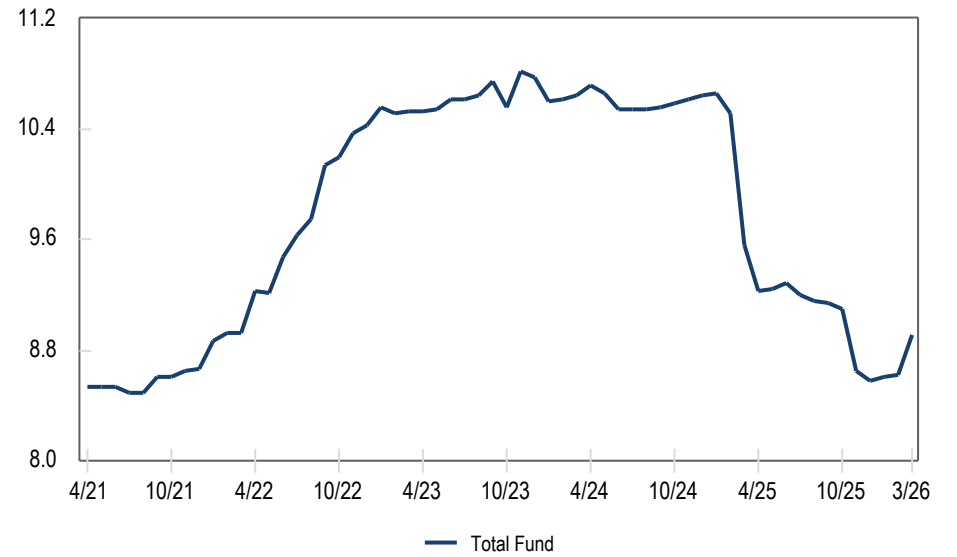
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



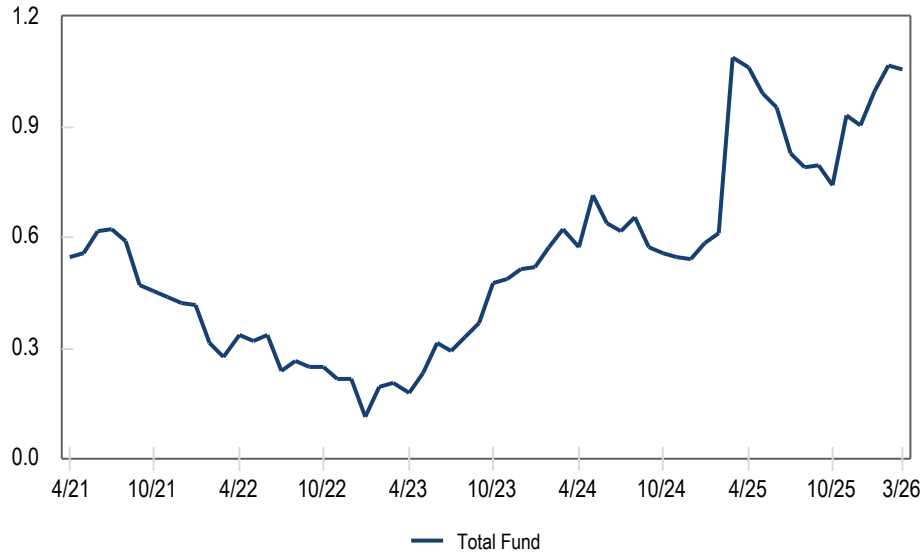
Rolling 5 Years Standard Deviation



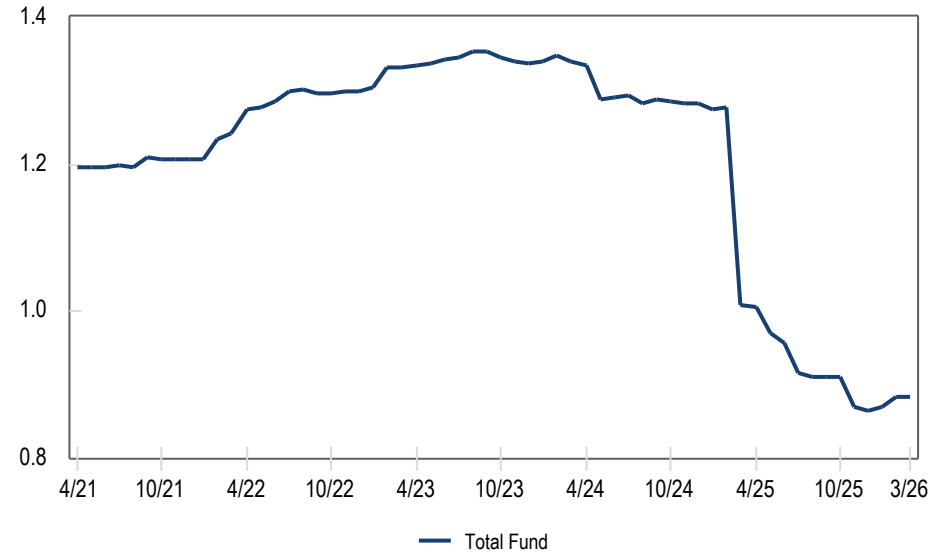
**Total Fund**  
**Risk Analysis - 5 Years (Net of Fees)**

**NDSIB - Legacy Fund**  
**Period Ending: March 31, 2026**

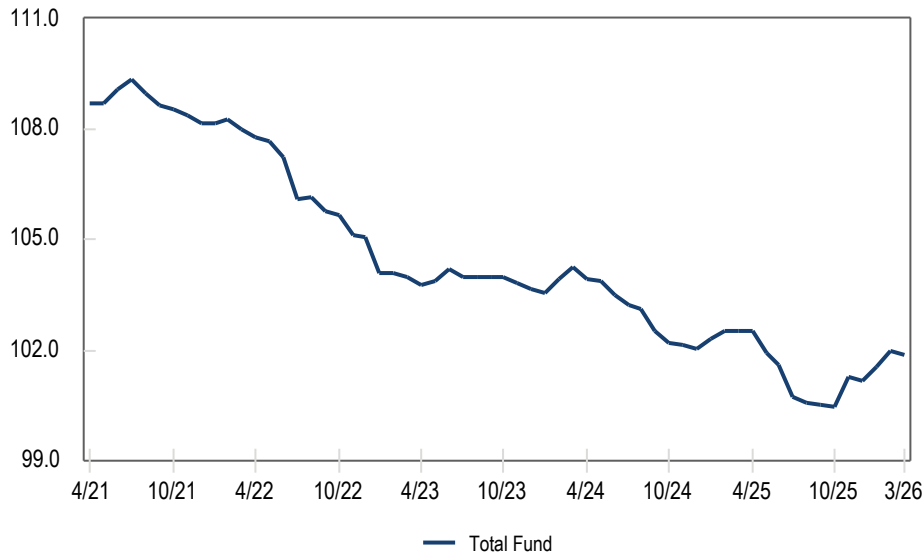
**Rolling 5 Years Information Ratio**



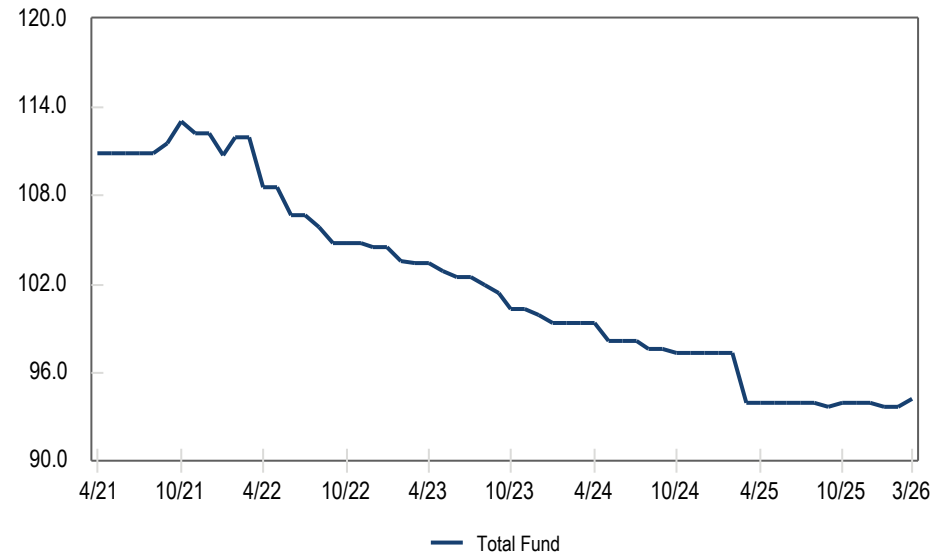
**Rolling 5 Years Tracking Error**



**Rolling 5 Years Up Capture**



**Rolling 5 Years Down Capture**

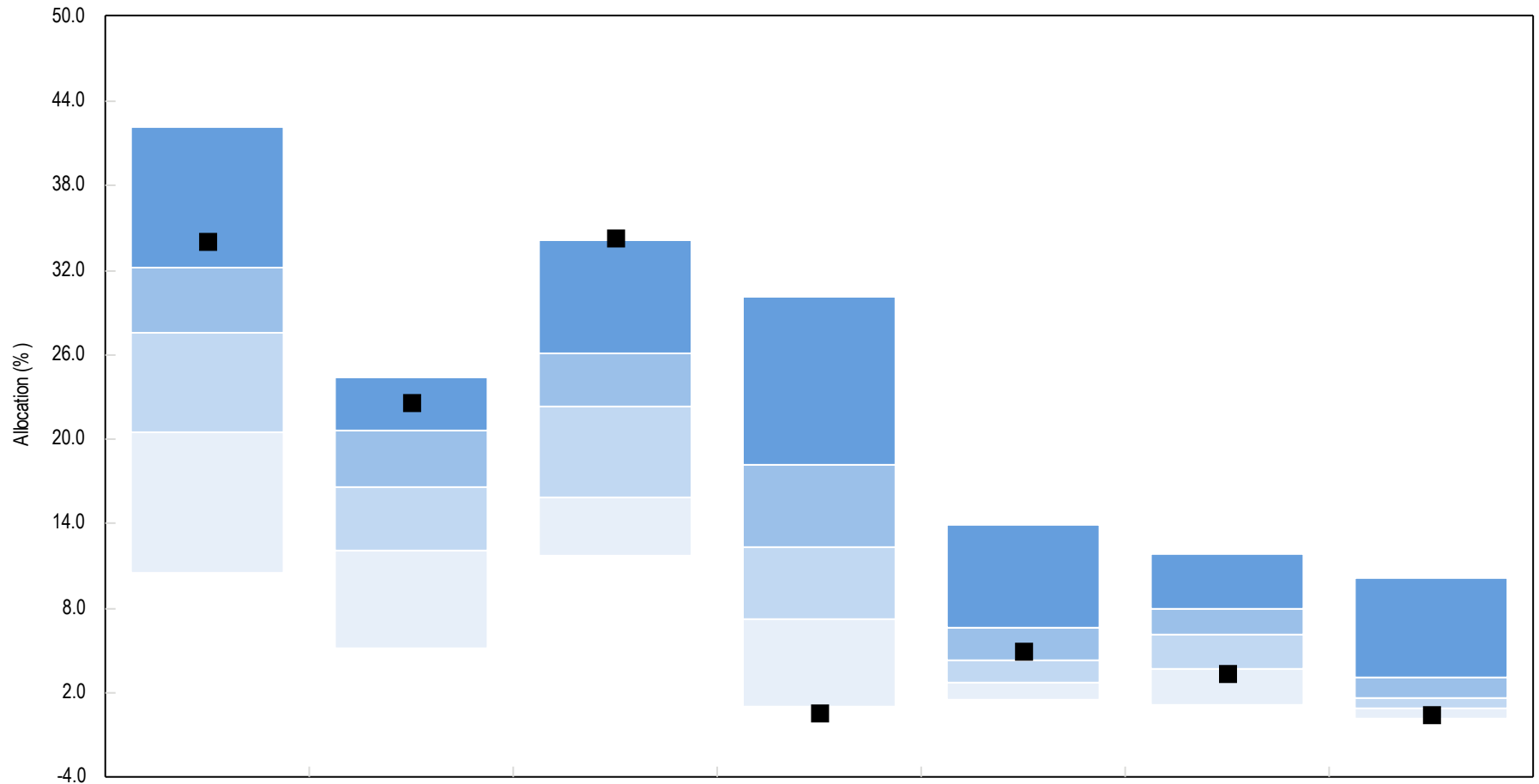


*Analytic is using the Corridor Target Index*

# Total Fund

## Peer Universe Comparison: Asset Allocation

NDSIB - Legacy Fund  
 Period Ending: March 31, 2026

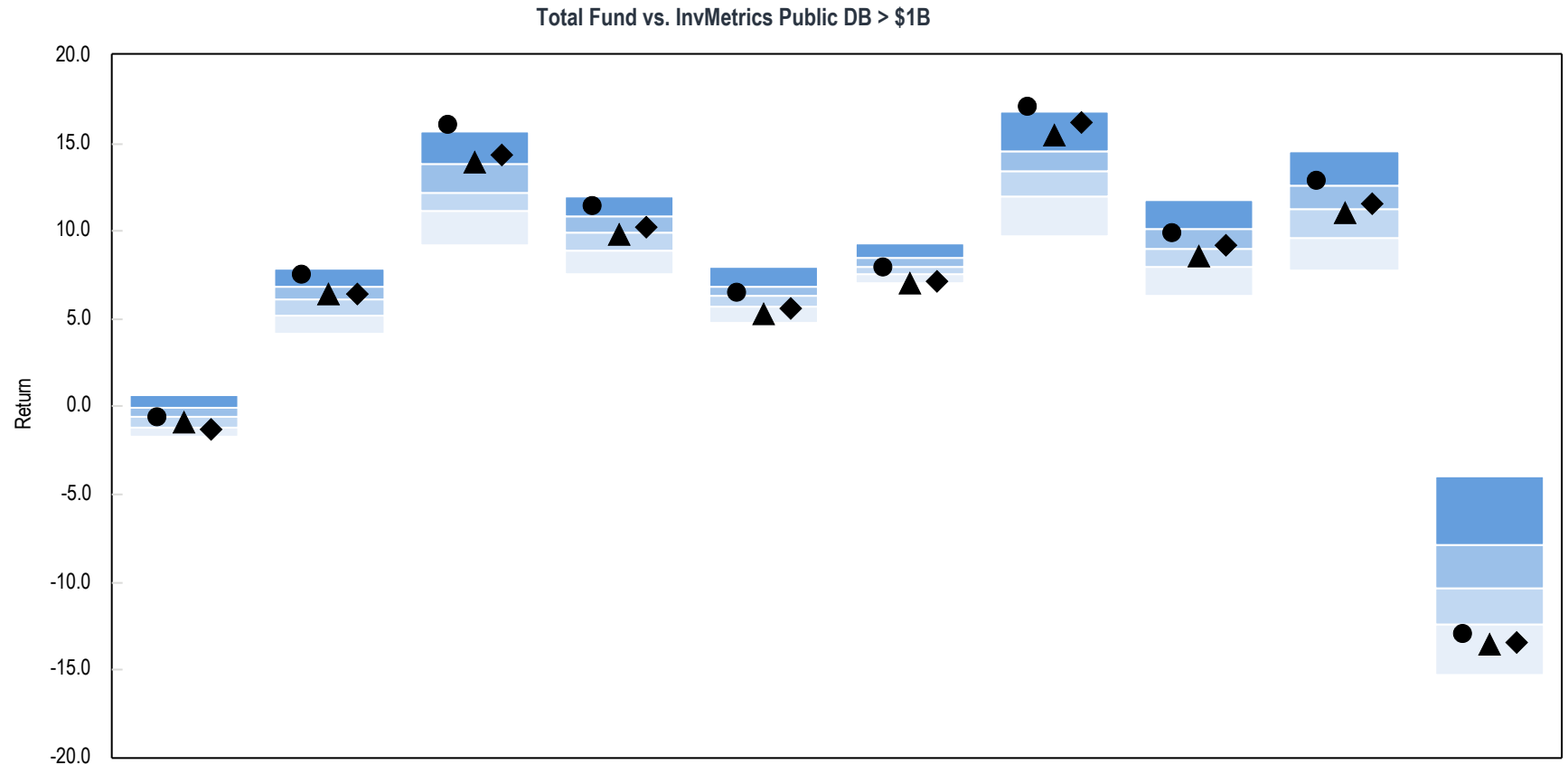


	US Equity	Global ex-US Equity	US Fixed	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents
■ Total Fund	34.1 (21)	22.6 (12)	34.3 (5)	0.6 (99)	4.9 (44)	3.3 (81)	0.3 (90)
5th Percentile	42.2	24.4	34.2	30.2	14.0	11.9	10.1
1st Quartile	32.2	20.6	26.1	18.2	6.6	7.9	3.1
Median	27.6	16.6	22.4	12.3	4.2	6.1	1.6
3rd Quartile	20.5	12.0	15.9	7.2	2.7	3.7	0.9
95th Percentile	10.5	5.1	11.7	1.0	1.5	1.1	0.1
Population	76	78	79	71	48	66	77

*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.*

Total Fund  
Peer Universe Comparison: Cumulative Perf (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026



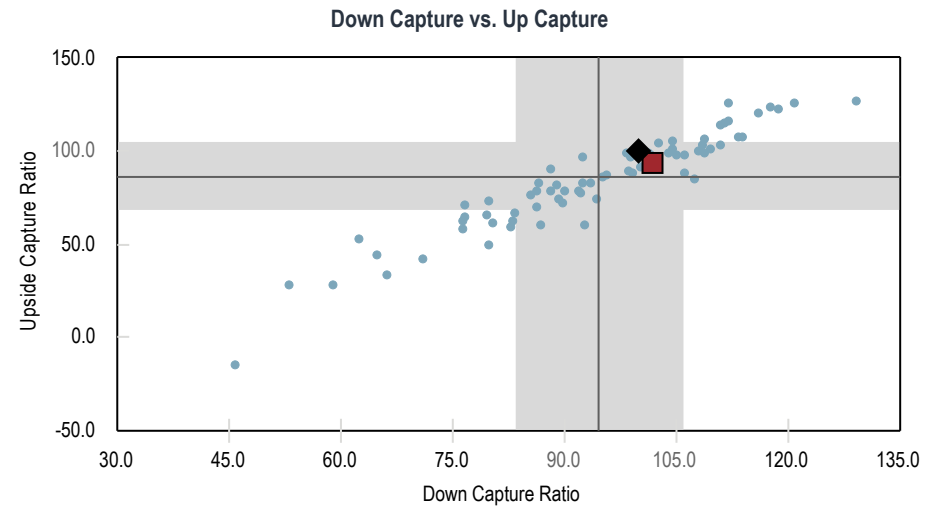
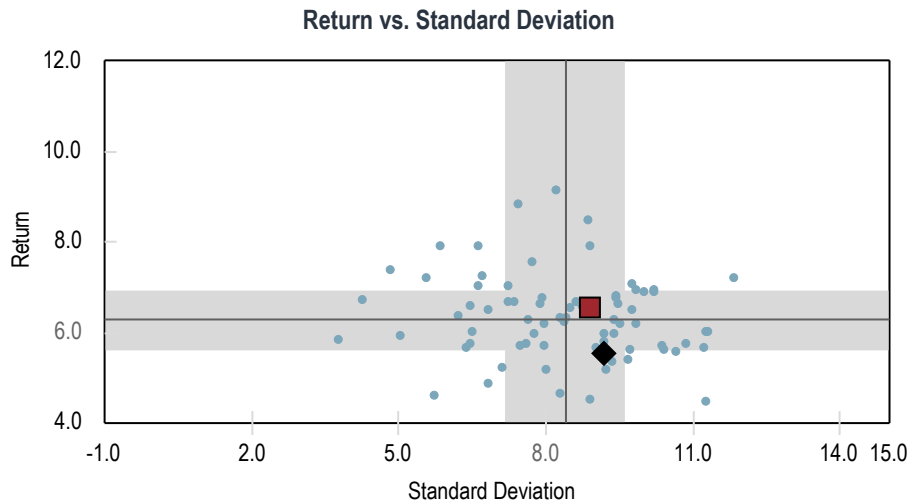
	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022
● Total Fund	-0.5 (47)	7.6 (7)	16.1 (5)	11.4 (14)	6.6 (41)	7.9 (57)	17.1 (5)	9.9 (28)	12.9 (20)	-12.9 (80)
▲ Policy Index	-0.9 (62)	6.5 (39)	13.9 (25)	9.8 (52)	5.3 (90)	7.0 (96)	15.5 (13)	8.5 (65)	11.1 (52)	-13.5 (88)
◆ Corridor Target Index	-1.3 (83)	6.5 (39)	14.4 (14)	10.2 (43)	5.6 (87)	7.1 (95)	16.2 (9)	9.2 (44)	11.6 (41)	-13.4 (85)
5th Percentile	0.7	7.9	15.7	12.0	7.9	9.3	16.8	11.7	14.6	-4.0
1st Quartile	0.0	6.9	13.8	10.8	6.8	8.5	14.5	10.1	12.5	-7.9
Median	-0.6	6.1	12.2	9.9	6.3	8.0	13.5	9.0	11.3	-10.3
3rd Quartile	-1.2	5.2	11.2	8.9	5.7	7.6	12.0	8.0	9.7	-12.3
95th Percentile	-1.7	4.2	9.2	7.6	4.8	7.0	9.7	6.3	7.8	-15.3
Population	74	74	74	74	72	70	170	185	195	186

# Total Fund

## Risk Analysis 5 Years (Net of Fees)

NDSIB - Legacy Fund  
 Period Ending: March 31, 2026

	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	6.58	8.91	1.13	0.97	0.99	101.88	94.14	1.06	0.88	0.40
Corridor Target Index	5.56	9.17	0.00	1.00	1.00	100.00	100.00	-	0.00	0.28



**InvMetrics Public DB > \$1B**

	Return	Standard Deviation
■ Total Fund	6.58	8.91
◆ Corridor Target Index	5.56	9.17
— Median	6.29	8.39
Population	72	72

**InvMetrics Public DB > \$1B**

	Down Capture	Up Capture
■ Total Fund	94.14	101.88
◆ Corridor Target Index	100.00	100.00
— Median	86.93	94.67
Population	72	72

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>13,668,962,395</b>	<b>100.0</b>	<b>-0.5</b>	<b>7.6</b>	<b>-0.5</b>	<b>16.1</b>	<b>11.4</b>	<b>6.6</b>	<b>8.1</b>	<b>7.9</b>
<i>Policy Index</i>			-0.9	6.5	-0.9	13.9	9.8	5.3	7.1	7.0
<i>Corridor Target Index</i>			-1.3	6.5	-1.3	14.4	10.2	5.6	7.3	7.1
<b>Total Equity</b>	<b>7,682,670,116</b>	<b>56.2</b>	<b>-1.6</b>	<b>9.9</b>	<b>-1.6</b>	<b>23.4</b>	<b>17.1</b>	<b>9.5</b>	<b>11.8</b>	<b>-</b>
<i>Total Equity Blend</i>			-2.5	8.5	-2.5	21.1	16.3	9.0	11.4	-
<b>Public Equity</b>	<b>7,606,647,390</b>	<b>55.6</b>	<b>-1.6</b>	<b>10.0</b>	<b>-1.6</b>	<b>23.5</b>	<b>17.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>MSCI AC World IMI Index (Net)</i>			-2.7	8.1	-2.7	20.6	16.2	-	-	-
<b>Domestic Equity</b>	<b>4,519,198,416</b>	<b>33.1</b>	<b>-3.6</b>	<b>7.1</b>	<b>-3.6</b>	<b>19.4</b>	<b>17.9</b>	<b>10.8</b>	<b>13.2</b>	<b>12.9</b>
<i>Russell 3000 Index</i>			-4.0	6.4	-4.0	18.1	17.9	10.9	13.8	13.7
<b>International Equity</b>	<b>3,087,448,973</b>	<b>22.6</b>	<b>0.8</b>	<b>13.9</b>	<b>0.8</b>	<b>28.9</b>	<b>15.7</b>	<b>7.6</b>	<b>9.6</b>	<b>9.1</b>
<i>MSCI AC World ex USA IMI (Net)</i>			-0.7	11.2	-0.7	25.3	14.4	6.8	8.5	8.3
<b>Private Equity</b>	<b>76,022,726</b>	<b>0.6</b>	<b>0.2</b>	<b>1.9</b>	<b>0.2</b>	<b>11.0</b>	<b>8.3</b>	<b>6.5</b>	<b>-</b>	<b>-</b>
<i>Private Equity Benchmark</i>			2.3	5.0	2.3	13.5	-	-	-	-
<b>Global Fixed Income</b>	<b>4,229,129,278</b>	<b>30.9</b>	<b>0.4</b>	<b>3.7</b>	<b>0.4</b>	<b>6.1</b>	<b>5.5</b>	<b>2.0</b>	<b>3.0</b>	<b>3.5</b>
<i>Global Fixed Income Blend</i>			-0.2	3.2	-0.2	5.2	4.1	0.6	1.8	1.8
<b>Total Real Assets</b>	<b>1,118,261,956</b>	<b>8.2</b>	<b>2.8</b>	<b>3.8</b>	<b>2.8</b>	<b>6.6</b>	<b>1.8</b>	<b>3.9</b>	<b>4.5</b>	<b>-</b>
<i>Total Real Asset Blend</i>			0.8	2.5	0.8	3.5	-	-	-	-
<b>In-State Investments</b>	<b>518,957,437</b>	<b>3.8</b>	<b>0.6</b>	<b>11.6</b>	<b>0.6</b>	<b>15.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>In-State Investments</i>			0.6	11.6	0.6	15.8	-	-	-	-
<b>Cash and Equivalents</b>	<b>119,093,760</b>	<b>0.9</b>	<b>-1.1</b>	<b>4.3</b>	<b>-1.1</b>	<b>9.9</b>	<b>6.7</b>	<b>4.5</b>	<b>3.5</b>	<b>2.7</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

Residual Holdings value \$849,849 included in Total Fund value.

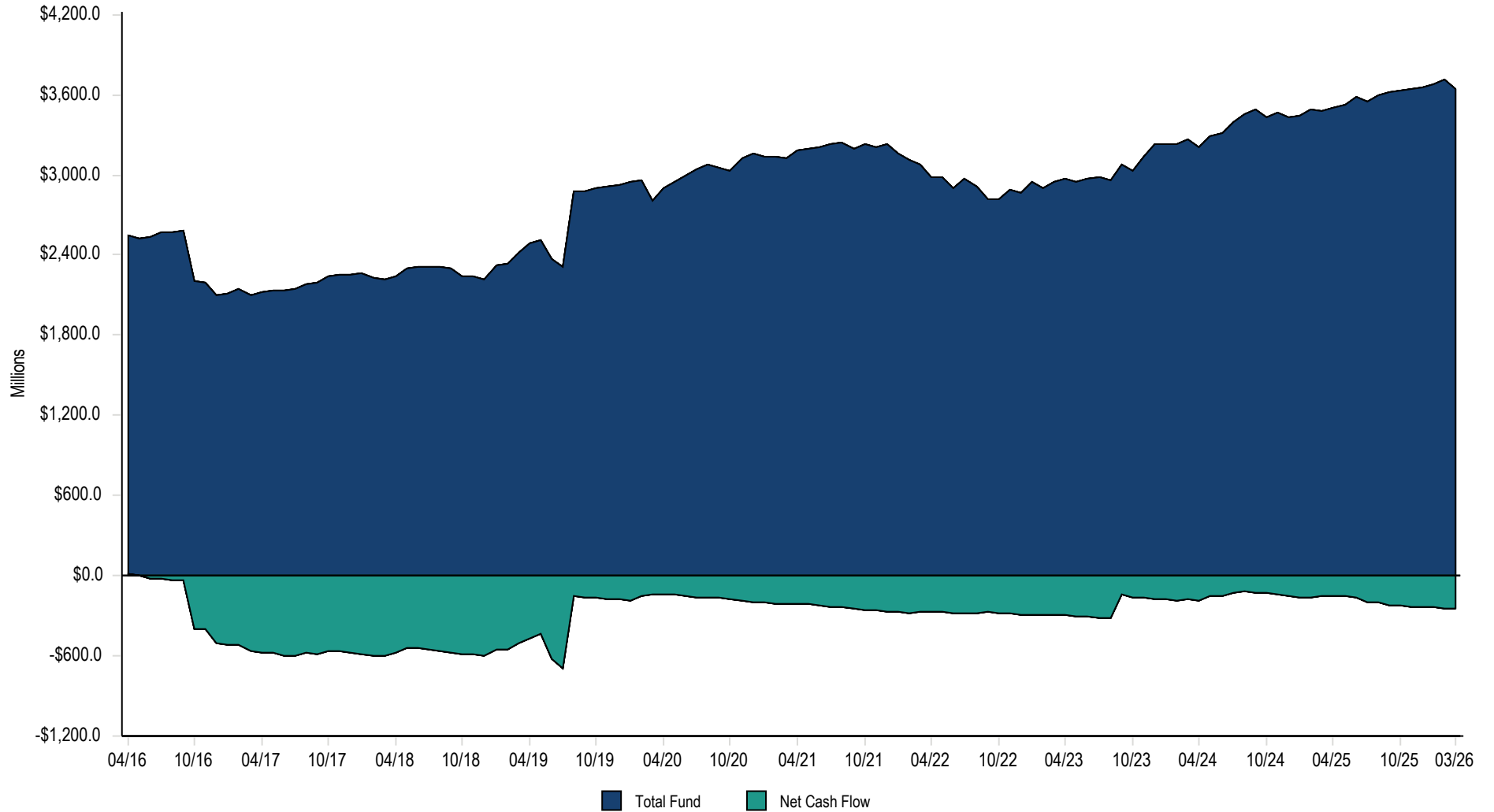
# Consolidated Insurance Trust

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

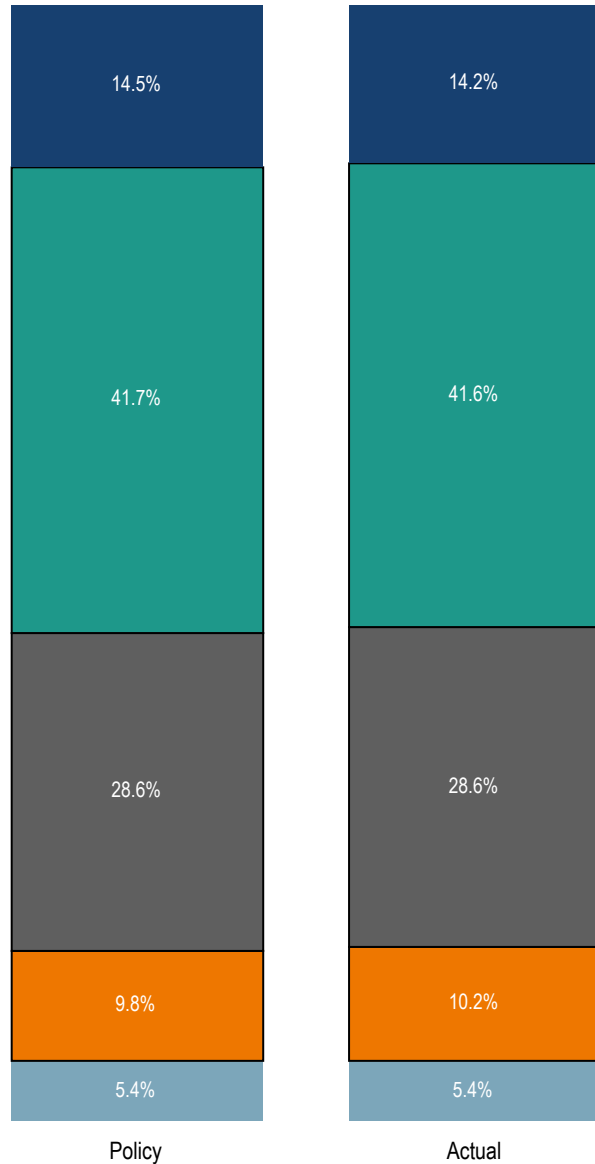
NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



Net Cash Flow is cumulative.

Total Fund  
Asset Allocation vs Policy

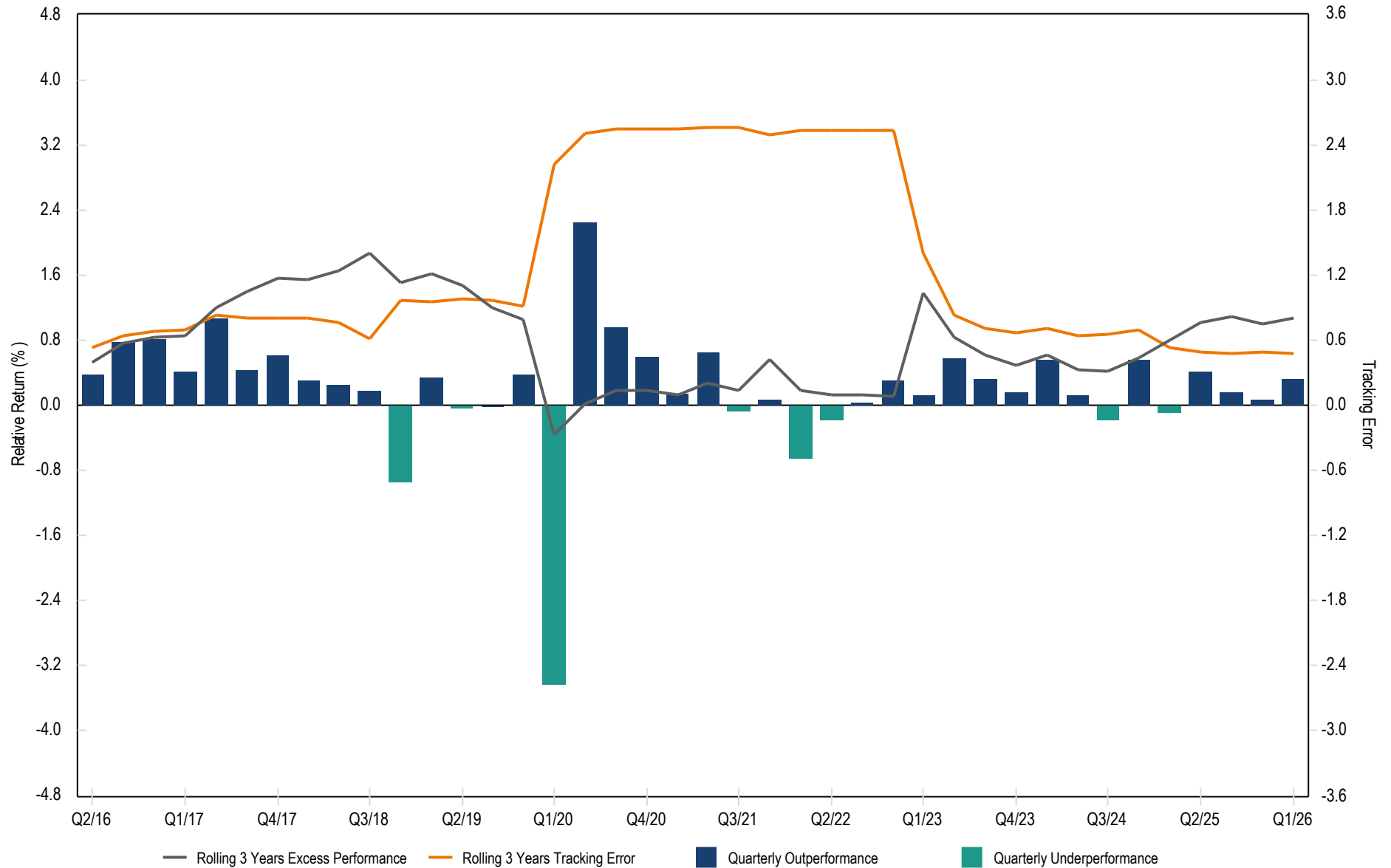
NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	518,258,111	14.2	13.9	14.5	-11,613,425
Domestic Fixed Income	1,516,463,947	41.6	41.1	41.7	-5,626,240
Short Term Fixed Income	1,043,461,559	28.6	28.6	28.6	61,513
Diversified Real Assets	373,856,048	10.2	11.0	9.8	16,644,201
Cash and Equivalents	195,957,141	5.4	5.4	5.4	533,952
<b>Total</b>	<b>3,647,996,806</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

Residual Holdings value of \$81,197 included in Global Public Equity value for styling purposes. Policy Asset Allocation based upon 2/28/2026 data.

Rolling Annualized Excess Performance and Tracking Error

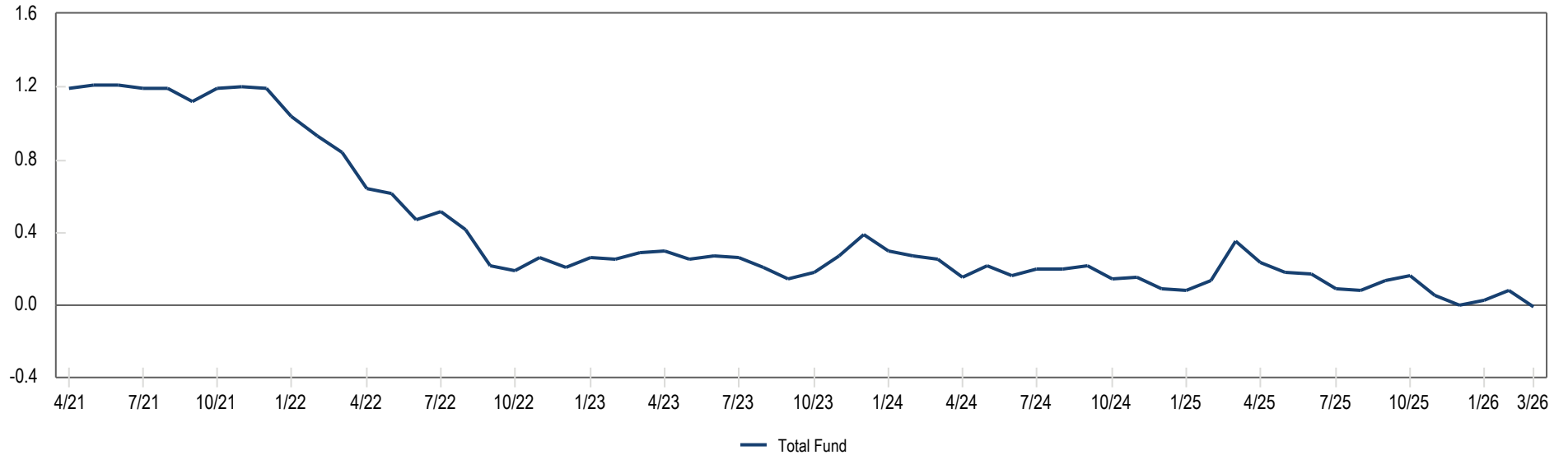


Analytic is using the Corridor Target Index

Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

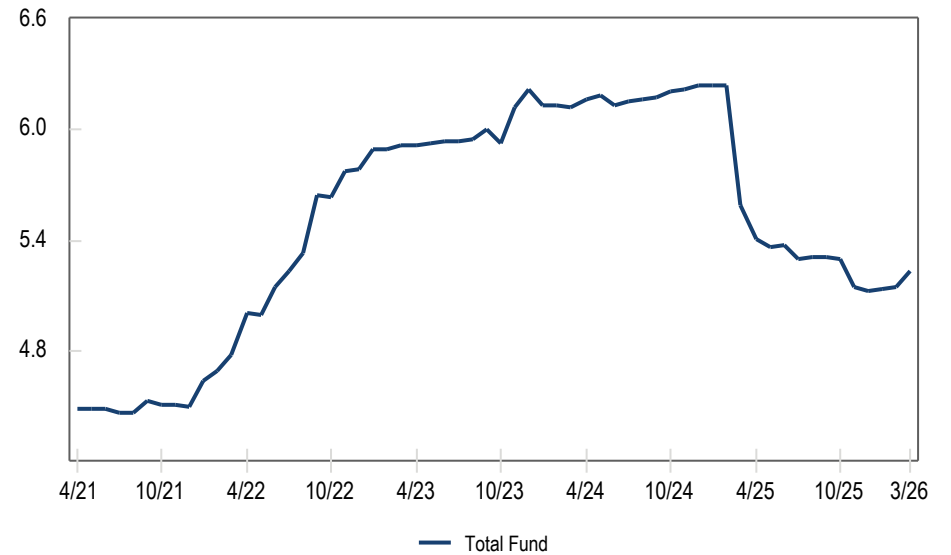
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



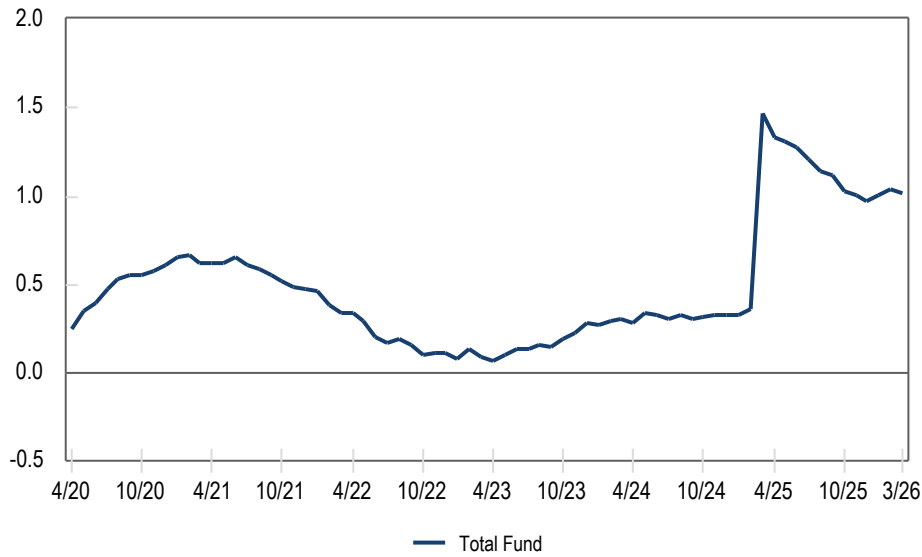
Rolling 5 Years Standard Deviation



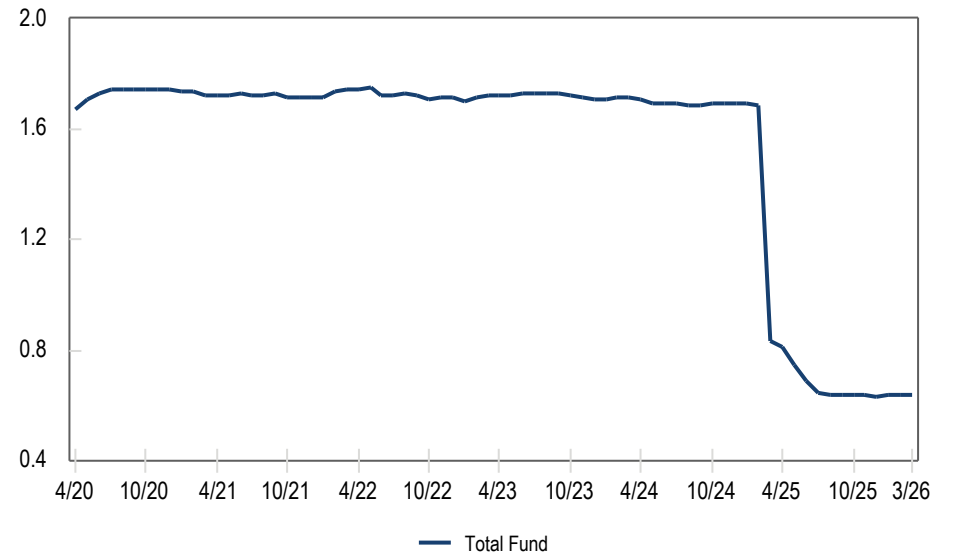
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

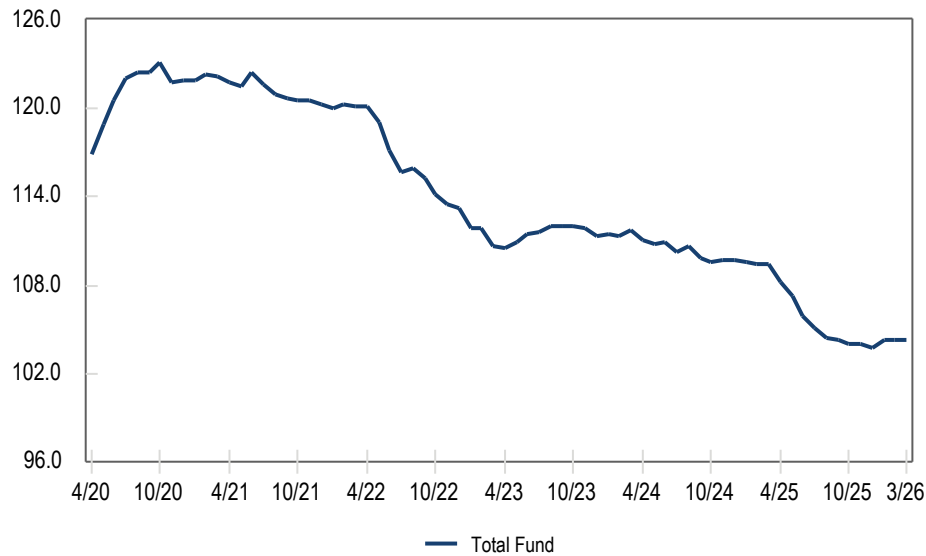
Rolling 5 Years Information Ratio



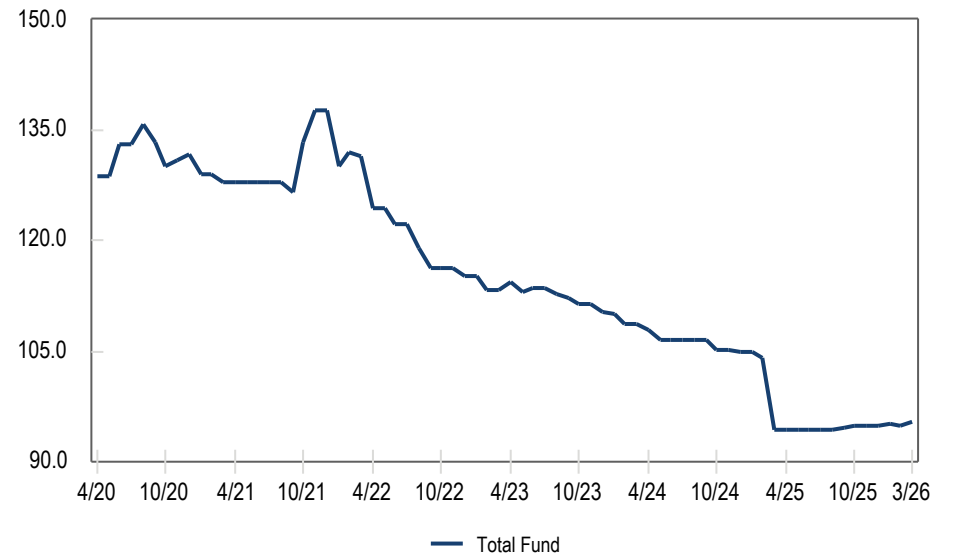
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

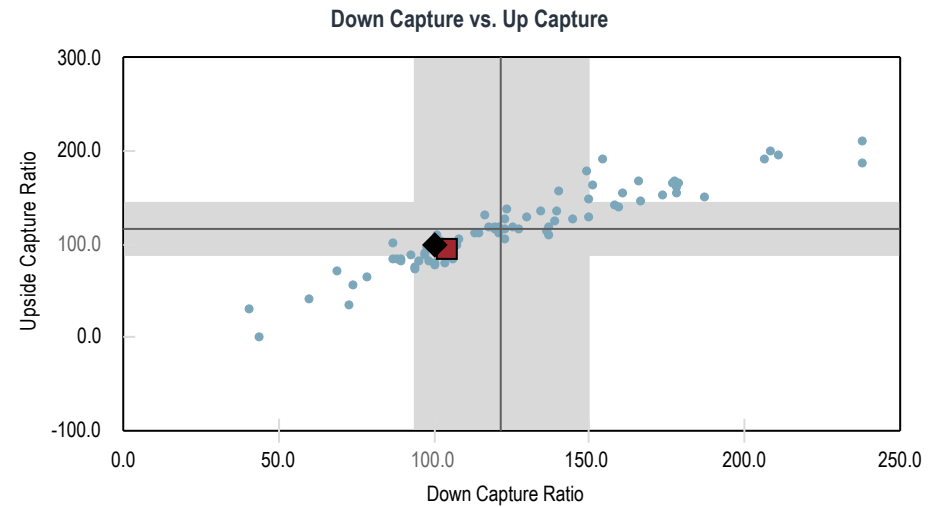
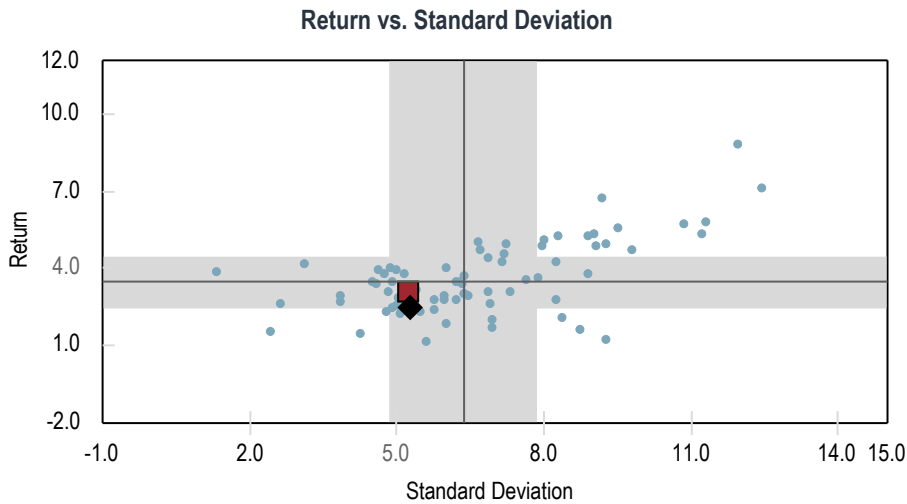


Analytic is using the Corridor Target Index

Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	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	3.13	5.24	0.68	0.99	0.99	104.25	95.53	1.02	0.64	-0.01
Corridor Target Index	2.47	5.26	0.00	1.00	1.00	100.00	100.00	-	0.00	-0.14



**Insurance & Other**

	Return	Standard Deviation
■ Total Fund	3.13	5.24
◆ Corridor Target Index	2.47	5.26
— Median	3.45	6.35
Population	74	74

**Insurance & Other**

	Down Capture	Up Capture
■ Total Fund	95.53	104.25
◆ Corridor Target Index	100.00	100.00
— Median	117.36	121.76
Population	74	74

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>3,647,996,806</b>	<b>100.0</b>	<b>0.1</b>	<b>4.3</b>	<b>0.1</b>	<b>7.4</b>	<b>6.5</b>	<b>3.1</b>	<b>4.3</b>	<b>4.8</b>
<i>Policy Index</i>			-0.2	3.7	-0.2	6.4	5.4	2.5	3.7	4.0
<i>Corridor Target Index</i>			-0.2	3.7	-0.2	6.4	5.4	2.5	3.7	4.0
<b>Total Equity</b>	<b>518,176,914</b>	<b>14.2</b>	<b>-1.2</b>	<b>10.5</b>	<b>-1.2</b>	<b>24.2</b>	<b>17.5</b>	<b>9.9</b>	<b>12.3</b>	<b>-</b>
<i>Total Equity Blend</i>			-2.6	8.4	-2.6	21.1	16.6	9.4	11.8	-
<b>Domestic Equity</b>	<b>317,766,648</b>	<b>8.7</b>	<b>-3.5</b>	<b>6.8</b>	<b>-3.5</b>	<b>19.2</b>	<b>17.8</b>	<b>10.8</b>	<b>13.4</b>	<b>13.1</b>
<i>Russell 3000 Index</i>			-4.0	6.4	-4.0	18.1	17.9	10.9	13.8	13.7
<b>International Equity</b>	<b>200,410,265</b>	<b>5.5</b>	<b>1.2</b>	<b>15.0</b>	<b>1.2</b>	<b>30.5</b>	<b>16.4</b>	<b>8.4</b>	<b>10.2</b>	<b>9.5</b>
<i>MSCI AC World ex USA IMI (Net)</i>			-0.7	11.2	-0.7	25.3	14.4	6.8	8.5	8.3
<b>Domestic Fixed Income</b>	<b>1,516,463,947</b>	<b>41.6</b>	<b>-0.2</b>	<b>3.4</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.7</b>	<b>1.1</b>	<b>2.4</b>	<b>3.1</b>
<i>Blmbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.6	1.7
<b>Short Term Fixed Income</b>	<b>1,043,461,559</b>	<b>28.6</b>	<b>0.5</b>	<b>3.2</b>	<b>0.5</b>	<b>4.7</b>	<b>6.0</b>	<b>2.9</b>	<b>3.1</b>	<b>2.6</b>
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			0.3	2.7	0.3	4.0	4.3	2.0	2.3	2.0
<b>Total Real Assets</b>	<b>373,856,048</b>	<b>10.2</b>	<b>1.4</b>	<b>2.4</b>	<b>1.4</b>	<b>4.4</b>	<b>1.6</b>	<b>2.8</b>	<b>3.2</b>	<b>-</b>
<i>Total Real Assets</i>			0.6	2.5	0.6	3.2	-	-	-	-
<b>Diversified Real Assets</b>	<b>284,889,489</b>	<b>7.8</b>	<b>1.5</b>	<b>4.7</b>	<b>1.5</b>	<b>7.9</b>	<b>5.5</b>	<b>3.8</b>	<b>4.3</b>	<b>4.4</b>
<i>Diversified Real Assets Blend</i>			0.5	2.7	0.5	3.3	2.8	2.6	3.3	3.2
<b>Cash &amp; Equivalents</b>	<b>195,957,141</b>	<b>5.4</b>	<b>0.9</b>	<b>3.0</b>	<b>0.9</b>	<b>4.1</b>	<b>4.8</b>	<b>3.4</b>	<b>2.7</b>	<b>2.2</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

Residual Holdings value of \$81,197 included in Total Fund value.

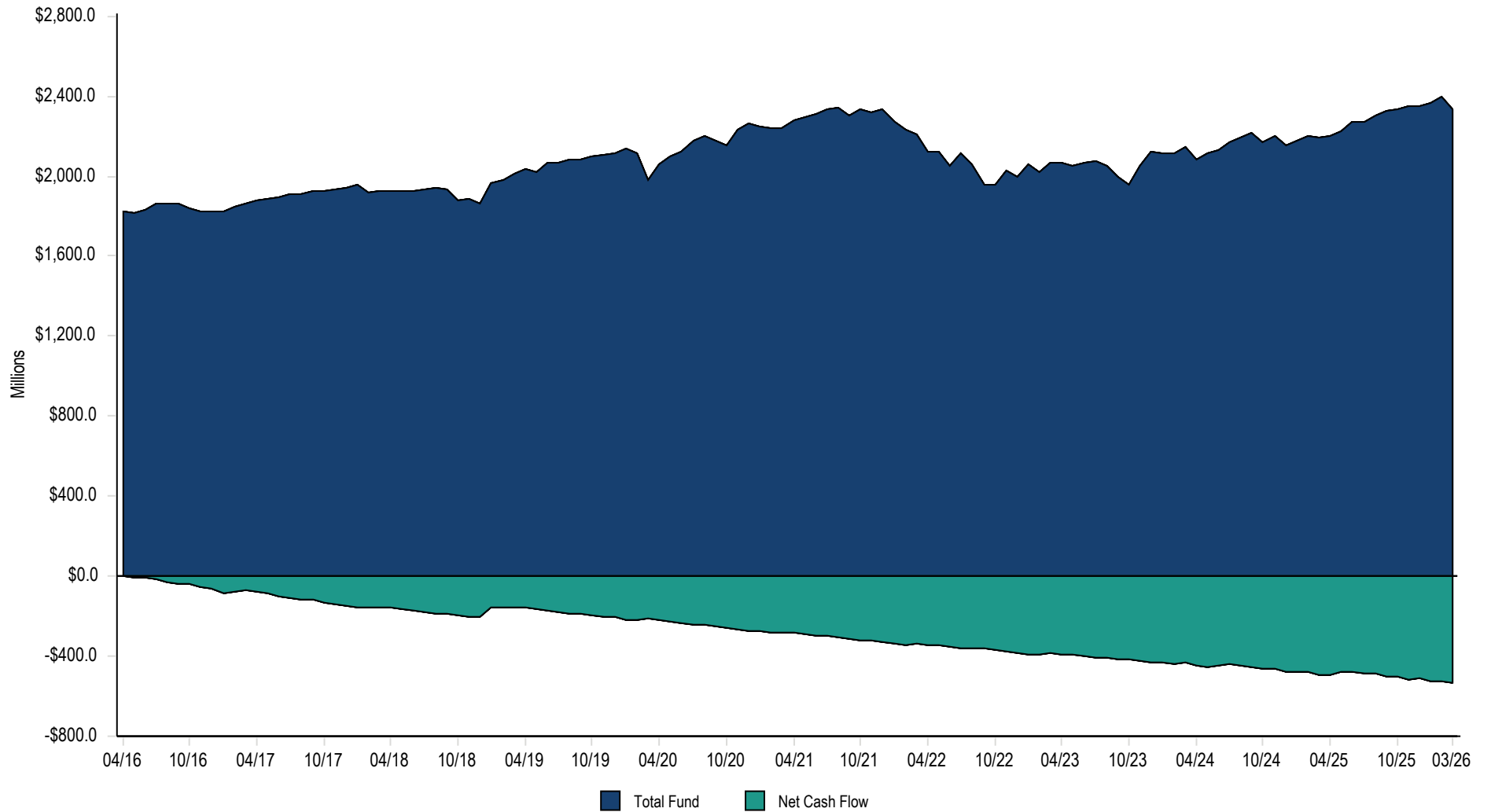
# Workforce Safety & Insurance Fund

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026



Net Cash Flow is Cumulative.

Total Fund  
Asset Allocation vs Policy

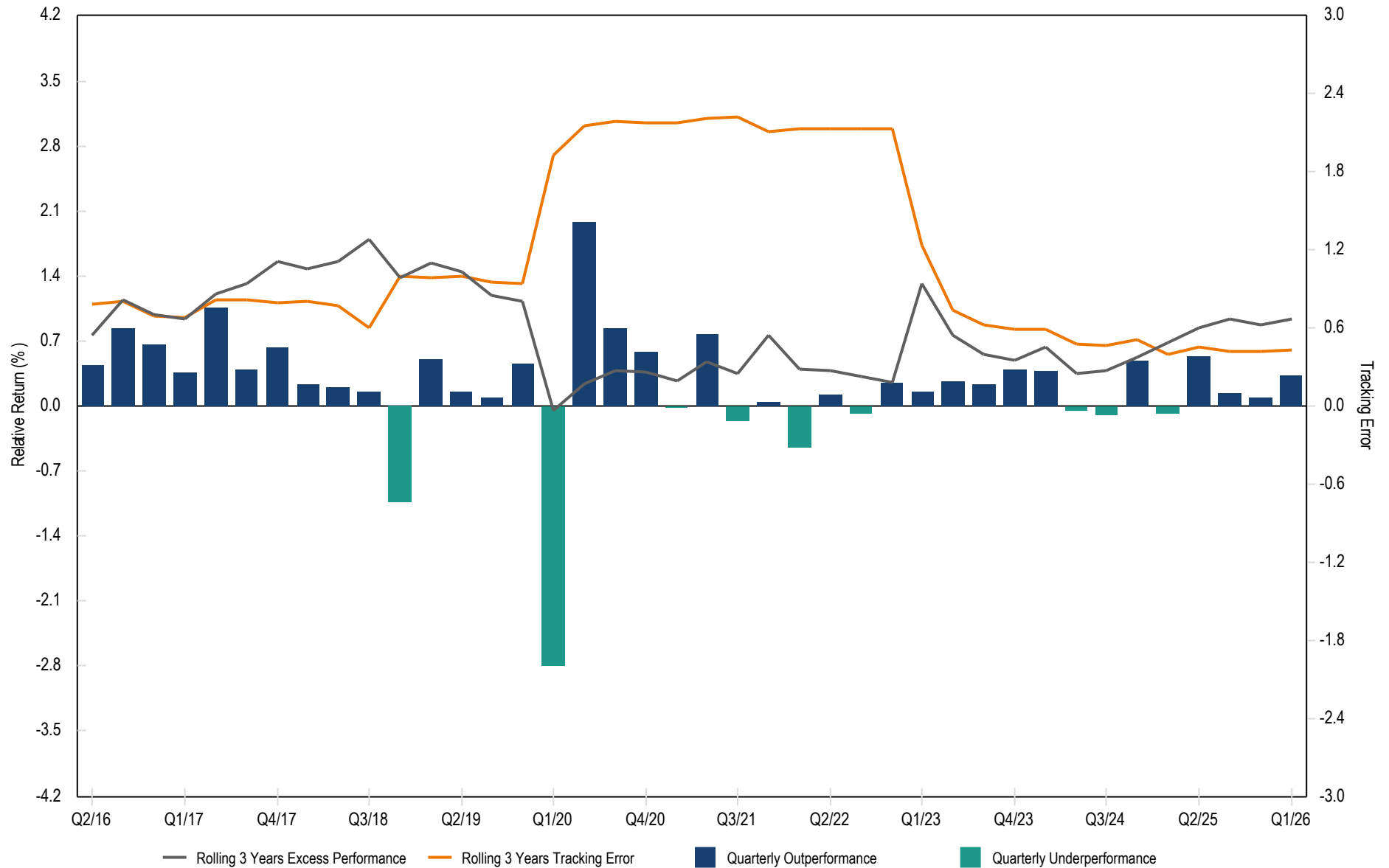
NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Corridor Allocation (%)	Differences (\$)
Global Public Equity	478,910,143	20.5	20.0	20.6	-2,635,607
Domestic Fixed Income	1,465,830,360	62.7	62.0	62.6	3,063,890
Diversified Real Assets	368,594,130	15.8	17.0	15.8	28,937
Cash and Equivalents	22,894,376	1.0	1.0	1.0	-468,023
<b>Total</b>	<b>2,336,229,009</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-10,802</b>

Residual Holdings value of \$76,553 included in Global Public Equity value for styling purposes.

Rolling Annualized Excess Performance and Tracking Error

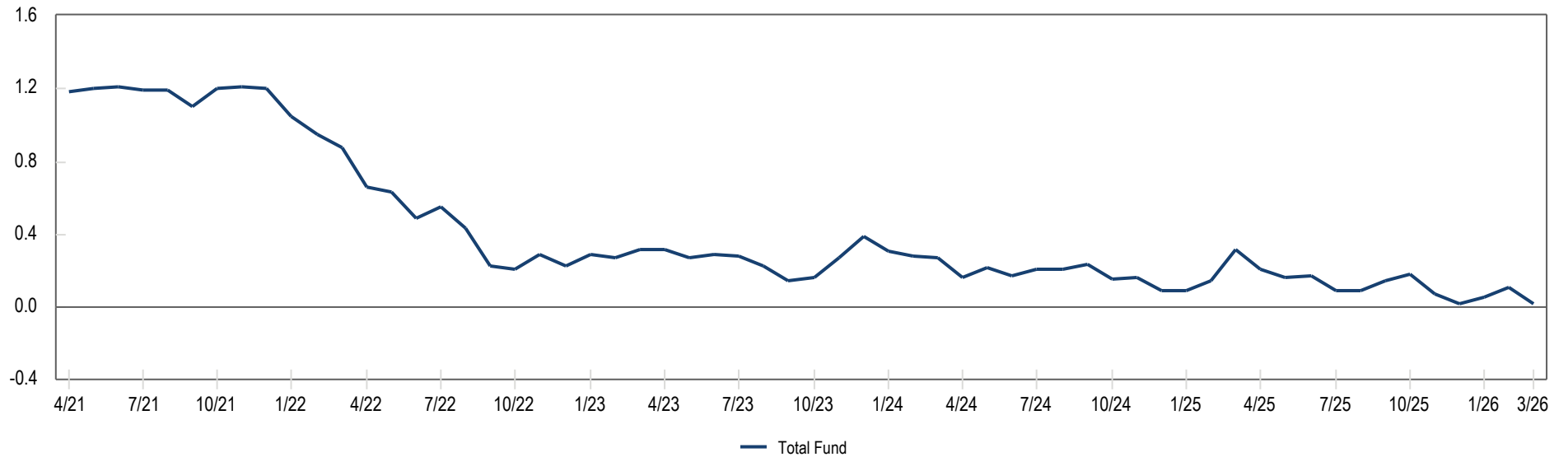


Analytic is using the Corridor Target Index

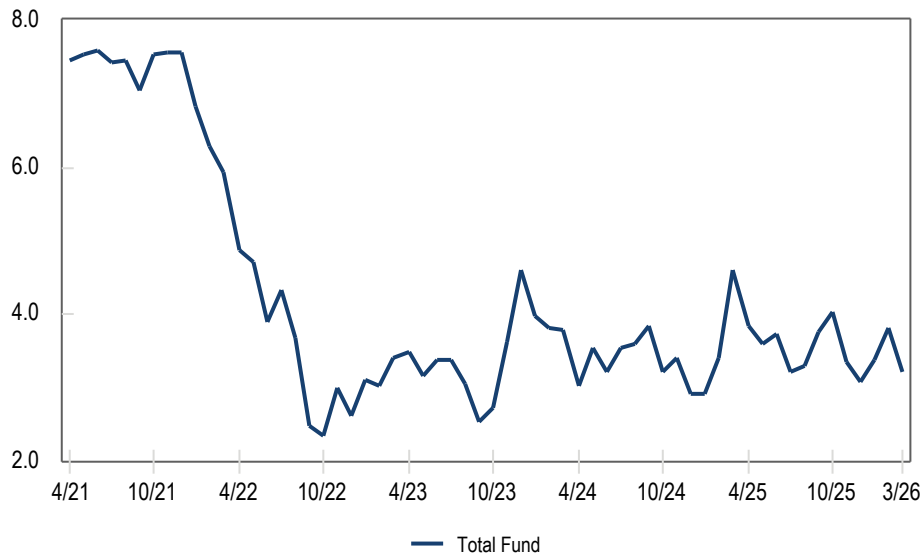
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

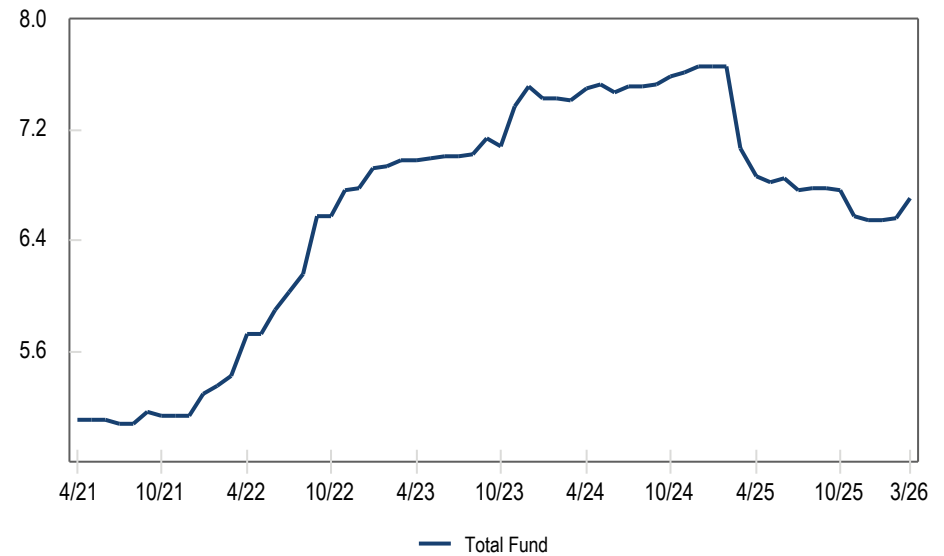
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



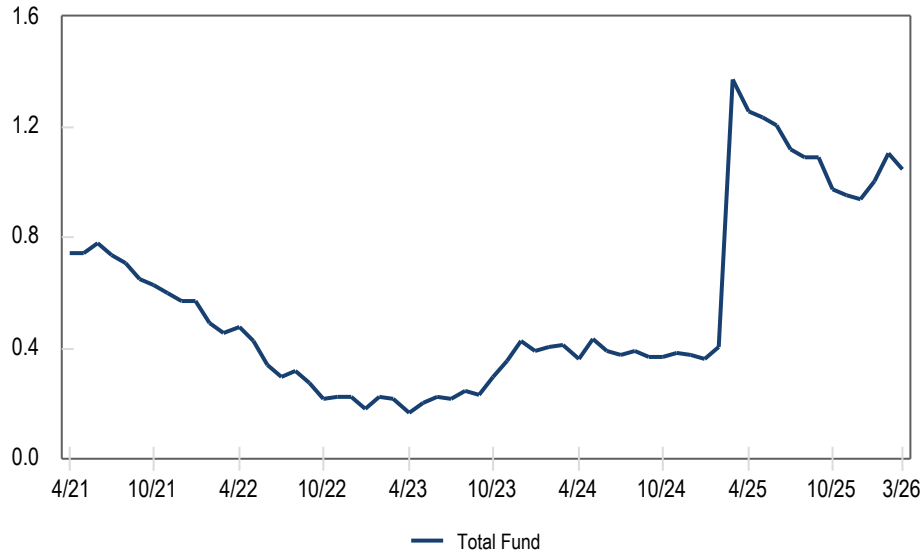
Rolling 5 Years Standard Deviation



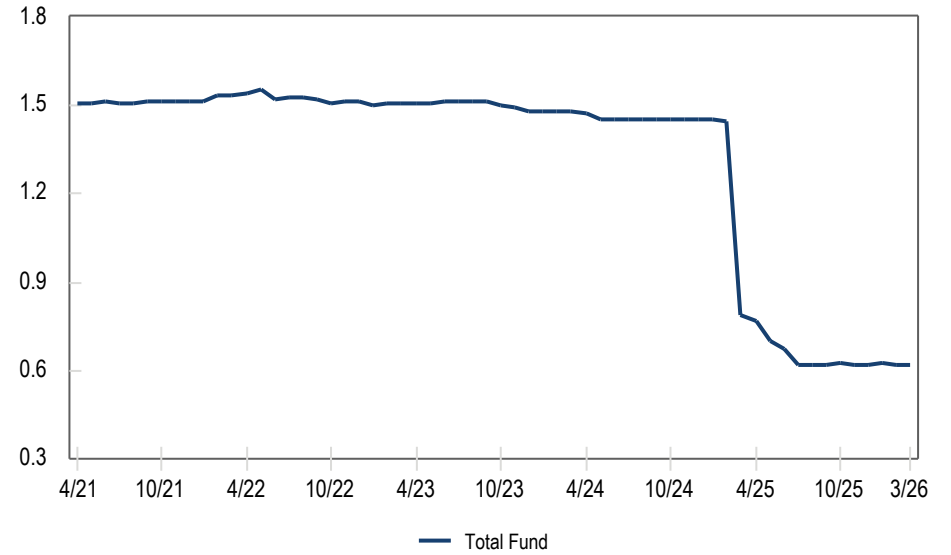
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

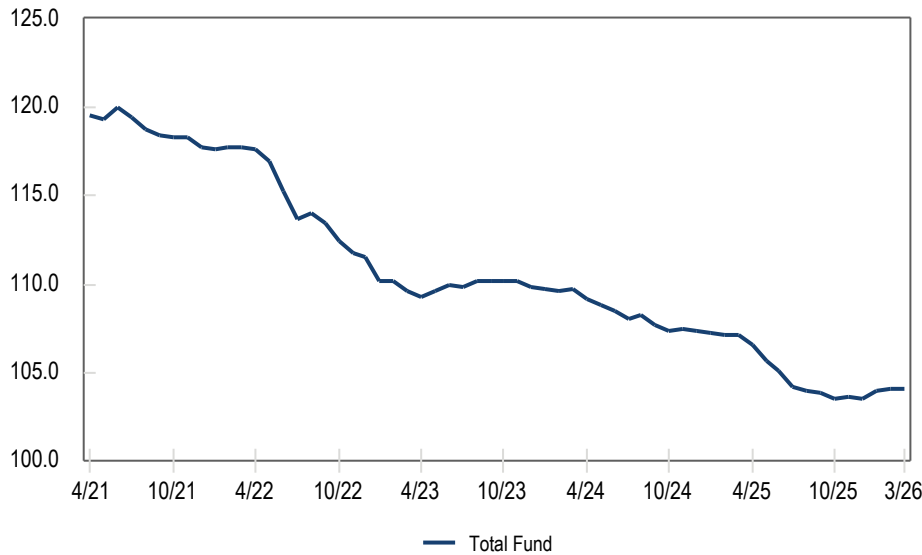
Rolling 5 Years Information Ratio



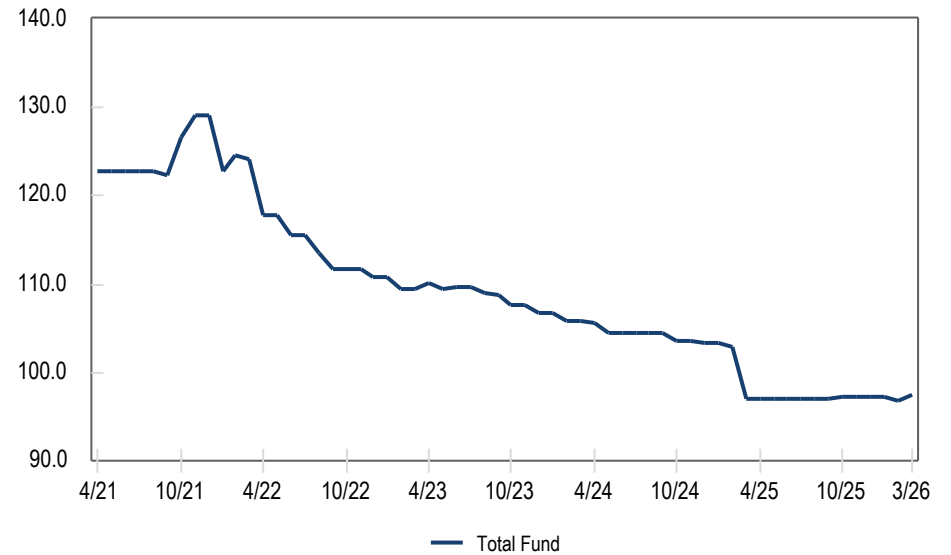
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture

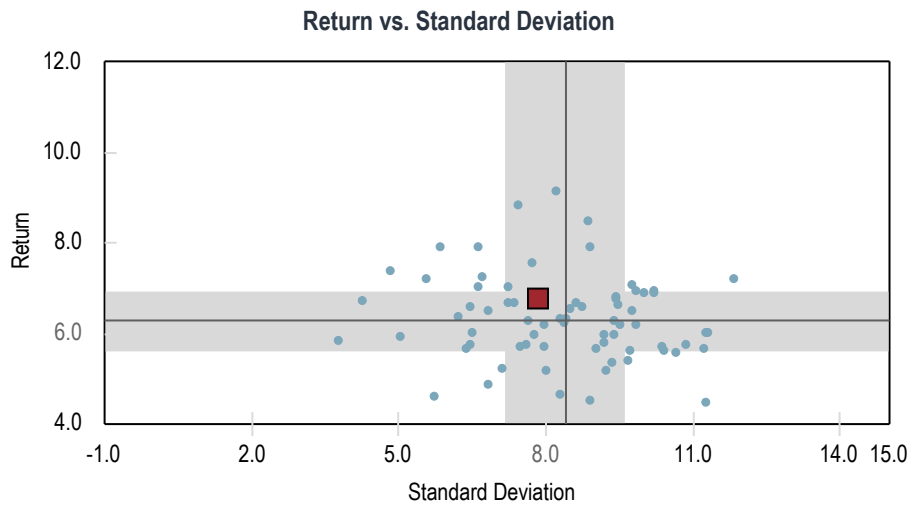


Analytic is using the Corridor Target Index

Total Fund  
Risk Analysis 5 Years (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

	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	3.22	6.71	0.66	1.00	0.99	104.08	97.47	1.05	0.62	0.02
WSI - Corridor Target Index	2.55	6.71	0.00	1.00	1.00	100.00	100.00	-	0.00	-0.08



No data found.

**InvMetrics Public DB > \$1B**

	Return	Standard Deviation
■ Total Fund	6.78	7.82
◆ Corridor Target Index	-	-
— Median	6.29	8.39
Population	72	72

Total Fund  
Asset Allocation & Performance (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>2,336,239,811</b>	<b>100.0</b>	<b>-0.1</b>	<b>4.7</b>	<b>-0.1</b>	<b>8.6</b>	<b>6.7</b>	<b>3.2</b>	<b>4.7</b>	<b>5.2</b>
<i>Policy Index</i>			-0.4	4.1	-0.4	7.4	5.8	2.6	4.1	4.3
<i>Corridor Target Index</i>			-0.4	4.1	-0.4	7.5	5.8	2.6	4.0	4.3
<b>Total Equity</b>	<b>478,844,392</b>	<b>20.5</b>	<b>-1.2</b>	<b>10.6</b>	<b>-1.2</b>	<b>24.3</b>	<b>17.6</b>	<b>10.0</b>	<b>12.3</b>	<b>-</b>
<i>Total Equity Blend</i>			-2.6	8.4	-2.6	21.1	-	-	-	-
<b>Fixed Income</b>	<b>1,465,830,360</b>	<b>62.7</b>	<b>-0.2</b>	<b>3.4</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.7</b>	<b>1.0</b>	<b>2.4</b>	<b>3.0</b>
<i>Blmbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.6	1.7
<b>Total Real Assets</b>	<b>368,594,130</b>	<b>15.8</b>	<b>1.4</b>	<b>2.4</b>	<b>1.4</b>	<b>4.4</b>	<b>1.6</b>	<b>2.8</b>	<b>3.3</b>	<b>-</b>
<i>Total Real Assets Blend</i>			0.6	2.5	0.6	3.2	-	-	-	-
<b>Cash Equivalents</b>	<b>22,894,376</b>	<b>1.0</b>	<b>0.9</b>	<b>3.0</b>	<b>0.9</b>	<b>4.1</b>	<b>4.8</b>	<b>3.4</b>	<b>2.7</b>	<b>2.2</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.7	2.3

Residual Holdings value of \$76,553 included in Total Fund value. Fiscal year 06/30.

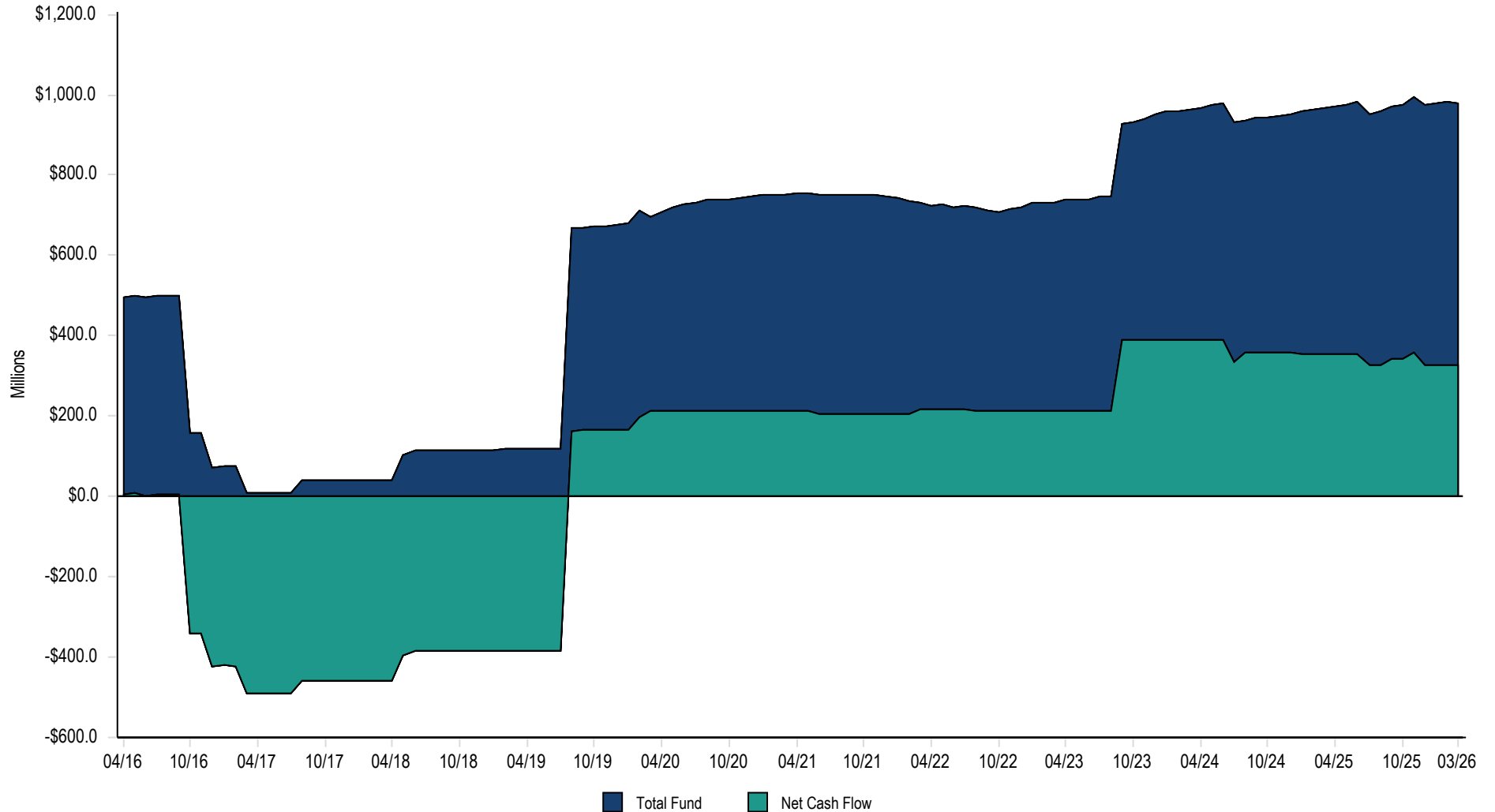
# Budget Stabilization Fund

Investment Performance Review

Period Ending: March 31, 2026

# Total Fund Asset Allocation History

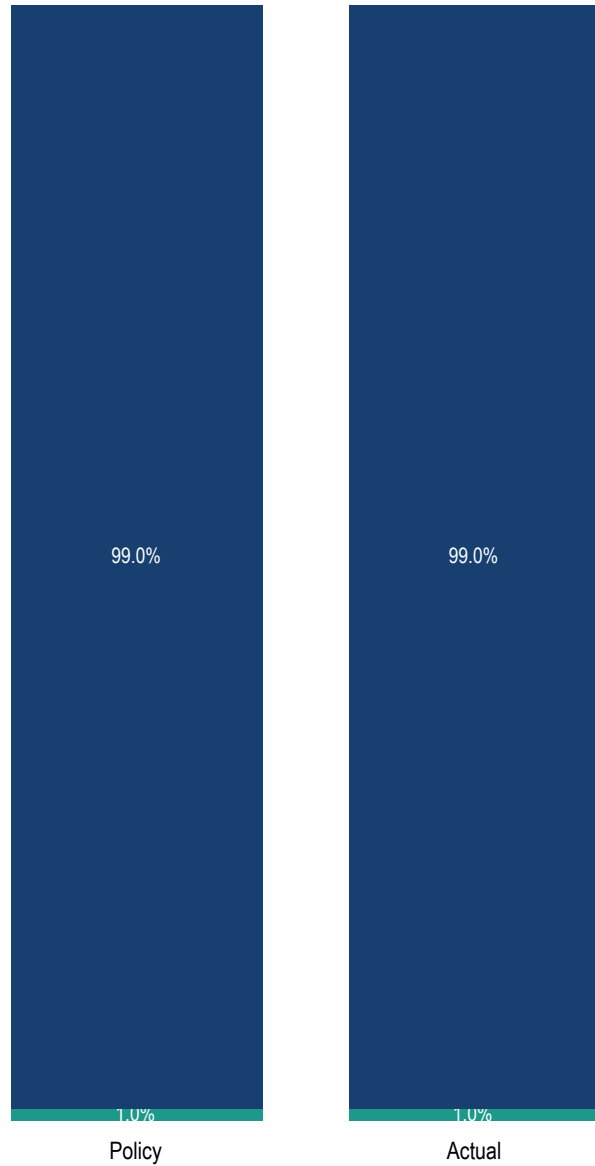
NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026



Net Cash Flow is Cumulative.

