NORTH Dakota | Retirement & Investment

Be Legendary.

An Agency of the State of North Dakota

2025

2025 Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2025 & 2024

North Dakota
Retirement & Investment Office

An Agency of the State of North Dakota

Annual Comprehensive Financial Report

Prepared by the North Dakota Retirement & Investment Office Staff
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Bismarck, ND 58507-7100
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www.rio.nd.gov

For the Fiscal Years Ended June 30, 2025 & 2024

All printed materials can be made available in alternate formats.
Contact the administrative office should this be necessary.

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Introductory Section

NORTH Dakota | Retirement & Investment
Be Legendary.

December 19, 2025

Members of the
North Dakota State Investment Board
North Dakota Teachers' Fund for Retirement Board

Dear Board Members:

We present to you the North Dakota Retirement and Investment Office's (RIO) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. The report is a complete review of the financial, investment, and actuarial conditions of the two programs for which you are responsible. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, rests with the management of RIO.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. RIO's MD&A can be found immediately following the report of the independent auditors in the Financial Section.

RIO is an agency of the state of North Dakota. The agency was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of two important long-standing state programs: the retirement program of the Teachers' Fund for Retirement (TFFR) and the investment program of the State Investment Board (SIB).

Established in 1913, TFFR is one of the oldest retirement plans in the nation. TFFR is a qualified defined benefit public pension plan covered under Section 401(a) of the Internal Revenue Code. North Dakota Century Code Chapter 15-39.1 contains the actual language governing the fund. The plan covers North Dakota public school educators. It is funded on an actuarial reserve basis with benefit funding comes from member and employer contributions and investment earnings. TFFR serves 12,012 members from 204 employer groups and pays benefits to 9,664 retirees and beneficiaries. High quality member services and outreach programs are offered to members and employers as part of the continuing effort to keep them informed about the retirement program.

The SIB is responsible for setting policies and procedures guiding the investment of $25.6 billion in assets for seven pension funds and twenty-four non-pension funds as of June 30, 2025. Their investments are divided into two investment trust funds and two individual investment accounts. Individual investment guidelines for each fund can be found in the Investment Section. These guidelines include goals and objectives, risk tolerance, liquidity constraints, asset allocation and portfolio restrictions specific to each fund's unique circumstances. When creating investment pools to implement the asset allocations for each client fund, the SIB takes all these guidelines into consideration in order to best meet the objectives of each fund and safeguard fund assets. The following table details the participants in each trust fund as of June 30, 2025:

	Fair Value in millions	% Of Pool	FY2025 Return		Fair Value in millions	% Of Pool	FY2025 Return
PENSION POOL PARTICIPANTS				**INSURANCE POOL PARTICIPANTS**			
Teachers' Fund for Retirement	$3,582.30	41.0%	11.42%	Workforce Safety & Insurance Fund	$2,268.64	13.7%	8.71%
Public Employees Retirement System	4,867.53	55.7%	12.00%	State Fire and Tornado Fund	19.38	0.1%	10.30%
Bismarck City Employee Pension Fund	140.37	1.6%	11.20%	State Bonding Fund	4.08	0.0%	6.09%
Bismarck City Police Pension Fund	59.97	0.7%	11.73%	Petroleum Tank Release Compensation Fund	6.54	0.0%	6.05%
City of Grand Forks Pension Fund	81.78	0.9%	12.66%	Insurance Regulatory Trust Fund	3.41	0.0%	8.98%
Grand Forks Park District Pension Fund	9.72	0.1%	12.12%	State Risk Management Fund	4.71	0.0%	9.92%
Subtotal Pension Pool Participants	$8,741.67	100.0%		State Risk Management Workers Comp	3.19	0.0%	10.68%
				Cultural Endowment Fund	0.66	0.0%	12.66%
				Budget Stabilization Fund	980.90	5.9%	6.62%
INDIVIDUAL INVESTMENT ACCOUNTS				ND Assoc. of Counties (NDACo) Fund	0.00	0.0%	**
Retiree Health Insurance Credit Fund	$205.60		13.34%	City of Bismarck Deferred Sick Leave	0.93	0.0%	9.76%
Job Service of North Dakota	84.58		8.91%	PERS Group Insurance	59.82	0.4%	6.59%
				State Board of Medicine	5.40	0.0%	9.04%
				City of Fargo FargoDome Permanent Fund	47.07	0.3%	12.07%
				Lewis & Clark Interpretive Center Endowment	1.01	0.0%	10.26%
				Attorney General Settlement Fund	0.24	0.0%	6.97%
				Veterans' Cemetery Trust Fund	0.55	0.0%	10.99%
				NDUS Capital Building Fund	0.00	0.0%	**
				Arts Across the Prairie Maintenance Endowment	1.38	0.0%	13.84%
				Water Project Stabilization Fund	154.99	0.9%	4.74%
				Opioid Settlement Fund	17.00	0.1%	*
				State Historical Society of ND Endowment Funds	0.89	0.0%	0.86%
				Legacy Fund	13,018.87	78.4%	12.70%
				Subtotal Insurance Pool Participants	16,599.67	100.0%	
TOTAL ASSETS UNDER MANAGEMENT					**$25,631.51**		

** This category does not have a year of history under SIB Management.*

*** Participant liquidating fund, minimal residual cash remaining at year end.*

Columns may not foot due to rounding.

The pension investment pool is made up of only qualified pension funds whose monies must be invested exclusively for the benefit of their participants. The insurance investment pool is made up of mainly insurance-type funds but also includes other funds that do not qualify as pension funds and would like to benefit from the cost savings of being pooled with other funds' assets. All these funds are invested in accordance with the "Prudent Investor Rule."

An important aspect of the prudent investor rule is that individual investments are considered not in isolation but in the context of the trust portfolio as a whole. Some new opportunities may appear risky when viewed alone. However, when part of a diversified mix of investments in stocks, bonds, and other assets, they can increase returns often without increasing the overall portfolio risk and, in some cases, may help decrease the overall portfolio's risk.

The pension investment pool was created in July 1989 with the pooling of selected investments of TFFR and the Public Employees Retirement System (PERS). Assets from the City of Bismarck Employees and Police pension funds were added later that same fiscal year. In April 1994, Job Service of North Dakota made their initial contribution to the pool. Other additions to this pool have occurred as follows:

- The City of Fargo Employees pension plan joined the pension pool in December 2007.
- The City of Grand Forks Employees pension plan joined in May 2009.
- The City of Grand Forks Park District pension plan began participating in the pension pool in December 2009.

The assets for the Job Service plan were removed from the pension pool during fiscal year 2016 after a de-risking strategy was implemented by the PERS Board due to the plan being a closed plan with a diminishing number of participants and remaining life. The assets are now being managed within an individual investment account. Only one other fund (City of Fargo Employees Pension Plan) has been added and subsequently left the pool since its inception.

The insurance investment pool began in December 1993 with the pooling of the assets of the Workforce Safety & Insurance, Fire and Tornado, Bonding, Insurance Regulatory, and Petroleum Tank Release Compensation funds.

Other additions to this pool have occurred as follows:

- The Risk Management Fund was added in October 1996.
- Two North Dakota Association of Counties (NDACo) funds were added during fiscal year 1999, in January and March.
- The City of Bismarck Deferred Sick Leave and PERS Group Insurance funds were both added in July 1999.
- The City of Fargo FargoDome Permanent Fund was added in October 2002.
- The Risk Management Workers Compensation Fund was added in October 2003.
- The Cultural Endowment Fund was added by the 2005 legislature and funded in July 2005.
- The Budget Stabilization Fund joined the pool in September 2005 upon reaching statutorily designated levels.
- The State Board of Medical Examiners Fund (now called State Board of Medicine) joined the pool in April 2014.
- The Lewis & Clark Interpretive Center Endowment Fund joined the pool in April 2018 (originally owned by ND Parks and Recreation, transferred to ND State Historical Society in 2022).
- The Attorney General Settlement Fund was added in September 2019.
- The Veterans' Cemetery Trust Fund rejoined the pool in March 2020 (the fund was previously a member of the pool from August 1997 until August 2007).
- The NDUS Capital Building Fund joined the pool in December 2021.
- Arts Across the Prairie Maintenance Endowment joined the pool in November 2022.
- The Water Projects Stabilization Fund was added in May 2024.
- The State Historical Society of North Dakota Endowment Funds joined the pool in June 2024.
- The Opioid Settlement Fund was added in August 2024.

Eight funds have left the insurance investment pool after having been included in it at some point during its existence. Of those eight, one was a combination of the two NDACo funds in July 2010. The other departure from the insurance investment pool occurred when the Legacy Fund assets were removed from the insurance investment pool during fiscal year 2015 after being added to SIB management in September 2011. Pooling the assets during implementation allowed for a more efficient realization of the Legacy Fund's target asset allocation. However, after implementation, it was determined that better transparency would result and the investment objectives of this endowment-like fund could be more effectively achieved outside of the insurance pool structure.

The Tobacco Prevention and Control Trust Fund, an individual investment account, was liquidated in June 2021 and completely cleared out in Fiscal Year 2022.

MAJOR INITIATIVES & HIGHLIGHTS

RIO accomplishments during Fiscal Year 2025 include:

- **Investment Program Modernization:** Implemented a new software platform to facilitate the internal investment program. The internal investment program for publicly traded equities, fixed income, and cash overlay went live, strengthening RIO's in-house investment management capabilities.

- **Internal Audit Enhancement:** Successfully launched an internal audit co-sourcing relationship to enhance audit and risk-management capabilities in parallel with agency evolution and growth.
- **In-State Investment Initiative:** Continued implementation of the in-state investment strategy, including onboarding GCM Grosvenor, a global alternative asset management solutions provider, to manage real asset investments within North Dakota.
- **Pension Administration System Modernization:** Successfully launched a modernized Pension Administration System (PAS) for the Teachers' Fund for Retirement (TFFR). The system provides members and employers with upgraded self-service portals, improving security, streamlining administrative workflows, and enhancing the overall member experience.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to RIO for its ACFR for the fiscal year ended June 30, 2024. This was the twenty-seventh consecutive year that RIO has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TFFR received the 2025 Public Pension Standards Award for Plan Funding and for Plan Administration from the Public Pension Coordinating Council (PPCC). To receive the funding award, a pension program must certify that it meets the requirements for funding adequacy, either a 100% funded ratio or an actual contribution rate at a level equal to or greater than the actuarially determined contribution. To be recognized for administration, a pension program must certify that it is a comprehensive benefit program with a recent audit and actuarial valuation illustrating the soundness of the program, that it has adopted and follows investment policies, that it adequately communicates with its members, and that its board meets quarterly at a minimum. RIO has been recognized by the PPCC nine times for administration alone.

FINANCIAL INFORMATION

RIO is subject to very strict operational controls. Well-established internal controls are in place, segregation of duties is maintained, and an internal audit program is in effect. In addition, an annual external financial audit is performed, and the results are reported to the Legislative Audit and Fiscal Review Committee. Although internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives, and the cost of a control should not exceed the benefits to be derived, RIO believes the internal controls that are in place have been designed to reduce risks of material misstatements.

UHY LLP conducted the external financial audit under the direction of the North Dakota State Auditor. The auditor's opinion was unmodified for the agency for the fiscal year ended June 30, 2025.

The tables below summarize RIO's additions and deductions for the current and prior fiscal years:

Pension Trust Fund (TFFR)	6/30/2025 (in millions)	6/30/2024 (in millions)	Increase/ (Decrease) $ (in millions)	Increase/ (Decrease) %
Additions	$ 668	$ 536	$ 134	24.9%
Deductions	370	359	13	3.6%
Net Change	$ 298	$ 177	$ 121	68.1%

Financial markets in fiscal year 2025 continued the strong overall performance realized in fiscal year 2024. Additions increased due to this continued strong performance. Deductions increased because the average benefit increased from the previous year, as did the number of retirees receiving benefits throughout the year.

Investment Trust Funds

	6/30/2025 (in millions)	6/30/2024 (in millions)	Increase/(Decrease) $ (in millions)	Increase/(Decrease) %
Additions	$ 3,392	$ 3,050	$ 341	11.2%
Deductions	398	423	(26)	(6.2%)
Net Change	$ 2,994	$ 2,626	$ 368	14.0%

In the investment trust funds, additions also increased due to continued strong performance of the financial markets throughout the year as well as additional amounts available for deposit into the Legacy Fund and Budget Stabilization Funds. Deductions decreased due to the timing of the biennial Legacy Fund transfer to the State's General Fund being moved from the last day of the biennium to first day of the subsequent biennium (June 30th to July 1st).

FUNDING STATUS

The objective of the TFFR pension fund is to accumulate sufficient funds to meet all expected future obligations to participants. Member and employer contribution rates are established by statute and are currently 11.75% and 12.75%, respectively. The contribution rates will remain in effect until TFFR is 100% funded on an actuarial basis, currently projected to be achieved by 2042. At that point, the member and employer contribution rates will revert to 7.75%. The rates are intended to be sufficient to pay TFFR's normal cost and to amortize TFFR's unfunded actuarial accrued liability (UAAL) over a period of 17 years beginning July 1, 2025, although at any given time the statutory rates may be insufficient.

The net employer Actuarially Determined Contribution (ADC) as a percentage of pay for the year beginning July 1, 2025, is 12.1%. The expected employer contribution is 12.75% of pay which creates a contribution surplus of 0.65% of pay. The ADC based on the prior valuation was 12.46%. The ADC decreased due to salary increases for continuing active members being less than expected as well as asset gains resulting in a lower unfunded liability.

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) increased from last year. The funded ratio as of July 1, 2025, was 73.43%, compared to 71.63% as of July 1, 2024. Based on the fair values rather than actuarial values of assets, the funded ratio increased to 74.05% compared to 70.42% last year.

The following table summarizes the actuarial valuation of the TFFR plan. A detailed discussion of funding is provided in the Actuarial Section of this report.

TFFR Actuarial Valuation

	July 1, 2025 (in millions)	July 1, 2024 (in millions)
Actuarial Accrued Liability (AAL)	$ 4,927.2	$ 4,758.0
Actuarial value of assets (AVA)	3,618.1	3,408.0
Unfunded actuarial accrued liability (UAAL)	1,309.1	1,350.0
Funded ratio	73.4%	71.6%

FINANCIAL REPORTING FOR PENSIONS

Government Accounting Standards Board Statement 67 for accounting and financial reporting of pension liabilities defines pension liability and expense for financial reporting purposes and does not apply to contribution amounts for actual pension funding purposes.

The following table summarizes the components of the net pension liability of TFFR. A detailed discussion is provided in the Financial Section of this report.

TFFR Fiduciary Net Position

	July 1, 2025 (in millions)	July 1, 2024 (in millions)
Total pension liability (TPL)	$ 4,927.2	$ 4,758.4
Plan fiduciary net position (FNP)	3,648.7	3,351.0
Net pension liability (NPL)	1,278.5	1,407.4
Plan FNP as % of TPL	74.1%	70.4%

INVESTMENT ACTIVITIES

The investment policies and strategies for each of the funds under the SIB can be found in the Investment Section of this report. Each fund's policy is determined by the individual fund's governing body and presented to the SIB for acceptance. Once accepted, the policy is used as a guide to determine participation in the applicable pools. The policies are designed to provide safeguards on assets while optimizing return based on each fund's risk parameters. Additionally, each investment manager is given explicit guidelines identifying the types of investments that are acceptable within each portfolio, based on asset allocation expectations of the individual funds in the pools.

The return information presented in the Investment Section is calculated with the assistance of our performance consultant, Verus, based on data supplied by our custodian, The Northern Trust Company, and the individual investment managers. The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values and are subject to independent review.

PROFESSIONAL SERVICES

Professional consultants are selected by the TFFR Board of Trustees and the SIB to perform professional services that are essential to the effective and efficient operation of the retirement and investment programs. An opinion from the certified public accountant and the actuary are included in this report. The consultants chosen by the boards are listed in the Introductory Section of this report.

Respectfully yours,

Jodi Smith   Adam Otteson

Jodi Smith
Executive Director

Adam Otteson, CPA
Chief Financial and Operating Officer

NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE
As of June 30, 2025

Mission

To provide prudent and transparent investment services for our client funds and support North Dakota public school educators with responsible benefit administration.

Vision

To be recognized as a trusted and innovative provider of investment and pension services.

Values

Integrity - We value honesty and are committed to doing what's best for our customers.

Accountability - We are responsible for our actions and work as a team to produce the desired outcomes.

Service - We care about the people we serve and take time to understand their unique needs.

Executive Team

Jodi A. Smith
Executive Director

Scott M. Anderson, CFA
Chief Investment Officer

Chad Roberts, MAcc
Deputy Executive Director/ Chief Retirement Officer

Supervisory Staff

Sara Seiler
Supervisor of Internal Audit

Eric Chin
Deputy Chief Investment Officer

Denise Weeks
Retirement Programs Manager

NORTH DAKOTA STATE INVESTMENT BOARD
Board Members as of June 30, 2025

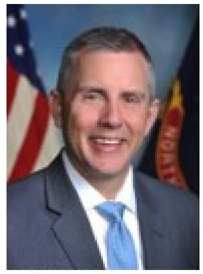
Investment Program

Investment Process

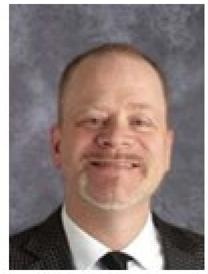
The ND State Investment Board believes that an investment program must be built and managed like any good business, with a clear statement of mission, overall objectives, roles and responsibilities, and policies and guidelines. Major issues include:

Asset allocation targets:
- Setting appropriate benchmarks.
- Finding the right managers.
- Monitoring the program.
- Searching for appropriate new opportunities.

To ensure rigorous attention to all aspects of the investment program, the SIB follows an established investment process. This process involves three phases:
- Investment policy development/modification
- Implementation/monitoring
- Evaluation



Kelly Armstrong
Chair
Governor

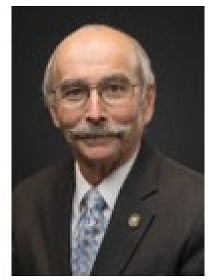


Rob Lech
Vice Chair
TFFR Trustee

Thomas Beadle
State Treasurer

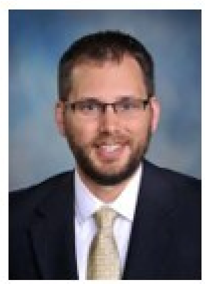
Glenn Bosch
Legacy and Budget Stabilization Fund Advisory Board

Joseph Heringer
University and School Land Commissioner

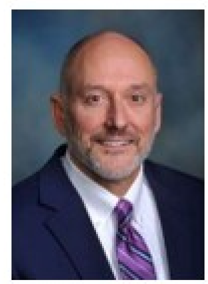


Jerry Klein
Legacy and Budget Stabilization Fund Advisory Board

Cody Mickelson
TFFR Trustee



Adam Miller
PERS Trustee

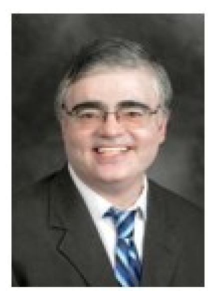


Joe Morrissette
Office of Management and Budget Director

Art Thompson
Workforce Safety and Insurance Director

Gerald Buck
PERS Trustee

Pete Jahner
Institutional Investment Professional



Simlai Prodosh
Institutional Investment Professional

NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
Board of Trustees as of June 30, 2025

Retirement Program

Our Mission

To administer a comprehensive retirement program that provides North Dakota public educators with a foundation for retirement security.

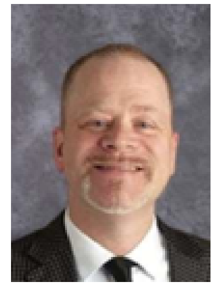
Our Vision

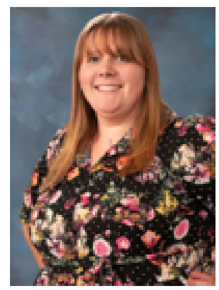
To be a trusted leader in the administration of a financially sound retirement program for North Dakota educators by providing exceptional customer service, professional plan management and organizational effectiveness by adhering to the principles of good governance, transparency and accountability.

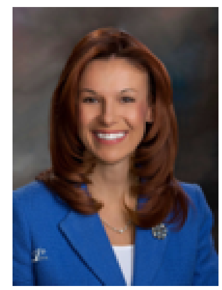
Our Core Values

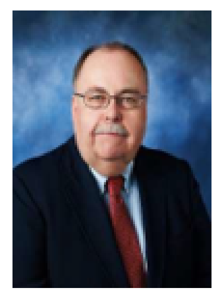
Customer Satisfaction and **Commitment to Excellence** which is demonstrated by our trustworthiness, accountability and respectfulness.

Strong Governance and **Operational Effectiveness** through our strategic leadership, fiduciary responsibility, ethical practices and transparency.



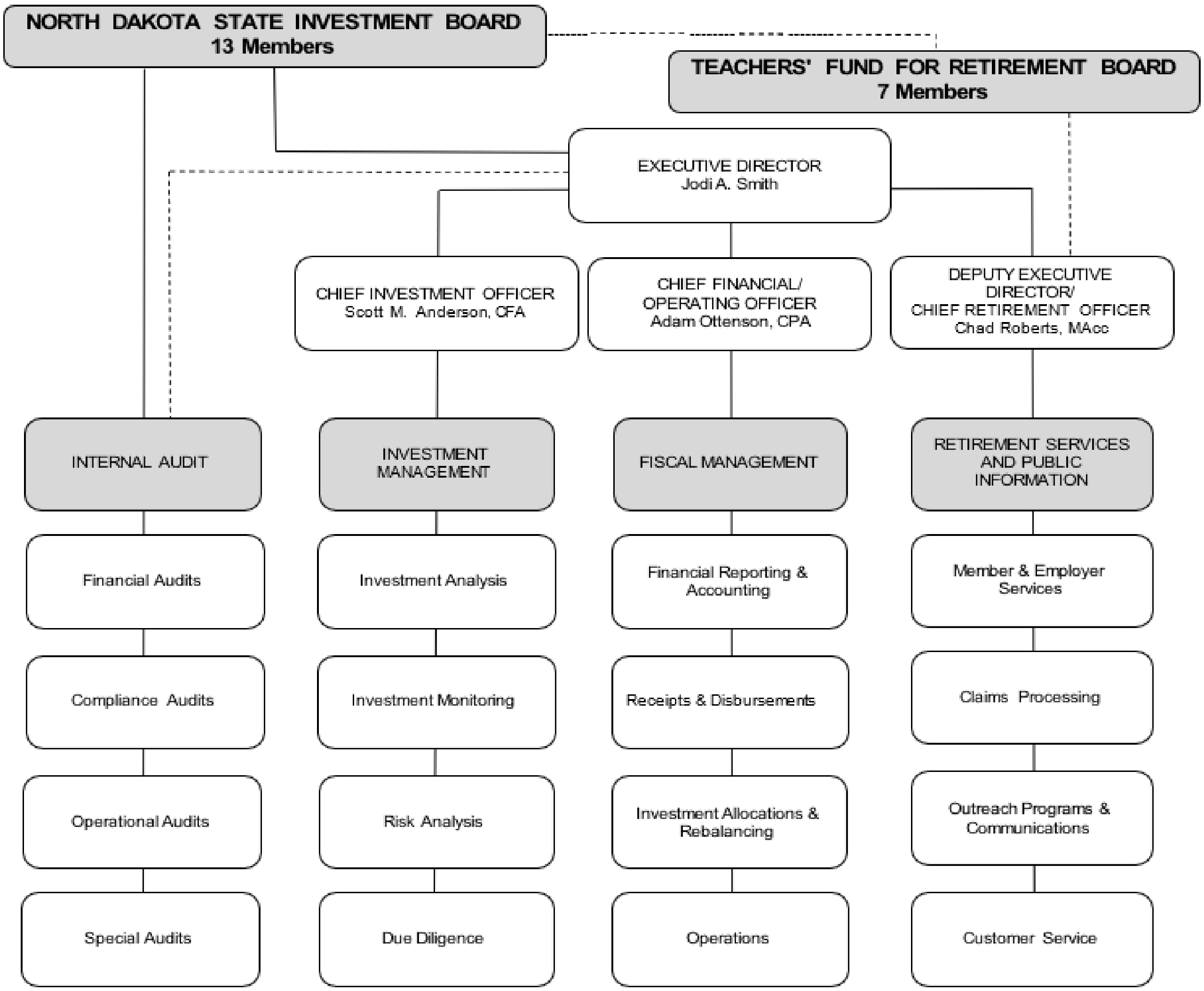






NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE

ADMINISTRATIVE ORGANIZATION
JUNE 30, 2025



See page 12 for a listing of professionals who provide services to the Retirement and Investment Office and pages 105-107 in the Investment Section for a summary of fees paid to investment professionals.

NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE

CONSULTING AND PROFESSIONAL SERVICES
AS OF JUNE 30, 2025

Actuary
Gabriel, Roeder, Smith and Company
Southfield, MI

Auditor
UHY, LLP
New York, NY

Legal Counsel
North Dakota Attorney General's Office
Bismarck, ND

DiCello Levitt LLP
Chicago, IL

Grant & Eisenhofer P.A.
Wilmington, DE

Jackson Walker LLP
Dallas, TX

Kessler Topaz Meltzer & Check, LLP
Radnor, PA

Purrington Moody Weil
New York, NY

Information Technology
Blackrock Financial Management, Inc.
New York, NY

Bloomberg LP
New York, NY

CPAS Systems Inc.
Toronto, Ontario

eVestment
Atlanta, GA

Hamilton Lane
Philadelphia, PA

PBI Research Services
San Rafael, CA

Sagitec Solutions LLC
Saint Paul, MN

SS&C Advent Software, Inc.
San Francisco, CA

Master Custodian
The Northern Trust Company
Chicago, IL

Investment Consulting
Financial Recovery Technologies, LLC
Medford, MA

NEPC, LLC
Boston, MA

RVK
Portland, OR

Verus Advisory, Inc.
Seattle, WA

Voyage Advisory LLC
Chicago, IL

Investment Consulting (cont.)
Weaver and Tidwell, LLP
Houston, TX

Investment Services
Broadridge, Inc.
Lake Success, NY

Northern Trust Securities, Inc.
Chicago, IL

Executive Recruitment
CBIZ/EFL Associates
Denver, CO

Investment Managers
50 South Capital
Chicago, IL

Adams Street Partners, LLC
Chicago, IL

Allspring Global Investments
Menomonee Falls, WI

Altor Equity Partners AB
Stockholm, Sweden

Ares Management LLC
New York, NY

Arrowstreet Capital
Boston, MA

Bank of North Dakota
Bismarck, ND

Barings
Charlotte, NC

Blackrock Private Equity Partners
New York, NY

Capital Group
Los Angeles, CA

The Carlyle Group
Washington, D.C.

Castlelake, L.P.
Minneapolis, MN

Cerberus Capital Management, LP
New York, NY

Corsair Capital
New York, NY

Dimensional Fund Advisors
Chicago, IL

EIG Energy Partners
Los Angeles, CA

Fortress
New York, NY

Grosvenor Capital Management
New York, NY

H.I.G. Capital
Miami, FL

Investment Managers (cont.)
Hearthstone Homebuilding Investors, LLC
Encino, CA

Horsley Bridge Partners LLC
San Francisco, CA

I Squared Capital, New York, NY

INVESCO Realty Advisors, Dallas, TX

InvestAmerica L&C, LLC
Cedar Rapids, IA

J.P. Morgan Invest. Management, Inc.
New York, NY

Kelso & Company, L.P., New York, NY

Los Angeles Capital Management
Los Angeles, CA

Macquarie Infrastructure Partners
New York, NY

Nomura Asset Management
Tokyo, Japan

Northern Trust Asset Management
Chicago, IL

Peak Rock Capital LLC, Austin, TX

PIMCO, Newport Beach, CA

PineBridge
New York, NY

Portfolio Advisors LLC
Darian, CT

Prudential Global Investment Mgmt.
Newark, NJ

The Rohatyn Group
New York, NY

SEI Investments Management Co.
Oaks, PA

Sixth Street Advisers, LLC
Dallas, TX

State Street Global Advisors
Boston, MA

T. Rowe Price Associates, Inc.
Baltimore, MD

Timberland Investment Resources, LLC
Atlanta, GA

Two Sigma Advisors, LP
New York, NY

Wellington Trust Company, NA
Boston, MA

Western Asset Management Co.
Pasadena, CA

William Blair Investment Management
Chicago, IL

WorldQuant Millennium Institutional Advisors US LLC, New York, NY

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Dakota Retirement and Investment Office

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2025

Presented to

North Dakota Retirement & Investment Office

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

Financial Section

INDEPENDENT AUDITOR'S REPORT

Governor Kelly Armstrong
The Legislative Assembly
Jodi Smith, Executive Director
State Investment Board
Teachers' Fund for Retirement Board
North Dakota Retirement and Investment Office

Opinions

We have audited the accompanying financial statements of the North Dakota Retirement and Investment Office (RIO), a department of the State of North Dakota, which comprises the statement of net position - fiduciary funds as of June 30, 2025 and 2024, and the related statement of changes in net position - fiduciary funds for the year then ended, and the related notes to the financial statements, which collectively comprise RIO's basic financial statements, and the combining and individual fund financial statements as of and for the years ended June 30, 2025 and 2024, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of RIO, as of June 30, 2025 and 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the respective financial position of each fund of the individual funds of RIO as of June 30, 2025 and 2024, and the changes in financial position of such funds for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of RIO are intended to present the financial position and the changes in financial position of only that portion of the State of North Dakota that is attributable to the transactions of RIO. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2025 and 2024, and the changes in its financial position for the years ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RIO, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RIO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RIO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RIO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in NPL and related ratios - ND Teachers' Fund for Retirement and employer contributions - ND Teachers' Fund for Retirement, investment returns - ND Teachers' Fund for Retirement, employer's share of NPL and NOL - ND Public Employees Retirement System and employer contributions - ND Public Employees Retirement System and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RIO's basic financial statements and the combining and individual nonmajor fund financial statements. The schedules of administrative expenses, consultant expenses, investment expenses and appropriations - budget basis - fiduciary funds (schedules), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Audit Standards*, we have also issued our report dated November 12, 2025, on our consideration of RIO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of RIO's internal control over financial reporting or on compliance. That report is an integral part of an audit performance in accordance with *Government Auditing Standards* in considering RIO's internal control over financial reporting and compliance.

UHY LLP

Columbia, Maryland
November 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the ND Retirement and Investment Office's (RIO) financial performance provides an overview of RIO's financial activities for the fiscal years ended June 30, 2025 and 2024. Please read this in conjunction with the basic financial statements, which follow this discussion.

RIO administers two fiduciary funds, a pension trust fund for the ND Teachers' Fund for Retirement (TFFR) and an investment trust fund for the ND State Investment Board (SIB) consisting of 30 investment clients (noting that TFFR is one of the 30 investment clients) in two investment pools and three individual investment accounts.

Financial Highlights

Total net position increased in fiscal year 2025 from the previous fiscal year in the fiduciary funds by $3.3 billion (14.7%). Fiscal year 2024 net position also had increased $2.8 billion (14.3%) from fiscal year 2023. The increase in FY2025 is primarily due to investment returns and significant deposits into the Legacy Fund. Approximately 65% of the FY2025 increase is due to the growth of the Legacy Fund. The Legacy Fund was created by a constitutional amendment in 2010. The amendment provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011, be transferred to the Legacy Fund. Transfers into the Legacy Fund totaled $717.5 million and $836.7 million in FY2025 and FY2024, respectively. Meanwhile, net investment income for the Legacy Fund exceeded $1.4 billion in FY2025 and $1 billion in FY2024.

Total additions to the fiduciary funds were $4.0 billion in FY2025 and $3.6 billion in FY2024. A large portion of this change was driven by an increase in net investment income and a decrease in purchase of units. Net investment income was $2.6 billion in FY2025 following an increase of $1.9 billion in FY2024. Changes in purchases of units each year are highly dependent on Legacy Fund deposits and thus on oil and gas production. There was a decrease in purchase of units in the investment program in FY2025 and increase in FY2024 due to fluctuations in oil prices and production. Total fiduciary fund purchases of units decreased $284.8 million (19.1%) in FY2025 and increased $410.2 million (38.1%) in FY2024.

Deductions in the fiduciary funds decreased in FY2025 by $13.5 million (2%) and decreased in FY2024 by $306.9 million (28.2%). The vast majority of the changes in deductions are driven by redemptions of units due to the constitutionally mandated earnings transfers from the Legacy Fund to the State's general fund every two years. The State Constitution was amended by voters in November 2024, the constitution now provides for a distribution to the Legacy Earnings Fund as provided by law. NDCC §54-27-32 provides that the distribution is to be made on July 1st, the day after the end of the biennium. A transfer of $686.9 million was made on July 1, 2025.

Payments to TFFR members in the form of benefits and refunds increased by $6.2 million (2.3%) and $15.4 million (5.9%) in FY2025 and FY2024, respectively. These increases represented a rise in the total number of retirees drawing retirement benefits from the pension fund as well as an increase in the retirement salaries on which the benefits of new retirees are based.

As of June 30, 2025 and 2024, the TFFR pension plan had a Net Pension Liability (NPL) of $1.28 billion and of $1.41 billion, and Plan Fiduciary Net Position as a percent of Total Pension Liability (TPL) of 74.0% and 70.4%, respectively.

North Dakota Retirement and Investment Office
Management's Discussion and Analysis
June 30, 2025 and 2024

Overview of the Financial Statements

This report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and additional supplementary information that presents combining statements for the investment trust funds. The basic financial statements include fund financial statements that focus on individual parts of RIO's activities (fiduciary funds).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included additional supplementary information, including combining statements that provide details about our investment trust funds, each of which are added together and presented in single columns in the basic financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about RIO's activities. Funds are accounting devices that RIO uses to keep track of specific sources of funding and spending for particular purposes.

RIO uses fiduciary funds as RIO is the trustee, or fiduciary, for TFFR (a pension plan) and SIB (investment trust funds). RIO is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of RIO's fiduciary activities are reported in a statement of net position and a statement of changes in net position.

Financial Analysis

RIO's fiduciary fund total assets as of June 30, 2025 and 2024, were $25.97 billion and $22.65 billion, respectively, and were comprised mainly of investments. Total assets increased by $3.3 billion (14.7%) in fiscal year 2025 primarily due to on-going deposits to the Legacy Fund and strong financial markets in FY2025. The increase of $3.0 billion (15.0%) in fiscal year 2024 primarily due to on-going deposits to the Legacy Fund and Budget Stabilization Fund as well as stronger financial markets in FY2024.

Total liabilities as of June 30, 2025 and 2024, were $321.8 million and $286.7 million. Both year-end liabilities were comprised mainly of the securities lending collateral payable.

RIO's fiduciary fund total net position was $25.7 billion and $22.4 billion at the close of fiscal years 2025 and 2024, respectively.

North Dakota Retirement and Investment Office
Management's Discussion and Analysis
June 30, 2025 and 2024

North Dakota Retirement and Investment Office
Net Position – Fiduciary Funds
(In Millions)

	2025	2024	Total % Change
Assets			
Investments	$ 25,546.0	$ 22,295.6	14.6%
Securities Lending Collateral	267.9	212.1	26.3%
Receivables	124.1	101.2	22.7%
Cash & Other	34.7	36.9	-6.0%
Total Assets	25,972.7	22,645.8	14.7%
Deferred Outflows of Resources			
Deferred outflows related to pensions	2.6	4.0	-35.1%
Liabilities			
Obligations under Securities Lending	267.9	212.1	26.3%
Accounts Payable & Accrued Expenses	53.9	74.6	-27.7%
Total Liabilities	321.8	286.7	12.2%
Deferred Inflows of Resources			
Deferred inflows related to pensions	2.0	3.2	-37.8%
Total Net Position	$ 25,651.5	$ 22,359.9	14.7%

	2024	2023	Total % Change
Assets			
Investments	$ 22,295.6	$ 19,449.9	14.6%
Sec Lending Collateral	212.1	119.0	78.2%
Receivables	101.2	94.1	7.5%
Cash & Other	36.9	27.4	34.6%
Total Assets	22,645.8	19,690.4	15.0%
Deferred Outflows of Resources			
Deferred outflows related to pensions	4.0	3.1	27.2%
Liabilities			
Obligations under Securities Lending	212.1	119.0	78.2%
Accounts Payable & Accrued Expenses	74.6	17.0	339.1%
Total Liabilities	286.7	136.0	110.9%
Deferred Inflows of Resources			
Deferred inflows related to pensions	3.2	1.8	81.8%
Total Net Position	$ 22,359.9	$ 19,555.7	14.3%

North Dakota Retirement and Investment Office

Management's Discussion and Analysis
June 30, 2025 and 2024

North Dakota Retirement and Investment Office
Changes in Net Position – Fiduciary Funds
(In Millions)

	2025	2024	Total % Change
Additions			
Contributions	$ 214.9	$ 209.0	2.8%
Net Investment Income	2,640.6	1,888.1	39.9%
Net Securities Lending Income	1.9	1.4	39.1%
Purchase of Units	1,202.8	1,487.6	-19.1%
Total Additions	4,060.2	3,586.1	13.2%
Deductions			
Payments to TFFR members	283.9	277.7	2.3%
Administrative Expenses	10.3	7.4	39.5%
Redemption of Units	474.3	496.9	-4.6%
Total Deductions	768.5	782.0	-1.7%
Total Change in Net Position	3,291.60	2,804.1	17.4%
Total Net Position End of Year	$ 25,651.5	$ 22,359.9	14.7%

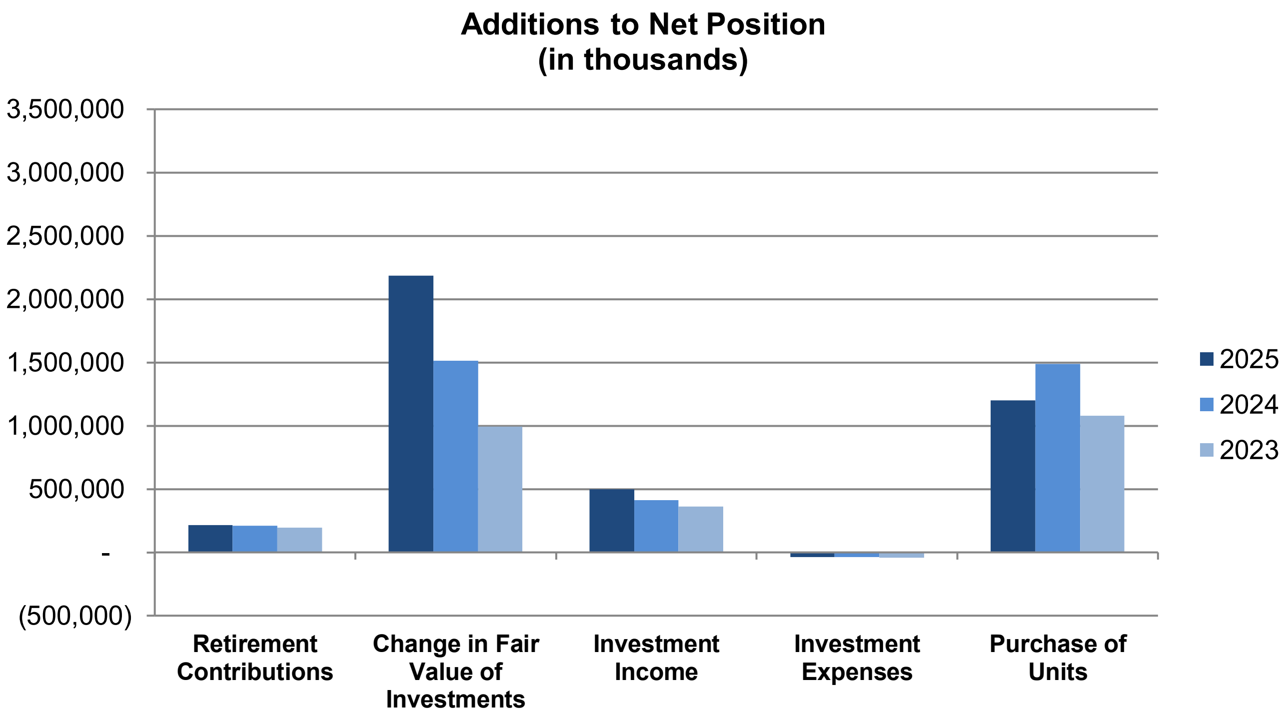
	2024	2023	Total % Change
Additions			
Contributions	$ 209.0	$ 197.7	5.7%
Net Investment Income	1,888.1	1,311.3	44.0%
Net Securities Lending Income	1.4	1.0	34.8%
Purchase of Units	1,487.6	1,077.4	38.1%
Total Additions	3,586.1	2,587.4	38.6%
Deductions			
Payments to TFFR members	277.7	262.3	5.9%
Administrative Expenses	7.4	6.0	24.0%
Redemption of Units	496.9	820.6	-39.4%
Total Deductions	782.0	1,088.9	-28.2%
Total Change in Net Position	2,804.1	1,498.5	87.1%
Total Net Position End of Year	$ 22,359.9	$ 19,555.7	14.3%

North Dakota Retirement and Investment Office
Management's Discussion and Analysis
June 30, 2025 and 2024

Statement of Changes in Net Position - Additions

Contributions collected by the pension trust fund increased by $5.9 million (2.8%) in FY2025 and $11.3 million (5.7%) in FY2024 due to both an increase in the number of active members contributing to the fund and an increase in the average salary of active members. Net investment income (including net securities lending income and net of investment expenses) increased by $753 million (39.9%) in FY2025 and increased by $577 million (44.0%) in FY2024.

Deposits of funds into the investment trust fund (purchase of units) decreased by $289.8 million in FY2025 and increased by $332.7 million in FY2024, mainly due to changes in amounts available for deposits to the Legacy Fund and Budget Stabilization Fund.



Statement of Changes in Net Position - Deductions

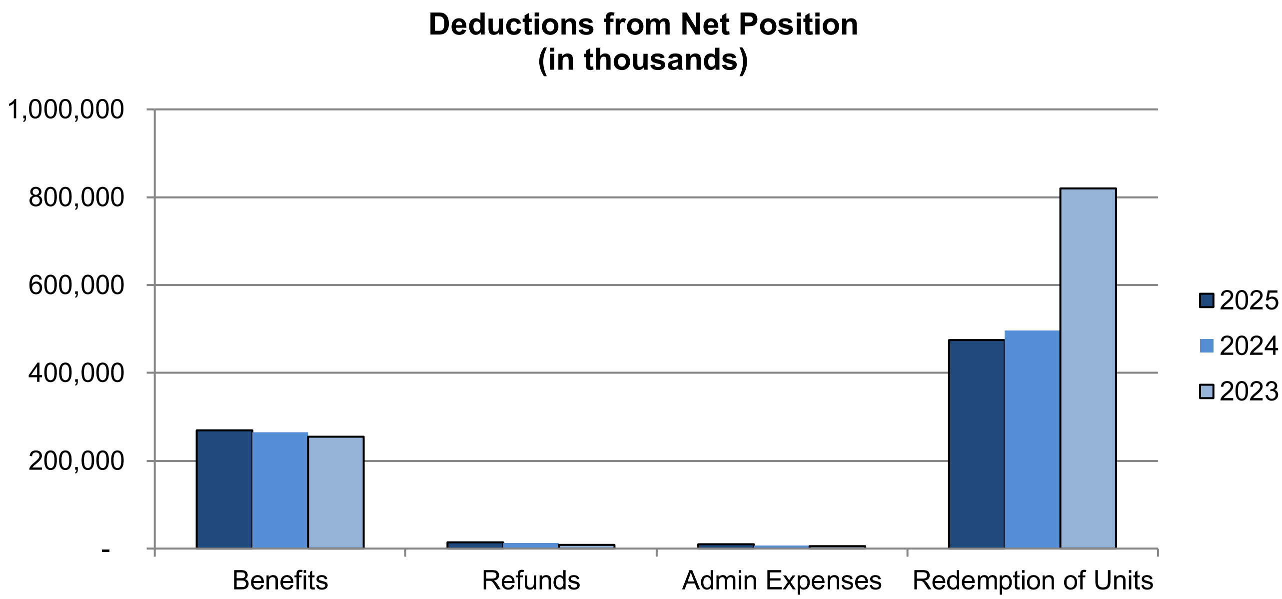
Benefits paid to TFFR plan participants, including partial lump-sum distributions, increased by $4.4 million (1.7%) and $11.1 million (4.4%) in FY2025 and FY2024, respectively. The increases are due to an increase in the total number of retirees in the plan as well as an increased retirement salary on which the benefits are based. Refunds increased by $1.8 million (14.7%) in FY2025 and $4.3 million (54.4%) in FY2024. In total, payments to TFFR members increased by $6.2 million (2.3%) in FY2025 and $15.4 million (5.9%) in FY2024.

Administrative expenses again increased by $2.9 million in FY2025 after also increasing by $1.4 million in FY2024. The FY2025 increase is mainly due to costs associated with the Pension Administration System (PAS) modernization project that went live in FY2025. Also, in FY2025 the agency fully implemented phase 1 of the in-house investment program.

North Dakota Retirement and Investment Office
Management's Discussion and Analysis
June 30, 2025 and 2024

The increase in FY2024 was due to a couple of different factors. The first factor for FY2024 was an increase due to the continuation of the Pension Administration System (PAS) modernization project that began in FY2020. The total budget for this multi-year PAS project is $9.0 million, with approximately $5.7 million expended through June 30, 2024. This project went live in FY2025. Also, in FY2024 the agency began to implement an in-house investment program. With this program, the office is gaining resources to assist with handling client fund investments within our office as opposed to using an outside investment managers.

The redemption of units in the investment trust funds decreased by $22.6 million in FY2025 and by $323.7 million in FY2024. Biennial swings will continue in this line item due to the biennial earnings transfers from the Legacy Fund required under the State Constitution.



Conclusion

The economic outlook for the economy is generally positive but there are some risks and uncertainties. A survey of economists predict that GDP will grow 1.8% through the end of 2025 in line with the Federal Reserve's long term growth assumption. Inflation has remained stubbornly above the Federal Reserve's target. The outlook for inflation also continues to improve towards the Federal Reserve's target inflation rate of 2.0%. In addition, rate cuts by the Fed should lead to more borrowing and help to continue a growth in consumer demand. Business investment also continues at a healthy pace enabling higher productivity and GDP growth potential in the future. Growth and moderate inflation are good for both the equity and the fixed income markets which have relatively high valuations currently. Geo-political conflicts continue to be a worry. The Ukraine war has the potential to widen and include other countries, the middle east conflicts are also escalating. The other geo-political concern is the increasing trade tension among major trading partners. Both sets of conflicts have the potential to impact supply chains and inflation ultimately leading to a slower economy and higher inflation. The risks aside, higher growth, lower inflation and rate reductions have the potential to continue a positive market environment.

For the fiscal year ended June 30, 2025, the pension investment pool (which includes the TFFR pension plan), the Legacy Fund and the insurance investment pool generated net time weighted investment returns of 11.76%, 12.70% and 7.95%, respectively, all outperforming their corresponding policy benchmarks. Global public equities for pension, insurance, and legacy were up 15.49%, 17.00%, and 16.72%, respectively. Total fixed income for pension, insurance, and legacy were also up 5.55%, 6.98%, and 8.01%, respectively. Real asset performance for pension, insurance, and legacy were up 4.06%, 5.20%, and 6.15%, Private equity in the pension pool and legacy fund returned 10.30% and 17.44% for the fiscal year.

For the fiscal year ended June 30, 2024, the pension investment pool (which includes the TFFR pension plan), the Legacy Fund and the insurance investment pool generated net time weighted investment returns of 7.87%, 10.89% and 6.34%, respectively, with both the legacy and insurance pool outperforming their corresponding policy benchmarks. Public equity and fixed income were both up as opposed to the prior year. Global public equities for pension, insurance, and legacy were up 15.49%, 18.17%, and 18.00%, respectively. Total fixed income for pension, insurance, and legacy were also up 5.55%, 4.17%, and 4.57%, respectively. Alternatively, real asset performance was down for FY2024. The pension pool's real asset allocation was down (4.75%), while the Legacy Fund and insurance pool's real asset portfolios were down (3.33%) and (.91%), respectively. Private equity in the pension pool and legacy fund returned 2.99% and 3.03% for the fiscal year.

The State Investment Board will continue to evaluate the ever-evolving markets and research investment strategies to prudently manage its investment portfolios.

TFFR's funding objective is to meet long-term pension benefit obligations through contributions and investment income. To address TFFR's funding shortfall, the ND State Legislature took action in 2011 and approved legislation to increase contributions (4% member and 4% employer) and modify certain benefits for non-grandfathered members. Increased contribution rates will be in effect until TFFR reaches 100% funding on an actuarial basis. This comprehensive funding recovery plan, along with solid investment performance in the future, is expected to improve TFFR's funding level over the long term. However, the Board is continuing to closely assess plan risks and monitor funding progress.

As reported by the valuation report provided by GRS, TFFR's funding level increased from 71.63% to 73.43% on an actuarial basis from July 1, 2024 to July 1, 2025. Based on the fair value of assets rather than the actuarial value of assets, the funded ratio increased to 74.05% compared to 70.42% last year. The Plan has a net investment gain of $30.6 million, up from $57.5 million in deferred losses from the previous year that have not yet been recognized in the actuarial value of assets due to the five-year smoothing. GRS has observed that as the net asset gains currently being deferred are phased into the actuarial value of assets over the next four years this will put adverse pressure on the results in coming years. GRS also noted that the plan experienced an actuarial asset gain of $38.2 million during fiscal year ending 2025 and this gain was due to the actuarial value of assets earning a return greater than the assumed 7.25%.

Protecting the long term solvency of the pension plan is the TFFR Board's fiduciary responsibility. The Board will continue to proactively address TFFR funding issues so the plan will be financially strong and sustainable for past, present, and future ND educators. Based on the current valuation, the contribution rates are expected to fully fund NDTFFR in 2042, and as such, the current Member and Employer contribution rates are expected to be sufficient to meet the Board financing objectives.

North Dakota Retirement and Investment Office
Management's Discussion and Analysis
June 30, 2025 and 2024

Contacting RIO Financial Management

This financial report is designed to provide our Boards, our membership, our clients and the general public with a general overview of RIO's finances and to demonstrate RIO's accountability for the money we receive. If you have any questions about this report or need additional information, contact the North Dakota Retirement and Investment Office, PO Box 7100, Bismarck, ND 58507-7100.

