

Investment Committee
Wednesday, December 17, 2025, 2:00 p.m.

Virtual Only

[Click here to join the meeting](#)

AGENDA

- I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA – (Committee Action)**
 - A. Roll Call & Conflict of Interest Disclosure
- II. **ACCEPTANCE OF MINUTES (November 14, 2025) – (Committee Action)**
- III. **STRATEGY REVIEW (75 minutes) – (Information Only)**
 - A. Investment Strategy – *Mr. Anderson*
 - B. Internal Direct Equity Update – *Mr. Moss*
- (Break)
- IV. **MANAGER RECOMMENDATION¹ (60 minutes) – (Committee Action)**
 - A. Private Markets – *Mr. Collins, Mr. Zietlow*
 - B. Public Markets – *Mr. Cox, Mr. Hambrick, Mr. Posch*
- V. **QUARTERLY REPORTS (5 minutes) – (Information Only)**
 - A. Contracts – *Mr. Anderson*
- VI. **DISCUSSION**
- VII. **ADJOURNMENT**

¹ 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
NOVEMBER 14, 2025, MEETING**

MEMBERS PRESENT: Thomas Beadle, State Treasurer, Chair
Prodosh Simlai, External Representative, Vice Chair
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
Pete Jahner, External Representative
Todd Van Orman, External Representative

STAFF PRESENT: Jac Collins, Senior Investment Analyst
Cory Cox, Investment Analyst
Derek Dukart, Senior Investment Analyst
Jennifer Ferderer, Fiscal Operations Admin
Timothy Forsythe, Deputy Chief Financial Officer
Chirag Gandhi, Portfolio Manager
Ross Hambrick, Portfolio Manager
Shiv Khare, Investment Intern
Robbie Morey, Investment Operations Analyst
George Moss, Portfolio Manager
Sarah Mudder, Communications & Outreach Director
Chuck Napp, Sr Investment Operations Manager
Adam Otteson, Chief Financial Officer
Daphne Pfleiger, Investment Accountant
Matt Posch, Portfolio Manager
Jodi Smith, Executive Director
Susan Walcker, Senior Financial Manager
Alexander Weissman, Investment Analyst
Lance Zietlow, Portfolio Manager

GUESTS: Robert Goldthorpe, NEPC
Mark Morgan, SEI
James Pinto, SEI
Astrid Rau, SEI
Eileen Neill, Verus
Members of the Public

CALL TO ORDER

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:01 a.m. on Friday, November 14, 2025. The meeting was held virtually.

The following members were present representing a quorum: Mr. Anderson, Treasurer Beadle, Mr. Chin, Dr. Simlai, Mr. Jahner and Mr. Van Orman

AGENDA

The agenda was considered for the November 14, 2025, meeting.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE OCTOBER 10, 2025, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, DR. SIMLAI, MR. JAHNER, MR. VAN ORMAN, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

MINUTES

The minutes were considered for the October 10, 2025, meeting.

IT WAS MOVED BY MR. CHIN AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE OCTOBER 10, 2025, MEETING AS DISTRIBUTED.

AYES: MR. ANDERSON, MR. CHIN, DR. SIMLAI, MR. JAHNER, MR. VAN ORMAN, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

ASSET ALLOCATION

Pension Asset Allocation Recommendations

Mr. Goldthorpe from NEPC presented the 2025 asset-liability study for PERS, TFFR, Bismarck employees, Bismarck police, Grand Forks employees, and Grand Forks Parks pension plans. Long-term return expectations remain sufficient to meet current assumptions. NEPC recommended allocation changes tailored to each plan's funding levels and liquidity needs, including increased private market exposure for PERS and TFFR and a shift toward lower-volatility, higher-liquidity portfolios for the closed Grand Forks plans. Committee discussion followed.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE RECOMMENDED POLICY ADJUSTMENTS AS PRESENTED AND DIRECT STAFF TO BRING TO SIB.

AYES: MR. CHIN, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON DR. SIMLAI, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

Job Service Asset Allocation Recommendations

Mr. Morgan, Mr. Pinto, and Ms. Rau from SEI presented the updated Job Service North Dakota asset allocation and revised Investment Policy Statement. Committee discussion followed.

IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE ASSET ALLOCATION AS PRESENTED.

AYES: MR. ANDERSON, MR. JAHNER, MR. CHIN, MR. VAN ORMAN, DR. SIMLAI, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

Mr. Chin reviewed the proposed changes to the Job Service investment policy statement. The PERS board approved the changes at a prior meeting.

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND TO APPROVE THE INVESTMENT POLICY STATEMENT ADJUSTMENTS.

AYES: DR. SIMLAI, MR. CHIN, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

The Committee recessed at 10:23 a.m. and reconvened at 10:30 a.m.

Benchmarking Calculations Update

Ms. Neill reviewed the rationale for restating private equity benchmarks to align with the end of fiscal year closing requirements. Committee discussion followed.

Performance and Benchmark Consultant Search

Ms. Smith discussed consolidating benchmarking and performance measurements under a single consultant to improve efficiency and data consistency. Staff recommended initiating a procurement for a combined provider. Committee discussion followed.

IT WAS MOVED BY MR. JAHNER AND SECONDED BY MR. CHIN AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND TO APPROVE STAFF TO INITIATE PROCUREMENT FOR COMBINED PERFORMANCE AND BENCHMARK CONSULTANT.

AYES: MR. VAN ORMAN, MR. ANDERSON, DR. SIMLAI, MR. CHIN, MR. JAHNER, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

MANAGER RECOMMENDATION

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. VAN ORMAN 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, MR. VAN ORMAN, MR. JAHNER, MR. ANDERSON, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

The executive session began at 11:07 a.m. and ended at 11:32 a.m. The session was attended by Committee members, Mr. Collins, Mr. Cox, Mr. Dukart, Ms. Ferderer, Mr. Forsythe, Mr. Gandhi, Mr. Hambrick, Mr. Khare, Mr. Moss, Ms. Mudder, Mr. Otteson, Mr. Posch, Ms. Smith, Mr. Weissman, and Mr. Zietlow.

IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MR. CHIN AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE MANAGER RECOMMENDATION PENDING LEGAL REVIEW AND DIRECT STAFF TO REPORT BACK AT A FUTURE COMMITTEE MEETING.

