

**Investment Committee**  
**Friday, February 14, 2025, 9:00 a.m.**  
**Virtual Only**  
[Click here to join the meeting](#)

**AGENDA**

- I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA – (Committee Action)**
  - II. **ACCEPTANCE OF MINUTES (January 10, 2025) – (Committee Action)**
  - III. **INTRODUCTION – (Information Only)**
    - A. Public Markets Analyst – *Mr. Cox, Mr. Posch*
  - IV. **STRATEGY REVIEW (45 minutes) – (Information Only)**
    - A. Public Markets Update – *Mr. Chin, Mr. Cox, Mr. Posch*
  - V. **INTERNAL MANAGEMENT<sup>1</sup> (15 minutes) – (Committee Action)**
    - A. Proxy Voting – *Mr. Moss*
- (Break)
- VI. **INTERNAL GUIDELINES (45 minutes) – (Committee Action)**
    - A. Fixed Income – *Mr. Gandhi*
    - B. Equities – *Mr. Moss*
  - VII. **QUARTERLY REPORTS (10 minutes) – (Information Only)**
    - A. Contracts – *Mr. Anderson*
  - VIII. **DISCUSSION**
  - IX. **ADJOURNMENT**

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<sup>1</sup> Executive Session pursuant to N.D.C.C. 44-04-19.2, 44-04-18.4 (2)(a) and N.D.C.C. 44-04-18.4(2)(d) to review and discuss confidential commercial information and trade secrets.

**STATE INVESTMENT BOARD  
INVESTMENT COMMITTEE MEETING  
MINUTES OF THE  
JANUARY 10, 2025, MEETING**

**MEMBERS PRESENT:** Thomas Beadle, State Treasurer, Chair  
Joseph Heringer, Trust Lands Commissioner, Vice Chair  
Scott Anderson, Chief Investment Officer  
Eric Chin, Deputy Chief Investment Officer  
Dr. Prodosh Simlai, External Representative

**MEMBERS ABSENT:** Pete Jahner, External Representative

**STAFF PRESENT:** Jac Collins, Senior Investment Analyst  
Derek Dukart, Senior Investment Analyst  
Jennifer Ferderer, Fiscal Investment Admin  
Chirag Gandhi, Portfolio Manager  
Rachel Kmetz, Interim CFO/COO  
Robbie Morey, Investment Accountant  
George Moss, Portfolio Manager  
Matt Posch, Portfolio Manager  
Emmalee Riegler, Procurement/Records Mgmt. Coordinator  
Nitin Vaidya, Chief Risk Officer  
Jason Yu, Risk Officer  
Lance Zietlow, Portfolio Manager

**GUESTS:** Members of the Public

**CALL TO ORDER**

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:03 a.m. on Friday, January 10, 2025. The meeting was held virtually.

**The following members were present representing a quorum: Mr. Anderson, Treasurer Beadle, Mr. Chin, Commissioner Heringer, and Dr. Simlai.**

**AGENDA**

The agenda was considered for the January 10, 2025, meeting.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. ANDERSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE JANUARY 10, 2025, MEETING AS DISTRIBUTED.**

**AYES: MR. ANDERSON, MR. CHIN, COMMISSIONER HERINGER, DR. SIMLAI, AND TREASURER BEADLE**

**NAYS: NONE**

**ABSENT: MR. JAHNER**

**MOTION CARRIED**

## **MINUTES**

The minutes were considered for the December 13, 2024, meeting.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE DECEMBER 13, 2024, MEETING AS DISTRIBUTED.**

**AYES: MR. ANDERSON, MR. CHIN, COMMISSIONER HERINGER, DR. SIMLAI, AND  
TREASURER BEADLE  
NAYS: NONE  
ABSENT: MR. JAHNER  
MOTION CARRIED**

## **INTRODUCTION**

Mr. Zietlow introduced Mr. Jac Collins to the Committee. The team welcomed Mr. Collins as the Senior Investment Analyst of Private Markets.

## **STRATEGY DISCUSSION**

### **Private Markets**

Mr. Zietlow provided a private markets update, including the market environment, investment activity, allocations versus targets, and infrastructure performance. It was noted that over \$585 million has been committed across the Pension and Legacy Fund pools. Mr. Zietlow provided an overview of the infrastructure holdings and performance for the Legacy Fund, the Pension pool, and Insurance pool.

### **Bill Information**

Mr. Anderson presented the 2025-2027 Legislative Session RIO Bill Tracker and noted the current bills affecting the investment program that were proposed by the legislature for the 2025 session. Committee discussion followed.

### **Investment Ethics Policy and Internal Investment Proxy Voting**

Mr. Anderson provided a draft copy of the Code of Ethics policy. He reviewed several key sections, including General Principles, Conflicts of Interest, Trading Compliance, and Disclosures. This was followed by a discussion and an approval to recommend to the Governance and Policy Review Committee (GPR) and board an investment ethics policy and a change to the governance manual regarding the definition of "manager" to include both internal and external managers. Committee discussion followed.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. SIMLAI AND CARRIED BY A ROLL CALL VOTE TO APPROVE TO RECOMMEND THE CODE OF ETHICS POLICY AND PROPOSED LANGUAGE FOR THE STATEMENT OF POLICY REGARDING PROXY VOTING TO THE GOVERNANCE AND POLICY REVIEW COMMITTEE.**

**AYES: MR. CHIN, MR. ANDERSON, DR. SIMLAI, COMMISSIONER HERINGER, AND  
TREASURER BEADLE**

**NAYS: NONE**  
**ABSENT: MR. JAHNER**  
**MOTION CARRIED**

International Portfolios

Mr. Chin provided information regarding RIO's international portfolios, including the current exposure to Chinese companies, the potential impact and key considerations of a China divestment bill, and a list of states that have divested from China. Mr. Chin then presented options to manage the international portfolio, including SMAs and Fund of One Platform.

The Committee recessed at 10:41 a.m. and reconvened at 10:52 a.m.

**MANAGER RECOMMENDATION**

**IT WAS MOVED BY MR. CHIN AND SECONDED BY MR. ANDERSON AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. 44-04-19.2, 44-04-18.4 (2)(A) AND N.D.C.C. 44-04-18.4(2)(D) TO REVIEW AND DISCUSS CONFIDENTIAL COMMERCIAL INFORMATION AND TRADE SECRETS.**

**AYES: DR. SIMLAI, MR. CHIN, COMMISSIONER HERINGER, MR. ANDERSON, AND TREASURER BEADLE**  
**NAYS: NONE**  
**ABSENT: MR. JAHNER**  
**MOTION CARRIED**

The executive session began at 10:53 a.m. and ended at 11:14 a.m. The session was attended by Committee members, Mr. Collins, Mr. Dukart, Ms. Ferderer, Mr. Gandhi, Mr. Moss, Mr. Posch, Mr. Vaidya, Mr. Yu, and Mr. Zietlow.

**MANAGER UPDATE**

Mr. Zietlow provided a private markets manager update. PRISA III, L.P. was onboarded with a \$85 million commitment (\$35 million Pension Pool, \$50 million Legacy Fund).