North Dakota Retirement and Investment Office
Statement of Net Position – Fiduciary Funds
June 30, 2025 and 2024

	Pension Trust		Investment Trust		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Investments, at fair value						
Global equities	$ 2,041,571,056	$ 1,842,466,840	$ 10,717,837,710	$ 9,512,487,152	$ 12,759,408,766	$ 11,354,953,992
Global fixed income	942,304,828	877,328,837	7,580,944,688	6,871,538,198	8,523,249,516	7,748,867,035
Global real assets	551,735,421	519,442,836	2,209,095,781	2,050,151,692	2,760,831,202	2,569,594,528
In State Investments	-	-	468,022,144	408,303,484	468,022,144	408,303,484
Cash equivalents	33,257,703	43,215,803	1,001,248,211	170,667,778	1,034,505,914	213,883,581
Total investments	3,568,869,008	3,282,454,316	21,977,148,534	19,013,148,304	25,546,017,542	22,295,602,620
Invested securities lending collateral	38,180,469	45,978,717	229,677,672	166,096,162	267,858,141	212,074,879
Receivables:						
Investment income	13,434,315	11,667,607	72,057,507	63,445,669	85,491,822	75,113,276
Contributions	38,429,181	25,997,776	-	-	38,429,181	25,997,776
Miscellaneous	73,466	14,515	66,331	38,637	139,797	53,152
Total receivables	51,936,962	37,679,898	72,123,838	63,484,306	124,060,800	101,164,204
Due from other state agency	460	743	2,717	-	3,177	743
Cash and cash equivalents	26,473,012	30,863,710	1,141,527	1,032,821	27,614,539	31,896,531
Software (net of depreciation)	7,078,049	5,005,816	-	-	7,078,049	5,005,816
Total assets	3,692,537,960	3,401,983,200	22,280,094,288	19,243,761,593	25,972,632,248	22,645,744,793
Deferred outflows of resources						
Related to pensions	1,529,328	2,041,484	1,081,288	1,965,412	2,610,616	4,006,896
Liabilities:						
Accounts payable	192,280	529,280	672,179	373,591	864,459	902,871
Investment expenses payable	2,334,499	1,538,824	12,639,752	8,117,911	14,974,251	9,656,735
Securities lending collateral	38,180,469	45,978,717	229,677,672	166,096,162	267,858,141	212,074,879
Accrued expenses	3,501,086	3,419,488	2,392,335	2,150,014	5,893,421	5,569,502
Miscellaneous payable	-	-	77,554	45,641	77,554	45,641
Due to other state funds	-	-	32,022,977	58,328,500	32,022,977	58,328,500
Due to other state agencies	34,124	38,561	25,073	11,539	59,197	50,100
Total liabilities	44,242,458	51,504,870	277,507,542	235,123,358	321,750,000	286,628,228
Deferred inflows of resources						
Related to pensions	1,075,393	1,511,973	923,264	1,704,875	1,998,657	3,216,848
Fiduciary net position:						
Restricted for pensions	3,648,749,437	3,351,007,841	-	-	3,648,749,437	3,351,007,841
Held in trust for investment pool participants:						
Pension pool	-	-	5,155,354,899	4,611,350,216	5,155,354,899	4,611,350,216
Insurance pool	-	-	3,546,537,369	3,257,008,659	3,546,537,369	3,257,008,659
Held in trust for individual investment accounts	-	-	13,300,852,502	11,140,539,897	13,300,852,502	11,140,539,897
Total fiduciary net position	$ 3,648,749,437	$ 3,351,007,841	$ 22,002,744,770	$ 19,008,898,772	$ 25,651,494,207	$ 22,359,906,613
Each participant unit is valued at $1.00						
Participant units outstanding			22,002,744,770	19,008,898,772		

The accompanying notes are an integral part of the financial statements.

North Dakota Retirement and Investment Office
Statement of Changes in Net Position – Fiduciary Funds
Years Ending June 30, 2025 and 2024

	Pension Trust		Investment Trust		Total	
	2025	2024	2025	2024	2025	2024
Additions:						
Contributions:						
Employer contributions	$ 110,989,217	$ 108,087,909	$ -	$ -	$ 110,989,217	$ 108,087,909
Member contributions	102,186,364	99,610,414	-	-	102,186,364	99,610,414
Purchased service credit	1,143,232	1,195,665	-	-	1,143,232	1,195,665
Interest, penalties and other	564,370	87,985	-	-	564,370	87,985
Total contributions	214,883,183	208,981,973	-	-	214,883,183	208,981,973
Investment income:						
Net change in fair value of investments	316,150,319	203,124,840	1,869,655,467	1,312,660,066	2,185,805,786	1,515,784,906
Interest, dividends and other income	60,333,140	52,075,126	433,793,910	358,908,756	494,127,050	410,983,882
	376,483,459	255,199,966	2,303,449,377	1,671,568,822	2,679,932,836	1,926,768,788
Less investment expenses	5,905,682	6,293,751	33,429,536	32,363,429	39,335,218	38,657,180
Net investment income	370,577,777	248,906,215	2,270,019,841	1,639,205,393	2,640,597,618	1,888,111,608
Securities lending activity:						
Securities lending income	330,485	265,638	2,003,557	1,441,225	2,334,042	1,706,863
Less securities lending expenses	(66,023)	(53,091)	(400,324)	(288,013)	(466,347)	(341,104)
Net securities lending income	264,462	212,547	1,603,233	1,153,212	1,867,695	1,365,759
Purchase of units ($1 per unit)	82,475,000	77,550,000	1,120,277,195	1,410,074,169	1,202,752,195	1,487,624,169
Total additions	668,200,422	535,650,735	3,391,900,269	3,050,432,774	4,060,100,691	3,586,083,509
Deductions:						
Benefits paid to participants	269,614,981	264,450,311	-	-	269,614,981	264,450,311
Partial lump-sum distributions	256,007	984,583	-	-	256,007	984,583
Refunds	14,025,843	12,225,640	-	-	14,025,843	12,225,640
Administrative expenses	4,086,995	3,312,773	6,210,313	4,071,447	10,297,308	7,384,220
Redemption of units ($1 per unit)	82,475,000	77,578,042	391,843,958	419,359,176	474,318,958	496,937,218
Total deductions	370,458,826	358,551,349	398,054,271	423,430,623	768,513,097	781,981,972
Change in fiduciary net position	297,741,596	177,099,386	2,993,845,998	2,627,002,151	3,291,587,594	2,804,101,537
Fiduciary net position:						
Beginning of year	$ 3,351,007,841	$ 3,173,908,455	$ 19,008,898,772	$ 16,381,896,621	$ 22,359,906,613	$ 19,555,805,076
End of Year	$ 3,648,749,437	$ 3,351,007,841	$ 22,002,744,770	$ 19,008,898,772	$ 25,651,494,207	$ 22,359,906,613

The accompanying notes are an integral part of the financial statements.

Note 1 - Summary of Significant Accounting Policies

RIO is an agency of the State of North Dakota operating through the legislative authority of North Dakota Century Code (NDCC) Chapter 54-52.5 and is considered part of the State of North Dakota financial reporting entity and included in the State of North Dakota's Annual Comprehensive Financial Report.

For financial reporting purposes, RIO has included all funds, and has considered all potential component units for which RIO is financially accountable, and other organizations for which the nature and significance of their relationship with RIO are such that exclusion would cause RIO's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of RIO to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on RIO.

Based upon these criteria, there are no component units to be included within RIO as a reporting entity and RIO is part of the State of North Dakota as a reporting entity.

Fund Financial Statement

All activities of RIO are accounted for within the pension and investment trust funds and are shown, by fund, in the fiduciary fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of RIO are reported using the economic resources measurement focus and the accrual basis of accounting.

This measurement focus includes all assets and liabilities associated with the operations of the fiduciary funds on the statements of net position. Additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fiduciary Fund

A pension trust fund and investment trust funds have been established to account for the assets held by RIO in a trustee capacity for TFFR and as an agent for other governmental units or funds which have placed certain investment assets under the management of the SIB. The SIB manages two external investment pools and three individual investment accounts. The two external investment pools consist of a pension pool and insurance pool. The SIB manages the investments of the North Dakota Public Employees Retirement System, Bismarck City Employees and Police, City of Grand Forks Employees and City of Grand Forks Park District Employees pension plans in the pension pool. The investments of Workforce Safety & Insurance, State Fire and Tornado, State Bonding, Petroleum Tank Release Compensation Fund, Insurance Regulatory Trust, North Dakota Association of Counties Fund, Risk Management, Risk Management Workers Comp, PERS Group Insurance, City of Bismarck Deferred Sick Leave, City of Fargo FargoDome Permanent Fund, Cultural Endowment Fund, ND State Board of Medicine, Lewis and Clark Interpretive Center Endowment Fund, Attorney General Settlement Fund, Veterans' Cemetery Trust Fund, ND University System Capital Building Fund, Budget Stabilization Fund, Arts Across the Prairie Maintenance Endowment fund, Water Projects Stabilization Fund, Opioid Settlement Fund and the ND State Historical Society are managed in the insurance pool. The Legacy Fund, Job Service of North Dakota, and PERS Retiree Health investments are managed by the SIB in individual investment accounts.

RIO has no statutory authority over, nor responsibility for, these investment trust funds other than the investment responsibility provided for by statute or through contracts with the individual agencies. The funds that are required to participate according to statute are: Public Employees Retirement System, Workforce Safety & Insurance, State Fire and Tornado, State Bonding, Petroleum Tank Release Compensation Fund, Insurance Regulatory Trust, Risk Management, Risk Management Workers Comp, Cultural Endowment Fund, Legacy Fund, Budget Stabilization Fund, Opioid Settlement Fund and Water Projects Stabilization Fund.

RIO follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities.

Pension and Investment Trust Funds are accounted for using the accrual basis of accounting. Member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the NDCC.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RIO utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position.

Budgetary Process

RIO operates through a biennial appropriation, which represents appropriations recommended by the Governor and presented to the General Assembly (the Assembly) at the beginning of each legislative session. The Assembly enacts RIO’s budget through passage of a specific appropriation bill. The State of North Dakota’s budget is prepared principally on a modified accrual basis. The Governor has line-item veto power over all legislation, subject to legislative override.

Once passed and signed, the appropriation bill becomes RIO’s financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, or referendum action. The Emergency Commission can authorize receipt of federal or other moneys not appropriated by the Assembly if the Assembly did not indicate intent to reject the money. The Emergency Commission may authorize pass-through federal funds from one state agency to another. The Emergency Commission may authorize the transfer of expenditure authority between appropriated line items; however, RIO has specific authority as a special fund to transfer between the contingency line item and other line items. Unexpended appropriations lapse at the end of each biennium, except certain capital expenditures covered under NDCC section 54-44.1-11.

RIO does not use encumbrance accounting. The legal level of budgetary control is at the agency, appropriation and expenditure line-item level. RIO does not formally budget revenues and does not budget by fund. The statement of revenues, expenditures and changes in fund balances - budget and actual is not prepared because revenues are not budgeted.

Capital Assets and Depreciation

Capital asset expenditures greater than $5,000 are capitalized at cost in accordance with Section 54-27-21 of the NDCC. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Years
Office equipment	5
Furniture and fixtures	5
Software	5

Investments

NDCC Section 21-10-07 states that the SIB shall apply the prudent investor rule when investing funds under its supervision. 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 in regard to speculation, but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

The pension fund belonging to TFFR and investment trust funds attributable to the City of Bismarck Employee Pension Plan, the City of Bismarck Police Pension Plan, Job Service of North Dakota, City of Grand Forks Employee Pension Plan, City of Grand Forks Park District Pension Plan and the Public Employees Retirement System (PERS) must be invested exclusively for the benefit of their members. All investments are made in accordance with the respective fund’s long-term investment objectives and performance goals.

Pooled Investments

Many funds whose investments are under the supervision of the SIB participate in pooled investments. The agencies transfer money into the investment pools and receive an appropriate percentage ownership of the pooled portfolio based upon fair value. All activities of the investment pools are allocated to the agencies based upon their respective ownership percentages. Each participant unit is valued at $1.00 per unit.

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair values for securities that have no quoted market price represent estimated fair value. International securities are valued based upon quoted foreign market prices and translated into US dollars at the exchange rate in effect at June 30. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments, including timberland, is based on appraisals plus fiscal year-to-date capital transactions.

Publicly traded alternative investments are valued based on quoted market prices.

When not readily available, alternative investment securities are valued using current estimates of fair value from the investment manager. Such valuations consider variables such as financial performance of the issuer, comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, withdrawal restrictions, and other pertinent information. Because of the inherent uncertainty of the valuation for these other alternative investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

The net change in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the ND Public Employees Retirement System (NDPERS) defined benefit pension and OPEB plans, and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Cash and Cash Equivalents

Custodial Credit Risk

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-01 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "[a]ll state funds … must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions.

Pension Trust Fund

Deposits held by the Pension Trust Fund at June 30, 2025 were deposited in the Bank of North Dakota. At June 30, 2025 and 2024, the carrying amount of TFFR's deposits was $26,473,012 and $30,863,710 respectively, and the bank balance was $25,468,093 and $30,897,063, respectively. The difference results from checks outstanding or deposits not yet processed by the bank. These deposits are exposed to custodial credit risk as uninsured and uncollateralized. However, these deposits at the Bank of North Dakota are guaranteed by the State of North Dakota through NDCC Section 6-09-10.

Investment Trust Funds

Certificates of deposit, an infrastructure loan fund, an insurance pool cash account, a pension pool cash account and a Legacy Fund cash account are recorded as investments and have a cost and carrying value of $457,575,964 and $428,328,767 at June 30, 2025 and 2024, respectively. In addition, these funds carry cash and cash equivalents totaling $1,141,529 and $1,032,822 at June 30, 2025 and 2024, respectively. These deposits are exposed to custodial credit risk as uninsured and uncollateralized. However, these deposits held at the Bank of North Dakota are guaranteed by the State of North Dakota through NDCC Section 6-09-10.

Note 3 - Investments

The investment policy of the SIB is governed by NDCC 21-10. The SIB shall apply the prudent investor rule in investing for funds under its supervision. 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 in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees' retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The SIB does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

At June 30, 2025 and 2024, the following tables show the investments by investment type and maturity (expressed in thousands).

North Dakota Retirement and Investment Office

Notes to the Financial Statements

June 30, 2025 and 2024

2025	Total Fair Value	Less than 1 Year	1-6 Years	6-10 Years	More than 10 Years
	All values in $000				
Asset Backed Securities	$ 509,185	$ 504	$ 194,360	$ 106,785	$ 207,536
Bank Loans	7,824	-	3,028	4,796	-
Commercial Mortgage-Backed	268,589	-	3,183	5,069	260,337
Commercial Paper	109,006	109,006	-	-	-
Corporate Bonds	3,236,090	320,432	1,867,804	696,313	351,541
Corporate Convertible Bonds	7,511	-	2	-	7,509
Other Fixed Income	1,479,862	1,466,444	13,418	-	-
Government Agencies	81,335	3,934	45,055	14,617	17,729
Government Bonds	787,686	23,228	332,000	99,006	333,452
Gov't Mortgage Backed	1,198,164	828	28,772	37,285	1,131,279
Gov't-issued CMB	10,618	30	4,222	669	5,697
Index Linked Government Bonds	218,449	18,489	96,052	59,333	44,575
Municipal/Provincial Bonds	32,224	831	3,028	10,525	17,840
Non-Government Backed CMOs	112,471	-	-	702	111,769
Real Estate	534,680	534,680	-	-	-
Repurchase Agreements	(9,904)	(9,904)	-	-	-
Sukuk	2,588	1,296	1,292	-	-
Total Debt Securities	$ 8,586,378	$ 2,469,798	$ 2,592,216	$ 1,035,100	$ 2,489,264

2024	Total Fair Value	Less than 1 Year	1-6 Years	6-10 Years	More than 10 Years
	All values in $000				
Asset Backed Securities	$ 557,514	$ 904	$ 186,300	$ 195,659	$ 174,651
Bank Loans	1,481	-	1,135	346	-
Collateralized Bonds	859	-	-	859	-
Commercial Mortgage-Backed	327,993	5	4,755	8,667	314,566
Commercial Paper	144,105	144,105	-	-	-
Corporate Bonds	2,830,052	119,107	1,814,575	549,229	347,141
Corporate Convertible Bonds	7,634	-	-	-	7,634
Government Agencies	35,793	4,948	21,300	7,045	2,500
Government Bonds	726,783	8,074	266,955	44,197	407,557
Gov't Mortgage Backed	1,290,878	94	26,670	38,544	1,225,570
Gov't-issued CMB	11,728	21	5,396	1,032	5,279
Index Linked Government Bonds	306,967	43,087	161,471	56,789	45,620
Municipal/Provincial Bonds	20,146	596	3,422	1,967	14,161
Non-Government Backed CMOs	107,561	-	2,649	2,580	102,332
Repurchase Agreements	(8,422)	(8,422)	-	-	-
Short Term Bills and Notes	10,999	10,999	-	-	-
Sukuk	2,530	-	1,282	1,248	-
Funds/Pooled Investments	1,174,639	1,874	696,672	316,660	159,433
Total Debt Securities	$ 7,549,240	$ 325,392	$ 3,192,582	$ 1,224,822	$ 2,806,444

In the tables above, the fair values of inflation indexed bonds are reflected in the columns based on their stated maturity dates. The principal balances of these bonds are adjusted every six months based on the inflation index for that period.

North Dakota Retirement and Investment Office

Notes to the Financial Statements

June 30, 2025 and 2024

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMOs), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Interest-only (IO) and principal-only (PO) strips are transactions which involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The SIB held POs valued at $7.8 million and $7.3 million and IOs valued at $21.2 million and $20.7 million at June 30, 2025 and 2024, respectively. The SIB has no policy regarding IO or PO strips.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Investment Board maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Although the SIB has no overall policy regarding credit risk, each debt securities manager is given a specific set of guidelines to invest within based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and below investment grade categories. The following tables present the SIB's ratings as of June 30, 2025 and 2024, (expressed in thousands).

		Credit Rating*										
2025	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	NR
Asset Backed Securities	$ 509,185	$ 254,461	$ 71,706	$ 43,216	$ 7,570	$ 505	$ 477	$ 1,729	$ -	$ 281	$ 569	$ 128,671
Bank Loans	7,824	-	-	-	-	1,974	288	-	-	-	-	5,562
Commercial Mortgage Backed	268,589	202,085	17,803	4,307	4,942	835	874	797	-	-	-	36,946
Commercial Paper	109,006	-	-	-	-	-	-	-	-	-	-	109,006
Corporate Bonds	3,236,090	15,457	104,275	487,119	1,224,186	649,202	406,165	97,702	137	-	3,860	247,987
Corporate Convertible Bonds	7,511	-	-	-	1,766	5,242	501	2	-	-	-	-
Other Fixed Income	1,479,862	1,677	389,710	2,482	1,194	54	27	27	-	-	-	1,084,691
Gov't Agencies	81,335	4,149	27,934	6,475	22,619	12,352	1,778	1,092	-	-	-	4,936
Gov't Bonds	787,686	-	694,296	13,258	33,099	15,791	2,443	1,017	-	-	-	27,782
Gov't Mortgage Backed	1,198,164	-	1,186,374	5,356	4,943	1,260	-	-	-	-	-	231
Gov't Issued CMB	10,618	316	10,302	-	-	-	-	-	-	-	-	-
Index Linked Government Bonds	218,449	-	198,216	-	1,827	-	-	-	-	-	-	18,406
Municipal/Provincial Bonds	32,224	4,868	15,118	10,613	-	440	-	1,185	-	-	-	-
Non-Gov't Backed CMOs	112,471	29,114	4,496	3,524	2,628	1,256	-	492	134	-	-	70,827
Real Estate	534,680	-	-	-	-	-	-	-	-	-	-	534,680
Repurchase Agreements	(9,904)	-	-	-	-	-	-	-	-	-	-	(9,904)
Sukuk	2,588	-	-	-	2,588	-	-	-		-		-
Total Credit Risk of Debt Securities	8,586,378	512,127	2,720,230	$ 576,350	$ 1,307,362	$ 688,911	$ 412,553	$ 104,043	$ 271	$ 281	$ 4,429	$ 2,259,821

2024	Total Fair Value	Credit Rating*										
		AAA	AA	A	BBB	BB	B	CCC	CC	C	D	NR
Asset Backed Securities	$ 557,514	$ 338,611	$ 81,761	$ 53,846	$ 17,601	$ 327	$ 573	$ 2,069	$ -	$ 221	$ 544	$ 61,961
Bank Loans	1,481	-	-	-	-	880	429	-	-	-	-	172
Collateralized Bond	859	859	-	-	-	-	-	-	-	-	-	-
Commercial Mortgage Backed	327,993	252,230	11,369	11,519	6,281	2,532	2,125	69	-	-	-	41,868
Commercial Paper	144,105	-	-	80,428	-	-	-	-	-	-	-	63,677
Corporate Bonds	2,830,052	8,914	54,695	519,603	1,242,869	558,862	350,101	84,488	184	-	1,141	9,195
Corporate Convertible Bonds	7,634	-	-	-	1,576	6,058	-	-	-	-	-	-
Gov't Agencies	35,793	3,460	3,196	971	18,882	7,703	1,407	174	-	-	-	-
Gov't Bonds	726,783	-	671,147	6,809	31,021	12,332	2,259	764	-	-	-	2,451
Gov't Mortgage Backed	1,290,878	-	1,273,462	5,673	8,602	2,606	380	-	-	-	-	155
Gov't Issued CMB	11,728	373	10,136	-	-	-	-	-	-	-	-	1,219
Index Linked Government Bonds	306,967	73,202	210,286	-	3,044	-	-	-	-	-	-	20,435
Municipal/Provincial Bonds	20,146	2,761	12,316	2,616	-	581	-	1,872	-	-	-	-
Non-Gov't Backed CMOs	107,561	34,354	7,598	3,420	3,913	2,200	445	217	337	-	-	55,077
Repurchase Agreements	(8,422)	-	-	-	-	-	-	-	-	-	-	(8,422)
Short Term Bills & Notes	10,999	-	10,999	-	-	-	-	-	-	-	-	-
Sukuk	2,530	-	-	-	2,530	-	-	-	-	-	-	-
Funds/Pooled Investments	1,174,639	-	783,775	105,061	84,771	19,515	27,906	-	-	-	-	153,611
Total Credit Risk of Debt Securities	7,549,240	714,764	3,130,740	$ 789,946	$ 1,421,090	$ 613,596	$ 385,625	$ 89,653	$ 521	$ 221	$ 1,685	$ 401,399

* Ratings are determined in the following order:

1. S&P rating
2. Moody's rating
3. Fitch rating
4. Manager-determined rating (internal rating)
5. If no ratings available using steps 1-4, then shown as not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of June 30, 2025 and 2024, the SIB's portfolio has no single issuer exposure that comprises 5% or more of the overall portfolio, excluding investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Although the SIB does not have a formal investment policy governing foreign currency risk, the SIB manages its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. The SIB's exposure to foreign currency risk is presented in the following tables as of June 30, 2025 and 2024 (expressed in thousands).

North Dakota Retirement and Investment Office
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2025 Currency	Short-Term	Debt	Equity	Venture Capital & Partnerships	Total
Argentine peso	$ 1	$ -	$ -		$ 1
Australian dollar	(1,110)	673	9,667	-	9,230
Brazilian real	(11,063)	18,096	-	-	7,033
British pound sterling	(15,164)	14,235	65,823	-	64,894
Canadian dollar	(22,707)	20,303	38,073	-	35,669
Chilean peso	(277)	-	-	-	(277)
Chinese yuan renminbi	280	-	-	-	280
Danish krone	(34)	-	-	-	(34)
Euro	(63,982)	64,868	174,240	22,886	198,012
HK offshore Chinese Yuan Renminbi	(3,342)	-	-	-	(3,342)
Hong Kong dollar	-	-	54,217	-	54,217
Hungarian forint	1	-	-	-	1
Indian rupee	2,992	-	-	-	2,992
Indonesian rupiah	1,146	-	-	-	1,146
Japanese yen	(763)	3,994	41,699	-	44,930
Mexican peso	3,916	84	-	-	4,000
New Israeli shekel	(850)	-	-	-	(850)
New Taiwan dollar	(5,216)	-	-	-	(5,216)
New Zealand dollar	1	-	-	-	1
Norwegian krone	42	-	-	-	42
Peruvian nuevo sol	(6,914)	8,421	-	-	1,507
Polish zloty	2,043	-	-	-	2,043
Russian ruble	1,070	-	2,903	-	3,973
Singapore dollar	(5,683)	-	-	-	(5,683)
South African rand	(3,216)	5,895	-	-	2,679
South Korean won	(1,675)	-	13,689	-	12,014
Swedish krona	77	-	-	-	77
Swiss franc	(954)	-	27,238	-	26,284
Thai baht	(895)	-	-	-	(895)
Turkish lira	9,207	-	-	-	9,207
International commingled funds (various currencies)	-	10,807	2,253,653	-	2,264,460
Total international investment securities	$ (123,069)	$ 147,376	$ 2,681,202	$ 22,886	$ 2,728,395

Negative amounts represent short positions.

North Dakota Retirement and Investment Office

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2024

Currency	Short-Term	Debt	Equity	Real Estate	Total
Argentine peso	$ 1	$ -	$ -	$ -	$ 1
Australian dollar	(32)	-	-	-	(32)
Brazilian real	902	3,349	-	-	4,251
British pound sterling	(23,783)	13,907	81,642	-	71,766
Canadian dollar	(13,553)	10,048	28,008	-	24,503
Chilean peso	(273)	-	-	-	(273)
Chinese yuan renminbi	283	-	-	-	283
Danish krone	(47)	-	31,882	-	31,835
Euro	(58,972)	48,440	170,346	-	159,814
Hong Kong Off-Shore-Chinese yuan renminbi	7,698	-	-	-	7,698
Hong Kong dollar	-	-	6,394	-	6,394
Hungarian forint	1	-	-	-	1
Indian rupee	8,417	-	-	-	8,417
Indonesian rupiah	2,382	-	-	-	2,382
Japanese yen	2,976	(3,552)	115,054	-	114,478
Mexican peso	(7,776)	11,933	-	-	4,157
New Taiwan dollar	(4,203)	-	-	-	(4,203)
Norwegian krone	87	-	-	-	87
Polish zloty	(2)	-	-	-	(2)
Russian ruble	605	-	3,059	-	3,664
Singapore dollar	(3,447)	-	-	-	(3,447)
South Korean won	(450)	-	21,961	-	21,511
Swedish krona	7	-	22,545	-	22,552
Swiss franc	2	-	32,958	-	32,960
Thai baht	(242)	-	-	-	(242)
Turkish lira	8,398	-	-	-	8,398
International commingled funds (various currencies)	-	-	4,086,118	33,832	4,119,950
Total international investment securities	$ (81,021)	$ 84,125	$ 4,599,967	$ 33,832	$ 4,636,903

Negative amounts represent short positions.

Derivative Securities

Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed upon benchmark. The investment policies of the SIB’s clients allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative instruments. The fair value of all derivative securities is reported in the statement of net position. At June 30, 2025 and 2024, the SIB had four types of derivative securities: futures, options, swaps and currency forwards.

Futures

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specific price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the SIB’s counterparty risk. The net change in the futures contracts’ value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included in net change in fair value of investments in the statement of changes in net position and totaled $41.6 and $76.6 million for fiscal years 2025 and 2024, respectively. At June 30, 2025 and 2024, the SIB investment portfolio had the notional futures balances shown below (expressed in thousands).

Futures	Notional Value June 30, 2025	Notional Value June 30, 2024
Cash & Cash Equivalent Derivative Futures		
Long	$ -	$ 171,610
Short	-	122,023
Commodity Derivative Futures		
Short	-	(18,719)
Equity Derivative Futures		
Long	-	457,320
Fixed Income Derivative Futures		
Long	499,407	289,982
Short	(32,487)	(305,874)
Total Futures	$ 466,920	$ 716,342

Options

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Options are traded on organized exchanges (exchange traded) thereby minimizing the SIB's counterparty credit risk. The option's price is usually a small percentage of the underlying asset's value. As a seller of a financial option, the SIB, through its investment manager, receives a premium at the beginning of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a buyer of a financial option, the SIB, through its investment manager, pays a premium at the beginning of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Gains and losses on options are determined based on fair values and recorded with the net change in fair value of investments in the statement of changes in net position and totaled $3.9 million and $4.9 million in fiscal years 2025 and 2024, respectively. At June 30, 2025 and 2024, the SIB investment portfolio had the following option balances (expressed in thousands).

Options	Fair Value June 30, 2025	Fair Value June 30, 2024
Cash & Other Options		
Call	$ (156)	$ 1,348
Put	72	42
Equity Options		
Call	-	697
Fixed Income Options		
Call	(22)	43
Put	(8)	(94)
Total Options	$ (114)	$ 2,036

Swaps

A swap is a derivative in which counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument. Specifically, the two counterparties agree to exchange one stream of cash flows for another stream. The SIB, through its investment managers, has entered into various swap agreements in an attempt to manage its exposure to interest rate, inflation, credit and total return risk.

Gains and losses on swaps are determined based on fair values and are recorded with the net change in fair value of investments in the statement of changes in net position and totaled $(2.8) million and $1.5 million for fiscal years 2025 and 2024, respectively. The maximum loss that would be recognized at June 30, 2025 and 2024, if all counterparties failed to perform as contracted is $4.0 million and $2.5 million, respectively. Swap fair values are determined by a third-party pricing source. At June 30, 2025 and 2024, the SIB's investment portfolio had the swap fair value balances as shown below (expressed in thousands).

Credit Default Swaps

Credit risk represents the exposure to fair value losses arising from a credit event such as default, failure to pay, restructuring or bankruptcy. In a credit default swap (CDS) contract, the protection buyer of the CDS makes a series of payments to the protection seller and, in exchange, receives a payoff if the credit instrument experiences a credit event. CDS contracts are also used to establish exposure to a desired credit instrument.

	Notional Amount			Fair Value	
Counterparty/Moody's Rating	June 30, 2025	June 30, 2024	Expiration Date Range	June 30, 2025	June 30, 2024
Bank of America/Aa2 (9 contracts)	$ (43,100)	$ -	2028 - 2030	$ 1,059	$ -
Bank of America/Aa2 (7 contracts)	-	(9,135)	2028 - 2029	-	314
Barclays Capital Inc/A1 (1 contracts)	(2,600)	-	2030	31	-
Barclays Capital Inc/A1 (1 contracts)	-	(3,250)	2029	-	2
BNP Paribas Sa Paris/A1 (10 contract)	(5,184)	-	2027 - 2029	936	-
BNP Paribas Sa Paris/Aa3 (1 contract)	-	(100)	2027	-	(1)
Citibank/Aa3 (1 contract)	(300)	-	2027	(1)	-
Citibank/A1 (2 contracts)	-	(400)	2024 - 2027	-	(1)
Citigroup Global Markets/A2 (1 contracts)	2,009	-	2030	(45)	-
Citigroup Global Markets/A1 (1 contracts)	-	(2,790)	2029	-	179
Deutsche Bank London/A1 (1 Contract	(229)	-	2026	4	-
Goldman Sachs/A2 (8 contracts)	(3,009)	-	2026 - 2029	139	-
Goldman Sachs/A2 (6 contracts)	-	(1,500)	2027	-	(11)
JP Morgan Chase/Aa2 (7 contract)	(24,160)	-	2029 - 2030	1,045	-
JP Morgan Chase/Aa2 (4 contracts)	-	(13,709)	2024 - 2029	-	854
Morgan Stanley/Aa3 (10 contract)	(30,500)	-	2026 - 2030	664	-
Morgan Stanley/A1 (8 contracts)	-	(11,825)	2026 - 2029	-	220
Wells Fargo Bank/Aa2 (13 contracts)	(19,450)	-	2025 - 2030	473	-
Wells Fargo Bank/Aa2 (11 contracts)	-	1,304	2024 - 2029	-	(251)
Total Credit Default Swaps	$ (126,523)	$ (41,405)		$ 4,305	$ 1,305

The notional amount may be positive or negative, depending on whether the position is long or short, respectively.

Interest Rate Swaps

Interest rate risk represents the exposure to fair value losses arising from future changes in prevailing market interest rates. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty, who in turn agrees to make return interest payments that float with some reference rate.

Interest Rate

Counterparty/Moody's Rating	Notional Amount June 30, 2025	Notional Amount June 30, 2024	Expiration Date Range	Fair Value June 30, 2025	Fair Value June 30, 2024
Bank of America/Aa2 (55 contracts)	$ 161,725	$ -	2025 - 2055	$ 829	$ -
Bank of America/Aa2 (48 contracts)	-	229,088	2025 - 2054	-	2,914
Citigroup Global Markets/A2 (23 contracts)	45,816	-	2026 - 2054	241	-
Citigroup Global Markets/A1 (43 contracts)	-	106,975	2024 - 2054	-	213
JP Morgan Chase/Aa2 (14 contracts)	33,620	-	2025 - 2054	583	-
JP Morgan Chase/Aa2 (16 contracts)	-	100,071	2024 - 2054	-	547
Morgan Stanley/Aa3 (54 contracts)	89,255	-	2025 - 2055	1,894	-
Morgan Stanley/A1 (61 contracts)	-	141,878	2024 - 2054	-	2,527
Wells Fargo Bank/Aa2 (52 contracts)	112,841	-	2026 - 2055	3,519	-
Wells Fargo Bank/Aa2 (65 contracts)	-	164,383	2024 - 2054	-	3,910
Total Interest Rate Swaps	$ 443,257	$ 742,395		$ 7,066	$ 10,111

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Inflation Swaps

Inflation risk represents the exposure to fair value losses arising from future changes in prevailing market inflation. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI).

Inflation

Counterparty/Moody's Rating	Notional Amount June 30, 2025	Notional Amount June 30, 2024	Expiration Date Range	Fair Value June 30, 2025	Fair Value June 30, 2024
Goldman Sachs/A2 (2 contracts)	$ 18,322	$ -	2025	$ 252	$ -
Goldman Sachs/A2 (2 contracts)	-	19,305	2024	-	(184)
JP Morgan Chase/Aa2 (1 contracts)	2,158	-	2025	29	-
JP Morgan Chase/Aa2 (1 contracts)	-	2,260	2024	-	(17)
Total Inflation Swaps	$ 20,480	$ 21,565		$ 281	$ (201)

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Total Return Swaps

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset (income and capital gains). The underlying asset, or reference asset, is owned by the party receiving the set rate payment.

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Total Return	Notional Amount		Expiration Date	Fair Value	
Counterparty/Moody's Rating	June 30, 2025	June 30, 2024	Range	June 30, 2025	June 30, 2024
Bank of America/Aa2 (1 contract)	$ -	$ 20,035	2024	$ -	$ (932)
Citibank/Aa3 (3 contract)	26,255	-	2025	(1,192)	-
Citibank/A1 (2 contracts)	-	16,910	2024	-	(415)
Goldman Sachs/A2 (1 contract)	-	6,310	2024	-	(355)
JP Morgan Chase/Aa2 (2 contracts)	10,680	-	2025	139	-
JP Morgan Chase/Aa2 (2 contracts)	-	10,140	2024	-	(210)
Total Total Return Swaps	$ 36,935	$ 53,395		$ (1,053)	$ (1,912)

The notional amount may be positive or negative, depending on whether the position is long (fixed rate payer) or short (floating rate payer), respectively.

Currency Forwards

Currency forwards represent forward exchange contracts that are entered into in order to manage the exposure to changes in currency exchange rates on the currency denominated portfolio holdings. A forward exchange contract is a commitment to purchase (positive) or sell (negative) a currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net change in fair value of investments in the statements of changes in net position and totaled $(8.9) million and $4.0 million for fiscal years 2025 and 2024, respectively. At June 30, 2025 and 2024, the SIB's investment portfolio included the currency forwards balances shown below (expressed in thousands).

					Fair Value	
	Currency	Cost	Purchases	Sales	6/30/2025	6/30/2024
AUD	Australian dollar	$ (2,106)	$ 2,128	$ (4,235)	(2,140)	$ (57)
BRL	Brazilian real	(10,068)	13,626	(23,694)	(11,404)	(692)
GBP	British pound sterling	(13,022)	13,094	(26,116)	(13,190)	(12,054)
CAD	Canadian dollar	(14,281)	14,249	(28,530)	(14,351)	(1,828)
CLP	Chilean peso	(276)	-	(276)	(277)	(273)
CNH	Chinese offshore	(3,352)	2,469	(5,822)	(3,342)	(24)
CNY	Chinese Yuan	280	561	(281)	280	283
DKK	Danish Krone	(47)	20	(67)	(48)	(75)
EUR	Euro	(81,051)	83,244	(164,295)	(83,728)	(38,360)
HUF	Hungarian Forint	-	-	-	-	6
IDR	Indonesia Rupiah	1,142	1,500	(358)	1,146	1,011
INR	Indian Rupee	2,984	3,066	(82)	2,992	3,509
JPY	Japanese yen	(963)	7,697	(8,660)	(957)	(978)
MXN	Mexican peso	3,786	3,829	(43)	3,845	(3,871)
ILS	New Israeli shekel	(1,189)	-	(1,189)	(1,229)	-
PEN	Peruvian nuevo sol	(6,761)	181	(6,942)	(6,987)	-
PLN	Poland Zloty	1,971	1,971	-	2,045	-
SGD	Singapore Dollar	(6,286)	5,825	(12,111)	(6,334)	(842)
ZAR	South African rand	(3,178)	-	(3,178)	(3,218)	6
KRW	South Korean won	(1,665)	2,216	(3,881)	(1,675)	(318)
THB	Thai Baht	(879)	160	(1,039)	(901)	(247)
TWD	Taiwan Dollar	(4,358)	2,888	(7,246)	(5,216)	(2,026)
TRY	Turkish Lira	9,314	9,589	(275)	9,421	3,869
USD	United States dollar	131,040	300,415	(169,375)	131,040	53,552
	Total forwards subject to currency risk				$ (4,228)	$ 591

Derivative Interest Rate Risk

Derivative interest rate risk is the risk that changes in interest rates will adversely affect the value of an interest rate-based derivative investment. The SIB does not have a formal investment policy regarding such derivative investments. At June 30, 2025 and 2024, the tables below show the SIB's derivative investments subject to interest rate risk (expressed in thousands).

All values in $000

2025	Total Notional Value	3 months or less	3 to 6 months	6 to 12 months	1-5 years	5-10 years	Greater than 10 years
Futures-interest rate contracts	$ 466,920	$ 229,206	$ 237,714	$ -	$ -	$ -	$ -
Total	$ 466,920	$ 229,206	$ 237,714	$ -	$ -	$ -	$ -

	Total Fair Value	3 months or less	3 to 6 months	6 to 12 months	1-5 years	5-10 years	Greater than 10
Options - Interest Rate Contracts	$ (175)	$ (175)	$ -	$ -	$ -	$ -	$ -
Options on Futures	(27)	(27)	-	-	-	-	-
Options - Foreign Exchange Contracts	92	-	92	-	-	-	-
Options - Credit Contracts	(3)	(3)	-	-	-	-	-
Swaps - Interest Rate Contracts	6,012	(32)	(1,053)	(89)	(508)	(310)	8,004
Swaps - Credit Contracts	4,305	-	5	17	4,283	-	-
Total	$ 10,204	$ (237)	$ (956)	$ (72)	$ 3,775	$ (310)	$ 8,004

2024	Total Notional Value	3 months or less	3 to 6 months	6 to 12 months	1-5 years	5-10 years	Greater than 10 years
Futures-interest rate contracts	$ 277,741	$ (56,049)	$ 26,669	$ 122,023	$ 185,098	$ -	$ -
Futures-commodity contracts	(18,719)	-	(18,719)	-	-	-	-
Total	$ 259,022	$ (56,049)	$ 7,950	$ 122,023	$ 185,098	$ -	$ -

	Total Fair Value	3 months or less	3 to 6 months	6 to 12 months	1-5 years	5-10 years	Greater than 10
Options - Interest Rate Contracts	$ (46)	$ (102)	$ 41	$ 15	$ -	$ -	$ -
Options on Futures	(157)	(26)	82	(213)	-	-	-
Options - Foreign Exchange Contracts	1,533	5	863	665	-	-	-
Options - Credit Contracts	10	7	3	-	-	-	-
Swaps - Interest Rate Contracts	8,199	(1,611)	(405)	(418)	2,204	1,321	7,108
Swaps - Credit Contracts	1,306	-	30	-	1,276	-	-
Total	$ 10,845	$ (1,727)	$ 614	$ 49	$ 3,480	$ 1,321	$ 7,108

Fair Value Measurement

The SIB categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The following tables show the fair value leveling of the SIB's investment portfolio at June 30, 2025 and 2024 (expressed in thousands).

2025	Dollars in (000)	Fair Value Measures Using		
	Fair Value 6/30/25	Quoted Prices in Active Markets for Indentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short Term Securities				
Commercial Paper	$ 109,006	$ -	$ 109,006	$ -
Total Short Term Securities	**109,006**	**-**	**109,006**	**-**
Fixed Income Investments				
Asset Backed Securities	509,185	-	509,185	-
Bank Loans	7,824	-	7,824	-
Commercial Mortgage-Backed	268,588	-	268,588	-
Corporate Bonds	2,919,619	-	2,919,619	
Corporate Convertible Bonds	7,511	-	7,511	-
Funds - Fixed Income ETF	37,652	37,652	-	-
Government Agencies	57,974	-	57,974	-
Government Bonds	787,685	-	787,685	-
Government Mortgage Backed Securities	1,198,163	-	1,198,163	-
Gov't-issued Commercial Mortgage-Backed	10,618	-	10,618	-
Index Linked Government Bonds	218,449	-	218,449	-
Municipal/Provincial Bonds	32,225	-	32,225	-
Non-Government Backed C.M.O.s	111,966	-	110,056	1,910
Sukuk	2,588	-	2,588	-
Total Fixed Income Investments	**6,170,047**	**37,652**	**6,130,485**	**1,910**
Equity Investments				
Common Stock	3,942,864	3,939,372	-	3,492
Funds - Equities ETF	12,713	12,713	-	-
Preferred Stock	620	601	-	19
Total Equity Investments	**3,956,197**	**3,952,686**	**-**	**3,511**
Derivative Investments				
Exchange Cleared Swaps	9,717	-	9,717	-
Options	(111)	(27)	(84)	-
Swaps	881	-	881	-
Total Derivative Investments	**10,487**	**(27)**	**10,514**	**-**
Total Investments by Fair Value Level	**$ 10,245,737**	**$ 3,990,311**	**$ 6,250,005**	**$ 5,421**

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Investments Measured at the Net Asset Value (NAV)	Dollars in (000)	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Funds-Debt	$ 1,782,040	$ -	Daily, monthly	1-15 days
Commingled Funds-Equities	5,832,662	-	Daily, monthly	1-15 days
Distressed Debt	253,548	-	Quarterly, Not eligible	60 days
Long/Short	436,995	-	Monthly	15 days
Mezzanine Debt	1	-	Not eligible	Not eligible
Private Credit	626,431	269,143	Not eligible	Not eligible
Private Equity	3,060,776	872,053	Not eligible	Not eligible
Real Assets	2,586,888	564,734	Quarterly, Not eligible	30-90 days
Total Investments Measured at the NAV	**$ 14,579,341**	**$ 1,705,930**		
Investments at Other Than Fair Value				
Cash and adjustments to cash	$ 355,710			
Bank Certificates of Deposit	292,519			
Other miscellaneous securities	72,711			
Total Investments at Other Than Fair Value	**$ 720,940**			
Total Investments	**$ 25,546,018**			

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2024	Dollars in (000)			
		Fair Value Measures Using		
	Fair Value 6/30/24	Quoted Prices in Active Markets for Indentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short Term Securities				
Commercial Paper	$ 144,105	$ -	$ 144,105	$ -
Short Term Bills and Notes	10,999	-	10,999	-
Total Short Term Securities	**155,104**	**-**	**155,104**	**-**
Fixed Income Investments				
Asset Backed Securities	557,515	-	555,514	2,001
Bank Loans	1,480	-	1,480	-
Collateralized Bonds	859	-	859	-
Commercial Mortgage-Backed	327,994	-	327,994	-
Corporate Bonds	2,830,053	-	2,830,053	
Corporate Convertible Bonds	7,634	-	7,634	-
Funds - Fixed Income ETF	17,017	17,017	-	-
Government Agencies	35,794	-	35,794	-
Government Bonds	726,782	-	726,782	-
Government Mortgage Backed Securities	1,290,880	-	1,290,880	-
Gov't-issued Commercial Mortgage-Backed	11,729	-	11,729	-
Index Linked Government Bonds	306,967	-	306,967	-
Municipal/Provincial Bonds	20,146	-	20,146	-
Non-Government Backed C.M.O.s	106,968	-	104,955	2,013
Sukuk	2,530	-	2,530	-
Total Fixed Income Investments	**6,244,348**	**17,017**	**6,223,317**	**4,014**
Equity Investments				
Common Stock	3,227,800	3,227,333	-	467
Funds - Equities ETF	406,558	406,558	-	-
Preferred Stock	40	-	-	40
Total Equity Investments	**3,634,398**	**3,633,891**	**-**	**507**
Derivative Investments				
Exchange Cleared Swaps	11,382	-	11,382	-
Options	2,037	541	1,496	-
Swaps	(2,079)	-	(2,079)	-
Total Derivative Investments	**11,340**	**541**	**10,799**	**-**
Total Investments by Fair Value Level	**$ 10,045,190**	**$ 3,651,449**	**$ 6,389,220**	**$ 4,521**

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Investments Measured at the Net Asset Value (NAV)	Dollars in (000)	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Funds-Debt	$ 1,157,621	$ -	Daily, monthly	1-15 days
Commingled Funds-Equities	4,921,741	-	Daily, monthly	1-15 days
Distressed Debt	230,764	-	Quarterly, Not eligible	60 days
Long/Short	924,093	-	Monthly	15 days
Mezzanine Debt	1	-	Not eligible	Not eligible
Private Credit	551,682	120,700	Not eligible	Not eligible
Private Equity	1,774,040	428,163	Not eligible	Not eligible
Real Assets	2,351,216	456,684	Quarterly, Not eligible	30-90 days
Total Investments Measured at the NAV	**$ 11,911,158**	**$ 1,005,547**		
Investments at Other Than Fair Value				
Cash and adjustments to cash	$ 35,988			
Bank Certificates of Deposit	311,051			
Other miscellaneous securities	638			
Repurchase Agreements	(8,422)			
Total Investments at Other Than Fair Value	**$ 339,255**			
Total Investments	**$ 22,295,603**			

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share (or its equivalent) have been classified separately in the tables above and include investments considered to be *alternative investments* as defined by the AICPA. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ). These types of investments can be held within any of the asset classes used by the SIB based on underlying portfolio holdings and analysis of risk and return relationships. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts and mutual funds. Some are closed-ended with a specific life and capital commitment while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination upon proper notice.

Commingled/Mutual Funds - These types of funds are open-ended funds and may be utilized in equity or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded stocks or bonds). The SIB owns units of these funds rather than the individual securities. Contributions or withdrawals from these funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to fifteen days. Because they are liquid funds, there are no unfunded commitments for these types of investments.

Distressed Debt - these include investments in the debt instruments of companies which may be publicly traded or privately held that are financially distressed and are either in bankruptcy or likely candidates for bankruptcy. Typical holdings are senior and subordinated debt instruments, mortgages and bank loans. The SIB is including these types of investments in its global fixed income allocations.

As of June 30, 2025 and June 30, 2024, all unfunded commitments in the SIB distressed debt portfolios had been released. One of the funds in this category is not eligible for redemptions, while the other fund is eligible for redemptions with quarterly liquidity and 60 days' notice.

Equity Long/Short - This strategy is a combination of long and short positions, primarily in publicly traded equities. The SIB utilizes this strategy, through a limited partnership structure, within its global equity allocations. This is an open-ended fund with monthly liquidity with a notice period of 15 days. There was no unfunded commitment as of June 30, 2025 and 2024.

Mezzanine Debt - This strategy is a hybrid of debt and equity financing. It is essentially debt capital that gives the lender the rights to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full. It is generally subordinated to senior debt. The SIB utilizes this strategy, through a limited partnership structure, in its global fixed income allocation. The two funds in this category are not eligible for redemptions, have remaining lives of 1-2 years, and no unfunded commitments as of both June 30, 2025 and 2024.

Private Credit - These investments include loans to private companies, privately placed debt of public companies, or loans backed by real assets. Loan repayment can be derived from either cash flows from an operating company or cash flows generated by a physical or esoteric asset. Private debt is typically secured and has various protections/covenants in place. The debt is customized to the borrower's requirement, thus rendering it illiquid. The SIB includes these strategies within its global fixed income allocation through limited partnership-type structures. Private credit issuers may be investment grade but are typically below-investment grade and similar in some respect to the syndicated bank loan and high yield markets. The SIB participates in two senior private credit funds, commonly referred to as direct lenders, which are structured as custom managed accounts and are not eligible for redemptions during their investment lives. Due to the perpetual nature of the funds, the remaining investment lives fluctuate based on timing of new commitments, and the unfunded commitments totaled $105.7 million and $216.7 million as of June 30, 2025 and 2024, respectively.

Private Equity - Private Equity investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Equity investments are illiquid and long term in nature (10-12 years), typically held until maturity. Private Equity portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, Private Equity investments are made across business cycles, vintage years, and different strategies. The SIB has a dedicated sub-asset class for private equity investments within its global equity allocation in the pension pool and Legacy Fund. The SIB does not have the option to request redemptions from its private equity funds. The General Partner distributes earnings and proceeds from the sale of the underlying investments as transactions occur. The SIB has $648.2 million and $432.6 million in unfunded private equity commitments as of June 30, 2025 and 2024, respectively.

Venture Capital - these include investments in companies in a range of stages of development from start-up/seed stage, early stage, and later/expansion stage. Investments are typically made in years one through six and returns typically occur in years four through ten.

Buyouts - these include investments in funds that seek out and purchase underperforming or undervalued companies in order to improve them and sell them or take them public many years later. These funds are also often involved in management buyouts, which are buyouts conducted

by the management of the company being purchased, and they often play key roles in leveraged buyouts, which are buyouts that are funded with borrowed money.

Real Assets - These investments are intended to provide allocations to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments are generally structured as limited partnerships or limited liability companies. Investments in Real Assets include:

Real Estate - includes investments in private vehicles through limited partnerships or commingled vehicles that have an ownership interest in direct real estate properties. The investment strategies may include "value added" strategies, which derive their return from both income and appreciation, "opportunistic", which derive their return primarily through appreciation, and "alternative" which invest in less traditional types of property. Both domestic and international real estate funds are utilized. The SIB has a dedicated sub-asset class for these types of investments within global real assets. There are currently 11 real estate funds in the portfolio. Five of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. There were no unfunded commitments in the open-ended funds as of June 30, 2025 and 2024. The remaining six funds are closed-ended limited partnerships that are not eligible for redemptions. Those six funds have a combined unfunded commitment of $167.5 million and $132.1 million as of June 30, 2025 and 2024, respectively.

Timberland - includes investments in limited liability companies that have an ownership interest in properties where the value of the property is derived mainly from income-producing timber but also from the "higher and better use" value of the underlying land. The SIB includes these assets within its global real assets allocations. There are three funds in the portfolio, and they have no unfunded commitments. The funds are not eligible for redemption other than distributions of income and/or proceeds as determined by the investment manager. The funds have remaining lives of 1-4 years.

Infrastructure - includes investments in limited partnerships that have an ownership interest in transportation assets such as toll roads, tunnels and bridges; and regulated assets such as electricity transmission, gas and oil distribution and wastewater collection. Other possible investments would include communication assets and social infrastructure. The SIB includes these assets within its global real assets allocations. The infrastructure investments in the portfolio as of June 30, 2025 and 2024, include both open and closed-ended funds. The three open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days' notice. There may be a 3-12 month queue for receiving redemptions. The 17 closed-ended funds have unfunded commitments of $167.5 million and $240.7 million at June 30, 2025 and 2024, respectively, and are not eligible for redemptions.