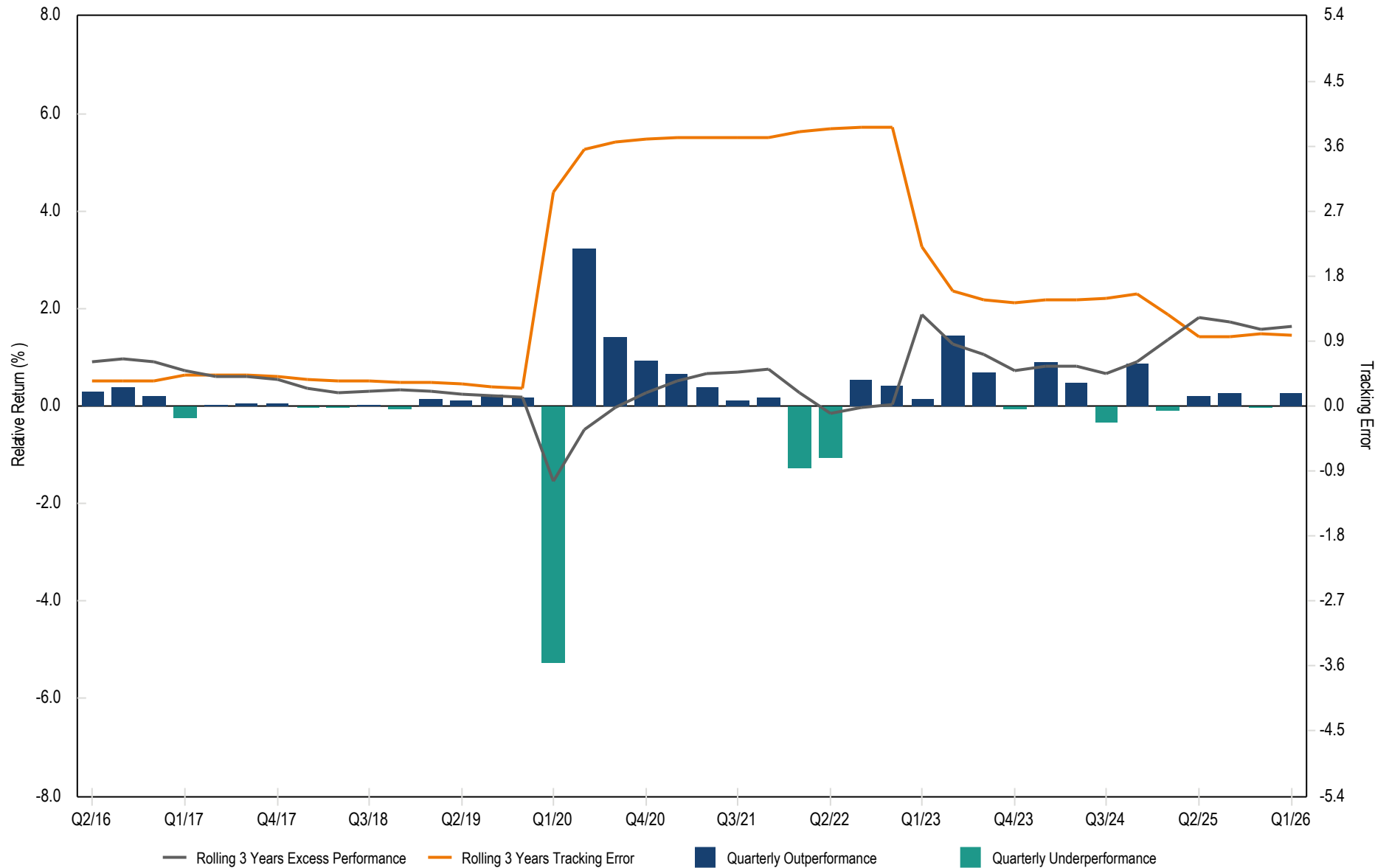
Total Fund  
Asset Allocation vs Policy

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Differences (\$)
Short Term Fixed Income	969,073,322	99.0	99.0	-1,448
Cash and Equivalents	9,819,745	1.0	1.0	1,448
<b>Total</b>	<b>978,893,067</b>	<b>100.0</b>	<b>100.0</b>	

Rolling Annualized Excess Performance and Tracking Error

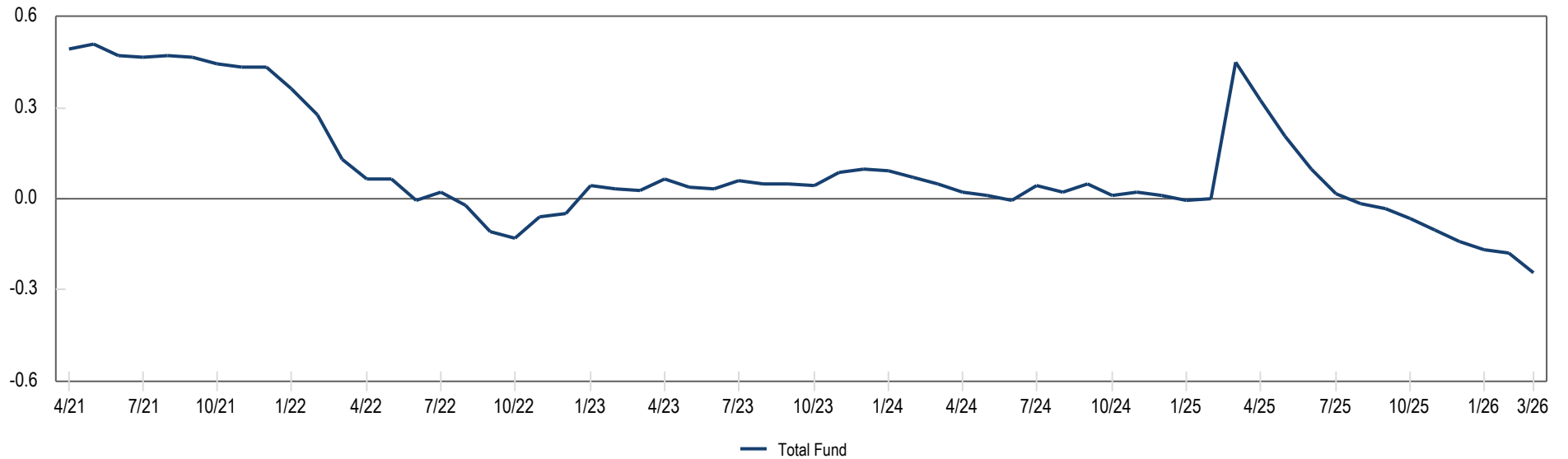


Analytic is using the Policy Index

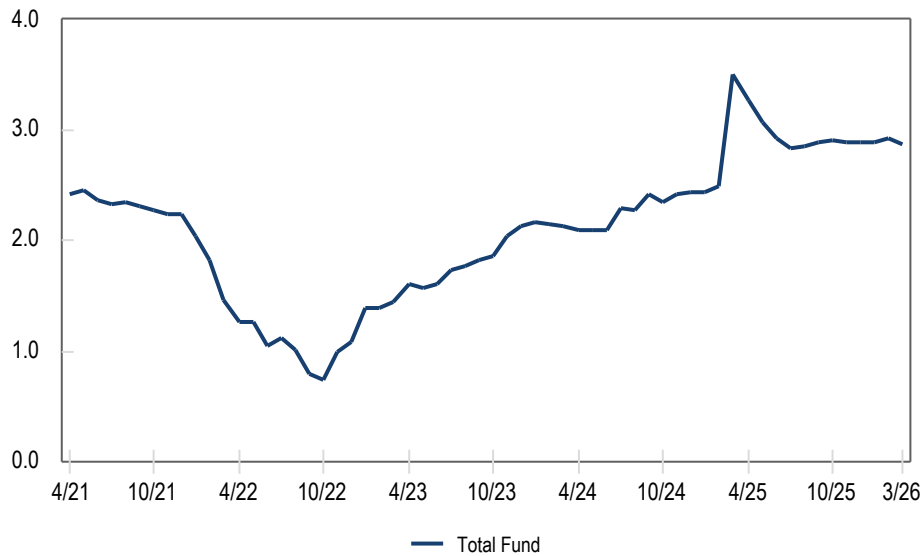
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026

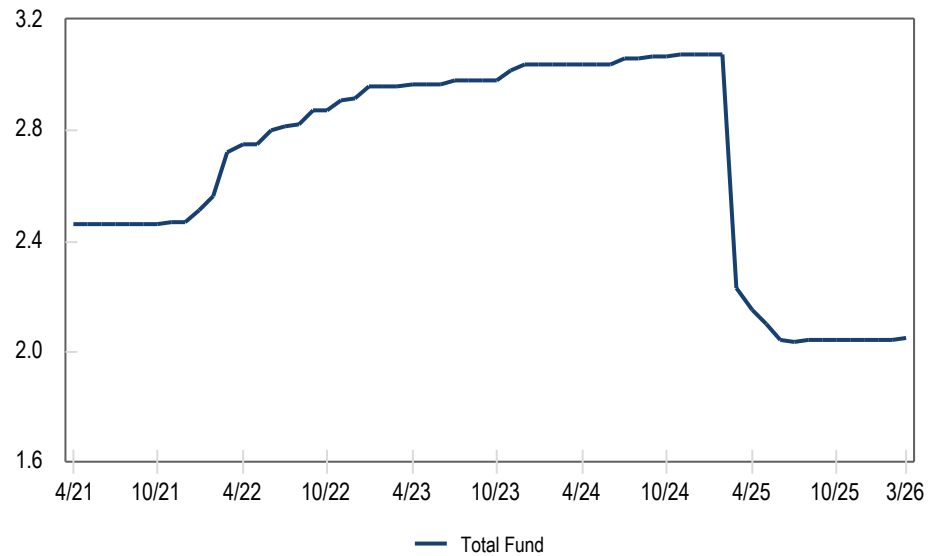
Rolling 5 Years Sharpe Ratio



Rolling 5 Years Return



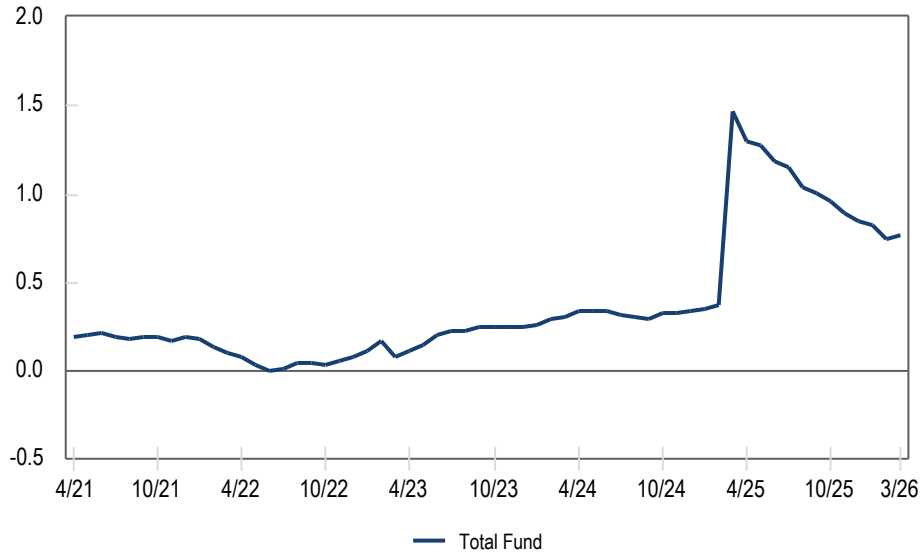
Rolling 5 Years Standard Deviation



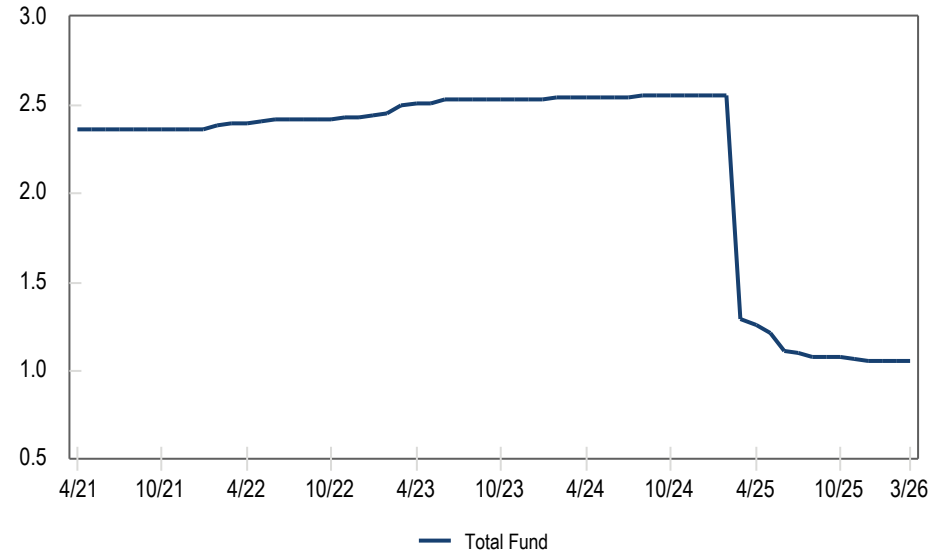
Total Fund  
Risk Analysis - 5 Years (Net of Fees)

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026

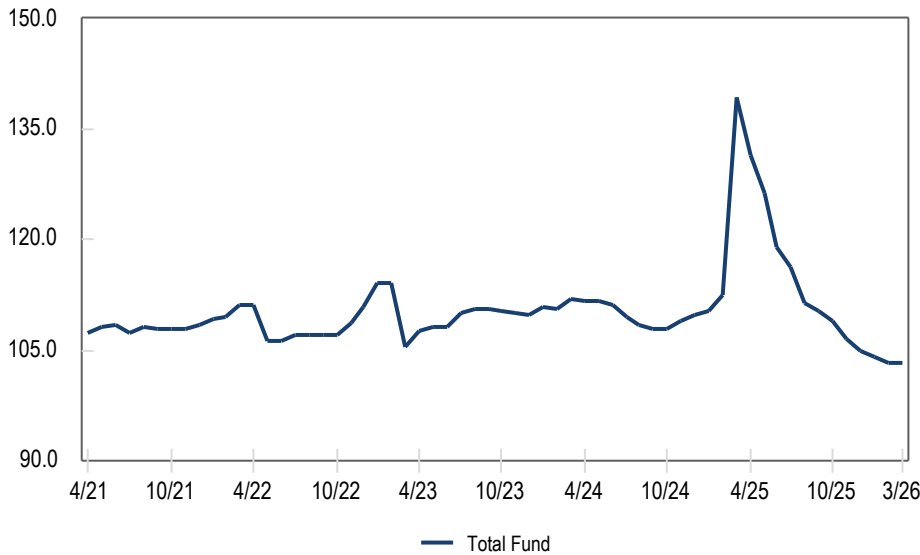
Rolling 5 Years Information Ratio



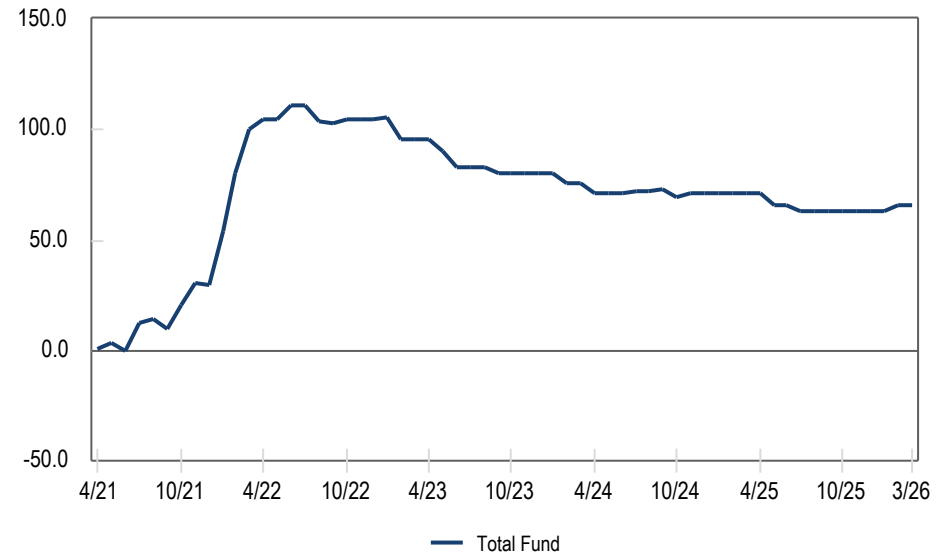
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture



Analytic is using the Policy Index.

Total Fund  
 Asset Allocation & Performance (Net of Fees)

NDSIB - Budget Stabilization Fund  
 Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund</b>	<b>978,893,067</b>	<b>100.0</b>	<b>0.6</b>	<b>3.2</b>	<b>0.6</b>	<b>4.7</b>	<b>6.0</b>	<b>2.9</b>	<b>3.1</b>	<b>2.7</b>
<i>Policy Index</i>			<i>0.3</i>	<i>2.7</i>	<i>0.3</i>	<i>4.0</i>	<i>4.3</i>	<i>2.0</i>	<i>2.3</i>	<i>2.0</i>
<b>Short Term Fixed Income</b>	<b>969,073,322</b>	<b>99.0</b>	<b>0.5</b>	<b>3.2</b>	<b>0.5</b>	<b>4.7</b>	<b>6.0</b>	<b>2.9</b>	<b>3.1</b>	<b>2.6</b>
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			<i>0.3</i>	<i>2.7</i>	<i>0.3</i>	<i>4.0</i>	<i>4.3</i>	<i>2.0</i>	<i>2.3</i>	<i>2.0</i>
<b>Cash &amp; Equivalents</b>	<b>9,819,745</b>	<b>1.0</b>	<b>0.9</b>	<b>3.0</b>	<b>0.9</b>	<b>4.1</b>	<b>4.8</b>	<b>3.4</b>	<b>2.7</b>	<b>2.2</b>
<i>90 Day U.S. Treasury Bill</i>			<i>0.8</i>	<i>2.9</i>	<i>0.8</i>	<i>4.0</i>	<i>4.7</i>	<i>3.3</i>	<i>2.7</i>	<i>2.3</i>

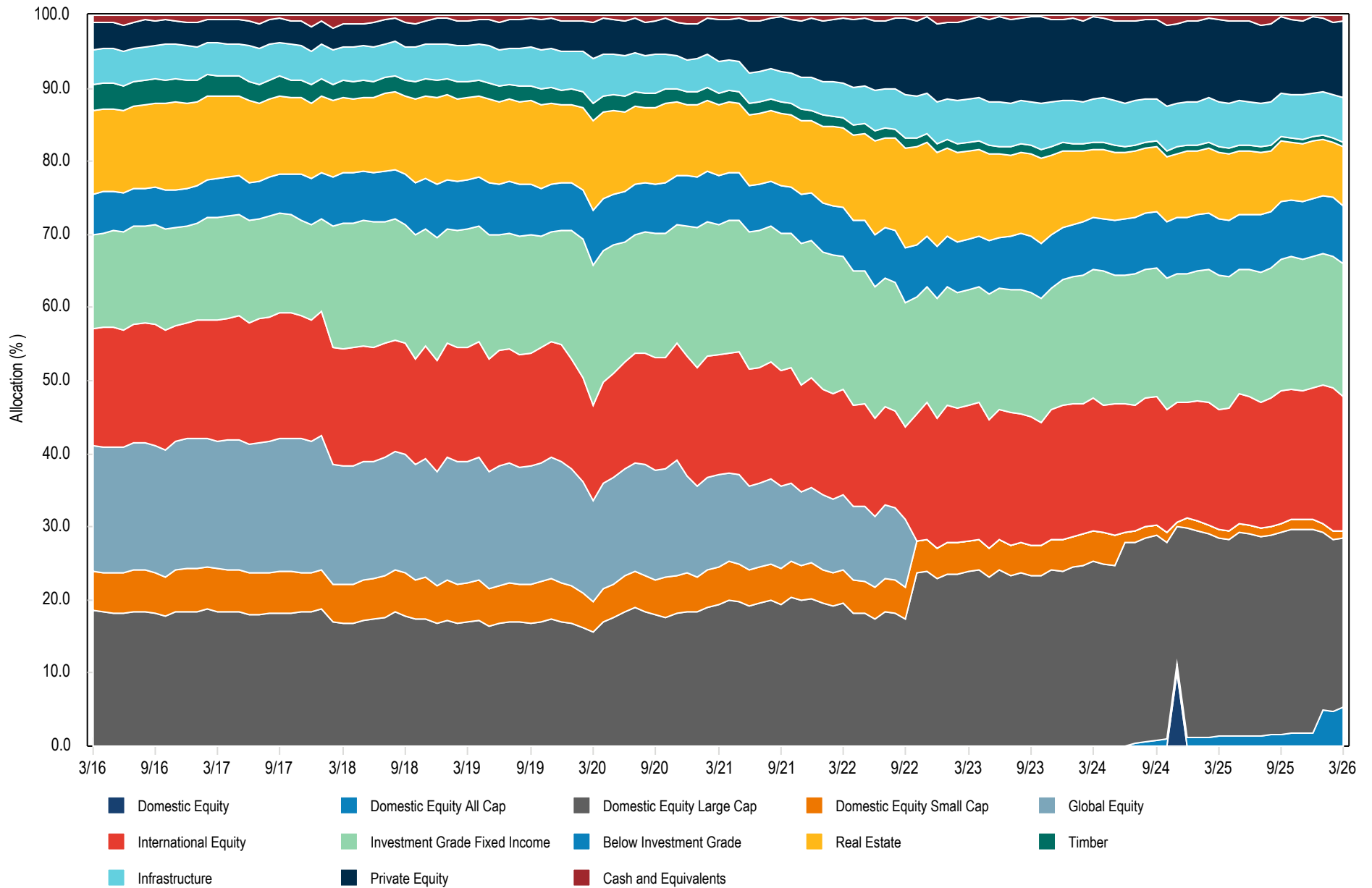
Fiscal year 06/30.

# Appendix - Pension

Period Ending: March 31, 2026

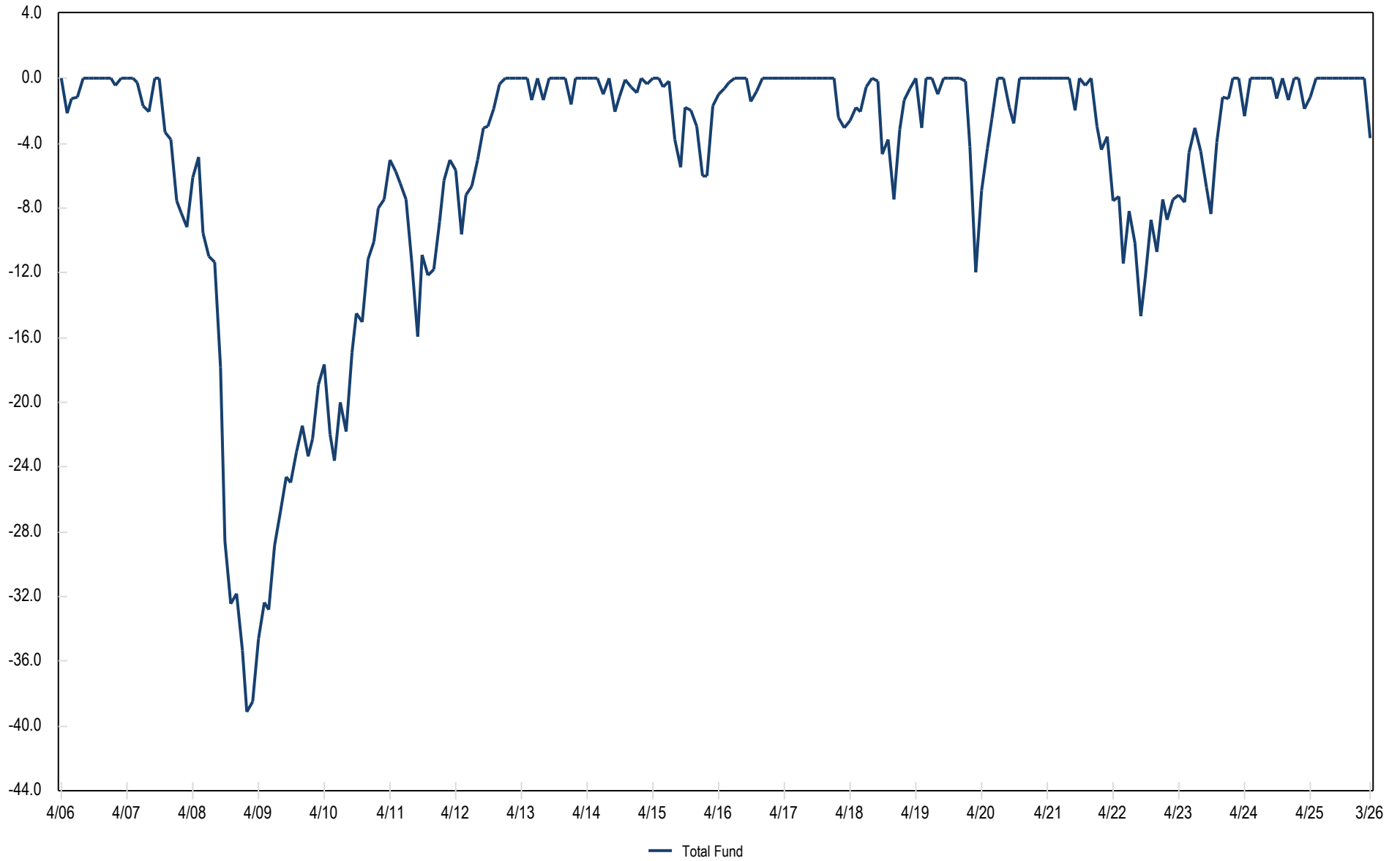
Total Fund  
Asset Allocation History

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



# Total Fund Historical Drawdowns (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.2	4.8	5.4	4.8	5.4	6.9	7.3
Minimum Return	-3.7	-3.6	-3.7	-3.6	-5.0	-5.4	-8.1	-7.9
Return	14.0	12.8	10.0	9.7	6.8	6.6	8.4	8.2
Cumulative Return	14.0	12.8	33.0	31.9	38.8	37.9	124.8	119.5
Active Return	1.0	0.0	0.3	0.0	0.1	0.0	0.2	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.7	1.6	6.1	6.3	6.3	6.6	6.7	6.8
Downside Risk	3.7	3.6	3.5	3.7	5.0	5.4	5.1	5.2
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	5.9	5.7	6.4	6.8	7.8	8.3	8.1	8.2
Alpha	0.6	0.0	0.8	0.0	0.5	0.0	0.4	0.0
Sharpe Ratio	1.6	1.5	0.8	0.7	0.5	0.4	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	0.7	0.0	0.9	0.0	1.1	0.0	1.0	0.0
Information Ratio	1.5	-	0.3	-	0.1	-	0.2	-
<b>Correlation Statistics</b>								
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	51.7	100.0	50.8	100.0

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.3	4.8	5.1	4.8	5.1	6.9	7.6
Minimum Return	-3.7	-3.7	-3.7	-3.7	-5.0	-5.2	-8.1	-8.4
Return	14.0	12.8	10.0	9.5	6.8	6.2	8.4	8.0
Cumulative Return	14.0	12.8	33.0	31.3	38.8	35.2	124.8	115.1
Active Return	1.1	0.0	0.4	0.0	0.5	0.0	0.4	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	1.7	1.6	6.1	6.1	6.3	6.4	6.7	6.7
Downside Risk	3.7	3.7	3.5	3.6	5.0	5.3	5.1	5.4
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	5.9	5.7	6.4	6.6	7.8	8.1	8.1	8.3
Alpha	0.8	0.0	0.7	0.0	0.8	0.0	0.7	0.0
Sharpe Ratio	1.6	1.5	0.8	0.7	0.5	0.4	0.8	0.7
Active Return/Risk	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Tracking Error	0.6	0.0	0.8	0.0	0.9	0.0	0.9	0.0
Information Ratio	1.7	-	0.6	-	0.5	-	0.5	-
<b>Correlation Statistics</b>								
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	55.6	100.0	55.0	100.0	57.5	100.0

Total Fund  
Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>9,192,232,236</b>	<b>100.0</b>	<b>-0.3</b>	<b>6.2</b>	<b>-0.3</b>	<b>14.0</b>	<b>10.0</b>	<b>6.8</b>	<b>8.4</b>
Policy Index			-1.0	5.7	-1.0	12.8	9.7	6.6	8.2
Corridor Target Index			-1.0	5.6	-1.0	12.8	9.5	6.2	8.0
<b>Total Equity</b>	<b>5,344,005,712</b>	<b>58.1</b>	<b>-1.2</b>	<b>8.8</b>	<b>-1.2</b>	<b>20.9</b>	<b>15.3</b>	<b>9.7</b>	<b>11.5</b>
Total Equity Blend			-1.9	7.5	-1.9	19.0	-	-	-
<b>Public Equity</b>	<b>4,387,227,696</b>	<b>47.7</b>	<b>-1.6</b>	<b>10.1</b>	<b>-1.6</b>	<b>23.6</b>	<b>17.3</b>	<b>9.8</b>	<b>-</b>
MSCI AC World IMI Index (Net)			-2.7	8.1	-2.7	20.6	16.2	9.0	-
<b>Domestic Equity</b>	<b>2,708,232,248</b>	<b>29.5</b>	<b>-3.6</b>	<b>7.1</b>	<b>-3.6</b>	<b>19.7</b>	<b>17.9</b>	<b>11.2</b>	<b>13.9</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	17.9	10.9	13.7
<b>Domestic All Cap Equity</b>	<b>482,036,369</b>	<b>5.2</b>	<b>-3.0</b>	<b>7.5</b>	<b>-3.0</b>	<b>21.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	-	-	-
Two Sigma Active Extension U.S. All Cap Equity	151,356,849	1.6	-3.2	7.4	-3.2	21.5	-	-	-
Arrowstreet U.S. All Cap	330,630,885	3.6	-	-	-	-	-	-	-
<b>Large Cap</b>	<b>2,119,414,235</b>	<b>23.1</b>	<b>-4.1</b>	<b>6.5</b>	<b>-4.1</b>	<b>19.1</b>	<b>19.1</b>	<b>12.3</b>	<b>14.8</b>
Russell 1000 Index			-4.2	6.0	-4.2	17.7	18.1	11.3	14.0
L.A. Capital Enhanced	468,455,070	5.1	-3.7	7.9	-3.7	22.1	20.3	13.1	14.6
T. Rowe Large Cap	799,468,169	8.7	-4.4	5.5	-4.4	17.0	-	-	-
Internal Equity	709,925,903	7.7	-4.3	6.0	-4.3	18.1	-	-	-
WorldQuant Mill	141,564,931	1.5	-2.6	9.6	-2.6	-	-	-	-
<b>Small Cap</b>	<b>106,781,644</b>	<b>1.2</b>	<b>1.8</b>	<b>15.4</b>	<b>1.8</b>	<b>25.1</b>	<b>9.1</b>	<b>4.4</b>	<b>9.4</b>
Russell 2000 Index			0.9	15.9	0.9	25.7	13.0	3.8	9.9
NTAM R2000 Index	14,178,410	0.2	0.9	16.0	0.9	25.8	13.1	-	-
Wellington SM Cap	92,603,234	1.0	1.8	15.0	1.8	24.9	-	-	-
<b>International Equity</b>	<b>1,678,995,448</b>	<b>18.3</b>	<b>1.8</b>	<b>15.3</b>	<b>1.8</b>	<b>30.6</b>	<b>16.6</b>	<b>7.8</b>	<b>9.7</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	6.8	8.3
<b>International All Cap</b>	<b>562,463,223</b>	<b>6.1</b>	<b>2.7</b>	<b>17.5</b>	<b>2.7</b>	<b>34.7</b>	<b>18.3</b>	<b>-</b>	<b>-</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	-	-
William Blair Int'l Leaders	1,010,430	0.0	7.9	15.1	7.9	32.6	11.8	4.1	-
Arrowstreet ACWI ex US	561,452,793	6.1	4.1	22.4	4.1	39.8	23.5	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Developed International Equity</b>	<b>823,460,481</b>	<b>9.0</b>	<b>1.1</b>	<b>12.7</b>	<b>1.1</b>	<b>26.5</b>	<b>15.8</b>	<b>8.6</b>	<b>9.8</b>
<i>MSCI World ex U.S. (Net)</i>			-0.9	9.8	-0.9	23.0	14.3	8.4	8.7
<b>Developed International Large Cap</b>	<b>729,989,657</b>	<b>7.9</b>	<b>1.0</b>	<b>11.9</b>	<b>1.0</b>	<b>25.0</b>	<b>15.4</b>	<b>-</b>	<b>-</b>
<i>MSCI World ex U.S. (Net)</i>			-0.9	9.8	-0.9	23.0	14.3	-	-
State St MSCI World exUS Principal	572,943,623	6.2	0.6	11.5	0.6	24.5	15.2	-	-
	157,046,033	1.7	-	-	-	-	-	-	-
<b>Developed International Small Cap</b>	<b>93,470,825</b>	<b>1.0</b>	<b>1.6</b>	<b>16.8</b>	<b>1.6</b>	<b>35.9</b>	<b>17.9</b>	<b>-</b>	<b>-</b>
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			-0.4	10.6	-0.4	29.2	13.8	-	-
State St MSCI exUS Small	42,047,303	0.5	-0.3	10.9	-0.3	29.6	14.0	-	-
DFA Intl Small Cap Value	51,335,062	0.6	3.0	22.4	3.0	42.0	23.1	14.0	10.5
<b>Emerging Markets</b>	<b>292,948,538</b>	<b>3.2</b>	<b>1.5</b>	<b>16.3</b>	<b>1.5</b>	<b>30.4</b>	<b>14.6</b>	<b>2.7</b>	<b>8.0</b>
<i>MSCI Emerging Markets (Net)</i>			-0.2	15.7	-0.2	29.6	14.8	3.7	7.8
DFA EM All Cap Core	140,456,669	1.5	3.0	16.4	3.0	31.2	-	-	-
State St MSCI EM China	35,837,685	0.4	-8.8	2.0	-8.8	4.1	-	-	-
State St MSCI EM ex China	116,654,184	1.3	3.6	21.9	3.6	41.6	-	-	-
<b>Private Equity</b>	<b>956,778,017</b>	<b>10.4</b>	<b>0.9</b>	<b>3.1</b>	<b>0.9</b>	<b>9.6</b>	<b>7.4</b>	<b>12.2</b>	<b>10.8</b>
<i>Private Equity Benchmark</i>			2.1	4.8	2.1	11.7	-	-	-
<b>Total Adams Street 2010 Funds</b>	<b>4,973,600</b>	<b>0.1</b>	<b>-10.5</b>	<b>-7.8</b>	<b>-10.5</b>	<b>-0.7</b>	<b>-1.8</b>	<b>2.1</b>	<b>10.7</b>
Adams St 2010 Direct Partnership	387,523	0.0	-15.1	-18.7	-15.1	-15.6	12.4	4.1	9.1
Adams St 2010 Non-US Emg Partnership	668,565	0.0	-7.3	-10.1	-7.3	-6.1	-5.2	-2.7	5.7
Adams St 2010 Non-US Partnership	1,296,960	0.0	-12.7	-4.0	-12.7	9.2	0.8	4.0	12.1
Adams St 2010 Partnership	2,620,552	0.0	-9.5	-7.1	-9.5	-1.0	-3.3	3.0	12.2
<b>Total ASP (Brinson) Fds 1998-2003</b>	<b>210,487</b>	<b>0.0</b>	<b>0.5</b>	<b>1.7</b>	<b>0.5</b>	<b>2.9</b>	<b>17.4</b>	<b>7.6</b>	<b>5.4</b>
Adams St 2000 Partnership	81,597	0.0	0.4	0.7	0.4	2.3	2.1	-0.2	0.6
Adams St 2001 Partnership	97,224	0.0	0.6	2.4	0.6	3.4	-3.6	-4.7	0.0
Adams St 2003 Partnership	31,666	0.0	0.8	2.9	0.8	3.7	-5.3	-10.4	-4.1
<b>Total ASP (Brinson) Non-US 1999-2004</b>	<b>34,418</b>	<b>0.0</b>	<b>-0.3</b>	<b>-4.1</b>	<b>-0.3</b>	<b>-5.4</b>	<b>-0.6</b>	<b>5.5</b>	<b>4.6</b>
Adams St 2000 Non-US Partnership	34,418	0.0	-0.3	-4.1	-0.3	-3.2	-0.5	-6.2	-1.2
Adams St 2008 Non-US Partnership	1,423	0.0	1.5	4.5	1.5	-1.7	-5.9	-3.0	6.6
Adams St 2015 Global Fund	30,423,467	0.3	-0.6	-3.6	-0.6	6.9	4.4	7.8	16.4
Adams St 2016 Global Fund	30,049,088	0.3	0.0	-2.7	0.0	7.6	3.4	9.6	-
Adams St 2017 Global Fund	65,179,544	0.7	0.6	-2.1	0.6	6.6	3.1	11.3	-
Adams St 2018 Global Fund	74,755,251	0.8	0.5	-0.8	0.5	9.4	6.6	13.4	-
Adams St 2019 Global Fund	74,138,925	0.8	1.7	0.5	1.7	12.5	6.6	14.7	-
Adams St 2020 Global Fund	63,228,203	0.7	2.1	-0.3	2.1	9.8	6.6	17.4	-
Adams St 2021 Global Fund	56,243,319	0.6	3.4	3.7	3.4	16.0	10.5	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Altor Fund VI	13,876,085	0.2	3.7	-4.6	3.7	30.8	-	-	-
BlackRock PEP	214,122,213	2.3	0.0	4.6	0.0	4.5	6.1	14.1	-
Blackrock PEP 2020	198,354,118	2.2	0.0	8.4	0.0	12.9	10.7	10.8	-
HIG Capital	257,916	0.0	-201.7	-454.1	-201.7	-568.2	-	-	-
Sixth Street Partners - TAO	79,561,339	0.9	5.4	11.5	5.4	20.0	13.3	11.3	-
Kelso	14,357,623	0.2	1.2	2.9	1.2	2.8	-	-	-
Portfolio Advisors GP Solutions	15,148,842	0.2	0.0	4.9	0.0	7.3	-	-	-
Horsley Bridge Growth	4,184,424	0.0	0.0	-1.0	0.0	-0.1	-	-	-
HIG Capital VII	1,926,515	0.0	-4.1	-9.9	-4.1	-46.5	-	-	-
Guidepost IV	4,168,514	0.0	-1.7	-	-1.7	-	-	-	-
Peak Rock Capital IV	1,107,569	0.0	-11.0	-	-11.0	-	-	-	-
CPF IV	79,424	0.0							
<b>Private Equity Misc Funds</b>	<b>10,395,710</b>	<b>0.1</b>	<b>-0.1</b>	<b>-15.6</b>	<b>-0.1</b>	<b>-16.0</b>	<b>5.1</b>	<b>0.3</b>	<b>0.8</b>
Lewis & Clark, LP	365,837	0.0	0.0	2.4	0.0	8.5	14.4	20.2	2.9
Lewis & Clark II	3,288,246	0.0	0.0	24.3	0.0	24.3	157.9	105.1	50.2
CorsAir III	5,803,671	0.1	0.0	-32.3	0.0	-33.1	-10.2	-7.0	-3.7
Capital International VI	894,024	0.0	-0.8	-6.0	-0.8	-6.9	-2.2	-9.5	0.9
Hearthstone Advisors MSIII	43,932	0.0	-11.7	-14.2	-11.7	-17.8	-	-	-
<b>Total Income</b>	<b>2,406,462,657</b>	<b>26.2</b>	<b>0.1</b>	<b>3.4</b>	<b>0.1</b>	<b>5.4</b>	<b>5.7</b>	<b>2.5</b>	<b>4.0</b>
<i>Total Income Blend</i>			-0.2	3.2	-0.2	5.2	-	-	-
<b>Investment Grade Fixed Income</b>	<b>1,673,561,315</b>	<b>18.2</b>	<b>-0.2</b>	<b>3.3</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.6</b>	<b>0.9</b>	<b>2.8</b>
<i>Bmbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	3.6	0.3	1.7
Allspring Med Quality Credit	126,457,656	1.4	-0.6	3.3	-0.6	5.7	5.9	-	-
PIMCO DiSCO II	66,369,354	0.7	0.3	3.6	0.3	5.3	8.5	6.3	7.6
PIMCO Core Plus Constrained	420,361,607	4.6	-0.5	3.7	-0.5	5.2	5.0	1.0	3.3
Prudential Core	416,764,899	4.5	-0.1	3.4	-0.1	4.9	4.4	0.7	-
State Street Gov Index	76,037,144	0.8	0.1	2.3	0.1	3.2	2.6	-	-
State Street Securitized Index	67,210,331	0.7	0.5	4.5	0.5	-	-	-	-
Western Asset Core Plus	127,147,640	1.4	-0.1	3.2	-0.1	5.3	4.3	-	-
Internal Fixed Income	373,212,685	4.1	-0.1	2.6	-0.1	3.3	-	-	-

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Total Fund  
Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Below Investment Grade</b>	<b>732,901,342</b>	<b>8.0</b>	<b>0.9</b>	<b>3.5</b>	<b>0.9</b>	<b>6.6</b>	<b>8.2</b>	<b>6.4</b>	<b>7.3</b>
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			-0.5	3.4	-0.5	7.0	8.6	4.2	6.1
Cerberus ND Private Credit	167,664,001	1.8	3.4	3.9	3.4	5.5	6.9	7.4	-
Ares ND Credit Strategies	141,252,867	1.5	1.7	2.9	1.7	5.6	9.6	9.3	-
PIMCO Bravo II	2,981,645	0.0	1.9	4.3	1.9	1.1	5.2	-0.9	1.0
Nomura High Yield	210,495,287	2.3	-0.2	4.0	-0.2	7.9	-	-	-
PineBridge High Yield	210,409,302	2.3	-0.4	3.4	-0.4	7.5	-	-	-
<b>Total Real Assets</b>	<b>1,360,067,741</b>	<b>14.8</b>	<b>1.9</b>	<b>0.9</b>	<b>1.9</b>	<b>3.6</b>	<b>-0.9</b>	<b>3.2</b>	<b>4.3</b>
<i>Total Real Assets Blend</i>			0.8	2.4	0.8	3.4	-	-	-
<b>Global Real Estate</b>	<b>739,198,901</b>	<b>8.0</b>	<b>0.7</b>	<b>-3.9</b>	<b>0.7</b>	<b>-3.5</b>	<b>-7.8</b>	<b>-0.7</b>	<b>2.7</b>
<i>NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag</i>			0.7	2.0	0.7	2.9	-4.3	2.5	3.9
Invesco Core Real Estate	325,437,885	3.5	1.7	-7.4	1.7	-7.7	-8.7	-0.3	2.6
Invesco Asia RE Fund III	16,131,006	0.2	-0.9	-2.6	-0.9	13.2	-0.5	-1.8	11.7
Invesco RE Fund VI	56,845,366	0.6	5.3	3.1	5.3	3.2	1.4	-	-
Invesco Value Added Fd V	47,547,092	0.5	-11.5	-14.7	-11.5	-11.9	-14.2	-4.2	-
JP Morgan SPC & Strat RE	257,182,967	2.8	1.4	1.4	1.4	1.4	-6.2	-0.8	2.4
Prisa III	36,051,483	0.4	1.8	2.9	1.8	4.4	-	-	-
<b>Other Real Assets</b>	<b>620,868,840</b>	<b>6.8</b>	<b>3.3</b>	<b>7.0</b>	<b>3.3</b>	<b>12.9</b>	<b>9.5</b>	<b>8.9</b>	<b>-</b>
<i>Other Real Assets Blend</i>			1.0	2.9	1.0	4.0	-	-	-
<b>Infrastructure</b>	<b>565,356,795</b>	<b>6.2</b>	<b>3.6</b>	<b>8.1</b>	<b>3.6</b>	<b>14.5</b>	<b>10.3</b>	<b>9.9</b>	<b>8.5</b>
<i>NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag</i>			0.9	2.8	0.9	3.9	-3.3	3.5	4.9
ISQ Global Infrastructure II	78,049,679	0.8	0.5	0.5	0.5	0.4	7.8	11.7	-
ISQ Global Infrastructure III	59,077,761	0.6	3.7	4.2	3.7	11.2	13.1	-	-
The Rohatyn Group	10,957,963	0.1	-3.0	-7.5	-3.0	-11.9	0.2	-0.4	-2.2
JP Morgan IIF Infrastructure	143,840,897	1.6	3.0	5.5	3.0	16.7	11.5	8.5	8.2
Grosvenor CIS Fund I	4,740,021	0.1	51.9	73.5	51.9	89.0	31.0	22.7	14.8
Grosvenor CIS Fund II	14,387,873	0.2	1.0	16.5	1.0	8.8	6.5	9.1	9.1
Grosvenor CIS Fund III	63,529,176	0.7	3.3	8.3	3.3	16.7	10.1	-	-
Macquarie Infrastructure Fund IV	106,444,984	1.2	5.7	16.1	5.7	23.4	10.8	12.0	-
Macquarie Infrastructure Fund V	84,328,441	0.9	4.5	11.8	4.5	18.9	9.9	9.7	-

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Total Fund  
Performance (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Timber</b>	<b>55,512,045</b>	<b>0.6</b>	<b>0.0</b>	<b>-2.5</b>	<b>0.0</b>	<b>-0.6</b>	<b>3.0</b>	<b>3.1</b>	<b>1.2</b>
<i>NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag</i>			1.6	3.7	1.6	4.6	7.0	8.6	5.4
Springbank Timberland	30,289,270	0.3	0.0	-4.6	0.0	-1.6	1.8	0.9	0.1
Teredo	25,222,775	0.3	0.0	0.2	0.0	0.6	5.2	9.7	4.3
<b>Cash &amp; Equivalents</b>	<b>76,198,940</b>	<b>0.8</b>	<b>0.0</b>	<b>4.6</b>	<b>0.0</b>	<b>6.2</b>	<b>5.6</b>	<b>3.9</b>	<b>2.5</b>
<i>90 Day U.S. Treasury Bill</i>			0.8	2.9	0.8	4.0	4.7	3.3	2.3
Northern Trust Cash Account	56,126,942	0.6	1.0	3.2	1.0	4.3	5.0	3.5	2.4
Cash Overlay Equities	12,032,342	0.1	-4.2	6.3	-4.2	18.2	-	-	-
Cash Overlay Fixed	8,039,656	0.1	-0.1	1.1	-0.1	1.9	-	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

### BARRA RISK FACTORS<sup>3</sup>

#### EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	0.94
Dividend Yield	(13.47)
Earnings Yield	(7.63)
Growth	10.11
Leverage	(1.44)
Liquidity	20.46
Mid Cap	(7.07)
Momentum	(4.18)
Residual Volatility	5.14
Size	(7.87)
Value	(5.14)

MSCI's analytics and data ([www.msci.com](http://www.msci.com)) were used in the preparation of this report. All Rights Reserved. No further distribution or dissemination of this data is permitted. Two Sigma is not affiliated with MSCI. The data presented utilizes the Barra US Total Market Equity Trading Model (USFASTD), which may not represent the risk model used in the management of the portfolio.

### FUNDAMENTAL STATISTICS<sup>3,6</sup>

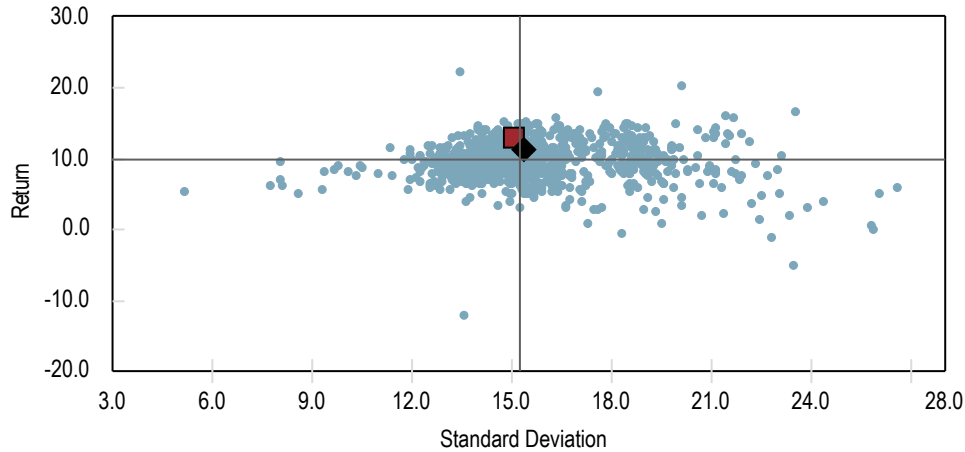
	Fund	Benchmark Index
Active Share (%)	75.62	—
Position Count	3,349	2,939
Dividend Yield (%)	1.09	1.31
Long Term Debt-to-Equity Ratio	0.93	0.82
Price-to-Book Ratio	4.16	3.95
Price-to-Earnings Ratio (trailing)	21.47	22.92
Weighted Average Market Cap (\$m)	239,339	256,038

LA Capital Enhanced Alpha Fund  
Equity Only Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	289	1,006
Wtd. Avg. Mkt. Cap \$M	1,010,421.1	1,115,771.0
Median Mkt. Cap \$M	18,962.8	15,251.6
Price/Earnings ratio	17.9	25.7
Price/Book ratio	3.5	4.7
Return on Equity (%)	10.5	8.8
Current Yield (%)	1.5	1.3
Beta (5 Years, Monthly)	1.0	1.0

Risk vs. Return - 5 Years

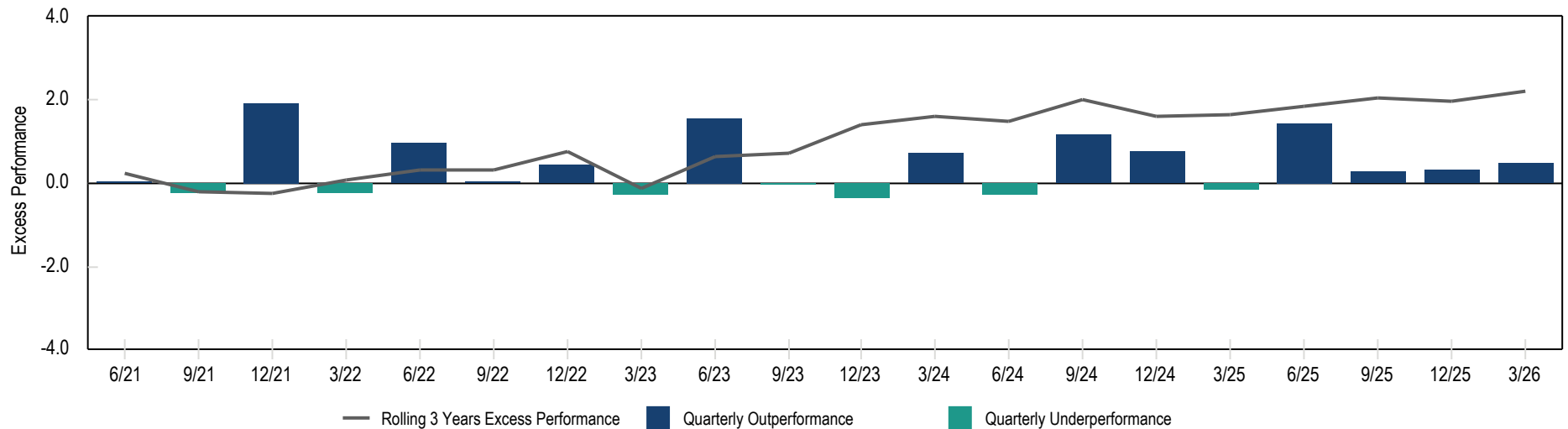


Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	12.27	15.03	14.72
Tracking Error	2.18	2.09	2.28
Alpha	2.08	1.97	1.20
Information Ratio	0.87	0.77	0.23
Beta	0.99	0.97	0.95
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.21	0.69	0.86
Positive Months Ratio	72.22	66.67	69.17
Up Capture	103.07	101.06	98.69
Down Capture	89.56	92.14	93.66
Up Market Periods	25	38	86
Down Market Periods	11	22	34

● eV US Large Cap Equity    ■ LA Capital Enhanced Alpha Fund    ◆ Russell 1000 Index

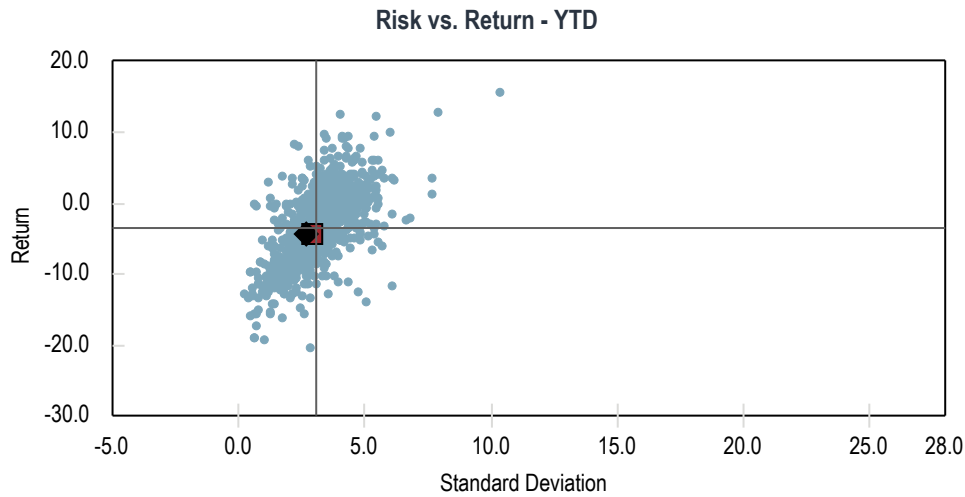
Quarterly Excess Performance vs. Russell 1000 Index



T. Rowe Large Cap  
Equity Only Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	306	1,006
Wtd. Avg. Mkt. Cap \$M	1,235,223.5	1,115,771.0
Median Mkt. Cap \$M	65,780.1	15,251.6
Price/Earnings ratio	27.5	25.7
Price/Book ratio	5.2	4.7
Return on Equity (%)	10.8	8.8
Current Yield (%)	1.1	1.3
Beta	-	1.0

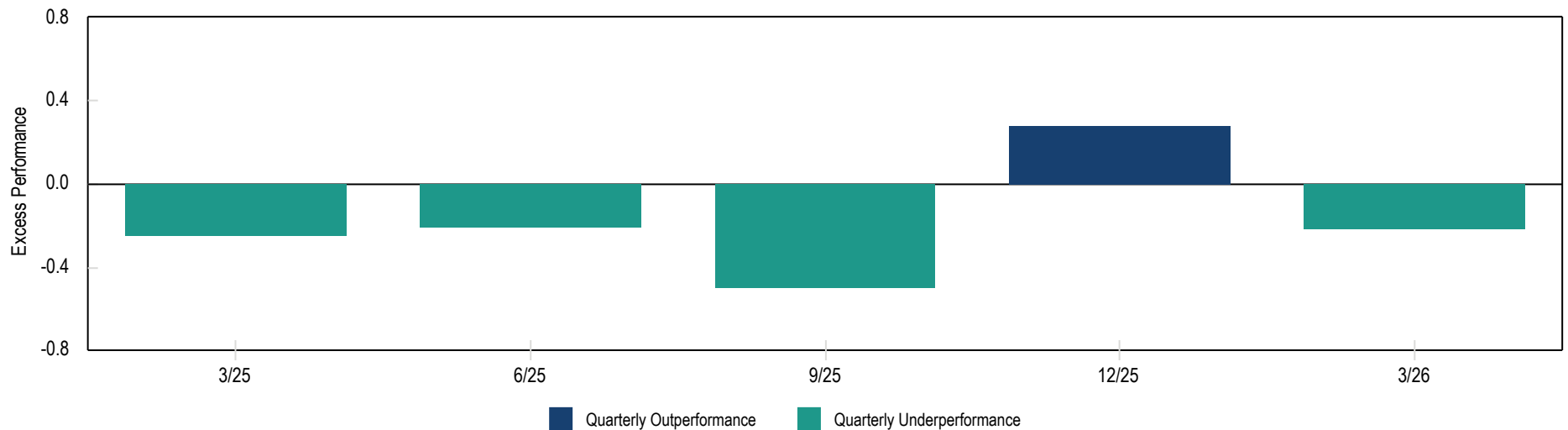


Additional Calculations

	3 Mo	YTD
Standard Deviation	2.90	2.90
Tracking Error	0.25	0.25
Alpha	0.05	0.05
Information Ratio	-0.28	-0.28
Beta	1.09	1.09
R-Squared	1.00	1.00
Sharpe Ratio	-0.60	-0.60
Positive Months Ratio	33.33	33.33
Up Capture	117.15	117.15
Down Capture	108.04	108.04
Up Market Periods	1	1
Down Market Periods	2	2

● eV US Large Cap Equity   ■ T. Rowe Large Cap   ◆ Russell 1000 Index

Quarterly Excess Performance vs. Russell 1000 Index



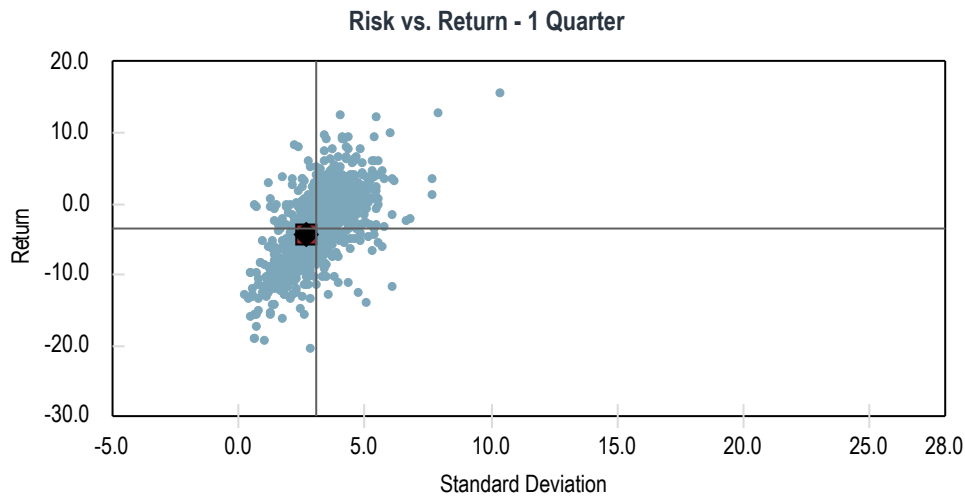
Internal Equity  
Equity Only Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,006	1,006
Wtd. Avg. Mkt. Cap \$M	1,085,417.7	1,115,771.0
Median Mkt. Cap \$M	15,259.2	15,251.6
Price/Earnings ratio	25.7	25.7
Price/Book ratio	4.7	4.7
Return on Equity (%)	8.4	8.8
Current Yield (%)	1.3	1.3
Beta	-	1.0

# Internal Equity Return Based Style Analysis

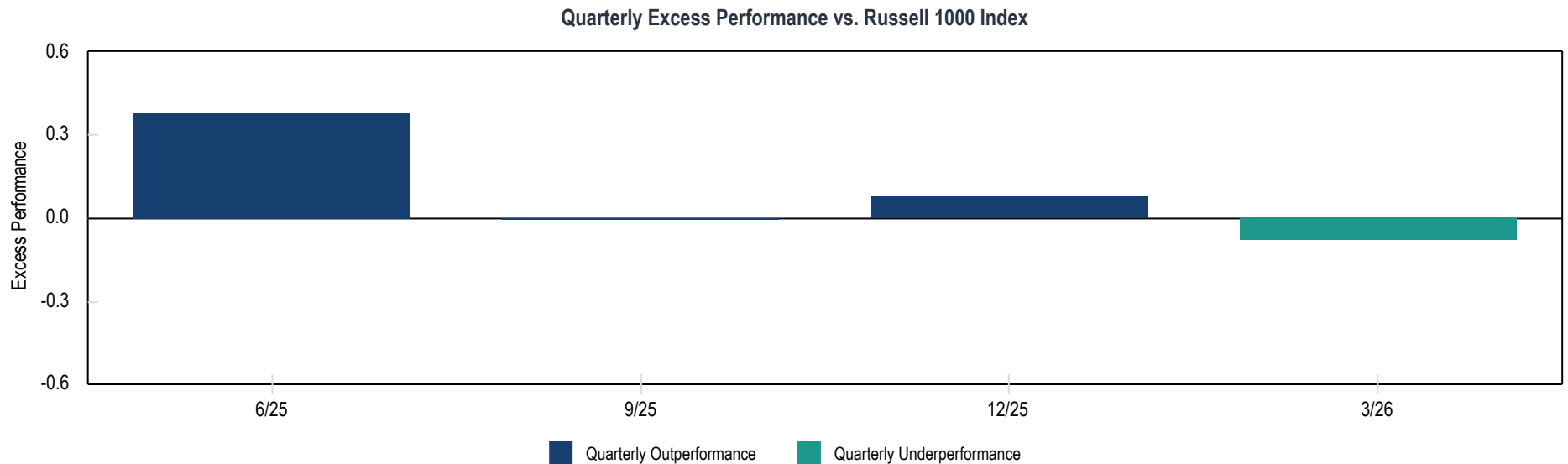
NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



### Additional Calculations

	3 Mo
Standard Deviation	2.66
Tracking Error	0.02
Alpha	-0.03
Information Ratio	-1.82
Beta	1.00
R-Squared	1.00
Sharpe Ratio	-0.63
Positive Months Ratio	33.33
Up Capture	96.62
Down Capture	100.68
Up Market Periods	1
Down Market Periods	2

● eV US Large Cap Equity    ■ Internal Equity    ◆ Russell 1000 Index



■ Quarterly Outperformance    ■ Quarterly Underperformance

WorldQuant Mill  
Equity Only Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	340	1,006
Wtd. Avg. Mkt. Cap \$M	1,179,888.3	1,115,771.0
Median Mkt. Cap \$M	29,491.5	15,251.6
Price/Earnings ratio	25.0	25.7
Price/Book ratio	4.9	4.7
Return on Equity (%)	10.2	8.8
Current Yield (%)	1.2	1.3
Beta	-	1.0

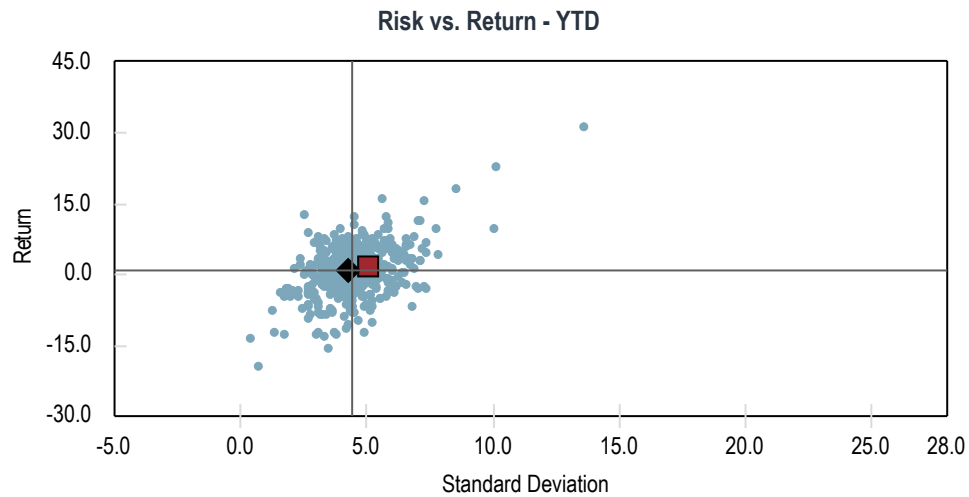
Wellington SM Cap  
Equity Only Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	296	1,933
Wtd. Avg. Mkt. Cap \$M	6,555.4	4,918.0
Median Mkt. Cap \$M	3,360.8	963.7
Price/Earnings ratio	21.3	18.4
Price/Book ratio	2.6	2.6
Return on Equity (%)	0.5	21.8
Current Yield (%)	1.0	1.3
Beta	-	1.0

Wellington SM Cap  
Return Based Style Analysis

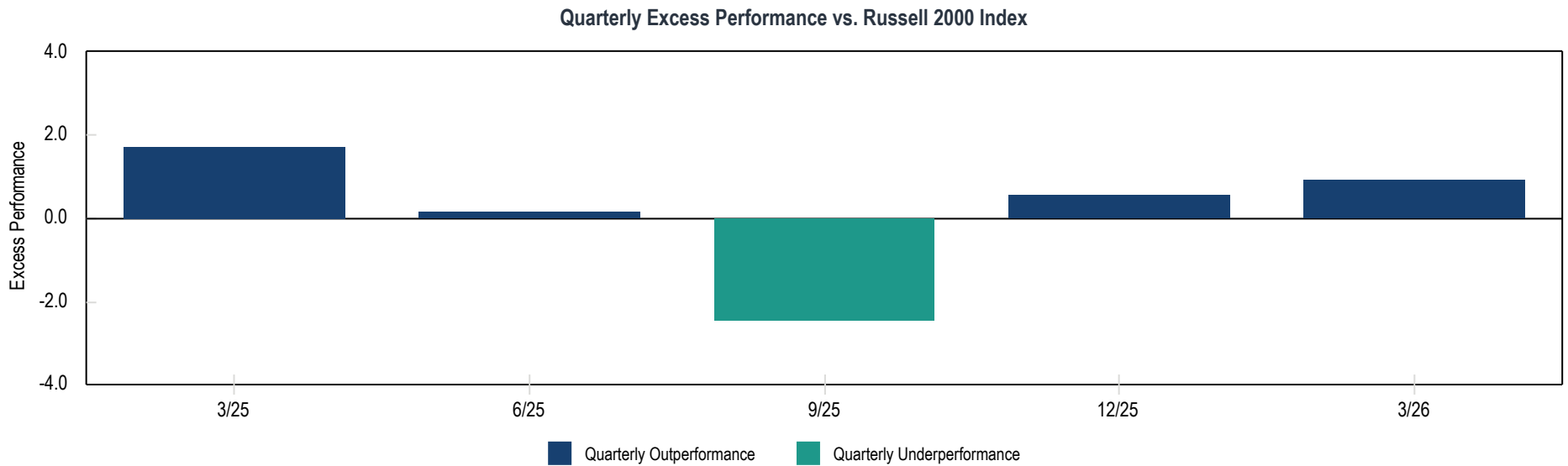
NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026



**Additional Calculations**

	3 Mo	YTD
Standard Deviation	5.04	5.04
Tracking Error	0.82	0.82
Alpha	0.27	0.27
Information Ratio	0.42	0.42
Beta	1.19	1.19
R-Squared	1.00	1.00
Sharpe Ratio	0.09	0.09
Positive Months Ratio	66.67	66.67
Up Capture	125.69	125.69
Down Capture	111.03	111.03
Up Market Periods	2	2
Down Market Periods	1	1

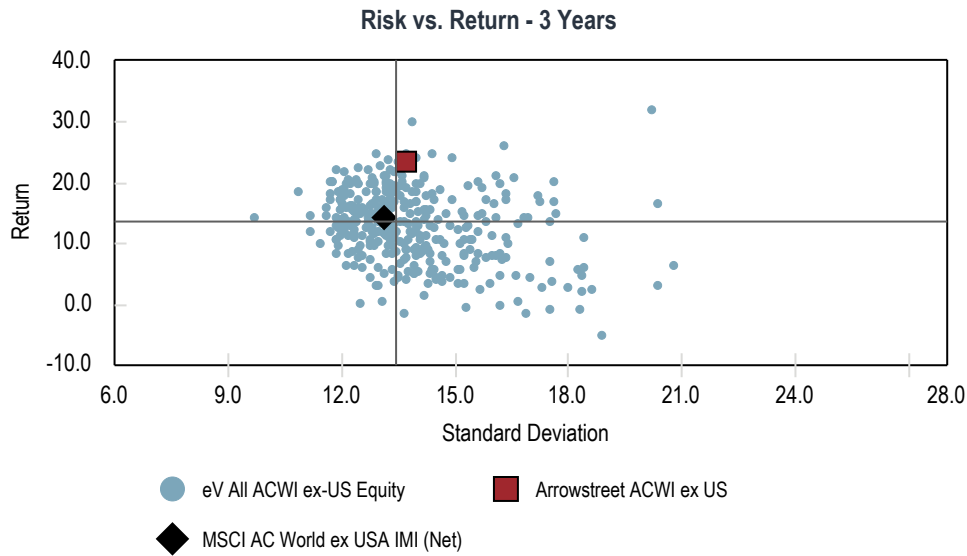
● eV US Small Cap Equity   ■ Wellington SM Cap   ◆ Russell 2000 Index



Arrowstreet ACWI ex US  
Equity Only Summary Statistics

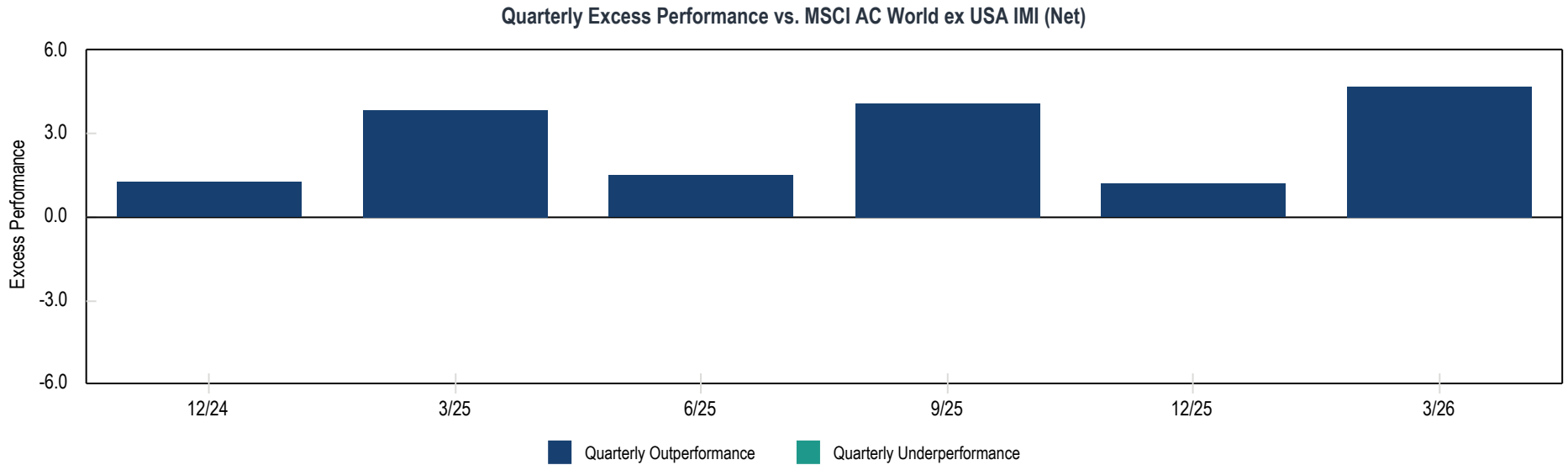
NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,655	6,070
Wtd. Avg. Mkt. Cap \$M	129,989.3	144,329.4
Median Mkt. Cap \$M	3,811.6	2,581.7
Price/Earnings ratio	15.9	16.2
Price/Book ratio	2.8	2.6
Return on Equity (%)	5.4	4.7
Current Yield (%)	2.6	2.7
Beta (3 Years, Monthly)	1.0	1.0



### Additional Calculations

	YTD	1 Yr	3 Yrs
Standard Deviation	9.84	17.95	13.71
Tracking Error	2.20	4.77	4.75
Alpha	1.73	7.53	8.41
Information Ratio	0.80	2.46	1.65
Beta	1.27	1.19	0.98
R-Squared	0.99	0.95	0.88
Sharpe Ratio	0.16	1.77	1.28
Positive Months Ratio	66.67	83.33	69.44
Up Capture	157.44	131.54	112.49
Down Capture	110.27	93.70	64.10
Up Market Periods	2	10	23
Down Market Periods	1	2	13



# DFA Intl Small Cap Value Mutual Fund Overview (Net of Fees)

# NDSIB - Consolidated Pension Trust Period Ending: March 31, 2026

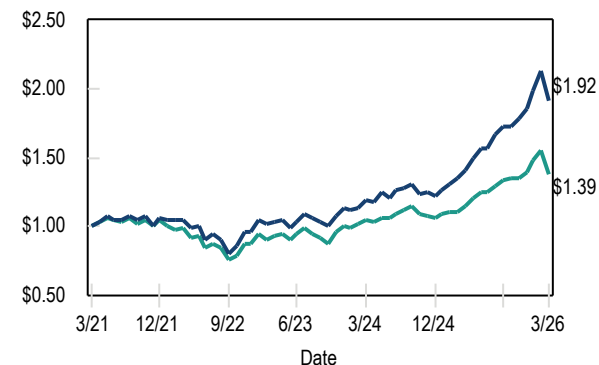
## Description:

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 depository receipts, which may be listed or traded outside the issuer's domicile country.

## Portfolio Fund Information as of March 31, 2026

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	14,554.03 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	16 Years 1 Month
Expense Ratio	0.43 %

## Growth of a Dollar



— DFA Intl Small Cap Value  
— MSCI AC World ex USA IMI (Net)

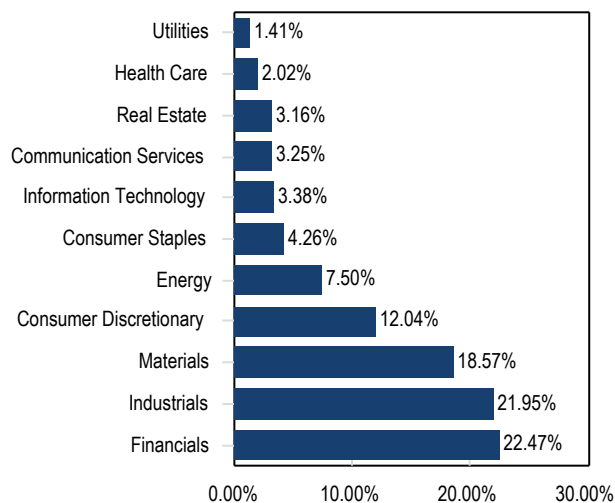
## Fund Characteristics as of 03/31/2026

Total Securities	1,885
Avg. Market Cap	2,498.36 Million
P/E	10.18
P/B	1.04
Div. Yield	3.71%

## 3 Year Statistics as of March 31, 2026

R-Squared	0.84
Alpha	7.92
Beta	1.00
Sharpe Ratio	1.21

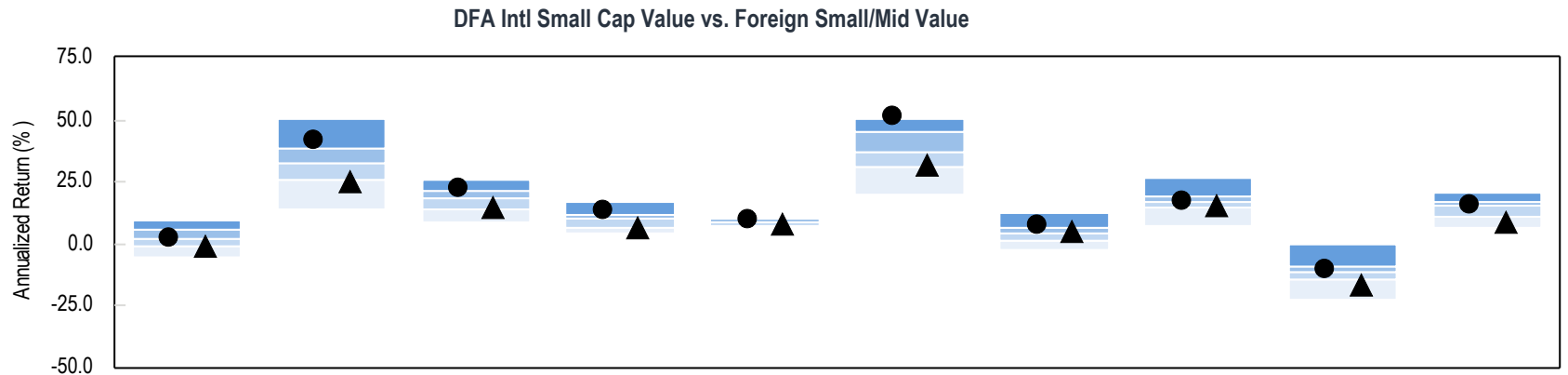
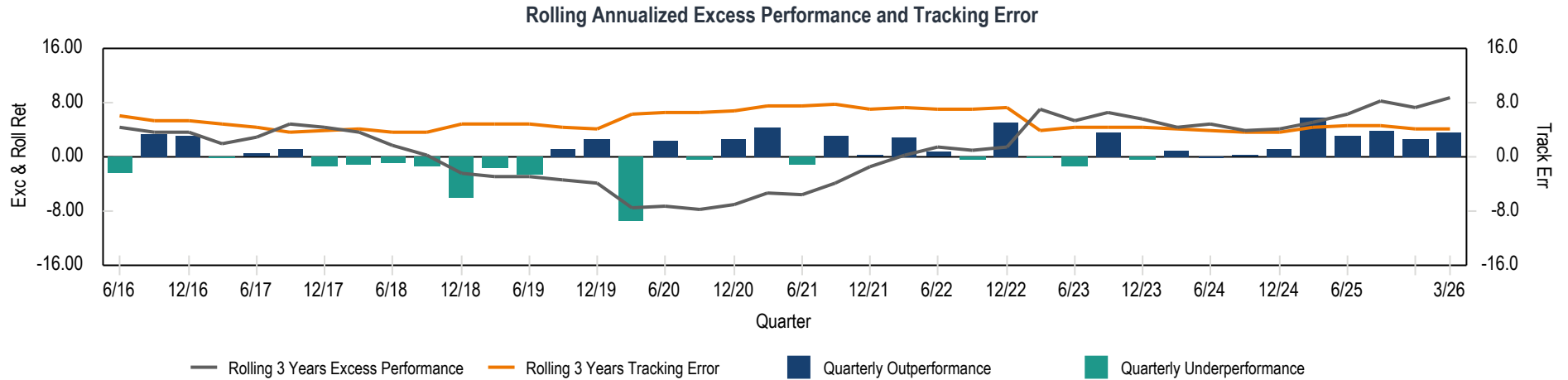
## Sector Allocation as of 03/31/2026



## Top Holdings as of 03/31/2026

Jyske Bank AS	1.09 %
SBM Offshore NV	0.93 %
AL Sydbank A/S	0.90 %
Telecom Italia SpA	0.90 %
Bankinter SA	0.84 %
Lion Finance Group PLC	0.78 %
Eldorado Gold Corp	0.69 %
Ackermans & Van Haaren NV	0.67 %
Swiss Prime Site AG	0.62 %
Hubbay Minerals Inc	0.60 %
<b>Total</b>	<b>8.02 %</b>

Source: Morningstar



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA Intl Small Cap Value	3.04 (42)	42.00 (19)	23.11 (20)	13.96 (11)	10.48 (20)	52.07 (4)	7.89 (20)	17.57 (33)	-9.78 (31)	15.89 (38)
▲ MSCI AC World ex USA IMI (Net)	-0.68 (74)	25.32 (78)	14.38 (75)	6.83 (76)	8.33 (54)	31.96 (71)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)
5th Percentile	9.76	50.77	25.96	16.69	11.18	50.69	12.67	26.42	-0.20	20.46
1st Quartile	5.62	38.33	21.08	11.94	10.07	45.48	6.52	19.54	-8.85	17.05
Median	2.29	32.63	18.21	10.05	8.77	36.95	4.47	16.70	-11.44	15.45
3rd Quartile	-0.77	25.99	14.02	6.85	7.61	30.93	1.49	15.00	-14.64	11.25
95th Percentile	-5.34	13.96	9.12	4.68	7.26	20.26	-2.17	7.39	-22.16	6.67
Population	35	33	32	31	22	33	32	32	31	30

# DFA EM All Cap Core

## Mutual Fund Overview (Net of Fees)

NDSIB - Consolidated Pension Trust  
 Period Ending: March 31, 2026

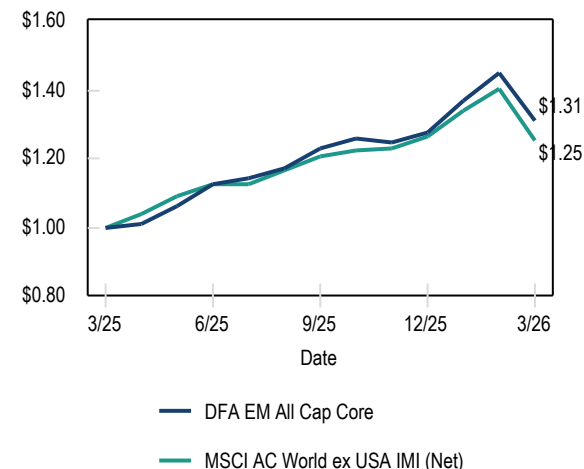
### Description:

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 March 31, 2026

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	39,594.13 Million
Manager Name	Team Managed
Manager Tenure	16 Years 1 Month
Expense Ratio	0.39 %

### Growth of a Dollar



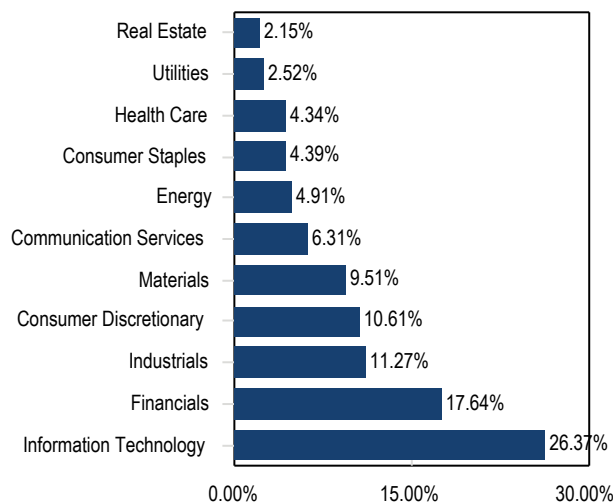
### Fund Characteristics as of 03/31/2026

Total Securities	7,719
Avg. Market Cap	19,026.41 Million
P/E	11.35
P/B	1.47
Div. Yield	2.95%

### 3 Year Statistics as of March 31, 2026

No data found.