**DISCUSSION**

Commissioner Heringer informed the Committee that the upcoming House Bill 1184 has been scheduled.

**ADJOURNMENT**

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 11:20 a.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board

# AFM PERFORMANCE & STRATEGY UPDATE

AFM Team  
February 14<sup>th</sup>, 2025

NORTH  
**Dakota** Be Legendary.

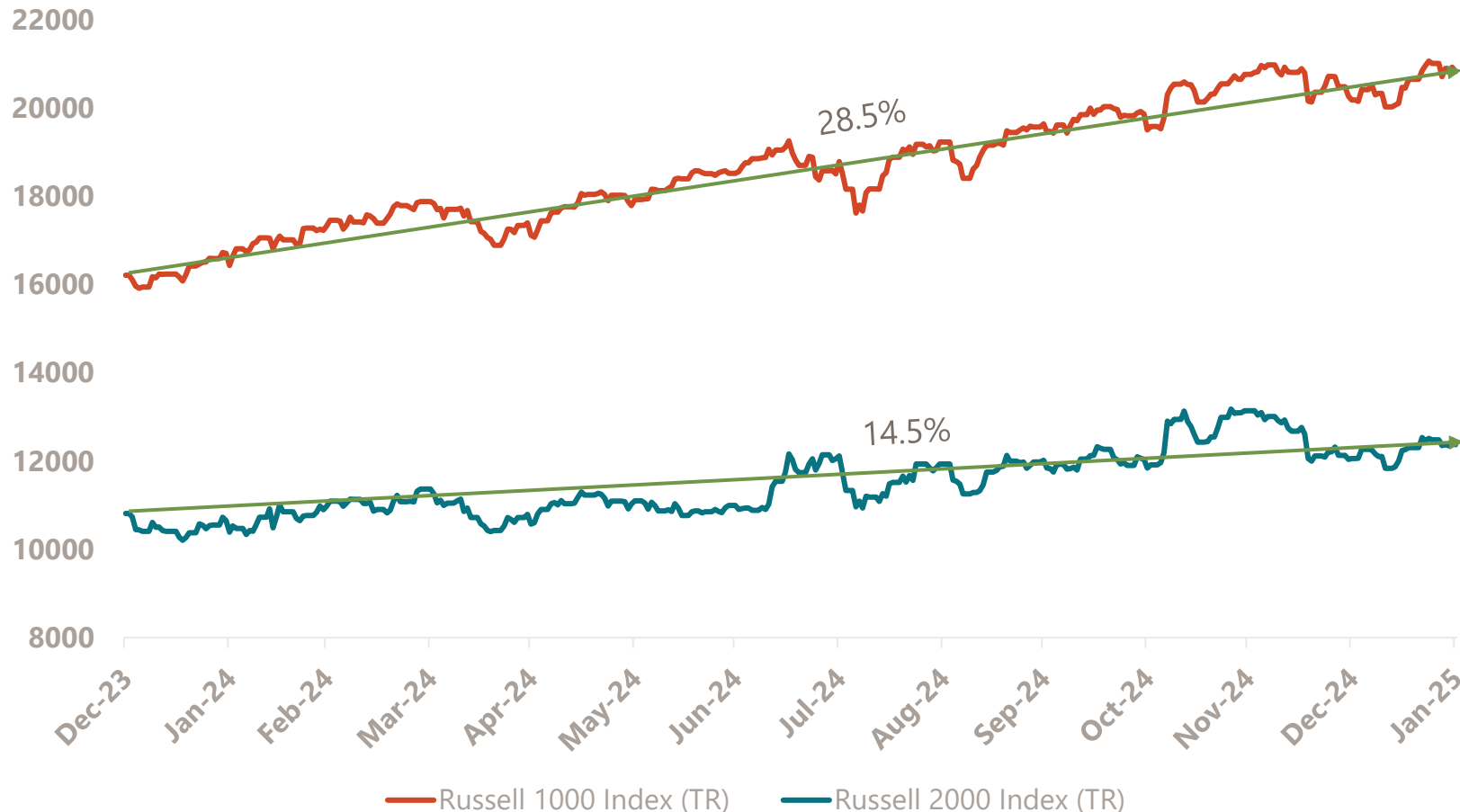
# PUBLIC EQUITY

NORTH  
**Dakota**  
Be Legendary.

Retirement & Investment

# EQUITY MARKETS – U.S.

Russell 1000 and Russell 2000  
(Dec. 31, 2023-Jan. 31, 2025)



## U.S. Markets

- Performance (Dec. 31, 23 to Jan. 31, 25):
  - Russell 1000: +28.5%
  - Russell 2000: +14.5%
- Easing inflation, Fed interest rate cuts, healthy corporate earnings, and AI boom served as tailwinds for U.S. equities
- Info Tech and Communications Services sectors continue to drive performance +35.4% and 39.3% in 2024
- December Fed guidance indicating fewer rate cuts negatively impacted U.S. equities
- Emergence of DeepSeek AI model led to January tech sell off

# EQUITY MARKETS – INTERNATIONAL

MSCI World ex US Index  
(Dec. 31, 2023-Jan. 31, 2025)



MSCI World ex US Small Cap Index  
(Dec. 31, 2023-Jan. 31, 2025)



MSCI Emerging Markets Index  
(Dec. 31, 2023-Jan. 31, 2025)



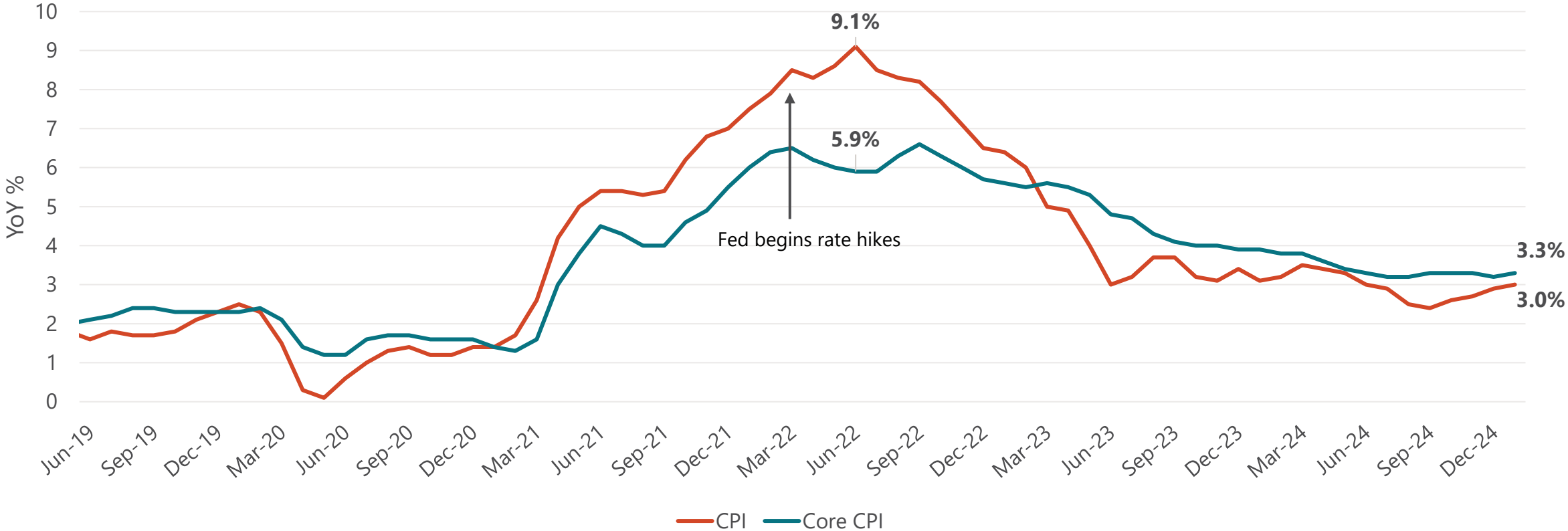
- Performance (Dec. 31, 23 to Jan. 31, 25):
  - MSCI World Ex US Index + 9.9%
  - MSCI World Ex US Small Index +6.0%
  - MSCI Emerging Markets Index +9.4%

