

**EXECUTIVE REVIEW AND COMPENSATION COMMITTEE MEETING**

**Tuesday, February 20, 2024 – 9:30 AM**

**RIO Conference Room  
1600 E Century Ave. Ste. 3  
Bismarck, ND 58503**

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**AGENDA**

- I. Call to Order and Approval of Agenda – (*Committee Action*)**
- II. Approval of Meeting Minutes (January 9, 2024) – (*Committee Action*)**
- III. Incentive Compensation Plan (90 minutes) (*Committee Action*)** – Mr. Josh Wilson, Mercer
- IV. SIB Self-Assessment Results (15 minutes) (*Committee Action*)** – Ms. Seiler
- V. Approve Survey Formats (15 minutes) (*Committee Action*)** – Ms. Seiler
  - a. SIB Survey (ED & CIO)
  - b. TFFR Survey (ED & DED/CRO)
  - c. ED Staff Surveys
- VI. Other**

**Next Meeting:** March 13, 2024, at 10:00 a.m.
- VII. Adjournment**

**NORTH DAKOTA STATE INVESTMENT BOARD  
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE  
MINUTES OF THE  
JANUARY 9, 2024, COMMITTEE MEETING**

**MEMBERS PRESENT:** Dr. Rob Lech, TFFR, Chair  
Thomas Beadle, State Treasurer, Vice Chair  
Sen. Jerry Klein, LBSFAB

**STAFF PRESENT:** Scott Anderson, CIO  
Jan Murtha, Exec. Director  
Emmalee Riegler, Procurement/Records Coor.  
Sara Seiler, Internal Audit Supvr.  
Ryan Skor, CFO/COO

**CALL TO ORDER:**

Dr. Lech called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 10:31 A.m. on Tuesday, January 9, 2024. The meeting was held virtually.

**ACCEPTANCE OF AGENDA:**

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA AS DISTRIBUTED.**

**AYES: TREASURER BEADLE, SEN. KLEIN, AND DR. LECH  
NAYS: NONE  
MOTION CARRIED**

**MINUTES:**

The ERCC considered the minutes of the August 3 and August 24, 2023, meetings.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE AUGUST 3 AND 24, 2023, MINUTES AS DISTRIBUTED.**

**AYES: SEN. KLEIN, DR. LECH, AND TREASURER BEADLE  
NAYS: NONE  
MOTION CARRIED**

**SIB SELF-ASSESSMENT SURVEY DISCUSSION:**

Ms. Seiler provided an overview of the board self-assessment process that has been used historically and provided the proposed 2024 survey. Staff discussed the survey format and worked to improve question clarity and streamline the survey. Ms. Seiler reviewed the proposed timeline for collecting responses and compiling the results for the ERCC to review. Committee discussion followed.

**OTHER:**

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 10:51 a.m.

Submitted by:

Missy Kopp, Assistant to the Board

## MEMORANDUM

**TO: Executive Review and Compensation Committee**  
**FROM: Ryan K. Skor, CFO/COO**  
**DATE: February 16, 2024**  
**RE: Incentive Compensation Plan**

During the 2023 legislative session, the 68<sup>th</sup> Legislative Assembly authorized the Retirement and Investment Office to develop an incentive compensation program for its investment and fiscal operations positions necessary for the management of funds under the control of the State Investment Board.

RIO staff has since thoroughly researched programs from numerous other entities, both within government and private sectors. Incorporating this research and the parameters set forth in legislation, a draft proposal was created.

In late 2023, RIO and the ERCC commissioned Mercer to assist with the structure and mechanics of the proposed program and to review the final proposed incentive compensation program against other comparable plans at similar organizations.

**COMMITTEE ACTION REQUESTED: Discussion of and approval of a proposed incentive compensation plan to be presented for approval to the full State Investment Board.**

# ND RIO Incentive Plan Review

February 2024

Josh Wilson, Partner  
Susan Lemke, Principal  
Aimee Kudela, Senior Associate  
Lanni Barrie, Senior Analyst

# Background & Context

- In late 2023, North Dakota Retirement and Investment Office (“RIO”) commissioned Mercer to review the incentive compensation program against other comparable plans at similar organization on various fronts (design, eligibility, target awards, etc.)
- RIO manages approximately \$20 billion in assets. The assets are divided between the ND State Investment Board (“SIB”) and the ND Teachers’ Fund for Retirement Board (“TFFR”). As of the beginning of 2023, RIO managed 28 client funds with 43 managers at RIO, with portfolios comprised of equity, fixed income, private equity, and real estate assets.
- RIO is in a transformative phase, gaining the capabilities of funds management and enhanced indexing in the next 2 years. Looking to the future, RIO strives to gain internal management and financed exposure capabilities in the next 5 years and become one of the more sophisticated state pension plans in the country.
- In order to retain and motivate current staff as well as attract future talent, RIO seeks to design and implement a performance incentive plan that will boost the overall competitiveness of investment professional compensation if performance warrants it. RIO has designed the plan and has asked Mercer to review the plan and opine on it.

# Incentive Compensation Plan Current State

The plan reflects careful consideration of the following:

- Achieving long-term strategic and investment objectives with high-quality investment management staff
- A reasonable and competitive plan is critical to attracting and retaining high quality staff
- Staff should be motivated to earn the highest possible returns for RIO at reasonable costs and controlled levels of risk
- A meaningful portion of total pay opportunities should be provided through performance-based incentives
  - Investment-related awards should be earned only when net investment performance is above benchmarks
  - The greatest share of the excess value should accrue to the client funds, not to RIO staff.

The plan objectives include:

- Help attract and retain talented investment professionals
- Help RIO earn the highest possible investment returns at a reasonable cost and at controlled levels of risk
- Reward long-term investment performance
- Motivate staff to make good decisions for client funds
- Foster a collaborative approach to investing RIO's AUM
- Reward measurable and achievable performance
- Be clear and easily communicated in terms of the Plan's objectives, design features, and associated opportunities
- Be perceived as fair by RIO's employees and potential recruits

# Incentive Design Mechanics

	Proposed RIO Incentive Plan Design
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Investment-related positions               <ul style="list-style-type: none"> <li>20 unique positions (13 current roles and 7 to-be-hired role) centered in the investment and leadership areas</li> </ul> </li> </ul>
<b>Performance Measurement</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>“Value added” to North Dakota Retirement and Investment Office (RIO) through fund performance as measured by basis point outperformance</li> <li>Individual performance</li> </ul>
<b>Performance Standards</b>	<ul style="list-style-type: none"> <li>Total Fund(relative to Benchmarks)               <ul style="list-style-type: none"> <li>Threshold performance: 1 Basis Point-At threshold performance, incentive plan pays out 10% of maximum</li> <li>Maximum performance: 50 Basis Points –At maximum performance, incentive plan pays out 100% of maximum</li> <li><i>Achievement in between threshold and maximum performance levels will be interpolated on a straight-line basi</i></li> </ul> </li> </ul>
<b>Incentive Opportunity</b>	<ul style="list-style-type: none"> <li>Maximum incentive awards are set for all eligible positions, ranging from 25% - 100%</li> <li>For purposes of comparison, Mercer interpolates incentive targets as ½ of incentive maximums</li> </ul>
<b>Measurement Period/Timing of Payout</b>	<ul style="list-style-type: none"> <li>Performance period will be three-years but initial plans will be one and two years as start up plans</li> </ul>