AYES: MR. ANDERSON, MR. JAHNER, MR. CHIN, MR. VAN ORMAN, DR. SIMLAI, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

MANAGER UPDATE

Staff disclosed a \$60 million (Pension Pool \$20 million/Legacy Fund: \$40 million) commitment to BVP Forge II, L.P., a growth buyout fund focused on technology companies. The investment aligns with the private markets pacing plan and offers attractive risk-adjusted return potential

DISCUSSION

Treasurer Beadle confirmed the December IC meeting was rescheduled to December 17, 2025.

ADJOURNMENT

With no further business to come before the committee, Treasurer Beadle adjourned the meeting at 11:37 a.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board

Investment Strategy

Scott M Anderson, CFA – Chief Investment Officer

DECEMBER 17, 2025

We Believe

- Our **goal** is to deliver high returns per unit of risk at a prudent risk level and efficient cost.
- **Asset allocation** is the primary driver of long-term return and risk efficiency.
- **Markets are generally efficient**, but short-term inefficiencies create opportunities for selective active return.
- **Active management** can improve outcomes, but persistent active return is rare; active risk is used sparingly and intentionally.
- **Effective implementation** lowers cost and risk, enhancing overall return efficiency.
- **Strong investment decisions** rely on fact-based, disciplined judgment informed by experience, research, and an analyst-driven culture.

Objective & Strategy

Objective: To deliver superior after-cost returns while maintaining prudent risk levels consistent with the long-term needs of the client funds.

Strategy: RIO shall pursue strategies that balance return, risk, and cost through efficient, technology-enabled implementation consistent with existing policies and operations.

Why: RIO shall improve decisions by leveraging diverse information sources and differentiating its approach through integrated investment optimization.

Investment Framework

$$R_p = R_f + \beta_m + A_p$$

Total Return = Risk Free Rate + Market Beta + Active Return

Separate



- Market Beta : Resources that are readily accessible and cost-effective to replicate internally.
- Active Return : Manager skill reflected in consistency, magnitude, idiosyncratic risk, and risk premia.

Portfolio Construction

Diversification reduces risk but may dilute active return.

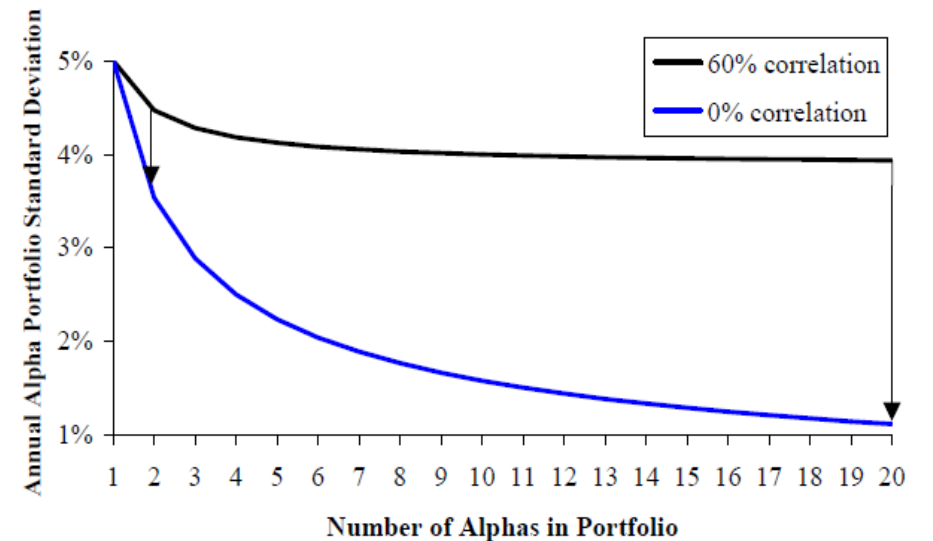
- More managers or assets do not necessarily improve diversification.
- Seek uncorrelated alphas.

Identify portfolio groupings not captured by traditional factor models.

- Know what we own by position, factor exposures, and correlated risks.
- Be mindful of liquidity, leverage, and concentration.

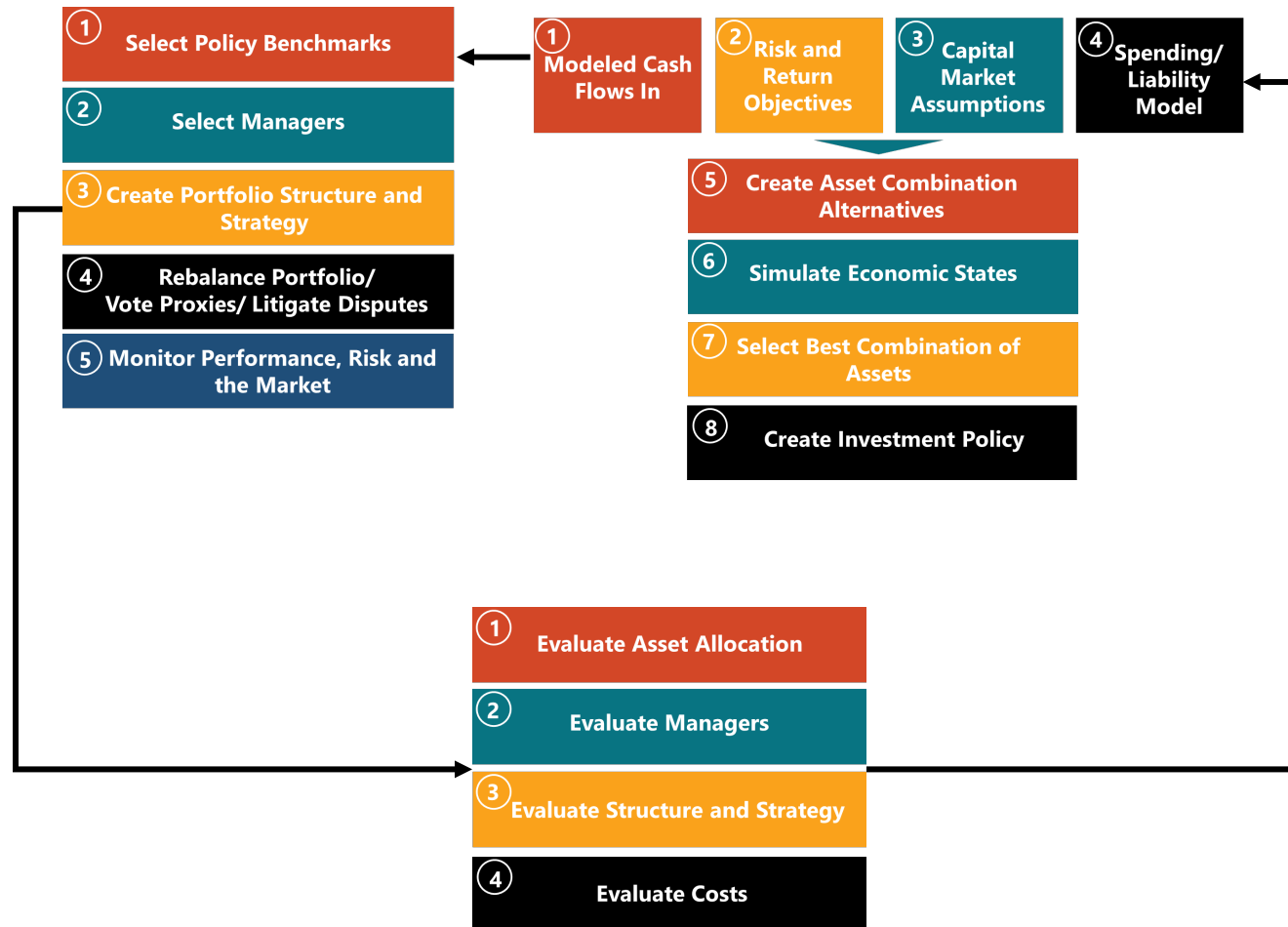
Size positions using equal-risk sizing, then adjust based on conviction and shared risk factors.