### Sector Allocation as of 03/31/2026



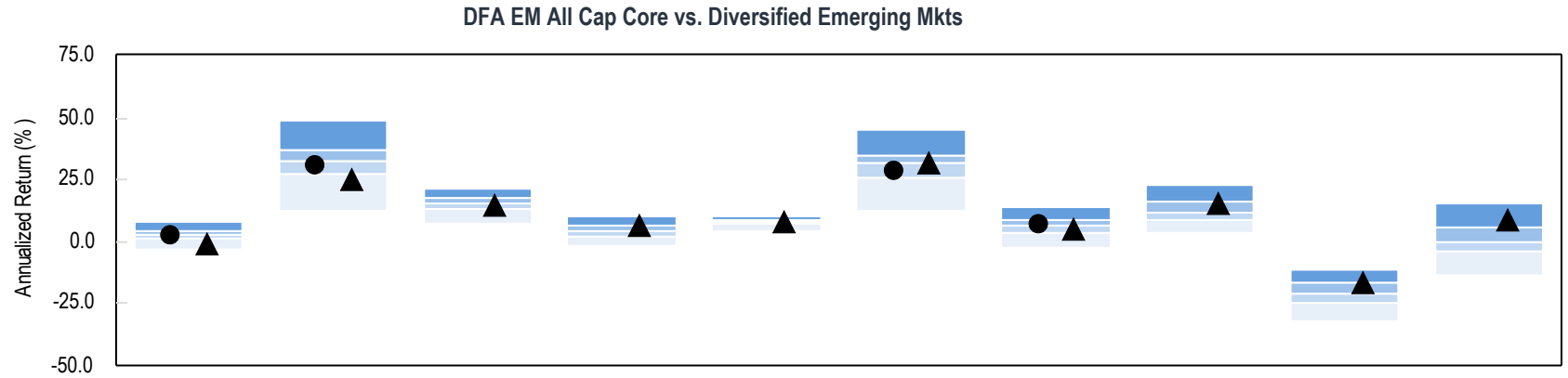
### Top Holdings as of 03/31/2026

Taiwan Semiconductor Manufacturing	6.58 %
Samsung Electronics Co Ltd	3.50 %
Taiwan Semiconductor Manufacturing	2.21 %
Tencent Holdings Ltd	2.08 %
SK Hynix Inc	1.56 %
Alibaba Group Holding Ltd Ordinary	1.07 %
Petroleo Brasileiro SA Petrobras	0.62 %
China Construction Bank Corp Class	0.59 %
Ping An Insurance (Group) Co. of	0.53 %
Petroleo Brasileiro SA Petrobras	0.50 %
<b>Total</b>	<b>19.24 %</b>

Source: Morningstar

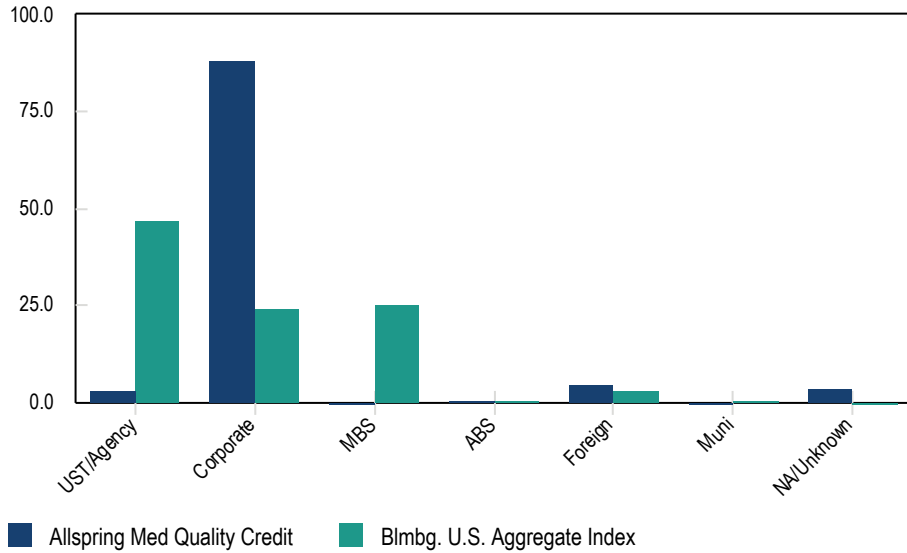
DFA EM All Cap Core  
Performance Summary (Net of Fees)

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

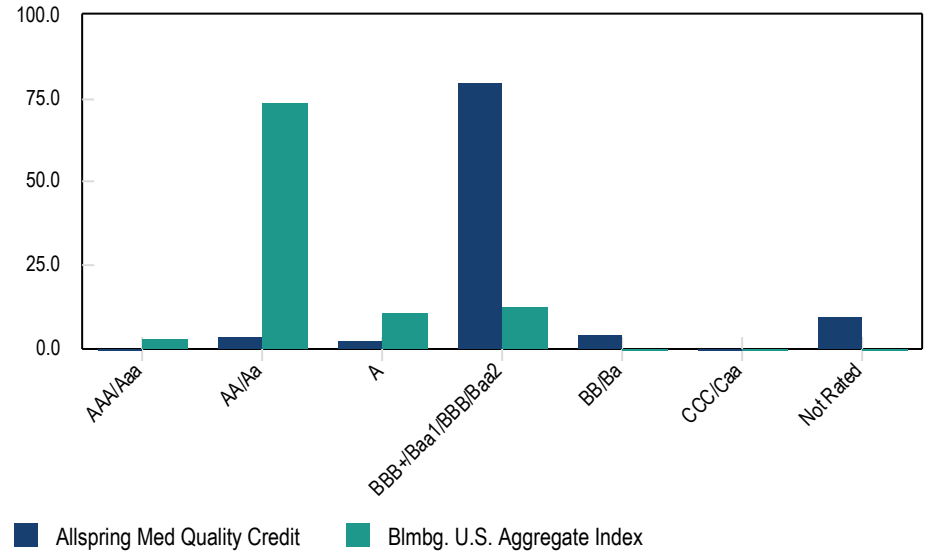


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA EM All Cap Core	3.00 (49)	31.21 (59)	-	-	-	28.77 (66)	7.32 (38)	-	-	-
▲ MSCI AC World ex USA IMI (Net)	-0.68 (89)	25.32 (80)	14.38 (63)	6.83 (21)	8.33 (39)	31.96 (47)	5.23 (64)	15.62 (28)	-16.58 (24)	8.53 (19)
5th Percentile	7.67	49.26	21.68	10.07	10.51	45.20	13.96	22.93	-11.33	15.55
1st Quartile	4.59	37.10	17.71	6.39	8.96	35.18	8.65	16.06	-16.88	5.95
Median	2.93	32.66	15.33	4.43	7.89	31.47	6.48	11.52	-20.74	-0.25
3rd Quartile	0.97	27.19	13.21	2.14	6.95	26.08	3.45	8.45	-24.53	-3.94
95th Percentile	-2.98	12.81	7.56	-2.00	4.67	12.69	-2.59	3.82	-32.45	-13.35
Population	316	309	280	241	178	309	310	312	311	292

**Sectors**  
Allspring Med Quality Credit



**Quality Ratings**  
Allspring Med Quality Credit



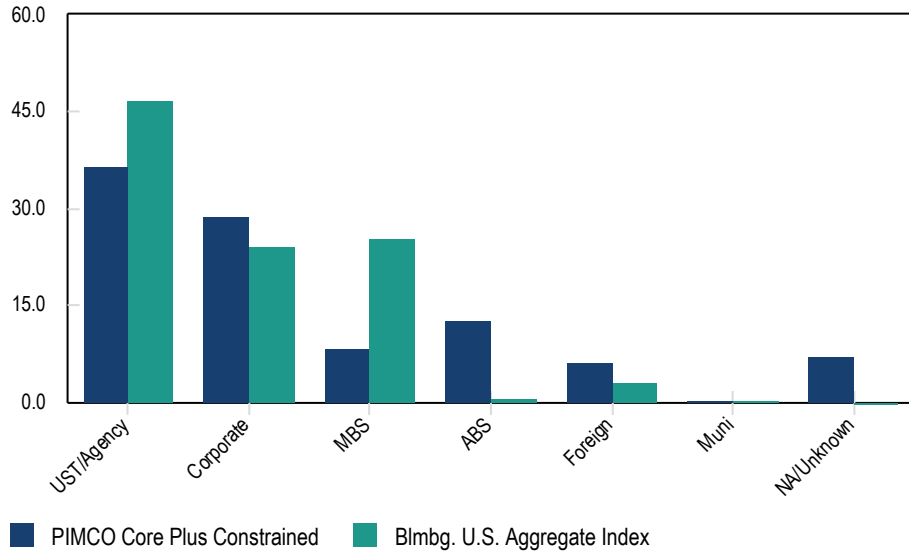
**Characteristics**  
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.6	4.5
Avg. Maturity	13.2	8.3
Avg. Duration	7.0	5.9
Avg. Quality	BBB	AA

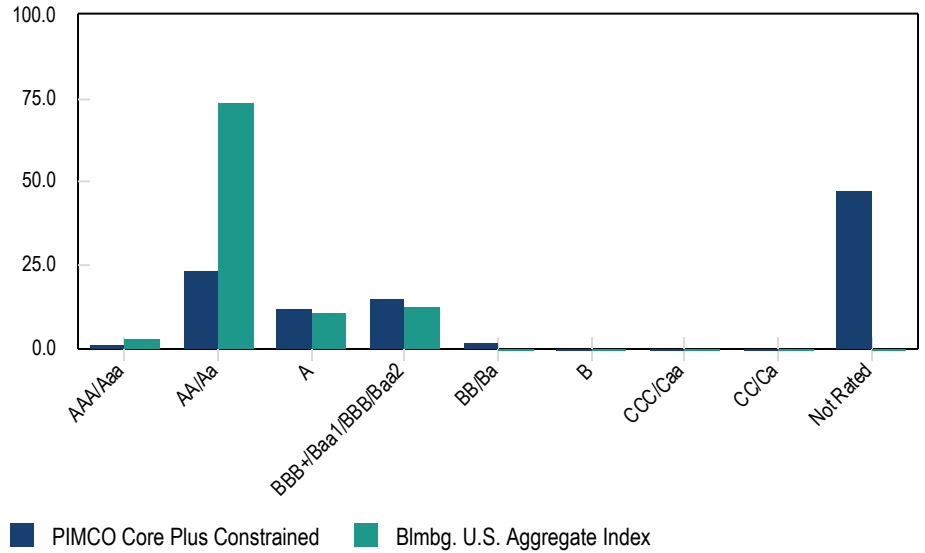
PIMCO Core Plus Constrained  
Bond Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Sectors  
PIMCO Core Plus Constrained



Quality Ratings  
PIMCO Core Plus Constrained



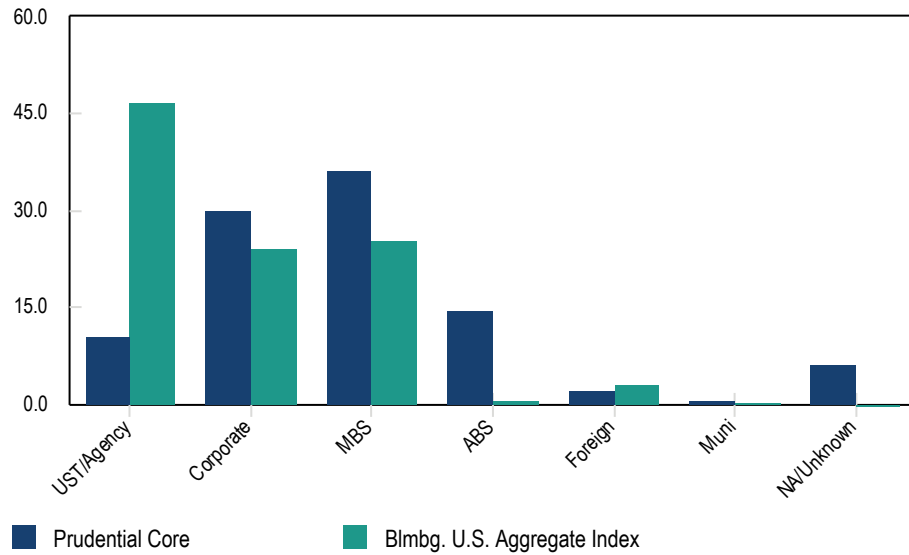
Characteristics  
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	6.9	4.5
Avg. Maturity	9.1	8.3
Avg. Duration	6.1	5.9
Avg. Quality	A	AA

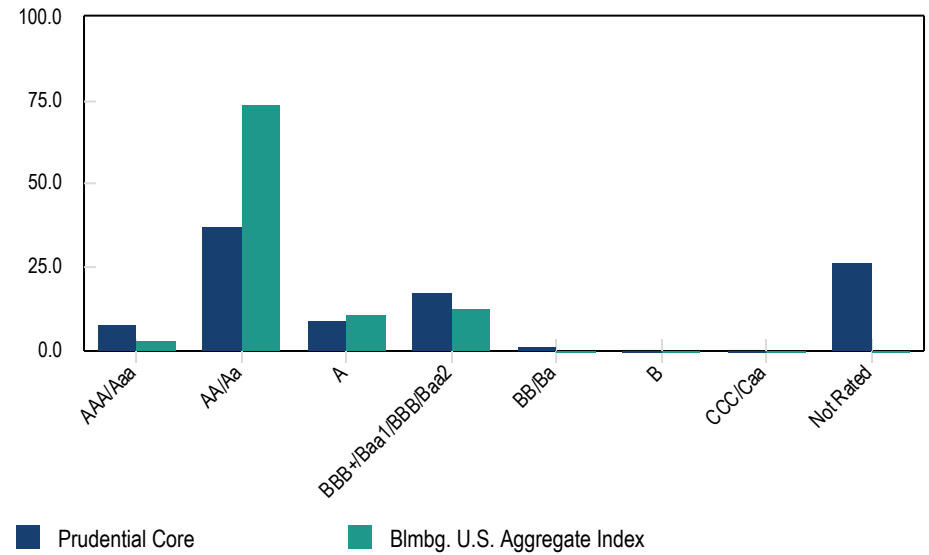
Prudential Core  
Bond Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Sectors  
Prudential Core



Quality Ratings  
Prudential Core



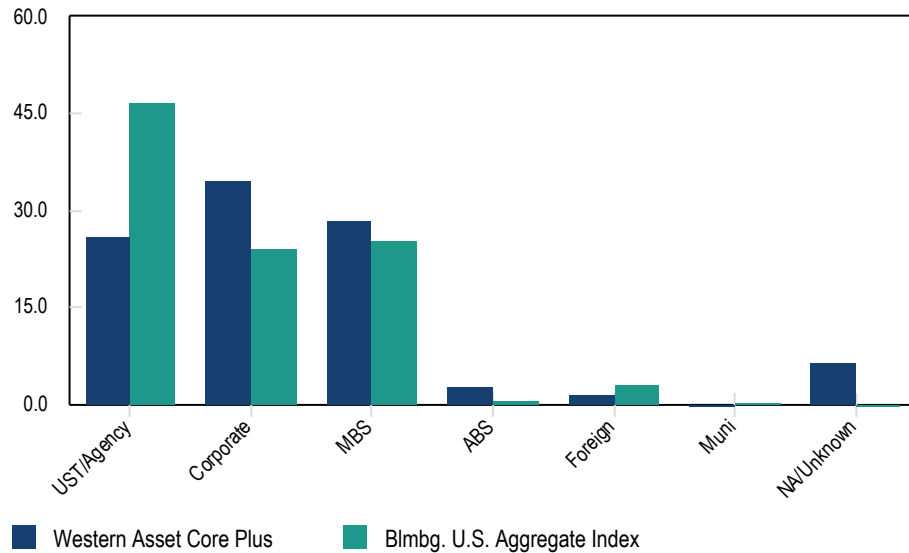
Characteristics  
Prudential Core

	Portfolio	Benchmark
Yield To Maturity (%)	5.0	4.5
Avg. Maturity	8.4	8.3
Avg. Duration	6.0	5.9
Avg. Quality	A	AA

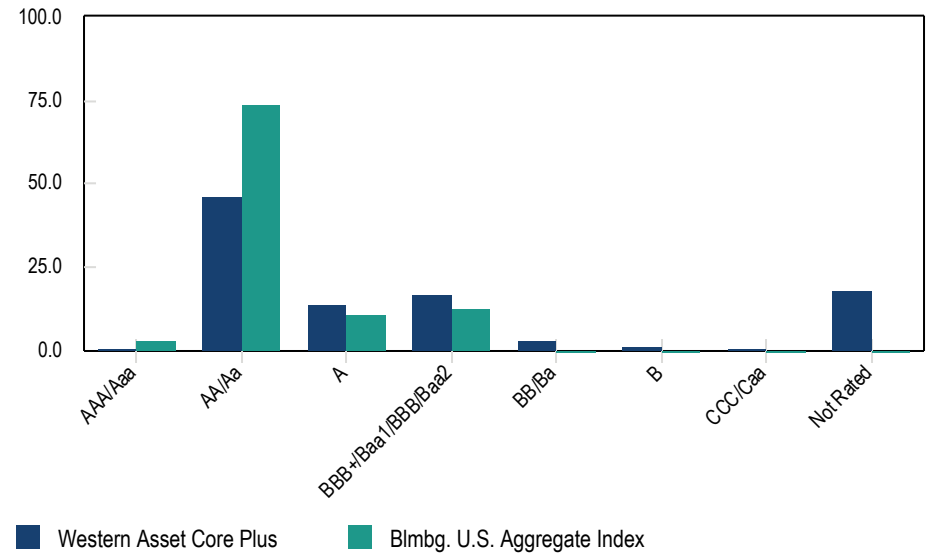
Western Asset Core Plus  
Bond Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Sectors  
Western Asset Core Plus



Quality Ratings  
Western Asset Core Plus



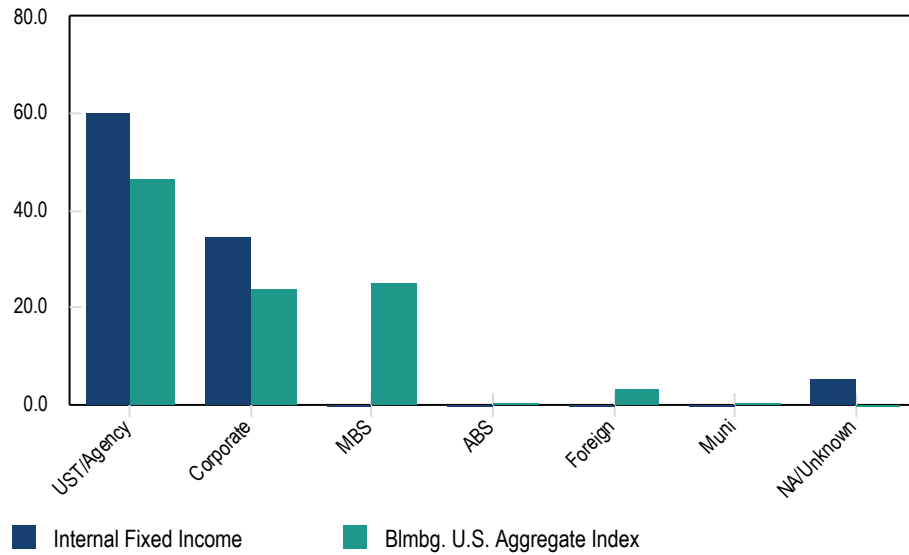
Characteristics  
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	5.0	4.5
Avg. Maturity	8.3	8.3
Avg. Duration	5.3	5.9
Avg. Quality	A	AA

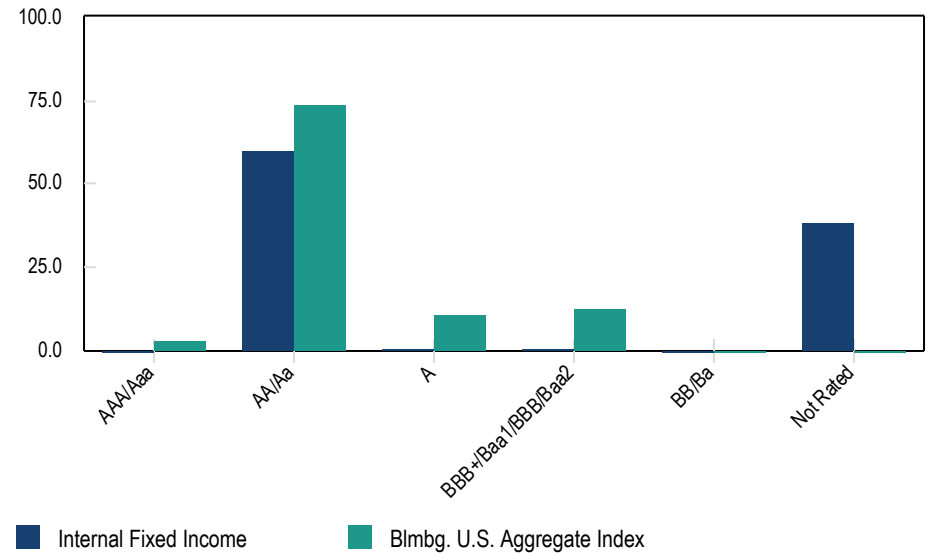
Internal Fixed Income  
Bond Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Sectors  
Internal Fixed Income



Quality Ratings  
Internal Fixed Income



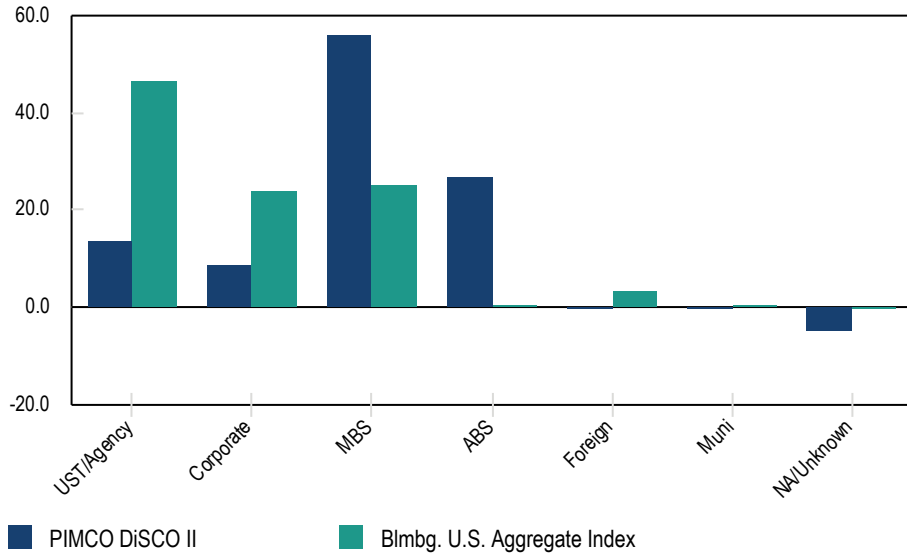
Characteristics  
Internal Fixed Income

	Portfolio	Benchmark
Yield To Maturity (%)	4.2	4.5
Avg. Maturity	8.3	8.3
Avg. Duration	5.9	5.9
Avg. Quality	AA	AA

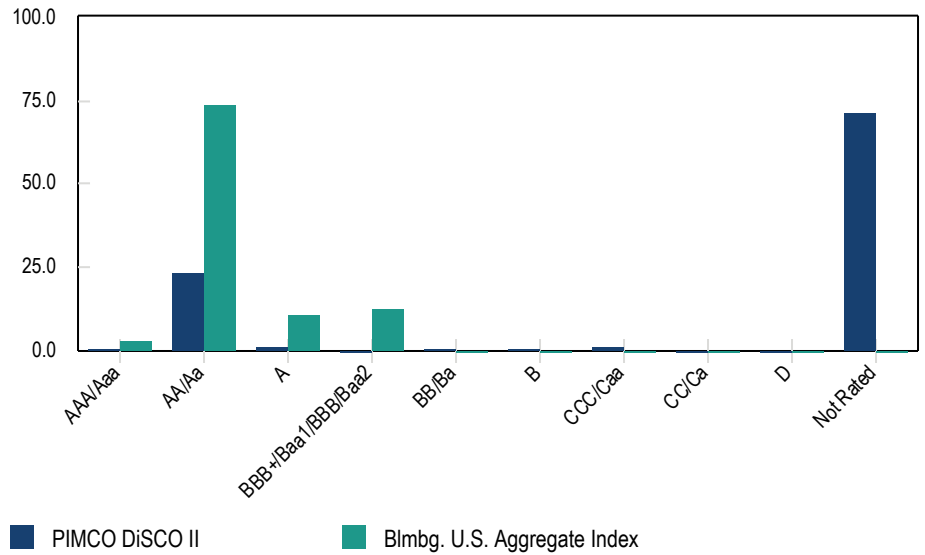
PIMCO DiSCO II  
Bond Summary Statistics

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Sectors  
PIMCO DiSCO II



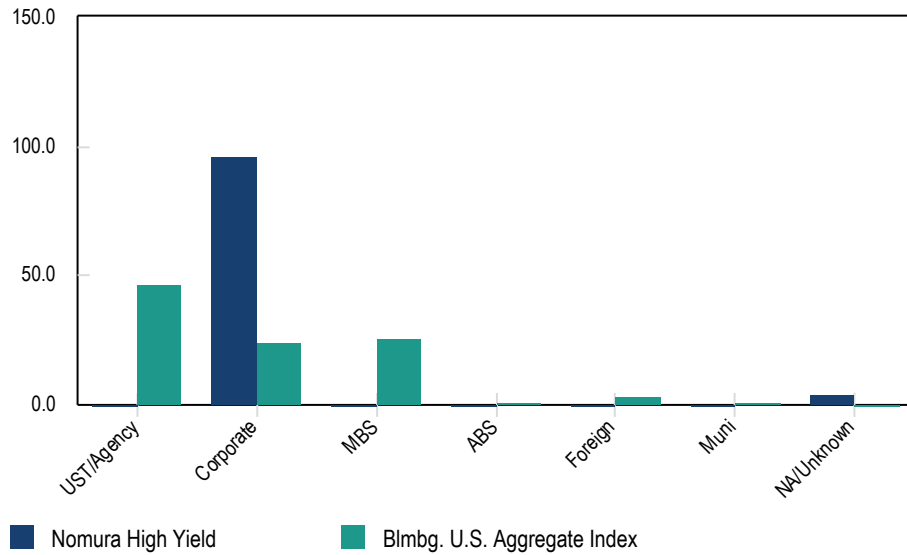
Quality Ratings  
PIMCO DiSCO II



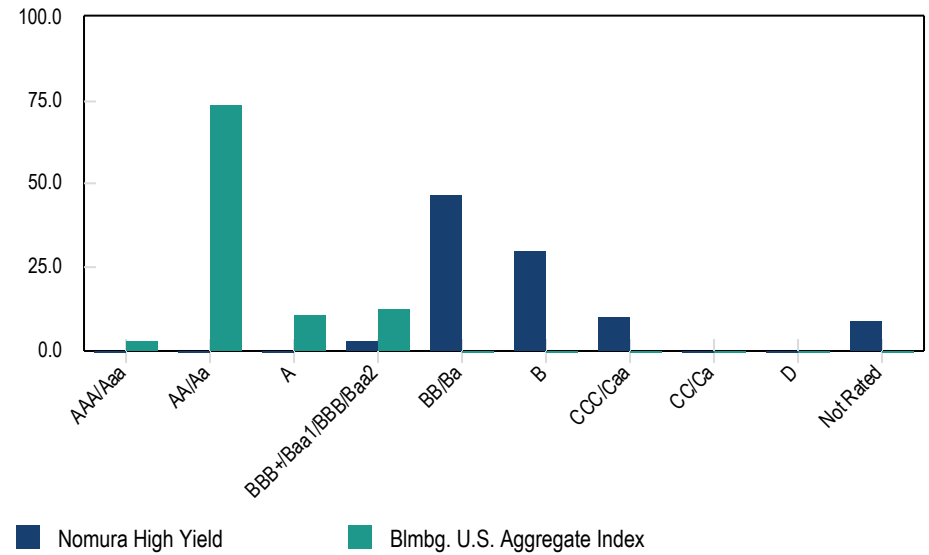
Characteristics  
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	19.5	4.5
Avg. Maturity	6.1	8.3
Avg. Duration	1.7	5.9
Avg. Quality	AA	AA

**Sectors**  
Nomura High Yield



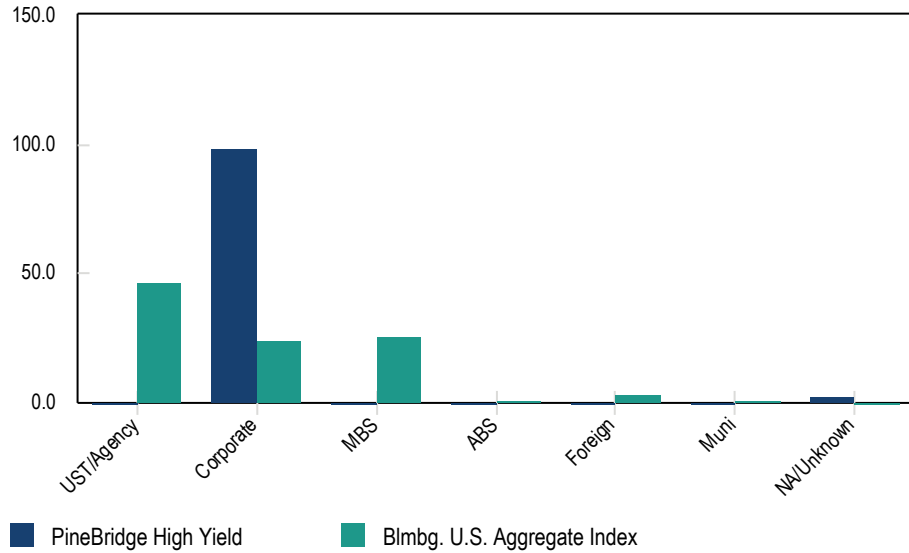
**Quality Ratings**  
Nomura High Yield



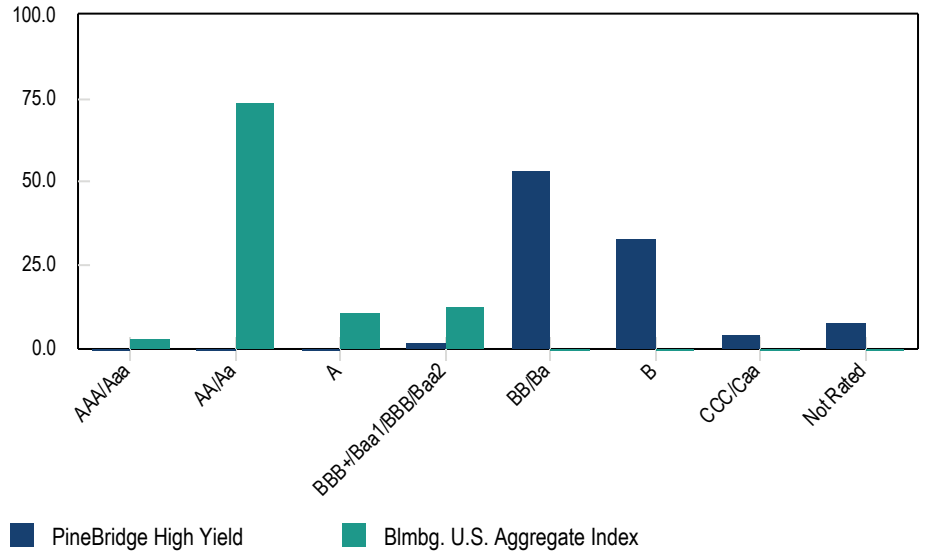
**Characteristics**  
Nomura High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.6	4.5
Avg. Maturity	6.1	8.3
Avg. Duration	3.8	5.9
Avg. Quality	B	AA

Sectors  
PineBridge High Yield



Quality Ratings  
PineBridge High Yield

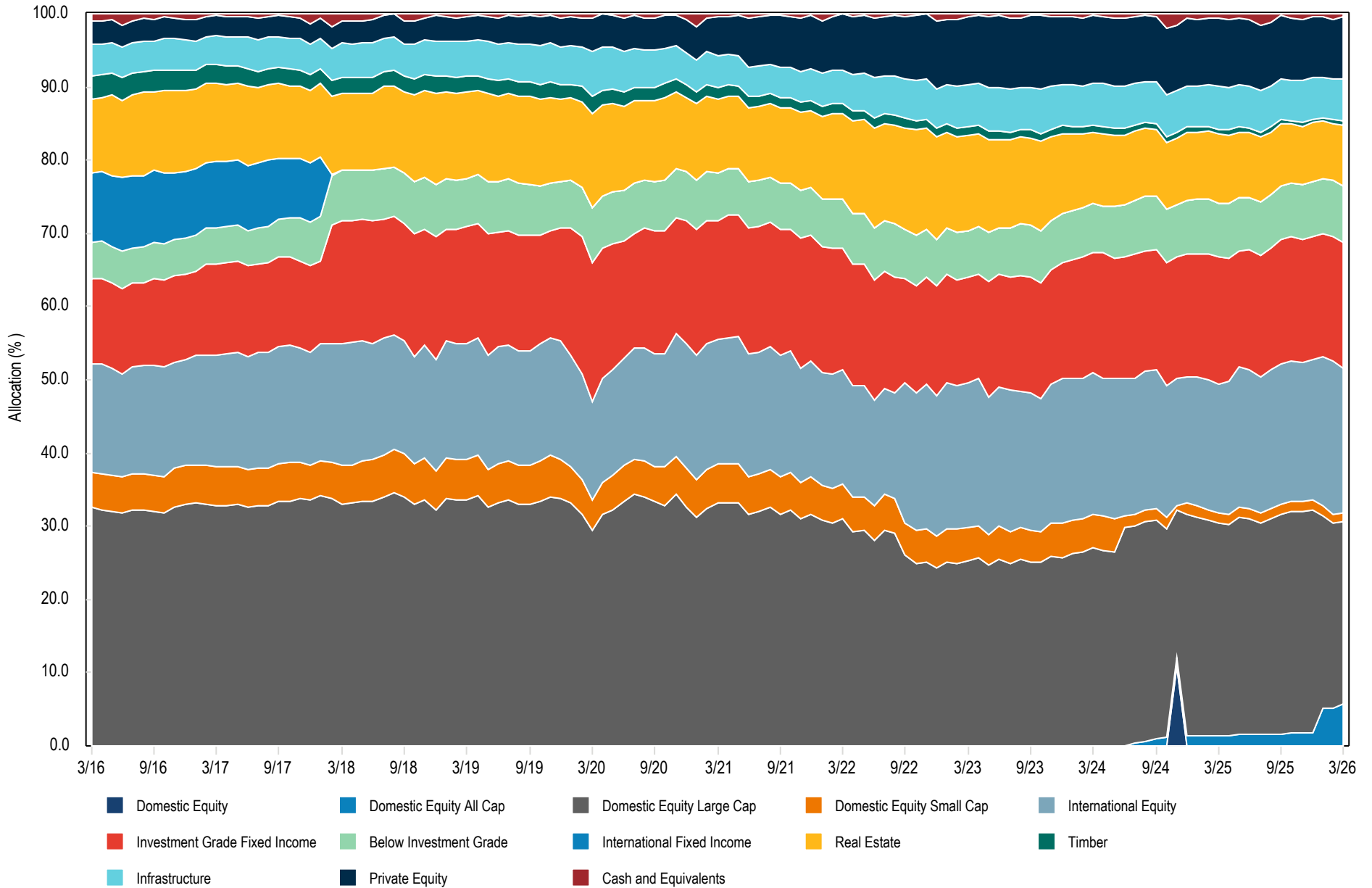


Characteristics  
PineBridge High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.6	4.5
Avg. Maturity	6.8	8.3
Avg. Duration	4.1	5.9
Avg. Quality	BB	AA

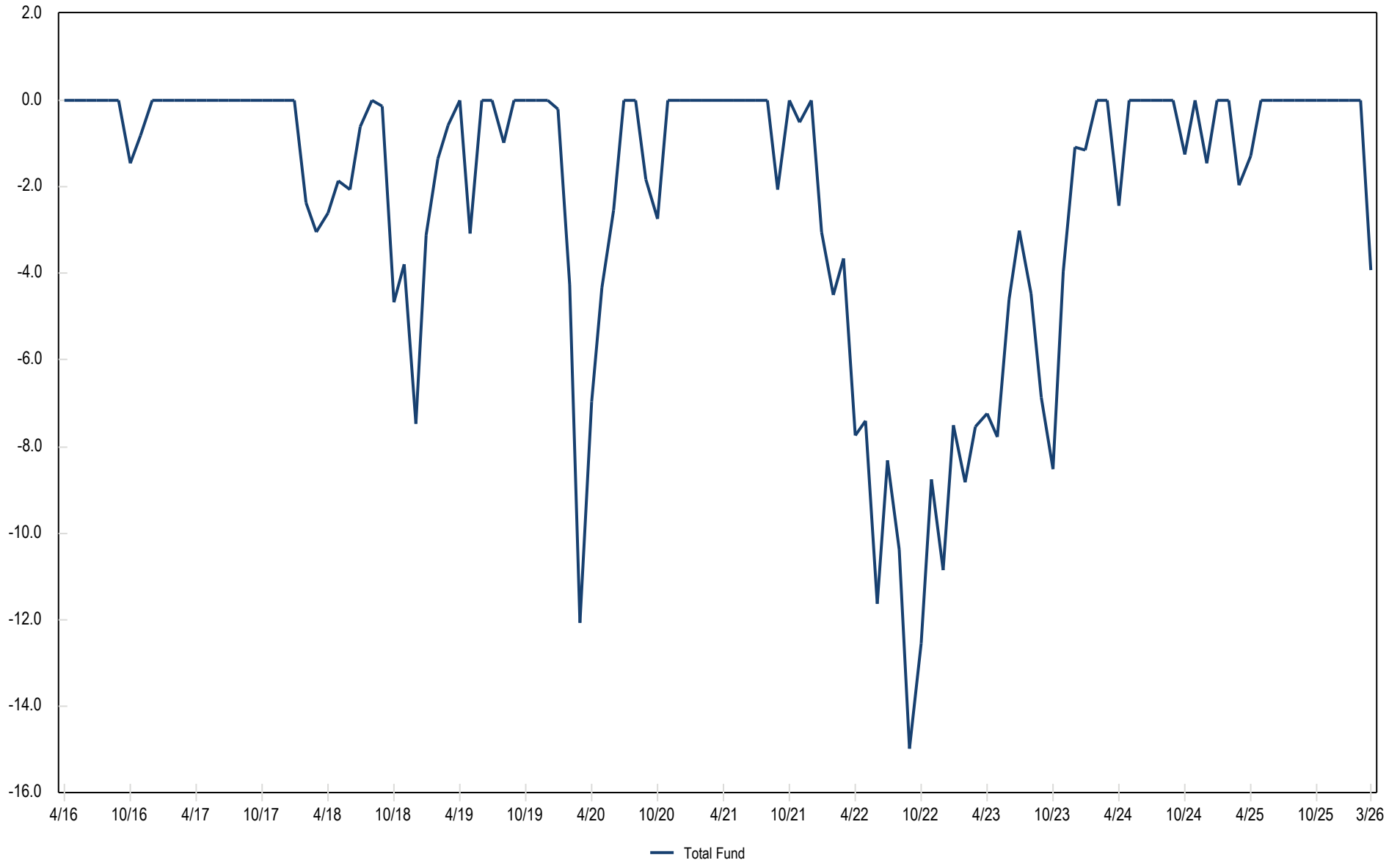
Total Fund  
Asset Allocation History

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.2	5.0	5.6	5.0	5.6	6.9	7.3
Minimum Return	-3.9	-3.9	-3.9	-3.9	-5.1	-5.6	-8.2	-7.9
Return	14.4	13.1	10.2	9.8	6.9	6.7	8.6	8.2
Cumulative Return	14.4	13.1	34.0	32.5	39.9	38.0	127.4	120.0
Active Return	1.2	0.0	0.4	0.0	0.2	0.0	0.3	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.8	1.7	6.3	6.5	6.6	6.8	6.8	6.8
Downside Risk	3.9	3.9	3.7	3.9	5.2	5.6	5.3	5.3
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	6.2	6.0	6.7	7.0	8.1	8.6	8.2	8.3
Alpha	0.8	0.0	0.8	0.0	0.7	0.0	0.5	0.0
Sharpe Ratio	1.6	1.4	0.8	0.7	0.5	0.4	0.8	0.7
Active Return/Risk	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.7	0.0	0.9	0.0	1.1	0.0	1.0	0.0
Information Ratio	1.8	-	0.4	-	0.2	-	0.3	-
<b>Correlation Statistics</b>								
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	50.0	100.0	51.7	100.0

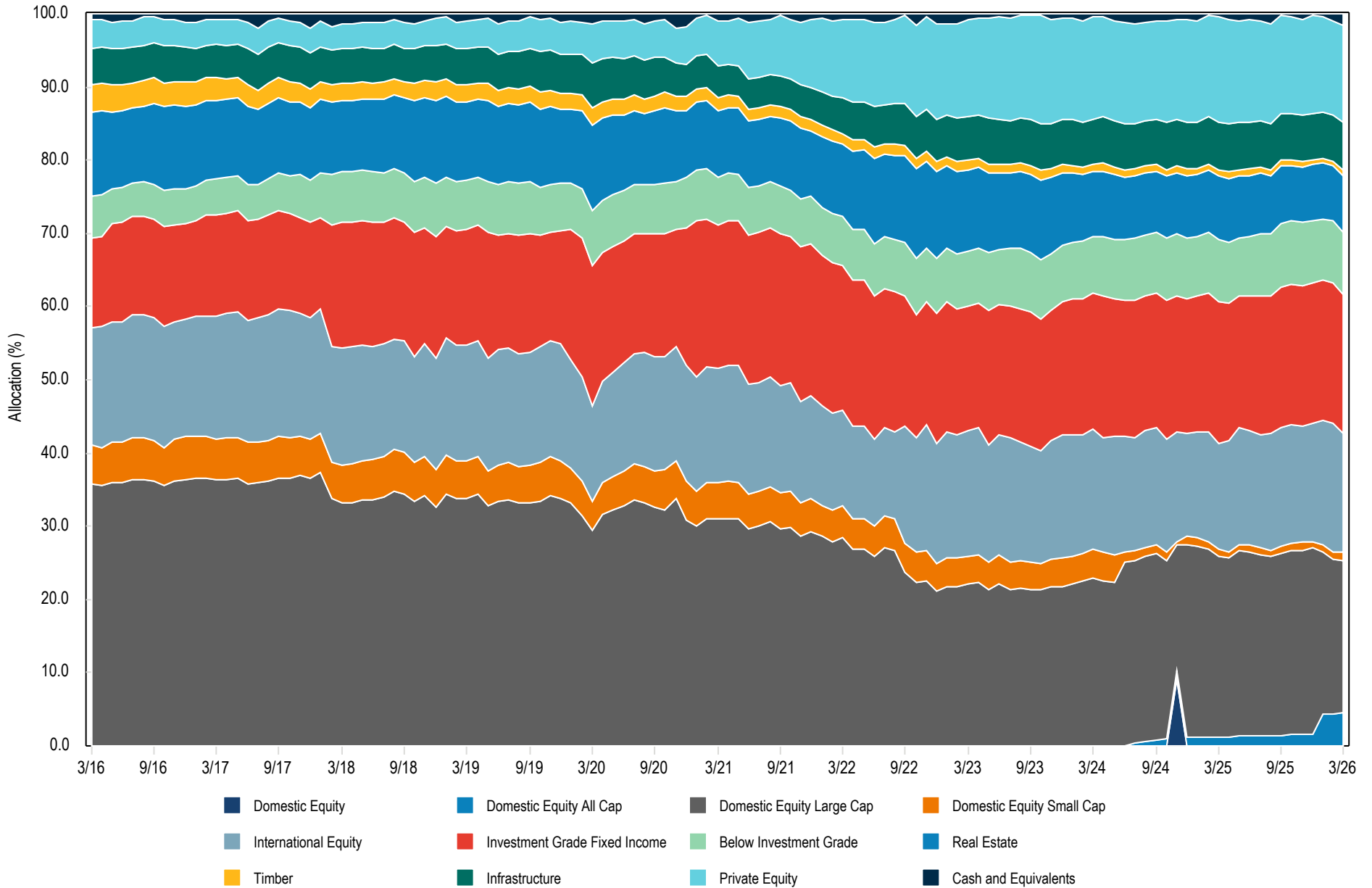
Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.3	5.0	5.3	5.0	5.3	6.9	7.7
Minimum Return	-3.9	-4.0	-3.9	-4.0	-5.1	-5.4	-8.2	-8.5
Return	14.4	13.2	10.2	9.7	6.9	6.3	8.6	8.1
Cumulative Return	14.4	13.2	34.0	32.2	39.9	35.9	127.4	117.1
Active Return	1.1	0.0	0.4	0.0	0.5	0.0	0.4	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	1.8	1.7	6.3	6.3	6.6	6.6	6.8	6.9
Downside Risk	3.9	4.0	3.7	3.9	5.2	5.6	5.3	5.5
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	6.2	6.1	6.7	6.9	8.1	8.4	8.2	8.5
Alpha	1.0	0.0	0.8	0.0	0.8	0.0	0.7	0.0
Sharpe Ratio	1.6	1.4	0.8	0.7	0.5	0.4	0.8	0.7
Active Return/Risk	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Tracking Error	0.6	0.0	0.8	0.0	1.0	0.0	0.9	0.0
Information Ratio	1.8	-	0.6	-	0.6	-	0.5	-
<b>Correlation Statistics</b>								
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	58.3	100.0	58.3	100.0	59.2	100.0

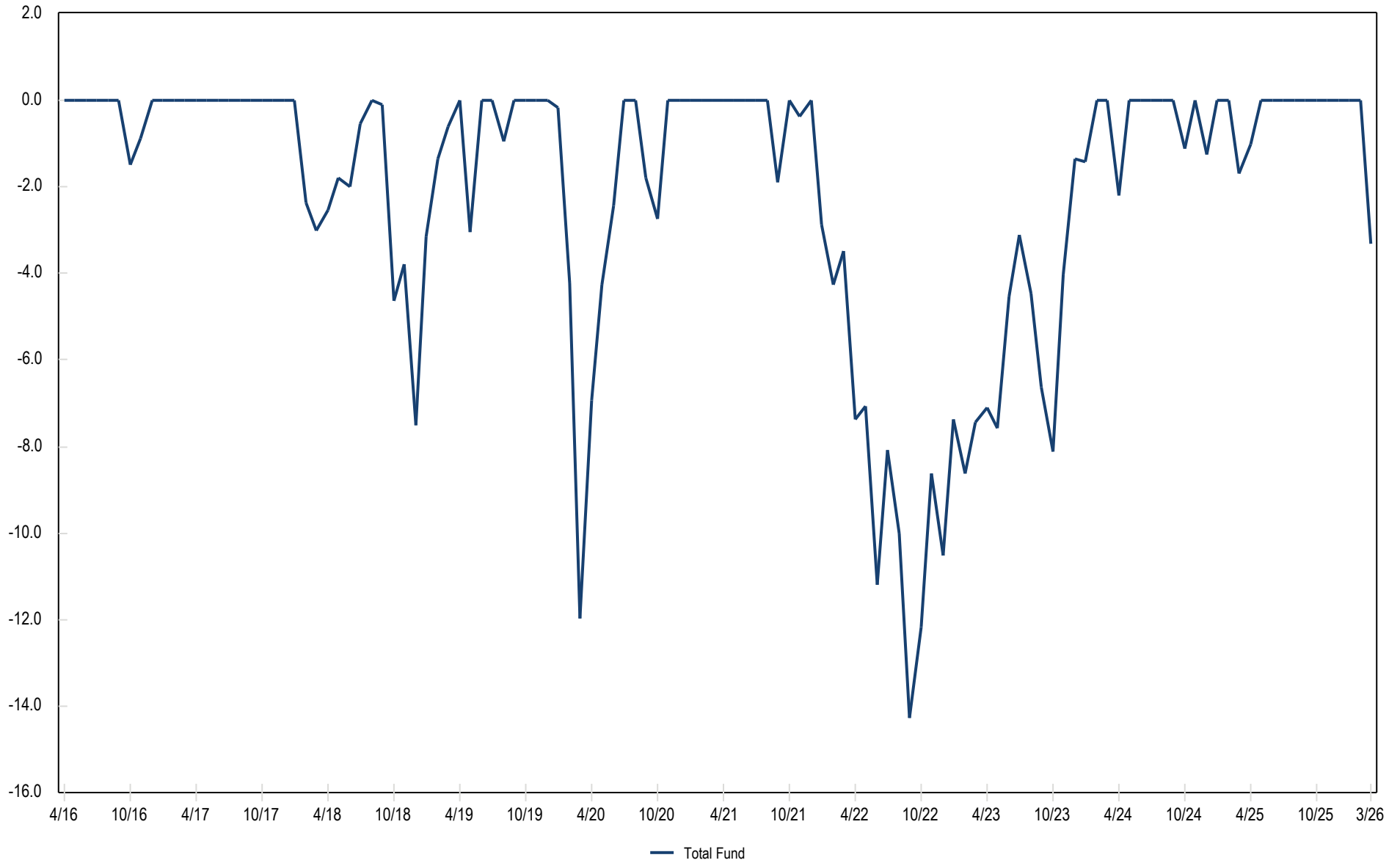
Total Fund  
Asset Allocation History

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.2	4.5	5.2	4.5	5.2	6.9	7.5
Minimum Return	-3.3	-3.4	-3.3	-3.4	-4.7	-5.1	-8.1	-8.0
Return	13.3	12.4	9.6	9.4	6.5	6.6	8.3	8.1
Cumulative Return	13.3	12.4	31.5	30.8	37.2	37.5	121.6	118.8
Active Return	0.8	0.0	0.2	0.0	-0.1	0.0	0.1	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Upside Risk	1.6	1.6	5.8	6.0	6.0	6.4	6.5	6.7
Downside Risk	3.3	3.4	3.2	3.5	4.8	5.1	5.0	5.2
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	5.5	5.4	6.0	6.5	7.5	8.0	7.9	8.1
Alpha	0.7	0.0	0.8	0.0	0.4	0.0	0.4	0.0
Sharpe Ratio	1.6	1.5	0.8	0.7	0.4	0.4	0.8	0.7
Active Return/Risk	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tracking Error	0.7	0.0	1.0	0.0	1.1	0.0	1.0	0.0
Information Ratio	1.1	-	0.2	-	-0.1	-	0.1	-
<b>Correlation Statistics</b>								
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	53.3	100.0	52.5	100.0

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	87	87
Down Market Periods	1	1	10	10	20	20	33	33
Maximum Return	3.5	3.3	4.5	4.7	4.5	4.7	6.9	7.6
Minimum Return	-3.3	-3.3	-3.3	-3.3	-4.7	-5.1	-8.1	-8.3
Return	13.3	12.2	9.6	9.1	6.5	6.0	8.3	7.8
Cumulative Return	13.3	12.2	31.5	29.7	37.2	33.8	121.6	112.1
Active Return	1.0	0.0	0.4	0.0	0.5	0.0	0.4	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	1.6	1.5	5.8	5.7	6.0	6.1	6.5	6.6
Downside Risk	3.3	3.3	3.2	3.4	4.8	5.1	5.0	5.2
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	5.5	5.3	6.0	6.1	7.5	7.7	7.9	8.1
Alpha	0.7	0.0	0.7	0.0	0.7	0.0	0.7	0.0
Sharpe Ratio	1.6	1.5	0.8	0.7	0.4	0.4	0.8	0.7
Active Return/Risk	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Tracking Error	0.7	0.0	0.7	0.0	0.9	0.0	0.8	0.0
Information Ratio	1.5	-	0.6	-	0.5	-	0.5	-
<b>Correlation Statistics</b>								
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	55.6	100.0	53.3	100.0	55.0	100.0

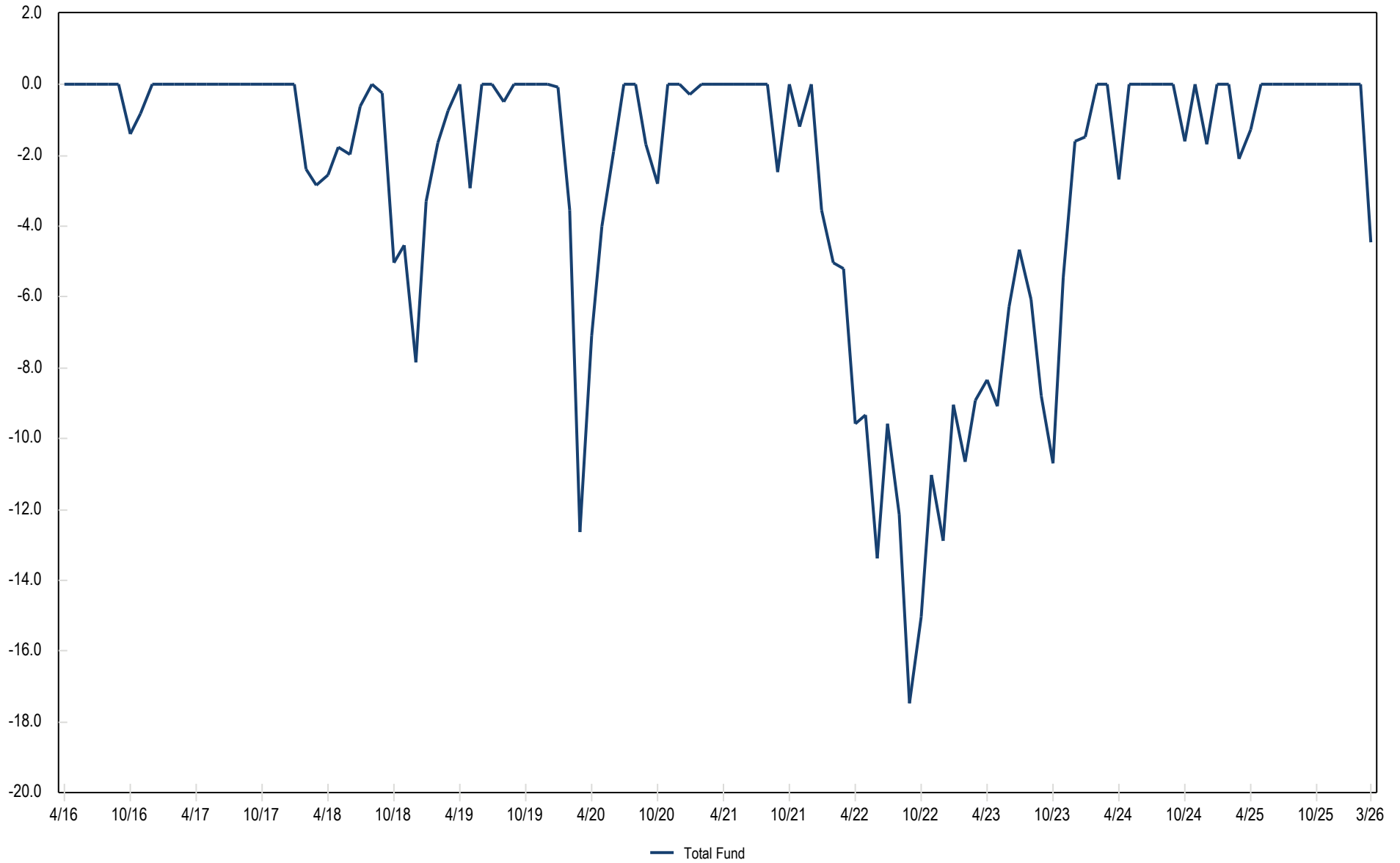
# Appendix - Legacy

Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	86	86
Down Market Periods	1	1	10	10	20	20	34	34
Maximum Return	3.6	3.1	5.9	6.0	5.9	6.0	7.1	7.6
Minimum Return	-4.5	-3.5	-4.5	-3.5	-6.1	-6.3	-9.4	-7.8
Return	16.1	13.9	11.4	9.8	6.6	5.3	7.9	7.0
Cumulative Return	16.1	13.9	38.3	32.4	37.5	29.4	114.9	96.9
Active Return	2.0	0.0	1.5	0.0	1.2	0.0	0.9	0.0
<b>Risk Summary Statistics</b>								
Beta	1.2	1.0	1.1	1.0	1.0	1.0	1.0	1.0
Upside Risk	2.0	1.7	7.0	6.4	7.0	6.7	7.0	6.6
Downside Risk	4.5	3.5	4.2	3.6	5.8	5.9	5.7	5.4
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	6.9	5.7	7.5	6.8	8.9	8.8	8.7	8.3
Alpha	-0.5	0.0	0.7	0.0	1.2	0.0	0.6	0.0
Sharpe Ratio	1.7	1.6	0.9	0.7	0.4	0.3	0.7	0.6
Active Return/Risk	0.3	0.0	0.2	0.0	0.1	0.0	0.1	0.0
Tracking Error	1.5	0.0	1.5	0.0	1.4	0.0	1.3	0.0
Information Ratio	1.3	-	1.0	-	0.9	-	0.7	-
<b>Correlation Statistics</b>								
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	69.4	100.0	66.7	100.0	65.0	100.0

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	26	26	40	40	86	86
Down Market Periods	1	1	10	10	20	20	34	34
Maximum Return	3.6	3.5	5.9	6.1	5.9	6.1	7.1	7.6
Minimum Return	-4.5	-4.5	-4.5	-4.5	-6.1	-6.3	-9.4	-7.8
Return	16.1	14.4	11.4	10.2	6.6	5.6	7.9	7.1
Cumulative Return	16.1	14.4	38.3	34.0	37.5	31.1	114.9	99.4
Active Return	1.5	0.0	1.1	0.0	0.9	0.0	0.8	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	2.0	1.9	7.0	6.9	7.0	7.0	7.0	6.8
Downside Risk	4.5	4.5	4.2	4.4	5.8	6.1	5.7	5.6
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	6.9	6.8	7.5	7.6	8.9	9.2	8.7	8.5
Alpha	1.3	0.0	1.3	0.0	1.1	0.0	0.7	0.0
Sharpe Ratio	1.7	1.5	0.9	0.7	0.4	0.3	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	0.5	0.0	0.6	0.0	0.9	0.0	1.0	0.0
Information Ratio	3.1	-	1.7	-	1.1	-	0.7	-
<b>Correlation Statistics</b>								
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	66.7	100.0	63.3	100.0	63.3	100.0

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>13,668,962,395</b>	<b>100.0</b>	<b>-0.5</b>	<b>7.6</b>	<b>-0.5</b>	<b>16.1</b>	<b>11.4</b>	<b>6.6</b>	<b>7.9</b>
Policy Index			-0.9	6.5	-0.9	13.9	9.8	5.3	7.0
Corridor Target Index			-1.3	6.5	-1.3	14.4	10.2	5.6	7.1
<b>Total Equity</b>	<b>7,682,670,116</b>	<b>56.2</b>	<b>-1.6</b>	<b>9.9</b>	<b>-1.6</b>	<b>23.4</b>	<b>17.1</b>	<b>9.5</b>	<b>-</b>
Total Equity Blend			-2.5	8.5	-2.5	21.1	16.3	9.0	-
<b>Public Equity</b>	<b>7,606,647,390</b>	<b>55.6</b>	<b>-1.6</b>	<b>10.0</b>	<b>-1.6</b>	<b>23.5</b>	<b>17.1</b>	<b>-</b>	<b>-</b>
Public Equity Benchmark			-2.5	8.5	-2.5	21.2	16.3	-	-
<b>Domestic Equity</b>	<b>4,519,198,416</b>	<b>33.1</b>	<b>-3.6</b>	<b>7.1</b>	<b>-3.6</b>	<b>19.4</b>	<b>17.9</b>	<b>10.8</b>	<b>12.9</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	17.9	10.9	13.7
<b>Domestic All Cap Equity</b>	<b>810,196,163</b>	<b>5.9</b>	<b>-2.6</b>	<b>8.0</b>	<b>-2.6</b>	<b>22.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	-	-	-
Two Sigma Active Extension U.S. All Cap Equity	240,717,461	1.8	-3.2	7.4	-3.2	21.5	-	-	-
Arrowstreet U.S. All Cap	569,253,948	4.2	-	-	-	-	-	-	-
<b>Large Cap</b>	<b>3,530,754,394</b>	<b>25.8</b>	<b>-4.1</b>	<b>6.4</b>	<b>-4.1</b>	<b>18.8</b>	<b>19.0</b>	<b>12.1</b>	<b>14.1</b>
Russell 1000 Index			-4.2	6.0	-4.2	17.7	18.1	11.3	14.0
L.A. Capital Enhanced	758,038,927	5.5	-3.7	7.6	-3.7	21.5	20.3	12.9	14.4
T. Rowe Large Cap	1,416,873,221	10.4	-4.4	5.5	-4.4	17.0	-	-	-
Internal Equity	1,022,577,519	7.5	-4.3	5.9	-4.3	18.0	-	-	-
WorldQuant Mill	333,264,545	2.4	-2.6	9.6	-2.6	-	-	-	-
<b>Small Cap</b>	<b>178,247,859</b>	<b>1.3</b>	<b>1.6</b>	<b>15.3</b>	<b>1.6</b>	<b>25.1</b>	<b>9.4</b>	<b>4.3</b>	<b>8.3</b>
Russell 2000 Index			0.9	15.9	0.9	25.7	13.0	3.8	9.9
NTAM R2000 Index	37,918,110	0.3	0.9	16.0	0.9	25.9	13.1	-	-
Wellington SM Cap	140,319,939	1.0	1.8	15.1	1.8	25.0	-	-	-
<b>International Equity</b>	<b>3,087,448,973</b>	<b>22.6</b>	<b>0.8</b>	<b>13.9</b>	<b>0.8</b>	<b>28.9</b>	<b>15.7</b>	<b>7.6</b>	<b>9.1</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	6.8	8.3
<b>International Equity All Cap</b>	<b>756,139,049</b>	<b>5.5</b>	<b>2.5</b>	<b>16.9</b>	<b>2.5</b>	<b>34.1</b>	<b>17.4</b>	<b>-</b>	<b>-</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	-	-
William Blair Int'l Leaders	1,054,565	0.0	7.5	14.7	7.5	32.2	11.5	3.8	-
Arrowstreet ACWI ex US	755,084,484	5.5	4.1	22.4	4.1	39.8	23.5	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Developed International Equity</b>	<b>1,676,534,182</b>	<b>12.3</b>	<b>0.0</b>	<b>11.4</b>	<b>0.0</b>	<b>25.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>MSCI World ex U.S. (Net)</i>			-0.9	9.8	-0.9	23.0	14.3	-	-
<b>International Developed Large Cap</b>	<b>1,467,217,574</b>	<b>10.7</b>	<b>-0.2</b>	<b>10.7</b>	<b>-0.2</b>	<b>24.1</b>	<b>14.6</b>	<b>-</b>	<b>-</b>
<i>MSCI World ex U.S. (Net)</i>			-0.9	9.8	-0.9	23.0	14.3	-	-
State St MSCI World exUS Principal	1,248,321,195	9.1	-0.9	10.0	-0.9	23.2	14.3	-	-
	218,896,379	1.6	-	-	-	-	-	-	-
<b>International Developed Small Cap</b>	<b>209,316,607</b>	<b>1.5</b>	<b>1.3</b>	<b>16.2</b>	<b>1.3</b>	<b>35.2</b>	<b>17.5</b>	<b>-</b>	<b>-</b>
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			-0.4	10.6	-0.4	29.2	13.8	-	-
DFA Intl Small Cap Value	108,231,341	0.8	2.9	22.3	2.9	41.8	23.1	14.0	10.5
State St MSCI exUS Small	101,085,267	0.7	-0.4	10.8	-0.4	29.3	13.7	-	-
<b>Emerging Markets</b>	<b>654,598,820</b>	<b>4.8</b>	<b>1.3</b>	<b>16.2</b>	<b>1.3</b>	<b>30.4</b>	<b>14.6</b>	<b>-</b>	<b>-</b>
<i>MSCI Emerging Markets (Net)</i>			-0.2	15.7	-0.2	29.6	14.8	-	-
DFA EM All Cap Core	278,901,275	2.0	2.8	16.2	2.8	31.0	-	-	-
State St MSCI EM China	88,440,309	0.6	-8.9	1.9	-8.9	4.0	-	-	-
State St MSCI EM ex China	287,257,236	2.1	3.6	22.0	3.6	41.6	-	-	-
<b>Private Equity</b>	<b>76,022,726</b>	<b>0.6</b>	<b>0.2</b>	<b>1.9</b>	<b>0.2</b>	<b>11.0</b>	<b>8.3</b>	<b>6.5</b>	<b>-</b>
<i>Private Equity Benchmark</i>			2.3	5.0	2.3	13.5	-	-	-
Altor Fund VI	15,032,425	0.1	3.7	5.8	3.7	37.9	-	-	-
Kelso	15,554,097	0.1	1.2	2.9	1.2	2.8	-	-	-
Portfolio Advisors GP Solutions	22,723,236	0.2	0.0	4.9	0.0	7.3	-	-	-
HIG Capital	368,711	0.0	-117.9	-111.8	-117.9	-115.6	-	-	-
Horsley Bridge Growth	8,368,847	0.1	0.0	0.0	0.0	0.9	-	-	-
HIG Capital VII	2,895,202	0.0	7.3	8.6	7.3	-35.6	-	-	-
Guidepost IV	8,337,029	0.1	-1.7	-	-1.7	-	-	-	-
Peak Rock Capital IV	2,584,330	0.0	-11.7	-	-11.7	-	-	-	-
CPF IV	158,849	0.0							
<b>Total Income</b>	<b>4,229,129,278</b>	<b>30.9</b>	<b>0.4</b>	<b>3.7</b>	<b>0.4</b>	<b>6.1</b>	<b>5.5</b>	<b>2.0</b>	<b>3.5</b>
<i>Total Income Blend</i>			-0.2	3.2	-0.2	5.2	4.1	0.6	1.8
<b>Core Fixed Income</b>	<b>2,595,928,149</b>	<b>19.0</b>	<b>-0.2</b>	<b>3.4</b>	<b>-0.2</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Blmbg. U.S. Aggregate Index</i>			0.0	3.1	0.0	4.3	-	-	-
Allspring Med Quality Credit	197,376,335	1.4	-0.6	3.3	-0.6	5.1	5.8	1.5	4.1
PIMCO Core Plus Constrained	693,902,185	5.1	-0.3	4.0	-0.3	5.6	4.9	-	-
Prudential Core Plus	692,081,402	5.1	0.0	3.5	0.0	4.9	4.6	0.9	2.8
State Street Gov Index	131,943,818	1.0	0.1	2.3	0.1	3.2	2.6	-	-
State Street Securitized Index	125,360,484	0.9	0.5	4.5	0.5	-	-	-	-
Western Asset Core Plus	146,393,937	1.1	-0.2	3.3	-0.2	5.3	4.3	0.4	2.3

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Internal Fixed Income Government	608,869,987	4.5	-0.1	2.5	-0.1	3.3	-	-	-
<b>Private Credit</b>	<b>791,095,602</b>	<b>5.8</b>	<b>2.9</b>	<b>4.9</b>	<b>2.9</b>	<b>8.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Morningstar LSTA Leveraged Loan Index + 100 bps</i>			-0.3	3.2	-0.3	5.9	-	-	-
Ares ND Credit Strategies	213,463,823	1.6	1.7	2.9	1.7	5.6	8.9	8.8	-
Cerberus ND Private Credit	256,106,388	1.9	3.4	3.9	3.4	5.6	7.3	7.7	-
PIMCO DiSCO II	130,098,717	1.0	0.3	3.6	0.3	5.3	8.5	6.3	7.6
PIMCO Bravo II	1,458,355	0.0	1.9	4.3	1.9	1.1	5.2	-1.0	0.9
Sixth Street Partners - TAO	125,719,412	0.9	5.4	11.7	5.4	20.2	13.9	11.6	-
Cerberus Global II	21,987,296	0.2	9.8	9.8	9.8	11.5	-	-	-
Fortress	21,493,208	0.2	4.5	2.2	4.5	3.3	-	-	-
Castlelake	19,018,402	0.1	2.2	-	2.2	-	-	-	-
Orbimed	1,750,000	0.0							
<b>High Yield</b>	<b>842,105,528</b>	<b>6.2</b>	<b>-0.3</b>	<b>3.7</b>	<b>-0.3</b>	<b>7.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			-0.5	3.4	-0.5	7.0	-	-	-
Nomura High Yield	421,237,607	3.1	-0.2	4.0	-0.2	8.0	-	-	-
PineBridge High Yield	420,867,921	3.1	-0.4	3.3	-0.4	7.6	-	-	-
<b>Total Real Assets</b>	<b>1,118,261,956</b>	<b>8.2</b>	<b>2.8</b>	<b>3.8</b>	<b>2.8</b>	<b>6.6</b>	<b>1.8</b>	<b>3.9</b>	<b>-</b>
<i>Total Real Assets Blend</i>			0.8	2.5	0.8	3.5	-	-	-
<b>Real Estate</b>	<b>452,819,054</b>	<b>3.3</b>	<b>1.9</b>	<b>-2.8</b>	<b>1.9</b>	<b>-3.6</b>	<b>-7.4</b>	<b>0.5</b>	<b>2.7</b>
<i>NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag</i>			0.7	2.0	0.7	2.9	-4.3	2.5	3.9
Invesco Core Real Estate	172,025,363	1.3	1.7	-7.4	1.7	-7.7	-8.7	-0.3	2.6
Invesco RE Fund VI	56,845,366	0.4	5.3	3.1	5.3	3.2	-4.3	-	-
JP Morgan Income & Growth Fd	172,446,205	1.3	1.4	-0.3	1.4	-2.2	-7.2	0.4	2.3
Prisa III	51,502,119	0.4	1.8	2.9	1.8	4.4	-	-	-
<b>Infrastructure</b>	<b>665,442,902</b>	<b>4.9</b>	<b>3.4</b>	<b>8.5</b>	<b>3.4</b>	<b>14.4</b>	<b>8.9</b>	<b>7.0</b>	<b>6.1</b>
<i>NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag</i>			0.9	2.8	0.9	3.9	-3.3	3.5	4.9
ISQ Global Infrastructure II	89,989,914	0.7	0.4	0.4	0.4	0.4	7.8	11.7	-
ISQ Global Infrastructure III	88,616,649	0.6	3.7	4.2	3.7	11.2	13.1	-	-
JP Morgan IIF Infrastructure	118,179,338	0.9	3.0	5.5	3.0	16.7	11.5	8.5	8.1
Grosvenor CIS Fund II	35,961,161	0.3	1.0	16.5	1.0	8.8	6.4	9.0	9.1
Grosvenor CIS Fund III	83,382,043	0.6	3.3	8.3	3.3	16.7	10.1	-	-
Macquarie Infrastructure Fund IV	122,821,135	0.9	5.7	16.1	5.7	23.4	10.8	12.0	-
Macquarie Infrastructure Fund V	126,492,662	0.9	4.5	11.8	4.5	18.9	9.9	9.7	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>In-State Investments</b>	<b>518,957,437</b>	<b>3.8</b>	<b>0.6</b>	<b>11.6</b>	<b>0.6</b>	<b>15.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>In-State Investments</i>			<i>0.6</i>	<i>11.6</i>	<i>0.6</i>	<i>15.8</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>In-State Fixed Income</b>	<b>428,420,476</b>	<b>3.1</b>	<b>0.7</b>	<b>14.4</b>	<b>0.7</b>	<b>15.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>In-State Fixed Income</i>			<i>0.7</i>	<i>14.4</i>	<i>0.7</i>	<i>15.3</i>	<i>-</i>	<i>-</i>	<i>-</i>
BND Legacy Infrastructure Loan Fund	139,848,380	1.0	0.4	50.6	0.4	51.2	-	-	-
BND CDs	288,572,096	2.1	0.9	2.8	0.9	3.8	3.7	3.3	-
<b>In-State Equity</b>	<b>90,536,961</b>	<b>0.7</b>	<b>0.0</b>	<b>-0.7</b>	<b>0.0</b>	<b>20.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>In-State Equity</i>			<i>0.0</i>	<i>-0.7</i>	<i>0.0</i>	<i>20.2</i>	<i>-</i>	<i>-</i>	<i>-</i>
50 South Capital II	90,536,961	0.7	0.0	-0.7	0.0	20.2	-	-	-
<b>Cash and Equivalents</b>	<b>119,093,760</b>	<b>0.9</b>	<b>-1.1</b>	<b>4.3</b>	<b>-1.1</b>	<b>9.9</b>	<b>6.7</b>	<b>4.5</b>	<b>2.7</b>
<i>90 Day U.S. Treasury Bill</i>			<i>0.8</i>	<i>2.9</i>	<i>0.8</i>	<i>4.0</i>	<i>4.7</i>	<i>3.3</i>	<i>2.3</i>
Northern Trust Cash Account	11,066,825	0.1	0.9	2.9	0.9	4.0	4.8	3.3	-
BND Cash	33,683,588	0.2	0.8	3.2	0.8	4.3	4.9	3.5	-
Cash Overlay Equities	44,564,317	0.3	-4.4	6.2	-4.4	15.2	-	-	-
Cash Overlay Fixed	29,779,030	0.2	-0.1	1.9	-0.1	2.0	-	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

## BARRA RISK FACTORS<sup>3</sup>

### EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	0.94
Dividend Yield	(13.47)
Earnings Yield	(7.63)
Growth	10.11
Leverage	(1.44)
Liquidity	20.46
Mid Cap	(7.07)
Momentum	(4.18)
Residual Volatility	5.14
Size	(7.87)
Value	(5.14)

MSCI's analytics and data ([www.msci.com](http://www.msci.com)) were used in the preparation of this report. All Rights Reserved. No further distribution or dissemination of this data is permitted. Two Sigma is not affiliated with MSCI. The data presented utilizes the Barra US Total Market Equity Trading Model (USFASTD), which may not represent the risk model used in the management of the portfolio.