- ECB cut rates from 4.0% to 3.0% (2.75% Feb 2025)
- President Trump's victory was a headwind for emerging markets in Q4 upon concerns of proposed tariffs
- MSCI China IMI was up 19.6% for the period (Dec. 31, 23 to Jan. 31, 25).



# INFLATION PAST 5 YEARS

Annual Inflation Rate



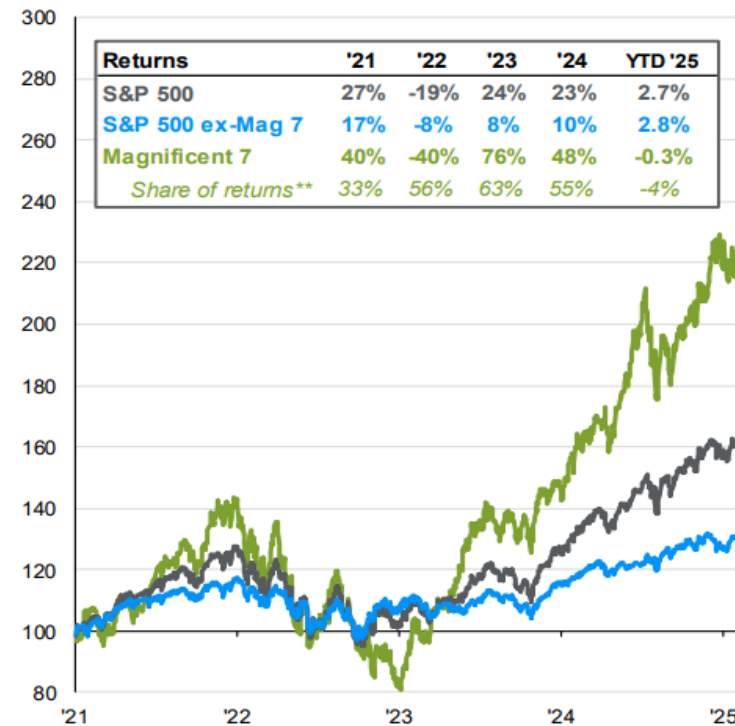
# DRIVERS OF EQUITIES: MAGNIFICENT SEVEN

## Magnificent 7 performance and earnings dynamics

GTM U.S. 12

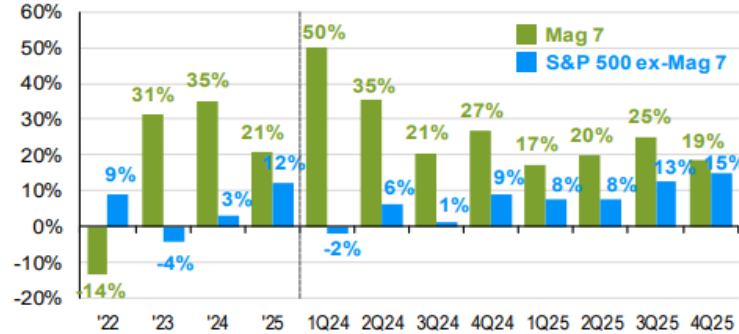
### Performance of "Magnificent 7" stocks in S&P 500\*

Indexed to 100 on 1/1/2021, price return



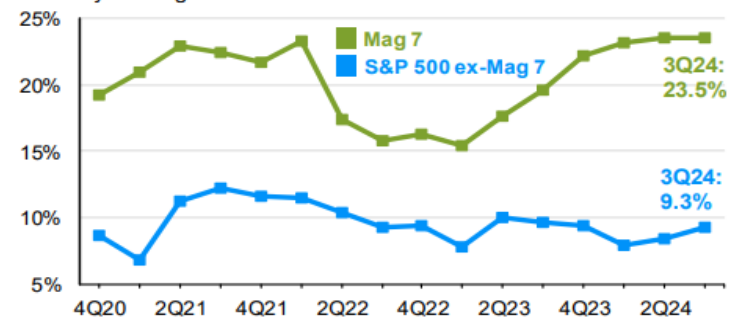
### Earnings growth

Pro forma EPS, estimates 4Q24 onwards, y/y



### Profit margins

Quarterly earnings/sales

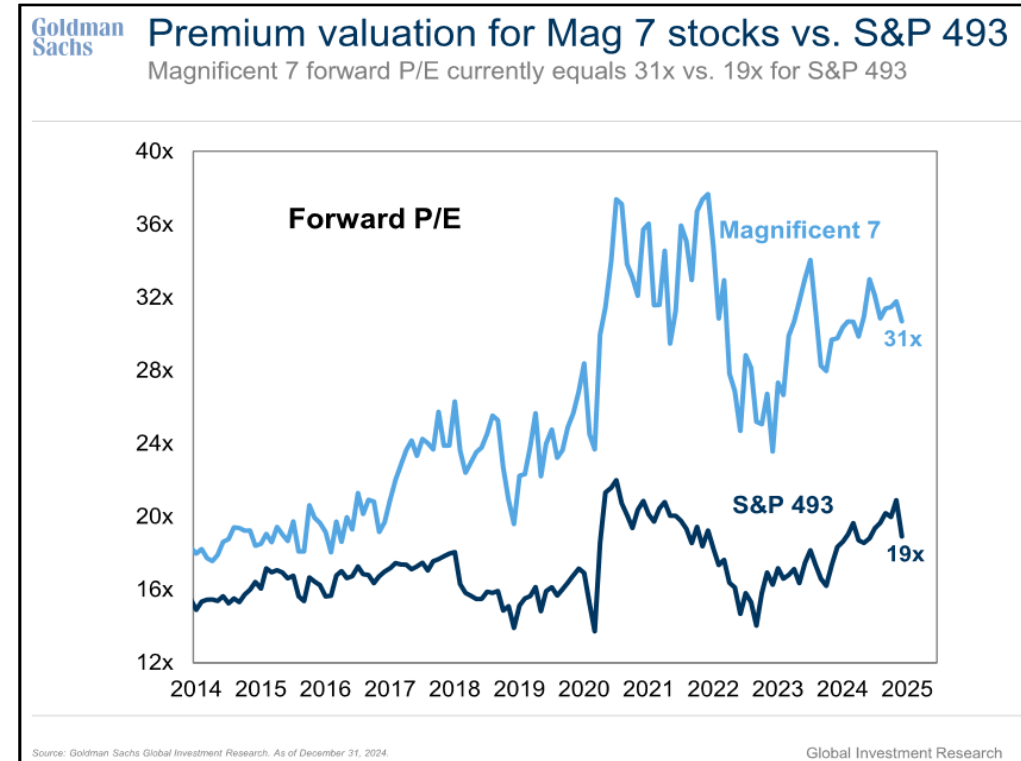


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
 \*Magnificent 7 includes AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA and TSLA. Earnings estimates for 2024 and 2025 are forecasts based on consensus analyst expectations. \*\*Share of returns represent how much each group contributed to the overall return.  
 Guide to the Markets - U.S. Data are as of January 31, 2025.