Incremental Benefits of Diversification



*Provided by Derek Drummand of SWIB

Investment Process



Value Drivers – Need to Sell to Buy

INVESTMENT DECISION APPROACH

- HIGH FREQUENCY
- MIS-PRICING
- ANALYSIS
- RULES BASED ACTIVE
- BUY AND HOLD ACTIVE
- STATE BASED BETA
- BUY AND HOLD BETA



PRICE VERSUS VALUE

BUY +

- RETURN
- RISK
- TIME HORIZON
- COMPLEXITY
- IMPACT TO OPERATIONS

PRICE
≠
VALUE

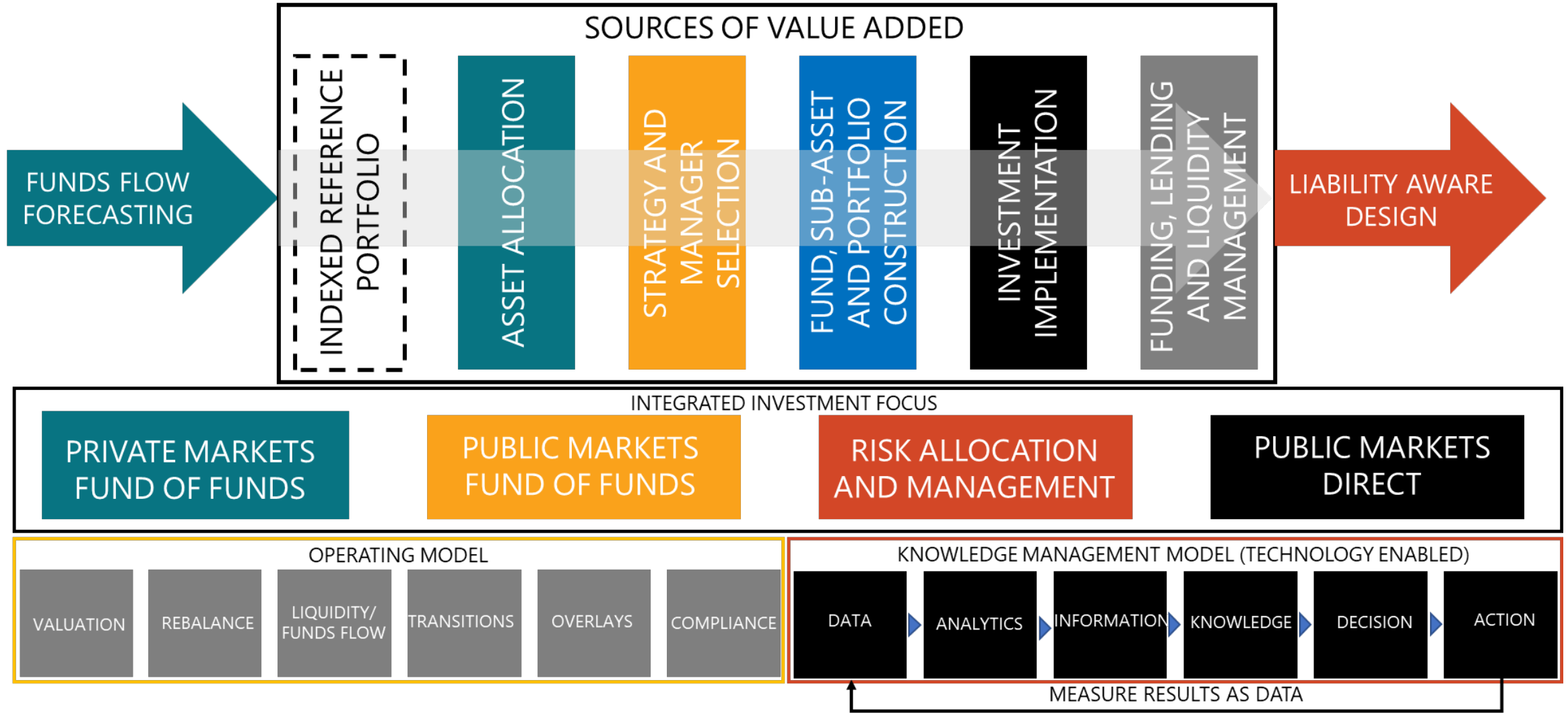