Securities Lending

State statutes permit and the SIB has authorized the use of securities lending – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Northern Trust is the securities lending agent for the SIB. Securities are loaned versus collateral that may include cash, US government securities and irrevocable letters of credit. US securities are loaned versus collateral valued at 102% of the fair value of the securities plus any accrued interest. Non-US securities are loaned versus collateral valued at 105% of the fair value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of SIB loans was approximately 58 and 47 days as of June 30, 2025 and 2024, respectively. Cash open collateral is invested in a short-term investment pool, which had an interest sensitivity of 1 and 3 days as of June 30, 2025 and 2024, respectively. This pool is valued based on amortized cost. There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

For securities loaned at fiscal year end, the SIB has no credit risk exposure to borrowers because the amounts the SIB owes the borrowers exceeds the amounts the borrowers owe the SIB.

The following represents the balances relating to the securities lending transactions at June 30, 2025 and 2024 (expressed in thousands).

2025	Securities Lent	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
US agency securities	$ 2,070	$ -	$ 2,110
US government securities	11	-	11
US corporate fixed income securities	220,593	-	225,467
Global agency securities	824	-	888
Global government securities	208	-	219
Global corporate fixed income securities	337	-	351
US equities	38,063	-	38,812
Lent for non-cash collateral:			
US agency securities	1,394	1,427	-
US government securities	8,557	8,771	-
US corporate fixed income securities	219,682	225,147	-
US equities	123,738	126,552	-
Global equities	5,843	6,253	-
Global corporate fixed	554	616	-
Total	$ 621,874	$ 368,766	$ 267,858

2024	Securities Lent	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
US agency securities	$ 577	$ -	$ 599
US government securities	101	-	103
US corporate fixed income securities	119,421	-	122,659
Global government securities	334	-	366
Global corporate fixed income securities	2,087	-	2,257
US equities	83,847	-	86,091
Lent for non-cash collateral:			
US agency securities	3,382	3,479	-
US government securities	3,876	4,006	-
US corporate fixed income securities	274,905	281,995	-
US equities	185,692	189,355	-
Global equities	1,229	1,324	-
Global corporate fixed	12	13	-
Total	$ 675,463	$ 480,172	$ 212,075

Note 4 - Capital Assets

	June 30, 2023	Additions	Retirements	June 30, 2024	Additions	Retirements	June 30, 2025
Office equipment	$ 16,879	$ -	$ -	$ 16,879	$ -	$ -	$ 16,879
Less accumulated depreciation on office equipment	(16,879)	-	-	(16,879)	-	-	(16,879)
Software	3,793,827	2,425,489	-	6,219,316	2,577,808	-	8,797,124
Less accumulated depreciation on software	(1,213,500)	-	-	(1,213,500)	(505,575)	-	(1,719,075)
	$ 2,580,327	$ 2,425,489	$ -	$ 5,005,816	$ 2,072,233	$ -	$ 7,078,049

Note 5 - State Agency Transactions

Due To/From Other State Agencies and Other State Funds

Amounts due from/to other state agencies and other state funds are as follows as of June 30, 2025 and 2024:

	2025	2024
Due To Other State Agencies		
Information Technology Department	$ 55,724	$ 46,645
Department of Transportation	15	31
Office of Attorney General	3,401	3,079
Office of Management and Budget	57	345
Total due to other state agencies	$ 59,197	$ 50,100
Due From Other State Agencies		
Public Employees Retirement System	$ -	$ 743
Surplus Property	3,177	-
Total due from other state agencies	$ 3,177	$ 743
Due To Other State Funds		
Budget Stabilization Fund	$ 32,022,977	$ 58,328,500

Due to other state agencies balances are a result of a time lag between the dates that services are provided, the payments are made, and the transactions are entered into the accounting system.

Note 6 - Changes in Noncurrent Liabilities

Changes in noncurrent liabilities are included in accrued expenses in the statements of changes in net position. The changes for the years ended June 30, 2025 and 2024 are summarized as follows:

	Beginning Balance 7/1/2024	Additions	Reductions	Ending Balance 6/30/2025	Amounts Due Within One Year
Accrued Leave	$316,230	$156,537 *	$0	$472,767	$94,131

	Beginning Balance 6/30/2023	Additions	Reductions	Ending Balance 6/30/2024	Amounts Due Within One Year
Accrued Leave	$258,130	$58,100 *	$0	$316,230	$154,695

* The change in the compensated absences liability is presented as a net change.

Pension and Investment Trust Funds liquidate the accrued annual leave.

Note 7 - North Dakota Teachers' Fund for Retirement

Administration

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Membership

As of June 30, 2025 and 2024, the number of participating employer units was 204, consisting of the following:

	June 30, 2025	June 30, 2024
Public School Districts	167	168
County Superintendents	3	4
Special Education Units	20	20
Vocational Education Units	5	4
Other	9	8
Total	204	204

TFFR's membership consisted of the following:

	2025	2024
Retirees and beneficiaries currently receiving benefits	9,664	9,693
Terminated employees - vested	2,308	2,147
Terminated employees - nonvested	1,954	1,878
Total	13,926	13,718
Current employees		
Vested	8,612	8,453
Nonvested	3,400	3,492
Total	12,012	11,945

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of their contributions before reaching the age established by Congress for federal Required Minimum Distributions (RMDs). Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member’s designated beneficiary. If a member’s death occurs before retirement, the benefit options available are determined by the member’s vesting status prior to death. If a member’s death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member’s actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Investment Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.32% and 8.02% for the years ended June 30, 2025 and 2024, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of TFFR at June 30, 2025 and 2024 (expressed in thousands), were as follows:

	June 30, 2025	June 30, 2024
Total pension liability	$ 4,927,218	$ 4,758,417
Plan fiduciary net position	(3,648,749)	(3,351,008)
Net pension liability (NPL)	$ 1,278,469	$ 1,407,409
Plan fiduciary net position as a percentage of the total pension liability	74.05%	70.42%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2025 and 2024, using the following actuarial assumptions:

Valuation date	July 1, 2025	July 1, 2024
Inflation	2.30%	2.30%
Salary increases	Composed of 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service	Composed of 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service
Cost of living adjustments	None	None
Investment rate of return	7.25% net of investment expenses, including inflation	7.25% net of investment expenses, including inflation

For the July 1, 2025 and 2024, valuations, the post-retirement healthy mortality table was 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. The disabled mortality table was the Pub-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

The long-term expected rate of return on TFFR investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TFFR target asset allocation as of July 1, 2025 and 2024 are summarized in the following tables:

2025	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	55.0%	5.4%
Global Fixed Income	26.0%	2.3%
Global Real Assets	18.0%	6.1%
Cash Equivalents	1.0%	1.2%

2024	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	55.0%	5.8%
Global Fixed Income	26.0%	2.9%
Global Real Assets	18.0%	6.3%
Cash Equivalents	1.0%	1.6%

As part of the most recent asset/liability study, the total fund real rate of return was adjusted downward by 0.2% to reflect a longer investment time horizon than is assumed in the investment consultant's expected returns and to account for above benchmark returns achieved through active management. In order to estimate the nominal rate of return, the real rate of return was adjusted upward by 2.4% for expected inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at rates equal to those based on the July 1, 2025 and 2024 Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, TFFR's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of July 1, 2025 and 2024. Therefore, the long-term expected rate of return on TFFR investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025 and 2024.

Sensitivity of Net Pension Liability

The following presents the net pension liability of the TFFR employers calculated using the discount rate of 7.15% and 7.25% as of June 30, 2025 and 2024, respectively, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

2025	1% Decrease (6.15%)	Current Discount Rate (7.15%)
Employers' net pension liability	$ 1,882,776	$ 1,278,470

2024	1% Decrease (6.25%)	Current Discount Rate (7.25%)
Employers' net pension liability	$ 1,982,327	$ 1,407,409

Note 8 - ND Public Employees Retirement System (NDPERS)

Permanent employees of RIO participate in the pension and other post-employment benefit (OPEB) plans of NDPERS, which is also an agency of the State of North Dakota financial reporting entity and is included in the State of North Dakota's Annual Comprehensive Financial Report. The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS pension (Main System) and OPEB plans are cost-sharing multiple-employer defined benefit plans that cover employees/retirees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS pension plan provides for pension, death and disability benefits. NDPERS OPEB plan provides a credit toward the monthly health insurance premium of members receiving retirement benefits from the PERS, HPRS and Judges retirement under Chapter 27-17 of the North Dakota Century Code. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the credit is expanded to also include any eligible health, prescription drug plan, dental, vision, and long-term care plan premium expense. The cost to administer the pension plan is financed through the contributions and investment earnings of the plan. The Retiree Health Insurance Credit Fund is advance funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Board consists of a Chairman, who is appointed by the Governor; three members appointed by the Governor; four members of the legislative assembly appointed by the chairman of the legislative management; and three members elected by the active membership of the NDPERS system.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 is replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service.

For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service, the surviving spouse will be entitled to a single payment refund, life-time monthly payment in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's beneficiary.

Eligible members, who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Contributions

Upon termination, if a member is not vested (is not 65 or does not have three years of service credited for the NDPERS) they will receive the accumulated member contributions plus interest, or may elect to receive this amount at a later date. If a member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contributions and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. During the 1983-1985 biennium the State of North Dakota implemented the employer pickup provision of the IRS code whereby a portion or all of the required member contributions are made by the employer. RIO, as the employer, is paying 4% of the member contribution. Employer contributions are set by statute.

Contribution rates are established as a percent of covered compensation as follows:

	Member	Employer
Members first enrolled prior to January 1, 2020	7.00%	7.12%
Members first enrolled after January 1, 2020	7.00%	8.26%
Members returning to the DB Plan as a result of Senate Bill 2015	9.00%	7.12%

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is $25 and the maximum may not exceed the following:

1 to 12 months of service – Greater of one percent of monthly salary or $25
13 to 24 months of service – Greater of two percent of monthly salary or $25
25 to 36 months of service – Greater of three percent of monthly salary or $25
Longer than 36 months of service – Greater of four percent of monthly salary or $25

OPEB Benefits

The employer contribution is set by statute at 1.14% of covered compensation. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020 members first enrolled in the NDPERS main system and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the part a closed plan.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

The benefits are equal to $5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

North Dakota Retirement and Investment Office
Notes to the Financial Statements
June 30, 2025 and 2024

Pension & OPEB Liabilities, Pension & OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions & OPEB

At June 30, 2025 and 2024, RIO reported a liability of $4,399,786 and $4,281,321, respectively, for its proportionate share of the net pension and OPEB liability. These amounts are included in the accrued liabilities in the statements of net position. The net pension and OPEB liability were measured as of June 30, 2024 and 2023, and the total pension and OPEB liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation as of that date. RIO's proportion of the net pension liability was based on RIO's share of covered payroll in the pension and OPEB plans relative to the covered payroll of all participating NDPERS Main System and OPEB employers. At June 30, 2024, RIO’s pension plan proportion was 0.228109 percent and as of June 30, 2023, was 0.214521 percent. RIO’s OPEB plan proportion was 0.154314 percent as of June 30, 2024 and was 0. 144851 percent as of June 30, 2023.

RIO recognized pension and OPEB expense of $594,185 and $416,820 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, RIO reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Differences between expected and actual experience	$ 204,215	$ 137,381	$ 1,025	$ 24,470
Changes in assumptions	1,048,490	2,311,803	1,945,169	3,151,703
Net differences between projected and actual earnings on plan investments	-	118,994	43,997	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,059,589	1,176,734	8,466	40,675
Employer contributions subsequent to the measurement date	298,322	261,984	-	-
Total	$ 2,610,616	$ 4,006,896	$ 1,998,657	$ 3,216,848

Deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date in the amount of $298,322 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30	
2026	$ (94,648)
2027	474,758
2028	(57,333)
2029	(9,140)
2030	-
	$ 313,637

Actuarial assumptions
The total pension and OPEB liabilities in the July 1, 2025 and 2024 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

2024 & 2023 - Pension Plan

Inflation	2.25%
Salary Increase (Payroll Growth)	3.5% to 17.75%, including inflation
Investment Rate of Return	6.50%, net of investment expense
Cost-of-living Adjustments	None

For active members, inactive members and healthy retirees in both 2024 and 2023, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

2024 & 2023 - OPEB Plan

Inflation	2.25%
Salary Increase (Payroll Growth)	Not applicable.
Investment Rate of Return	5.75%, net of investment expense
Cost of Living Adjustments	None

For active members, inactive members and healthy retirees in both 2024 and 2023, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

The long-term expected rate of return on pension and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocations are summarized in the following tables:

2024 - Pension Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58%	5.6%
Global Fixed Income	23%	2.9%
Global Real Assets	19%	6.1%

2023 - Pension Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58%	6.9%
Global Fixed Income	23%	2.5%
Global Real Assets	19%	4.3%

2024 - OPEB Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	33%	4.0%
Small Cap Domestic Equity	6%	6.0%
International Equity	26%	7.0%
Core-Plus Fixed Income	35%	3.3%

2023 - OPEB Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	33%	6.1%
Small Cap Domestic Equity	6%	7.1%
International Equity	26%	6.5%
Core-Plus Fixed Income	35%	2.6%

Discount rate

For pension plans, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate (SDR) that reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For 2024, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97% (based on the most recent date available on or before the measurement date of the “20-year Municipal GO Index” from Fidelity); and the resulting Single Discount Rate is 6.50%.

For 2023, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.69% (based on the most recent date available on or before the measurement date of the “20-year Municipal GO Index” from Fidelity); and the resulting Single Discount Rate is 6.50%.

The discount rate used to measure the total OPEB liability for 2024 and 2023 was 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2024 OPEB actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current OPEB members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability for both years.

Sensitivity of the Employer's proportionate share of the net pension and OPEB liability to changes in the discount rate

The following presents RIO’s proportionate share of the net pension and OPEB liability calculated using the current discount rate, as well as what the RIO’s proportionate share of the net pension and OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2025

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
RIO's net pension liability	$ 6,029,504	$ 4,266,450	$ 2,804,231

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RIO's net OPEB liability	182,237	133,336	92,149

2024

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
RIO's net pension liability	$ 5,703,248	$ 4,136,506	$ 2,836,772

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RIO's net OPEB liability	190,322	144,815	106,503

Sensitivity for Healthcare Cost Trend Rates

The benefit provided by the North Dakota retiree health insurance credit fund is a fixed dollar subsidy and is not affected by the healthcare cost trend. Therefore, a sensitivity analysis was not performed.

Pension and OPEB plan fiduciary net position

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued NDPERS Annual Comprehensive Financial Report. This report can be accessed on the NDPERS website at https://www.ndpers.nd.gov/about/financial-actuarial-reports/annual-report-archive

Note 9 - Related Parties

As stated in Note 1, RIO is an agency of the State of North Dakota; as such, other agencies of the state are related parties.

REQUIRED SUPPLEMENTARY INFORMATION

North Dakota Retirement and Investment Office
Required Supplementary Information
For Fiscal Year Ended June 30, 2025

Schedule of Changes in Net Pension Liability and Related Ratios
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years
(Dollars in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 107,903	$ 100,869	$ 96,101	92,336	$ 87,088	$ 80,591	$ 77,756	$ 78,041	$ 75,476	$ 68,239
Interest	338,717	325,552	318,879	311,929	300,698	306,791	296,876	287,375	276,412	265,440
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(38,086)	32,437	(55,450)	(8,505)	8,366	(20,732)	(23,495)	(27,939)	(10,749)	(8,093)
Changes of assumptions	44,164	-	-	-	-	51,813	-	-	-	-
Benefit payments, including refunds of member contributions	(283,897)	(277,661)	(262,282)	(251,847)	(241,128)	(230,851)	(221,228)	(207,979)	(196,516)	(185,969)
Net change in total pension liability	168,801	181,197	97,248	143,913	155,024	187,612	129,909	129,498	144,623	139,617
Total pension liability - beginning	4,758,418	4,577,221	4,479,973	4,336,060	4,181,036	3,993,424	3,863,515	3,734,017	3,589,394	3,449,777
Total pension liability - ending (a)	$ 4,927,219	$ 4,758,418	$ 4,577,221	4,479,973	$ 4,336,060	$ 4,181,036	$ 3,993,424	$ 3,863,515	$ 3,734,017	$ 3,589,394
Plan fiduciary net position										
Contributions - employer	$ 110,989	$ 108,088	$ 102,308	100,331	$ 98,264	$ 93,032	$ 89,445	$ 86,676	$ 86,059	$ 82,840
Contributions - member	102,186	99,610	94,284	92,462	90,557	85,735	82,429	79,878	79,309	76,343
Contributions - purchased service credit	1,143	1,196	1,109	2,017	2,559	2,175	1,917	2,181	2,553	2,768
Contributions - other	564	88	(10)	25	126	159	159	194	236	45
Net investment income	370,842	249,092	217,471	(198,881)	684,173	86,206	135,043	211,345	266,688	8,239
Benefit payments, including refunds of member contributions	(283,897)	(277,661)	(262,282)	(251,847)	(241,128)	(230,851)	(221,228)	(207,979)	(196,516)	(185,969)
Administrative expenses	(4,087)	(3,313)	(2,891)	(2,592)	(2,678)	(2,095)	(2,251)	(2,129)	(2,173)	(1,852)
Net change in plan fiduciary net position	297,740	177,100	149,989	(258,485)	631,873	34,361	85,514	170,166	236,156	(17,586)
Plan fiduciary net position - beginning *	3,351,009	3,173,909	3,023,920	3,282,405	2,650,532	2,616,171	2,530,657	2,360,491	2,124,335	2,141,921
Plan fiduciary net position - ending (b)	$ 3,648,749	$ 3,351,009	$ 3,173,909	3,023,920	$ 3,282,405	$ 2,650,532	$ 2,616,171	$ 2,530,657	$ 2,360,491	$ 2,124,335
Plan's net pension liability - ending (a) - (b)	$ 1,278,470	$ 1,407,409	$ 1,403,312	1,456,053	$ 1,053,655	$ 1,530,504	$ 1,377,253	$ 1,332,858	$ 1,373,526	$ 1,465,059
Plan fiduciary net position as a percentage of the total pension liability	74.1%	70.4%	69.3%	67.5%	75.7%	63.4%	65.5%	65.5%	63.2%	59.2%
Covered payroll	870,522	847,923	802,413	786,912	770,700	729,661	701,528	679,809	674,971	649,725
Plan's net pension liability as a percentage of covered payroll	146.9%	166.0%	174.9%	185.0%	136.7%	209.8%	196.3%	196.1%	203.5%	225.5%

Notes to Schedule:

Changes of assumptions:
Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

North Dakota Retirement and Investment Office
Required Supplementary Information
For Fiscal Year Ended June 30, 2025

Schedule of Employer Contributions
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years
(Dollars in thousands)

Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	$ 108,815	$ 110,989	$ (2,174)	$ 870,522	12.75%
2024	105,990	108,088	(2,098)	847,923	12.75%
2023	97,252	102,308	(5,056)	802,413	12.75%
2022	97,341	100,331	(2,990)	786,912	12.75%
2021	101,655	98,264	3,391	770,700	12.75%
2020	93,688	93,032	656	729,661	12.75%
2019	90,778	89,445	1,333	701,528	12.75%
2018	88,307	86,676	1,631	679,809	12.75%
2017	89,231	86,059	3,172	674,971	12.75%
2016	84,724	82,840	1,884	649,725	12.75%

Notes to Schedule

Valuation Date: Actuarially determined contributions for each fiscal year are based on the actuarial valuation as of the beginning of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years as of July 1, 2024
Asset valuation method	5-year smoothed market
Inflation	2.30%
Salary increases	Composed of 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.
Investment rate of return	7.25%
Retirement age	Experience-based tables of rates based on age and gender
Mortality	Post-retirement Non-Disabled: 104% of the Pub T-2010 Retiree Table and 95% of the Pub T-2010 Contingent Survivor Table with generational mortality improvement using Scale MP-2019. Disabled: Pub NS-2010 Retiree Table with generational mortality improvement using Scale MP-2019.

North Dakota Retirement and Investment Office
Required Supplementary Information
For Fiscal Year Ended June 30, 2025

Schedule of Investment Returns
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years

ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSES

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
11.32%	8.02%	7.35%	-6.17%	26.36%	3.37%	5.46%	9.15%	12.81%	0.39%

North Dakota Retirement and Investment Office
Required Supplementary Information
For Fiscal Year Ended June 30, 2025

Schedule of Employer's Share of Net Pension and OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*
(Dollars in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RIO's proportion of NDPERS net pension liability (asset)	0.228109%	0.214521%	0.150263%	0.141582%	0.140747%	0.151523%	0.153507%	0.156317%	0.152969%	0.145546%
RIO's proportion of NDPERS net OPEB liability (asset)	0.154314%	0.144851%	0.105029%	0.132262%	0.122537%	0.141245%	0.144121%	0.147503%		
RIO's proportionate share of NDPERS net pension liability (asset)	$ 4,266	$ 4,137	$ 4,328	$ 1,476	$ 4,428	$ 1,776	$ 2,591	$ 2,513	$ 1,491	$ 990
RIO's proportionate share of NDPERS net OPEB liability (asset)	133	145	126	74	103	113	114	117		
RIO's covered payroll	$ 2,977	$ 2,286	$ 1,605	$ 1,843	$ 1,631	$ 1,584	$ 1,567	$ 1,596	$ 1,507	$ 1,377
RIO's proportionate share of NDPERS net pension liability (asset) as a percentage of its covered payroll	143.31%	180.95%	269.64%	80.087%	271.49%	112.12%	165.35%	157.46%	98.94%	71.90%
RIO's proportionate share of NDPERS net OPEB liability (asset) as a percentage of its covered payroll	4.48%	6.33%	7.85%	3.99%	6.32%	7.16%	7.28%	7.31%		
NDPERS Plan fiduciary net position as a percentage of the total pension liability	68.02%	65.31%	54.47%	78.26%	48.91%	71.66%	62.80%	61.98%	70.46%	77.15%
NDPERS Plan fiduciary net position as a percentage of the total OPEB liability	68.35%	62.74%	56.28%	76.63%	63.38%	63.13%	61.89%	59.78%		

*Complete data for this schedule is not available prior to 2018 for OPEB liability.

Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

North Dakota Retirement and Investment Office
Required Supplementary Information
For Fiscal Year Ended June 30, 2025

Schedule of Employer Pension and OPEB Contributions
ND Public Employees Retirement System
Last 10 Years*
(Dollars in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RIO's Statutorily required pension contributions	$ 280	$ 244	$ 174	$ 119	$ 131	$ 116	$ 113	$ 112	$ 114	$ 107
RIO's Statutorily required OPEB contributions	18	18	15	14	21	19	18	18	18	
RIO's pension contributions in relation to the statutory required contribution	280	244	174	119	131	116	113	112	114	107
RIO's OPEB contributions in relation to the statutory required contribution	18	18	15	14	21	19	18	18	18	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RIO's Covered payroll	$ 3,229	$ 2,977	$ 2,286	$ 1,605	$ 1,843	$ 1,631	$ 1,584	$ 1,567	$ 1,596	$ 1,507
RIO's pension contributions as a percentage of covered payroll	8.68%	8.19%	7.62%	7.40%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%
RIO's OPEB contributions as a percentage of covered payroll	0.56%	0.61%	0.65%	0.86%	1.14%	1.14%	1.14%	1.14%	1.14%	

*Complete data for this schedule is not available prior to 2017 for OPEB contributions.

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North Dakota Retirement and Investment Office
Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds
June 30, 2025 (with Summarized Comparative Totals for 2024)

	Pension Pool Participants					Insurance Pool Participants				
	Public Employees Retirement System	Bismarck City Employee Pension Plan	Bismarck City Police Pension Plan	City of Grand Forks Employee Pension Plan	City of Grand Forks Park District	Workforce Safety & Insurance	State Fire & Tornado	State Bonding	Petroleum Tank Release Comp. Fund	Insurance Regulatory Trust Fund
Assets:										
Investments										
Global equities	$2,942,630,418	$66,185,977	$31,379,188	$49,718,740	$5,332,725	$477,450,728	$6,497,390	$ -	$ -	$1,027,912
Global fixed income	1,138,499,611	49,042,939	18,223,780	20,272,744	2,527,086	1,409,188,838	10,899,687	2,280,059	3,302,845	1,221,754
Global real assets	740,707,348	24,550,026	10,130,716	11,471,030	1,799,141	361,615,478	-	-	-	-
In State Investments	-	-	-	-	-	-	-	-	-	-
Cash equivalents	33,973,652	220,363	95,850	170,639	24,140	9,175,423	1,835,995	1,770,593	3,166,575	1,124,954
Total investments	4,855,811,029	139,999,305	59,829,534	81,633,153	9,683,092	2,257,430,467	19,233,072	4,050,652	6,469,420	3,374,620
Invested sec lending collateral	45,423,284	1,610,511	652,916	790,013	155,803	19,026,317	150,001	30,009	43,687	21,169
Investment income receivable	11,716,081	370,478	142,935	144,894	32,055	11,213,003	148,427	31,948	66,047	30,512
Operating Cash	253,949	-	-	-	-	149,478	1,788	1,147	1,737	943
Miscellaneous receivable	15,190	-	-	-	-	7,335	63	14	21	1
Due from other state agencies	622	-	-	-	-	300	3	-	1	-
Total assets	4,913,220,155	141,980,294	60,625,385	82,568,060	9,870,950	2,287,826,900	19,533,354	4,113,770	6,580,913	3,427,245
Deferred outflows of resources										
Related to pensions	287,805	-	-	-	-	182,604	2,012	315	571	247
Liabilities:										
Investment expenses payable	3,302,684	100,438	42,290	53,534	7,585	1,377,655	11,894	1,861	2,744	1,662
Securities lending collateral	45,423,284	1,610,511	652,916	790,013	155,803	19,026,317	150,001	30,009	43,687	21,169
Accounts payable	148,074	-	-	-	-	69,200	601	127	204	7
Accrued expenses	616,435	-	-	-	-	376,169	4,466	687	1,297	254
Miscellaneous payable	-	15,407	6,560	8,768	1,068	-	-	-	-	-
Due to other state funds	-	-	-	-	-	-	-	-	-	-
Due to other state agencies	5,742	-	-	-	-	2,772	24	5	8	-
Total liabilities	49,496,219	1,726,356	701,766	852,315	164,456	20,852,113	166,986	32,689	47,940	23,092
Deferred inflows of resources										
Related to pensions	256,638	-	-	-	-	155,101	1,612	263	439	269
Fiduciary net position held in trust for external investment pool participants	$ 4,863,755,103	$ 140,253,938	$ 59,923,619	$ 81,715,745	$ 9,706,494	$ 2,267,002,290	$ 19,366,768	$ 4,081,133	$ 6,533,105	$ 3,404,131
Each participant unit is valued at $1.00										
Participant units outstanding	4,863,755,103	140,253,938	59,923,619	81,715,745	9,706,494	2,267,002,290	19,366,768	4,081,133	6,533,105	3,404,131

North Dakota Retirement and Investment Office

Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds
June 30, 2025 (with Summarized Comparative Totals for 2024)

Insurance Pool Participants

Cultural Endowment Fund	Risk Mgmt	Risk Mgmt Workers' Comp	ND Veterans' Cemetery Trust Fund	ND Ass'n. of Counties Fund	PERS Group Insurance	Budget Stabilization Fund	City of Bismarck Deferred Sick Leave	City of Fargo FargoDome Fund	State Board of Medicine	Lewis & Clark Interpretive Center Endowment	Arts Across the Prairie Maintenance Endwoment	Attorney General Settlement Fund
$349,118	$1,356,420	$1,145,299	$268,397	$ -	$ -	$ -	$267,350	$23,332,688	$1,450,690	$343,725	$935,741	$ -
252,213	3,101,463	1,947,358	192,245	-	56,923,358	963,739,901	616,244	18,475,087	3,572,276	654,384	406,144	228,240
32,371	-	-	80,781	-	-	-	-	4,990,156	317,514	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
21,091	198,788	90,844	10,721	580	2,503,300	10,159,784	39,803	226,320	58,410	11,327	42,051	413
654,793	4,656,671	3,183,501	552,144	580	59,426,658	973,899,685	923,397	47,024,251	5,398,890	1,009,436	1,383,936	228,653
3,722	42,802	27,326	3,007	-	1,189,184	20,147,422	8,384	460,543	48,918	9,427	6,883	4,950
407	52,089	9,231	333	1	390,862	7,004,630	2,266	45,274	5,316	746	(285)	11,997
330	1,443	1,275	-	-	-	58,017	-	-	-	-	2,662	-
2	15	11	-	-	-	3,235	-	-	-	-	4	-
-	1	-	-	-	-	133	-	-	-	-	-	-
659,254	4,753,021	3,221,344	555,484	581	61,006,704	1,001,113,122	934,047	47,530,068	5,453,124	1,019,609	1,393,200	245,600
45	414	350	-	-	-	38,314	-	-	-	-	29	-
400	3,288	2,242	323	-	25,155	423,007	610	38,924	3,506	723	872	114
3,722	42,802	27,326	3,007	-	1,189,184	20,147,422	8,384	460,543	48,918	9,427	6,883	4,950
19	143	96	-	-	-	30,481	-	-	-	-	40	-
93	968	845	-	-	-	92,490	-	-	-	-	135	-
-	-	-	194	-	6,964	-	250	5,150	619	250	-	89
-	-	-	-	-	-	32,022,977	-	-	-	-	-	-
1	6	4	-	-	-	1,223	-	-	-	-	2	-
4,235	47,207	30,513	3,524	-	1,221,303	52,717,600	9,244	504,617	53,043	10,400	7,932	5,153
38	334	246	-	-	-	52,497	-	-	-	-	(33)	-
$ 655,026	$ 4,705,894	$ 3,190,935	$ 551,960	$ 581	$ 59,785,401	$ 948,381,339	$ 924,803	$ 47,025,451	$ 5,400,081	$1,009,209	$ 1,385,330	$ 240,447
655,026	4,705,894	3,190,935	551,960	581	59,785,401	948,381,339	924,803	47,025,451	5,400,081	1,009,209	1,385,330	240,447

North Dakota Retirement and Investment Office
Combining Statement of Net Position – Investment Trust Funds – Fiduciary Funds
June 30, 2025 (with Summarized Comparative Totals for 2024)

	Insurance Pool Participants					Individual Investment Accounts		Totals	
	ND University System Capital Building Fund	Water Project Stabilization Fund	OPIOID Settlement Fund	ND State Historical Society	Legacy Fund	Job Service of North Dakota	PERS Retiree Health Credit Fund	2025	2024
Assets:									
Investments									
Global equities	$ -	$ -	$ -	$ -	$6,954,584,764	$16,847,794	$136,732,646	$ 10,717,837,710	$ 9,512,487,152
Global fixed income	-	-	16,934,844	890,742	3,721,778,839	67,137,033	68,634,974	7,580,944,688	6,871,538,198
Global real assets	-	-	-	-	1,053,401,220	-	-	2,209,095,781	2,050,151,692
In State Investments	-	-	-	-	468,022,144	-	-	468,022,144	408,303,484
Cash equivalents	57	154,800,686	48,496	1,096	780,654,402	595,239	226,619	1,001,248,211	170,667,778
Total investments	57	154,800,686	16,983,340	891,838	12,978,441,369	84,580,066	205,594,239	21,977,148,534	19,013,148,304
Invested sec lending collateral	-	-	351,730	-	139,469,664	-	-	229,677,672	166,096,162
Investment income receivable	-	185,741	13,725	3,107	40,431,636	914	3,137	72,057,507	63,445,669
Operating Cash	-	34,942	4,391	-	629,425	-	-	1,141,527	1,032,821
Miscellaneous receivable	-	508	56	-	39,876	-	-	66,331	38,637
Due from other state agencies	-	21	2	-	1,634	-	-	2,717	-
Total assets	57	155,021,898	17,353,244	894,945	13,159,013,604	84,580,980	205,597,376	22,280,094,288	19,243,761,593
Deferred outflows of resources									
Related to pensions	-	(5,575)	(615)	-	574,772	-	-	1,081,288	1,965,412
Liabilities:									
Investment expenses payable	-	7,093	7,234	74	6,797,243	134,763	291,834	12,639,752	8,117,911
Securities lending collateral	-	-	351,730	-	139,469,664	-	-	229,677,672	166,096,162
Accounts payable	-	4,790	528	-	417,869	-	-	672,179	373,591
Accrued expenses	-	4,692	517	-	1,293,287	-	-	2,392,335	2,150,014
Miscellaneous payable	-	-	-	250	-	9,762	22,223	77,554	45,641
Due to other state funds	-	-	-	-	-	-	-	32,022,977	58,328,500
Due to other state agencies	-	192	21	-	15,073	-	-	25,073	11,539
Total liabilities	-	16,767	360,030	324	147,993,136	144,525	314,057	277,507,542	235,123,358
Deferred inflows of resources									
Related to pensions	-	(5,991)	(661)	-	462,512	-	-	923,264	1,704,875
Fiduciary net position held in trust for external investment pool participants	$ 57	$ 155,005,547	$ 16,993,260	$ 894,621	$ 13,011,132,728	$ 84,436,455	$ 205,283,319	$ 22,002,744,770	$ 19,008,898,772
Each participant unit is valued at $1.00									
Participant units outstanding	57	155,005,547	16,993,260	894,621	13,011,132,728	84,436,455	205,283,319	22,002,744,770	19,008,898,772

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North Dakota Retirement and Investment Office
Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds
Year Ended June 30, 2025 (with Summarized Comparative Totals for 2024)

	Pension Pool Participants					Insurance Pool Participants				
	Public Employees Retirement System	Bismarck City Employee Pension Plan	Bismarck City Police Pension Plan	City of Grand Forks Employee Pension Plan	City of Grand Forks Park District Pension Plan	Workforce Safety & Insurance	State Fire & Tornado	State Bonding	Petroleum Tank Release Comp. Fund	Insurance Regulatory Trust Fund
Additions:										
Investment income:										
Net change in fair value of investments	$ 450,678,656	$ 11,627,992	$ 5,250,301	$ 8,069,376	$ 843,158	$ 127,482,503	$ 1,149,764	$ 76,175	$ 111,342	$ 197,766
Interest, dividends and other income	76,701,979	2,701,290	1,064,115	1,301,331	191,085	61,388,258	507,054	156,921	254,585	67,276
	527,380,635	14,329,282	6,314,416	9,370,707	1,034,243	188,870,761	1,656,818	233,096	365,927	265,042
Less investment expenses	8,302,354	291,074	122,723	157,990	21,611	3,844,337	34,570	3,573	5,270	2,907
Net investment income	519,078,281	14,038,208	6,191,693	9,212,717	1,012,632	185,026,424	1,622,248	229,523	360,657	262,135
Securities lending activity:										
Securities lending income	392,144	11,798	5,038	6,597	1,409	162,889	1,789	232	338	177
Less Securities lending expenses	(78,339)	(2,357)	(1,007)	(1,318)	(282)	(32,520)	(356)	(48)	(68)	(34)
Net securities lending income	313,805	9,441	4,031	5,279	1,127	130,369	1,433	184	270	143
Purchase of units ($1 per unit)	65,000,000	-	-	3,488,007	533,448	6,000,000	4,200,000	-	-	3,050,000
Total Additions	584,392,086	14,047,649	6,195,724	12,706,003	1,547,207	191,156,793	5,823,681	229,707	360,927	3,312,278
Deductions:										
Administrative Expenses	1,421,919	-	-	-	-	689,315	6,256	1,292	1,944	804
Redemption of units ($1 per unit)	60,150,000	3,500,000	750,000	8,457,338	604,729	56,000,000	2,900,000	-	-	4,700,000
Total Deductions	61,571,919	3,500,000	750,000	8,457,338	604,729	56,689,315	2,906,256	1,292	1,944	4,700,804
Change in fiduciary net position	522,820,167	10,547,649	5,445,724	4,248,665	942,478	134,467,478	2,917,425	228,415	358,983	(1,388,526)
Fiduciary net position:										
Beginning of year	4,340,934,936	129,706,289	54,477,895	77,467,080	8,764,016	2,132,534,812	16,449,343	3,852,718	6,174,122	4,792,657
End of year	$ 4,863,755,103	$ 140,253,938	$ 59,923,619	$ 81,715,745	$ 9,706,494	$ 2,267,002,290	$ 19,366,768	$ 4,081,133	$ 6,533,105	$ 3,404,131

North Dakota Retirement and Investment Office
Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds
Year Ended June 30, 2025 (with Summarized Comparative Totals for 2024)

Insurance Pool Participants												
Cultural Endowment Fund	Risk Mgmt	Risk Mgmt Workers' Comp	ND Veterans' Cemetery Trust Fund	ND Ass'n of Counties Fund	PERS Group Insurance	Budget Stabilization Fund	City of Bismarck Deferred Sick Leave	City of Fargo FargoDome Fund	State Board of Medicine	Lewis & Clark Interpretive Center Endowment	Arts Across the Prairie Maintenance Endwoment	Attorney General Settlement Fund
$ 52,627	$ 279,484	$ 184,667	$ 46,213	$ 268,894	$ 1,323,237	$ 22,013,097	$ 56,386	$ 3,869,249	$ 301,150	$ 70,199	$ 147,821	$ 17,737
13,496	122,384	69,509	10,358	81,483	2,855,486	40,111,241	24,727	948,588	144,534	25,927	22,436	27,276
66,123	401,868	254,176	56,571	350,377	4,178,723	62,124,338	81,113	4,817,837	445,684	96,126	170,257	45,013
1,536	8,621	5,904	1,657	1,920	84,919	1,127,394	2,632	112,480	10,716	2,516	2,022	1,340
64,587	393,247	248,272	54,914	348,457	4,093,804	60,996,944	78,481	4,705,357	434,968	93,610	168,235	43,673
67	503	280	31	275	5,015	83,882	88	5,543	405	78	75	56
(15)	(99)	(56)	(6)	(55)	(1,003)	(16,759)	(19)	(1,105)	(82)	(12)	(13)	(11)
52	404	224	25	220	4,012	67,123	69	4,438	323	66	62	45
-	250,000	750,000	-	850,000	191,550,000	-	-	-	750,000	-	-	-
64,639	643,651	998,496	54,939	1,198,677	195,647,816	61,064,067	78,550	4,709,795	1,185,291	93,676	168,297	43,718
917	1,532	1,158	-	-	-	293,486	-	-	-	-	986	-
10,000	350,000	-	-	9,057,397	195,375,000	32,022,977	-	1,500,000	150,000	-	-	857,730
10,917	351,532	1,158	-	9,057,397	195,375,000	32,316,463	-	1,500,000	150,000	-	986	857,730
53,722	292,119	997,338	54,939	(7,858,720)	272,816	28,747,604	78,550	3,209,795	1,035,291	93,676	167,311	(814,012)
601,304	4,413,775	2,193,597	497,021	7,859,301	59,512,585	919,633,735	846,253	43,815,656	4,364,790	915,533	1,218,019	1,054,459
$ 655,026	$ 4,705,894	$ 3,190,935	$ 551,960	$ 581	$ 59,785,401	$ 948,381,339	$ 924,803	$ 47,025,451	$ 5,400,081	$ 1,009,209	$ 1,385,330	$ 240,447

North Dakota Retirement and Investment Office
Combining Statement of Changes in Net Position – Investment Trust Funds – Fiduciary Funds
Year Ended June 30, 2025 (with Summarized Comparative Totals for 2024)

	Insurance Pool Participants				Individual Investment Accounts				
	ND University System Capital Building Fund	Water Project Stabilization Fund	OPIOID Settlement Fund	ND State Historical Society	Legacy Fund	Job Service of North Dakota	PERS Retiree Health Credit Fund	Totals 2025	Totals 2024
Additions:									
Investment income:									
Net change in fair value of investments	$ 10,292	$ -	$ 212,329	$ 13,357	$ 1,212,935,627	$ 3,594,719	$ 18,771,349	$ 1,869,655,467	$ 1,312,660,066
Interest, dividends and other income	7,752	6,625,193	616,933	7,905	228,000,053	3,738,864	6,005,871	433,793,910	358,908,756
	18,044	6,625,193	829,262	21,262	1,440,935,680	7,333,583	24,777,220	2,303,449,377	1,671,568,822
Less investment expenses	276	12,381	19,161	1,193	18,318,905	293,708	633,846	33,429,536	32,363,429
Net investment income	17,768	6,612,812	810,101	20,069	1,422,616,775	7,039,875	24,143,374	2,270,019,841	1,639,205,393
Securities lending activity:									
Securities lending income	13	-	1,273	-	1,323,562	-	-	2,003,557	1,441,225
Less Securities lending expenses	(3)	-	(253)	-	(264,504)	-	-	(400,324)	(288,013)
Net securities lending income	10	-	1,020	-	1,059,058	-	-	1,603,233	1,153,212
Purchase of units ($1 per unit)	-	103,714,148	16,186,333	-	717,465,259	-	6,490,000	1,120,277,195	1,410,074,169
Total Additions	17,778	110,326,960	16,997,454	20,069	2,141,141,092	7,039,875	30,633,374	3,391,900,269	3,050,432,774
Deductions:									
Administrative Expenses	-	39,956	4,194	-	3,746,554	-	-	6,210,313	4,071,447
Redemption of units ($1 per unit)	703,605	-	-	-	-	5,305,182	9,450,000	391,843,958	419,359,176
Total Deductions	703,605	39,956	4,194	-	3,746,554	5,305,182	9,450,000	398,054,271	423,430,623
Change in fiduciary net position	(685,827)	110,287,004	16,993,260	20,069	2,137,394,538	1,734,693	21,183,374	2,993,845,998	2,627,002,151
Fiduciary net position:									
Beginning of year	685,884	44,718,543	-	874,552	10,873,738,190	82,701,762	184,099,945	19,008,898,772	16,381,896,621
End of year	$ 57	$ 155,005,547	$ 16,993,260	$ 894,621	$ 13,011,132,728	$ 84,436,455	$ 205,283,319	$ 22,002,744,770	$ 19,008,898,772

North Dakota Retirement and Investment Office
Pension and Investment Trust Funds – Schedule of Administrative Expenses
Years Ended June 30, 2025 and 2024

	Pension Trust		Investment Trust	
	2025	2024	2025	2024
Salaries and wages:				
Salaries and wages	$ 1,174,527	$ 1,121,651	$ 2,787,762	$ 2,194,985
Fringe benefits	589,562	578,547	1,161,349	1,026,873
Total salaries and wages	1,764,089	1,700,198	3,949,111	3,221,858
Operating expenses:				
Travel	35,139	46,573	106,234	91,682
Supplies	1,170	967	2,626	1,117
Postage and Mailing Services	36,902	21,188	2,728	2,395
Printing	11,462	8,823	401	366
Small Office Equipment and Furniture	17,953	869	18,994	3,078
Insurance	630	670	907	798
Rent/Lease of Building Space	47,939	53,868	67,744	51,282
Repairs	50	-	96	-
Information Technology & Communications	182,970	255,577	1,621,930	737,421
Professional Development	35,157	30,704	25,487	21,694
Operating Fees and Services	48,326	29,970	204,807	76,995
Professional Fees and Services	125,928	96,151	124,430	179,295
Consultant Services	682,688	566,587	675,835	184,094
Total operating expenses	1,226,314	1,111,947	2,852,219	1,350,217
Pension trust portion of investment program expenses	591,017	500,628	(591,017)	(500,628)
Depreciation	505,575	-	-	-
Total administrative expenses	4,086,995	3,312,773	6,210,313	4,071,447
Capital assets purchased	2,577,807	2,425,489	-	-
Less - nonappropriated items:				
Consultant Services	296,867	243,662	675,833	184,094
Other operating fees paid under continuing appropriation	317,254	162,277	1,840,747	947,905
Depreciation	505,575		-	-
Retainage Payable	(401,087)	208,078	-	-
Accrual adjustments to employee benefits	172,122	186,011	280,968	281,678
Total nonappropriated items	890,731	800,028	2,797,548	1,413,677
Total appropriated administrative expenses	$ 5,774,071	$ 4,938,234	$ 3,412,765	$ 2,657,770

The accompanying notes are an integral part of these statements.

North Dakota Retirement and Investment Office

Pension and Investment Trust Funds – Schedule of Consultant Expenses

Years Ended June 30, 2025 and 2024

	Pension Trust		Investment Trust	
	2025	2024	2025	2024
Actuary fees:				
Segal Consulting	$ -	$ 11,813	$ -	$ -
GRS Consulting	111,899	94,329	-	-
Total Actuary Fees	111,899	106,142	-	-
Auditing/Accounting fees:				
UHY LLP	81,474	-	42,126	17,182
Weaver	9,833	69,954	46,816	-
Total Auditing/Accounting Fees	91,307	69,954	88,942	17,182
Project Management fees:				
Segal Consulting	359,116	322,923	-	-
Vtech Solution	30,597	-	176,217	-
Voyage Advisors	36,096	-	63,904	-
Total Project Management fees:	425,809	322,923	240,121	-
Disability consulting fees:				
Sanford Health	350	360	-	-
Legal fees:				
K&L Gates LLP	6,699	-	38,580	-
Jackson Walker LLP	37,433	55,223	284,599	141,833
ND Attorney General	9,191	11,985	23,592	25,079
Total legal fees:	53,323	67,208	346,771	166,912
Total consultant expenses	$ 682,688	$ 566,587	$ 675,834	$ 184,094

North Dakota Retirement and Investment Office
Pension and Investment Trust Funds – Schedule of Investment Expenses
Years Ended June 30, 2025 and 2024

	Pension Trust		Investment Trust	
	2025	2024	2025	2024
Investment managers' fees:				
Domestic large cap equity managers	$ 2,882,644	$ 1,454,877	$ 16,241,988	$ 6,973,760
Domestic small cap equity managers	226,616	722,894	1,567,210	4,276,754
International equity managers	1,013,441	964,640	7,581,940	6,836,991
Emerging markets equity managers	141,548	202,742	286,105	322,244
Domestic fixed income managers	1,335,453	1,580,671	7,954,966	8,415,346
Below investment grade fixed income managers	3,049,442	4,150,870	4,181,996	5,751,698
Diversified real assets managers	-	-	22,704,961	7,190,016
Real estate managers	1,901,527	1,400,470	5,751,202	5,238,196
Infrastructure managers	7,106,620	2,414,478	9,321,349	3,169,064
Timber managers	231,685	312,206	278,716	386,680
In State Equity managers	-	-	1,091,081	1,000,000
High Yield Fixed Income managers	-	-	2,131,677	430,648
Private Credit managers	-	-	16,221,248	14,679,449
Private equity managers	5,197,594	3,791,146	7,044,073	6,352,856
Short term fixed income managers	-	-	1,097,112	1,058,705
Cash & equivalents managers	30,169	22,141	29,834	68,979
Balanced account managers	-	-	1,208,994	1,106,726
Total investment managers' fees	$ 23,116,739	$ 17,017,135	$ 104,694,451	$ 73,258,112
Custodian fees	282,463	308,552	1,400,037	1,401,696
Investment consultant fees	171,050	134,638	865,172	703,803
SIB Service Fees	-	-	196,914	137,184
Total investment expenses	$ 23,570,252	$ 17,460,325	$ 107,156,573	$ 75,500,795

Reconciliation of investment expenses to financial statements

	2025	2024	2025	2024
Investment expenses as reflected in the financial statements	$ 5,905,681	$ 6,293,751	$ 33,429,536	$ 32,363,429
Plus investment management fees included in investment income				
Domestic large cap equity managers	2,055,770	914,283	11,193,090	3,758,525
International equity managers	46,566	56,090	1,225,197	1,114,355
Emerging markets equity managers	120,916	165,458	242,910	263,039
Domestic fixed income managers	441,594	693,268	1,638,040	2,274,451
Below investment grade fixed income managers	2,466,647	3,718,416	3,501,566	5,356,901
Diversified real assets managers	-	-	21,153,265	5,186,470
Real estate managers	597,801	(92,056)	1,343,242	241,277
Infrastructure managers	6,584,535	1,777,850	8,636,560	2,333,985
Timber managers	153,148	142,119	186,129	172,726
In State Equity	-	-	962,912	1,000,000
Private Credit Managers			16,221,248	14,679,449
Private equity managers	5,197,594	3,791,146	7,044,073	6,352,856
Cash equivalents	-	-	-	42,895
Balanced account managers	-	-	378,805	360,437
Investment expenses per schedule	$ 23,570,252	$ 17,460,325	$ 107,156,573	$ 75,500,795

North Dakota Retirement and Investment Office
Schedule of Appropriations – Budget Basis – Fiduciary Funds
July 1, 2024 to June 30, 2026 Biennium

	Approved 2023-2025 Appropriation	2023-2025 Appropriation Adjustment	Adjusted 2023-2025 Appropriation	Fiscal 2024 Expenses	Fiscal 2025 Expenses	Unexpended Appropriations
All Fund Types:						
Salaries and wages	$ 8,910,047	$ 1,339,107	$ 10,249,154	$ 4,454,366	$ 5,260,110	$ 534,678
Operating expenses	2,869,937	1,407,623	4,277,560	1,571,236	1,665,134	1,041,190
Capital Assets	-	4,150,214	4,150,214	1,570,402	2,142,446	437,366
Contingency	200,000	-	200,000	-	119,145	80,855
Total	$ 11,979,984	$ 6,896,944	$ 18,876,928	$ 7,596,004	$ 9,186,835	$ 2,094,089

NOTE: *Only those expenses for which there are appropriations are included in this statement.*

Reconciliation of Administrative Expenses to Appropriated Expenditures

	2024	2025
Administrative expenses as reflected in the financial statements	$ 7,384,220	$ 10,297,308
Plus:		
Capitalized software purchases - appropriated	2,425,489	2,577,807
Less appropriated accrual expense		
Retainage Payable	(208,078)	401,087
Less expenses paid under continuing appropriation:		
Consulting Services*	(427,756)	(972,701)
Other operating fees paid under continuing appropriations*	(1,110,182)	(2,158,001)
Depreciation expense	-	(505,575)
Changes in benefit accrual amounts	(467,689)	(453,090)
Total appropriated expenses	$ 7,596,004	$ 9,186,835

* North Dakota Century Code 21-10-06.2 and 15-39.1-05.2 provide authorization for the continuing appropriation.

Investment Section

NORTH Dakota | Retirement & Investment
Be Legendary.

December 12, 2025

Members of the
North Dakota State Investment Board
North Dakota Teachers' Fund for Retirement Board

This report is a summary of the investment portfolios managed by the State Investment Board (SIB) and market environment for the fiscal year ended June 30, 2025.

Introduction

For the fiscal year ended June 30, 2025, the $8.7 billion North Dakota pension investment pool portfolio experienced a net total return of 11.76%. The insurance investment pool, valued at $3.6 billion on June 30, 2025, returned 7.95% (net), during the same time frame. The Legacy Fund valued at $13.0 billion on the last day of the fiscal year returned 12.7% (net) over the same 12 months. The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon fair values and are subject to independent verification.

The pension and insurance investment pools are pooled investment funds. The pension pool was created in 1989 in an effort to realize cost savings by pooling pension assets. The insurance pool was created in 1993 for similar reasons. A list of the participants and their ownership in each pool is provided in this section of the report. The pooled funds' strategies are a proportional reflection of the investment objectives of each of the participating funds. The returns experienced by the individual funds were consistent with their respective investment policies and related asset allocations.

