

**STATE INVESTMENT BOARD  
INVESTMENT COMMITTEE MEETING  
MINUTES OF THE  
OCTOBER 7, 2022, MEETING**

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

**STAFF PRESENT:** Missy Kopp, Exec Assistant  
Jan Murtha, Exec Director  
Matt Posch, Sr. Investment Officer  
Chad Roberts, DED/CRO  
Sara Sauter, Suprv of Internal Audit  
Ryan Skor, CFO/COO

**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, October 7, 2022, at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

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

**AGENDA:**

The agenda was considered for the October 7, 2022, meeting.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. TIAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE OCTOBER 7, 2022, MEETING AS DISTRIBUTED.**

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

**NAYS: NONE**

**MOTION CARRIED**

**ACKNOWLEDGEMENT OF APPOINTED CHAIR AND VICE CHAIR AND INTRODUCTIONS:**

Mr. Anderson acknowledged the appointments made by the SIB Chair of Treasurer Beadle as the IC Chair and Commissioner Heringer as Vice Chair. Treasurer Beadle reviewed the makeup of the SIB and their responsibilities. Committee members made introductions.

**GOVERNANCE FOR GROWTH:**

Mr. Anderson provided the IC with a presentation on how the SIB's evolving governance model can support further program growth. This presentation has been given to the SIB Governance and Policy Review (GPR) Committee and the SIB. Mr. Anderson discussed the time horizon of decision making. The current governance model falls into a minimal delegation model where external managers are

responsible for executing a mandate, investment staff make recommendations and provide opinions on investment strategy, and the Board is responsible for making policy and final decisions. We are moving toward a “some delegated authority” model where decision making moves toward the Investment Committee which is a hybrid committee made up of Board members, staff, and outside experts.

Mr. Anderson discussed the near-term plans for modifications to the SIB Governance manual and post-legislative session modifications. Some sections of the manual need modifications because of the addition of the Investment Committee. There are also some sections of the manual that are out of date and some changes that need to be made for TFFR. Staff plan to work on the necessary changes now so we can operate. After completion of legislative session, staff recommend a complete rewrite of the manual. Mr. Anderson outlined the proposed process for making these modifications. Committee discussion followed.

#### **INVESTMENT COMMITTEE CHARTER AND ACTIVITIES:**

Mr. Anderson reviewed the Investment Committee Charter presentation that was previously given to the GPR Committee prior to the creation of the IC. The presentation included three types of IC archetypes. The SIB chose the hybrid model. The IC is composed of two board members, two external investment professionals, and two RIO staff. Mr. Anderson reviewed the important capabilities and proposed responsibilities for the IC and the general procedures that will be followed for IC meetings. Committee discussion followed.

#### **INVESTMENT ACTIVITIES TO DATE:**

Mr. Anderson provided a summary of investment activities to date in 2022. The assets under management (AUM) for the SIB has grown from about \$4 billion in 2010 to over \$20 billion currently. This growth offers an opportunity to take advantage of scale with internal indexing and funds management. Staff have discussed the necessary capabilities for success with the SIB and have already implemented some of these capabilities including the formation of the new GPR and Investment Committees, a change of the Executive Review Committee’s scope, an audit consultant, and a risk management program. Mr. Anderson reviewed the legislative activities that have taken place so far this year. Staff will complete a comprehensive portfolio review in the coming months to identify opportunities across client funds, asset classes, sub-asset classes, and managers. Mr. Anderson explained the three planned phases for fund structure design changes. Committee discussion followed.

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 11:48 a.m.

Prepared by:

Missy Kopp  
Assistant to the Board