# Annual Incentive Plan

## Executive Summary

### Alignment with Objectives

Competitive



Uncompetitive



Design Feature	ND RIO Practice	Market Practice	Rating	Commentary
<b>Plan Eligibility</b>	Direct management and investment positions.	Eligibility is typically extended to Top Investment Officer through Senior Investment Analyst, however, only about 50% the market provides incentives to all investment positions.		More inclusive than market.
<b>STI Award Opportunity</b>	Maximum incentive awards are set for all incentive-eligible positions, ranging from 25% to 100%; target ranges are interpolated to be ½ of maximum incentive award opportunity.	At the median, the maximum incentive awards are set for all incentive-eligible positions, ranging from 20% to 150%.  Target ranges are set from 10% to 82%. The endowment peers have much wider ranges than the pension peers.		At market (or slightly above) for Pension plans; slightly below market median for maximum incentive awards when considering both pensions and endowments.
<b>Performance Measures / Plan Design</b>	<ul style="list-style-type: none"> <li>80% Total Fund performance</li> <li>20% Individual / Qualitative performance                             <ul style="list-style-type: none"> <li>Asset Class performance may, to start the program, fall into the Individual / Qualitative bucket; consideration to measure performance partially off asset class performance in the future</li> </ul> </li> </ul>	Majority of the market (>90%) measures performance of the Total Fund against a composite benchmark. It is most likely that in tandem with the quantitative performance of the total fund, there is a qualitative component.  For pension peers, 11% of firms use asset class performance, while individual performance is measured in 85% (specifically for senior and second level investment executives).		More competitive than the market as more investment positions are rewarded for the performance of asset class funds compared to the market.
<b>Market Performance Standards</b>	The threshold for performance is 1 BP and the Maximum is 50 BPS.	All Endowments/Foundations: <ul style="list-style-type: none"> <li>Threshold: 0 BPS</li> <li>Target: 95 BPS</li> <li>Maximum: 190 BPS</li> </ul> Pensions: <ul style="list-style-type: none"> <li>Threshold: 0 BPS</li> <li>Target: 35 BPS</li> <li>Maximum: 70 BPS</li> </ul>		Performance expectations calculated by independent 3rdparty expert and outperformance factors in risk. 50 BPS of outperformance represents top quartile of performance
<b>Measurement Period</b>	Measurement period is a one-year individual performance period (calendar year) <ul style="list-style-type: none"> <li>Performance of the fund: three-year rolling period</li> <li>Initial periods will be one and two years respectively</li> </ul>	Majority of the market (>80%) utilizes a three-year rolling period.  Some funds who use a three-year rolling period also utilize another rolling period (one- or five-years)		Aligned with market.



# RIO Incentive Eligibility and Metrics

## Opportunity

Tier	Min (% of Base)	Target (% of Base)	Max (% of Base)	Positions
1	0%	50%	100%	CIO Executive Director
2	0%	45%	90%	Deputy CIO
3	0%	37.5%	75%	Portfolio Manager Chief Risk Officer Senior Investment Officer
4	0%	30%	60%	Chief Financial Officer / Chief Operating Officer
5	0%	25%	50%	Investment Officer Risk Officer Accounting Manager
6	0%	12.5%	25%	Senior Investment Accountant Investment Accountant

# Market Eligibility

Pension Survey	Endowment Survey	Financial Services (STI Survey)
<ul style="list-style-type: none"> <li>60% provide incentive compensation; of those who provide incentive compensation, 57% possess less than \$150 B in AUM.</li> <li>Eligibility is typically extended to the Top Investment Officer through Senior Investment Analysts, and to managers and above for investment operations staff.</li> <li>Incentive opportunities decline at the analyst level; of those who provide executive compensation, only 50% offer junior analysts incentives (67% offer intermediate analysts incentives).</li> <li>Of those who provide incentive compensation, 83% provide incentives to Operations Directors, which is exponentially higher than the 29% that provide incentives to Operations Analysts.</li> </ul>	<ul style="list-style-type: none"> <li>92% provide incentive compensation.</li> <li>Of those providing incentive compensation, virtually all include Senior Investment Analysts and above; prevalence drops slightly to approximately 90% for lower-level investment analysts.</li> <li>59% extend participation to all investment operations staff.</li> </ul>	<ul style="list-style-type: none"> <li>Incentive compensation is most common at the Executive Level 3 (E3), Executive Level 3 (E3), and Senior Manager II (M5); 90% of companies provide incentive compensation for E1 and E3 executives, while 91% provide incentive compensation for M5 managers.</li> <li>Professionals at the Entry Professional (P1) level are significantly less likely to receive incentive compensation from their companies compared to other professionals; 47% of companies offer P1 professionals incentive compensation, compared to the 72% that offer P2 professionals incentive compensation.</li> <li>Companies provide incentive compensation to Entry Support (S1) more often compared to Experienced and Senior Support; 49% of companies provide incentive compensation for S1 support employees.</li> </ul>

## Considerations for RIO

- In relation to other endowment and pension funds, RIO's eligibility list is appropriate. The participants are direct investment professionals and management.
- The implementation of an incentive compensation program will require strict guidelines and be primarily leadership-driven.
- Companies have been rewarding employees who are ineligible to participate in the incentive compensation plan with one-time rewards or bonuses, which helps increase retention and awards employees past base pay.
- It is becoming an increasing trend for companies to consider non-investment staff to be included in incentive plans, but the actual implementation is much slower; consider increasing eligibility to those in the Operations department, especially because it is more common to include Operations Directors as opposed to Operations Analysts.

# RIO Incentive Targets

Tier	Positions	ND RIO		Pension Survey				Endowment Survey			
		Target	Max	Target		Max		Target		Max	
				25 <sup>th</sup>	Med.	25 <sup>th</sup>	Med.	25 <sup>th</sup>	Med.	25 <sup>th</sup>	Med.
1	CIO Executive Director	50%	100%	22%	50%	33%	100%	55%	82%	100%	150%
2	Deputy CIO	45%	90%	22%	38%	34%	72%	50%	80%	100%	150%
3	Portfolio Manager Chief Risk Officer Senior Investment Officer	37.5%	75%	18%	45%	29%	90%	40%	55%	75%	120%
4	Chief Financial Officer / Chief Operating Officer	30%	60%	-	-	-	-	-	-	-	-
5	Investment Officer Risk Officer Accounting Manager	25%	50%	11%	18%	21%	35%	25%	45%	40%	76%
6	Senior Investment Accountant Investment Accountant	12.5%	25%	-	15%	-	28%	20%	30%	30%	50%

# Market Practices – Measuring Performance

## RIO

- Performance measures are based on financial performance, value added, and individual performance.
- Measurement period is a one-year individual performance period that aligns to the calendar year; the goal is to distribute payouts within the first four months of the following calendar year.
  - Performance of the fund is awarded on a one- and three-year rolling period.
  - Performance of asset class funds are awarded on a one- and five-year rolling period.

## Considerations for RIO

- Weighting on individual performance metrics and goals is significantly higher than it used to be; some funds, such as CalPERS have switched their compensation plan to make it more focused on performance pay rather than salaries.

## Pension Survey

### Performance Measures and Weighting

- Of those that provide incentive compensation, all (100%) measure performance based on measured performance of the total fund relative to a composite benchmark.
  - Out of the 100% who do provide incentive compensation based on measured performance, 89% also include a qualitative/individual component
  - 89% use an asset class measure Investment positions (Executives, Managers, Executives)

### Measurement Period

- 89% of organizations utilize a three-year period, and of those who use a three-year period, 38% also include another measurement period (either one-year or five-years).