J.P.Morgan  
ASSET MANAGEMENT

- The Magnificent Seven continue to lead equities higher—up 48% for the year
- NVIDIA was up 171%, Meta up 66%, and Tesla up 63% for 2024
- Microsoft was the laggard up 13% for 2024
- ~55% of S&P 2024 return is attributable to Mag 7 performance
- Profit margins remain high for the Magnificent Seven vs other S&P 500 companies

# RISING CONCENTRATION & VALUATIONS



- As the Mag 7 continue to outperform the U.S. large cap indices have become increasingly concentrated
- Forward P/E is significantly higher for the Mag 7 as compared to the other 493 S&P 500 companies.

# EQUITIES – INTERNATIONAL EXPOSURE AND TARIFFS

## Goldman Sachs S&P 500 firms generate 28% of sales internationally

Info Tech (59%) has the highest international sales exposure of any sector

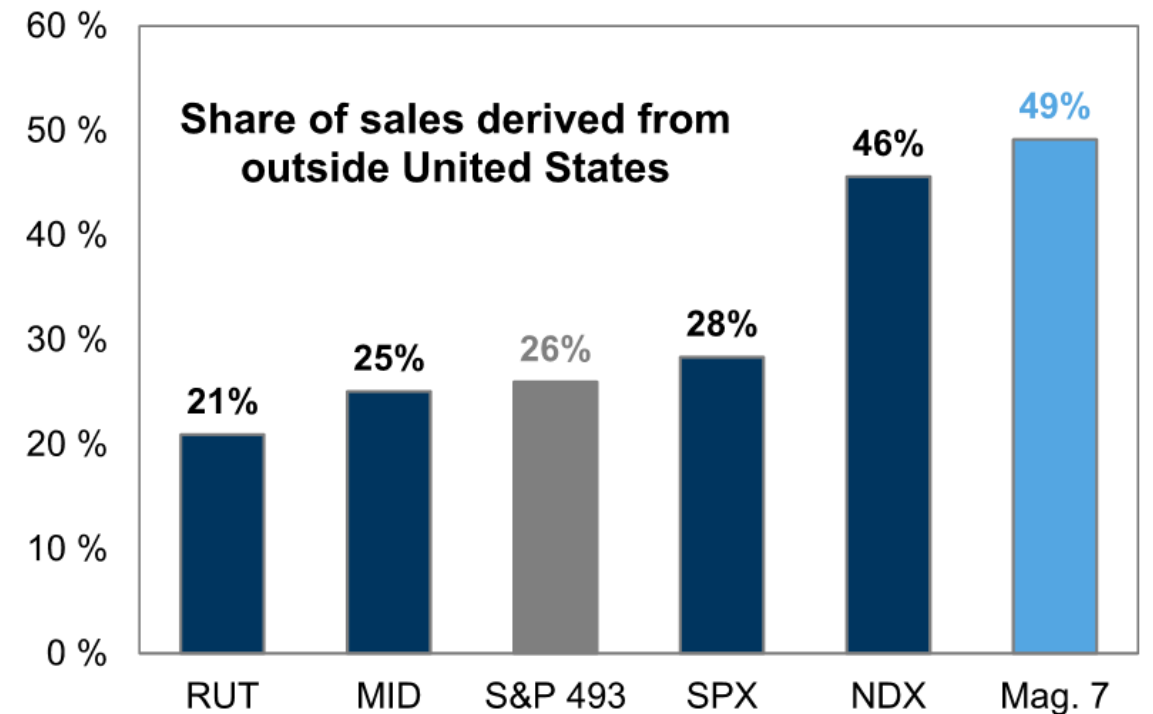
Sector	Revenues (\$bn)		Sales Exposure	
	Total	Foreign	Foreign	Explicit EM
Information Technology	\$1,601	\$942	59 %	17 %
Materials	469	221	47	12
Energy	1,301	469	36	3
Industrials	1,666	531	32	5
Communication Services	1,236	369	30	2
Consumer Discretionary	2,011	546	27	3
Consumer Staples	2,211	576	26	3
Real Estate	154	36	23	3
Financials	1,973	437	22	1
Health Care	3,039	419	14	1
Utilities	420	10	2	2
<b>S&amp;P 500</b>	<b>\$16,082</b>	<b>\$4,556</b>	<b>28 %</b>	<b>4 %</b>

Source: Goldman Sachs Global Investment Research.

Global Investment Research

## Goldman Sachs Trade policy risk favors the S&P 493

Magnificent 7 stocks are more exposed to global growth risks than S&P 493



Source: Goldman Sachs Global Investment Research. As of November 15, 2024.

Global Investment Research

# EQUITY PERFORMANCE

NOVEMBER 30, 2024

Legacy Public Equity	YTD	1yr	3yr	5yr
<b>Public Equity</b>	18.4%	24.7%		
<b>Legacy Public Equity Benchmark</b>	19.1%	25.4%		
<b>Excess Return</b>	<b>-0.7%</b>	<b>-0.7%</b>		
<b>Domestic Large Cap</b>	29.2%	35.3%	11.8%	16.3%
<b>Russell 1000 Index</b>	28.1%	34.4%	10.9%	15.6%
<b>Excess Return</b>	<b>1.1%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>0.7%</b>
<b>Domestic Small Cap</b>	12.5%	23.1%	4.2%	7.1%
<b>Russell 2000 Index</b>	21.6%	36.4%	5.0%	9.9%
<b>Excess Return</b>	<b>-9.1%</b>	<b>-13.3%</b>	<b>-0.8%</b>	<b>-2.8%</b>
<b>International Equity</b>	7.4%	12.9%	1.7%	5.7%
<b>MSCI ACWI Ex US IMI</b>	7.3%	12.9%	2.5%	5.4%
<b>Excess Return</b>	<b>0.1%</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>0.3%</b>