SELL -

- RETURN
- RISK
- TIME HORIZON
- COMPLEXITY
- IMPACT TO OPERATIONS

PRICE
≠
VALUE

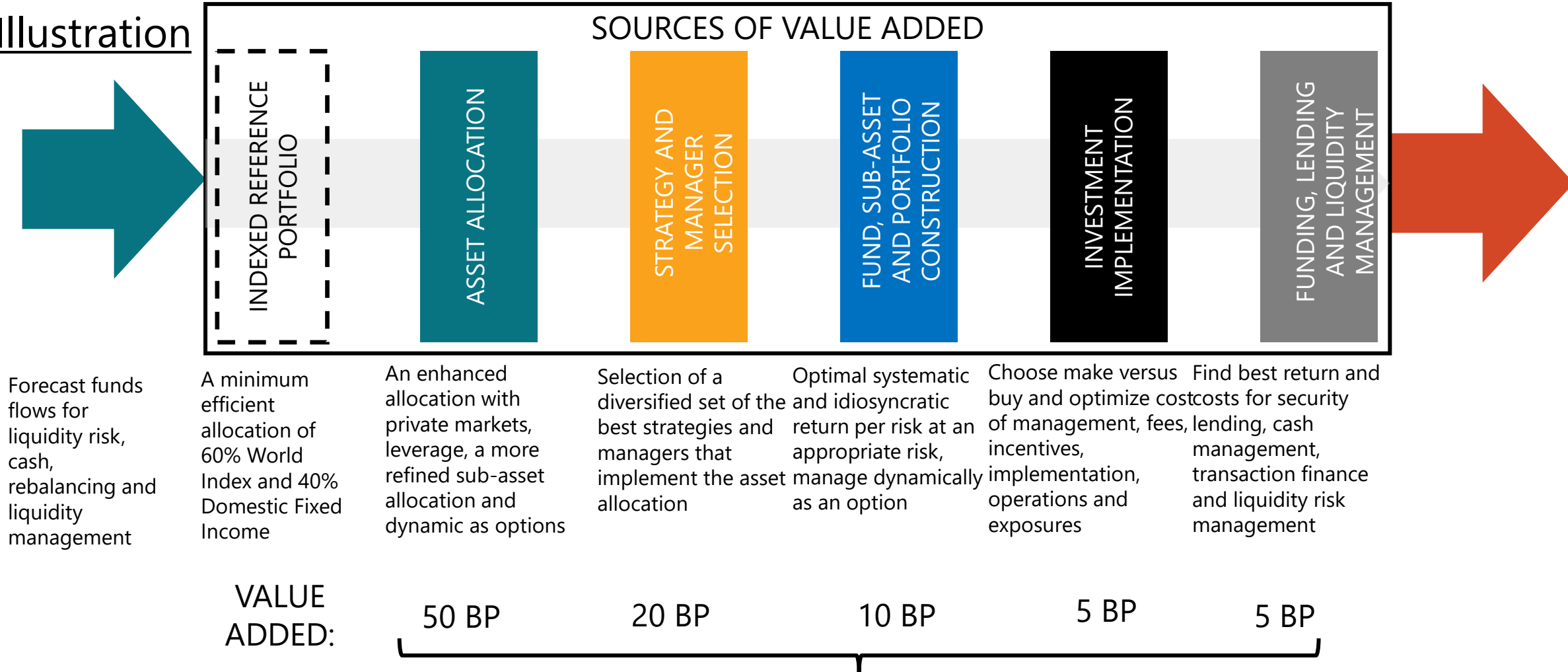
- CURRENCY
- CORRELATION
- STATE
- LIQUIDITY
- GROWTH
- CREDIT SPREAD
- TERM
- CASH
- TRANSACTION COST

Investment Target Model – Advanced Funds Management

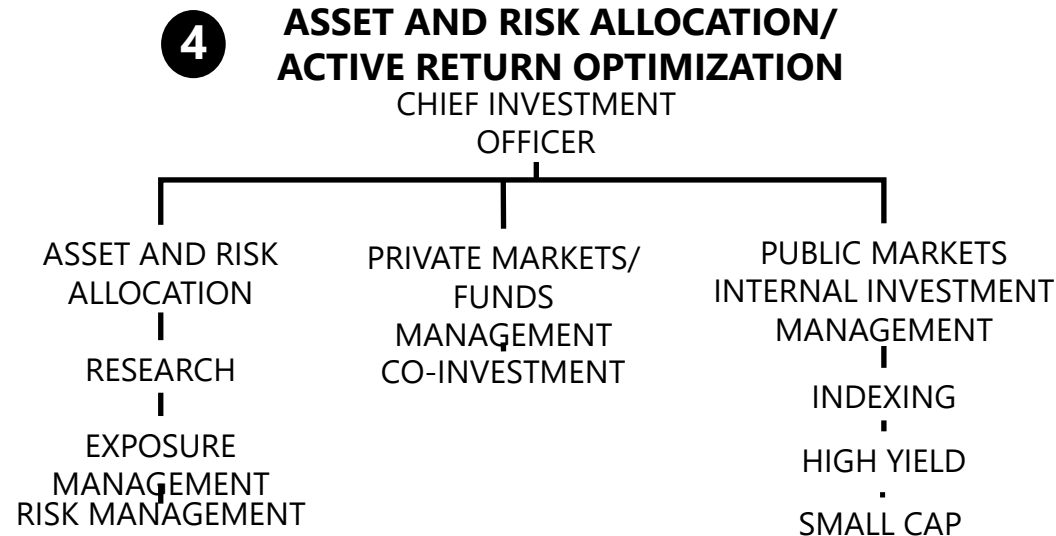
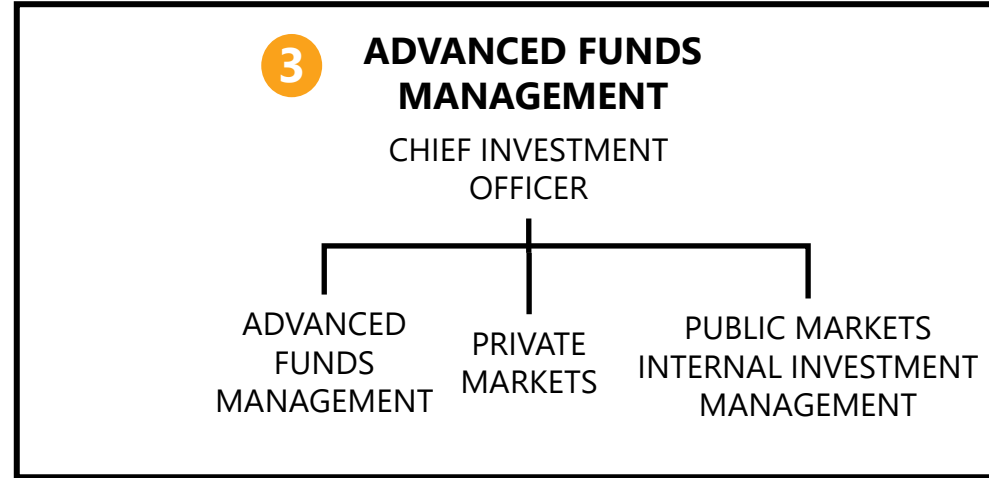
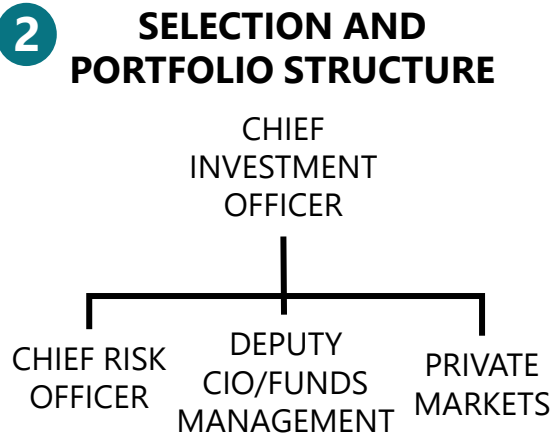
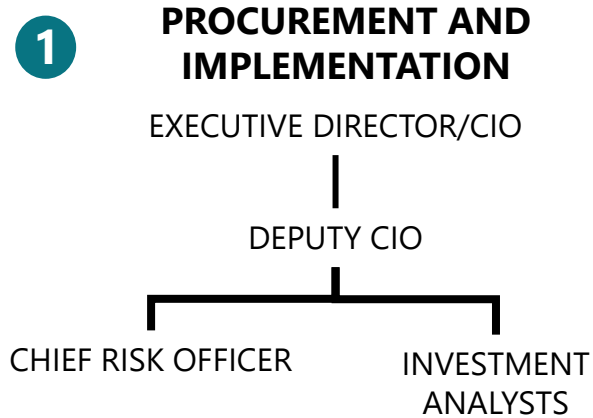