## Endowment Survey

### Performance Measures and Weighting

- 89% of organizations that offer incentive compensation use a formulaic (quantitative) approach, which is often in tandem with a qualitative approach.
  - 92% of organizations measure relative to policy portfolio benchmarks
  - 37% of organizations measure relative to a peer group
  - Specific to Senior and Second Level Investment Executives: 11% of firms use asset class performance, while individual performance is measured in 85%.
- The remaining 11% of organizations utilize a predominately qualitative approach.

### Measurement Period

- The investment measurement period is measured over a rolling three-year period in the majority (81%) of organizations.
- Less common is the use of a one-year performance period (29%).
- It is common for organizations to use multiple periods to measure performance, more than 1/3 of organizations utilize multiple periods.

# Market Performance Standards

## Market Practice

- For pensions, the target typically ranges from 20 – 50 BPS and the maximum typically ranges from 40 – 100 BPS.
- For endowments, the target typically ranges from 50 – 100 BPS and the maximum typically ranges from 100 – 200 BPS.
- Median performance standards at threshold, target, and maximum are shown for the Endowment Survey and the Pension Survey.

Median Total Fund Performance Standards			
	Threshold	Target	Maximum
All Endowments/Foundations	0 BPS	75 BPS	190 BPS
Pension Survey	0 BPS	35 BPS	70 BPS
ND RIO	1 BPS	-	50 BPS

## Considerations for RIO

- RIO is aligned to pension peers, especially if the target performance is assumed to be ½ of maximum
- RIO used a 3<sup>rd</sup> party benchmark consultant, Verus, to establish the performance levels
- A historical back testing of the goals is a good way to determine if the plan goals are reasonable
- In a new plan, it is reasonable to assume that over time, the goals will change to reflect the reality of the incentive plan



# **Retirement and Investment Office**

## **Incentive Compensation Plan**

DRAFT

## **Executive Summary**

North Dakota Century Code Chapter 54-52.5 provides that the North Dakota Retirement and Investment Office may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board.

In carrying out its responsibilities, the Board has developed and administers an incentive compensation plan that reflects careful consideration of the following:

- To achieve its long-term strategic and investment objectives, RIO must have high-quality investment management staff.
- A reasonable and competitive incentive compensation plan is critical to attracting and retaining high quality staff.
- Staff should be motivated to earn the highest possible returns for RIO at reasonable costs and controlled levels of risk.
- Given that RIO needs to provide competitive pay to attract and retain qualified staff, a significant portion of total pay opportunities should be provided through performance-based incentives, a practice that is universally accepted in the financial marketplace. Under RIO's incentive compensation plan:
  - Investment-related awards should be earned only when net investment performance is above defined benchmarks (i.e., when value is created for client funds).
  - The greatest share of the excess value should accrue to the client funds, not to RIO staff.

The incentive compensation plan is rigorously managed by RIO's Executive Review and Compensation Committee (ERCC) to ensure compliance with all applicable statutes and related rules and guidelines.



## **Authority**

North Dakota Century Code Chapter 54-52.5 provides that the North Dakota Retirement and Investment Office may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board. This document specifies the policies and procedures related to the administration of annual incentive compensation.

This incentive compensation plan (the Plan) provides for payment of incentive compensation awards to full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board (Participants) and supersedes all prior incentive compensation plans and/or arrangements for Participants. Participants under this Plan include all unclassified investment services related staff as may be determined by the SIB, ERCC, and Executive Director. The Effective Date of the Plan is July 1, 2024. Each plan year starts at the beginning of the fiscal year on July 1.

## **Plan Objectives**

As developed and adopted by the Board, this Plan is designed to:

1. Help attract and retain talented investment professionals.
2. Help RIO earn the highest possible investment returns at a reasonable cost and at controlled levels of risk.
3. Reward long-term investment performance.
4. Reflect the RIO client fund above-benchmark, net of all performance.
5. Motivate staff to make good decisions for RIO client funds, including implementation decisions related to asset allocation.
6. Foster a collaborative approach to investing RIO's assets under management.
7. Reward measurable and achievable performance.
8. Be clear and easily communicated in terms of the Plan's objectives, design features and associated incentive compensation opportunities.
9. Be perceived as fair by RIO's employees and potential recruits.

## **Administration and Management**

The SIB reserves the right to modify, terminate, and/or rescind any or all of the compensation schedules, provisions, policies, and procedures contained in this and all supporting documents at any time. This document describes a policy and does not provide a contract, guarantee of payment, guarantee of participation in the Plan in subsequent years, or guarantee of employment among RIO, the Board, and the Participants. Should an error in calculation or in data be discovered before or after the award distribution, RIO reserves the right to make an adjustment and recover any incentive compensation award distributed based on the erroneous data or calculation.

The Executive Director will administer the Plan with oversight by the ERCC. The Executive Director may delegate certain administrative responsibilities to other employees at RIO, including the Chief Investment Officer and the Chief Financial Officer/Chief Operating Officer.

Compensation plan participants may present questions related to the Plan to the Executive Director. The Executive Director will work with the appropriate persons to answer such questions. The Executive Director, ERCC, and SIB will have full discretion to conclusively decide all questions or matters relating to the interpretation of the provisions and administration of this Plan.

The SIB must approve any question or matter whose resolution requires a material modification to the Plan, such as a change to the performance standards or maximum award levels. Any such amendments or changes to the Plan may be proposed by the Executive Director or the ERCC but must be recommended by the ERCC and approved by the SIB.

### **Eligibility**

Positions that are eligible for incentive compensation are full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board as set forth in this plan. Any temporary employment or project positions are not eligible. Plan participation is determined based on employment status and the Executive Director's assessment of the position's impact on RIO's overall investment performance. Participants must have worked in a covered position at least three full consecutive calendar months during the year to be eligible for incentive compensation under the Plan, and incentive compensation will be paid on a pro-rata basis if not employed the entire fiscal year. The Executive Director will confirm any new positions that will be eligible under the Plan during the next fiscal year.

Employment at RIO in good standing on the day of payment is a pre-requisite for receiving any incentive compensation payment, except in the case of retirement, disability, death or otherwise as provided below. For purposes of this Plan, "employment in good standing" means (a) the Participant's performance is rated above "Developing" in the Participant's most recent performance review, (b) the Participant is not on a performance improvement plan.

### *Eligibility upon Separation*

Generally, a Participant must be employed by RIO as of the date the incentive compensation is paid out in order to be eligible to receive the payment. In the case of disability or death occurring during the fiscal year, any Board- approved incentive compensation amount may be paid to the Participant, the amount to be determined by the Executive Director, subject to approval by the SIB, based on the time worked during the fiscal year and subject to the Participant's termination meeting the qualifications in the next paragraph, if not employed as of the date of payment. These payments will be made at the same time as any other incentive compensation award. No incentive compensation will be awarded if the Participant was employed for less than three consecutive months during the fiscal year in which the disability or death occurred.

If a Participant terminated employment prior to payment of an award, the full amount of the incentive compensation award will be paid to the Participant (or beneficiary in the case of death) only upon the following conditions:

- If the Participant's separation is due to the Participant's disability.
- If the Participant's separation is due to the Participant's death.
- If the Participant's termination is due to reasons other than the Participant's disability or death, and his/her last day of active employment is prior to the payment date then no incentive compensation award will be payable to the Participant.

