

**STATE INVESTMENT BOARD  
INVESTMENT COMMITTEE MEETING  
MINUTES OF THE  
JANUARY 13, 2023, 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

**MEMBER ABSENT:** Dr. Ruilin Tian, External Representative

**STAFF PRESENT:** Derek Dukart, Investment Officer  
Jecca Geffre, Communications & Outreach Dir.  
Rachel Kmetz, Accounting Mgr.  
Missy Kopp, Exec. Assistant  
George Moss, Sr. Investment Officer  
Jan Murtha, Exec. Director  
Matt Posch, Sr. Investment Officer  
Sara Seiler, Suprv. of Internal Audit  
Ryan Skor, CFO/COO  
Jason Yu, Risk Officer

**GUESTS:** Alex Browning, Callan  
Craig Chaikin, Callan  
Members of the public

**CALL TO ORDER:**

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:02 a.m. on Friday, January 13, 2023, at the Retirement and Investment Office (virtual host), 1600 E Century Ave., Bismarck, ND.

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

**AGENDA:**

The agenda was considered for the January 13, 2023, meeting.

**IT WAS MOVED BY MR. CHIN AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE JANUARY 13, 2023, MEETING AS DISTRIBUTED.**

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

**NAYS: NONE**

**ABSENT: DR. TIAN**

**MOTION CARRIED**

**MINUTES:**

The minutes were considered for the December 9, 2022, meeting.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. CHIN AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE DECEMBER 9, 2022, MEETING AS DISTRIBUTED.**

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

**NAYS: NONE**

**ABSENT: DR. TIAN**

**MOTION CARRIED**

**PRIVATE MARKET PORTFOLIO REVIEW:**

Mr. Moss discussed the three-phase approach to optimize the design of the private markets portfolio. Staff is working on improvements to data gathering and analysis including a technology platform for aggregating and analyzing the assets, benchmarking, and pricing models for each strategy and pool. In phase 2 staff will work to move away from external fund-of-funds which would take away added layers of fees, and work to address concerns in the sub-asset classes.

**PRIVATE MARKETS UPDATE:**

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. ANDERSON AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-18.4(1), 44-04-19.1(9), AND 44-04-19.2 TO DISCUSS CONFIDENTIAL COMMERCIAL INFORMATION AND CONTRACT NEGOTIATING STRATEGY.**

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

**NAYS: NONE**

**ABSENT: DR. TIAN**

**MOTION CARRIED**

The executive session began at 10:06 a.m. and ended at 10:27 a.m. In attendance were Committee members, staff, Mr. Browning, and Mr. Chaikin.

**ANNUAL COMPLIANCE REVIEW:**

Mr. Posch provided an update on compliance monitoring. Staff are working with Northern Trust who has provided access to a compliance monitoring system which allows staff to monitor daily positions of public market portfolios. The tool will notify staff daily if one of the positions has breached any of the implemented rules. Staff are reviewing the rules to ensure they are accurately coded. Investment managers are required to notify staff when positions fall out of portfolio guidelines. A list of notifications from the past year are included in the report. On an annual basis, staff review documents for each investment manager. The report includes the list of reviewed documents and results of the review. Future compliance projects include reviewing and updating investment guidelines for each manager, the completion of onboarding for the Northern Trust compliance tool, and integration of the compliance process with the existing document management platform.

**LEGISLATIVE BILLS:**

Mr. Anderson reviewed current legislative bills that could have an impact on the investment program. HB 1039/1040 which would close the PERS defined benefit plan, would change the asset allocation, cost, and strategy for that fund. HB 1088 which changes the membership of the

SIB, would alter the governance to better reflect client composition and fulfill the need for board-level expertise. HB 1147 uses Legacy Fund earnings for a county and township bridge fund and would impact spending rule requirements. SB 2042 would change procurement practices in relation to ND firms. HB 1278 would require contracts with custodians/managers to include written support of fossil fuel and agricultural industries in ND. Committee discussion followed.

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 11:07 a.m.

Prepared by:

Missy Kopp  
Assistant to the Board