Sources of Value Added

Illustration



Evolving Investment Structure

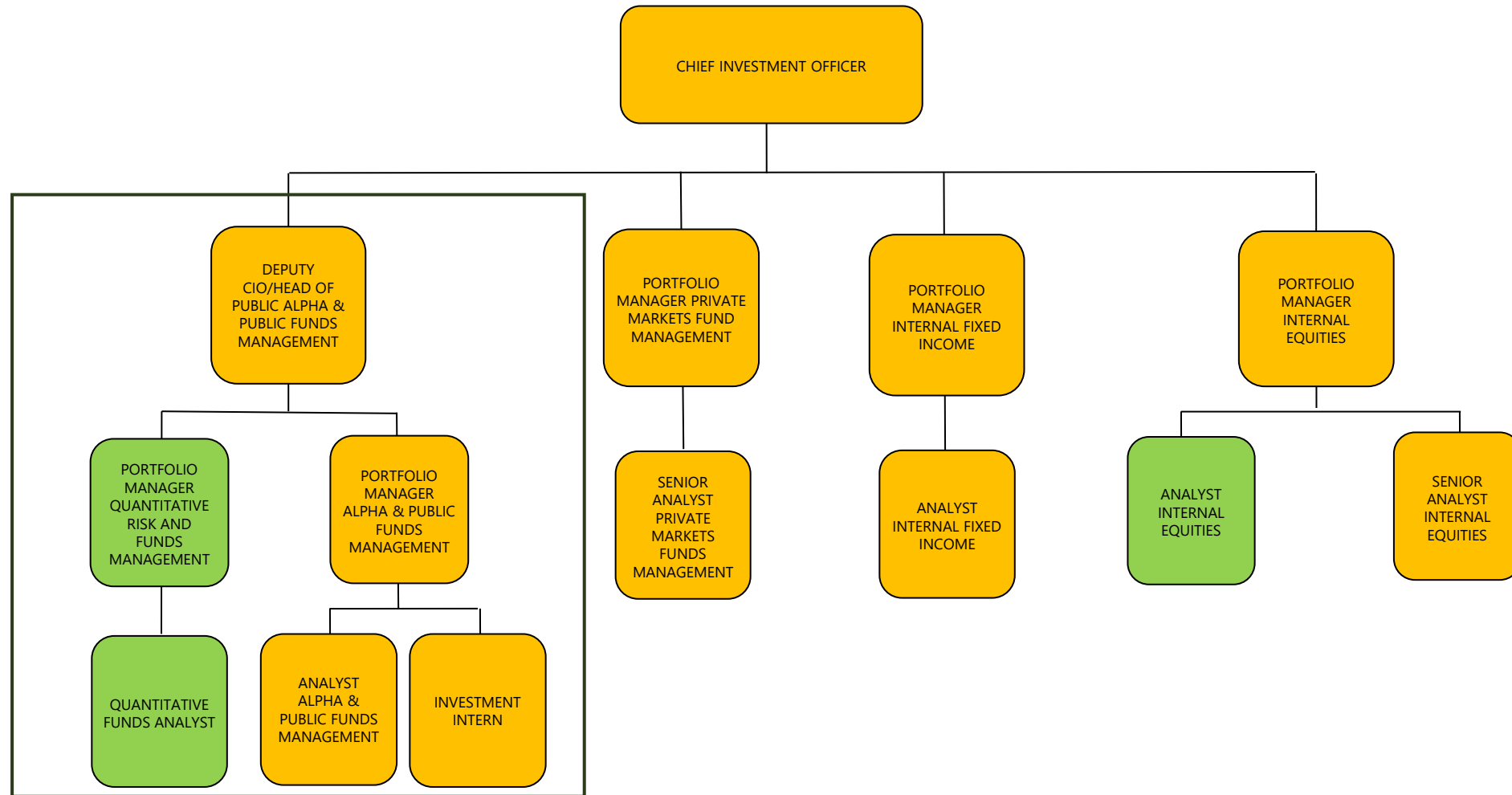


- Increasing investment focus
- Increasing analyst driven culture
- Increasing knowledge/collaboration
- Increasing specialization
- Increasing sophistication
- Increasing fund level/portfolio level harmonization
- Increasing risk management orientation
- Increased return/risk
- **Backward compatible**