### **Plan Concepts/Mechanics**

The Plan's terms and conditions are described in this document. A summary of the Plan's overall mechanics is as follows:

- Prior to or near the beginning of each fiscal year, Participants will be assigned a maximum incentive compensation opportunity, which effective as of the Plan year will be expressed as a percentage of his or her base salary at the beginning of the fiscal year (or the Participant's start date if employed after the start of the fiscal year). Maximum incentive compensation opportunities will vary by position based on differing levels of accountability and responsibility.
- Maximum incentive compensation opportunities will be weighted or allocated to specific quantitative and discretionary Plan components. Several Plan components are based on Value Added. Value Added (VA) means the weighted average of outperformance of funds as described within the plan.
- After year-end, depending on performance, awards will be determined for each stand-alone Plan component.
- Notwithstanding any other provision in this Plan and regardless of any incentive compensation award calculations hereunder, no incentive compensation award shall be made unless and until approved by the SIB, in its sole discretion. The SIB may award, adjust (up or down), modify or deny any incentive compensation amounts calculated pursuant to the Plan. All incentive compensation awards hereunder are discretionary.

### **Step 1: Set Each Participant’s Maximum Incentive Compensation Opportunity**

Prior to or near the beginning of each fiscal year, or the Participant’s start date if employed after the start of the fiscal year, Participants will be assigned a maximum incentive compensation opportunity, which will be expressed as a percentage of his or her base salary. Unless approved by the Executive Director, maximum incentive compensation opportunities will vary by the position held for most of the year (i.e., position held through June 30 for existing employees) and based on differing levels of accountability and responsibility.

Current maximum incentive compensation opportunities are set forth below.

<b>Maximum Incentive Award</b>	<b>Position Title</b>
<b>100%</b>	<b>Chief Investment Officer Executive Director</b>
<b>90%</b>	<b>Deputy Chief Investment Officer</b>
<b>75%</b>	<b>Portfolio Manager (new FTE’s) Chief Risk Officer Senior Investment Officer</b>
<b>60%</b>	<b>Chief Financial Officer/ Chief Operating Officer</b>
<b>50%</b>	<b>Investment Officer Risk Officer Accounting Manager</b>
<b>25%</b>	<b>Sr. Investment Accountant Investment Accountant</b>

### **Step 2: Calculate the Maximum Incentive Compensation Opportunity for the Plan**

The maximum incentive compensation opportunity for the entire Plan will be calculated by aggregating the maximum incentive compensation opportunities for each Participant.

**Step 3: Allocate each Participant’s Maximum Incentive Compensation Opportunity to Performance Components**

Each Participant’s maximum incentive compensation opportunity will be weighted or allocated among standalone quantitative and qualitative performance components.

<b>All Roles</b>		
<i>Weight</i>	<i>Performance Component</i>	<i>Allocation Method</i>
80%	Fund VA -3-year rolling	Minimum: (10%) $\geq$ 1 bp Maximum: (100%) 50 bps
20%	Individual Goals	Discretionary

Any proposed changes to incentive compensation weightings will be reviewed and approved by the Executive Director and the ERCC, and approved by the SIB, prior to the beginning of each fiscal year.

**Step 4: Calculate the Performance Components**

*VA Performance Components*

The Plan’s quantitative components focus on weighted average of the Legacy Fund, PERS pension fund, TFFR fund, and the WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks. Client fund performance is measured on a net of all basis (i.e., net of all direct and indirect costs). Asset Class and Team performance is measured net of direct costs.

The SIB approves an Incentive Compensation Metric (ICM) performance verified by the SIB’s independent Benchmark and Hurdle Rate consultant. The Incentive Compensation Metric represents the amount of outperformance of the applicable benchmark necessary to earn the full incentive compensation opportunity. Performance-award scales are derived from the ICM and define the linkage between RIO’s actual, relative, net investment performance and a corresponding percentage of the maximum incentive compensation opportunity that is earned.

Prior to or near the beginning of each performance year, any requested changes to the ICM(s) or performance-award scales must be submitted, in writing, by the Executive Director to the ERCC and from the ERCC to the SIB for review and approval, and to the Hurdle Rate and Benchmark Consultant for review and verification. There will be a comprehensive review of the ICM(s) up to every three to five years at the discretion of the SIB.

### Under RIO Plan:

The percentage of the maximum *quantitative* incentive compensation opportunity earned:

- Equals 0% when performance is at or below benchmark.
- Equals 10% when net performance exceeds the benchmark by one full basis point.
- Increases pro rata, from 10% to 100%, for net performance that is between one full basis point above the benchmark, and the ICM.
- Equals 100% when net performance equals or exceeds the benchmark by the full ICM<sup>1</sup>

### *Portfolio VA*

In the first three years of the Plan, the first year Fund VA will be the one year weighted average Fund VA, the second year of the plan will be the two-year compound Fund VA and the third year will be the three-year compound average of the weighted average of the Legacy Fund, the PERS pension fund, TFFR fund, and WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks. Thereafter, the weighted average Fund VA applied to all participants is a rolling three-year average of the weighted average of the Legacy Fund, the PERS pension fund, TFFR fund, and WSI fund actual, relative investment performance at Client Fund level compared with SIB-approved benchmarks.

For Participants that join RIO on or after the beginning of the fiscal year, the weighted average Fund VA applied to all participants will be used. The payout will be made pro-rata based on the percentage of plan year time employed that starts with the beginning of the fiscal year on July 1.

For Participants that joined RIO prior to the plan year starting with the beginning of the fiscal year but have been employed for fewer than three years as of the start of the fiscal year, the weighted average Fund VA applied to all participants will be used.

### *Individual Goals Component*

The Individual Goals component is set by the manager of the Participant as part of the performance evaluation process. The final performance evaluation of each Participant is approved by the Executive Director. In addition, such Participants will be evaluated on leadership/behavioral and organizational competence factors. Some factors that may be considered include training and mentoring of staff, contribution to organizational strategic planning, and participation in projects or initiatives to update business and/or analytical processes and tools and the associated technology applications. The Executive Director will determine the amounts awarded for Individual Goals in consultation with managers.

### **Step 5: Allocate Discretionary Components Among Relevant Participants**

Quantitative components are allocated to Participants directly without modification. Discretionary components for Individual Goals components, will be allocated by the Executive Director.

### **Step 6: Present Final Award Recommendations to the Board of Trustees**

The Executive Director's award recommendations will be made to the ERCC. The ERCC will make a recommendation regarding the incentive compensation awards to the SIB for approval. For all Participants, an incentive compensation award is contingent on approval of the award by the SIB, in its sole discretion.

### **Step 7: Payment of Awards**

Incentive compensation awards will be determined and authorized as soon as practical following the close of each fiscal year, with a target of within the first four months of each fiscal year for the previous fiscal year.

RIO shall be entitled to withhold or deduct, as applicable, from the amount of any payment under this Plan or any other compensation due to the Participant, all federal, state, city and other taxes and all other amounts, as applicable.

<sup>1</sup> ICMs are intended to reflect levels of net performance that are considered top-quartile, based upon expected levels of risk and return.

## MEMORANDUM

**TO: Executive Review and Compensation Committee**  
**FROM: Sara Seiler, Supervisor of Internal Audit**  
**DATE: February 16, 2024**  
**RE: SIB Self and Board Assessment**

The State Investment Board (SIB) completed its annual SIB Self and Board Assessment. Attached are the results of the assessment and a presentation summarizing the results.

All board members completed the assessment, and the results were positive overall.

The following steps are for the Committee to decide how they want to present the information to the SIB (e.g., presentation, all results, etc.) at the February meeting.