## FUNDAMENTAL STATISTICS<sup>3,6</sup>

	Fund	Benchmark Index
Active Share (%)	75.62	—
Position Count	3,349	2,939
Dividend Yield (%)	1.09	1.31
Long Term Debt-to-Equity Ratio	0.93	0.82
Price-to-Book Ratio	4.16	3.95
Price-to-Earnings Ratio (trailing)	21.47	22.92
Weighted Average Market Cap (\$m)	239,339	256,038

LA Capital Enhanced Alpha Fund  
Equity Only Summary Statistics

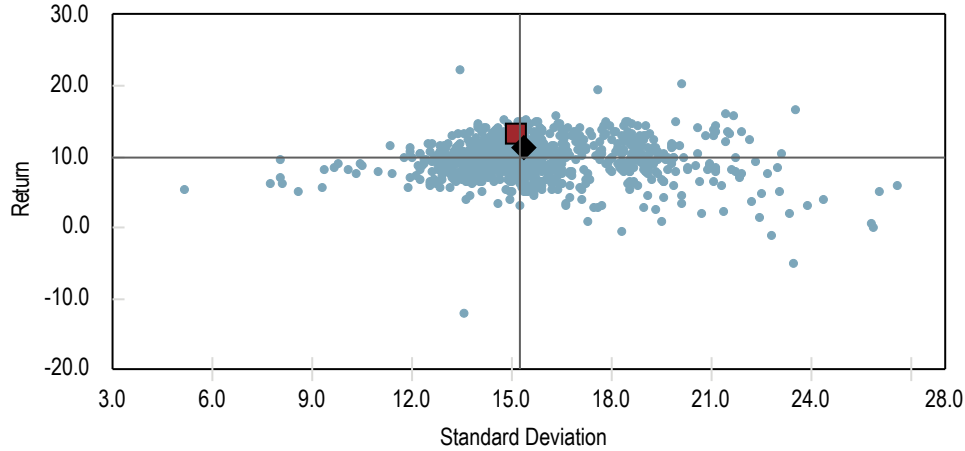
NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	289	1,006
Wtd. Avg. Mkt. Cap \$M	1,010,421.1	1,115,771.0
Median Mkt. Cap \$M	18,962.8	15,251.6
Price/Earnings ratio	17.9	25.7
Price/Book ratio	3.5	4.7
Return on Equity (%)	10.5	8.8
Current Yield (%)	1.5	1.3
Beta (5 Years, Monthly)	1.0	1.0

LA Capital Enhanced Alpha Fund  
Return Based Style Analysis

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

Risk vs. Reward - 5 Years

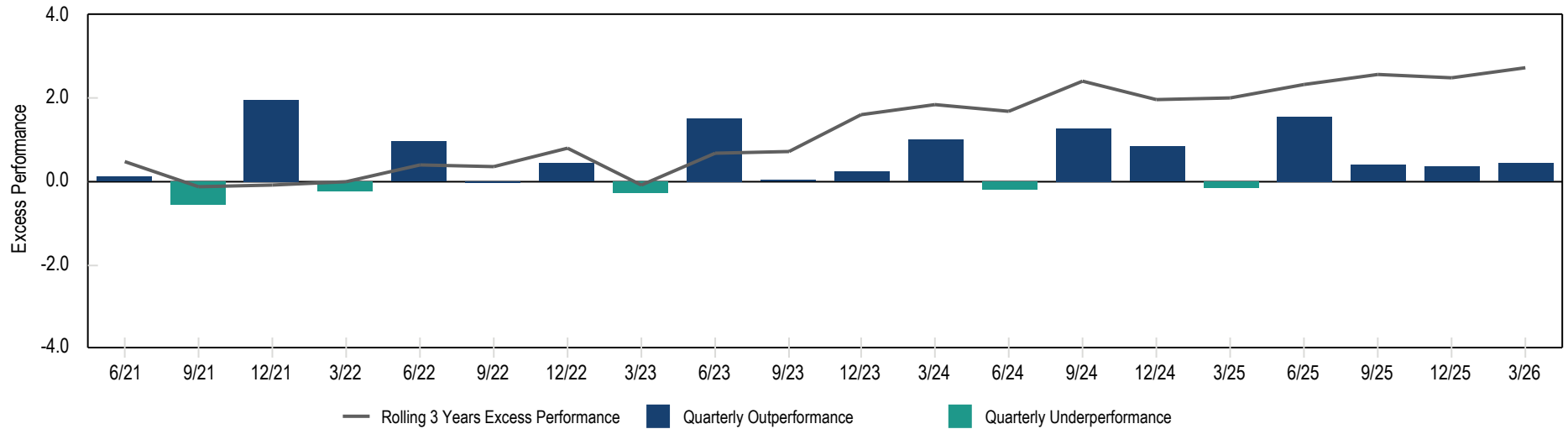


Additional Calculations

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation	12.35	15.09	14.75
Tracking Error	2.08	2.04	2.28
Alpha	2.40	2.13	1.35
Information Ratio	1.12	0.90	0.31
Beta	1.00	0.98	0.96
R-Squared	0.97	0.98	0.98
Sharpe Ratio	1.24	0.70	0.87
Positive Months Ratio	72.22	66.67	69.17
Up Capture	104.55	101.94	99.35
Down Capture	89.27	92.36	93.77
Up Market Periods	25	38	86
Down Market Periods	11	22	34

● eV US Large Cap Equity    ■ LA Capital Enhanced Alpha Fund    ◆ Russell 1000 Index

Quarterly Excess Performance vs. Russell 1000 Index



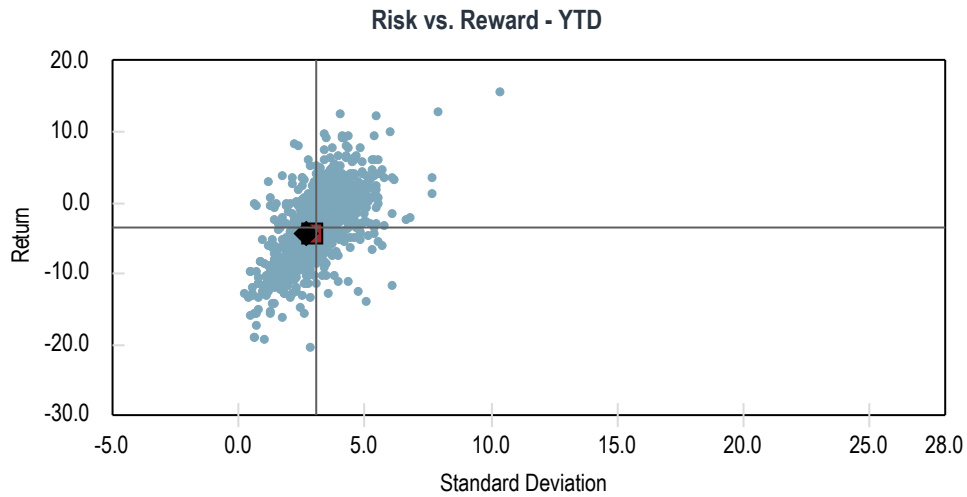
T. Rowe Large Cap  
Equity Only Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	306	1,006
Wtd. Avg. Mkt. Cap \$M	1,234,658.4	1,115,771.0
Median Mkt. Cap \$M	65,780.1	15,251.6
Price/Earnings ratio	27.5	25.7
Price/Book ratio	5.2	4.7
Return on Equity (%)	10.8	8.8
Current Yield (%)	1.1	1.3
Beta	-	1.0

T. Rowe Large Cap  
Return Based Style Analysis

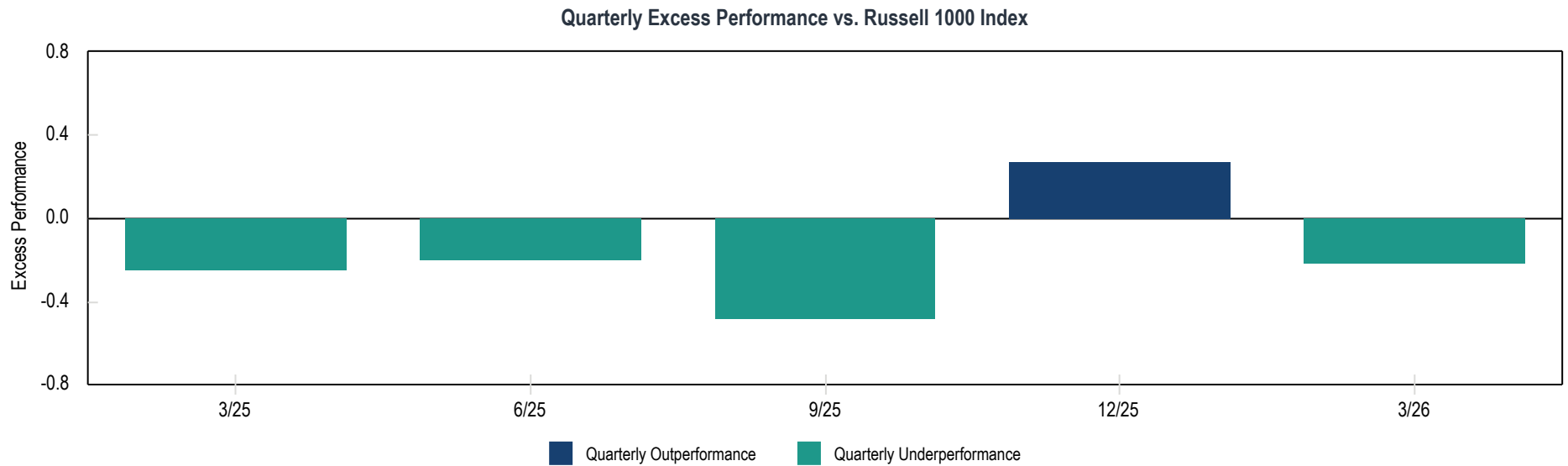
NDSIB - Legacy Fund  
Period Ending: March 31, 2026



**Additional Calculations**

	3 Mo	YTD
Standard Deviation	2.89	2.89
Tracking Error	0.24	0.24
Alpha	0.05	0.05
Information Ratio	-0.29	-0.29
Beta	1.09	1.09
R-Squared	1.00	1.00
Sharpe Ratio	-0.60	-0.60
Positive Months Ratio	33.33	33.33
Up Capture	116.57	116.57
Down Capture	107.93	107.93
Up Market Periods	1	1
Down Market Periods	2	2

● eV US Large Cap Equity    ■ T. Rowe Large Cap    ◆ Russell 1000 Index



Internal Equity  
Equity Only Summary Statistics

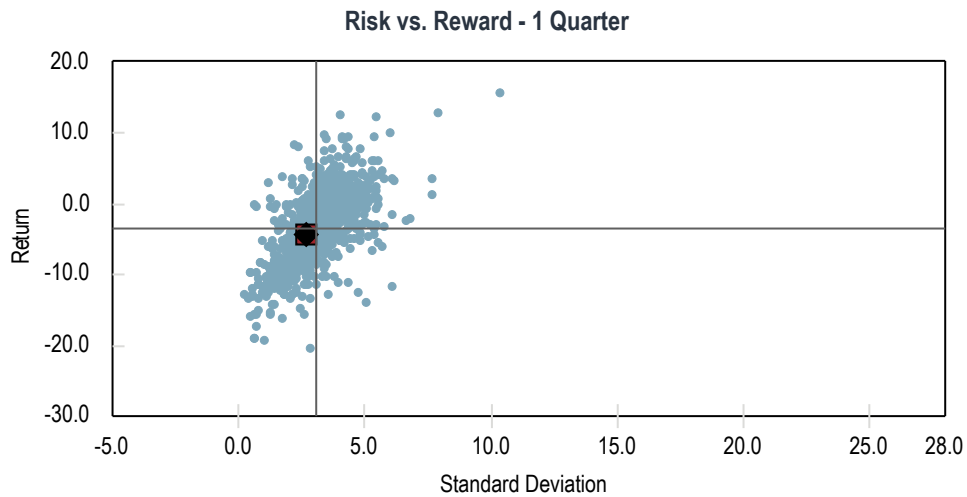
NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,008	1,006
Wtd. Avg. Mkt. Cap \$M	1,082,095.0	1,115,771.0
Median Mkt. Cap \$M	15,259.2	15,251.6
Price/Earnings ratio	25.7	25.7
Price/Book ratio	4.7	4.7
Return on Equity (%)	8.4	8.8
Current Yield (%)	1.3	1.3
Beta	-	1.0

# Internal Equity

## Return Based Style Analysis

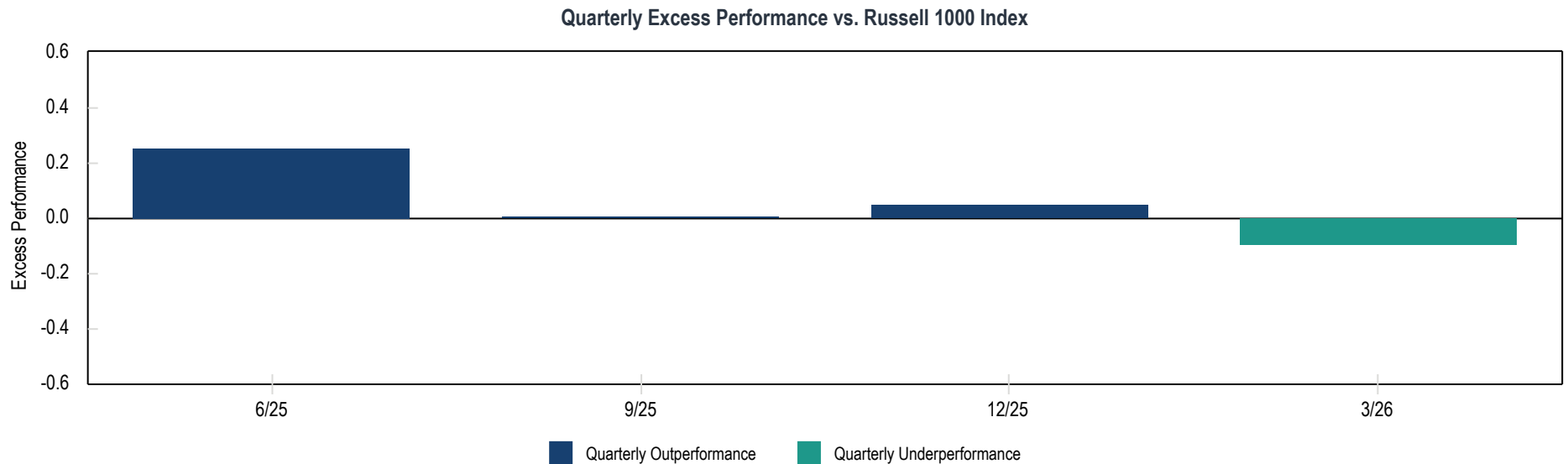
NDSIB - Legacy Fund  
 Period Ending: March 31, 2026



### Additional Calculations

	3 Mo
Standard Deviation	2.66
Tracking Error	0.00
Alpha	-0.03
Information Ratio	-9.55
Beta	1.00
R-Squared	1.00
Sharpe Ratio	-0.64
Positive Months Ratio	33.33
Up Capture	97.22
Down Capture	101.13
Up Market Periods	1
Down Market Periods	2

● eV US Large Cap Equity   ■ Internal Equity   ◆ Russell 1000 Index



WorldQuant Mill  
Equity Only Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	340	1,006
Wtd. Avg. Mkt. Cap \$M	1,179,455.6	1,115,771.0
Median Mkt. Cap \$M	29,491.5	15,251.6
Price/Earnings ratio	25.0	25.7
Price/Book ratio	4.9	4.7
Return on Equity (%)	10.2	8.8
Current Yield (%)	1.2	1.3
Beta	-	1.0

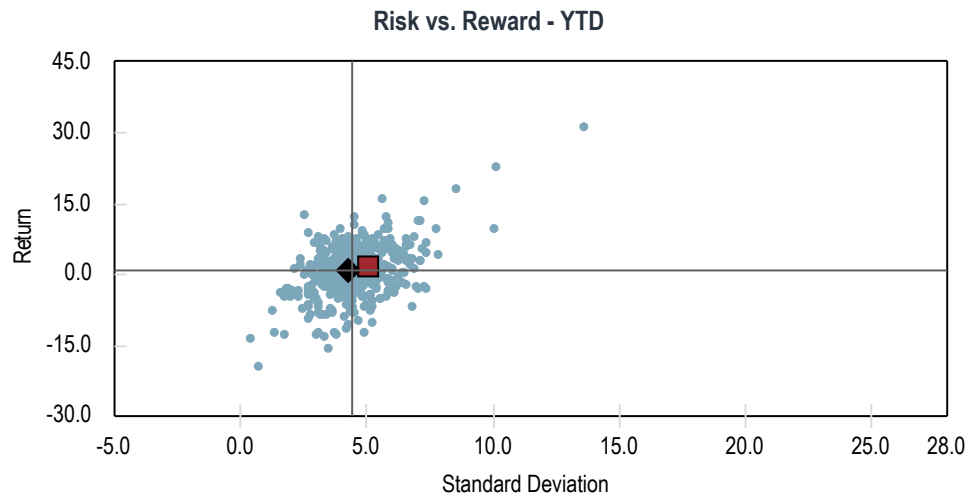
Wellington SM Cap  
Equity Only Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	296	1,933
Wtd. Avg. Mkt. Cap \$M	6,670.8	4,918.0
Median Mkt. Cap \$M	3,360.8	963.7
Price/Earnings ratio	21.3	18.4
Price/Book ratio	2.6	2.6
Return on Equity (%)	0.5	21.8
Current Yield (%)	1.0	1.3
Beta	-	1.0

Wellington SM Cap  
Return Based Style Analysis

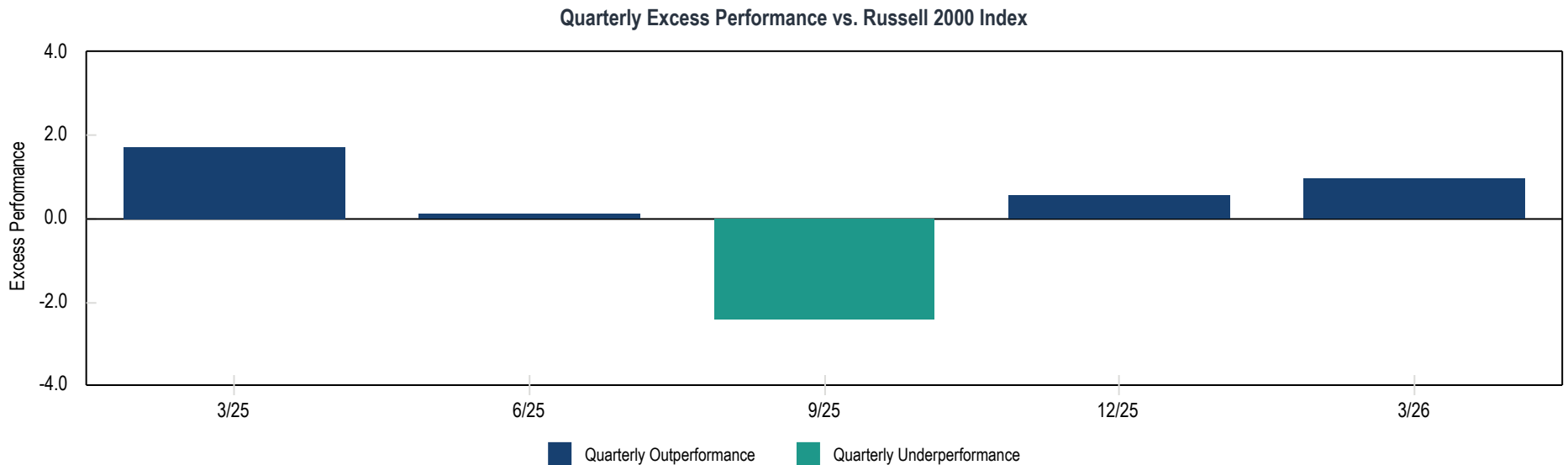
NDSIB - Legacy Fund  
Period Ending: March 31, 2026



**Additional Calculations**

	3 Mo	YTD
Standard Deviation	5.05	5.05
Tracking Error	0.83	0.83
Alpha	0.28	0.28
Information Ratio	0.42	0.42
Beta	1.19	1.19
R-Squared	1.00	1.00
Sharpe Ratio	0.09	0.09
Positive Months Ratio	66.67	66.67
Up Capture	126.12	126.12
Down Capture	111.01	111.01
Up Market Periods	2	2
Down Market Periods	1	1

● eV US Small Cap Equity   ■ Wellington SM Cap   ◆ Russell 2000 Index



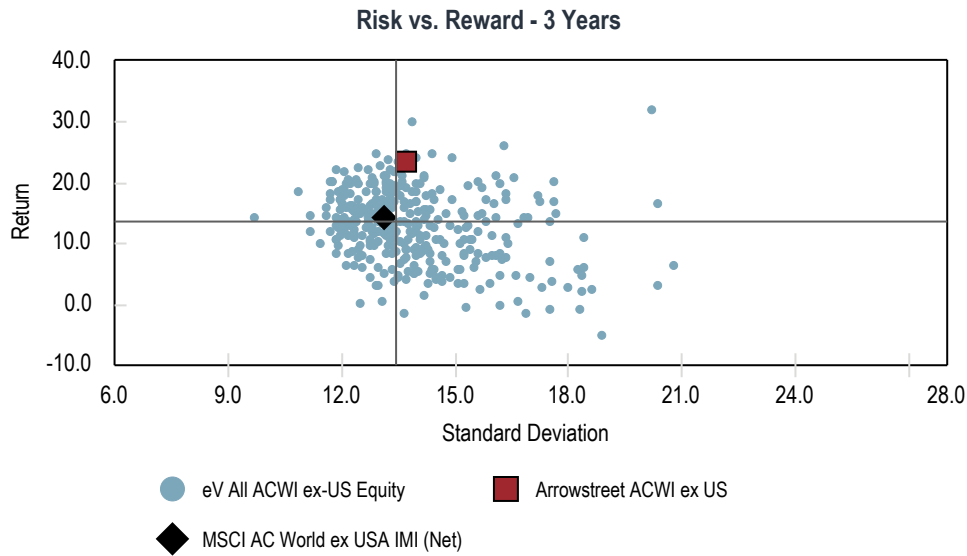
Arrowstreet ACWI ex US  
Equity Only Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,655	6,070
Wtd. Avg. Mkt. Cap \$M	129,989.3	144,329.4
Median Mkt. Cap \$M	3,811.6	2,581.7
Price/Earnings ratio	15.9	16.2
Price/Book ratio	2.8	2.6
Return on Equity (%)	5.4	4.7
Current Yield (%)	2.6	2.7
Beta (3 Years, Monthly)	1.0	1.0

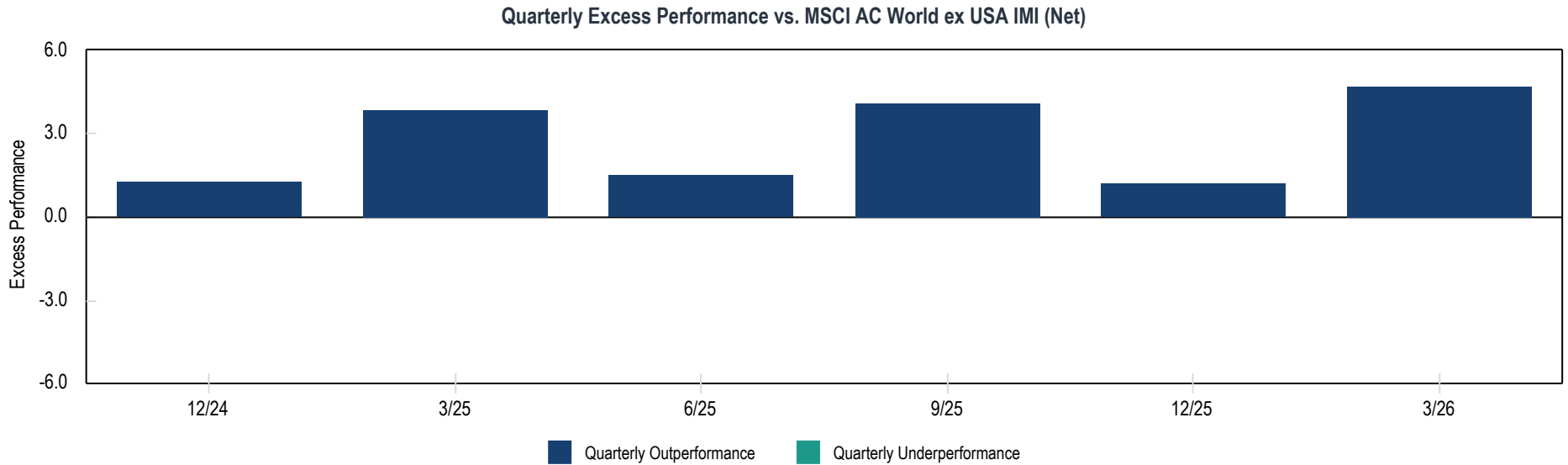
Arrowstreet ACWI ex US  
Return Based Style Analysis

NDSIB - Legacy Fund  
Period Ending: March 31, 2026



**Additional Calculations**

	YTD	1 Yr	3 Yrs
Standard Deviation	9.84	17.95	13.71
Tracking Error	2.20	4.77	4.75
Alpha	1.73	7.53	8.41
Information Ratio	0.80	2.46	1.65
Beta	1.27	1.19	0.98
R-Squared	0.99	0.95	0.88
Sharpe Ratio	0.16	1.77	1.28
Positive Months Ratio	66.67	83.33	69.44
Up Capture	157.44	131.54	112.49
Down Capture	110.27	93.70	64.10
Up Market Periods	2	10	23
Down Market Periods	1	2	13



# DFA Intl Small Cap Value Mutual Fund Overview (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

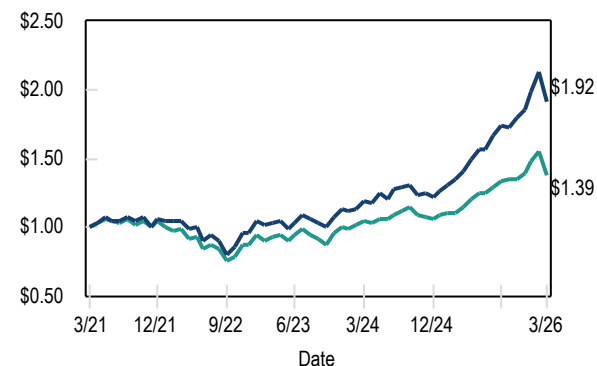
## Description:

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 depository receipts, which may be listed or traded outside the issuer's domicile country.

## Portfolio Fund Information as of March 31, 2026

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	14,554.03 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	16 Years 1 Month
Expense Ratio	0.43 %

## Growth of a Dollar



— DFA Intl Small Cap Value  
— MSCI AC World ex USA IMI (Net)

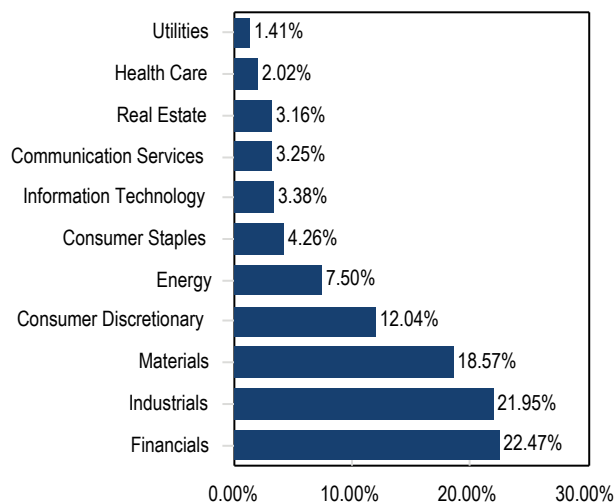
## Fund Characteristics as of 03/31/2026

Total Securities	1,885
Avg. Market Cap	2,498.36 Million
P/E	10.18
P/B	1.04
Div. Yield	3.71%

## 3 Year Statistics as of March 31, 2026

R-Squared	0.84
Alpha	7.88
Beta	1.00
Sharpe Ratio	1.21

## Sector Allocation as of 03/31/2026



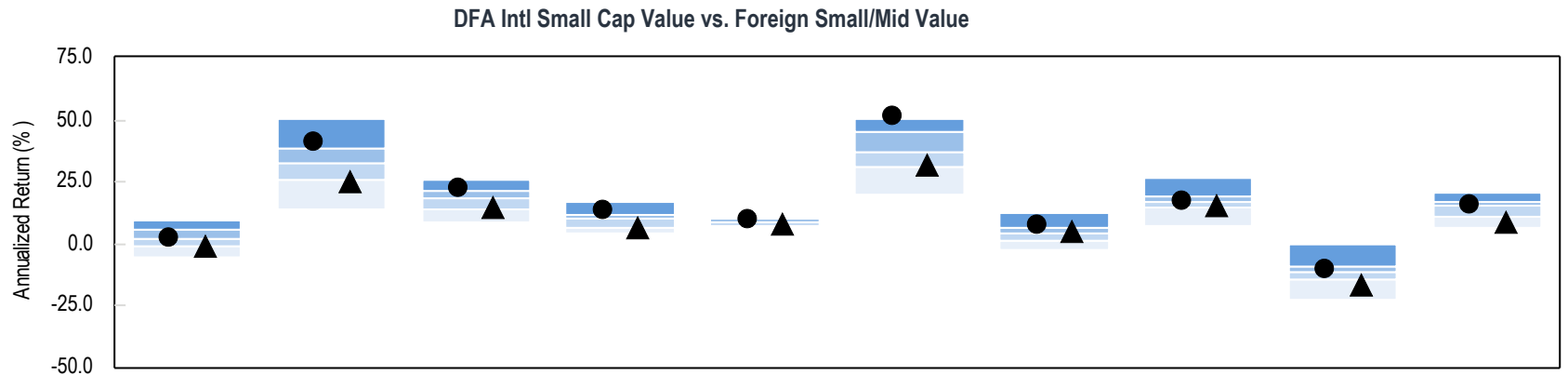
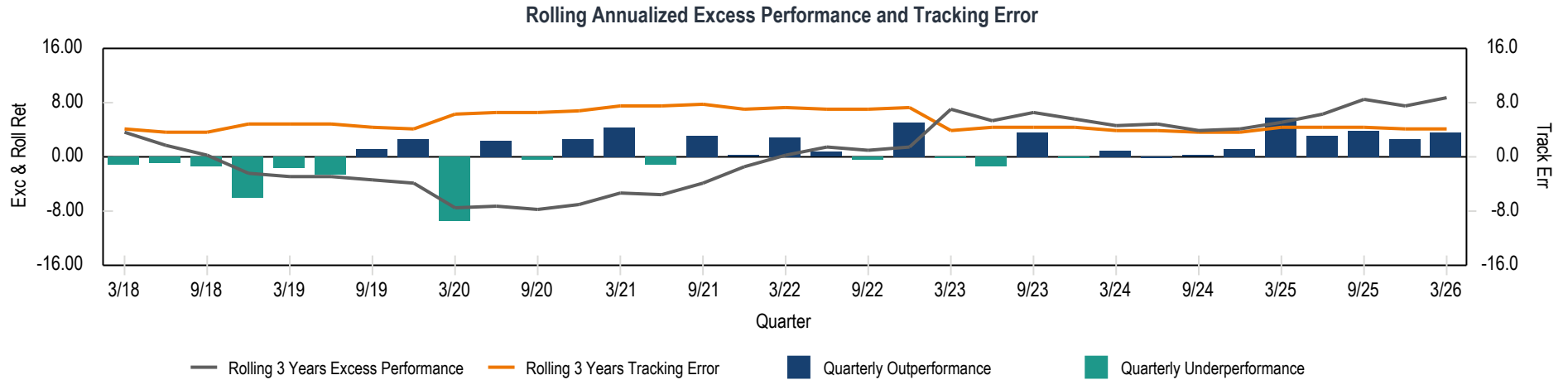
## Top Holdings as of 03/31/2026

Jyske Bank AS	1.09 %
SBM Offshore NV	0.93 %
AL Sydbank A/S	0.90 %
Telecom Italia SpA	0.90 %
Bankinter SA	0.84 %
Lion Finance Group PLC	0.78 %
Eldorado Gold Corp	0.69 %
Ackermans & Van Haaren NV	0.67 %
Swiss Prime Site AG	0.62 %
Hubbay Minerals Inc	0.60 %
<b>Total</b>	<b>8.02 %</b>

Source: Morningstar

DFA Intl Small Cap Value  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA Intl Small Cap Value	2.91 (45)	41.80 (19)	23.12 (20)	13.96 (10)	10.48 (19)	52.07 (4)	7.89 (20)	17.76 (32)	-9.78 (30)	15.89 (38)
▲ MSCI AC World ex USA IMI (Net)	-0.68 (74)	25.32 (78)	14.38 (75)	6.83 (76)	8.33 (54)	31.96 (71)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)
5th Percentile	9.76	50.77	25.96	16.69	11.18	50.69	12.67	26.42	-0.20	20.46
1st Quartile	5.62	38.33	21.08	11.94	10.07	45.48	6.52	19.54	-8.85	17.05
Median	2.29	32.63	18.21	10.05	8.77	36.95	4.47	16.70	-11.44	15.45
3rd Quartile	-0.77	25.99	14.02	6.85	7.61	30.93	1.49	15.00	-14.64	11.25
95th Percentile	-5.34	13.96	9.12	4.68	7.26	20.26	-2.17	7.39	-22.16	6.67
Population	35	33	32	31	22	33	32	32	31	30

# DFA EM All Cap Core

## Mutual Fund Overview (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

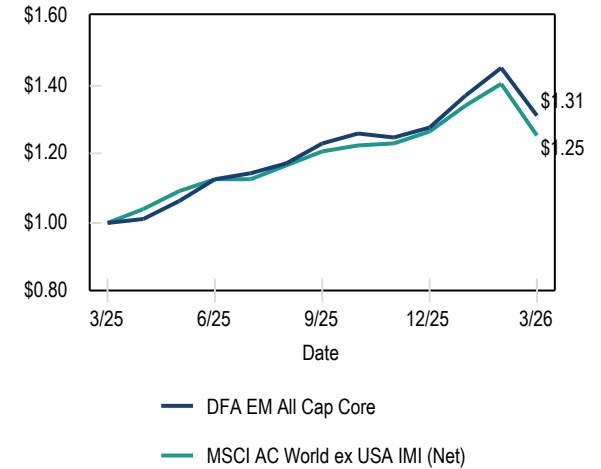
### Description:

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 March 31, 2026

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	39,594.13 Million
Manager Name	Team Managed
Manager Tenure	16 Years 1 Month
Expense Ratio	0.39 %

### Growth of a Dollar



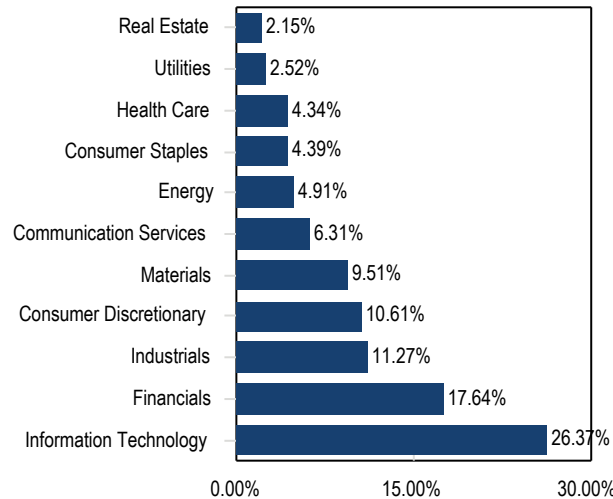
### Fund Characteristics as of 03/31/2026

Total Securities	7,719
Avg. Market Cap	19,026.41 Million
P/E	11.35
P/B	1.47
Div. Yield	2.95%

### 3 Year Statistics as of March 31, 2026

No data found.

### Sector Allocation as of 03/31/2026



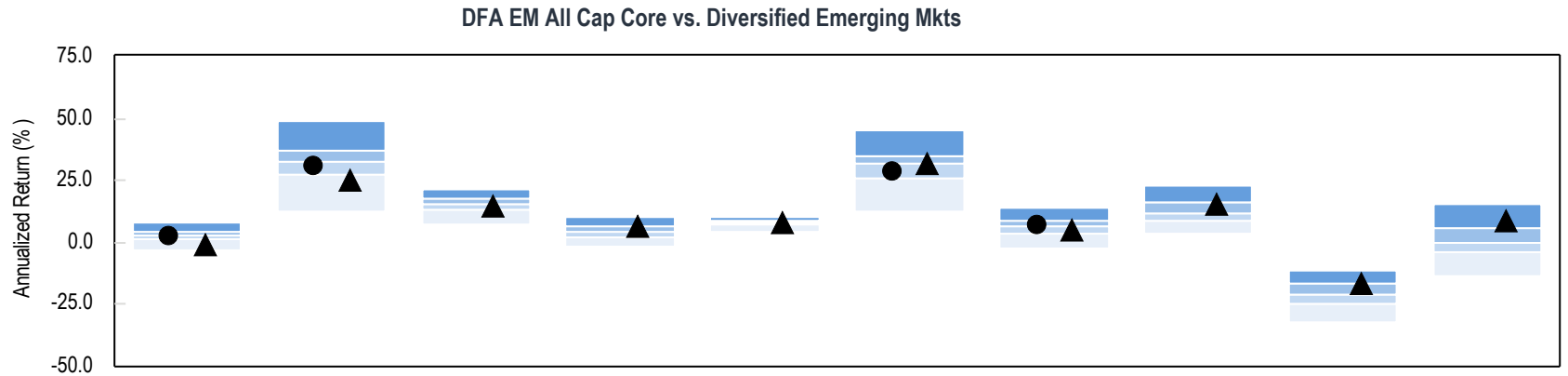
### Top Holdings as of 03/31/2026

Taiwan Semiconductor Manufacturing	6.58 %
Samsung Electronics Co Ltd	3.50 %
Taiwan Semiconductor Manufacturing	2.21 %
Tencent Holdings Ltd	2.08 %
SK Hynix Inc	1.56 %
Alibaba Group Holding Ltd Ordinary	1.07 %
Petroleo Brasileiro SA Petrobras	0.62 %
China Construction Bank Corp Class	0.59 %
Ping An Insurance (Group) Co. of	0.53 %
Petroleo Brasileiro SA Petrobras	0.50 %
<b>Total</b>	<b>19.24 %</b>

Source: Morningstar

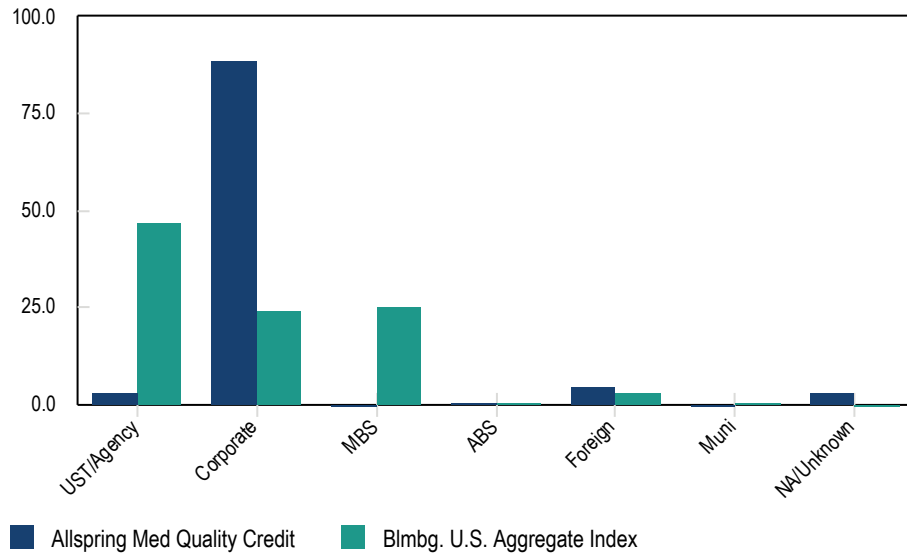
DFA EM All Cap Core  
Performance Summary (Net of Fees)

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

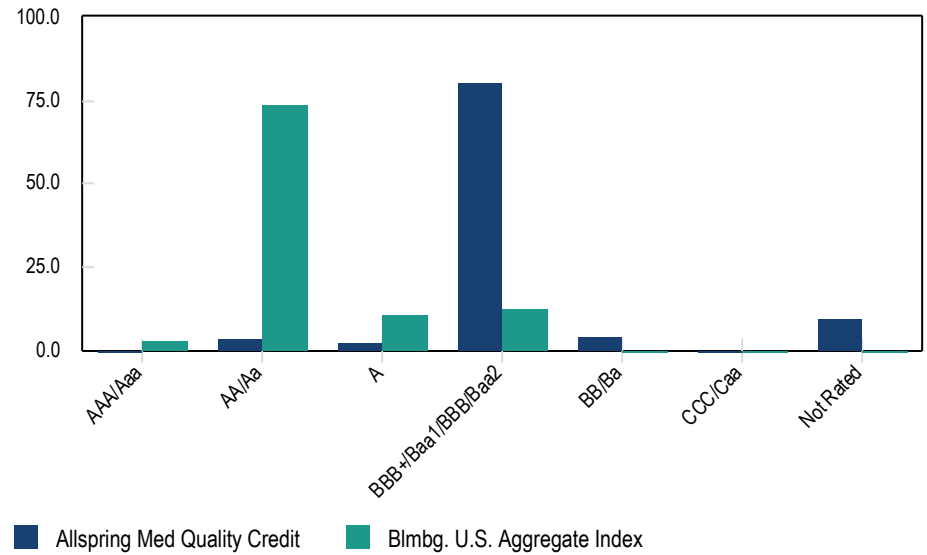


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA EM All Cap Core	2.82 (53)	30.98 (60)	-	-	-	28.77 (66)	7.31 (39)	-	-	-
▲ MSCI AC World ex USA IMI (Net)	-0.68 (89)	25.32 (80)	14.38 (63)	6.83 (21)	8.33 (39)	31.96 (47)	5.23 (64)	15.62 (28)	-16.58 (24)	8.53 (19)
5th Percentile	7.67	49.26	21.68	10.07	10.51	45.20	13.96	22.93	-11.33	15.55
1st Quartile	4.59	37.10	17.71	6.39	8.96	35.18	8.65	16.06	-16.88	5.95
Median	2.93	32.66	15.33	4.43	7.89	31.47	6.48	11.52	-20.74	-0.25
3rd Quartile	0.97	27.19	13.21	2.14	6.95	26.08	3.45	8.45	-24.53	-3.94
95th Percentile	-2.98	12.81	7.56	-2.00	4.67	12.69	-2.59	3.82	-32.45	-13.35
Population	316	309	280	241	178	309	310	312	311	292

**Sectors**  
Allspring Med Quality Credit



**Quality Ratings**  
Allspring Med Quality Credit



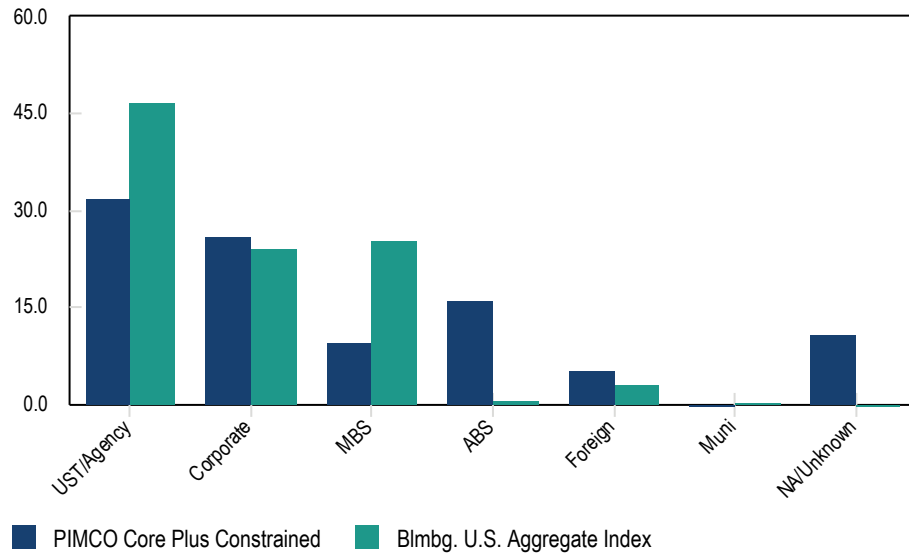
**Characteristics**  
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.6	4.5
Avg. Maturity	13.1	8.3
Avg. Duration	7.0	5.9
Avg. Quality	BBB	AA

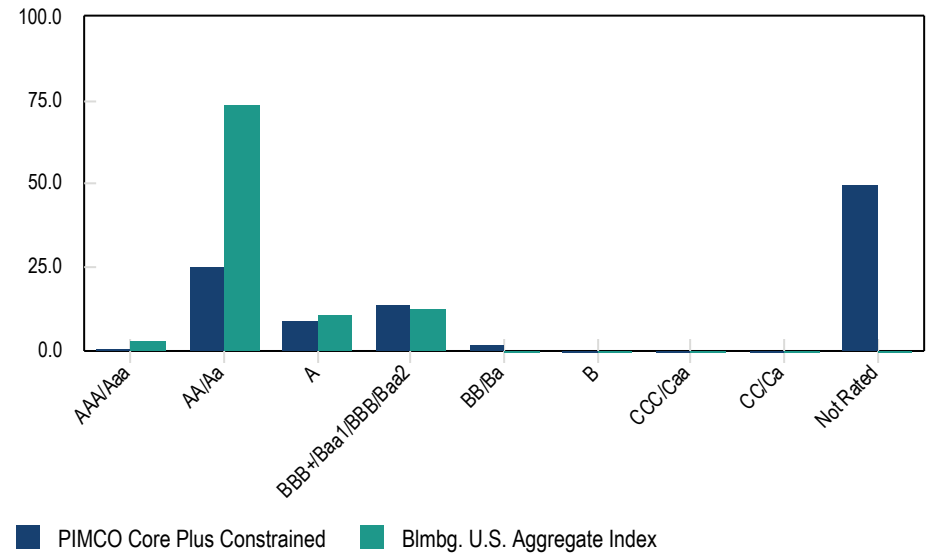
PIMCO Core Plus Constrained  
Bond Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

Sectors  
PIMCO Core Plus Constrained



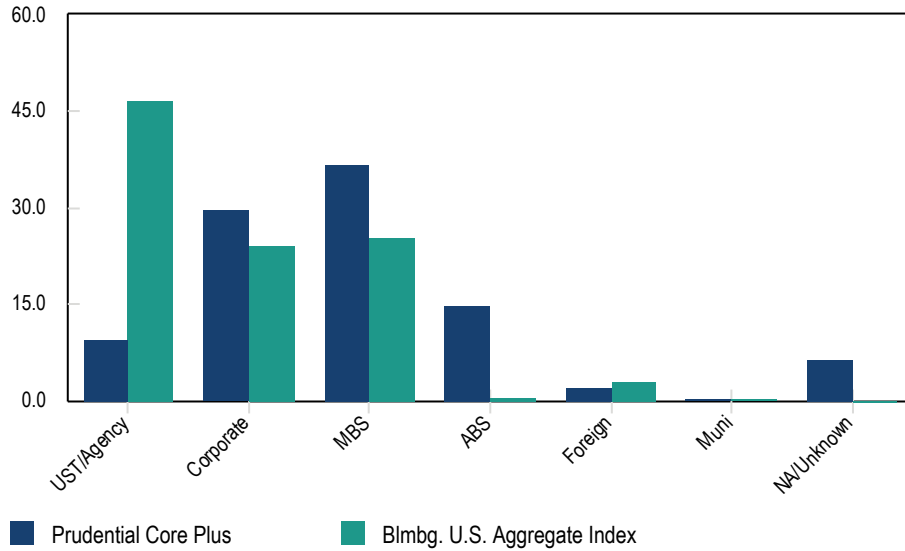
Quality Ratings  
PIMCO Core Plus Constrained



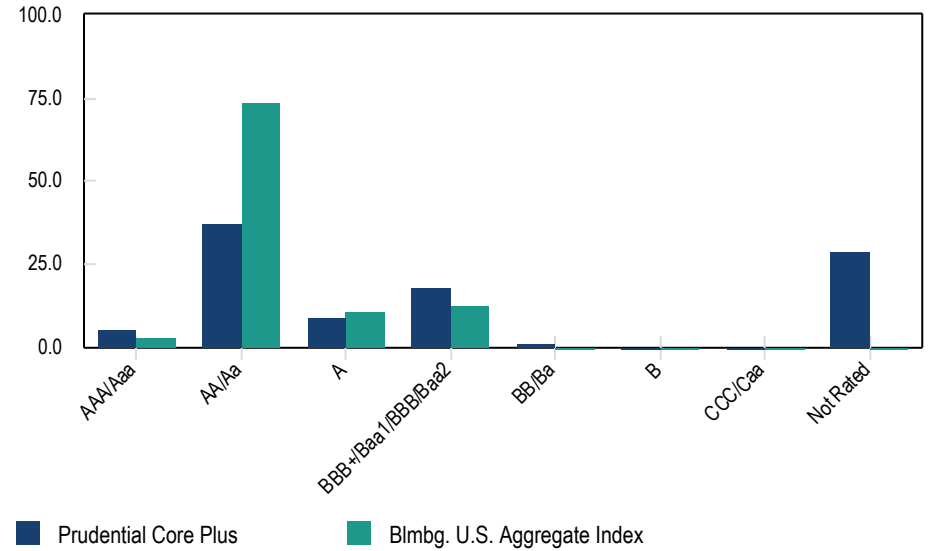
Characteristics  
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	5.8	4.5
Avg. Maturity	9.1	8.3
Avg. Duration	6.2	5.9
Avg. Quality	A	AA

Sectors  
Prudential Core Plus



Quality Ratings  
Prudential Core Plus



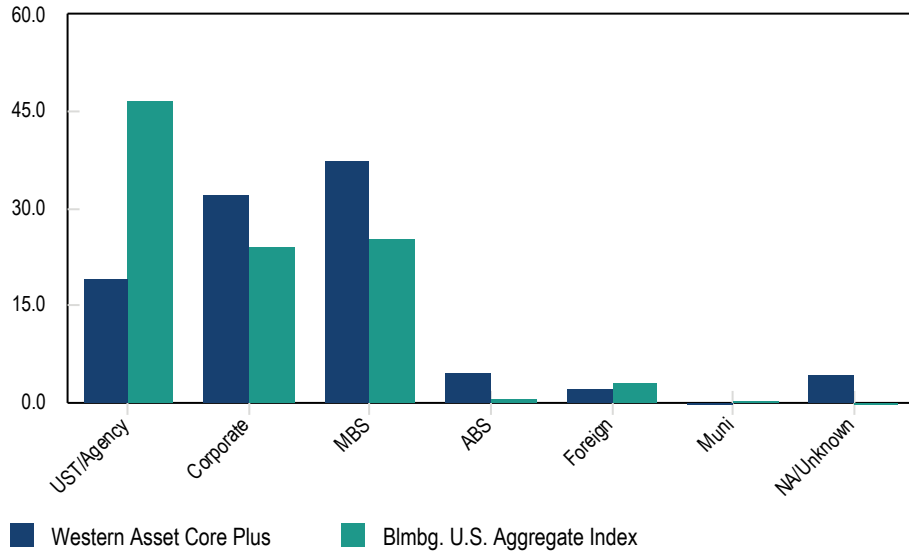
Characteristics  
Prudential Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	5.0	4.5
Avg. Maturity	8.6	8.3
Avg. Duration	5.9	5.9
Avg. Quality	A	AA

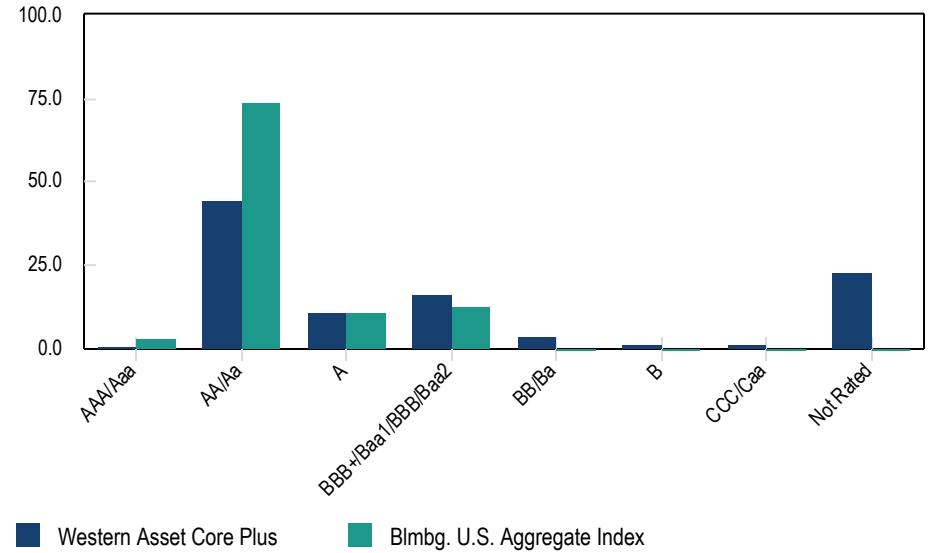
Western Asset Core Plus  
Bond Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

Sectors  
Western Asset Core Plus



Quality Ratings  
Western Asset Core Plus



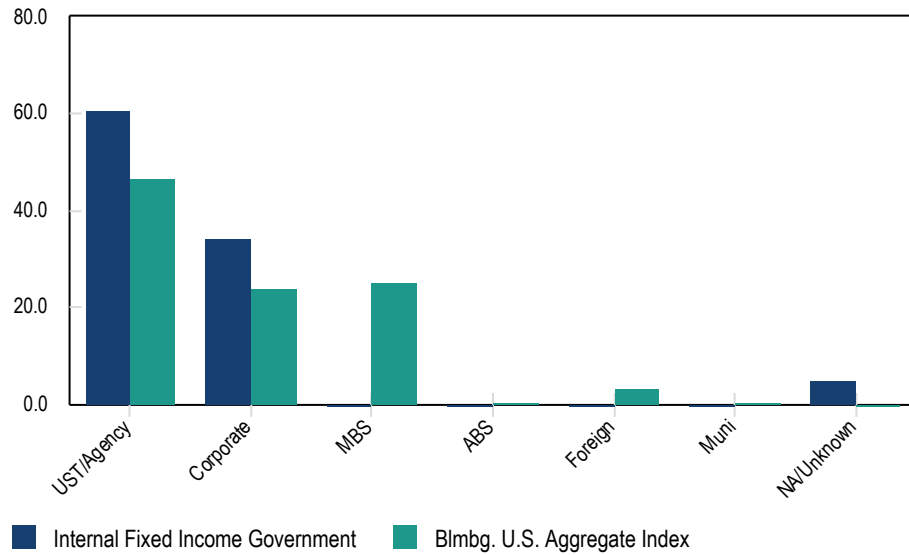
Characteristics  
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	6.3	4.5
Avg. Maturity	8.8	8.3
Avg. Duration	5.3	5.9
Avg. Quality	A	AA

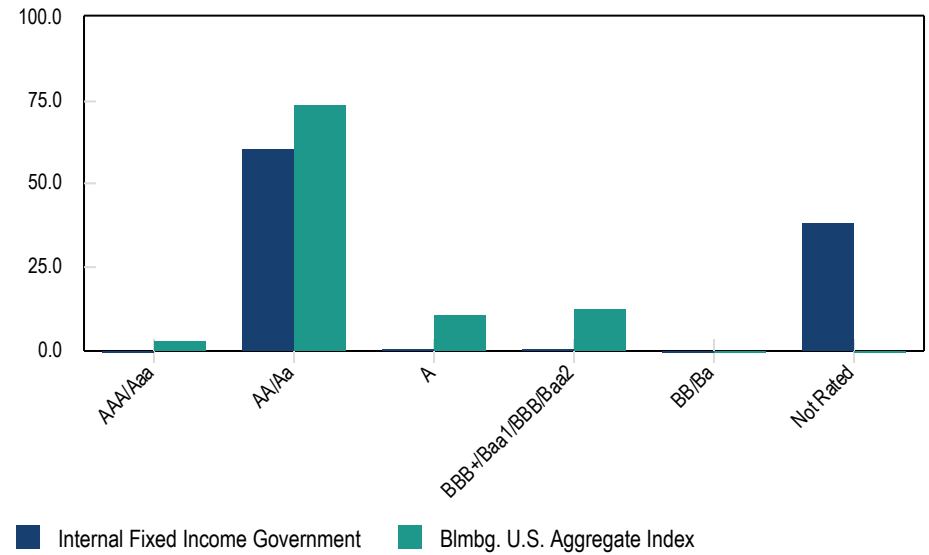
# Internal Fixed Income Government Bond Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

**Sectors**  
Internal Fixed Income Government



**Quality Ratings**  
Internal Fixed Income Government



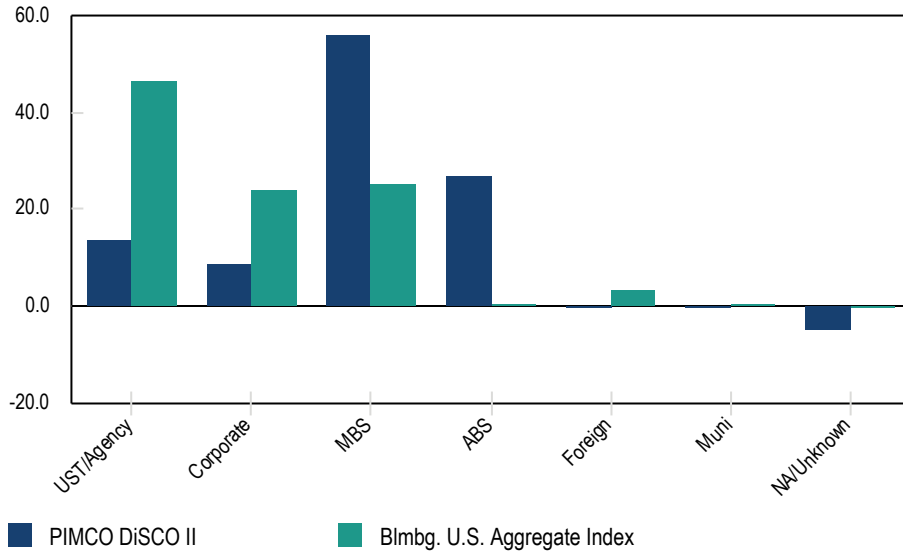
**Characteristics**  
Internal Fixed Income Government

	Portfolio	Benchmark
Yield To Maturity (%)	4.2	4.5
Avg. Maturity	8.3	8.3
Avg. Duration	5.9	5.9
Avg. Quality	AA	AA

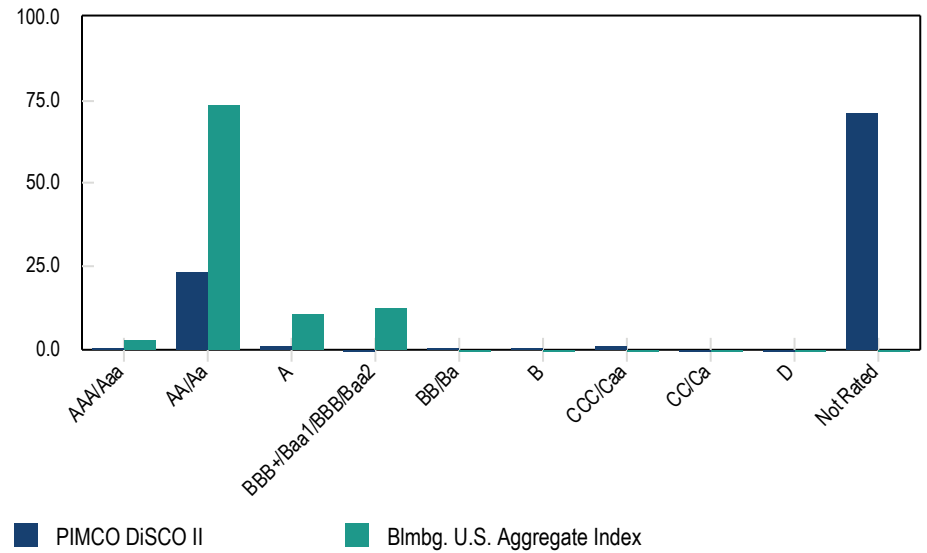
PIMCO DiSCO II  
Bond Summary Statistics

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

Sectors  
PIMCO DiSCO II



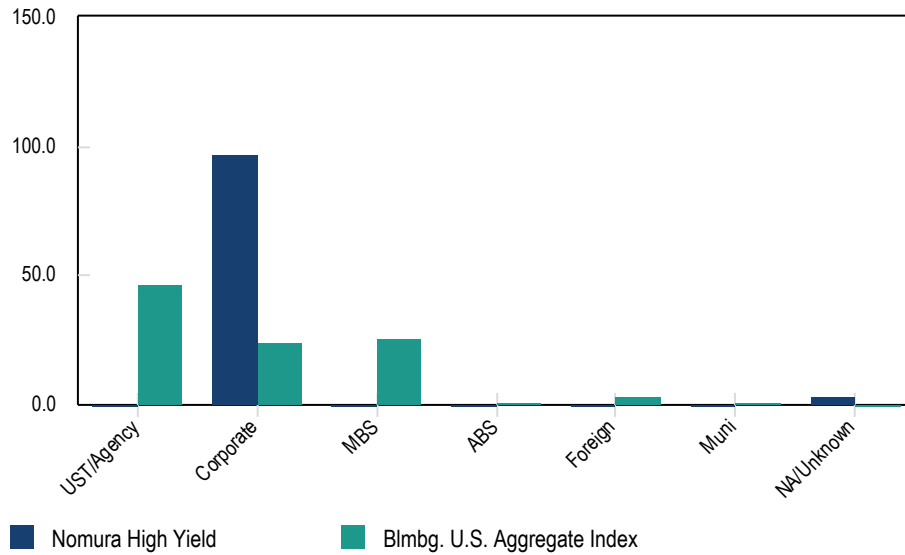
Quality Ratings  
PIMCO DiSCO II



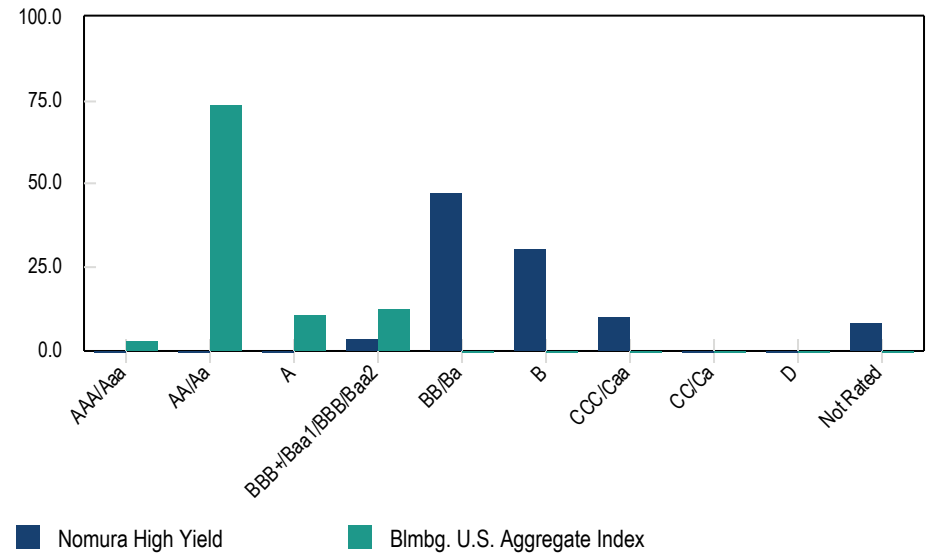
Characteristics  
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	19.5	4.5
Avg. Maturity	6.1	8.3
Avg. Duration	1.7	5.9
Avg. Quality	AA	AA

Sectors  
Nomura High Yield



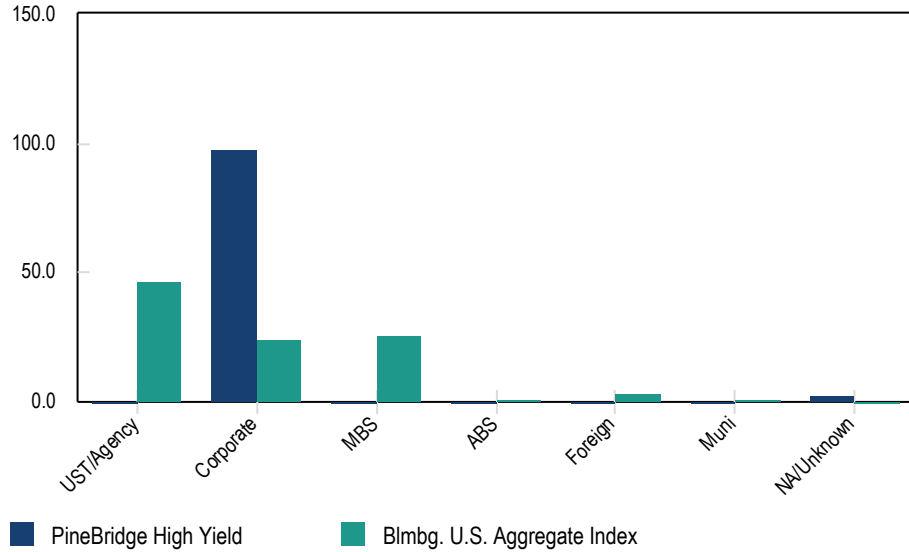
Quality Ratings  
Nomura High Yield



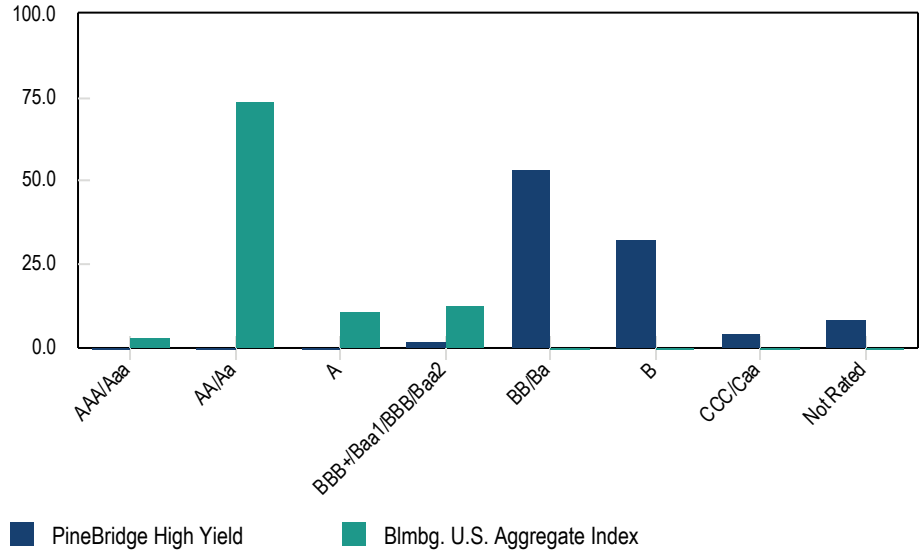
Characteristics  
Nomura High Yield

	Portfolio	Benchmark
Yield To Maturity (%)	7.6	4.5
Avg. Maturity	6.2	8.3
Avg. Duration	3.8	5.9
Avg. Quality	B	AA

**Sectors**  
PineBridge High Yield



**Quality Ratings**  
PineBridge High Yield



**Characteristics**  
PineBridge High Yield

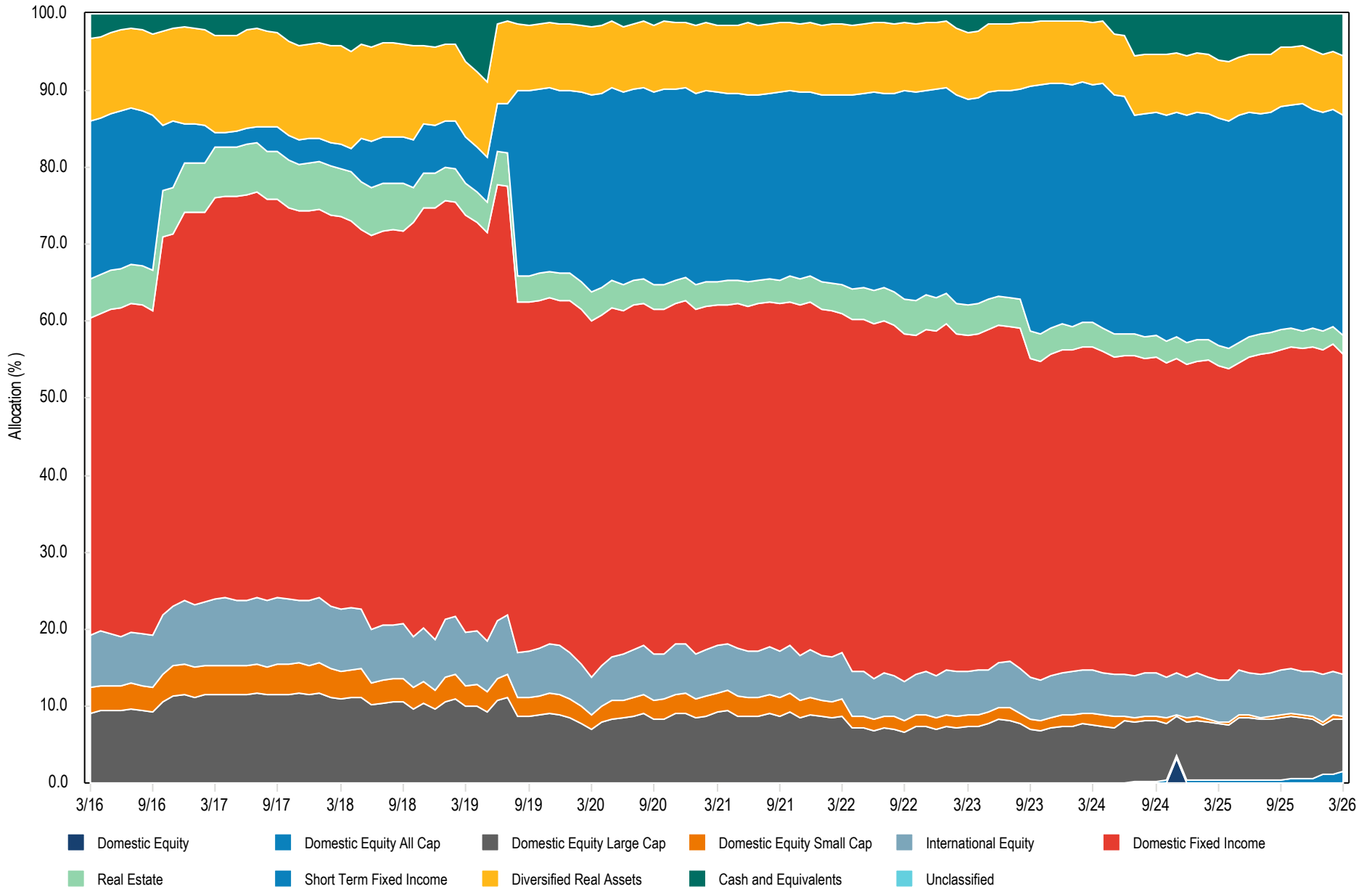
	Portfolio	Benchmark
Yield To Maturity (%)	7.6	4.5
Avg. Maturity	6.7	8.3
Avg. Duration	4.1	5.9
Avg. Quality	BB	AA

# Appendix - Insurance

Period Ending: March 31, 2026

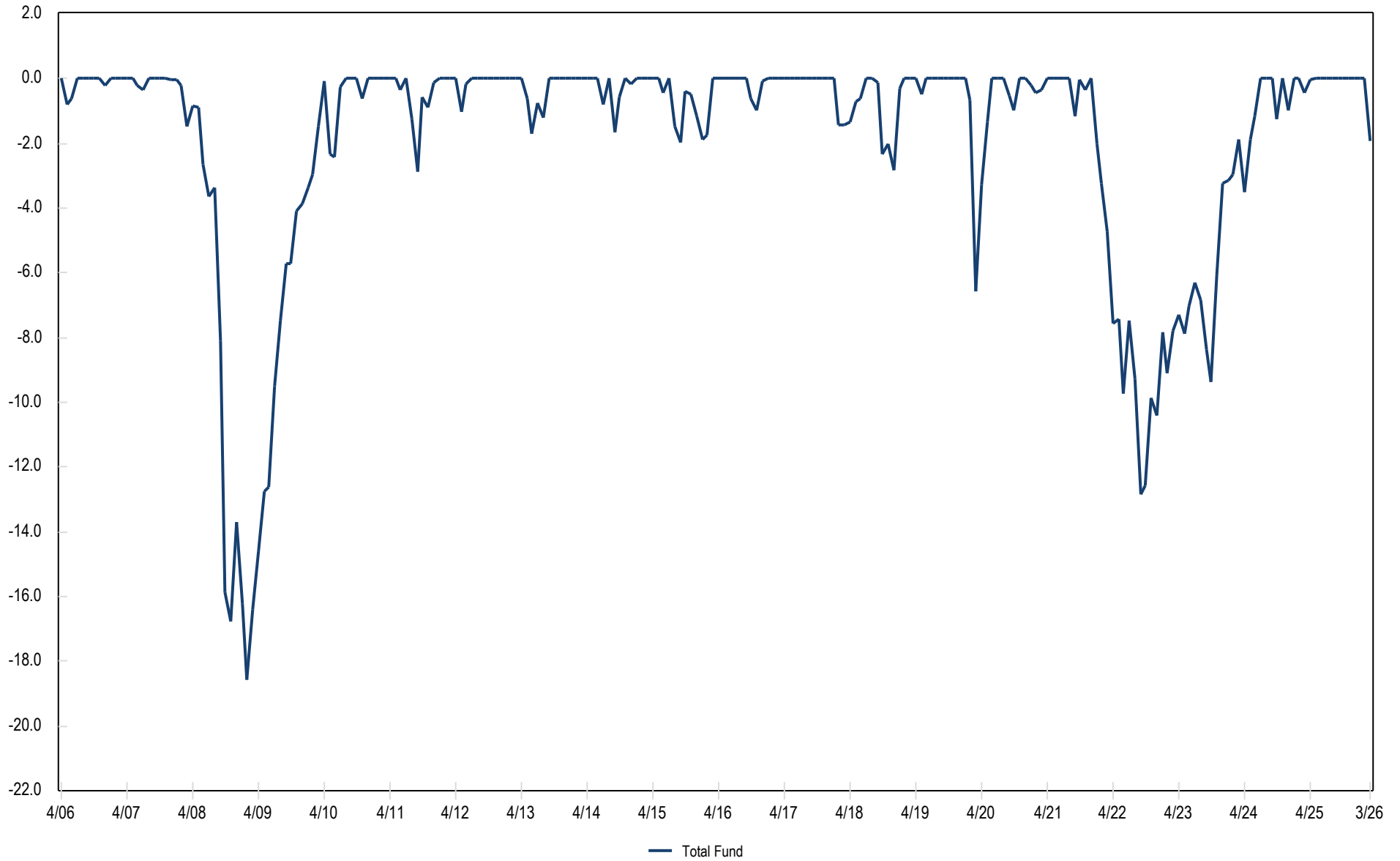
Total Fund  
Asset Allocation History

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



Total Fund	Max Drawdown	Recovery Periods	# of Drawdowns in Period
Total Fund	-18.6	33 Months	27

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	25	25	38	38	82	82
Down Market Periods	1	1	11	11	22	22	38	38
Maximum Return	1.7	1.5	3.7	3.7	3.7	3.7	3.7	3.7
Minimum Return	-1.9	-1.9	-1.9	-1.9	-4.0	-4.0	-5.9	-4.0
Return	7.4	6.4	6.5	5.4	3.1	2.5	4.8	4.0
Cumulative Return	7.4	6.4	20.7	17.1	16.7	13.1	60.5	47.4
Active Return	1.0	0.0	1.0	0.0	0.6	0.0	0.9	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Upside Risk	0.9	0.8	4.0	3.9	4.0	4.0	3.9	3.6
Downside Risk	1.9	1.9	2.1	2.3	3.5	3.6	3.2	2.9
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	3.0	2.9	4.1	4.2	5.2	5.3	4.9	4.4
Alpha	0.8	0.0	1.1	0.0	0.7	0.0	0.6	0.0
Sharpe Ratio	1.1	0.8	0.4	0.2	0.0	-0.1	0.5	0.4
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	0.4	0.0	0.6	0.0	1.3	0.0
Information Ratio	2.1	-	2.2	-	1.0	-	0.7	-
<b>Correlation Statistics</b>								
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	72.2	100.0	66.7	100.0	72.5	100.0

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	25	25	38	38	82	82
Down Market Periods	1	1	11	11	22	22	38	38
Maximum Return	1.7	1.5	3.7	3.6	3.7	3.6	3.7	3.6
Minimum Return	-1.9	-2.0	-1.9	-2.0	-4.0	-3.9	-5.9	-3.9
Return	7.4	6.4	6.5	5.4	3.1	2.5	4.8	4.0
Cumulative Return	7.4	6.4	20.7	17.1	16.7	12.9	60.5	47.6
Active Return	1.0	0.0	1.0	0.0	0.6	0.0	0.9	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Upside Risk	0.9	0.8	4.0	3.9	4.0	3.9	3.9	3.6
Downside Risk	1.9	2.0	2.1	2.3	3.5	3.6	3.2	2.8
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	3.0	3.0	4.1	4.2	5.2	5.3	4.9	4.4
Alpha	0.9	0.0	1.1	0.0	0.7	0.0	0.6	0.0
Sharpe Ratio	1.1	0.8	0.4	0.2	0.0	-0.1	0.5	0.4
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	0.4	0.0	0.6	0.0	1.3	0.0
Information Ratio	2.1	-	2.2	-	1.0	-	0.7	-
<b>Correlation Statistics</b>								
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	80.6	100.0	70.0	100.0	74.2	100.0

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>3,647,996,806</b>	<b>100.0</b>	<b>0.1</b>	<b>4.3</b>	<b>0.1</b>	<b>7.4</b>	<b>6.5</b>	<b>3.1</b>	<b>4.8</b>
Policy Index			-0.2	3.7	-0.2	6.4	5.4	2.5	4.0
Corridor Target Index			-0.2	3.7	-0.2	6.4	5.4	2.5	4.0
<b>Total Equity</b>	<b>518,176,914</b>	<b>14.2</b>	<b>-1.2</b>	<b>10.5</b>	<b>-1.2</b>	<b>24.2</b>	<b>17.5</b>	<b>9.9</b>	<b>-</b>
Total Equity Blend			-2.6	8.4	-2.6	21.1	16.6	9.4	-
<b>Domestic Equity</b>	<b>317,766,648</b>	<b>8.7</b>	<b>-3.5</b>	<b>6.8</b>	<b>-3.5</b>	<b>19.2</b>	<b>17.8</b>	<b>10.8</b>	<b>13.1</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	17.9	10.9	13.7
<b>Domestic Equity All Cap</b>	<b>55,709,380</b>	<b>1.5</b>	<b>-2.7</b>	<b>8.0</b>	<b>-2.7</b>	<b>22.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
Russell 3000 Index			-4.0	6.4	-4.0	18.1	-	-	-
Two Sigma Active Extension U.S. All Cap Equity	16,551,819	0.5	-3.2	7.4	-3.2	21.5	-	-	-
Arrowstreet U.S. All Cap	39,142,107	1.1	-	-	-	-	-	-	-
<b>Large Cap</b>	<b>243,799,163</b>	<b>6.7</b>	<b>-4.1</b>	<b>6.2</b>	<b>-4.1</b>	<b>18.5</b>	<b>19.0</b>	<b>12.1</b>	<b>14.1</b>
Russell 1000 Index			-4.2	6.0	-4.2	17.7	18.1	11.3	14.0
LA Capital Enhanced	52,342,706	1.4	-3.6	7.4	-3.6	21.5	20.4	13.1	14.6
T. Rowe Large Cap	97,835,317	2.7	-4.4	5.5	-4.4	17.0	-	-	-
Internal Equity	70,609,138	1.9	-4.3	5.9	-4.3	18.0	-	-	-
WorldQuant Mill	23,011,969	0.6	-2.6	9.8	-2.6	-	-	-	-
<b>Small Cap</b>	<b>18,258,105</b>	<b>0.5</b>	<b>1.6</b>	<b>15.1</b>	<b>1.6</b>	<b>24.9</b>	<b>9.0</b>	<b>4.2</b>	<b>8.2</b>
Russell 2000 Index			0.9	15.9	0.9	25.7	13.0	3.8	9.9
NTAM R2000 Index	2,559,624	0.1	0.9	15.9	0.9	25.8	13.2	-	-
Wellington SM Cap	15,697,003	0.4	1.8	15.1	1.8	25.0	-	-	-
<b>International Equity</b>	<b>200,410,265</b>	<b>5.5</b>	<b>1.2</b>	<b>15.0</b>	<b>1.2</b>	<b>30.5</b>	<b>16.4</b>	<b>8.4</b>	<b>9.5</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	6.8	8.3
<b>International All Cap</b>	<b>49,086,885</b>	<b>1.3</b>	<b>3.9</b>	<b>20.3</b>	<b>3.9</b>	<b>38.2</b>	<b>19.2</b>	<b>-</b>	<b>-</b>
MSCI AC World ex USA IMI (Net)			-0.7	11.2	-0.7	25.3	14.4	-	-
Arrowstreet ACWI ex US	49,011,914	1.3	4.1	22.4	4.1	39.8	23.5	-	-
William Blair Int'l Leaders	74,971	0.0	5.1	11.5	5.1	28.4	10.5	3.3	-
<b>Developed International Large Cap</b>	<b>95,235,888</b>	<b>2.6</b>	<b>-0.8</b>	<b>10.0</b>	<b>-0.8</b>	<b>23.3</b>	<b>14.3</b>	<b>-</b>	<b>-</b>
MSCI World ex U.S. (Net)			-0.9	9.8	-0.9	23.0	14.3	-	-
State St MSCI World exUS	81,027,504	2.2	-0.9	9.9	-0.9	23.2	14.3	-	-
Principal	14,208,384	0.4	-	-	-	-	-	-	-
<b>Developed International Small Cap</b>	<b>13,586,569</b>	<b>0.4</b>	<b>1.3</b>	<b>16.3</b>	<b>1.3</b>	<b>35.4</b>	<b>17.7</b>	<b>-</b>	<b>-</b>
MSCI World ex U.S. Small Cap Index (Net)			-0.4	10.6	-0.4	29.2	13.8	-	-
DFA Intl Small Cap Value	7,025,207	0.2	2.9	22.3	2.9	41.8	23.1	13.9	10.5
State St MSCI exUS Small	6,561,362	0.2	-0.4	10.8	-0.4	29.4	13.8	-	-

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Emerging Markets</b>	<b>42,489,439</b>	<b>1.2</b>	<b>1.1</b>	<b>15.9</b>	<b>1.1</b>	<b>30.0</b>	<b>14.7</b>	<b>-</b>	<b>-</b>
<i>MSCI Emerging Markets (Net)</i>			<i>-0.2</i>	<i>15.7</i>	<i>-0.2</i>	<i>29.6</i>	<i>14.8</i>	<i>-</i>	<i>-</i>
DFA EM All Cap Core	18,103,253	0.5	2.8	16.2	2.8	31.0	-	-	-
State St MSCI EM China	5,740,555	0.2	-8.9	2.0	-8.9	4.1	-	-	-
State St MSCI EM ex China	18,645,631	0.5	3.6	22.0	3.6	41.6	-	-	-
<b>Domestic Fixed Income</b>	<b>1,516,463,947</b>	<b>41.6</b>	<b>-0.2</b>	<b>3.4</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.7</b>	<b>1.1</b>	<b>3.1</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>3.1</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
<b>Open Fixed Income</b>	<b>1,453,190,779</b>	<b>39.8</b>	<b>-0.2</b>	<b>3.4</b>	<b>-0.2</b>	<b>4.9</b>	<b>4.5</b>	<b>0.9</b>	<b>2.8</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>3.1</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
Allspring Med Quality Credit	120,593,538	3.3	-0.6	3.3	-0.6	5.2	5.9	1.6	4.2
PIMCO Core Plus Constrained	379,768,487	10.4	-0.4	3.9	-0.4	5.5	5.0	1.0	-
Prudential Core Plus	377,252,354	10.3	0.0	3.5	0.0	5.0	4.5	0.8	2.7
Western Asset Core Plus	141,720,929	3.9	-0.3	3.1	-0.3	5.1	4.3	0.4	2.3
State Street Gov Index	69,076,635	1.9	0.1	2.3	0.1	3.2	2.6	-	-
State Street Gov Bond H	911,990	0.0	0.1	2.4	0.1	3.3	-	-	-
State Street Securitized Index	55,505,390	1.5	0.5	4.4	0.5	-	-	-	-
Internal Fixed Income Gov/Credit	308,361,457	8.5	-0.1	2.5	-0.1	3.3	-	-	-
<b>Closed Fixed Income</b>	<b>63,273,168</b>	<b>1.7</b>	<b>0.4</b>	<b>3.6</b>	<b>0.4</b>	<b>5.2</b>	<b>8.4</b>	<b>6.3</b>	<b>6.8</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>3.1</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
PIMCO Bravo II	1,523,290	0.0	1.9	4.3	1.9	1.1	5.2	-0.9	1.0
PIMCO DiSCO II	61,749,878	1.7	0.3	3.6	0.3	5.3	8.5	6.3	7.6
<b>Short Term Fixed Income</b>	<b>1,043,461,559</b>	<b>28.6</b>	<b>0.5</b>	<b>3.2</b>	<b>0.5</b>	<b>4.7</b>	<b>6.0</b>	<b>2.9</b>	<b>2.6</b>
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			<i>0.3</i>	<i>2.7</i>	<i>0.3</i>	<i>4.0</i>	<i>4.3</i>	<i>2.0</i>	<i>2.0</i>
Barings Active Short Duration	521,712,665	14.3	0.7	3.5	0.7	5.1	6.9	3.1	-
JP Morgan Short Term Bond	521,748,894	14.3	0.4	2.9	0.4	4.3	5.0	2.6	2.5

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

Total Fund  
Performance Summary (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Real Assets</b>	<b>373,856,048</b>	<b>10.2</b>	<b>1.4</b>	<b>2.4</b>	<b>1.4</b>	<b>4.4</b>	<b>1.6</b>	<b>2.8</b>	<b>-</b>
<i>Total Real Assets Blend</i>			<i>0.6</i>	<i>2.5</i>	<i>0.6</i>	<i>3.2</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Real Estate</b>	<b>88,966,559</b>	<b>2.4</b>	<b>1.2</b>	<b>-4.3</b>	<b>1.2</b>	<b>-5.3</b>	<b>-8.1</b>	<b>0.0</b>	<b>2.5</b>
<i>NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag</i>			<i>0.7</i>	<i>2.0</i>	<i>0.7</i>	<i>2.9</i>	<i>-4.3</i>	<i>2.5</i>	<i>3.9</i>
Invesco Core Real Estate	49,090,199	1.3	1.7	-7.4	1.7	-7.7	-8.7	-0.3	2.6
JP Morgan Income & Growth Fd	39,876,360	1.1	0.7	-0.3	0.7	-2.2	-7.2	0.4	2.3
<b>Diversified Real Assets</b>	<b>284,889,489</b>	<b>7.8</b>	<b>1.5</b>	<b>4.7</b>	<b>1.5</b>	<b>7.9</b>	<b>5.5</b>	<b>3.8</b>	<b>4.4</b>
<i>Diversified Real Assets Blend</i>			<i>0.5</i>	<i>2.7</i>	<i>0.5</i>	<i>3.3</i>	<i>2.8</i>	<i>2.6</i>	<i>3.2</i>
Grosvenor CIS Fund I	2,369,998	0.1	51.9	73.5	51.9	88.8	31.0	22.7	14.8
Grosvenor CIS Fund III	11,911,720	0.3	3.3	8.3	3.3	16.7	10.1	-	-
JP Morgan IIF Infrastructure	44,136,900	1.2	3.0	5.5	3.0	16.7	11.5	8.5	8.2
Macquarie Infrastructure Fund V	21,092,876	0.6	4.5	11.6	4.5	18.8	9.9	-	-
TIR Eastern Timber Opps	15,317,101	0.4	0.9	10.8	0.9	14.7	11.8	9.9	6.3
Internal TIPS	190,060,894	5.2	0.3	2.5	0.3	3.0	-	-	-
<b>Cash &amp; Equivalents</b>	<b>195,957,141</b>	<b>5.4</b>	<b>0.9</b>	<b>3.0</b>	<b>0.9</b>	<b>4.1</b>	<b>4.8</b>	<b>3.4</b>	<b>2.2</b>
<i>90 Day U.S. Treasury Bill</i>			<i>0.8</i>	<i>2.9</i>	<i>0.8</i>	<i>4.0</i>	<i>4.7</i>	<i>3.3</i>	<i>2.3</i>
BND Cash	-	0.0	-	-	-	-	-	-	-
Northern Trust Cash Account	195,957,141	5.4	1.0	3.0	1.0	4.1	4.8	3.3	2.1

Market values for residual and closed accounts are not shown. As a result, manager market values may not tie out to asset classes and total portfolio. Fiscal year 06/30.

### BARRA RISK FACTORS<sup>3</sup>

#### EXPOSURE RELATIVE TO BENCHMARK INDEX

	% of AUM
Beta	0.94
Dividend Yield	(13.47)
Earnings Yield	(7.63)
Growth	10.11
Leverage	(1.44)
Liquidity	20.46
Mid Cap	(7.07)
Momentum	(4.18)
Residual Volatility	5.14
Size	(7.87)
Value	(5.14)

MSCI's analytics and data ([www.msci.com](http://www.msci.com)) were used in the preparation of this report. All Rights Reserved. No further distribution or dissemination of this data is permitted. Two Sigma is not affiliated with MSCI. The data presented utilizes the Barra US Total Market Equity Trading Model (USFASTD), which may not represent the risk model used in the management of the portfolio.

