

**STATE INVESTMENT BOARD
INVESTMENT COMMITTEE MEETING
MINUTES OF THE
DECEMBER 8, 2023, 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
Dr. Ruilin Tian, External Representative

STAFF PRESENT: Derek Dukart, Investment Officer
Jennifer Ferderer, Fiscal Investment Admin
Missy Kopp, Executive Assistant
George Moss, Sr. Investment Officer
Jan Murtha, Executive Director
Matt Posch, Sr. Investment Officer
Emmalee Riegler, Procurement/Records Coordinator
Ryan Skor, Chief Financial Officer/Chief Operating Officer
Nitin Vaidya, Chief Risk Officer
Jason Yu, Risk Officer
Lance Zietlow, Sr. Investment Officer

GUESTS: Alexander Browning, Callan
Members of the public

CALL TO ORDER:

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:08 a.m. on December 8, 2023. The meeting was held virtually.

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 December 8, 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 DECEMBER 8, 2023, MEETING AS DISTRIBUTED.

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

MINUTES:

The minutes were considered for the October 23, 2023, meeting and for the November 7, 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 OCTOBER 23, 2023, AND NOVEMBER 7, 2023, MEETINGS AS DISTRIBUTED.

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

RISK REVIEW

Mr. Vaidya and Mr. Yu provided a detailed review of the Risk Analysis, including Country Assessment, Risk Exposures, Investment Systems Acquisition, and the Annual Compliance Review.

Mr. Vaidya provided information on the Country Assessments of China and India and how they compare to other countries. He noted RIO's use of both quantitative risk models and qualitative risk analysis when analyzing scores.

Mr. Vaidya provided the next steps in Risk Exposures, including the continued data verification and validation to ensure accurate reports.

Mr. Vaidya provided information for the Investment Systems Acquisition, including a progress update on the RIO Investment IT Systems Project. The Executive Steering Committee has been formed and the charter has been approved, with an expected total cost of \$950,000-\$1.9 million.

Lastly, Mr. Yu provided insight to the Annual Compliance Review, including the future developments to the RIO investment team, including an Internal Direct Investment Team (IDIT) and a compliance role. The IDIT will necessitate additional rules implementation on the new OEMS platform and will have the ability to trade under strict monitoring. The compliance role will need to provide an effective program to monitor compliance with state and client requirements, as well as rule definitions, and employee compliance.

The Board recessed at 10:32 a.m. and reconvened at 10:38 a.m.

PUBLIC MARKETS FUND MANAGEMENT PART II AND HIGH YIELD STRATEGY

IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY DR. TIAN AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION TO REVIEW AND DISCUSS CONFIDENTIAL COMMERCIAL INFORMATION AND TRADE SECRETS PURSUANT TO NDCC 44-04-19.2, 44-04-18.4 (2)(a) AND 44-04-18.4 (2)(d).

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

NAYS: NONE

MOTION CARRIED

The executive session started at 10:41 a.m. and ended at 11:41 a.m. and was attended by Committee members, RIO staff, and Mr. Browning.

INTERNAL DIRECT INVESTMENT COMPLIANCE CONSULTANT AND GENERAL CONSULTANT RFP

Mr. Anderson provided an update regarding two upcoming RFPs relating to advisory services.

The first for an internal direct investment compliance consultant to assist staff in building a larger compliance framework applicable to an internal direct strategy. Since internal direct strategies will be implemented incrementally, staff recommends a multi-year project-based consulting relationship. After discussion, the committee provided direction for staff to proceed with the RFP and have finalists present to the committee.

The second for a general consultant with a possible unbundling of some consulting services. Discussion followed. The committee requested staff develop a plan for future consulting relationships. Additionally, staff should prepare a draft of the general consultant RFP for committee review and discussion.

IT WAS MOVED BY DR. TIAN AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE FOR APPROVAL OF STAFF PROCEEDING WITH THE INVESTMENT COMPLIANCE CONSULTANTS RFP.

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

NAYS: NONE

MOTION CARRIED

ADJOURNMENT

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 12:05 p.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board