The Legacy Fund was created by a constitutional amendment in 2010. The amendment provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011, be transferred to the Legacy Fund. The first transfer was received in September 2011. Transfers into the Legacy Fund totaled $717.5 million during the fiscal year ended June 30, 2025. Amended by voters in November 2024, the State Constitution now provides for a distribution to the Legacy Earnings Fund. Under NDCC § 54-27-32, the distribution is made on the first of July, the day after the end of the biennium. On July 1, 2025, a transfer of $686.9 million was made.

Investment program details for the participating plans, including investment objectives and a listing of their external investment managers are presented in the Investment Section. The investment program's cost, as measured by expense ratio, is 61 basis points for the pension pool, 22 basis points for the insurance pool, and 50 basis points for the Legacy Fund and includes investment office administrative expenses, consultant fees, money manager fees and master custodian fees. The costs of the investment program compare favorably to those of other public plans and are comparable to the previous year's costs.

Allocation of monthly income and expenses to the participants in the pools is based on a time-weighted beginning balance. A "time factor" and "time-weighted amount" are calculated for each plan based on individual plan-related activities. The time-weighted amounts are added up for all plan-related activities to compose the time-weighted beginning balance used to allocate the activity of the pool. Five-year annualized risk for the period ended June 30, 2025, as measured by standard deviation has been 8.41% for the pension pool, 5.4% for the insurance pool, and 9.29% for the Legacy Fund. Risk exposure for each participating fund is also limited in accordance with the guidelines presented in the Investment Section.

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2025 Summary

Risk assets delivered very strong performance over the past year, bringing global equities to +16.2% (MSCI ACWI Index). Fixed income assets also finished with strong positive performance, as spreads narrowed and treasury yields moved lower. During this period, markets delivered a bumpy ride throughout elections and a change in U.S. administration, shifting trade policy and tariff announcements which contributed to an April selloff following "Liberation Day," and some Treasury yield volatility due to uncertainty on timing of Federal Reserve rate cuts and fears around the nation's fiscal path. Although investors had expected domestic economic growth to slow in 2025, that slowing has so far proven more moderate than many had feared despite initial tariff concerns. Inflation did not reach the Federal Reserve's 2% goal, but showed some progress, now fluctuating in a 2.5%-3.0% range. Tariff-driven price increases were observed in specific categories but have so far not been broadly impactful. We expect sticky inflation and generally stronger-than-expected economic conditions to result in fewer rate cuts from the Federal Reserve and a higher-for-longer interest rate environment. The full economic effects of shifting trade policy will likely not be known until later in the year and into 2026.

International equities outperformed U.S. equities, though most of this outperformance was due to currency movements as the dollar fell sharply in the first half of 2025. Outperformance became particularly significant following the April market selloff, but a surprisingly strong rebound from U.S. equities has helped recoup much of that margin.

U.S. Equity

Domestic equities underperformed over the past year (S&P 500 +15.2% vs. MSCI ACWI ex-US +17.7%). Equity gains have been narrow with a handful of mega-cap stocks propelling the index higher. Forward P/E multiples climbed back to high levels, driven by earnings momentum in mega-cap growth stocks, and S&P 500 dividend yield fell to a historic low of 1.3%. Sentiment around artificial intelligence boosted long-term expectations for growth and contributed to investor enthusiasm despite lofty index valuations. A corporate productivity boom fueled by artificial intelligence investments may provide a path to further strong market gains despite elevated valuations, already high profit margins, higher cost of debt, and a moderation of economic growth.

Many investors have attributed this effect to trade policy—specifically aggressive U.S. trade negotiations with a wide variety of trading partners. This presents the U.S. with more trade friction and greater risks to its economy relative to its trading partners that each face trade negotiations with only a single country. During the April selloff, questions circulated around whether U.S. exceptionalism had ended and that non-U.S. assets were set for a comeback. However, this story faded after U.S. markets roared back to new highs in the subsequent months.

International Equity

International developed outperformed U.S. equities over the past year (MSCI EAFE +17.5%), but this was largely due to currency effects from dollar depreciation. European equities led the way among other regions (MSCI Euro +22.2%) during that period, with Germany (MSCI Germany +41.1%) showing impressive gains on optimism that relaxation of government debt limits and stimulus programs could kickstart a new wave of growth via more rapid industrial production and reinvestment.

Emerging market equities also outperformed the U.S. very slightly (MSCI EM +15.3%) fueled by a bounce back in Chinese markets (MSCI China +34.1%). Despite this rally, Chinese equities remain a significant detractor from emerging market performance over the longer-term, as demonstrated by China's -31% total underperformance over the past 10 years relative to the rest of the emerging markets complex (MSCI EM ex-China).

Fixed Income

The 10-year U.S. Treasury yield continues to hover around 4.2%, although yields moved in a very wide range from slightly below 4.0% following April's selloff to 4.6% after Moody's downgraded the U.S. credit rating and fears circulated around the country's fiscal path.

The Federal Reserve kept rates steady again in June in a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are "well positioned to wait" and that there were few signs of economic weakening. Markets are pricing in two rate cuts by the end of 2025, while the U.S. yield curve has returned to an upward sloping shape—the steepest since early 2022 when the Federal Reserve began quickly hiking interest rates. The 10-year U.S. Treasury yield was 0.6% higher than the 2-year yield as of June 30. President Trump continued to place pressure on Powell to cut rates, and discussions are underway for electing a new chair in 2026.

Fixed income assets delivered high single-digit returns over the past year as medium- and shorter-term Treasury yields moved lower and credit spreads tightened. Core fixed income showed a +6.7% return (Bloomberg U.S. Aggregate) while high yield bonds returned +10.4% (Bloomberg U.S. Corporate High Yield). Despite increased borrowing costs, credit default activity has remained muted with no defaults occurring in June, which was only the third instance of no monthly defaults since 2022. Loans continued to surpass bonds in both default and distressed activity. High yield bond default rates rose 21 bps to 1.4% during Q2, well below the long-term annual average of over 3.0%. Loan default rates, by comparison, dropped slightly to 3.8%. High yield credit spreads tightened from 3.2% to 2.9% while investment grade spreads narrowed from 0.9% to 0.8%.

Commodities

The Bloomberg Commodity Index delivered robust returns over the past year, up +5.8%. Gold and Copper delivered an incredible rally during the period followed by Natural Gas. Central bank purchases, easing global monetary policy, and geopolitical tensions were likely tailwinds to gold prices, as well as the concern around fiscal situations of various global governments. Commodity futures curves have been in backwardation recently which has allowed for more positive total returns from the asset class.

Currency

In a reversal of 2024 trends, a depreciating U.S. dollar resulted in very significant volatility and gains for investors without a currency-hedging program in place. The dollar has fallen approximately -10% year-to-date which contributed to a +11.6% return to international developed equities (MSCI EAFE). Over the fiscal year ending June 30, unhedged currency exposure added +7.4% to international developed equity returns and +2.3% to emerging market equities (MSCI EM). While it is difficult to attribute currency movements to individual causes, it is reasonable to assume that shifting trade policy, a weakening economy, and expectations for Federal Reserve rate cuts have had an impact on the recent dollar path.

Private Equity

Private markets have broadly faced a period of underperformance or mild outperformance relative to public markets, though this poor performance is mostly unrealized given the long-term nature of private markets. Direct private equity funds outperformed public markets by only +0.6% annualized over the past five years and +1.2% annualized over the past decade, ending December 31 (FTSE U.S. Direct Private Equity vs. Russell 3000 on a PME basis) while private real estate returns outperformed REITs by +0.1% annualized over the past five years and +2.3% annualized over the past decade (FTSE U.S. Real Estate Index vs. Wilshire REIT Index on a PME basis). Private natural resource funds outperformed the public market index by +0.6% annualized over the past five years and underperformed by -0.9% annualized over the past decade (FTSE Global Natural Resources vs. MSCI World Natural Resources on a PME basis).

If the very strong rally in public markets were to moderate, this could bring private asset performance more in line with historical trends. We continue to believe that private market investments offer structural advantages that will deliver for investors over a longer-term period.

Private equity outperformed public equity (+14.0% versus +10.3% for the Russell 3000 Index PME) for the year ending March 31, on a public market equivalent basis. Fundraising has slowed, with approximately $193 billion raised in Q1 across global private equity markets compared to $225 billion raised over the same period during 2024. Deal count was substantially less, at 296 relative to 445 during the same period last year. In 2024, funds in the quickest top quartile were raised in 11.1 months. In 2024, this sped up to 9.0 months. The median fund took 18.7 relative to 19.1 months the year prior.

Private Credit

Private credit returned +10.2% for the year ending March 31. A majority of this return is attributable to income, given that private loans have floating rate coupons. This compared to a +7.7% return from U.S. high yield bonds (Bloomberg U.S. High Yield Index) and +7.0% return from bank loans (S&P UBS Leveraged Loans).

Fundraising in closed-end vehicles rebounded substantially, at $68.7 billion during Q1 across 42 funds, relative to $30.4 billion the same period of 2024 across 25 funds.

Real Estate

NFI-ODCE total return gross of fees for Q1 2025 was +1.1%, similar to +1.2% in the previous quarter, and up from -2.4% a year ago. For the one-year ending March 30, 2025, the NFI-ODCE total return gross of fees was +2.0%, comprised of 4.2% income and a -2.1% price appreciation return, a significant improvement from recent years of deep losses. The index consists of 25 funds totaling $278 billion of gross real estate assets. Investors' net outflows continued at -$1.7 billion being pulled out during Q1, which compared to -$3.4 billion last quarter.

Outlook

The U.S. economy remains relatively strong—a stable labor market and consumer spending trends suggest a low chance of recession in 2025. Tariff inflation effects appear very small so far, though more effects will likely show in the coming quarters. Domestic risk asset pricing fully reflects this good outcome, and we are back to an environment where high prices may temper investor enthusiasm to take much more risk than policy.

We expect moderate positive growth in 2025 with no recession. Inflation may rise to around 3%-3.5% by end of year due to tariffs and other price pressures traditionally associated with good economic growth. We do not believe that this would be enough inflation to spook markets or to cause major disruptions. The labor market will likely continue to show mixed signals but remain generally stable with less hiring and possibly signs of growing labor productivity which could add to investor sentiment. Earnings forecasts, which are currently high (+10.3% earnings growth for 2025) could further propel U.S. equities despite high valuations.

Summary

Both public equity and fixed income markets provided good returns this past year. The equity market had a return of 15.9% and the fixed income market returned 6.1% as measured by the industry standard benchmarks of the MSCI ACWI IMI index and the Bloomberg Aggregate.

As public markets returns improved, real estate returns as represented by an industry standard NCREIF Property Index, was up +2.0% for the year ending March 2025. The market is beginning to recover but the returns continue to be low compared to history. Private equity and Private credit had a strong return of 10.3% and +10.2% respectively for the year ending March 31st.

The Pension Pool, Insurance Pool and Legacy Fund one-year returns for the period ending June 30, 2025, were 11.8%, 7.9%, and 12.7% respectively. Over the five-year period ending June 30, 2025, the Pension Pool, Insurance Pool and Legacy Fund generated net investment returns of 9.2%, 3.6%, and 8.3% respectively. The Pension Pool outperformed its policy benchmark by 50 basis points, the Insurance Pool outperformed its benchmark by 90 basis points, and the Legacy Fund outperformed its policy benchmark by 100 basis points. All in all, the State Investment Board (SIB) is pleased with longer-term performance.

The US economy is growing at an above trend pace fueled by Infrastructure investments related to the AI buildout. Inflation remains sticky, with the CPI inflation measure at about 3% but quite a bit lower than the inflation rate of the previous two years. The Federal Reserve has lowered its target rate by 1.5%, which is generally good for investment returns. The major risks continue to be higher than average valuations in both the equity and credit markets, fiscal deficits and global conflicts.

The funds in SIB's care are invested with a long-term view in mind, expecting some years to have lower returns and other years to have higher returns. A diligent investment process is used to allocate the funds to balance the risks under an assumed range of return scenarios and to select, size and monitor manager mandates in a sound fiduciary manner. The SIB and our staff are focused on prudently managing the portfolios in our care.

Sincerely,

SCOTT ANDERSON, CFA

Chief Investment Officer

INVESTMENT PERFORMANCE SUMMARY
JUNE 30, 2025

PENSION POOL PARTICIPANTS	Fair Value	% of Pool	Rates of Return (net of fees) For Fiscal Year Ended 6/30					Annualized				
			2025	2024	2023	2022	2021	3 Years	5 Years	10 Years	20 Years	30 Years
Teachers' Fund for Retirement	3,582,303,323	41.0%	11.42%	8.12%	7.48%	-6.31%	26.54%	9.00%	8.95%	7.55%	6.71%	6.65%
Policy Benchmark			*10.36%*	*8.39%*	*8.23%*	*-6.22%*	*26.26%*	*8.99%*	*8.92%*	*7.38%*	*6.96%*	*6.75%*
Public Employees Retirement System	4,867,527,110	55.7%	12.00%	8.96%	7.98%	-6.66%	27.15%	9.63%	9.36%	7.77%	6.87%	7.01%
Policy Benchmark			*11.01%*	*9.38%*	*8.65%*	*-7.04%*	*25.84%*	*9.68%*	*9.07%*	*7.48%*	*7.06%*	*7.06%*
Bismarck City Employee Pension Fund	140,369,783	1.6%	11.20%	8.00%	7.43%	-5.90%	21.89%	8.87%	8.15%	7.03%	6.51%	6.76%
Policy Benchmark			*9.90%*	*8.04%*	*6.75%*	*-6.75%*	*20.54%*	*8.23%*	*7.34%*	*6.45%*	*6.33%*	*6.48%*
Bismarck City Police Pension Fund	59,972,469	0.7%	11.73%	8.53%	8.26%	-5.96%	23.97%	9.50%	8.89%	7.40%	6.71%	6.81%
Policy Benchmark			*10.39%*	*8.66%*	*7.56%*	*-6.85%*	*22.80%*	*8.86%*	*8.09%*	*6.85%*	*6.60%*	*6.64%*
City of Grand Forks Pension Fund	81,778,046	0.9%	12.66%	10.55%	10.49%	-7.63%	27.55%	11.23%	10.15%	8.27%	*	*
Policy Benchmark			*11.31%*	*10.32%*	*9.90%*	*-8.56%*	*26.91%*	*10.51%*	*9.39%*	*7.76%*		
Grand Forks Park District Pension Fund	9,715,146	0.1%	12.12%	7.87%	7.36%	-7.39%	26.46%	9.10%	8.74%	7.55%	*	*
Policy Benchmark			*10.65%*	*7.98%*	*7.15%*	*-6.80%*	*24.54%*	*8.58%*	*8.24%*	*7.14%*		
Subtotal Pension Pool Participants	$8,741,665,877	100.0%										

INSURANCE POOL PARTICIPANTS	Fair Value	% of Pool	Rates of Return (net of fees) For Fiscal Year Ended 6/30					Annualized				
			2025	2024	2023	2022	2021	3 Years	5 Years	10 Years	20 Years	30 Years
Workforce Safety & Insurance Fund	$2,268,643,470	13.7%	8.71%	5.97%	2.74%	-9.04%	11.57%	5.78%	3.74%	4.86%	5.25%	5.89%
Policy Benchmark			*7.79%*	*4.97%*	*2.36%*	*-8.68%*	*9.19%*	*5.02%*	*2.92%*	*4.06%*	*4.71%*	*5.39%*
State Fire and Tornado Fund	19,381,499	0.1%	10.30%	9.23%	6.61%	-11.36%	15.64%	8.70%	5.65%	5.68%	5.91%	6.20%
Policy Benchmark			*9.16%*	*8.19%*	*5.63%*	*-11.26%*	*13.71%*	*7.65%*	*4.71%*	*4.96%*	*5.20%*	*5.52%*
State Bonding Fund	4,082,600	0.0%	6.09%	5.00%	1.64%	-6.21%	1.64%	4.23%	1.54%	2.53%	2.39%	3.65%
Policy Benchmark			*5.47%*	*3.94%*	*1.17%*	*-5.69%*	*-0.13%*	*3.51%*	*0.88%*	*1.89%*	*1.65%*	*2.97%*
Petroleum Tank Release Compensation Fund	6,535,467	0.0%	6.05%	5.09%	1.85%	-5.56%	1.56%	4.31%	1.71%	2.50%	2.28%	3.53%
Policy Benchmark			*5.40%*	*4.08%*	*1.39%*	*-5.17%*	*-0.11%*	*3.61%*	*1.05%*	*1.90%*	*1.58%*	*2.88%*
Insurance Regulatory Trust Fund	3,405,133	0.0%	8.98%	8.24%	6.76%	-8.72%	12.75%	7.99%	5.32%	5.11%	5.09%	5.44%
Policy Benchmark			*8.42%*	*8.10%*	*5.96%*	*-8.45%*	*11.59%*	*7.49%*	*4.87%*	*4.52%*	*4.49%*	*4.77%*
State Risk Management Fund	4,708,760	0.0%	9.92%	8.98%	6.46%	-10.90%	14.48%	8.44%	5.40%	5.84%	6.10%	5.75%
Policy Benchmark			*8.46%*	*7.98%*	*4.87%*	*-11.40%*	*12.56%*	*7.09%*	*4.14%*	*4.98%*	*5.33%*	*5.36%*
State Risk Management Workers Comp	0	0.0%	9.04%	10.00%	7.06%	-11.17%	17.28%	8.69%	5.99%	6.44%	6.54%	*
Policy Benchmark			*0.00%*	*9.15%*	*6.08%*	*-12.00%*	*15.74%*	*5.01%*	*3.35%*	*5.71%*	*5.87%*	
Cultural Endowment Fund	655,200	0.0%	12.66%	11.05%	9.50%	-10.96%	24.21%	11.06%	8.67%	7.61%	7.18%	*
Policy Benchmark			*10.58%*	*11.06%*	*8.73%*	*-11.76%*	*23.49%*	*10.12%*	*7.79%*	*7.16%*	*6.79%*	
Budget Stabilization Fund	980,904,315	5.9%	6.62%	7.00%	3.13%	-5.51%	3.92%	5.57%	2.93%	2.44%	*	*
Policy Benchmark			*5.92%*	*4.88%*	*0.54%*	*-3.51%*	*0.44%*	*3.75%*	*1.60%*	*1.84%*		
ND Assoc. of Counties (NDACo) Fund	581	0.0%		9.23%	6.28%	-12.31%	15.72%	5.10%	3.33%	*	*	*
Policy Benchmark				*8.11%*	*5.33%*	*-11.79%*	*13.48%*	*4.43%*	*2.65%*			
City of Bismarck Deferred Sick Leave	925,663	0.0%	9.76%	8.38%	5.44%	-11.83%	13.80%	7.84%	4.71%	5.25%	5.72%	*
Policy Benchmark			*8.82%*	*7.15%*	*4.43%*	*-11.48%*	*11.44%*	*6.78%*	*3.73%*	*4.42%*	*4.90%*	
PERS Group Insurance	59,817,520	0.4%	6.59%	6.38%	3.15%	-5.08%	3.63%	5.36%	2.84%	2.32%	1.93%	*
Policy Benchmark			*5.88%*	*4.32%*	*0.68%*	*-3.26%*	*0.41%*	*3.60%*	*1.55%*	*1.85%*	*1.64%*	
State Board of Medicine	5,404,206	0.0%	9.04%	6.88%	3.94%	-10.58%	12.58%	6.60%	4.05%	4.07%	*	*
Policy Benchmark			*8.59%*	*6.14%*	*3.37%*	*-10.17%*	*10.46%*	*6.01%*	*3.40%*	*3.60%*		
City of Fargo FargoDome Permanent Fund	47,069,525	0.3%	12.07%	10.20%	8.87%	-12.50%	22.07%	10.37%	7.51%	6.72%	6.56%	*
Policy Benchmark			*10.30%*	*9.65%*	*7.64%*	*-12.53%*	*21.23%*	*9.19%*	*6.66%*	*6.12%*	*6.09%*	
Lewis & Clark Interpretive Center Endowment	1,010,182	0.0%	10.26%	9.10%	5.99%	-12.93%	15.45%	8.44%	5.09%	*	*	*
Policy Benchmark			*9.51%*	*7.96%*	*5.20%*	*-12.11%*	*13.24%*	*7.54%*	*4.36%*			
Attorney General Settlement Fund	240,650	0.0%	6.97%	7.00%	3.13%	-5.53%	3.92%	5.68%	2.99%	*	*	*
Policy Benchmark			*5.91%*	*4.89%*	*0.56%*	*-3.53%*	*0.44%*	*3.76%*	*1.60%*			
Veterans' Cemetery Trust Fund	552,477	0.0%	10.99%	10.05%	8.00%	-11.54%	21.96%	9.68%	7.32%	*	*	*
Policy Benchmark			*10.75%*	*9.73%*	*7.47%*	*-11.46%*	*20.72%*	*9.31%*	*6.90%*			
NDUS Capital Building Fund	57	0.0%		6.99%	3.13%	*	*	3.34%	*	*	*	*
Policy Benchmark				*4.87%*	*0.56%*			*1.79%*				
Arts Across the Prairie Maintenance Endowment	1,383,651	0.0%	13.84%	14.09%	*	*	*	*	*	*	*	*
Policy Benchmark			*12.96%*	*13.36%*								
Water Project Stabilization Fund	154,986,427	0.9%	4.74%	*	*	*	*	*	*	*	*	*
Policy Benchmark			*4.67%*									
Opioid Settlement Fund	16,997,065	0.1%	1.47%	*	*	*	*	*	*	*	*	*
Policy Benchmark			*1.27%*									
State Historical Society of ND Endowment Funds	894,945	0.0%	0.86%	*	*	*	*	*	*	*	*	*
Policy Benchmark			*0.85%*									
Legacy Fund	13,018,873,005	78.4%	12.70%	10.89%	8.19%	-10.12%	22.68%	10.58%	8.32%	7.11%	*	*
Policy Benchmark			*12.09%*	*9.71%*	*6.82%*	*-10.45%*	*20.65%*	*9.52%*	*7.25%*	*6.40%*		
Subtotal Insurance Pool Participants	$16,596,472,398	100.0%										

INVESTMENT PERFORMANCE SUMMARY
JUNE 30, 2025

	Fair Value	Rates of Return (net of fees) For Fiscal Year Ended 6/30					Annualized				
INDIVIDUAL INVESTMENT ACCOUNTS		2025	2024	2023	2022	2021	3 Years	5 Years	10 Years	20 Years	30 Years
Retiree Health Insurance Credit Fund	$205,597,376	13.34%	12.78%	10.67%	-14.95%	25.57%	12.25%	8.60%	7.38%	6.65%	6.31%
Policy Benchmark		*12.90%*	*12.62%*	*10.16%*	*-14.36%*	*24.19%*	*11.89%*	*8.30%*	*7.35%*	*6.95%*	*6.58%*
Job Service of North Dakota Pension Fund	84,580,983	8.91%	5.91%	3.10%	-6.01%	6.46%	5.95%	3.54%	4.15%	5.15%	5.77%
Policy Benchmark		*8.08%*	*5.14%*	*4.22%*	*-7.91%*	*7.97%*	*5.80%*	*3.32%*	*4.25%*	*5.17%*	

	Fair Value	Rates of Return (net of fees) For Fiscal Year Ended 6/30					Annualized				
		2025	2024	2023	2022	2021	3 Years	5 Years	10 Years	20 Years	30 Years
Total Assets Under Management	$25,628,316,634										
BENCHMARKS											
S&P 500		15.16%	24.56%	19.59%	-10.62%	40.79%	19.71%	16.64%	13.65%	10.73%	9.25%
Bloomberg Aggregate		6.08%	2.63%	-0.94%	-10.29%	-0.33%	2.55%	-0.73%	1.76%	3.09%	4.09%
90 Day T-Bills		4.68%	5.40%	3.59%	0.17%	0.09%	4.56%	2.76%	1.98%	1.69%	2.19%

The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon fair values.

*These categories do not have the specified years of history under SIB management or data is not available.

** Callan median returns are gross of fees due to lack of reporting to the database on a net of fee basis. Please note that all actual fund returns are net of fees.

Note: Asset allocation largely drives investment performance. Each fund has a unique allocation that takes into consideration return objectives, risk tolerance, liquidity constraints and unique circumstances. Such considerations must be taken into account when comparing results.

Columns may not foot due to rounding

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
PENSION INVESTMENT POOL

				Annualized Rates of Return Net of Fees		
	Style	Date Initiated	Fair Value	1 Year	3 Years	5 Years
TOTAL PENSION INVESTMENT POOL			$ 8,741,665,373	11.76%	9.38%	9.17%
Policy Target [1]				*10.90%*	*9.42%*	*9.01%*
TOTAL GLOBAL EQUITY			5,139,120,681	15.49%	15.37%	13.93%
Composite Benchmark [1]				*15.09%*	*15.19%*	*13.94%*
TOTAL PUBLIC EQUITY			4,174,275,524	16.72%	17.34%	13.94%
Composite Benchmark [1]				*15.89%*	*16.75%*	*13.49%*
TOTAL WORLD EQUITY			315,476	*	*	*
Equity Transition			315,476	*	*	*
TOTAL DOMESTIC EQUITY			2,639,879,238	16.46%	19.13%	15.79%
Composite Benchmark [1]				*15.30%*	*18.67%*	*15.73%*
TOTAL DOMESTIC LARGE CAP EQUITY			2,405,368,497	16.37%	20.52%	16.85%
Russell 1000 Index				*15.66%*	*19.59%*	*16.30%*
Parametric Portfolio Associates	Enhanced S&P 500	06/2011	146,469	*	*	*
Los Angeles Capital Management	Structured Growth	08/2003	21,348	*	*	*
Los Angeles Capital Management	Enhanced Russell 1000	08/2000	758,913,256	17.85%	20.79%	17.50%
Northern Trust Asset Management	Collective Russell 1000 Index	10/2022	693,893,776	*	*	*
Northern Trust Asset Management	Enhanced S&P 500	08/2000	97,082	*	*	*
T. Rowe Price	Fundamental Large Core	12//2024	802,737,201	*	*	*
Worldquant Mill	Quantitative Large Core	04/2025	129,165,472	*	*	*
Internal Equity	Internal Direct Equity	03/2025	20,393,894	*	*	*
TOTAL DOMESTIC SMALL CAP EQUITY			106,952,310	5.56%	7.85%	7.97%
Russell 2000 Index				*7.68%*	*10.00%*	*10.04%*
Atlanta Capital Investment Managers	High Quality	04/2016	5,097	*	*	*
Riverbridge Partners, LLC	Small Cap Growth	10/2020	4,991	*	*	*
Northern Trust Asset Management	Collective Russell 2000 Index	10/2022	26,390,687	7.79%	*	*
Victory Capital Management Inc.	Small Cap Value	10/2020	26,827	*	*	
Wellington Trust Company, NA	Fundamental Small Core	12/2024	80,524,708	*	*	*
TOTAL DOMESTIC ALL CAP EQUITY			127,556,868	*	*	*
Russell 3000 Index				*9.72%*	*	*
Two Sigma	Quantitative All Cap Core	07/2024	127,556,868	*	*	*
Domestic Equity Transition Account			1,562	*	*	*
TOTAL INTERNATIONAL EQUITY			1,534,080,811	17.56%	14.92%	10.54%
Composite Benchmark [1]				*17.83%*	*13.90%*	*10.16%*
TOTAL INTERNATIONAL All Cap			663,583,727	*	*	*
MSCI ACWI ex-US IMI (Net)				*11.57%*	*0.19%*	*5.62%*
William Blair Investment Management	Growth-oriented	06/2016	204,987,857	9.63%	11.31%	6.35%
Arrowstreet	Growth-oriented	01/2022	458,595,869	9.63%	11.31%	*
TOTAL INTERNATIONAL Large Cap			534,680,135	11.65%	16.55%	5.80%
MSCI World Ex US				*12.05%*	*15.73%*	*11.51%*
State Street Global Advisors	World Index	10/2022	534,680,135	11.65%	11.41%	*
TOTAL INTERNATIONAL Small Cap			84,653,548	26.18%	*	*
MSCI World Ex US Small Cap				*22.92%*	*13.24%*	*9.37%*
Dimensional Fund Advisors	Small Cap Value	11/2007	41,929,175	29.83%	20.30%	16.67%
Wellington Trust Company, NA	Small Cap Growth	03/2002	88,460	*	*	*
State Street Global Advisors	Small Cap Index	10/2022	42,635,913	23.04%	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
PENSION INVESTMENT POOL (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL EMERGING MARKETS EQUITY			251,163,402	12.14%	8.24%	5.92%
MSCI Emerging Markets Index				*11.99%*	*9.70%*	*6.81%*
State Street Global Advisors	EM Index	06/2023	92,395,145	8.82%	*	*
State Street Global Advisors	EM Index	06/2023	34,945,653	33.95%	*	*
Dimensional Fund Advisors	All Cap Core	06/2023	123,822,604	13.12%	*	*
TOTAL PRIVATE EQUITY			964,845,156	10.30%	7.46%	15.59%
Adams St. Partners (1998-2003 Funds)	Diversified Private Equity	01/1998	206,891	-7.27%	-4.22%	-4.60%
Adams St. Partners (2000-2004 Non-U.S. Funds)=	Diversified Private Equity	01/2000	35,900	0.46%	-2.13%	-7.65%
Adams St. Partners (2008 Non-U.S. Fund)	Diversified Private Equity	01/2008	112,347	-18.52%	-5.47%	1.23%
Adams St. Partners (2010 Global Funds)	Diversified Private Equity	04/2010	6,177,837	7.14%	1.13%	12.40%
Adams St. Partners (2015 Global Fund)	Diversified Private Equity	10/2015	35,655,276	13.94%	4.42%	15.22%
Adams St. Partners (2016 Global Fund)	Diversified Private Equity	12/2016	33,696,106	9.87%	5.13%	15.21%
Adams St. Partners (2017 Global Fund)	Diversified Private Equity	10/2017	72,095,600	9.02%	4.22%	16.63%
Adams St. Partners (2018 Global Fund)	Diversified Private Equity	10/2018	81,628,871	15.04%	8.28%	18.57%
Adams St. Partners (2019 Global Fund)	Diversified Private Equity	10/2019	78,020,845	15.04%	6.22%	29.10%
Adams St. Partners (2020 Global Fund)	Diversified Private Equity	10/2020	60,387,236	13.88%	8.16%	*
Adams St. Partners (2021 Global Fund)	Diversified Private Equity	10/2021	49,624,597	18.61%	*	*
Blackrock Private Equity Partners	Diversified Private Equity	01/2017	220,230,112	4.16%	6.38%	15.78%
Blackrock Private Equity Partners (2020 Series)	Diversified Private Equity	12/2020	173,852,771	9.03%	10.77%	*
Sixth Street Advisers, LLC	Diversified Private Equity	08/2020	97,734,906	12.53%	10.68%	*
Portfolio Advisors	Diversified Private Equity	03/2024	11,872,762	-0.69%	*	*
Altor Fund VI	Diversified Private Equity	08/2024	11,605,783	*	*	*
Kelso	Diversified Private Equity	10/2023	12,957,040	6.41%	*	*
HIG Capital	Diversified Private Equity	05/2024	3,649,243	*	*	*
Invest America (Lewis and Clark Fund)	Direct Venture Capital	02/2002	413,634	*	*	*
Invest America (L&C Fund II)	Direct Venture Capital	06/2009	3,179,460	*	*	*
Corsair Capital (Fund III)	Pvt Eq - Financial Svcs	02/2006	8,497,562	0.45%	*	*
Capital International (Fund V)	EM Private Equity	08/2007	1	*	*	*
Capital International (Fund VI)	EM Private Equity	12/2011	1,188,644	-8.86%	*	*
EIG Energy Partners	Mezz Debt - Energy	07/2007	70,537	*	*	*
Hearthstone Homebuilding Investors (MSIII)	Residential Financing	09/2003	51,196	-12.78%	*	*
Horsley Bridge Growth 14	Diversified Growth Buyout	01/2025	1,900,000	*	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
PENSION INVESTMENT POOL (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL GLOBAL FIXED INCOME			2,185,702,163	7.58%	4.94%	2.16%
Composite Benchmark [(1)]				*7.35%*	*4.75%*	*1.28%*
TOTAL INVESTMENT GRADE FIXED INCOME			1,523,065,755	7.58%	4.94%	2.16%
Bloomberg Aggregate Index				*7.35%*	*4.75%*	*1.28%*
PIMCO	Distressed Sr. Debt	10/2012	64,058,520	9.79%	8.22%	6.94%
PIMCO	Core Constrained	03/2012	388,316,497	7.18%	3.73%	0.15%
Prudential Global Investment Management	Core	03/2018	385,880,128	6.60%	3.44%	-0.08%
Western Asset Management Co.	Core	03/2023	164,672,648	7.22%	*	*
Allspring Global Investments	U.S. Corporate Plus	03/2023	122,375,483	7.18%	3.73%	0.15%
State Street Global Advisors	Gov Index	03/2023	207,887,174	5.32%	*	*
State Street Global Advisors	Credit Index	03/2023	75,504,453	7.01%	*	*
SSGA Securitized Index	Securitized Index	04/2025	39,752,301	*	*	*
Internal Fixed Income	Internal Direct Fixed Income	03/2025	74,362,673	*	*	*
Fixed Income Transition			255,879	*	*	*
TOTAL BELOW INVESTMENT GRADE FIXED INCOME			662,636,408	9.42%	5.06%	6.04%
Bloomberg High Yield Corp 2% Issuer Cap				*10.43%*	*1.64%*	*3.90%*
Ares Management	Private Credit	07/2017	137,256,935	9.04%	9.50%	10.19%
Cerberus Capital Management	Private Credit	11/2017	161,434,940	6.58%	7.48%	8.12%
Loomis Sayles & Company	High Yield Bonds	04/2004	96,304	0.00%	4.34%	2.28%
PIMCO	Res. & Comm. Debt	10/2013	2,859,877	14.81%	-7.11%	0.35%
Pinebridge	High Yield	04/2024	180,821,455	9.95%	*	*
Nomura	High Yield	04/2024	180,166,896	10.37%	*	*
TOTAL GLOBAL REAL ASSETS			1,347,569,651	4.06%	-2.81%	3.66%
Composite Benchmark [(1)]				*1.80%*	*-2.15%*	*3.53%*
TOTAL GLOBAL REAL ESTATE			752,206,989	0.62%	-8.70%	0.71%
NCREIF Total Index				*1.17%*	*-3.71%*	*3.09%*
INVESCO Realty Advisors	Core Commingled	08/1997	351,414,382	-1.47%	-7.57%	1.47%
INVESCO Realty Advisors	Core Plus LP (Fund IV)	04/2015	219,032	-12.12%	-42.32%	-26.04%
INVESCO Realty Advisors	Core Plus LP (Fund V)	02/2019	55,754,077	3.32%	-11.38%	-0.16%
INVESCO Realty Advisors	Core Plus LP (Fund VI)	03/2023	55,979,156	0.59%	*	*
INVESCO Realty Advisors	Asian LP (Fund III)	11/2015	16,556,887	11.52%	0.78%	0.30%
J.P. Morgan Investment Management, Inc.	Core Commingled	10/1987	252,269,420	2.32%	-10.32%	-0.36%
PRISA	Value-Add	12/2024	20,014,035	*	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
PENSION INVESTMENT POOL (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL OTHER REAL ASSETS			595,362,662	9.06%	7.02%	8.15%
***Composite Benchmark* [1]**				*2.62%*	*-0.07%*	*4.16%*
TOTAL TIMBER			66,736,605	4.31%	2.17%	3.73%
NCREIF Timber Index				*5.60%*	*8.83%*	*8.28%*
Timberland Investment Resources - Teredo	Timberland	06/2001	25,166,422	5.81%	10.28%	10.74%
Timberland Investment Resources - Springbank	Timberland	09/2004	41,570,183	3.62%	-0.43%	1.61%
TOTAL INFRASTRUCTURE			528,626,057	13.20%	9.09%	9.98%
***Benchmark* [3]**				*2.18%*	*-1.54%*	*3.52%*
Grosvenor CIS Fund I	Infrastructure	12/2011	5,339,385	9.23%	12.97%	12.12%
Grosvenor CIS Fund II	Infrastructure	03/2015	14,975,209	-4.62%	3.83%	9.16%
Grosvenor CIS Fund III	Infrastructure	11/2021	54,228,416	13.84%	*	*
The Rohatyn Group [2]	Asian Infrastructure	07/2008	11,850,267	-0.73%	2.18%	0.90%
I Squared Capital II	Infrastructure	06/2018	79,891,979	12.96%	9.95%	12.46%
I Squared Capital III	Infrastructure	12/2021	51,816,106	17.23%	*	*
J.P. Morgan Investment Management, Inc.	Infrastructure	05/2007	142,696,940	16.23%	11.81%	9.44%
Macquarie Infrastructure Partners Inc.	Infrastructure (Fund IV)	11/2019	91,779,262	14.13%	5.83%	10.54%
Macquarie Infrastructure Partners Inc.	Infrastructure (Fund V)	06/2020	76,048,493	11.09%	6.99%	*
TOTAL CASH EQUIVALENTS			58,572,062	4.91%	4.78%	2.91%
90 Day T-Bills				*4.68%*	*4.56%*	*2.76%*
Bank of North Dakota	Money Market	09/2016	40,761	4.77%	4.70%	2.86%
Northern Trust Asset Management	STIF	07/1994	58,531,301	4.89%	4.79%	2.91%
TOTAL CASH OVERLAY			5,352,818	*	*	*
90 Day T-Bills				*4.68%*	*4.56%*	*2.76%*
Cash Overlay Equity	Cash Overlay Equity	03/2025	3,336,287	*	*	*
Cash Overlay Fixed Income	Cash Overlay Fixed Income	03/2025	2,016,531	*	*	*
TOTAL RESIDUAL HOLDINGS	Residual Holding	10/2022	5,347,999	*	*	*

* This manager/category has less than the indicated years under management due to addition of asset class or replacement of investment managers during this time period.
(1) Policy Target and composite benchmarks consist of target weights of the underlying index returns within each category.
(2) Management of this fund was transferred from JP Morgan to The Rohatyn Group in May, 2018.
(3) CPI-W through 6/30/18 then 50% CPI-U lagged one quarter and 50% NFI-ODCE Equal Weight Net Index thereafter.

The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values and are subject to independent calculation.
Returns are shown after the effect of investment management fees (net of fees).
Columns may not foot due to rounding.

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
INSURANCE INVESTMENT POOL (EXCLUDING LEGACY FUND)

				Annualized Rates of Return Net of Fees		
	Style	Date Initiated	Fair Value	1 Year	3 Years	5 Years
TOTAL INSURANCE INVESTMENT POOL			$ 3,580,792,050	7.95%	5.75%	3.57%
***Policy Target* [1]**				*7.18%*	*4.76%*	*2.67%*
TOTAL GLOBAL EQUITY			514,749,380	17.00%	17.29%	14.24%
***Composite Benchmark* [1]**				*16.48%*	*16.78%*	*13.71%*
TOTAL DOMESTIC EQUITY			313,447,868	16.53%	18.91%	16.17%
***Composite Benchmark* [1]**				*15.30%*	*18.27%*	*15.44%*
TOTAL DOMESTIC LARGE CAP EQUITY			285,352,848	16.41%	20.45%	17.52%
Russell 1000 Index				*15.66%*	*19.59%*	*16.30%*
Parametric Portfolio Associates	Enhanced S&P 500	11/2008	26,811	*	*	*
Los Angeles Capital Management	Structured Growth	08/2003	3,417	*	*	*
Los Angeles Capital Management	Enhanced Russell 1000	04/2004	73,853,104	18.20%	21.07%	17.76%
Northern Trust Asset Management	Quant Enhanced	10/2022	9,875	*	*	*
Northern Trust Asset Management	Russell 1000 Index	10/2022	91,713,954	15.62%	*	*
T. Rowe Price	Fundamental Large Core	12//2024	100,648,762	*	*	*
Worldquant Mill	Quantitative Large Core	04/2025	16,692,379	*	0.00%	0.00%
Internal Equity	Internal Direct Equity	03/2025	2,404,546	*	0.00%	0.00%
TOTAL DOMESTIC SMALL CAP EQUITY			12,688,988	5.06%	7.73%	7.95%
Russell 2000 Index				*7.68%*	*10.00%*	*10.04%*
Atlanta Capital Investment Managers	High Quality	12/2019	1,288	*	*	*
Riverbridge Partners, LLC	Small Cap Growth	10/2020	1,011	*	*	*
Northern Trust Asset Management	Russell 2000 Index	10/2022	3,619,736	7.77%	*	*
Victory Capital Management Inc.	Small Cap Value	10/2020	4,827	*	*	*
Wellington Trust Company, NA	Fundamental Small Core	12/2024	9,062,126	*	*	*
TOTAL DOMESTIC ALL CAP EQUITY			15,405,697	*	*	*
Russell 3000 Index				*	*	*
Two Sigma	Quantitative All Cap Core	07/2024	15,405,697	*	*	*
Domestic Equity Transition Account			335	*	*	*
TOTAL INTERNATIONAL EQUITY			201,301,512	17.33%	15.30%	*
MSCI ACWI ex-US IMI (Net) (3)				*17.83%*	*14.13%*	*
Total International All Cap			76,564,251	*16.49%*	*	*
MSCI ACWI ex-US IMI (Net)				*17.83%*	*13.93%*	*10.21%*
William Blair Investment Management	Growth-oriented	06/2016	16,740,039	9.55%	11.15%	6.18%
Arrowstreet	Growth-oriented	01/2022	59,824,212	20.12%	*	*
Total International Large Cap			75,439,811	*18.63%*	*14.45%*	*
MSCI World Ex US				*18.70%*	*15.73%*	*
State Street Global Advisors	World Index		75,439,811	18.73%	*	*
Total International Small Cap			12,447,899	*26.15%*	*	*
MSCI World Ex US Small Cap				*22.92%*	*13.42%*	*9.57%*
Dimensional Fund Advisors	Small Cap Value	11/2007	5,836,010	29.83%	20.32%	16.68%
State Street Global Advisors	Small Cap Index	10/2022	6,611,888	22.75%	*	*
Total Emerging Markets			36,849,551	*13.99%*	*	*
MSCI Emerging Markets				*15.29%*	*	*
Dimensional Fund Advisors	All Cap Core	10/2022	18,557,863	13.12%	*	*
State Street Global Advisors	EM Index	06/2023	12,757,395	8.83%	*	*
State Street Global Advisors	EM Index	06/2023	5,534,292	33.97%	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
INSURANCE INVESTMENT POOL (EXCLUDING LEGACY FUND) (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL GLOBAL FIXED INCOME			1,465,579,677	6.98%	3.78%	0.40%
Bloomberg Aggregate Index				*6.08%*	*2.55%*	*-0.73%*
TOTAL DIVERSIFIED REAL ASSETS			1,464,688,935	5.58%	3.33%	0.13%
Composite Benchmark (1)				*6.08%*	*2.55%*	*-0.73%*
PIMCO	Distressed Sr. Debt	10/2012	59,599,884	9.79%	8.22%	6.95%
PIMCO	Res. & Comm. Debt	10/2013	1,461,077	14.81%	-6.86%	0.40%
PIMCO	Core Constrained	05/2019	365,434,614	7.18%	3.61%	0.01%
Prudential Global Investment Management	Core-Plus	08/2006	364,436,566	6.69%	3.64%	0.04%
State Street Global Advisors	Gov Index	03/2023	218,043,595	5.33%	*	*
State Street Global Advisors	Credit Index	03/2023	83,646,341	7.03%	*	*
Allspring Global Investments	Baa Average Bonds	04/2002	116,208,173	7.42%	6.72%	2.42%
Western Asset Management Co.	Core Bonds	07/1990	169,878,106	3.20%	-0.29%	0.00%
SSGA Securitized Index	Securitized Index	04/2025	40,843,567	*	*	*
Internal Fixed Income	Internal Direct Fixed Income	03/2025	44,893,298	*	*	*
Fixed Income Transition Account			243,715	*	*	*
US GOVERNMENT SECURITIES			890,742	*	*	*
Bloomberg US Government Bond Index				*	*	*
State Street Government Bonds	Gov Index	03/2023	890,742	*	*	*
TOTAL GLOBAL REAL ASSETS			369,383,689	5.20%	0.55%	2.77%
Composite Benchmark (1)				*3.79%*	*0.46%*	*2.77%*
TOTAL DIVERSIFIED REAL ASSETS			275,565,362	8.07%	4.52%	3.51%
Composite Benchmark (1)				*4.78%*	*2.17%*	*2.59%*
Grosvenor CIS Fund I	Infrastructure	12/2011	2,669,704	9.23%	12.97%	12.12%
J.P. Morgan Investment Management, Inc.	Infrastructure	11/2008	43,785,882	16.23%	11.80%	9.34%
Timberland Investment Resources	Timberland	10/2008	22,406,256	19.67%	8.40%	7.30%
Western Asset Management Co.	TIPS	05/2004	11,548	*	*	*
Grosvenor CIS Fund III	Infrastructure	11/2021	10,167,828	12.45%	*	*
Macquarie V	Infrastructure	08/2021	19,047,253	11.07%	*	*
Internal Fixed Income	Internal Direct Fixed Income	03/2025	177,476,890	*	*	*
TOTAL REAL ESTATE			93,818,327	-2.44%	-8.53%	0.93%
NCREIF Total Index				*1.17%*	*-3.71%*	*3.09%*
INVESCO Realty Advisors	Core Commingled	10/2012	53,007,563	-1.47%	-7.58%	1.47%
J.P. Morgan Investment Management, Inc.	Core Commingled	11/2005	40,810,764	-3.67%	-9.66%	0.28%
TOTAL CASH EQUIVALENTS			185,809,350	4.64%	4.55%	2.75%
90 Day T-Bills				*4.68%*	*4.56%*	*2.76%*
Bank of North Dakota	Money Market	09/2016	51,389,867	4.80%	4.70%	2.86%
Northern Trust Asset Management	STIF	07/2013	134,419,483	4.60%	4.48%	2.69%
TOTAL SHORT-TERM FIXED INCOME			1,045,114,395	6.65%	5.58%	2.93%
Benchmark (4)				*5.94%*	*3.75%*	*1.58%*
Barings	Active Short Duration	08/2019	522,384,634	6.86%	6.57%	3.57%
J.P. Morgan Investment Management, Inc.	Short Term Bonds	09/2011	522,729,761	6.44%	4.61%	2.29%
TOTAL RESIDUAL HOLDING	Residual	10/2022	155,559	*	*	*

* This manager/category has less than the indicated years under management due to addition of asset class or replacement of investment managers during this time period.
(1) Policy Target and composite benchmarks consist of target weights of the underlying index returns within each category.
(4) Bloomberg Government 1-3 Year Index through 3/31/17 and Bloomberg Government/Credit 1-3 Year Index thereafter.
The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values and are subject to independent calculation.
Returns are shown after the effect of investment management fees (net of fees).
Columns may not foot due to rounding.