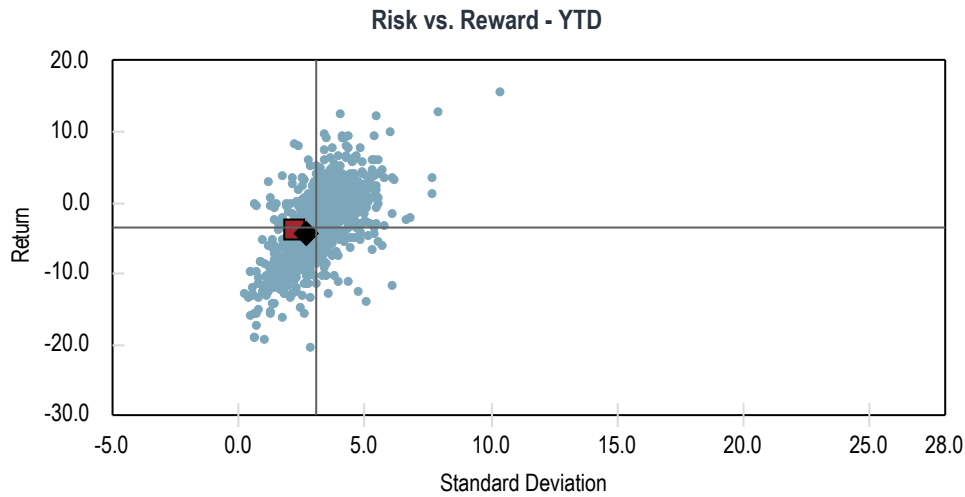
### FUNDAMENTAL STATISTICS<sup>3,6</sup>

	Fund	Benchmark Index
Active Share (%)	75.62	—
Position Count	3,349	2,939
Dividend Yield (%)	1.09	1.31
Long Term Debt-to-Equity Ratio	0.93	0.82
Price-to-Book Ratio	4.16	3.95
Price-to-Earnings Ratio (trailing)	21.47	22.92
Weighted Average Market Cap (\$m)	239,339	256,038

LA Capital Enhanced Alpha Fund  
Equity Only Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

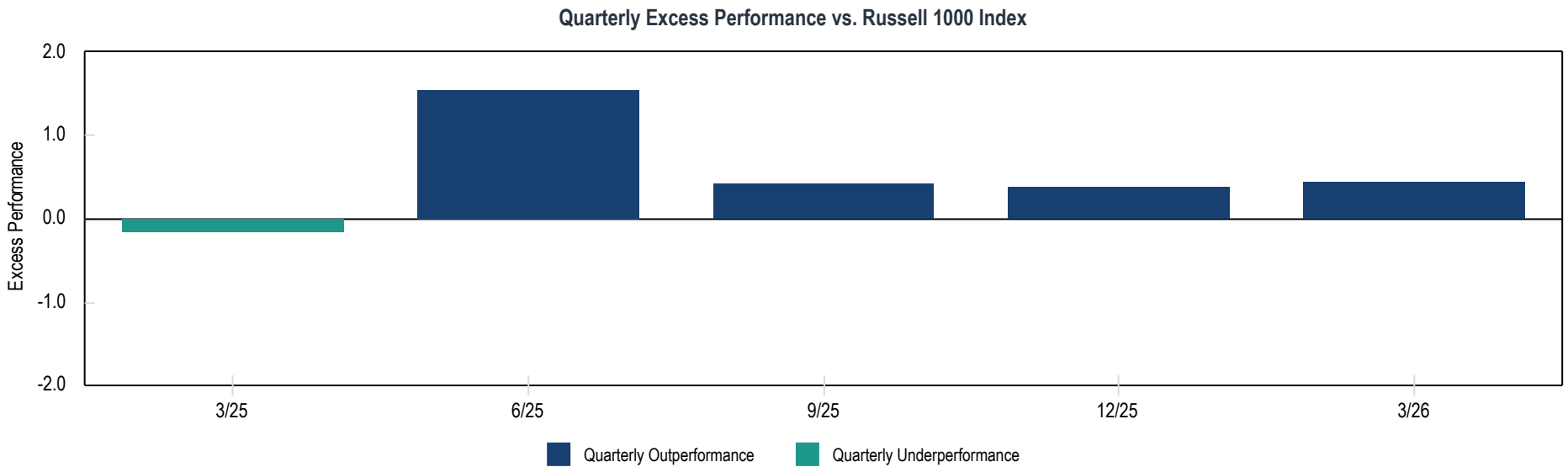
	Characteristics	
	Portfolio	Benchmark
Number of Stocks	289	1,006
Wtd. Avg. Mkt. Cap \$M	1,010,421.1	1,115,771.0
Median Mkt. Cap \$M	18,962.8	15,251.6
Price/Earnings ratio	17.9	25.7
Price/Book ratio	3.5	4.7
Return on Equity (%)	10.5	8.8
Current Yield (%)	1.5	1.3
Beta	-	1.0



**Additional Calculations**

	3 Mo	YTD
Standard Deviation	2.22	2.22
Tracking Error	0.75	0.75
Alpha	-0.12	-0.12
Information Ratio	0.19	0.19
Beta	0.81	0.81
R-Squared	0.94	0.94
Sharpe Ratio	-0.68	-0.68
Positive Months Ratio	66.67	66.67
Up Capture	33.95	33.95
Down Capture	75.69	75.69
Up Market Periods	1	1
Down Market Periods	2	2

● eV US Large Cap Equity    ■ LA Capital Enhanced Alpha Fund    ◆ Russell 1000 Index



T. Rowe Large Cap  
Equity Only Summary Statistics

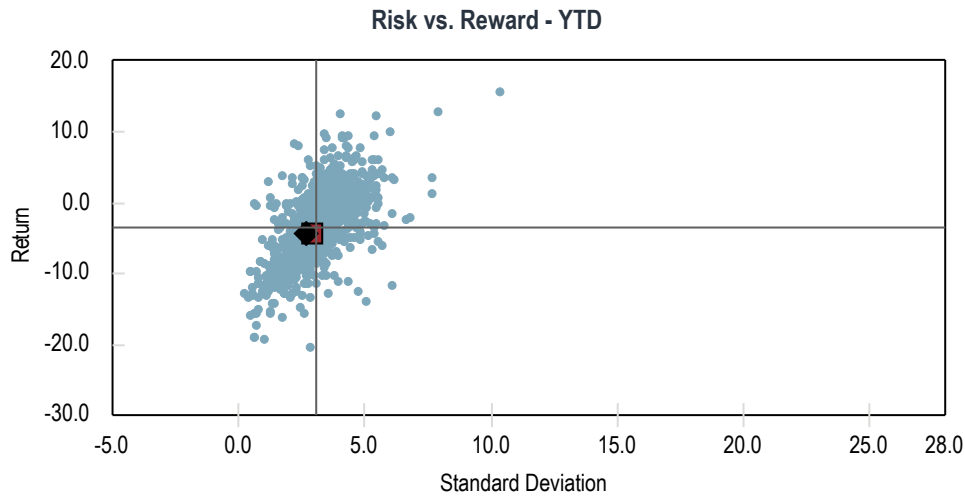
NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	306	1,006
Wtd. Avg. Mkt. Cap \$M	1,234,658.4	1,115,771.0
Median Mkt. Cap \$M	65,780.1	15,251.6
Price/Earnings ratio	27.5	25.7
Price/Book ratio	5.2	4.7
Return on Equity (%)	10.8	8.8
Current Yield (%)	1.1	1.3
Beta	-	1.0

Top Holdings		Best Performers		Worst Performers	
	Portfolio Weight		Quarterly Return		Quarterly Return
NVIDIA Corporation	7.7	Sandisk Corp	167.6	Klarna Group plc	-54.7
Apple Inc	7.0	Lumentum Holdings Inc	90.7	AppLovin Corporation	-40.9
Microsoft Corp	5.0	LyondellBasell Industries NV	88.3	CoStar Group Inc	-40.0
Amazon.com Inc	3.8	CF Industries Holdings Inc	68.8	HubSpot Inc	-39.2
Alphabet Inc	3.3	Ciena Corp	66.0	Robinhood Markets Inc	-38.7
Broadcom Inc	2.8	Western Digital Corp	57.1	Fair Isaac Corporation	-36.9
Meta Platforms Inc	2.4	Corning Inc	55.6	TPG Inc	-35.7
Alphabet Inc	2.2	Vertiv Holdings Co	54.7	Wingstop Inc	-34.9
Tesla Inc	1.8	Teradyne Inc	53.2	Intuit Inc.	-34.6
Eli Lilly and Co	1.4	Valero Energy Corp	52.7	Boston Scientific Corp	-34.2

T. Rowe Large Cap  
Return Based Style Analysis

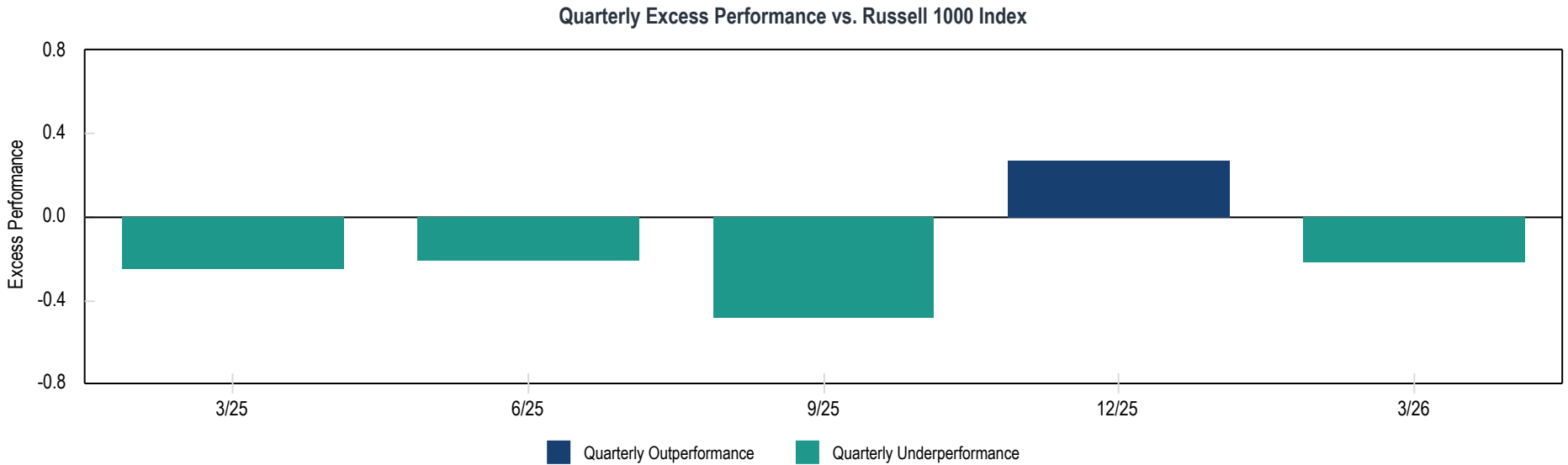
NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



**Additional Calculations**

	3 Mo	YTD
Standard Deviation	2.89	2.89
Tracking Error	0.24	0.24
Alpha	0.05	0.05
Information Ratio	-0.29	-0.29
Beta	1.09	1.09
R-Squared	1.00	1.00
Sharpe Ratio	-0.60	-0.60
Positive Months Ratio	33.33	33.33
Up Capture	116.57	116.57
Down Capture	107.93	107.93
Up Market Periods	1	1
Down Market Periods	2	2

● eV US Large Cap Equity    ■ T. Rowe Large Cap    ◆ Russell 1000 Index



■ Quarterly Outperformance    ■ Quarterly Underperformance

Internal Equity  
Equity Only Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

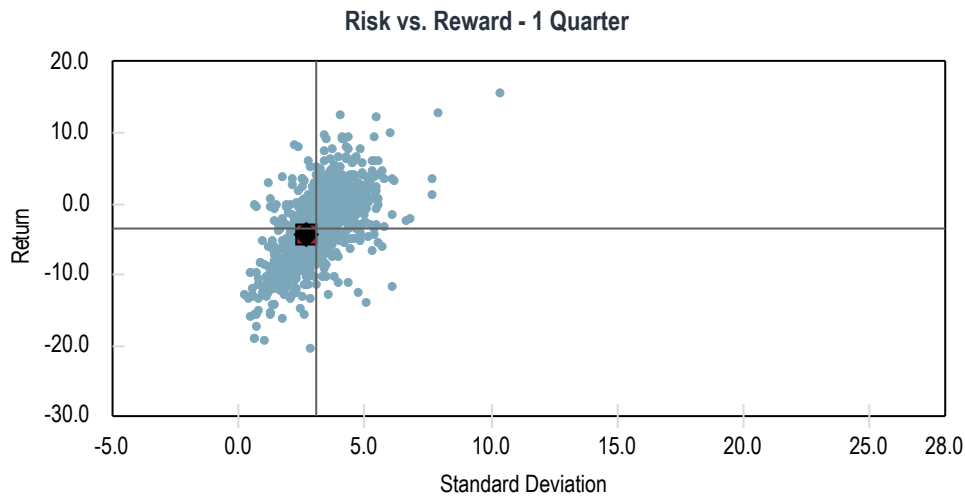
	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,005	1,006
Wtd. Avg. Mkt. Cap \$M	1,081,609.9	1,115,771.0
Median Mkt. Cap \$M	15,259.2	15,251.6
Price/Earnings ratio	25.7	25.7
Price/Book ratio	4.7	4.7
Return on Equity (%)	8.4	8.8
Current Yield (%)	1.3	1.3
Beta	-	1.0

Top Holdings		Best Performers		Worst Performers	
	Portfolio Weight		Quarterly Return		Quarterly Return
NVIDIA Corporation	6.6	Sandisk Corp	167.6	Atlassian Corporation	-57.9
Apple Inc	5.9	Lumentum Holdings Inc	90.7	Flutter Entertainment PLC	-52.6
Microsoft Corp	4.4	LyondellBasell Industries NV	88.3	Kyndryl Holdings Inc	-50.6
Amazon.com Inc	3.2	Dow Inc	80.2	Unity Software Inc	-50.3
Alphabet Inc	2.7	APA Corporation	75.2	Doximity Inc	-47.4
Broadcom Inc	2.3	Moderna Inc	72.3	Inspire Medical Systems Inc	-44.1
Alphabet Inc	2.2	Darling Ingredients Inc	71.8	Duolingo Inc	-43.8
Meta Platforms Inc	2.0	CF Industries Holdings Inc	68.8	GitLab Inc	-42.3
Tesla Inc	1.7	Ciena Corp	66.0	MongoDB Inc	-41.7
Berkshire Hathaway Inc	1.4	Texas Pacific Land Corp	65.4	nCino Inc	-41.6

# Internal Equity

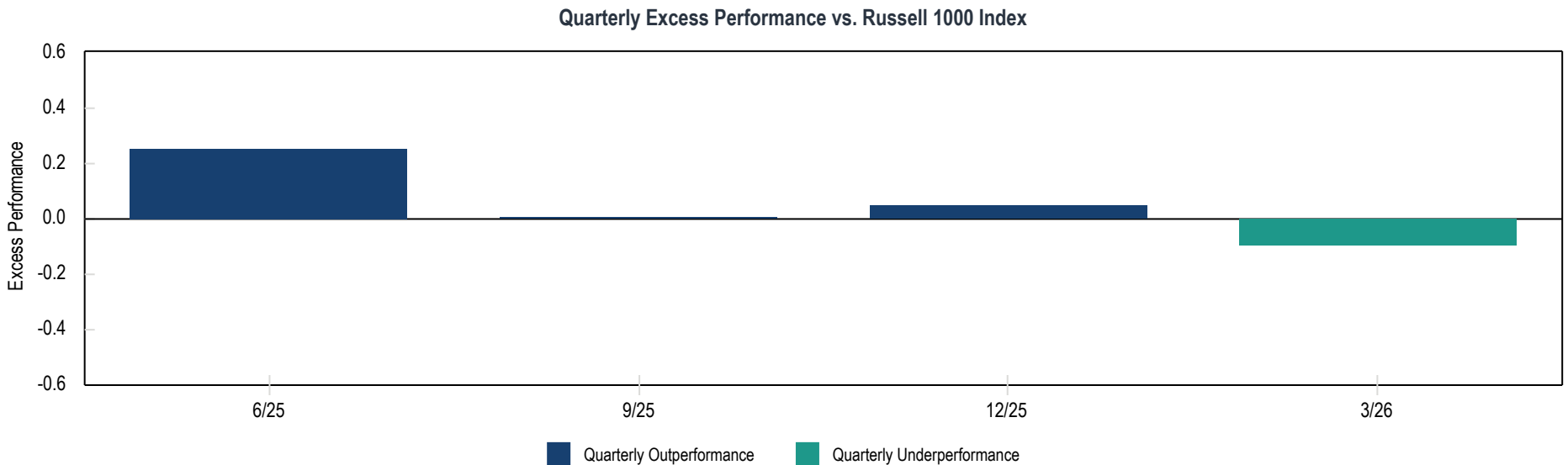
## Return Based Style Analysis

NDSIB - Consolidated Insurance Trust  
 Period Ending: March 31, 2026



**Additional Calculations**

	3 Mo
Standard Deviation	2.66
Tracking Error	0.00
Alpha	-0.03
Information Ratio	-9.55
Beta	1.00
R-Squared	1.00
Sharpe Ratio	-0.64
Positive Months Ratio	33.33
Up Capture	97.22
Down Capture	101.13
Up Market Periods	1
Down Market Periods	2



WorldQuant Mill  
Equity Only Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	340	1,006
Wtd. Avg. Mkt. Cap \$M	1,179,455.6	1,115,771.0
Median Mkt. Cap \$M	29,491.5	15,251.6
Price/Earnings ratio	25.0	25.7
Price/Book ratio	4.9	4.7
Return on Equity (%)	10.2	8.8
Current Yield (%)	1.2	1.3
Beta	-	1.0

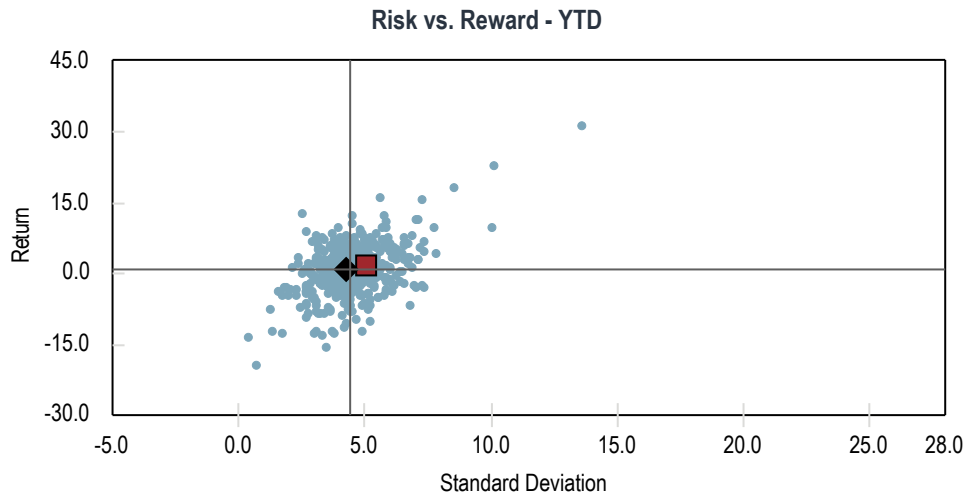
Wellington SM Cap  
Equity Only Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	296	1,933
Wtd. Avg. Mkt. Cap \$M	6,670.8	4,918.0
Median Mkt. Cap \$M	3,360.8	963.7
Price/Earnings ratio	21.3	18.4
Price/Book ratio	2.6	2.6
Return on Equity (%)	0.5	21.8
Current Yield (%)	1.0	1.3
Beta	-	1.0

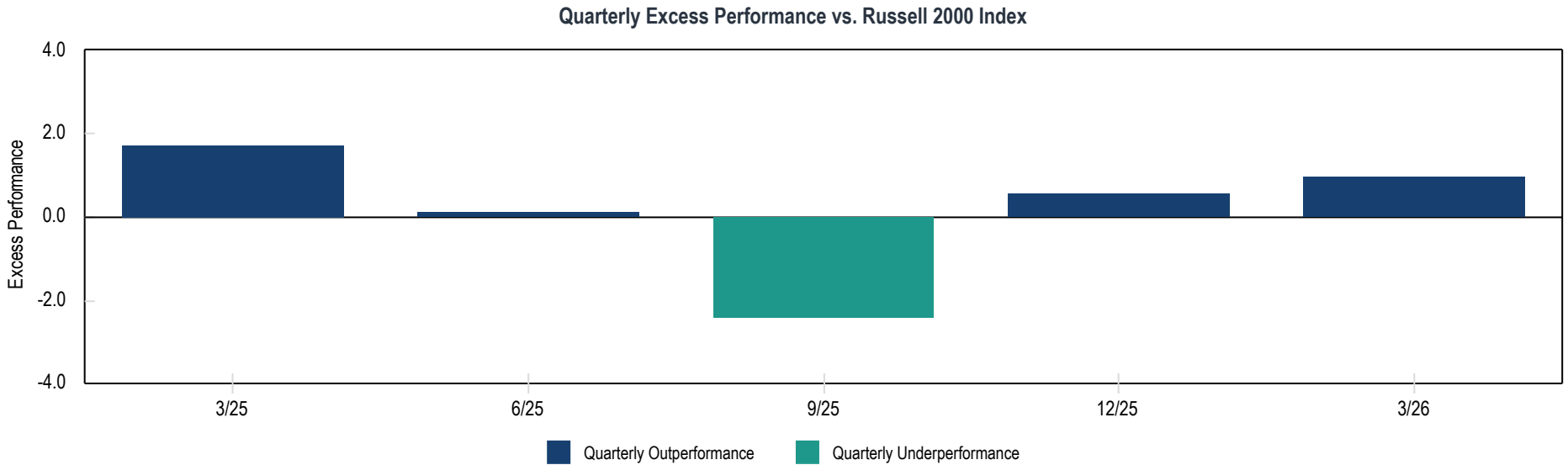
Wellington SM Cap  
Return Based Style Analysis

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



	3 Mo	YTD
Standard Deviation	5.05	5.05
Tracking Error	0.83	0.83
Alpha	0.28	0.28
Information Ratio	0.42	0.42
Beta	1.19	1.19
R-Squared	1.00	1.00
Sharpe Ratio	0.09	0.09
Positive Months Ratio	66.67	66.67
Up Capture	126.12	126.12
Down Capture	111.01	111.01
Up Market Periods	2	2
Down Market Periods	1	1

● eV US Small Cap Equity    ■ Wellington SM Cap    ◆ Russell 2000 Index



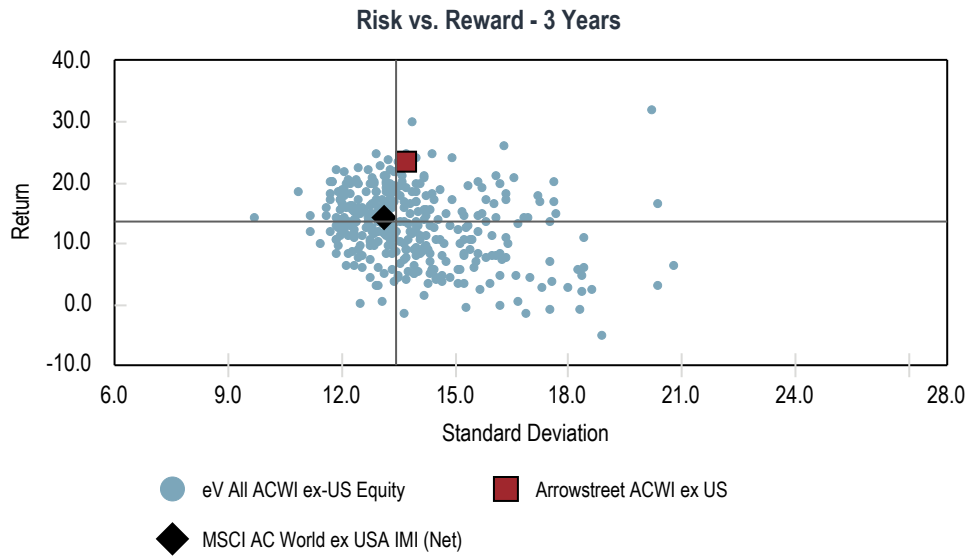
Arrowstreet ACWI ex US  
Equity Only Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

	Characteristics	
	Portfolio	Benchmark
Number of Stocks	1,655	6,070
Wtd. Avg. Mkt. Cap \$M	129,989.3	144,329.4
Median Mkt. Cap \$M	3,811.6	2,581.7
Price/Earnings ratio	15.9	16.2
Price/Book ratio	2.8	2.6
Return on Equity (%)	5.4	4.7
Current Yield (%)	2.6	2.7
Beta (3 Years, Monthly)	1.0	1.0

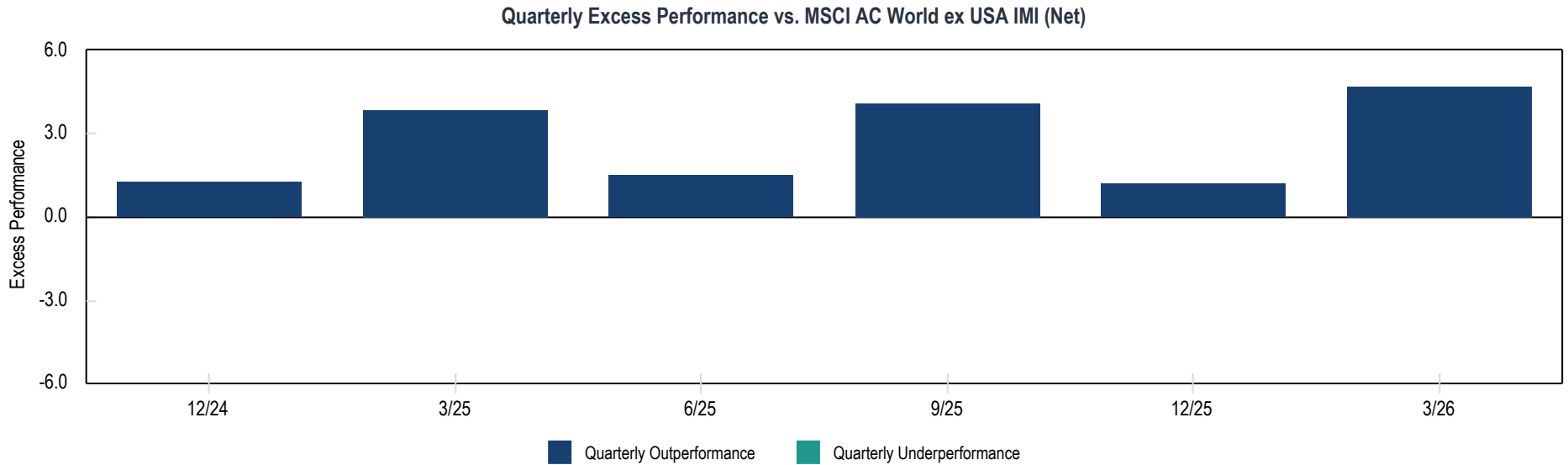
Arrowstreet ACWI ex US  
Return Based Style Analysis

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026



**Additional Calculations**

	YTD	1 Yr	3 Yrs
Standard Deviation	9.84	17.95	13.71
Tracking Error	2.20	4.77	4.75
Alpha	1.73	7.53	8.41
Information Ratio	0.80	2.46	1.65
Beta	1.27	1.19	0.98
R-Squared	0.99	0.95	0.88
Sharpe Ratio	0.16	1.77	1.28
Positive Months Ratio	66.67	83.33	69.44
Up Capture	157.44	131.54	112.49
Down Capture	110.27	93.70	64.10
Up Market Periods	2	10	23
Down Market Periods	1	2	13



# DFA Intl Small Cap Value Mutual Fund Overview (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

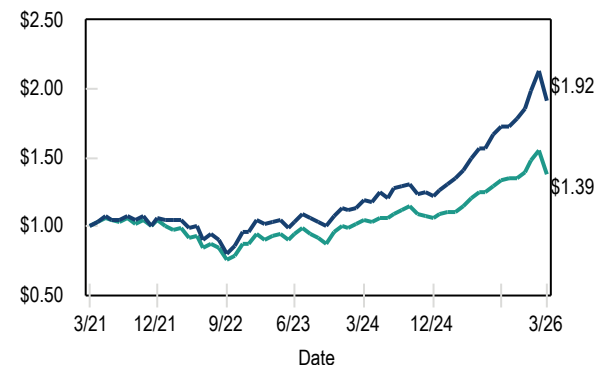
## Description:

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 depository receipts, which may be listed or traded outside the issuer's domicile country.

## Portfolio Fund Information as of March 31, 2026

Ticker	DISVX
Category	Foreign Small/Mid Value
Net Assets	14,554.03 Million
Manager Name	Fogdall,J/McAndrews,B/Schneider,J
Manager Tenure	16 Years 1 Month
Expense Ratio	0.43 %

## Growth of a Dollar



— DFA Intl Small Cap Value  
— MSCI AC World ex USA IMI (Net)

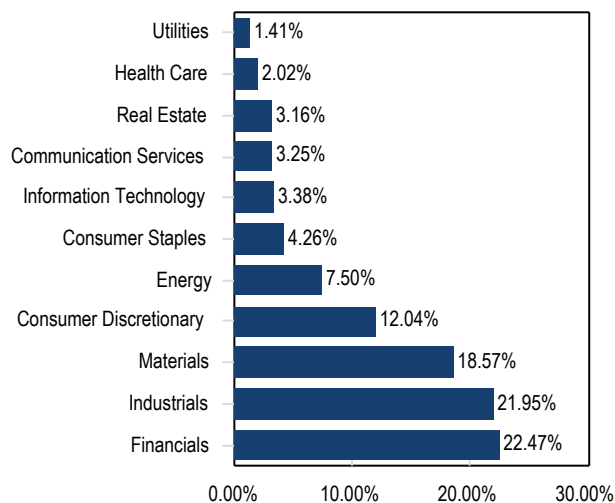
## Fund Characteristics as of 03/31/2026

Total Securities	1,885
Avg. Market Cap	2,498.36 Million
P/E	10.18
P/B	1.04
Div. Yield	3.71%

## 3 Year Statistics as of March 31, 2026

R-Squared	0.84
Alpha	7.85
Beta	1.00
Sharpe Ratio	1.21

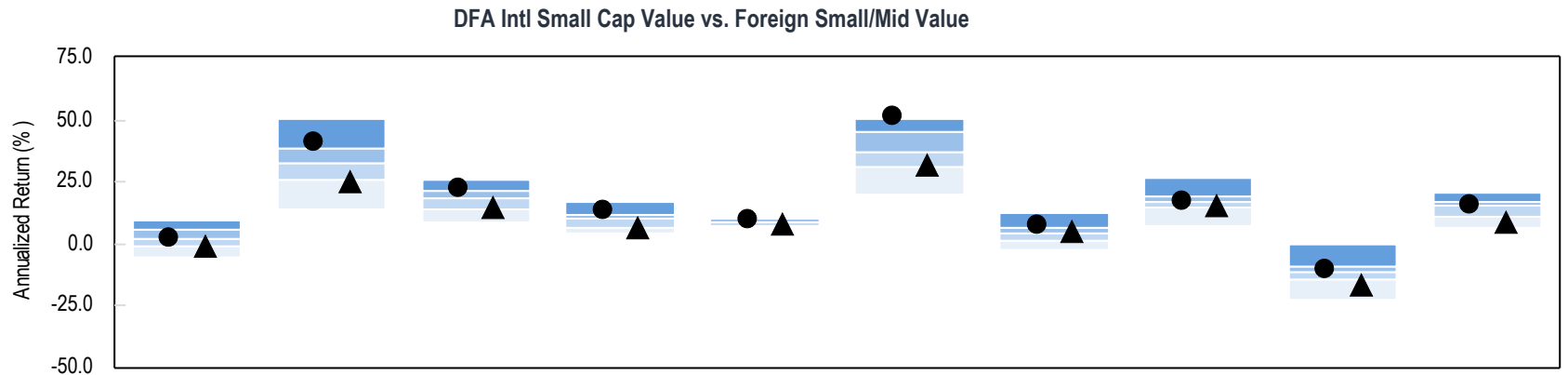
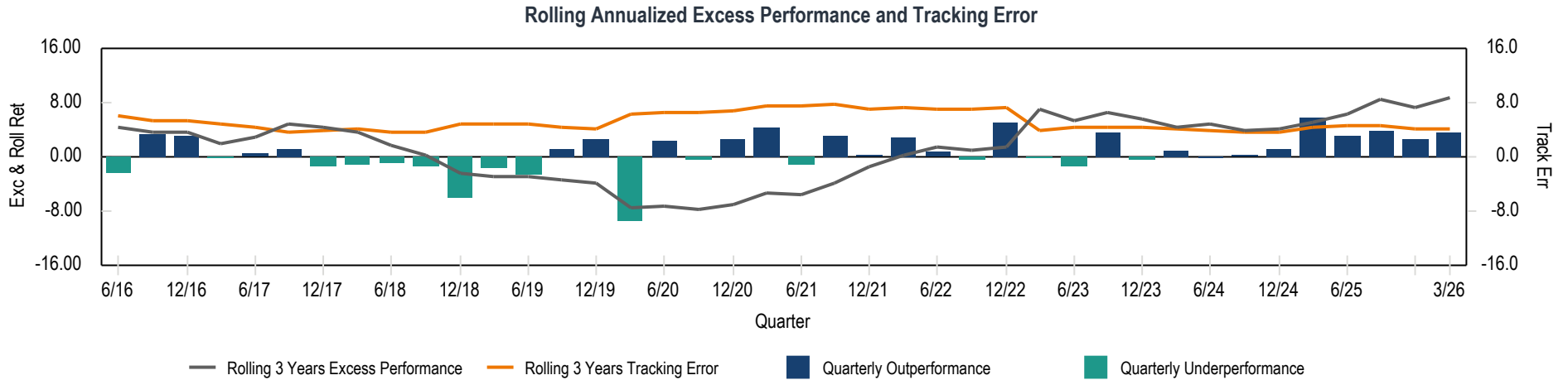
## Sector Allocation as of 03/31/2026



## Top Holdings as of 03/31/2026

Jyske Bank AS	1.09 %
SBM Offshore NV	0.93 %
AL Sydbank A/S	0.90 %
Telecom Italia SpA	0.90 %
Bankinter SA	0.84 %
Lion Finance Group PLC	0.78 %
Eldorado Gold Corp	0.69 %
Ackermans & Van Haaren NV	0.67 %
Swiss Prime Site AG	0.62 %
Hudbay Minerals Inc	0.60 %
<b>Total</b>	<b>8.02 %</b>

Source: Morningstar



	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA Intl Small Cap Value	2.91 (45)	41.81 (19)	23.07 (20)	13.94 (11)	10.47 (20)	52.07 (4)	7.93 (20)	17.58 (33)	-9.78 (31)	15.89 (38)
▲ MSCI AC World ex USA IMI (Net)	-0.68 (74)	25.32 (78)	14.38 (75)	6.83 (76)	8.33 (54)	31.96 (71)	5.23 (44)	15.62 (60)	-16.58 (86)	8.53 (90)
5th Percentile	9.76	50.77	25.96	16.69	11.18	50.69	12.67	26.42	-0.20	20.46
1st Quartile	5.62	38.33	21.08	11.94	10.07	45.48	6.52	19.54	-8.85	17.05
Median	2.29	32.63	18.21	10.05	8.77	36.95	4.47	16.70	-11.44	15.45
3rd Quartile	-0.77	25.99	14.02	6.85	7.61	30.93	1.49	15.00	-14.64	11.25
95th Percentile	-5.34	13.96	9.12	4.68	7.26	20.26	-2.17	7.39	-22.16	6.67
Population	35	33	32	31	22	33	32	32	31	30

# DFA EM All Cap Core

## Mutual Fund Overview (Net of Fees)

NDSIB - Consolidated Insurance Trust  
 Period Ending: March 31, 2026

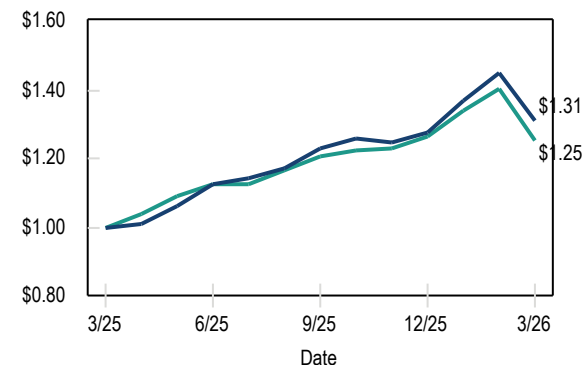
### Description:

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 March 31, 2026

Ticker	DFCEX
Category	Diversified Emerging Mkts
Net Assets	39,594.13 Million
Manager Name	Team Managed
Manager Tenure	16 Years 1 Month
Expense Ratio	0.39 %

### Growth of a Dollar



— DFA EM All Cap Core  
 — MSCI AC World ex USA IMI (Net)

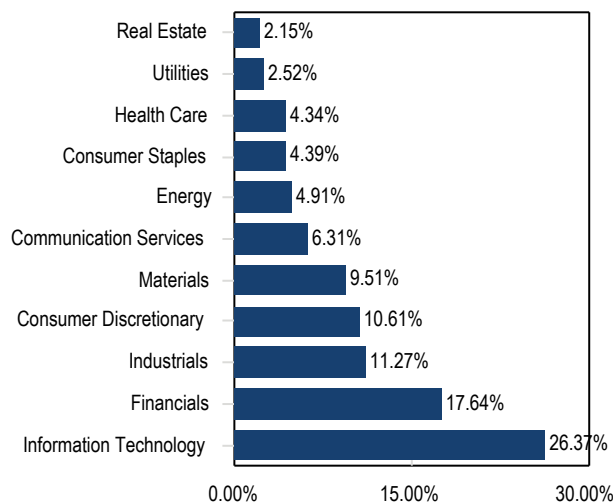
### Fund Characteristics as of 03/31/2026

Total Securities	7,719
Avg. Market Cap	19,026.41 Million
P/E	11.35
P/B	1.47
Div. Yield	2.95%

### 3 Year Statistics as of March 31, 2026

No data found.

### Sector Allocation as of 03/31/2026



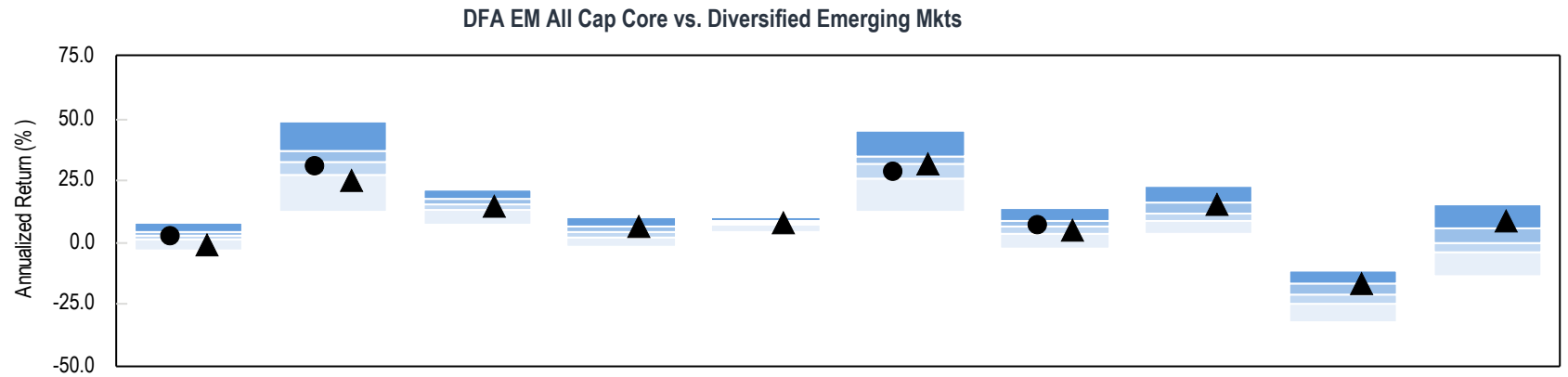
### Top Holdings as of 03/31/2026

Taiwan Semiconductor Manufacturing	6.58 %
Samsung Electronics Co Ltd	3.50 %
Taiwan Semiconductor Manufacturing	2.21 %
Tencent Holdings Ltd	2.08 %
SK Hynix Inc	1.56 %
Alibaba Group Holding Ltd Ordinary	1.07 %
Petroleo Brasileiro SA Petrobras	0.62 %
China Construction Bank Corp Class	0.59 %
Ping An Insurance (Group) Co. of	0.53 %
Petroleo Brasileiro SA Petrobras	0.50 %
<b>Total</b>	<b>19.24 %</b>

Source: Morningstar

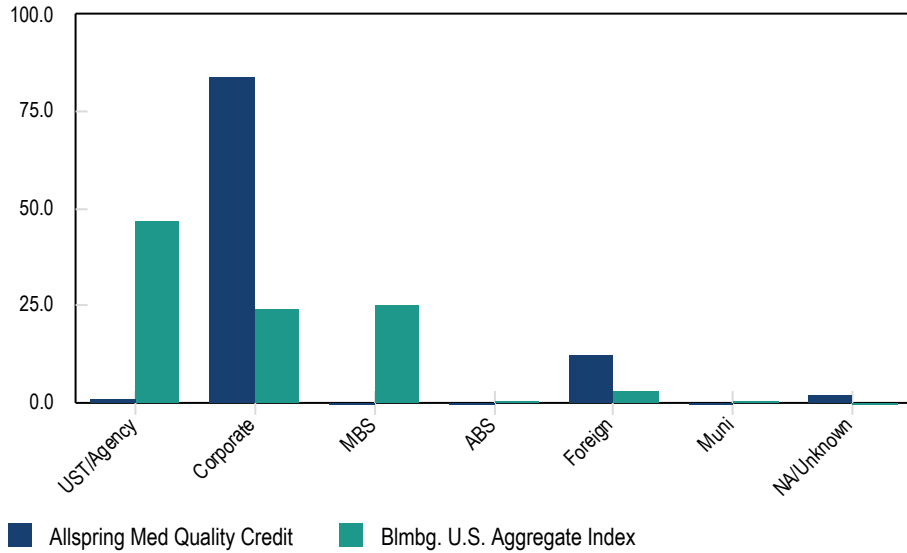
DFA EM All Cap Core  
Performance Summary (Net of Fees)

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

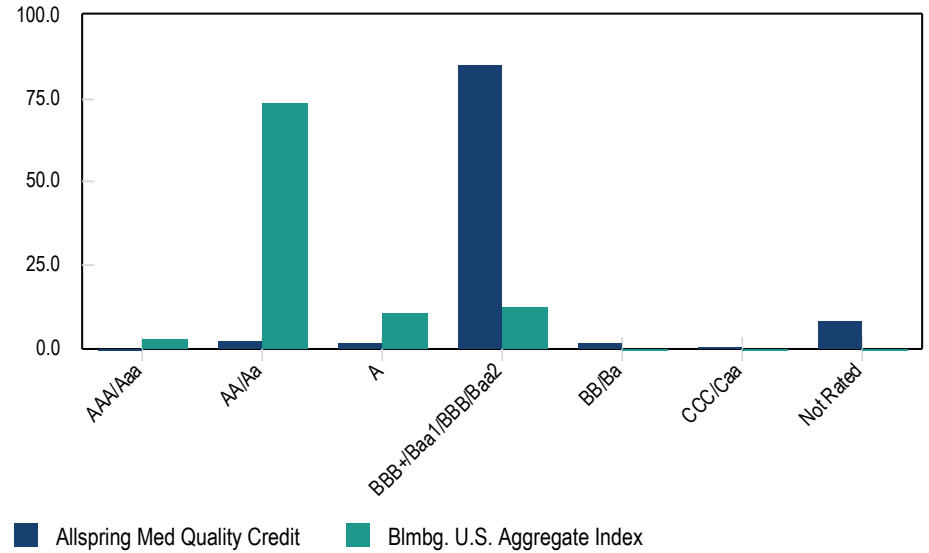


	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2025	2024	2023	2022	2021
● DFA EM All Cap Core	2.82 (53)	30.98 (60)	-	-	-	28.77 (66)	7.32 (38)	-	-	-
▲ MSCI AC World ex USA IMI (Net)	-0.68 (89)	25.32 (80)	14.38 (63)	6.83 (21)	8.33 (39)	31.96 (47)	5.23 (64)	15.62 (28)	-16.58 (24)	8.53 (19)
5th Percentile	7.67	49.26	21.68	10.07	10.51	45.20	13.96	22.93	-11.33	15.55
1st Quartile	4.59	37.10	17.71	6.39	8.96	35.18	8.65	16.06	-16.88	5.95
Median	2.93	32.66	15.33	4.43	7.89	31.47	6.48	11.52	-20.74	-0.25
3rd Quartile	0.97	27.19	13.21	2.14	6.95	26.08	3.45	8.45	-24.53	-3.94
95th Percentile	-2.98	12.81	7.56	-2.00	4.67	12.69	-2.59	3.82	-32.45	-13.35
Population	316	309	280	241	178	309	310	312	311	292

**Sectors**  
Allspring Med Quality Credit



**Quality Ratings**  
Allspring Med Quality Credit



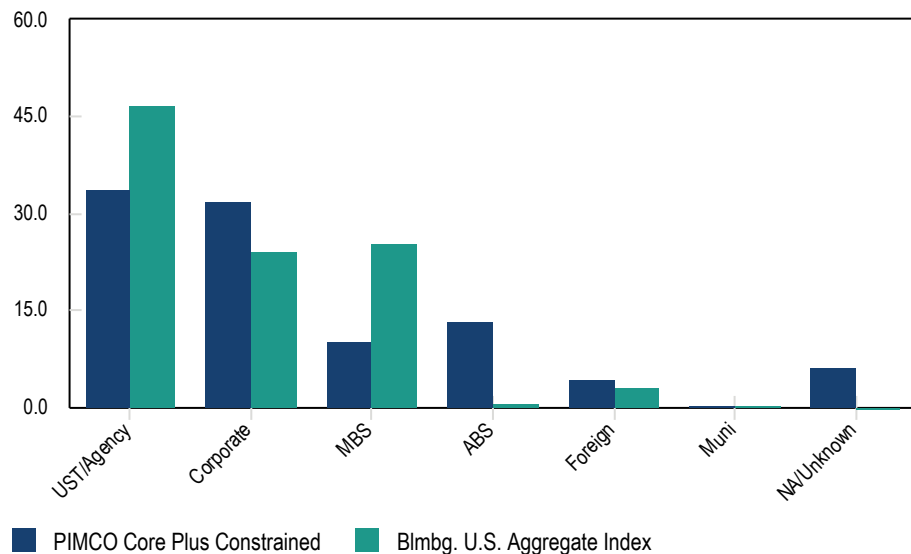
**Characteristics**  
Allspring Med Quality Credit

	Portfolio	Benchmark
Yield To Maturity (%)	5.8	4.5
Avg. Maturity	14.7	8.3
Avg. Duration	6.7	5.9
Avg. Quality	BBB	AA

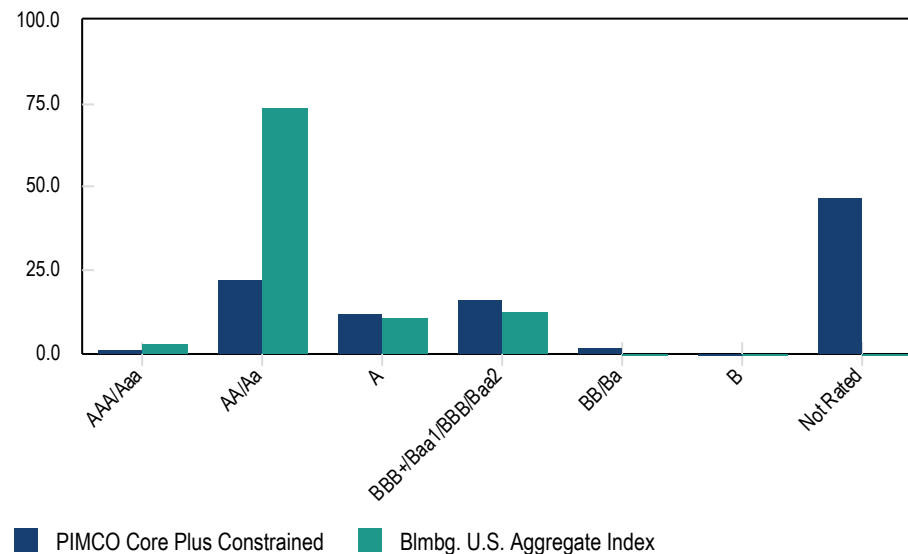
PIMCO Core Plus Constrained  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
PIMCO Core Plus Constrained



Quality Ratings  
PIMCO Core Plus Constrained



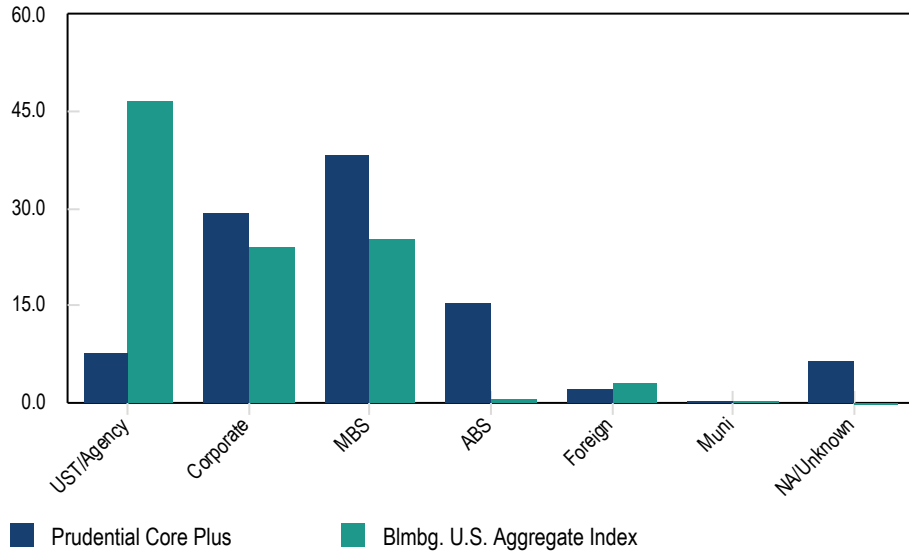
Characteristics  
PIMCO Core Plus Constrained

	Portfolio	Benchmark
Yield To Maturity (%)	5.2	4.5
Avg. Maturity	8.0	8.3
Avg. Duration	5.6	5.9
Avg. Quality	A	AA

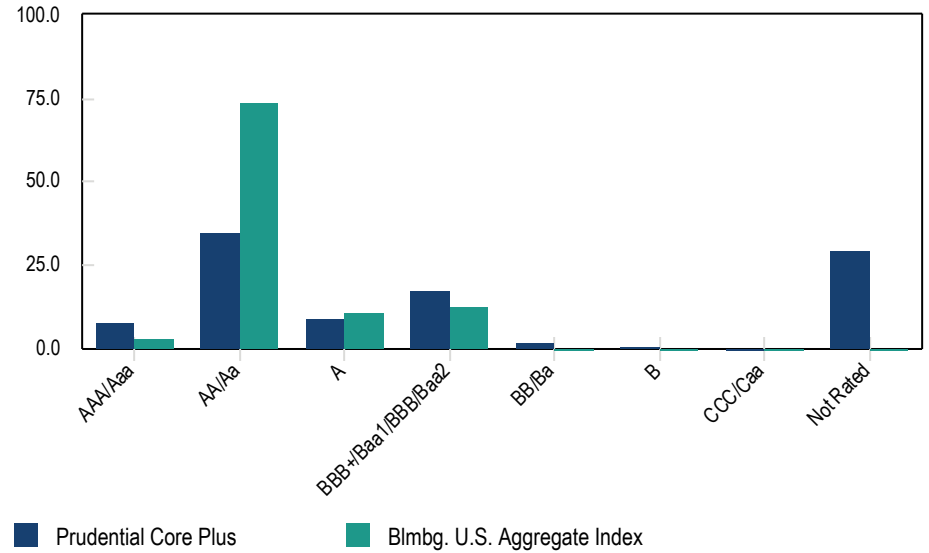
Prudential Core Plus  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
Prudential Core Plus



Quality Ratings  
Prudential Core Plus



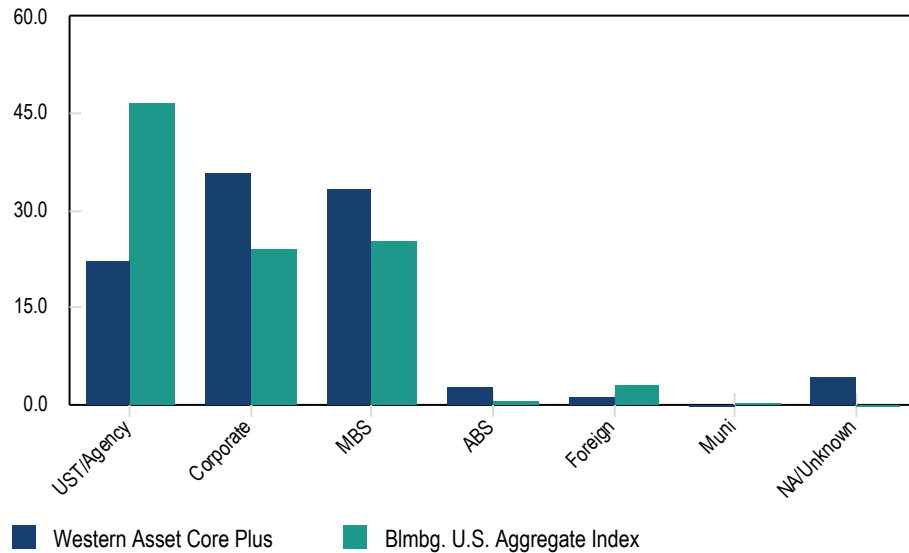
Characteristics  
Prudential Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	5.0	4.5
Avg. Maturity	7.8	8.3
Avg. Duration	5.5	5.9
Avg. Quality	A	AA

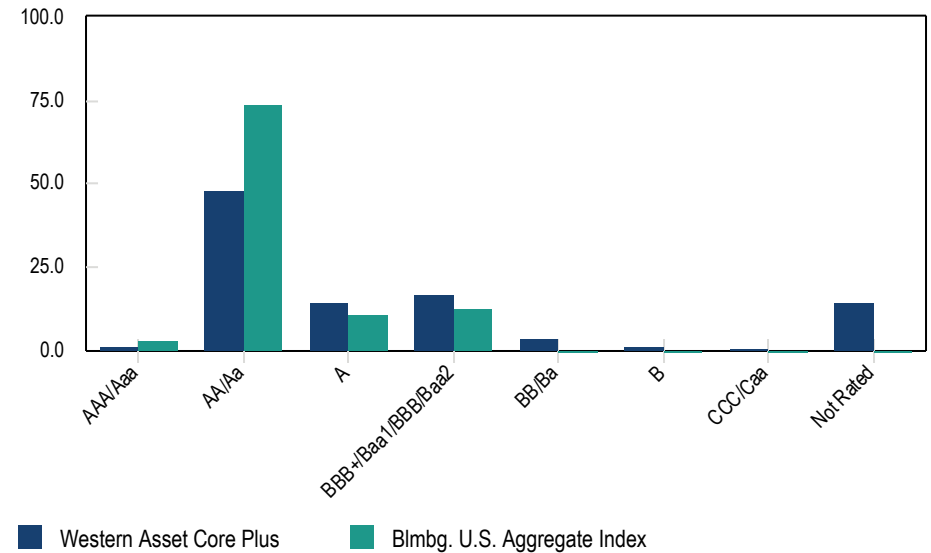
Western Asset Core Plus  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
Western Asset Core Plus



Quality Ratings  
Western Asset Core Plus



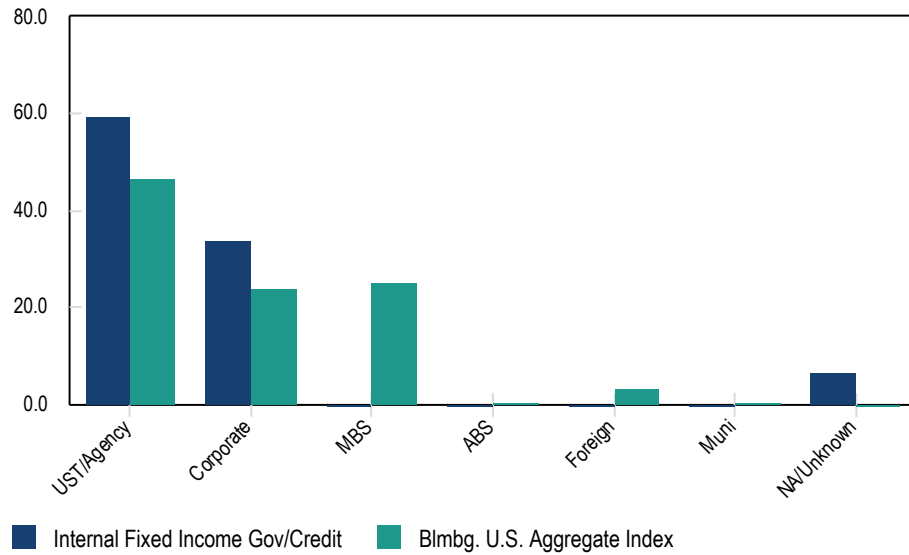
Characteristics  
Western Asset Core Plus

	Portfolio	Benchmark
Yield To Maturity (%)	6.0	4.5
Avg. Maturity	9.1	8.3
Avg. Duration	5.9	5.9
Avg. Quality	A	AA

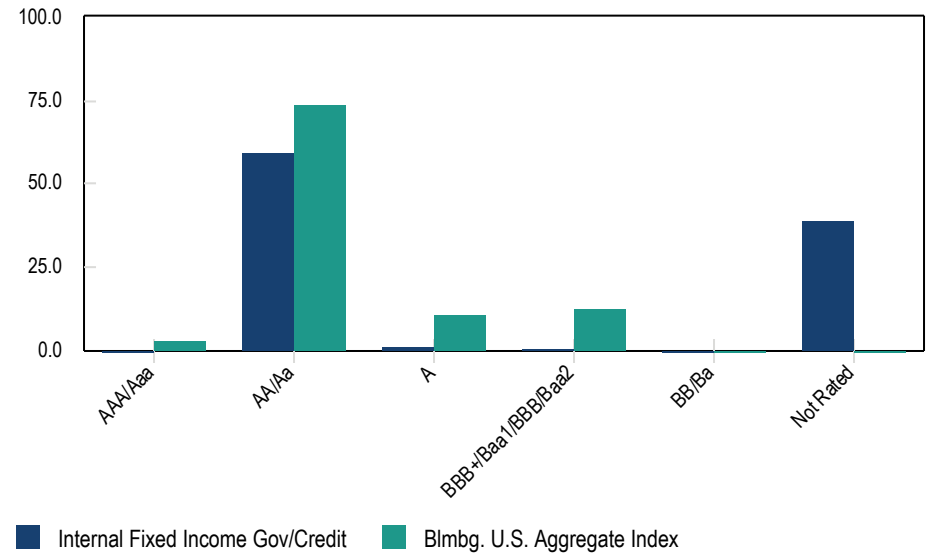
Internal Fixed Income Gov/Credit  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
Internal Fixed Income Gov/Credit



Quality Ratings  
Internal Fixed Income Gov/Credit



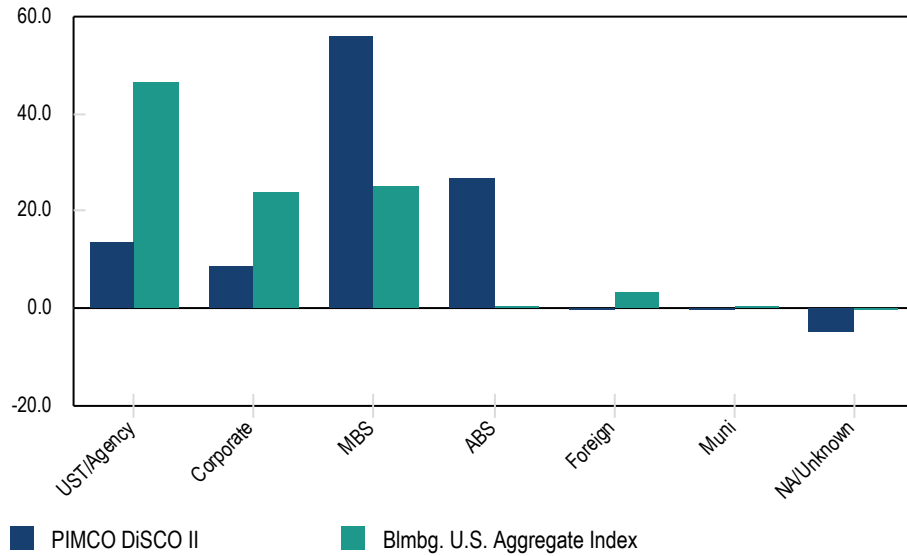
Characteristics  
Internal Fixed Income Gov/Credit

	Portfolio	Benchmark
Yield To Maturity (%)	4.2	4.5
Avg. Maturity	8.1	8.3
Avg. Duration	5.9	5.9
Avg. Quality	AA	AA

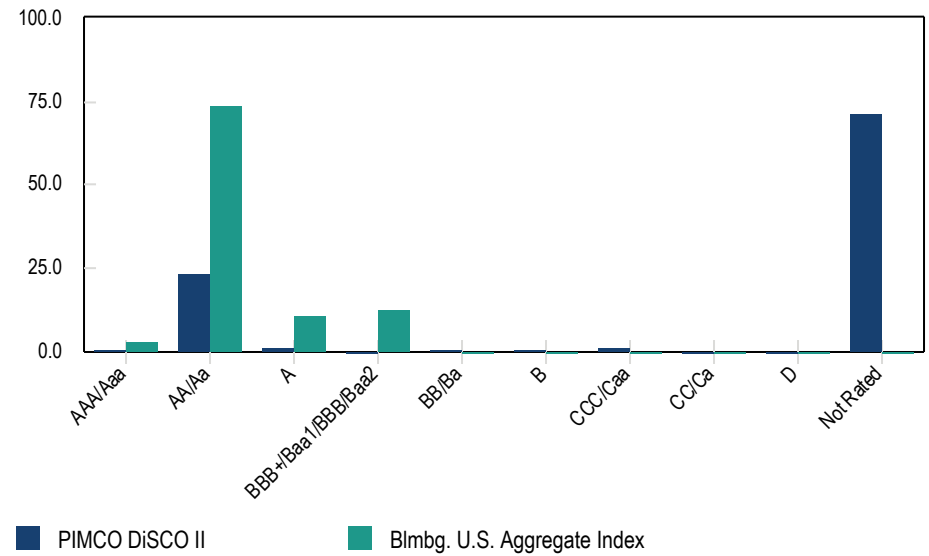
PIMCO DiSCO II  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
PIMCO DiSCO II



Quality Ratings  
PIMCO DiSCO II



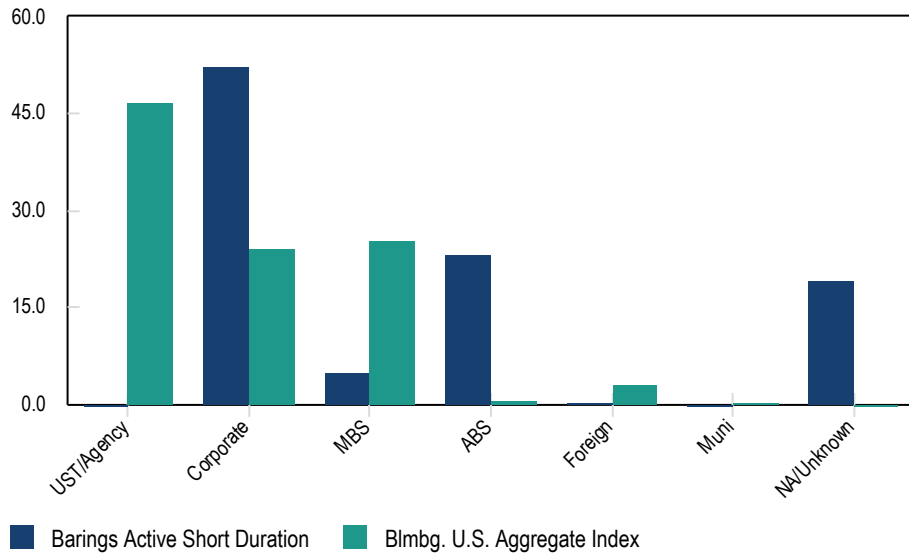
Characteristics  
PIMCO DiSCO II

	Portfolio	Benchmark
Yield To Maturity (%)	19.5	4.5
Avg. Maturity	6.1	8.3
Avg. Duration	1.7	5.9
Avg. Quality	AA	AA

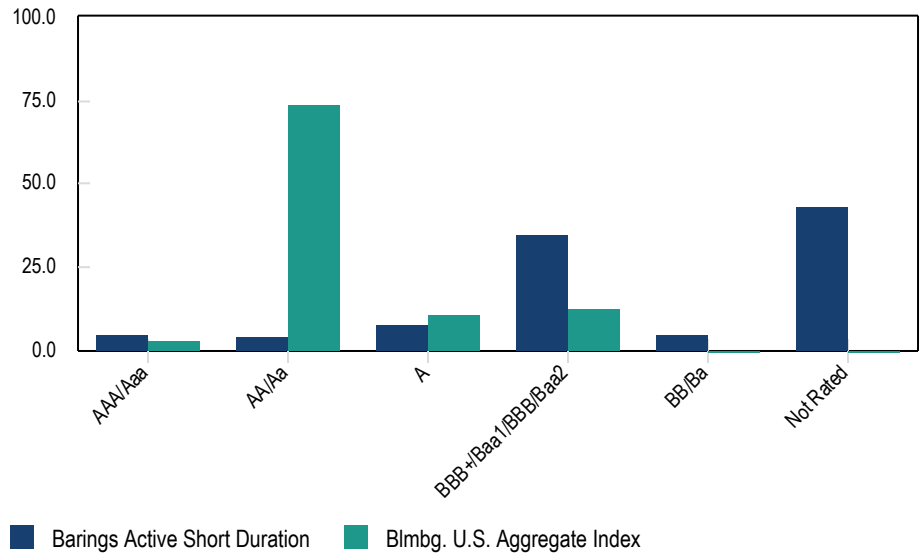
Barings Active Short Duration  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Sectors  
Barings Active Short Duration



Quality Ratings  
Barings Active Short Duration

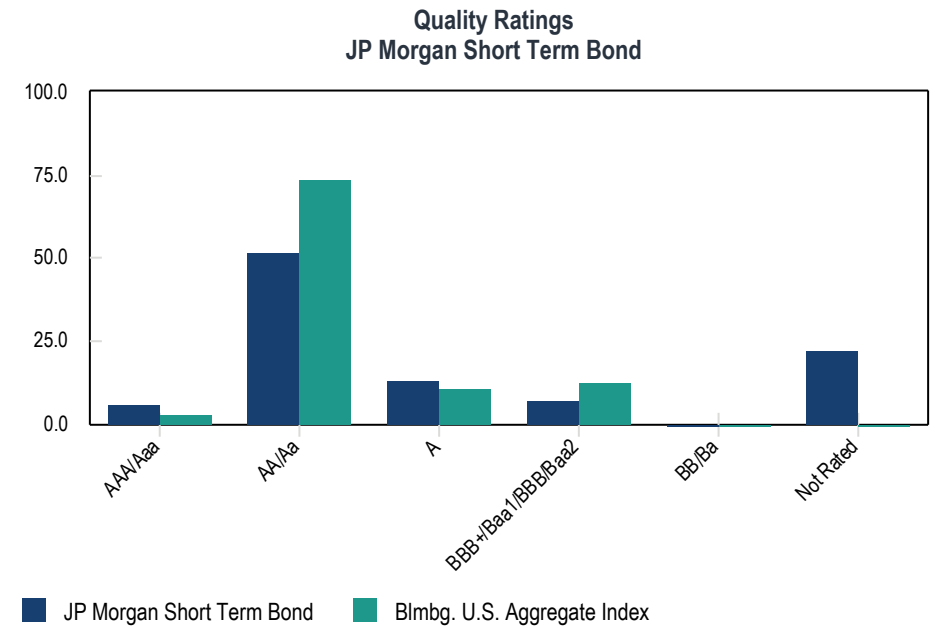
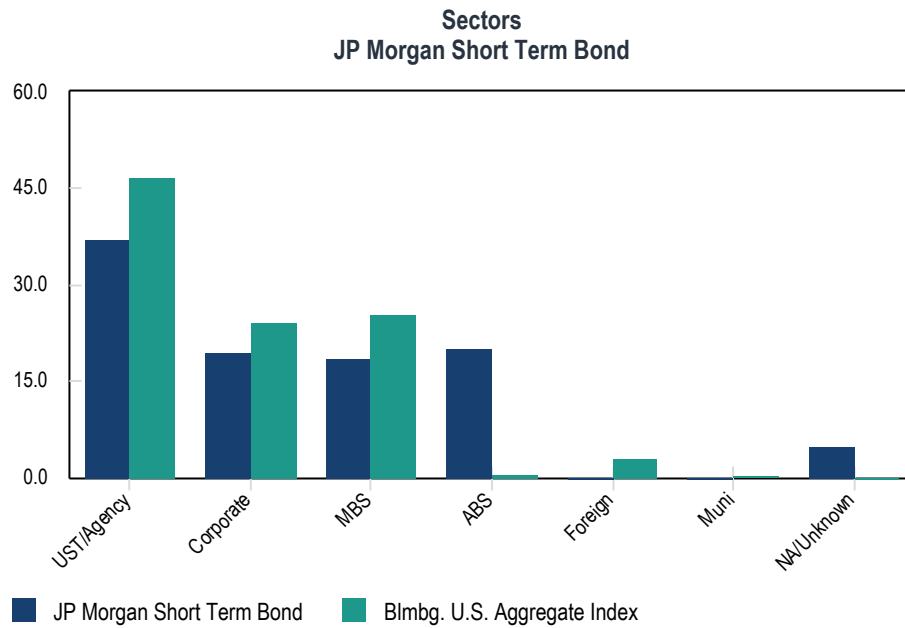


Characteristics  
Barings Active Short Duration

	Portfolio	Benchmark
Yield To Maturity (%)	6.8	4.5
Avg. Maturity	2.8	8.3
Avg. Duration	2.3	5.9
Avg. Quality	BBB	AA

JP Morgan Short Term Bond  
Bond Summary Statistics

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

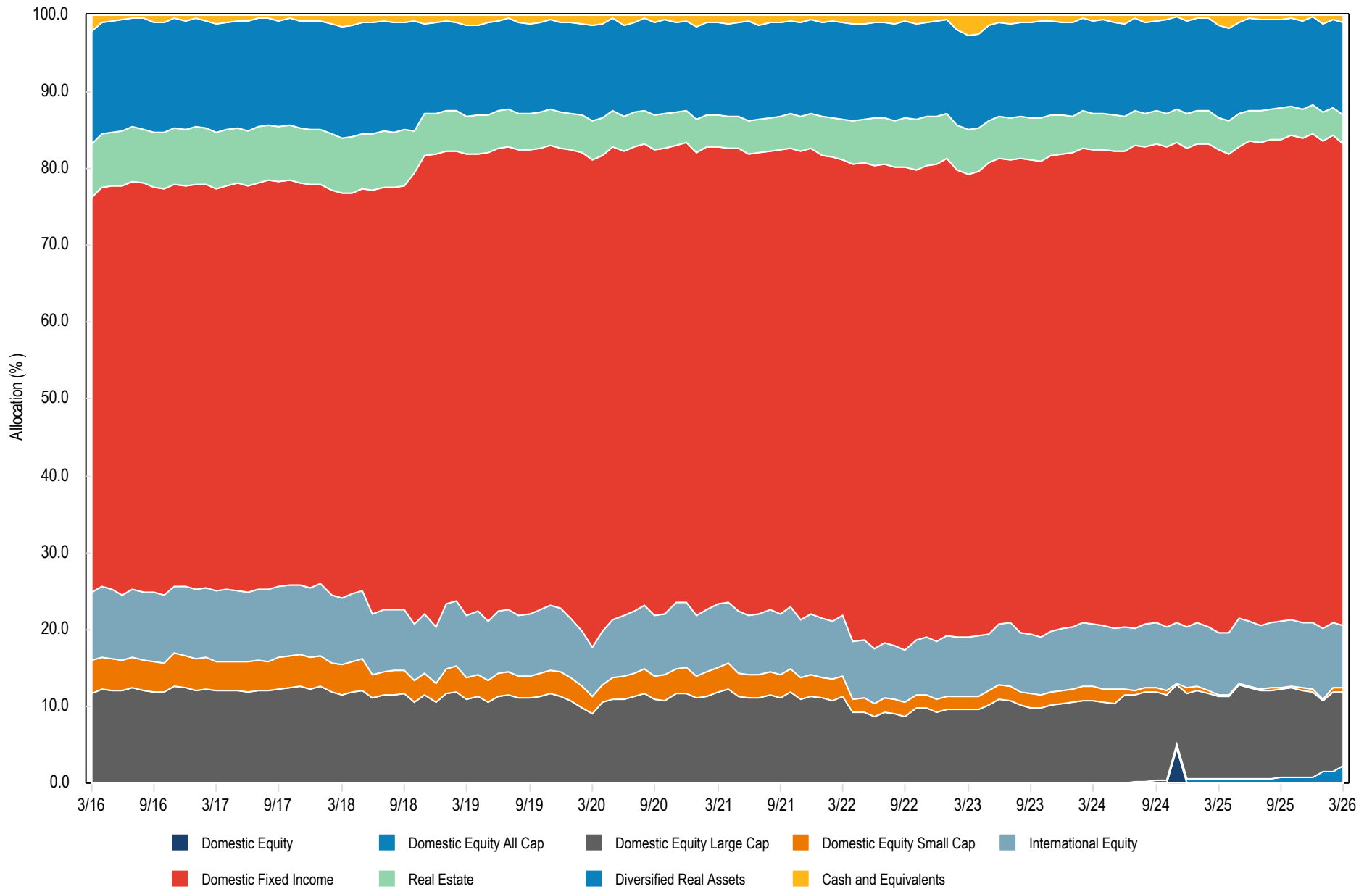


**Characteristics**  
JP Morgan Short Term Bond

	Portfolio	Benchmark
Yield To Maturity (%)	4.3	4.5
Avg. Maturity	2.3	8.3
Avg. Duration	2.0	5.9
Avg. Quality	AA	AA

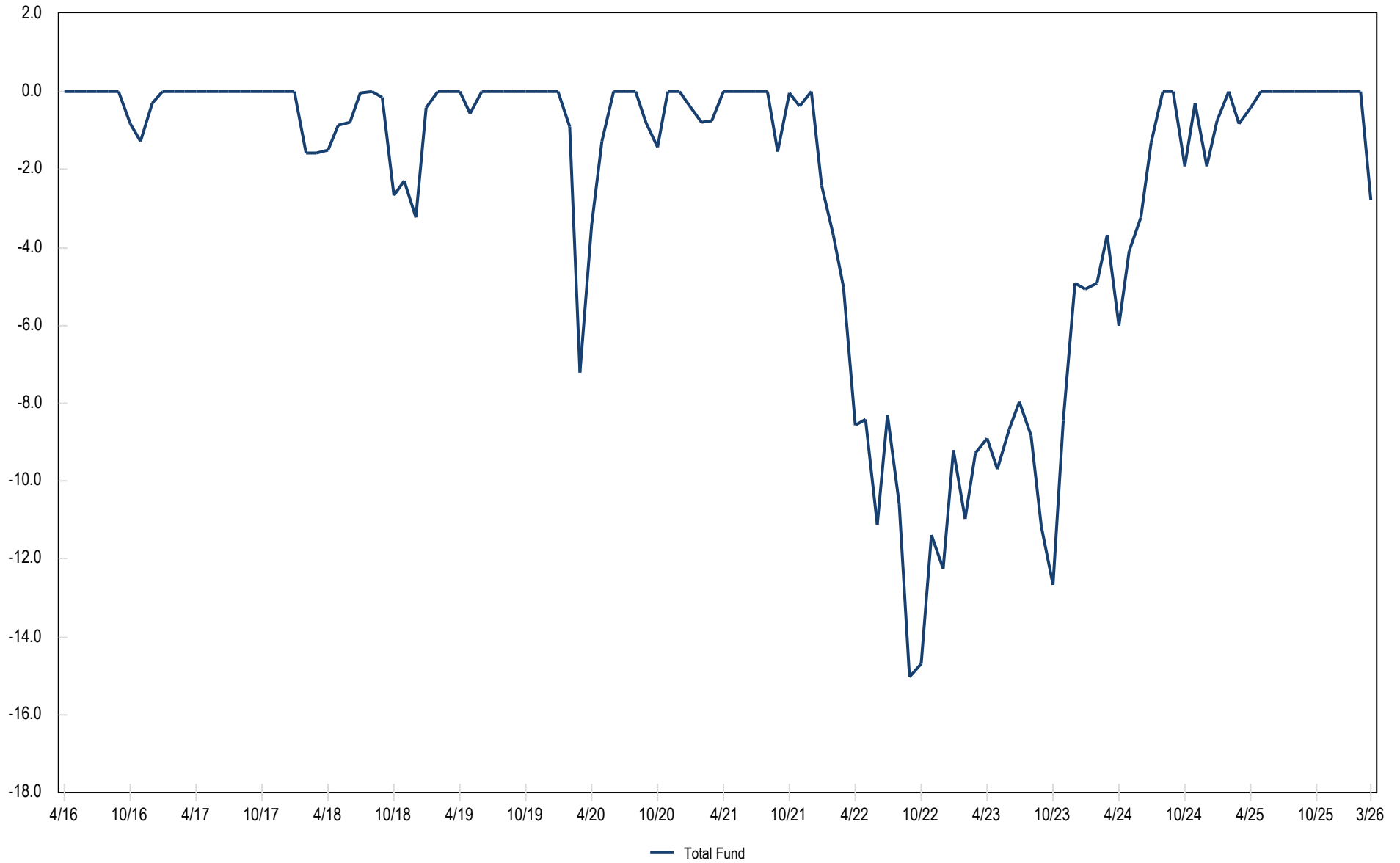
# Total Fund Asset Allocation History

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	25	25	38	38	82	82
Down Market Periods	1	1	11	11	22	22	38	38
Maximum Return	2.3	2.0	4.8	4.8	4.8	4.8	4.8	4.8
Minimum Return	-2.8	-2.6	-2.8	-2.6	-5.0	-5.0	-6.4	-5.0
Return	8.6	7.4	6.7	5.8	3.2	2.6	5.2	4.3
Cumulative Return	8.6	7.4	21.4	18.3	17.2	13.6	66.3	52.6
Active Return	1.2	0.0	0.9	0.0	0.6	0.0	0.9	0.0
<b>Risk Summary Statistics</b>								
Beta	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Upside Risk	1.1	1.0	5.1	4.9	5.1	5.0	4.7	4.4
Downside Risk	2.8	2.6	3.2	3.3	4.5	4.7	3.9	3.7
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	4.2	3.9	5.7	5.6	6.7	6.8	6.0	5.6
Alpha	0.7	0.0	0.8	0.0	0.7	0.0	0.7	0.0
Sharpe Ratio	1.1	0.9	0.4	0.2	0.0	-0.1	0.5	0.4
Active Return/Risk	0.3	0.0	0.2	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	2.1	-	1.9	-	1.0	-	0.8	-
<b>Correlation Statistics</b>								
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	72.2	100.0	63.3	100.0	70.0	100.0

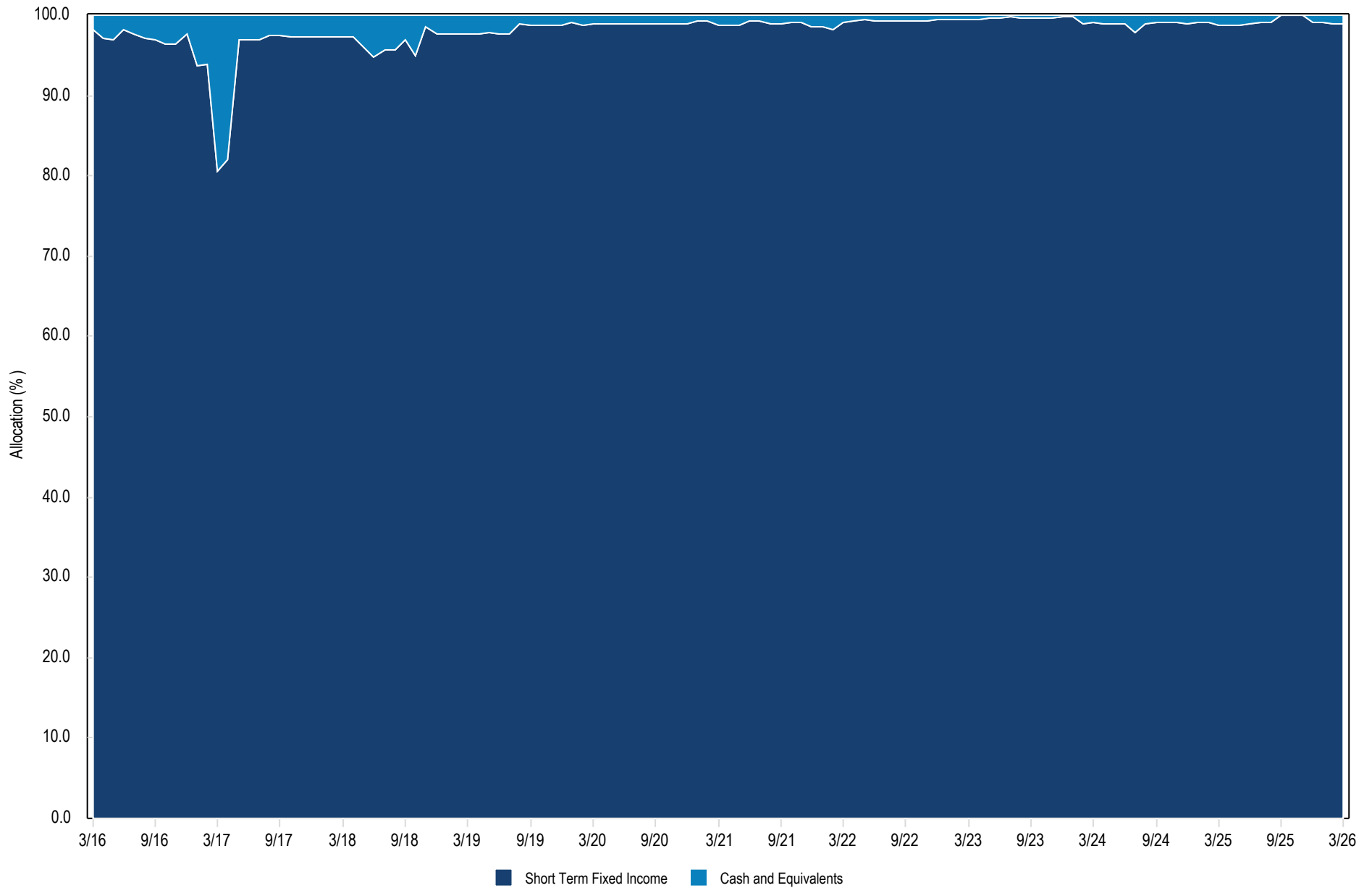
Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

	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
<b>Return Summary Statistics</b>								
Up Market Periods	11	11	25	25	38	38	82	82
Down Market Periods	1	1	11	11	22	22	38	38
Maximum Return	2.3	2.0	4.8	4.7	4.8	4.7	4.8	4.7
Minimum Return	-2.8	-2.7	-2.8	-2.7	-5.0	-4.9	-6.4	-4.9
Return	8.6	7.5	6.7	5.8	3.2	2.6	5.2	4.3
Cumulative Return	8.6	7.5	21.4	18.3	17.2	13.4	66.3	52.6
Active Return	1.1	0.0	0.9	0.0	0.7	0.0	0.9	0.0
<b>Risk Summary Statistics</b>								
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Upside Risk	1.1	1.0	5.1	4.9	5.1	4.9	4.7	4.4
Downside Risk	2.8	2.7	3.2	3.3	4.5	4.6	3.9	3.6
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	4.2	4.0	5.7	5.6	6.7	6.7	6.0	5.5
Alpha	0.8	0.0	0.8	0.0	0.7	0.0	0.6	0.0
Sharpe Ratio	1.1	0.9	0.4	0.2	0.0	-0.1	0.5	0.4
Active Return/Risk	0.3	0.0	0.2	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	-	2.0	-	1.1	-	0.8	-
<b>Correlation Statistics</b>								
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	69.4	100.0	63.3	100.0	69.2	100.0

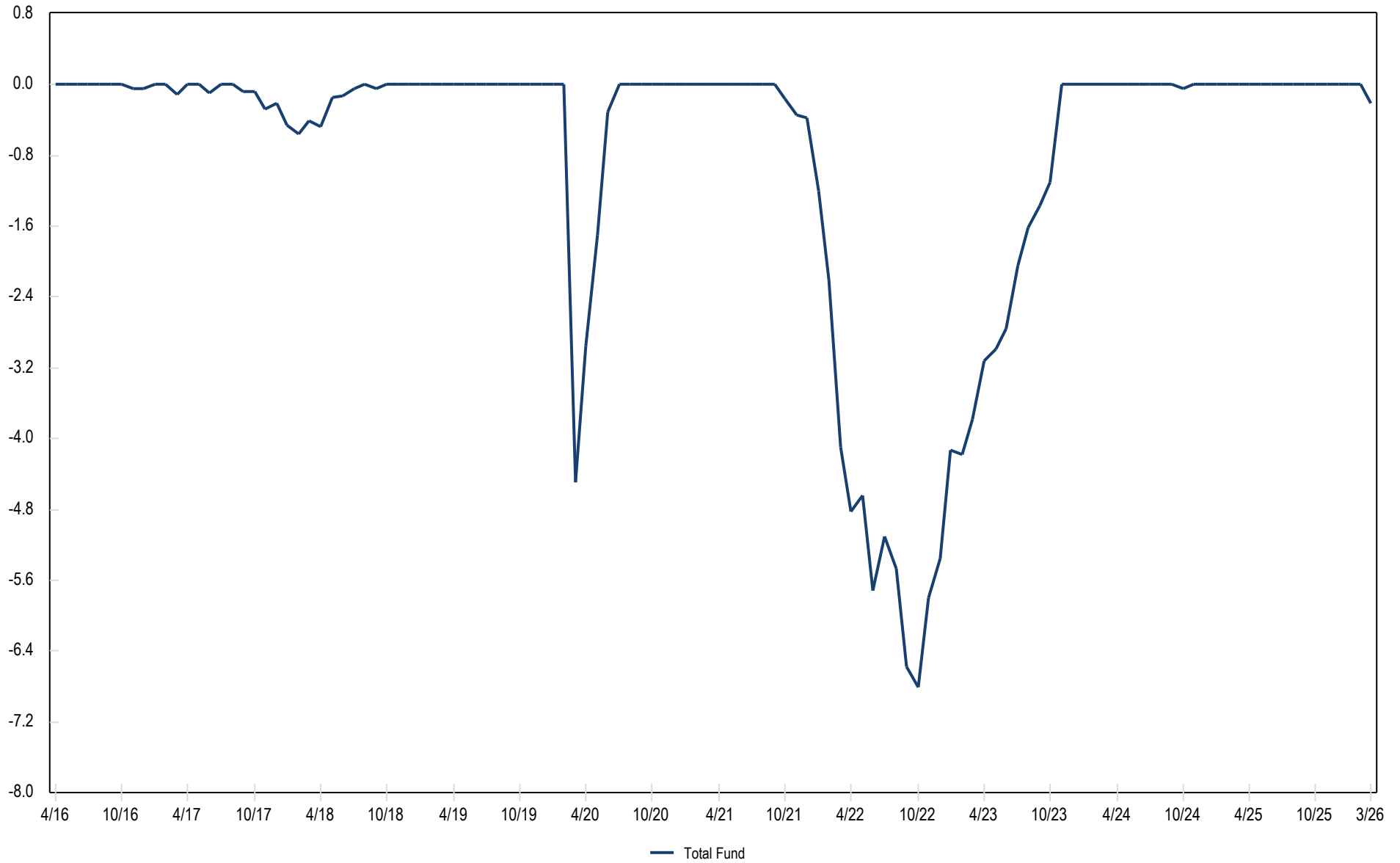
Total Fund  
Asset Allocation History

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026



Total Fund  
Historical Drawdowns (Net of Fees)

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026



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

Total Fund  
Risk Statistics (Net of Fees)

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026

	1 Yr		3 Yrs		5 Yrs		10 Yrs	
	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index	Total Fund	Policy Index
<b>Return Summary Statistics</b>								
Up Market Periods	9	9	27	27	37	37	79	79
Down Market Periods	3	3	9	9	23	23	41	41
Maximum Return	0.7	0.9	1.2	1.2	1.3	1.4	1.6	1.4
Minimum Return	-0.2	-0.5	-0.2	-0.6	-1.9	-1.3	-4.5	-1.3
Return	4.7	4.0	6.0	4.3	2.9	2.0	2.7	2.0
Cumulative Return	4.7	4.0	19.0	13.6	15.2	10.7	30.0	22.0
Active Return	0.7	0.0	1.5	0.0	0.8	0.0	0.6	0.0
<b>Risk Summary Statistics</b>								
Beta	0.5	1.0	0.6	1.0	0.9	1.0	0.9	1.0
Upside Risk	0.4	0.5	2.0	1.9	1.8	1.7	1.7	1.4
Downside Risk	0.2	0.5	0.1	0.6	1.3	1.2	1.7	0.9
<b>Risk/Return Summary Statistics</b>								
Standard Deviation	0.8	1.3	1.0	1.6	2.0	2.0	2.3	1.6
Alpha	2.6	0.0	3.3	0.0	1.1	0.0	0.9	0.0
Sharpe Ratio	0.9	0.0	1.2	-0.2	-0.2	-0.7	0.2	-0.2
Active Return/Risk	0.9	0.0	1.5	0.0	0.4	0.0	0.3	0.0
Tracking Error	0.7	0.0	0.8	0.0	1.1	0.0	1.8	0.0
Information Ratio	1.0	-	1.9	-	0.8	-	0.4	-
<b>Correlation Statistics</b>								
R-Squared	0.7	1.0	0.8	1.0	0.7	1.0	0.4	1.0
Actual Correlation	0.8	1.0	0.9	1.0	0.9	1.0	0.6	1.0
Consistency	58.3	100.0	63.9	100.0	61.7	100.0	68.3	100.0

Quarterly Index Returns  
Performance Summary (Net of Fees)

North Dakota State Investment Board  
Period Ending: March 31, 2026

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
MSCI World Index (Net)	-3.5730	6.6622	18.8984	16.7707	10.2680	12.2838	11.8012
MSCI World Minimum Volatility Index (Net)	0.0610	0.1591	2.5256	8.8661	6.0484	6.4775	7.1701
MSCI USA Minimum Volatility Index	-1.1520	0.0728	0.6988	10.2510	7.8335	8.6837	9.8502
MSCI AC World IMI Index (Net)	-2.7485	8.0882	20.6447	16.2355	9.0345	11.3268	11.1022
Russell 1000 Growth Index	-9.7764	0.8263	18.8124	21.1840	12.7622	16.9600	16.8318
Russell 1000 Value Index	2.0999	11.6377	15.8655	14.3071	9.4298	10.6347	10.5794
Russell 1000 Index	-4.1807	5.9747	17.7441	18.1358	11.3364	14.1586	13.9667
S&P 500 Index	-4.3343	6.1844	17.8036	18.3167	12.0643	14.4392	14.1596
S&P SmallCap 600 Index	3.5138	14.8688	20.4967	10.5119	4.4934	8.7886	9.9043
Russell 2000 Index	0.8868	15.8757	25.7246	13.0476	3.7682	8.6028	9.8811
Russell 2000 Growth Index	-2.8076	10.3698	23.5763	12.2650	1.6217	7.6776	9.7873
Russell 2000 Value Index	4.9554	22.0319	28.0918	13.7966	5.7945	9.0795	9.6098
MSCI EAFE (Net)	-1.2414	8.4937	21.2689	13.6179	7.9116	8.8566	8.3789
MSCI World ex U.S. (Net)	-0.9358	9.7706	22.9927	14.2982	8.3960	9.2510	8.6590
MSCI AC World ex USA IMI (Net)	-0.6753	11.1895	25.3184	14.3846	6.8278	8.4902	8.3254
MSCI AC World ex USA (Net)	-0.7057	11.4987	24.9150	14.4934	7.0162	8.5040	8.3787
MSCI World ex U.S. Small Cap Index (Net)	-0.3714	10.5823	29.1854	13.7672	5.4035	8.2318	7.9464
MSCI EAFE Small Cap (Net)	-1.2549	7.6825	25.5499	12.6519	4.4335	7.3881	7.4217
MSCI Emerging Markets (Net)	-0.1650	15.6846	29.5529	14.8390	3.6915	6.5863	7.7985
Blmbg. U.S. Aggregate Index	-0.0469	3.1042	4.3485	3.6326	0.3130	1.5583	1.6985
Blmbg. U.S. Government Index	-0.0396	2.3912	3.2661	2.6245	-0.1017	1.0669	1.0689
Blmbg. U.S. Treasury: Long	-0.4074	2.0233	0.4653	-1.5086	-4.5772	-1.7529	-0.7977
Bloomberg U.S. Government/Credit Index	-0.2029	2.6096	3.8574	3.4112	0.2407	1.6467	1.7893
Blmbg. U.S. Govt Infl. Linked All Maturities	0.2159	2.4373	2.8256	3.0425	1.3236	3.0112	2.6317
Blmbg. U.S. Corp: BAA Bond	-0.5796	3.1137	5.1741	5.2813	1.1259	2.8647	3.3548
Morningstar LSTA U.S. Leveraged Loan	-0.5517	2.4416	4.8133	7.9996	5.9282	5.5797	5.6056
Morningstar LSTA U.S. B Ratings Loan	-0.8967	2.3476	4.8616	8.4379	6.2485	5.9407	5.9463
Morningstar LSTA Leveraged Loan Index + 100 bps	-0.3040	3.2090	5.8614	9.0797	6.9875	6.6355	6.6617
Blmbg. U.S. High Yield - 2% Issuer Cap	-0.4957	3.3623	7.0100	8.6026	4.2226	5.0848	6.1163
90 Day U.S. Treasury Bill	0.8494	2.9283	3.9987	4.7366	3.3385	2.7172	2.2517
Blmbg. U.S. Govt Infl. Linked All Maturities	0.2159	2.4373	2.8256	3.0425	1.3236	3.0112	2.6317
Bloomberg U.S. Government 1-3 Year Index	0.2703	2.5433	3.7687	4.0514	1.8288	2.1147	1.7777
Bloomberg U.S. Gov/Credit 1-3 Year Index	0.2837	2.6520	3.9553	4.3472	2.0357	2.3215	2.0195
Russell 3000 Index	-3.9573	6.3917	18.0855	17.8550	10.8669	13.8144	13.7155
JPM EMBI Global Diversified	-1.2598	6.8312	10.3829	9.4546	2.4700	2.8931	3.7534
JPM GBI-EM Global Diversified	-2.2497	3.8452	11.7603	6.8424	2.0644	2.2716	2.5704
ICE BofA 1-3 Years U.S. Treasury Index	0.2928	2.5453	3.7515	4.0431	1.8579	2.1259	1.7839

Fiscal year 06/30.