**COMMITTEE ACTION REQUESTED: Approval of presentation and assessment results.**



**State Investment Board**

# **SELF AND BOARD ASSESSMENT RESULTS**

**Executive Review and  
Compensation Committee**



# Overall Results

## POSITIVE RESULTS OVERALL

- Average score was 3.52 on a 4.0 scale.
- Always learning.
  - Onboarding has been a great addition.
- Great leadership on board and staff level.
  - Committees do a great job.
- Additional time for discussions after certain topics.
  - More board members to voice their opinions.

# General Comments

- SIB is an example of outstanding and effective governance.
- Board members are well informed and engaged.
- RIO staff is a pleasure to work with and is helpful.
- Would like more discussion and opinion sharing by board members.
- Board works well with RIO leadership.
- Board members are well informed and engaged.
- Board education and presentations can be lengthy but does help with understanding the SIB better.

*State Investment Board*  
2024 Board Self-Evaluation

Compilation of State Investment Board Self-Evaluation Results

**GENERAL OVERVIEW**

The Board Self-Evaluation consists of three categories, for both the self-assessment and board assessment portions. The three categories in each section which included:

- Board and Committee Member Responsibilities
- Board and Committee Meetings and Structure
- Financial Management and Investment Practices

*Any comments provided by respondents have been included as written in survey responses and have not been edited for spelling, grammar, etc.*

**2024 State Investment Board Self-Evaluation**  
**Self Assessment - Board and Committee Member Responsibilities**

2. I receive the training necessary to fulfill my responsibilities as a SIB member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	9	69.23%	<b>3.69</b>
3 - Agree	4	30.77%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

3. I understand the authority that has been retained by the SIB and what duties have been delegated to the committees of the SIB and RIO staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

4. I make an effort to learn about aspects of the investment program that I do not understand by participating in education provided by RIO's staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.46</b>
3 - Agree	5	38.46%	
2 - Disagree	1	7.69%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

5. I fully understand the policies of the SIB and/or review them as necessary to fulfill my role.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	3	23.08%	<b>3.23</b>
3 - Agree	10	76.92%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**2024 State Investment Board Self-Evaluation  
Self Assessment - Board and Committee Member Responsibilities**

**Comments for Self-Assessment - Board and Committee Member Responsibilities:**

I believe that board education, the updated board on-boarding, and the adoption of a GPR committee that regularly reports to the board support my personal growth as a board member and the growth of the board as a whole.

I am still learning - the beginning learning curve is somewhat steep if you have no government experience

The new onboarding training sessions have been a good addition.

I am always learning.

Staff outreach and education reminders is very helpful.

It will take a while to fully understand them, but I do review them as necessary.

**2024 State Investment Board Self-Evaluation**  
**Self Assessment - Board & Committee Meeting & Structure**

6. I understand board conduct, abide by it, and avoid conflicts of interest.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	11	84.62%	<b>3.85</b>
3 - Agree	2	15.38%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

7. I am prepared for meetings, reviewing the materials in advance so I can make informed decisions.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

8. If I am unable to attend a SIB meeting, I review the information that was presented.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

9. I am comfortable with the amount I devote as a Board member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>
3 - Agree	7	58.33%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	12	100.00%	

**2024 State Investment Board Self-Evaluation  
Self Assessment - Board & Committee Meeting & Structure**

**Comments for Self-Assessment - Board and Committee Meetings and Structure:**

The time commitment is significant and serving on multiple committees does exacerbate that commitment even more.

Again - Being new to the Board - I am still learning. Staff has done a great job of helping me acclamate

There is so much information, but I am always working to be better informed.

Balancing board responsibilities with elected official hat can present some grey areas - constituents have the right to speak with me on any issue, some might be from my official capacity and some as my board capacity. I just make sure that when I speak with them, they know I am not speaking on behalf of the board as a whole.

I appreciate the thorough information we are provided prior to the meetings and always review so I am prepared.



**2024 State Investment Board Self-Evaluation**  
**Self-Assessment - Financial Management and Investment Practices**

**10.** I understand the legal duties and responsibilities required of me as fiduciary.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	9	69.23%	<b>3.69</b>
3 - Agree	4	30.77%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**11.** I sufficiently understand all financial, performance, and audit reports and seek clarification when necessary.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	5	38.46%	<b>3.38</b>
3 - Agree	8	61.54%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**Comments for Self Assessment - Financial Management and Investment Practices:**

Staff, board leadership, and the board, as a whole, does an exemplary job at reinforcing fiduciary responsibility. Like the other areas, both of these are included regularly in board education and during board on-boarding.

Learning and making progress

I am still working to fully understand all the reports.

Fiscal team does a great job getting information over and communicating it to the board in an understandable way.

I thoroughly understand financial and audit report, and have a very good handle on performance reports. I ask for clarification when necessary.

**2024 State Investment Board Self-Evaluation**  
**Board Assessment - Board and Committee Member Responsibilities**

**12.** The Board has healthy discussions on a topic before making a decision.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	<b>3.46</b>
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**13.** The Board recognizes the authority it has retained and what has been delegated to RIO's staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**14.** The Board reviews policies on a regular basis and updates them as needed. If a new policy is needed, the policy is clearly presented and discussed.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**2024 State Investment Board Self-Evaluation  
Board Assessment - Board and Committee Member Responsibilities**

**Comments for Board Assessment - Board and Committee Member Responsibilities:**

THE GPR committee is conducting a full policy review. Also, I believe the board has consistently exhibited the board table is a place for open dialogue and that disagreement is a sharing of an alternate perspective. All board discussion maintains the professionalism and decorum that should be expected of this board.

Strong group of Board members

Would like more board members to voice their opinions. One suggestion is to leave more time in the agenda for open discussion on certain topics.

GPR does a great job of monitoring policy and seeing what changes should be made, and staff works very well with the board in exploring what areas might need review or updating. I think the board discussions on the whole are good, but often feel that only about half the board is engaged in those conversations.

Staff has spent a great deal of time educating the board on policies and the delineation and delegation of duties.

**2024 State Investment Board Self-Evaluation  
Board Assessment - Board and Committee Meeting and Structure**

**15.** Meetings are generally well-run and make good use of time with the right allocation between Board discussion and presentations.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**16.** Standing and ad hoc committees complete their tasks and communicate them to the full board in an effective and timely manner.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	<b>3.46</b>
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**Comments for Board Assessment - Board and Committee Meeting and Structure:**

I believe there has been improvement in both of these areas. I believe staff and leadership recognize the need of efficiency and the depth of presentation needed for the board to fully grasp the concept. Also, Lt. Governor Miller has expected and supported more detailed board reporting, which has been a critical, and welcomed, improvement.

See previous comment about more time for discussion

The meetings are very well run.

Meetings have been staying on schedule with more frequency lately. It's very appreciated.

I feel informed from the Committee meetings and understand how they relate to the full board.

**2024 State Investment Board Self-Evaluation**  
**Board Assessment - Financial Management and Investment Practices**

17. The Board is regularly informed of economic trends and conditions that can affect investment performance.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	<b>3.54</b>
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

18. The Board quarterly Ends reports provide adequate information relating to investment, retirement, fiscal, audit, and executive limitation activities of the agency.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	<b>3.46</b>
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**Comments for Board Assessment - Financial Management and Investment Practices:**

Again, board education and regular and timely presentations for the board are critical in building and support board members in this area.

Scott and team as well as vendor give outstanding updates and presentations to fully inform Board

Maybe change the name of the Ends & Executive Limitations reports? Have not seen these on any other board I have been on and can be confusing.

As a new member I continue to learn and have had great help when I need more information

I really enjoy the outside managers that come in and speak on a specific area of the market that they are experts in. Those discussions add a lot of value.