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
LEGACY FUND

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL LEGACY FUND			$ 13,018,872,768	12.70%	10.58%	8.32%
Policy Target (1)				*12.09%*	*9.52%*	*7.25%*
TOTAL GLOBAL EQUITY			6,958,930,665	16.72%	17.08%	13.83%
Composite Benchmark (1)				*16.61%*	*16.51%*	*13.48%*
TOTAL DOMESTIC EQUITY			4,115,660,721	16.39%	18.93%	16.04%
Composite Benchmark (1)				*15.30%*	*18.46%*	*15.53%*
TOTAL DOMESTIC LARGE CAP EQUITY			3,746,856,315	16.23%	20.40%	17.44%
Russell 1000 Index				*15.66%*	*19.59%*	*16.30%*
Parametric Portfolio Associates	Enhanced S&P 500	08/2013	169,981	0.00%	14.00%	13.02%
Los Angeles Capital Management	Structured Growth	08/2013	29,636	0.00%	19.57%	15.40%
Los Angeles Capital Management	Enhanced Russell 1000	08/2013	939,781,870	17.82%	20.85%	17.58%
Northern Trust Asset Management	Quant Enhanced	10/2022	123,255	0.00%	*	*
Northern Trust Asset Management	Russell 1000 Index	10/2022	1,218,954,276	15.63%	*	*
T. Rowe Price	Fundamental Large Core	12/2024	1,334,576,934	*	*	*
Internal Equity	Internal Direct Equity	03/2025	31,883,665	*	*	*
Worldquant Mill	Quantitative Large Core	04/2025	221,336,697	0.00%	*	*
TOTAL DOMESTIC SMALL CAP EQUITY			167,290,802	6.61%	7.97%	8.00%
Russell 2000 Index				*7.68%*	*10.00%*	*10.04%*
Atlanta Capital Investment Managers	High Quality	12/2019	13,951	0.00%	7.18%	9.15%
Riverbridge Partners, LLC	Small Cap Growth	10/2020	6,955	0.00%	3.77%	*
Northern Trust Asset Management	Russell 2000 Index	10/2022	38,009,030	7.76%	*	*
Victory Capital Management Inc.	Small Cap Value	10/2020	34,976	0.00%	5.69%	*
Wellington Trust Company, NA	Fundamental Small Core	12/2024	129,225,889	*	*	*
TOTAL DOMESTIC ALL CAP EQUITY			201,510,597	*	*	*
Russell 3000 Index				*15.30%*	*	*
Two Sigma	Quantitative All Cap Core	07/2024	201,510,597	*	*	*
Domestic Equity Transition Account			3,008	*	*	*
TOTAL INTERNATIONAL EQUITY			2,791,081,603	16.80%	14.62%	10.55%
MSCI Acwi ex-US IMI (Net) (2)				*17.83%*	*14.13%*	*10.58%*
TOTAL INTERNATIONAL ALL CAP			901,729,173	15.09%	*	*
MSCI ACWI ex-US IMI (NET)				17.83%	13.93%	10.21%
William Blair Investment Management	Core	08/2013	304,765,689	9.46%	11.04%	6.09%
Arrowstreet	Growth-oriented	01/2022	596,963,484	20.12%	*	*
TOTAL INTERNATIONAL LARGE CAP			1,140,462,205	18.65%	*	*
MSCI World ex US				*18.70%*	*0.00%*	*0.00%*
State Street Global Advisors	World Index	10/2022	1,140,462,205	18.71%	*	*
TOTAL INTERNATIONAL SMALL CAP			188,418,924	25.59%	*	*
MSCI Worls ex US Small Cap				*22.92%*	*13.42%*	*9.57%*
Dimensional Fund Advisors	Small Cap Value	08/2013	88,428,340	29.83%	20.37%	16.71%
State Street Global Advisors	Small Cap Index	10/2022	99,990,584	22.76%	*	*
TOTAL INTERNATIONAL EMERGING MARKETS			560,471,300	14.05%	*	*
MSCI Emerging Markets				*15.29%*	*0.00%*	*0.00%*
Dimensional Fund Advisors	All Cap Core	06/2023	274,129,125	13.12%	*	*
State Street Global Advisors	EM Index	06/2023	203,585,748	8.83%	*	*
State Street Global Advisors	EM Index	06/2023	82,756,427	33.98%	*	*
Global Equity Transition Account	Transition	10/2022	48,298	*	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
LEGACY FUND (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
TOTAL PRIVATE EQUITY			52,140,044	*17.44%*	*	*
Kelso	Diversified Private Equity	10/2023	14,036,796	6.56%	*	*
HIG Capital	Diversified Private Equity	05/2024	5,213,204	32.58%	*	*
Altor Fund VI	Diversified Private Equity	08/2024	11,280,927	76.89%	*	*
Portfolio Advisors	Diversified Private Equity	03/2024	17,809,118	-0.69%	*	*
Horsley Bridge Growth 14	Diversified Growth Buyout	01/2025	3,800,000	0.00%	*	*
TOTAL GLOBAL FIXED INCOME			3,748,087,677	8.01%	4.60%	1.29%
Bloomberg Aggregate Index				*7.44%*	*2.99%*	*-0.47%*
TOTAL CORE FIXED INCOME			2,233,235,859	6.83%	*	*
Bloomberg Aggregate				*6.08%*	*	*
PIMCO	Core Constrained	03/2023	622,510,404	7.25%	*	*
Prudential Global Investment Management	Core-Plus	12/2013	621,102,784	6.77%	3.70%	0.01%
State Street Global Advisors	Gov Index	03/2023	339,795,625	5.31%	*	*
State Street Global Advisors	Credit Index	03/2023	119,653,987	7.00%	*	*
Allspring Global Investments	Baa Average Bonds	12/2013	6,138	0.00%	3.20%	0.35%
Western Asset Management Co.	Core Bonds	12/2013	235,653,441	7.21%	3.18%	-0.62%
Allspring Global Investments	U.S. Corporate Plus	03/2023	190,127,617	7.32%	*	*
SSGA Securitized Index	Securitized Index	04/2025	60,714,739	*	*	*
Internal Fixed Income	Internal Direct Fixed Income	03/2025	43,250,847	*	*	*
Fixed Income Transition			420,276	*	*	*
TOTAL PRIVATE CREDIT			773,760,410	*9.56%*	*	*
Cerberus Capital Management	Private Credit	11/2017	246,498,853	6.65%	7.92%	8.46%
Ares Management	Private Credit	07/2017	207,386,248	9.10%	8.77%	9.73%
Cerberus Global II	Diversified Private Equity	05/2024	16,788,899	*	*	*
Fortress	Diversified Private Equity	06/2024	21,760,365	*	*	*
PIMCO	Distressed Sr. Debt	12/2013	125,568,968	9.79%	8.22%	6.92%
PIMCO	Res. & Comm. Debt	12/2013	1,398,801	14.81%	-7.37%	0.30%
Sixth Street	Private Credit	08/2020	154,358,275	15.58%	*	*
TOTAL HIGH YIELD INCOME			741,091,408	*9.99%*	*	*
Bloomberg High Yield 2% Issuer Constrained Index				*10.29%*	*	*
Pinebridge	High Yield	04/2024	371,268,006	9.92%	*	*
Nomura	High Yield	04/2024	369,823,402	10.04%	*	*
TOTAL GLOBAL REAL ASSETS			1,059,297,623	6.15%	0.44%	3.84%
Composite Benchmark [(1)]				*1.75%*	*-1.68%*	*2.13%*
TOTAL DIVERSIFIED REAL ASSETS			615,724,133	12.59%	6.95%	6.40%
Composite Benchmark [(1)]				*2.18%*	*-0.59%*	*1.67%*
Grosvenor CIS Fund II	Infrastructure	03/2015	37,429,503	-4.62%	3.73%	9.10%
Grosvenor CIS Fund III	Infrastructure	11/2021	71,174,796	12.45%	*	*
I Squared Capital II	Infrastructure	06/2018	92,183,043	12.96%	9.95%	12.46%
I Squared Capital III	Infrastructure	12/2021	77,724,160	17.23%	*	*
J.P. Morgan Investment Management, Inc.	Infrastructure	03/2015	117,239,466	16.23%	11.81%	9.30%
Macquarie Infrastructure Partners Inc.	Infrastructure (Fund IV)	11/2019	105,899,148	14.13%	5.83%	10.54%
Macquarie Infrastructure Partners Inc.	Infrastructure (Fund V)	06/2020	114,072,740	11.10%	*	*
Western Asset Management Co.	TIPS	02/2014	1,277	0.00%	-0.04%	0.00%
TOTAL REAL ESTATE			443,573,490	-2.00%	-8.23%	1.13%
NCREIF Total Index				*1.17%*	*-3.71%*	*3.09%*
INVESCO Realty Advisors	Core Commingled	08/2013	185,756,059	-1.46%	-7.57%	1.47%
INVESCO Realty Advisors	Core Plus LP (Fund VI)	03/2023	55,979,156	0.52%	*	*
J.P. Morgan Investment Management, Inc.	Core Commingled	08/2013	173,246,796	-3.68%	-9.67%	0.28%
PRISA	Value-Add	12/2024	28,591,479	*	*	*

SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
LEGACY FUND (CONTINUED)

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees 1 Year	3 Years	5 Years
IN-STATE INVESTMENTS			470,040,837	6.72%	*	*
Benchmark				*6.72%*	*	*
IN STATE FIXED INCOME			385,388,849	*3.45%*	*	*
Legacy Infrastructure Loan Fund	In-State Investment Prgm	06/2021	92,870,156	1.93%	*	*
Bank of North Dakota - Match Loan CD Program	In-State Investment Prgm	various	292,518,693	3.81%	3.47%	3.15%
IN STATE EQUITY			84,651,988	*26.04%*	*	*
50 South Capital Advisors, LLC	Diversified Private Equity	06/2021	84,651,988	26.04%	2.17%	*
TOTAL CASH EQUIVALENTS			775,994,028	4.02%	4.35%	2.63%
90 Day T-Bills				*4.68%*	*4.56%*	*2.76%*
Bank of North Dakota	Money Market	09/2016	20,775,432	4.79%	4.69%	2.86%
Northern Trust Asset Management	STIF	07/2013	755,218,596	4.69%	4.54%	2.73%
TOTAL CASH OVERLAY			5,169,774	*	*	*
90 Day T-Bills				*4.68%*	*	*
Cash Overlay Equity	Cash Overlay Equity	03/2025	3,052,344	*	*	*
Cash Overlay Fixed Income	Cash Overlay Fixed Income	03/2025	2,117,430	*	*	*
TOTAL RESIDUAL HOLDING	Residual	10/2022	1,352,164	*	*	*

* This manager/category has less than the indicated years under management due to addition of asset class or replacement of investment managers during this time period.
(1) Policy Target and composite benchmarks consist of target weights of the underlying index returns within each category.
The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values and are subject to independent audit.
Returns are shown after the effect of investment management fees (net of fees).

Columns may not foot due to rounding.

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SCHEDULE OF INVESTMENT CONSULTANTS AND RESULTS
FOR PERIODS ENDED JUNE 30, 2025
OTHER INDIVIDUAL INVESTMENT ACCOUNTS

	Style	Date Initiated	Fair Value	Annualized Rates of Return Net of Fees: 1 Year	3 Years	5 Years
NDPERS RETIREE HEALTH INSURANCE CREDIT FUND						
SEI Investments Management	Balanced Account	07/2009	$ 205,597,369	13.34%	12.25%	8.60%
Policy Target (1)				*16.25%*	*12.98%*	*8.30%*
JOB SERVICE ND PENSION FUND						
SEI Investments Management	Balanced Account	12/2015	$ 84,580,982	8.91%	5.95%	3.54%
Policy Target (1)				*8.08%*	*5.80%*	*3.32%*

* This manager/category has less than the indicated years under management due to addition of asset class or replacement of investment managers during this time period.

(1) Policy Target and composite benchmarks consist of target weights of the underlying index returns within each category.

The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values and are subject to independent review.
Returns are shown after the effect of investment management fees (net of fees).

Columns may not foot due to rounding.

LARGEST HOLDINGS (By Fair Value)
JUNE 30, 2025

PENSION INVESTMENT POOL

Shares	Stocks	Fair Value
581,267	Nvidia Corporation	$ 91,834,373
176,611	Microsoft Corporation	87,848,078
318,085	Apple Incorporated	65,261,499
201,319	Amazon Company Incorporated	44,167,375
59,694	Meta Platforms Incorporated	44,059,544
116,938	Broadcom Inc Com	32,233,960
135,101	Alphabet Incorporated (Class C)	23,965,566
16,438	Netflix Incorporated	22,012,619
110,170	Alphabet Incorporated (Class A)	19,415,259
59,614	Tesla Incorporated	18,936,983

Par	Bonds	Fair Value
25,150,000	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles August	$ 25,125,580
24,000,000	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles July	23,994,509
19,000,000	FNMA Single Family Mortgage 0.0% 30 Years Settles August	18,609,197
16,200,000	FNMA Single Family Mortgage 4.5% 30 Years Settles August	15,488,965
13,393,800	United States Treasury Notes 3.25% 06-30-2027	13,273,988
12,700,400	United States Treasury Notes 4.0% 06-30-2028	12,809,544
13,000,000	FNMA Single Family Mortgage 4.0% 30 Years Settles July	12,086,449
11,350,000	United States Treasury Notes 4% 05-31-2030	11,459,953
10,965,000	United States Treasury N/B 3.875% 08-15-2034	10,705,866
10,185,000	United States Treasury Bds Dtd 00300 4.75% 11-15-2053	10,092,698

INSURANCE INVESTMENT POOL (EXCLUDING LEGACY FUND)

Shares	Stocks	Fair Value
9,022	Nvidia Corporation	$ 1,425,386
2,802	Microsoft Corporation	1,393,743
1,187	Meta Platforms Incorporated	876,113
3,916	Apple Incorporated	803,446
461	Netflix Incorporated	617,339
2,582	Adr Taiwan Semiconductor Manufacturing	584,797
1,821	Broadcom Inc Com	501,959
2,010	Amazon Company Incorporated	440,974
2,019	SK Hynix Incorporated	436,832
6,044	Unicredit Spa NPV	403,762

Par	Bonds	Fair Value
35,580,000	United States Treasury Notes 4.125% 11-15-2027	$ 35,909,393
32,120,000	United States Treasury Notes 1.375% 07-15-2033	32,945,990
29,670,000	United States Treasury Notes 3.75% 04-15-2028	29,707,088
28,035,000	United States Treasury N/B 3.875% 06-15-2028	28,183,936
25,850,000	United States Treasury Notes 4.25% 02-15-2028	26,199,379
21,800,000	FNMA Single Family Mortgage 5% 30 Years Settles July	21,361,823
20,070,000	United States Treasury Notes 3.75% 08-15-2027	20,079,408
19,500,000	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles July	19,495,539
17,960,000	United States Treasury N/B 3.625% 09-15-2027	17,835,823
17,800,000	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles August	17,782,717

LARGEST HOLDINGS (By Fair Value)
JUNE 30, 2025

LEGACY FUND

Shares	Stocks	Fair Value
103,138	Nvidia Corporation	$ 16,294,773
24,908	Microsoft Corporation	12,389,488
45,777	Adr Taiwan Semiconductor Manufacturing	10,368,033
13,380	Meta Platforms Incorporated	9,875,644
42,622	Apple Incorporated	8,744,756
36,529	SK Hynix Incorporated	7,903,429
109,104	Unicredit Spa NPV	7,288,562
23,628	SAP SE	7,159,978
465,011	Banco Bilbao Vizca	7,126,113
49,918	Dollarama Incorporated	7,019,250

Par	Bonds	Fair Value
39,654,510	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles August	$ 39,616,007
35,500,000	FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles July	35,491,878
38,300,000	United States Treasury Bds Dtd 02/15/2023 3.875% 02-15-2043	34,284,484
27,300,000	FNMA Single Family Mortgage 4.5% 30 Years Settles August	26,101,775
23,055,874	FNMA Pool #FS2676 3% 06-01-2052 BEO	19,982,713
18,530,000	FNMA Single Family Mortgage 0.0% 30 YEARS Settles August	18,148,864
17,800,000	FNMA Single Family Mortgage 4% 30 YEARS Settles August	16,547,051
15,240,000	United States Treasury Notes 4% 05-31-2030	15,387,638
12,690,000	United States Treasury Notes 4.5% 12-31-2031	13,084,580
17,140,000	United States Treasury Bds Dtd 11/15/2020 1.625% 11-15-2050	9,029,968

The remaining individual investment accounts are invested in various commingled and mutual funds, and so have no individual stock or bond holdings.

A complete list of all holdings is available upon request.

SCHEDULE OF INVESTMENT FEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
INVESTMENT POOLS

	Pension Investment Pool			Insurance Investment Pool and Legacy Fund		
	Assets under management (Average)	Fees	Basis points	Assets under management (Average)	Fees	Basis points
Investment manager fees:						
Domestic large cap equity managers	2,337,107,572	7,695,215	33	$ 4,366,715,596	$ 11,429,417	26
Domestic small cap equity managers	111,948,303	702,401	63	224,969,043	1,091,425	49
Domestic all cap equity managers	101,871,580		0	307,903,158		0
Developed international equity managers	1,173,206,458	2,691,474	23	2,910,143,940	5,903,907	20
Emerging markets equity managers	229,554,822	427,653	19			
Private equity managers	917,656,006	9,974,436	109	78,554,043	2,267,231	289
Investment grade fixed income managers	1,445,696,627	3,090,460	21	4,231,047,484	6,199,959	15
High yield fixed income				719,491,851	2,131,677	30
Private credit				705,741,189	16,221,248	230
Below investment grade fixed income managers	641,340,937	7,231,438	113			
Real estate managers	735,992,373	4,830,955	66	526,867,641	2,821,774	54
Timber managers	68,061,194	510,401	75	22,662,049	193,104	85
Infrastructure managers	500,119,953	16,427,967	328	738,165,189	22,511,868	305
In State Investments				453,824,398	1,091,081	24
In state fixed income				386,027,833	128,169	3
In state equity				67,796,565	962,912	142
Cash & equivalents managers	52,644,748	59,235	11	407,642,808	-	0
Short term fixed income managers				1,025,844,768	1,097,112	11
Total investment manager fees	$ 8,315,200,572	53,641,634	65	$ 16,719,573,158	72,959,804	44
Custodian fees		684,646	1		979,117	1
Investment consultant fees		400,391	0		635,831	0
SIB Service Fees		80,363	0		38,690	0
Total investment expenses		$ 54,807,034	66		$ 74,613,443	45

Reconciliation of Investment Expenses to Financial Statements

	Pension Investment Pool	Insurance Investment Pool and Legacy Fund
Investment expenses as reflected in the financial statements	$ 14,801,434	$ 23,606,230
Plus investment management fees included in investment income (net income)		
Domestic large cap equity managers	5,476,845	7,772,015
Developed international equity managers	123,895	1,147,868
Emerging markets equity managers	363,826	
Private equity managers	9,974,436	2,267,231
Investment grade fixed income managers	1,019,261	1,060,384
Private credit managers		16,221,248
Diversified real assets managers		21,153,265
Below investment grade fixed income managers	5,968,212	
In-state investments		962,912
Real estate managers	1,518,753	422,290
Timber managers	339,277	
Infrastructure managers	15,221,095	
Cash & equivalents managers		-
Investment expenses per schedule	$ 54,807,034	$ 74,613,443

Total basis points of individual plans participating in the pools vary depending upon their asset allocation.

Columns may not foot due to rounding.

SCHEDULE OF INVESTMENT FEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
INDIVIDUAL INVESTMENT ACCOUNTS

	PERS Retiree Health Credit Fund Job Service of ND Pension Fund		
	Assets under management (Average)	Fees	Basis points
Investment manager fees:			
Domestic large cap equity managers			
Domestic small cap equity managers			
Developed international equity managers			
Private equity managers			
High yield fixed income			
Private credit			
Investment grade fixed income managers			
Diversified real asset managers			
In State Investments			
Real estate managers			
Cash & equivalents managers	$ -	$ 143	
Short term fixed income managers			
Balanced account manager - PERS Retiree Health	196,424,756	833,641	42
Balanced account manager - Job Service Pension	84,403,626	375,979	45
Total investment manager fees	$ 280,828,382	1,209,763	43
Custodian fees		18,736	1
Investment consultant fees		-	0
SIB Service Fees		77,860	3
Total investment expenses		$ 1,306,359	47

Reconciliation of Investment Expenses to Financial Statements

Investment expenses as reflected in the financial statements	$ 927,554
Plus investment management fees included in investment income (net income)	
Domestic large cap equity managers	
Developed international equity managers	
Private equity managers	
Private credit managers	
Investment grade fixed income managers	
Diversified real assets managers	
In state equity	
Real estate managers	
Cash & equivalents managers	
Balanced account managers	378,805
Investment expenses per schedule	$ 1,306,359

Columns may not foot due to rounding.

SCHEDULE OF COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Brokers	Number of shares traded	Total commissions	Commissions per share
State Street Global Markets LLC	24,683,171	$ 148,078	$ 0.006
Morgan Stanley	17,492,951	145,396	0.008
Instinent	10,456,629	122,982	0.012
J.P. Morgan	8,844,758	133,371	0.015
UBS	6,912,613	80,408	0.012
Jefferies LLC	4,866,060	61,291	0.013
Bernstein Institutional	4,384,620	46,772	0.011
Bofa Securities, Inc	3,757,881	51,351	0.014
Liquidnet Inc	3,405,277	41,581	0.012
RBC Capital Markets LLC	2,635,858	38,336	0.015
Other 91 Brokers *	31,822,008	589,819	0.019
Total commissions	119,261,826	$ 1,459,386	$ 0.012

* A complete listing of investment brokers utilized is available upon request.

Note: This schedule includes only brokerage costs for agency trades of common and preferred stock.

TEACHERS' FUND FOR RETIREMENT

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

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

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

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

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

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every five years. The actuarial assumed rate of return on assets was reduced to 7.25% from 7.75% as of July 1, 2020. Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment Office (RIO).

Fund Goals

The Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund. The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations.

As a result, the Fund goals are to:

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

The TFFR Board is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

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

Risk Tolerance

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

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

Investment Objectives

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1) The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2) The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3) The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target %
Global Equity	**55**
Public Equity	45
Private Equity	10
Global Fixed Income	**26**
Investment Grade	18
Non-investment Grade	8
Global Real Assets	**18**
Global Real Estate	9
Other	9
Cash	**1**

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

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as "The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

   1) The cost does not exceed the fair market value at the time of investment.
   2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar task.
   3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
   4) The safeguards and diversity that a prudent investor would adhere to are present.

   Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the TFFR Board periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of the advisory services managing investments for the board.
- A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 2,041,883,801**	**57.0%**	**15.07%**
Public Equity	1,539,132,996	43.0%	16.67%
Equity Transition Account	281,724	0.0%	-
Domestic Equity	976,411,150	27.3%	10.50%
Domestic All Cap Equity	47,838,960	1.3%	-
Domestic Large Cap Equity	895,680,638	25.0%	16.37%
Domestic Small Cap Equity	32,890,970	0.9%	5.56%
Domestic Equity Transition Account	582	0.0%	-
International Equity	562,440,122	15.7%	13.04%
International All Cap	249,770,317	7.0%	16.40%
Developed International Large Cap	201,251,510	5.6%	19.14%
Developed International Small Cap	31,863,264	0.9%	26.18%
Emerging Markets Equity	79,555,031	2.2%	14.03%
Private Equity	502,750,805	14.0%	10.30%
Global Fixed Income	**951,160,745**	**26.6%**	**7.63%**
Investment Grade Fixed Income	659,358,283	18.4%	6.93%
Non-Investment Grade Fixed Income	291,802,462	8.1%	9.12%
Global Real Assets	**554,882,802**	**15.5%**	**5.75%**
Global Real Estate	296,078,519	8.3%	0.62%
Other	258,804,283	7.2%	8.86%
Timber	30,124,494	0.8%	4.31%
Infrastructure	228,679,789	6.4%	13.20%
Cash Equivalents	**27,222,271**	**0.8%**	**4.91%**
Cash Overlay	**2,377,885**	**0.1%**	**-**
Residual Holdings	**4,775,820**	**0.1%**	**-**
Total Fund	**$ 3,582,303,323**		**11.42%**
Policy Benchmark			**10.36%**

Columns may not foot due to rounding.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

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

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

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

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

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

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

Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employee's retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)

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

The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools. The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.

Delegation of Authority

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

Such procedures must provide for:

1. The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).
2. Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies, it is understood:
   a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
   b. The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.
   c. All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.
3. Guidelines for selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).
4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.

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

Investment Goals

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

Goal # 1 Accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.

Goal # 2 To obtain an investment return in excess of that needed to allow for increases in a retiree's annuity to maintain the purchasing power of their retirement benefit.

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

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

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

Investment Performance Objective

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Asset Allocation

In recognition of the plan's performance objectives, benefit projections, and capital market expectations, the NDPERS Board has established the following asset allocation:

Asset Class	Policy Target %	Rebalancing Range %
Global Equity	**58**	**46-66**
Public Equity	51	42-57
Private Equity	7	4-9
Global Fixed Income	**23**	**16-30**
Investment Grade	16	11-21
Non-investment Grade	7	5-9
Global Real Assets	**19**	**10-25**
Global Real Estate	11	5-15
Other	8	0-10
Global Alternatives		**0-10**
Cash		**0-2**

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

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

Restrictions

A. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
B. Use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.
C. No transaction may be made which threatens the tax exempt status of the Fund.
D. No unhedged short sales or speculative margin purchases may be made.

Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

E. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

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

F. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

The Exclusive Benefit Rule is met if the following four conditions are satisfied:

(1) The cost does not exceed the fair market value at the time of investment.
(2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

(3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
(4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards.

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

- Changes in asset class portfolio structures, tactical approaches and market values;
- All pertinent legal or legislative proceedings affecting the SIB;
- Compliance with these investment goals, objectives and policies;
- A general market overview and market expectations;
- A review of fund progress and its asset allocation strategy;
- A report on investment fees and the SIB's effort relating to Section 6. To measure investment cost PERS requires as part of the annual review information from Callan, CEM or other acceptable source showing the value added versus the cost;
- Changes/additions to benchmarks utilized to monitor the funds.

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

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 2,944,561,820**	**60.5%**	**15.70%**
Public Equity	2,501,223,429	51.4%	16.68%
Equity Transition Account	30,974	0.0%	-
Domestic Equity	1,580,250,901	32.5%	15.76%
Domestic All Cap Equity	75,449,068	1.6%	-
Domestic Large Cap Equity	1,435,101,715	29.5%	16.37%
Domestic Small Cap Equity	69,699,190	1.4%	5.56%
Domestic Equity Transition Account	928	0.0%	-
International Equity	920,941,554	18.9%	17.54%
International All Cap	392,587,576	8.1%	16.40%
Developed International Large Cap	316,325,988	6.5%	19.14%
Developed International Small Cap	50,082,499	1.0%	26.18%
Emerging Markets Equity	161,945,491	3.3%	14.03%
Private Equity	443,338,391	9.1%	10.30%
Global Fixed Income	**1,144,061,032**	**23.5%**	**7.55%**
Investment Grade Fixed Income	794,240,154	16.3%	6.93%
Non-Investment Grade Fixed Income	349,820,878	7.2%	8.94%
Global Real Assets	**744,527,551**	**15.3%**	**5.26%**
Global Real Estate	431,629,412	8.9%	0.62%
Other	312,898,139	6.4%	11.97%
Timber	33,748,070	0.7%	4.31%
Infrastructure	279,150,069	5.7%	13.20%
Cash Equivalents	**30,982,406**	**0.6%**	**4.91%**
Cash Overlay	**2,869,221**	**0.1%**	**-**
Residual Holdings	**525,081**	**0.0%**	**-**
Total Fund	**$ 4,867,527,110**		**12.00%**
Policy Benchmark			**11.01%**

Columns may not foot due to rounding.

BISMARCK CITY EMPLOYEE PENSION PLAN

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The Bismarck, North Dakota City Employee Pension Plan (BCEPP) is the pension benefit plan (Fund) established for the city of Bismarck public employees. The Fund is administered by the Bismarck City Employee Pension Plan Board of Trustees. The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-07 of the city of Bismarck Code of Ordinance (1986 revised). The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

Fund Goals

The plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCEPP Board recognizes that a sound investment program is essential to meet the pension obligations.

As a result, the Fund goals are to:

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

The BCEPP Board has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The BCEPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

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

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

Investment Objectives

The BCEPP Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Benefit payments are projected to occur over a long period of time. This allows the BCEPP Board to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the BCEPP Board in determining an acceptable volatility target for the Fund and an optimal asset allocation mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the BCEPP Board approves the appropriate policy mix for the Fund.

Asset Class	Policy Target %
Global Equity	**46**
Public Equity	42
Private Equity	4
Global Fixed Income	**34**
Investment Grade	27
Non-investment Grade	7
Global Real Assets	**20**
Global Real Estate	12
Other	8

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

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
2. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
3. No transaction shall be made which threatens the tax exempt status of the Fund.
4. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
5. No unhedged short sales or speculative margin purchases shall be made.
6. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

   (1) The cost does not exceed the fair market value at the time of investment.
   (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
   (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
   (4) The safeguards and diversity that a prudent investor would adhere to are present.

   Where investment characteristics, including yield, risk, and liquidity are equivalent, the BCEPP Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on three and five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the BCEPP periodically, but not less than quarterly. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.
- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 66,204,819**	**47.2%**	**16.08%**
Public Equity	58,450,107	41.6%	16.72%
Equity Transition Account	2,075	0.0%	-
Domestic Equity	36,414,508	25.9%	16.37%
Domestic All Cap Equity	1,886,064	1.3%	-
Domestic Large Cap Equity	32,768,649	23.3%	16.37%
Domestic Small Cap Equity	1,759,772	1.3%	5.56%
Domestic Equity Transition Account	23	0.0%	-
International Equity	22,033,524	15.7%	17.56%
International All Cap	9,327,647	6.6%	16.40%
Developed International Large Cap	7,515,717	5.4%	19.14%
Developed International Small Cap	1,189,930	0.8%	26.18%
Emerging Markets Equity	4,000,230	2.8%	14.03%
Private Equity	7,754,712	5.5%	10.30%
Global Fixed Income	**49,270,189**	**35.1%**	**7.24%**
Investment Grade Fixed Income	39,210,996	27.9%	6.93%
Non-Investment Grade Fixed Income	10,059,193	7.2%	9.02%
Global Real Assets	**24,666,585**	**17.6%**	**5.55%**
Global Real Estate	13,413,147	9.6%	0.62%
Other	11,253,438	8.0%	11.90%
Timber	1,292,198	0.9%	4.31%
Infrastructure	9,961,240	7.1%	13.20%
Cash Equivalents	**162,777**	**0.1%**	**4.91%**
Cash Overlay	**30,238**	**0.0%**	**-**
Residual Holdings	**35,175**	**0.0%**	**-**
Total Fund	**$ 140,369,783**		**11.20%**
Policy Benchmark			**9.90%**

Columns may not foot due to rounding.

BISMARCK CITY POLICE PENSION PLAN

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The Bismarck, North Dakota City Police Pension Plan (BCPPP) is the pension benefit plan (Fund) established for the city of Bismarck police. The Fund is administered by the Bismarck City Police Pension Plan Board of Trustees. The Fund is a defined benefit pension plan maintained to provide retirement benefits, and/or death benefits as may be the case, to the participants in accordance with Chapter 9-08 of the city of Bismarck Code of Ordinance (1986 revised). The Fund is administered in accordance with IRS and Treasury Regulations. The Fund was established to provide benefits to members eligible to receive them in accordance with the provisions of the Fund.

Fund Goals

The plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The BCPPP Board recognizes that a sound investment program is essential to meet the pension obligations.

As a result, the Fund goals are to:

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

The BCPPP Board has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The BCPPP Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

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

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

Investment Objectives

The BCPPP Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Benefit payments are projected to occur over a long period of time. This allows the BCPPP Board to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the BCPPP Board in determining an acceptable volatility target for the Fund and an optimal asset allocation mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the BCEPP Board approves the appropriate policy mix for the Fund.

Asset Class	Policy Target %
Global Equity	**51**
Public Equity	46
Private Equity	5
Global Fixed Income	**29**
Investment Grade	22
Non-investment Grade	7
Global Real Assets	**20**
Global Real Estate	12
Other	8

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

Restrictions

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

g. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
8. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

   (1) The cost does not exceed the fair market value at the time of investment.
   (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
   (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
   (4) The safeguards and diversity that a prudent investor would adhere to are present.

   Where investment characteristics, including yield, risk, and liquidity are equivalent, the BCPPP Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on three and five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the BCEPP periodically, but not less than quarterly. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.

- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 31,393,387**	**52.3%**	**16.00%**
Public Equity	27,450,861	45.8%	16.80%
Equity Transition Account	190	0.0%	-
Domestic Equity	17,101,686	28.5%	16.39%
Domestic All Cap Equity	868,395	1.4%	-
Domestic Large Cap Equity	15,405,884	25.7%	16.37%
Domestic Small Cap Equity	827,397	1.4%	5.56%
Domestic Equity Transition Account	11	0.0%	-
International Equity	10,348,985	17.3%	17.56%
International All Cap	4,381,151	7.3%	16.40%
Developed International Large Cap	3,530,096	5.9%	19.14%
Developed International Small Cap	558,905	0.9%	26.18%
Emerging Markets Equity	1,878,833	3.1%	14.03%
Private Equity	3,942,526	6.6%	10.30%
Global Fixed Income	**18,308,853**	**30.5%**	**7.45%**
Investment Grade Fixed Income	13,955,398	23.3%	6.93%
Non-Investment Grade Fixed Income	4,353,455	7.3%	9.02%
Global Real Assets	**10,173,238**	**17.0%**	**5.51%**
Global Real Estate	5,543,925	9.2%	0.62%
Other	4,629,313	7.7%	11.81%
Timber	577,355	1.0%	4.31%
Infrastructure	4,051,958	6.8%	13.20%
Cash Equivalents	**79,990**	**0.1%**	**4.91%**
Cash Overlay	**13,777**	**0.0%**	**-**
Residual Holdings	**3,224**	**0.0%**	**-**
Total Fund	**$ 59,972,469**		**11.73%**
Policy Benchmark			**10.39%**

Columns may not foot due to rounding.

CITY OF GRAND FORKS PENSION PLAN

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

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

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

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

Fund Goals

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

As a result, the Fund goals are to:

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

The City Council has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The City Council is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

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

Investment Objectives

The City Council's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Benefit payments are projected to occur over a long period of time. This allows the City Council to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the City Council in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the City Council approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target %
Global Equity	**60**
Public Equity	55
Private Equity	5
Global Fixed Income	**24**
Investment Grade	17
Non-investment Grade	7
Global Real Assets	**15**
Global Real Estate	7
Other	8
Cash	**1**

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

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made which threatens the tax-exempt status of the Fund.
d. No unhedged short sales or speculative margin purchases may be made.
e. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar time horizon and similar risk.

   Social Investing is defined as "The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

f. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   The Exclusive Benefit Rule is met if the following four conditions are satisfied:

   (1) The cost does not exceed the fair market value at the time of investment.
   (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
   (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
   (4) The safeguards and diversity that a prudent investor would adhere to are present.

   Where investment characteristics, including yield, risk, and liquidity are equivalent, the City Council's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on five-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the City Council periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of the advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.
- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 49,742,131**	**60.8%**	**15.99%**
Public Equity	43,756,629	53.5%	16.76%
Equity Transition Account	425	0.0%	-
Domestic Equity	27,262,045	33.3%	16.38%
Domestic All Cap Equity	1,391,448	1.7%	-
Domestic Large Cap Equity	24,550,059	30.0%	16.37%
Domestic Small Cap Equity	1,320,113	1.6%	5.56%
Domestic Equity Transition Account	425	0.0%	-
International Equity	16,494,159	20.2%	17.56%
International All Cap	6,983,063	8.5%	16.40%
Developed International Large Cap	5,626,577	6.9%	19.14%
Developed International Small Cap	890,831	1.1%	26.18%
Emerging Markets Equity	2,993,688	3.7%	14.03%
Private Equity	5,985,502	7.3%	10.30%
Global Fixed Income	**20,352,171**	**24.9%**	**7.55%**
Investment Grade Fixed Income	14,501,392	17.7%	6.93%
Non-Investment Grade Fixed Income	5,850,779	7.2%	9.02%
Global Real Assets	**11,513,002**	**14.1%**	**6.73%**
Global Real Estate	4,750,567	5.8%	0.62%
Other	6,762,435	8.3%	12.11%
Timber	917,991	1.1%	4.31%
Infrastructure	5,844,444	7.1%	13.20%
Cash Equivalents	**104,420**	**0.1%**	**4.91%**
Cash Overlay	**59,113**	**0.1%**	**-**
Residual Holdings	**7,210**	**0.0%**	**-**
Total Fund	**$ 81,778,047**		**12.66%**
Policy Benchmark			**11.31%**

Columns may not foot due to rounding.

PARK DISTRICT OF THE CITY OF GRAND FORKS PENSION PLAN

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The Park District of the City of Grand Forks, North Dakota Pension Plan (the "Plan") is a cost-sharing public employee pension plan operated by The Park District of the City of Grand Forks, North Dakota (the "District") which serves as the Plan Administrator ("Administrator") and Plan Sponsor ("Sponsor"). All employees are required to participate in the Plan. Some participants have elected to cease benefit accruals under the Plan as of January 1, 2010 and to participate in the North Dakota Public Employees Retirement System ("NDPERS") pension plan. All future hires after December 31, 2009, will be required to participate in the NDPERS plan. The investment assets of the Plan are held within the Plan Fund ("Fund").

Benefit provisions are established by the Park Board ("Board") of the Sponsor. The employers contribute such amounts as necessary to provide the promised benefits. The contribution amounts are determined by the annual actuarial valuation report and approved by the Board.

Fund Goals

The plan benefits are financed through both employer and employee contributions and the investment earnings on assets held in the Fund. The Board recognizes that a sound investment program is essential to meet the pension obligations.

As a result, the Fund goals are to:

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

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

Responsibilities and Discretion of the State Investment Board (SIB)

The Board has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

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

Investment Objectives

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Benefit payments are projected to occur over a long period of time. This allows the Board to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target %
Global Equity	**54.5**
Public Equity	47
Domestic Equity	27
Large	22
Small	5
International Equity	20
Developed	10
Emerging	10

Private Equity	7.5
Global Fixed Income	**25.5**
Investment Grade	18
Non-Investment Grade	7.5
Global Real Assets	**20**
Global Real Estate	10
Other	10

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

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases may be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar time horizon and similar risk.

   For the purpose of this document, social investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return of the Fund.

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

   (1) The cost does not exceed the fair market value at the time of investment.
   (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
   (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
   (4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the City Council's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Board periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of the advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.
- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation		Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$**	**5,335,230**	**54.9%**	**15.37%**
Public Equity		4,262,008	43.9%	16.61%
Equity Transition Account		88	0.0%	-
Domestic Equity		2,439,453	25.1%	15.39%
Domestic All Cap Equity		122,934	1.3%	-
Domestic Large Cap Equity		1,861,648	19.2%	16.37%
Domestic Small Cap Equity		454,869	4.7%	5.56%
Domestic Equity Transition Account		2	0.0%	-
International Equity		1,822,467	18.8%	17.56%
International All Cap		533,972	5.5%	16.40%
Developed International Large Cap		430,246	4.4%	19.14%
Developed International Small Cap		68,119	0.7%	26.18%
Emerging Markets Equity		790,130	8.1%	14.03%
Private Equity		1,073,222	11.0%	10.30%
Global Fixed Income		**2,549,171**	**26.2%**	**7.55%**
Investment Grade Fixed Income		1,799,530	18.5%	6.93%
Non-Investment Grade Fixed Income		749,641	7.7%	9.02%
Global Real Assets		**1,806,474**	**18.6%**	**6.10%**
Global Real Estate		791,419	8.1%	0.62%
Other		1,015,055	10.4%	12.25%
Timber		76,497	0.8%	4.31%
Infrastructure		938,558	9.7%	13.20%
Cash Equivalents		**20,198**	**0.2%**	**4.91%**
Cash Overlay		**2,586**	**0.0%**	**-**
Residual Holdings		**1,488**	**0.0%**	**-**
Total Fund	**$**	**9,715,147**		**12.12%**
Policy Benchmark				**10.65%**

Columns may not foot due to rounding.

WORKFORCE SAFETY & INSURANCE FUND

Investment Objectives and Policy Guidelines

Introduction

North Dakota Workforce Safety & Insurance (WSI) is an exclusive state workers' compensation fund (Fund), which exists for the mutual benefit of North Dakota employers and employees. The assets of the Fund are utilized to pay benefits to injured workers or their survivors.

Section 65-04-01 of the North Dakota Century Code requires WSI to establish premium rates for funding sufficiently high to provide for:

1. The payment of the expenses of administration of the organization,
2. The payment of compensation according to the provisions and schedules contained in this title, and
3. The maintenance by the Fund of adequate reserves and surplus to the end that it may be kept at all times in an entirely solvent condition.

Responsibilities of the North Dakota State Investment Board (SIB)

The governing body of WSI is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. WSI fulfills this responsibility through its Board of Directors, under the oversight and approval of the Governor. 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. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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 the objectives of the funds participating in the pools.

The SIB may delegate investment responsibility to professional money managers. Where 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, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

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

Investment Objectives

The investment goal of WSI is to supplement premiums, through various investments, to accomplish its statutory obligations.

The following investment objectives are established as of the date adopted and are in keeping with the fiduciary requirements as set forth in federal and state law and as expected by the members. WSI expects to receive results from the SIB that are consistent with the policies included herein. These objectives and guidelines will provide a basis for evaluating the effectiveness of the investment program over time. It is clearly understood these objectives and standards are to be viewed over the long term and have been established after full consideration of all factors set out in the Statement of Investment Policy.

The operating and liquidity needs of WSI are generally to be met by the cash equivalents allocation.

Funds in excess of those required for operating and liquidity needs will be invested in domestic equity, international equity, real estate and fixed income securities. The objective of these assets is to obtain the maximum total return on investments consistent with safety of principal on funds in excess of those required for operating and liquidity needs.

Standards of Investment Performance

The Fund's investment objectives and characteristics give rise to an asset allocation that is considered to have greater than a 50% probability of achieving the results desired. For evaluation purposes, the following performance targets will apply:

a) The rate of return, net of fees and expenses, should at least match that of the policy portfolio, over a minimum evaluation period of five years.
b) Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 100 basis points over a minimum evaluation period of five years.
c) Risk adjusted excess returns of the Fund, net of fees and expenses, should match or exceed the policy benchmark over a minimum evaluation period of five years.

Policy and Guidelines

The asset allocation policy developed herein is based on an evaluation of WSI's ability and willingness to assume investment risk in light of WSI's financial goals and objectives. In recognition of these goals and objectives, coupled with a liability-sensitive asset allocation study conducted by Callan Associates in February of 2022, the following asset allocation is deemed appropriate for WSI. The portfolio mix shall be in accordance with the following asset allocation and periodically reviewed by WSI.

Asset Class	Target Allocation
Global Equity	**20%**
Large Cap Equity	10%
Small Cap Equity	2%
International Equity	8%
Global Fixed Income	**62%**
Domestic Fixed Income	62%
Global Real Assets	**17%**
Diversified Real Assets	12%
TIPS	*8%*
Infrastructure/Timber	*4%*
Real Estate	5%
Cash Equivalents	**1%**

Rebalancing the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The consideration of socially responsible criteria in the investment or commitment of public funds for the purpose of obtaining and effect other than a maximized return to the state."*
g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

(1) The cost does not exceed the fair market value at the time of investment.
(2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
(3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
(4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Evaluation and Review

Investment management of the Fund 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.

Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 477,775,956**	**21.1%**	**17.17%**
Domestic All Cap Equity	14,213,551	0.6%	-
Domestic Large Cap Equity	267,823,832	11.8%	16.41%
Domestic Small Cap Equity	5,419,923	0.2%	5.06%
Domestic Equity Transition Account	301	0.0%	-
International All Cap	72,386,848	3.2%	16.49%
Developed International Large Cap	71,323,758	3.1%	18.63%
Developed International Small Cap	11,768,732	0.5%	26.15%
Emerging Markets	34,839,011	1.5%	13.99%
Global Fixed Income	**1,417,436,901**	**62.5%**	**6.99%**
Global Real Assets	**363,940,716**	**16.0%**	**5.18%**
Diversified Real Assets	270,501,933	11.9%	8.07%
Real Estate	93,438,783	4.1%	-2.44%
Cash Equivalents	**9,343,234**	**0.4%**	**4.64%**
Residual Holdings	**146,663**	**0.0%**	**-**
Total Fund	**$2,268,643,470**		**8.71%**
Policy Benchmark			**7.79%**

Columns may not foot due to rounding.

STATE FIRE AND TORNADO FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The State Fire and Tornado Fund (the Fund) was established in 1919 to insure the various state industries and political subdivisions against direct physical loss to public buildings, fixtures, and permanent contents due to the perils named in 26.1-22-02 of the North Dakota Century Code (NDCC). All state buildings and universities must be covered by the Fund. School districts and counties may participate at their option. Funding is primarily provided by annual premiums charged to policy holders in accordance with NDCC 26.1-22.

Effective August 1993, the state's boiler inspection program was placed under the direction of the Insurance Department. The costs of this program are appropriated from the Fund. Fees collected for boiler inspections and licensing will be the primary source of funding for the program. The 1995 Legislature added anhydrous ammonia storage facilities to the Fund's inspection responsibilities.

A minimum balance of $12.0 million must be maintained at all times. If reserves drop below this statutory minimum, additional premiums, as specified under NDCC 26.1-22, would be assessed. This situation must be avoided.

The Fund retains liability for the first $1 million on each and every loss. Any loss over this amount, up to a maximum of $100 million, is covered by reinsurance through a commercial reinsurance carrier. Reinsurance coverage is bidded by the North Dakota Insurance Reserve Fund at least once every two years.

Claims paid from the Fund are highly unpredictable. Weather damage accounts for the majority of claims. Fires generally result in the most extensive damage. Generally, there is a two-week lead time to prepare for a claim payment. Large claim payments have a longer lead time and are spread out in multiple payments whenever possible.

Operating expenses are paid from the Fund as incurred. These include Fund administration, boiler inspection program, anhydrous ammonia storage facility inspections, State Fire Marshall's Office, and the North Dakota Firefighter's Association.

Fund Mission

The primary mission of the Fund is to maintain an adequate balance in the fund to avoid the necessity of assessing additional premiums to policy holders.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing policies and asset allocation and investing the assets of the Fund in the manner provided in Section 21-10-07 the prudent institutional investor rule. The fiduciaries shall exercise the
judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in Chapter 21- 10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.
The SIB may delegate investment responsibility to professional money managers, which are also required to employ investment strategies consistent with the investment policy. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pool.

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

The SIB shall notify the board within 30 days of any substantial or notable changes in money managers; performance measurement services; and consultants, including hiring or terminating a money manager, performance measurement service, or a consultant.

The SIB will implement necessary changes to this policy in an efficient and prudent manner.

Risk Tolerance

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

Investment Objectives

The Fund'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 mixed weights of appropriate asset class benchmarks as set by the SIB:

a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
b. The Fund's risk, measured by the standard deviation of net returns, should be within 1% of the policy benchmark over a minimum evaluation period of five years. For example, if the policy benchmark is 4%, the Fund's risk should range between 3% and 5% over a five-year period.
c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Large Cap Domestic Equity	18.75%
Small Cap Domestic Equity	6.25%
International Equity	10.00%
Fixed Income	55.00%
Cash Equivalents	10.00%

Rebalancing the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the State Investment Board's master custodian, or such other custodians as are acceptable to the State Investment Board.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule, and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of the advisory services managing investments for the board.
- A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 6,512,929**	**33.6%**	**16.93%**
Domestic All Cap Equity	208,681	1.1%	-
Domestic Large Cap Equity	3,235,168	16.7%	16.41%
Domestic Small Cap Equity	1,140,963	5.9%	5.06%
Domestic Equity Transition Account	7	0.0%	-
International All Cap	733,349	3.8%	16.49%
Developed International Large Cap	722,579	3.7%	18.63%
Developed International Small Cap	119,229	0.6%	26.15%
Emerging Markets	352,953	1.8%	13.99%
Global Fixed Income	**11,028,102**	**56.9%**	**6.89%**
Cash Equivalents	**1,838,570**	**9.5%**	**4.80%**
Residual Holdings	**1,898**	**0.0%**	**-**
Total Fund	**$ 19,381,499**		**10.30%**
Policy Benchmark			**9.16%**

Columns may not foot due to rounding.

STATE BONDING FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The State Bonding Fund (the Fund) was established for bonding public employees and public officials in accordance with Chapter 26.1-21 of the North Dakota Century Code (NDCC). Annual collections to the Fund are in the form of fees and restitution. However, the primary funding source for the Fund is investment return.

A minimum balance of $2.0 million must be maintained at all times. If reserves drop below this statuary minimum, premiums will be assessed against all bond holders in accordance with NDCC 26.1-21-09. Such premiums will continue to be charged until the Fund balance reaches $3.0 million. This situation must be avoided.

Claims paid from the Fund are on an as-needed basis and are highly unpredictable. A judgment against the guilty party is required prior to the Fund making a claim payment. Generally, there is a 60-90 day lead time to prepare for a claim payment. Appropriations from the Fund are exclusively for administrative costs.

Fund Mission

The primary mission of the Fund is to maintain an adequate balance in the Fund to avoid the necessity of assessing premiums to policy holders.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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 provided in NDCC 21-10-07, the prudent institutional investor rule. The fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in NDCC Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

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.

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 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 shall notify the Fund within 30 days of any substantial or notable changes in money managers, performance measurement services, and consultants, including hiring or terminating a money manager, performance measurement service, or consultant. The SIB will implement changes to this policy as promptly as is prudent.

Risk Tolerance

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

Investment Objectives

The Fund'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:

a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
b. The Fund's risk, as measured by the standard deviation of net returns, should not exceed 115 percent of the policy benchmark over a minimum evaluation period of five years.
c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Fixed Income	55.0%
Cash Equivalents	45.0%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of advisory services managing investments for the Board.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Fixed Income	$ 2,309,355	56.6%	7.08%
Cash Equivalents	1,773,245	43.4%	4.80%
Total Fund	**$ 4,082,600**		**6.09%**
Policy Benchmark			**5.47%**

Columns may not foot due to rounding.

PETROLEUM TANK RELEASE COMPENSATION FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The Petroleum Tank Release Compensation Fund (the Fund) was established in 1989 in response to the Environmental Protection Agency's (EPA) requirement that all underground storage tank owners have proof of financial responsibility. Operation of the Fund is in accordance with NDCC 23.1-12. The Fund's "sunset clause" date of June 30, 2011 has been extended and the time horizon for this Fund is uncertain at this time.

Funding is provided by annual premiums collected for aboveground and underground petroleum storage tanks. Registration of tanks with the Fund is mandatory, although certain types of tanks are excluded.

A statutory minimum balance of $6.0 million must be maintained in the Fund. Also, a minimum balance of $2.0 million is required by EPA. In the event reserves drop below this minimum, EPA would evaluate the Fund's ability to pay claims and would in all likelihood disapprove the Fund as a financial responsibility mechanism for North Dakota petroleum tank owners.

If a petroleum release occurs or petroleum contamination is discovered, an eligible tank owner is reimbursed 90% of necessary and reasonable costs between $5,000 and $155,000 for cleanup of contamination or third-party liability. The Fund reimburses 100% of costs between $155,000 and $1,000,000. Operating expenses are paid from the Fund as incurred.

Fund Mission

The primary mission of the Fund is to maintain the statutory minimum balance in the fund.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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 provided in NDCC 21-10-07, the prudent institutional investor rule. The fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in NDCC Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

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.

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 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 shall notify the Fund within 30 days of any substantial or notable changes in money managers, performance measurement services, and consultants, including hiring and terminating a money manager, performance measurement service, or consultant. The SIB will implement changes to this policy as promptly as is prudent.

Risk Tolerance

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

Investment Objectives

The Fund'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:

a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
b. The Fund's risk, as measured by the standard deviation of net returns, should not exceed 115 percent of the policy benchmark over a minimum evaluation period of five years.
c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Global Fixed Income	50.0%
Cash Equivalents	50.0%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund’s investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of advisory services managing investments for the Board.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund’s investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board’s control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Fixed Income	$ 3,363,735	51.5%	7.08%
Cash Equivalents	3,171,732	48.5%	4.64%
Total Fund	**$ 6,535,467**		**6.05%**
Policy Benchmark			**5.40%**

Columns may not foot due to rounding.

INSURANCE REGULATORY TRUST FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The Insurance Regulatory Trust Fund (the Fund) was established for use by the Insurance Department to defray the expenses incurred in discharging its duties as described in NDCC 26.1.

Funding is provided primarily through the collection of fees and fines as specified in NDCC 26.1-01-07.1. Fees and other collections as well as earnings from investments are funding sources.

There is no statutory minimum balance for this Fund. However, the Insurance Department relies entirely on the Fund to meet all operating expenses. Therefore, sufficient liquidity and risk control must be maintained at all times to ensure the solvency of the Insurance Department.

In accordance with NDCC 26.1-01-07.1, any cash balance in the Fund after all current biennium expenditures are met must be carried forward for the succeeding biennium. However, when the balance at the end of the biennium exceeds $1.0 million, any excess will be transferred to the general fund in the state treasury. Such transfers are generally made at the end of September or during the first two weeks of October. Operating expenses are paid from the Fund as incurred.

Fund Mission

The primary mission of the Fund is to maintain an adequate balance in the Fund to avoid the necessity of assessing premiums to policy holders.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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 provided in NDCC 21-10-07, the prudent institutional investor rule. The fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in NDCC Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

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.

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 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 shall notify the Fund within 30 days of any substantial or notable changes in money managers, performance measurement services, and consultants, including hiring or terminating money managers, performance measurement services, or consultants. The SIB will implement changes to this policy as promptly as is prudent.

Risk Tolerance

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs.

Investment Objectives

The Fund'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:

d. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
e. The Fund's risk, as measured by the standard deviation of net returns, should not exceed 115 percent of the policy benchmark over a minimum evaluation period of five years.
f. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, the Fund has chosen the following asset allocation:

Large Cap Domestic Equity	15%
Small Cap Domestic Equity	5%
International Equity	10%
Fixed Income	35%
Cash Equivalents	35%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Insurance Department periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of advisory services managing investments for the Board.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 1,025,008**	**30.1%**	**19.33%**
Domestic All Cap Equity	16,097	0.5%	-
Domestic Large Cap Equity	581,978	17.1%	16.41%
Domestic Small Cap Equity	77,849	2.3%	5.06%
International All Cap	132,773	3.9%	16.49%
Developed International Large Cap	130,823	3.8%	18.63%
Developed International Small Cap	21,586	0.6%	26.15%
Emerging Markets	63,902	1.9%	13.99%
Global Fixed Income	**1,236,339**	**36.3%**	**7.06%**
Cash Equivalents	**1,143,670**	**33.6%**	**4.64%**
Residual Holdings	**115**	**0.0%**	**-**
Total Fund	**$ 3,405,132**		**8.98%**
Policy Benchmark			**8.42%**

Columns may not foot due to rounding.

STATE RISK MANAGEMENT FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

To address the State's loss of sovereign immunity, the 1995 North Dakota Legislature created a new chapter of the North Dakota Century Code (NDCC), 32-12.2. That Chapter established the Risk Management Fund (the Fund) to administer claims against the State and state employees for personal injury, death, or property damage caused by the State or a state employee acting within the scope of the employee's employment. The Fund is directed by the Office of Management and Budget (OMB).