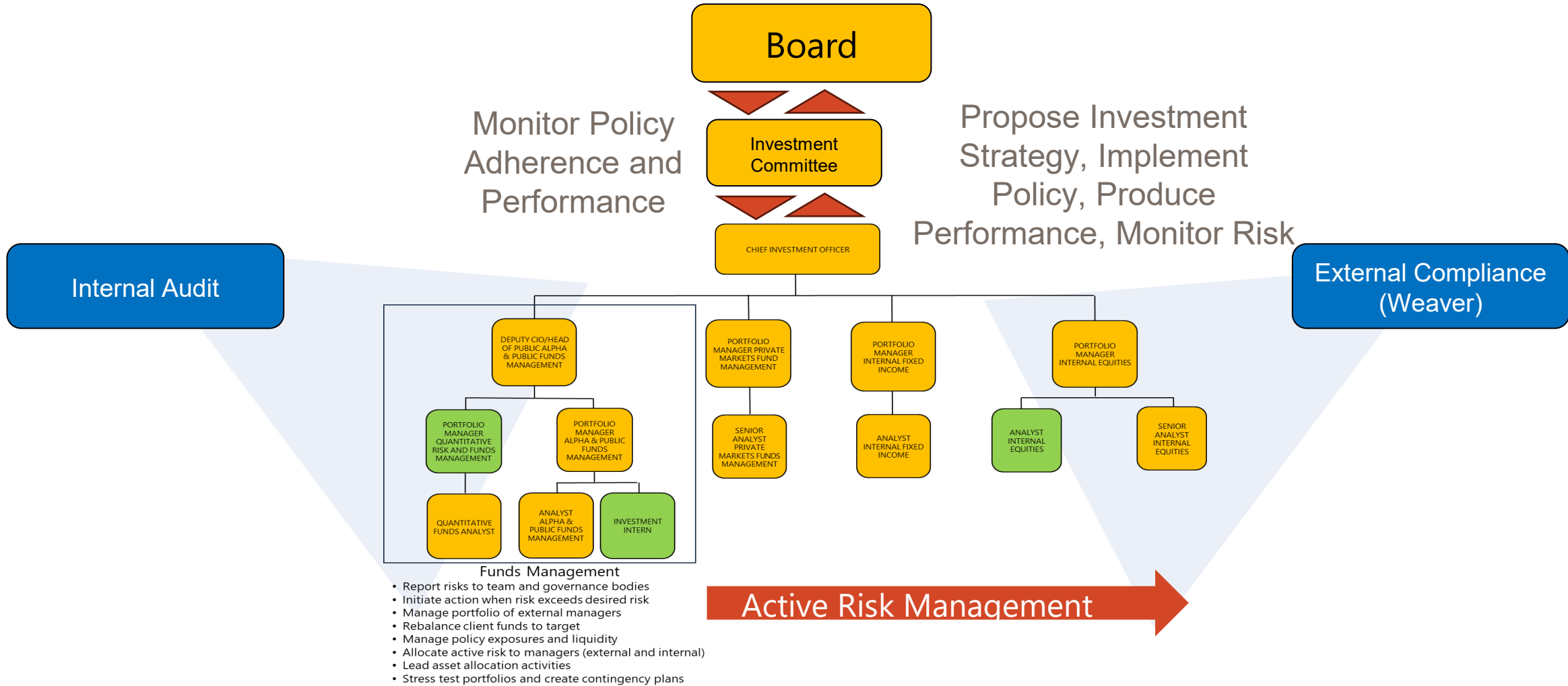
Advanced Funds Management

Funds Management

- Report risks to team and governance bodies
- Initiate action when risk exceeds desired risk
- Manage portfolio of external managers
- Rebalance client funds to target
- Manage policy exposures and liquidity
- Allocate active risk to managers (external and internal)
- Lead asset allocation activities
- Stress test portfolios and create contingency plans



Financial Control and Risk Management



Investment Focus

INTEGRATED INVESTMENT FOCUS

PRIVATE MARKETS FUND OF FUNDS

- Asset class strategies transacted in private markets using a primarily direct to GP approach
- Diversified industry, geography and asset classes such as private debt/loans, real estate, infrastructure, equity, and commodities
- Use of best in class data sources and tools to identify opportunities, construct portfolios and manage risks such as valuation, diversification, currency, liquidity and cash flow
- Manages investments over a life cycle, by pacing investments appropriately based on stage of economic cycle

PUBLIC MARKETS FUND OF FUNDS

- Asset class strategies transacted in public markets over the counter or on exchanges thru external managers
- Diversified strategies, geography and asset classes such as global equities, investment grade fixed, high yield, multi-asset class, and commodities
- Use of best in class data sources and tools to identify opportunities, construct portfolios and manage risks such as idiosyncratic, market, credit, currency, liquidity, interest rate, and derivative
- Manages investments with manager selection, advanced portfolio construction, exposure management, dynamic allocation and rebalance