*Performance calculated for the period ending November 30, 2024*

# EQUITY PERFORMANCE

DECEMBER 31, 2024

	1 YR PORTFOLIO RETURN	1 YR POLICY RETURN	1 YR ACTIVE RETURN	5 YR PORTFOLIO RETURN	5 YR POLICY RETURN	5 YR ACTIVE RETURN	5 YR TRACKING ERROR	5 YR INFORMATION RATIO
<b>Domestic Equity</b>								
<b>All Cap - Russell 3000</b>		<b>23.8%</b>						
Two Sigma AE (1yr is since 08/2024)	8.9%	7.0%	1.8%					
<b>Large Cap - Russell 1000</b>		<b>24.5%</b>			<b>14.3%</b>			
LA Capital Enhanced	27.4%	24.5%	2.9%	15.6%	14.3%	1.4%	2.0%	0.69
T. Rowe Price US Structured Equity (1yr is since 12/2024)	-2.0%	-2.8%	0.8%					
<b>Small Cap - Russell 2000</b>		<b>11.5%</b>			<b>7.4%</b>			
Atlanta Capital HQ Small Cap	6.8%	11.5%	-4.7%	8.7%	7.4%	1.3%	8.9%	0.15
Wellington US Small Cap (1yr is since 12/2024)	-8.0%	-8.3%	0.3%					
<b>International Equity</b>								
<b>Total Intl All Cap - MSCI ACWI ex-US IMI</b>		<b>5.2%</b>			<b>4.1%</b>			
William Blair International Leaders	0.5%	5.2%	-4.8%	3.1%	4.1%	-1.0%	8.2%	-0.12
Arrowstreet International Equity (5 year is since 01/2022)	8.5%	5.2%	3.3%	8.2%	2.7%	5.5%	4.9%	1.11
<b>Total Dev. Intl Small Cap - MSCI World ex-US Small</b>		<b>2.8%</b>			<b>2.9%</b>			
DFA Intl. Small Cap Value Portfolio	7.9%	2.8%	5.1%	6.0%	2.9%	3.1%	5.6%	0.56
<b>Emerging Markets - MSCI EM</b>		<b>7.5%</b>			<b>1.7%</b>			
DFA EM All Cap Core (5yr is since 07/2023)	7.3%	7.5%	-0.2%	9.1%	8.2%	0.9%	3.6%	0.25

Performance calculated for the period ending December 31, 2024

# EQUITY PORTFOLIO CHANGES

## Terminations:

- NTAM Quant Enhanced R1000
- Parametric Enhanced R1000
- Riverbridge Small Cap Growth
- VCM Sycamore Small Cap Value

## Additions:

- T. Rowe Price US Structured Research Equity
- Wellington Management Small Company 2000

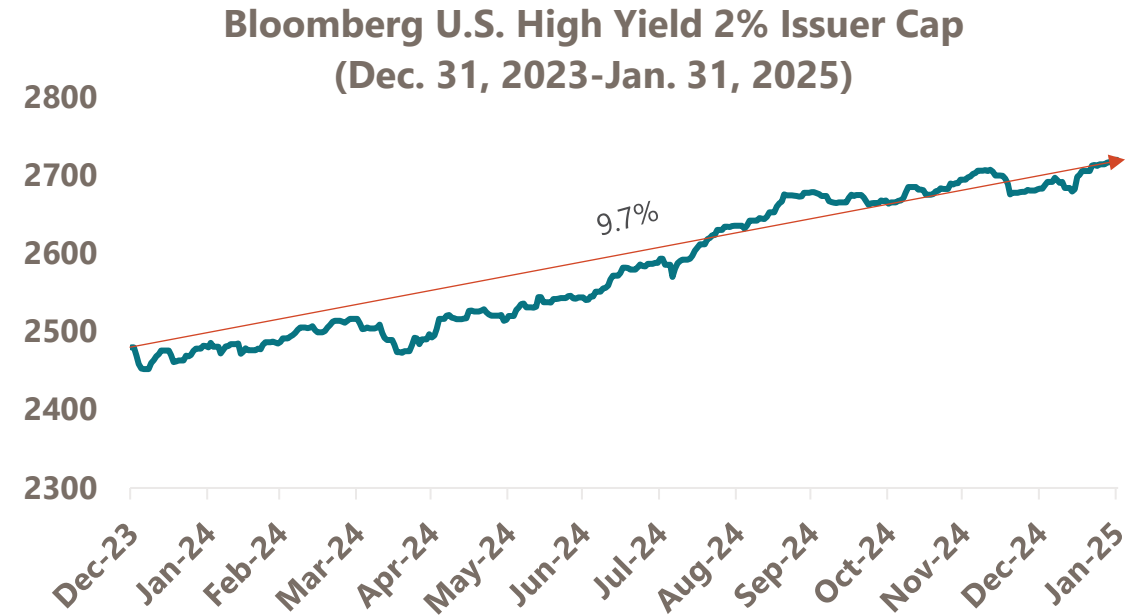
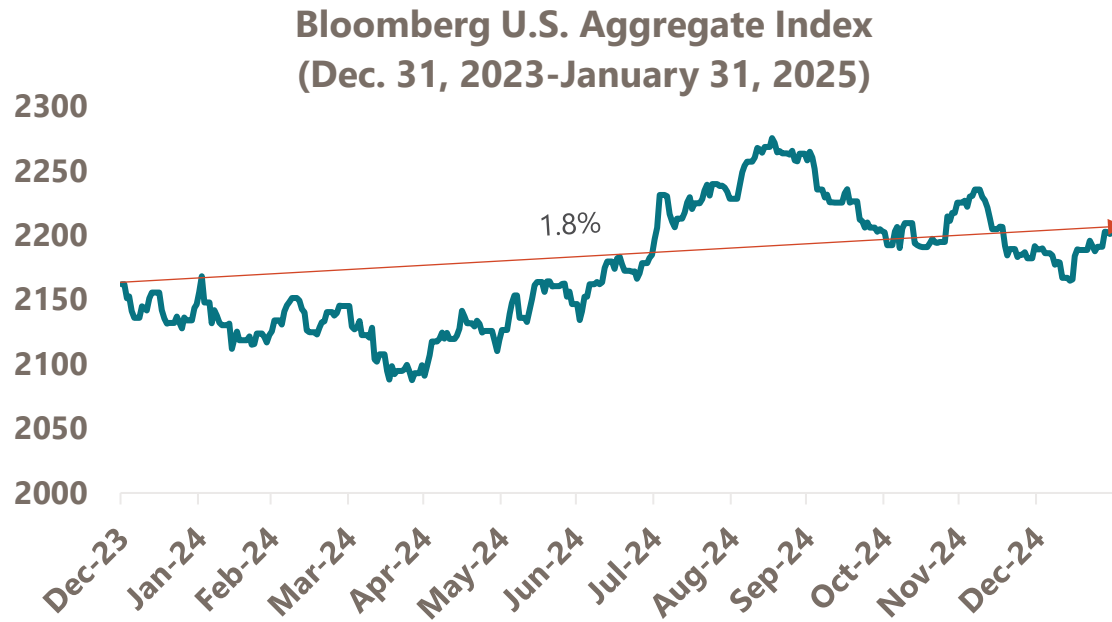
# PUBLIC FIXED INCOME



