

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