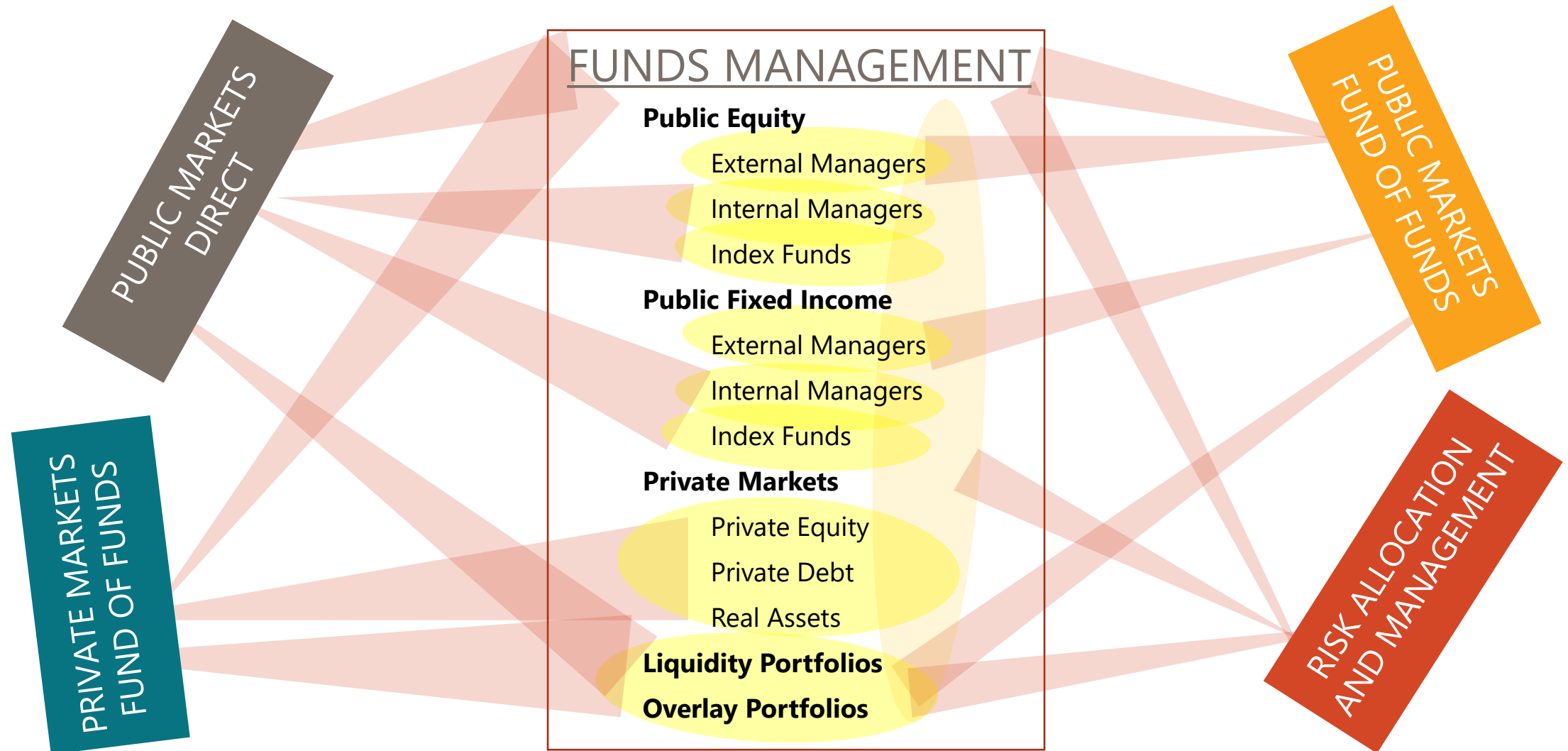
RISK ALLOCATION AND MANAGEMENT

- Mitigates uncompensated risks in advance, identifies fund risk hot spots, manages risks as they occur, and ensures an optimal return for risk at a prudent level of risk in all investment strategies
- Provides risk communication to policy makers and investment teams, participates in all investment decisions, develops quantitative analysis for optimal return for risk, participates in allocation of risk capital
- Use and development of best in class data sources, analytics and tools to identify risks, measure return per risk, manage risks with exposure management and contribute to investment decisions

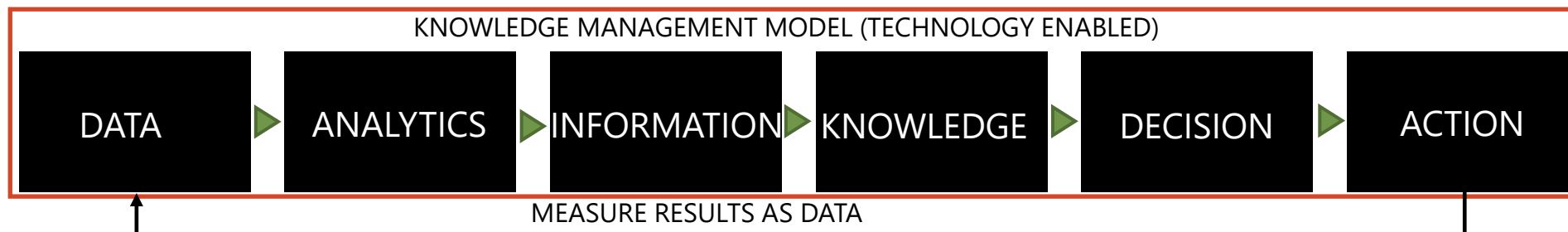
PUBLIC MARKETS DIRECT

- Asset class strategies directly transacted in the public markets over the counter or on exchanges
- Diversified low risk strategies that enhance portfolio return but at a lower cost and risk for the same return as available with external managers
- Facilitate portfolio operations like proxy voting, overlays, security lending, exposure management, alpha beta separation, cash and liquidity management
- Use and development of best in class data sources, analytics and tools to identify opportunities, construct portfolios, transact and manage portfolio risks