Retirement & Investment



# FIXED INCOME MARKETS – U.S.

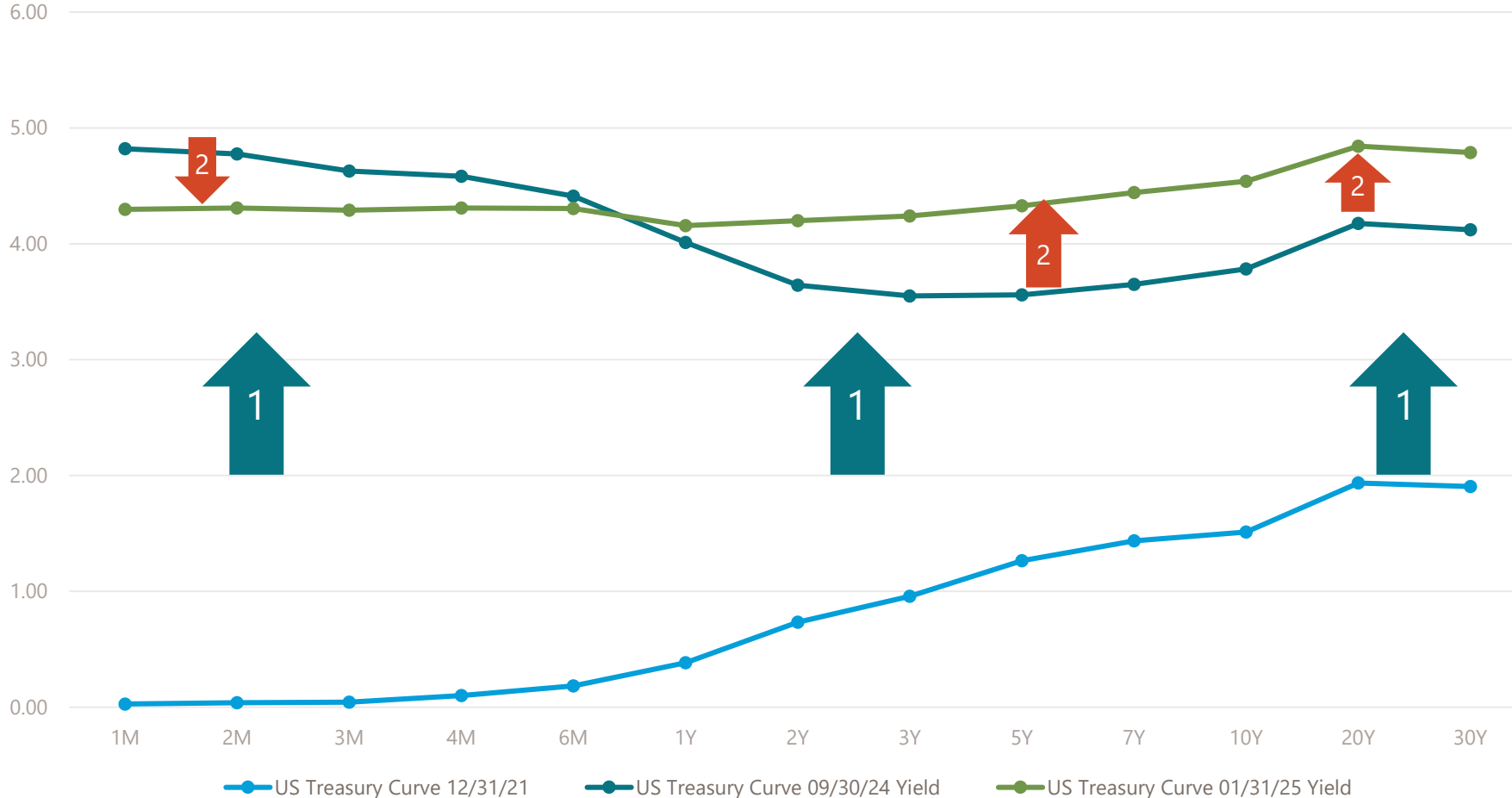


## Performance (Dec. 31, 23 to Jan. 31, 25):

- Bloomberg US Aggregate: +1.8%
- Bloomberg US High Yield 2% Issuer Constrained: +9.7%
- Lower quality higher yielding fixed income assets continue to outperform investment-grade assets

# FIXED INCOME – US TREASURY YIELD CURVE

US Treasury Yield Curve Changes Since EOY 2021

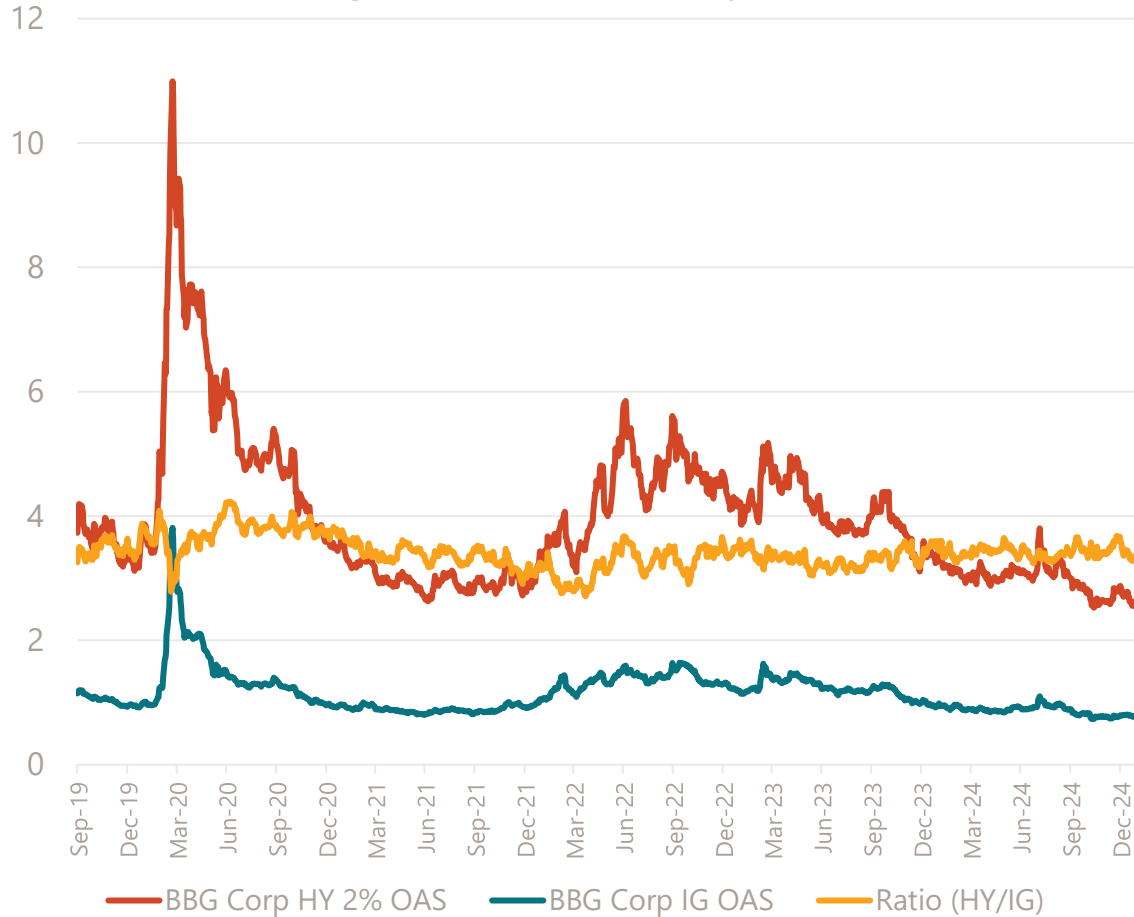


- As of 1/31/25, the US yield curve is >280bps higher across the entire curve since EOY 2021.
- 2Y-30Y widened by >50bps since 9/30/2024.
- 2s10s no longer inverted as curve continued to steepen.
- ~50bps of Fed Funds rate cuts priced in by 12/2025.