Each entity of the State is required to participate in the Fund. Contributions to the Fund are determined by the Director of OMB based on an actuarial review of the financial status of the Fund. This results in a fluctuation of contributions made to the Fund from one biennium to another.

The amount of money damages the Fund may pay is limited for state court actions to a total of $250,000 per person and $1,000,000 per occurrence. These liability caps may not be recognized in Federal Court actions or in actions filed in other states. The Fund's excess carrier provides coverage up to $10,000,000 for those exposures not covered by the Tort Claims Act.

Significant claims paid from the Fund are usually somewhat predictable and take a period of time to resolve. A person bringing a claim or lawsuit against the State or a state employee must give notice to the OMB Director within 180 days after the alleged injury is discovered or reasonably should have been discovered. If the claim is one for death, the notice must be provided within one year after the alleged injury resulting in the death.

The Risk Management Division's operating expenses including loss control activities are paid from the Fund as incurred.

Responsibilities of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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.

Investment Objectives

The Fund'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:

1) The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2) The Fund's risk, measured by the standard deviation of net returns, should not exceed the risk of the policy benchmark by more than 1% over a minimum evaluation period of five years. For example, if the risk of the policy benchmark is 4%, the Fund's risk should not exceed 5% over a five-year period.

3) The risk adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

The asset allocation of the Fund is established by the SIB, with input from the OMB. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the Fund:

Large Cap Domestic Equity	22.5%
Small Cap Domestic Equity	7.5%
Fixed Income	65.0%
Cash Equivalents	5.0%

While the Fund recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Fund does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this allocation will be done in accordance with the SIB's rebalancing policy.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as "The investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Fund periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of the advisory services managing investments for the board.
- A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 1,356,693**	**28.8%**	**16.39%**
Domestic All Cap Equity	67,199	1.4%	-
Domestic Large Cap Equity	952,162	20.2%	16.41%
Domestic Small Cap Equity	337,332	7.2%	5.06%
Global Fixed Income	**3,152,645**	**67.0%**	**6.92%**
Cash Equivalents	**199,422**	**4.2%**	**4.80%**
Total Fund	**$ 4,708,760**		**9.92%**
Policy Benchmark			**8.46%**

Columns may not foot due to rounding.

STATE RISK MANAGEMENT WORKERS COMPENSATION FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The 2001 North Dakota Legislature established a single workers' compensation account for state entities, N.D.C.C. § 65-04-03.1. N.D.C.C. § 65-04-03.1(2) directs that workers' compensation premiums from state entities must be deposited in the Risk Management Workers Compensation Fund (Fund) and the State Investment Board is directed to invest the Fund in accordance with chapter 21-10.

The Risk Management Division of the Office of Management and Budget is responsible for administering the Fund to include promulgating rules, collecting and dispersing funds, and establishing an internal workers' compensation return-to-work program. Each entity of the State is required to participate in the program unless exempted by the director of the Office of Management and Budget. Contributions to the Fund are determined by Workforce Safety & Insurance (WSI) based on an actuarial review of combined payroll, premium, and loss history of agencies to determine experience rates, assessments, and premiums. The actuarial assumed rate of return is 3%.

The Risk Management Workers Compensation Program charges the entity the first $250 ($0 if a designated medical provider is used for treatment) of each accepted claim and pays disability and medical benefits of up to $100,000 dollars per claim. Dollar amounts for claims in excess of $100,000 are paid for by WSI. In turn the Program pays WSI approximately $1.7 million per year in premiums.

Responsibilities of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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.

Investment Objectives

The Fund'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:

1) The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2) The Fund's risk, measured by the standard deviation of net returns, should not exceed the risk of the policy benchmark by more than 1% over a minimum evaluation period of five years. For example, if the risk of the policy benchmark is 4%, the Fund's risk should not exceed 5% over a five-year period.
3) The risk adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

The asset allocation of the Fund is established by the SIB, with input from the OMB. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the Fund:

Large Cap Domestic Equity	27.75%
Small Cap Domestic Equity	9.25%
Fixed Income	60.00%
Cash Equivalents	3.00%

While the Fund recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Fund does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this allocation will be done in accordance with the SIB's rebalancing policy.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the State Investment Board's master custodian or such other custodians as are acceptable to the State Investment Board.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as "The investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."
g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Fund periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of the advisory services managing investments for the board.
- A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 1,146,495**	**35.9%**	**16.45%**
Domestic All Cap Equity	41,129	1.3%	-
Domestic Large Cap Equity	814,757	25.5%	16.41%
Domestic Small Cap Equity	290,609	9.1%	5.06%
Global Fixed Income	**1,951,945**	**61.1%**	**6.86%**
Cash Equivalents	**94,292**	**3.0%**	**4.64%**
Total Fund	**$ 3,192,732**		**10.68%**
Policy Benchmark			**9.04%**

Columns may not foot due to rounding.

NORTH DAKOTA CULTURAL ENDOWMENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The North Dakota Cultural Endowment Fund (Fund) was created by the State Legislature in 1979 and is governed by NDCC 54-54-08.2. The Fund was established "to improve the intrinsic quality of the lives of the state's citizens now and in the future through programs approved by the council on the arts." Such programs must:

1. Increase cultural awareness by the state's citizens through programs in arts, crafts, theater, ethnic and folk arts, literature, journalism, public media, historic preservation and interpretation, visual arts, and architecture.
2. Make the items named in #1 above more available to the state's citizens.
3. Encourage the development of talent in the areas named in #1 above within the state.
4. Preserve and increase understanding of North Dakota's heritage and future.

The goals of the Fund are:

- To create a vehicle through which the North Dakota Council on the Arts can secure private and public funds to enhance existing programs;
- And to provide a stable funding source for the Council.

Sources of funding for the Fund are private donations and periodic General Fund appropriations. The current principal balance that must be maintained in the Fund is $150,000. Disbursements from the Fund will amount to approximately $5,000 per year for fellowship grants.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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.

Investment Objectives

The investment objectives of the Fund reflect the long-term nature of the Fund, but also the low risk tolerance and shorter-term liquidity needs. Operating and statutory considerations shape the Funds policies and priorities as outlined below:

Objective #1: Investment income is needed to provide balance in investment return sources. 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. Capital growth will be sought through investment in equities.

Objective #3: Sufficient liquidity is to be maintained to meet known or anticipated financial obligations. Cash equivalent investments will be used to achieve this objective.

Objective #4: The risk of violating the mandated minimum balance requirement of $150,000 is to be minimized. This will be achieved by an asset allocation consistent with this objective.

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 33.75% S&P 500 domestic stock index, 11.25% Russell 2000 domestic small cap index, 10% MSCI EAFE international stock index, 37% Barclays Capital Aggregate domestic bond index, 5% NCREIF Total real estate index, and 3% 90-day Treasury bills.
b. The annual standard deviation of total returns for the Fund should not exceed that of the policy portfolio.
c. Over 10 year and longer time periods the Fund should match or exceed the expected 7.26% rate of return based on Callan Associates' 2005 market projections. Expected risk for the period, measured by standard deviation, is 10.44%.

Policy and Guidelines

The asset allocation of the Cultural Endowment Fund is established by the North Dakota Council on the Arts, with input from the SIB. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the fund:

Large Cap Domestic Equities	33.75%
Small Cap Domestic Equities	11.25%
International Equities	10.00%
Domestic Fixed Income	37.00%
Real Estate	5.00%
Cash Equivalents	3.00%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the State Investment Board's master custodian or such other custodians as are acceptable to the State Investment Board.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as "The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Evaluation and Review

Investment management of the Fund 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.

Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 349,020**	**53.3%**	**16.82%**
Domestic All Cap Equity	13,680	2.1%	-
Domestic Large Cap Equity	200,747	30.6%	16.41%
Domestic Small Cap Equity	68,809	10.5%	5.06%
International All Cap	25,021	3.8%	16.49%
Developed International Large Cap	24,653	3.8%	18.63%
Developed International Small Cap	4,068	0.6%	26.15%
Emerging Markets	12,042	1.8%	13.99%
Global Fixed Income	**252,390**	**38.5%**	**7.06%**
Global Real Assets	**32,613**	**5.0%**	**-2.43%**
Real Estate	32,613	5.0%	-2.44%
Cash Equivalents	**21,124**	**3.2%**	**4.64%**
Residual Holdings	**53**	**0.0%**	**-**
Total Fund	**$ 655,200**		**12.66%**
Policy Benchmark			**10.58%**

Columns may not foot due to rounding.

ARTS ACROSS THE PRAIRIE MAINTENANCE ENDOWMENT FUND (A SEGMENT OF THE NORTH DAKOTA CULTURAL ENDOWMENT FUND)

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The North Dakota Cultural Endowment Fund (Fund) was created by the State Legislature in 1979 and is governed by NDCC 54-54-08.2. The NDCE Fund was established "to improve the intrinsic quality of the lives of the state's citizens now and in the future through programs approved by the council on the arts." Such programs must:

1. Increase cultural awareness by the state's citizens through programs in arts, crafts, theater, ethnic and folk arts, literature, journalism, public media, historic preservation and interpretation, visual arts, and architecture.
2. Make the items named in #1 above more available to the state's citizens.
3. Encourage the development of talent in the areas named in #1 above within the state.
4. Preserve and increase understanding of North Dakota's heritage and future.

Per House Bill No. 1015 passed during the 2021 Legislative Session, $1,000,000 will be transferred from the strategic investment and improvements fund to the NDCE Fund with the intent that ND Council on the Arts (NDCA) expend up to $50,000 annually for the maintenance of the public arts projects constructed as part of the *Arts Across the Prairie* placemaking program. It is the intent to continue to spend up to $50,000 annually until the moneys (principle and income) derived from the strategic investment and improvements fund have been fully expended.

This capital has a different mission and spending profile compared to the original capital in the North Dakota Cultural Endowment Fund. As such, a separate portfolio with a new investment policy statement will be created to invest these monies. The portfolio will be named the *"Arts Across the Prairie Maintenance Endowment Fund"* (AAPME Fund).

Fund Mission

The AAPME Fund's mission is to provide up to $50,000 annually for the maintenance of public arts projects constructed as part of the *Arts Across the Prairie* placemaking program.

Responsibilities and Discretion of the State Investment Board (SIB)

NDCA's board is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the NDCE Fund, which includes the AAPME Fund. The SIB is charged with implementing these policies and investing the assets of the AAPME Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

The SIB may delegate investment responsibility to professional money managers. Where 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, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

At the discretion of the SIB, the AAPME 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 will implement changes to this policy as promptly as is prudent.

Investment Performance and Risk Objectives

NDCA's board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The AAPME Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1) The AAPME Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2) Risk, as measured by the annual standard deviation of net returns for the AAPME Fund, should not exceed that of the policy portfolio by more than 200 basis points over a minimum evaluation period of five years.

Asset Allocation

After consideration of all the inputs and discussion of its own risk tolerance, NDCA's board has chosen the following asset allocation:

Asset Class	Policy Target
Public Equity	70%
Public Fixed Income	30%
Total	100%

Rebalancing of the AAPME Fund to this target allocation will be done in accordance with the SIB's rebalancing policy but not less than annually.

Fund Specific Requirements

NDCA may spend up to $50,000 annually until the AAPME Fund is fully expended. Annually is defined as the State's fiscal year (July 1st to June 30th).

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax-exempt status of the AAPME Fund.
d. All assets will be held in custody by the SIB's master custodian, or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.

Internal Controls

The SIB must have a system of internal controls in place to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the AAPME Fund will be evaluated against the vehicle's investment objectives and investment performance standards. Emphasis will be placed on five-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to NDCA's board periodically, but not less than quarterly. These reports will include:

1) A list of the advisory services managing investments for the board.
2) A list of investments at fair value, compared to previous reporting period, of each fund managed by each advisory service.
3) Earnings, percentage earned, and change in fair value of each fund's investments.
4) Comparison of the performance of each find managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

Annually, a report will be provided to NDCA's board that includes:

1) All material legal or legislative proceedings affecting the SIB.
2) Confirmation that the AAPME Fund is in compliance with this investment policy statement and/or any exceptions.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 934,619**	**67.5%**	**17.51%**
Domestic All Cap Equity	28,958	2.1%	
Domestic Large Cap Equity	521,903	37.7%	16.41%
Domestic Small Cap Equity	28,526	2.1%	5.06%
Domestic Equity Transition Accoun	1	0.0%	
International All Cap	135,111	9.8%	16.49%
Developed International Large Cap	133,127	9.6%	18.63%
Developed International Small Cap	21,966	1.6%	26.15%
Emerging Markets	65,027	4.7%	13.99%
Global Fixed Income	**406,729**	**29.4%**	**6.94%**
Cash Equivalents	**42,044**	**3.0%**	**4.64%**
Residual Holdings	**259**	**0.0%**	**-**
Total Fund	**$ 1,383,651**		**13.84%**
Policy Benchmark			**12.96%**

Columns may not foot due to rounding.

NORTH DAKOTA BUDGET STABILIZATION FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The Budget Stabilization Fund (Fund) is a special fund created in 1987 under Chapter 54-27.2 of the North Dakota Century Code used to deposit general fund moneys in excess of appropriations. The Fund serves as a “rainy day fund” for the State of North Dakota General Fund. The statutory cap for the 2021-23 biennium is $751,568,600. The state investment board shall supervise investment of the budget stabilization fund in accordance with chapter 21-10.

Any interest or other budget stabilization fund earnings must be deposited in the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund to an amount greater than that fifteen percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund. In the event of a budget shortfall, additional transfers may be made from the Fund only in accordance with NDCC 54-27.2-03.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing 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. In accordance with this Investment Policy Statement, the Fund’s assets may be invested directly or through collective investment vehicles.

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.

Investment Objectives

The investment objectives of the Fund reflect the relatively unknown life-span and the moderate risk tolerance of the Fund. Operating and statutory considerations shape the Fund’s policies and priorities as outlined below:

Objective: Sufficient liquidity is to be maintained to meet known or anticipated financial obligations and preserve the value of the surplus. Cash equivalent investments will be used to achieve this objective.

Standards of Investment Performance

The Fund'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:

a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

b. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy and Guidelines

The asset allocation of the Fund is established by the SIB, with input from the Legacy and Budget Stabilization Advisory Board. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the fund:

Short-term Fixed Income	Minimum of 90%
Bank Loans w/floating yield	Maximum of 5%
Absolute Return Strategies	Maximum of 5%

On June 17, 2017, the Advisory Board acknowledged the Bank of North Dakota Match Loan Certificates of Deposit Program (BND CD) was transferred to the Legacy Fund in early-2017.

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the State Investment Board's master custodian or such other custodians as are acceptable to the State Investment Board.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Evaluation and Review

Investment management of the Fund 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.

Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Short Term Fixed Income	$ 970,639,553	99.0%	6.65%
Cash Equivalents	10,264,762	1.0%	4.64%
Total Fund	**$ 980,904,315**		**6.62%**
Policy Benchmark			**5.92%**

Columns may not foot due to rounding.

NORTH DAKOTA ASSOCIATION OF COUNTIES

Investment Objectives and Policy Guidelines

Introduction

The North Dakota Association of Counties (NDACo) (Fund) was established to aid in the administration of county government by providing a medium for exchange of information, ideas, and experience of county officials; promote training; facilitate cooperation with all levels of government; and be a legislative advocate for counties. NDACo and the benefits provided there under are funded by dues from member counties and special programs and projects of NDACo.

Responsibilities and Discretion of the State Investment Board (SIB)

NDACo has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. It is the responsibility of NDACo 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 Fund participating in the pools.

The SIB may delegate investment responsibility to professional money managers. Where 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.

Risk Tolerance

Funds in excess of those required for operating and claims payment needs will be invested to obtain the maximum total return on investments consistent with safety of principal on funds in excess of those required for operating and claims payment needs. The investment funds may be comprised of fixed income securities and equity securities. Individual investments may be either actively or passively managed.

Investment Objective

The Fund'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.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years
2. Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 100 basis points over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset allocation analysis designed to assist the Fund in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This analysis estimates the potential impact of various asset class mixes on key measures of total fund risk.

After consideration of all the inputs and a discussion concerning risk tolerance, the Fund approves the appropriate policy mix for the Fund.

Large Cap Equity	20%
Small Cap Equity	5%
International Equity	10%
Domestic Fixed Income	62%
Cash Equivalents	3%

While the Fund recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Fund does not intend to engage in tactical asset allocations. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.
Performance reports will be provided periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- A list of advisory services managing investments for the Board.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Cash Equivalents	$ 581	100.0%	*
Total Fund	**$ 581**		
Policy Benchmark			

** Participant is in the process of liquidating fund, minimal residual cash remained at year-end*

Columns may not foot due to rounding.

CITY OF BISMARCK DEFERRED SICK LEAVE ACCOUNT

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The City of Bismarck Deferred Sick Leave Account (the Fund) represents money set aside to cover the City's unfunded liability of employees' accrued sick leave. People who terminate employment with the City shall be compensated for unused sick leave from this Fund. In time, it is expected that the Fund will become depleted.

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 appropriate asset class pools designed to provide specific quality and diversification guidelines, restrictions, and performance objectives consistent with the goals of the funds participating in the pools.

The SIB may delegate investment responsibility to professional money managers. Where 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.

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.

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% Barclays Capital Aggregate domestic bond index, and 5% 90-day Treasury Bills.
b. The annual standard deviation of total returns for the Fund should be consistent with that of the policy portfolio.
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%.

Policy and Guidelines

The asset allocation of the Fund is established by the City of Bismarck. Asset allocation is based upon the appraisal of projected liquidity requirements and sick leave payment demand, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the Fund:

Large Cap Domestic Equity	15%
Small Cap Domestic Equity	5%
International Equity	10%
Fixed Income	65%
Cash Equivalents	5%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as "The investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Evaluation and Review

Investment management of the Fund 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. Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 267,740**	**28.9%**	**17.09%**
Domestic All Cap Equity	8,606	0.9%	-
Domestic Large Cap Equity	123,582	13.4%	16.41%
Domestic Small Cap Equity	43,998	4.8%	5.06%
International All Cap	34,822	3.8%	16.49%
Developed International Large Cap	34,311	3.7%	18.63%
Developed International Small Cap	5,661	0.6%	26.15%
Emerging Markets	16,760	1.8%	13.99%
Global Fixed Income	**617,977**	**66.8%**	**7.06%**
Cash Equivalents	**39,874**	**4.3%**	**4.64%**
Residual Holdings	**72**	**0.0%**	**-**
Total Fund	**$ 925,663**		**9.76%**
Policy Benchmark			**8.82%**

Columns may not foot due to rounding.

NDPERS GROUP INSURANCE ACCOUNT

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The ND Public Employees Retirement System (PERS) Group Insurance Account (Fund) was established to hold insurance premiums collected from employers until paid to the insurance carrier.

Responsibilities and Discretion of the State Investment Board (SIB)

PERS has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. It is the responsibility of PERS to establish policies on investment goals and asset allocation of the Funds. The SIB is charged with implementing these policies and asset allocation and investing the assets of the Funds 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, 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. Where 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.

Investment Objectives

Premiums are collected throughout the month at PERS and will be forwarded to the Fund investment account on approximately the 5th of each month. The premiums transferred into the investment account will be transferred back to PERS on approximately the 20nd of each month so they may be remitted to the insurance carrier. The investment objective of the Fund is to maximize the return on the deposits within the short-term time-frame involved.

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 the 90-day Treasury bill.
b. The Fund annual standard deviation of total returns
c. should not materially exceed that of the policy portfolio.

Policy and Guidelines

The asset allocation of the Fund is established by PERS, with input from the SIB. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the Fund:

Short Term Fixed Income	95%
Cash Equivalents	5%

This cash will be held in an enhanced money market account at the Fund's custodian.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

   (1) The cost does not exceed the fair market value at the time of investment.
   (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
   (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
   (4) The safeguards and diversity that a prudent investor would adhere to are present.

   Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Evaluation and Review

Investment management of the Fund 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.

Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Short Term Fixed Income	$ 57,291,156	95.8%	6.65%
Cash Equivalents	2,526,364	4.2%	4.64%
Total Fund	**$ 59,817,520**		**6.59%**
Policy Benchmark			**5.88%**

Columns may not foot due to rounding.

CITY OF FARGO FARGODOME PERMANENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The City of Fargo has set aside excess sales tax collections intended for the administration of the FargoDome in the FargoDome Permanent Fund (Fund). This fund is intended to provide financial resources necessary for the ongoing upkeep of this large City owned facility over a long term time horizon.

Responsibilities of the State Investment Board (SIB)

The City of Fargo (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 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.

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.

Standards of Investment Performance

The Fund'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.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of the net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy and Guidelines

The asset allocation of the Fund is established by the City of Fargo Finance Committee, with input from RIO staff. Asset allocation is based upon the appraisal of projected liquidity and income requirements, and estimates of the investment returns likely to be achieved by the various asset classes over the next five years.

In recognition of these factors, the following allocation is deemed appropriate for the Fund:

Large Cap Domestic Equity	23%
Small Cap Domestic Equity	12%
International Equity	15%
Fixed Income	39%
Inflation Protected Assets	10%
Cash Equivalents	1%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. All assets will be held in custody by the State Investment Board's master custodian or such other custodians as are acceptable to the State Investment Board.
d. No funds shall be borrowed.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund 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. Money managers will be evaluated by the SIB quarterly. In-state meetings will be held with the money managers at least annually.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 23,320,557**	**49.5%**	**16.75%**
Domestic All Cap Equity	750,012	1.6%	-
Domestic Large Cap Equity	9,980,288	21.2%	16.41%
Domestic Small Cap Equity	5,220,916	11.1%	5.06%
Domestic Equity Transition Account	22	0.0%	-
International All Cap	2,802,892	6.0%	16.49%
Developed International Large Cap	2,761,728	5.9%	18.63%
Developed International Small Cap	455,697	1.0%	26.15%
Emerging Markets	1,349,002	2.9%	13.99%
Global Fixed Income	**18,508,903**	**39.3%**	**7.06%**
Global Real Assets	**5,009,029**	**10.6%**	**5.20%**
Diversified Real Assets	5,009,029	10.6%	8.07%
Cash Equivalents	**225,054**	**0.5%**	**4.64%**
Residual Holdings	**5,982**	**0.0%**	**-**
Total Fund	**$ 47,069,525**		**12.07%**
Policy Benchmark			**10.30%**

Columns may not foot due to rounding.

ND STATE BOARD OF MEDICINE FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The North Dakota State Board of Medicine (the Board) was established in 1890 to protect the citizens of the state by regulating the practice of medicine. The Board licenses physicians, physician assistants, genetic counselors and fluoroscopy technicians and disciplines them if they violate the state's medical practice act. The North Dakota State Board of Medicine is governed by NDCC Chapter 43-17.

The North Dakota State Board of Medicine Fund (the Fund) is an unrestricted operating reserve set aside to provide a margin of safety and stability in the Board's operating activities, and provide flexibility to pursue capital projects as needed.

Fund Goals

The investment objectives of the Fund reflect a low risk tolerance and short-term liquidity needs. 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, equities and real estate.

Objective #2: Growth of capital is needed to preserve the real purchasing power of Fund assets. Capital growth is sought through investment in equities and/or equity substitutes.

Objective #3: Sufficient liquidity will be maintained to meet known or anticipated financial obligations. Cash equivalent investments shall be used to achieve this objective.

Responsibilities and Discretion of the State Investment Board (SIB)

The Board has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

The Board's risk tolerance with respect to the management of the Fund's asset is low. The Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to maintain principal value over time.

Investment Objectives

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset allocation analysis designed to assist the Board in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This analysis estimates the potential impact of various asset class mixes on key measures of total Fund risk.

After consideration of all the inputs and a discussion concerning risk tolerance, the Board approves the appropriate policy asset mix for the Fund.

US Equity	16%
Global ex US Equity	11%
Fixed Income	67%
Real Estate	6%

While the Board recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Board does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

(1) The cost does not exceed the fair market value at the time of investment.
(2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
(3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
(4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the BCEPP Board periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of the advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.
- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 1,449,033**	**26.8%**	**17.70%**
Domestic All Cap Equity	38,311	0.7%	-
Domestic Large Cap Equity	777,562	14.4%	16.41%
Domestic Small Cap Equity	41,278	0.8%	5.06%
International All Cap	225,120	4.2%	16.49%
Developed International Large Cap	221,814	4.1%	18.63%
Developed International Small Cap	36,600	0.7%	26.15%
Emerging Markets	108,348	2.0%	13.99%
Global Fixed Income	**3,575,969**	**66.2%**	**7.03%**
Global Real Assets	**320,249**	**5.9%**	**-2.44%**
Real Estate	320,249	5.9%	-2.44%
Cash Equivalents	**58,624**	**1.1%**	**4.64%**
Residual Holdings	**331**	**0.0%**	**-**
Total Fund	**$ 5,404,206**		**9.04%**
Policy Benchmark			**8.59%**

Columns may not foot due to rounding.

LEWIS & CLARK INTERPRETIVE CENTER ENDOWMENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The Lewis and Clark Interpretive Center Endowment Fund (Fund) was created in 2003 exclusively for the maintenance, repair and upkeep of the ND Lewis and Clark Interpretive Center/Rest Area, for programming and facility improvements. The original principal was endowed to the North Dakota Lewis and Clark Bicentennial Foundation (Foundation) who transferred the funds to the North Dakota Parks and Recreation Department in 2017. The State Legislature changed the responsibility of maintenance of the facility to the State Historical Society of North Dakota (Historical Society) effective July 1, 2021. The Foundation then approved the transfer of investment authority of the Fund to the Historical Society in July 2021.

Fund Goals

It is the intention of the Historical Society to utilize the earnings of the Fund to supplement its biennial appropriation for the maintenance of the Lewis and Clark Interpretive Center.

Responsibilities and Discretion of the State Investment Board (SIB)

The Historical Society has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The Historical Society is responsible for establishing policies on investment goals and asset allocation of the fund. The SIB is charged with implementing these policies and investing the assets of the fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy. Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy. The SIB may delegate investment responsibility to professional money managers. Where 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, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers. The SIB will implement changes to this policy as promptly as is prudent.

Risk Tolerance

The Historical Society is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to maintain principal value over the long-term.

Investment Objectives

The Historical Society'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.

1. The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 100 basis points over a minimum evaluation period of five years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Policy Asset Mix

Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Historical Society in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This analysis estimates the potential impact of various asset class mixes on key measures of total fund risk.

After consideration of all the inputs and a discussion of its own collective risk tolerance, the Historical Society approves the appropriate policy asset mix for the fund.

Asset Class	Policy Target (%)
Global Equity	35
Global Fixed Income	64
Cash Equivalents	1

While the Historical Society recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Historical Society does not intend to engage in tactical asset allocation. Rebalancing of the fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the fund's assets will be invested, it is understood that:

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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 Historical Society's policy favors investments which will have a positive impact on the economy of North Dakota

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the fund will be evaluated against the fund's investment objectives. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Historical Society quarterly and investment performance presentations will be provided to the Historical Society upon request, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the fund, including, but not limited to:

1. A list of the advisory services managing investments for the Historical Society.
2. A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in market value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the SIB's control and to generally accepted market indicators.
5. All material legal or legislative proceedings affecting the SIB.
6. Compliance with this investment policy statement

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 343,324**	**34.0%**	**17.52%**
Domestic All Cap Equity	10,978	1.1%	-
Domestic Large Cap Equity	191,410	18.9%	16.41%
Domestic Small Cap Equity	10,544	1.0%	5.06%
International All Cap	49,594	4.9%	16.49%
Developed International Large Cap	48,866	4.8%	18.63%
Developed International Small Cap	8,063	0.8%	26.15%
Emerging Markets	23,869	2.4%	13.99%
Global Fixed Income	**655,401**	**64.9%**	**6.94%**
Cash Equivalents	**11,352**	**1.1%**	**4.64%**
Residual Holdings	**105**	**0.0%**	**-**
Total Fund	**$ 1,010,182**		**10.26%**
Policy Benchmark			**9.51%**

Columns may not foot due to rounding.

ATTORNEY GENERAL SETTLEMENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The ND Office of the Attorney General (Trustee) has established the AG Settlement Fund to support attorney related compensation needs and educational initiatives.

The AG Settlement Fund (Fund) was established with an initial investment contribution on September 30, 2019, and expects to make semi-annual withdrawals that will likely result in the entire balance being depleted by approximately June 30, 2025. Additional contributions may occur in future years which could extend the expected investment horizon of the Fund and/or potentially alter its investment risk, return and liquidity profile.

Fund Goals

The investment objectives of the Fund reflect a low risk tolerance and short-term liquidity needs. 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, short-term fixed income and cash.

Objective #2: The need for growth of capital to preserve the real purchasing power of Fund assets is minimal as the investment term is not expected to be more than a few years.

Objective #3: Sufficient liquidity must be maintained as the Fund will be liquidated in semi-annual distributions over the next few years. Short-term fixed income and cash equivalent investments shall be used to achieve this objective.

Responsibilities and Discretion of the State Investment Board (SIB)

The ND Office of the Attorney General (Trustee) has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The Trustee is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

The Trustee's risk tolerance with respect to the management of the Fund's asset is low. The Trustee is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to maintain principal value over time.

Investment Objectives

The Trustee'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:

1) The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over the investment period of approximately three years.
2) The Fund's risk, measured by the standard deviation of net returns, should not exceed 1% of the policy benchmark over a minimum evaluation period of three years.
3) The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of three years.

Policy Asset Mix

Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset allocation analysis designed to assist the Trustee in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This analysis estimates the potential impact of various asset class mixes on key measures of total Fund risk.

After consideration of all the inputs and a discussion concerning risk tolerance, the Trustee approves the appropriate policy asset mix for the Fund.

Short-Term Fixed Income & Cash	100%

While the Trustee recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Trustee does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

   Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on three (or five) year results, if applicable. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Trustee periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of advisory services managing investments for the Fund.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Short Term Fixed Income	$ 238,452	99.1%	6.65%
Cash Equivalents	2,198	0.9%	4.64%
Total Fund	**$ 240,650**		**6.97%**
Policy Benchmark			**5.91%**

Columns may not foot due to rounding.

ND VETERANS' CEMETERY TRUST FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The ND Veterans' Cemetery Trust Fund (Fund) was established in 1997 as a permanent fund to be used to support the veterans' cemetery. As spelled out in NDCC 39-04-10.10, the Fund receives a portion of the annual surcharge assessed on the issuance of North Dakota veterans' number plates. The North Dakota State Treasurer has full authority to invest the fund in the same manner as the State Investment Board is authorized to make investments. Upon request of the Adjutant General, the interest in the Fund must be deposited into the Veterans' Cemetery Maintenance Fund for the purpose of funding salaries and maintenance of the veterans' cemetery.

Responsibilities and Discretion of the State Investment Board (SIB)

The ND State Treasurer (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 Fund in the manner provided in Section 21-10-07-the prudent institutional investor rule. The fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

The SIB may delegate investment responsibility to professional money managers, which are also required to employ investment strategies consistent with the investment policy. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pool.

The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, retaining, and terminating money managers. The SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers. The SIB will implement changes to this policy as promptly as is prudent.

Policy Asset Mix

After consideration of all the liquidity needs, spending policy and time horizon of the Fund and a discussion of its risk tolerance, the Client approves the following policy asset mix for the Fund:
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Global Equities	50%
Global Fixed Income	35%
Global Real Assets	15%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Investment Objectives

The Fund'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:

a. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

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

c. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

Restrictions

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

a) Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b) Derivative use will be monitored to ensure that undue risks are not taken by the money managers.
c) No transaction may be made that would threaten the tax-exempt status of the Fund.
d) All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e) No unhedged short sales or speculative margin purchases shall be made.
f) Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Emphasis will be placed on 5-year and 10-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy statement for achieving those objectives.

Performance reports will be provided to the Client periodically, but not less than quarterly. Such reports will include asset returns and allocation data. Additionally, not less than annually, reports will include information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including:

- A list of advisory services managing investments for the Fund.
- A list of investments at market value, compared to the previous reporting period, of each fund managed by each advisory service.
- Earnings, percentage earned, and change in market value of each fund's investments.
- Comparison of the performance of each fund managed by each advisory service to other funds under the Board's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 268,050**	**48.5%**	**16.98%**
Domestic All Cap Equity	8,495	1.5%	-
Domestic Large Cap Equity	149,513	27.1%	16.41%
Domestic Small Cap Equity	8,237	1.5%	5.06%
International All Cap	38,721	7.0%	16.49%
Developed International Large Cap	38,153	6.9%	18.63%
Developed International Small Cap	6,295	1.1%	26.15%
Emerging Markets	18,636	3.4%	13.99%
Global Fixed Income	**192,544**	**34.9%**	**5.54%**
Global Real Assets	**81,082**	**14.7%**	**2.82%**
Diversified Real Assets	54,400	9.8%	4.46%
Real Estate	26,682	4.8%	-2.44%
Cash Equivalents	**10,720**	**1.9%**	**4.64%**
Residual Holdings	**81**	**0.0%**	**-**
Total Fund	**$ 552,477**		**10.99%**
Policy Benchmark			**10.75%**

Columns may not foot due to rounding.

ND UNIVERSITY SYSTEM CAPITAL BUILDING INVESTMENT FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Constraints

The North Dakota University System (Trustee) has established the Capital Building Fund to support Capital Building projects on a continuing basis for allocations to the institutions under the control of the state board of higher education as directed by the legislative assembly in the accordance of chapter 15-54.1. Any interest or earnings of the fund must be allocated to the capital building fund pool within the university system capital building fund.

The North Dakota University System Capital Building Fund (Fund) was established with an initial contribution on December 30, 2021, and expects to withdraw as needed within the biennium. Additional contributions may occur in future years and may potentially alter its investment risk, return and liquidity profile.

Fund Goals

The investment objectives of the Fund reflect a low risk tolerance and short-term liquidity needs. 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, short-term fixed income and cash.

Objective #2: Growth of capital is minimal to preserve the real purchasing power of Fund assets as the investment term is not expected to be more than a few years.

Objective #3: Sufficient liquidity must be maintained as the Fund will be drawn down over the next few years. Short-term fixed income and cash equivalent investments shall be used to achieve this objective.

Responsibilities and Discretion of the State Investment Board (SIB)

The ND University System (Trustee) has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. The Trustee is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

Risk Tolerance

The Trustee's risk tolerance with respect to the management of the Fund's asset is low. The Trustee is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to maintain principal value over time.

Investment Objectives

The Trustee'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.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over the investment period of approximately three years.
2. The Fund's risk, measured by the standard deviation of net returns, should not exceed 1% of the policy benchmark over a minimum evaluation period of three years.
3. The risk-adjusted performance of the Fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of three years.

Policy Asset Mix

Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset allocation analysis designed to assist the Trustee in determining an acceptable volatility target for the Fund and an optimal asset allocation policy mix. This analysis estimates the potential impact of various asset class mixes on key measures of total Fund risk.

After consideration of all the inputs and a discussion concerning risk tolerance, the Trustee approves the appropriate policy asset mix for the Fund.

Asset Class	*Policy Target*
Short-Term Fixed Income and Cash	100%

While the Trustee recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Trustee does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, social investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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 Trustee's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on three (or five) year results, if applicable. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Trustee periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all significant and/or material matters and changes pertaining to the investment of the Fund, including, but not limited to:

- A list of the advisory services managing investments for the SIB.
- A list of investments at market value, compared to previous reporting period, of each account managed by each advisory service.
- Earnings, percentage earned, and change in market value of each account's investments.
- Comparison of the performance of each account managed by each advisory service to other accounts under the SIB's control and to generally accepted market indicators.
- All material legal or legislative proceedings affecting the SIB.
- Compliance with this investment policy statement.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Cash Equivalents	$ 57	100.0%	*
Total Fund	**$ 57**		
Policy Benchmark			

** Participant is in the process of liquidating fund, minimal residual cash remained at year-end*
Columns may not foot due to rounding

NORTH DAKOTA LEGACY FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The North Dakota legacy fund was created in 2010 when the voters of North Dakota approved a constitutional amendment--now Article X, Section 26, of the Constitution of North Dakota--to provide that 30 percent of oil and gas gross production and oil extraction taxes on oil and gas produced after June 30, 2011, be transferred to the legacy fund. The principal and earnings of the legacy fund may not be spent until after June 30, 2017, and any expenditure of principal after that date requires a vote of at least two- thirds ·of the members elected to each house of the Legislative Assembly. Not more than 15 percent of the principal of the legacy fund may be spent during a biennium. The legislative Assembly may transfer funds from any source to the legacy fund, and such transfers become part of the principal of the fund. The State Investment Board (SIB) is responsible for investment of the principal of the legacy fund. Interest earnings accruing after June 30, 2017, are transferred to the general fund at the end of each biennium. North Dakota Century Code Section 21-10-11 provides that the goal of investment for the legacy fund is principal preservation while maximizing total return.

Fund Mission

The legacy fund was created, in part, due to the recognition that state revenue from the oil and gas industry will be derived over a finite timeframe. The legacy fund defers the recognition of 30 percent of this revenue for the benefit of future generations. The primary mission of the legacy fund is to preserve the real inflation-adjusted purchasing power of the money deposited into the fund while maximizing total return for a prudent level of risk.

Responsibilities and Discretion of the State Investment Board (SIB)

The legacy and Budget Stabilization Fund Advisory Board (the "Advisory Board") is charged by law under Section 21-10-11 with the responsibility of recommending policies on investment goals and asset allocation of the legacy fund. The SIB is charged with implementing policies and asset allocation and investing the assets of the legacy fund in the manner provided in Section 21-10-07--the prudent institutional investor rule. The fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 is hereby delegated to the SIB, which must establish written policies for the operation of the investment program consistent with this investment policy.

The SIB may delegate investment responsibility to professional money managers, which are also required to employ investment strategies consistent with the investment policy. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory not advisory.

At the discretion of the SIB, the fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pool.
The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, retaining, and terminating money managers. The SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

The SIB shall notify the Advisory Board within 30 days of any substantial or notable changes in money managers; performance measurement services; and consultants, including hiring or terminating a money manager, performance measurement service, or a consultant.

The SIB, after consultation with the board, will implement necessary changes to this policy in an efficient and prudent manner.

The Policies governing the investment of Legacy Fund assets fall into three categories.

- Those applicable to all investment for Legacy Fund assets.
- Those applicable to those assets – referred to here as the Core Legacy Fund (CLF) – that are not invested under the In-State Investment Program.
- Those assets defined under law made within the In-State Investment Program (ISIP)

A. Policies governing the investment of All Legacy Fund assets.

a. Risk Tolerance

The Advisory Board's risk tolerance with respect to the primary aspect of the legacy fund's mission is low. The Advisory Board is unwilling to undertake investment strategies that might jeopardize the ability of the legacy fund to maintain principal value over time. The Advisory Board recognizes that the plan will evolve as the legacy fund matures and economic conditions and opportunities change.

b. Investment Objectives

The Advisory Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The legacy fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB:

i. The legacy fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

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

c. The Prudent Investor Rule

All investments and the investment strategy in its totality will adhere to the Prudent Investor Rule.

B. Asset Allocation Policy

The SIB and the Advisory Board recognize that the most important determinant of long-term return and risk is the asset allocation decision. The asset allocation decision is intended to reflect the return objective and risk tolerance expressed in this Investment Policy Statement. The table below delineates the following key guidelines for the Total Legacy Fund:

a. The approved asset classes to be utilized.

b. The policy target allocations for each.

c. The application of a rebalancing program.

At its discretion, the SIB advised by the Advisory Board may adjust these targets on an interim or a long-term basis to account for (a) extreme market conditions, (b) the specific composition of Legacy Fund assets deployed via the In-State Investment Program (ISIP), a decision by the North Dakota State Legislature to withdraw and spend an amount above that consistent, with capital preservation of the Legacy Fund assets up to but not exceeding 15% of the Fund and (c) the long-term implementation nature of alternative assets (such as private equity and private real assets).

Asset Class	Policy Target	Policy Target Ranges	Additional Guidelines
Broad US Equity	27.5%	18% - 40%	Rebalanced with the total invested in-state and private markets equity and real assets; apply corridor treatment
Broad International Equity	19%	14% - 24%	Rebalanced with the total invested in-state and private markets equity and real assets; apply corridor treatment
Private Equity	7%	0% - 12%	Rebalance with public equity; apply corridor treatment

Continued on next page

Asset Class	Policy Target	Policy Target Ranges	Additional Guidelines
Fixed Income	28.5%	23% - 34%	Rebalanced with the total invested in-state and private markets fixed income and real assets; apply corridor treatment
Core Fixed Income	*13.5%*	*10% - 17%*	
High Yield Fixed Income	*5.0%*	*0% - 7%*	
Private Credit	*10.0%*	*0% - 13%*	Rebalance with public fixed income; apply corridor treatment
Private Real Assets	10%	5% - 15%	Rebalance half public equity/half public fixed income; apply corridor treatment
In-state Fixed Income			Target of $700 million; rebalance with public fixed income; apply corridor treatment
In-state Infrastructure Loan	*1%*	*0% - 2%*	Up to $150 million
BND CD Match Program	*4%*	*0% - 6%*	Minimum of $400 million
In-state Equity	3%	0% - 7%	Long-Term Target of $600 million; rebalance with public equity; apply corridor treatment
TOTAL	100%		

Rebalancing of the fund to these targets will be done in accordance with the SIB's rebalancing policy.

Additionally, for rebalancing purposes, portfolio weights of private markets (equity, fixed income and half equity/half fixed income for real assets) can be applied to benchmark weights using the policy target ranges stated in the table above.

C. Policies Specific to the In-State Investment Program

In 2021, House Bill 1425 (HB 1425) was approved by the North Dakota legislature and signed into law. It establishes a program for the investment of a portion of Legacy Fund assets within the state and empowers the State Investment Board advised by the Legacy and Budget Stabilization Fund Advisory Board ("Advisory Board") to execute that program. The in-state investment program ("ISIP") provides specific direction that grants the SIB and the Advisory Board substantial latitude in the implementation of the program.

In 2023, Senate Bill 2330 amended NDCC 21-10-11 by directing the SIB advised by the Advisory Board to invest in the ISIP program in the following way:

- A target allocation of **seven hundred million dollars** to fixed income investments within the state, including:
  - Up to **one hundred fifty million** dollars for infrastructure loans, with the fixed net return to the legacy fund of 1.5%.
  - A minimum of **four hundred million dollars** million for the Bank of North Dakota's ("BND") certificate of deposit match program with an interest rate fixed at the equivalent yield of the United State treasury bonds having the same term, up to a maximum term of 20 years; and
  - Other qualified fixed income investments within the state based on guidelines developed by the legacy and budget stabilization advisory board.
- A target allocation of **six hundred million dollars** to equity investments in the state, including:
  - Investment in one or more equity funds, venture capital funds, or alternative investment funds with a primary strategy of investing in emerging or expanding companies in the state. Equity investments must:
    - Be managed by qualified investment firms, financial institutions, or equity funds.
    - Have a benchmark investment return equal to the 5-year average net return for the legacy fund, excluding in-state investments.

- Other eligible investments under this subdivision based on guidelines developed by the legacy and budget stabilization fund advisory board.

In addition to the policies covering all Legacy Fund assets noted above in Section 3.A. – risk tolerance, return objectives, and the Prudent Investor Rule – policies specific to the investments made within the ISIP include:

a. Specific to the assessment of acceptable risk and return targets for the ISIP in total and all ISIB investments, in-state investments should offer credible evidence that they will meet or exceed the forward expected returns of similar investments with similar levels of risk and liquidity present in the Core Legacy Fund.

b. All proposed investments will be made using third party asset managers. Direct investments by the SIB advised by the Advisory Board are not contemplated.

c. All investments must be subject to the same level of due diligence that similar investments considered for funding using Core Legacy Fund assets.

d. The Board at its discretion may choose to direct asset managers retained in the ISIP to utilize either equity, fixed income, convertible debt, debt with warrants or a combination of any of these securities to best meet the risk, return and prudency in the ISIP investments.

e. The Board will create and maintain an annual investment pacing schedule that – subject to the successful sourcing, due diligence and deal structuring that meets the Board's policy requirements for the ISIP, fluctuations in market values and distributions back to the Legacy Fund – will create the opportunity to commit funds at a rate such that the full amount of the equity capital limit for the ISIP set in statute is reached within ten years.

f. The Board will direct asset managers retained in the ISIP to:

   i. require in the structuring of transactions that the State never becomes a majority equity owner of a business,

   ii. require that private capital provided by independent third parties always be invested alongside capital provided from Legacy Fund assets,

   iii. give strong preference for investments that provide the Board the ability to exit from the investment to recycle capital into new ISIP opportunities. The Board, to the extent prudent, will give special consideration to qualified and experienced institutional asset managers domiciled or having operating offices within the state for participation in implementation of the ISIP,

   iv. limit capital provided to any one direct investment by an in-state portfolio fund manager should not exceed $10 million, with two exceptions per fund commitment of up to $25 million.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction may be made that would threaten the tax-exempt status of the Legacy Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases may be made.
f. Social investing is prohibited unless it meets the Exclusive Benefit Rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk. For the purpose of this document, social investing is defined as *"The consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the fund."*
g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

For the purpose of this document, economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy. Also, 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.
5. Where investment characteristics, including yield, risk, and liquidity, are equivalent, the Fund's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions, and compliance with the investment policy.

Evaluation and Review

Investment management of the legacy fund will be evaluated against the fund's investment objectives and investment performance standards. Emphasis will be placed on 5-year and 10-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy statement for achieving those objectives.

Performance reports will be provided to the Advisory Board periodically, but not less than quarterly. Such reports will include asset returns and allocation data. Additionally, not less than annually, reports will include information regarding all significant and/or material matters and changes pertaining to the investment of the legacy fund, including:

1. Changes in asset class portfolio structures, tactical approaches, and market values.
2. Loss of principal, if any.
3. Management costs associated with various types of investments.
4. All material legal or legislative proceedings affecting the SIB. Compliance with this investment policy statement.
5. An evaluation of the national economic climate.
6. A forecast of the expected economic opportunities and dangers.
7. Management of risk by the SIB.

In addition to the quarterly and annual evaluation and review process, the SIB shall notify the Advisory Board within 30 days of any substantial or notable deviation from the normal management of the legacy fund, including any anomalies, notable losses, gains, or liquidation of assets affecting the fund.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Global Equity	**$ 6,958,930,902**	**53.5%**	**16.72%**
Domestic All Cap Equity	201,510,597	1.5%	-
Domestic Large Cap Equity	3,746,856,552	28.8%	16.23%
Domestic Small Cap Equity	167,290,802	1.3%	6.61%
Domestic Equity Transition Account	3,008	0.0%	-
International All Cap	901,729,173	6.9%	15.09%
Developed International Large Cap	1,140,462,205	8.8%	18.65%
Developed International Small Cap	188,418,924	1.4%	25.59%
Emerging Markets	560,471,300	4.3%	14.05%
Private Equity	52,140,044	0.4%	17.44%
Global Equity Transition Account	48,298	0.0%	-
Global Fixed Income	**3,748,087,677**	**28.8%**	**8.01%**
Global Real Assets	**1,059,297,623**	**8.1%**	**6.15%**
Real Estate	443,573,490	3.4%	-2.00%
Diversified Real Assets	615,724,133	4.7%	12.59%
In State Investments	**470,040,837**	**3.6%**	**6.72%**
In State Fixed Income	385,388,849	3.0%	3.45%
In State Equity	84,651,988	0.7%	26.04%
Cash Equivalents	**775,994,028**	**6.0%**	**4.02%**
Cash Overlay	**5,169,774**	**0.0%**	**-**
Residual Holdings	**1,352,164**	**0.0%**	**-**
Total Fund	**$ 13,018,873,005**		**12.70%**
Policy Benchmark			**12.09%**

Columns may not foot due to rounding.

RETIREMENT PLAN FOR EMPLOYEES OF JOB SERVICE NORTH DAKOTA

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The Retirement Plan for the Employees of Job Service North Dakota (Plan) is a defined benefit retirement plan for the eligible employees hired before October 1, 1980. There have been no new entrants to the plan since October 1, 1980. The plan provides retirement benefits, disability benefits and survivor benefits consistent with the written Plan document. Until October 1, 1993, annuities were purchased from the Travelers for retirees, since that date retiree benefits are paid from Plan assets. Annual cost of living adjustments for all Plan pensioners including annuitants with the Travelers are paid from Plan assets. The NDPERS Board (the Board) is the Plan Administrator and administers the Plan in accord with Chapter 52-11 of the North Dakota Century Code.

Job Service North Dakota as the employer contributes 4% of the active participant’s salary as a contribution 'on behalf of the employee' and the active participants pay 3% of their salary into Plan assets.

Each year the Plan has an actuarial valuation performed. The current actuarial assumed rate of return on assets is 3.75%.

Responsibilities and Discretion of the State Investment Board (SIB)

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

Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)

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

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

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

Delegation of Authority

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

Such procedures must provide for:

1. The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1)(a).
2. Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies, it is understood:

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

3. Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1)(d).
4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.

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

Investment Goals

The investment objectives of the Plan have been established by the Plan's Administrator upon consideration of its strategic objectives and a comprehensive review of current and projected financial requirements.

Objective #1: To maintain a level of surplus sufficient to eliminate the need for future contributions;
Objective #2: To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price Index (CPI), by 3.0 or more percentage points per year (based on current actuarial assumptions of 3.75% return and 2.5% inflation), over a complete market cycle; and
Objective #3: As a secondary objective, to maximize the Plan's surplus to increase future benefit payments.

Investment Performance Objective

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives and Policies.

a. The annual standard deviation of total returns for the Fund should not materially exceed 5.7%
b. Over 5-year and longer periods the find should match or exceed the expected rate of return projected in the most recent asset/liability study and the standard deviation of returns should not materially exceed 5.7%
c. The standard deviation of portfolio returns compared to the policy benchmark or tracking error should not materially exceed 1.25%

Asset Allocation

The NDPERS Board as plan Administrator establishes the asset allocation of the Fund, with input from consultants and SIB staff. The current asset allocation is based upon the asset/liability study completed by SEI Consultants in 2017. That study provided an appraisal of current cash flow projections and estimates of the investment returns likely to be achieved by the various asset classes.

In recognition of the Plan's objectives, projected financial status, and capital market expectations, the following asset allocation options were deemed appropriate for the Fund:

U.S. Low Beta Equities	2%
Global Low Beta Equity	18%
U.S. High Yield Bonds	3%
Emerging Markets Debt	3%
Core Fixed Income	38%
Limited Duration Fixed Income	16%
Diversified Short Term Fixed Income	5%
Short Term Corporate Fixed Income	15%

Rebalancing of the Fund to this target allocation will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

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

   Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

d. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

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

e. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

The Exclusive Benefit Rule is met if the following four conditions are satisfied:

(1) The cost does not exceed the fair market value at the time of investment.
(2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
(3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
(4) The safeguards and diversity that a prudent investor would adhere to are present.

Internal Controls

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards.

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

- Changes in asset class portfolio structures, tactical approaches and market values;
- All pertinent legal or legislative proceedings affecting the SIB.
- Compliance with these investment goals, objectives and policies.
- A general market overview and market expectations.
- A review of fund progress and its asset allocation strategy.