**2024 State Investment Board Self-Evaluation  
Overall Assessment**

**19.** Any final comments, observations, or suggestions?

I believe the State Investment Board is an outstanding example of effective governance. The board, staff, and chair should have great pride in the work, effectiveness, and importance of this agency and board.

Because of the recent governance changes more of the board's work has gone to committees for more in-depth discussions with staff. This process seems to be working well; and it appears to be a positive change in the way the board conducts business. Thanks to all the members that put extra time and effort into committee work.

N/A

Strong Board/management make for a successful organization.

Overall I think board members are well informed and engaged. Staff provides good education. Even though policies require certain reports could we use more intuitive names? Would like more discussion and opinion sharing by board members

The board is well run, and members are very helpful in providing answers to questions. Staff is also outstanding in providing information.

I love all the improvements that the department has made regarding communication over the last year!

The board education and financial presentations can be lengthy at times, but they provide excellent material that helps me understand more about the SIB and state in general. It is much appreciated.

none

The RIO staff have been a pleasure to work with and very helpful!

Board members are engaged. Board works well with RIO leadership team. Roles are clear and communication is very effective.

None

I think the SIB is run very efficiently and the board is well informed. The staff are always very helpful. I do not have any recommendations for improvement. Great job!

## MEMORANDUM

**TO: Executive Review and Compensation Committee**  
**FROM: Sara Seiler, Supervisor of Internal Audit**  
**DATE: February 16, 2024**  
**RE: Performance Surveys**

On an annual basis as outlined in the Executive Review and Compensation Committee (ERCC) charter, performance surveys of the Chief Investment Officer (CIO) and Deputy Executive Director/Chief Retirement Officer (DED/CRO) are administered. ERCC also administers board and staff surveys over the Executive Director as part of the formal evaluation of that position.

Both the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR) Board will have the opportunity to participate in a survey regarding the Executive Director's performance. The SIB will also be given the chance to complete a survey about the performance of the CIO, and the TFFR Board of the DED/CRO.

The updated versions improve question clarity while still capturing relevant information. Historically, there was only one staff survey. As the agency has grown, it is being recommended that this will now be two different surveys, one for staff members and one for managers because there are different levels of interaction with the Executive Director position. All surveys that were administered in 2023 are attached for reference.

Staff is proposing updated versions for the following surveys:

- Performance Survey – SIB
- Performance Survey – TFFR
- Executive Director – Manager Survey
- Executive Director – Staff Survey

The proposed timeline for the surveys is at the March SIB and TFFR Board meeting each respective survey will be presented. The surveys will be sent out the day of the meeting and both close, Monday, April 1, 2024. For the staff and managers surveys the recommended timeline is March 4 to March 11, 2024.

**COMMITTEE ACTION REQUESTED: Approval of proposed surveys and timeline.**



## State Investment Board

RETIREMENT & INVESTMENT

### 2024 Performance Surveys - SIB

As a member of the State Investment Board (SIB) you are asked to participate in giving feedback on the Executive Director Janilyn Murtha and the Chief Investment Officer (CIO), Scott Anderson. There are 10 multiple-choice questions and 1 open-ended for the Executive Director, and 8 multiple-choice and 1 open-ended question for the CIO.

The Executive Review and Compensation Committee, a committee of the SIB, will review the results.

If you have questions, please contact the Supervisor of Internal Audit Sara Seiler at 701-328-9896 or [sseiler@nd.gov](mailto:sseiler@nd.gov).

Survey responses are due by midnight on **Monday, April 1, 2024**.

Thank you in advance for your participation.

\* 1. Full name of State Investment Board member completing the survey:



## 2024 Performance Surveys - SIB

### Executive Director Performance Survey

As a member of the State Investment Board, you are asked to evaluate the Executive Director's performance for the past year.

2. Prior to the meeting, the Executive Director ensures Board members are provided with an agenda that includes supporting information, identifies any items that need action, and includes staff recommendations when appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director is responsive to requests from the SIB, adapts to the Board's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

4. The Executive Director keeps the SIB aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations

5. The Executive Director provides timely and accurate problem identification to the SIB as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

6. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership to RIO staff.

- Exceeded expectations
- Met expectations
- Below expectations

7. The Executive Director successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the SIB and TFFR Boards, RIO agency, and its programs.

- Exceeded expectations
- Met expectations
- Below expectations

8. The Executive Director develops legislative proposals in concert with the SIB and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the SIB.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director provides visionary and strategic leadership to the SIB.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 12. Overall, how satisfied are you with the job being done by the Executive Director?

## 2024 Performance Surveys - SIB

### Chief Investment Officer Performance Survey

As a member of the State Investment Board you are asked to evaluate the Chief Investment Officer's (CIO) performance for the past year.

13. The CIO effectively communicates investment strategies, performance, and changes allowing the SIB members to adequately perform their roles.

- Exceeded expectations
- Met expectations
- Below expectations

14. The CIO successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the investment program and fund performance.

- Exceeded expectations
- Met expectations
- Below expectations

15. The CIO ensures compliance with investment objectives and policies.

- Exceeded expectations
- Met expectations
- Below expectations

16. The CIO advises, monitors, and reports on investment performances comparing it to relevant benchmarks and industry standards.

- Exceeded expectations
- Met expectations
- Below expectations

17. The CIO produces accurate and timely reports concerning investments and the progress of projects.

- Exceeded expectations
- Met expectations
- Below expectations

18. The CIO has a track record of effectively managing risk and protecting investments.

- Exceeded expectations
- Met expectations
- Below expectations

19. The CIO routinely analyzes and monitors investment expenses to ensure that the programs are operating efficiently and effectively based on comparable market standards.

- Exceeded expectations
- Met expectations
- Below expectations

20. The CIO upholds ethical standards in their decisioning and investment practices.

- Exceeded expectations
- Met expectations
- Below expectations

\* 21. Overall, how satisfied are you with the job being done by the CIO?

## Performance Surveys - SIB

As a member of the SIB being asked to participate in giving feedback on the Executive Director, Janilyn Murtha, and the Chief Investment Officer, Scott Anderson. There are 12 multiple-choice questions and 1 open-ended for the Executive Director, followed by 8 multiple-choice and 1 open-ended question for the Chief Investment Officer.

The Executive Review and Compensation Committee, a committee of the State Investment Board, will review the results.

Please contact the Supervisor of Internal Audit, Sara Seiler, at 701-328-9896 or [sseiler@nd.gov](mailto:sseiler@nd.gov) if you have any questions.

Survey responses are due by midnight on **Friday, April 7, 2023**.

Thank you in advance for your participation.

## Performance Surveys - SIB

### Executive Director Performance Survey

As a member of the SIB you are being asked to evaluate the Executive Director's performance for the past year.

1. The Executive Director prepares agenda items with supporting information and disseminates to the State Investment Board members to the meeting.

- Exceeded expectations
- Met expectations
- Below expectations

2. The Executive Director provides board materials that identify any items which need "Board Action" and also provides staff recommendations where appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director provides appropriate materials and information to the State Investment Board in a timely manner either in writing or verbally to aid in decision-making.

- Exceeded expectations
- Met expectations
- Below expectations



4. The Executive Director is responsive to requests from the State Investment Board, adapts to the State Investment Board's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

5. The Executive Director keeps the State Investment Board aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations

6. The Executive Director provides timely and accurate problem identification to the State Investment Board as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

7. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership, coaching and effective feedback to RIO staff, recommending measures to improve performance and increase efficiency.