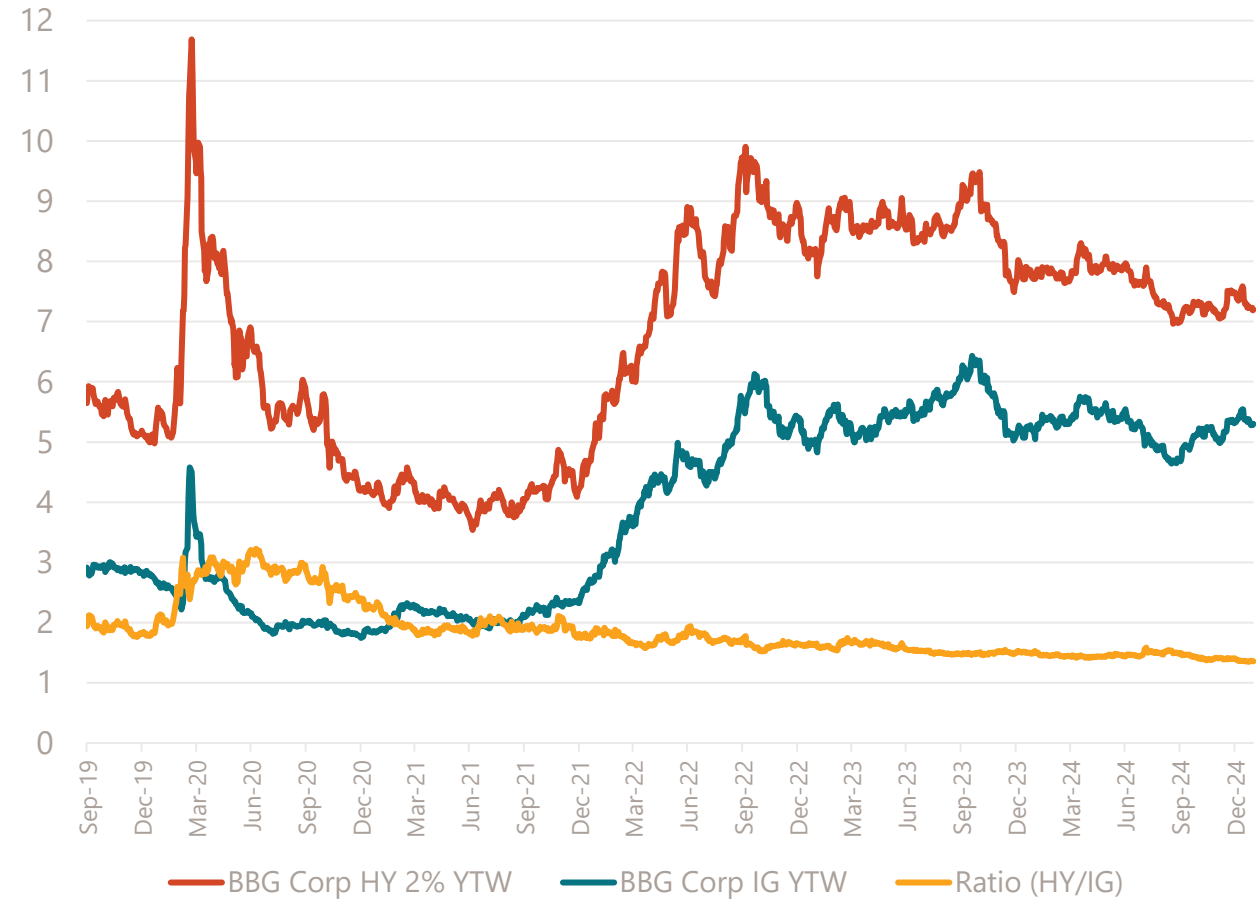


# FIXED INCOME – CORPORATE HY AND IG OAS AND YTW

Bloomberg HY and IG: Option Adjusted Spread



Bloomberg HY and IG: Yield-to-Worst



\*The Bloomberg US Corporate IG Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.

\*\* BBG Corp IG OAD = ~6.9 and BBG Corp HY 2% OAD = ~3.0

# FIXED INCOME PERFORMANCE

NOVEMBER 30, 2024

Pension Fixed Income	YTD	1yr	3yr	5yr
<b>Investment Grade</b>	3.9%	8.4%	-1.6%	0.7%
<b>Bloomberg Aggregate</b>	2.9%	6.9%	-2.0%	0.0%
<b>Excess Return</b>	<b>1.0%</b>	<b>1.5%</b>	<b>0.4%</b>	<b>0.7%</b>
<b>Below Investment Grade</b>	9.3%	11.1%	6.4%	6.8%
<b>Bloomberg High Yield 2% Issuer Constrained</b>	8.7%	12.7%	3.7%	4.7%
<b>Excess Return</b>	<b>0.6%</b>	<b>-1.6%</b>	<b>2.7%</b>	<b>2.1%</b>
<b>Short Term Fixed Income</b>	6.0%	7.2%	2.5%	2.4%
<b>Bloomberg 1-3 Gov/Credit</b>	4.1%	5.4%	1.6%	1.6%
<b>Excess Return</b>	<b>1.9%</b>	<b>1.8%</b>	<b>0.9%</b>	<b>0.8%</b>

Performance calculated for the period ending November 30, 2024

# FIXED INCOME PERFORMANCE

DECEMBER 31, 2024

	1 YR PORTFOLIO RETURN	1 YR POLICY RETURN	1 YR ACTIVE RETURN	5 YR PORTFOLIO RETURN	5 YR POLICY RETURN	5 YR ACTIVE RETURN	5 YR TRACKING ERROR	5 YR INFORMATION RATIO
<b>INVESTMENT GRADE FIXED INCOME</b>								
<b>Bloomberg Aggregate</b>		<b>1.3%</b>			<b>-0.3%</b>			
Prudential Core Fixed Income	2.1%	1.3%	0.9%	0.2%	-0.3%	0.5%	1.7%	0.29
PIMCO Core Plus	2.7%	1.3%	1.5%	0.4%	-0.3%	0.7%	1.2%	0.63
PIMCO Disco II	10.9%	1.3%	9.6%	5.9%	-0.3%	6.3%	6.5%	0.96
Western Asset Core Fixed Income	1.4%	1.3%	0.2%	-0.5%	-0.3%	-0.1%	2.5%	-0.05
Allspring Us Corporate Plus	4.0%	1.3%	2.7%	1.8%	-0.3%	2.1%	5.8%	0.36
<b>BELOW IG FIXED INCOME</b>								
<b>Bloomberg High Yield 2% Issuer Constrained</b>		<b>8.2%</b>						
PineBridge High Yield (1 year is since 4/2024)	7.4%	6.6%	0.8%					
Nomura High Yield (1 year is since 4/2024)	7.9%	6.6%	1.3%					
<b>SHORT TERM FIXED INCOME</b>								
<b>Bloomberg Gov/Credit 1-3yr</b>		<b>4.4%</b>			<b>1.6%</b>			
Barings Active Short Duration	7.8%	4.4%	3.5%	2.5%	1.6%	1.0%	4.7%	0.20
JP Morgan Short Bond Fund	5.1%	4.4%	0.7%	2.4%	1.6%	0.8%	0.7%	1.17

Performance calculated for the period ending December 31, 2024

Confidential materials will be sent separately to  
Committee members via secure link.

