

**STATE INVESTMENT BOARD
INVESTMENT COMMITTEE MEETING
MINUTES OF THE
JANUARY 12, 2024, MEETING**

MEMBERS PRESENT: Thomas Beadle, State Treasurer, Chair
Scott Anderson, Chief Investment Officer
Eric Chin, Deputy Chief Investment Officer
Dr. Prodosh Simlai, External Representative
Dr. Ruilin Tian, External Representative

MEMBERS ABSENT: Joseph Heringer, Trust Lands Commissioner, Vice Chair

STAFF PRESENT: Derek Dukart, Investment Officer
Jennifer Ferderer, Fiscal Investment Admin
Rachel Kmetz, Accounting Manager
George Moss, Senior Investment Officer
Jan Murtha, Executive Director
Matt Posch, Senior Investment Officer
Emmalee Riegler, Procurement/Records Coordinator
Michael Schmitcke, Senior Investment Accountant
Ryan Skor, Chief Financial Officer/Chief Operating Officer
Nitin Vaidya, Chief Risk Officer
Jason Yu, Risk Officer
Lance Zietlow, Senior Investment Officer

GUESTS: Alexander 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 9:03 a.m. on January 12, 2024. The meeting was held virtually.

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

AGENDA:

The agenda was considered for the January 12, 2024, meeting.

IT WAS MOVED BY MR. ANDERSON AND SECONDED BY DR. TIAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE JANUARY 12, 2024, MEETING AS DISTRIBUTED.

**AYES: MR. ANDERSON, MR. CHIN, DR. SIMLAI, DR. TIAN, AND TREASURER BEADLE
ABSENT: COMMISSIONER HERINGER
NAYS: NONE
MOTION CARRIED**

MINUTES:

The minutes were considered for the December 8, 2023, meeting.

IT WAS MOVED BY MR. CHIN AND SECONDED BY DR. SIMLAI AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE DECEMBER 8, 2023, MEETING AS DISTRIBUTED.

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

ABSENT: COMMISSIONER HERINGER

NAYS: NONE

MOTION CARRIED

INVESTMENT STRATEGY REVIEW

Mr. Anderson provided information on the market, including benchmark indices and inflation expectations. A detailed review of the investment performance for the quarter ending December 31, 2023, was provided, and included performance for PERS, TFFR, Legacy Fund, and WSI. Mr. Anderson discussed the agency's roadmap for success and near-term timeline of activities. Committee discussion followed.

The Board recessed at 10:24 a.m. and reconvened at 10:38 a.m.

CONSULTING STRATEGY

Mr. Anderson provided details on the importance of consultant contracts and an overview of current consulting relationships. Staff recommends that the current performance and project consultant relationship be unbundled into a performance consultant and separate project consulting as needed. This will enable staff to define, plan, and time projects in a more rigorous and appropriate way. Staff also recommends retaining an asset allocation consultant to work on a project fee basis, which would enable a consistent methodology to be applied to the types of allocations deployed. Staff also recommends maintaining an annual cost and FTE benchmark consultant to provide an independent benchmark as to what constitutes normal costs and FTE counts in the public fund space. Lastly, staff recommends retaining a compliance consultant to assist staff in building the compliance processes and controls needed as the internal investment program is rolled out in an incremental manner. Other considerations for the future include public and private market manager specialists and project specialists as needed. Committee discussion followed.

IT WAS MOVED BY MR. CHIN AND SECONDED BY DR. TIAN AND CARRIED BY A ROLL CALL VOTE TO APPROVE MOVING FORWARD WITH THE PROCUREMENT PROCESS FOR A PERFORMANCE CONSULTANT, AN ALLOCATION CONSULTANT, A COST AND FTE BENCHMARKING CONSULTANT, AND A COMPLIANCE CONSULTANT.

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

ABSENT: COMMISSIONER HERINGER

NAYS: NONE

MOTION CARRIED

PRIVATE MARKET MANAGER RECOMMENDATION

IT WAS MOVED BY DR. TIAN AND SECONDED BY DR. SIMLAI 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 NDCC 44-04-18.4(2)(D)

AYES: DR. SIMLAI, MR. CHIN, DR. TIAN, MR. ANDERSON, TREASURER BEADLE
ABSENT: COMMISSIONER HERINGER
NAYS: NONE
MOTION CARRIED

The executive session started at 11:02 a.m. and ended at 11:38 a.m. and was attended by Committee members, Mr. Browning, Mr. Dukart, Ms. Ferderer, Mr. Moss, Ms. Murtha, Mr. Posch, Mr. Skor, Mr. Vaidya, Mr. Yu, and Mr. Zietlow.

ADJOURNMENT

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 11:41 a.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board