- Exceeded expectations
- Met expectations
- Below expectations

8. The Executive Director represents RIO to promotes State Investment Board programs to various stakeholders, constituencies, political subdivisions and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director develops legislative proposals in concert with the State Investment Board and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the State Investment Board.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director provides visionary and strategic leadership to the State Investment Board.

- Exceeded expectations
- Met expectations
- Below expectations

12. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 13. Overall, how satisfied are you with the job being done by the Executive Director? What has the Executive Director done well? What could be done to improve your overall satisfaction with the job being done by the Executive Director?

## Performance Surveys - SIB

### Chief Investment Officer Performance Survey

As a member of the SIB you are being asked to evaluate the Chief Investment Officer's (CIO) performance for the past year.

14. The CIO provides or facilitates education at board meetings in order for the State Investment Board to adequately perform their role.

- Exceeded expectations
- Met expectations
- Below expectations

15. The CIO represents RIO to inform the status of investment funds and promotes State Investment Board programs to various stakeholders, constituencies, political subdivisions, and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

16. The CIO maintains approved Investment Objectives and Policies.

- Exceeded expectations
- Met expectations
- Below expectations

17. The CIO effectively advises, monitors and reports investment performances as evidenced by RIO's quarterly monitoring reports.

- Exceeded expectations
- Met expectations
- Below expectations

18. Produces accurate and timely reports which are provided to the State Investment Board concerning investments, progress and compliance with investment policies.

- Exceeded expectations
- Met expectations
- Below expectations

19. Advises and makes recommendations to the State Investment Board regarding investment programs and strategies.

- Exceeded expectations
- Met expectations
- Below expectations

20. Recommends corrective actions as necessary to investment strategies.

- Exceeded expectations
- Met expectations
- Below expectations

21. Routinely analyzes and monitors overall investment expenses to ensure that investment programs are operating efficiently and effectively based on comparable market standards.

- Exceeded expectations
- Met expectations
- Below expectations

\* 22. Overall, how satisfied are you with the job being done by the CIO? What has the CIO done well? What could be done to improve your overall satisfaction with the job being done by the CIO?



State Investment Board

RETIREMENT & INVESTMENT

## 2024 Performance Surveys - TFFR Performance Survey

As a member of the Teachers' Fund for Retirement (TFFR) Board, you are asked to participate in giving feedback on the Executive Director Janilyn Murtha and the Deputy Executive Director/Chief Retirement Officer Chad Roberts. There are 10 multiple-choice questions and 1 open-ended for the Executive Director and by 8 multiple-choice and 1 open-ended question for the Deputy Executive Director/Chief Retirement Officer.

The Executive Review and Compensation Committee, a committee of the State Investment Board, will review the results.

If you have questions, please contact the Supervisor of Internal Audit, Sara Seiler, at 701-328-9896 or [sseiler@nd.gov](mailto:sseiler@nd.gov).

Survey responses are due by midnight on **Monday, April 1, 2024**.

Thank you in advance for your participation.

\* 1. Full name of TFFR Board member completing the survey:

## **2024 Performance Surveys - TFFR**

### **Executive Director Performance Survey**

As a member of the TFFR Board, you are asked to evaluate the Executive Director's performance for the past year.

2. Prior to the meeting, the Executive Director ensures Board members are provided with an agenda that includes supporting information, identifies any items that need action, and includes staff recommendations when appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director is responsive to requests from the TFFR Board, adapts to the TFFR's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

4. The Executive Director keeps the TFFR Board aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations



5. The Executive Director provides timely and accurate problem identification to the TFFR Board as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

6. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership to RIO staff.

- Exceeded expectations
- Met expectations
- Below expectations

7. The Executive Director successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the SIB and TFFR Board, RIO agency, and its programs.

- Exceeded expectations
- Met expectations
- Below expectations

8. The Executive Director develops legislative proposals in concert with the TFFR Board and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director provides visionary and strategic leadership to the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 12. Overall, how satisfied are you with the job being done by the Executive Director?

## 2024 Performance Surveys - TFFR

### Deputy Executive Director/Chief Retirement Officer Performance Survey

As a member of the TFFR Board you are asked to evaluate the Deputy Executive Director/Chief Retirement Officer's (DED/CRO) performance for the past year.

13. The DED/CRO understands the TFFR operations, board goals, strategic direction, and effectively and efficiently administers the retirement program.

- Exceeded expectations
- Met expectations
- Below expectations

14. The DED/CRO adds value to the TFFR pension program and operations suggesting and managing that improve efficiency (i.e., technological advancements, industry best practices, etc.).

- Exceeded expectations
- Met expectations
- Below expectations

15. The DED/CRO properly manages and informs the board of the progress and issues related to the Pioneer Project.

- Exceeded expectations
- Met expectations
- Below expectations

16. The DED/CRO understands and adheres to TFFR governance.

- Exceeded expectations
- Met expectations
- Below expectations

17. The DED/CRO upholds ethical standards in their decision-making and administrative practices.

- Exceeded expectations
- Met expectations
- Below expectations

18. The DED/CRO effectively communicates with and educates stakeholders about the retirement program.

- Exceeded expectations
- Met expectations
- Below expectations

19. The DED/CRO works to ensure educators have a clear understanding of their pension benefit, any program or contribution rate changes.

- Exceeded expectations
- Met expectations
- Below expectations

20. The DED/CRO stays informed of developments in pension management, regulations and industry trends and provides the board with information that aids in their growth and development as trustees.

- Exceeded expectations
- Met expectations
- Below expectations

\* 21. Overall, how satisfied are you with the job being done by the DED/CRO?

## Performance Surveys - TFFR

### Performance Survey

As a member of the TFFR Board, you are being asked to participate in giving feedback on the Executive Director, Janilyn Murtha, and the Deputy Executive Director/Chief Retirement Officer, Chad Roberts. There are 12 multiple-choice questions and 1 open-ended for the Executive Director, followed by 6 multiple-choice and 1 open-ended question for the Deputy Executive Director/Chief Retirement Officer.

The Executive Review and Compensation Committee, a committee of the State Investment Board, will review the results.

Please contact the Supervisor of Internal Audit, Sara Seiler, at 701-328-9896 or [sseiler@nd.gov](mailto:sseiler@nd.gov) if you have any questions.

Survey responses are due by midnight on **Friday, April 7, 2023.**

Thank you in advance for your participation.

## Performance Surveys - TFFR

### Executive Director Performance Survey

As a member of the TFFR Board you are being asked to evaluate the Executive Director's performance for the past year.

1. The Executive Director prepares agenda items with supporting information and disseminates to the TFFR Board members to the meeting.

- Exceeded expectations
- Met expectations
- Below expectations

2. The Executive Director provides board materials that identify any items which need "Board Action" and also provides staff recommendations where appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director provides appropriate materials and information to the TFFR Board in a timely manner either in writing or verbally to aid in decision-making.

- Exceeded expectations
- Met expectations
- Below expectations

4. The Executive Director is responsive to requests from the TFFR Board, adapts to the TFFR's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

5. The Executive Director keeps the TFFR Board aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations

6. The Executive Director provides timely and accurate problem identification to the TFFR Board as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

7. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership, coaching and effective feedback to RIO staff, recommending measures to improve performance and increase efficiency.

- Exceeded expectations
- Met expectations
- Below expectations



8. The Executive Director represents RIO to promotes TFFR programs to various stakeholders, constituencies, political subdivisions and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director develops legislative proposals in concert with the TFFR Board and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director provides visionary and strategic leadership to the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

12. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 13. Overall, how satisfied are you with the job being done by the Executive Director?  
What has the Executive Director done well? What could be done to improve your overall satisfaction with the job being done by the Executive Director?

