

**STATE INVESTMENT BOARD
INVESTMENT COMMITTEE MEETING
MINUTES OF THE
May 12, 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
Dr. Ruilin Tian, External Representative

STAFF PRESENT: Derek Dukart, Investment Officer
Rachel Kmetz, Accounting Manager
Missy Kopp, Exec. Assistant
George Moss, Sr. Investment Officer
Matt Posch, Sr. Investment Officer
Chad Roberts, DED/CRO
Ryan Skor, CFO/COO
Nitin Vaidya, Chief Risk Officer
Jason Yu, Risk Officer
Lance Zietlow, Sr. Investment 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 9:01 a.m. on Friday, May 12, 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, Treasurer Beadle, Mr. Chin, Commissioner Heringer, Dr. Simlai, and Dr. Tian.

AGENDA:

The agenda was considered for the May 12, 2023, meeting.

IT WAS MOVED BY MR. CHIN AND SECONDED BY DR. TIAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE MAY 12, 2023, MEETING AS DISTRIBUTED.

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

NAYS: NONE

MOTION CARRIED

MINUTES:

The minutes were considered for the April 21, 2023, meeting.

IT WAS MOVED BY MR. ANDERSON AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE APRIL 21, 2023, MEETING AS DISTRIBUTED.

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

NAYS: NONE

MOTION CARRIED

RISK STRATEGY:

Mr. Vaidya presented the risk allocation and management strategy. Investors must decide where they should be on the risk spectrum what is the desired level of risk. Mr. Vaidya described investment risk, its effect on returns, and the measures of risk and return. A model for evaluating outcomes was provided. Mr. Vaidya outlined RIO's risk allocation and management beliefs, objective, and strategy. Information was provided on risk allocation and management and their effect on investment outcomes. Staff shared plans for communication with the SIB, IC, and client funds on risk allocation and management including an example of a structural risk dashboard. A timeline of near-term activities was reviewed. Committee discussion followed.

TIMBER PORTFOLIO 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. ANDERSON, DR. SIMLAI, MR. CHIN, DR. TIAN,
AND TREASURER BEADLE**

NAYS: NONE

MOTION CARRIED

The executive session began at 9:54 a.m. and ended at 10:23 a.m. The session was attended by Committee members and staff.

COUNTRY RISK MANAGEMENT:

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. SIMLAI 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: DR. SIMLAI, MR. CHIN, COMMISSIONER HERINGER, DR. TIAN, MR. ANDERSON,
AND TREASURER BEADLE**

NAYS: NONE

MOTION CARRIED

The executive session began at 10:28 a.m. and ended at 11:13 a.m. The session was attended by Committee members and staff.

DELEGATION MATRIX

Mr. Anderson reviewed a proposed delegation matrix that would support the changes resulting from recent legislation. Staff are seeking Committee feedback which they will incorporate into governance manual changes that will be presented to the SIB. The updated delegation matrix outlines activities, who will make recommendations, and the role of the IC to either approve for recommendation to the SIB or approve at the IC level. Committee discussion followed.

IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. CHIN AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE DELEGATION MATRIX AND GUIDLINE CHANGES WITH AMENDMENTS.

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

NAYS: NONE

MOTION CARRIED

COUNTRY RISK:

IT WAS MOVED BY DR. SIMLAI AND SECONDED BY DR. TIAN AND CARRIED BY A ROLL CALL VOTE TO APPROVE STAFF RECOMMENDATIONS.

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

NAYS: NONE

MOTION CARRIED

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