

**STATE INVESTMENT BOARD  
INVESTMENT COMMITTEE MEETING  
MINUTES OF THE  
FEBRUARY 9, 2024, 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  
Rachel Kmetz, Accounting Manager  
George Moss, Senior Investment Officer  
Jan Murtha, Executive Director  
Matt Posch, Senior Investment Officer  
Emmalee Riegler, Procurement/Records Mgmt. Coordinator  
Chad Roberts, Dep. Executive Director/Chief Retirement Officer  
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  
Members of the public

**CALL TO ORDER:**

Treasurer Beadle called the State Investment Board (SIB) Investment Committee (IC) meeting to order at 9:04 a.m. on Friday, February 9, 2024. 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 February 9, 2024, meeting.

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY MR. ANDERSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE FEBRUARY 9, 2024, MEETING AS DISTRIBUTED.**

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

**NAYS: NONE**

**MOTION CARRIED**

**MINUTES:**

The minutes were considered for the January 12, 2024, meeting.

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

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

**NAYS: NONE**

**MOTION CARRIED**

### **PUBLIC MARKETS STRATEGY REVIEW**

Mr. Chin provided the committee an overview on equity markets, both in the U.S. and internationally. Mr. Chin noted the expectations for “Magnificent Seven” remain strong, expecting to grow 11%.

Mr. Posch provided information on equity manager performance, noting some reported numbers are lower due to the termination of underperforming managers. Mr. Posch stated Domestic Equity is doing well, largely due to the strong performance of LA Capital.

Mr. Dukart provided information on fixed income markets, noting Bloomberg Aggregate is up 5.5% for 2023. Mr. Dukart provided information on the US Treasury Yield Curve, noting 2023 was a positive year for fixed income.

Mr. Posch provided information on fixed income managers for PERS, Legacy Fund, and the Budget Stabilization Fund. It was noted the core managers of PERS Fixed Income outperformed during the period, with Pimco Disco II even more so. It was noted the reported numbers of Pimco Bravo II reflect a fund that is winding down. Mr. Posch finishes the public markets strategy review by speaking on the IG fixed income portfolio current allocation and factor exposure.

### **HIGH YIELD PORTFOLIO RECOMMENDATION**

The recommendation was made in executive session.

**IT WAS MOVED BY MR. CHIN 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 NDCC 44-04-18.4(2)(D)**

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

**NAYS: NONE**

**MOTION CARRIED**

The executive session started at 9:45 a.m. and ended at 11:47 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.

**IT WAS MOVED BY DR. TIAN AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO APPROVE STAFF RECOMMENDATION TO ADJUSTMENTS TO THE HIGH YIELD PORTFOLIO AND DIRECT THE STAFF TO REPORT BACK AT A FUTURE COMMITTEE MEETING.**

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

**NAYS: NONE**

**MOTION CARRIED**

**PRIVATE MARKET MANAGER RECOMMENDATION**

The recommendation was made in executive session.

**IT WAS MOVED BY DR. SIMLAI AND SECONDED BY MR. CHIN AND CARRIED BY A ROLL CALL VOTE TO APPROVE STAFF RECOMMENDATION TO ADJUSTMENTS TO THE PRIVATE MARKET MANAGERS AND OUR PORTFOLIO AND DIRECT THE STAFF TO REPORT BACK AT A FUTURE COMMITTEE MEETING.**

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

**NAYS: NONE**

**MOTION CARRIED**

**DISCUSSION**

Mr. Anderson proposed to the committee to have Versus create an interim benchmark memo to provide a private equity benchmark series. The committee discussed reviewing the benchmark before presenting to the State Investment Board. It was decided to schedule a special IC meeting for February 20, 2024.

**ADJOURNMENT**

With no further business to come before the Investment Committee, Treasurer Beadle adjourned the meeting at 12:10 p.m.

Prepared by:

Jennifer Ferderer, Assistant to the Board