## Fixed Income Enhanced Indexing Strategies

Primary objective: Provide investment results that closely approximate the overall performance of domestic fixed income indices which are utilized for benchmarking.

Secondary objectives: Reduce cost and lay the groundwork for further active management.

- 1) Permitted investment instruments:
  - a) Publicly traded fixed income securities that are included in the index against which the strategy is benchmarked. Exceptions:
    - i. Securities which were in the index at the time of purchase, but have since been removed
    - ii. Securities that are expected to become part of the index
    - iii. Securities not in the index but whose issuer has other securities in the index
  - b) U.S. fixed income index related ETFs
  - c) Related derivatives:
    - i. Exchange traded futures for exposure to U.S. Treasuries
    - ii. Forwards and total return SWAPS related to U.S. Treasuries
    - iii. Credit default swap indexes (CDX)
- 2) The use of derivatives and ETFs is intended to be utilized to efficiently implement Strategy exposures. Net notional leverage is not allowed.
- 3) Guideline breaches of hard limits due to the impact of transitions or material cash flows are not considered violations.

**GUIDELINES:**

Bloomberg U.S. Government / Credit Index Benchmarked Strategy:

<b>Benchmark-relative Parameters</b>	<b>Soft Limits (staff review)</b>	<b>Hard Limits (corrective action)</b>
Corporate Bonds		+/- 10%
Credit Rating of BBB+ to BBB- (S&P)		+/- 5%
U.S. Government & Agency Obligations		+/- 10%
Effective Duration		+/- 1yr
Tracking error (long-term ex-ante)	25 bps	50 bps
<b>Absolute Parameters</b>		
Single-issue corporate bond		5%
Average credit rating (S&P)		>= BBB

Bloomberg US Treasury Inflation-Linked Bond Index Benchmarked Strategy:

<b>Benchmark-relative Parameters</b>	<b>Soft Limits (staff review)</b>	<b>Hard Limits (corrective action)</b>
U.S. Treasury Inflation Protected Securities	+/- 5%	+/- 10%
Effective Duration		+/- 1yr
Tracking error (long-term ex-ante)	15 bps	30 bps

Bloomberg U.S. Aggregate Bond Index Benchmarked Strategy:

<b>Benchmark-relative Parameters</b>	<b>Soft Limits (staff review)</b>	<b>Hard Limits (corrective action)</b>
Corporate Bonds		+/- 10%
Credit Rating of BBB+ to BBB- (S&P)		+/- 5%
U.S. Government & Agency Obligations		+/- 10%
Asset Backed Securities		+/- 10%
Effective Duration		+/- 1yr
Tracking error (long-term ex-ante)	25 bps	50 bps
<b>Absolute Parameters</b>		
Single-issue corporate bond		5%
Average credit rating (S&P)		>= BBB



## Equity Index Enhanced Strategies

Primary objective: Provide investment results that closely approximate the overall performance of domestic equity indices which are utilized for benchmarking.

Secondary objectives: Reduce cost and lay the groundwork for further active management.

- 1) Permitted investment instruments:
  - a) U.S. exchange traded equity securities that are included in the index against which the strategy is benchmarked. Exceptions:
    - i. Securities which were in the index at the time of purchase, but have since been removed
    - ii. Securities that are expected to become part of the index
  - b) U.S. equity index related ETFs
  - c) Related derivatives:
    - i. Exchange traded futures for exposure to U.S. equity indices
    - ii. Forwards and Total Return SWAPS related to U.S. equity indices
    - iii. Single-security equity and equity index and equity index-related (e.g. VIX) exchange traded options, excluding naked call writing.
- 2) The use of derivatives and ETFs is intended to be utilized to efficiently implement Strategy exposures. Net notional leverage is not allowed.
- 3) Guideline breaches of hard limits due to the impact of transitions or material cash flows are not considered violations.

**GUIDELINES:**

Russell 1000 Index Benchmarked Strategy:

<b>Benchmark-relative Parameters</b>	<b>Soft Limits (staff review)</b>	<b>Hard Limits (corrective action)</b>
<b>Risk Metrics:</b>		
Tracking Error (long-term ex-ante)	25 bps	50 bps
Beta (long-term ex-ante)	<0.95 or >1.05	<0.9 or >1.1
<b>Portfolio Construction:</b>		
Non-benchmark exposure		0%
Concentration (single security)	+ 3%	+ 5%
Sector Thresholds		+/- 10%
<b>Absolute Parameters</b>		
Cash		2%

Russell 2000 Index Benchmarked Strategy:

<b>Benchmark-relative Parameters</b>	<b>Soft Limits (staff review)</b>	<b>Hard Limits (corrective action)</b>
<b>Risk Metrics:</b>		
Tracking Error (long-term ex-ante)	30 bps	60 bps
Beta (long-term ex-ante)	<0.95 or >1.05	<0.9 or >1.1
<b>Portfolio Construction:</b>		
Non-benchmark exposure		0%
Concentration (single security)	+ 3%	+ 5%
Sector Thresholds		+/- 10%
<b>Absolute Parameters</b>		
Cash		2%

# INVESTMENT SERVICE CONTRACTS

Vendor	Execution Date	Description	Cost
Aladdin (Parametra)	10/3/2024	Economy Data (pass through data)	\$110/month (2 users)
BlackRock	10/3/2024	Transition Management Agreement	None
State Street Bank	10/7/2024	Transition Management Agreement	None
Citigroup	10/22/2024	Transition Services Agreement	None
Nasdaq (eVestment)	11/13/2024	Order Form Amendment – Inv. Manager Data	\$54,529.88 Year 1
NEPC	11/14/2024	Asset Allocation Consulting Services	\$275,000/year
MSCI	11/18/2024	GICS License Amendment	None
State Street Bank	11/18/2024	Transition Notice	Transactional
Aladdin (LSEG)	11/20/2024	Security Master Data (pass through data)	\$5,602.92/month (up to 1B AUM)
SEDOL	12/6/2024	Order Form - Identifier Data Licensing	£40,835/year
Adams Street	12/10/2024	Private Equity Monitoring Termination	None
RVK	12/12/2024	Cost/Benefit Analysis Services (Legacy Fund legislation)	Per project
CUSIP	12/19/2024	CUSIP Subscription Agreement	\$49,848/year
S&P Global	12/20/2024	Pricing Schedule - Index Data Licensing	\$3,500 Year 1
S&P Global	12/31/2024	Pricing Schedule - Ratings Data Licensing	\$25,000 Year 1

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