Integrated Investment Focus

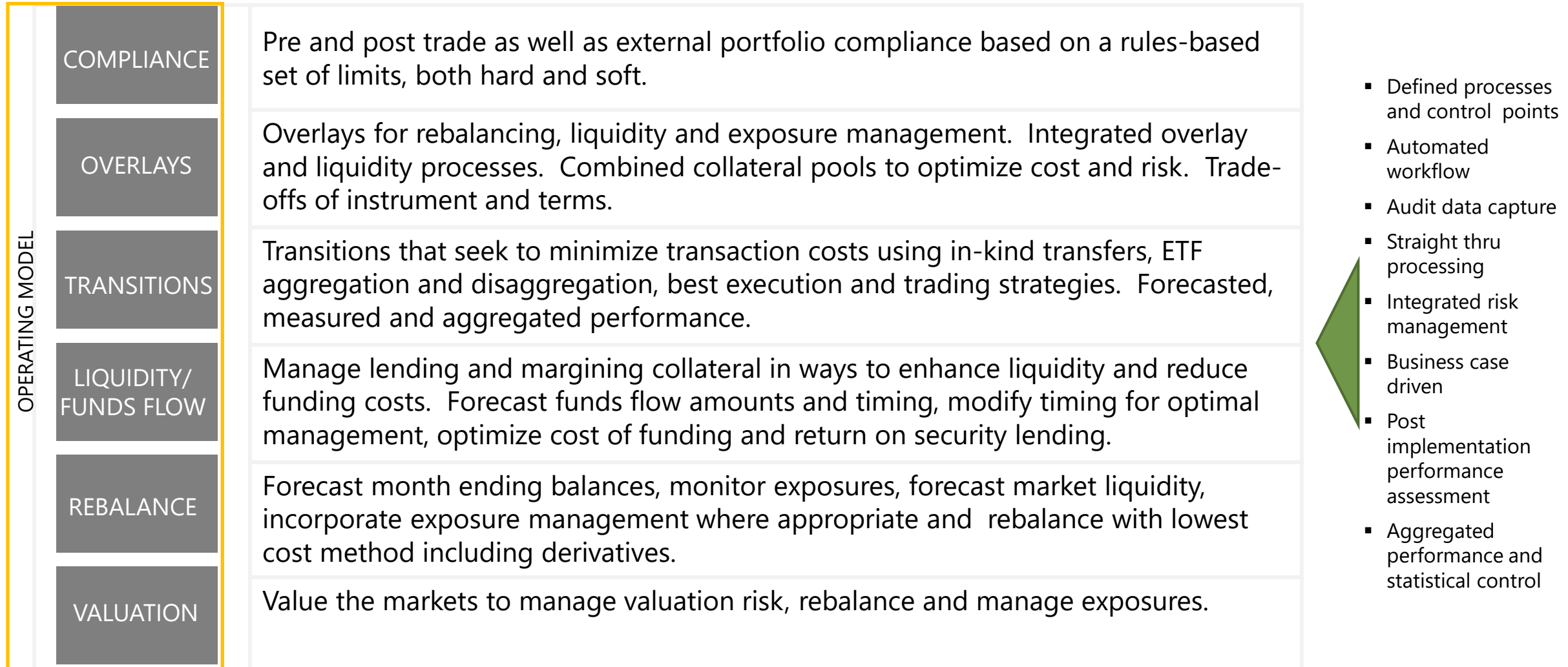


State Based Knowledge Driven Solutions



<ul style="list-style-type: none"> ▪ Business case for value added and to determine make versus buy ▪ Filter and attenuated to be high quality and linked to existing data sets ▪ Structured and unstructured ▪ Cross sectional, longitudinal and time-series 	<ul style="list-style-type: none"> ▪ Analytics development environment, model risk control ▪ Utilize open-source development environment such as python ▪ Used for identifying states, drivers of return and risk, measuring performance, identifying likelihood of outcome and valuing opportunities 	<ul style="list-style-type: none"> ▪ Reporting tools for querying data, visualization and reporting ▪ Ability to publish and post information ▪ Easy integration among tools and applications 	<ul style="list-style-type: none"> ▪ Capture expert opinion ▪ Easy integrated retrieval of linked information ▪ Enable collaboration and enhancements of information ▪ Ability to apply qualitative and quantitative judgements ▪ Conditional likelihood assessments and tools 	<ul style="list-style-type: none"> ▪ Contingent planning and approval ▪ Signal capture and notification ▪ Integrated decision support of market and risk information ▪ Decision logs and recorded decision making ▪ Compliance ▪ Decision support tools 	<ul style="list-style-type: none"> ▪ Automated workflow ▪ Straight through processing ▪ Accounting and market data capture ▪ Granular decision attribution ▪ Integrated compliance, risk, accounting and performance information ▪ High frequency measurement of execution and results
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Operating Model



Talent Management

- STRUCTURE THE ORGANIZATION FOR COLLABORATION AND KNOWLEDGE DEVELOPMENT
- ATTRACT GREAT TALENT
- DEVELOP STAFF TO GROW AND EXCEL
- MOTIVATE STAFF TO PERFORM WELL

Motivate Staff to Perform Well

Qualitative

- IMPORTANT MISSION BASED WORK
- A MERIT BASED CULTURE, COLLEGIALLY, ENJOYABLE WORK ENVIRONMENT
- AN ORGANIZATION THAT LISTENS
- A COMBINATION OF TEAM AND INDIVIDUAL OPPORTUNITIES TO EXCEL AND BE RECOGNIZED
- EDUCATIONAL, LEARNING AND DEVELOPMENT OPPORTUNITIES
- PROMOTION OPPORTUNITIES/INCREASED RESPONSIBILITY
- RESOURCES AND TOOLS TO DO THE JOB
- FLEXIBLE WORK ENVIRONMENT
- HIGH PERFORMING TEAMS
- ENJOYABLE WORK ENVIRONMENT AND GEOGRAPHIC LOCATION

Quantitative

- MARKET BASED SALARY
- TOTAL REWARDS INCLUDING BENEFITS
- MERIT BASED QUALITATIVE INCENTIVE COMPENSATION
- MERIT BASED QUANTITATIVE COMPENSATION

Roadmap for Success



Will develop strategies and capabilities needed for success to be reviewed and approved by the Investment Committee

Typical Investment Committee Content



ONCE
2-3 YEARS

- OBJECTIVES
- PHILOSOPHY
- METHODOLOGIES
- ORGANIZATION
- TOOLS AND MODELS
- CAPABILITY DEVELOPMENT
- PERFORMANCE TARGETS
- FINANCIAL CHARACTERISTICS
- INSTRUMENTS



~THREE
TIMES
PER YEAR

- ABSOLUTE RISK AND PERFORMANCE
- ACTIVE RETURN/RISK ATTRIBUTION
- CONTRIBUTION TO FUND PERFORMANCE
- CHANGES IN TEAM/OWNERSHIP
- COMPLIANCE
- GUIDELINE CHANGES
- NEW PROGRAMS/MANDATES/STRATEGIES
- ASSET ALLOCATIONS
- TRANSITIONS
- MARKET ENVIRONMENT
- APPROVALS FOR NEW IMPLEMENTATIONS

UPDATE

Internal Direct Equity

As of market close on Dec. 3, 2025, the previously approved index enhancement strategy commenced.

Confidential information will be sent directly to committee members.

Quarterly Reports

Third Quarter 2025

Investment Service Contracts

July 1, 2025 – September 30, 2025

Vendor	Execution Date	Description	Cost
Morgan Stanley	7/25/2025	Commodity Futures Account Documents - Amendment	Transactional
Hamilton Lane	7/25/2025	Portfolio Admin & Technology Services – Amendment 2 Customized Reporting	\$2,000/initial commitment; additional charges for added commitments
Morgan Stanley	7/31/2025	Electronic Transactions Agreement	Transactional
Funston Advisory Services	8/27/2025	Governance Assessment Services	\$421,965.00
With Intelligence	9/10/2025	Journal Subscription	\$9,833.35

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