## Performance Surveys - TFFR

### Deputy Executive Director/Chief Retirement Officer Performance Survey

As a member of the TFFR Board you are being asked to evaluate the Deputy Executive Director/Chief Retirement Officer's (DED/CRO) performance for the past year.

14. The DED/CRO understands and knows the TFFR operations, strategic direction, and board goals.

- Exceeded expectations
- Met expectations
- Below expectations

15. The DED/CRO properly manages and informs the board of the progress and issues related to the Pioneer Project.

- Exceeded expectations
- Met expectations
- Below expectations

16. The DED/CRO adds value to the program and operations.

- Exceeded expectations
- Met expectations
- Below expectations

17. The DED/CRO's communications are clear, concise, and effective.

- Exceeded expectations
- Met expectations
- Below expectations

18. The DED/CRO provides board education materials that help your growth and development as a trustee.

- Exceeded expectations
- Met expectations
- Below expectations

19. The DED/CRO has an understanding and adheres to TFFR governance.

- Exceeded expectations
- Met expectations
- Below expectations

\* 20. Overall, how satisfied are you with the job being done by the DED/CRO? What has the DED/CRO done well? What could be done to improve your overall satisfaction with the job being done by the DED/CRO?



## State Investment Board

RETIREMENT & INVESTMENT

### 2024 Executive Director - Manager Survey

On an annual basis, the Executive Review and Compensation Committee (subcommittee of the State Investment Board) does a performance review of the Executive Director position. This survey is part of the performance review. For clarity this is a survey of Jan Murtha, the Executive Director, does not include any other managers or staff. It is encouraged, but not required, for staff to complete. The survey results are compiled and reviewed by the Executive Review and Compensation Committee.

The purpose of this survey is to provide employees with the opportunity to evaluate the effectiveness of the Executive Director in three key areas - leadership, communication, and valuing employees.

The survey consists of 6 multiple choice questions and 1 open-ended question which will allow you to type feedback into an unlimited text box.

Survey responses are due by **Monday, March 11, 2024 @ 5:00 PM CST.**

If you questions please contact the Supervisor of Internal Audit, Sara Seiler.

Thank you for your participation!



Be Legendary.

State Investment Board

RETIREMENT & INVESTMENT

## 2024 Executive Director - Manager Survey

### *Executive Director - Leadership*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's leadership.

**\* 1. The Executive Director provides a clear sense of the organization's purpose and direction, and ensures the management team can translate those into meaningful and actionable goals and objectives for each division.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 2. The Executive Director demonstrates integrity, and the management team has confidence in the Executive Director's leadership skills.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree



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State Investment Board

RETIREMENT & INVESTMENT

## 2024 Executive Director - Manager Survey

### *Executive Director - Communication*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's communication with employees and the organization.

**\* 3. The Executive Director seeks input and values feedback from the management team and takes time to understand the perspectives of each manager.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 4. The Executive Director consistently and effectively communicates with the management team to ensure the team is informed about important developments throughout the organization.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2024 Executive Director - Manager Survey

### *Executive Director - Valuing Employees*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director in valuing employees of the organization.

**\* 5. The Executive Director shows genuine concern for team members.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 6. The Executive Director treats each manager with respect, and promotes an environment of trust, teamwork, and appreciation.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree





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State Investment Board

RETIREMENT & INVESTMENT

**2024 Executive Director - Manager Survey**

*Executive Director - General Feedback*

**\* 7. Overall, how satisfied are you with the job being done by the Executive Director?**



## State Investment Board

RETIREMENT & INVESTMENT

### 2024 Executive Director - Staff Survey

On an annual basis, the Executive Review and Compensation Committee (subcommittee of the State Investment Board) does a performance review of the Executive Director position. This survey is part of the performance review. For clarity this is a survey of Jan Murtha, the Executive Director, does not include any other managers or staff. It is encouraged, but not required, for staff to complete. The survey results are compiled and reviewed by the Executive Review and Compensation Committee.

The purpose of this survey is to provide employees with the opportunity to evaluate the effectiveness of the Executive Director in three key areas - leadership, communication, and valuing employees.

The survey consists of 6 multiple choice questions and 1 open-ended question which will allow you to type feedback into an unlimited text box.

Survey responses are due by **Monday, March 11, 2024 @ 5:00 PM CST.**

If you questions please contact the Supervisor of Internal Audit, Sara Seiler.

Thank you for your participation!

## 2024 Executive Director - Staff Survey

### *Executive Director - Leadership*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's leadership.

**\* 1. The Executive Director provides team members with a clear sense of the organization's purpose and direction, ensuring team members feel connected to the organization.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 2. Team members have confidence in the Executive Director's leadership of the agency.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree



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State Investment Board

RETIREMENT & INVESTMENT

## 2024 Executive Director - Staff Survey

### *Executive Director - Communication*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's communication with employees and the organization.

**\* 3. The Executive Director is approachable, and encourages an environment of open communication and dialogue.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 4. The Executive Director consistently promotes the communication of important changes through appropriate channels (e.g., staff meetings, division meetings, trainings).**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

2024 Executive Director - Staff Survey

*Executive Director - Valuing Employees*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director in valuing employees of the organization.

**\* 5. The Executive Director shows genuine concern for team members.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 6. The Executive Director treats team members with respect, and promotes an environment of trust, teamwork and appreciation.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree



Be Legendary.

State Investment Board

RETIREMENT & INVESTMENT

**2024 Executive Director - Staff Survey**

*Executive Director - General Feedback*

**\* 7. Overall, how satisfied are you with the job being done by the Executive Director?**

## 2023 Executive Director - Staff Survey

Welcome to the 2023 Executive Director Effectiveness Survey. The purpose of this survey is to provide employees with the opportunity to evaluate the effectiveness of the Executive Director in three key areas - leadership, communication, and valuing employees.

The survey consists of 7 multiple choice questions and 1 open-ended question which will allow you to type feedback into an unlimited text box. This survey is being administered utilizing SurveyMonkey, all responses will remain strictly anonymous. Please be honest, thoughtful, and candid with your responses - your opinion matters!

Survey responses are due by Friday, March 31, 2023 @ 5:00 PM CST. Please do not hesitate to contact the Supervisor of Internal Audit with any questions or concerns you may have.

Thank you for your participation!

## 2023 Executive Director - Staff Survey

### *Executive Director - Leadership*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's leadership.

**\* 1. The Executive Director provides a clear sense of purpose and direction, roles and responsibilities, for me and our team as a whole.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 2. Employees have confidence in the Executive Director.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 3. The Executive Director demonstrates integrity.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree



## 2023 Executive Director - Staff Survey

### *Executive Director - Communication*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's communication with employees and the organization.

**\* 4. The Executive Director takes time to understand other perspectives.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 5. The Executive Director keeps employees informed about what is occurring throughout the organization, when appropriate.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2023 Executive Director - Staff Survey

### *Executive Director - Valuing Employees*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director in valuing employees of the organization.

**\* 6. The Executive Director shows genuine concern for team members.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 7. The Executive Director treats employees with respect.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2023 Executive Director - Staff Survey

### *Executive Director - General Feedback*

**\* 8. Overall, how satisfied are you with the job being done by the Executive Director?  
What has the Executive Director done well? What could be done to improve your  
overall satisfaction with the job being done by the Executive Director?**