Quarterly Index Returns  
Performance Summary (Net of Fees)

North Dakota State Investment Board  
Period Ending: March 31, 2026

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Blmbg. U.S. Treasury: 9-12 Month Index	0.6942	2.9706	3.9713	4.6319	2.9073	2.6216	2.2187
ICE BofA US High Yield Master II Constrained Index	-0.5496	3.2115	6.8975	8.5037	4.1946	4.9272	6.0407
MSCI AC World ex USA (Net)	-0.7057	11.4987	24.9150	14.4934	7.0162	8.5040	8.3787
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	1.5939	3.7360	4.5704	6.9798	8.5774	6.3723	5.3930
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	0.6982	2.0475	2.9176	-4.2512	2.5080	2.4618	3.8810
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	0.9490	2.8120	3.9468	-3.2937	3.5331	3.4864	4.9198
Secured Overnight Financing Rate	0.9191	3.0873	4.2193	4.9157	3.5035	2.7833	-

Fiscal year 06/30.

Total Fund  
Benchmark Detail

NDSIB - Consolidated Pension Trust  
Period Ending: March 31, 2026

Pension Corridor Target Index		Weight (%)	Pension Policy Index		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
Russell 3000 Index		30.64	Russell 3000 Index		30.38
MSCI AC World ex USA IMI (Net)		18.20	MSCI AC World ex USA IMI (Net)		18.04
Private Equity Benchmark		9.98	Private Equity Benchmark		8.14
Blmbg. U.S. Aggregate Index		18.61	Blmbg. U.S. Aggregate Index		17.04
Blmbg. U.S. High Yield - 2% Issuer Cap		8.09	Blmbg. U.S. High Yield - 2% Issuer Cap		7.41
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		7.66	NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		10.17
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		0.58	NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		0.58
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		5.82	NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		7.83
90 Day U.S. Treasury Bill		0.42	90 Day U.S. Treasury Bill		0.42
Pension Total Equity Blend		Weight (%)	Pension Total Income Blend		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
Russell 3000 Index		52.09	Blmbg. U.S. Aggregate Index		69.69
MSCI AC World ex USA IMI (Net)		30.94	Blmbg. U.S. High Yield - 2% Issuer Cap		30.31
Private Equity Benchmark		16.97			
Pension Total Real Assets		Weight (%)	Pension Other Real Assets Blend		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		54.51	NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		90.92
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		4.13	NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		9.08
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		41.36			
Pension Private Equity Benchmark		Weight (%)			
<b>Jan-2026</b>					
Private Equity		0.00			
Hamilton Lane Private Equity Benchmark		100.00			

Total Fund  
Benchmark Detail

NDSIB - Public Employees Retirement System  
Period Ending: March 31, 2026

PERS Corridor Target Index	Weight (%)
<b>Mar-2026</b>	
MSCI AC World IMI Index (Net)	52.43
Private Equity Benchmark	8.16
Blmbg. U.S. Aggregate Index	17.80
Blmbg. U.S. High Yield - 2% Issuer Cap	7.79
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	7.83
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	0.52
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	5.47
90 Day U.S. Treasury Bill	0.00

PERS Policy Index	Weight (%)
<b>Mar-2026</b>	
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	0.52
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	7.48

PERS Total Equity Blend	Weight (%)
<b>Mar-2026</b>	
MSCI AC World IMI Index (Net)	86.54
Private Equity Benchmark	13.46

PERS Total Income Blend	Weight (%)
<b>Mar-2026</b>	
Blmbg. U.S. Aggregate Index	69.57
Blmbg. U.S. High Yield - 2% Issuer Cap	30.43

PERS Total Real Assets Blend	Weight (%)
<b>Mar-2026</b>	
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	56.65
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	39.57
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	3.78

PERS Other Real Assets Blend	Weight (%)
<b>Mar-2026</b>	
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	8.72
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	91.28

PERS Private Equity Benchmark	Weight (%)
<b>Jan-2026</b>	
Private Equity	0.00
Hamilton Lane Private Equity Benchmark	100.00

Total Fund  
Benchmark Detail

NDSIB - Teachers Fund For Retirement  
Period Ending: March 31, 2026

TFFR Corridor Target Index		Weight (%)	TFFR Policy Index		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
MSCI AC World IMI Index (Net)		43.98	MSCI AC World IMI Index (Net)		45.00
Private Equity Benchmark		12.85	Private Equity Benchmark		10.00
Blmbg. U.S. Aggregate Index		19.27	Blmbg. U.S. Aggregate Index		18.00
Blmbg. U.S. High Yield - 2% Issuer Cap		8.56	Blmbg. U.S. High Yield - 2% Issuer Cap		8.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		7.46	NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		9.00
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		0.65	NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		8.35
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		6.22	NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		0.65
90 Day U.S. Treasury Bill		1.00	90 Day U.S. Treasury Bill		1.00
TFFR Total Equity Blend		Weight (%)	TFFR Total Income Blend		Weight (%)
<b>Mar-2026</b>			<b>Sep-2025</b>		
MSCI AC World IMI Index (Net)		77.39	Blmbg. U.S. Aggregate Index		69.23
Private Equity Benchmark		22.61	Blmbg. U.S. High Yield - 2% Issuer Cap		30.77
TFFR Total Real Assets Blend		Weight (%)	TFFR Other Real Assets Blend		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		52.06	NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		90.57
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		43.42	NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		9.43
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		4.52			
TFFR Private Equity Benchmark		Weight (%)			
<b>Jan-2026</b>					
Private Equity		0.00			
Hamilton Lane Private Equity Benchmark		100.00			

Total Fund  
Benchmark Detail

NDSIB - Legacy Fund  
Period Ending: March 31, 2026

Legacy Corridor Target Index		Weight (%)	Legacy Policy Index		Weight (%)
<b>Mar-2026</b>			<b>Jul-2024</b>		
Russell 3000 Index		33.40	Russell 3000 Index		27.50
Legacy - Total International Equity Benchmark		23.08	MSCI AC World ex USA IMI (Net)		19.00
Private Equity Benchmark		0.53	Private Equity Benchmark		7.00
Legacy - Corridor Global Fixed Income		31.64	Blmbg. U.S. Aggregate Index		13.50
Legacy - Corridor DRA Blend		4.57	Blmbg. U.S. High Yield - 2% Issuer Cap		5.00
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		3.16	Morningstar LSTA Leveraged Loan Index + 100 bps		10.00
In-State Investments		3.63	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 (%)	Legacy - Corridor Public Equity Blend		Weight (%)
<b>Mar-2026</b>			<b>Jul-2024</b>		
Russell 3000 Index		58.59	Russell 3000 Index		59.14
MSCI AC World ex USA IMI (Net)		40.48	MSCI AC World ex USA IMI (Net)		40.86
Legacy - Corridor Private Equity Blend		0.93			
Legacy Corridor Global Fixed Income		Weight (%)	Legacy Total Real Asset Blend		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
Blmbg. U.S. Aggregate Index		60.31	NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		40.88
Blmbg. U.S. High Yield - 2% Issuer Cap		22.34	NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		59.12
Morningstar LSTA Leveraged Loan Index + 100 bps		17.35			
Legacy Private Equity Benchmark		Weight (%)			
<b>Jan-2026</b>					
Private Equity		0.00			
Hamilton Lane Private Equity Benchmark		100.00			

Total Fund  
Benchmark Detail

NDSIB - Consolidated Insurance Trust  
Period Ending: March 31, 2026

Insurance Corridor Target Index		Weight (%)	Insurance Policy Index		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
Russell 3000 Index		8.84	Russell 3000 Index		8.47
MSCI AC World ex USA IMI (Net)		5.69	MSCI AC World ex USA IMI (Net)		5.44
Blmbg. U.S. Aggregate Index		41.70	Blmbg. U.S. Aggregate Index		41.08
Blmbg. U.S. Government Index		0.03	Blmbg. U.S. Government Index		0.03
Bloomberg U.S. Gov/Credit 1-3 Year Index		28.60	Bloomberg U.S. Gov/Credit 1-3 Year Index		28.60
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		2.36	NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		3.21
Insurance - Diversified Real Assets Blend [As of 2024.07.01]		7.43	Insurance - Policy Diversified Real Assets Blend [As of 2024.07.01]		7.82
90 Day U.S. Treasury Bill		5.36	90 Day U.S. Treasury Bill		5.36
Insurance Total Equity Blend		Weight (%)	Insurance Total Real Assets		Weight (%)
<b>Mar-2026</b>			<b>Mar-2026</b>		
Russell 3000 Index		60.86	Insurance - Diversified Real Assets Blend [As of 2024.07.01]		75.89
MSCI AC World ex USA IMI (Net)		39.14	NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag		24.11
Insurance Diversified Real Assets Blend		Weight (%)			
<b>Mar-2026</b>					
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag		5.65			
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag		29.33			
Blmbg. U.S. Govt Infl. Linked All Maturities		65.02			

Total Fund  
Benchmark Detail

NDSIB - Workforce Safety & Insurance  
Period Ending: March 31, 2026

WSI Corridor Target Index	Weight (%)
<b>Mar-2026</b>	
Russell 3000 Index	12.57
MSCI AC World ex USA IMI (Net)	8.38
Blmbg. U.S. Aggregate Index	62.96
WSI - Corridor Diversified Real Assets	11.41
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	3.67
90 Day U.S. Treasury Bill	1.00

WSI Policy Index	Weight (%)
<b>Jul-2024</b>	
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 (%)
<b>Jul-2024</b>	
Russell 3000 Index	60.00
MSCI AC World ex USA IMI (Net)	40.00

WSI Total Real Assets	Weight (%)
<b>Mar-2026</b>	
WSI - Corridor Diversified Real Assets	75.66
NFI-ODCE (Net) (Smoothed Monthly Return) 1Q Lag	24.34

WSI Diversified Real Assets Blend	Weight (%)
<b>Mar-2026</b>	
Blmbg. U.S. Govt Infl. Linked All Maturities	65.04
NFI-ODCE +1% (Net) (Smoothed Monthly Return) 1Q Lag	28.10
NCREIF Timberland Index (Smoothed Monthly Return) 1Q Lag	6.86

Total Fund  
Benchmark Detail

NDSIB - Budget Stabilization Fund  
Period Ending: March 31, 2026

Budget Policy Index	Weight (%)
<b>Mar-2026</b>	
Bloomberg U.S. Gov/Credit 1-3 Year Index	99.00
90 Day U.S. Treasury Bill	1.00

# Glossary

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**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.

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## Disclosure

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Net-of-Fees Returns does not include a reduction of returns for CPIC' investment management and consulting fees, or other expenses incurred by the asset owner, fund or plan.

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## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Sara Seiler, Director of Internal Audit  
**DATE:** June 23, 2026  
**RE:** 2025-2026 Third Quarter Audit Activities

### Audit Activities

- **Investment Fee Audit (co-sourced with Weaver)**

The scope of this audit evaluated the design and operating effectiveness of controls related to investment management fees and investment performance fees. The review assessed the adequacy of oversight and governance practices supporting fee arrangements, including the processes for benchmarking, monitoring, and validating fee calculations. The audit examined the accuracy of management and performance fee assessments, the sufficiency of supporting documentation, and the understanding and application of key contract terms. Additionally, the review evaluated approval workflows, payment processes, and controls related to ongoing monitoring of fee provisions, including the identification, tracking, and exercise of applicable clawback mechanisms. This audit has been completed, and the report will be presented at the June 2026 SIB Audit Committee meeting.

- **Executive Limitations Audit**

On an annual basis, Internal Audit reviews the Executive Director's compliance with the State Investment Board (SIB) Governance Manual Executive Limitation Policies. The Executive Limitations Audit for the period January 1, 2024, through December 31, 2025, has been completed. This audit has been completed, and the report will be presented at the June 2026 SIB Audit Committee meeting.

- **Executive Review and Compensation Committee**

On an annual basis as outlined in the ERCC charter, performance surveys of the Executive Director and the Chief Retirement Officer are administered. These surveys are used as part of the annual performance evaluation. The Supervisor of Internal Audit administered the surveys and compiled the results on behalf of the ERCC.

- **SIB Governance Assessment**

The State Investment Board (SIB) engaged Funston to conduct a comprehensive governance manual rewrite. As part of this initiative, Internal Audit has reviewed draft governance manual revisions and provided feedback on governance, risk management, internal control, committee responsibilities, and professional standards considerations. At the March 2026 Audit Committee meeting, the Committee reviewed a draft Audit Committee Charter under the proposed governance structure. The draft charter provides for the transition of the Audit Committee to the Audit, Risk, and Compliance Committee (ARCC), expanding the Committee's responsibilities from traditional audit oversight to an integrated enterprise oversight model encompassing audit, risk management, and compliance. Internal Audit will continue to provide advisory support by reviewing draft revisions and providing feedback throughout the governance manual rewrite process while maintaining its independence and objectivity.

- **RIO Risk Assessment**

During the third quarter, Internal Audit initiated the annual risk assessment process in preparation for developing the Fiscal Year 2027 Audit Plan. Planning activities included updating risk assessment methodologies, reviewing prior-year risk information. The risk assessment process will include discussions with management to identify and evaluate significant risks, emerging issues, strategic initiatives, and changes in the organization's operating environment. Factors such as operational changes, regulatory developments, staffing, technology, and internal control considerations will be evaluated to assess potential impacts on organizational objectives. The results of the risk assessment will be used to prioritize audit coverage and align audit resources with areas of greatest risk and significance.

- **TFFR File Maintenance Review**

Internal Audit completed a review of CPAS file maintenance activity to ensure transactions entered by RIO staff were appropriate, aligned with assigned security roles, and accurately reflected in member records. The audit included testing of system-generated audit tables and transaction logs; verification of staff access permissions; and a review of member updates such as deaths, purchases, refunds, retirements, and changes to address, name, bank information, and Member Action Forms. IA also compared sample member records between CPAS and the new PAS to confirm the accuracy of data migration. The review focused on validating the accuracy and completeness of transactions, confirming adherence to procedures, and ensuring documentation was properly maintained. The report was presented at the November 2025 Audit Committee meeting. Internal Audit received a response from the Chief Retirement Officer on February 18, 2026. This audit has been completed, and the report was presented at the March 2026 SIB Audit Committee meeting.

- **TFFR User Role Review for the Pension Administration System**

The Internal Audit Division of the North Dakota Retirement and Investment Office (RIO) completed a review of user roles assigned to staff members within the Neospin pension administration system for fiscal year 2025/26. The purpose of the review was to evaluate whether assigned user roles

were appropriate and aligned with staff job responsibilities. This audit has been completed, and the report will be presented at the June 2026 SIB Audit Committee meeting.

- **TFFR Manual Updates**

The TFFR Member Handbook and TFFR Employer Guide were updated to reflect the changes due to the new pension administration system. Internal Audit has reviewed the manual revisions multiple times. The Member Handbook manual and the Employer Guide were completed and placed on the RIO website.

### **Administrative Activities**

Internal Audit staff remained actively engaged across the organization by attending key standing and governance meetings throughout the period. Participation included monthly RIO staff meetings, monthly manager meetings, division meetings, fiscal/organization meetings, and retirement services meetings. Internal Audit attends TFFR, SIB, and committee meetings as needed.

### **Internal Auditor Recruitment**

During the 2025 Legislative Session, RIO's budget was approved, including authorization for a third FTE within the Internal Audit Division. The Internal Audit Supervisor developed the JDQ and corresponding interview questions to support the recruitment process. The position was posted October and again in January 2026.

Following the recruitment process, a candidate was selected and began employment with RIO on March 23, 2026. Since onboarding, Internal Audit has focused on integrating the new team member into the organization through orientation activities, training on agency operations and audit methodologies, and knowledge transfer related to existing audit processes, systems, and responsibilities. These efforts are intended to support the employees' successful transition and build capacity within the Internal Audit Division.

### **Professional Development/CE/General Education**

Internal Audit staff completed several professional development and training activities during the period. Both staff members completed NDIT's Cyber Awareness Training to maintain required security readiness.

Additionally, the Internal Auditor completed IIA training on Efficiencies and Innovation in Small Audit Shops.

**Board Action Requested:** Board acceptance.



# **North Dakota Retirement & Investment Office (ND RIO)**

## **Internal Audit Report - Investment Fees Audit**



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The enclosed document presents a summary of procedures, findings and recommendations resulting from a recent internal audit conducted by Weaver and Tidwell, L.L.P. ("Weaver") (the "Audit"). The objective of the audit was to evaluate the adequacy of processes and controls in place for the governance of fees. To accomplish this objective, we obtained an understanding of current business processes through interviews with ND RIO staff, reviewing relevant documentation, and testing business controls and processes. The audit covered the audit period from July 1, 2024 - June 30, 2025.

Three findings were identified in which the control structure for key processes should be improved. These findings have been acknowledged and accepted by ND RIO, who committed to implementing appropriate corrective measures. These have been described in detail in the attached report.

This document is intended solely for the information and use of ND RIO and the State Investment Board (SIB). It is not intended to be, and should not be, used by other parties without the prior written consent of Weaver.

We thank you for the opportunity to partner with ND RIO for the review.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P

Houston, TX  
May 26, 2026

# North Dakota Retirement & Investment Office (ND RIO)

## Investment Fees Audit

### Final Report

#### Background

This document presents a summary of the procedures and findings resulting from a recent internal audit conducted by Weaver and Tidwell, L.L.P. ("Weaver") (the "Audit"). The purpose of the Audit was to assess whether ND RIO's processes and controls are effective and appropriate in relation to the governance, selection, and oversight of investment fees, for the period of July 1, 2024 - June 30, 2025.

Procedures performed by Weaver were conducted in accordance with the Institute of Internal Auditors' Global Internal Audit Standards. Weaver obtained an understanding of the current business processes through interviews with ND RIO staff, reviewing reports, spreadsheets and other records provided by ND RIO, and testing of certain significant internal controls.

#### Scope and Objectives

The objective of the audit was to evaluate the adequacy of processes and controls in place for investment fees. The scope of the audit involved gaining an understanding of the key steps in the investment fee process, including interviews with key personnel, review of relevant documentation and identification of potential control gaps or opportunities for improvement at each stage of the process. The following process-areas were evaluated:

- Contracting
- Recording of Fees
- Asset Value & Fee Recalculations
- Governance (Incl. Monitoring & Internal Standards)
- Benchmarking
- Performance & Reporting

Please refer to Appendix A for a detailed description of the audit procedures performed and test results.

#### Conclusion

ND RIO's controls over investment fees are generally designed and operating effectively; however, three specific findings were identified in which the control structure for key processes should be improved. These findings have been acknowledged and accepted by ND RIO, who committed to implementing appropriate corrective measures. A summary of the findings are provided below.

1. Absence of a formally defined and comprehensive internal investment fee validation framework. (Moderate Risk)
2. Fee Recalculation Not Performed and Variance Identified. (Moderate Risk)
3. Limited Access Security to Fee Related Spreadsheets. (Low Risk)

Additional information on the findings, including recommendations and the corresponding management responses are provided in the following pages.

## Effective Practices

We observed multiple established processes and effective practices within the investment fee processes. We identified the following controls to be operating effectively:

- Investment Staff perform a documented review of governing documents and assess proposed fee structures for reasonableness against market practices prior to onboarding new managers.
- Management reconciles investment fee journal entries to custodial statements and internal schedules, with documented review and approval sign-off to support accuracy, completeness, and proper general ledger coding.
- The Master Fee Spreadsheet serves as a centralized record of investment fees and is reconciled annually to accounting records to validate completeness and consistency between operational and financial systems.
- Management reviews management fee calculations and supporting documentation for alignment with governing documents and performs reasonableness assessments to validate its consistency with the prior period.
- Management leverages independent benchmarking reports to assess fee reasonableness across public and private investments, investigates outliers, and uses results to support fiduciary oversight and fee negotiations.
- Management reviews private equity side letters to confirm that negotiated fee protections and most-favored-nation provisions are appropriately applied.
- Independent consultant fee studies are reviewed by management and the Investment Committee to support governance, oversight, and informed fee decision-making.

## Findings and Recommendations

### 1. Finding(s):

#### 1. **Absence of a formally defined and comprehensive internal investment fee validation framework (Moderate Risk)**

There is not currently a comprehensive review of investment fees across all asset classes.

- a. ND RIO's independent validation (including fee recalculation and review) of public market investment fees is limited to invoice-based fees, and does not extend to fees that are automatically billed from Northern Trust.
- b. For private-market investments, including fees derived from capital calls and complex LP waterfall arrangements, fees are recorded based on external information without independent recalculation or secondary validation.

As a result, management relies primarily on the accuracy of externally prepared fee calculations, limiting its ability to timely identify errors or variances with contractual fee terms.

#### **Recommendation:**

Weaver recommends that ND RIO implement a formal, risk-based internal fee assessment process that applies consistently across all fee-types within public and private investments. This process should include periodic independent recalculation or documented reasonableness reviews of investment fees, including those derived from capital calls and LP waterfalls, which may be performed on a sample basis (e.g., selected investment managers, fee types, and/or periods) to balance resource capacity. Management should retain documentation evidencing these reviews

and the resolution of any identified variances to strengthen oversight, accuracy, and audit support.

**Management Response:**

Management agrees with this recommendation. ND RIO will develop and implement a formal, internal investment fee review process to apply consistently across public and private investment fee types. This process will incorporate periodic independent recalculations or documented reasonableness reviews of investment fees, including those derived from capital calls and LP waterfalls. Reviews may be conducted on a sample basis — spanning selected investment managers, fee types, and/or periods — to ensure thoroughness while remaining proportionate to available staff resources. Management will establish and maintain documentation standards to evidence completed reviews and the resolution of any identified variances, supporting ongoing oversight, fee accuracy, and audit readiness.

**Target Completion Date:** December 31, 2026

**Responsible Party:** Adam Otteson, Chief Financial and Operating Officer & Tim Forsythe, Deputy Chief Financial and Operating Officer

**2. Fee Recalculation Not Performed and Variance Identified (Moderate Risk)**

ND RIO IA confirmed that certain investment management fees, including the PIMCO Performance – Fixed Inc. (DiSCO II) fee, are automatically deducted directly from fund balances and are not independently recalculated or reviewed. No formal fee recalculation documentation is prepared or retained for these investment managers. Our audit procedures included independent recalculation of a sample of fees resulting in the identification of a variance between a fee charged and recorded.

In addition, policies and procedures governing the investment fee lifecycle are not sufficiently detailed or formally documented. The investment manager onboarding process does not include standardized documentation to ensure contractual fee terms are accurately reviewed and captured, and processes for identifying, reviewing, and recording fee-related items (such as clawbacks or receivables) have not been defined. As a result, undetected inaccuracies in investment management fees increase risk that fees are not charged in accordance with contractual terms and reduce financial reporting accuracy, governance oversight, and the timely identification and remediation of fee errors.

**Recommendation:**

Weaver recommends that ND RIO implement and document a periodic independent review or recalculation of investment management fees deducted directly from fund balances (which may be performed on a sample-basis). ND RIO should also formalize and maintain policies and procedures governing the investment fee lifecycle, including standardized onboarding documentation to ensure contractual fee terms are accurately captured and defined processes for identifying and recording fee-related items such as clawbacks and receivables.

**Management Response:**

Management agrees with this finding and recommendation. ND RIO will implement a periodic independent review or recalculation of investment management fees deducted directly from fund balances, including fees such as the PIMCO Performance – Fixed Inc. (DiSCO II) fee. Reviews will be conducted on a sample basis and documentation evidencing completed recalculations and the resolution of any identified variances will be prepared and retained.

Management will also formalize and document policies and procedures governing the investment fee lifecycle. This will include:

- Standardized onboarding documentation to ensure contractual fee terms are accurately reviewed and captured at the time a new investment manager relationship is established.
- Defined processes for identifying, reviewing, and recording fee-related items, including clawbacks and receivables.
- Clear roles and responsibilities for fee monitoring, variance resolution, and escalation.

**Target Completion Date:** December 31, 2026

**Responsible Party:** Adam Otteson, Chief Financial and Operating Officer & Tim Forsythe, Deputy Chief Financial and Operating Officer

### **3. Limited Access Security to Fee-Related Spreadsheets (Low Risk)**

The Master Fee Spreadsheet, the centralized and key mechanism supporting investment fee calculation, tracking, and recording activities, is accessible to Investment Staff, Investment Operations personnel, and Accounting staff via the N Shared Drive. Access is not formally restricted based on defined roles or documented business need, which increases the risk of unauthorized access, unintended modifications, or errors in fee calculations and reduces the reliability of fee recording and reporting.

#### **Recommendation:**

We recommend that ND RIO formally review and restrict access to spreadsheets and tools used in the calculation and recording of investment fees to individuals with an appropriate business need, and implement version control, periodic access reviews, and documented ownership of fee-related spreadsheets to reduce the risk of unauthorized changes or errors. Over the longer term, management should evaluate interfacing capabilities between the Master-Fee spreadsheet, Great Plains, and Northern Trust to automate the transfer of fee data, which would reduce manual processing, lower the risk of error, and improve efficiency.

#### **Management Response:**

Management agrees with this finding and recommendation. ND RIO will formally review current access to the Master Fee Spreadsheet and restrict access to individuals with a documented business need, aligned to defined roles. Over the longer term, management will evaluate opportunities to interface the Master Fee Spreadsheet with Northern Trust and the new accounting system its currently procuring.

**Target Completion Date:** June 30, 2026

**Responsible Party:** Adam Otteson, Chief Financial and Operating Officer & Tim Forsythe, Deputy Chief Financial and Operating Officer

## Appendix A: Audit Procedures Performed

This engagement included an evaluation of defined scope areas, including various procedures performed and testing results presented below.

Scope Area	Procedures Performed	Test Results
<b>Contracting</b>		
A.1	<ol style="list-style-type: none"> <li>1. Obtain the list of all new managers onboarded during the audit period (FY25)</li> <li>2. For a sampled new manager onboarded during the audit period, verify the following:               <ol style="list-style-type: none"> <li>a. Fee model options obtained from managers</li> <li>b. Benchmarking analysis performed</li> <li>c. Any external datasets used (e.g., eVestment)</li> <li>d. Final recommended fee structure</li> </ol> </li> </ol>	No Exception Identified.
<b>Recording of Fees</b>		
B.2	<p>For a sample of fee journal entries recorded during the audit period, complete the following:</p> <ol style="list-style-type: none"> <li>1. Obtain Northern Trust allocation and fee statements and supporting internal schedules and agree recorded fee amounts to the supporting documentation.</li> <li>2. Verify the journal entry was reviewed and approved by Susan Walcker, Senior Financial Accountant, prior to posting within Great Plains.</li> </ol>	No Exception Identified.
<b>Asset Value &amp; Fee Recalculations</b>		
C.1	<ol style="list-style-type: none"> <li>1. Obtain the Investment Accountants recalculation worksheet/template used to validate investment management &amp; performance fees.</li> <li>2. Reperform the fee calculation using source data:               <ol style="list-style-type: none"> <li>a. Northern Trust asset values</li> <li>b. Fee schedules/mandate terms</li> </ol> </li> <li>3. Obtain documentation of secondary review (email, workflow approval, WebCash approval log).               <ol style="list-style-type: none"> <li>a. If discrepancies were noted in the recalculation, verify that ND RIO communicated the discrepancy back to the vendor.</li> </ol> </li> </ol>	<p>Exceptions Identified.</p> <p>Refer to <b>Finding 1 &amp; 3</b></p>
C.2	<ol style="list-style-type: none"> <li>1. For the sampled capital call notices containing management fees received during the audit period:               <ol style="list-style-type: none"> <li>a. Tie the fee inputs from the Master Fee Spreadsheet to Investment agreements or limited partnership agreements</li> <li>b. Verify that the fee amount aligns with fund terms</li> </ol> </li> </ol>	No Exception Identified.
C.3	<ol style="list-style-type: none"> <li>1. Obtain the Master Fee Spreadsheet valid during the audit period and verify the spreadsheet is saved on the N-Shared Drive</li> <li>2. Trace a sample of entries from the Master Fee Spreadsheet to the Great Plains Excel Spreadsheet to confirm:               <ol style="list-style-type: none"> <li>a. Fee amounts match</li> <li>b. Posting dates/ additional details are consistent</li> </ol> </li> </ol>	No Exception Identified.

Scope Area	Procedures Performed	Test Results
<b>Benchmarking</b>		
E.1	<ol style="list-style-type: none"> <li>1. Obtain the most recent CEM Benchmarking Survey and Hamilton Lane fee benchmarking report.</li> <li>2. Review the benchmarking reports to confirm:               <ol style="list-style-type: none"> <li>a. Fees were compared to appropriate peer groups and industry benchmarks.</li> <li>b. Any identified outliers, variances, or exceptions were documented and evaluated.</li> </ol> </li> <li>3. Verify evidence of management’s review and assessment of benchmarking results, including:               <ol style="list-style-type: none"> <li>a. Conclusions regarding fee reasonableness.</li> <li>b. Consideration of results in fee negotiations, renewals, or oversight activities.</li> </ol> </li> </ol>	No Exception Identified.
E.2	<ol style="list-style-type: none"> <li>1. Select a sample of new managers onboarded during the audit period, and validate the following:               <ol style="list-style-type: none"> <li>a. Obtain the side letter, LPA, and fee schedule</li> </ol> </li> <li>2. Verify that management completed the following:               <ol style="list-style-type: none"> <li>a. Reviewed fee-related terms</li> <li>b. Assessed MFN provisions</li> <li>c. Confirmed fee structure aligns with market practices</li> </ol> </li> </ol>	No Exception Identified.
E.3	<ol style="list-style-type: none"> <li>1. Obtain the most recent Hamilton Lane semi-annual Fee Report</li> <li>2. Verify the report has been distributed to Key Investment Staff</li> <li>3. During the audit period, if fees appeared higher than expected, show evidence that an investigation occurred and was resolved.</li> </ol>	No Exception Identified.
E.5	<ol style="list-style-type: none"> <li>1. Obtain and review the most recent consultant’s analysis</li> <li>2. Assess the fee study and verify the documented follow-up actions and/or adjustments that came from the review</li> <li>3. Verify the Investment Committee has reviewed the fee study as documented within their meeting minutes</li> </ol>	No Exception Identified.
<b>Performance &amp; Reporting</b>		
F.1	<ol style="list-style-type: none"> <li>1. Select a sample of Board Fee reports and complete the following:               <ol style="list-style-type: none"> <li>a. Confirm fee amounts included in the Board report agree to the Master Fee Spreadsheet &amp; NT Custodian statements</li> <li>b. Validate that management compared report values to source data and identified discrepancies, if applicable</li> </ol> </li> </ol>	Exception Identified. Refer to <b>Finding 2.</b>
F.2	<ol style="list-style-type: none"> <li>1. Obtain the Annual Board Governance Report and verify the Verus external fee study is documented within the report</li> <li>2. Obtain Management’s Tie-Out Documentation and confirm that all fee categories reported internally were compared to Verus</li> </ol>	No Exception Identified.

## Appendix B: Risk Definitions

**High Risk** findings have qualitative factors that include, but are not limited to:

- Events that threaten the Company's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the Company or beyond a single function or department
- Potential material impact to operations or the Company's finances
- Processes that deviate significantly from regulator guidance and/or industry best practice
- Remediation requires significant involvement from senior Company management
- Regulatory violations that have a monetary impact on the Company's consumers
- Regulatory violations that are systemic

**Moderate Risk** findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the Company
- Impact could be felt outside of the Company or across more than one function of the Company
- Noticeable and possibly material impact to the operations or finances of the Company
- Processes that deviate from regulator guidance and/or industry best practice
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior Company management to be updated
- Regulatory violations or exceptions that increase the Company's risk of legal, financial, or reputational risk

**Low Risk** findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the Company's strategic priorities
- Impact is limited to a single function within the Company
- Regulatory exceptions that do not have a monetary impact on consumers
- Regulatory concerns that are unlikely to have a financial impact to the Company or members
- Regulatory processes in place that are not considered industry best practice
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk

# North Dakota Retirement & Investment Office

Internal Audit Report: Executive Limitations Audit

Final Report – March 12, 2026

January 1, 2024 – December 31, 2025

The Internal Audit Division of the North Dakota Retirement and Investment Office (RIO) completed a review of compliance with the Executive Limitations policies established in the State Investment Board (SIB) Governance Manual for the period January 1, 2024 through December 31, 2025. The purpose of this review was to assess whether the Executive Director operated within the policy boundaries established by the Board and whether appropriate monitoring, reporting, and governance practices were in place to support compliance.

This report presents the results of our review, including observations and conclusions. Internal Audit appreciates the cooperation and assistance provided by executive leadership and agency staff during the course of this review.

## Background

This report presents the results of the Internal Audit review of compliance with the Executive Limitations policies contained within the State Investment Board (SIB) Governance Manual for the period January 1, 2024 through December 31, 2025.

The Audit Committee approved a high-level review of the Executive Limitations policies as part of the Internal Audit Plan. The purpose of this review was to assess whether the Executive Director operated within the policy boundaries established by the Board and whether appropriate monitoring, reporting, and governance mechanisms were in place to support compliance.

Executive Limitations policies establish boundaries within which the Executive Director must operate. These policies are designed to ensure protection of organizational assets, compliance with applicable laws and regulations, maintenance of appropriate governance practices, and alignment with board-defined Ends.

## Scope and Objectives

The objective of this audit was to determine whether the Executive Director complied with Executive Limitations policies A through K during the audit period.

The scope included evaluation of the following policy areas:

- A. General Executive Constraint
- B. Staff Relations
- C. Relating to Public and Government
- D. Budgeting
- E. Financial Condition
- F. Communication and Counsel to the Board
- G. Asset Protection
- H. Compensation and Benefits
- I. Conflict of Interest
- J. Unrelated Business Interest
- K. Code of Conduct

Audit procedures included:

- Review of SIB meeting materials and minutes
- Review of monitoring reports and executive updates
- Examination of succession planning documentation
- Review of personnel policy acknowledgements
- Testing of salary classifications and ranges
- Review of insurance, bonding, and audit reports
- Review of conflict of interest disclosures
- Review of open records tracking documentation
- Review of legislative appropriations and quarterly budget monitoring

## **Conclusion**

Internal Audit concludes that for the period January 1, 2024 through December 31, 2025, the Executive Director operated within the boundaries established by the Executive Limitations policies of the State Investment Board. No material instances of noncompliance were identified.

Notable governance transitions occurred during 2025, including resignations of key executive staff and the appointment of interim and permanent leadership. While a formal succession plan was not in place at the time of the January 2025 executive departures, a comprehensive succession plan was implemented in October 2025.

Executive Limitations K requires the adoption and maintenance of a Code of Conduct for all RIO employees. The current policy was originally implemented in June 1997 and has not been substantively updated since its adoption. Although the RIO Administrative Manual titles the policy as an "Ethics Policy," the policy incorporates the substantive elements typically required of a Code of Conduct, including provisions addressing conflicts of interest, gifts and gratuities, confidentiality, use of organizational resources, and compliance with organizational policies.

Based on Internal Audit's review, the existing Ethics Policy substantively fulfills the intent and requirements of Executive Limitations K. The title of the policy does not diminish its effectiveness, as the content establishes appropriate standards of conduct and behavioral expectations consistent with Board policy. To the extent any provisions of the policy conflict with or are superseded by applicable state ethics laws or rules adopted by the North Dakota Ethics Commission, the governing statutes and administrative rules control. Accordingly, the state ethics requirements apply regardless of the internal language policy.

Internal Audit did not identify fiscal jeopardy, unauthorized expenditures, unlawful compensation practices, inadequate asset protection, or violations of conflict of interest provisions during the audit period.

# North Dakota Retirement & Investment Office

## Internal Audit Report: User Role Review for the TFFR Pension Administration System Final Report – May 19, 2026 Fiscal Year 2025/26

The Internal Audit Division of the North Dakota Retirement and Investment Office (RIO) completed a review of user roles assigned to staff members within the Neospin pension administration system during fiscal year 2025/26. The purpose of the review was to evaluate whether assigned user roles were appropriate and aligned with staff job responsibilities.

This report presents the results of the review, including observations, conclusions, and recommendations. Internal Audit appreciated the cooperation and assistance provided by Retirement Services, Fiscal Services, and Information Technology staff during the review.

### Background

During the development and testing phases of the Neospin project, staff members were granted broad system access roles to support configuration, testing, and validation of business processes. Prior to Neospin going live in February 2025, Internal Audit staff and the Chief Retirement Officer reviewed assigned user roles to determine whether access was appropriate based on staff responsibilities within the production environment. Management's intent was to reduce unnecessary crossover of user roles and ensure access aligned with job responsibilities and segregation of duties expectations.

Following implementation of Neospin and transition to production, staff turnover, employee leave, and revisions to job responsibilities resulted in ongoing adjustments to user access roles. As a result, Internal Audit conducted a review to determine whether assigned access remained appropriate and aligned with staff responsibilities.

### Scope

The review covered the period beginning February 2025 through January 2026. The review included Neospin user role assignments for applicable RIO staff members and Sagitec users.

### Audit Objective

The objective of this review was to determine whether user roles assigned to RIO staff members within Neospin were appropriate and consistent with job responsibilities.

The review included a review of the following:

- A list provided by Information Technology staff of Neospin user role assignments and access permissions assigned to RIO staff.
- Updated 2025/26 job descriptions questionnaires (JDQ) for applicable RIO staff members.

### Observations, Conclusions, and Recommendations

During the review period, there was an increased risk of errors due to staff shortages related to employee leave and procedural changes associated with Neospin becoming operational.

RIO Management completed an agency-wide review of staff member's JDQs to ensure responsibilities were accurately reflected. Internal Audit reviewed the updated JDQs for staff members within the fiscal and retirement divisions who utilize Neospin.

NDIT staff provided Internal Audit with a list of twenty-six individuals assigned Neospin roles. The list included twenty-two RIO staff members from internal audit, communications, executive management, fiscal, information technology, and retirement services, as well as two external auditors.

### **Conclusion**

After comparing assigned Neospin user roles to staff job responsibilities and updated JDQs, Internal Audit determined that the majority of user role assignments reviewed were appropriate and aligned with current job responsibilities.

Internal Audit identified sixteen users whose assigned access roles required adjustment to better align with job responsibilities and segregation of duties expectations. The identified users included Sagitec team members, retirement services staff, administrative staff, fiscal staff, internal audit staff, and one external auditor.

### **Findings and Recommendations:**

1. Internal Audit recommends that RIO develop a formal written procedure governing the assignment, modification, and removal of Neospin user roles, including guidance for NDIT staff responsible for administering access. (moderate risk)

### **Management Response:**

### **Target Completion Date:**

### **Responsible Party:**

2. Internal Audit recommends that management adjust user roles for identified staff members and Sagitec users to better align access permissions with job responsibilities and segregation of duties expectations. (moderate risk)

### **Management Response:**

### **Target Completion Date:**

### **Responsible Party:**

Please provide a written response to the recommendations within thirty days of the report date, including any corrective actions planned or implemented.

## Appendix A – Summary of Procedures Performed

Focus Area	Testing Coverage	Results
Roles & Access	All divisions with Neospin system access	Adjustments to multiple accounts

## Appendix B – Risk Rating Definitions

**High Risk:** Significant control deficiencies that may impact financial integrity or regulatory compliance.

**Moderate Risk:** Issues that may affect operational effectiveness or documentation integrity.

**Low Risk:** Minor issues with minimal impact on controls or operations.

## MEMORANDUM

**TO:** State Investment Board

**FROM:** Jodi Smith, Executive Director

**DATE:** June 23, 2026

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

The Governance and Policy Review Committee (the “Committee”) met on June 1, 2026, to review the latest revisions to the draft State Investment Board (“SIB”) Governance Policy System (“GPS”) developed with Funston Advisory Services.

As reported following the April 27, 2026, SIB meeting, the rewrite has been in its final stages, with work focused on clarifying governance structure, authority, accountability, and reporting relationships. Since that update, Funston Advisory and staff have incorporated a series of targeted clarifications described below. The GPS remains a dynamic framework intended to evolve as additional policy areas — investment, finance, administrative, personnel, and other supporting policies — are addressed over time.

### Summary of Changes Since the Prior Draft

- **Executive Director role and statutory definition.** The Committee clarified that the “investment director” referenced in N.D.C.C. Title 21-10 is interpreted, for policy purposes, as the Executive Director, who in turn appoints and oversees the Chief Investment Officer. The statutory definition has not been updated since the 1990s, predating the 2021 separation of the Executive Director and Chief Investment Officer roles. Staff intend to pursue a statutory update in the next legislative session to replace “investment director” with “executive director” and remove potential confusion.
- **Operational risk responsibility.** In response to a clarification requested by Representative Bosch, the Executive Director’s Charter was revised to state that the Executive Director is responsible for the identification and management of operational risk, while the Audit, Risk and Compliance Committee is responsible for oversight of the management of that risk.
- **Board access to confidential information.** Language defining the scope of confidential information available to the Board was clarified, with particular attention to the privacy and confidentiality of information related to private equity transactions. Given the national trend toward greater transparency,

this issue is expected to persist; Funston Advisory has provided the Executive Director with a benchmark, and it is currently under review. The proposed policy reflects current prevailing practice.

- **Four-lines-of-defense model correction.** Communications, which had been inadvertently omitted from the second line of defense, was restored to the model.
- **Delegated authority to the CIO.** A prior inadvertent omission regarding the authority delegated to the Chief Investment Officer was corrected in the latest iteration.
- **Investment policies and affirmation forms.** All investment policies (e.g., proxy voting) have been pulled out of the governance manual and will reside in a separate document posted concurrently with the GPS. Quarterly affirmation/attestation forms will be located together with the investment policy statements. Staff, with Weaver's assistance, will review these policies over the next year; any substantive modifications will route through the Investment Committee and return to the Board for final approval.
- **Board decision calendar and education.** Staff have prepared a board decision calendar reflecting the review cadence and reporting cadence described in the policy. The BoardSmart curriculum will be tied to the calendar to provide brief, just-in-time educational segments aligned to upcoming Board decisions.

## **Format and Implementation**

Following SIB approval, the changes will be incorporated into the interactive HTML version of the GPS, which will be reviewed for ADA compliance. The final product will be posted to the website on July 1, 2026.

While the GPS is expected to take effect July 1, 2026, staff anticipate that change management and full implementation — including how materials are brought to the Board, how reports are structured (such as the shift to exception-based reporting), and the cadence of committee and board meetings — will occur over the course of the next fiscal year. Not all aspects of the revised governance structure will be fully operational on July 1.

**BOARD ACTION:** Second reading and final approval of the Governance Policy System, subject to incorporation of the changes described above and concurrent posting of the related investment policy statements and affirmation forms.

NORTH DAKOTA

State Investment Board

# Governance Policy System

## GPS Prudent by Design™

A structured 5-year cycle of fiduciary decisions, policy approvals, governance discipline and public accountability.

### 1. FIDUCIARY FOUNDATION

### 2. ROLES

### 3. AUTHORITY & DELEGATIONS

### 4. DECISIONS

### 5. TIMING



### Statutory Authority

The State Investment Board operates pursuant to **North Dakota Century Code Chapter 21-10**, which establishes the Board's authority, duties, and fiduciary responsibilities for the investment and oversight of designated public funds.

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# The SIB Governance Policy System (GPS)

## The Purpose of Governance Policy

Fundamentally, board governance is about disciplined collective decision-making: identifying the key board decisions, assigning clear authority, and providing the insights required for prudent judgment.

Governance policy has two distinct but integrated targets. First, it guides the board in how fiduciary decisions are made and how roles are exercised. Second, it provides executives and staff with clear, navigable delegation so board intent is executed consistently and without ambiguity.

### *1. The Board — Key Decisions and How Decisions Get Made*

Governance policy should define how the board governs, not how staff operate. Trustees should be able to clearly explain how the board reaches decisions and the role each trustee plays. The focus is on fiduciary responsibilities, decision framing and resolution, authority reserved to the board vs. the jurisdiction, and committee roles and reporting. It establishes explicit decision architecture (inputs, constraints, timing), reinforces long-term patient-capital orientation, and prevents drift into operational or advisory activity.

### **The board has five fundamental powers:**

1. Conducting the business of the board and committees;
2. Setting direction and policy;
3. Approving key decisions and prudently delegating authority;
4. Overseeing execution within policy; and
5. Verifying the reliability of information, advice, and reporting.

Governance policy primarily addresses the Board's and trustees' roles in the first three powers, enabling the board to govern through direction and delegation while allowing execution, oversight, and verification to occur without confusion.

### *2. Executive Management & Staff — Clarity of Delegation*

For executives and staff, governance policies function as an operational decision system. The purpose is to enable independent execution of board direction without continual interpretation or informal escalation. Staff should be able to determine what authority is delegated, to whom, within what limits, and when escalation is required.

A well-designed policy makes delegation boundaries easy to find and apply, reduces reliance on precedent or institutional memory, and supports consistent decision-making across the organization. Navigability is therefore a core delegation control: it assures staff can execute board-approved authority consistently, within limits, and aligned with board intent. Poor navigability increases discretion and workarounds; strong navigability reinforces discipline and accountability.

The SIB Governance Policy System (GPS) is a navigation tool that is designed to help you quickly find what you are looking for. It works like a website or a map.

# 1. Fiduciary Foundation

## A. Purpose of the SIB

The mission of the North Dakota State Investment Board is to prudently invest entrusted assets to generate long-term value while meeting liquidity, fiduciary, and statutory obligations.

## B. Beneficiaries

### Current and Future

For purposes of this manual, beneficiaries of the Retirement and Investment Office (RIO) and the SIB include those entities and participants defined by statute, as well as those that have contracted for investment or related services under statutory authority. This includes all current and future beneficiaries of the funds managed by the SIB, such as public pension and retirement funds, legacy and trust funds, insurance and guarantee funds, and growth and stabilization funds.

In fulfilling its fiduciary duties, the SIB recognizes the principle of intergenerational equity and balances the needs of current beneficiaries with the responsibility to preserve purchasing power, financial sustainability, and flexibility for future beneficiaries, taking into account differing fund purposes, time horizons, and risk tolerances.

Direct Contractual Beneficiaries	Program <del>matic</del> Beneficiaries	Intergenerational / Sovereign Beneficiaries
Retirees	Health program recipients	Current citizens
Active members	Cultural program beneficiaries	Future citizens
Injured workers/ <u>Business Owners</u>		<del>Taxpayers</del>

Unlike a single-purpose pension fund, NDSIB has multi-client fiduciary complexity:

- Different time horizons
- Different liquidity profiles
- Different political sensitivities
- Different statutory constraints

This can materially affect:

- Asset allocation
- Risk tolerance
- Reporting

### Stakeholder Alignment and Relations

Effective stakeholder relations are essential to sustaining trust, legitimacy, and long-term effectiveness in a public fiduciary organization. Because many stakeholders—beneficiaries, policymakers, regulators, participating agencies, and the public—interact with the organization episodically or indirectly, the quality, consistency, and tone of those interactions materially shape confidence in the institution and its governance.

The Executive Director shall assure that all interactions with stakeholders, the public, and other government entities are conducted in a manner that reflects the agency’s core values of integrity, accountability, and service, and that reinforces the organization’s fiduciary purpose and public mandate. Communications shall be accurate, clear, timely, and professional, and shall appropriately distinguish established facts, policy positions, and analytical conclusions from personal opinions or commentary.

By maintaining disciplined, transparent, and respectful stakeholder relations—often without seeking visibility or advocacy—the organization supports informed oversight, reduces reputational and governance risk, and preserves the trust necessary to operate effectively across political cycles and market environments.

See also – External Communications

## C. Fiduciary Duties

By virtue of the responsibilities assigned to the [State Investment Board \(SIB\)](#) by N.D.C.C. Chapter 21-10, the members of the SIB are fiduciaries for multiple statutory funds. Through contractual obligations, fiduciary responsibility extends to contracted additional funds.

A fiduciary is a person who has discretionary authority or management responsibility for assets held in trust to which another has beneficial title or interest. The fiduciary is responsible for knowing the "prudent requirements" for the investment of trust assets. Remedial actions may be assessed against fiduciaries for violations of fiduciary duty.

### The Duty of Loyalty

Each Board and Committee member shall discharge their duties solely in the interest of the beneficiaries and participants, placing those interests above any personal, political, or external considerations, avoiding conflicts of interest, and acting with undivided loyalty to the funds entrusted to the Board.

### The Duty of Compliance

Members shall comply with all applicable statutes, regulations, Board policies, ethics requirements, duly adopted procedures and plan documents, assuring that all actions remain within the scope of lawful authority and delegated responsibility including, for example, Open Meetings.

### The Duty of Prudence

A prudent investor is evaluated based on the demonstration of prudence compared to prevailing peer practices.

North Dakota state law provides broad fiduciary guidelines for the SIB members. NDCC § 21-10-07 specifies that the [State Investment Board](#) shall apply the prudent investor rule in investing for funds under its supervision except that § 21-10-07.1 requires the SIB to give preference to qualified investment firms and financial institutions with a presence in the state for [Legacy Fund](#) investment purposes. "The prudent investor rule" means that in making investments, 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 regarding speculation but regarding the permanent disposition of funds, considering probable safety of capital as well as probable income."

## Procedural Prudence

Procedural prudence is a term that has evolved to describe the appropriate activities of a person (or persons) who act in a fiduciary role. Court decisions to date indicate that procedural prudence is more important in assessing fiduciary activities than actual portfolio performance. A fiduciary cannot be faulted for making the "wrong" decision provided that proper due diligence was performed.

The key to successfully discharging the SIB's fiduciary duties is the establishment of and adherence to proper due diligence procedures. While not bound by ERISA (Employee Retirement and Income Security Act of 1974), the SIB will use the procedural prudence outlined by ERISA as guidance in developing its procedures:

- a. An investment policy must be established for each fund and must be in writing.
- b. Plan assets must be diversified, unless under the circumstances it would be prudent not to do so.
- c. Investment decisions must be made with the skill and care of a prudent expert.
- d. Investment performance must be monitored.
- e. Investment expenses must be controlled.
- f. Prohibited transactions must be avoided.

The Board demonstrates prudence through process evidence, including:

- Consideration of alternatives and trade-offs.
- Clear delegation limits and escalation triggers.
- Ongoing oversight supported by agreed metrics.
- Independent verification of results.
- Transparent reporting, including exceptions and corrective actions.

## Fiduciary Conduct Policies

### Conflicts of Interest and Appearance of Impropriety

Conflicts of interest and the appearance of impropriety must be avoided by the SIB, the Executive Director, and all executives and staff. No individual subject to this policy shall allow family, social, professional, financial, political, or other relationships to influence, or appear to influence, their judgment in discharging their official responsibilities.

The SIB, the Executive Director, and all executives and staff must refrain from financial and business dealings that tend to reflect adversely on the proper discharge of their duties or create the appearance of divided loyalty. They must avoid situations that compromise, or could reasonably be perceived to compromise, their independence, objectivity, or fiduciary obligation to act in the exclusive interest of beneficiaries and the fund.

If a conflict of interest unavoidably arises, the individual shall immediately disclose the conflict in writing.

- The Executive Director shall disclose the conflict to the Chair and the ~~Chief Director of Audit Officer (DCAAO)~~.
- Executives and staff shall disclose the conflict to the Executive Director (or designee).
- Matters involving the Executive Director or systemic concerns shall be referred to the Audit, Risk and Compliance Committee ~~(or its successor committee responsible for audit, risk, and compliance oversight)~~.

The individual shall comply with any subsequent recommendations or directives issued by the appropriate authority, including recusal, mitigation, or other remedial measures.

## Prohibited Conduct

Conflicts of interest to be avoided include, but are not limited to:

- Receiving consideration, compensation, or benefit for advice given to a person concerning any matter over which the individual has direct or indirect control or influence.
- Acting as an agent, representative, or attorney for a person in a transaction involving the SIB.
- Participating in any transaction, decision, or recommendation in which the individual has acquired material non-public information through their official position.
- Using confidential or privileged information obtained through employment or Board service for personal gain or for the benefit of another.

## Definition

For purposes of this policy, “Conflict of Interest” means a situation in which a Board member, the Executive Director, an executive, or a staff member has a conflict of interest as that term is defined in North Dakota statute and in rules promulgated by the North Dakota Ethics Commission under N.D.A.C. Chapter 115-04-01.

This policy is intended to be interpreted consistently with all applicable provisions of the North Dakota Century Code and regulations of the North Dakota Ethics Commission.

## Affirmation and Disclosure

The Executive Director shall establish and maintain written policies and procedures governing:

- Disclosure of conflicts of interest,
- Annual affirmations of understanding of this policy,
- Ongoing reporting of potential or actual conflicts,
- Documentation and retention of disclosures,
- Procedures for review and determination of appropriate mitigation actions.

The Executive Director, all executives, and all staff shall affirm their understanding of this policy annually, in writing, and shall promptly disclose any actual, potential, or perceived conflicts of interest that may arise.

Board members shall affirm compliance with Disclosures in accordance with Board policy and applicable law.

(Related affirmation forms. To be added)

## Disclosure

### *1. Purpose*

This policy is adopted pursuant to NDCC § 21-10-01 et seq. and applicable fiduciary standards under NDCC § 54-52-02.9 to ensure that Trustees act solely in the interest of beneficiaries and maintain independence from actual or perceived conflicts of interest.

### *2. Definitions*

Financial Interest means any direct or indirect ownership, compensation arrangement, employment relationship, or other material economic interest held by a Trustee or an Immediate Family Member.

Immediate Family Member includes a spouse, domestic partner, dependent child, or any person residing in the Trustee's household.

Material Relationship means any relationship that a reasonable person could conclude may influence, or appear to influence, the Trustee's judgment.

Event-Driven Disclosure means disclosure required within ten (10) business days of a material change in circumstances.

### *2. Meeting Disclosure*

At the time of roll call for each Board meeting, each Trustee shall affirm on the record whether they have any actual, potential, or perceived conflict of interest with respect to any item on the meeting agenda.

### *3. Annual Disclosure Certification*

Each Trustee shall complete and sign an annual written disclosure statement affirming compliance with fiduciary duties of loyalty, care, and compliance under NDCC § 54-52-02.9 and applicable law.

The annual disclosure shall:

- Identify all Financial Interests and Material Relationships;
- Affirm the Trustee's understanding of the duty to act solely in the interest of beneficiaries;
- Acknowledge the obligation to update disclosures promptly upon change.

The Governance and Policy Review Committee shall review annual disclosures and report compliance status to the Board.

### *4. Event-Driven Disclosure*

A Trustee shall disclose any new or changed Financial Interest or Material Relationship within ten (10) business days of becoming aware of such interest.

### *5. Recusal*

If a matter presents an actual or potential conflict:

- The Trustee shall disclose the conflict prior to discussion;
- The disclosure shall be recorded in the meeting minutes consistent with NDCC § 44-04-19;
- The Trustee shall abstain from discussion and vote and leave the room during deliberation unless counsel advises otherwise;
- If the Chair is conflicted, the Vice Chair shall assume responsibility for enforcing this procedure.

### *6. Public Records*

Disclosure forms and related materials shall be maintained in accordance with NDCC § 44-04-18 and § 44-04-30. Confidential investment information shall be handled consistent with NDCC § 44-04-22.

## External Communications

### *1. Authority to Speak for the Board*

Pursuant to NDCC § 21-10-01 et seq., the Board acts only through official Board action taken in compliance with NDCC § 44-04-19.

The Chair serves as official spokesperson on governance matters.

The Executive Director serves as official spokesperson on operational and investment matters.

Individual Trustees have no independent authority to represent the Board unless expressly authorized by Board action.

### *2. Personal Capacity Statements*

When speaking in a personal capacity, Trustees shall clearly state:

“The views expressed are my own and do not represent the position of the North Dakota State Investment Board.”

### *3. Legislative Communications*

Board positions presented to legislative bodies must reflect official Board action.

Testimony on behalf of the Board requires coordination with the Chair and Executive Director.

### *4. Crisis Communications*

In the event of a material legal, reputational, or operational matter:

- The Executive Director shall notify the Chair promptly;
- The Chair, Executive Director, and legal counsel shall determine communication strategy;
- No Trustee shall independently issue public statements regarding such matter without authorization.

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## 5. Confidentiality

Trustees shall not disclose non-public investment, personnel, legal, or beneficiary information protected under NDCC § 44-04-22 or other applicable law.

Digital and social media communications are subject to this restriction and applicable public records retention requirements under NDCC § 44-04-30.

### 5.1 Board Access to Confidential Information

#### Purpose

This policy is adopted pursuant to NDCC § 21-10-01 et seq. and applicable fiduciary standards under NDCC § 54-52-02.9 to assure that Board members have timely and appropriate access to information required to fulfill fiduciary duties, while safeguarding confidential, sensitive, and market-moving information protected under NDCC § 44-04-22 and preserving the integrity of the SIB's governance and operating model.

#### Scope

This policy applies to:

- All Board members and Committee members, including external Committee members;
- The Executive Director, executives, and staff responding to information requests;
- All forms of information — written, verbal, digital, and system access — held by the Retirement and Investment Office or its service providers.

This policy governs information requests beyond the materials routinely provided in Board and Committee meeting packets. Materials included in approved meeting packets are, by definition, accessible to Board and Committee members in accordance with NDCC § 44-04-19 and confidentiality protections under § 44-04-22.

#### Definitions

Confidential Information means non-public information held by the SIB or RIO, including investment, personnel, legal, contractual, and beneficiary information protected under NDCC § 44-04-22 or other applicable law.

Material Non-Public Information (MNPI) means information not generally available to the public that a reasonable investor would consider significant in making an investment decision, including pending transactions, manager evaluations in progress, deal pipeline, and material portfolio actions.

Fiduciary Purpose means the exercise of a Board or Committee responsibility to set direction, approve, oversee, verify, or report, consistent with the Board's five fundamental powers.

## Guiding Principles

The Board affirms the following principles governing access to information:

### **Fiduciary Purpose**

Access shall be directly linked to a defined fiduciary responsibility — approve, oversee, verify, or report — and shall support oversight and decision-making, not operational involvement.

### **Need-to-Know Standard**

Information provided shall be limited to what is necessary, proportionate, and relevant to the fiduciary purpose identified.

### **Channel Integrity**

Information requests beyond routine meeting materials shall follow formal governance channels established under this policy. Routine interaction between Committee Chairs and designated staff liaisons in furtherance of approved Committee work plans is not restricted by this policy.

### **Confidentiality and Market Integrity**

Protection of MNPI, attorney-client privileged information, personnel information, and sensitive operational data is paramount and shall not be subordinated to convenience or expediency.

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## Information Classification and Access Control

The following classifications govern Board access to information held by the RIO:

<u>Classification</u>	<u>Examples</u>	<u>Access Control</u>
<u>Board Materials</u>	<u>Approved Board and Committee packets, decision memoranda, performance reports</u>	<u>Full access for Board and Committee members</u>
<u>Confidential</u>	<u>Risk reports, manager evaluations, internal audit working papers</u>	<u>Controlled access through Executive Director or Chief Investment Officer</u>
<u>Highly Confidential</u>	<u>Personnel matters, active litigation, contract negotiations</u>	<u>Restricted access through the Executive Director</u>
<u>Market-Sensitive (MNPI)</u>	<u>Active trades, deal pipeline, pre-announcement material portfolio actions</u>	<u>Strictly limited; exceptional approval only by the Executive Director in consultation with the Office of the Attorney General</u>

## Access Request Protocol

All requests for information beyond routine meeting materials shall be submitted in writing through the Executive Director, with the Communications and Outreach Director maintaining the request log.

<u>Request Type</u>	<u>Approval Authority</u>
<u>Routine</u>	<u>Communications and Outreach Director</u>
<u>Sensitive</u>	<u>Executive Director</u>
<u>Highly Sensitive</u>	<u>Executive Director with notification to the Board Chair</u>

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Request Type	Approval Authority
Exceptional (including MNPI access)	Executive Director and Board Chair, with Office of the Attorney General consultation as required

Written requests for non-public information shall identify:

- The fiduciary purpose linked to a Board or Committee responsibility;
- The defined scope and timeframe of the information sought;
- Confirmation that the request does not duplicate existing Board materials.

The Executive Director shall acknowledge requests promptly and respond within a reasonable period appropriate to the request’s complexity and sensitivity. Denials shall be in writing with stated rationale and may be appealed to the Board Chair.

## Prohibited Practices

Board and Committee members shall not:

- Request non-public information directly from staff outside the channels established in Section 6;
- Direct staff to perform analysis, research, or work outside approved Board and Committee work plans;
- Access or use information obtained through Board service for personal, political, commercial, or other non-fiduciary purposes;
- Conduct independent or parallel due diligence on investment managers, transactions, or counterparties outside Board-approved processes;
- Share confidential information with persons not authorized to receive it, including spouses, family members, business associates, or media.

## Information Handling and Security

The following handling requirements apply to confidential and highly confidential information:

- Where appropriate, sensitive materials shall be made available for review on-site at RIO offices or through secure electronic means designated by the Executive Director;

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- Access restrictions may include view-only access, watermarking, time-limited availability, and prohibition on copying, downloading, or forwarding;
- Sensitive information shall not be transmitted via unsecured channels, including personal email, personal devices, text messaging, or non-approved cloud storage;
- Public records retention requirements under NDCC § 44-04-30 apply to all communications regardless of channel.

### MNPI Receipt and Quarantine

A Board or Committee member who inadvertently receives or becomes aware of MNPI shall:

- Notify the Executive Director and Chief Legal Counsel promptly;
- Refrain from trading in any affected security or instrument and from sharing the information with any other person;
- Recuse from any Board or Committee deliberation in which the inadvertent receipt could compromise the integrity of the decision-making process, pending guidance from legal counsel.

### Confidentiality and Legal Obligations

Board and Committee members shall:

- Annually affirm in writing their confidentiality and fiduciary obligations under this policy and applicable law;
- Comply with all restrictions on the use of MNPI and other non-public information;
- Adhere to applicable personal trading, disclosure, and recusal requirements consistent with the Disclosure policy and the Conflicts of Interest policy;
- Comply with continuing obligations following the conclusion of Board or Committee service with respect to information acquired during such service.

### Documentation and Audit Trail

The Communications Director, under the direction of the Executive Director, shall maintain a log of all formal information requests submitted under this policy, including:

- Date of request, requester, classification, approval authority, and disposition;
- Date of access provided and form of access (on-site, secure portal, transmitted copy);
- Any access restrictions imposed.

The Executive Director shall report to the ARCC on an exception basis regarding denied requests, withdrawn requests, and material handling incidents. The Internal Audit function may review the log as part of its risk-based audit plan. Material breaches shall be escalated by the Executive Director to the Board Chair and to the ARCC.

### Enforcement

Breaches of this policy may result in:

- Formal reprimand by the Board Chair, on recommendation of the GPRC;
- Committee reassignment or removal, consistent with applicable law and Board authority;
- Referral to the North Dakota Ethics Commission or other oversight bodies, where appropriate;
- Other actions consistent with governing statutes and the Conflicts of Interest policy.

### Periodic Review

This policy shall be reviewed by the GPRC at least every three (3) years, or sooner upon material changes in:

- Regulatory or statutory requirements;
- The Board's governance structure or delegation framework;
- Technology, cybersecurity, or information-handling standards relevant to access controls.

*See also — Disclosure; Conflicts of Interest and Appearance of Impropriety; External Communications; Use of Artificial Intelligence; Securities Litigation Oversight & Annual Reporting.*

## Trustee Travel

### *1. Purpose*

Trustee travel shall support the Board's fiduciary obligations under NDCC § 21-10-01 et seq. and NDCC § 54-52-02.9.

### *2. Fiduciary Purpose Standard*

Reimbursable travel must relate to one or more of the following:

- Trustee education aligned with Board-approved curriculum;
- Due diligence on material investments;
- Governance or peer benchmarking;
- Statutory representation responsibilities.

### *3. Pre-Approval*

Routine domestic travel requires prior approval of the Chair.

International or unusually high-cost travel requires Board approval.

### *4. Reimbursement*

Travel reimbursement shall comply with applicable state travel policies and reimbursement rates.

Expense documentation must be submitted within thirty (30) days of travel completion.

### *5. Post-Travel Reporting*

Within thirty (30) days of travel completion, the Trustee shall provide a written summary to the Board describing:

- Key insights gained;
- Relevance to Board priorities;
- Recommended follow-up actions.

### *6. Transparency*

An annual summary of Trustee travel expenditures shall be included in Board materials consistent with NDCC § 44-04-18.

## Oath Of Office

### *1. Statutory Requirement*

Each Trustee shall execute the oath of office required under NDCC § 44-04-10 and § 54-06-01 prior to participating in Board deliberations or voting.

### *2. Fiduciary Acknowledgment*

The oath shall acknowledge:

- Duty of loyalty to beneficiaries;
- Duty of care consistent with the prudent investor/prudent expert standard under NDCC § 54-52-02.9;
- Duty of compliance with applicable statutes and Board policies;
- Obligation to avoid conflicts of interest;
- Commitment to continuing fiduciary education.

### *3. Annual Reaffirmation*

At the first meeting of each fiscal year, Trustees shall reaffirm their oath and fiduciary obligations. Reaffirmation shall be recorded in the minutes consistent with NDCC § 44-04-19.

### *4. Record Retention*

Executed oaths shall be maintained in permanent Board records consistent with NDCC § 44-04-30.

### *5. Non-Compliance*

A Trustee who has not executed or reaffirmed the required oath may not vote or participate in official Board action until compliance is achieved.

## Use of Artificial Intelligence

### 1. Purpose

The purpose of this policy is to establish principles, governance standards, and control requirements governing the use of Artificial Intelligence (AI) technologies by the North Dakota State Investment Board (“Board”) and the Retirement and Investment Office (“RIO”) staff.

This policy is adopted pursuant to NDCC § 21-10-01 et seq. and is intended to assure that the use of AI supports the Board’s fiduciary obligations under NDCC § 54-52-02.9, protects confidential information under NDCC § 44-04-22, and complies with applicable open records and open meetings laws.

### 2. Scope

This policy applies to:

- All Board members;
- The Executive Director;
- All RIO employees;
- Contractors and service providers acting on behalf of the Board where AI tools are used in connection with Board business.

### 3. Definitions

Artificial Intelligence (AI) means software systems or tools that perform tasks typically requiring human intelligence, including but not limited to machine learning systems, predictive models, generative AI, large language models, natural language processing systems, and automated decision-support tools.

Generative AI means AI systems that generate text, images, code, models, or other content in response to prompts.

Material Decision Context means any matter involving investment decisions, manager selection, asset allocation, procurement, risk management, governance, personnel, benefit determination, or other actions that may materially affect beneficiaries or public funds.

## 4. Guiding Principles

The Board affirms the following principles governing AI use:

- i. **Fiduciary Primacy**  
AI tools may support but shall not replace the exercise of independent fiduciary judgment required under NDCC § 54-52-02.9.
- ii. **Human Accountability**  
All material decisions remain the responsibility of identified individuals and the Board acting collectively. AI outputs shall not be treated as authoritative without human review.
- iii. **Confidentiality Protection**  
Confidential investment information, proprietary data, and non-public records protected under NDCC § 44-04-22 shall not be entered into publicly available AI systems unless explicitly authorized and protected by appropriate contractual safeguards.
- iv. **Transparency and Documentation**  
Where AI tools materially inform analysis or recommendations presented to the Board, staff shall document the role of AI in the analytical process consistent with NDCC § 44-04-18 and § 44-04-30.
- v. **Security and Risk Management**  
AI use shall comply with Board-approved cybersecurity, data governance, and enterprise risk management policies.

## 5. Permissible Uses

Subject to safeguards in this policy, AI may be used for:

- Research support and background analysis;
- Drafting and editing non-final documents;
- Data summarization and pattern identification;
- Scenario modeling and analytical support;
- Administrative efficiency improvements;
- Education and training purposes.

## *6. Prohibited Uses*

The following uses are prohibited unless expressly approved by the Executive Director and consistent with law:

- Entering confidential investment information into public AI platforms without contractual data protection safeguards;
- Delegating final investment decisions to automated AI systems;
- Using AI to generate official Board positions without human validation and approval;
- Circumventing public records retention requirements;
- Creating synthetic communications that misrepresent Board authority or official positions.

## *7. Investment Decision Support*

Where AI tools are used in connection with investment analysis:

- AI outputs shall be considered advisory only;
- Material assumptions must be independently validated;
- Documentation shall identify the extent to which AI informed analysis;
- Final recommendations shall clearly reflect professional judgment and fiduciary review.

The use of AI shall not dilute the prudent investor/prudent expert standard required under NDCC § 54-52-02.9.

## *8. Governance and Oversight*

### *8.1 Executive Director Responsibilities*

The Executive Director shall:

- Approve AI tools used for official business;
- Ensure appropriate vendor due diligence and contractual safeguards;
- Integrate AI risk into enterprise risk management;
- Report material AI-related risks or incidents to the Audit, Risk and Compliance Committee.

## 8.2 Audit, Risk and Compliance Committee Oversight

The Audit, Risk and Compliance Committee shall:

- Oversee AI-related operational, cybersecurity, and compliance risks;
- Review AI governance practices periodically;
- Ensure alignment with internal audit plans, where appropriate.

## 9. Vendor and Third-Party AI Use

Contracts with external managers, consultants, or service providers that materially use AI in connection with Board assets shall:

- Disclose such use when more than incidental;
- Provide assurances regarding data confidentiality and cybersecurity;
- Confirm compliance with applicable law and fiduciary standards.

## 10. Records Retention

AI-generated content used in Board business constitutes a public record where required under NDCC § 44-04-18 and shall be retained in accordance with NDCC § 44-04-30.

Prompt histories or AI interactions that materially inform recommendations to the Board shall be retained as part of the decision-support record.

## 11. Training

Trustees and staff shall receive periodic education regarding:

- Appropriate AI use;
- Data confidentiality risks;
- Fiduciary implications of AI-supported analysis.

## 12. Periodic Review

This policy shall be reviewed at least every two (2) years or more frequently if significant technological or regulatory developments warrant revision.

The Board recognizes that AI tools may enhance analytical depth and operational efficiency. However, prudence is measured by the quality of human judgment exercised in oversight, not by the sophistication of tools employed.

## Securities Litigation Oversight & Annual Reporting

Oversight of securities litigation affecting the Board's investment portfolios is a fiduciary responsibility of the Board, supported by management.

The Executive Director shall provide the Board, at least annually, with a written report on the status of securities litigation matters affecting the System's portfolios. The report shall enable the Board to fulfill its fiduciary duty of prudence in safeguarding investment assets entrusted to it.

The Executive Director's Annual Securities Litigation Report shall address, at a minimum:

1. *Portfolio Exposure & Case Inventory*

- Summary of all material securities litigation matters in which the System is participating or eligible to participate.
- Identification of cases involving direct litigation, opt-out actions, lead plaintiff roles, group litigation, anti-trust claims, or class action participation.
- Aggregate market value exposure associated with affected holdings.

2. *Participation Decisions*

- Summary of participation decisions made during the reporting period (e.g., passive class participation, opt-out, direct filing, lead plaintiff status).
- Confirmation that such decisions were made consistent with the Board-approved Securities Litigation Policy.

3. *Claims Activity & Recoveries*

- Status of claims filed.
- Settlements received or anticipated.
- Total recoveries during the reporting period and cumulative recoveries to date.
- Estimated costs associated with participation.

4. *Outside Counsel & Legal Coordination*

- Identification of any special assistant attorneys or outside counsel engaged.
- Confirmation of coordination with and concurrence of the Office of the Attorney General, where required.

5. *Risk & Threshold Assessment*

- Application of any Board-approved dollar or risk thresholds used to evaluate opt-out or direct litigation decisions.
- Assessment of litigation risks, costs, and expected benefits.

### 6. *Policy & Process Review*

- Confirmation that monitoring processes remain effective.
- Recommendation of any proposed updates to the Securities Litigation Policy, thresholds, or procedures.

### 7. *Fiduciary & Governance Considerations*

- Assessment of whether current practices align with fiduciary duties of loyalty and prudence.
- Any emerging trends in securities litigation relevant to the Board's oversight responsibilities.

### *Governance Clarification*

Management retains responsibility for:

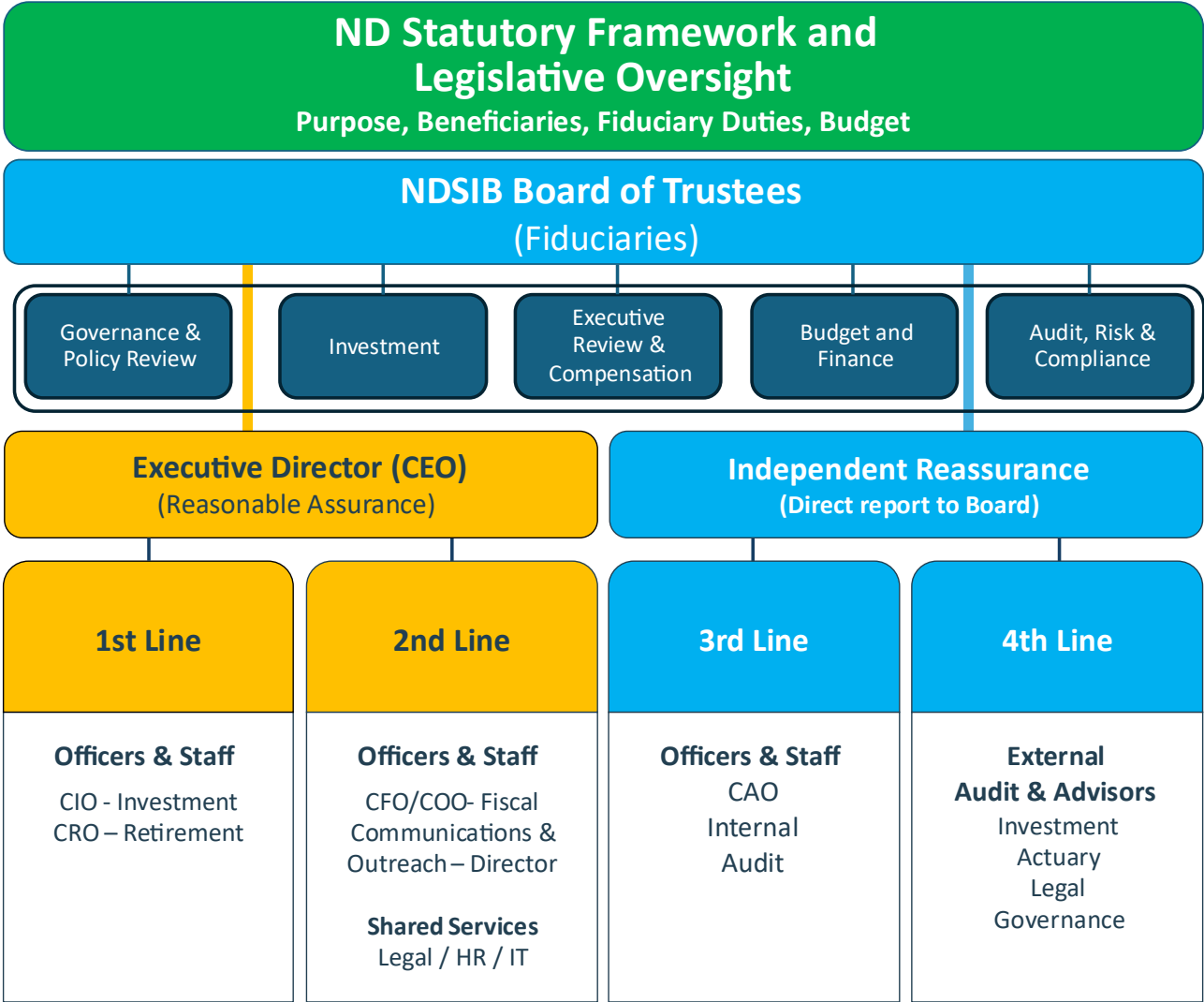
- Ongoing monitoring of securities litigation affecting portfolio holdings.
- Timely filing of claims.
- Engagement and oversight of litigation service providers.
- Escalation of material matters to the Board.

The Board retains responsibility for:

- Approval of the Securities Litigation Policy.
- Approval of any material policy changes.
- Oversight of management's execution of securities litigation responsibilities.

## 2. Roles

### Four 4 Lines of Accountability Model



The Board recognizes the 4 Lines Model as the foundation for reasonable assurance and independent reassurance and accountability:

- 1st and 2nd Lines provide reasonable assurance through execution, controls, and monitoring.
- 3rd and 4th Lines provide independent reassurance through objective review and assurance.

The Board relies on all four lines to support prudent delegation and informed oversight.

## The ND Statutory Framework

### The Role of the Legislature and Oversight

The North Dakota Legislature establishes the statutory framework within which the State Investment Board, “the Board or SIB” operates. The Legislature’s role is one of policy-setting, fiscal authorization, and accountability oversight—not investment management.

The Legislature defines the rules, resources, and accountability expectations; the SIB governs and oversees investment activity within those statutory boundaries; and management executes. This separation preserves fiduciary integrity while assuring oversight of public capital.

The Legislature:

- **Sets governing law and public purpose**

Enacts and amends statutes that define the SIB’s mandate, powers, fiduciary duties, governance structure, and the funds under its care.

- **Approves budgets and resource authority**

Authorizes the SIB’s operating budget, staffing levels, and major expenditure categories through the biennial appropriations process, establishing fiscal boundaries within which the Board and management must operate.

- **Provides oversight and accountability**

Exercises oversight through interim Committees, hearings, reporting requirements, audits, and confirmation or review processes—focused on legality, stewardship of public resources, and alignment with legislative intent.

- **Does not direct investments or operations**

The Legislature does not select investments, set asset allocation, hire managers, or manage day-to-day operations. Those responsibilities are delegated by statute to the SIB and its Committees, consistent with fiduciary standards.

### Reporting Role of the SIB to the Legislature

The SIB has a statutory duty to report to the North Dakota Legislature to support transparency, accountability, and legislative oversight—without compromising the Board’s fiduciary independence.

The SIB’s reporting role includes:

- **Periodic and statutory reports**

Providing required reports on investment performance, financial condition, fund status, and compliance with governing statutes and policies.

- **Budget and appropriation support**

Submitting budget requests, expenditure reports, and staffing information necessary for the Legislature to exercise its appropriation and fiscal oversight responsibilities.