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

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Domestic Equity	$ 1,681,131	2.0%	15.59%
Global Equity	15,166,664	17.9%	19.11%
U.S. High Yield Bonds	2,528,631	3.0%	10.44%
Emerging Markets Debt	2,529,496	3.0%	13.79%
Core Fixed Income	31,931,964	37.8%	6.21%
Limited Duration Fixed Income	13,417,623	15.9%	6.16%
Diversified Short Term Fixed Income	4,175,256	4.9%	7.18%
Short Term Corporate Fixed Income	12,554,062	14.8%	5.43%
Cash Equivalents	596,153	0.7%	4.91%
Total Fund	**$ 84,580,980**		**8.91%**
Policy Benchmark			**8.08%**

Columns may not foot due to rounding.

RETIREE HEALTH INSURANCE CREDIT FUND

Investment Objectives and Policy Guidelines

Plan Characteristics and Fund Constraints

The North Dakota Public Employees Retirement System (NDPERS) Retiree Health Insurance Credit Fund was established in 1989 to provide for prefunding of premiums for medical coverage to state employees and employees of participating political subdivisions in accordance with Chapter 54-52.1 of the North Dakota Century Code. The plan is administered by a nine member Board of Trustees (the Board). The Chair is appointed by the governor, three members are elected by the active members of the plans, one member is elected by the retired members, one is appointed by the Attorney General, one member is the State Health Officer or their designee and two are legislative appointees.

The NDPERS plan is a defined benefit program that provides for a partial payment of a retiree's medical insurance premium based on the number of years of service.

Funding for the NDPERS plan is provided by a monthly employer contribution of 1.14 percent of payroll. On a monthly basis, benefit payments are netted out against contributions and the balance forwarded to the trust's custodian for investment.

Each year the NDPERS Board has an actuarial valuation performed. The current actuarial assumed rate of return on assets for the plan is 5.75%.

Responsibilities and Discretion of the State Investment Board (SIB)

Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-02, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:

Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)

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

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

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

Delegation of Authority

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

Such procedures must provide for:

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

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

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

3. Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).
4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.

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

Investment Goals

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

Goal #1 Accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.

Goal #2 To obtain an investment return in excess of that needed to allow for increases in a retiree's credit to maintain the purchasing power of their benefit.

Investment Performance Objective

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives and Policies.

a. The Fund’s rate of return, over the long term, should equal that of the policy portfolio which is comprised of policy weights of appropriate asset class benchmarks as set by the SIB.
b. The annual standard deviation of total returns for the Fund should not materially exceed that of the policy portfolio.
c. Over 5-year and longer periods the Fund should match or exceed the expected rate of return projected in the most recent asset/liability study without exceeding the expected risk for the period by more than 15% as measured by standard deviation.

Asset Allocation

In recognition of the plan's performance objectives, benefit projections, and capital market expectations, the NDPERS Board has established the following asset allocation:

Date of Last Asset Allocation Study: December 2020 – Callan Corporation

Broad US Equity	39%
Global ex-US Equity	26%
Fixed Income	35%
Expected Return	6.1%
Standard Deviation	11.7%

Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

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

Restrictions

A. No transaction may be made which threatens the tax exempt status of the Fund.

   Social Investing is defined as "The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

B. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

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

C. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

The Exclusive Benefit Rule is met if the following four conditions are satisfied:

(1) The cost does not exceed the fair market value at the time of investment.
(2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
(3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
(4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards.

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

- Changes in asset class portfolio structures, tactical approaches and market values;
- All pertinent legal or legislative proceedings affecting the SIB;
- Compliance with these investment goals, objectives and policies;
- A general market overview and market expectations;
- A review of fund progress and its asset allocation strategy;
- A report on investment fees and the SIB's effort relating to Section 6. To measure investment cost PERS requires as part of the annual review information from Callan, CEM or other acceptable source showing the value added versus the cost.

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

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Domestic Large Cap Equity	$ 68,990,127	33.6%	15.17%
Domestic Small Cap Equity	11,742,278	5.7%	8.82%
International Equity	56,000,245	27.2%	19.88%
Core Plus Fixed Income	68,634,970	33.4%	7.45%
Cash Equivalents	229,756	0.1%	4.83%
Total Fund	**$ 205,597,376**		**13.34%**
Policy Benchmark			**12.90%**

Columns may not foot due to rounding.

STATE HISTORICAL SOCIETY OF NORTH DAKOTA (SHSND) ENDOWMENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The State Historical Society of North Dakota Endowment Funds (“Fund”) were created between 1979 and 2006 exclusively for use of projects carried out for the benefit of the public by the State Historical Society as directed under individual endowment agreements. There are specific individual endowment agreements that restrict projects to the Marquis de Mores home in Medora, ND; Pembina State Museum in Pembina, ND; and Missouri – Yellowstone Confluence Interpretative Center and Fort Buford State Historic Site in Williston, ND. Another specific individual endowment agreement restricts projects to reference services in the State Archives. Pursuant to terms detailed in individual endowment agreements with the Trustee, investments of the endowment funds are limited to “United States government securities, U.S. Savings Bonds, or other low risk or insured securities.”

Fund Goals

It is the intention of the Fund to be supplemental to appropriations of the state legislature and to fund special projects, not day-to-day operations.

Responsibilities and Discretion of the State Investment Board (SIB)

SHSND’s board is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the SHSND Endowment Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

The SIB may delegate investment responsibility to professional money managers. Where 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, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

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 the objectives of the funds participating in the pools.

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

Investment Objectives and Risk Objectives

SHSND’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.

1. The Fund’s rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 150 basis points over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, SHSND's board has chosen the following asset allocation:

Asset Class	Policy Target (%)
US Government Securities	100
Total	100

Rebalancing of the fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, social investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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 Trustee's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

The SIB must have a system of internal controls in place to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the vehicle's investment objectives and investment performance standards. Emphasis will be placed on five-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to SHSND's board periodically, but not less than quarterly. These reports will include:

1. A list of the advisory services managing investments for the board.
2. A list of investments at fair value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in fair value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

Annually, a report will be provided to SHSND's board that includes:

1. All material legal or legislative proceedings affecting the SIB.
2. Confirmation that the Fund is in compliance with this investment policy statement and/or any exceptions.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Fixed Income	$ 890,743	99.5%	*
Cash Equivalents	4,202	0.5%	*
Total Fund	**$ 894,945**		*
Policy Benchmark			*

** This category does not have the specified years of history under SIB management or data is not available.*

Columns may not foot due to rounding.

WATER PROJECTS STABILIZATION FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The Water Projects Stabilization Fund (Fund) is a special fund, created in 2021 under Chapter 61-01-26.3 of the North Dakota Century Code (NDCC). The Fund consists of all money transferred into the Fund and all interest and earnings upon moneys in the Fund. Moneys in the fund may be used for defraying planning and construction expenses of water-related projects.

The North Dakota Department of Water Resources (Trustee) is charged with the administration of the Fund and determines cash-flow and other liquidity needs of the Fund.

Fund Goals

The investment objectives of the Fund reflect a low risk tolerance and short-term liquidity needs. Operating considerations shape the Fund's policies and priorities as outlined below:

Objective #1: Sufficient liquidity must be maintained as the Fund may be drawn down over the next few years. Cash equivalent and/or short-term fixed income shall be used to achieve this objective.

Objective #2: Growth of capital is minimal to preserve the real purchasing power of Fund assets as the potential exists for the investment term to be less than a few years.

Objective #3: Investment income may be used as a funding source. This will be achieved through a diversified portfolio of high quality, short-term fixed income and/or cash.

Responsibilities and Discretion of the State Investment Board (SIB)

The Fund is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

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

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.
At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

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

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

Investment Performance and Risk Objectives

The Trustee'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.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
2. Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 150 basis points over a minimum evaluation period of five years.

The Trustee's risk tolerance with respect to the management of the Fund's asset is low. The Trustee is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to maintain principal value over time.

Policy Asset Mix

After consideration of all the inputs and a discussion concerning risk tolerance, the Trustee approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target (%)
Short-term Fixed Income	100
Total	100

While the Trustee recognizes fluctuations in market values will lead to short-term deviations from policy targets, the Trustee does not intend to engage in tactical asset allocation. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, social investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.

g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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 Trustee's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for investment manager selection and monitoring. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the vehicle's investment objectives and investment performance standards. Emphasis will be placed on five-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the Trustee periodically, but not less than quarterly. These reports will include:

1. A list of the advisory services managing investments for the board.
2. A list of investments at fair value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in fair value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

Annually, a report will be provided to the Trustee that includes:

1. All material legal or legislative proceedings affecting the SIB.
2. Confirmation that the Fund is in compliance with this investment policy statement and/or any exceptions.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Cash Equivalents	$ 154,986,427	100.0%	4.64%
Total Fund	**$ 154,986,427**		**4.74%**
Policy Benchmark			**3.95%**

Columns may not foot due to rounding.

OPIOID SETTLEMENT FUND

Investment Objectives and Policy Guidelines

Fund Characteristics and Constraints

The 68th Legislative Assembly created the Opioid Settlement Fund ("Fund") and directed moneys recovered as a result of opioid litigation be deposited into the Fund. Moneys in the fund may be used in compliance with any court-ordered restrictions and as authorized by legislative appropriation and NDCC 50-36; however, legislative appropriations from the fund may not exceed eight million dollars in a biennium.

The Opioid Settlement Advisory Committee was created in NDCC 50-36-03 to forward recommendations to the North Dakota Department of Health and Human Services ("DHHS") on spending decisions of the legislatively appropriated funds for remediation or abatement of the opioid crisis in this state.

Fund Goals

The investment objectives of the Fund reflect a low risk tolerance and short-term liquidity needs. Operating considerations shape the Fund's policies and priorities as outlined below:

Objective #1: Sufficient liquidity must be maintained as the Fund may be drawn down over the next few years. Short-term fixed income and/or cash equivalent investments shall be used to achieve this objective.

Objective #2: Growth of capital is minimal to preserve the real purchasing power of Fund assets as the potential exists for the investment term to be less than a few years.

Objective #3: Investment income may be used as a funding source. This will be achieved through a diversified portfolio of high quality, short-term fixed income and/or cash.

Responsibilities and Discretion of the State Investment Board (SIB)

The North Dakota Department of Health and Human Services ("DHHS") is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Opioid Settlement Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

The SIB may delegate investment responsibility to professional money managers. Where 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, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

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 the objectives of the funds participating in the pools.

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

Investment Performance and Risk Objectives

DHHS'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.

1. The Fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

2. Risk, as measured by the annual standard deviation of net returns for the Fund, should not exceed that of the policy portfolio by more than 200 basis points over a minimum evaluation period of five years.

Policy Asset Mix

After consideration of all the inputs and discussion of its own risk tolerance, DHHS has chosen the following asset allocation:

Asset Class	Policy Target (%)
Short-term Fixed Income	100
Total	100

Rebalancing the Fund to this target allocation will be done in accordance with the SIB's rebalancing policy but not less than annually.

Fund Specific Requirements

DHHS may spend from the fund up to the approved legislative appropriation each biennium exclusively for purposes of remediating or abating the opioid crisis in this state.

Restrictions

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

a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
c. No transaction shall be made which threatens the tax exempt status of the Fund.
d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
e. No unhedged short sales or speculative margin purchases shall be made.
f. Social investing is prohibited unless it meets the exclusive benefit rule, and it can be substantiated that the investment provides an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

   For the purpose of this document, social investing is defined as the consideration of socially responsible criteria in the investment or commitment of public fund money for the purpose of obtaining an effect other than a maximized return to the Fund.
g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

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

Also, 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 Trustee's policy favors investments which will have a positive impact on the economy of North Dakota.

Internal Controls

The SIB must have a system of internal controls in place to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

Evaluation and Review

Investment management of the Fund will be evaluated against the vehicle's investment objectives and investment performance standards. Emphasis will be placed on five-year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to DHHS periodically, but not less than quarterly. These reports will include:

1. A list of the advisory services managing investments for the board.
2. A list of investments at fair value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in fair value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

Annually, a report will be provided to DHHS that includes:

1. All material legal or legislative proceedings affecting the SIB.
2. Confirmation that the Fund is in compliance with this investment policy statement and/or any exceptions.

Actual Asset Allocation – June 30, 2025

Asset Allocation	Fair Value	Percent of Total	One Year Return (net)
Fixed Income	$ 16,945,254	99.7%	-
Cash Equivalents	51,811	0.3%	-
Total Fund	**$ 16,997,065**		**-**
Policy Benchmark			**-**

Columns may not foot due to rounding.

Actuarial Section

P: 720.274.7270 | www.grsconsulting.com

October 20, 2025

Board of Trustees
North Dakota Teachers' Fund for Retirement
3442 East Century Avenue
Bismarck, ND 58507-7100

Re: Actuarial Valuation of the North Dakota Teachers' Fund for Retirement as of July 1, 2025

Dear Trustees:

We are pleased to provide our formal annual Actuarial Valuation Report as of July 1, 2025, for the North Dakota Teachers' Fund for Retirement ("NDTFFR"). This report was prepared at the request of the Board and is intended for use by NDTFFR and those designated or approved by the Board. This report may be provided to parties other than NDTFFR only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the funding progress of NDTFFR, to determine the actuarially determined employer contribution rate for the Plan Year commencing July 1, 2025, analyze changes in this rate and determine the sufficiency of statutory contribution rates. In addition, the report provides various summaries of the data. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different. Accounting information for purposes of complying with Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 is provided in separate reports.

Financing Objectives

The current member and employer contribution rates of 11.75% and 12.75%, respectively, are in accordance with those established in Section 15-39.1-09 of the North Dakota century Code. These rates are expected to remain in effect until NDTFFR is 100% funded on an actuarial basis. The member and employer rates will revert to the 7.75% rate established in 1997 once NDTFFR is 100% funded on an actuarial basis.

Per Board objectives, the combined member and employer contributions are intended to be sufficient to pay the normal cost and to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period of 18 years beginning July 1, 2025.

Progress Toward Realization of Financing Objectives

Based on the current valuation, the contribution rates are expected to fully fund NDTFFR in 2042, and as such, **the current Member and Employer contribution rates are expected to be sufficient to meet the Board financing objectives.**

7900 East Union Avenue | Suite 650 | Denver, Colorado 80237-2746

Board of Trustees
October 20, 2025
Page 2

The net employer Actuarially Determined Contribution (ADC) as a percentage of pay for the year beginning July 1, 2025 is 12.10%. The expected employer contribution is 12.75% of pay which creates a contribution surplus of 0.65% of pay. The ADC based on the prior valuation was 12.46%. The ADC decreased due to salary increases for continuing active members being less than expected as well as asset gains resulting in a lower unfunded liability.

The funded ratio (ratio of the actuarial value of assets to the actuarial accrued liability) on an actuarial value of assets basis increased from 71.63% to 73.43% and increased on a fair value basis from 70.42% to 74.05%.

Benefit Provisions

All of the benefit provisions reflected in this valuation are those which were in effect on July 1, 2025. There have been no material changes to the benefit provisions since the prior report. The benefit provisions are summarized in Section F of this Report.

Assumptions and Methods

The assumptions and methods used in this valuation are those that were adopted by the Board in April 2025, first effective in the July 1, 2025 valuation. The assumptions and methods are detailed in Section I of this Report. The Board has sole authority to determine the actuarial assumptions used for NDTFFR. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice and are expected to have no significant bias.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on NDTFFR's funded status); and changes in plan provisions or applicable law. The actuarial calculations presented in this report are intended to provide information for rational decision making.

Data

The findings in this report are based on data and other information through July 1, 2025. The valuation was based upon information furnished by the North Dakota Teachers' Fund for Retirement staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by North Dakota Teachers' Fund for Retirement staff.

Board of Trustees
October 20, 2025
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Other Disclosures

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed. This report was prepared using our proprietary valuation model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Certification

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the North Dakota Teachers' Fund for Retirement as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signing actuaries are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

Dana Woolfrey, FSA, EA, FCA, MAAA
Senior Consultant

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Senior Consultant and Team Leader

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Consultant

SUMMARY OF ACTUARIAL VALUATION RESULTS

	2025	2024
Demographic Data for Plan Year Beginning July 1:		
• Number of		
- Retirees and Beneficiaries	9,664	9,693
- Inactive, Vested	2,308	2,147
- Inactive, Nonvested (due a refund of employee contributions)	1,954	1,878
- Active Members	12,012	11,945
• Payroll (annualized)	$849.8 million	$831.0 million
Statutory Contributions (% of Payroll) for Plan Year Beginning July 1:		
• Employer	12.75%	12.75%
• Member	11.75%	11.75%
• Actuarially determined contribution rate for year beginning July 1	12.10%	12.46%
• Margin/(Deficit)	(0.65)%	(0.29)%
Assets:		
• Fair value	$3,648.7 million	$3,351.0 million
• Actuarial value	$3,618.1 million	$3,408.5 million
• Return on fair value (per actuary)	11.2%	7.9%
• Return on actuarial value	8.4%	6.9%
• Ratio - actuarial value to fair value	99.2%	101.7%
• Net cash flow % relative to fair value	-2.0%	-2.1%
Actuarial Information:		
• Normal cost %, including administrative expenses	12.53%	12.68%
• Normal cost	$107.7 million	$107.9 million
• Actuarial accrued liability	$4.927 million	$4,758.4 million
• Unfunded actuarial accrued liability (UAAL)	$1.309 million	$1,349.9 million
• Funded ratio	73.4%	71.6%
• Effective amortization period	17 years	19 years
GASB Information:		
• Discount rate	7.15%	7.25%
• Total pension liability	$4,927.2 million	$4,758.4 million
• Plan fiduciary net position	$3,648.7 million	$3,351.0 million
• Net pension liability	$1,278.5 million	$1,407.4 million
• Plan fiduciary net position as % of total pension liability	74.1%	70.4%
Gains/(Losses):		
• Asset experience	$ 38.2 million	$ (12.8) million
• Liability experience	38.1 million	(32.4) million
• Administrative Expenses	0.0 million	0.0 million
• Benefit changes	0.0 million	0.0 million
• Assumption/method changes	0.0 million	0.0 million
• Total Gain/(Loss)	$76.3 million	($45.3) million

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

The following actuarial assumptions and methods have been set by the TFFR Board, based upon recommendations made by the Plan's actuary, for both funding and financial reporting purposes. However, the investment return rate used for funding is net of investment expenses and administrative expenses, whereas the rate used for financial reporting is net of investment expenses only (per GASB Statement 67). These actuarial assumptions and methods are based on the results of an experience study dated March 19, 2020.

ACTUARIAL COST METHOD

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate including administrative expenses, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined, based on age, service, sex, compensation, and the interest rate assumed to be earned in the future (7.15%). The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

2. The employer contributions required to support the benefits of the Plan are determined following a level percent of pay funding approach, and consist of a normal cost contribution and an unfunded accrued liability contribution, plus a component to cover administrative expenses.

3. The normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the individual entry age actuarial cost method having the following characteristics of (i) the annual normal costs for each active member, payable from the date of entry into the system to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement, and (ii) each annual normal cost is constant percentage of the member's year-by-year projected covered pay.

4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a 30-year closed period that began July 1, 2013 as a level percentage of pay. It is assumed that payments are made throughout the year.

ACTUARIAL VALUE OF ASSETS

The actuarial value of assets is determined by recognizing fair value gains and losses over a five-year period. Gain and loss bases to be spread over the five-year period are determined by comparing expected returns based on the fair value of assets and cash flows during the year to actual investment returns. The actuarial value of assets must be between 80 and 120% of fair value.

Summary of Actuarial Assumptions and Methods (continued)

ACTUARIAL ASSUMPTIONS

Economic Assumptions

1. Investment return: 7.15% per annum, compounded annually. Inflation is assumed to be 2.40%.

2. Salary increase rate: Individual salary increases are composed of a price inflation component, a productivity increase component, and a step-rate/promotional component that varies by service. The table below combines the various components of salary increases.

	Percentage Increase in Salary			
Attained Service	**Price Inflation**	**Productivity Increase Rate**	**Step-Rate Promotional**	**Total**
0	2.40%	1.00%	11.00%	14.40%
1	2.40%	1.00%	3.00%	6.40%
2	2.40%	1.00%	2.75%	6.15%
3-4	2.40%	1.00%	2.50%	5.90%
5-6	2.40%	1.00%	2.00%	5.40%
7-8	2.40%	1.00%	1.75%	5.15%
9-11	2.40%	1.00%	1.50%	4.90%
12-13	2.40%	1.00%	1.25%	4.65%
14-15	2.40%	1.00%	1.00%	4.40%
16-18	2.40%	1.00%	0.75%	4.15%
19-22	2.40%	1.00%	0.75%	4.15%
23-29	2.40%	1.00%	0.25%	3.65%
30+	2.40%	1.00%	0.00%	3.40%

3. Payroll Growth Rate: 3.25% per annum. This assumption does not include any allowances for future increase in the number of members.

4. Administrative expenses are assumed to be equal to the prior year's amount, increased with inflation.

Demographic Assumptions

1. Rates of Mortality for Healthy and Disabled Lives: Mortality rates are based on the sex-distinct employee and annuitant mortality tables described below, including adjustment factors applied to the published tables for each group. Future mortality improvements are reflected by applying the MP-2019 Projection Scale on a generational basis to the adjusted base tables from the base year shown below.

    a. Non-Annuitant – Pub-2010, Amount-Weighted, Teachers, Employee mortality table

        i. Healthy Annuitant – 104% Pub-2010, Amount-Weighted, Teachers, Healthy Retiree mortality table and 95% of the Pub-2010 Contingent Survivor Table.

        ii. Disabled Annuitant – Pub-2010, Amount-Weighted, General, Disabled Retiree mortality tables.

Summary of Actuarial Assumptions and Methods (continued)

Sample rates, including projections to 2025, are shown below.

Sample Attained Ages	Probability of Death Pre-Retirement Men	Probability of Death Pre-Retirement Women	Sample Attained Ages	Probability of Death Post-Retirement Men	Probability of Death Post-Retirement Women	Sample Attained Ages	Probability of Death Post-Disability Men	Probability of Death Post-Disability Women
20	0.028%	0.011%	20	0.029%	0.011%	20	0.336%	0.190%
25	0.013%	0.007%	25	0.014%	0.008%	25	0.227%	0.134%
30	0.018%	0.011%	30	0.019%	0.012%	30	0.289%	0.210%
35	0.024%	0.016%	35	0.025%	0.017%	35	0.374%	0.327%
40	0.034%	0.025%	40	0.036%	0.026%	40	0.526%	0.513%
45	0.055%	0.039%	45	0.057%	0.041%	45	0.821%	0.803%
50	0.091%	0.060%	50	0.097%	0.069%	50	1.309%	1.209%
55	0.140%	0.087%	55	0.189%	0.164%	55	1.724%	1.421%
60	0.215%	0.131%	60	0.303%	0.243%	60	2.041%	1.595%
65	0.357%	0.222%	65	0.506%	0.381%	65	2.498%	1.851%
70	0.588%	0.402%	70	0.923%	0.664%	70	3.235%	2.373%
75	0.903%	0.772%	75	1.770%	1.274%	75	4.352%	3.355%
80	1.804%	1.547%	80	3.388%	2.483%	80	6.225%	5.089%
85	5.742%	4.388%	85	6.601%	4.913%	85	9.486%	8.185%
90	12.061%	9.177%	90	12.543%	9.544%	90	14.783%	12.429%

2. Disability rates. Sample disability rates of active members are provided in the table below. Their rates apply to both male and female NDTFFR member.

Sample Attained Ages	Probability of Disablement	Sample Attained Ages	Probability of Disablement
25	0.0075%	45	0.0374%
30	0.0075%	50	0.0598%
35	0.0075%	55	0.1047%
40	0.0224%	60	0.2020%

3. Termination rates (for causes other than death, disability or retirement): Termination rates are based on years from hire. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates are shown below:

Years from Hire	Male	Female	Years from Hire	Male	Female	Years from Hire	Male	Female
0	15.00%	15.00%	6	5.50%	5.50%	14	1.75%	2.25%
1	13.00%	11.00%	7	4.50%	5.00%	15-16	1.75%	2.00%
2	11.00%	10.00%	8	3.50%	3.50%	17-18	1.75%	2.00%
3	9.00%	8.50%	9-10	3.00%	3.50%	19-22	1.00%	1.75%
4	6.50%	7.00%	11-12	2.00%	2.75%	23-24	1.00%	1.25%
5	6.25%	6.50%	13	2.00%	2.50%	24+	1.00%	0.75%

Summary of Actuarial Assumptions and Methods (continued)

4. Retirement rates

	Unreduced Retirement*		Reduced Retirement (Unisex)	
Age	**Male**	**Female**	**Grandfathered Tier 1**	**Non-Grandfathered Tier 1 and Tier 2**
50-54	20.00%	18.00%	2.00%	1.00%
55-56	20.00%	18.00%	2.00%	1.00%
57	20.00%	18.00%	3.00%	1.00%
58	20.00%	18.00%	3.50%	1.00%
59	20.00%	18.00%	4.00%	1.00%
60	20.00%	18.00%	5.00%	3.00%
61	20.00%	20.00%	9.00%	3.00%
62	27.50%	20.00%	10.00%	3.00%
63	27.50%	30.00%	11.00%	3.00%
64	35.00%	30.00%	12.00%	3.00%
65	35.00%	35.00%		
66	35.00%	40.00%		
67	35.00%	40.00%		
68-74	30.00%	40.00%		
75	100.00%	100.00%		

**If a member reaches eligibility for unreduced retirement before age 65 under the rule of 85 (Grandfathers Tier 1) or the Rule of 90/Age 60 (Non-Grandfathered Tier 1 and Tier 2), 12.5% is added to the rate at the age (and only this age) the member becomes first eligible for an unreduced retirement benefit.*

OTHER ASSUMPTIONS

1. Percent married: 75% of employees are assumed to be married.

2. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

3. Percent Electing a Deferred Termination Benefit: Terminating members are assumed to elect the most valuable benefit at the time of termination. Termination benefits are assumed to commence at the first age at which unreduced benefits are available.

4. Loading Factor for New Retirees: The liability includes a 3% load for members who retired during the year leading up to the valuation date to reflect that their benefits are not finalized as of the valuation date.

5. Decrement Timing: Retirement is assumed to occur at the beginning of the year and all other decrements are assumed to occur middle of the year.

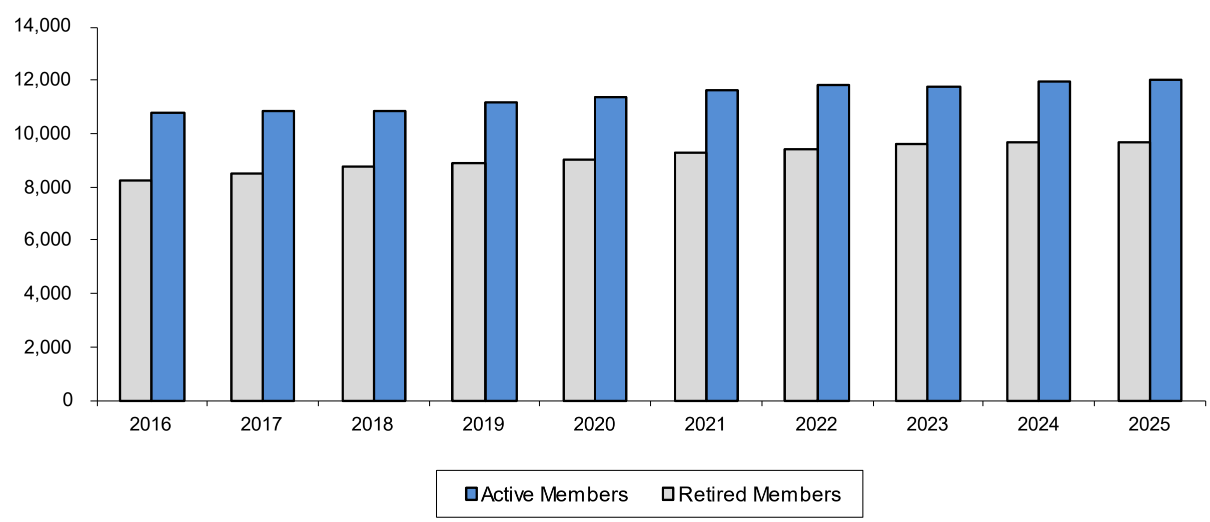
SCHEDULE OF ACTIVE MEMBERS

	Active Members		Covered Payroll (annualized)		Average Salary			
Valuation Year	Number	Percent Change	Amount in $ Millions	Percent Change	$ Amount	Percent Change	Average Age	Average Service
2025	12,012	0.6%	$ 850.0	2.3%	$ 70,749	1.7%	41.6	11.6
2024	11,945	1.5%	831.0	6.9%	69,570	5.3%	41.3	11.3
2023	11,766	-0.3%	777.7	1.5%	66,099	1.8%	41.2	11.3
2022	11,802	1.5%	766.1	2.2%	64,916	0.7%	41.3	11.3
2021	11,627	2.5%	749.4	5.4%	64,455	2.9%	41.4	11.4
2020	11,347	1.5%	711.0	4.5%	62,663	2.9%	41.8	11.7
2019	11,175	2.7%	680.5	4.1%	60,893	1.4%	41.8	11.7
2018	10,881	0.1%	653.5	0.5%	60,055	0.5%	41.9	11.8
2017	10,874	0.6%	650.1	3.7%	59,780	3.1%	42.1	11.9
2016	10,813	2.8%	627.0	6.3%	57,986	3.4%	42.3	12.1

SCHEDULE OF RETIREES AND BENEFICIARIES

Valuation Year	Number Added During Year	Annual Benefits Added (in mils)	Number Removed During Year	Annual Benefits Removed (in mils)	Number Receiving End of Yea	Average Annual Benefit	Annual Pension Benefits (in mils)	Percent Increase In Annual Benefits
2025	228	$ 8.4	247	$ 5.0	9,664	$ 28,068	$ 269.8	1.7%
2024	323	10.6	244	4.4	9,693	27,732	265.4	4.3%
2023	424	14.8	247	4.8	9,615	27,264	254.4	4.0%
2022	417	14.5	241	4.6	9,438	26,688	244.7	4.0%
2021	481	16.2	255	4.6	9,262	26,064	235.2	4.8%
2020	362	11.8	244	4.2	9,036	25,392	224.4	4.2%
2019	400	12.9	225	3.5	8,918	24,804	215.3	6.0%
2018	458	15.3	216	3.3	8,743	24,180	202.4	5.9%
2017	447	14.3	195	2.9	8,501	23,399	191.1	5.8%
2016	427	12.6	203	3.1	8,249	22,692	180.6	7.3%

ACTIVE MEMBERS VS RETIRED MEMBERS
10-YEAR SUMMARY



ANALYSIS OF CHANGE IN ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

	7/1/2025	7/1/2024
Prior valuation	12.46 %	12.50 %
Increases/(decreases) due to:		
Effect of change in remaining amortization period	0.00 %	0.00 %
Effect of change in covered payroll and normal cost	0.13%	(0.39)%
Effect of contributions (more)/less than actuarially determined contribution	(0.02)%	(0.08)%
Effect of gains and losses on accrued liability and administrative expenses	(0.25) %	0.32 %
Effect of investment (gain)/loss	(0.33) %	0.11 %
Effect of legislative changes	0.00 %	0.00 %
Effect of change in actuarial assumptions	0.11 %	0.00 %
Effect of change in valuation system	0.00 %	0.00 %
Net effect of other changes	0.00 %	0.00 %
Total change	(0.36)%	(0.04)%
Current valuation	12.10 %	12.46 %
Statutory employer contribution rate	12.75 %	12.75 %
Margin available [contribution sufficiency/(deficiency)]	(0.65)%	(0.29)%

DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)

	($ in millions)	
	7/1/2025	7/1/2024
Active Members		
a. Retirement Benefits	$ 1,869.80	$ 1,748.40
b. Withdrawal Benefits	(3.50)	(5.50)
c. Disability Benefits	27.50	28.30
d. Death Benefits	18.60	21.90
e. Total	$ 1,912.40	$ 1,793.10
Members with Deferred Benefits	$ 221.60	$ 187.30
Members with Refunds Due	$ 27.80	$ 28.80
Members Receiving Benefits	$ 2,765.40	$ 2,749.10
Total	$ 4,927.20	$ 4,758.40
Actuarial Value of Assets	$ 3,618.10	$ 3,408.50
Unfunded Actuarial Accrued Liability	$ 1,309.10	$ 1,349.90

SOLVENCY TEST

	Actuarial Accrued Liability (AAL) (in millions)				Portion of AAL Covered by Valuation Assets		
Valuation Year	Active Member Contributions	Retirees and Beneficiaries	Active/Inactive Members (Employer Financed)	Actuarial Value of Assets ($ in millions)	Active Member Contributions	Retirees and Beneficiaries	Active/Inactive Members (Employer Financed)
2025	$ 1,357.9	$ 2,765.4	$ 804.0	$ 3,618.1	100.0%	81.7%	0.0%
2024	1,251.1	2,749.1	758.2	3,408.5	100.0%	78.5%	0.0%
2023	1,170.4	2,710.2	696.7	3,259.6	100.0%	77.1%	0.0%
2022	1,124.0	2,606.5	749.5	3,313.0	100.0%	77.1%	0.0%
2021	1,063.2	2,515.2	757.7	2,973.7	100.0%	76.0%	0.0%
2020	1,010.5	2,397.6	772.9	2,745.0	100.0%	72.3%	0.0%
2019	941.5	2,314.0	737.9	2,635.6	100.0%	73.2%	0.0%
2018	881.4	2,222.0	760.1	2,526.1	100.0%	74.0%	0.0%
2017	839.1	2,092.9	802.0	2,379.8	100.0%	73.6%	0.0%
2016	792.8	1,976.3	820.3	2,229.3	100.0%	72.7%	0.0%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date July 1	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded/ Accrued Liability (UAAL)	Funded Ratio	Total Payroll (annualized)	UAAL as a % of Payroll
2025	$ 3.618.1	$ 4,927.2	$ 1,309.1	73.4%	$ 849.8	154.0%
2024	3,408.5	4,758.4	1,349.9	71.6%	831.0	162.4%
2023	3,259.6	4,577.2	1,317.7	71.2%	777.7	169.4%
2022	3,133.0	4,480.0	1,347.0	69.9%	766.1	175.8%
2021	2,973.7	4,336.1	1,362.4	68.6%	749.4	181.8%
2020	2,745.0	4,181.0	1,436.0	65.7%	711.0	202.0%
2019	2,635.6	3,993.4	1,357.9	66.0%	680.5	199.5%
2018	2,526.1	3,863.5	1,337.5	65.4%	653.5	204.7%
2017	2,379.8	3,734.0	1,354.2	63.7%	650.1	208.3%
2016	2,229.3	3,589.4	1,360.1	62.1%	627.0	216.9%

Please also refer to the Schedule of Employer Contributions in the required supplementary information to the financial statements on page 69.

SUMMARY OF PLAN PROVISIONS

Effective Date: July 1, 1971.

Plan Year: July 1 through June 30

Administration: The Teachers' Fund for Retirement (TFFR) is administered by a Board of Trustees. A separate State Investment Board is responsible for the investment of the trust assets, although the TFFR Board establishes the asset allocation policy. The TFFR Board is also responsible for establishing and maintaining a funding policy. The Retirement and Investment Office is the administrative agency for TFFR.

Type of Plan: TFFR is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple-employer public employee retirement system.

Eligibility: All certified teachers of any public school in North Dakota participate in TFFR. This includes teachers, supervisors, principals, administrators, etc. Non-certified employees such as teacher's aides, janitors, secretaries, drivers, etc. are not allowed to participate in TFFR. Eligible employees become members at their date of employment.

Member Contributions: All active members contribute 11.75% of their salary per year. The employer may "pick up" the member's contributions under the provisions of Internal Revenue Code Section 414(h). The member contribution rate was increased from 7.75% to 9.75% effective July 1, 2012, and was increased to 11.75% effective July 1, 2014. The total addition of 4% to the member contribution rate will remain in effect until TFFR is 100% funded on an actuarial basis. At that point, the member contribution rate will revert to 7.75%.

Salary: A member's total earnings are used for salary purposes, including overtime, etc., and including nontaxable wages under a Section 125 plan, but excluding certain extraordinary compensation, such as fringe benefits or unused sick and vacation leave.

Employer Contributions: The district or other employer that employs a member contributes a percentage of the member's salary. This percentage consists of a base percentage of 7.75%, plus, since July 1, 2008, additions as shown below.

Effective Date	Addition to 7.75% Base Rate	Employer Contribution Rate
July 1, 2008	0.50%	8.25%
July 1, 2010	1.00%	8.75%
July 1, 2012	3.00%	10.75%
July 1, 2014	5.00%	12.75%

However, the additions are subject to a “sunset” provision, so the contribution rate will revert to 7.75% once the funded ratio reaches 100%, measured using the actuarial value of assets. The contribution rate will not automatically increase if the funded ratio later falls back below 100%.

Summary of Plan Provisions (continued)

Service: Employees receive credit for service while a member. A member may also purchase credit for certain periods, such as time spent teaching at a public school in another state, by paying the actuarially determined cost of the additional service. Special rules and limits govern the purchase of additional service.

Tiers: Members who join TFFR by June 30, 2008, are in Tier 1, while members who join later are in Tier 2. If a Tier 1 member terminates, takes a refund, and later rejoins TFFR after June 30, 2008, that member will be in Tier 2. As of June 30, 2013, Tier 1 members who are at least age 55 and vested (3 years of service) as of the effective date, or the sum of the member's age and service is at least 65, are considered Grandfathered, and previous plan provisions will not change. Tier 1 members who do not fit these criteria as of June 30, 2013, are considered Non-grandfathered. These members, along with Tier 2, will have new plan provisions, as described below.

Final Average Compensation (FAC): The average of the member's highest three (Tier 1 members) or five (Tier 2 members) plan year salaries. Monthly benefits are based on one-twelfth of this amount.

Normal Retirement:

a. Eligibility:
- Tier 1 members may retire upon Normal Retirement on or after age 65 with credit for 3 years of service, or if earlier, when the sum of the member's age and service is at least 85. Effective as of June 30, 2013, Tier 1 members who are at least age 55 and vested (3 years of service) as of the effective date, or the sum of the member's age and service is at least 65, normal retirement eligibility will not change (participants are Grandfathered). For those who do not meet this criteria as of June 30, 2013 (Non-grandfathered), members may retire upon Normal Retirement on or after age 65 with credit for 3 years of service, or if earlier, when the sum of the member's age and service is at least 90, with a minimum age of 60.

- Tier 2 members may retire upon Normal Retirement on or after age 65 with credit for 5 years of service, or if earlier, when the sum of the member's age and service is at least 90. Effective July 1, 2013, Tier 2 members may retire upon Normal Retirement on or after age 65 with credit for 5 years of service, or if earlier, when the sum of the member's age and service is at least 90, with a minimum age of 60.

b. Monthly Benefit: 2.00% of FAC (monthly) times years of service.

c. Payment Form: Benefits are paid as a monthly life annuity, with a guarantee that if the payments made do not exceed the member's assessments plus interest, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's beneficiary. Optional forms of payment are available; see below.

Early Retirement:

a. Eligibility: Tier 1 members may retire early after reaching age 55 with credit for three years of service, while Tier 2 members may retire early after reaching age 55 with credit for five years of service.

Summary of Plan Provisions (continued)

b. Monthly Benefit: 2.00% of FAC (monthly) times years of service, multiplied by a factor which reduces the benefit 6% for each year from the earlier of (i) age 65, or (ii) the age at which current service plus age equals 85 (Tier 1 members) or 90 (Tier 2 members). Effective July 1, 2013, for members who are either Non-grandfathered Tier 1 or Tier 2: 2.00% of FAC (monthly) times years of service, multiplied by a factor that reduces the benefit 8% for each year from the earlier of (i) age 65, or (ii) the age at which current service plus age equals 90 with a minimum age of 60.

c. Payment Form: Same as for Normal Retirement above.

Disability Retirement:

a. Eligibility: A member is eligible provided he/she has credit for at least one year of service. Effective July 1, 2013, a member is eligible provided he/she has credit for at least five years of service.

b. Monthly Benefit: 2.00% of FAC (monthly) times years of service with a minimum 20 years of service. Effective July 1, 2013, 2.00% of FAC (monthly) times years of service.

c. Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement that is in excess of the sum of payments already received will be paid in a lump-sum to the member's beneficiary.

d. All alternative forms of payment other than level income and the partial lump-sum option are also permitted in the case of disability retirement. For basis recovery only, disability benefits are converted to normal retirement benefits when the member reaches normal retirement age or age 65, whichever is earlier.

Deferred Termination Benefit:

a. Eligibility: A Tier 1 member with at least three years of service, or a Tier 2 member with at least five years of service, who does not withdraw his/her contributions from the fund, is eligible for a deferred termination benefit.

b. Monthly Benefit: 2.00% of FAC (monthly) times years of service. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 65 or when the member's age and service is 85 (Grandfathered Tier 1 members) or 90 with a minimum age of 60 (Non-grandfathered Tier 1 and Tier 2 members). Reduced benefits may commence at or after age 55 if the member is not eligible for an unreduced benefit. Reductions are the same as for Early Retirement.

c. Payment Form: The form of payment is the same as for Normal Retirement above.

d. Death Benefit: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described below.

Withdrawal (Refund) Benefit:

a. Eligibility: Tier 1 members leaving covered employment with less than three years of service, and Tier 2 members leaving covered employment with less than five years of service, are eligible. Optionally, vested members may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Summary of Plan Provisions (continued)

b. Benefit: The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 6% per year prior to benefit commencement (0.5% per month).

Death Benefit:

a. Eligibility: Death must have occurred while an active or an inactive, non-retired member.

b. Benefit: Upon the death of a nonvested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, the beneficiary may elect (i) the refund benefit above, or (ii) a life annuity of the normal retirement benefit, determined under Option One below, based on FAC and service as of the date of death, but without applying any reduction for the member's age at death. In determining the reduction for Option One, members not eligible for normal retirement benefits use the Fund's option tables for disabled members.

Optional Forms of Payment: There are optional forms of payment available on an actuarially equivalent basis, as follows:

a. Option 1 - A life annuity payable while either the participant or his beneficiary is alive, "popping-up" to the original life annuity if the beneficiary predeceases the member.

b. Option 2 - A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary, and "popping-up" to the original life annuity if the beneficiary predeceases the member.

c. Option 3a - A life annuity payable to the member, with a guarantee that, should the member die prior to receiving 60 payments (five years), the payments will be continued to a beneficiary for the balance of the five-year period. (This option has been replaced by Option 3b. It is not available to employees who retire on or after August 1, 2003. Retirees who elected this option prior to that date are unaffected.)

d. Option 3b - A life annuity payable to the member, with a guarantee that, should the member die prior to receiving 240 payments (twenty years), the payments will be continued to a beneficiary for the balance of the twenty-year period. (This option replaced Option 3a effective August 1, 2003.)

e. Option 4 - A life annuity payable to the member, with a guarantee that, should the member die prior to receiving 120 payments (ten years), the payments will be continued to a beneficiary for the balance of the ten-year period.

f. Option 5 - A non-level annuity payable to the member, designed to provide a level total income when combined with the member's Social Security benefit. This option is not available to disabled retirees. This option is no longer available as of April 1, 2024.

   In addition, members may elect a partial lump-sum option (PLSO) at retirement. Under this option, a member receives an immediate lump-sum equal to 12 times the monthly life annuity benefit and a reduced annuity. The reduction is determined actuarially. The member can then elect to receive the annuity benefit in one of the other optional forms, except that members who receive a PLSO may not elect Option 5 – the level income option. The PLSO is not available to disabled retirees or retirees who are not eligible for an unreduced retirement benefit.

   Actuarial equivalence is based on tables adopted by the Board of Trustees.

Cost-of-living Increase: From time to time, TFFR has been amended to grant certain post-retirement benefit increases. However, TFFR has no automatic cost-of-living increase features.

SUMMARY OF PLAN CHANGES

1991 Legislative Session:

1. Benefit multiplier increased from 1.275% to 1.39% for all future retirees.

2. Provide a post-retirement benefit increase for all annuitants receiving a monthly benefit on June 30, 1991. The monthly increase is the greater of a 10% increase or a level increase based on years of service and retirement date:

   a. $3 per year of service for retirements before 1980.
   b. $2 per year of service for retirements between 1980 and 1983.
   c. $1 per year of service for retirements from 1984 through June 30, 1991.

   Minimum increase is $5 per month. Maximum increase is $75 per month.

1993 Legislative Session:

1. Benefit multiplier increased from 1.39% to 1.55% for all future retirees.

2. Provide a post-retirement benefit increase for all annuitants receiving a monthly benefit on June 30, 1993. The monthly increase is the greater of a 10% increase or a level increase based on years of service and retirement date:

   a. $3 per year of service for retirements before 1980.
   b. $2.50 per year of service for retirements between 1980 and 1983.
   c. $1 per year of service for retirements from 1984 through June 30, 1993.

   Minimum increase is $5 per month. Maximum increase is $100 per month.

3. Minimum retirement benefit increased to $10 times years of service up to 25, plus $15 times years of service greater than 25. (Previously was $6 up to 25 years of service plus $7.50 over 25 years of service.)

4. Disability benefit changed to 1.55% of FAC times years of service using a minimum of 20 years of service.

1995 Legislative Session:

There were no material changes made during the 1995 legislative session.

1997 Legislative Session:

1. Benefit multiplier increased from 1.55% to 1.75% for all future retirees.

2. Member and employer contribution rate increased from 6.75% to 7.75%.

3. A $30.00/month benefit improvement was granted to all retirees and beneficiaries.

Summary of Plan Changes (continued)

1999 Legislative Session:

1. Active members will now be fully vested after three years (rather than five years) of service.

2. Early retirement benefits will be reduced 6% per year from the earlier of (i) age 65, or (ii) the date as of which age plus service equals 85 (rather than from age 65 in all cases).

3. An ad hoc COLA was provided for all retirees and beneficiaries. This increase is equal to an additional $2 per month for each year of service plus $1 per month for each year since the member's retirement.

4. The formula multiplier was increased from 1.75% to 1.88% effective July 1, 1999.

2001 Legislative Session:

1. An ad hoc COLA was provided for all retirees and beneficiaries. The ad hoc COLA increase is equal to an additional $2.00 per month for each year of service plus $1.00 per month for each year since the member's retirement. Retirees and beneficiaries will also receive two additional increases equal to 0.75% times the monthly benefit, payable July 1, 2001 and July 1, 2002. The two 0.75% increases are conditional. If the actuarial margin is a shortfall, i.e., is negative, by 60 basis points or more, or if the margin has been negative by 30 or more basis points for two years, the Board could elect to suspend the increase.

2. The formula multiplier was increased from 1.88% to 2.00% effective July 1, 2001.

2003 Legislative Session:

1. Partial lump-sum option adopted, equal to twelve times the monthly life annuity benefit. Not available if level-income option is elected. Not available for reduced retirement or disability retirement.

2. Five-year certain and life option replaced with 20-year certain and life. This does not impact retirees who retired under the five-year certain and life option.

3. Employer service purchase authorized.

4. Active members of the Department of Public Instruction are permitted to make a one-time irrevocable election to transfer to the North Dakota Public Employees Retirement System in FY2004. Both assets and liabilities for all TFFR service will be transferred for electing employees. Transferred assets will be based on the actuarial present value of the member's accrued TFFR benefit, or the member's contribution account balance if larger.

2005 Legislative Session:

There were no material changes made during the 2005 legislative session.

Summary of Plan Changes (continued)

2007 Legislative Session:

1. For active members hired on or after July 1, 2008 (called Tier 2 members):

   a. Members will be eligible for an unreduced retirement benefit when they reach age 65 with at least five years of service (rather than three years of service); or if earlier, when the sum of the member's age and service is at least 90 (rather than 85).
   b. Members will be eligible for a reduced (early) retirement benefit when they reach age 55 with five years of service, rather than three years of service.
   c. Members will be fully vested after five years of service (rather than three years of service).
   d. The Final Average Compensation for Tier 2 members is the average of the member's highest five plan year salaries, rather than the average of the three highest salaries.

2. The employer contribution rate increases from 7.75% to 8.25% effective July 1, 2008, but this rate will reset to 7.75% once the Fund reaches a 90% funded ratio, measured using the actuarial value of asset. (If the funded ratio later falls below 90% again, the contribution rate will not automatically return to 8.25%.)

3. Employer contributions are required on the salary of reemployed retirees.

4. Active members of the Department of Career and Technical Education are permitted to make a one-time irrevocable election to transfer to the North Dakota Public Employees Retirement System in FY 2008. Both assets and liabilities for all TFFR service will be transferred for electing employees. Transferred assets will be the actuarial present value of the member's accrued TFFR benefit, or the member's contribution account balance, if larger.

2009 Legislative Session:

1. An individual who retired before January 1, 2009, and is receiving monthly benefits is entitled to receive a supplemental payment from the fund. The supplemental payment is equal to an amount determined by taking twenty dollars multiplied by the member's number of years of service credit plus fifteen dollars multiplied by the number of years since the member's retirement as of January 1, 2009. The supplemental payment may not exceed the greater of 10% of the member's annual annuity or $750.00. TFFR will make the supplemental payment in December 2009.

2. The employer contribution rate increases from 8.25% to 8.75% effective July 1, 2010, but this rate will be reset to 7.75% once the Fund reaches a 90% funded ratio, measured using the actuarial value of assets. (If the funded ratio later falls below 90% again, the contribution rate will not automatically return to 8.75%.)

2011 Legislative Session:

1. The employer contribution rate increases from 8.75% to 10.75% effective July 1, 2012, and increases thereafter to 12.75% effective July 1, 2014. The member contribution rate increases from 7.75% to 9.75% effective July 1, 2012, and increases thereafter to 11.75% effective July 1, 2014. Employer and member contributions will be reset to 7.75% once the Fund reaches a 90% funded ratio, measured using the actuarial value of assets.

2. Current Tier 1 members who, as of June 30, 2013, are vested (at least 3 years of service), and at least age 55, OR the sum of the member's age and service is at least 65, are considered a Tier 1

Summary of Plan Changes (continued)

Grandfathered member. Current Tier 1 members, who do not meet this criteria as of June 30, 2013, are considered a Tier 1 Non-grandfathered member.

3. Eligibility for normal/unreduced retirement benefits do not change for Tier 1 Grandfathered members. For Tier 1 Non-grandfathered and Tier 2 members, effective June 30, 2013, unreduced retirement benefits start when the member reaches age 65 and is vested (3 years for Tier 1 Non-grandfathered, 5 years for Tier 2); or if earlier, when the sum of the member's age and service is at least 90, with a minimum age of 60.

4. Early retirement benefits do not change for Tier 1 Grandfathered members. For Tier 1 Non-grandfathered and Tier 2 members, effective after June 30, 2013, the normal retirement benefit will be reduced by 8% per year from the earlier of age 65 OR the age at which the sum of the member's age and service is at least 90, with the minimum age of 60.

5. Effective after June 30, 2013, all members may retire on disability after a period of at least five years of service (rather than one year of service). The amount of the benefit is based on a 2% multiplier and actual service (rather than a minimum of twenty years of service in the current calculation).

6. Effective July 1, 2012, re-employed retirees are required to pay member contributions.

7. Effective August 1, 2011, beneficiary and death benefit provisions were updated, and the 60-month death payment benefit was removed.

2013 Legislative Session:

1. Employer and member contribution rates will be reset to 7.75% once the Fund reaches a 100% funded ratio (rather than the 90% funded ratio enacted with the 2011 Legislation), measured using the actuarial value of assets.

2. Various technical and administrative changes that do not have an actuarial effect on the Plan were enacted.

2015 Legislative Session:

Various technical and administrative changes that do not have an actuarial effect on the Plan were enacted.

2017 Legislative Session:

There were no material changes made during the 2017 legislative session.

2019 Legislative Session:

There were no material changes made during the 2019 legislative session.

2021 Legislative Session:

There were no material changes made during the 2021 legislative session.

Summary of Plan Changes (continued)

2023 Legislative Session:

1. House Bill 1219 expanded return to work options in critical shortage areas and eliminated the level income optional form of payment. The required payment to regain service credit for a teacher who has previously withdrawn from the fund and is return to teach will be calculated on an actuarial equivalent basis.

2. House Bill 1150 enacted an exception to membership in the teachers' fund for retirement for retired military personnel.

2025 Legislative Session:

There were no material changes made during the 2025 legislative session.

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Statistical Section

This part of the Retirement and Investment Office's (RIO) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about RIO's overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

CHANGES IN NET POSITION
PENSION TRUST FUND

ADDITIONS

Fiscal Year	Member Contributions	Employer Contributions	Employer Contributions as a Percentage of Annual Covered Payroll	Investment and Other Income	Purchased Service Credit	Total Additions
2025	$ 102,186,364	$ 110,989,217	12.75	$ 371,406,609	$ 1,143,232	$ 585,725,422
2024	99,610,414	108,087,909	12.75	249,178,705	1,195,665	458,072,693
2023	94,283,739	102,307,888	12.75	217,460,995	1,108,690	415,161,312
2022	92,462,223	100,331,347	12.75	(198,855,417)	2,017,055	(4,044,792)
2021	90,557,210	98,264,202	12.75	684,298,642	2,559,121	875,679,175
2020	85,735,134	93,032,453	12.75	86,364,800	2,175,497	267,307,884
2019	82,429,594	89,444,881	12.75	135,202,032	1,916,787	308,993,294
2018	79,877,611	86,675,715	12.75	211,539,397	2,181,106	380,273,829
2017	79,309,153	86,058,868	12.75	266,924,541	2,553,200	434,845,762
2016	76,342,685	82,839,932	12.75	8,283,962	2,768,245	170,234,824

DEDUCTIONS

Fiscal Year	Benefits Paid to Participants	Refunds	Administrative Charges	Total Deductions	Change in Net Position
2025	$ 269,870,989	$ 14,025,842	$ 4,086,995	$ 287,983,826	$ 297,741,596
2024	265,434,896	12,225,639	3,312,773	280,973,307	177,099,386
2023	254,361,928	7,920,125	2,891,047	265,173,100	149,988,212
2022	244,705,096	7,142,359	2,592,340	254,439,795	(258,484,587)
2021	235,205,084	5,923,187	2,678,375	243,806,646	631,872,529
2020	224,361,530	6,489,704	2,095,405	232,946,639	34,361,245
2019	215,328,174	5,900,392	2,251,083	223,479,649	85,513,645
2018	202,417,031	5,561,668	2,128,794	210,107,493	98,885,801
2017	191,104,694	5,411,850	2,173,431	198,689,975	181,583,854
2016	180,617,784	5,350,896	1,851,656	187,820,336	(17,585,512)

BENEFIT AND REFUND DEDUCTIONS BY TYPE

	Annuity Payments					Refunds			
Fiscal Year	Service Retirements	PLSO Distributions	Disability Retirements	Beneficiaries	Total Annuity Payments	Separation	Death	Total Refunds	Total Benefit Expenses
2025	$251,290,165	$ 256,005	$ 996,586	$ 17,328,233	$ 269,870,989	$ 12,877,396	$ 1,148,446	$ 14,025,842	$ 283,896,831
2024	245,562,114	984,583	1,967,763	16,920,435	265,434,896	11,693,049	532,590	12,225,639	277,660,535
2023	236,101,716	657,452	1,926,773	15,675,987	254,361,928	7,145,419	774,706	7,920,125	262,282,053
2022	227,597,400	635,924	1,846,513	14,625,259	244,705,096	5,557,833	1,584,526	7,142,359	251,847,455
2021	218,700,510	993,499	1,984,567	13,526,508	235,205,084	5,021,054	902,133	5,923,187	241,128,271
2020	209,416,623	425,297	2,040,107	12,479,503	224,361,530	5,533,401	956,303	6,489,704	230,851,234
2019	200,474,295	1,237,129	1,948,753	11,667,997	215,328,174	5,252,032	648,360	5,900,392	221,228,566
2018	188,684,763	768,829	1,903,460	11,059,979	202,417,031	4,770,163	791,505	5,561,668	207,978,699
2017	177,795,295	1,075,553	1,892,150	10,341,696	191,104,694	4,631,061	780,789	5,411,850	196,516,544
2016	168,179,310	992,233	1,920,107	9,526,134	180,617,784	4,776,556	635,294	5,350,896	185,968,680

CHANGES IN NET POSITION
INVESTMENT TRUST FUND

ADDITIONS

Fiscal Year	Net Position Beginning of Year	Net Change in Fair Value of Investments	Interest, Dividends, and Other Income	Expenses	Net Securities Lending Income	Net Change in Net Position Resulting from Unit Transactions	Net Position End of Year
2025	$ 19,008,898,772	$ 1,869,655,467	$ 433,793,910	$ (39,639,849)	$ 1,603,233	$ 728,433,237	$ 22,002,744,770
2024	16,381,896,621	1,312,663,411	358,905,411	(36,434,876)	2,024,419	989,843,786	19,008,898,772
2023	15,033,307,352	817,632,974	311,158,011	(37,882,303)	854,367	256,826,220	16,381,896,621
2022	15,891,356,627	(1,722,081,517)	307,545,995	(34,137,638)	645,680	589,978,205	15,033,307,352
2021	13,663,067,186	2,618,257,668	282,043,704	(41,464,384)	801,844	(631,349,491)	15,891,356,527
2020	12,056,728,048	278,642,657	286,561,726	(30,219,168)	790,768	1,070,563,155	13,663,067,186
2019	11,256,882,918	388,737,303	284,507,483	(28,293,641)	981,200	153,912,785	12,056,728,048
2018	9,970,331,360	527,542,620	246,166,774	(23,322,738)	1,067,737	535,097,165	11,256,882,918
2017	9,234,449,908	797,372,051	224,483,911	(24,336,788)	1,003,600	(262,614,322)	9,970,358,360
2016	8,593,598,484	(51,056,400)	217,167,354	(24,196,881)	1,172,200	497,765,151	9,234,449,908

SCHEDULE OF CONTRIBUTION RATES
LAST 10 FISCAL YEARS

Fiscal Year	Member Rate	Employer Rate
2025	11.75%	12.75%
2024	11.75%	12.75%
2023	11.75%	12.75%
2022	11.75%	12.75%
2021	11.75%	12.75%
2020	11.75%	12.75%
2019	11.75%	12.75%
2018	11.75%	12.75%
2017	11.75%	12.75%
2016	11.75%	12.75%

PRINCIPAL PARTICIPATING EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Participating Employer	**Covered Employees**	**Rank**	**% of Total System**	**Covered Employees**	**Rank**	**% of Total System**
West Fargo Schools	1,283	1	10.34%	914	3	7.79%
Bismarck Public Schools	1,276	2	10.29%	1,181	1	10.07%
Fargo Public Schools	1,226	3	9.88%	1,154	2	9.84%
Grand Forks Schools	858	4	6.92%	843	4	7.19%
Minot Schools	693	5	5.59%	703	5	5.99%
Williston Basin School Dist	399	6	3.22%	271	8	2.31%
Mandan Public Schools	395	7	3.18%	337	6	2.87%
Dickinson Schools	361	8	2.91%	293	7	2.50%
Jamestown Schools	198	9	1.60%	216	9	1.84%
Devils Lake Schools	168	10	1.35%	173	10	1.48%
All Other [1]	5,546		44.71%	5,642		48.11%
Total (204 & 214 employers) [2]	12,403		100.00%	11,727		100.00%

[1] In 2025 "all other" consisted of: / [1] In 2016 "all other" consisted of:

Type	Number (2025)	Employees (2025)	Number (2016)	Employees (2016)
School Districts	157	4,904	166	5,116
County Superintendents	3	3	6	6
Special Education Units	20	391	19	353
Vocational Centers	5	87	5	53
State Agencies/Institutions	5	131	5	95
Other	4	30	3	19
Total	194	5,546	204	5,642

[2] This schedule includes all employees who earned service credit during the fiscal year. If an employee worked for more than one employer during the year, that employee is counted multiple times. The total differs from the actuary's total active members as the actuary's total only includes those employees who were active at the end of the fiscal year and only counts each individual one time.

SCHEDULE OF PARTICIPATING EMPLOYERS AT JUNE 30, 2025

School Districts

Alexander
Anamoose
Apple Creek Elementary
Ashley
Barnes County North
Beach
Belcourt
Belfield
Beulah
Billings County School
Bismarck
Bottineau
Bowbells
Bowman
Burke Central
Carrington
Cavalier
Center-Stanton
Central Cass
Central Valley
Dakota Prairie
Devils Lake
Dickinson
Divide
Drake
Drayton
Dunseith
Edgeley
Edmore
Eight Mile
Elgin/New Leipzig
Ellendale
Emerado Elementary
Enderlin Area School
Fairmount
Fargo
Fessenden-Bowdon
Finley-Sharon
Flasher
Fordville Lankin
Fort Ransom Elementary
Fort Totten
Fort Yates
Gackle-Streeter
Garrison
Glen Ullin
Glenburn
Grafton
Grand Forks
Grenora
Griggs County Central
Hankinson
Harvey
Hatton
Hazelton – Moffit
Hazen
Hebron
Hettinger
Hillsboro
Hope - Page
Horse Creek Elementary
Jamestown
Kenmare
Kensal
Kidder County School
Killdeer
Kindred
Kulm
Lakota
LaMoure
Langdon
Larimore
Leeds
Lewis and Clark
Lidgerwood
Linton
Lisbon
Litchville-Marion
Little Heart Elementary
Lone Tree Elementary
Maddock
Mandan
Mandaree
Manning Elementary
Manvel Elementary
Maple Valley
Mapleton Elementary
Marmarth Elementary
Max
Mayville – Portland CG
McClusky – Goodrich
McKenzie County School
Medina
Menoken Elementary
Midkota
Midway
Milnor
Minnewauken
Minot
Minto
Mohall-Lansford-Sherwood
Montpelier
Mott-Regent
Mt. Pleasant
Munich
Napoleon
Naughton Rural
Nedrose
Nesson
New England
New Rockford-Sheyenne
New Salem-Almont
New Town
Newburg United
North Border School
North Sargent
North Star
Northern Cass
Northwood
Oakes
Oberon Elementary
Park River Area
Parshall
Pingree – Buchanan
Powers Lake
Richardton-Taylor
Richland
Rolette
Roosevelt
Rugby
Sargent Central
Sawyer
Scranton
Selfridge
Solen-Cannonball
South Heart
South Prairie Elementary
St. John’s
Stanley
Starkweather
Sterling
Strasburg
Surrey
Sweet Briar Elementary
TGU
Thompson
Tioga
Turtle Lake-Mercer
Twin Buttes Elementary
Underwood
United
Valley-Edinburg
Valley City
Velva
Wahpeton

SCHEDULE OF PARTICIPATING EMPLOYERS (Continued)

School Districts (cont.)
Warwick
Washburn
West Fargo
Westhope
White Shield
Williston Basin
Wilton
Wing
Wishek
Wyndmere
Yellowstone Elementary
Zeeland

Total School Districts 167

County Superintendents
McKenzie County
Slope County
Ward County

Total County Supers 3

Special Education Units
Burleigh County Special Ed.
Central Regional Education Assoc.
E Central Center for Exc. Children
GST Educational Services
James River Multidistrict Spec. Ed.
Lake Region Special Ed.
Morton-Sioux Special Educ Unit
Northern Central Ed. Cooperative
Northern Plains Special Ed.
Oliver – Mercer Special Ed.
Peace Garden Special Ed.
Rural Cass County Special Ed.
Sheyenne Valley Special Ed.
Souris Valley Special Ed.
South Central Prairie Special Ed.
South Valley Special Ed.
Southwest Special Ed.
Upper Valley Special Ed.
West River Student Services
Wil-Mac Special Ed.

Total Special Ed. Units 20

Vocational Centers
Bakken Area Skills Center
North Valley Career & Tech Center
Roughrider Area Career & Tech
SE Region Career & Tech Center
Sheyenne Valley Area Voc Center

Total Vocational Centers 5

State Agencies & Institutions
ND Center for Distance Education
ND Dept. of Public Instruction
ND School for the Blind
ND School for the Deaf
ND Youth Correctional Center

Total State Agencies & Institutions 5

Other
Great NW Cooperative
Roughrider Service Program
South East Education Co-Op
Western Educ Regional Co-Op

Total Other 4

Total Employers 204

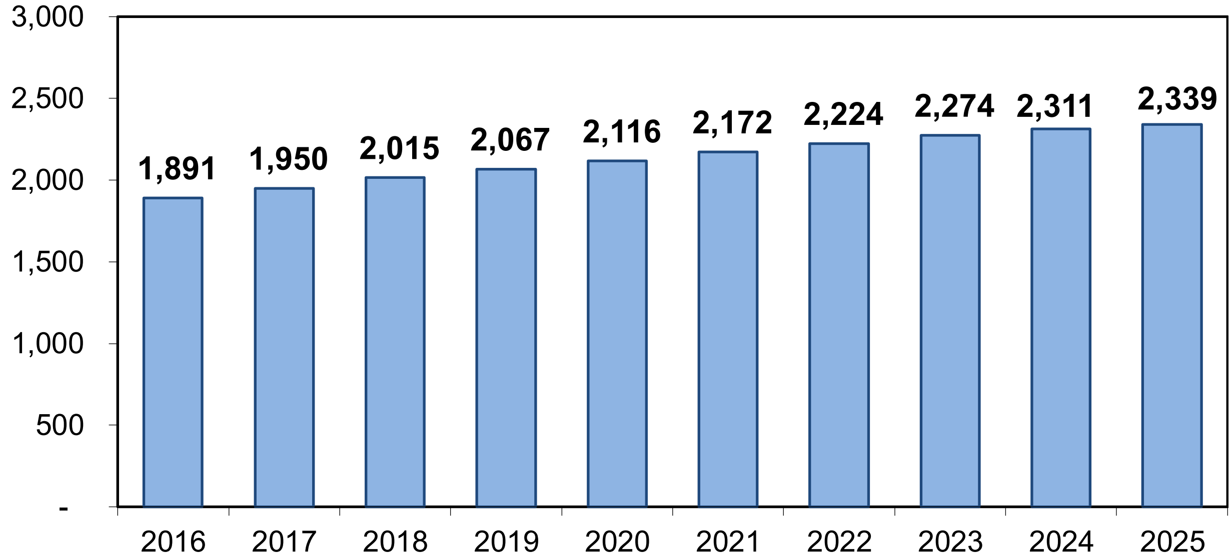
SCHEDULE OF RETIREES RESIDING IN NORTH DAKOTA BY COUNTY
AS OF JUNE 30, 2025

County	Number	Average Benefit	County	Number	Average Benefit	County	Number	Average Benefit
Adams	30	$1,968	Griggs	43	$2,550	Rolette	122	$2,559
Barnes	171	$2,544	Hettinger	37	$2,060	Sargent	49	$2,013
Benson	51	$2,543	Kidder	42	$2,272	Sheridan	15	$1,679
Billings	1	$ 862	LaMoure	63	$2,101	Sioux	14	$2,240
Bottineau	141	$2,303	Logan	23	$1,908	Slope	2	$2,883
Bowman	47	$2,071	McHenry	77	$2,181	Stark	261	$2,532
Burke	42	$1,854	McIntosh	40	$2,127	Steele	22	$2,772
Burleigh	1,050	$2,498	McKenzie	60	$2,254	Stutsman	264	$2,416
Cass	1,335	$2,620	McLean	142	$2,258	Towner	29	$2,370
Cavalier	61	$2,057	Mercer	122	$2,336	Traill	111	$2,469
Dickey	71	$2,106	Morton	332	$2,393	Walsh	177	$2,245
Divide	30	$1,981	Mountrail	92	$2,146	Ward	679	$2,580
Dunn	42	$2,329	Nelson	66	$2,395	Wells	70	$2,369
Dunseith	1	$3,474	Oliver	13	2,835	Williams	187	$2,559
Eddy	35	$2,197	Pembina	124	2,515			
Emmons	54	$2,168	Pierce	67	2,061			
Foster	46	$2,618	Ramsey	152	2,527	Out of State	1,996	1,871
Golden Valley	26	$2,418	Ransom	58	2,585			
Grand Forks	670	$2,716	Renville	41	2,111	TOTAL	9,682	$2,307
Grant	28	$1,748	Richland	158	2,575			

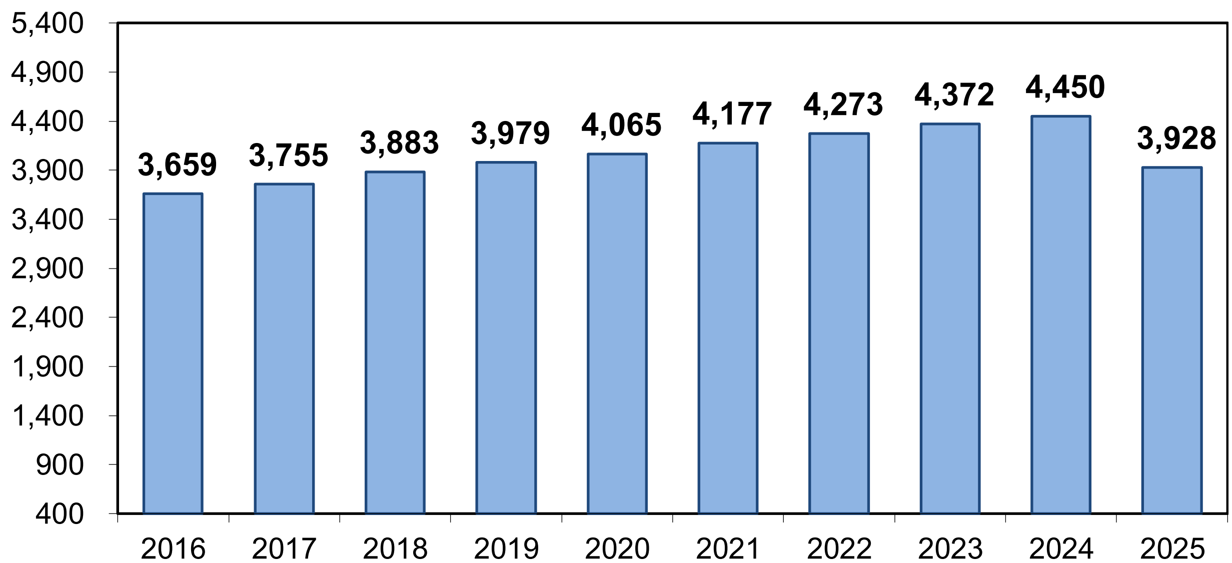
SCHEDULE OF AVERAGE BENEFIT PAYMENTS

Valuation Year		Years of Service								
		< 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	> 34	TOTAL
2025	Number of Retirees	170	611	652	684	1,086	1,856	2,824	1,781	9,664
	Average Monthly Benefit	299	428	428	1,180	1,825	2,335	2,849	3,737	2,339
	Average Final Average Salary	2,099	3,164	3,241	3,846	4,379	4,583	4,805	5,310	3,928
	Average Years of Service	2.3	7.2	12.3	17.2	22.7	27.5	32.1	38.3	26.8
2024	Number of Retirees	152	609	629	661	1,038	1,910	2,907	1,787	9,693
	Average Monthly Benefit	198	426	682	1,150	1,840	2,282	2,791	3,662	2,311
	Average Final Average Salary	2,332	3,228	3,220	3,856	4,427	4,492	4,721	5,230	4,450
	Average Years of Service	2.9	7.2	12.3	17.2	22.7	27.5	32.1	38.3	27.0
2023	Number of Retirees	150	584	609	649	1,043	1,915	2,894	1,771	9,615
	Average Monthly Benefit	196	414	665	1,110	1,804	2,245	2,744	3,582	2,274
	Average Final Average Salary	2,277	3,143	3,117	3,735	4,350	4,421	4,649	5,131	4,372
	Average Years of Service	2.9	7.2	12.4	17.2	22.7	27.5	32.1	38.6	27.1
2022	Number of Retirees	147	554	601	633	1,027	1,889	2,826	1,761	9,438
	Average Monthly Benefit	197	402	650	1,084	1,755	2,188	2,669	3,512	2,224
	Average Final Average Salary	2,249	3,043	3,036	3,633	4,243	4,311	4,532	5,040	4,273
	Average Years of Service	2.9	7.2	12.4	17.2	22.7	27.5	32.1	38.3	27.1
2021	Number of Retirees	140	535	592	625	999	1,866	2,782	1,723	9,262
	Average Monthly Benefit	200	388	643	1,062	1,713	2,139	2,599	3,428	2,172
	Average Final Average Salary	2,198	2,910	2,989	3,565	4,135	4,218	4,428	4,938	4,177
	Average Years of Service	2.9	7.2	12.4	17.3	22.7	27.5	32.1	38.3	27.2
2020	Number of Retirees	133	502	575	608	970	1,838	2,726	1,684	9,036
	Average Monthly Benefit	203	379	619	1,031	1,657	2,087	2,523	3,322	2,116
	Average Final Average Salary	2,201	2,805	2,882	3,459	4,004	4,110	4,306	4,806	4,065
	Average Years of Service	2.8	7.3	12.4	17.3	22.7	27.5	32.1	38.3	27.2
2019	Number of Retirees	132	474	573	597	965	1,814	2,698	1,665	8,918
	Average Monthly Benefit	205	365	592	1,007	1,616	2,039	2,471	3,226	2,067
	Average Final Average Salary	2,167	2,687	2,757	3,384	3,913	4,032	4,233	4,693	3,979
	Average Years of Service	2.9	7.3	12.4	17.3	22.7	27.5	32.1	38.3	27.3
2018	Number of Retirees	123	444	560	588	952	1,781	2,659	1,636	8,743
	Average Monthly Benefit	211	361	576	981	1,557	1,990	2,407	3,119	2,015
	Average Final Average Salary	2,140	2,600	2,691	3,303	3,773	3,943	4,137	4,566	3,883
	Average Years of Service	2.8	7.3	12.4	17.3	22.7	27.5	32.1	38.2	27.4
2017	Number of Retirees	126	419	549	558	920	1,747	2,596	1,586	8,501
	Average Monthly Benefit	215	352	560	917	1,504	1,925	2,346	2,993	1,950
	Average Final Average Salary	2,139	2,501	2,590	3,070	3,647	3,809	4,034	4,403	3,755
	Average Years of Service	3.0	7.0	12.0	17.0	23.0	28.0	32.0	38.0	27.0
2016	Number of Retirees	118	400	530	540	897	1,692	2,541	1,531	8,249
	Average Monthly Benefit	224	344	547	890	1,435	1,871	2,292	2,868	1,891
	Average Final Average Salary	2,096	2,425	2,523	2,998	3,497	3,716	3,958	4,263	3,659
	Average Years of Service	3.0	7.0	12.0	17.0	23.0	28.0	32.0	38.0	27.0

AVERAGE BENEFIT PAYMENTS



AVERAGE FINAL AVERAGE SALARY



SCHEDULE OF RETIREES BY BENEFIT AMOUNT

Monthly Benefit	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Under $200	257	266	267	267	270	263	260	253	251	241
200 to 399	417	433	441	447	446	454	463	448	460	461
400 to 599	428	433	433	421	413	409	424	434	435	445
600 to 799	386	395	396	395	398	397	399	403	400	387
800 to 999	380	382	376	373	375	378	387	400	401	398
1,000 to 1,199	437	440	456	471	490	496	498	500	497	506
1,200 to 1,399	433	445	454	460	468	476	490	504	513	528
1,400 to 1,599	480	487	491	517	527	544	550	555	567	583
1,600 to 1,799	565	574	584	596	600	607	608	620	622	619
1,800 to 1,999	594	598	601	601	606	602	608	611	605	608
2,000 to 2,199	573	571	572	573	576	574	573	570	566	557
2,200 to 2,399	553	561	561	560	555	549	542	538	531	514
2,400 to 2,599	465	466	470	458	457	443	440	436	421	406
2,600 to 2,799	435	441	439	429	415	403	402	384	372	356
2,800 to 2,999	449	454	442	434	414	403	387	378	356	336
3,000 to 3,199	390	394	387	381	365	358	341	329	314	292
3,200 to 3,399	375	371	370	342	331	310	301	288	272	239
3,400 to 3,599	308	310	303	288	279	254	239	220	197	175
3,600 to 3,799	289	285	275	255	239	215	197	186	162	144
3,800 to 3,999	233	234	226	213	190	166	154	131	115	105
4,000 & Over	1,217	1,153	1,071	957	848	735	655	555	444	349
TOTAL	9,664	9,693	9,615	9,438	9,262	9,036	8,918	8,743	8,501	8,249

SCHEDULE OF RETIREES BY BENEFIT TYPE

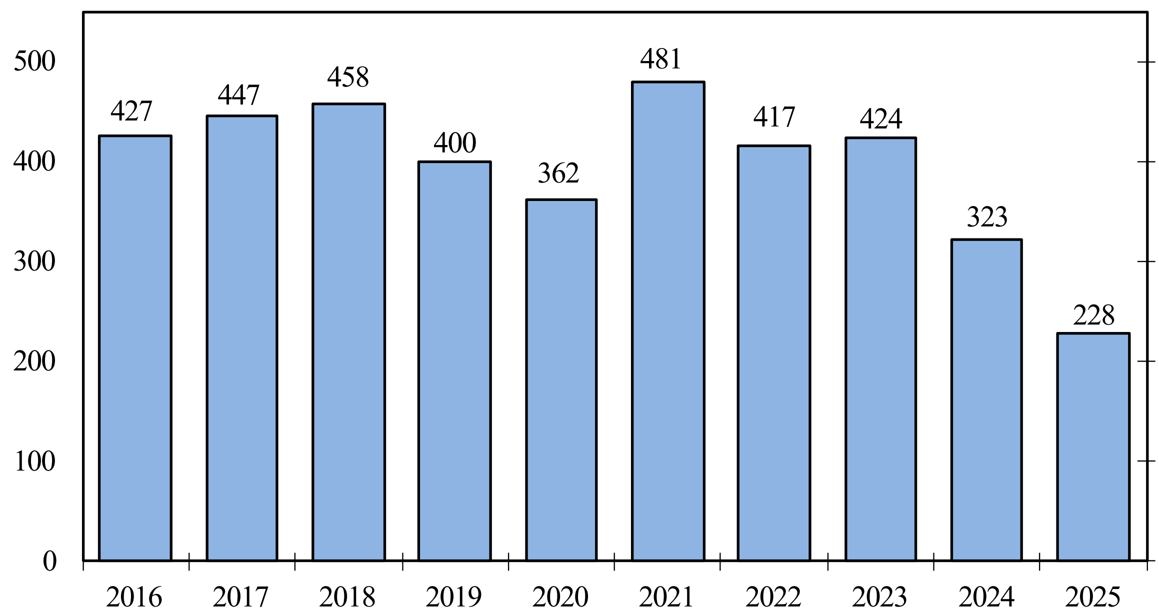
Form of Payment	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service:										
Straight Life	3,773	3,079	3,073	3,060	3,017	2,983	2,994	2,988	2,960	2,917
100% J&S	3,731	3,960	3,931	3,810	3,712	3,571	3,483	3,358	3,195	3,035
50% J&S	677	768	758	744	730	700	689	680	666	644
5 Years C&L	9	8	9	10	12	14	17	18	18	19
10 Years C&L	171	158	158	159	162	164	175	173	172	175
20 Years C&L	200	193	186	172	166	151	143	130	113	100
Level	6	437	452	469	491	508	518	530	540	545
Subtotal	8,567	8,603	8,567	8,424	8,290	8,091	8,019	7,877	7,664	7,435
Disability:										
Straight Life	94	94	93	94	94	96	98	97	102	105
100% J&S	21	22	21	17	21	22	21	20	18	14
50% J&S	7	7	6	7	7	6	5	5	6	7
5 Years C&L	1	1	1	1	1	1	1	1	1	1
10 Years C&L	1	1	0	0	0	0	0	0	0	0
20 Years C&L	2	2	2	2	2	2	2	2	1	1
Subtotal	126	127	123	121	125	127	127	125	128	128
Beneficiaries:										
Straight Life	895	879	845	814	777	759	717	698	667	662
5 Years Certain Only	-	-	-	0	0	0	0	0	-	3
10 Years Certain Only	8	10	11	11	10	9	4	4	4	11
20 Years Certain Only	29	38	38	36	29	20	23	12	12	10
QDRO Alternate Payee*	39	36	31	32	31	30	28	27	26	
Subtotal	971	963	925	893	847	818	772	741	709	686
TOTAL	9,664	9,693	9,615	9,438	9,262	9,036	8,918	8,743	8,501	8,249

* Prior to 2017, QDRO Alternate Payees were included within the other listed beneficiary options.

SCHEDULE OF NEW RETIREES BY TYPE

Valuation Year	Retirement	Disability	Beneficiary	Total
2025	158	3	67	228
2024	232	7	84	323
2023	342	7	75	424
2022	325	1	91	417
2021	403	5	73	481
2020	282	3	77	362
2019	326	4	70	400
2018	398	3	57	458
2017	391	4	52	447
2016	354	5	68	427

TOTAL NEW RETIREES



SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

PENSION INVESTMENT POOL

	2025	2024	2023	2022	2021
Public Employees Retirement System					
Net position beginning of year	$ 4,340,934,936	$ 3,910,003,629	$ 3,697,788,557	$ 4,021,875,086	$ 3,209,215,627
Net change in fair value of investments	450,678,656	301,066,880	241,403,575	(323,796,192)	811,750,964
Interest, dividends and other income	76,701,979	64,701,143	58,349,078	70,542,585	64,016,475
Expenses	(9,724,273)	(9,639,860)	(10,803,228)	(9,661,916)	(11,255,030)
Net securities lending income	313,805	250,102	175,647	133,994	222,050
Net change in net position resulting from unit transactions	4,850,000	74,553,042	(76,910,000)	(61,305,000)	(52,075,000)
Net position end of year	$ 4,863,755,103	$ 4,340,934,936	$ 3,910,003,629	$ 3,697,788,557	$ 4,021,875,086
City of Bismarck Employees Pension Plan					
Net position beginning of year	$ 129,706,289	$ 123,266,872	$ 118,522,530	$ 128,345,082	$ 106,845,584
Net change in fair value of investments	11,627,992	7,727,832	6,053,763	(9,403,637)	21,344,943
Interest, dividends and other income	2,701,290	2,248,444	2,004,856	2,377,750	2,243,633
Expenses	(291,074)	(293,044)	(318,932)	(300,443)	(345,797)
Net securities lending income	9,441	6,185	4,655	3,778	6,719
Net change in net position resulting from unit transactions	(3,500,000)	(3,250,000)	(3,000,000)	(2,500,000)	(1,750,000)
Net position end of year	$ 140,253,938	$ 129,706,289	$ 123,266,872	$ 118,522,530	$ 128,345,082
City of Bismarck Police Pension Plan					
Net position beginning of year	$ 54,477,895	$ 50,939,848	$ 48,130,570	$ 51,889,634	$ 42,509,258
Net change in fair value of investments	5,250,301	3,533,848	2,917,329	(3,823,204)	9,398,347
Interest, dividends and other income	1,064,115	873,263	774,231	935,524	870,634
Expenses	(122,723)	(121,734)	(134,217)	(122,917)	(141,287)
Net securities lending income	4,031	2,670	1,935	1,533	2,682
Net change in net position resulting from unit transactions	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
Net position end of year	$ 59,923,619	$ 54,477,895	$ 50,939,848	$ 48,130,570	$ 51,889,634
City of Grand Forks Pension Plan					
Net position beginning of year	$ 77,467,080	$ 74,879,542	$ 72,847,251	$ 81,713,528	$ 67,401,110
Net change in fair value of investments	8,069,376	6,371,211	5,742,561	(6,972,005)	16,531,382
Interest, dividends and other income	1,301,331	1,149,700	1,103,204	1,390,817	1,285,751
Expenses	(157,990)	(163,016)	(198,133)	(178,403)	(215,357)
Net securities lending income	5,279	4,494	3,547	2,856	4,428
Net change in net position resulting from unit transactions	(4,969,331)	(4,774,851)	(4,618,888)	(3,109,542)	(3,293,786)
Net position end of year	$ 81,715,745	$ 77,467,080	$ 74,879,542	$ 72,847,251	$ 81,713,528
Grand Forks Park District Pension Plan					
Net position beginning of year	$ 8,764,016	$ 8,725,647	$ 8,611,901	$ 9,366,312	$ 7,398,893
Net change in fair value of investments	843,158	477,952	399,140	(884,269)	1,804,671
Interest, dividends and other income	191,085	176,715	178,982	220,803	182,972
Expenses	(21,611)	(23,207)	(26,024)	(24,857)	(28,509)
Net securities lending income	1,127	962	756	421	504
Net change in net position resulting from unit transactions	(71,281)	(594,053)	(439,108)	(66,509)	7,781
Net position end of year	$ 9,706,494	$ 8,764,016	$ 8,725,647	$ 8,611,901	$ 9,366,312

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30
INSURANCE INVESTMENT POOL

	2025	2024	2023	2022	2021
Workforce Safety & Insurance Fund					
Net position beginning of year	$ 2,132,534,812	$ 2,065,483,405	$ 2,054,462,489	$ 2,309,697,425	$ 2,124,783,107
Net change in fair value of investments	127,482,503	70,167,866	7,166,800	(248,699,445)	202,419,817
Interest, dividends and other income	61,388,258	54,818,122	51,060,791	48,570,716	45,087,703
Expenses	(4,533,652)	(4,097,585)	(4,325,086)	(4,173,079)	(5,164,378)
Net securities lending income	130,369	163,004	118,411	66,872	71,176
Net change in net position resulting from unit transactions	(50,000,000)	(54,000,000)	(43,000,000)	(51,000,000)	(57,500,000)
Net position end of year	$ 2,267,002,290	$ 2,132,534,812	$ 2,065,483,405	$ 2,054,462,489	$ 2,309,697,425
State Fire & Tornado Fund					
Net position beginning of year	$ 16,449,343	$ 18,275,962	$ 19,025,335	$ 22,799,801	$ 22,812,681
Net change in fair value of investments	1,149,764	1,130,234	523,707	(2,854,462)	3,090,719
Interest, dividends and other income	507,054	493,141	476,014	426,106	396,853
Expenses	(40,826)	(31,733)	(39,158)	(37,183)	(51,462)
Net securities lending income	1,433	1,669	1,311	760	968
Net change in net position resulting from unit transactions	1,300,000	(3,419,930)	(1,711,247)	(1,309,687)	(3,449,958)
Net position end of year	$ 19,366,768	$ 16,449,343	$ 18,275,962	$ 19,025,335	$ 22,799,801
State Bonding Fund					
Net position beginning of year	$ 3,852,718	$ 3,675,847	$ 3,609,182	$ 3,849,935	$ 3,787,104
Net change in fair value of investments	76,175	26,256	(46,632)	(288,730)	21,948
Interest, dividends and other income	156,921	154,360	117,093	51,932	45,069
Expenses	(4,865)	(3,956)	(3,935)	(4,003)	(4,212)
Net securities lending income	184	211	139	48	26
Net change in net position resulting from unit transactions	-	-	-	-	-
Net position end of year	$ 4,081,133	$ 3,852,718	$ 3,675,847	$ 3,609,182	$ 3,849,935
Petroleum Tank Release Compensation Fund					
Net position beginning of year	$ 6,174,122	$ 5,885,222	$ 5,914,424	$ 6,264,567	$ 6,164,315
Net change in fair value of investments	111,342	41,979	(68,245)	(425,612)	36,887
Interest, dividends and other income	254,585	252,244	194,384	80,952	69,214
Expenses	(7,214)	(5,625)	(5,548)	(5,557)	(5,885)
Net securities lending income	270	302	207	74	36
Net change in net position resulting from unit transactions	-	-	(150,000)	-	-
Net position end of year	$ 6,533,105	$ 6,174,122	$ 5,885,222	$ 5,914,424	$ 6,264,567
Insurance Regulatory Trust Fund					
Net position beginning of year	$ 4,792,657	$ 7,158,466	$ 6,620,892	$ 7,132,980	$ 5,713,800
Net change in fair value of investments	197,766	(143,231)	(78,720)	(412,257)	332,380
Interest, dividends and other income	67,276	99,509	104,345	53,618	40,881
Expenses	(3,711)	(3,857)	(7,379)	(5,236)	(7,162)
Net securities lending income	143	220	175	120	112
Net change in net position resulting from unit transactions	(1,650,000)	(2,318,450)	519,153	(148,333)	1,052,969
Net position end of year	$ 3,404,131	$ 4,792,657	$ 7,158,466	$ 6,620,892	$ 7,132,980

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

INSURANCE INVESTMENT POOL (Continued)

	2025	2024	2023	2022	2021
Cultural Endowment Fund					
Net position beginning of year	$ 601,304	$ 554,622	$ 520,754	$ 612,060	$ 493,367
Net change in fair value of investments	52,627	46,209	36,774	(72,271)	111,108
Interest, dividends and other income	13,496	12,501	11,205	11,009	9,979
Expenses	(2,453)	(2,090)	(2,152)	(2,068)	(2,424)
Net securities lending income	52	62	41	24	30
Net change in net position resulting from unit transactions	(10,000)	(10,000)	(12,000)	(28,000)	-
Net position end of year	$ 655,026	$ 601,304	$ 554,622	$ 520,754	$ 612,060
Risk Management Fund					
Net position beginning of year	$ 4,413,775	$ 4,278,830	$ 3,979,631	$ 4,386,340	$ 4,559,669
Net change in fair value of investments	279,484	232,725	161,677	(537,354)	512,933
Interest, dividends and other income	122,384	109,669	95,197	87,650	73,266
Expenses	(10,153)	(7,882)	(7,947)	(7,103)	(9,656)
Net securities lending income	404	433	272	98	128
Net change in net position resulting from unit transactions	(100,000)	(200,000)	50,000	50,000	(750,000)
Net position end of year	$ 4,705,894	$ 4,413,775	$ 4,278,830	$ 3,979,631	$ 4,386,340
Risk Management Workers Comp Fund					
Net position beginning of year	$ 2,193,597	$ 3,422,104	$ 3,261,650	$ 4,307,007	$ 5,114,419
Net change in fair value of investments	184,667	(22,911)	96,622	(413,820)	626,878
Interest, dividends and other income	69,509	47,977	70,271	74,634	75,948
Expenses	(7,062)	(3,796)	(6,660)	(6,259)	(10,393)
Net securities lending income	224	223	221	88	155
Net change in net position resulting from unit transactions	750,000	(1,250,000)	-	(700,000)	(1,500,000)
Net position end of year	$ 3,190,935	$ 2,193,597	$ 3,422,104	$ 3,261,650	$ 4,307,007
ND Veterans' Cemetery Trust Fund					
Net position beginning of year	$ 497,021	$ 453,428	$ 421,943	$ 380,597	$ 312,537
Net change in fair value of investments	46,213	35,648	24,742	(64,213)	63,161
Interest, dividends and other income	10,358	9,454	8,352	8,106	6,348
Expenses	(1,657)	(1,543)	(1,635)	(1,569)	(1,476)
Net securities lending income	25	34	26	22	22
Net change in net position resulting from unit transactions	-	-	-	99,000	5
Net position end of year	$ 551,960	$ 497,021	$ 453,428	$ 421,943	$ 380,597
ND Association of Counties Fund					
Net position beginning of year	$ 7,859,301	$ 7,218,048	$ 6,797,497	$ 7,740,373	$ 6,689,541
Net change in fair value of investments	268,894	459,944	268,360	(1,077,670)	934,566
Interest, dividends and other income	81,483	194,141	166,512	147,667	133,195
Expenses	(1,920)	(13,562)	(14,828)	(13,148)	(17,242)
Net securities lending income	220	730	507	275	313
Net change in net position resulting from unit transactions	(8,207,397)	-	-	-	-
Net position end of year	$ 581	$ 7,859,301	$ 7,218,048	$ 6,797,497	$ 7,740,373

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

INSURANCE INVESTMENT POOL (Continued)

	2025	2024	2023	2022	2021
PERS Group Insurance Fund					
Net position beginning of year	$ 59,512,585	$ 58,746,344	$ 32,120,505	$ 34,546,957	$ 31,479,612
Net change in fair value of investments	1,323,237	1,591,237	209,735	(2,420,582)	472,325
Interest, dividends and other income	2,855,486	2,848,692	2,079,724	765,365	843,264
Expenses	(84,919)	(77,925)	(77,602)	(42,310)	(45,970)
Net securities lending income	4,012	4,237	2,461	1,075	481
Net change in net position resulting from unit transactions	(3,825,000)	(3,600,000)	24,411,521	(730,000)	1,797,245
Net position end of year	$ 59,785,401	$ 59,512,585	$ 58,746,344	$ 32,120,505	$ 34,546,957
Budget Stabilization Fund					
Net position beginning of year	$ 919,633,735	$ 739,482,398	$ 717,359,225	$ 749,374,748	$ 726,903,611
Net change in fair value of investments	22,013,097	25,512,345	(1,701,561)	(58,320,756)	10,641,810
Interest, dividends and other income	40,111,241	37,618,814	24,831,533	17,633,373	18,793,591
Expenses	(1,420,880)	(1,321,272)	(1,042,331)	(999,529)	(1,030,772)
Net securities lending income	67,123	68,043	35,532	25,140	10,753
Net change in net position resulting from unit transactions	(32,022,977)	118,273,407	-	9,646,249	(5,944,245)
Net position end of year	$ 948,381,339	$ 919,633,735	$ 739,482,398	$ 717,359,225	$ 749,374,748
City of Bismarck Deferred Sick Leave Fund					
Net position beginning of year	$ 846,253	$ 783,989	$ 744,692	$ 844,666	$ 770,148
Net change in fair value of investments	56,386	42,834	22,743	(114,900)	92,267
Interest, dividends and other income	24,727	21,644	18,896	17,212	14,904
Expenses	(2,632)	(2,291)	(2,394)	(2,312)	(2,683)
Net securities lending income	69	77	52	26	30
Net change in net position resulting from unit transactions	-	-	-	-	(30,000)
Net position end of year	$ 924,803	$ 846,253	$ 783,989	$ 744,692	$ 844,666
City of Fargo FargoDome Permanent Fund					
Net position beginning of year	$ 43,815,656	$ 42,619,602	$ 40,017,135	$ 49,709,366	$ 43,523,123
Net change in fair value of investments	3,869,249	3,176,981	2,637,840	(6,685,193)	8,520,648
Interest, dividends and other income	948,588	868,958	821,064	895,252	847,933
Expenses	(112,480)	(104,293)	(109,475)	(104,325)	(134,854)
Net securities lending income	4,438	4,408	3,038	2,035	2,516
Net change in net position resulting from unit transactions	(1,500,000)	(2,750,000)	(750,000)	(3,800,000)	(3,050,000)
Net position end of year	$ 47,025,451	$ 43,815,656	$ 42,619,602	$ 40,017,135	$ 49,709,366
ND State Board of Medicine					
Net position beginning of year	$ 4,364,790	$ 3,235,301	$ 2,749,021	$ 2,779,396	$ 2,469,292
Net change in fair value of investments	301,150	141,389	52,879	(383,821)	263,359
Interest, dividends and other income	144,534	103,599	74,634	59,680	53,710
Expenses	(10,716)	(7,773)	(7,058)	(6,339)	(7,067)
Net securities lending income	323	333	200	105	102
Net change in net position resulting from unit transactions	600,000	891,941	365,625	300,000	-
Net position end of year	$ 5,400,081	$ 4,364,790	$ 3,235,301	$ 2,749,021	$ 2,779,396

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

INSURANCE INVESTMENT POOL (Continued)

	2025	2024	2023	2022	2021
Lewis & Clark Interpretive Center Endowment					
Net position beginning of year	$ 915,533	$ 842,339	$ 796,402	$ 914,536	$ 793,124
Net change in fair value of investments	70,199	52,812	29,312	(132,758)	108,123
Interest, dividends and other income	25,927	22,608	19,125	17,079	16,218
Expenses	(2,516)	(2,307)	(2,557)	(2,488)	(2,967)
Net securities lending income	66	81	57	33	38
Net change in net position resulting from unit transactions	-	-	-	-	-
Net position end of year	$ 1,009,209	$ 915,533	$ 842,339	$ 796,402	$ 914,536
Arts Across the Prairie Maintenance Endowment					
Net position beginning of year	$ 1,218,019	$ 1,072,396	$ -	$ -	$ -
Net change in fair value of investments	147,821	128,199	63,852	-	-
Interest, dividends and other income	22,436	20,217	10,423	-	-
Expenses	(3,008)	(2,888)	(1,922)	-	-
Net securities lending income	62	95	43	-	-
Net change in net position resulting from unit transactions	-	-	1,000,000	-	-
Net position end of year	$ 1,385,330	$ 1,218,019	$ 1,072,396	$ -	$ -
Attorney General Settlement Fund					
Net position beginning of year	$ 1,054,459	$ 1,817,834	$ 2,954,216	$ 924,536	$ 1,056,388
Net change in fair value of investments	17,737	39,775	(15,943)	(266,261)	15,221
Interest, dividends and other income	27,276	56,864	79,745	69,492	25,331
Expenses	(1,340)	(2,395)	(3,510)	(4,950)	(2,184)
Net securities lending income	45	111	110	99	16
Net change in net position resulting from unit transactions	(857,730)	(857,730)	(1,196,784)	2,231,300	(170,236)
Net position end of year	$ 240,447	$ 1,054,459	$ 1,817,834	$ 2,954,216	$ 924,536
ND University System Capital Building Fund					
Net position beginning of year	$ 685,884	$ 1,050,899	$ 1,602,226	$ -	$ -
Net change in fair value of investments	10,292	19,885	(3,375)	(196,129)	-
Interest, dividends and other income	7,752	32,734	53,041	32,740	-
Expenses	(276)	(1,746)	(2,584)	(2,539)	-
Net securities lending income	10	57	75	53	-
Net change in net position resulting from unit transactions	(703,605)	(415,945)	(598,484)	1,768,101	-
Net position end of year	$ 57	$ 685,884	$ 1,050,899	$ 1,602,226	$ -

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

INSURANCE INVESTMENT POOL (Continued)

	2025	2024	2023	2022	2021
Water Project Stabilization Fund					
Net position beginning of year	$ 44,718,543	$ -	$ -	$ -	$ -
Net change in fair value of investments	-	-	-	-	-
Interest, dividends and other income	6,625,193	196,299	-	-	-
Expenses	(52,337)	-	-	-	-
Net securities lending income	-	-	-	-	-
Net change in net position resulting from unit transactions	103,714,148	44,522,244	-	-	-
Net position end of year	$ 155,005,547	$ 44,718,543	$ -	$ -	$ -
Opioid Settlement Fund					
Net position beginning of year	$ -	$ -	$ -	$ -	$ -
Net change in fair value of investments	212,329	-	-	-	-
Interest, dividends and other income	616,933	-	-	-	-
Expenses	(23,355)	-	-	-	-
Net securities lending income	1,020	-	-	-	-
Net change in net position resulting from unit transactions	16,186,333	-	-	-	-
Net position end of year	$ 16,993,260	$ -	$ -	$ -	$ -
ND State Historical Society					
Net position beginning of year	$ 874,552	$ -	$ -	$ -	$ -
Net change in fair value of investments	13,357	3,345	-	-	-
Interest, dividends and other income	7,905	-	-	-	-
Expenses	(1,193)	-	-	-	-
Net securities lending income	-	871,207	-	-	-
Net change in net position resulting from unit transactions	-	-	-	-	-
Net position end of year	$ 894,621	$ 874,552	$ -	$ -	$ -
Legacy Fund					
Net position beginning of year	$ 10,873,738,190	$ 8,999,738,920	$ 7,946,079,492	$ 8,115,202,181	$ 6,995,309,070
Net change in fair value of investments	1,212,935,627	873,602,292	539,977,359	(1,016,618,213)	1,490,459,152
Interest, dividends and other income	228,000,053	182,748,175	160,995,552	157,328,175	142,241,067
Expenses	(22,065,459)	(19,680,012)	(19,972,823)	(17,583,459)	(22,156,353)
Net securities lending income	1,059,058	644,469	504,949	406,151	478,659
Net change in net position resulting from unit transactions	717,465,259	836,684,346	372,154,391	707,344,657	(491,129,414)
Net position end of year	$ 13,011,132,728	$ 10,873,738,190	$ 8,999,738,920	$ 7,946,079,492	$ 8,115,202,181

SUMMARY OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30

INDIVIDUAL INVESTMENT ACCOUNTS

	2025	2024	2023	2022	2021
Job Service North Dakota					
Net position beginning of year	$ 82,701,762	$ 83,410,337	$ 86,174,914	$ 96,591,274	$ 95,249,099
Net change in fair value of investments	3,594,719	1,160,091	(556,475)	(7,105,726)	4,541,813
Interest, dividends and other income	3,738,864	3,728,489	3,323,785	1,862,254	1,805,626
Expenses	(293,708)	(276,920)	(280,428)	(308,015)	(322,167)
Net securities lending income	-	-	-	-	-
Net change in net position resulting from unit transactions	(5,305,182)	(5,320,235)	(5,251,459)	(4,864,873)	(4,683,097)
Net position end of year	$ 84,436,455	$ 82,701,762	$ 83,410,337	$ 86,174,914	$ 96,591,274
Tobacco Prevention and Control Fund					
Net position beginning of year	$ -	$ -	$ -	$ -	$ 7,586,495
Net change in fair value of investments	-	-	-	-	8,071
Interest, dividends and other income	-	-	-	-	51
Expenses	-	-	-	-	(3,704)
Net securities lending income	-	-	-	-	-
Net change in net position resulting from unit transactions	-	-	-	(158)	(7,590,755)
Net position end of year	$ -	$ -	$ -	$ -	$ 158
PERS Retiree Health Insurance Credit Fund					
Net position beginning of year	$ 184,099,945	$ 164,874,790	$ 152,194,918	$ 180,108,082	$ 144,126,212
Net change in fair value of investments	18,771,349	16,039,784	12,315,155	(30,112,037)	34,154,175
Interest, dividends and other income	6,005,871	5,297,935	4,135,974	3,885,504	2,864,088
Expenses	(633,846)	(542,564)	(484,757)	(537,631)	(495,393)
Net securities lending income	-	-	-	-	-
Net change in net position resulting from unit transactions	(2,960,000)	(1,570,000)	(3,286,500)	(1,149,000)	(541,000)
Net position end of year	$ 205,283,319	$ 184,099,945	$ 164,874,790	$ 152,194,918	$ 180,108,082