- **Audit, risk, and compliance reporting**

Communicating the results of independent external audits, internal audit activity, and material risk, control, or compliance matters relevant to legislative oversight.

- **Testimony and legislative engagement**

Appearing before legislative Committees to explain results, respond to inquiries, and provide factual, non-advocacy information on the SIB’s activities and governance.

The SIB reports what has been done, how public resources are safeguarded, and whether statutory intent is being met—while the Legislature retains oversight authority and the SIB retains fiduciary and operational independence.

## The ND State Investment Board

### Purpose

1. SIB clients receive investment returns, consistent with their written investment policies and market variables, in a cost-effective manner and under the Prudent Investor Rule.
  - a. This objective will be evaluated based on the following:
    - i. Comparison of client fund's rate of return net of fees and expenses, to that of the client's policy benchmark over a minimum evaluation period of 5 years.
    - ii. Comparison of the client fund's risk, measured by standard deviation of net returns, to that of the client's policy benchmark over a minimum evaluation period of 5 years.
    - iii. Comparison of the risk-adjusted performance of the client fund, net of fees and expenses, to that of the client's policy benchmark over a minimum evaluation period of 5 years.
2. Potential SIB clients have access to information regarding the investment services provided by the SIB.

### Board Composition

Members of the SIB are set forth in Chapter 21-10 of the N.D.C.C.

### **Charge and management of the business**

The SIB will have general charge and management of the business of TFFR and the SIB, subject to law, administrative rules and regulations, and governance policies. The SIB will make such policy as necessary to fulfill this obligation.

### **Representation by Designees**

When the statutes allow a designee to represent a member of the SIB or an alternate to represent the TFFR or PERS Board, the Chair will recognize the individual for the record, and the individual(s) will then have the right to vote on matters before the SIB.

### **Administrative Support for TFFR**

The SIB will be responsible for the operation of an administrative office that will provide support services to TFFR and the SIB.

## SIB Board Charter

### Purpose

The State Investment Board (SIB) serves as the fiduciary governing body responsible for the long-term stewardship, oversight, and protection of assets entrusted to the SIB on behalf of current and future beneficiaries.

Board members collectively assure that investment policies, governance structures, and oversight systems are aligned with statutory mandates, fiduciary duties, and the long-term interests of plan participants, beneficiaries, and the State of North Dakota.

A SIB member is a long-horizon fiduciary steward, governing policy and oversight—not day-to-day management—to protect and grow entrusted assets in a manner consistent with law, purpose, and intergenerational responsibility.

### Trustee Duties and Expectations

Each Board member is expected to:

- Prepare for and actively participate in Board and Committee assignments
- Exercise independent judgment while respecting collective Board decisions
- Ask informed, prudent questions focused on risk, assumptions, and long-term implications
- Avoid conflicts of interest and comply with ethics and disclosure requirements (See Disclosure)
- Maintain confidentiality of non-public information
- Support a culture of integrity, respect, and continuous improvement

### Committee Service

- Board members may serve on one or more standing Committees.
- Committee service includes deeper research, recommendations and oversight within delegated scopes, while ultimate authority and responsibility remains with the full Board.

### Time Commitment

- Regularly scheduled Board meetings
- Committee meetings as assigned
- Periodic education, retreats, and special sessions
- Ongoing preparation and review of materials between meetings

### Knowledge, Skills and Competencies

Board members are not expected to be investment professionals but are expected to govern prudently and intelligently. Desired competencies include:

- Understanding of fiduciary responsibility and public trust
- Ability to evaluate long-term risk and reward tradeoffs
- Financial, economic, or organizational literacy
- Strategic thinking and sound judgment
- Willingness to engage in continuing education

### Chair and Vice Chair Charter

The officers of the SIB are a Chair and Vice Chair, one of which must be an appointed or elected member of the TFFR or PERS Board. The officers will be elected by the SIB to a one-year term at the first regularly scheduled meeting following July 1 of each year. Vacancies will be filled by the SIB at the first scheduled meeting following the vacancy.

Chair. The Chair will preside at all meetings of the SIB.

Vice Chair. In the absence of the Chair, the Vice Chair will perform the duties of the Chair.

### Chairperson's Role

The chairperson's primary responsibility is to assure the integrity of the Board's process. The chairperson is the only Board member authorized to speak for the Board other than in specifically authorized instances. The duty of the chairperson is to see that the Board operates consistently with state and federal law, administrative rules, and its own policies.

The Board agenda will be the responsibility and be coordinated by the chairperson with the assistance of the Executive Director. Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board and not the Executive Director, or in a Board member's opinion, may deal with fiduciary responsibilities. Deliberation will be fair, open, and thorough, but also efficient, timely, orderly, and brief. The chairperson shall appoint a parliamentarian.

The chairperson is empowered to chair Board meetings with all the commonly accepted authority of that position (e.g., ruling, recognizing). The chairperson has no authority to make decisions about policies created by the Board. Therefore, the chairperson has no authority to supervise or direct the Executive Director. The chairperson may represent the

Board to outside parties in announcing Board-stated positions and in stating chairperson decisions and interpretations within the area delegated to the chairperson.

The chairperson is authorized, in consultation with the Executive Director, to grant approval for international travel by SIB members and to keep the Board informed on travel requests.

The Chair may call recess, enforce agenda/time rules, and refer disputes to the Governance Policy Review Committee (GPRC) for follow-up. The Chair assures deliberation remains within fiduciary scope.

The Chair is the initial point of contact for in-meeting conflict of interest (COI) disclosures and may request temporary recusal pending GPRC/legal review. The GPRC will make the final recommendation to the full Board. See Appendix A1 – Disclosures.

The Chair reviews draft minutes for accuracy/completeness before approval.

The Chair supports leadership bench development with the GPRC (encourages continuing education participation; orients new members; identifies future officer candidates).

## Roles

The Chair should assure committee outputs reach the Board with clear decision points, cross-committee coordination issues are identified; and follow-ups are assigned.

If the Chair is unable to serve, then the Vice Chair will serve as Acting Chair until the Board elects a replacement at the next meeting (or sooner at a special meeting).

The Board Vice-Chair works with Chair on agenda planning; supports meeting process integrity; participates in governance self-assessment review; attends key briefings as appropriate.

The Vice Chair does not act as spokesperson except in Chair absence or Board authorization.

The Budget and Finance Committee (BFC) and the Audit, Risk and Compliance Committee (ARCC) together provide treasurer-equivalent oversight. They will define handoffs (budget → financial reporting → controls/audit findings).

See Travel Policy

## Committee Authority and Role

The Board holds the exclusive authority to approve policies, delegations, and major decisions, and remains ultimately responsible for prudent fiduciary processes, while Committees serve in an advisory and oversight capacity by conducting detailed research, developing recommendations for Board consideration, and overseeing and verifying that Board-approved decisions are implemented and performing as intended without exercising independent approval or execution authority.

Standing Committees act as extensions of the Board's fiduciary authority, performing detailed review, analysis, and oversight within scopes defined by Board-approved charters. Committee authority is collective and advisory unless explicitly delegated by Board action.

### Committees:

- Prepare recommendations for full Board consideration
- Monitor delegated activities within assigned domains
- Escalate material risks, exceptions, or policy issues to the full Board
- Verify performance and risk through the use of independent third parties

Committees do not exercise independent governing authority unless expressly delegated by the Board, and all material decisions remain subject to full Board approval.

## Oversight of Management and Organization

- Appoint, support, evaluate, compensate, terminate and plan for the succession of the Executive Director—take action regarding the Executive Director consistent with statutory authority.
- Monitor organizational capacity, resources, and internal controls necessary to execute Board-approved policies.
- Assure management operates within delegated authority and established limitations.

### Risk, Compliance and Accountability

- Oversee enterprise risks, including Investment, liquidity, operational, legal, and reputational risks
- Assure effective compliance with Statutes and administrative rules and Board policies and ethical standards
- Promote transparency, documentation, and timely escalation of issues.

### Stakeholder and Public Accountability

- Act as responsible stewards of public trust.
- Balance independence of fiduciary judgment with accountability to Beneficiaries, Participating entities and Legislative and oversight bodies
- Communicate clearly, professionally, and constructively in public meetings and official settings.

## Continuing Education

### **Institutional Investor Standard of Care**

Board members are expected to govern consistent with the standards of a large, long-term institutional investor, informed by peer practices, fiduciary norms, and evolving governance and risk oversight frameworks. This includes:

- Awareness of peer governance and investment practices
- Use of benchmarking and external expertise where appropriate
- Commitment to disciplined, evidence-based decision-making over market cycles

Continuing education supports the Board's ability to meet institutional investor standards and evolving fiduciary expectations. Board members are expected to engage in ongoing fiduciary and governance education to:

- Strengthen approval and oversight capabilities
- Remain informed about evolving investment, risk, and governance practices among peers
- Fulfill fiduciary standards of care

### **Continuing Education Requirements**

Each member shall complete 10 hours annual continuing education (CE) with the curriculum to be based on Board and Committee capability requirements. Credits may be earned through any combination of on-line, or in-person training including conferences and in-house. [RIO staff will track completion.](#)

### **Collective Responsibility**

Authority rests with the Board acting as a body, not with individual members.

Individual Board members do not direct staff or make unilateral decisions on behalf of the SIB.

### **Performance and Accountability**

- Board performance is evaluated through periodic self-assessment.
- Members are accountable for fulfilling fiduciary duties, adhering to Board standards, and contributing constructively to Board effectiveness.

Recommended Capabilities
<b>Investment Committee</b>
Strategic Asset Allocation & Long-Horizon Policy Setting
Active Risk Budgeting & Portfolio Construction
Public & Private Markets Understanding
Manager Oversight & Performance
Liquidity, <b>Investment</b> Risk & Stress Scenario Awareness.
<b>Audit, Risk and Compliance Committee</b>
Financial Reporting & Audit Oversight
Internal Controls & Assurance
Enterprise & <b>Investment-Operational</b> Risk Oversight
Compliance, Ethics & Regulatory Awareness <b>including ADA</b>
Risk Reporting, Dashboards & Escalation
<b>Governance &amp; Policy Review Committee</b>
Fiduciary Duties & Public Governance Law
Board–Management Delegation & Accountability
Governance Frameworks, Policies & Charters
Ethics, Conflicts & Independence
Board Effectiveness & Self-Assessment
Compliance with the Americans with Disabilities Act (ADA)
<b>Executive Review &amp; Compensation Committee</b>
Executive Performance Evaluation
Incentive Design & Risk Alignment
Peer Benchmarking & Market Context
Succession Planning & Leadership Assessment
Independence, Ethics & Compensation Governance.
<b>Budget &amp; Finance Committee</b>
Financial Reporting & Fund Accounting
Multi-Year Financial Planning & Sustainability
Financial Controls, Procurement & Contracts
Resource Alignment to Strategic Priorities

### Investment Committee (IC)

#### *Purpose*

The Investment Committee (IC) is a standing Committee of the SIB. The IC will:

- Be forward-looking to reduce “surprises” for the SIB
- Provide research and recommendations to the Board on asset allocation and benchmarks.
- Provide oversight of SIB investments within the parameters established by the SIB including an analysis of risk and return at the portfolio, asset class, and client fund levels.
- Review decisions made about deviations from established benchmarks and allocation of investments among internal management (if approved) and external management, including decisions about passive, active and quantitative styles.
- Focus on various policies and procedures of the agency to assure they are consistent with industry standards and that they continue to keep pace with prudent investment theory and practice.
  - (i) propose changes to its Investment Policy including delegation of investment authority to RIO investment staff;
  - (ii) recommend the SIB IC Investment Guidelines (IC Guidelines);
  - (iii) recommend the general strategies for each investment division; and (iv) recommend new investment instruments. All investment guidelines must be consistent with the investment authority provided in N.D.C.C. Chapter 21-10.
- Act as liaison between the RIO Investment Staff and the SIB on issues concerning investment performance and investment risk management.
- Provide consultation and assistance to the SIB, Executive Director and staff concerning total fund allocation changes or rebalance decisions, as needed.

### *Recommended Capabilities:*

Collectively members of the Committee should possess the following capabilities, and where gaps exist, a targeted continuing education plan shall be established to address them: See Continuing Education - Recommended Capabilities Matrix)

- Strategic Asset Allocation & Long-Horizon Policy Setting
- Active Risk Budgeting & Portfolio Construction
- Public & Private Markets Understanding
- Manager Oversight & Performance
- Liquidity, Risk & Stress Scenario Awareness.

### *Staff Liaison: Chief Investment Officer*

### *Committee Powers and Responsibilities*

#### *1. Set: Research and Recommend*

- Changes to the SIB Investment Policy, as necessary including any delegation of authority to RIO investment staff.
- Changes to SIB's strategic asset allocations and fund-level active risk objectives and benchmarks.
- Asset class strategies annually in the context of long-term policy, not annual reinvention.
- New investment strategies (both internal direct and external), portfolios, and the use of new investment instruments.
- Changes and additions to the Portfolio and Committee Guidelines as necessary
- Oversee the hiring of investment advisors and benchmark consultants to the Board.
- Waiver: Review and act on all requests from investment managers, both internal and external for waivers to provisions in their investment guidelines.
- On an emergency basis when it is impractical to timely convene a meeting of the Committee, either the Chair or Vice Chair of the Committee with the concurrence of the Chief Investment Officer or the Executive Director, may approve a waiver. That waiver will be brought to the Committee for ratification at its next regularly scheduled meeting.
- Recommend total fund risk budget
- Recommend active risk allocation strategy

## *2. Approve: Not authorized*

## *3. Oversee performance and risk*

### *a. Long-Term Policy & Strategic Asset Allocation*

Purpose: Preserve strategic policy continuity and long-horizon return objectives.

- Long-term investment policy and multi-year strategic asset allocation.
- Strategic performance and risk of asset allocation relative to objectives and liabilities.
- Any new investment programs or initiatives across all SIB portfolios.
- Alignment of strategies with the system's risk appetite and long-term return objectives.

### *b. Total Portfolio Risk & Active Risk Governance*

Purpose: Assure risks taken are intentional, measured, and aligned with policy.

- Risk and return at the total fund, asset class, portfolio, and client fund levels.
- Active risk compared to objectives, benchmarks, and approved active risk targets.
- Oversight of the total fund risk appetite and active risk budget, including escalation thresholds requiring IC or Board action.
- Decisions regarding deviations from benchmarks and the allocation of risk across internal, external, passive, active, and quantitative strategies.

### *c. Performance Measurement & Reporting Framework*

Purpose: Assure decision-quality information and consistent evaluation standards.

- Oversight of procedures, methodologies, and frequency of review for:
  - Fund, asset class, and portfolio performance
  - Performance attribution
  - Allocation within asset classes
  - Risk levels
- Review of annual benchmark recommendations from a Board-appointed benchmark consultant.
- Examination of internally and externally managed portfolios, individual investments, and correlations among portfolios to support informed oversight.

### *d. Investment Manager & Service Provider Oversight*

Purpose: Maintain accountability for delegated investment execution.

- Oversight of investment managers' performance.
- Oversight of staff selection of investment managers.
- Review of allocation decisions among internal and external management mandates.
- Assurance that delegated authority is exercised within Board-approved policy and risk parameters.

### *e. Implementation, Operations & Transition Oversight*

Purpose: Reduce execution risk and assure value is not lost in implementation.

- Review of trading effectiveness for internally managed investment strategies.
- Review of quarterly transition reports, including costs, timing, and impacts.
- Oversight of implementation risks associated with portfolio changes and strategy execution.

### *f. Exception Management & Escalation*

Purpose: Assure timely visibility into deviations and emerging risks.

- Require exception-based reporting highlighting deviations from policy, risk limits, benchmarks, or expectations.
- Timely escalation of material exceptions to the SIB, based on agreed-upon thresholds and criteria.

### *g. Market Intelligence & Continuous Learning*

Purpose: Support informed judgment in a changing environment.

- Participation in periodic round-table discussions on the economic and investment environment.
- Ongoing education to maintain awareness of evolving market risks, opportunities, and structural changes.

#### *4. Verify and report performance and investment policy compliance*

Purpose: Assure the Board is timely informed of emerging investment, liquidity, operational, or governance risks that could materially affect long-term objectives or policy continuity.

- Report the investment performance of the funds to each fund's governing authority.
- Review all compliance-related issues including compliance with statutes, administrative rules, internal and external manager investment guidelines or as otherwise requested.
- Review other compliance-, risk- or derivative-related matters that are directed to the attention of the IC by the SIB, external auditors, the Internal Audit group, and RIO investment and fiscal/operations staff.

### Audit, Risk and Compliance Committee (ARCC)

The Audit, Risk and Compliance Committee (ARCC) is a standing Committee of the North Dakota State Investment Board established to support the Board's fiduciary oversight of the North Dakota RIO by obtaining independent reassurance and verification and providing enterprise-wide performance risk oversight.

#### Purpose

The Committee serves as the Board's primary forum for oversight of enterprise risk management, internal and external audit, financial reporting and controls, and compliance with laws, regulations, and ethical standards and as a communications link among the Board, RIO management, Internal Audit, independent auditors, and other reassurance providers.

ARCC's role is oversight—not execution. The ARCC does not direct investment activity or operational execution, nor does it participate in management's execution of controls, audits, or risk mitigation activities. Where matters intersect with investment operations, ARCC's role is limited to independent oversight, reassurance, and verification, with primary responsibility residing with management and the Investment Committee. Investment operational matters remain Investment Committee-led, with ARCC providing independent oversight.

In fulfilling its mandate, the ARCC:

- Oversees the enterprise risk management (ERM) framework, including the identification, assessment, monitoring, and escalation of material financial, operational, compliance, technology, reputational and accessibility risks, including key performance and risk indicators (KPRIs).
- Provides independent oversight of the Internal Audit function, including approval of the annual risk-based audit plan and assessment of Internal Audit's effectiveness and independence in accordance with The Institute of Internal Auditors' professional standards.
- Oversees the independent external audit, including audit scope, significant accounting judgments, internal control over financial reporting, and the resolution of audit findings.
- Oversees financial reporting and controls, compliance, ethics, whistleblower, and fraud-prevention frameworks, and monitors management's responsiveness to regulatory examinations and audit recommendations.

The ARCC has authority to approve the annual internal audit plan, recommend the selection, evaluation, or termination of independent external auditors, investigate any matter within its scope, and retain independent advisors as necessary. All approvals are limited to authority explicitly delegated by the Board.

## Roles

The ARCC reports regularly to the Board on its activities, findings, risks, and recommendations; provides an annual written report describing how its responsibilities were discharged; and escalates significant risk, compliance, ethics, or audit matters to the Board as appropriate.

### Recommended Capabilities:

Collectively ARCC members should have capabilities in the following areas and where gaps exist, a targeted continuing education plan shall be established to address them. See Continuing Education - Recommended Capabilities Matrix)

- Financial Reporting & Audit Oversight
- Internal Controls & Assurance
- Enterprise & Investment Risk Oversight
- Compliance, Ethics & Regulatory Awareness
- Risk Reporting, Dashboards & Escalation

### Staff Liaison: ~~Chief Audit Officer~~ Director of Audit (DA)

- The RIO's ~~Chief Audit Officer~~ Director of Audit is the staff member reporting administratively to the Executive Director and functionally to the ARCC. The ~~CAODA~~ is independent of the Executive Director. ~~and reports functionally to the ARCC.~~
- The ~~CAODA~~ shall have unrestricted access to the Committee, the Board Chair, and all records, personnel, and physical properties relevant to audit activities.
- The Executive Director will supervise the administrative activities of the Internal Audit function and independent audit activities such as securing contracts, paying fees, maintaining official reports, and other appropriate activities.
- The ~~CAODA~~ will report annually to the SIB on the results of the independent audit and at least four times a year to the SIB and TFFR Board on the activities of the ARCC and other pertinent information.

## Powers and Responsibilities

### 1. Conduct Special Investigations

- Institute and oversee special investigations as needed.

### 2. Set: Research and Recommend

- Identify improvements to performance and risk management
- Selection, evaluation and termination of independent external auditors
- Make recommendations to the North Dakota State Auditor's Office, when appropriate.

### 3. *Approve*: Not authorized except to approve the annual internal audit plan.

- All Committee approvals are limited to those explicitly delegated by the Board.
- The ARCC will approve the annual internal audit plan including the use of third parties to support the plan.

### 4. Oversee Operational Performance and Risk

The ARCC oversees the enterprise risk management framework, including the identification, assessment, monitoring, and reporting of material financial, operational, compliance, technology, and reputational risks. Investment risks are the purview of the Investment committee. The ARCC reviews management's risk assessments, mitigation, strategies, and reporting processes, and escalates material risk exposures to the Board as appropriate.

- Internal and external audit programs including financial and other reporting practices
- Internal controls and operational risks
- Compliance with laws, regulations, and ethics

### 5. Oversee Internal Audit Services

#### a. Internal Audit Services

- Consider the effectiveness of the Internal Audit function, within The Institute of Internal Auditors' International Professional Practices Framework for Internal Auditing consisting of the Definition of Internal Auditing, Code of Ethics and the Standards.
- Review with the Executive Director and **CAODA** the audit charter, activities, staffing, and organizational structure of Internal Audit.
- Review and approve the annual risk-based audit work plan and all major changes to the plan.

- Escalate to the Board any internal audit issues the ARCC determines significant and appropriate for Board consideration.
- Participate with the Executive Director in the appointment and annual evaluation of **CAODA**. Work with the Executive Director on any changes in staffing, including the addition, termination, or replacement of auditors, and the approval of salary increases and/or promotions other than those authorized by the legislature.

### b. Independent External Audit

- Review the independent auditors' proposed audit scope and approach, including coordination of audit effort with RIO's Internal Audit staff and any developments in accounting principles and auditing standards that may affect either the financial statements or the audit.
- Inquire as to any proposed changes in accounting or financial reporting procedures and of any unusual events that could impact the financial statements.
- Review the results of the financial statements report with the independent auditors and RIO's management, prior to the release of the financial statements report to the SIB and other officials. This review will include the following, as applicable:
  - Any major problems encountered by the independent auditors and the resolution thereof.
  - The effect on the audit of any developments.
  - Any unresolved differences between the independent auditors and the RIO's management.
  - Any other significant comments or recommendations of the independent auditors or the RIO's management.
  - The adequacy of the RIO's internal accounting controls and accounting policies, procedures, and practices.
  - Understand the scope of independent auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with the RIO's management responses.
- The effectiveness of the RIO's internal control system, including information technology security and control.

- Whether the financial statements are complete, consistent with information known to ARCC members and reflect appropriate accounting principles. This will include the following, as applicable:
  - The accuracy and completeness of the information in other [sections](#) of the annual report and related regulatory filings.
  - The significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
  - All matters required to be communicated to the Committee under generally accepted auditing standards with the RIO's management and the independent auditors.
- Review non-audit services, if any, performed for the RIO by the independent auditors.

### c. Oversee Performance Risk Management

- Obtain information and/or training to enhance the ARCC's understanding of organization and its related risk management processes and key performance risk indicators.
- Review the adequacy of the organization's policy on risk management.
- Review the effectiveness of the organization's system for assessing, monitoring, and controlling significant risks or exposures.
- Review management reports on risks and related risk mitigations.
- Hire outside experts and consultants in risk management, as necessary, subject to full Board approval.

### d. Verify Compliance

- Review staff compliance with federal and state laws and North Dakota administrative code as applicable to RIO, the SIB and TFFR Board programs, and the process for communicating the code of conduct to the RIO's staff, and for monitoring compliance through the receipt of the audit results.
- Review the process for communicating and monitoring compliance with the code of ethics, code of conduct, and fraud policies.
- Review the findings of any examinations by regulatory agencies, any auditor observations related to compliance, and the responsiveness and timeliness of management's actions to address the findings/recommendations.
- Obtain updates from the RIO's management and legal counsel regarding compliance matters, as deemed necessary.

### e. Whistleblower

- Serve as an appropriate confidential body for individuals to provide information on potentially fraudulent financial reporting or breaches of internal control.

### f. Fraud, abuse, misuse

- Oversee management and Internal Audit regarding the procedures in place for the prevention of illegal payments, conflicts of interest, or other questionable practices.

### g. Other

- Perform other activities related to this charter as requested by the SIB.
- Review any other reports the RIO issues that relates to the Committee's responsibilities.

## 6. Verify and Report

- Report to the SIB about the ARCC's activities, issues, and related recommendations.
- Provide a written report annually to the SIB, describing the ARCC's composition, responsibilities and how they were discharged, and any other information required.
- Significant compliance, ethics, or fraud matters shall be reported promptly to the ARCC Chair and escalated to the Board as appropriate.
- The ~~EAODA~~ shall provide an annual attestation to the ARCC confirming that no undue influence has been exerted over the Internal Audit function.

## Governance & Policy Review Committee (GPRC)

### Purpose

The Governance & Policy Review Committee (GPRC) is a standing Committee of the North Dakota State Investment Board (SIB). The GPRC assists the Board in fulfilling its fiduciary responsibilities by overseeing the integrity, coherence, and effectiveness of the Board's governance framework.

The GPRC's role is governance and policy stewardship, not management execution. The GPRC assures that Board policies remain clear, current, internally consistent, and aligned with fiduciary duties, statutory authority, and long-term objectives.

The GPRC is intentionally policy-centric rather than operational and serves as the Board's institutional memory and governance steward. Its effectiveness is measured by improved clarity, consistency, fewer governance-related surprises, and stronger long-term decision discipline.

The GPRC shall periodically review the Board's governance framework against recognized governance standards and leading practices and recommend enhancements as appropriate.

### Authority and Limitations

The following authorities and limitations apply to the GPRC:

- It has authority to review, assess, and recommend.
- It does not have authority to approve policy, except where specifically delegated by the Board.
- It does not direct management operations.
- It may request information, analyses, and assistance from management and external advisors as necessary to fulfill its duties.

### Recommended Capabilities:

Collectively members of the Committee should possess the following capabilities, and where gaps exist, a targeted continuing education plan shall be established to address them: See Continuing Education - Recommended Capabilities Matrix)

- Fiduciary Duties & Public Governance Law
- Board-Management Delegation & Accountability
- Governance Frameworks, Policies & Charters
- Ethics, Conflicts & Independence
- Board Effectiveness & Self-Assessment
- Compliance with the Americans with Disabilities Act (ADA)

Staff Liaison: Executive Director

Powers and Responsibilities

## 1. Conduct

Annual Self-Assessments

The GPRC shall conduct its own self-assessment and oversee the completion of annual self-assessments for the Board and all Committees and shall report the results to the Board.

## 2. Set: Research and Recommend

*Charter and Delegations Framework*

The GPRC shall periodically review this Charter and all Committee charters (no less than every three years) and recommend updates to reflect:

- Statutory or regulatory changes.
- Evolving governance practices.
- Board priorities.
- Clearer decision-making, delegation, and accountability.
- Delegations of Authority.

The GPRC shall review and recommend Board delegations to Committees, the Executive Director, and staff, assuring that delegations:

- Are clearly defined.
- Include appropriate limits and reporting expectations.
- Preserve Board accountability while enabling effective operations.

The GPRC may recommend governance enhancements that strengthen long-term stewardship, informed challenge, constructive Board–management relationships, and disciplined decision-making.

## 3. Approve: Not authorized

The Committee is not authorized to approve, except where explicitly delegated by the Board.

### 4. Oversee

#### a. *Governance Risk and Alignment*

The Committee shall:

- Monitor emerging governance, fiduciary, and regulatory risks.
- Oversee alignment of Board policies with statutes, regulations, fiduciary standards, and leading practices.
- Coordinate, as appropriate, with Audit & Risk, Legal Counsel, and external governance advisors.

Material governance issues shall be elevated to the Board with clear recommendations.

#### b. *Board Effectiveness and Development*

The GPRC shall oversee processes that support effective Board performance, including:

- Annual Board and Committee self-assessments.
- Trustee orientation and ongoing education expectations.
- Practices related to meeting effectiveness, agenda design, and the quality and timeliness of Board materials.

#### c. *Governance Policy System*

The GPRC shall oversee the design and coherence of the Board's governance system, including:

- Governance policies.
- Delegations of authority.
- Committee charters.
- Board bylaws and procedures.

The Committee shall monitor for gaps, overlaps, or ambiguity that could undermine fiduciary oversight.

#### d. *Governance Policy Review Cycle*

The GPRC shall establish and oversee a structured review cadence (no less than every three years) assuring reviews are:

- Risk-informed.
- Aligned with statute and leading practice.
- Reflective of Board intent.

Annual review does not imply annual revision.

### 5. Verify and report to the Board

#### a. *Verification*

The GPRC shall verify that governance documents:

- Clearly define roles, authorities, and accountability.
- Distinguish Board oversight from management execution.
- Remain internally consistent and free of conflict or duplication.

#### b. *Reporting*

The GPRC shall report regularly to the Board regarding:

- Policy review activities.
- Governance assessments.
- Recommendations for action.

Recommendations shall be decision-ready and include rationale, implications, and alternatives where appropriate.

### Executive Review & Compensation Committee (ERCC)

#### Purpose

The Executive Review and Compensation Committee (ERCC) is a standing Committee of the State Investment Board. The ERCC will assist the SIB in fulfilling its fiduciary oversight responsibilities of “monitoring executive performance (which) is synonymous with monitoring organizational performance against Board policies. The ERCC will also assist the SIB in developing compensation goals and strategies for the agency as a whole that are in alignment with the strategic plan of the agency.”

The primary roles are to:

- Evaluate Executive Director performance annually
- Recommend executive compensation to the Board
- Oversee executive succession and leadership continuity
- Assure compensation philosophy supports long-term mission
- Commission independent compensation benchmarking

#### Recommended Capabilities:

Collectively ERCC members should possess the following capabilities and where gaps exist, a targeted continuing education plan shall be established to address them: See Continuing Education - Recommended Capabilities Matrix)

- Executive Performance Evaluation
- Incentive Design & Risk Alignment
- Peer Benchmarking & Market Context
- Succession Planning & Leadership Assessment
- Independence, Ethics & Compensation Governance.

*Staff Liaison:* Chief Legal Counsel (CLO) or third party for matters related to the Executive Director. The Executive Director will be the liaison for all other matters.

The Chief Legal Officer (CLO) ~~(a recommended new position)~~ or a third party will be responsible for the preparation of all ERCC materials related to the Executive Director's Performance Evaluation and Compensation.

The CLO or 3rd party will prepare an annual summary of the required reports submitted to the SIB by the Executive Director and Chief Investment Officer in connection with its review of policy adherence. The CLO or 3rd party will also assist the ERCC in completing annual surveys of the Executive Director with the SIB, SIB clients, and RIO team members

- Conduct evaluations and surveys
- Evaluate the Executive Director
- Conduct a formal evaluation of the Executive Director annually prior to June 30th of each year.

The ERCC will conduct a formal evaluation of the Executive Director during the first half of every calendar year. This formal evaluation by the ERCC will serve as the basis for an annual compensation recommendation for the Executive Director only to be reviewed and approved by the SIB on or before June 30th each year.

The ERCC shall utilize an independent third-party advisor, as appropriate, to facilitate executive performance evaluations and compensation benchmarking to preserve objectivity and independence. Internal Audit may observe or verify process integrity but shall not lead executive performance assessments.

### Powers and Responsibilities:

#### 1. Set: Research / Recommend

Prior to June 30th of each year

- Recommend approval of the annual performance evaluation of the Executive Director;
- Make a compensation recommendation for the Executive Director to the SIB;
- Review and make recommendations regarding RIO's compensation policy to assure RIO can recruit and retain superior talent to satisfy the core mission and strategic plan of the agency;

The ERCC and/or RIO will seek SIB approval prior to formally engaging any third-party assistance in conducting the annual executive review process ~~or Board self-assessment~~.

#### 2. Approve: Not authorized

The ERCC is established by the SIB and has no power or authority to act on behalf of the full Board unless specifically delegated. The ERCC will abide by the provisions in the governance manual that pertain to the meetings and actions of the Board.

### 3. Oversee:

The ERCC shall oversee executive succession and leadership continuity frameworks for key executive roles, including the Executive Director, the Chief Investment Officer and the Chief Financial Officer, to reduce key-person risk and support long-term organizational resilience.

### 4. Verify / Report

Report the survey results to both the SIB and TFFR Board.

## Budget and Finance Committee (BFC)

### Purpose

The Budget & Finance Committee (BFC) is a standing Committee of the SIB. It assists the SIB in fulfilling its fiduciary responsibilities for financial stewardship, resource alignment, and long-term organizational sustainability. The BFC's role is oversight and assurance, not execution.

The BFC assures that the SIB's budget, financial plans, and resource decisions are aligned with Board-approved priorities, statutory constraints, and the long-term ability of the organization to carry out its investment and fiduciary mandate.

The BFC is forward-looking, not transactional

Its success is measured by:

- Fewer budget surprises
- Clear linkage between strategy and resources
- Stronger long-term organizational capacity
- It provides the Board with a disciplined forum to address resource trade-offs explicitly, rather than implicitly through risk or performance outcomes

The BFC does not evaluate internal controls, accounting judgments, or audit findings, which remain within the purview of the ARCC. The BFC may rely on ARCC assurance in assessing financial sustainability.

The BFC shall consider the budget and financial plans over a multi-year horizon, including the forward implications of staffing, compensation, technology, and vendor commitments.

The BFC shall coordinate with the ERCC to assure compensation structures and staffing plans are financially sustainable and aligned with approved resource levels.

### Recommended Capabilities:

Collectively BFC members should have the following capabilities and where gaps exist, a targeted continuing education plan shall be established to address them: See Continuing Education - Recommended Capabilities Matrix)

- Financial Reporting & Fund Accounting
- Multi-Year Financial Planning & Sustainability
- Financial Controls, Procurement & Contracts
- Resource Alignment to Strategic Priorities

*Staff Liaison:* The Chief Financial and Operating Officer

**Powers and Responsibilities:**

**1. Set: Research / Recommend**

**Financial Policy (Non-Investment)**

The BFC shall:

- Review and recommend Board-level financial policies, including:
  - Budget principles
  - Reserve or contingency policies (if applicable)
  - Cost allocation methodologies
- Assure financial policies:
  - Support long-term stewardship
  - Are internally consistent with governance and delegation policies
  - Do not conflict with investment policy (IC) or audit controls (ARCC)

**Budget Recommendation**

The BFC shall:

- Review management's proposed:
  - Annual operating budget
  - Biennial or multi-year financial plans (as applicable)
- Assess whether proposed budgets:
  - Align with Board priorities and policies
  - Support effective execution of the investment program
  - Are realistic given statutory appropriation constraints
- Recommend the budget to the full Board for approval prior to submission to the Legislature as required

## 2. Approve: Not authorized

The BFC:

- Has authority to research and recommend.
- It does not:
  - Approve expenditures
  - Direct management spending decisions
  - Manage staff or vendors
  - Negotiate contracts
- It may request information, analyses, and scenario modeling from management
- It may recommend engagement of external advisors, subject to Board approval

## 3. Oversee

### A. Financial Performance & Monitoring

The BFC shall:

- Oversee reporting on:
  - Exception-based reporting of actual vs. budgeted expenditures
  - Material variances and their drivers
  - Trends in cost structure over time
- Monitor financial sustainability indicators, including:
  - Staffing and compensation capacity
  - Technology and systems funding
  - Vendor and external service costs
- Escalate material budgetary risks or pressures to the full Board

### B. Resource Adequacy & Organizational Capacity

The BFC shall:

- Evaluate whether financial resources are sufficient to support:
  - The complexity and scale of assets under management
  - Internal investment management and oversight
  - Risk management, compliance, audit, and data capabilities
- Consider benchmarking inputs (e.g., peer systems, AUM-per-FTE, budget per \$AUM) as context, not determinative metrics

- Advise the Board on resource trade-offs that may affect:
  - Investment performance
  - Risk exposure
  - Organizational resilience

### C. Statutory & Appropriation Alignment

The BFC shall:

- Oversee alignment of the budget with:
  - Legislative appropriation authority
  - Continuing appropriation provisions
  - Applicable fiscal statutes and policies
- Monitor constraints or risks arising from:
  - Line-item appropriations
  - Hiring or compensation limitations
  - Procurement or technology funding restrictions
- Coordinate, as appropriate, with:
  - Management
  - Legal counsel
  - Legislative or oversight bodies (through the Board)

### 4. Verify & Report

Reporting to the Board

The BFC shall report regularly to the full Board on:

- Budget recommendations
- Financial performance and material variances
- Resource adequacy risks
- Policy recommendations related to financial stewardship

## Executive Director Charter

As the Board's single official link to the operating organization, the RIO's total performance will be considered to be synonymous with the Executive Director's performance. It is the responsibility of the Board to establish and maintain a job description for the Executive Director.

### Statutory "Investment Director" and the Executive Director

In 2021, SIB split the role of the investment director into two roles: Executive Director (ED) and Chief Investment Officer (CIO) with the CIO reporting to the ED. However, the legislation does not reflect this change.

Given that the title of Investment Director no longer exists, the policy should reflect the new titles and roles within RIO. Since the legislation cannot be changed in the short term, the following policy proposal is designed to clarify these relationships (ED and CIO).

References in N.D.C.C. § 21-10, including the "investment director" identified in N.D.C.C. § 21-10-02 and 21-10-05, are understood for purposes of this Governance Policy System to refer to the office held by the Executive Director of the Retirement and Investment Office.

Under the current structure of the Retirement and Investment Office, a single officer serves as the agency head of RIO under N.D.C.C. § 54-52.5 and holds the statutory investment director authority described in N.D.C.C. § 21-10-05, including the authority to sign and execute investment-related contracts and agreements relating to funds under the management of the State Investment Board, subject to the limitations established by law and by Board policy.

The Executive Director has delegated the day-to-day exercise of this investment director authority to the Chief Investment Officer, who signs and executes investment-related contracts and agreements relating to funds under the management of the State Investment Board within the scope of that delegation and consistent with the delegation framework established elsewhere in this Governance Policy System. The Executive Director retains the statutory authority and remains accountable for its proper exercise; the delegation does not relieve the Executive Director of that responsibility.

### Chief Executive Authority: Execution Within Delegated Authority

The Executive Director is responsible for executing Board-approved direction within the scope of delegated authority. Execution responsibilities include:

- Implementing approved strategies, policies, and plans.
- Managing operations, resources, personnel, and risk.
- Maintaining appropriate controls and professional standards.
- Providing timely, insightful reporting to Committees and the Board.

### *Executive Director Role and Authority*

An Executive Director will be retained by the SIB. The Executive Director will serve at the SIB's pleasure, be responsible for keeping the records of the SIB and TFFR Board actions and perform such duties as the SIB prescribes. The Executive Director will make out and give out all notices required to be given by law, procedures, or rules and regulations of the two Boards.

The Executive Director, as chief executive officer, is accountable to the Board acting as a body. The Board only will instruct the Executive Director through these written policies, delegating to the Executive Director the implementation and administration of these policies. The Executive Director is accountable for assuring compliance with laws, bylaws, and policies.

The Executive Director has the authority to:

- Approve expenditures within approved budgets
- Approve Hiring / Termination of Chief Investment Officer
- Approve Hiring / Termination of Chief Retirement Officer
- Approve Hiring / Termination of Chief Financial and Operating Officer
- Approve Hiring / Termination of External Managers
- Approves all contracts unless delegated by the Executive Director
- Approve Material Contract Amendments within budget
- Approve Securities Monitoring and Litigation (see Appendix A6)
- The Chair speaks on behalf of the SIB. The Executive Director is the spokesperson for RIO.

### *Communication and Counsel to the Board*

With respect to providing information and counsel to the Board, the Executive Director shall:

- A. Provide monitoring data required by the Board in a timely, accurate, and understandable fashion, directly addressing provisions of the Board policies being monitored.

## Roles

- B. Keep the Board informed of relevant trends, anticipated adverse media coverage, material external and internal changes, and particularly changes in the assumptions upon which any Board policy has previously been established.
- C. Advise the Board chair and GPRC if, in the Executive Director's opinion, the Board is not in compliance particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the Executive Director, and Executive Director and staff.
- D. Provide the Board with varying staff and external points of view on issues and options as prudent for fully informed Board choices.
- E. Present information in a short and simple form.
- F. Provide a mechanism for official Board, officer, or Committee communications.
- G. Deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or Committees duly charged by the Board (c) as otherwise delegated in accordance with Board policies.
- H. Report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
- I. Inform the Board chair and the full Board in a timely manner of any changes related to the resignation or hiring of the Chief Retirement Officer, the Chief Investment Officer, ~~Chief Audit Officer~~ Director of Audit, or the Chief Financial Officer/ Chief Operating Officer
- J. Keep the Board informed concerning the delegation of fiduciary authority to any staff member. Every person to whom such fiduciary responsibility authority is delegated is ultimately accountable to the Board as to the exercise and execution of the delegated authority.
- K. In the absence of a Chief Risk Officer, the Executive Director serves as the senior accountable officer for the operational risk program and is responsible for reporting operational risk matters to the ARCC and the Board.

## 1st Line - Investment Services

The RIO's management is responsible for financial and other reporting, internal controls, and compliance with laws, regulations, and ethics. The RIO 1st and 2nd Line unit supervisors are responsible for seeing that corrective action on reported weaknesses is either planned or taken within 30 days from the receipt of a report disclosing those weaknesses if known or applicable. The unit supervisors are also responsible for seeing that a written report of action planned or completed is sent to the Executive Director. If a plan for action is reported, a second report shall be made promptly upon completion of the plan

### *Chief Investment Officer Charter*

1. ~~1.~~ Participate on the IC and report to the Board as required.
2. ~~2.~~ Advise and then implement investment policies approved by the IC and the Board.
3. ~~3.~~ Provide research and administration for SIB client funds and client projects.
4. ~~4.~~ Recommend investment policies and procedures appropriate for governing the investment of entrusted funds.
5. ~~5.~~ Lead the development of asset allocations, investment strategies, manager mandates, manager guidelines, investment implementations and investment policies to be approved by the IC and Board.
6. ~~6.~~ Negotiate manager contract terms and conditions as delegated by the Executive Director as delegated by the IC and Board.
7. ~~7.~~ Evaluate money manager adherence to investment objectives, mandate requirements, and guidelines.
8. ~~8.~~ Provide performance reports to the IC, the Board and Boards of participating funds as a representative of the IC and the SIB.
9. ~~9.~~ Select, hire or terminate money managers, investment consultants (other than the Board's primary investment consultant), and other outside service providers needed to effectively implement the Board's investment program, subject to budget parameters established by the Board. ~~Select, hire or terminate money managers, custodians, consultants, and other outside services needed to effectively manage the investment funds. This does not include the authority to bind contracts.~~
10. ~~10.~~ ~~Develop and maintain appropriate investment accounting policies and investment systems for the funds entrusted to the SIB.~~
10. ~~11.~~ Recommend to the IC new investment strategies (both internal direct and external), portfolios, and the use of new investment instruments prior to their implementation.
11. ~~12.~~ Manage direct investment strategies approved by the IC including the allocation of capital within the strategies, as well as security selection, weighting, and trading.

## Roles

~~12. 13.~~ Provide rebalance instructions to the fiscal team that comply with client policy statements.

### *Chief Retirement Officer*

#### Purpose

Assure the Teachers' Fund for Retirement (TFFR) program is administered prudently and in accordance with applicable statutes, administrative rules, and policies adopted by the TFFR Board of Trustees. The Chief Retirement Officer (CRO) supports the governance responsibilities of the TFFR Board by implementing Board policies, providing analysis and recommendations on retirement program matters, and ensuring the effective administration of benefits and member services. The CRO operates within the Retirement and Investment Office (RIO) under the direction of the Executive Director, with the position's primary governance connection to the TFFR Board.

#### Evaluation Criteria

Compliance with applicable state and federal laws governing the retirement program; effective implementation of TFFR Board policies; accuracy and timeliness of benefit administration, member services, and contribution processing; quality and reliability of information provided to the TFFR Board; responsiveness to plan members, stakeholders, and oversight authorities; and the successful coordination of actuarial, legal, and consulting services supporting the retirement program.

#### Policy Development and Program Administration

The CRO assists the Executive Director and the TFFR Board in developing administrative rules, policies, and procedures necessary to administer the retirement program. The CRO provides analysis and recommendations on retirement program issues, legislative proposals, and operational matters affecting the plan and supports the Board in carrying out its statutory responsibilities.

#### Retirement Program Operations

RIO staff, under the direction of the CRO, are responsible for the administration of the retirement program including the collection and processing of contributions, maintenance of member records, calculation and payment of retirement and disability benefits, and coordination with actuaries, legal counsel, and other service providers. Staff will provide the TFFR Board with accurate and timely information necessary to support the Board's oversight responsibilities and fiduciary duties.

## 2nd Line – Enterprise Services

*Chief Financial Officer / Chief Operating Officer Charter*

*Fiscal Services*

### Purpose

Assure the funds and accounts of SIB clients and TFFR beneficiaries are managed prudently under applicable accounting standards and practices.

### Evaluation criteria:

Internal and external audit reports, internal compliance controls, the publishing of timely and accurate performance reports and financial statements, and responsiveness and accuracy of reporting to oversight authorities.

### *Compensation and Benefits*

Compensation and benefits, or employment terms for staff shall comply with applicable state and federal law.

### *Accounting*

The master custodian will provide RIO staff with such accounting detail and at such frequency as the staff deems necessary to fulfill the SIB's reporting requirements.

From this information, RIO staff will generate monthly and annual financial statements for each of the trust funds managed by the SIB.

RIO staff is responsible to assure the proper valuation of all assets. Formal valuation policies must be developed and implemented utilizing industry best practices and GAAP accounting requirements.

### 3rd Line - Internal Audit Services Charter

#### Purpose

The purpose of the internal audit division is to provide an independent, objective assurance and advisory activity designed to add value and improve North Dakota RIO's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit division will assist RIO in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The ~~Chief Audit Officer~~ Director of Audit (CAODA) will report directly to the SIB typically through the ARCC. Administrative matters will be coordinated with the Executive Director.

Functions and units within RIO will be reviewed at appropriate intervals to determine whether they are effectively carrying out their responsibilities of planning, organizing, directing, and controlling in accordance with SIB and management instructions, applicable laws, policies, and procedures, and in a manner consistent with both the RIO objectives and high standards of administrative practice.

The audit staff shall have full, free, and unrestricted access to all RIO activities, records, property, and personnel relative to the subject under review. The audit function will be conducted in a manner consistent with acceptable professional standards and coordinated with others to best achieve the audit objectives and the RIO objectives.

The Internal Audit Services Unit is responsible for developing and directing a broad, comprehensive program of internal auditing within RIO. The Internal Audit Services Unit will report administratively to management and functionally to the ARCC.

The Internal Audit Charter requires a QAIP (Quality Assurance and Improvement Program), including (1) ongoing internal monitoring, (2) annual internal assessments, and (3) external quality assessment (EQA) at least every five years.

### 4th Line – Independent External Auditors and Advisors

The Fourth Line consists of independent external professionals engaged by the Board to provide objective assurance, expert judgment, and independent validation across critical fiduciary, financial, investment, and governance functions. These parties do not manage or execute operations; their role is to independently assess, test, advise, and opine—strengthening Board oversight, reducing blind spots, and reinforcing accountability.

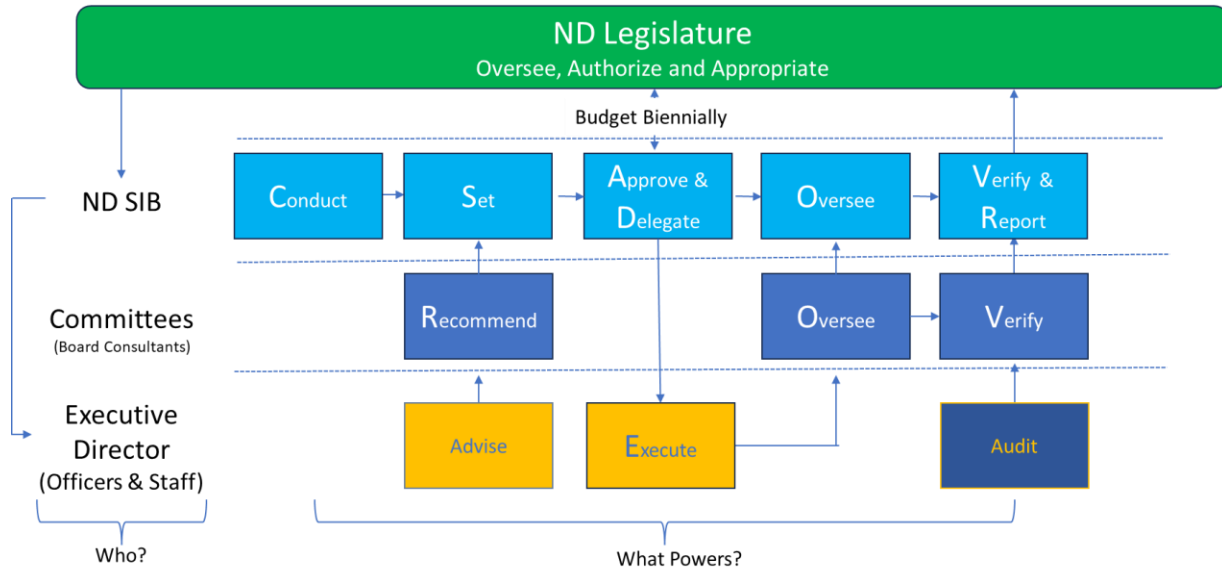
Included roles

- **Investment Consultant** – Provides independent advice on investment policy, asset allocation, risk, benchmarks, manager structure, and performance evaluation; challenges assumptions and validates staff recommendations.
- ~~**Actuary** – Independently evaluates funding status, liabilities, assumptions, and contribution adequacy; assesses long-term sustainability and intergenerational equity.~~
- **Independent External Auditor** – Performs independent financial statement audits and internal control assessments; provides assurance on financial reporting integrity and compliance.
- **Governance Advisor** – Assesses governance structure, policies, delegation, board effectiveness, and fiduciary practices; benchmarks against leading practices and statutory requirements.
- **Master Custodian** – Independently safeguards assets, settles trades, reconciles holdings, and provides independent books and records supporting valuation, performance, and control assurance.
- **External Legal Counsel** – Provides independent legal advice on fiduciary duties, statutory authority, contracts, litigation, ethics, and regulatory compliance.

Collectively, the Fourth Line enhances the Board’s ability to **verify**, **challenge**, and **validate** information and decisions, reinforcing trust, transparency, and long-term fiduciary integrity.

### 3. Authority and Delegation

#### The Powers of the SIB and Prudent Delegation



The ND Legislature created the SIB. The SIB governs and exercises its authority through a prudent delegation architecture which embeds prudence across how authority is informed, delegated, exercised, overseen, independently verified, and reported. The Board may delegate authority to Committees, to the Executive Director, and others, however, delegation of authority does not and cannot delegate fiduciary responsibility.

The Board hires, evaluates, compensates and plans for the succession of the Executive Director. The Executive Director hires officers and staff and advises the SIB – typically through its Committees. Committees may retain independent consultants, perform due diligence and make recommendations to the SIB for its approval.

The Board sets direction and policy and exercises its authority to approve certain key decisions. The budget is subject to biennial approval by the Legislature. Once approved, the Board delegates authority and resources to the Executive Director. The Executive Director executes directions within board approved policy. Committees oversee performance and risk and escalate and report exceptions to the SIB. The SIB reports to the Legislature, the beneficiaries and the general public.

# Authority and Delegation

## Delegation Principles

The Board delegates authority consistent with the following principles:

- Delegation of authority and resources is intentional, explicit, and documented.
- Authority is delegated with clear purpose, scope, limits, and expectations.
- Execution authority is accompanied by oversight, verification, and reporting requirements.
- The Board retains ultimate accountability and responsibility for prudent processes.
- Only the Board can delegate to the Executive Director.
- Only the Board can delegate to Internal Audit as a direct report.

## Governance Process

In exercising delegation, the Board follows a disciplined governance process:

1. Executive Director (Staff) advise the Board and its Committees.
2. Committees (and Board consultants) recommend to the full Board.
3. The Board sets direction aligned to purpose, beneficiaries, and fiduciary duties.
4. The Board approves decisions and delegates authority and resources, defining limits and escalation thresholds.
5. The Executive Director executes within delegated authority.
6. Committees oversee performance and risk.
7. Independent functions verify outcomes and controls to Committees.
8. The Board reports transparently to stakeholders and beneficiaries.

# Authority and Delegation

## Role of Committees

Committees act on behalf of the Board in accordance with delegated authority and do not exercise management functions. Committees are accountable to:

- Advise and recommend to the Board based on analysis, expertise, and professional judgment.
- Oversee performance, risk, and compliance within their remit.
- Verify outcomes through metrics, internal audit, compliance, and independent reassurance.
- Escalate material issues, exceptions, and emerging risks to the Board.

Committees recommend but do not approve, unless explicitly authorized by the Board.

## Oversight

Oversight is an ongoing fiduciary responsibility of the Board and its Committees and includes:

- Monitoring performance and risk relative to expectations.
- Challenging results and assumptions.
- Focusing on trends, signals, and exceptions.
- Escalating material exceptions.

## Verification

Verification provides objective evidence and is performed through independent functions, including:

- Internal audit
- Compliance and risk management reviews
- External audit and independent advisors

## SIB Key Decisions and Powers Matrix

ND State Investment Board					
Key Decisions	Conduct Business				
	Research & Recommend	Set/Approve (Authority & Resources)	Delegate	Oversee Execution	Verify & Report
Governance	GPRC	SIB	ED	GPRC	GPRC
Investment	IC	SIB	ED	IC	IC
Leadership & Talent	ERCC	SIB	ERCC	ERCC	ERCC
Stewardship	BFC	SIB→Legislature	ED	BFC	BFC
Accountability	ARCC	SIB	DA / Ext. Auditor	ARCC	ARCC

The Board's standing Committees shall operate under the terms of a charter approved by the Board and are set forth in this policy as follows:

- Audit, Risk and Compliance Committee (ARCC)
- Executive Review and Compensation Committee (ERCC)
- Governance and Policy Review Committee (GPRC)
- Investment Committee (IC)
- Budget and Finance Committee (BFC)

**Note: The chart below describes the approvals reserved for the SIB. The expectation is that Committees will perform the due diligence necessary to support a recommendation to the full board for its approval. The SIB needs to determine a multi-year calendar and then Committees need to organize their work accordingly. Continuing education should be linked to the calendar to be targeted and just-in-time taking into account the very busy schedules of members.**

## Power to Conduct Business of Board and its Committees

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
<b>Purpose</b>	Serves as the statutory governing body responsible for investment oversight, policy approval, delegation, and fiduciary accountability for all funds under NDCC §21-10	Support the Board by providing focused research and recommendations, oversee performance and risk, verify and report to the SIB within delegated subject-matter areas. The SIB explicitly acknowledges TFFR-related budget and operational considerations—such as assuring TFFR impacts are reflected in committee scope, reporting, and oversight—so those interests are consistently addressed without restricting committee composition.
<b>Fiduciary Status</b>	Acts as fiduciary with full statutory duties of care, loyalty, and prudence for funds under management.	Committee members act as fiduciaries when exercising delegated responsibilities on behalf of the Board.
<b>Authority</b>	Holds all authority granted by statute; may delegate specific accountability while retaining ultimate responsibility.	Advise, oversee and verify only unless expressly delegated authority by the Board; may not bind the Board or exceed delegated scope.
<b>Limitations</b>	Authority constrained by statute, legislative appropriations, ethics laws, and open meetings requirements. Budget must be approved by the Legislature on a line-by-line basis biennially	Authority limited to Board-approved charters; committees have no independent or implied powers.

# Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
<b>Composition</b>	<p>Membership defined by NDCC §21-10, including voting and ex officio members.</p> <ul style="list-style-type: none"> <li>a. The governor;</li> <li>b. The state treasurer;</li> <li>c. The commissioner of university and school lands;</li> <li>d. The director of workforce safety and insurance;</li> <li>e. The director of the office of management and budget;</li> <li>f. Two members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board;</li> <li>g. Two members of the public employees' retirement system board as selected by that board;</li> <li>h. Two members, each of whom by experience is familiar with institutional investments, appointed by the governor. One initial appointee shall serve a term of three years, one initial appointee shall serve a term of five years, and all subsequent appointees shall serve five-year terms; and</li> <li>i. Two members, one from the senate and one from the house of representatives, or the member's designee, who serve on the legacy and budget stabilization fund advisory board, as selected by that board to represent that board.</li> </ul>	<p>The SIB explicitly acknowledges TFFR-related budget and operational considerations—such as assuring TFFR impacts are reflected in committee scope, reporting, and oversight—so those interests are consistently addressed without restricting committee composition.</p> <p>Three (3) members per Committee, all drawn from Board membership except for the Investment and the Audit Committee which shall have five (5). The Investment Committee shall have two external investment professionals. The two external investment professionals may be either active or retired and have substantial institutional investment experience.</p> <p>Three members of the Audit and Risk Committee will include a representative of the three groups on the SIB: Legacy &amp; Budget Stabilization Fund Advisory Board, a TFFR representative, a member-at-large, and two members selected from outside of the SIB and the RIO.</p> <p>Members of the Budget and Finance Committee should be expected to be financially literate and statutorily aware. It should include at least one member with experience in public budgeting or appropriations.</p> <p>The BFC should also include an external, non-voting member to represent TFFR and an external non-voting member to be a budget analyst assigned to the agency by the OMB.</p>
<b>Vacancies</b>	<p>A vacancy occurs upon: written resignation effective date; removal from officer role (officer vacancy only); removal from Board membership (member vacancy; statutory); death; permanent incapacity; loss of eligibility (e.g., no longer meets statutory/role-based eligibility); disqualifying legal</p>	

# Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
	<p>status if applicable; or failure-to-attend (threshold to be defined)</p> <p>The ED will notify the Board within 5 business days of known vacancy event; Chair notifies appointing authority within 10 business days (where applicable); a log will be maintained</p> <p>Resignations must be in writing and delivered to the Chair; if the Chair resigns, delivered to Vice Chair; ED receives a copy for records. Effective upon Board acknowledgment unless a later date is specified; if an immediate resignation occurs between meetings, effective upon receipt but acknowledged at the next meeting. Acknowledgment will be entered into minutes; and governance records retained.</p> <p>Board membership removal is governed by statute/appointing authority; the Board’s internal authority is limited to officer roles and internal sanctions consistent with law and policy.</p> <p>If misconduct is alleged: the Chair refers to GPRC (or designated committee) for review; legal counsel is consulted; Board action is limited to internal steps (censure, committee removal where permitted, referral to appointing authority, etc.).</p> <p><b>Holdovers</b> A member may continue to serve until a successor is appointed and qualified. A holdover should not exceed 90 days without written notice to the appointing authority and Board discussion. The ED and/or Chair will notify the appointing authority at least 90 days before expiration.</p> <p><b>Staggered Appointments</b> Where appointment authority allows, the Board recommends staggered appointments and continuity planning to avoid simultaneous turnover. The Board</p>	

## Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
	will maintain a rolling ‘continuity risk’ view (anticipated departures next 12–24 months) and proactively notify appointing authorities.	
<b>Independence</b>	<p>Not specified at the Board other than 21-10-09. Personal profit prohibited - Penalty. No member, officer, agent, or employee of the state investment board may profit in any manner from transactions on behalf of the funds. Any person violating any of the provisions of this § is guilty of a class A misdemeanor.</p> <p>See also Board members’ code of conduct. (add link)</p>	<p>External Investment Committee members shall be independent and free from material conflicts of interest. External members may not:</p> <ul style="list-style-type: none"> <li>• Have a current business relationship with investment managers, service providers, or counterparties used by the SIB</li> <li>• Participate in decisions where a real or perceived conflict exists</li> <li>• External members are subject to applicable ethics, disclosure, and recusal requirements.</li> <li>• Independence is reviewed at appointment and periodically thereafter.</li> </ul>
<b>Committees</b>	<p>The Board Chair will propose a slate of Committee members (based on the match between recommended capabilities for each Committee and the members’ interests) for Board approval.</p> <p>The Board may also form an investment advisory council.</p>	<p>Investment Audit &amp; Risk Governance Policy Review Executive Review &amp; Compensation Budget &amp; Finance</p>
<b>Ad hoc and Sub-Committees</b>	The Board may form, and delegate authority to ad hoc or sub- committees when it deems appropriate.	Same as the board.
<b>Terms</b>	<p>Board member terms are not set by statute.</p> <p>The only board members who have terms are the two members who have institutional investment experience. They have a 5-year term. There are no term limits.</p>	Terms will be one year or termination of the term on the SIB. There are no term limits; Committee members serve at the pleasure of the Board.

# Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
<b>Chair/Vice-Chair</b>	21-10-04. Board - Meetings. The State Investment Board shall select one of its members to serve as chair, one to serve as vice chair, and shall meet at the call of the chair or upon written notice signed by two members of the board.	The Board Chair will appoint a Committee Chair, and a Vice Chair. The Board Chair typically acts as the liaison. The Chair will preside at all meetings of the Committee. In the absence of the Chair, the Vice Chair will perform the duties of the Chair. The Board Chair / Vice Chair may serve as ex officio members of all committees.
<b>Election of Officers</b>	<p><b>Nomination:</b> Self-nomination is allowed; no second is required).</p> <p><b>Voting threshold:</b> A majority of members present and voting; there will be a runoff between top two if no majority.</p> <p><b>Voting method:</b> Default recorded vote; any member may request secret ballot; the ED will record totals.</p> <p><b>Documentation:</b> Candidates, vote totals, and outcomes will be recorded in the minutes.</p> <p>Officers may be re-elected</p>	
<b>Quorum</b>	A majority of voting members (7)	A majority of voting members (2-3). The Committee will act only on the affirmative vote of the majority <del>three</del> of the Committee members at a meeting. Should a quorum not be present before a scheduled meeting or during a meeting, the Chair will announce the absence of a quorum and the members will disburse. Meeting minutes will be prepared by the RIO, or as otherwise directed by the Committee. Approved meeting minutes of the Committee will be submitted to the SIB.
<b>Voting</b>	Section 4-4. Voting on matters before the SIB will be contained in the minutes which will show the recorded vote of each SIB member.	<u>Same as the board.</u> <del>Same</del>
<b>Records</b>	Section 4-6. A record of procedures will be kept by the Executive Director on all meetings of the SIB. The records of these	<u>Same as the board.</u> <del>Same</del>

## Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
	proceedings are public documents, and copies will be distributed upon request.	
<b>Appointment</b>	Members appointed or seated as provided in statute.	Committee members appointed by the Board Chair at the first SIB meeting in July of each year or when a vacancy arises.
<b>Compensation</b>	Section 4-8. SIB members, except elected and appointed officials, will be paid the amount specified in NDCC 21-10-01 per SIB meeting attended. Expenses will be paid according to state law and OMB policies.	<del>Same as the board.</del> Same
<b>Leadership</b>	Board Chair presides over board meetings and sets agendas in coordination with the Executive Director.	Committee Chairs / Vice-Chairs will be designated by the Board Chair .
<b>Staff Support</b>	Executive Director serves as primary liaison; senior staff support Board deliberations.	Executive Director designates senior staff liaisons appropriate to Committee scope.
<b>Independent Advisors</b>	The Board may retain independent advisors as required.	May retain independent advisors subject to Board approval.
<b>Meetings</b>	<p>Meets as required to fulfill statutory duties (at least quarterly); subject to ND open meetings law.</p> <p>Section 4-5. All meetings of the SIB are open to the public, except as allowed under North Dakota law.</p> <p>Meetings of the SIB may be called by the Chair or two members of the SIB upon reasonable notice in writing to the other members of the Board. (NDCC 21-10-04)</p> <p>Board members are expected to attend each meeting, in person or via tele- or videoconference.</p> <p>The Board may invite staff of the RIO, auditors or others to attend meetings, as necessary to provide information and to conduct business will attend meetings.</p> <p>Meetings will be conducted in accordance with NDCC 44-04-17.1. The Board may hold executive sessions as allowed under state law.</p> <p>Meeting materials must be provided in accessible formats Presentations must not rely solely on visual content</p>	Same except the Governance and Policy Review Committee and the Executive Review Compensation Committee may meet semi-annually.

## Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
	Recordings and posted materials must be provided in accessible formats.	
<b>Meeting Agendas</b>	Meeting agendas will be prepared by the Executive Director and approved by the Board Chair, unless otherwise directed by the Board and will be provided to the board members along with briefing materials (7) days before the scheduled board meeting.	Same as the Board – except agendas will be prepared by the Committee staff liaison, <b>in coordination with the Executive Director.-</b>
<b>Meeting Materials</b>	<p>Meeting materials should be distributed at least seven (7) days in advance.</p> <p>Members are encouraged to read the materials in advance as presentations should be based on that assumption. This is intended to reduce the time spent “presenting” materials and increase the time spent on dialogue.</p> <p>Materials should meet ADA Design Standards</p>	Same as the board.
<b>Consent Agendas (New)</b>	<p>The Board may use consent agendas to approve routine, non-controversial items in a single motion, without discussion— unless a member asks to pull an item for separate consideration.</p> <p>Typically, such matters are informational or procedural, have been reviewed in advance, or require no debate or decision trade-offs.</p>	Same as the board.
<b>Rules of Order</b>	Robert's Rules of Order Newly Revised except as superseded by-laws and Board governance policies. (Rosenberg)	Same as the board.
<b>Reporting</b>	Receives reports from Committees, staff, auditors, and external advisors. Reports should be exception-based wherever appropriate. Reports to the Legislature as required.	<p>Reports regularly to the full Board; escalates material issues promptly. Reports should be decision-ready, clearly identifying:</p> <ul style="list-style-type: none"> <li>• Issues</li> <li>• Options (least to most)</li> <li>• Implications (pros and cons)</li> <li>• Recommended actions</li> </ul>
<b>Decision-Making</b>	Makes final decisions unless authority is explicitly delegated.	Makes recommendations; decisions only where expressly delegated.
<b>Self-Assessment</b>	Conducts an annual Board self-assessment focused on fiduciary effectiveness and governance performance using a standardized, confidential survey and facilitated discussion, timed to inform governance planning and charter reviews, and result	<p>Same as the board.</p> <p>The GPRC conducts annual <b>Board and</b> Committee self-assessments focused on: effectiveness and clarity of delegation. Clarity of roles and decision authority</p>

# Decisions

Conduct Dimension	State Investment Board (Board)	Standing Committees (All Committees)
	<p>in a written summary of strengths, gaps, and prioritized improvement actions reported to the Board.</p> <p>Chair-specific questions should be mapped to duties such as agenda discipline; meeting facilitation; fiduciary focus; boundary enforcement; information flow; culture/behavior management.</p> <p>Confidential peer feedback should be compiled by GPRC and the results shared with Chair.</p>	<p>Quality, timeliness, and usefulness of information received</p> <p>Adequacy of time spent on strategic vs. operational matters</p> <p>Effectiveness of risk, performance, and policy oversight</p> <p>Committee composition, expertise (key capabilities), and workload</p> <p>The results should be summarized and shared with the Board, along with any recommended improvements.</p>
<b>Mentor</b>	<p>Each new trustee shall be assigned a mentor by the Chair in consultation with the Executive Director to aid in their onboarding.</p>	<p>NA</p>
<b>Continuing Education</b>	<p>Each trustee participates in ongoing fiduciary, investment, and governance education.</p> <p>The Board should specify the minimum number of hours of annual continuing education, an individualized curriculum and a method for tracking and reporting progress. The national average is about 10 hours.</p>	<p>Each Committee member shall complete continuing education aligned with the Committee’s responsibilities and required capabilities.</p>
<b>Charter / Governance Review</b>	<p>Approves governance framework and Committee charters; triennially reviews Board governance policies.</p>	<p>The GPRC will review the Committee charter at least triennially and recommend updates to the Board through the GPRC.</p>
<b>Accountability</b>	<p>Accountable to beneficiaries, Legislature, and the public for statutory compliance and long-term stewardship.</p>	<p>Accountable to the Board for researching and recommending policy, oversight of performance and risk within the delegated scope and verification and reporting to the Board.</p>
<b>Annual Workplans</b>	<p>The Board should create a multi-year workplan, cadence and calendar based on the approvals required by it.</p>	<p>Every standing Committee will create an at least annual plan to provide timely recommendations to the SIB according to the agreed upon board calendar.</p>

# 4. Decisions

### Purpose

The Governance Policy System is designed to assure that the State Investment Board exercises its fiduciary authority in a disciplined, transparent, and repeatable manner across multiple years.

At the core of the Governance Policy System are two reinforcing governance tools:

1. **The Decision Registry** – a structured inventory of all recurring and non-recurring Board decisions.
2. **The Governance Cycle** – a calendarized multi-year cadence of Board and Committee activities through which policies are set, decisions are approved, authority is delegated, performance is overseen, and results are verified.

Together, these tools establish a five-year governance cycle that organizes the Board's fiduciary responsibilities into a structured sequence of decisions, oversight activities, and policy refinements.

This approach assures that the Board governs proactively rather than reactively, maintains disciplined oversight of delegated authority, and continuously improves the governance framework over time.

## Decisions

The Decision Registry is the central operating instrument of the Governance Policy System.

It is a structured record that identifies, documents, and schedules all key Board decisions required to govern the investment program and the organization.

The Decision Registry serves several governance functions:

- provides clarity regarding which decisions belong to the Board
- establishes decision ownership and delegation
- schedules just in time intelligence and insights (continuing education) in preparation of decisions
- assures that decisions are made with adequate preparation and due diligence
- aligns Board activity with the organization's strategic and fiduciary responsibilities
- enables multi-year governance planning

Each entry in the Decision Registry typically identifies:

- the decision topic
- the timing or cadence of the decision
- the Board authority being exercised
- the committee responsible for due diligence
- the intelligence and insights needed in advance to make a prudent decision
- the information, analysis, and independent advice required
- the expected outcome or approval

Examples of decisions recorded in the registry include:

- approval of investment policies
- asset allocation reviews
- strategic plan approvals
- executive performance evaluations
- budget approvals
- governance policy reviews
- independent audits and risk reviews

## Decisions

The Decision Registry assures that every significant Board decision is prepared through an appropriate governance process, including committee due diligence, expert analysis, and independent verification where appropriate.

### Decision Register: Key Board Approvals, Cadence and Reporting (Organized by Committee)

Committee	Policy	Due Diligence/Recommend Policy Improvements	Cadence	Reporting
Governance & Policy Review	Governance, Authority & Controls	Election of Officers	Y5	
		Delegation of Authority	Y3	
		Delegation of Authority Matrix	Y3	
		Annual Governance Calendar	Y1	
		Committee Charters	Y3	
		Governance Policies & Code of Conduct	Y3	
		Conflict of Interest Determinations	Y1	
		Policy Review Schedule	Y3	
		Exception Requests to Policy	AN	
		Hiring / Termination of Fiduciary Advisors	Y5	
		Governance Advisors	Y5	
	Extraordinary & Non-Routine	Response to Governance Failure or Breach	AN	
		Legal Counsel	AN	
		Declaration of Emergency Authority	AN	
		Litigation Strategy	AN	
		Escalation of an Issue to Legislature	AN	
		Settlement or Indemnification	AN	

# Decisions

Committee	Policy	Due Diligence/Recommend Policy Improvements	Cadence	Reporting
Investment	Investment Strategy	Investment Beliefs	Y5	
		Long-term Objectives & Risk Appetite	Y5	
		Asset Allocation Policy	Y4	
		Strategic Asset Allocation Targets	Y4	
		Use of Leverage / Derivatives / Alternatives	Y5	
		Deviation from Investment Policy	Y5	
		Hiring / Termination of Custodian & Master Service Providers	Y5	
	Portfolio Structure & Risk	Active Risk / Tracking Error Limits	Y5	
		Liquidity Framework	Y5	
		Concentration Limits	Y5	
		Capital Development Pacing	Y1	
		Stress Testing & Scenario Framework	Y1	
		Rebalancing Policy	Y5	
		Response to Market Stress	Y1	
	Response to Liquidity Event	Y1		
	Benchmarks & Performance	Benchmarks & Reference Portfolios	Y1	
		Performance & Evaluation Measures	Y5	
		Underperformance Thresholds & Watch Lists	Y1	
		Manager Hiring and Termination Criteria	Y5	
		Long-Term Funding Status	Y1	
		Investment & Risk Dashboards	Y1	

## Decisions

Committee	Policy	Due Diligence/Recommend Policy Improvements	Cadence	Reporting
Executive Review & Compensation	Leadership & Talent	Hiring / Termination of the Chief Executive	AN	
		Executive Compensation Plan	Y1	
		Incentive & Long-Term Incentive Plan (LTIP)	Y1	
		Performance Goals for the Chief Executive	Y1	
		Succession Plan	Y3	
Budget & Finance	Financial & Operational Stewardship	Annual Operating Budget for Legislative Approval	Y2	
		Staffing Levels & Key Positions for Legislative Approval	Y2	
		Fee & Expense Policy (only applicable if 'off books')	AN	
		Cost Allocation Methodology	Y1	
		Capital Expenditures (Continuing Authority)	AN	
		Variances Beyond Budget (only applicable if 'off books')	Q	
Audit, Risk & Compliance	Audit, Risk & Compliance	Hiring / Termination of Chief Audit Executive	AN	
		External Auditor Appointment (if permitted)	AN	
		Risk Management Framework	Y1	
		Internal Audit Plans	Y1	
		Internal Audit Findings	Y1	
		Corrective Action Plans	Y1	
		Certification of Compliance with Statutory Duties	Y1	

# 5. Timing

## The Governance Cycle

The Governance Cycle is the structured multi-year timing and cadence through which the Board fulfills its fiduciary responsibilities. The Governance Cycle is designed to span five years, with individual decisions occurring on annual, biennial, or multi-year intervals depending on their importance and statutory or fiduciary requirements.

The cycle organizes governance activities into a continuous decision-making loop, assuring that policies remain current, delegated authority is monitored, and performance outcomes inform future decisions.

## Governance Decision Cycle

The Governance Policy System the Board's activities by its powers:

### *1. Conduct the business of the Board and its Committees*

Subject to governing statutes, the Board determines how it will conduct business, make decisions collectively and delegate to committees and the Executive Director. This stage is where agendas and calendars are set, committee assignments are made, self-evaluations are scheduled.

### *2. Set Direction and Policy*

The Board establishes policy direction and strategic objectives.

This stage defines the Board's expectations regarding:

- organizational mission and strategic priorities
- investment policy and risk appetite
- governance policies and delegation framework
- fiduciary standards and performance objectives

Committees may assist in developing policy proposals, but policy authority remains exclusively with the Board.

### *3. Approve and Delegate Authority*

Following committee review and due diligence, the Board formally approves policies and strategic decisions. Once approved, the Board delegates authority and resources necessary to implement the decision.

Delegation typically includes:

- authority to the Executive Director and senior staff
- implementation responsibility within the Retirement and Investment Office
- defined reporting requirements and performance expectations

Delegation is always accompanied by clear accountability and monitoring expectations.

### *4. Oversee execution within policy*

The Executive Director and staff implement Board policies and decisions.

This stage includes:

- execution of investment strategies
- operational implementation
- resource deployment
- engagement with external service providers

Committees may monitor implementation progress but do not manage operations.

The Board and its committees oversee performance, practices, and controls associated with delegated authority. Committees perform oversight within their areas of responsibility and report findings to the Board.

Oversight activities typically include:

- performance reports
- risk monitoring reports
- financial condition reviews
- operational updates
- strategic progress reports

### *5. Verify and Report*

Independent assurance mechanisms provide verification of results and governance practices.

Verification may include:

- internal audit reviews
- external audit reports
- independent investment performance analysis
- governance reviews
- legal and compliance reviews

Committees review independent auditors and advisors reports and present conclusions and recommendations to the Board. Findings from oversight and verification activities are reported to the Board through its committees.

The Board evaluates:

- whether policies remain appropriate
- whether delegated authority has been exercised prudently
- whether governance practices require refinement

Where necessary, the Board updates policies or governance structures, beginning the next cycle of governance decision-making.

## Continuous Governance Improvement

The Governance Cycle creates a continuous improvement loop. Each stage of the cycle informs the next stage:

Policy Direction

→ Approval and Delegation

→ Implementation

→ Oversight

→ Verification

→ Reporting and Policy Refinement

This cycle assures that governance evolves based on evidence, oversight findings, and strategic priorities rather than ad-hoc decision making.

## Governance Calendar

The Governance Cycle is operationalized through a multi-year governance calendar derived from the Decision Registry.

The calendar:

- schedules Board approvals and oversight activities
- aligns committee work plans with Board decision timing
- assures that decisions occur with sufficient preparation and due diligence
- distributes governance workload evenly across the year

Some decisions occur annually, while others follow multi-year cycles.

# Timing

Calendar cadence rationale for each GPS approval item · Source: Approvals Register Legend

<p><b>5 Year Cycle</b></p> <p>Structural policy framework item. Reviewed on a 5-year cycle consistent with long-horizon strategic governance</p> <p><i>e.g. Investment beliefs, Asset allocation policy, Strategic asset allocation targets</i></p>	<p><b>3-4 Year Cycle</b></p> <p>Core governance or risk framework. Refreshed every 3-4 years to balance stability and responsiveness.</p> <p><i>e.g. Risk frameworks, Benchmarks, Committee Charters, Manager criteria, Governance policies</i></p>	<p><b>2 Biennial (2-Year)</b></p> <p>Authority or structural calibration item. Reviewed biennially, often aligned with ND legislative session.</p> <p><i>e.g. Delegation of Authority, Operating Budget, Staffing Levels, Fee Policy</i></p>
<p><b>1 Annual</b></p> <p>Annual statutory, fiduciary, or operational requirement aligned with audit/funding cycle.</p> <p><i>e.g. Governance Calendar, Compliance certification, Executive Comp Plan, Succession Plan, Funding status</i></p>	<p><b>Q Quarterly/Monthly</b></p> <p>Oversight function requiring quarterly board visibility and monitoring of performance compared to policy.</p> <p><i>e.g. Corrective Action Plans, Investment &amp; risk dashboards</i></p>	<p><b>◆ As Needed / Event-Driven</b></p> <p>Event-driven decision triggered by circumstances rather than calendar schedule.</p> <p><i>e.g. Deviation from investment policy, Emergency Authority, Litigation, Settlement, CE hiring / termination</i></p>

**TRIGGERS** The key is not cadence length. The key is discipline around triggers.

Event-driven items activate outside the calendar — emergency authority, litigation, CE hiring, market stress events

- Funding model fundamentally changes
- Liquidity structure permanently shifts
- Regulatory mandate changes
- Internalization model changes materially

## Decision Register: Key Board Approvals & 5-Year Decision Cycle

Complete GPS Decision Register — ND SIB Board & Committees

North Dakota State Investment Board								
CONDUCT	SET		APPROVE		DELEGATE	OVERSEE	VERIFY	
Collective Authority, Structure & Process	Policy / Committee / Executives / Advisors		DUE DILIGENCE AND RECOMMEND POLICY IMPROVEMENTS JIT intel & insights		Cadence	Execute & Report	Oversee & Exception Reports	Advise & Verify
1. Statutory Authority	Governance Policy Review Committee (GPRC)	Governance, Authority & Controls	Election of Officers	Y	Y	ED	Governance, Authority & Controls	Governance & Legal Advisors
			Delegation of Authority	Y	Y			
2. Structure	Investment Committee (IC)	Extraordinary & Non-Routine	Annual Governance Calendar	Y	Y			
			Delegation of Authority Matrix	Y	Y			
3. Delegation of Authority	Investment Committee (IC)	Investment Strategy	Committee Charters	Y	Y			
			Governance Policies & Code of Conduct	Y	Y			
4. Conduct Business	Executive Review & Comp Committee (ERC)	Portfolio Structure & Risk	Conflict of Interest Determinations	Y	Y			
			Policy Review Schedule	Y	Y			
5. Improvement	Budget & Finance Committee (BFC)	Benchmarks & Performance	Exception Requests to Policy	Y	Y			
			Hiring / Termination of Fiduciary Advisors	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Leadership & Talent	Response to Governance Failure or Breach	Y	Y			
			Legal Counsel	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Financial & Operational Stewardship	Governance Advisors	Y	Y			
			Declaration of Emergency Authority	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Litigation Strategy	Y	Y			
			Settlement or Indemnification	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Investment beliefs	Y	Y			
			Long-term objectives & risk appetite	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Asset allocation policy	Y	Y			
			Strategic asset allocation targets	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Use of leverage / derivatives / alternatives	Y	Y			
			Deviation from investment policy	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Hiring / Termination of custodian & master service providers	Y	Y			
			Active risk / tracking error limits	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Liquidity framework	Y	Y			
			Concentration limits	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Capital deployment pacing	Y	Y			
			Stress testing & scenario framework	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Rebalancing policy	Y	Y			
			Response to market stress	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Benchmarks & reference portfolios	Y	Y			
			Performance evaluation framework	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Risk-adjusted performance measures	Y	Y			
			Underperformance thresholds & watch lists	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Manager hiring and termination criteria	Y	Y			
			Long-term funding status	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Investment & risk dashboards	Y	Y			
			Hiring / Termination of the Chief Executive	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Executive Compensation Plan	Y	Y			
			Incentive & Long-Term Incentive Plan (LTIP)	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Performance Goals for the Chief Executive	Y	Y			
			Succession Plan	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Annual Operating Budget for Legislative approval	Y	Y			
			Staffing Levels & Key Positions for Legislative approval	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Fee & Expense Policy (only applicable if 'off books')	Y	Y			
			Cost Allocation Methodology	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Capital Expenditures (Continuing Authority)	Y	Y			
			Variance beyond budget (only applicable if 'off books')	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Participate in hiring / termination of Chief Audit Executive	Y	Y			
			External Auditor Appointment (if permitted)	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Risk Management Framework	Y	Y			
			Internal audit plans	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Internal Audit Findings	Y	Y			
			Corrective Action Plans	Y	Y			
5. Improvement	Audit, Risk & Compliance Committee (ARCC)	Audit, Risk & Compliance	Certification of Compliance with Statutory Duties	Y	Y			
				Y	Y			

See Decision Register Excel File

**6. Policies**

**~~6.~~ Glossary of Terms (to be appended in the final version)**

## MEMORANDUM

**TO:** State Investment Board

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

**DATE:** June 23, 2026

**RE:** Investment Committee Update

The Investment Committee met virtually on May 8, 2026, and June 18, 2026. Both meetings were noticed as virtual meetings and opened with customary procedural items, including roll call, conflict of interest disclosure, acceptance of the agenda, and acceptance of prior minutes. The May 8 and the June 18 meetings were called to order with a quorum present, the agenda was approved as distributed, and the Committee accepted the April 9 and April 14 minutes on May 8 and the May 8 minutes on June 18. The meetings moved promptly into substantive business.

### Agenda summary for May 8, 2026

**Strategy Review - Asset & Risk Allocation and Country Risk (Information Only)** Mr. Chin and Mr. Hambrick presented an overview of the Asset & Risk Allocation Strategy, focusing on the continued evolution from backward-looking risk oversight to forward-looking total-portfolio construction. The presentation reviewed the role of risk budgeting, exposure management, liquidity oversight, rebalancing, governance responsibilities, and a phased roadmap designed to improve portfolio efficiency, transparency, and long-term risk-adjusted returns. Mr. Hambrick also presented the May 2026 Country Risk Review, which provides an informational screen of country-level conditions across the investment universe using public and third-party data.

- The Asset & Risk Allocation function is intended to integrate return and risk into portfolio decision-making, using a total-portfolio perspective across assets and managers rather than evaluating risks in isolation.
- The strategy connects manager selection, portfolio construction, rebalancing, and risk/exposure management so that active risk can be deployed intentionally and efficiently across the portfolio.
- The implementation roadmap emphasizes daily portfolio, risk, and exposure data; risk budget governance; liquidity oversight; beta management; overlay architecture; and capital-efficient implementation.

- The Country Risk Review evaluated economic growth, inflation, financial conditions, external financing vulnerability, and political and governance risks. Staff noted that most major economies continued to screen at low or moderate risk levels, with growth and inflation the most common areas of elevated risk.
- The presentation also reviewed structural forces that may shape future country risk, including strategic fragmentation between China and the United States, security fragmentation from regional conflicts, and rising policy volatility in developed markets.

**Investment Expansion - Private Markets** (Committee Action; Executive Session) The Committee met in executive session to review and discuss confidential commercial information and trade secrets related to a private markets investment expansion. The confidential materials were distributed separately to Committee members through a secure link. Following the closed session, the Committee approved the staff recommendation as presented. No additional confidential manager or strategy information is included in this summary beyond the information made public in the packet and the subsequent minutes.

**Benchmark Update — Private Credit Benchmark Update** (Committee Action) Mr. Chin presented a recommendation to adopt the Morningstar LSTA U.S. Leveraged Loan Index plus 100 basis points as the benchmark for the pension funds' Private Credit allocation. The recommendation was supported by Verus and was intended to align the pension funds' Private Credit benchmark with the opportunity set, investment guidelines, and the benchmark currently used for a similar strategic allocation within the Legacy Fund. The Committee discussed the recommendation and approved a recommendation to the State Investment Board.

**Manager Update — Private Markets** (Information Only) Mr. Collins and Mr. Zietlow provided an update on recent private markets activity, including a \$75 million commitment to Warren Equity Partners V, L.P., a private equity fund focused on middle-market infrastructure services companies in North America and Europe; a €50 million commitment to Investindustrial Lower Mid-Market IV, a private equity fund targeting lower- to middle-market companies in Southern Europe; and a \$75 million commitment to S3 LB Real Estate Credit III, L.P., a private credit fund providing first-lien construction financing to middle-market multifamily developers in the United States. The commitments were allocated between the Pension Pool and the Legacy Fund.

**Allspring and PIMCO Temporary Guideline Waiver** (Information Only) Mr. Anderson presented two temporary guideline waiver requests related to asset transitions within the Non-Qualified Pool. The Allspring request related to a transfer of futures positions from the Legacy account to the Insurance account that was expected to temporarily increase derivatives exposure above the 5% guideline limit during the transition period. The PIMCO request related to the transfer of assets from the Insurance account to the Legacy account, where account-level guideline exposures could temporarily fall out of compliance because of the timing of asset movements. Staff noted that both items were operational in nature, expected to be short-term, and did not reflect a change in aggregate portfolio positioning, risk profile, or investment strategy.

### **Agenda summary for June 18, 2026**

**Strategy Review - Internal Equity and Fixed Income Update and Roadmap** (Information Only) Mr. Gandhi and Mr. Moss presented an update on the internal equity and fixed income program and the roadmap for

continued development. The presentation emphasized the continued evolution from a procurement-oriented investment model to advanced funds management, with internal teams integrating active and systematic strategies, precise rebalancing, liquidity management, and collaborative risk allocation to improve return per unit of risk. The roadmap described how internal equity and fixed income capabilities are expected to progress from index replication to enhanced indexing, active management, and ultimately multi-asset portfolios and optimization.

- Internal equity and fixed income represented approximately \$4.2 billion of RIO's approximately \$28.8 billion program, including enhanced equity, enhanced government/credit, long government/credit, TIPS, and cash overlay equity and fixed income portfolios.
- FY2026 estimated savings for internal equity and fixed income totaled approximately \$16.3 million, including \$3.3 million of management fee savings, \$2.8 million of transaction cost savings, and \$10.2 million of cash overlay savings. The presentation also noted expected future securities lending enhancements of approximately \$2 million to \$4 million annually.
- The roadmap contemplates expanded derivatives capabilities, direct trading with multiple broker-dealers, guideline changes to support active management, continued rebalancing optimization, and the addition of other sub-asset classes as internal capabilities mature.
- The longer-term strategy includes alpha/beta separation, portable alpha implementation, capital-efficient exposure management, and multi-asset investment strategies that can draw on ideas from internal equity, internal fixed income, AFM, risk and quantitative funds management, and private markets.
- Execution will require continued investment in data, technology, operations, and people, including additional investment management and operational resources to support more complex strategies, transactions, and security types.

**Cash Overlay Guidelines** (Committee Action) Mr. Hambrick, Mr. Gandhi, and Mr. Moss presented updated Cash Overlay Portfolio guidelines for approval. The cash overlay program was established to enable the quick deployment of cash inflows and serve as a liquidity bucket for client redemptions. The proposed updates shift the overlay portfolio from a U.S. equity and U.S. Treasury mandate to a broader framework that can more closely follow policy-level public equity and public fixed income mandates. The final guidelines permit exchange-traded futures, forwards and swaps related to fixed income and equity markets, fixed income and equity index ETFs, and U.S. Treasury securities. They also clarify collateral and margin liquidity, rebalancing under SIB policy, policy-consistent exposure rather than speculative positioning, and a collateralized structure with rebalancing required if notional exposure reaches or exceeds 105% of the applicable cash balance.

**Performance Measurement and Benchmark Consultant** (Information Only) Mr. Otteson provided an update on the combined performance measurement and benchmark consultant engagement. At its April 27, 2026 meeting, the State Investment Board authorized RIO to work with procurement to award the contract to the offeror most susceptible to award. Following that authorization, the contract was awarded to Callan and

executed on June 5, 2026. Staff have been compiling historical performance data and holding preliminary transition meetings with Callan, and the transition is proceeding on schedule.

**Investment Policy Statement Update - City of Bismarck Deferred Sick Leave Account** (Committee Action)

Mr. Chin presented an updated Investment Policy Statement for the City of Bismarck Deferred Sick Leave Account. The update transitions the client policy to RIO's IPS template designed to improve clarity and consistency across client portfolios and modernize policy language. The IPS also includes a minor asset allocation update that consolidates the prior U.S. large-cap, U.S. small-cap, and international equity allocations into a single global equity allocation. Staff noted that the change does not represent a new asset allocation decision but instead updates the IPS to more accurately reflect the investable equity universe and align the policy with other client IPS documents. The updated IPS has been reviewed and approved by the City of Bismarck and was presented for recommendation to the State Investment Board.

**Manager Update - Private Markets** (Information Only) Mr. Collins and Mr. Zietlow provided an update on Altor Fund VII, L.P., a private equity fund targeting lower middle-market companies in the Nordic region of Europe, including Denmark, Finland, Norway, and Sweden, and the DACH region, including Austria, Germany, and Switzerland. The total commitment is €63 million, with €21 million allocated to the Pension Pool and €42 million allocated to the Legacy Fund.

**Quarterly Reports - Contracts** (Information Only) Mr. Anderson presented the first quarter 2026 investment service contract report pursuant to the SIB Program Manual. The report included a Morgan Stanley third-party data access agreement executed January 22, 2026, at no cost, and a Verus Amendment 1 benchmark hurdle-rate contract executed March 3, 2026, at \$133,000 per year.

**Allspring and PIMCO Temporary Guideline Waiver** (Committee Action) Mr. Chin presented the temporary guideline waivers for Allspring and PIMCO for Committee ratification. The June materials noted that the waivers were presented and discussed at the May 8 meeting, but no formal ratification vote was taken at that time. The materials therefore brought the waivers back for Committee action and recommended approval of the temporary guideline waivers for Allspring and PIMCO. The waivers were approved.

**Committee Schedule — Fiscal Year 2027** (Information Only) Ms. Smith presented the FY2027 Investment Committee meeting schedule approach under the newly adopted governance framework. Although the governance policy requires the Committee to meet at least quarterly, staff recommended continuing a monthly cadence because of the volume and complexity of matters regularly brought before the Committee. Meetings will be scheduled during the second week of the designated month, and specific dates and times will be determined through a survey of Committee members and finalized in the coming month.

[May Investment Committee Materials](#)

[June Investment Committee Materials](#)

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

# Memorandum

**To:** Investment Committee  
North Dakota State Investment Board

**From:** Cerity Partners

**Date:** April 30, 2026

**RE:** Private Credit asset class benchmark recommendation

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

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

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

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

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

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

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

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

## MEMORANDUM

**TO:** State Investment Board

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

**DATE:** June 23<sup>rd</sup>, 2026

**RE:** Updated Investment Policy Statement

### Background

Staff is presenting an updated Investment Policy Statement (IPS) for the City of Bismarck Deferred Sick Leave Account and is requesting that the State Investment Board (SIB) approve the updated IPS.

### Purpose of the Update

The primary purpose of the update is to transition the IPS to RIO's newly developed IPS template, which is intended to enhance clarity, improve consistency across client investment policy statements, and modernize policy language. Both clean and redline versions of the IPS are included. Although the redline may appear to reflect numerous changes, the majority are attributable to formatting, organization, and structural updates associated with the new template rather than substantive policy changes.

The IPS also includes a minor update to the asset allocation. Specifically, the prior U.S. large-cap, U.S. small-cap, and international equity allocations have been consolidated into a single global equity allocation. This adjustment does not represent a new asset allocation decision; rather, it updates the IPS to more accurately reflect the investable equity universe and aligns the policy with other client IPS documents.

### Approvals to Date

The Investment Committee recommended approval of the IPS on June 18, 2026, and the updated IPS has been reviewed and approved by the City of Bismarck.

**Board Action Requested:** Approve the updated Investment Policy Statement for the City of Bismarck Deferred Sick Leave Account.

# **INVESTMENT POLICY STATEMENT**

## City of Bismarck Deferred Sick Leave Account

### **I. Plan and Fund Overview**

In 1992, the City of Bismarck's (City) sick leave policy changed to limit sick leave hours in the employee's sick leave bank to 960 for city and 1,272 for fire department employees. At that time, the City of Bismarck Deferred Sick Leave Account (Fund) was created and represents money set aside to cover the City's unfunded liability of those employees' sick leave hours that had accrued in excess of the applicable cap. Upon separation from employment, covered employees are compensated for unused sick leave from the Fund, with accumulated interest. In time, it is expected that the Fund will become depleted.

#### **Client Investment Objectives**

The investment objectives are to obtain a reasonable rate of return on the Fund while maintaining sufficient liquidity to meet known or anticipated financial obligations. Operating considerations shape the Fund's policies and priorities as outlined below:

- Investment income is needed as a funding source. This will be achieved through a diversified portfolio of high-quality fixed income and equity assets.
- Growth of capital is needed to provide an inflationary hedge and add to the growth of the Fund. Capital growth is sought through investment in equities and/or equity substitutes.

### **II. Responsibilities and Discretion of the State Investment Board**

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) ch. 21-10. The City has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The City 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 the 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'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 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.

	<b>Target Allocation</b>	<b>Minimum Allocation</b>	<b>Maximum Allocation</b>
<b>Global Equity</b>	<b>30%</b>	<b>20%</b>	<b>40%</b>
Public Equity	30%	20%	40%
<b>Global Fixed Income</b>	<b>65%</b>	<b>55%</b>	<b>75%</b>
Investment Grade Fixed Income	65%	55%	75%
<b>Cash and Cash Equivalents</b>	<b>5%</b>	<b>0%</b>	<b>10%</b>

**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 Fund 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 five-year results. Reports to the City (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 5% 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 5% and up to 10% 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 10% 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.

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City of Bismarck

Date:

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Scott M. Anderson

Chief Investment Officer

North Dakota Retirement and Investment  
Office

Date:

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## ~~CITY OF BISMARCK DEFERRED SICK LEAVE ACCOUNT~~

### INVESTMENT POLICY STATEMENT

#### ~~1. FUND CHARACTERISTICS AND CONSTRAINTS.~~

~~The City of Bismarck Deferred Sick Leave Account (“~~

#### ~~I. Plan and Fund Overview~~

~~In 1992, the City of Bismarck’s (City) sick leave policy changed to limit sick leave hours in the employee’s sick leave bank to 960 for city and 1,272 for fire department employees. At that time, the City of Bismarck Deferred Sick Leave Account (Fund) was created and represents money set aside to cover the City’s unfunded liability of those employees’ sick leave hours that had accrued sick leave. People who terminate in excess of the applicable cap. Upon separation from employment with the City shall be, covered employees are compensated for unused sick leave from this the Fund, with accumulated interest. In time, it is expected that the Fund will become depleted.~~

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

~~The City of Bismarck (Client) has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. It is the responsibility of the Client to establish policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and asset allocation and investing the assets of the Fund in a manner consistent with the prudent investor rule as provided in NDCC 21-10-07.~~

~~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 performance objectives appropriate to the prudent investor rule and objectives of the funds participating in the pools.~~

~~The SIB may delegate investment responsibility to professional money managers. When a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.~~

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

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

### ~~3. INVESTMENT OBJECTIVES.~~

#### **Client Investment Objectives**

The investment objectives are to obtain a reasonable rate of return on the Fund while maintaining sufficient liquidity to meet known or anticipated financial obligations. Operating considerations shape the Fund's policies and priorities as outlined below:

- ~~Objective #1:~~ Investment income is needed as a funding source. This will be achieved through a diversified portfolio of high-quality fixed income and equity assets.
- ~~Objective #2:~~ Growth of capital is needed to provide an inflationary hedge and add to the growth of the Fund. Capital growth is sought through investment in equities and/or equity substitutes.

### ~~4. STANDARDS OF INVESTMENT PERFORMANCE.~~

The Fund's investment objectives and liquidity constraints give rise to an asset allocation that is considered the most likely to achieve the results desired. For evaluation purposes, the following performance targets will apply:

- a. The Fund should produce a rate of return that meets or exceeds the portfolio policy index defined as 15% S&P 500 domestic stock index, 5% Russell 2000 domestic small cap index, 10% MSCI EAFE international stock index, 65% Lehman Aggregate domestic bond index, and 5% 90-day Treasury bills.

## **II. b. The annual Responsibilities and Discretion of the State Investment Board**

The State Investment Board (SIB) is established under North Dakota Century Code (NDCC) ch. 21-10. The City has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The City 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 the 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'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 total net returns for the Fund, should not exceed that 115% of the policy portfolio benchmark over a minimum evaluation period of 5 years.

c. Over 10 year and longer time periods the Fund should match or exceed the expected 6.00% rate of return based on Callan Associates' 2005 market projections. Expected risk for the period, measured by standard deviation, is 6.50%.

### **-5. POLICY AND GUIDELINES.**

### **IV. The Asset Allocation**

The City establishes the Fund's asset allocation of the Fund is established by the City of Bismarck, with input from RIO staff. Asset allocation is based upon the appraisal of projected liquidity consultants and the Retirement and income requirements and sick leave payment demand, and estimates of the investment returns likely to be achieved by the various Investment Office (RIO), based on an asset classes over the next five years.

In recognition of these factors-liability study. Based on the most recent study, the following allocation is deemed was established. The asset allocation will be reviewed periodically and updated when appropriate for the fund.

Large-Cap Domestic Equity	<del>15%</del> <b>Target Allocation</b>	<b>Minimum Allocation</b>	<b>Maximum Allocation</b>
Small-Cap Domestic <b>Global</b> Equity	<del>5-30%</del>	<b>20%</b>	<b>40%</b>
International <b>Public</b> Equity	<del>40-30%</del>	<b>20%</b>	<b>40%</b>
<b>Global Fixed Income</b>	<b>65%</b>	<b>55%</b>	<b>75%</b>
<u>Investment Grade Fixed Income</u>	<u>65%</u>	<u>55%</u>	<u>75%</u>
<b>Cash and Cash Equivalents</b>	<b>5%</b>	<b>0%</b>	<b>10%</b>

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Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

**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 specified ~~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. ~~\_\_\_\_\_~~ a. ~~\_\_\_\_\_~~ 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. ~~\_\_\_\_\_~~ b. ~~Derivative~~ 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.~~

~~4. c.~~ ~~No investment may jeopardize the tax-exempt status of the Fund.~~

~~3.5. All assets will~~must be held ~~in custody~~ by the ~~State Investment Board's~~SIB's master custodian or ~~such other custodians as are acceptable to the State Investment Board~~an approved sub-custodian.

~~d.~~ ~~No funds shall be borrowed.~~

~~e.~~ ~~No Unhedged short sales or speculation margin purchases shall be made.~~

~~4.6. f.~~ ~~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)

~~5.7. g.~~ ~~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 ~~Fund's policy-Fund~~ Fund favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

## ~~6.~~ **EVALUATION AND REVIEW:**

~~All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment management of the Fund 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 the Fund's investment objectives and investment performance standards. Evaluation will be conducted quarterly by the SIB through its review of funds participating in the Insurance Trust, with emphasis on rolling five-year results. Reports to the City (no less than annually) will include:

- 1. MoneyA list of investment managers will 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 5% 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 5% and up to 10% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be evaluated processed as of month-end, unless otherwise approved by the SIB quarterly. In-state meetings will Chief Financial Officer or Deputy Chief Financial Officer.
- 4.3 Extraordinary Withdrawals: Withdrawals greater than 10% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be held with the money managers at least annually discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

~~Approved by:~~

~~CITY OF BISMARCK~~

~~STATE INVESTMENT BOARD~~

Chuck Klein, Director Steve Cochrane  
Department of Human Resources Executive Director/Investment Director, RIO

Date: \_\_\_\_\_ Date: \_\_\_\_\_

<u>City of Bismarck</u>	<u>Scott M. Anderson</u>
	<u>Chief Investment Officer</u>
	<u>North Dakota Retirement and Investment</u>
	<u>Office</u>
<u>Date:</u>	<u>Date:</u>

## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Sara Seiler, Director of Internal Audit  
**DATE:** June 23, 2026  
**RE:** Audit Committee Update

The Audit Committee met on June 3, 2026. The meeting was called to order by Chair Treasurer Beadle, with quorum present. The committee approved the agenda and meeting minutes from March 2, 2026. The committee approved the internal audit third quarter activities report.

### Financial Statement Audit

UHY presented the scope and approach for the FY2026 financial statement audit. The audit will include:

- RIO and TFFR financial statements
- TFFR GASB 68 schedules
- Internal control and compliance testing under Government Auditing Standards
- Evaluation of investments, contributions, benefit payments, actuarial data, and information technology controls
- Continued coordination with Internal Audit and expanded use of data analytics to improve audit effectiveness. Audit fieldwork will occur throughout summer and fall 2026, with final reports expected in October 2026.

### Internal Audit Strategic Plan

Development of the Internal Audit Strategic Plan remains on hold pending completion of RIO's agency-wide strategic planning process. Internal Audit intends to align its future strategic objectives and resource planning with the agency's broader strategic direction and risk priorities in accordance with Institute of Internal Auditors (IIA) Standards.

### FY2027 Internal Audit Work Plan

The Committee reviewed the proposed FY2027 risk-based Internal Audit Work Plan. Key planned audit projects include:

- Public Markets/Internal Investment Audit

- Data Governance Audit
- Procurement Lifecycle Audit
- Cash Management and Disbursements Audit
- NeoSpin Transaction and Controls Testing
- Employer Compliance Review

Additional advisory activities include user access reviews, enterprise risk management support, governance manual review, process improvement consulting, and follow-up on prior audit recommendations.

### **Cybersecurity Incident**

A sophisticated social engineering attack targeting K-12 school districts resulted in unauthorized access to one RIO team member's email environment. Eight records containing member information were potentially accessed; statutory notification requirements were triggered for four of those records, and notification letters were mailed. Follow-up actions include improved NDIT notification protocols, additional authentication training, and a new formal cybersecurity incident response procedure.

### **Investment Fee Audit**

Internal Audit completed the Investment Fee Audit, which evaluated the controls and processes surrounding the calculation, review, approval, recording, and payment of investment management fees. The audit assessed compliance with contractual agreements, accuracy of fee calculations, adequacy of supporting documentation, and management oversight procedures.

Recommendations included formalizing a fee validation framework across all asset classes, performing periodic reviews or recalculations of fees deducted directly from fund balances, formalizing procedures throughout the investment lifecycle, and restricting access to spreadsheets based on business need. The recommendations were focused on strengthening controls, improving documentation, and enhancing consistency in oversight activities. Management agreed with all recommendations.

### **Executive Limitations Audit**

Internal Audit completed testing of selected Executive Limitations policies established by the State Investment Board. The review evaluated compliance with board-approved limitations and assessed whether management activities remained within the authority delegated by the Board. Audit procedures included review of policies, supporting documentation, management practices, and reporting mechanisms. No significant compliance concerns were identified, and the audit provided assurance that management operated within the established governance framework.

## **TFFR User Role Review**

Internal Audit completed a review of user access within the Teachers' Fund for Retirement (TFFR) administration system. The audit evaluated user provisioning, role assignments, segregation of duties, and periodic access review processes.

Recommendations included developing formal written procedures for changes to NeoSpin user roles and adjusting user roles identified during the review to ensure access remained aligned with job responsibilities. Management agreed with all recommendations.

## **Recommendation Follow-Up**

Internal Audit continued monitoring the implementation status of prior audit recommendations. Management reported progress on corrective actions related to previously issued audit reports, and Internal Audit validated completed actions where appropriate. Outstanding recommendations remain under management review and will continue to be monitored until fully implemented.

The following link contains the committee materials that were presented for your reference:

[Audit Committee Materials June 2026](#)

**Board Action Requested:** Information only.

## MEMORANDUM

**TO: State Investment Board**

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

**DATE: June 23, 2026**

**RE: 2026 SIB Client Fund Survey**

The North Dakota Retirement and Investment Office conducted a survey of the State Investment Board's client funds in May.

- Evaluation forms sent: 41 individuals (28 funds)
- Responses received: 8 individuals (16 funds)

Attached are the 2026 survey results. A summary of the 2026 ratings and two prior years are provided below.

### 2026 Client Satisfaction Survey Ratings Average of 3.27 on a 4 point scale

	Excellent	Above Average	Average	Poor	N/A
Totals	60	54	10	0	0
Weight	4	3	2	1	0
Percent	48%	43%	8%	0%	0%

### 2025 Client Satisfaction Survey Ratings Average of 3.23 on a 4 point scale

	Excellent	Above Average	Average	Poor	N/A
Totals	56	63	10	0	0
Weight	4	3	2	1	0
Percent	43%	49%	8%	0%	0%

### 2024 Client Satisfaction Survey Ratings Average of 3.74 on 4 point scale (4.68 on 5 point scale)

	Excellent	Good	Fair	Poor	Very Poor
Totals	67	27	2	0	0
Weight	5	4	3	2	1
Percent	75%	24%	1%	0%	0%

**BOARD ACTION REQUESTED:** Board Acceptance

## 2026 Client Satisfaction Survey

Q1. Overall, how satisfied are you with the investment services overseen by the SIB?

	Poor	Average	Above Average	Excellent	Total	Weighted Average
star	0.00%	12.50%	50.00%	37.50%	8	3.25
	0	1	4	3		
					<b>Answered</b>	<b>8</b>
					<b>Skipped</b>	<b>0</b>

Q2. How would you rate the value of the SIB's investment services?

	Poor	Average	Above Average	Excellent	Total	Weighted Average
star	0.00%	12.50%	50.00%	37.50%	8	3.25
	0	1	4	3		
					<b>Answered</b>	<b>8</b>
					<b>Skipped</b>	<b>0</b>

Q3. How would you rate presentations by RIO's investment staff?

	Poor	Average	Above Average	Excellent	Total	Weighted Average
star	0.00%	14.29%	42.86%	42.86%	7	3.29
	0	1	3	3		
					<b>Answered</b>	<b>7</b>
					<b>Skipped</b>	<b>1</b>

Q4. How would you rate RIO staff's knowledge of the investment program and their responsiveness to your questions or concerns?

	Poor	Average	Above Average	Excellent	Total	Weighted Average
star	0.00%	14.29%	28.57%	57.14%	7	3.43
	0	1	2	4		
					<b>Answered</b>	<b>7</b>
					<b>Skipped</b>	<b>1</b>

Q5. Are you satisfied with the content included in performance reports and financial statements?

	Poor	Average	Above Average	Excellent	Total	Weighted Average
star	0.00%	12.50%	62.50%	25.00%	8	3.13
	0	1	5	2		
					<b>Answered</b>	<b>8</b>
					<b>Skipped</b>	<b>0</b>

Q6. Do you receive your performance reports and financial statements in a timely manner?

Answer Choices	Responses	
Yes	75.00%	6
No	25.00%	2
	<b>Answered</b>	<b>8</b>
	<b>Skipped</b>	<b>0</b>

Q7. Do you have any specific suggestions for how the SIB or RIO can better serve you?

**Answered** 2  
**Skipped** 6

**Response 1:** With the water project stabilization fund it has almost no risk tolerance and investment options are limited. We need to have a discussion to see what is possible to improve returns.

**Response 2:** The timeliness of our financial statements has improved steadily over the past year. However, our Investment Subcommittee has expressed concerns regarding the timing of performance reports and the fact that true quarter-end data is not consistently reflected in all presentations delivered by RIO staff. To address this concern, we plan to discuss later this year whether the Subcommittee would be open to shifting its meeting schedule back by one month. This adjustment would allow us to consistently incorporate finalized quarter-end figures into all presentations.

Q8. Would you like to be contacted to discuss your feedback further?

Answer Choices	Responses	
Yes	12.50%	1
No	87.50%	7
	<b>Answered</b>	<b>8</b>

## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Jodi Smith, Executive Director, North Dakota Retirement & Investment Office  
**DATE:** June 23, 2026  
**RE:** State Investment Board FY27 Meeting Schedule

The SIB meeting calendar is developed based on the new SIB Governance Policy System, including the five-year governance cycle, the five committees' required meeting cadences and decision calendars, and other relevant timing considerations. It provides a single fiscal-year meeting schedule for the State Investment Board (SIB), along with the action items to be addressed at each meeting.

### Meeting Cadence

SIB meetings are scheduled on the last Wednesday of each month with the exception of November/December because of the Thanksgiving holiday. There is no meeting in April. For Fiscal Year 2026-27 (July 1, 2026 – June 30, 2027), this produces ten regular Board meetings. Because December and April fall at the close of the second and beginning of the fourth fiscal quarters respectively, any action items associated with those periods are carried to the next scheduled meeting — Q2 items to January 27, 2027, and Q4 items to May 26, 2027.

### Meeting Schedule and Agenda Summary

The following table summarizes each FY 2026-27 SIB meeting and the required action items mapped to it.

Meeting Date	FY Quarter	Required SIB Action Items
Wed, July 29, 2026	Q1 / Organizational	Election of Board Officers (Chair, Vice Chair) Approve Annual Governance Calendar Conflict of Interest determinations Approve annual benchmarks Approve ED performance goals for FY Approve cost allocation methodology Approve Enterprise Risk Management framework Approve Annual Incentive Compensation Plan

Meeting Date	FY Quarter	Required SIB Action Items
Wed, Aug 26, 2026	Q1 (continued)	Reserved for any Q1 items carried from the organizational meeting and standing reports Quarterly Committee Reports Update
Wed, Sept 30, 2026	Q1 (close)	Final Q1 catch-up and standing reports
Wed, Oct 28, 2026	Q2	Receive and act on annual internal audit findings Receive management certification of compliance with statutory duties Year-End Investment Performance Report (6/30)
Mon, Dec. 7, 2026	Q2 (continued)	Reserved for completion of Q2 audit/financial actions and standing reports Quarterly Committee Reports Update Quarterly Investment Performance Report (9/30) Approve Annual Incentive Compensation Plan Awards
	Q2 ends Dec 31	Any remaining Q2 action items are pushed to the January 27, 2027, meeting
Wed, Jan 27, 2027	Q3 (+ carried Q2)	Receive Board self-assessment results and approve improvement priorities Complete any Q2 items carried from December
Wed, Feb 24, 2027	Q3 (continued)	Standing reports and any escalations Quarterly Committee Reports Update Quarterly Investment Performance Report (12/31)
Wed, Mar 31, 2027	Q3 (close)	Final Q3 actions and standing reports Confirm readiness for Q4 compensation and audit-plan items Quarterly Committee Reports Update
[No meeting in April]	Q4 begins Apr 1	Q4 action items are pushed to the May 26, 2027, meeting
Wed, May 26, 2027	Q4 (all items)	Approve ED performance evaluation Approve ED compensation Approve Incentive Compensation Plan and ICM Approve annual internal audit plan Quarterly Investment Performance Report (3/31)
Wed, June 30, 2027	Q4 (close / FY end)	3 <sup>rd</sup> Quarter Performance Reports Confirm completion of all by-June-30 statutory approvals Final standing reports Transition to next fiscal year cycle First reading Annual Incentive Compensation Plan

**Board Action Requested:** Approve the FY 2026-27 SIB meeting schedule and associated agenda framework.



# Executive Director Report

Report to the State Investment Board

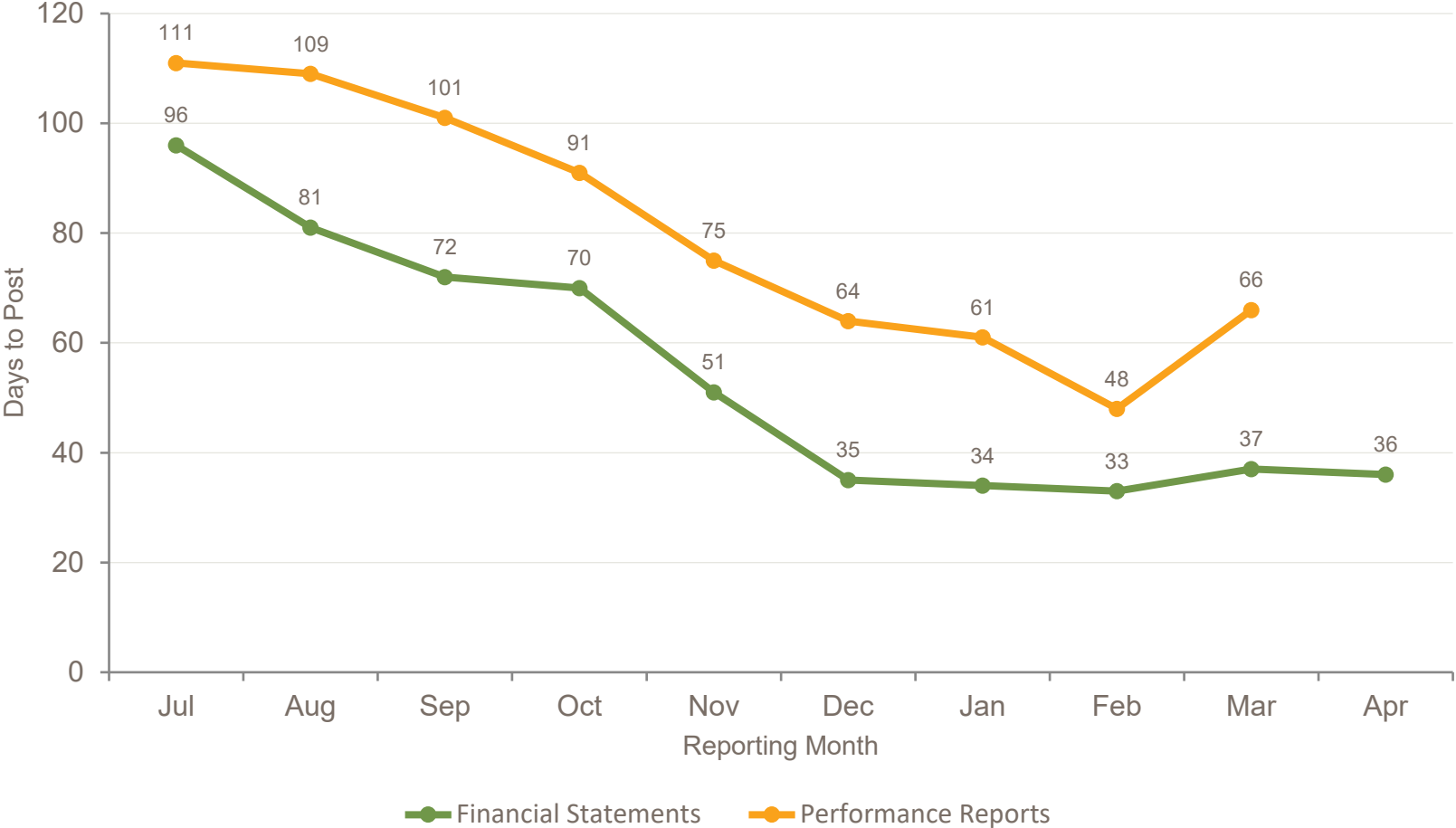
**Jodi Smith, Executive Director**

North Dakota Retirement and Investment Office • June 2026



# Reporting Timeliness

Days from month-end to posting — financial statements and performance reports



↓ 62%

faster financial statements —  
96 → 36 days since July

↓ 59%

faster performance reports  
through March — 111 → 66  
days

 **Watch**

April performance report  
not yet posted; timing is at  
risk from the Cerity  
resourcing loss.

# Posting Detail by Month

Date posted and elapsed days from month-end

Month	Financial Stmt Posted	Days	Performance Rpt Posted	Days
July	4 Nov	96	19 Nov	111
August	20 Nov	81	18 Dec	109
September	11 Dec	72	9 Jan	101
October	9 Jan	70	30 Jan	91
November	20 Jan	51	13 Feb	75
December	4 Feb	<b>35</b>	5 Mar	64
January	6 Mar	<b>34</b>	2 Apr	61
February	2 Apr	<b>33</b>	17 Apr	<b>48</b>
March	7 May	<b>37</b>	5 Jun	66
April	5 Jun	<b>36</b>	<i>In process</i>	—



## The trend

Both cycles have shortened materially over the year as processes matured.

Green figures meet target ranges (financial ≤ 40 days; performance ≤ 60 days).

The April performance report is not yet posted — tied to the Verus resourcing change.

# Key Risks & Operational Updates

Four items for the Board's awareness



## Cerity transition to Callan

Transitioning performance consulting from Cerity to Callan.



## Cybersecurity Incident

April 22, 2026, social-engineering attack via a compromised trusted account. Contained same day; 8 records reviewed, 4 triggered statutory notification. Members notified; incident-response procedure established.



## Sagitec — Key Departures

Loss of key team members at Sagitec could impact the pension administration system. Monitoring continuity and lack of resources dedicated to TFFR warranty requirements.

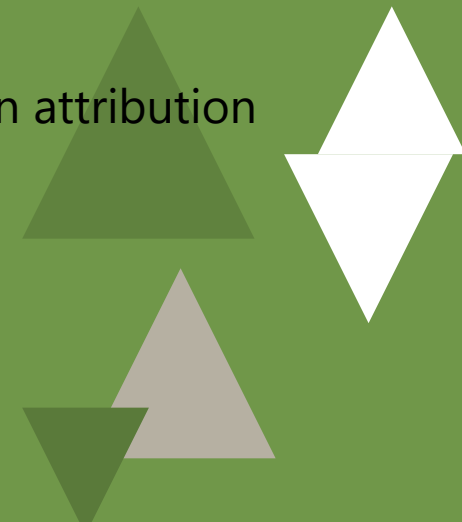


## Legacy Fund Website

Implementation targeted for November 1, 2026. Primary challenge is attributing investments to country of origin.

# Summary for the Board

- **Progress.** Financial and performance reporting cycles are dramatically faster than a year ago.
- **Emerging risk.** Transitioning performance consulting from Cerity to Callan.
- **Security.** A contained April cyber incident triggered four statutory notifications; response procedures are now formalized.
- **Continuity.** Sagitec departures pose a watch item for the pension system; mitigation and knowledge transfer in focus.
- **Legacy Fund site.** Targeting full implementation November 1, 2026; country-of-origin attribution is the key open challenge.



## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Jodi Smith, Executive Director  
**DATE:** June 23, 2026  
**RE:** Executive Review and Compensation Committee Update

The Executive Review and Compensation Committee met virtually on June 18, 2026.

### Executive Director Job Description

The Committee reviewed proposed revisions to the Executive Director position description (clean and red-lined versions provided). The revisions align the description with the new SIB Governance Policy System (GPS) and related governing documents, clarify that the Executive Director serves as chief executive of RIO accountable to both the SIB and the TFFR Board, and more clearly distinguish responsibilities requiring Board or committee approval from those within the Executive Director's delegated operational authority.

The update also incorporates required TFFR duties drawn from the TFFR Board Program Manual, including administration of the TFFR plan, participation in hiring the Chief Retirement Officer, and statutory notice responsibilities related to trustee appointments, removes duplicative language, and adds clarity on operational risk oversight in the absence of a Chief Risk Officer.

### Executive Director Legislative Increase

Following the compensation discussion held in April 2026 and the SIB-approved summative evaluation of Executive Director Jodi Smith, the Committee considered a 3% legislative salary increase. RIO's approved legislative budget includes payroll appropriations sufficient for the increase in the second year of the biennium. Session law requires the increase to be based on documented performance, effective July 2026 with payment beginning August 2026; the approved evaluation satisfies that requirement.

#### Fiscal Year 2026 Incentive Compensation Plan

The Incentive Compensation Plan requires annual SIB approval. The FY26 Plan remains unchanged from the FY25 Plan. In light of the extensive discussion regarding potential revisions for FY27, the Committee considered the existing plan for formal confirmation.

#### Fiscal Year 2027 Incentive Compensation Plan

The Committee reviewed the draft FY27 Incentive Compensation Plan, developed under NDCC § 54-52.5-04. The draft restates the existing plan as a standalone policy effective July 1, 2026, preserving the SIB's plenary authority, ERCC oversight, and independent verification of investment results.

**Board Action Requested:** Information only.

## MEMORANDUM

**TO:** State Investment Board

**FROM:** Jodi Smith, Executive Director, North Dakota Retirement & Investment Office

**DATE:** June 23, 2026

**RE:** Executive Director Job Description Approval

As the agency continues implementation of the new State Investment Board Governance Policy System (GPS), it is important that the Executive Director position description accurately reflects the responsibilities, authorities, and accountability structure established under the updated governance framework.

Maintaining a current job description is also an important component of succession planning. An accurate position description helps ensure that future recruitment, onboarding, performance evaluation, compensation review, and leadership transition planning are grounded in the actual expectations of the role. It provides clarity to the Board, the incumbent, and any future candidates regarding the scope of responsibilities and the distinction between Board authority and executive management responsibilities. In this respect, updating the Executive Director job description is not simply an administrative exercise; it is an important governance and continuity tool.

The proposed revisions are intended primarily to align the job description with the new GPS and related governing documents (clean and red-lined version is attached). Key changes include clarifying that the Executive Director serves as the chief executive of RIO and is accountable to both the State Investment Board and the Teachers' Fund for Retirement Board for executing Board-approved direction within delegated authority. The revised description also more clearly distinguishes between responsibilities requiring Board or committee approval and those that fall within the Executive Director's delegated operational authority.

In addition, the updated description incorporates required TFFR duties drawn from the TFFR Board Program Manual to ensure the position description accurately reflects responsibilities already assigned to the Executive Director under that governing framework. These include administration of the TFFR plan, participation in hiring of the Chief Retirement Officer, certain statutory notice responsibilities related to trustee appointments, and other related duties. The revisions also remove duplicative language and better organize the description

around the Executive Director's current role in governance, administration, budgeting, legislative coordination, and Board support.

Finally, the revised description adds clarity around responsibilities associated with the agency's evolving governance and risk structure, including the Executive Director's role in operational risk oversight in the absence of a Chief Risk Officer and the responsibility to maintain an internal process for development and presentation of staff recommendations for new or revised policies. These updates are intended to better align the position description with how the role is currently expected to function under the new governance framework.

For these reasons, staff recommends that the SIB review the proposed revisions and approve the updated Executive Director job description.

**BOARD ACTION:** Approve the revised Executive Director job description as presented.

## **North Dakota Retirement & Investment Office**

### **Executive Director — Job Description**

The Executive Director serves as the chief executive of the North Dakota Retirement and Investment Office (RIO), accountable to the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR) Board for executing Board-approved directions within delegated authority. Duties and responsibilities include:

#### **Duties and Responsibilities**

- Administer the investment and retirement programs of RIO; oversee planning, supervising, and directing overall RIO programs in accordance with SIB and TFFR governance policies, federal and state laws, and rules; and perform related work as assigned by the SIB and TFFR Boards.
- Responsible for developing and recommending the annual, biennial, and strategic long-range plans for RIO and both the SIB and TFFR Boards for approval.
- Develop and recommend administrative rules, policies, and procedures necessary to administer the retirement and investment programs, and seek committee and board approval for rules and policies; approve internal operating procedures within delegated authority.
- Direct the preparation and execution of the RIO budget and legislative agenda for the agency and both the SIB and TFFR boards; assure follow-through and evaluate results.
- Represent RIO, promote RIO programs, and carry out the day-to-day administrative duties for RIO, including establishing and maintaining internal operating procedures for the effective operation of the Office, within authority delegated by the Boards.
- Develop and prepare or direct the preparation of agendas and materials, meeting minutes, required notices, procedures, and applicable rules and regulations for the retirement and investment programs (board and committee agendas prepared in coordination with, and subject to approval by, the Board Chair); and attend all meetings of the SIB and TFFR Board and corresponding committees.
- Hire staff as necessary to carry out the responsibilities of RIO. Provide leadership, coaching, and feedback to assigned staff, recommending measures to improve performance and increase efficiency.
- Establish and maintain working relationships across all organizational work units and levels.
- Maintain effective relationships with clients, members, beneficiaries, business partners, state officials, legislators and legislative committees, member and business partner stakeholder groups, the media, and the public at large relevant to both the retirement and investment programs, assuring such interactions reflect the agency's core values of integrity, accountability, and service.
- Serve as the official spokesperson for RIO on operational and investment matters.
- Attend Board meetings and advise the SIB and TFFR Board on significant issues, problems, or developments pertaining to the plan, and provide recommended courses of action regarding Board policy or action.
- Evaluate and monitor financial and operational programs.

- Assure accountability and compliance with all statutory and SIB and TFFR Board-prescribed policies and procedures.
- In the absence of a Chief Risk Officer, serve as the senior accountable officer for the operational risk program, reporting operational risk matters to the Audit, Risk and Compliance Committee and the Board.
- Participate with the TFFR Board in the hiring of the Chief Retirement Officer and participate in any surveys conducted by the SIB Executive Review and Compensation Committee for executive team members.
- Administer the TFFR plan and make initial determinations regarding member eligibility, benefits, and plan provisions, subject to appeal to the TFFR Board, and exercise related waiver and penalty authorities as provided by Board policy and state law.
- Notify the Governor's Office and the applicable stakeholder group (NDU, NDCEL, or NDRTA) of TFFR Board trustee term expirations and vacancies, and fulfill related statutory and administrative duties assigned under Board policy.
- Work collaboratively with the Boards to develop, monitor, and implement the long-term strategic plan.
- Maintain an internal agency process for the development and presentation of staff recommendations for new policies and policy amendments.

## North Dakota Retirement & Investment Office

### Executive Director — Job Description

**Note on this version:** Text shown in blue underline is proposed new or revised language; text shown in ~~red strikethrough~~ is proposed for deletion. Text shown in green underline reflects duties drawn from the TFFR Board Program Manual (Section J.2 and related provisions) added to ensure the description satisfies both governing documents. Edits align the description to the SIB Governance Policy System (GPS) approved language, incorporate required TFFR duties, remove duplicate provisions, and clarify the board-versus-executive line.

### Duties and Responsibilities

- Administer the investment and retirement programs of RIO; oversee planning, supervising, and directing overall RIO programs in accordance with SIB and TFFR governance policies, federal and state laws, and rules; and perform related work as assigned by the SIB and TFFR Boards.
- Responsible for ~~the developing~~ ing and recommending the annual, biennial, and strategic long-range plans for RIO and both the SIB and TFFR Boards for approval.
- Develop and recommend administrative rules, policies, and procedures necessary to administer the retirement and investments programs ~~and, and~~ seek committee and board approval for ~~changes when appropriate~~ rules and policies; approve internal operating procedures within delegated authority.
- Direct the preparation and execution of the RIO budget and legislative agenda for the agency and both the SIB and TFFR boards.
- Represent RIO, promote RIO programs, and has carry out the ~~authority and responsibility to carry out the~~ day-to-day administrative duties for RIO ~~including developing and approving policies relating to the effective operation of the Office, including establishing and maintaining internal operating procedures for the effective operation of the Office, within authority delegated by the Boards~~.
- Develop and prepare or direct the preparation of agendas and materials, meeting minutes, required notices, procedures, and applicable rules and regulations for the retirement and investment programs (board and committee agendas prepared in coordination with, and subject to approval by, the Board Chair); and attend all meetings of the SIB and TFFR Board and corresponding committees.
- Hire staff as necessary to carry out the responsibilities of RIO. Provides leadership, coaching, and feedback to assigned staff, recommending measures to improve performance and increase efficiency.
- Establishes and maintains working relationships across all organizational work units and levels.
- Maintain effective relationships with clients, members, beneficiaries, business partners, state officials, legislators and legislative committees, member and business partner stakeholder groups, the media, and the public at large relevant to both the retirement and investment programs, assuring such interactions reflect the agency's core values of integrity, accountability, and service.
- Serve as the official spokesperson for RIO on operational and investment matters.

- Attends Board meetings and advises the SIB and TFFR Board on significant issues, problems ~~or, or~~ developments pertaining to the plan, and provide ~~recommended courses of action as appropriate~~ recommended courses of action regarding Board policy or action.
- Assures accountability and compliance with all statutory and SIB and TFFR Board ~~prescribed~~ prescribed policies and procedures.
- In the absence of a Chief Risk Officer, serve as the senior accountable officer for the operational risk program, reporting operational risk matters to the Audit, Risk and Compliance Committee and the Board.
- Participate with the TFFR Board in the hiring of the Chief Retirement Officer, and participate in any surveys conducted by the SIB Executive Review and Compensation Committee for executive team members.
- Administer the TFFR plan and make initial determinations regarding member eligibility, benefits, and plan provisions, subject to appeal to the TFFR Board, and exercise related waiver and penalty authorities as provided by Board policy and state law.
- Notify the Governor's Office and the applicable stakeholder group (NDU, NDCEL, or NDRTA) of TFFR Board trustee term expirations and vacancies, and fulfill related statutory and administrative duties assigned under Board policy.
- Work collaboratively with the Boards to develop, monitor, and implement the long-term strategic plan.
- Maintain an internal agency process for the development and presentation of staff recommendations for new policies and policy amendments.

#### **Provisions Proposed for Deletion** *(duplicative of items above)*

- ~~Directs overall Office programs through directors and managers in accordance with the SIB governance policies and State laws and rules.~~
- ~~Develops and approves policies related to the effective operation of the Office.~~
- ~~Directs the preparation and execution of the budget and legislative agenda. Assures follow through and evaluates results.~~
- ~~Evaluates and monitors financial and operation programs.~~
- ~~Assures organization accountability and compliance to the Board.~~

## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Adam Otteson, Chief Financial Officer  
**DATE:** June 23, 2026  
**RE:** Executive Director Legislative Increase Approval

This memo follows up on the Executive Director compensation discussion held at the April 9, 2026, meeting and requests the Committee's formal recommendation to the State Investment Board (SIB) to approve a 3% salary increase for the Executive Director

Included in RIO's approved legislative budget are payroll appropriations sufficient to provide for a 3% legislative increase in the second year of the biennium, including for the Executive Director position. Session law requires that the increase be based on documented performance and become effective in July 2026, with payment beginning in August 2026.

In April 2026, the State Investment Board approved the Executive Review and Compensation Committee's formal summative evaluation of Executive Director Jodi Smith, which found her first full year of performance to be exceptionally strong and supported by consistently positive feedback across stakeholder groups. This evaluation demonstrates that the Executive Director's performance meets the legislative intent underlying the authorized salary increase.

Based on the Executive Director's current salary of \$244,536, application of the 3% increase would result in a new salary of \$251,872.

**BOARD ACTION:** Approve a 3% salary increase for Executive Director, raising the annual base salary from \$244,536 to \$251,872, effective July 1, 2026.

## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Jodi Smith, Executive Director  
**DATE:** June 23, 2026  
**RE:** Fiscal Year 2026 Incentive Compensation Plan

Pursuant to the terms of the Incentive Compensation Plan (Plan), the SIB is required to approve the Plan on an annual basis.

The FY26 Plan (attached) remains unchanged from the FY25 Plan. In light of the extensive discussion regarding the current plan and potential revisions for FY27, staff are requesting formal confirmation of the existing plan.

**COMMITTEE ACTION:** Approve the FY26 Incentive Compensation Plan.

## 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 be 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.

<b>All Roles</b>		
<i>Weight</i>	<i>Performance Component</i>	<i>Allocation Method</i>
80%	Fund VA -3-year rolling	Minimum: (10%) $\geq$ 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<sup>1</sup>

### *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.

<sup>1</sup> ICMs are intended to reflect levels of net performance that are considered top quartile, based upon expected levels of risk and return.

## MEMORANDUM

**TO:** State Investment Board  
**FROM:** Jodi Smith, Executive Director  
**DATE:** June 23, 2026  
**RE:** DRAFT FY 27 Incentive Compensation Plan

North Dakota Century Code Section 54-52.5-04 authorizes the RIO to develop an incentive compensation program for the full-time equivalent investment and fiscal operations positions necessary to manage the funds under the SIB's control, and directs that the program promote profitability, productivity, and responsible fund management. The attached draft Plan has been developed to fulfill these statutory objectives.

The Plan preserves the SIB's plenary authority to establish, amend, and administer the program, with oversight by the Executive Review and Compensation Committee and verification of investment results by an independent consultant. Award ranges are capped by position, and the Executive Director will provide a statement of financial impact estimating the total potential cost of the Plan at both target and maximum award levels.

**BOARD ACTION:** Approve the introduction and first reading of the FY 27 Incentive Compensation Plan.

# Incentive Compensation Plan

## Summary of Proposed Changes

Jodi A. Smith, Executive Director

# Purpose and What Is Changing

## A restated plan, not a new program

The State Investment Board (SIB) has operated an incentive compensation plan since FY2025 (effective July 1, 2024), authorized under NDCC § 54-52.5-04 and held as Exhibit V-2 to the Program Manual.

The FY2027 draft restates that plan as a standalone policy effective July 1, 2026. The core design is retained: pay-for-performance, measured against policy benchmarks, with the greatest share of value accruing to client funds.

### What is new:

- Adds a full Base Pay framework alongside incentive pay
- Lengthens the eligibility service requirement
- Revises the performance-award scale and Incentive Compensation Metric (ICM) band
- Resets maximum award opportunities by position
- Introduces three installments over a three-year period, at-risk payout of awards
- Adds an explicit total-fund payment gate
- Formalizes the approval calendar, forfeiture and claw back terms

# 1. Plan Structure and Base Pay

## From an incentive-only exhibit to a total-compensation framework

**Current:** The Program Manual exhibit addresses incentive compensation only. Base pay is governed separately through general Retirement and Investment Office and Office of Management and Budget personnel policy.

**Draft:** Establishes a complete compensation framework with three defined components — base pay, incentive compensation, and benefits — in one policy.

### **New Base Pay section adds:**

- Salary ranges and quartiles set by the Executive Review & Compensation Committee (ERCC) and approved by the SIB, using blended public- and private-sector market data.
- Defined comparator groups for executive and investment positions.
- A cap at the 75th percentile of range absent ERCC approval; base pay may never exceed the range maximum.
- Market surveys refreshed at least every two years.

# How base salary ranges were set

Market-anchored, then trued up to current conditions

## BASELINE

### 2023 Mercer compensation study

Foundational market benchmark for every covered position.

## ADJUST

### BLS wage growth +4.1% (FY1)

First fiscal year after the study — Bureau of Labor Statistics salary-increase data.

## ADJUST

### BLS wage growth +3.5% (FY2)

Second fiscal year — compounded on the adjusted range.

## RESULT

### Current FY2026 ranges

≈ +7.7% cumulative movement since 2023, applied to each range.

## Method notes

- Approach recommended by the Office of Management and Budget (OMB).
- Adjustments applied as cumulative annual wage growth — 4.1% then 3.5% — compounded on the Mercer baseline.
- Where possible, resulting ranges were validated against other compensation studies for reasonableness.

Cumulative market movement applied since 2023

# +7.7%

# Proposed Salary Increases

Title	July 1 salary after 3%	Proposed Annual Equity Increase	Proposed Salary	Monthly Equity Increase	Proposed Monthly Salary
Chief Investment Officer	331,008	40,992	372,000	3,416	31,000
Executive Director	251,872	70,928	322,800	5,911	26,900
Portfolio Manager - Fixed Income	217,488	2,400	219,888	200	18,324
Deputy Chief Investment Officer	209,640	51,960	261,600	4,330	21,800
Portfolio Manager of Internal Direct Equity	198,396	16,404	214,800	1,367	17,900
Portfolio Manager of Quantitative Risk & Funds Management	195,696	19,104	214,800	1,592	17,900
Portfolio Manager, Private Markets	193,092	22,800	215,892	1,900	17,991
Portfolio Manager, Alpha & Funds Management	193,092	12,108	205,200	1,009	17,100
Senior Investment Analyst	159,144	7,656	166,800	638	13,900
Senior Analyst Private Markets Fund Management	137,940	6,060	144,000	505	12,000
Public Markets Analyst	132,624	2,400	135,024	200	11,252
Deputy Chief Financial and Operating Officer	129,780	6,420	136,200	535	11,350
Public Markets Investment Analyst	82,416	1,584	84,000	132	7,000
Analyst of Internal Direct Fixed Income	77,256	12,000	89,256	1,000	7,438
<b>TOTAL</b>	<b>\$2,509,444</b>	<b>\$272,816</b>	<b>\$2,782,260</b>	<b>\$22,735</b>	<b>231,855</b>

## 2. Eligibility

### Longer service requirement before an award can be earned

**Current:** A participant must work in a covered position at least three consecutive full calendar months during the plan year to be eligible; awards prorated for partial years.

**Draft:** Raises the threshold to six consecutive full calendar months in a covered position during the plan year; awards still prorated for partial-year service.

**Unchanged:**

- Eligibility limited to full-time investment and fiscal operations positions necessary to manage SIB funds; temporary and project positions remain excluded.
- Participants must be designated by the Executive Director under the Annual Program.

# 3. Award Composition & Performance Scale

## Flatter, wider quantitative scale - Same 80/20 split

### Changed - the performance-award scale

#### (ICM):

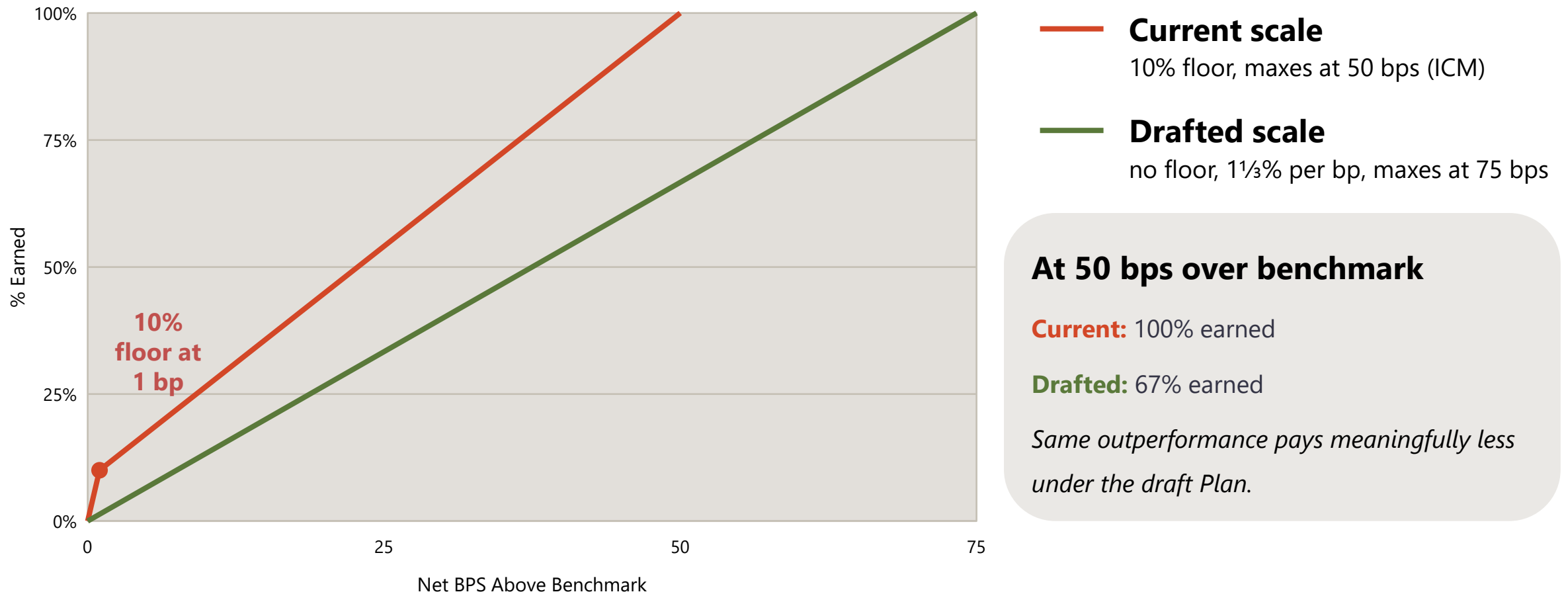
- **Current:** 0% at or below benchmark; a 10% floor at the first basis point (bp) above benchmark, then pro rata to 100%, reaching maximum near 50 bps of net outperformance.
- **Draft:** 0% at or below benchmark; earning begins at 1% at one basis point above and accrues 1⅓% per bps, reaching 100% at 75 bps

### Unchanged - award composition:

- 80% quantitative (fund value-added vs. benchmark); 20% qualitative / individual goals; three-year rolling measurement.
- Measured against the weighted average of the four largest funds (Legacy, PERS, TFFR and WSI) at the client-fund level, net of costs.

# Payout curve: how fast incentive is earned

% of the quantitative (80%) opportunity earned vs. net basis points above benchmark



# 4. Maximum Percentage Payout

Title	Current Max %	Proposed Max %
Chief Investment Officer	100%	<b>75%</b>
Executive Director	100%	<b>75%</b>
Portfolio Manager – Fixed Income	75%	<b>60%</b>
Deputy CIO	90%	<b>60%</b>
Portfolio Manager of Internal Direct Equity	75%	<b>60%</b>
Portfolio Manager of Quantitative Risk & Funds Management	75%	<b>60%</b>
Chief Financial and Operating Officer	60%	<b>60%</b>
Portfolio Manager, Private Markets	75%	<b>60%</b>

Title	Current Max %	Proposed Max %
Portfolio Manager, Alpha & Funds Management	75%	<b>60%</b>
Senior Investment Analyst	50%	<b>40%</b>
Senior Analyst, Private Markets Fund Management	50%	<b>40%</b>
Public Markets Analyst	50%	<b>40%</b>
Deputy Chief Financial and Operating Officer	50%	<b>40%</b>
Analyst of Internal Direct Fixed Income	50%	<b>40%</b>
Senior Investment Operations	25%	<b>25%</b>
Investment Operations Analyst	25%	<b>25%</b>

# 5. Deferred, At-Risk Payout

## The most significant structural change

**Current:** Awards are determined and paid after fiscal year-end, generally within four months—effectively a single payment. Good standing on the payment date is required.

**Draft:** Each earned award is paid in three installments over three years:

- 50% in Year One (by March 15)
- 25% in Year Two (by March 15)
- 25% in Year Three (by March 15)

Continuous employment through each payment date is required; unpaid installments are forfeited on termination, subject to Executive Director discretion for death, disability, retirement, or involuntary termination without cause.

# 6. Total-Fund Payment Gate

## Funding tied to value created for client funds

**Current:** Investment awards are earned only when net performance exceeds benchmark.

**Draft — new Total Composite Performance Limitation:**

- If total composite fund performance, net of fees, does not exceed its benchmark in a plan year, no payment on any award is made for that plan year.
- Payment of outstanding installments from previous plan years when net performance exceeded the benchmark will be made as scheduled.

# 7. Governance, Calendar & Clawback

## A formalized annual cycle and clearer separation provisions

### Draft - formalized approval calendar:

- Annual Program developed in Q4; presented to the ERCC and benchmark to the Investment Committee by June 30; SIB approves the Annual Program by July 31.
- After yearend, the independent consultant verifies results; ERCC recommends awards by November 15; SIB approves by December 31; installments paid by March 15.

### Draft – separation and forfeiture:

- Defines “retirement” (60-day notice, good standing) and “Protected Leave” (sick, FMLA, parental); unpaid installments forfeited on most terminations.

### Draft - clawback/adjustment:

- SIB may adjust or recover payments made on erroneous data or calculations by adjusting future installments.

# Appendix

# Organizations Reviewed for Compensation & Incentive Studies

Alaska Permanent Fund	Los Angeles County Employees Retirement Association
California Public Employees Retirement System	North Carolina Department of State Treasurer
California State Teachers' Retirement System	South Dakota Investment Council
Colorado Public Employees Association	State Teachers Retirement System of Ohio
Employees Retirement System in Texas	State of Wisconsin Investment Board
Florida State Board of Administration	Teachers Retirement System of Texas



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| Retirement & Investment

## I. PROGRAM OVERVIEW

### A. Authority

North Dakota Century Code Section 54-52.5-04 authorizes the North Dakota Retirement and Investment Office (the “RIO”) to 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 “SIB”). Section III of this document sets forth the terms and conditions of the RIO Incentive Compensation Plan (the “Plan”) established under the authority provided above.

### B. Rationale

The Legislature has directed that the incentive compensation program promote profitability, productivity, and responsible fund management. The Plan is established to fulfill these statutory objectives by providing a compensation framework tailored to the specialized investment and fiscal operations positions necessary for the management of the investment of funds under the control of the SIB.

To accomplish these legislative directives, the SIB has determined that the Plan must account for the labor market conditions that directly affect the recruitment and retention of institutional investment professionals, most of whom are drawn from the private sector. In particular, investment management roles in the private sector are compensated substantially differently than positions under governmental entities with traditional civil service structures. Private-sector compensation uses salary structures that exceed typical civil service salary ranges and relies heavily on pay-for-performance and incentive-based compensation. As a result, step-based salary schedules are impractical for attracting and retaining professionals with the specialized skills required to manage complex institutional investment portfolios. The Plan is designed to bridge the gap between public-sector compensation structures and private-sector market realities by aligning compensation provided to the RIO investment professionals with market realities while maintaining appropriate public-sector accountability.

### C. Purpose

The Plan has been developed through public review, discussion, and debate. It reflects a deliberate strategy to ensure compensation is at a competitive level in order to attract and retain highly qualified professionals, while motivating and rewarding long-term investment performance. The Plan is intentionally structured to recognize labor market realities and to reinforce high performance by placing a meaningful portion of total compensation at risk. Consistent with the statutory requirement that payouts not occur unless the risk-based performance of internally managed investments exceeds the risk-based performance of policy benchmarks, this pay-at-risk framework directly aligns individual incentives with the SIB’s mission, emphasizing the achievement of measurable, performance-based objectives. In doing so, the Plan supports the recruitment and retention of highly skilled executives and

investment professionals, which serves as the foundation for the organization’s long-term success.

#### D. [Total Compensation](#)

While incentive compensation is a critical aspect of attracting, retaining, and rewarding investment professionals, it is simply one piece of any compensation program. The total compensation, not simply incentive compensation, is the ultimate measure of how competitive a compensation program is within a given labor market. There are three components to total compensation:

- Base Pay / Salary;
- Incentive Compensation; and
- Employee Benefits.

The base pay element is set forth as provided in Section II below. The incentive compensation element is set forth as provided in Section III below. The benefits provided to employees are set forth in state law or the various personnel policies of the RIO.

## II. [BASE PAY](#)

Base pay will be determined based on salary ranges and quartiles that are developed by the Executive Review and Compensation Committee (the “ERCC”) and approved by the SIB. These salary ranges will be developed using a blend of public- and private-sector market data and through salary surveys. The ranges will be further informed by internal equity, industry standards, and best practices in executive and investment compensation.

Relevant salary survey data utilized for the development of ranges is gathered at least every two years, or more frequently as determined by the ERCC. Additional market reviews may be conducted when a position becomes vacant, or a new position is created. The ERCC may utilize a compensation consultant in the development of salary ranges. Target quartiles for covered positions may be established based on market data at the time each survey is conducted.

Data for salary surveys and other relevant information used for the development of salary ranges and quartiles will be derived from employee data of comparator groups. Comparator groups include:

- **Executive Management Positions:** Leading U.S. public funds, banks, and insurance companies with comparable assets under management.
- **Investment Management Positions:** Large and complex institutional investors with comparable assets under management, and private-sector asset management organizations of similar size that compete for RIO talent, including investment advisory firms, university endowments, insurance companies, and banks.

Base pay ranges and associated quartiles are approved by the SIB and become effective on the date specified at approval. In years between comprehensive surveys, ranges may be

adjusted to reflect general private-sector salary movement supported by current market data.

Base pay of individual employees is established at hire by the hiring supervisor in coordination with the Chief Financial Officer/Chief Operating Officer (the “CFO/COO”) based on internal equity, skills and expertise, prior experience, and other relevant factors. Base pay for the Executive Director is determined by the SIB based on the recommendation of the ERCC. In all cases, the base pay of an individual employee may not exceed the 75<sup>th</sup> percentile of the approved range without the approval of the ERCC.

Individual base pay increases are considered annually in conjunction with the performance appraisal process and informed by the most recent salary survey data. Increases are not guaranteed and are based on overall performance, unless increases are otherwise recommended by the ERCC in connection with a salary survey for retention or pay equity purposes. Policy violations or failure to demonstrate or adhere to SIB core values will be considered in determining any base pay increases.

If any annual increase would result in base pay exceeding the approved salary range maximum, base pay for the individual shall be capped at the range maximum. Under no circumstances may base pay exceed the established range.

### III. INCENTIVE COMPENSATION PLAN

Incentive awards are designed to advance the mission of the SIB by providing “at-risk” compensation consistent with the SIB’s total compensation philosophy. This at-risk framework promotes an integrated focus on achieving organization-wide, long-term strategic objectives. Covered positions may be eligible for an annual award (an “Award”), with award opportunities varying by position. Incentive compensation is structured as pay-for-performance to ensure progress toward critical organizational goals. Awards are contingent cash payments based on (i) individual and/or organizational achievement of measurable performance objectives documented in the Plan, subject to applicable conditions, and (ii) total fund performance, provided established conditions are met.

The effective date of this Plan is July 1, 2026. Each plan year coincides with the RIO’s fiscal year beginning on July 1 and ending on June 30.

#### A. Administration of the Plan

The Executive Director shall administer the Plan with oversight by the ERCC and the SIB. The SIB retains plenary authority to establish and amend this Plan, prescribe and amend any policies relating to it, and make any determinations outlined herein. The Executive Director has plenary authority to make all other determinations deemed necessary or advisable for the administration of this Plan and Awards hereunder other than as to the participation of the Executive Director, which determinations will be made by the ERCC. The determinations of the Executive Director and the ERCC regarding the matters referred to in this Section III shall be binding and final.

## B. [Eligibility](#)

To be eligible to participate in the Plan, an employee (i) must be serving in a full-time equivalent investment or fiscal operations role necessary for the management of the investment of funds under the control of the SIB which has been designated as a covered position in connection with an annual incentive program as described in Section III.D below (an “Annual Program”), (ii) must have worked in a covered position for at least six (6) consecutive full calendar months during the plan year, and (iii) must have been designated as a participant by the Executive Director in connection with an Annual Program.

Employees serving in temporary or project-based positions are not eligible to participate in the Plan. If an employee is not employed for the entire plan year, incentive compensation shall be paid on a prorated basis.

Eligible covered positions and the employees serving in such positions that are eligible to participate in the Plan are set forth in an Annual Program designated by the Executive Director and approved on an annual basis in accordance with Section III.D.ii.a below.

## C. [Annual Incentive Award](#)

i. *Nature of Award.* Each eligible employee who is designated as a participant in the Plan for a given plan year under an Annual Program will receive an annual Award that provides the participant an opportunity to receive a cash payment based on a percentage of the participant’s base salary and subject to achievement of certain performance goals and the terms and conditions of the Plan.

ii. *Performance Goals and Award Composition.* A participant will be entitled to payment under an Award based on his or her satisfaction of both quantitative and qualitative performance goals established for each participant for a given plan year. Entitlement to eighty percent (80%) of the amount of an Award will be based on performance with respect to quantitative goals, and entitlement to twenty percent (20%) of the amount of an Award will be based on satisfaction of qualitative goals. Goals are documented in the Office of Management and Budget Performance Management Review system following the approval of an Annual Program, and participants will be notified of such goals.

iii. *Quantitative Goals.* Eighty percent (80%) of an Award for each participant will be based on the investment performance of internally managed investments as compared to applicable benchmarks associated with such investments as specified by the SIB in connection with its approval of the Annual Program. The investment performance to be measured for a given participant will be identified in the Annual Program and will be based on total composite fund performance. The SIB may include asset class investment performance and/or investment performance of assets managed by a specific team in the investment performance measurement if administratively practical and otherwise desired by the SIB. The following provisions apply to the development of quantitative goals:

a. **Internally Managed Investments.** For purposes of the Plan, “internally managed investments” refers to the investments under the control of the SIB for which internal RIO investment staff exercises investment discretion, management, and oversight responsibility. These investments include investment of assets directly invested and managed by RIO staff, as well as investments managed through internally directed programs in which RIO staff is responsible for manager selection and termination, portfolio construction, rebalancing, performance monitoring, and ongoing oversight across both public and private markets. Internally managed investments are not limited to assets traded directly by staff but include investment portfolios for which the RIO provides active investment stewardship, including implementation through external managers when the RIO retains decision-making authority and fiduciary oversight. These funds represent the primary internally managed portfolios for purposes of determining incentive eligibility. The investment of the assets with two SIB client funds—the Job Service Employee Pension Fund and the PERS Retiree Health Insurance Fund—are currently externally managed and will not be considered internally managed investments unless and until internal RIO investment staff assumes investment discretion, management, and oversight responsibility.

b. **Total Composite Fund Performance and Benchmarks.** Investment performance measurements and relative benchmarks used to evaluate total composite fund performance will be based on the weighted average of the relative investment performance of the following SIB client funds: the Legacy Fund, the Public Employees Retirement System (“PERS”) fund, the Teachers’ Fund for Retirement (“TFFR”), and the Workforce Safety & Insurance (“WSI”) fund. The investment performance measurements and relative benchmarks are measured at the client fund level against the weighted average of the SIB-approved benchmarks for each such client fund and calculated net of all direct costs (costs directly resulting from a particular investment, such as fees and trading expenses) and indirect costs (costs resulting from the internal investment operations of the RIO).

c. **SIB Benchmark Approval.** For purposes of measuring investment performance, benchmarks will be proposed by the Executive Director to the Investment Committee, who will consult with the independent benchmark consultant in making a recommendation to the SIB in connection with the approval of the Annual Program.

d. **Applicable Performance Periods.** Quantitative performance measures will generally be based on three-year, multi-year performance against relevant benchmarks. Notwithstanding the foregoing, the three-year, multi-year performance cycle will not be utilized for any specific asset class, strategy, or subset thereof until that asset class, strategy, or subset has accumulated three full years of historical performance data. Until such time, the actual years (full and partial) of historical performance of such asset class, strategy, or subset will be used as the measurement period for purposes of calculating the quantitative component of an Award.

iv. *Qualitative Goals.* Twenty percent (20%) of an Award for each participant will be based on the achievement of individual performance goals. These individual qualitative performance goals are determined for a given fiscal year by the Executive Director in consultation with the CFO/COO, applicable division directors, and each participant's supervising manager. These goals will consist of individual objectives for each participant to achieve, as well as attainment of a performance rating based on a standardized methodology that evaluates demonstrated leadership and teamwork, contributions to culture, behavioral and organizational competencies (including staff development), strategic contributions, and participation in initiatives to improve business, analytical, or technology processes.

**D. [Annual Incentive Program](#)**

i. *Development of Annual Program.* In the fourth quarter of each fiscal year, the Executive Director will develop the Annual Program for the following fiscal year to be presented to the ERCC. The Executive Director will collaborate with the CIO, CFO/COO, and other applicable staff to develop the content of the Annual Program as described below. The Executive Director will present (1) the Annual Program to the ERCC and (2) any benchmark used in the Annual Program to the Investment Committee no later than June 30 for the following plan year. The ERCC will review and provide direction and suggestions to the Executive Director. The Investment Committee will review the proposed benchmark for appropriateness. After completion of the proposed Annual Program, the ERCC will recommend the proposed Annual Program, and the Investment Committee will recommend any benchmark utilized in the Annual Program, to the SIB for consideration and approval no later than June 30 for the following plan year. The SIB shall approve the Annual Program no later than July 31 for the following plan year.

ii. *Description and Contents of Program.* The Annual Program approved by the SIB for a given plan year will be described in Appendix A to this Plan, and Appendix A will be automatically updated following approval of the Annual Program by the SIB. Contents of an Annual Program will include:

a. **Covered Positions and Participants.** The covered positions eligible for participation in the Annual Program for a given fiscal year are included and described in Appendix A and are subject to approval and change each year in connection with approval of the Annual Program. Individuals who are employed in such covered positions at the beginning of a fiscal year will be designated by the Executive Director as a participant in the Annual Program for such fiscal year, and the names of such individuals will be provided in a report to the ERCC and the SIB in connection with the approval of the Annual Program. Any individuals who begin employment following the commencement of a fiscal year may be designated as a participant by the Executive Director following the commencement of the fiscal year provided that such employee satisfies the 6-month requirement for such fiscal year as provided in Section III.B. The Executive Director will report all newly-hired participants added to an Annual Program to the ERCC.

b. **Incentive Award Ranges and Target Award.** The incentive award ranges and target awards for all covered positions are set forth in Appendix A and are subject to approval and change each year in connection with approval of the Annual Program. The incentive award range represents the percentage of base pay available to be earned by a participant under an Award based on the level of achievement of the Annual Program quantitative and qualitative performance goals. The “target award” for any given annual incentive award range is set at 50% of the award range maximum. Maximum annual incentive opportunities may never exceed the ranges outlined below, but ranges may vary by position based on differing roles and responsibilities within the organization, as determined by the Executive Director, and to ensure alignment between peer positions. The Executive Director will prepare a statement of financial impact estimating the total potential cost of the Plan based on achievement of both maximum and target award levels, assuming all established performance goals are fully realized or achieved at target levels, and report the total estimated cost of an Annual Program at both target and maximum levels in connection with the presentation to the ERCC and SIB.

c. **Quantitative Goals, Benchmarks and Investment Compensation Metrics.** The groups of internally managed investments for which performance will be measured to determine the achievement of quantitative goals and benchmarks associated with such investments will be established under the Annual Program. The Annual Program will also contain an incentive compensation metric (the “ICM”), which represents the level of investment performance required to achieve the portion of the Award opportunity conditioned on achievement of quantitative goals. Performance award scales derived from the ICM will be included in the Annual Program to illustrate the relationship between actual net outperformance and the percentage of the quantitative goal opportunity earned under an Award. Prior to the approval of the Annual Program by the SIB, an independent benchmark consultant will verify (i) the asset composition(s) for which performance will be measured, (ii) the benchmarks against which investment performance will be compared, and (iii) the ICM and associated performance award scales. Benchmarks with respect to an Annual Program may be adjusted by the SIB to reflect changes to the investment portfolio during a given performance year.

d. **Qualitative Goals.** In connection with the presentation of the Annual Program to the ERCC, the Executive Director will describe the general employee evaluation process to be utilized in determining the achievement of the qualitative goals and receive feedback and suggestions. The details and execution of the evaluation process, however, will be under the purview of the Executive Director.

#### E. Determination and Approval of Award Payments

i. *Determination of the Award—Achievement of Goals.* Following the conclusion of the plan year, the Executive Director will determine the level of achievement for each Award based on the achievement of the quantitative and qualitative goals under the Award. The achievement of quantitative goals as outlined in the Annual Program will be

verified by the independent investment performance and benchmark consultant using estimated investment performance as of the end of the given plan year (June 30). The investment performance and benchmark consultant serves as an independent check on the results to ensure consistency with established performance objectives, investment policies, and compliance procedures. The achievement of qualitative goals will be determined by the Executive Director in collaboration with executive staff and appropriate division directors based on the results of each participant's annual performance review utilizing an established process as presented to the ERCC.

ii. *Determination of the Award—Payment Amount.* Following the determination of the level of achievement of the quantitative and qualitative goals under the Award, the Executive Director will determine the payment amount that a participant is entitled to under an Award. The Executive Director will adjust the payment amount pro rata for (i) any newly hired participant who did not serve the complete number of days of the plan year or (ii) any participant absent from active employment with the RIO for more than thirty (30) days in a plan year due to an approved extended leave of absence other than a Protected Leave. A "Protected Leave" is any absence from active employment attributable to (i) sick leave taken in accordance with the RIO's applicable sick leave policies, (ii) leave taken pursuant to the Family and Medical Leave Act of 1993, as amended, and (iii) parental leave taken in accordance with the RIO's applicable parental leave policies. The determination of whether an absence constitutes a Protected Leave, the number of days subject to proration, and the calculation of the proration shall be made by the Executive Director (or, in the case of the Executive Director, by the SIB) in his or her sole discretion.

iii. *Approval of the Award.* No later than November 15, the ERCC shall review the materials presented by the Executive Director and shall submit to the SIB its recommendation regarding the final Award amount for each participant. No later than December 31, the SIB in its sole discretion shall approve, or approve with modifications, each Award recommended by the ERCC; provided, however, that prior to taking final action, the SIB may refer any comments or questions regarding the ERCC's recommendations back to the ERCC for further consideration and response.

#### F. [Payment Terms of Award](#)

i. *Payment Schedule.* Subject to the conditions set forth in this Plan, including the continuous employment of the participant through a given payment date as provided in Section III.F, each Award earned by a participant pursuant to this Plan shall be paid in three (3) installments over a period of three (3) years, in accordance with the following schedule:

a. **First Installment:** Fifty percent (50%) of the total Award amount shall be paid no later than March 15 of the first plan year following the plan year for which the Award is granted;

b. **Second Installment:** Twenty-five percent (25%) of the total Award amount shall be paid no later than March 15 of the second plan year following the plan year for which the Award is granted; and

c. **Third Installment:** Twenty-five percent (25%) of the total Award amount shall be paid no later than March 15 of the third plan year following the plan year for which the Award is granted.

The adoption of this deferred payment schedule shall not be construed to confer upon any participant a vested right to any unpaid installment prior to the applicable scheduled payment date, and all unpaid installments shall remain subject to the forfeiture provisions set forth in Section III.G below.

ii. *Continuous Employment.* Payment of each installment payment is conditioned upon the participant's continued employment with the RIO through each scheduled payment date of such installment. In the event that a participant terminates service prior to a scheduled payment date of any unpaid installment, such unpaid installment shall be forfeited in its entirety and shall cease to be payable except as provided in Section III.G below.

#### G. [Forfeiture](#)

A participant's Award, and any right to receive payment thereof, shall be immediately and irrevocably forfeited upon the participant's termination of employment for any reason. Any unpaid installment payments will be forfeited, and the participant will have no further rights under the Plan.

However, the Executive Director, in his or her sole discretion and without obligation, may approve payment of an Award, including immediate payment of any future installments due under an Award, for an employee whose employment terminates due to death, total or and permanent disability, retirement, or involuntary termination without cause, provided that any such payment is made by March 15 following the calendar year in which the termination occurs. For purposes of this Plan, "retirement" occurs when: (i) a retirement request is submitted at least sixty (60) days in advance of the participant's proposed retirement date; (ii) the Executive Director (or SIB, as applicable) determines the participant is in good standing and approves the retirement date; and (iii) the participant has attained age 65. Awards for which payments are made in the case of death of the participant will be made to the employee's estate.

#### H. [Limitations and Adjustments](#)

i. *Total Composite Performance Limitations.* If the total composite fund investment performance net of fees for a given plan year does not exceed its corresponding benchmark as set forth in the Annual Program for such plan year, no payment will be made with respect to performance for such plan year under an Award; *provided, however,* installment payments due for positive performance in a prior plan year that have been

previously-approved by the SIB in Section III.E.iii may be still paid subject to the conditions set forth in Section III.F.

ii. *Adjustment.* In the event that the RIO discovers that a payment amount under an Award for a plan year is inaccurate, including, without limitation, as a result of an error in the calculation of a payment due under an Award or the update or modification of performance numbers or results used in the calculation of a payment amount, such payment amounts for the fiscal year under the Award are subject to adjustment upon action by the SIB. The SIB may approve the increase or reduction of any future payments under such Award or any other Award to reconcile the difference between the inaccurate payment amount and the corrected payment amount to address any underpayment or overpayment that may have been made to a participant. The SIB may adjust Award payments at its sole discretion and is not obligated to take any action contemplated by this subsection.

I. [Amendment and Termination of the Plan](#)

The SIB reserves the right to terminate or amend this Plan and all Awards at any time in its sole discretion, including, without limitation, the terms and conditions of any Annual Program; provided, however, that no termination or amendment of this Plan will modify a participant's right to payment under any Award for which the payment amount has already been approved except as provided in Sections III.G. or III.H.

IV. MISCELLANEOUS

A. [No Right to an Award](#)

Neither the adoption of this Plan nor any action of the SIB, the ERCC, the Investment Committee or the Executive Director will be deemed to give an employee any right to be granted an Award, any right to receive an Award, or any other rights under this Plan.

B. [Continuous Employment; No Employment or Other Service Rights](#)

For purposes of this Plan, a participant shall be considered to be in continuous employment for so long as the participant remains employed by the RIO. Any question as to whether and when there has been a termination of employment shall be determined by the Executive Director in his or her sole discretion; provided, however, that in the case of an Award granted to the Executive Director, termination shall be determined by the SIB. Any such determination shall be final and binding. Nothing contained in this Plan will (i) confer on any participant any right with respect to his or her continuation of service with the RIO or (ii) interfere in any way with the right of the RIO to terminate any participant's service relationship at any time.

C. [Tax Matters](#)

i. *Withholding.* With respect to any Award, the RIO will have the right to deduct or cause to be deducted any taxes required by law to be withheld and to require the

employee to make any payments required to satisfy applicable withholding obligations. Notwithstanding the above, the employee is solely responsible for satisfying any and all tax obligations that may be associated with an Award.

ii. *Section 409A.* The Plan, and all Awards granted hereunder, are intended to be exempt from or comply with Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended (the “Code”) and Section 457(f) of the Code (“Section 457(f)”). To the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan and all Awards shall be interpreted and administered to be in compliance therewith. Any payments to be made under this Plan upon a termination of employment will only be made on a “separation from service” as such term is defined under Section 409A. For purposes of Section 409A, each payment provided under this Plan will be treated as a separate payment. Notwithstanding the foregoing, the RIO shall have no obligation to take any action to prevent the assessment of any additional tax or penalty on any employee under Section 409A and shall have no liability to any employee for such tax or penalty.

**D. [Restrictions on Transfer](#)**

Neither a participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate, encumber, hypothecate, or otherwise convey any Award or any amounts payable hereunder prior to the date that such amounts are paid other than by will or the laws of descent and distribution or with the consent of the SIB.

**E. [Severability](#)**

If any provision of the Plan is held to be invalid, illegal, or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent of such invalidity, illegality, or unenforceability and the remaining provisions shall not be affected.

**F. [Governing Law; Venue; Forum](#)**

This Plan and any litigation related to this Plan (whether grounded in contract, tort, statute, law, or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of North Dakota. Any action with respect to any matter under this Plan or an Award must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota.

APPENDIX A

Annual Investment Program for Plan Year 2026

Effective July 1, 2026

Incentive Award Ranges			
Position	Minimum Incentive Award	Annual Target Award	Maximum Incentive Award
Chief Investment Officer & Executive Director	0%	37.5%	75%
Chief Financial/Operating Officer, Deputy Chief Investment Officer, Portfolio Manager	0%	30%	60%
Deputy Chief Financial/Operating Officer, Senior Analyst, Analyst	0%	20%	40%
Senior Investment Operations Manager, Investment Operations Analyst	0%	12.5%	25%

**Asset Group(s):** Total Fund Composite

**Benchmarks:**

- *Total Fund Composite: [Blended benchmark of asset classes involved; static vs. dynamic; TBD by consultant]*

**Incentive Compensation Metric:** The ICM for 2026 is the level of investment performance of the assets per basis point of the total composite fund performance over the benchmark. Achievement of the quantitative goal begins at one basis point above benchmark and is earned at a rate of 1 ⅓% per basis point, up to 100% of the quantitative Award opportunity, which is 80% of the total Award opportunity.

Performance Award Scale for Quantitative Goal (80% of Award)		
Net Outperformance (bps above benchmark)	% of Quantitative Opportunity Earned	Achievement Rate
0 or below	0%	—
1-75 bps	1%-100%	1 ⅓% per bp